

30 June 2010

## Aim

The Trust's objective is to achieve long-term capital growth by investing principally in the equity securities of quoted technology companies on a worldwide basis with the aim of achieving long-term capital growth.

## Risks & Features

Investment trusts are quoted companies listed on the London Stock Exchange. Their share prices are determined by factors including the balance of supply and demand in the market, which means that the shares may trade below (at a discount to) or above (at a premium to) the underlying net asset value.

Competition among technology companies may result in aggressive pricing of their products and services, which may affect the profitability of the companies in which the Trust invests. In addition, because of the rapid pace of technological development, products or services developed by these companies may become rapidly obsolete or have relatively short product cycles. This may have the effect of making the Trust's returns more volatile than the returns of a fund that does not invest in similarly related companies.

Investment trusts can enhance returns through gearing. This can boost a Trust's returns when investments perform well, though losses can be magnified when investments lose value. This Trust does not currently employ gearing.

## History

The Trust was launched in December 1995 as a way for investors to gain exposure to quoted technology companies on a worldwide basis with the aim of achieving long-term capital growth. The Board appointed RCM to manage the trust's assets from April 2007. The decision was based on the performance of RCM's US-based technology team, their experience and RCM's depth of expertise in the management of investment trusts.

## Fund Manager's Review



Walter Price

Tech stocks continued their downdraft in June with the Dow Jones World Technology Index declining 8.21% (DJTM W. Tech TR £) during the month. Concerns over the health of the EU worried US investors as images of Greek strikes were broadcast across the globe. Meanwhile, our analyst trips to Asia yielded somewhat cautious insight. Anecdotally, our analysts learned that customers of the Asian manufacturing companies were cutting orders in May and June for third quarter production.

The Trust's NAV declined but outperformed the Index during the month (-7.9% NAV). Stock selection drove relative outperformance with notable strength in software and internet. The Trust also held fewer large cap technology stocks than the benchmark, which were viewed as too big to avoid the weakness in Europe and thus have been hit hard in the last two months. We had reduced our very large position in Microsoft as we worried that the upgrade cycle might be more muted than expected in the second half of 2010. With shares down 11% during June, others have clearly joined our concern. Despite the broad declines, several stocks within our growth sector portfolio increased during the month highlighting strong business fundamentals at companies such as Riverbed Technology, Akamai Technologies, and TIBCO Software. Hurting performance was our position in LED companies such as Cree and Aixtron, but we continue to like this sector which has been affected by its association with semiconductor cyclicality. We think these companies have the

## Key Information

<b>Total Assets:</b>	£67.9m
<b>No. of Ordinary Shares:</b>	22,658,090
<b>No. of Subscription Shares<sup>2</sup>:</b>	4,720,287
<b>Ordinary Share Price<sup>1</sup>:</b>	283.5p
<b>Net Asset Value (Ordinary)<sup>2</sup>:</b>	299.8p
<b>Premium/-Discount to NAV<sup>2</sup>:</b>	-5.4%
<b>Subscription Share Price<sup>1,2</sup>:</b>	51.0p
<b>No. of Holdings:</b>	66

All data source RCM (UK) Limited as at 30.06.10 unless otherwise stated.

<b>Launch Date:</b>	December 1995
<b>Continuation Vote:</b>	2011
<b>AIC Sector:</b>	Specialist Sector: Technology, Media & Telecoms
<b>Benchmark:</b>	Dow Jones World Technology Index (Sterling Adjusted)
<b>Year end:</b>	30 November
<b>Annual Financial Report:</b>	Final posted in March, Half-yearly posted in July
<b>AGM:</b>	April
<b>Price Information:</b>	Financial Times, The Daily Telegraph, www.rcm.com/investmenttrusts
<b>Board of Directors:</b>	David Quysner CBE (Chairman), John Cornish FCA (Chairman of the Audit Committee and Senior Independent Director), Paul Gaunt, Richard Holway, Dr Chris Martin
<b>Investment Manager:</b>	Walter Price CFA, Managing Director, Senior Analyst, RCM A company of Allianz Global Investors
<b>Investor Services:</b>	020 7065 1407

<sup>1</sup>Source: Lipper as at 30.06.10, market close mid price.

<sup>2</sup>Please refer to Subscription Shares section on page 2

<sup>3</sup>A trust's net asset value (NAV) is calculated as available shareholders' funds divided by the number of shares in issue, with shareholders' funds taken to be the net value of all the company's assets after deducting liabilities. An undiluted, cum-income NAV is shown.

## (Cont.)

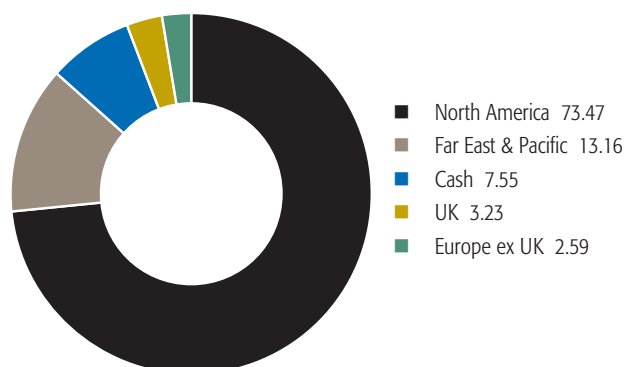
opportunity to grow through the slowdown, as LED lighting seems to be gaining momentum from both cost and energy savings as well as product improvements. From September onwards, we think the data will again become reassuring and with a seasonally strong tailwind, we believe the market could see another surge in technology stock prices.

RCM (UK) Limited, 155 Bishopsgate, London EC2M 3AD

## Top Ten Holdings (%)

Name	%
Apple	5.9
US Treasury Bill 0% 2010	5.1
Cisco	5.1
Akamai Technologie	4.0
Salesforce.com	3.6
Amazon	3.5
Google	3.2
Successfactors	2.8
Riverbed Technology	2.7
Netflix	2.6
<b>Total</b>	<b>38.5</b>

## Geographic Breakdown (%)



Changes in rates of exchange may cause the value of investments and the income from them to go down or up.

## How to Invest?

The Trust is a UK public limited company traded openly on the stock market. You can purchase shares through a stock broker.

RIC: RTT      SEDOL: 0339072      ISIN: GB0003390720

Shares in the Trust can be held within an ISA and/or savings scheme and a number of providers offer this facility. A list of suppliers is available on our website [www.rcm.com/investmenttrusts](http://www.rcm.com/investmenttrusts) or from the AIC at [www.theaic.co.uk](http://www.theaic.co.uk)

Please note: Our Investment Trust Savings Plan was closed and transferred to Alliance Trust Savings on 29 February 2008. Alliance Trust can be contacted on 01382 573 737 or [contact@alliancetrust.co.uk](mailto:contact@alliancetrust.co.uk)

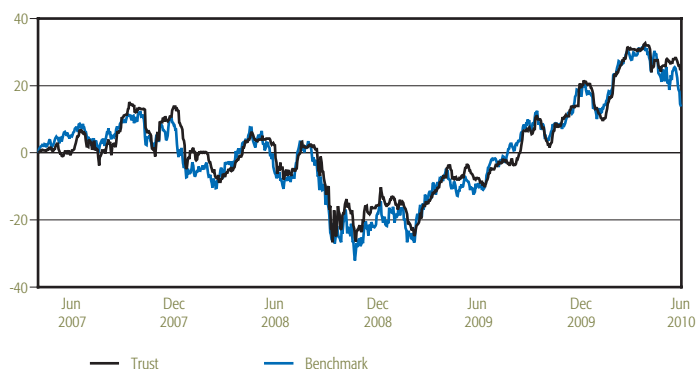
## RCM Advantage

RCM and its predecessors have been managing investment trusts since 1889, providing investors with access to investment markets around the world through professionally managed portfolios. Each trust benefits from the expertise of the RCM fund managers yet, as a company listed on the London Stock Exchange, it is independent and is overseen by its own Board of Directors.

RCM is the global equity specialist within Allianz Global Investors. With offices strategically located in the US, Europe and Asia, RCM uses its global research platform to search out investment opportunities.

## Performance

### Trust Performance Since 1 May 2007 (%)



### Cumulative Performance (%)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Price	-4.75	4.46	35.10	-	-
Benchmark	-11.17	-2.77	26.19	-	-

### Standardised Past Performance (%)

From	30.06.05	30.06.06	29.06.07	30.06.08	30.06.09
To	30.06.06	29.06.07	30.06.08	30.06.09	30.06.10
Share Price	1.70	8.11	1.55	-9.57	35.10

Source: Lipper, percentage growth, mid to mid, capital return, to 30.06.10

Benchmark: Dow Jones Global Technology Index (Sterling Adjusted)

Standardised past performance figures comply with the Financial Services Authority's regulations to enable investors to compare different products from different providers.

Past performance is not a reliable indicator of future performance. You should not make any assumptions on the future on the basis of performance information. The value of an investment and the income from it can fall as well as rise as a result of market fluctuations and you may not get back the amount originally invested.

**RCM were appointed managers of this Trust on 30th April 2007.**

## Subscription Shares

Following the approval of special resolutions at an extraordinary general meeting in August 2007, 4,770,568 RCM Technology Trust Subscription Shares have been listed. Qualifying shareholders received one Subscription Share for every five Ordinary Shares held by them on 17.08.07. These are qualifying investments for stocks and shares ISAs. Each Subscription Share is capable of conversion, on notification to the Company in the thirty days preceding the annual general meeting in any of the years 2008 to 2012 (inclusive), into one Ordinary Share on the date of the relevant annual general meeting. The Conversion Price of the Subscription Shares will be 267p, which represented a 10% premium to the Net Asset Value per Share (calculated on an undiluted basis and in accordance with the basis set out in the prospectus dated 18.07.07) as at the close of business on 14.08.07.

All data source RCM (UK) Limited as at 30.06.10 unless otherwise stated.

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