

Technology investing from the heart of the industry

Allianz Technology Trust PLC

Factsheet

31 July 2018

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-Head of the AllianzGI Global Technology Team which currently manages \$4bn in assets under management.

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.

Awards & Ratings



Morningstar Rating™



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

Total Assets £450.4m

Shares in Issue 31,672,168 (Ordinary 25p)

Market Cap £456.1m

Share Price

1440.0p

Source: Lipper

NAV per Share

1427.0p

Premium/-Discount

0.9%

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 31.07.18 unless otherwise stated.

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

Fund Manager's Review

Portfolio Overview

The Trust's NAV rose by 1.6% in July, underperforming the Dow Jones World Technology Index return of +2.4%. During the month, both stock selection and industry allocation detracted from relative performance.

Our underweight position in Facebook was one of the top contributors to relative performance during the period. We have maintained an underweight position for most of this calendar year. Shares fell after the company reported disappointing quarterly results and offered a multi-quarter view on the business that was well below prior expectations. The company sees revenues declining as monetisation efforts shift away from core news feed to other less proven platforms. Management also expects expense growth to accelerate as the company ramps its investment in the integrity of the platform to combat the trust issues following the recent manipulation and misuse of user data. Much of the company's lower guidance is due to its own actions and initiatives to remedy things management recognises as potential longer-term issues. Facebook still has many areas that are growing robustly and is investing heavily in Artificial Intelligence initiatives that should present some future opportunities. We lowered our position size as this investment process will likely take time, and earnings estimates may have to come down a bit more.

Amazon.com was also a top relative contributor during the period. Amazon reported mixed results with revenues and units missing expectations, but margins and cash flows exceeding expectations. It appears that the company extracted considerable efficiency in

“ Industries such as automobiles, advertising, security, retail, and manufacturing are all being shaped and transformed by advances in technology.

its retail operations and drove strong advertising related revenues. Management indicated that the high margin advertising business is now contributing to results. Within the retail business, it appears that the company may be seeing some benefits from warehouse fulfillment automation and was able to constrain hiring despite the growing footprint. The company forecast revenue growth lower for the third quarter, but forecast earnings to be much higher than investors were expecting. The retail business continues to gain market share versus both offline and online competitors. A particularly impressive point has been the better execution in international markets where the company is reducing operating losses and appears to be gaining share in key geographies. In our view, Amazon remains the clear leader in the ecommerce and cloud infrastructure markets as it continues to develop new products and services that enhance customer loyalty.

Other top active contributors included an underweight position in Tencent as well as overweight positions in Teradyne and Cree.

Our position in Netflix was the top detractor during the period after falling short of expectations on quarterly results and weaker than expected guidance. Management believes it is still on track for a strong growth year and noted that the first and fourth quarters tend to be strongest and see no change to the total addressable market. Given the slower pace of subscriber growth and the lower expectations, we reduced our exposure to Netflix as it works through temporary headwinds. However, the long-term growth opportunity remains attractive in our view. Netflix's original programming seems to have been a significant factor in its ability to attract new subscriptions beyond simple geographic expansion. The company has demonstrated a unique ability to know its customers and produce content that is highly regarded by those



Walter Price CFA, Portfolio Manager

Allianz Technology Trust PLC is managed by Walter Price who is a Managing Director and Co-Head of 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.

customers. This is helping the company build a large base of loyal subscribers, which should offset the cost of such content over time.

Sophos Group was also among the top detractors in July after pre-announcing its quarterly billings growth to the disappointment of some investors. Revenue and cash flow remain strong, and the long-term outlook remains unchanged. The company expects normalised growth to be in the 15%-20% range, but it takes time for the growth rate comparisons to reset after the robust growth triggered by the WannaCry ransomware attacks. We continue to see opportunities for Sophos to grow faster than the market over the medium to long-term, with incremental additions from new products and attractive growth from new customers. While near-term performance may be volatile due to tough growth comparisons from the previous year, we believe the longer-term growth opportunity remains underappreciated.

Other top active detractors included underweight positions in Microsoft and Alphabet (parent of Google) and an overweight position in Tesla.

Market Outlook

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. The growth in technology is coming from the creation of new markets, rather than simply GDP (Gross Domestic Product) growth. Investors need to find companies generating organic growth by creating new markets or effecting significant change on old markets. Industries such as automobiles, advertising, security, retail, and manufacturing are all being shaped and transformed by advances in technology.

Artificial intelligence (AI) is also becoming a significant trend. From consumer goods, such as the Amazon Echo, to autonomous driving, practical applications of AI are emerging. We expect AI will increasingly be used to make our lives more convenient.

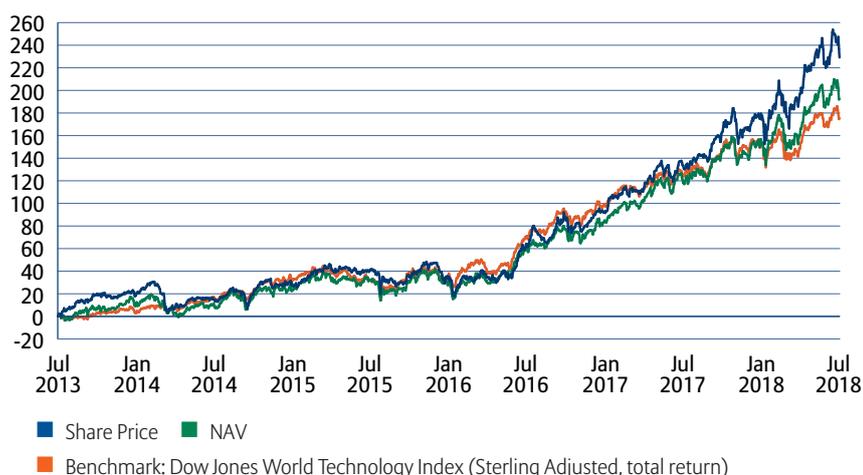
We will continue carefully balancing risks and opportunities, leveraging our industry expertise, and emphasizing individual stock selection.

Walter Price
9 August 2018

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	10.8	18.5	40.9	132.3	229.1
NAV	12.3	15.2	34.2	120.9	192.4
Benchmark	11.0	9.8	23.0	108.5	175.5

Discrete 12 Month Returns (%) to 31 July

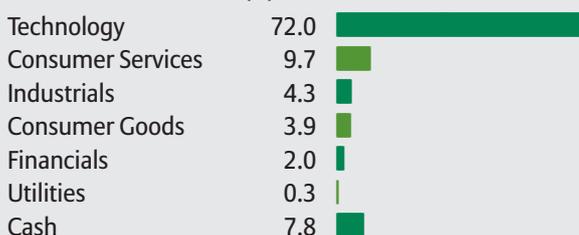
	2014	2015	2016	2017	2018
Share Price	14.7	23.6	15.8	42.3	40.9
NAV	8.2	22.3	20.1	37.1	34.2
Benchmark	15.2	14.6	28.2	32.2	23.0

Source: Lipper, percentage growth, mid to mid, total return to 31.07.18. Copyright 2018 © 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	6.9
Alphabet - A shares	6.3
Microsoft	4.2
Teradyne	3.9
Square	3.7
NetApp	3.0
Micron Technology	3.0
Arista Networks	2.4
ServiceNow	2.4
Proofpoint	2.3

Total number of holdings 66

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, total return)
Annual Management Charge	0.8% p.a. on market capitalisation up to £400 million and 0.6% p.a. thereafter. In addition there is an admin fee of £55,000 p.a.
Performance Fee ¹	Yes
Ongoing Charges ²	1.0%
Year End	31 December
Annual Financial Report	Final published in April Half-yearly published in August
AGM	May
NAV Frequency	Daily
Price Information	Financial Times, The Daily Telegraph, www.allianztechnologytrust.com
Company Secretary	Eleanor Emuss
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 (30.11.2017). 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

You can buy shares in the Trust through:

- A third party provider - see 'How to Invest' on our website, where you will find links to a range of these platforms, many of which allow you to hold the shares within an ISA, Junior ISA, SIPP and/or savings scheme.
- A stockbroker.
- A financial adviser.

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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All data source Allianz Global Investors as at 31.07.18 unless otherwise stated.

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