

Allianz Technology Trust PLC*

*formerly RCM Technology Trust PLC

investors
CHRONICLE
Top 100 Funds 2013
RCM Technology Trust PLC

Factsheet

31 July 2014

Aim

The Trust's objective is to achieve long-term capital growth by investing principally in the equity securities of quoted technology companies on a worldwide basis.

History

The Trust was formed in December 1995 and re-launched by Allianz Global Investors in 2007 as a way for investors to gain exposure to quoted technology companies on a worldwide basis with the aim of achieving long-term capital growth. The Board appointed Allianz Global Investors, a global asset management business, to manage the Trust's assets from April 2007 based on the performance of their US-based technology team, their experience and depth of expertise in the management of investment trusts.

The name of the Trust was changed from RCM Technology Trust PLC to Allianz Technology Trust PLC on 18 August 2014.

Fund Manager's Review



Walter Price

Portfolio Overview

The Trust's NAV fell by 2.37% in July, underperforming its benchmark.

At the holdings level, our position in flash memory maker, SanDisk, was among the top detractors. During the month, the company reported positive quarterly sales and earnings figures. However, gross margins for the period as well as outlook commentary were not quite as robust when compared to consensus estimates. SanDisk's shares have risen 29% over the past year and we continue to think that new smartphone builds later this year, stabilising PC demand, and the longer-term shift towards more advanced memory products should help maintain the favourable industry dynamics.

Tesla Motors was also among the top detractors. During the month, its shares sank initially, on news that Chinese officials would not include electric vehicles produced overseas as part of a favourable sales tax treatment program. However, at the tail-end of the month, Tesla reported quarterly vehicle production and delivery results that were in line with expectations. Shares surged as a result, as management announced its plans to increase production meaningfully in 2015. We remain positive on Tesla over the long-term, but we will continue to endeavour to balance the near-term risk/reward.

On the positive side, our position in hard disk drive (HDD) manufacturer, Western Digital, was one of the top contributors to returns. Shares surged ahead of the earnings report at the end of the month in which the company beat revenue and earnings estimates. The positive results were driven by strong HDD demand from gaming, notebook PC, and enterprise data centre build-outs. Looking forward, management indicated that commercial PC demand could continue to be robust while the consumer PC market might see some improvements. We maintain our favourable long-term view of Western Digital given the company's attractive valuation, shareholder friendly capital allocation policies, and attractive industry demand picture driven by the migration of data to the cloud.

Facebook also performed well. The company reported quarterly results in which revenues and profits grew impressively year-on-year and handily beat analysts' estimates. One of the most notable aspects was the growth in profitability as the mix of advertising revenues continued to shift towards higher priced mobile news feed ads.

Market Outlook

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

Performance (%)



Cumulative Performance (%)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Price	6.5	-5.2	14.7	44.4	131.2
NAV	5.4	-3.3	9.4	40.9	121.4
Benchmark	8.1	9.9	15.3	45.9	94.9

Discrete Performance (%)

From To	31.07.09 30.07.10	30.07.10 29.07.11	29.07.11 31.07.12	31.07.12 31.07.13	31.07.13 31.07.14
Share Price	31.3	21.9	-13.3	45.2	14.7
NAV	30.0	20.8	-8.2	40.2	9.4
Benchmark	20.0	11.4	9.2	16.0	15.3

Source: Lipper, percentage growth, mid to mid, total return to 31.07.14.

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.

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that we believe has the potential to produce attractive returns for companies with best-in-class solutions. We also see a number of companies whose present valuations do not, in our view, fully reflect positive company- and/or industry-specific tailwinds.

We agree that the valuations on many cloud and Internet companies appear lofty. In this sense, we think the pull-back that occurred earlier in the year was a healthy way of purging some of the speculative excesses that built up in the markets. We have consolidated our exposure to these areas in select companies we believe have the most compelling solutions and whose business models demonstrate a discernible path to deliver strong earnings and cash flow growth over time.

While the broad selling pressures among Internet and cloud names appears to have lessened, we will continue to carefully balance risks and opportunities, leveraging our industry expertise, and emphasising individual stock selection.

All data source Allianz Global Investors as at 31.07.14 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:	£135.6m
Shares in Issue:	25,768,006 (Ordinary 25p)
Ordinary Share Price ¹ :	501.8p
Net Asset Value (Ordinary) ² :	526.25p
Premium/-Discount to NAV ² :	-6.9%
NAV Frequency	Daily

1. Source: Lipper as at 31.07.14, 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	1.32%
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), Paul Gaunt, Richard Holway MBE, Dr Chris Martin
Company Secretary	Peter Ingram
Investment Manager	Walter Price
Codes:	RIC: ATT.L SEDOL: 0339072

1. Source: AIC, as at the Trust's Financial Year End (30.11.2013). 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, which means that the shares may trade below (at a discount to) or above (at a premium to) the underlying net asset value.

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	71.6	
Consumer Services	9.5	
Utilities	6.4	
Consumer Goods	6.2	
Industrials	3.2	
Cash	2.5	
Financials	0.6	

Geographic Breakdown (%)

North America	85.6	
Far East & Pacific	9.0	
Cash	2.5	
Europe ex UK	2.2	
UK	0.7	

Top Ten Holdings (%)

Apple	7.9	SunPower	3.8
Microsoft	6.2	Facebook	3.6
Palo Alto Networks	4.9	Western Digital	3.5
ServiceNow	4.4	Micron Technology	2.9
SanDisk	4.3	Tesla Motors	2.5
Total Number of Holdings	69		

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 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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website: www.allianztechnologytrust.com

All data source Allianz Global Investors as at 31.07.14 unless otherwise stated.

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