

Allianz Technology Trust PLC*

*formerly RCM Technology Trust PLC

investors
CHRONICLE
Top 100 Funds 2014
Allianz Technology Trust PLC

Factsheet

30 September 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 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

The Allianz Technology Trust NAV returned -0.02%, while the Dow Jones World Technology Index returned 0.49%. During the month, stock selection contributed while industry allocation decisions drove the underperformance. Following strong performance in the previous month, our position in local business review website operator, **Yelp**, was one of the top detractors during the period. Shares came under pressure from heightened risk aversion in the market along with other lower capitalisation, higher growth stocks. Yelp's fundamentals and user metrics have shown consistent progress on what we believe is a very large potential market for the company. We also believe the company represents a strategic asset for a larger acquirer and should carry a healthy take-out premium especially in the current environment of heightened M&A activity.

Our position in **Harman International** was also among the top detractors in September. Harman manufactures and sells vehicle audio and infotainment systems and operates a consumer segment which makes audio and electronics equipment for home and mobile use. There was a bit of a 'sell the news' element to the pull-back in Harman's shares following a report which indicated vehicle sales in the US came in at their strongest pace since January 2006. Harman has done exceedingly well over the past year with the backdrop of steady growth in the US auto market and increasing adoption of vehicle infotainment systems aligned with the trend of wirelessly connected cars. We think the connected car theme is still early in its development and believe Harman will continue to drive innovation in the space.

On the positive side, security solutions firm **Palo Alto Networks** was one of the top contributors during the month. The company's hardware firewall products are able to enforce security policies across an enterprise's network at the application-, user-, and content-level. The imperative for corporations to upgrade their IT security systems is very apparent given the number of high-profile enterprise breaches recently and Palo Alto seems to be executing well against this opportunity. In our view, Palo Alto Networks offers a best-in-class product suite in a rapidly growing area of technology.

Performance (%)



Cumulative Performance (%)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Price	5.7	2.1	9.0	65.6	121.1
NAV	5.3	5.7	12.9	68.6	113.1
Benchmark	7.7	12.0	24.5	64.7	83.8

Discrete Performance (%)

From To	30.09.09 30.09.10	30.09.10 30.09.11	30.09.11 28.09.12	28.09.12 30.09.13	30.09.13 30.09.14
Share Price	24.2	7.5	-1.9	54.9	9.0
NAV	27.0	-0.5	8.2	38.0	12.9
Benchmark	11.4	0.1	20.8	9.6	24.5

Source: Lipper, percentage growth, mid to mid, total return to 30.09.14.

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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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. We agree that the valuations on many cloud and Internet companies appear lofty. In this sense, we think the pause in appreciation of their shares this year is 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 discernable path to deliver strong earnings and cash flow growth over time.

All data source Allianz Global Investors as at 30.09.14 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:	£146.3m
Shares in Issue:	25,768,006 (Ordinary 25p)
Ordinary Share Price ¹ :	535.0p
Net Asset Value (Ordinary) ² :	567.7p
Premium/-Discount to NAV ² :	-5.8%
NAV Frequency	Daily

1. Source: Lipper as at 30.09.14, 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	64.6	
Consumer Services	13.6	
Utilities	7.7	
Consumer Goods	5.5	
Cash	4.1	
Industrials	3.7	
Telecommunications	0.5	
Financials	0.3	

Geographic Breakdown (%)

North America	77.9	
Far East & Pacific	14.8	
Cash	4.1	
Europe ex UK	2.0	
UK	1.2	

Top Ten Holdings (%)

Apple	6.5	Fireeye	3.5
Microsoft	5.4	SunPower	3.4
Alibaba	5.0	Western Digital	3.3
SanDisk	4.2	Micron Technology	3.1
ServiceNow	3.8	Palo Alto Networks	2.9
Total Number of Holdings	62		

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 30.09.14 unless otherwise stated.

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