

Alternative Energy a likely beneficiary of US Presidential Election race

- **Alternative energy sector set to benefit from package of measures under Presidential front runner Obama**
- **US wind and solar industries tipped to become largest in the world**
- **Tax cuts in US could soften the recession**
- **Measures to encourage jobs growth a boost for technology companies in data consolidation & automation**

With two weeks to go until the 2008 Presidential and Congressional elections in the US, **Walter Price, manager of the RCM Technology Trust**, comments on the possible implications for the Technology sector in 2009:

"The most important issue for the Technology sector and the world is the need to restore the effective functioning of the financial markets. Business has already been affected since the middle of September, when the bankruptcy of Lehman Brothers sent shock waves through the debt markets and caused short term debt and commercial paper to become much harder to obtain. Technology projects and expenditures that can be postponed are being so, both by consumers and companies. Although many companies have made expectations for the September quarter, we expect that forecasts for the December quarter will be lowered and those that dare talk about 2009 will do so with tempered expectations.

"In terms of the political background, the platforms of the incumbent Republican president, Bush, and the leading Presidential candidate, Democrat Obama, are quite different. Obama believes in the beneficial effects of government policy, and this should matter in a number of areas relevant to Technology. For instance, Obama has pledged to address Global Climate Change and the need to eliminate the dependence of the USA on foreign oil imports. We should see a programme that builds upon the Investment Tax Credit (the package of tax measures designed for the solar energy sector) that was passed by Congress as a part of the rescue bill to encourage alternative energy generation, including new credits for electric, hybrid, and natural gas run cars and trucks; more funds for research into new energy sources; and credits for energy conservation efforts. We think this will spur the wind and solar industries in the US to become the largest in the world, but there will be a bias for those companies that locate their plants in the US and employ lots of US citizens. Companies like First Solar, Sun Power, and Energy Conversion Devices will be beneficiaries. It will also give impetus to the conservation technologies of companies like Itron.

Walter Price continued:

"Obama is also a supporter of reforming the income tax system, to provide additional income for those making less than \$100,000 and additional taxes for those making over that level. We could see a tax cut for most Americans passed as early as November, which would help soften the recession now under way in the US. This would help many of the technology companies making computers, as this fits into the effort to improve the educational strength of the US. We would expect to see broader internet availability.

"Taxes on multinational companies that have low tax locations overseas are going up, taxes on oil companies are going up, and outsourcing will get more scrutiny under Obama. All of these programmes will encourage job growth in the US, and make initiatives such as Hewlett-Packard/EDS's data centre consolidation and automation timely.

- **Investment remit**

RCM, the specialist global equity company of Allianz Global Investors, took over the management of the RCM Technology 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

Notes to Editors:

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 as at 31.12.07)

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 €80 billion/\$130 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.