

Allianz Technology Trust PLC



Factsheet

31 May 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

The Allianz Technology Trust's NAV returned 2.25%, while the Dow Jones World Technology Index returned 2.36%. During the month, stock selection was the driver of positive performance, while industry allocation detracted from relative returns.

At the holdings level, security software provider **Palo Alto Networks** was among the top relative contributors for the month. The company delivered Q1 earnings results and forward guidance that topped high expectations. Management cited broad-based strength across all geographies and product offerings as the security spending environment remains robust. The company continues to demonstrate an ability to produce strong revenue growth and accelerate profits ahead of expectations. We believe Palo Alto Networks is well-positioned to gain more momentum with new and existing customers given its best-in-class solution, and the demand environment should remain robust for the foreseeable future.

Our position in **Netflix** was also among the top relative contributors for the month. Shares rose as investors grew more optimistic about the company's expansion into Asia. Netflix was reported to be in talks with a Chinese media company and other possible partners as it seeks entry into China's \$5.9 billion online video market. A local partnership would be essential given the Chinese government's strict controls over licensing for online content. Netflix is reportedly seeking a partner that has licenses for content on all devices – including mobile phones, computers and set-top boxes. Netflix has been investing heavily in original programming to keep the U.S. business growing and support international expansion, and this investment in content is expected to lead to robust long-term subscriber growth.

On the negative side, cloud computing company **Rackspace Hosting** was among the top relative detractors for the month. The company reported earnings results that were in line with estimates, but forward guidance was well below expectations. Management attributed the weak outlook to the timing of some large deals, which have longer sales cycles. The company also faces a revenue headwind in the second quarter due to the loss of a client because of relocation from the U.K. to Africa. Additionally, despite the emphasis on managed hosting, its dedicated cloud hosting revenue growth has not accelerated. The company is facing a number of uncertainties and the stock may see significant pressure going forward. As a result, we decided to exit our position and pursue investments with more attractive risk/reward profiles.

Performance (%)



Cumulative Performance (%)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Price	6.9	8.3	25.3	108.9	120.3
NAV	2.9	6.6	26.0	88.9	100.8
Benchmark	3.1	6.8	26.3	65.1	87.3

Discrete Performance (%)

From To	31.05.10 31.05.11	31.05.11 31.05.12	31.05.12 31.05.13	31.05.13 30.05.14	30.05.14 29.05.15
Share Price	21.2	-13.0	34.8	23.7	25.3
NAV	22.5	-13.3	29.7	15.6	26.0
Benchmark	8.0	5.0	16.8	11.9	26.3

Source: Lipper, percentage growth, mid to mid, total return to 31.05.15.

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)

Chinese online retailer **Vipshop Holdings** was also among the top relative detractors in May. The company delivered strong earnings results for the first quarter, but it provided soft second quarter guidance. The disappointing guidance was likely driven by slower customer growth compared to the previous year as the company scales back its group-buy business. Despite the short term weakness in the stock, the long term fundamentals remain intact as customer growth of its core flash sales business remains healthy. There was also an upward trend in repeat customers as well as an improvement in order size, which should contribute to strong long-term growth. Vipshop's established reputation and strong supply chain management capabilities position it nicely to benefit from the rapidly growing online flash sales market in China.

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 31.05.15 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:	£168.9m
Shares in Issue (ex treasury):	25,877,426 (Ordinary 25p)
Ordinary Share Price ¹ :	624.5p
Net Asset Value (Ordinary) ² :	652.8p
Premium/-Discount to NAV ² :	-4.3%
NAV Frequency	Daily

1. Source: Lipper as at 31.05.15, 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: ²	Yes
Ongoing Charges: ¹	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, Dr Chris Martin, Elisabeth Scott
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	60.6
Consumer Services	18.9
Industrials	7.2
Utilities	4.3
Consumer Goods	3.7
Financials	2.9
Cash	1.5
Telecommunications	0.9

Geographic Breakdown (%)

North America	79.7
Far East & Pacific	9.5
UK	3.8
Europe ex UK	3.7
Cash	1.5
Middle East	0.9
Africa	0.9

Top Ten Holdings (%)

Microsoft	7.9	ServiceNow	4.0
Palo Alto Networks	5.2	Visa	2.9
Apple	5.0	Netflix	2.9
Amazon	4.3	Western Digital	2.5
Splunk	4.1	SunPower	2.3
Total Number of Holdings	61		

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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website: www.allianztechnologytrust.com

All data source Allianz Global Investors as at 31.05.15 unless otherwise stated.

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