

# Allianz Technology Trust PLC\*

\*formerly RCM Technology Trust PLC

investors  
CHRONICLE  
Top 100 Funds 2014  
Allianz Technology Trust PLC

Factsheet

31 October 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.

## Fund Manager's Review



Walter Price

### Portfolio Overview

The Allianz Technology Trust NAV returned 2.88%, while the Dow Jones World Technology Index returned 2.12%. During the month, stock selection contributed while industry allocation decisions drove the outperformance.

At the holdings level, our position in ServiceNow was among the top contributors during the month. ServiceNow provides cloud-based software solutions that automate and optimize corporate IT systems. Shares rallied in October after the company delivered strong quarterly results and provided fourth quarter sales guidance that exceeded expectations. The results were driven by a record number of large-scale deals, as well as a high renewal rate (98%). The company's core IT service management (ITSM) business continues to thrive, but management also noted increasing momentum with HR and facilities-related platform deals. We remain constructive on ServiceNow's growth prospects in the ITSM market and believe other investors will soon realize the company's opportunities in other areas of the enterprise like HR and Finance.

Following a strong IPO in September, shares in Alibaba continued to climb in October as investors grow more optimistic about the large growth opportunities for the company. In our view, Alibaba has been a very well-run company with a strong management team that has executed remarkably well against competition. It has built its rather expansive and wide ranging portfolio of properties through organic development, which is relatively uncommon in technology. We think the company has a lot of runway to grow at a high rate for the next several years.

Other top active contributors included our overweights in security solutions provider FireEye and online fashion retailer Vipshop Holdings, as well as not holding IBM.

On the negative side, solar products and services company SunPower was among the top detractors during the month. Shares declined largely due to multiple compressions in the midst of the broad-based volatility that occurred in October. However, in late October, the company reported third quarter results that exceeded expectations for sales and profits, and raised its 2014 forecast for both metrics. SunPower indicated continued strong demand across all geographies and end channels, with stable average selling prices. Management also gave an overview for its Analyst Day in mid-November, and many investors expect positive announcements to come out of the event. The firm offers encouraging long-term growth prospects, supported by industry leading cell efficiency and system-level cost of production.

Other top active detractors included overweights in solar companies Trina Solar and Canadian Solar, as well as an underweight in Apple.

## 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. 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 whose present

## Performance (%)



## Cumulative Performance (%)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Price	7.5	14.5	3.8	67.7	131.4
NAV	11.0	17.0	12.6	61.8	131.1
Benchmark	7.7	16.4	21.0	56.5	98.3

## Discrete Performance (%)

From To	30.10.09 29.10.10	29.10.10 31.10.11	31.10.11 31.10.12	31.10.12 31.10.13	31.10.13 31.10.14
Share Price	30.5	5.8	-3.7	67.9	3.8
NAV	39.1	2.7	-4.8	51.0	12.6
Benchmark	22.1	3.8	6.0	22.0	21.0

Source: Lipper, percentage growth, mid to mid, total return to 31.10.14.

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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valuations that, in our view, do not fully reflect positive company- and/or industry-specific tailwinds.

We are also finding excellent investment opportunities among more attractively valued areas of technology. In particular, certain technology incumbents are making compelling progress on their "as-a-service" offerings. Additionally, components makers in the hard disk drive and memory spaces, previously thought to be casualties of languishing PC sales, are finding good demand from the expansion in data centers needed to store data and deliver cloud services and more stable profitability profiles through industry consolidation. We think these companies could see significant re-ratings on their price multiples.

While the broad selling pressures among Internet and cloud names appears to have lessened, we will continue to carefully balancing risks and opportunities, leveraging our industry expertise, and emphasizing individual stock selection.

All data source Allianz Global Investors as at 31.10.14 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:	£150.5m
Shares in Issue:	25,768,006 (Ordinary 25p)
Ordinary Share Price <sup>1</sup> :	539.3p
Net Asset Value (Ordinary) <sup>2</sup> :	584.1p
Premium/-Discount to NAV <sup>2</sup> :	-7.7%
NAV Frequency	Daily

1. Source: Lipper as at 31.10.14, 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: <sup>2</sup>	Yes
Ongoing Charges: <sup>1</sup>	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.

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	69.0	
Consumer Services	10.8	
Utilities	6.9	
Consumer Goods	4.6	
Cash	4.3	
Industrials	3.5	
Telecommunications	0.5	
Financials	0.4	

## Geographic Breakdown (%)

North America	77.9	
Far East & Pacific	14.9	
Cash	4.3	
Europe ex UK	1.7	
UK	1.2	

## Top Ten Holdings (%)

Apple	6.9	SanDisk	3.9
Alibaba	5.5	Fireeye	3.9
Microsoft	5.4	Western Digital	3.2
Palo Alto Networks	5.0	SunPower	3.1
ServiceNow	4.3	Micron Technology	2.9
<b>Total Number of Holdings</b>	<b>55</b>		

## 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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