

Technology investing from the heart of the industry

Allianz Technology Trust PLC

Factsheet

31 July 2016

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.

Trust Benefits

The award-winning Allianz Technology Trust PLC offers investors access to the fast moving world of technology with the reassurance that investment decisions are made by Walter Price who has 40 years of experience of investing in technology. He is co-manager of the AllianzGI Global Technology Team which currently has \$4bn in assets under management.

Awards & Ratings



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A ranking, a rating or an award provides no indicator of future performance and is not constant over time.

At the Heart of the Industry

Allianz Technology Trust is managed by the highly experienced AllianzGI Global Technology team based in San Francisco. The team benefits from its close proximity to Silicon Valley where many of the world's key technology companies are headquartered.

Location of the 10 Largest Technology Companies in the US



Total Assets £200.3m **Shares in Issue** 25,919,427 (Ordinary 25p)

Share Price

718.0p

Source: Lipper

NAV per Share

772.9p

Premium/-Discount

-7.1%

Share Price is the price of a single ordinary share, as determined by the stock market. The price shown above is the mid-market price.

Net Asset Value (NAV) per Share 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, cum-income NAV is shown.

Premium/Discount. Since investment company shares are traded on a stock market, the share price that you get may be higher or lower than the NAV. The difference is known as a discount or premium.

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All data source Allianz Global Investors as at 31.07.16 unless otherwise stated.

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Fund Manager's Review

Portfolio Overview

The Allianz Technology Trust returned 8.4% in July, slightly underperforming the Dow Jones World Technology Index return of 8.9%. During the month, stock selection contributed to relative returns while industry allocation detracted. As Allianz Technology Trust is mainly invested in US\$ denominated stocks, and its share price and NAV are in Sterling, the Fund has acted as a 'hedge' against £/\$ exchange fluctuations particularly since the result of the BREXIT vote in June. Although this currency impact remained positive during July, the magnitude of it was much smaller compared with the previous month.

At the holdings level, our position in security holding Proofpoint was among the top contributors to relative returns. The company delivered strong earnings results, driven by market share gains and greater adoption of new solutions. Management noted materially better renewal rates, strong upsell execution, and better international results, all of which should carry over to 2017. The company is also seeing improved operating margins due to a higher renewal base and leverage from distribution. Email security is a mature market, but we think Proofpoint should continue to capture market share as enterprises shift to cloud-based infrastructure and adopt more of the company's products, which now include broader data security, advanced malware protection, and security analytics.

An overweight position in Infineon Technologies was also among the top performers in July. The company announced the acquisition of power and RF semiconductor company Wolfspeed for \$850 million; management expects immediate revenue and earnings synergies. The deal strengthens Infineon's position in power semiconductors,

“ **Despite high valuations for some cloud and internet companies, we continue to see massive addressable markets much larger than the revenue today.** ”

allowing it to benefit from the 5G wireless equipment transition. Additionally, Infineon will have stronger capabilities in compound semiconductors for autos and renewable energy applications, which are high growth markets for semiconductors. We believe the company should generate attractive long-term growth given its compelling positioning in structural growth trends, which include assisted/autonomous driving, energy efficiency, and security.

Other top active contributors included overweight positions in Zendesk, Sophos Group, as well as not owning Oracle.

Conversely, Computer Sciences (CSC) was among the top relative detractors in July. Some analysts slightly reduced earnings expectations to account for potential FX and demand impacts related to Brexit. Despite the potential modest impact from Brexit, the company should continue to benefit from its merger with HPE Enterprise Services. HPE is spinning off its services business and then intends to merge with CSC. The combined new company is expected to generate about \$26 billion in annual revenues and it should have over 5,000 customers in 70 countries, but this deal is more about cost synergies. In addition to the operating income of more than \$1 billion from HPE Services, the merger is expected to deliver significant first year synergies of about \$1 billion after the deal closes. Revenue growth will likely remain under pressure from the migration to cloud computing. However, the acquisition provides the scale needed to compete more effectively in the marketplace, and the combined company should have the financial strength to pursue the right business investments in next-generation solutions.

Guidewire Software was also among the top detractors from relative returns. The company develops and publishes enterprise software for the property and casualty insurance industry. The stock has delivered strong performance for the majority of this year, but shares modestly



Walter Price CFA, Portfolio Manager

Allianz Technology Trust PLC is managed by Walter Price who is a Managing Director and Portfolio Manager on the AllianzGI Technology Team in San Francisco, having joined in 1974. Walter is a current Director and past president of the M.I.T. Club of Northern California. He also heads the Educational Council for M.I.T. in the Bay Area and is a past Chairman of the AIMR Committee on Corporate Reporting for the computer and electronics industries.

declined in the month of July. Guidewire is positioned to benefit as the vast majority of property and casualty insurers start modernizing their legacy software systems. As insurers shift away from aging software systems, Guidewire should gain a significant share of the work given its market leadership position in a very fragmented and underpenetrated market. The company has consistently gained share over the years with strong increases in total customers, and we expect growth to accelerate given expansion opportunities in Europe and potential M&A activity.

Other top active detractors included underweight positions in Microsoft and Qualcomm, as well as an overweight in Amazon.

Market Outlook

As to our economic view, we think the economy will remain slow until there is some fiscal stimulus, which we believe is unlikely until 2017 at the earliest. Thus we expect a continued period of slow growth and low interest rates. As investors become reconciled to this slow period, we think many sectors of technology will do well, and companies continuing to grow at double digit rates will be valued at higher multiples again after the recent major decline in those valuations.

Despite high valuations for some cloud and internet companies, we continue to see massive addressable markets much larger than the revenue today. However, we have consolidated our exposure to these areas in select companies having the most compelling solutions and whose business models demonstrate a discernible path to deliver strong earnings and cash flow growth.

We are also finding excellent investment opportunities among more attractively valued areas of technology. In particular, certain technology incumbents are making compelling progress on their "as-a-service" offerings.

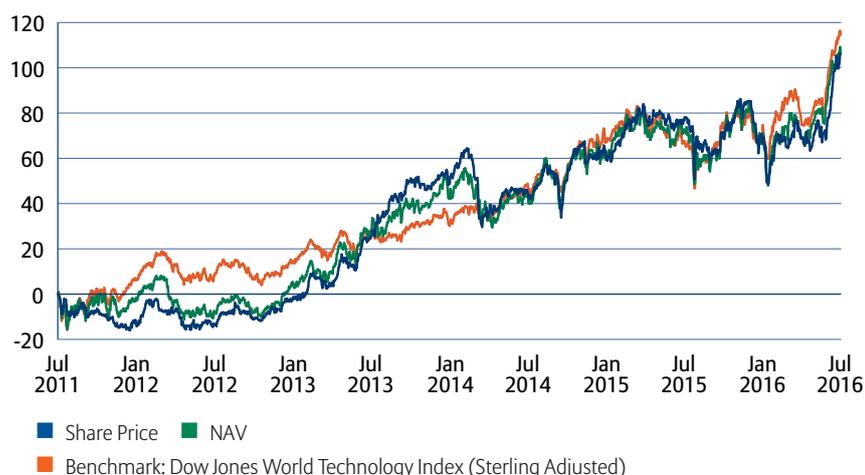
We view security as another attractive secular growth area in technology. The increasing sophistication and persistence of cyberattacks has triggered more spending towards providers offering new security technologies. We believe this trend will continue for several years, and companies consistently enhancing security technology may stand to benefit over time. Despite the recent negative sentiment in the security segment, we believe the long-term secular trend remains intact.

Walter Price
12 August 2016

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.

Performance Track Record

Five Year Performance (%)



Risk & 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.

Cumulative Returns (%)

	3M	6M	1Y	3Y	5Y
Share Price	22.2	23.6	15.8	64.1	106.7
NAV	22.8	20.1	20.1	59.0	117.3
Benchmark	22.8	22.8	28.2	69.4	114.5

Discrete 12 Month Returns (%) to 31 July

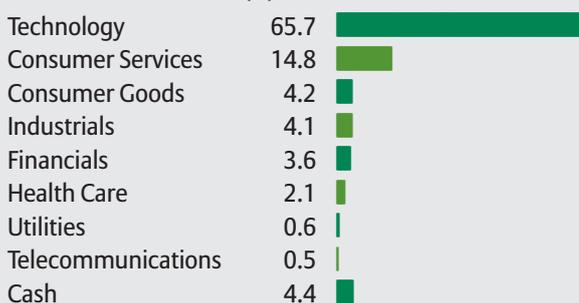
	2012	2013	2014	2015	2016
Share Price	-13.3	45.2	14.7	23.6	15.8
NAV	-8.2	41.7	8.2	22.3	20.1
Benchmark	9.2	16.0	15.2	14.6	28.2

Source: Lipper, percentage growth, mid to mid, total return to 31.07.16. Copyright 2016 © 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.

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.

Portfolio Breakdown

Sector Breakdown (%)

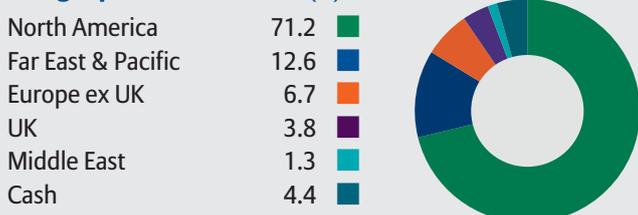


Top Ten Holdings (%)

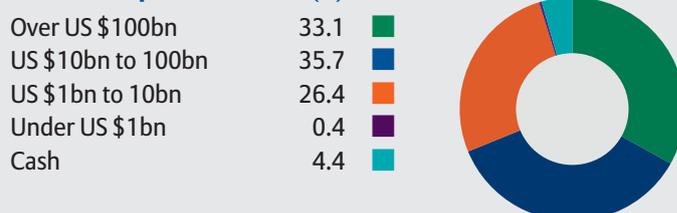
Amazon	7.3
Microsoft	5.2
Broadcom	3.8
Facebook	3.7
Workday	3.5
Alphabet - Class A	3.2
Infineon Technologies	3.2
Lam Research	3.0
Zendesk	3.0
Paycom Software	2.6

Total number of holdings 63

Geographic Breakdown (%)



Market Cap Breakdown (%)



Key Information

Launch Date	December 1995
AllianzGI Appointment	April 2007
Continuation Vote	2021 AGM
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. (Admin Fee)
Performance Fee ¹	Yes
Ongoing Charges ²	1.1%
Year End	30 November
Annual Financial Report	Final posted in March, Half-yearly posted in July
AGM	April
NAV Frequency	Daily
Price Information	Financial Times, The Daily Telegraph, www.allianztechnologytrust.com
Company Secretary	Tracey Lago, ACIS
Investment Manager	Walter Price
Codes	RIC: ATT.L SEDOL: 0339072

1. 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.

2. Source: AIC, as at the Trust's Financial Year End (30.11.2015). Ongoing Charges (previously Total Expense Ratios) are published annually to show operational expenses including Annual Management Fee.

Board of Directors

Robert Jeens (Chairman), Humphrey van der Klugt (Chairman of the Audit Committee and Senior Independent Director), Richard Holway MBE, Elisabeth Scott

How to invest

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

Contact us

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

0800 389 4696

www.allianztechnologytrust.com

E-mail: investment-trusts@allianzgi.com

You will find much more information about Allianz Technology Trust on our website.

Please note that we can only offer information and are unable to provide investment advice. You should contact your financial adviser before making any investment decision.



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