

RCM TECHNOLOGY TRUST PLC
HALF-YEARLY FINANCIAL REPORT
For the six months ended 31 May 2010

Highlights

	31 May 2010	30 November 2009	% Change
Undiluted net asset value per Ordinary Share	323.2p	274.0p	18.0
Diluted net asset value per Ordinary Share	313.5p	274.0p	14.4
Ordinary Share Price	283.5p	249.0p	13.9
Ordinary Share Price discount to diluted net asset value per Ordinary Share	9.6%	9.1%	n/a
Subscription Share Price	51.0p	33.5p	52.2
Subscription Shares in issue	4,720,287	4,765,101	(0.9)
Dow Jones World Technology Index (sterling adjusted, total return)	302.9	262.8	15.3
Shareholders' Funds	£73.2m*	£62.7m	16.8
Ordinary Shares in issue	22,658,090	22,882,929	(1.0)
Sterling:US Dollar exchange rate	1.45	1.64	

*After share buy backs totalling £727,635 (2009: £1,179,940).

The Company has not declared an interim dividend (2009: nil).

Interim Management ReportNet asset value and dividend

During the six month period to 31 May 2010 the Company's undiluted net asset value per share increased by 18.0 per cent from 274.0p to 323.2p. Over the same period the Company's benchmark, the Dow Jones World Technology Index, rose by 15.3 per cent in sterling terms. The diluted NAV, which reflects the potential conversion of the outstanding subscription shares at 267p, rose by 14.4 per cent.

Over the period the Company's share price increased by 13.9 per cent from 249.0p to 283.5p. The subscription shares rose by 52.2 per cent, and a package of five ordinary shares and one subscription share rose by 14.8 per cent.

During the period the share price reached 298.5p and the NAV reached 334.8p (undiluted) and 323.1p (diluted), the highest levels in the past five years.

The Company's investments continue to produce a low level of income and no dividend is payable in respect of the six months ended 31 May 2010 (2009: nil).

Investment Review

This was a period of strong performance for the Trust both in absolute terms and relative to the benchmark. Technology stocks rose at the beginning of the period but, after the end of the calendar year, the market tone changed, with many investors taking profits and reducing their holdings in the more volatile companies. At this time, we saw weakness in the internet stocks, semiconductor stocks, and in our Chinese holdings. The latter were affected by announcements from the Chinese government that they were raising reserve requirements to reduce the growth in speculative lending by Chinese banks.

In mid February, business reports from China about sales during the Chinese New Year were generally favourable. At the same time, there was an upturn in consumer spending in the USA and stock prices began

to recover. This continued until May, when the market tone changed again, with renewed concerns about a number of European economies and the Euro. We saw weakness in the semiconductor stocks and LED stocks, and in several of our large cap technology companies with significant exposure to Europe. Weakness in employment growth in the US also led to fears of a “double dip” recession and put pressure on stocks as the period ended. The net effect of these changes was that the dollar-based Dow Jones World Index rose only slightly during the period. However, returns were significantly enhanced for sterling investors because of the strength of the US Dollar.

In the core technology sectors that comprise over 90% of our holdings, our stock picking was good, and we outperformed in all six of the major sectors. Compared with the benchmark, we were underweight in the two best performing groups, hardware and semiconductors, and significantly overweight in the worst performing group, which was the internet. However, our stock selection within sectors overcame this issue. We continued to focus on themes such as the mobile internet, software as a service, and data centre consolidation, and saw several of our selections in these areas increase by over 50%.

The net effect of these factors was a positive result for the period on both an absolute and a relative basis.

Outlook

Concerns remain about the outlook for European growth and the possibility that the US economy will enter another recession in 2011. There is also some risk that China will tighten too much in order to restrain its housing prices. Against this, we are currently seeing a steady recovery in the US, a strong economy in China, and a mixed recovery in Europe. We expect that component suppliers will be reporting weaker performance either in July conference calls or in the September or October time frame. From that point, we think that data will again become reassuring and seasonally strong and will hopefully trigger further strength in technology stock prices.

We also anticipate that the recent wave of server consolidation by large enterprises will peak over the next two years and the associated growth in hardware and software sales experienced by the larger technology companies will subside. We have therefore increased our exposure to a number of mid-cap companies which we believe have strong secular growth prospects and are less dependent on economic recovery. We also expect mergers and acquisition activity in the sector to increase as the larger companies, which in general have high levels of cash, seek to increase their potential growth rates through acquisition.

Material events and transactions

In the six month period to 31 May 2010 the following material events and transactions took place:

At the Annual General Meeting of the Company held on 30 March 2010 all resolutions put to shareholders were passed.

On 7 April 2010, 44,814 Ordinary Shares were issued following the conversion of Subscription Shares.

During the period 269,653 Ordinary Shares were purchased for holding in treasury at a total cost of £727,635. No further Ordinary Shares have been purchased since the period end.

There were no related party transactions in the period.

Discount Management Policy and Buy Back Authority

Pursuant to the proposals sanctioned by shareholders in December 2005, the Board has adopted a discount management policy under which the Company repurchases Ordinary shares for cancellation at prices representing a discount of not less than 7 per cent to NAV, where there is demand in the market for it to do so. Shareholders should note that the shares may from time to time trade at a discount of greater than 7 per cent, but that there may be no unmet demand from selling shareholders at this level. The making and timing of any share buy back is at the absolute discretion of the Board and there is no guarantee that buy backs will be made or that the policy will be successful in establishing and supporting an improved rating in the Company's shares. Under this discount management policy a total of 894,503 shares have been purchased and held in treasury since 1 December 2008 at a total cost of £1,907,575.

Principal risks and uncertainties for the next six months

The principal risks and uncertainties facing the Company over the next six months are broadly unchanged from those described in the Annual Financial Report for the year ended 30 November 2009. These are set out in the Business Review on page 14 of that Report, together with commentary on the Board's approach to mitigating the risks and uncertainties, under the following headings: Objective and Strategy; Level of Discount / Premium; Market Price Risk; Foreign Currency Risk; Interest Rate Risk; Liquidity Risk; Credit Risk; Portfolio Performance; and Operational and Regulatory Risk.

The world's financial system remains fragile and there is continuing uncertainty in markets. However, recent economic data has shown a degree of stabilisation in economic conditions. As noted above, the Company has a clear focus on sectors that have secular growth prospects and are less dependent on economic recovery.

Responsibility statement

The Directors confirm to the best of their knowledge that:

- the condensed set of financial statements contained within the half-yearly financial report has been prepared in accordance with the Accounting Standards Board's Statement 'Half-Yearly Financial Reports'; and
- the interim management report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.7 R, of important events that have occurred during the first six months of the financial year, and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- the interim management report includes a fair review of the information concerning related parties transactions as required by Disclosure and Transparency Rule 4.2.8 R.

The half-yearly financial report was approved by the Board on 15 July 2010 and the above responsibility statement was signed on its behalf by the Chairman.

David Quysner
Chairman

Enquiries:

For further information, please contact:

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SUMMARY OF UNAUDITED RESULTS

INCOME STATEMENT

for the six months ended 31 May 2010

	Revenue	Capital	Total Return
	£'000s	£'000s	£'000s (Note 2)
Net gains on investments held at fair value	-	11,551	11,551
Exchange gains on currency balances	-	134	134
Income from investments	147	-	147
Investment management fee	(335)	(169)	(504)
Investment management fee VAT refund	-	-	-
Administration expenses	(169)	-	(169)
Net return before finance costs and taxation	(357)	11,516	11,159
Finance costs: Interest payable and similar charges	-	-	-
Net return on ordinary activities before taxation	(357)	11,516	11,159
Taxation	(18)	-	(18)
Net return attributable to Ordinary Shareholders	(375)	11,516	11,141
Return per Ordinary Share (Note 1)			
Undiluted	(1.65p)	50.68p	49.03p
Diluted	(1.64p)	50.42p	48.78p

BALANCE SHEET

as at 31 May 2010

Investments held at fair value through profit or loss	£'000s 71,193
Net current assets	2,043
Total Net Assets	73,236
Called up Share Capital	5,943
Share Premium Account	23,562
Capital Redemption Reserve	1,021
Capital Reserve	54,327
Revenue Reserve	(11,617)
Shareholders' Funds	73,236
Net Asset Value per Ordinary Share	
Undiluted	323.2p
Diluted	313.5p

The undiluted net asset value is based on 22,658,090 Ordinary Shares in issue.

As at 31 May 2010 there were an additional 924,503 Ordinary shares held in treasury.

The diluted net asset value per Ordinary Share assumes that all outstanding subscription shares were converted into Ordinary Shares at the period end (the potential number of Ordinary Shares in issue at 31 May 2010 was 27,378,377). There was no dilution to the net asset values at 31 May 2009 or 30 November 2009.

SUMMARY OF UNAUDITED RESULTS

INCOME STATEMENT

for the six months ended 31 May 2009

	Revenue	Capital	Total Return
	£'000s	£'000s	£'000s (Note 2)
Net gains on investments held at fair value	-	8,665	8,665
Exchange losses on currency balances	-	(160)	(160)
Income from investments	225	-	225
Investment management fee	(253)	-	(253)
Investment management fee VAT refund	-	-	-
Administration expenses	(123)	-	(123)
Net return before finance costs and taxation	(151)	8,505	8,354
Finance costs: Interest payable and similar charges	-	-	-
Net return on ordinary activities before taxation	(151)	8,505	8,354
Taxation	(32)	-	(32)
Net return attributable to Ordinary Shareholders	(183)	8,505	8,322
Return per Ordinary Share (Note 1)			
Undiluted	(0.79p)	36.62p	35.83p
Diluted	(0.79p)	36.62p	35.83p

BALANCE SHEET

as at 31 May 2009

Investments held at fair value through profit or loss	49,539
Net current assets	2,604
Total Net Assets	52,143
Called up Share Capital	5,932
Share Premium Account	23,453
Capital Redemption Reserve	1,021
Capital Reserve	33,311
Revenue Reserve	(11,574)
Shareholders' Funds	52,143
Net Asset Value per Ordinary Share	
Undiluted	227.5p
Diluted	227.5p

The undiluted net asset value is based on 22,918,929 Ordinary Shares in issue.

As at 31 May 2009 there were an additional 618,850 Ordinary Shares held in treasury.

The diluted net asset value per Ordinary Share assumes that all outstanding subscription shares were converted into Ordinary Shares at the period end. There was no dilution to the net asset values at 31 May 2009 or 30 November 2009.

SUMMARY OF UNAUDITED RESULTS

INCOME STATEMENT

for the year ended 30 November 2009

	Revenue	Capital	Total Return
	£'000s	£'000s	£'000s (Note 2)
Net gains on investments held at fair value	-	18,600	18,600
Exchange losses on currency balances	-	(87)	(87)
Income from investments	586	-	586
Investment management fee	(541)	-	(541)
Investment management fee VAT refund	511	299	810
Administration expenses	(346)	-	(346)
Net return before finance costs and taxation	210	18,812	19,022
Finance costs: Interest payable and similar charges	-	-	-
Net return on ordinary activities before taxation	210	18,812	19,022
Taxation	(61)	-	(61)
Net return attributable to Ordinary Shareholders	149	18,812	18,961
Return per Ordinary Share (Note 1)			
Undiluted	0.65p	81.57p	82.22p
Diluted	0.65p	81.57p	82.22p

BALANCE SHEET

as at 30 November 2009

Investments held at fair value through profit or loss	£'000s 60,311
Net current assets	2,392
Total Net Assets	62,703
Called up Share Capital	5,932
Share Premium Account	23,453
Capital Redemption Reserve	1,021
Capital Reserves	43,539
Revenue Reserve	(11,242)
Shareholders' Funds	62,703
Net Asset Value per Ordinary Share	
Undiluted	274.0p
Diluted	274.0p

The undiluted net asset value is based on 22,882,929 Ordinary Shares in issue.

As at 30 November 2009 there were an additional 654,850 Ordinary Shares held in treasury.

The diluted net asset value per Ordinary Share assumes that all outstanding subscription shares were converted into Ordinary Shares at the period end. There was no dilution to the net asset values at 31 May 2009 or 30 November 2009.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Called up Share Capital £'000s	Share Premium Account £'000s	Capital Redemption Reserve £'000s	Capital Reserve £'000s	Revenue Reserve £'000s	Total £'000s
Six months ended 31 May 2010						
Net Assets at 30 November 2009	5,932	23,453	1,021	43,539	(11,242)	62,703
Revenue Return	-	-	-	-	(375)	(375)
Shares repurchased during the period	-	-	-	(728)	-	(728)
Conversion of Subscription Shares	11	109	-	-	-	120
Capital Return	-	-	-	11,516	-	11,516
Net Assets at 31 May 2010	5,943	23,562	1,021	54,327	(11,617)	73,236
Six months ended 31 May 2009						
Net Assets at 30 November 2008	5,932	23,452	1,021	25,907	(11,391)	44,921
Revenue Return	-	-	-	-	(183)	(183)
Shares repurchased during the period	-	-	-	(1,101)	-	(1,101)
Conversion of Subscription Shares	-	1	-	-	-	1
Capital Return	-	-	-	8,505	-	8,505
Net Assets at 31 May 2009	5,932	23,453	1,021	33,311	(11,574)	52,143
Year ended 30 November 2009						
Net Assets at 30 November 2008	5,932	23,452	1,021	25,907	(11,391)	44,921
Revenue Return	-	-	-	-	149	149
Shares repurchased during the year	-	-	-	(1,180)	-	(1,180)
Conversion of Subscription Shares	-	1	-	-	-	1
Capital Return	-	-	-	18,812	-	18,812
Net Assets at 30 November 2009	5,932	23,453	1,021	43,539	(11,242)	62,703

SUMMARY OF UNAUDITED RESULTS

CASH FLOW STATEMENT

For the six months ended 31 May 2010 and comparative periods

	Six Months ended 31 May 2010	Six Months ended 31 May 2009	Year ended 30 November 2009
	£'000s	£'000s	£'000s
Net cash (outflow) inflow from operating activities	(268)	(163)	397
Capital expenditure and financial investment			
Purchases of fixed asset investments	(45,857)	(45,525)	(78,207)
Sales of fixed asset investments	46,513	48,714	80,404
Net cash inflow from capital expenditure and financial investment	656	3,189	2,197
Net cash inflow before financing	388	3,026	2,594
Financing			
Purchase of Ordinary Shares for cancellation and holding in treasury	(728)	(1,101)	(1,180)
Conversion of Subscription Shares	120	1	1
Net cash outflow from financing	(608)	(1,100)	(1,179)
Net cash (outflow) inflow	(220)	1,926	1,415
Reconciliation of Return on Ordinary Activities before Taxation to Net Cash Flow from Operating Activities			
Net revenue before taxation	11,159	8,354	19,022
Less: Net gains on investments at fair value	(11,551)	(8,665)	(18,600)
Less: Effective yield amortisation on fixed income investments	-	(1)	(1)
Less: Net (gains) losses on foreign currency	(134)	160	87
Less: Overseas tax suffered	(18)	(32)	(61)
	(544)	(184)	447
Decrease (Increase) in debtors	176	29	(158)
Increase (Decrease) in creditors	100	(8)	108
Net cash (outflow) inflow from operating activities	(268)	(163)	397
Reconciliation of net cash flow to movement in net funds			
Net cash (outflow) inflow	(220)	1,926	1,415
Net gains (losses) on foreign currencies	134	(160)	(87)
Movement in net (debt) funds	(86)	1,766	1,328
Net funds brought forward	2,481	1,153	1,153
Net funds carried forward	2,395	2,919	2,481

INVESTMENT PORTFOLIO

as at 31 May 2010

Investment	Sector	Country	Fair Value £'000	% of Portfolio
Apple	Technology & Hardware Equipment	United States	4,211	5.9
Cisco	Technology & Hardware Equipment	United States	3,182	4.5
Amazon.com	General Retailer	United States	2,861	4.0
Akamai Technologies	Software & Computer Services	United States	2,770	3.9
Salesforce.com	Software & Computer Services	United States	2,567	3.6
Google	Software & Computer Services	United States	2,439	3.4
Netflix	General Retailer	United States	2,229	3.1
Baidu.com	Software & Computer Services	China	2,110	3.0
Successfactors	Software & Computer Services	United States	2,095	2.9
Riverbed Technologies	Technology & Hardware Equipment	United States	1,823	2.6
Top ten investments			26,287	36.9
Microsoft	Software & Computer Services	United States	1,713	2.4
NetApp	Technology & Hardware Equipment	United States	1,674	2.4
Longtop	Software & Computer Services	China	1,632	2.3
Intuit	Software & Computer Services	United States	1,565	2.2
Sandisk	Technology & Hardware Equipment	United States	1,554	2.2
Autonomy	Software & Computer Services	United Kingdom	1,522	2.1
F5 Network	Technology & Hardware Equipment	United States	1,444	2.0
Cree	Technology & Hardware Equipment	United States	1,388	1.9
Oracle	Software & Computer Services	United States	1,351	1.9
Ctrip.com	Travel & Leisure	China	1,327	1.9
Top twenty investments			41,457	58.2
Itron	Electronic & Electrical Equipment	United States	1,326	1.9
First Solar	Alternative Energy	United States	1,311	1.8
Nuance Communications	Software & Computer Services	United States	1,143	1.6
Activision Blizzard	Leisure Goods	United States	1,137	1.6
JDS Uniphase	Technology & Hardware Equipment	United States	1,129	1.6
Athenahealth	Software & Computer Services	United States	1,041	1.5
Aixtron	Technology & Hardware Equipment	Germany	1,036	1.5
Ciena	Technology & Hardware Equipment	United States	1,008	1.4
Broadcom	Technology & Hardware Equipment	United States	968	1.4
V M Ware	Software & Computer Services	United States	947	1.3
Top thirty investments			52,503	73.8
Polycom	Technology & Hardware Equipment	United States	939	1.3
China Telecom Corporation	Fixed Line Telecommunications	China	892	1.3
Seoul Semiconductor	Technology & Hardware Equipment	South Korea	803	1.1
Tellabs	Technology & Hardware Equipment	United States	783	1.1
Cognizant	Software & Computer Services	United States	775	1.1
Concur Technologies	Software & Computer Services	United States	757	1.1
Johnson Controls	Automobiles & Parts	United States	732	1.0
Red Hat	Software & Computer Services	United States	728	1.0
Amphenol	Electronic & Electrical Equipment	United States	726	1.0
On Semiconductor	Technology & Hardware Equipment	United States	723	1.0
Top forty investments			60,361	84.8
Equinix	Software & Computer Services	United States	720	1.0
WebMD Health	Media	United States	717	1.0
Expedia	Travel & Leisure	United States	701	1.0
International Rectifier	Technology & Hardware Equipment	United States	695	1.0
SMA Solar Technology	Alternative Energy	Germany	663	0.9
Capita Group	Support Services	United Kingdom	645	0.9
Asiainfo	Software & Computer Services	United States	611	0.9
Tencent	Software & Computer Services	Hong Kong	579	0.8

Juniper Networks	Technology & Hardware Equipment	United States	489	0.7
Sina	Software & Computer Services	China	469	0.7
Top fifty investments			66,650	93.7
Taiwan Semiconductor	Technology & Hardware Equipment	Taiwan	416	0.6
LG Innotek	Electronic & Electrical Equipment	South Korea	409	0.6
Cirrus Logic	Technology & Hardware Equipment	United States	383	0.5
Tibco Software	Software & Computer Services	United States	382	0.5
HTC	Technology & Hardware Equipment	Taiwan	374	0.5
MicroDose*	Technology & Hardware Equipment	United States	360	0.5
ASM Pacific Technology	Technology & Hardware Equipment	Hong Kong	355	0.5
Fairchild Semiconductor	Technology & Hardware Equipment	United States	350	0.5
Sony	Leisure Goods	Japan	330	0.5
Veeco Instruments	Electronic & Electrical Equipment	United States	316	0.4
Top sixty investments			70,325	98.8
Infineon Technologies	Technology & Hardware Equipment	Germany	213	0.3
Acme Packet	Software & Computer Services	United States	194	0.3
Epistar	Electronic & Electrical Equipment	Taiwan	170	0.2
Yahoo Japan Corporation	Software & Computer Services	Japan	147	0.2
Alibaba.com	Software & Computer Services	Hong Kong	135	0.2
LG Innotek Rights (11/06/10)	Electronic & Electrical Equipment	South Korea	9	0.0
Total Investments			71,193	100.0

* Unquoted investment

NOTES

Note 1

The diluted return per Ordinary Share is based on the weighted average number of shares in issue of 22,717,722 (31 May 2009: 23,222,300; 30 November 2009: 23,061,520).

The diluted return per Ordinary Share as at 31 May 2010 is based on the weighted average number of Ordinary Shares in issue during the period of 22,837,766, as adjusted for the conversion of all outstanding Subscription Shares into Ordinary Shares at the period end.

There was no dilution to the returns for the six months ended 31 May 2009 or the year ended 30 November 2009.

Note 2

The total column of this statement is the profit and loss account of the Company.

All revenue and capital items derive from continuing operations. No operations were acquired or discontinued in the period.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses of the Company have been reflected in the Income Statement.

Included in the cost of investments are transaction costs which amounted to £63,000 on purchases and £64,000 on sales (31 May 2009; purchases: £65,000, sales: £58,000; 30 November 2009; purchases: £112,000, sales: £101,000).

Note 3

Investments are designated as held at fair value through profit or loss in accordance with FRS 26 'Financial Instruments: Recognition and Measurement'. Listed investments are valued at bid market prices.

Unlisted and unquoted investments are valued by the Directors in accordance with the International Private Equity and Venture Capital Guidelines issued in September 2009.

Note 4

The Directors believe it is appropriate to continue to adopt the going concern basis in preparing the financial statements, as the assets of the Company consist mainly of securities which are readily realisable and accordingly, that the Company has adequate financial resources to continue in operational existence for the foreseeable future.

Note 5

The half yearly financial report has neither been audited nor reviewed by the Company's auditors. The financial information for the year ended 30 November 2009 has been extracted from the statutory accounts for that year which have been delivered to the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 498 of the Companies Act 2006.

In accordance with the UK's disclosure requirements for listed companies, the Company is required to make limited additional and updated disclosures, mainly relating to the first and third quarters of the financial year. These Interim Management Statements will be released via the Regulatory News Service and posted on the Company's website www.rcmtechnologytrust.co.uk on or shortly before 19 April and 19 October each year.

The half yearly financial report will be sent to shareholders in mid to end July 2010 and will be available to members of the public from the Company's registered office at 155 Bishopsgate, London EC2M 3AD, or via the Company's website www.rcmtechnologytrust.co.uk.