

RCM TECHNOLOGY TRUST PLC
HALF-YEARLY FINANCIAL REPORT
For the six months ended 31 May 2012

Highlights

	31 May 2012	30 November 2011	% Change
Net Asset Value per Ordinary Share - Undiluted	n/a	359.6p	-
Net Asset Value per Ordinary Share – Diluted**	345.5p	344.1p	0.4
Ordinary Share Price	299.0p	311.0p	(3.9)
Discount on Ordinary Share Price to Undiluted Net Asset Value per Ordinary Share	n/a	13.5%	-
Discount on Ordinary Share Price to Diluted Net Asset Value per Ordinary Share	13.5%	9.6%	-
Subscription Share Price	n/a	43.5p	-
Package Value #	n/a	1,598.5p	-
Subscription Shares in issue	n/a	4,590,415	-
Dow Jones World Technology Index (sterling adjusted total return)	343.7	317.2	8.4
Shareholders' Funds	£93.0m*	£81.9m*	13.6
Ordinary Shares in issue	26,911,635	22,762,620	18.2
Sterling : US Dollar exchange rate	1.54	1.57	(1.9)

** There are no longer any Subscription Shares outstanding.

* After share buy backs totalling £1,411,176 (2011: £nil) and the final conversion of Subscription Shares totalling £12,256,408 (2011: £nil).

A package represented the value of five Ordinary Shares and one Subscription Share.

The Company has not declared an interim dividend (2011: nil).

Interim Management ReportNet asset value and dividend

During the six-month period to 31 May 2012 the Company's net assets increased by £11.1 million to £93.0 million principally as a result of conversion of the subscription shares in April 2012. These shares were convertible at 267p, a discount to the NAV at the conversion date, and the conversion resulted in a small diminution in net asset value per share.

The net asset value per ordinary share at 31 May 2012, which is based on the number of shares in issue following the subscription share conversion, was 345.5p. The net asset value per share at 30 November 2011, after treating the subscription shares then outstanding as though they had been fully converted was 344.1p per share, and on this basis there was a small increase in NAV during the half year. This compared, however, with a significant movement in the Company's benchmark, the Dow Jones World Technology Index, which rose by 8.4 per cent in sterling terms over the same period.

No dividend is payable in respect of the six months ended 31 May 2012 (2011: nil).

Investment Review

The Manager's objective for this Trust has always been to strive for superior long term returns by identifying major trends ahead of the crowd and participating in stocks that have the potential to become tomorrow's Microsoft, Cisco or Apple. Therefore the Trust's portfolio, which is concentrated in approximately 60 stocks, compared to the benchmark which has some 515 stocks, tends to be overweight in high growth mid cap companies and underweight in mega cap companies.

In recent months investors have been risk averse and the weight of money has been attracted to the large cap stocks, some of which have also enjoyed good earnings growth. Apple, for instance, has performed well on every front: its share was up by over 50% in the first quarter of 2012 alone and it represents more than 15% of our benchmark index.

The Trust does not seek to “track” the index and it is our policy to avoid too high an exposure to any single security. Although our largest positions during the period were Apple and Microsoft, we had smaller than benchmark weightings in these and other large cap stocks and overweight positions in mid cap companies such as Baidu, Quanta and Fusion-io. These differences significantly contributed towards the underperformance of the Trust’s portfolio versus the benchmark during the six months to 31 May 2012.

During the period we reduced our holdings in a number of midcap stocks, such as First Solar, Adtran and Electronic Arts, because of disappointment with their profitability, but we strongly believe that the majority of our mid cap holdings are well positioned to prosper. In many cases, these companies experienced high growth in 2009-2011, and part of that growth was re-invested in new products or an expanded sales force. Most of these companies anticipate that their investment in growth should pay off in the near term, resulting in margin and profit improvement.

Our holdings in health care information technology stocks contributed towards positive performance during the period. In addition it was announced that Ariba will be acquired by German business software company, SAP, at a substantial gain in the third quarter of 2012.

Finally we invested in the much awaited Facebook IPO but sold the stock at a modest profit. We remain concerned that their downward revision of earnings forecasts, their mobile strategy, and a tougher period for brand advertising, as well as large pending stock sales will continue to put pressure on the stock.

Outlook

As discussed above, we see a potential inflection point in profitability for the portfolio's mid cap stocks that could come in 2013 as the investments start to see margin improvement. Cloud computing and software as a service are now mainstream concepts with tremendous growth potential. We believe that Cloud computing is a development within the technology sector of a magnitude that only happens every 15 or 20 years, so we have positioned the portfolio to have circa 20% of its assets invested in companies associated with this theme, including internet and software companies such as Amazon, Salesforce, Rackspace, Netsuite and TIBCO Software. We also believe that many other technology sectors could do well during the next few years. Internet commerce and mobile computing, for example, are accelerating, which is in turn pushing up the growth in electronic payments, whilst 400 million PCs are running an operating system that is about to become obsolete within the year and will have to be replaced. Tesla is delivering its sedan electric car and could be profitable next year.

With the poor macro-economic situation in Europe and slower growth in the US and China, the large cap technology stocks are as cheap as ever in their history. Some of these companies have very high free cash flow yields and hundreds of billions of dollars on their balance sheets. In addition to buying back their stock they are also starting to offer reasonable yields from dividends and could potentially increase these dividends substantially. These stocks have begun to attract value investors for the first time in history, as they compare favourably with other sectors. We will seek to capture some of this total return potential within the portfolio and have substantial holdings in large cap stocks such as Microsoft, Cisco and Intel.

However, it is important for the Manager to continue to exploit the considerable benefits of being at the heart of the world's technology industry and having close and regular contact with the growth companies that are identified for the portfolio. At least 35% of the Trust's investments are locally based to the Manager in San Francisco and another 17% of the companies held in the portfolio are less than two hours away by plane.

Material events and transactions

In the six month period to 31 May 2012 the following material events and transactions took place:

At the Annual General Meeting of the Company held on 4 April 2012 all resolutions put to shareholders were passed.

On 12 April 2012, 4,590,415 Ordinary Shares were issued following the final conversion of Subscription Shares.

During the period 441,400 Ordinary Shares were purchased for holding in treasury, and no further Ordinary Shares 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 buyback is at the absolute discretion of the Board and there is no guarantee that buybacks 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 1,361,245 shares have been purchased and held in treasury since 1 December 2008 at a total cost of £3,399,718.

Derivatives Policy

Put options based on the Powershares QQQ ETF taken out during 2011 were sold during the last financial year before their expiry dates for a modest profit.

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 2011. These are set out in the Directors Report on page 28 of that Report, together with commentary on the Board's approach to mitigating the risks and uncertainties, under the following headings: Investment Strategy; Technology Risks; Market Volatility; and Financial and Liquidity Risk.

Transactions in foreign currency are translated into sterling at the rates of exchange ruling on the date of the transaction. Foreign currency monetary assets and liabilities are translated into sterling at the rates of exchange ruling at the balance sheet date. The majority of the Company's investments are in US dollars. The Board monitors currency exposure and the Company's current policy is not to hedge foreign currency exposure.

Subscription Shares

Holders of the Subscription Shares issued by the Company in 2007 were sent a reminder Notice in February 2012 advising that the final opportunity to subscribe for Ordinary Shares at a conversion price of 267p would occur in the thirty days preceding the Annual General Meeting ("AGM") to be held on 4 April 2012, after which date the right would expire.

We are pleased to report that 3,794,338 Subscription Shares representing 83% of those shares remaining in issue at the date of the AGM were exercised by Subscription Holders. Furthermore, in accordance with the Prospectus dated July 2007, the Company appointed a trustee following the final conversion date, to exercise and sell in the market the remaining unexercised 796,077 Subscription Shares and distribute the net proceeds of 36.79p per share to the entitled holders.

As a result the Company applied for the listing of 4,590,415 Ordinary Shares and admission to the Official List and dealings in the Shares on the London Stock Exchange commenced on 12 April 2012. These Ordinary Shares rank pari passu with the Company's existing Shares from this date.

Following the exercise the Company's issued share capital now comprises 26,911,635 Ordinary Shares of 25p each.

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 20 July 2012 and the above responsibility statement was signed on its behalf by the Chairman.

David Quysner
Chairman

SUMMARY OF UNAUDITED RESULTS

INCOME STATEMENT

for the six months ended 31 May 2012

	Revenue	Capital	Total Return
	£'000s	£'000s	£'000s (Note 2)
Net gains on investments held at fair value	-	366	366
Exchange gains on currency balances	-	241	241
Income from investments	254	-	254
Investment management fee	(399)	-	(399)
Administration expenses	(156)	-	(156)
Net return before finance costs and taxation	(301)	607	306
Finance costs: Interest payable and similar charges	-	-	-
Net return on ordinary activities before taxation	(301)	607	306
Taxation	(31)	-	(31)
Net return attributable to Ordinary Shareholders	(332)	607	275
Net return per Ordinary Share (Note 1) (basic and diluted)	(1.40p)	2.56p	1.16p

BALANCE SHEET

as at 31 May 2012

Investments at fair value through profit or loss	£'000s 90,246
Net current assets	2,735
Total Net Assets	92,981
Called up Share Capital	7,076
Share Premium Account	35,032
Capital Redemption Reserve	1,021
Capital Reserve	63,012
Revenue Reserve	(13,160)
Shareholders' Funds	92,981
Net Asset Value per Ordinary Share	
Diluted	345.5p

The diluted net asset value is based on 26,911,635 Ordinary Shares in issue.

As at 31 May 2012 there were an additional 1,391,245 Ordinary shares held in treasury.

During the period all Subscription Shares were converted to Ordinary Shares.

SUMMARY OF UNAUDITED RESULTS

INCOME STATEMENT

for the six months ended 31 May 2011

	Revenue	Capital	Total Return
	£'000s	£'000s	£'000s (Note 2)
Net gains on investments held at fair value	-	7,377	7,377
Exchange losses on currency balances	-	(119)	(119)
Income from investments	173	-	173
Investment management fee	(411)	(32)	(443)
Administration expenses	(164)	-	(164)
Net return before finance costs and taxation	(402)	7,226	6,824
Finance costs: Interest payable and similar charges	(1)	-	(1)
Net return on ordinary activities before taxation	(403)	7,226	6,823
Taxation	(21)	-	(21)
Net return attributable to Ordinary Shareholders	(424)	7,226	6,802
Net return per Ordinary Share (Note 1)			
Undiluted	(1.87p)	31.85p	29.98p
Diluted	(1.79p)	30.51p	28.72p

BALANCE SHEET

as at 31 May 2011

Investments at fair value through profit or loss	81,467
Net current assets	8,427
Total Net Assets	89,894
Called up Share Capital	5,974
Share Premium Account	23,878
Capital Redemption Reserve	1,021
Capital Reserve	71,466
Revenue Reserve	(12,445)
Shareholders' Funds	89,894

Net Asset Value per Ordinary Share

Undiluted	394.5p
Diluted	373.1p

The undiluted net asset value is based on 22,787,962 Ordinary Shares in issue.

As at 31 May 2011 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 2011 was 27,378,377).

SUMMARY OF UNAUDITED RESULTS

INCOME STATEMENT

for the year ended 30 November 2011

	Revenue	Capital	Total Return
	£'000s	£'000s	£'000s (Note 2)
Net losses on investments held at fair value	-	(344)	(344)
Exchange gains on currency balances	-	2	2
Income from investments	352	-	352
Investment management fee	(810)	-	(810)
Administration expenses	(299)	-	(299)
Net return before finance costs and taxation	(757)	(342)	(1,099)
Finance costs: Interest payable and similar charges	(1)	-	(1)
Net return on ordinary activities before taxation	(758)	(342)	(1,100)
Taxation	(49)	-	(49)
Net return attributable to Ordinary Shareholders	(807)	(342)	(1,149)
Net return per Ordinary Share (Note 1)			
Undiluted	(3.55p)	(1.51)p	(5.06)p
Diluted	-	-	-

BALANCE SHEET

as at 30 November 2011

Investments at fair value through profit or loss	£'000s 78,664
Net current assets	3,197
Total Net Assets	81,861
Called up Share Capital	5,974
Share Premium Account	23,878
Capital Redemption Reserve	1,021
Capital Reserves	63,816
Revenue Reserve	(12,828)
Shareholders' Funds	81,861
Net Asset Value per Ordinary Share	
Undiluted	359.6p
Diluted	344.1p

The undiluted net asset value is based on 22,762,620 Ordinary Shares in issue.

As at 30 November 2011 there were an additional 949,845 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 30 November 2011 was 27,353,035).

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 2012						
Net Assets at 30 November 2011	5,974	23,878	1,021	63,816	(12,828)	81,861
Revenue Return	-	-	-	-	(332)	(332)
Shares repurchased during the year	-	-	-	(1,411)	-	(1,411)
Conversion of Subscription Shares	1,102	11,154	-	-	-	12,256
Capital Return	-	-	-	607	-	607
Net Assets at 31 May 2012	<u>7,076</u>	<u>35,032</u>	<u>1,021</u>	<u>63,012</u>	<u>(13,160)</u>	<u>92,981</u>
Six months ended 31 May 2011						
Net Assets at 30 November 2010	5,943	23,562	1,021	64,240	(12,021)	82,745
Revenue Return	-	-	-	-	(424)	(424)
Shares repurchased during the year	-	-	-	-	-	-
Conversion of Subscription Shares	31	316	-	-	-	347
Capital Return	-	-	-	7,226	-	7,226
Net Assets at 31 May 2011	<u>5,974</u>	<u>23,878</u>	<u>1,021</u>	<u>71,466</u>	<u>(12,445)</u>	<u>89,894</u>
Year ended 30 November 2011						
Net Assets at 30 November 2010	5,943	23,562	1,021	64,240	(12,021)	82,745
Revenue Return	-	-	-	-	(807)	(807)
Shares repurchased during the year	-	-	-	(82)	-	(82)
Conversion of Subscription Shares	31	316	-	-	-	347
Capital Return	-	-	-	(342)	-	(342)
Net Assets at 30 November 2011	<u>5,974</u>	<u>23,878</u>	<u>1,021</u>	<u>63,816</u>	<u>(12,828)</u>	<u>81,861</u>

SUMMARY OF UNAUDITED RESULTS

CASH FLOW STATEMENT

For the six months ended 31 May 2012 and comparative periods

	Six Months ended 31 May 2012	Six Months ended 31 May 2011	Year ended 30 November 2011
	£'000s	£'000s	£'000s
Net cash outflow from operating activities	(394)	(2,694)	(3,047)
Return on investment and servicing of finance			
Interest paid	-	(1)	(1)
Capital expenditure and financial investment			
Purchases of investments	(57,804)	(58,916)	(122,157)
Sales of investments	50,923	65,506	126,029
Net cash (outflow) inflow from capital expenditure and financial investment	(6,881)	6,590	3,872
Net cash (outflow) inflow before financing	(7,275)	3,895	824
Purchase of Ordinary Shares for cancellation and holding in treasury	(1,411)	-	(81)
Conversion of Subscription Shares	12,256	347	347
Net cash inflow from financing	10,845	347	266
Net cash inflow	3,570	4,242	1,090
Reconciliation of Return on Ordinary Activities before Taxation to Net Cash Flow from Operating Activities			
Net revenue before taxation	306	6,823	(1,100)
Less: Net (gains) losses on investments at fair value	(366)	(7,377)	344
Less: Net (gains) losses on foreign currency	(241)	119	(2)
Less: Overseas tax suffered	(31)	(21)	(49)
	(332)	(456)	(807)
Increase in debtors	(47)	(18)	(9)
Decrease in creditors	(15)	(2,220)	(2,231)
Net cash outflow from operating activities	(394)	(2,694)	(3,047)
Reconciliation of net cash flow to movement in net funds			
Net cash inflow	3,570	4,242	1,090
Net gains (losses) on foreign currencies	241	(119)	2
Movement in net funds	3,811	4,123	1,092
Net funds brought forward	3,445	2,353	2,353
Net funds carried forward	7,256	6,476	3,445

INVESTMENT PORTFOLIO

as at 31 May 2012

Investment	Sector	Country	Fair Value £'000	% of Portfolio
Apple	Hardware	United States	7,674	8.4
Microsoft	Software	United States	5,879	6.4
Samsung Electronics	Hardware	South Korea	3,173	3.4
Quanta Services	Construction & Materials	United States	2,945	3.2
Google	Software	United States	2,889	3.2
Intel	Hardware	United States	2,823	3.1
Salesforce.com	Software	United States	2,757	3.1
Rackspace Hosting	Software	United States	2,726	3.0
Cerner	Software	United States	2,588	2.9
Fusion-io	Hardware	United States	2,439	2.7
Top ten investments			35,893	39.4
Baidu.com	Software	China	2,396	2.7
Amazon.com	General Retailers	United States	2,356	2.6
Netsuite	Software	United States	1,893	2.1
Comcast	Media	United States	1,855	2.1
Broadcom	Hardware	United States	1,851	2.1
ASML Holdings	Hardware	Netherlands	1,846	2.0
Fortinet	Software	United States	1,846	2.0
Seagate Technology	Hardware	United States	1,773	2.0
Monsanto	Food Producers	United States	1,768	2.0
Tesla Motors	Automobiles & Parts	United States	1,764	2.0
Top twenty investments			55,241	61.0
TIBCO Software	Software	United States	1,680	1.9
Cisco Systems	Hardware	United States	1,677	1.9
Nuance Communications	Software	United States	1,659	1.8
eBay	General Retailers	United States	1,524	1.7
Qlik Technologies	Software	United States	1,498	1.7
Sina	Software	China	1,485	1.6
Visa	Financial Services	United States	1,412	1.6
51Job	Support Services	China	1,398	1.5
Acacia Research	Support Services	United States	1,377	1.5
China Telecom Corporation	Telecommunications	China	1,272	1.4
Top thirty investments			70,223	77.6
Aspen Technology	Software	United States	1,158	1.3
Autodesk	Software	United States	1,097	1.2
NetEase	Software	China	1,061	1.2
Qualcomm	Hardware	United States	981	1.1
Veeco Instruments	Electronics	United States	954	1.1
Skyworks Solutions	Hardware	United States	943	1.0
Lenovo Group	Hardware	China	907	1.0
F5 Network	Hardware	United States	903	1.0
KLA-Tencor	Hardware	United States	879	1.0
Qihoo 360 Technology	Software	China	867	1.0
Top forty investments			79,973	88.5
Cree	Hardware	United States	867	1.0
Citrix Systems	Software	United States	858	1.0
Groupon	Media	United States	853	0.9
Garmin	Hardware	United States	829	0.9
LinkedIn	Support Services	United States	779	0.9
Hitachi	Electronics	Japan	770	0.9
Western Digital Corp	Hardware	United States	675	0.7
Phoenix New Media	Media	United States	588	0.7
Aruba Networks	Hardware	United States	535	0.6
Taiwan Semiconductor	Hardware	Taiwan	519	0.6

Top fifty investments			87,246	96.7
Zynga	Leisure Goods	United States	498	0.6
Bit-Isle	Software	Japan	487	0.5
Mastercard	Financial Services	United States	464	0.5
Yandex	Software	Russia	388	0.4
Athenahealth	Software	United States	359	0.4
Cognizant Technologies	Software	United States	345	0.4
MicroDose*	Hardware	United States	340	0.4
Netflix	General Retailers	United States	119	0.1
Top fifty-eight investments			90,246	100.0
Total Equity Investments			90,246	100.0

* Unquoted investment

NOTES

Note 1

The diluted return per Ordinary Share is based on the weighted average number of shares in issue during the period (31 May 2011 - 22,692,342; 30 November 2011 - 22,737,366).

The diluted return per Ordinary Share is based on the weighted average number of shares in issue of 23,738,050 (31 May 2011 - 23,682,154; 30 November 2011 - 23,664,540), as adjusted in accordance with requirements of Financial Reporting Standard 22 'Earnings per Share'.

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.

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 August 2010.

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 2011 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 (2) or (3) 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 Regulated 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 shortly and made available to the public at the Registered Office of the Company, 155 Bishopsgate, London EC2M 3AD.

For further information, please contact:

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