

# Allianz Technology Trust PLC

Factsheet

30 September 2015



## 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 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.

## Fund Manager's Review



Walter Price

### Portfolio Overview

Allianz Technology Trust NAV returned -2.82%, while the Dow Jones World Technology Index returned 0.21%. During the month, stock selection, and to a lesser extent, industry allocation, detracted from relative performance.

At the holdings level, **Palo Alto Networks** was among the top performers in September. The company delivered another high-growth quarter, driven by strength across the entire portfolio of products. Revenue and billings growth exceeded expectations as the company saw an increase in both new subscriptions and larger deals. Security software trends remain very strong. The security sector offers one of the more defensive areas within technology due to high priority spending after persistent high-profile security breaches. Palo Alto Networks has a unique architecture that offers clear technology advantages such as lower latency and application enablement.

On the negative side, Netflix was among the top detractors in September. Shares sold off due to concerns around increasing competition and growing content costs. Competitive headwinds include Apple's potential video on demand strategy, not renewing its Epix deal and losing some high profile movies, and Amazon Prime Video allowing users to download movies for offline playback. Additionally, the cost of high-quality content and international expansion is concerning for some investors. Management remains focused on delivering high-quality series and producing original films with big Hollywood names, and it announced significant expansion into Asia in 2016. Given the increased headwinds, we reduced our position size as we evaluate the company's competitive position and growth strategy.

**Tableau Software** was also among the largest detractors for the month. Tableau has grown rapidly as a pure-play data visualisation and analytics vendor, but investors are growing concerned as competition steadily increases. Recently, Amazon Web Services entered the analytics and reporting market, along with Salesforce.com's launch of an analytics cloud offered as an add-on product. These newer products are in addition to the analytics solutions already offered by SAP, IBM, and Microsoft. Tableau's management believes its solutions retain a functionality lead which should protect its business from greater competitive threats. However, given the increased competition from formidable companies, investors' forward growth expectations for Tableau may be too high. As a result, we reduced our position size and continue to closely monitor management's execution.

## Performance (%)



## Cumulative Performance (%)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Price	-7.5	-8.4	4.8	76.8	86.5
NAV	-5.2	-8.8	3.7	61.6	74.0
Benchmark	-3.9	-10.0	3.5	41.2	70.7

## Discrete Performance (%)

From To	30.09.10 30.09.11	30.09.11 28.09.12	28.09.12 30.09.13	30.09.13 30.09.14	30.09.14 30.09.15
Share Price	7.5	-1.9	54.9	9.0	4.8
NAV	-0.5	8.2	38.0	12.9	3.7
Benchmark	0.1	20.8	9.6	24.5	3.5

Source: Lipper, percentage growth, mid to mid, total return to 30.09.15.

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.

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## Fund Manager's Review (continued)

Other top active detractors included overweights in **Arista Networks**, **FireEye**, and **Sophos Group**.

## Market Outlook

We are finding investment opportunities among more attractively valued areas of technology. In particular, certain technology incumbents are making compelling progress on their "as-a-service" offerings. Additionally, components makers in the hard disk drive and memory spaces, previously thought to be casualties of languishing PC sales, are finding good demand from the expansion in data centers needed to store data and deliver cloud services, and these companies are also benefiting from more stable profitability profiles because of industry consolidation. We think these companies could see significant re-ratings of their earnings multiples. 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 30.09.15 unless otherwise stated.

Allianz Global Investors GmbH, UK Branch, 199 Bishopsgate, London EC2M 3TY

**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:	£153.3m
Shares in Issue (ex treasury):	26,027,426 (Ordinary 25p)
Ordinary Share Price <sup>1</sup> :	560.5p
Net Asset Value (Ordinary) <sup>2</sup> :	588.8p
Premium/-Discount to NAV <sup>2</sup> :	-4.8%
NAV Frequency	Daily

1. Source: Lipper as at 30.09.15, 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: <sup>2</sup>	Yes
Ongoing Charges: <sup>1</sup>	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	59.9
Consumer Services	14.3
Industrials	6.1
Cash	5.9
Consumer Goods	5.6
Financials	5.3
Utilities	1.9
Telecommunications	1.0

## Geographic Breakdown (%)

North America	79.7
Far East & Pacific	6.1
Cash	5.9
Europe ex UK	4.1
UK	2.9
Middle East	0.9
Africa	0.4

## Top Ten Holdings (%)

Microsoft	8.7	Facebook	3.5
Amazon	7.4	Apple	3.1
Google	5.7	Avago Technologies	3.0
Visa	4.3	Skyworks Solutions	3.0
Palo Alto Networks	3.6	Proofpoint	2.1
<b>Total Number of Holdings</b>	<b>60</b>		

## 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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