

Technology investing from the heart of the industry

Allianz Technology Trust PLC

Factsheet

31 January 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 £334.3m **Shares in Issue** 27,074,427 (Ordinary 25p) **Market Cap** £329.0m

Share Price

1215.0p

Source: Lipper

NAV per Share

1240.6p

Premium/-Discount

-2.1%

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 31.01.18 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 6.3% in January, outperforming the Dow Jones World Technology Index return of 2.0%. During the month, both stock selection and industry allocation contributed to relative performance.

Our position in non-benchmark holding Square was one of the top contributors during the period. The company develops business management software for small- & medium-sized businesses (SMB) and monetises many of these products through transaction processing. Square's shares recovered a large portion of their lost value from the declines seen in late November and December. The shares also benefitted from a report released during the period establishing a very bullish outlook for the company as it expands its services. Through this volatility we maintain our strong conviction in the long-term investment case. We see a long runway for growth as Square takes its processing services and software tools to larger merchants.

Our position in non-benchmark holding Netflix was also a top relative contributor after the company reported strong quarterly results driven by new subscriber growth well above consensus expectations in both the US and internationally. Management raised subscriber growth guidance for the current quarter and lowered its operating margin estimate due to increasing content costs. Netflix's original programming seems to have been a significant factor in its ability to attract new subscriptions beyond simple geographic expansion. This original programming is coming at a significant cost as the company has committed substantial resources to

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produce new programming. However, Netflix has demonstrated a unique ability to know its customers and produce content that is highly regarded by customers. This content is helping the company build a large base of loyal subscribers, which should offset the cost of content over time.

Other top active contributors included overweight positions in Amazon.com and Workday and an underweight position in Apple.

Our underweight position in Alphabet (parent of Google) was the top relative detractor as shares rose in anticipation of quarterly results scheduled for release on the first of February. It appears the company is quietly growing its Enterprise Cloud, storage, photos, and YouTube Red businesses to diversify in a way that investors have been asking for some time and moving away from being viewed as dependent on advertising revenue. The company also appears to be making progress in monetising International revenue, especially in Asia Pacific and other Americas. Overall, the U.S. and U.K still represent over 50% of revenue, which speaks to the opportunity that still remains for Google to monetise in non-English speaking geographies, including continental European countries where English is spoken but not native. We maintain an underweight position in Alphabet.

Our underweight position in Chinese Internet firm, Alibaba, was also among the top relative detractors during the period. Alibaba operates several Internet properties primarily engaged in e-commerce activities. Similar to Square, Alibaba was a strong 2017 performer whose shares recovered strongly in January from a rough patch in November/December. During the period, the company announced it had developed an artificial intelligence model that beat humans in a test of reading and comprehension. It is through natural language processing models such as this that Alibaba



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.

could task machines with fielding customer service enquiries and target ads more effectively. We continue to see strong upside for Alibaba given its strong e-commerce core as well as a longer-term opportunity to monetise data on users across its many Internet properties.

Other top active detractors included underweight positions in Tencent and Microsoft and an overweight position in LendingClub.

Market Outlook

While some investors assume technology companies may see a small benefit from US tax reform, we believe this can significantly help the sector. New tax rules will allow companies to repatriate cash balances held offshore at lower tax rates. Cash repatriation can lead to larger cash returns to shareholders of large technology companies, and it could spark Merger & Acquisition activity in the tech sector, which could benefit smaller companies. Additionally, companies across the economy will likely spend at least some of the tax savings to invest in their businesses. We expect more spending to flow to technology companies that offer innovative products and services designed to help businesses increase productivity and improve efficiency. In our view, these factors should lead to continued strong earnings growth for technology companies.

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

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

Walter Price
9 February 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	5.4	18.9	43.9	118.9	256.3
NAV	2.7	16.4	38.6	105.8	221.5
Benchmark	1.3	12.0	27.3	89.9	179.8

Discrete 12 Month Returns (%) to 31 January

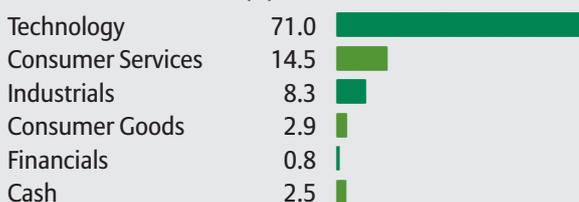
	2014	2015	2016	2017	2018
Share Price	55.1	4.9	4.7	45.3	43.9
NAV	41.8	10.2	7.3	38.3	38.6
Benchmark	17.0	26.0	4.5	42.8	27.3

Source: Lipper, percentage growth, mid to mid, total return to 31.01.18. 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 (%)

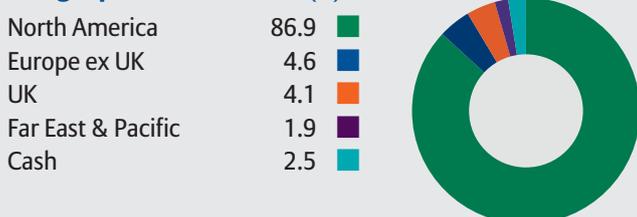


Top Ten Holdings (%)

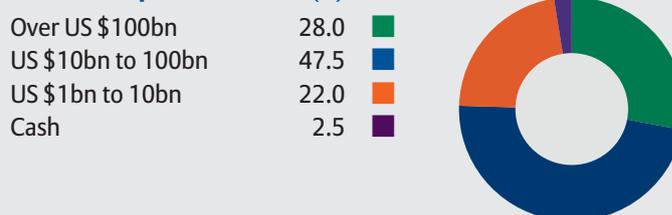
Amazon	7.1
Microsoft	4.8
ServiceNow	3.9
Square	3.4
Netflix	3.2
PayPal	3.0
Arista Networks	3.0
Workday	2.9
Alphabet - A shares	2.8
DXC Technology	2.7

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	1.0%
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	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 (30.11.2016). 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 31.01.18 unless otherwise stated.

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