

Allianz Technology Trust PLC



Factsheet

31 August 2015

Fund Manager's Review



Walter Price

Portfolio Overview

The Allianz Technology Trust NAV returned -6.87%, while the Dow Jones World Technology Index returned -5.02%. During the month, stock selection detracted from relative performance while industry allocation modestly contributed to relative returns.

At the holdings level, our overweight position in Avago Technologies was among the top relative contributors for the month. Despite recent concerns of demand weakness due to macro headwinds, the company reported earnings results that exceeded expectations, driven by strength across multiple end markets. Management raised guidance for the fiscal fourth quarter and expressed confidence in trends across its wireless, data center optics, and enterprise storage businesses. While some investors are growing concerned about slowing smartphone unit growth, we believe Avago has attractive opportunities for growth. The company benefits from the rise in LTE penetration in mobile devices globally – growing from 30% today to about 50% by 2017. Additionally, the combination of Avago and Broadcom creates a strong competitive position in the data center industry, and it offers significant opportunities for cost synergies.

Other top active contributors included not owning Qualcomm and Cisco, as well as an overweight in Sophos Group.

On the negative side, Criteo was among the top relative detractors in August. While the company reported another strong earnings report, shares fell as some investors are concerned about the industry focus on ad blocking (we expect Criteo will be minimally impacted). The company's results showed solid execution as customer growth and the product platform continued to exceed expectations. Management is committed to investing in growth opportunities, including sales headcount to grow in new and existing geographies, and engineers to support product and engine improvements. We believe Criteo is well-positioned to benefit from the rapid growth in mobile ads because its solutions enhance ad customization and return on investment for advertisers.

After very strong stock appreciation for the majority of this year, Palo Alto Networks underperformed in August. Investors began to question the high valuations for security stocks as global growth fears increased. Despite the recent selloff, the company reported very strong earnings results in early September. Palo Alto produced 59% revenue growth and 69% billings growth during the quarter, exceeding the high end of consensus estimates. Additionally, the company delivered margin expansion and free cash flow growth. The results were driven by strength across the entire portfolio of products as customers continue to place a heavy emphasis on enhancing their security capabilities. We maintain our view that Palo Alto offers best-in-class technological solutions, and its attractive business model should drive significant long-term growth.

Other top active detractors included overweights in SunEdison, Canadian Solar, and ServiceNow.

Market Outlook

Looking forward, we continue to believe the technology sector can provide some of the best absolute and relative return opportunities in the equity markets – especially for bottom-up stock pickers. At present, we are seeing a wave of innovation in the sector that we believe has the potential to produce attractive returns for companies

Performance (%)



Cumulative Performance (%)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Price	-5.5	1.0	13.2	83.8	118.7
NAV	-7.2	-4.5	6.7	67.7	97.7
Benchmark	-11.1	-8.4	3.8	41.4	86.8

Discrete Performance (%)

From To	31.08.10 31.08.11	31.08.11 31.08.12	31.08.12 30.08.13	30.08.13 29.08.14	29.08.14 31.08.15
Share Price	19.2	-0.2	45.9	11.3	13.2
NAV	15.2	2.4	31.8	19.2	6.7
Benchmark	10.0	20.1	10.6	23.2	3.8

Source: Lipper, percentage growth, mid to mid, total return to 31.08.15. Benchmark: Dow Jones World Technology Index (Sterling Adjusted). Past performance is not a reliable indicator of future returns. 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. Copyright 2015 © Lipper, a Thomson Reuters company. All rights reserved. Lipper shall not be liable for any errors or delays in the content, or for any actions taken in reliance thereon.

Market Outlook (cont.)

with best-in-class solutions. We also see a number of companies with present valuations that, in our view, do not fully reflect positive company- and/or industry-specific tailwinds.

Network security remains a key focus, which is rapidly gaining more attention as the increasing sophistication of cyberattacks has triggered more spending towards providers that offer new security technologies. We believe this trend will persist for several years, and companies that continue to enhance security technology may stand to benefit over time.

We will continue carefully balancing risks and opportunities, leveraging our industry expertise, and emphasising individual stock selection.

All data source Allianz Global Investors as at 31.08.15 unless otherwise stated.

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This is no recommendation or solicitation to buy or sell any particular security. Any security mentioned above will not necessarily be comprised in the portfolio by the time this document is disclosed or at any other subsequent date.

Allianz 
Global Investors

Capital Structure

Total Assets:	£156.9m
Shares in Issue (ex treasury):	25,892,426 (Ordinary 25p)
Ordinary Share Price ¹ :	590.0p
Net Asset Value (Ordinary) ² :	605.9p
Premium/-Discount to NAV ² :	-2.6%
NAV Frequency	Daily

1. Source: Lipper as at 31.08.15, market close mid price.

2. A trust's Net Asset Value (NAV) is calculated as available shareholders' funds divided by the number of shares in issue, with shareholders' funds taken to be the net value of all the company's assets after deducting liabilities. An undiluted, cumulative NAV is shown.

Key Information

Launch Date:	December 1995
Continuation Vote:	2016
AIC Sector:	Specialist Sector: Technology, Media & Telecoms
Benchmark:	Dow Jones World Technology Index (Sterling Adjusted)
Annual Management Charge:	0.8% plus £55,000 p.a. (Administration Fee)
Performance Fee: ²	Yes
Ongoing Charges: ¹	1.21%
Year end:	30 November
Annual Financial Report:	Final posted in March, Half-yearly posted in July
AGM:	April
Price Information:	Financial Times, The Daily Telegraph, www.allianztechnologytrust.com
Board of Directors:	Robert Jeens (Chairman), John Cornish FCA (Chairman of the Audit Committee and Senior Independent Director), Richard Holway MBE, Elisabeth Scott, Humphrey van der Klugt
Head of Secretariat – Investment Trusts	Tracey Lago, ACIS
Investment Manager	Walter Price
Codes:	RIC: ATT.L SEDOL: 0339072

1. Source: AIC, as at the Trust's Financial Year End (30.11.2014). Ongoing Charges (previously Total Expense Ratios) are published annually to show operational expenses including Annual Management Fee.

2. Calculated as 12.5% of the outperformance of the NAV compared to the indexed NAV over the performance period. The fee is capped at a maximum of 2.25% of the Trust's NAV at the year-end.

Risks & Features

Investment trusts are quoted companies listed on the London Stock Exchange. Their share prices are determined by factors including the balance of supply and demand in the market.

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.

Derivatives can be used to manage the Trust efficiently.

Sector Breakdown (%)

Technology	54.3
Consumer Services	18.4
Cash	7.5
Consumer Goods	5.9
Industrials	5.5
Financials	5.3
Utilities	2.2
Telecommunications	0.9

Geographic Breakdown (%)

North America	75.5
Far East & Pacific	8.0
Cash	7.5
Europe ex UK	4.6
UK	3.1
Middle East	0.9
Africa	0.4

Top Ten Holdings (%)

Microsoft	8.3	Palo Alto Networks	3.4
Amazon	7.2	Netflix	3.1
Visa	5.3	ServiceNow	3.0
Google	3.7	Avago Technologies	3.0
Facebook	3.5	Splunk	2.1
Total Number of Holdings	56		

How to Invest

The Trust is a UK public limited company traded openly on the stock market. You can purchase shares through a stock broker. Shares in the Trust can be held within an ISA, JISA, SIPP and/or savings scheme and a number of providers offer this facility. A list of suppliers is available on our website.

Contact Us

If you have any queries regarding our investment trusts our Investor Services team can be contacted on:

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All data source Allianz Global Investors as at 31.08.15 unless otherwise stated.

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