

## Our investment *trusts*

independence ■ expertise ■ choice

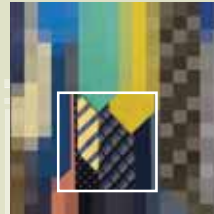


# The information *advantage*

RCM and its predecessors have been managing investment trusts since 1889, providing investors with access to investment markets around the world.

RCM is an award-winning global asset manager and equities specialist. A company of Allianz Global Investors, our offices are strategically located in the US, Europe and Asia. At RCM, we believe the better the investment research, the better the investment decision, which is why research plays a crucial role across the range of trusts that we manage. We apply our resources, including a 60-strong fundamental research team and our proprietary Grassroots<sup>SM</sup> Research, to seek out attractive investment opportunities around the world.

Our investment trusts hold a variety of UK, European and global equities, and also include more specialist investments such as the Endowment Policy Trust. Each trust has a specific aim – either to provide income, growth or a combination of both – which determines its type of investments. Our goal is to offer investors a broad choice, so that they can tailor their investment to their own specific objectives and needs.



## Why 250,000 interviews make us right for the job...

Grassroots<sup>SM</sup> Research is one of the investment industry's most innovative research facilities and is unique to RCM. Grassroots<sup>SM</sup> combines in-house experts with a global network of more than 250 independent investigators and over 50,000 industry contacts. Since 1984, Grassroots<sup>SM</sup> has conducted over 250,000 interviews with businesses and consumers on hundreds of wide-ranging subjects, helping us to identify market trends before our competitors.



RCM ranked 3rd out of the top 100 asset management firms:

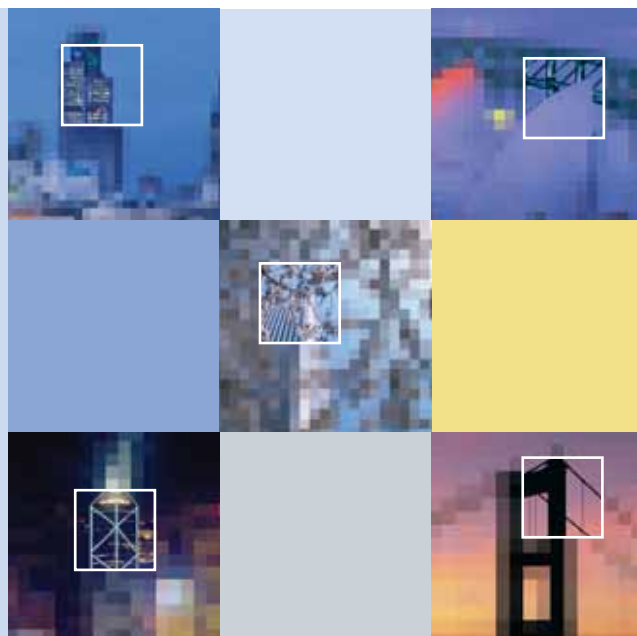


Highly Commended for Equities Manager of the Year



### Strength and experience

Allianz Global Investors is one of the largest asset managers in the world, with over €1 trillion of assets under management. With more than 5,000 employees around the world, including 1,000 investment professionals, Allianz Global Investors brings together a distinctive network of specialist investment firms, each with their own dedicated area of expertise.



# Our investment trust *range*

A broad choice of trusts to suit your investment requirements...

## THE MERCHANTS TRUST PLC



### A history you can *count on*.

Investing in large UK companies, the Merchants Trust PLC aims to provide an above average level of income which increases over time. It was incorporated in 1889 and has assets in excess of £500m (as at 30 April 2010), making it the oldest and largest investment trust in our range. The trust is managed by Simon Gergel, a Director at RCM with 23 years' investment experience.

## THE BRUNNER INVESTMENT TRUST PLC



### Global *potential*.

Jointly managed by Lucy Macdonald and Jeremy Thomas, the Brunner Investment Trust PLC provides investors with a globally diversified equity portfolio. Approximately half of the portfolio is invested in large UK companies, with the remainder spread throughout the world's markets, creating a well-spread portfolio of shares.

## BRITISH PORTFOLIO TRUST PLC



### A *balanced* UK-focused equity investment.

The British Portfolio Trust aims to provide growth in capital and income over the long term through investment in a diversified portfolio of UK equities. The broad range of sectors within the UK equity market helps achieve a balanced portfolio of stocks. As over half of the companies listed on the London stock exchange also derive profits from overseas, manager Jeremy Thomas takes full advantage of RCM's global research capabilities.

## CHARTER EUROPEAN TRUST PLC



### An *European-focused* portfolio.

The Charter European Trust aims to deliver capital and income growth for investors looking for exposure to continental Europe. Managed by Neil Dwane, CIO for RCM Europe, the trust benefits from the managers 22 years of investment experience.

## RCM TECHNOLOGY TRUST PLC



### A *specialist's* pursuit.

The Technology Trust is managed by Walter Price, Managing Director and co-head of the award-winning RCM global technology team. Based in San Francisco, the team manages over \$1.7bn in assets<sup>1</sup> and has specialist research resources which enhance its expertise in both technology and technology companies. Walter Price has been analysing technology stocks for more than 35 years.

## ENDOWMENT POLICY TRUST

This trust invests in mid-term endowment policies to provide capital growth over its planned life to December 2010:

- Allianz Dresdner Endowment Policy Trust 2010 PLC

<sup>1</sup> Source: RCM as at 30.6.10. 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.

Some of the trusts seeks to enhance returns for its shareholders through gearing. Gearing can boost a trust's returns when investments perform well, though losses are magnified when investments lose value. You should be aware that these trusts may be subject to sudden and large falls in value and you could suffer substantial capital loss. For more details, please visit [www.rcm.com/investmenttrusts](http://www.rcm.com/investmenttrusts). 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.

# The *benefits* of investment trusts

Investment trusts are collective investments that pool money together to invest in stock markets. Unlike other forms of collective investment, they are listed on the London Stock Exchange and can be traded throughout any dealing day. Here are several other key benefits:

## 1 Investments designed to last...

As one of the oldest existing forms of collective investment, investment trusts have proved their longevity and flexibility. Indeed, they have been providing private investors with a cost effective route to the potential benefits of the stock market for more than 130 years. Investment trusts are companies listed on the London Stock Exchange that invest in the shares of other companies. Like other companies listed on the Stock Exchange, their share price is determined by supply and demand, and can also trade above (at a premium to) or below (at a discount to) the underlying value of the investments held by the trust. This 'underlying value' is known as the net asset value.

## 2 Long-term track record

Whilst past performance is no guide to future performance, and capital returns can, and recently have been, volatile, global growth investment trusts have returned 70.2% and 48.9% over the last 5 and 10 years. Similarly, UK growth investment trusts have returned 41.5% and 77% respectively. (Sources: Lipper in GBP, as at 30.4.10, AIC sectors).

## 3 Independence

Each investment trust benefits from the expertise and resources of a professional fund manager such as RCM, yet, as a company listed on the London Stock Exchange, it is independent and is overseen by its own Board of Directors. The fund manager is accountable to the directors of the investment trust, who are themselves, in turn, accountable to the shareholders.

## 4 Income reserves

Investment trusts have the ability to keep reserves of income, so if dividends are cut by the companies that the trust invests in, some trusts have the potential to continue to sustain their own dividends for a period by using their income reserves.

## 5 Gearing

Investment trusts can also benefit from gearing – the ability to borrow money with the aim of enhancing returns. The level of gearing is carefully managed by the trust's Board of Directors and is determined by, amongst other factors, stock market views. Gearing can boost a trust's returns when investments perform well, though losses are magnified when investments lose value.

## 6 Easy to purchase

You can easily purchase shares in our investment trusts through a number of providers, including stockbrokers. Shares can be held in an ISA and/or savings scheme.

### TO FIND OUT MORE

You can find more information about RCM-managed investment trusts on our website, including fact sheets, video interviews with our fund managers, daily prices, NAVs, performance charts and Annual Financial Reports.

[www.rcm.com/investmenttrusts](http://www.rcm.com/investmenttrusts)



## Our investment trusts at a *glance*

Our investment trusts are designed to provide income, growth or a combination of both to suit different investment requirements.

	<b>Invests in</b>	<b>Investment objective</b>	<b>Dividends paid</b>
<b>The Merchants Trust PLC</b>	UK equities	Above average income and income growth	February, May, August, November
<b>The Brunner Investment Trust PLC</b>	Global equities	Capital and income growth	March, August
<b>British Portfolio Trust plc</b>	UK equities	Capital and income growth	March, September
<b>Charter European Trust plc</b>	European equities	Capital and income growth	April, August
<b>RCM Technology Trust PLC</b>	Global technology	Long-term capital growth	-
<b>Allianz Dresdner Endowment Policy Trust 2010 plc</b>	Endowment policies	Capital growth over planned life	-

## How to *invest*

Our investment trusts are UK based public limited companies traded openly on the London Stock Exchange. You can invest in one or more of the trusts by purchasing shares through a stockbroker. Shares can also be held within an ISA and/or savings scheme and a number of suppliers offer this facility, including:

**Alliance Trust Savings**

[www.alliancetrust.co.uk](http://www.alliancetrust.co.uk)

**HSBC (InvestDirect)**

[www.hsbc.co.uk](http://www.hsbc.co.uk)

**Halifax**

[www.halifax.co.uk/sharedealing](http://www.halifax.co.uk/sharedealing)

### CONTACT US

If you have any queries regarding our investment trusts, or if you would like to be added to the mailing list for Financial Reports or fact sheets, our Investor Services team can be contacted on:

**020 7065 1407**

**e-mail:**

[investor.services@uk.rcm.com](mailto:investor.services@uk.rcm.com)

**website:**

[www.rcm.com/investmenttrusts](http://www.rcm.com/investmenttrusts)

Note: We are not responsible for the content and information on these websites. Source: The Association of Investment Companies as at 31 May 2010. These websites are participants of the AIC's online initiative to increase the awareness of investment companies. Please note RCM (UK) Ltd does not make recommendations on where to buy investment trusts and is unable to provide financial advice. You are strongly advised that if you are unsure about the most suitable option for your needs that you should contact a financial adviser.

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