

## ***Growth in new technology buoying sector, says manager of RCM Technology Trust***

- **Research<sup>1</sup> shows many investors fail to think about the new technology areas when weighing up their technology sector allocations**
- **New technology at the forefront of solving many current global challenges**
- **Strong demand for higher value-added products, including smart phones**

Despite the growing importance of new technology, research<sup>1</sup> conducted by RCM found a general lack of awareness amongst advisers that new areas are being brought within the remit of technology funds. Technology now forms the largest sector in the S&P 500<sup>2</sup>. Even so, index compilers often fail to incorporate emerging technology sectors until they are already well established, and therefore lag specialist technology funds in their sector make up.

RCM's research revealed that only one in four respondents cited environmental technology as a sub-sector, whilst just 39% counted alternative energy and clean tech as areas. Unexpectedly, just under half of respondents included internet and new media within their definition of the technology sector.

**Walter Price, manager of the RCM Technology Trust, commented** "Many of the new areas of technology that are providing strong investment opportunities are often overlooked by advisers and investors, as our research has shown. However, I expect that over the next couple years these areas will increase in popularity as investors start to see the potential for long term growth.

"We are seeing that many of the fundamental issues concerning food supply, the competition for raw materials and the shortage of new oil supplies can be overcome through the help of new technologies. For example, hybrid or electric vehicles are planned to appear from many of the major suppliers in the 2010 model year, reducing the reliance by drivers on petrol. New seed technology is significantly improving crop yields and solar power continues to develop rapidly as new technology is brought into production and the volume of silicon is increasing dramatically. Many of these potential solutions involve technology companies that we already invest in and we feel confident therefore about the ability of these companies to grow even if overall economic growth is low."

Despite global markets witnessing a phase of increased volatility Walter Price believes a global recession can be avoided as technology companies take on the challenges of the twenty-first century.

**Walter Price continued:** "At the moment the market for technology related services and products remains in reasonable shape, despite concerns earlier in the year that some businesses would reduce their spending in the face of the economic slowdown. However, for consumer related companies the outlook remains more mixed. Demand for higher value-added products, such as smart phones, is showing resilience, but shipments of lower value-added products such as desk top computers has weakened."

"Overall, I feel confident that the technology sector will continue to be buoyed by consumer demand. However, it remains crucial that the financial markets stay liquid and the banks and other intermediaries regain their health over time in order for top levels of performance to be achieved."

• **Investment remit**

RCM, the specialist global equity company of Allianz Global Investors, took over the management of the Trust in May 2007, when the portfolio was rebalanced to reflect RCM's views of markets, trends and opportunities. This resulted in a significantly higher weighting towards larger capitalisation securities and a reduced allocation to the UK and Europe.

The overall investment objective of the Company is to invest principally in the equity securities of quoted technology companies on a worldwide basis with the aim of achieving long-term capital growth. Investors should be aware that the companies in which this Trust invests may be highly volatile.

- Ends -

**For more information:**

Simon White, Head of Investment Trusts, RCM, Phone 020 7065 1539

Emma Taylor, Press Office, RCM, Phone 020 7065 1526

Harshna Brahmhatt, Lansons Communications, Phone 020 7294 3610

- 1- Source: RCM. 120 telephone interviews conducted amongst a cross section of private client brokers, intermediaries and institutional investors. Interviews took place between 19<sup>th</sup> May and 12<sup>th</sup> June 2008. Unprompted responses: environmental technology = 24%; alternative energy/ clean tech = 39%; internet/ new media = 49%.
- 2- Source: RCM/ Bloomberg , S&P 500 at 30<sup>th</sup> June 2008.

The information contained herein including any expression of opinion is for information purposes only and is given on the understanding that it is not a recommendation and anyone who acts on it, or changes their opinion thereon, does so entirely at their own risk. The opinions expressed are based on information which we believe to be accurate and reliable, however, these opinions may change without notice. 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 and currency fluctuations and you may not get back the amount originally invested. Dresdner Kleinwort makes markets in the Allianz Global Investors range of investment trusts. An investment trust's shares may trade below (at a discount to) or above (at a premium to) the underlying net asset value.

**About RCM (all data source RCM/ Allianz Global Investors as at 31.12.07 unless otherwise stated)**

RCM is a global asset manager operating from six international offices - San Francisco, London, Frankfurt, Hong Kong, Tokyo and Sydney - with assets under management of over €110 billion/\$162 billion worldwide. The firm provides a range of investment management solutions to institutions and individual clients. At RCM we believe that by generating and exploiting an information advantage, we will be able to deliver superior and consistent investment results for the benefit of our clients - a philosophy we call RCM informed. RCM is a company of Allianz Global Investors, a pre-eminent global asset management group committed to helping clients achieve sustainable success. As a company of Allianz Global Investors, RCM offers a distinctive investment philosophy and culture, while benefiting from the scale and substantial resources of our parent; including business support, industry best-practices and financial investment. This enhances our ability to attract and retain talent, and provide superior insight and investment performance.

This press release is intended for journalists in their professional capacity and is not intended to be a financial promotion. Issued in the UK by RCM (UK) Ltd, 155 Bishopsgate, London, EC2M 3AD. Authorised and regulated by the Financial Services Authority.