

Technology investing from the heart of the industry

Allianz Technology Trust PLC

Factsheet

31 December 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



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.

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 £217.6m Shares in Issue 25,919,427 (Ordinary 25p)

Share Price

819.3p

Source: Lipper

NAV per Share

842.3p

Premium/-Discount

-2.7%

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 31.12.16 unless otherwise stated.

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

Fund Manager's Review

Portfolio Overview

The Allianz Technology Trust NAV returned 0.44% in December, underperforming the Dow Jones World Technology Index return of 2.20%. During the month, stock selection, and to a lesser extent, industry allocation detracted from relative returns.

Our position in memory chip manufacturer Micron Technology was among the top contributors to relative performance in December. Shares surged following the release of the fiscal first quarter earnings report which came in near the high end of the preannounced ranges. Pricing was better than expected, driving margins higher and boosting the revenue and earnings outlook for next quarter. Over the course of several years, consolidation in the memory chip industry has helped Micron and others rationalise supply and more effectively preserve profitability through the ups-and-downs of the demand environment. We believe Micron is particularly well-positioned to benefit from this environment. In addition to favourable industry trends, the company's increasing product diversification should stabilise revenue and earnings volatility, and cost-cutting efforts should help improve profitability. We see multiple ways for the company to generate compelling earnings growth while it also trades at an attractive valuation.

Electric vehicle maker Tesla was also one of the top contributors during the period. Shares rallied throughout December as investors seemed to appreciate the closure of Tesla's recent SolarCity acquisition. Over the course of 2017, we expect optimism to rise as the company provides more details for its Model 3 electric vehicle which Tesla plans to deliver its Model 3 vehicle later in the year.

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

Battery cell manufacturing has started and management believes it is on track for sufficient battery production for the Model 3 launch in late 2017. Additionally, Tesla continues to focus on reducing costs by automating processes and increasing operational efficiency, which could turn out to be a significant competitive advantage over time. Over the next few years, we believe the Model 3 vehicle has the potential to deliver large earnings power once scaled.

Other top active contributors included underweight positions in Facebook and Alibaba, as well as not owning Oracle.

Conversely, our positions in software as a service (SaaS) provider ServiceNow and security provider Proofpoint were among the top detractors in December. We believe the decline in these stocks was largely driven by a change in sentiment toward high valuation software stocks. With greater uncertainty around the political and global macro environment coupled with higher US interest rates, investors are rotating assets out of some technology stocks – particularly higher valuation stocks – to sectors with lower valuations that are perceived to benefit from Mr. Trump's proposed policies. However, from a sector perspective, we expect technology to benefit from several proposed policies, including lower taxes and cash repatriation. From a company-specific perspective, we believe fundamentals for several SaaS companies remain strong, and these companies are well-positioned for attractive long-term growth.

ServiceNow recently reported strong subscription billings growth, driven by strength across all product segments and particularly compelling growth from new product offerings. We believe ServiceNow is successfully addressing a large market for business applications, and that solid execution in its core business as well as growth from new products should drive attractive long-term returns for shareholders.



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.

Proofpoint also delivered strong earnings results and raised guidance for the fourth quarter and fiscal year 2017. Proofpoint is benefiting from several growth drivers, and the power of its SaaS model is beginning to generate leverage and produce solid free cash flow growth. 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. Management noted materially better renewal rates, strong upsell execution, and better international results, all of which should carry over to 2017.

Other top active detractors included overweight positions in Workday and Veeva Systems, as well as an underweight position in Apple.

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 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 web services are all being shaped and transformed by advances in technology.

At present, we are seeing a 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.

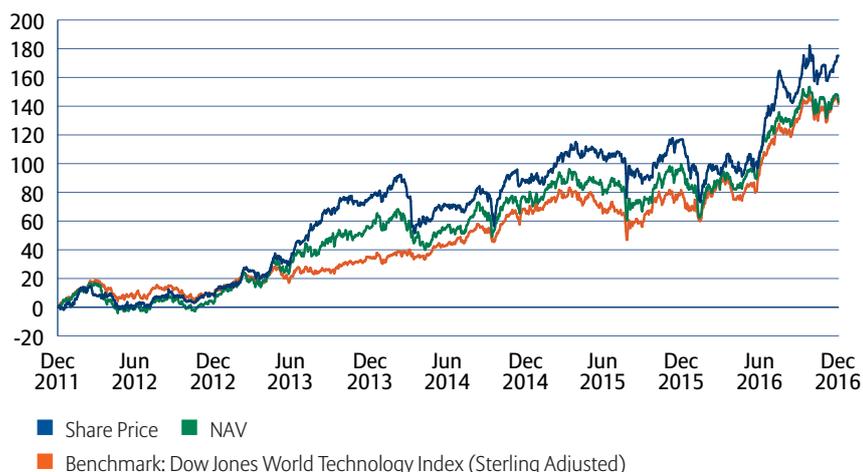
Lastly, we believe the Augmented/Virtual Reality (AR and VR) theme is poised to accelerate in 2017. This theme has been slow to take off due to insufficient and expensive hardware and relatively new software applications. However, declining hardware costs, more gaming software availability, new mobile phones from Apple and Google, and ongoing AR work by Microsoft and Tesla with productivity applications should pave the way for this theme to deliver attractive growth.

Walter Price
11 January 2017

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	8.5	32.1	27.0	56.3	175.8
NAV	1.7	17.7	23.7	56.5	143.0
Benchmark	4.4	22.5	34.8	79.2	141.5

Discrete 12 Month Returns (%) to 31 December

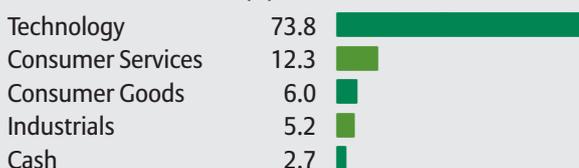
	2012	2013	2014	2015	2016
Share Price	8.1	63.2	7.1	15.0	27.0
NAV	3.9	49.5	11.5	13.4	23.7
Benchmark	9.0	23.7	22.6	8.4	34.8

Source: Lipper, percentage growth, mid to mid, total return to 31.12.16. Copyright 2017 © 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 (%)

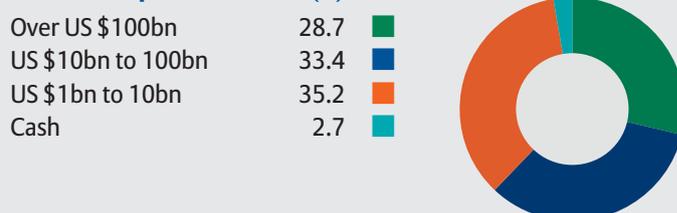
Microsoft	7.0
Amazon	6.3
Apple	5.2
Alphabet	5.2
Micron Technology	4.4
Samsung Electronics	3.7
Arista Networks	2.9
Computer Science	2.9
Proofpoint	2.8
ServiceNow	2.5

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

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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