

30 November 2015

# Allianz Technology Trust PLC

Annual Financial Report

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Allianz Technology Trust PLC has been awarded Investment Week's Investment Company of the Year Award 2015 in the specialist category.

Investment Week's awards aim to recognise and reward excellence in close-ended fund management and highlight investment companies that produce consistent performance.

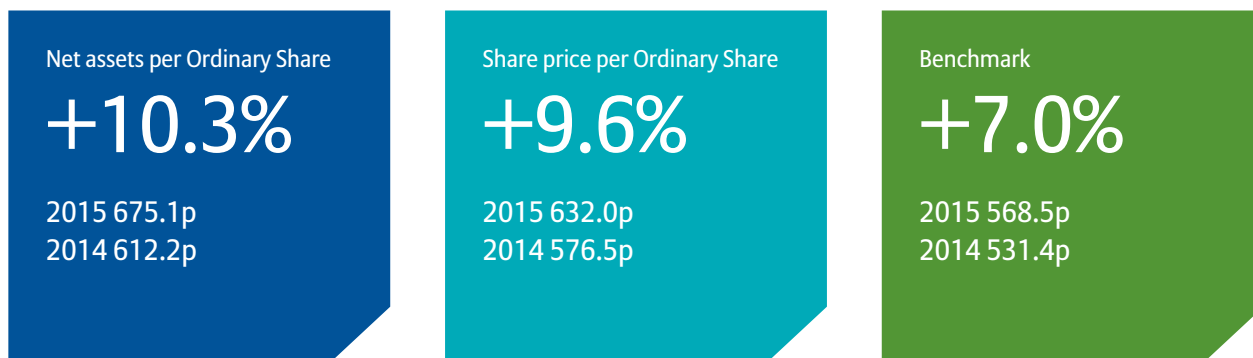


Melissa Gallagher, Allianz Global Investors Head of Investment Trusts, receives the award on behalf of Allianz Technology Trust PLC.

Cover: The Internet of Things (IoT) – a network of physical devices, appliances, vehicles and other items connected via the internet and electronic sensors – is a considerable growth area within technology. Research estimates that up to 50 billion objects will be connected to the IoT by 2020.



# Financial Highlights and Key Information



## Investment Objective

The investment objective of Allianz Technology Trust PLC is to achieve long-term capital growth through investment principally in the equity securities of listed technology companies on a worldwide basis. The portfolio predominantly comprises equity investments and has a benchmark index of the Dow Jones World Technology Index (sterling adjusted, on a total return basis).

## Investment Policy

The investment policy of the Company is to invest in a diversified portfolio of companies that use technology in an innovative way to gain a competitive advantage. Particular emphasis is placed on companies that are addressing major growth trends with innovation that replaces existing technology or radically changes products and services and the way in which they are supplied to customers.

## What constitutes a technology stock

The investment management team views technology companies as those with revenues primarily generated by the application of technology to products and services. This is divided into two areas:

- Traditional telecommunications, media and technology (TMT) segments which include the Internet, computers and computer peripherals, software, electronic components and systems, communications equipment and services, semiconductors, and media and information services, such as Microsoft and Micron Technology
- Non-traditional tech companies which are those in various other industries that use technology in an innovative way to gain a strategic, competitive edge, such as Tesla and Alibaba

## Asset allocation

The fund managers do not target specific country or regional weightings but invest in the most attractive technology shares on a global basis. The fund managers aim to identify the leading companies in emerging technology growth sub-sectors. The majority of the portfolio will comprise mid and large cap technology shares.

## Risk Diversification

The Company aims to diversify risk and no holding in the portfolio will comprise more than 15% of the Company's assets at the time of acquisition. The Company aims to diversify the portfolio across a range of technology sub-sectors.

## Gearing

In normal market conditions gearing will not exceed 10% of net assets but may increase to 20%. The Company's Articles of Association limit borrowing to one quarter of its called up share capital and reserves. As at 30 November 2015 there was no borrowing facility in place.

## Liquidity

In normal market conditions the liquidity of the portfolio, that is the proportion of the Company's net assets held in cash or cash equivalents, will not exceed 15% of net assets but may be increased to a maximum of 30%.

## Derivatives

The Company may use derivatives for investment purposes within guidelines set down by the Board.

## Foreign Currency

The Company's current policy is not to hedge foreign currency.

## Benchmark

One of the ways in which the Company measures its performance is in relation to its 'benchmark', which is an index made up of some of the world's leading technology shares. The benchmark used is the Dow Jones World Technology Index Sterling Adjusted Total Return. The Company's strategy is to have a concentrated portfolio which is benchmark aware rather than benchmark driven. Therefore, the Company has tended to have a significantly higher than benchmark allocation to high growth, mid cap companies which are considered to be the emerging leaders in the technology sector. The Managers believe that the successful identification of these companies relatively early on in their growth stages, offers the best opportunity for outperformance over the long-term.

# Financial Summary

	As at 30 November 2015	As at 30 November 2014	% change
Net Asset Value per Ordinary Share	675.1p	612.2p	+10.3
Ordinary Share Price	632.0p	576.5p	+9.6
Dow Jones World Technology Index Sterling Adjusted Total Return	568.5p	531.4p	+7.0
Discount on Ordinary Share Price to Net Asset Value	6.4%	5.8%	n/a
Total Net Assets	£175,702,025	£157,742,068	+11.4

	For the year ended 30 November 2015	For the year ended 30 November 2014	% change
Net Revenue Return per Ordinary Share	(3.48p)	(3.73p)	n/a
Ongoing Charges*	1.1%	1.2%	n/a

\*Ongoing charges are calculated by dividing operating expenses by the average NAV over the period excluding any performance fees.

## Five year performance summary

	30 November 2015	30 November 2014	30 November 2013	30 November 2012	30 November 2011
Shareholders' Funds	£175.7m	£157.7m	£131.6m	£93.6m	£81.9m
Net Asset Value per Ordinary Share	675.1p	612.2p	519.0p	352.6p	344.1p
Ordinary Share Price	632.0p	576.5p	517.0p	321.0p	311.0p
Dow Jones World Technology Index Sterling Adjusted Total Return	568.5p	531.4p	417.3p	346.4p	317.2p
Discount of Ordinary Share Price to Net Asset Value per share	6.4%	5.8%	0.4%	9.0%	9.6%

Investment Insights from portfolio manager Walter Price and his team are one of the many regular updates available at [www.allianztechnologytrust.com](http://www.allianztechnologytrust.com)



# Chairman's Statement

## Dear Shareholder

### Results and Performance

I am pleased to report that the Net Asset Value (NAV) per share of your Company increased in the period by 10.3%, finishing at 675.1p as at 30 November 2015 compared with 612.2p as at 30 November 2014. I am particularly pleased to report that we have outperformed our benchmark index, the Dow Jones World Technology Index, by 3.3% over this period. The market price of the Company's shares also outperformed the benchmark finishing the period up 9.6% with the share price increasing from 576.5p to 632.0p. The discount to NAV per share widened slightly at the year-end to 6.4% compared with 5.8% at 30 November 2014.

The Investment Managers' Review on pages 8 to 15 contains a broad and thoughtful analysis of the technology investment market, including discussion of the specific investment decisions that affected the Company's performance during the year. Over the past year there have been no significant changes in the major long-term investment themes with which the Manager has positioned the portfolio. However this has been a period of considerable volatility across all investment markets and there have been wide differences in performance across stocks within our technology universe. It seems likely that this volatility will continue and your Board believes that it is particularly in times such as these that investors stand to benefit from the experience and conviction that the Manager's team brings.

The Company's performance over the medium and longer term shows strong positive returns and, when compared to its peers and indices, it is pleasing to note that your Company has performed particularly well over three, five and ten years and since 30 April 2007 when the current Manager took over the management of the portfolio. The table below sets out this data over the various periods:

% increase	1 year	3 years	5 years	Since 1 May 2007*	10 years
ATT NAV	10.3	91.5	93.8	194.6	184.6
Dow Jones World Technology Index (total return)	7.0	64.1	82.2	142.1	141.5
MSCI World Technology Index (total return)	10.3	73.8	98.2	152.4	149.9
Russell MidCap Technology Index	5.2	71.8	70.8	132.1	n/a
Polar Technology Capital (NAV)	10.8	65.8	83.6	164.0	168.7
Herald Investment Trust (NAV)	13.3	45.1	59.8	92.4	123.2
<i>ATT NAV Performance against above comparatives</i>	<i>3rd</i>	<i>1st</i>	<i>2nd</i>	<i>1st</i>	<i>1st</i>

\*From start of Allianz's management of the Company. Source: Allianz Global Investors in GBP as at 30 November 2015.

We have included overleaf data on the broad UK and world equity indices as we believe that many investors will use these as comparators in reviewing the performance of their individual investments. I would only note that investment in technology companies has served investors well over the past decade compared to more broadly based portfolios.



## Chairman's Statement *(continued)*

% increase	1 year	3 years	5 years	Since 1 May 2007*	10 years
ATT NAV	10.3	91.5	93.8	194.6	184.6
FTSE All Share Index (total return)	0.6	26.2	45.2	41.4	80.9
FTSE World Index (total return)	2.6	42.9	59.8	77.2	104.4

\*From start of Allianz's management of the Company. Source: Allianz Global Investors in GBP as at 30 November 2015.

As noted in previous reports it is also important to continue to keep abreast of the portfolio performance position against the wider universe of open ended funds, closed ended funds and exchange traded funds. It is encouraging to see from the table below the performance of your Company versus the other funds within the Morningstar Global Technology Sector - Equity (Morningstar) category, particularly in the period since 30 April 2007 and over a three year period.

	1 year	3 years	5 years	Since 1 May 2007*	10 years
Peer Group Ranking vs Morningstar	18 / 63	1 / 60	9 / 56	1 / 43	5 / 43

### Dividend

No dividend is proposed for the year ended 30 November 2015 (2014 – nil). Given the nature of the Company's investments and the objective to achieve long-term capital growth the Board considers it unlikely that any dividend will be declared in the near future.

### Board Matters

I am pleased to report that the current round of Board refreshment has proceeded smoothly with Elisabeth Scott and Humphrey van der Klugt joining in February and July 2015 respectively and the departures of Paul Gaunt and Chris Martin during the year. We offer warm thanks to both Paul and Chris for their wise counsel over their many years of service on the Board. I can now confirm that, after nearly 11 years of distinguished service as a director, Chairman of the Audit Committee and Senior Independent Director, John Cornish will be retiring at the forthcoming Annual General Meeting (AGM) in April 2016. I would like to thank John for all his commitment and support for the Company over the years. Humphrey van der Klugt will succeed John as Chairman of the Audit Committee and as Senior Independent Director.

Having been appointed by the Board as a Director, Humphrey will be standing for election as a Director by Shareholders at the AGM. Also at this year's AGM, in accordance with the Articles of Association, Richard Holway shall retire by rotation and stand for re-election by Shareholders. In line with good corporate governance, Richard shall now retire annually having served in excess of nine years as a Director. I am pleased to confirm that Richard remains fully effective as an independent director and both the election of Humphrey and the re-election of Richard are fully supported by the Board.

An important event towards the end of the financial year was the Board meeting in San Francisco. Whilst individual Board members had in the past visited the Manager's offices in that city this was the first Board meeting to be held there and for all my current Board colleagues this was their first visit to the Manager's offices. The visit provided the opportunity to meet all key members of the Manager's team in situ as well as some investee companies and was judged to be most productive.

# Chairman's Statement *(continued)*

## Share Buy Backs and Share Issues

The Board believes that it is in the interests of shareholders to increase the number of shares in issue in order to improve secondary market liquidity and increase operating efficiency. At the same time the Board believes it is appropriate to maintain the policy of repurchasing shares in the market at discounts in excess of 7% where there is demand in the market for us to do so and consequently early in the year 40,580 shares were repurchased and added to the Company's treasury holding. Subsequently during the year I am pleased to report that the Company issued 300,000 shares out of those held in treasury with aggregate proceeds from the issues totalling £1.8m. These shares were issued at an average discount of just below 3%. In accordance with the Company's policy, shares are only issued at a discount narrower than that at which they were bought back. Further details of the individual issues can be found in Note 11 on page 67. The Company holds an additional 2,275,454 shares in treasury that are available to meet market demand subject to appropriate pricing.

## Marketing

The hub for investor communications continues to be the Company's website which is managed by Allianz Global Investors. The website hosts regular updates from the investment manager on the technology market and portfolio investment performance, regulatory market announcements and other investor information including the 'Investing in Technology' guide. The monthly shareholder communications have been enhanced with a four page fact sheet which includes more in-depth commentary as well as more detailed performance information. We have also capitalised on improvements in technology by providing shareholders with a video interview with the investment manager via email each quarter. Both of these communications are available to all those registering for updates at [www.allianztechnologytrust.com](http://www.allianztechnologytrust.com).

## Continuation Vote

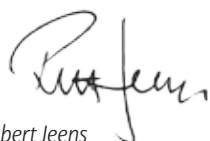
You will see that in accordance with our Articles of Association there is a resolution being proposed at this year's AGM for the continuation of the Company for a further period of five years. In view of the Company's excellent performance record and our confidence in the Investment Managers' ability to continue delivering outperformance, the Board strongly encourages you to vote in favour of the resolution.

## Outlook

The world's financial system continues to face significant challenges, which currently include questions around the health of the global economy and the impact of diverging monetary policies between the US and the rest of the world. While the global economy is expected to grow at a slow pace, we continue to see attractive investment opportunities in technology. It is to be expected that some of the more mature industries will see limited growth. Technology, however, can create new markets, provide lower cost ways of doing things and generate growth when other sectors are less buoyant. Whilst many technology share prices reflect demanding multiples, company balance sheets in the sector are unusually strong. Your Investment Management team is seeing a wave of innovation in the sector that they believe has the potential to produce attractive returns for companies with best in class solutions. Stock selection will be of paramount importance, but it is expected that a carefully selected portfolio of technology investments should be able to perform well over the longer term despite current headwinds.

## Annual General Meeting

The AGM will again be held at The City of London Club, 19 Old Broad Street, London EC2N 1DS, on Wednesday, 13 April 2016 at 12 noon. I look forward to meeting those shareholders who are able to attend.



Robert Jeens  
Chairman

25 February 2016

Allianz Technology Trust PLC

# Investment Managers' Review

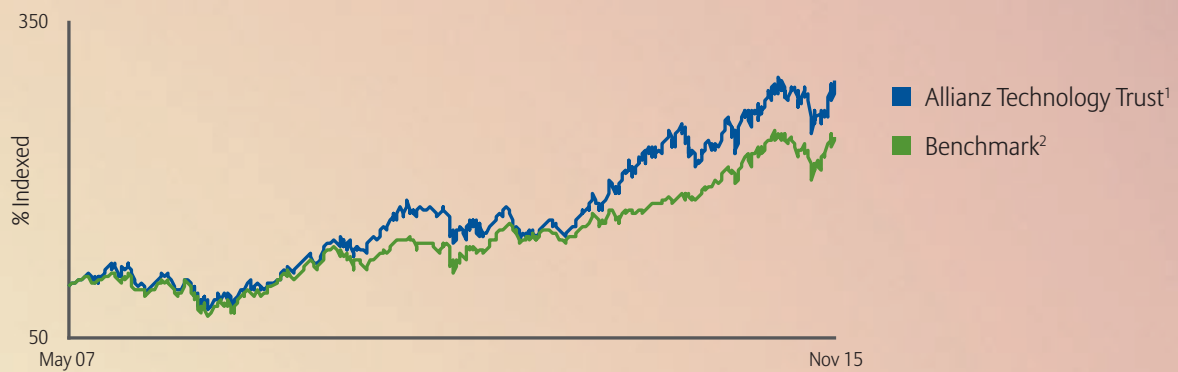
'Technology was one of  
the clear winners in 2015  
amid a lacklustre year  
for stock markets'



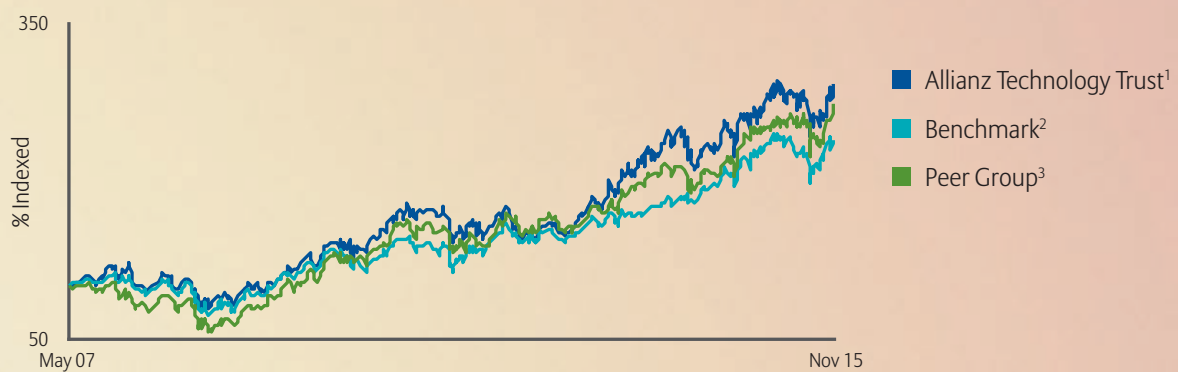


# Performance Graphs

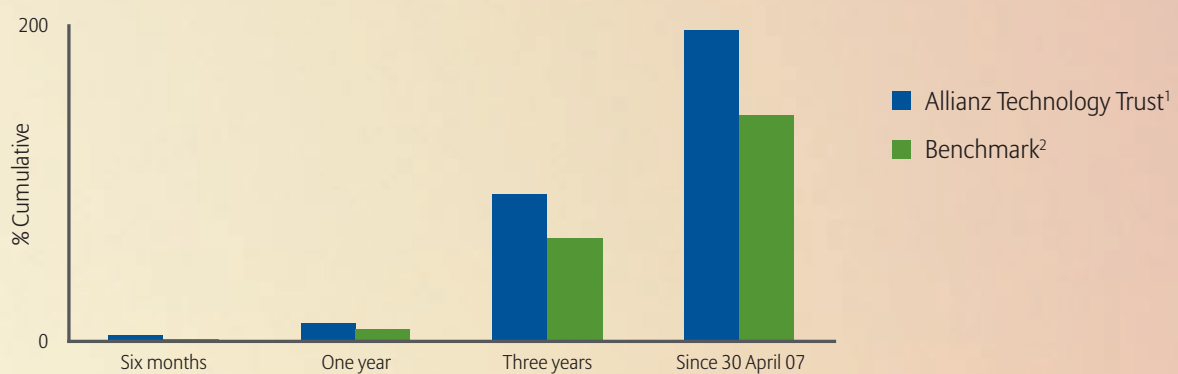
Performance Against Benchmark 30 April 2007\* - 30 November 2015#



Performance Against Sector Peer Group 30 April 2007\* - 30 November 2015#



Performance since 30 April 2007\*



<sup>1</sup> Allianz Technology Trust – Net Asset Value (PAR) – undiluted.

<sup>2</sup> Dow Jones World Technology Index Sterling Adjusted Total Return.

<sup>3</sup> AIC Investment Trust Technology, Media and Communications Sector Peer Group.

\* The date of appointment of AGI (formerly RCM) as managers. Source: AGI / Datastream.

# Rebased to 100 at 1 May 2007.

# Investment Managers' Review



Walter Price is co-head of the AllianzGI Global Technology Team based in San Francisco.

## Financial Year to 30 November 2015

### Economic and Market Backdrop

Uncertainties in the global macro and political environment clouded investors' outlook. As a result, high growth and high valuation stocks bore the brunt of the negative sentiment and high volatility sentiment that prevailed in the latter half of the period. Mega-cap and large-cap tech companies benefited as investors migrated to more stable companies.

As volatility in the broad market rose, market indices became extraordinarily concentrated. Within the Dow Jones World Technology Index, three stocks – Google, Microsoft, and Facebook – have driven performance for the entire index. During the 1 year period, four stocks – Apple, Microsoft, Google, and Facebook – represented 32% of the benchmark.

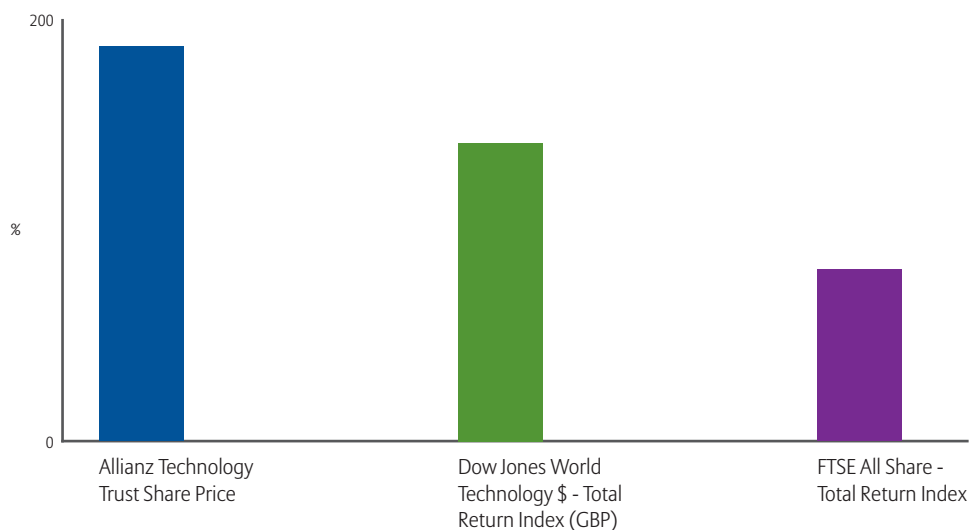
While uncertainties remain in the global macro and political environment – particularly in emerging markets – the US economy has been healthy enough for the Federal Reserve to move forward with a modest increase in short-term interest rates. We expect US interest rate hikes to proceed at a slow pace in 2016; however, monetary policy globally should remain benign, with potentially lower rates and more QE from Japan and Europe.

### Technology is producing explosive growth

Despite the challenges in the broader markets, which have significant exposure to plummeting commodity prices, all technology indices finished the calendar year 2015 in positive territory. While the FTSE All Share declined 1.0%, the NASDAQ gained 5.7% and the Dow Jones World Technology Index was up 6.8%. Even better, in the calendar year, your Company posted an impressive gain of 15%.

If we look at longer periods, the technology returns are even more impressive. The chart below shows the Company vs the Dow Jones World Technology Index and the FTSE All Share Index over ten years to 30 November 2015. On a cumulative basis, the Company gained 185%, the Dow Jones World Technology Index gained 142%, and the FTSE All Share Index returned 81%.

Allianz Technology Trust vs the Dow Jones World Technology Index and the FTSE All Share Index – Ten Years to 30 November 2015



Source: AGI/Datastream



kay.roxby / Shutterstock.com

Amazon.com was the top relative contributor for the period. The company continues to benefit from Amazon Web Services (AWS) – its high-growth cloud computing division, strong e-commerce sales, and more disciplined spending.

The technology sector is rapidly growing and expanding its impact on the overall economy. Today, new technologies are providing more efficient and productive ways of doing things for businesses and consumers. We believe the technology sector will continue to expand its reach throughout the broad economy as corporations, governments, and consumers accelerate the adoption of next-generation solutions (i.e. cloud computing, storage, security, networking, etc.). These new technologies are disrupting legacy technologies while creating new high-growth segments in the technology sector. The shift to cloud computing, for example, is disrupting traditional hardware and software markets by reducing the need for the older technologies.

We believe investment opportunities within technology remain very attractive in the years ahead. Our focus is to identify market leaders in attractive growth industries. We look to select companies with compelling secular growth potential and an ability to generate profits and cash flow.

While we see opportunities in the current market environment, we acknowledge that technology is not immune to market risks. The current risks are plentiful – geo-political issues, China’s growth slowdown, and terrorism to name a few. However, our portfolio managers have a lot of experience and they have faced many different market cycles and a wide range of market risks. The team has consistently produced greater long-term returns against various indices while effectively managing risk in the portfolio. Given the rapid changes that can occur in the market, investors can benefit by investing with an experienced portfolio management team that specialises in managing technology portfolios and the associated risks.



Huachen Chen is co-head of the AllianzGI Global Technology Team based in San Francisco.

## Investment Managers' Review *(continued)*

For the year ended 30 November 2015, the Company's share price gained a positive absolute return of 9.6%.

### Portfolio Analysis

One of the ways in which the Company measures its performance is in relation to its 'benchmark', which is an index made up of some of the world's leading technology shares. The technology indices have tended to be dominated by older tech companies with slowing or declining rates of growth. The Team's approach is to be 'benchmark aware, not benchmark driven' and they often hold off-benchmark stocks which tend to have higher growth profiles and smaller market cap bias.

Amazon.com is a current example of an off-benchmark stock. The stock is one of the largest holdings in the portfolio, and it was the most successful stock we owned in 2015. Sophos Group is another stock held in the portfolio, but it is not included in the benchmark. Sophos is a UK company that benefits from the attractive growth in the cyber security industry. The company offers a variety of security products, including protection against viruses, spam, and data leakage.

The percentage of non-benchmark holdings is known as 'active share' and as at 30 November 2015, the Company's active share was 66%.

Although we aim to outperform the index over time, the investments in our portfolio will differ from those in the index and may also be held in different proportions. When the price of a share that is held both in the index and in the Company's portfolio changes, this will contribute to outperformance or underperformance against the index, depending on whether the weighting of this share in the portfolio is more or less than that in the index. Similarly, our performance relative to the index will be affected by the price movements of shares that we hold and which are not in the index as well as by the performance (whether positive or negative) of shares in the index that we do not own.

For the year ended 30 November 2015, the Company's share price gained a positive absolute return of 9.6%, outperforming the Dow Jones World Technology Total Return Index which returned 7.0%. Our holdings in companies benefiting from the secular growth themes such as cloud computing, cyber security, and online entertainment drove the Company's strong relative performance.

Netflix is an internet television network with more than 75 million members in over 190 countries. The stock was a top active contributor for the period.



## Investment Managers' Review *(continued)*

At the holdings level, Amazon.com was the top relative contributor for the period. Shares surged higher as earnings results topped expectations throughout the year. The company continues to benefit from Amazon Web Services (AWS) – its high-growth cloud computing division – strong e-commerce sales, and more disciplined spending. While the company remains a strong online retailer, its cloud-computing business is becoming a significant growth engine. AWS, which offers web data storage and computing services, grew 78% from the previous year as of the September quarter. AWS continues to win business against large competitors due to its robust offerings, quality customer service, and massive infrastructure. As more companies move to adopt cloud services, we expect AWS to continue growing at a rapid pace. Amazon is a solid leader in two attractive secular growth trends – e-commerce and cloud computing – and we believe these segments should lead to sustainable long-term earnings growth.

Palo Alto Networks was also among the top contributors to relative performance. The company continues to deliver strong earnings results while expanding operating margins and producing

positive free cash flow. Palo Alto remains the most consistent company in the security industry, and we believe its broad based products and business model position the company for sustained leadership. Strong customer growth continued during the period, particularly at the high end, and customers are increasingly adopting a broader set of Palo Alto's solutions. Management noted customer wins against Cisco and Check Point, which was also confirmed by our recent Grassroots<sup>SM</sup> survey. We expect security spending will remain a top priority in IT budgets going forward, but we may see larger separation between the winners and losers in the industry.

Other top active contributors also included our overweight positions in Netflix, Freescale Semiconductor, and security provider Proofpoint.

On the negative side, our position in Alibaba was among the top relative detractors for the period. While we like the long-term prospects for Alibaba, we reduced our position in early 2015 to lessen the negative performance impact from short-term headwinds. First, there was rhetoric from the Chinese government about Alibaba selling fake products on its website. Secondly, the pace

## Meet the Team

The Allianz Global Investors Technology Team is co-headed by Walter Price and Huachen Chen, who have worked together for more than 30 years and who both have decades of experience working within the sector.

The team includes two experienced portfolio analysts, Michael Seidenberg and Danny Su, who each offer more than a decade's experience. They are supported by over ten global sector analysts, nine of whom focus purely on technology companies. Based in the US, Europe and Asia, these specialists extend a global reach which is ever-more important in the technology sector.



Walter Price



Huachen Chen



Danny Su



Mike Seidenberg

## Investment Managers' Review *(continued)*

Google showed compelling growth in mobile/video advertising revenue.

of mobile traffic monetisation was slower than expected. We then exited the stock in August to avoid sharp declines as the Chinese stock market plunged. In October, we bought the stock back at a more attractive valuation after the Chinese market stabilised. Shares rallied in October after the company reported sales growth of 32% as the company captured more of China's shift to online shopping. Management noted strength in its mobile business, which was a key contributor to the rise in sales. Alibaba formed a partnership with an electronics chain to expand its range of merchandise and offered new cloud-based services. Despite macro headwinds in China's economy, the company is confidently pushing ahead with its long-term growth plans and expanding into new markets through acquisitions. The impressive sales results indicate the setback in China's macro economy is not having a large impact on consumption patterns.

Our underweight position in Google, now Alphabet, even though it was the third largest holding in the portfolio, was among the largest detractors from relative performance. In the second half of the period, Google reported earnings results that exceeded expectations for operating income, cash flow, and earnings while expenses came in below expectations. More importantly, the company showed compelling growth in mobile/video advertising revenue. Google is demonstrating an ability to capture some of the growth in mobile/video ads as advertisers shift spending away from traditional and internet media. Additionally, Google's new CFO emphasised that the company will focus more on maximising shareholder value, which boosted optimism among investors. In early August, the company announced it was reorganising into a holding company, under the name Alphabet, which gives its core web operations greater independence while offering

**Table 1: Active Contributors & Detractors (30/11/14 - 30/11/15)**

Active Contributors		Active Detractors	
Company	Contribution (%)	Company	Contribution (%)
Amazon.com, Inc.	3.80	Alibaba Group Holding Ltd. Sponsored ADR	-1.37
Palo Alto Networks, Inc.	2.04	*Alphabet Inc. Class C	-1.13
Netflix, Inc.	1.52	SanDisk Corporation	-1.13
Freescale Semiconductor Inc	1.43	SunEdison, Inc.	-0.76
Proofpoint, Inc.	0.83	Fitbit Inc Class A	-0.51

**Table 2: Absolute Contributors & Detractors (30/11/14 - 30/11/15)**

Absolute Contributors		Absolute Detractors	
Company	Contribution (%)	Company	Contribution (%)
Amazon.com, Inc.	4.37	Alibaba Group Holding Ltd. Sponsored ADR	-1.57
Palo Alto Networks, Inc.	2.36	SanDisk Corporation	-1.34
Freescale Semiconductor Inc	1.52	SunEdison, Inc.	-0.98
Netflix, Inc.	1.45	Micron Technology, Inc.	-0.79
*Alphabet Inc. Class A	1.25	Qualys, Inc.	-0.55

\*Previously Google.



Microsoft News Center

Microsoft HoloLens is a smart-glasses headset for displaying the Windows Holographic 'mixed reality' computing platform. Announced in January 2015, Microsoft's technology enables applications to combine virtual elements with a physical real-world setting.



Fans at its campus in Lulea, Sweden allow Facebook to use outside air to cool the tens of thousands of servers on site.

investors more visibility into plans to expand new businesses. We added to our position due to the company's progress in mobile/video ads and the greater visibility into its operations. However, we remain underweight relative to the benchmark as the stock represents nearly 9% of the index.

Other active detractors included overweight positions in SanDisk (exited), SunEdison (exited), and Fitbit.

### 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 stock pickers who focus on the strength of company fundamentals. 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.

Despite high valuations for some cloud and internet companies, we continue to see massive addressable markets that are much larger than the revenue today. However, we have consolidated our exposure to these areas in select companies we believe have the most compelling solutions and whose business models demonstrate a discernible path to deliver strong earnings and cash flow growth over the next few years.

We are also finding excellent investment opportunities among more attractively valued areas of technology. In particular, certain technology incumbents are making compelling progress on providing robust software offerings via the internet.



## Investment Managers' Review *(continued)*

We view security as another attractive secular growth area in technology. The increasing sophistication and persistence of cyberattacks has triggered more spending towards providers offering new security technologies. We believe this trend will continue for several years, and companies consistently enhancing security technology may stand to benefit over time.

We expect a period of correction in early 2016 caused by weakness in emerging markets and disappointing earnings growth for many companies. These events will keep the spread between higher risk interest rates and Treasury rates high. This will likely be accompanied by several high profile private technology companies that are unable to go public, or they will have to accept much lower valuations than their recent

private valuations. We expect these events will cause those high growth companies that are public to focus more on generating free cash flow, and cause those with lower valuations to pursue a combination of mergers for efficiency and stock buybacks/dividends. These actions will stabilise their stock prices and eventually lead to the end of this correction and the resumption of the upward trajectory in several groups of technology stocks.

The risk is for a macro event that might come from unpredictable 'global hot-spots'. The resulting shift to stocks that are perceived to be 'safer' tends to cause pressure on technology stocks even though the economic models for the industry are becoming more annuity-like.

*Allianz Global Investors US LLC  
25 February 2016*

We view security as another attractive secular growth area in technology. The increasing sophistication and persistence of cyberattacks has triggered more spending towards providers offering new security technologies.



# Investment Managers

## Allianz Global Technology team: at the heart of the industry...

Allianz Technology Trust is managed by the highly experienced Allianz Global Investors US-based 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.

Thirteen of the Company's top twenty holdings are located within fifty miles of the Global Technology team. A further four are within 2 hours' flight time. This is a significant advantage. The team are able to conduct frequent face-to-face meetings – usually

two or three a week – with the management of these leading technology companies, assessing investment opportunities first hand and continually reviewing market prospects. The team's location at the epicentre of the industry also enables access to emerging technology companies who tend to cluster around the market leaders, where they also have access to a unique mix of academics, engineers and venture capitalists who are able to fund the technology sector's next generation of ideas.

### First-hand knowledge: Allianz Technology Trust's top twenty holdings



# Investment Managers *(continued)*

## Information Advantage

### **Backing future technology leaders early is important**

We aim to use fundamental research to identify winners in high-growth technology companies. Whilst the potential rewards are considerable, the nature of the technology sector means that only a small number of companies will become tomorrow's success stories. It takes experience and expertise to identify these opportunities.

### **Grassroots<sup>SM</sup> Research**

Grassroots<sup>SM</sup> Research is AllianzGI's extensive global research resource which has over 70 sector analysts backed by 300 field force investigators. This network of independent researchers and journalists conducts investigative fieldwork and data collection to identify and confirm trends and test market assumptions.

The team's success is driven by:

- Identifying major growth trends within technology, especially 'disruptive innovations' which challenge market leaders.
- Identifying and investing in the profitable market leaders in these emerging technology growth segments.
- Building an intimate knowledge of portfolio companies.
- Applying risk control through diversification across trends, product cycles and global exposure. Risk management has always been a priority in our investment process.

'We believe Grassroots<sup>SM</sup> research ultimately provides an information advantage that other investors may not have.'

Walter Price, Senior Portfolio Manager

Google's Googleplex Corporate headquarters, Mountain View, California.



# Top 20 Holdings

at 30 November 2015

Detailed below are the Top 20 Holdings as at 30 November 2015. Subsequent changes can be noted in the Top 10 Holdings Reports released monthly to the London Stock Exchange.

## 1 Amazon (8.6%)

Amazon.com is a leading global Internet company and one of the most trafficked Internet retail destinations worldwide. Amazon sells, or acts as a platform for the sale of a very broad range of products. The majority of Amazon's sales are products sold directly by Amazon, with the remaining sales from third-party sellers. We like the long term growth prospects as the company gains market share against both offline retail and online retail. Amazon is also well positioned to capitalise on the secular trends of cloud computing and digital media initiatives.

## 2 Microsoft (8.0%)

Microsoft develops, manufactures, licenses, and supports a wide range of software products for many computing devices. Since the start of the current CEO's tenure, the company has made compelling progress towards improving its innovation, particularly with their 'as-a-service' offerings. Microsoft is growing its cloud infrastructure business at a very attractive pace and is among the market leaders in cloud infrastructure services. The company is also returning significant free cash flow to shareholders.

## 3 Alphabet (Google) (6.1%)

Alphabet, the parent company of Google, is a global technology company focused on improving the way people connect with information. As the world's leading search engine, Google remains a primary beneficiary of the secular shift to online spending. We think it is still relatively early in Google's monetisation of mobile search ads and believe YouTube will capture more video dollars shifting online. The company is also becoming increasingly shareholder-friendly as its board approved its first buyback in October 2015.

## 4 Visa (3.8%)

Visa is the world's largest retail electronic payments network providing financial institutions with product platforms including credit cards, debit cards, and prepaid cards. We like the company's leading brand, longer-term secular growth opportunities in electronic payment volumes, and minimal balance sheet risk (limited credit risk). We think investors will continue to be attracted to Visa's strong earnings growth and defensive characteristics.

## 5 Facebook (3.7%)

Facebook is the largest social media property in the world. People use Facebook to connect with friends and family and share news and information. Given its significant user base and wealth of information on these users' interests and preferences, we believe the company has the capability to boost monetisation meaningfully over time via higher-value social ad formats. Additionally, deep levels of mobile engagement should provide additional revenue opportunities.

## 6 Palo Alto Networks (3.5%)

Palo Alto Networks, Inc. provides network security solutions. The company offers firewalls that identify and control applications, scan content to stop threats, prevent data leakage, integrated application, user, and content visibility. In our view, Palo Alto Networks offers a best-in-class product suite in a rapidly growing area of technology.

## 7 Apple (2.9%)

Apple is a leading consumer electronics company with an impressive line of personal computers, software, mobile communications devices, and networking solutions. Apple is a significant holding in the benchmark. We reduced our position in Apple during the period due to near-term headwinds, but we continue to like the company's high free cash flows and opportunities for additional capital returns.

## Top 20 Holdings *(continued)*

at 30 November 2015

### 8 Intel (2.7%)

Intel Corporation designs, manufactures, and sells computer components and related products. The company's major products include microprocessors, chipsets, embedded processors and microcontrollers, flash memory products, graphics products, network and communications products, systems management software, conferencing products, and digital imaging products. It has exposure to solid long term growth in servers and data centres, as growth is being driven by emerging cloud applications.

### 9 Zendesk (2.6%)

Zendesk is a provider of cloud-based digital customer support software used by support agents to manage customer interactions over email, online chat and click to call. The Zendesk offering enables support agents to monitor and interact with customers on social media sites such as Facebook and Twitter. We believe that Zendesk possesses a number of compelling competitive advantages likely to drive solid market share gains, including 1) ease of installation (occurs in hours or days), 2) robust analytics and survey functionality, and 3) a growing ecosystem of over 2,500 developers in the Zendesk marketplace.

### 10 Proofpoint (2.3%)

Proofpoint is a security-as-a-service (SaaS) provider with a focus on cloud-based solutions for the email gateway market. Add-on capabilities include advanced threat protection, compliance, archiving & governance, and secure communications. Proofpoint is in a mature email security market, but is meaningfully taking market share due to its technology and add-on capabilities.

### 11 Activision (2.1%)

Activision is an Interactive entertainment (video games) industry leader with a strong title portfolio. We expect current cornerstone franchises Call of Duty, World of Warcraft, and Skylanders to continue generating strong revenue and operating profits for the next several years. We expect significant earnings growth in 2016, driven by the highly accretive KING acquisition. Activision has a strong free cash flow and balance sheet for share repurchases and dividends.

### 12 Imperva (2.1%)

Imperva is a leader in database, file, and web application security. The company has a strong and evolving product portfolio and an extensive customer base that should provide ample cross- and up-sell opportunities and the potential for repeat sales. The company has a solid growth profile and scalable financial model that should drive significant margin expansion.

### 13 Salesforce.com (1.9%)

Salesforce.com is a provider of on-demand customer relationship management (CRM) services as well as service and marketing solutions to business of all sizes and industries worldwide. Salesforce.com also offers a cloud computing platform for customers and developers to build applications. Cloud computing is an area of secular growth within technology. We believe that Salesforce.com is a long-term market share winner, benefiting from the structural shift to on-demand software and development systems.

### 14 Workday (1.9%)

Workday is one of the largest and fastest growing providers of human capital management (HCM) software solutions, delivered via a SaaS model. HCM suites not only automate core Human Resource (HR) functions such as personnel records, benefits administration, and compensation but can also offer workforce management, recruiting, compliance, learning management, workforce performance and compensation management.

### 15 Sophos (1.9%)

The UK based company is a leading supplier of corporate endpoint and network security to a global midmarket customer base. Sophos has strong recurring billings, global reach and a strong cash EBITDA margin that allows for reinvestment. We see opportunities for Sophos to continue to grow faster than the market over the medium to long-term.

## Top 20 Holdings *(continued)*

at 30 November 2015

### 16 Criteo (1.8%)

Criteo is an Ad-Tech company focused on performance-based marketing and retargeting. Criteo leverages vast amounts of data, proprietary software algorithms and insights into consumer intent to deliver advertising across all devices. Criteo provides attractive returns on investment for display ads by leveraging direct relationships with advertisers/publishers and user/transaction data.

### 17 Alibaba (1.7%)

Alibaba operates online marketplaces where merchants can directly market and sell their products to retail and business customers. It is one of the largest internet companies in the world and by far the leader in ecommerce in China. Alibaba's market position is dominant and growth is still very robust as penetration remains low. The company takes no inventory risk and does not bear the capital burden of building fulfillment capabilities.

### 18 Tableau (1.6%)

Tableau Software sells easy to use software that helps anyone quickly analyse, visualise and share information. The company's visualisation and business intelligence software is fast, highly intuitive, and easy enough for mainstream (front office user) consumption. We believe Tableau Software can continue its positive momentum, as 1) it will likely take years before DATA's segment of the market reaches maturity, 2) its core product is well ahead of competitors, and 3) there is potential for significant margin expansion over the long haul.

### 19 Tesla Motors (1.6%)

Tesla Motors, Inc. designs, manufactures, and sells high-performance electric vehicles and electric vehicle powertrain components. The company owns its sales and service network and sells electric powertrain components to other automobile manufacturers. We remain constructive on Tesla over the long-term, but we will continue to balance the near-term risk/reward.

### 20 Tencent (1.6%)

Tencent Holdings Limited, an investment holding company, provides Internet and mobile value-added services (VAS), online advertising services, and e-commerce transactions services to users in China, the United States, Europe, and internationally. Tencent has been gaining traction in mobile games businesses, and progressing well in monetising mobile advertising business.

Weightings have been calculated as a percentage of total investments.

# Investment Portfolio

at 30 November 2015

Investment	Sector	Country	Fair Value £'000	% of Portfolio
Amazon	General Retailers	United States	14,874	8.6
Microsoft	Software	United States	13,901	8.0
Alphabet	Software	United States	10,503	6.1
Visa	Financial Services	United States	6,618	3.8
Facebook	Software	United States	6,341	3.7
Palo Alto Networks	Software	United States	6,052	3.5
Apple	Hardware	United States	5,048	2.9
Intel	Hardware	United States	4,599	2.7
Zendesk	Software	United States	4,489	2.6
Proofpoint *	Software	United States	4,012	2.3
<b>Top ten investments</b>			<b>76,437</b>	<b>44.2</b>
Activision	Leisure Goods	United States	3,610	2.1
Imperva	Support Services	United States	3,602	2.1
Salesforce.com	Software	United States	3,360	1.9
Workday	Software	United States	3,353	1.9
Sophos	Software	United Kingdom	3,201	1.9
Criteo	Media	United States	3,183	1.8
Alibaba *	General Retailers	China	2,846	1.7
Tableau	Software	United States	2,787	1.6
Tesla Motors *	Automobiles & Parts	United States	2,727	1.6
Tencent	Software	China	2,724	1.6
<b>Top twenty investments</b>			<b>107,830</b>	<b>62.4</b>
Ctrip.com	Travel & Leisure	United States	2,497	1.4
Canadian Solar *	Alternative Energy	Canada	2,382	1.4
Arista Networks	Software	United States	2,308	1.3
Infineon Technologies	Hardware	Germany	2,205	1.3
Godaddy	Software	United States	2,184	1.3
Harman International *	Leisure Goods	United States	2,116	1.2
Netflix	General Retailers	United States	2,039	1.2
Freescale Semiconductor *	Hardware	United States	1,975	1.1
Expedia	Travel & Leisure	United States	1,968	1.1
Netease	Software	China	1,959	1.1
<b>Top thirty investments</b>			<b>129,463</b>	<b>74.8</b>

\*Not constituents of the Benchmark.

## Investment Portfolio *(continued)*

at 30 November 2015

Investment	Sector	Country	Fair Value £'000	% of Portfolio
JD.com	General Retailers	China	1,903	1.1
Lam Research	Hardware	United States	1,893	1.1
Fitbit	Leisure Goods	United States	1,881	1.1
Servicenow	Software	United States	1,867	1.1
Blackhawk Networks	Financial Services	United States	1,826	1.1
Adobe Systems	Software	United States	1,815	1.1
Avago Technologies	Hardware	United States	1,790	1.0
Vantiv	Support Services	United States	1,776	1.0
Accenture	Support Services	United States	1,763	1.0
Paycom Software	Software	United States	1,730	1.0
<b>Top forty investments</b>			<b>147,707</b>	<b>85.4</b>
Comcast *	Media	United States	1,698	1.0
Intuit	Software	United States	1,675	1.0
Samsung Electronics	Leisure Goods	South Korea	1,624	0.9
CDW	Hardware	United States	1,600	0.9
Amadeus *	Support Services	Spain	1,589	0.9
Splunk	Software	United States	1,581	0.9
Naspers	Media	South Africa	1,483	0.9
FireEye *	Software	United States	1,478	0.9
Sunpower *	Alternative Energy	United States	1,462	0.8
Vipshop *	General Retailers	China	1,429	0.8
<b>Top fifty investments</b>			<b>163,326</b>	<b>94.4</b>
Alcatel-Lucent *	Hardware	France	1,251	0.7
Cyberark Software	Software	United States	1,229	0.7
Nidec	Electronics	Japan	1,226	0.7
Baidu ADR	Software	China	987	0.6
Cognizant Technologies	Software	United States	910	0.5
Sage	Software	United Kingdom	899	0.5
Computer Sciences	Software	United States	797	0.5
CSRA	Software	United States	780	0.5
Telecity	Software	United Kingdom	717	0.4
ARM Holdings	Hardware	United Kingdom	513	0.3
<b>Top sixty investments</b>			<b>172,635</b>	<b>99.8</b>
Worldpay	Financial Services	United Kingdom	284	0.2
<b>Total Investments</b>			<b>172,919</b>	<b>100.0</b>

\*Not constituents of the Benchmark.



# Portfolio Analysis

at 30 November 2015

Sector	Valuation £'000	% of Portfolio
Software	83,639	48.4
General Retailers	23,091	13.4
Hardware	20,874	12.1
Leisure Goods	9,231	5.3
Financial Services	8,728	5.0
Support Services	8,730	5.0
Media	6,364	3.7
Travel & Leisure	4,465	2.6
Alternative Energy	3,844	2.2
Automobiles & Parts	2,727	1.6
Electronics	1,226	0.7
	<b>172,919</b>	<b>100.0</b>

Country	Valuation £'000	% of Portfolio
United States	143,697	83.0
China	11,848	6.9
United Kingdom	5,614	3.3
Canada	2,382	1.4
Germany	2,205	1.3
South Korea	1,624	0.9
Spain	1,589	0.9
South Africa	1,483	0.9
France	1,251	0.7
Japan	1,226	0.7
	<b>172,919</b>	<b>100.0</b>

Portfolio Analysis	Valuation £'000	% of Portfolio
Listed equities	172,919	100.0

Allianz Technology Trust PLC

# Directors' Review



jammoo028 / Shutterstock.com

Released in April 2015, the Apple Watch is the company's first wearable technology product.

# Directors, Investment Managers and Advisers

## Directors



**Robert Jeens, MA (Cantab), FCA (Chairman) \***

Robert joined the Board on 1 August 2013 and became Chairman on 2 April 2014. Following 12 years as an audit partner with Touche Ross, he became Finance Director of Kleinwort Benson and subsequently Woolwich Plc. Robert has extensive experience of the asset management industry and also has experience of technology companies, as Chairman of nCipher Plc and as a non-executive director of Dialight Plc. He is currently Chairman of Remote Media Group, a cloud-based digital signage company, and is a director of Henderson Group PLC and of JP Morgan Russian Securities plc.



**John Cornish, B.Sc(Econ), FCA †**

John joined the Board on 1 May 2005 and was appointed as Senior Independent Director on 6 April 2006. Formerly a partner at Deloitte LLP, where he led the firm's services to the investment trust industry for 15 years, he subsequently served as Chairman of Framlington Innovative Growth Trust PLC for four years. John is currently a director of RIT Capital Partners plc and of Henderson EuroTrust plc.



**Humphrey van der Klugt #**

Humphrey joined the Board on 1 July 2015. Currently Chairman of Fidelity European Values Plc, he is also a director of JPMorgan Claverhouse Investment Trust Plc and Worldwide Healthcare Trust PLC. He is an experienced investment manager and investment company director, having previously served as a director of trusts managed by BlackRock and Aberdeen. Humphrey initially qualified as a chartered accountant with Peat Marwick Mitchell & Co (now KPMG) in 1979, and retired from a long career as a fund manager and senior executive at Schroders in 2004.



**Richard Holway, MBE #**

Richard joined the Board on 29 January 2007. He was Group Marketing Director for Hoskyns (now Capgemini) before setting up his own technology analysis company in 1986. He is currently the Chairman of TechMarketView LLP. He was a co-founder of the Prince's Trust Technology Leadership Group in 2002 and is a member of the Prince's Trust's advisory board.



**Elisabeth Scott, MA(Hons), MSc #**

Elisabeth joined the Board on 1 February 2015. She began working in the Hong Kong asset management industry in 1992 and was managing director and country head of Schroder Investment Management (Hong Kong) Limited from 2005 to 2008. Elisabeth was also chair of the Hong Kong Investment Funds Association from 2005 to 2007. Elisabeth is a director of Pacific Horizon Investment Trust PLC, Fidelity China Special Situations PLC and Dunedin Income Growth Investment Trust PLC.

All Directors are independent, non-executive.

\* Chairman of the Management Engagement Committee and Nomination Committee.

† Chairman of the Audit Committee, Member of the Management Engagement Committee and the Nomination Committee.

# Member of the Audit Committee, Management Engagement Committee and the Nomination Committee.

## Directors, Investment Managers and Advisers *(continued)*

### Fund Managers



Walter Price CFA

Walter Price is a Managing Director, Senior Analyst, and Portfolio Manager on the Allianz GI technology team. He joined AllianzGI in 1974 as a senior securities analyst in technology and became a principal in 1978. Since 1985, he has had increasing portfolio responsibility for technology stocks and has managed many technology portfolios.



Huachen Chen CFA

Huachen Chen is a Senior Portfolio Manager, and joined AllianzGI in 1984. He has covered many sectors within technology, as well as the electrical equipment and multi-industry areas. Since 1990, he has had extensive portfolio responsibilities for technology and capital goods stocks and has managed U.S. and Global portfolios with Walter Price. Prior to AllianzGI, he worked for Intel Corporation from 1980 to 1983, where he had responsibilities for semiconductor process engineering.



Michael Seidenberg CFA

Michael Seidenberg received his BS in Business Administration from the University of Colorado in 1990 and his Master of Business Administration from Columbia Business School in 1996 with concentrations in Finance and Accounting. Michael began his investing career in 2001 covering the software space, over the following 8 years he broadened his coverage list to include a variety of technology sectors. Prior to joining AllianzGI in Sept 2009, Michael worked at a number of hedge funds including Pequot Capital and Andor Capital.

### Alternative Investment Fund Manager (Investment Manager)

Allianz Global Investors GmbH (AllianzGI) is an investment company with limited liability incorporated in Germany and registered in the UK as a branch with establishment number BR009058 and with an establishment address of 199 Bishopsgate, London EC2M 3TY. It is authorised by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and is subject to limited regulation by the Financial Conduct Authority (FCA).

AllianzGI are active asset managers operating across 19 markets with specialised in-house research teams around the globe, managing assets for individuals, families and institutions worldwide.

As at 30 September 2015, AllianzGI had €427 billion of assets under management worldwide.

Through its predecessors, AllianzGI has a heritage of investment trust management expertise in the UK reaching back to the nineteenth century and as at 31 December 2015 had £1.17 billion of assets under management in a range of investment trusts. Website: [www.allianzgi.co.uk](http://www.allianzgi.co.uk)

### Head of Investment Trusts

Melissa Gallagher  
Email: [melissa.gallagher@allianzgi.com](mailto:melissa.gallagher@allianzgi.com)

### Company Secretary and Registered Office

Tracey Lago ACIS  
Email: [tracey.lago@allianzgi.com](mailto:tracey.lago@allianzgi.com)  
199 Bishopsgate, London EC2M 3TY  
Telephone: 020 3246 7405  
Website: [www.allianztechnologytrust.com](http://www.allianztechnologytrust.com)

### Registered Number

3117355

### Auditors

Grant Thornton UK LLP

### Bankers

The Bank of New York Mellon

### Registrars

Capita Asset Services  
(full details on pages 76 and 77)

### Solicitors

Eversheds LLP

### Stockbrokers

Winterflood Investment Trusts

### Depositary

BNY Mellon Trust & Depositary (UK) Limited

# Strategic Report

## Introduction

This Strategic Report is provided in accordance with The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 as amended and is intended to provide information about the Company's strategy and business needs, its performance and results for the year, and the information and measures which the Directors use to assess, direct and oversee Allianz Global Investors GmbH, UK Branch (the Investment Manager) in the management of the Company's activities. This report is intended to be read in conjunction with the Directors' Report and is not intended to duplicate such. The primary change to this Strategic Report from those published previously is the inclusion of a longer term Viability Statement in accordance with the revised Corporate Governance provisions.

## Strategy and Business Model

The objective of the Company is to provide shareholders with an investment in equity securities of quoted technology companies on a worldwide basis with the aim of achieving long-term capital growth.

The Company carries on business as an investment trust and maintains a primary listing on the London Stock Exchange. Investment trusts are collective investment vehicles constituted as closed ended public limited companies. The Company is managed by a board of non-executive Directors and the management of the Company's investments is delegated to the Investment Manager. The Company's day-to-day functions, including administrative, financial and share registration services are carried out by duly appointed third party service providers including BNY Mellon's appointment as Custodian and Depositary.

The Company complies, where relevant, with the Financial Conduct Authority's (FCA) Handbook including the Disclosure and Transparency Rules. Regulatory and portfolio information is announced via the regulatory news service on a daily, monthly and other periodic basis thereby assisting current and potential investors to make informed investment decisions. Additional portfolio information, technology commentary and corporate information is available on the Company's website [www.allianztechnologytrust.com](http://www.allianztechnologytrust.com).

## Performance

The investment portfolio at the year end is set out on pages 21 to 23 and the top twenty holdings are listed on pages 18 to 20. In the year ended 30 November 2015, the Company's total return on net assets per share increased by 10.3% (2014 - 18.0%), outperforming the Dow Jones World Technology Index Sterling Adjusted Total Return of +7.0%. Further details on the performance of the Company, future trends and factors that may impact future performance of the Company are included in the Chairman's Statement and the Investment Managers' Review.

## Share Buybacks and Share Issues

The Directors continually monitor the level of discount of share price to net asset value (NAV) per share. Over the year to 30 November 2015, the mid-market price of the Company's shares increased by 9.6% (2014 - 11.5%), with a discount at the year end of 6.4% (2014 - 5.8%). As part of its discount management policy, the Company is prepared to buy back shares, for cancellation or to be held in treasury, at prices representing a discount greater than 7% to NAV, where there is a demand in the market for it to do so. Further details of the shares purchased by the Company in the market and the shares issued out of those held in treasury can be found in the Chairman's Statement, the Directors' Report and Note 11 on page 67.

## Results and Dividends

Details of the Company's results are shown in the Financial Highlights on page 1.

The revenue reserve remains substantially in deficit, and no dividend is proposed in respect of the year ended 30 November 2015 (2014 - nil). As stated in the Chairman's Statement the Board considers that it is unlikely that a dividend will be declared in the near future.

## Future Development

The future development of the Company is dependent on the success of the Company's investment strategy against the background of the economic environment and market developments and the future attractiveness of the Company as an investment vehicle when considering the developments in the pensions and long-term savings markets. The Chairman gives his view on the outlook in his statement on page 5 and the Investment Managers discuss their view of the Company's portfolio and the outlook on pages 8 to 15.

The Board holds a strategy specific meeting at least once per year at which time they consider the position of the Company and the strategy for the period ahead making recommendations for change where appropriate.

## Strategic Report *(continued)*

### Marketing

The Company's marketing to retail investors has increased in recent times and the Board continues to consider the level of marketing budget versus the potential reward. The Board acknowledges that the majority of the Company's shares continue to be held by institutional investors but note the increasing number of individual investors via investment platforms. The immediate aim of the Company is to re-issue into the market the remaining shares held in treasury and to then consider options for further growth.

### Viability Statement

For the first time this year under the revised Corporate Governance provisions the Company is required to make a forward looking (longer term) Viability Statement. In order to do this the Board has considered the appetite for a technology investment trust against the current market backdrop and has formally assessed the prospects for the Company over a period of four years.

This period of four years incorporates the Company's next five-year continuation vote which will be proposed at the AGM on 13 April 2016. In making this Viability Statement, the Board assumes, based on feedback received from the Company's major shareholders, that the Resolution to continue the Company will pass and the Company will continue in its current form for the next five years.

In order to assess the prospects for the Company the Board has considered:

- The investment objective and strategy taking into account recent, past and potential performance against both the benchmark, other indices of note and peers;
- The financial position of the Company, which does not currently utilise gearing in any form but does maintain a portfolio of, in the main, non-income bearing investments;
- The liquidity of the portfolio and the ability to liquidate the portfolio on the failure of a continuation vote;
- The ever increasing level of technology adopted by both individuals and corporations alike; and
- The inherent risks in such technology both in terms of speed of advancement but also potential catastrophe with the growth of cyber fraud.

The Board acknowledges that in a world of ever moving and developing technology four years may be considered to be a long period of time but equally believe, due to development lead times and other factors, it is not a period beyond comprehension. Based on the results of the formal assessment the Board believes it is reasonable to expect that the Company will continue in operation and meet its liabilities for both the period of four years under direct review but also for the foreseeable future.

### Monitoring Performance – Key Performance Indicators

The Board assesses its performance in meeting the Company's objective and assessing the longer term viability of the Company against the following Key Performance Indicators (KPIs):

- NAV per Ordinary Share relative to the Company's benchmark (Dow Jones World Technology Index Sterling Adjusted Total Return)
- Ordinary Share price
- Premium/Discount of Share price to NAV
- Ongoing Charges
- Peer group performance

Numerical analysis of the above is provided on page 1 in the Financial Summary, and is explored further within the Chairman's Statement on page 3.

The Board regularly reviews forms of stock and attribution analysis to determine the contribution to relative performance of the portfolio of the top and bottom stocks.

## Strategic Report *(continued)*

The top and bottom contributors to performance over the year to 30 November 2015 were as follows:

Top ten contributors to NAV	Portfolio Average Weight (%)	Index Average Weight (%)*	Average Weight Difference (%)*	Active Contribution (%)
Amazon.com, Inc.	4.89	0.00	4.89	3.80
Palo Alto Networks, Inc.	4.68	0.22	4.46	2.04
Netflix, Inc.	1.88	0.00	1.88	1.52
Freescall Semiconductor Inc	1.12	0.02	1.11	1.43
Proofpoint, Inc.	1.58	0.01	1.57	0.83
QUALCOMM Incorporated	0.00	2.16	-2.16	0.81
Telecity Group plc	0.89	0.06	0.83	0.58
ServiceNow, Inc.	3.08	0.21	2.88	0.54
Activision Blizzard Inc	0.56	0.00	0.56	0.47
HP Inc.	0.00	1.17	-1.17	0.47
				<b>12.49</b>

Bottom ten contributors to NAV	Portfolio Average Weight (%)	Index Average Weight (%)*	Average Weight Difference (%)	Active Contribution (%)
Alibaba Group Holding Ltd. Sponsored ADR	1.94	0.80	1.15	-1.37
Alphabet Inc. Class C	0.06	3.41	-3.36	-1.13
SanDisk Corporation	0.94	0.31	0.63	-1.13
SunEdison, Inc.	0.17	0.11	0.06	-0.76
Fitbit Inc Class A	0.31	0.00	0.31	-0.51
Microsoft Corporation	6.08	7.62	-1.54	-0.49
Qualys, Inc.	0.73	0.00	0.73	-0.47
Vipshop Holdings Ltd Sponsored ADR	1.43	0.00	1.43	-0.46
Facebook, Inc. Class A	3.02	3.75	-0.72	-0.45
Yelp Inc. Class A	0.45	0.00	0.45	-0.42
				<b>-7.19</b>

Source: Allianz Global Investors. 30 November 2014 - 30 November 2015. \*Relative to Dow Jones World Technology Index. Figures may not add due to rounding.

## Strategic Report *(continued)*

### Principal Risks and Uncertainties

The principal risks identified by the Board are set out in the table on this page, together with information about the actions taken to mitigate these risks. A more detailed version of this table in the form of a Risk Map and Controls document is reviewed in full and updated by the Audit Committee and Board twice yearly; individual risks are considered by the Board in further detail depending on the market situation and a high-level review of all known risks faced by the Company are considered at every Board meeting. The principal risks and uncertainties faced by the Company relate to the nature of its objectives and strategy as an investment company and the markets in which it operates.

Description	Mitigation
<p><b>Investment Strategy Risk</b> The Company's NAV may be adversely affected by the Investment Manager's inappropriate allocation of funds to particular sub-sectors of the technology market and/or to the selection of individual stocks that fail to perform satisfactorily, leading to poor investment performance in absolute terms and/or against the benchmark.</p> <p><b>Technology Sector Risk</b> The technology sector is characterised by rapid change. New and disruptive technologies can place competitive pressures on established companies and business models, and technology stocks may experience greater price volatility than securities in some slower changing market sectors.</p>	<p>The Investment Manager has responsibility for sectoral weighting and for individual stock picking, having taken due account of Investment Objectives and Controls that are agreed with the Board from time to time and regularly reviewed. These seek, inter alia, to ensure that the portfolio is diversified and that its risk profile is appropriate.</p> <p>The Board reviews investment performance, including a detailed attribution analysis comparing performance against the benchmark, at each Board meeting. At such meetings, the Investment Manager reports on major developments and changes in technology market sectors and also highlights issues relating to individual securities.</p>
<p><b>Market Risk</b> The Company's NAV may be adversely affected by a general decline in the valuation of listed securities and/or adverse market sentiment towards the technology sector in particular.</p> <p>Although the Company has a portfolio that is diversified by company size, sector and geography its principal focus is on companies with high growth potential in the mid-size ranges of capitalisation. The shares of these companies may be perceived as being at the higher end of the risk spectrum, leading to a lack of interest in the Company's shares in some market conditions.</p> <p><b>Currency Risk</b> A high proportion of the Company's assets are likely to be held in securities that are denominated in US Dollars, whilst its accounts are maintained in Sterling. The Company does not currently seek to hedge this foreign currency risk.</p>	<p>The Board and the Investment Manager monitor stock market movements and may consider hedging, gearing or other strategies to respond to particular market conditions.</p> <p>The Investment Manager maintains regular contact with shareholders to discuss performance and expectations and to convey the belief of the Board and the Investment Manager that superior returns can be generated from investment in carefully selected companies that are well managed, financially strong and focused on those segments of the technology market where disruptive change is occurring.</p>
<p><b>Financial and Liquidity Risk</b> The financial risks to the Company and the controls in place to manage these risks are disclosed in detail in Note 17 beginning on page 70.</p>	<p>Financial and liquidity reports are provided to and considered by the Board on a regular basis.</p>



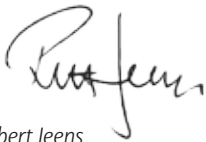
# Strategic Report *(continued)*

Description	Mitigation
<p><b>Operational Risk</b>                      Disruption to or the failure of the systems and processes utilised by the Investment Manager or other third party service providers. This encompasses disruption or failure caused by cyber crime and covers dealing, trade processing, administrative services, financial and other operational functions.</p>	<p>The Board receives regular reports from the Investment Manager and third parties on internal controls including reports on monitoring visits carried out by the Depositary on behalf of the Company. The Board has further considered the increased risk of cyber-attacks and has received reports and assurance from the Investment Manager regarding the controls in place.</p>

In addition to the specific principal risks identified in the table above, the Company faces risks arising from the provision of services from third parties including the Investment Manager where succession planning for the individuals carrying out the day-to-day investment activities has been discussed. General risks are also present relating to compliance with accounting, legal and regulatory requirements, and with corporate governance and shareholder relations issues which could have an impact on reputation and market rating. Management of the services provided and the internal controls procedures of the third party providers is monitored and reported on by the Manager to the Board. These risks are all formally reviewed by the Board twice each year and at such other times as deemed necessary. Details of the Company's compliance with Corporate Governance best practice, including information on relations with shareholders, are set out in the Corporate Governance Statement within the Directors' Report beginning on page 36.

The Board's review of the risks faced by the Company also include an assessment of the residual risks after mitigating action has been taken.

*On behalf of the Board*



Robert Jeens  
 Chairman  
 25 February 2016



# Directors' Report

The Directors present their Report and the audited Financial Statements for the year ended 30 November 2015. Information pertaining to the business review is included in the Strategic Report, detailed on pages 27 to 31.

## Principal Activity and Status

The Company was incorporated on 18 October 1995 and its Ordinary Shares were listed on the London Stock Exchange on 4 December 1995. The Company is registered as a public limited company in England under company number 03117355. The Company is an investment company within the meaning of section 833 of the Companies Act 2006 and carries on business as an investment trust. The Company is a member of the Association of Investment Companies.

The Company has applied for and been accepted as an approved investment trust under sections 1158 and 1159 of the Corporation Taxes Act 2010 and Part 2 Chapter 1 of Statutory Instrument 2011/2999. This approval relates to accounting periods commencing on or after 1 December 2012. The Directors are of the opinion, under advice, that the Company has continued to conduct its affairs so as to be able to retain such approval.

As an investment trust pursuant to section 1158 of the Corporation Taxes Act 2010, the Financial Conduct Authority (FCA) rules in relation to non-mainstream investment products do not apply to the Company.

## Investment Objective

The Company invests principally in the equity securities of quoted technology companies on a worldwide basis with the aim of achieving long-term capital growth, in excess of the Dow Jones World Technology Index Sterling Adjusted Total Return (the Benchmark).

## Investment Funds

The market value of the Company's investments at 30 November 2015 was £173m (2014 – £152m) with gains of £31m (2014 – £40m) over book cost. Taking these investments at this valuation, the net assets attributable to each Ordinary Share amounted to 675.1p at 30 November 2015 (2014 – 612.2p).

## Investment Management Agreement

The management contract with Allianz Global Investors GmbH, UK Branch (AllianzGI), in place during the year was terminable at six months' notice (2014 - six months') and provides for a management fee of 0.8% per annum (2014 - 0.8% per annum) payable quarterly in arrears and calculated on the average value of the market capitalisation of the Company at the last business day of each month in the relevant quarter. In addition there is a fee of £55,000 per annum (2014 - £55,000 per annum) to cover AllianzGI's administration costs. Under the contract AllianzGI provides the Company with investment management, accounting, secretarial and administration services. In addition, the Investment Manager is entitled to a performance fee, subject to a 'high water mark', based on the level of outperformance of the Company's net asset value (NAV) per share over its benchmark, the Dow Jones World Technology Index Sterling Adjusted Total Return, during the relevant Performance Period. The performance fee is calculated as 12.5% (2014 - 12.5%) of outperformance against the Company's benchmark multiplied by the weighted average number of shares in issue and the NAV at the year end. This is capped at 2.25% of the Company's NAV at the relevant year end. No performance fee was payable for the year ended 30 November 2015 (2014 - £nil). And see also Note 2 on page 62.

## Continuing Appointment of the Investment Manager

During the year, in accordance with the Listing Rules published by the FCA, the Board reviewed the performance of the Investment Manager. The review considered the Company's investment performance over both the short and longer terms, together with the quality and adequacy of other services provided. The Board also reviewed the appropriateness of the terms of the Investment Management Agreement, in particular the length of notice period and the management fee structure.

The Board is satisfied that the continuing appointment of the Investment Manager under the terms of the Investment Management Agreement is in the best interests of shareholders as a whole.

## Going Concern

The Directors believe that it is appropriate to adopt the going concern basis in preparing the financial statements as the assets of the Company consist mainly of securities that are readily realisable and the Company's assets are significantly greater than its liabilities. Accordingly the Company has adequate financial resources to continue in operational existence for the foreseeable future. Further details on the longer term viability of the Company, including consideration of the forthcoming continuation vote, are provided in the Strategic Report on page 28.

# Directors' Report *(continued)*

## Related Party Transactions

During the financial year no transactions with related parties took place which would materially affect the financial position or the performance of the Company.

## Capital Structure

The Company's capital structure is set out in Note 11 on page 67.

## Voting Rights in the Company's Shares

As at 25 February 2016 Allianz Technology Trust PLC's capital consisted of:

Share class	Number of shares issued	Voting rights per share	Total Voting Rights
Ordinary Shares of 25p in issue	26,027,426	1	26,027,426
Ordinary Shares of 25p held in treasury	2,275,454	0	0
<b>Total</b>	<b>28,302,880</b>		<b>26,027,426</b>

## Interests in the Company's Share Capital

The following had declared a notifiable interest in the Company's issued share capital at the following dates:

	25 February 2016	25 February 2016	30 November 2015	30 November 2015
	Number of shares	Percentage of voting rights	Number of shares	Percentage of voting rights
Lazard Asset Management LLC	2,558,478	9.83	3,114,857	11.97
Rathbone Brothers PLC	1,928,450	7.41	1,928,450	7.41
JP Morgan Asset Management (UK) Limited	1,480,681	5.69	1,480,681	5.69
Charles Stanley Group	1,304,607	5.00	1,304,607	5.00
Brewin Dolphin Limited	1,295,855	4.98	1,394,569	5.36
Investec	1,151,000	4.42	1,151,000	4.42
East Riding of Yorkshire Council	1,016,585	3.91	1,016,585	3.91

## Repurchase and Reissue of Shares

At the Annual General Meeting (AGM) held on 8 April 2015, authority was granted for the repurchase of up to 3,856,541 Ordinary Shares of 25p each, representing 14.99% of the issued share capital at the time. The Board has in place a discretionary discount protection mechanism, described in the Chairman's Statement. In the year under review the Company purchased 40,580 shares for holding in treasury and has since reissued into the market 300,000 shares from those held in treasury. The cost of the shares purchased was £232,000 while the aggregate proceeds received from the reissue of shares amounted to £1.8m. Since the period end no further shares have been repurchased. The Company will not re-issue shares from treasury at a discount higher than that applying when the shares were repurchased, thus ensuring that the assets of existing shareholders are not diluted by the transactions when viewed on a combined basis. There remain 2,275,454 shares in the treasury account available for re-issue into the market. Details of the individual share issues from treasury are provided in Note 11 on page 67.

## Directors' Report *(continued)*

### The Board and Gender Diversity

The Board currently consists of a non-executive Chairman, Mr Robert Jeens, and four non-executive Directors. The names and biographies of those Directors who held office at 30 November 2015 and at the date of this Report appear on page 25 and indicate their range of investment, industrial, commercial and professional experience. Currently four of the Company's Directors are male and one is female. As the Company is an investment trust, all of its activities are outsourced and it does not have any employees. Therefore it has nothing further to report in respect of gender representation within the Company.

### Directors

The Directors of the Company all served throughout the year, other than Elisabeth Scott and Humphrey van der Klugt who were appointed on 1 February and 1 July 2015 respectively; additionally, Paul Gaunt and Dr. Chris Martin were Directors for part of the year until each retired on 8 April and 15 July 2015 respectively.

At the AGM, in accordance with the Articles of Association, Richard Holway will retire by rotation and, being eligible, offers himself for re-election. In line with good Corporate Governance practice, having now served more than nine years' on the Board, Richard Holway shall in future stand for re-election annually. Humphrey van der Klugt, having been appointed a Director since the date of the last AGM, and being eligible, will be standing for election by Shareholders as a Director. The Board as a whole confirms their support of each individual and recommends their continuation as members of the Board. Having served over 11 years as a Director, Chairman of the Audit Committee and Senior Independent Director, John Cornish has opted to retire and will not be seeking re-election at the AGM. It is planned that Humphrey van der Klugt will succeed John as Audit Committee Chairman and as Senior Independent Director.

No Director has a contract of service with the Company.

Attendance by the Directors at formal Board and committee meetings during the year was as follows:

	Board	Audit Committee	Nomination Committee	Management Engagement Committee
Number of meetings in the year	5	2	3	1
Robert Jeens	5	2	3	1
John Cornish	5	2	3	1
Richard Holway	5	2	3	1
Elisabeth Scott (appointed 1 February 2015)	5	2	3	1
Humphrey van der Klugt (appointed 15 July 2015)	3	1	1	1
Paul Gaunt (retired 8 April 2015)	2	1	1	-
Dr Chris Martin (retired 15 July 2015)	2	1	2	-

### Directors' Fees

A report on Directors' Remuneration is set out on pages 49 and 51.

### Directors' and Officers' Liability Insurance

Directors' and Officers' Liability Insurance cover is in place and is provided at the expense of the Company.

# Directors' Report *(continued)*

## Conflicts of Interest

Under the Companies Act 2006 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests. Since 1 October 2008, directors have been able, if appropriate, to authorise these conflicts and potential conflicts. The Board reports annually on the Company's procedures for ensuring that its powers of authorisation of conflicts are operated effectively and that the procedures have been followed.

Each of the Directors has provided a statement of all conflicts of interest and potential conflicts of interest relating to the Company. These statements have been considered and approved by the Board. The Directors have undertaken to notify the Chairman and Company Secretary of any proposed new appointments and new conflicts or potential conflicts for consideration, if necessary, by the Board. The Board has agreed that only Directors who have no interest in the matter being considered will be able to take the relevant decision and that in taking the decision the Directors will act in a way they consider, in good faith, will be most likely to promote the Company's success. The Board is able to impose limits or conditions when giving authorisation if it thinks this is appropriate.

The Board confirms that its powers of authorisation are operating effectively and that the agreed procedures have been followed in the period under review.

## The Board and Matters Reserved for the Board

The Board is responsible for efficient and effective leadership of the Company and for the Company's affairs. There is a formal schedule of matters reserved for the decision of the Board and there is an agreed procedure for Directors, in the furtherance of their duties, to take independent professional advice if necessary at the Company's expense.

The specific areas reserved for the Board include the setting of parameters for and the monitoring of investment strategy, the review of investment performance (including performance relative to the benchmark and to the Company's peer group) and investment policy; final approval of statutory Companies Act requirements including the payment of any dividend and the allotment of shares; matters of a Stock Exchange or Internal Control nature such as approval of shareholder statutory documentation; performance reviews and director independence; and, in particular matters of a strategic or management nature, such as the Company's long term objectives, commercial and corporate strategy, share buy-back and share issue policy, share price and discount/premium monitoring; the appointment or removal of the Investment Manager, unquoted investment valuations and consideration and final approval of borrowing requirements and limits and corporate governance matters.

In order to enable them to discharge their responsibilities, prior to each meeting Directors are provided, in a timely manner, with a comprehensive set of papers giving detailed information on the Company's transactions, financial position and performance. Representatives of the Investment Manager attend each Board meeting, enabling the Directors to seek clarification on specific issues or to probe further on matters of concern. A full report is received from the Investment Manager at each meeting. In the light of these reports, the Board reviews compliance with the Company's stated investment objectives and, within these established guidelines, the Investment Manager takes decisions as to the purchase and sale of individual investments.

## Board Committees

For the year under review the Audit Committee was chaired by John Cornish while the Management Engagement and the Nomination Committees were chaired by the Chairman of the Company, Robert Jeens. As permitted by the AIC Code, the full Board performs the duties of a Remuneration Committee.

The full Terms of Reference, which clearly define the responsibilities of each Committee, can be obtained from the Company Secretary and can be found on the website [www.allianztechnologytrust.com](http://www.allianztechnologytrust.com).

## Audit Committee

The Audit Committee Report is on pages 47 and 48.

## Management Engagement Committee

The Management Engagement Committee meets at least once per year, and is composed of all the current Directors. The Management Engagement Committee is responsible for the regular review of the terms of the contract with the Investment Manager and for making recommendations to the Board in respect of such contract.

The Management Engagement Committee met in November 2015 during a visit to the Allianz Global Investors (AGI US) offices in San Francisco. The visit included meeting with and receiving presentations from a broad range of personnel and functions based in the AGI US office which enabled the Committee to carry out a thorough review of the service provided by the Investment Manager and the arrangements for the team appointments and succession planning. It was concluded that the arrangements in place were appropriate.

## Directors' Report *(continued)*

### Nomination Committee

The Nomination Committee which was newly formed in October 2014, meets at least once per year, and is composed of all the current Directors. The Nomination Committee is responsible for considering the composition of the Board, for running the recruitment process for new directors and making appointment recommendations to the Board when appropriate and for carrying out the annual Board and Chairman Evaluation process. The Nomination Committee met three times during 2015 to progress the Board Refreshment Programme which commenced in 2014 and to carry out and complete the 2015 Evaluation process.

### Board Composition

The new director recruitment process, which began in 2014, involved utilising the services of an external search firm, Trust Associates, consideration of many candidates from a diverse range of backgrounds and areas of expertise, and interview of a short list of high calibre candidates. The Nomination Committee then held final discussions with Trust Associates and made their recommendation to the Board. The process culminated in the appointment of Humphrey van der Klugt to the Board on 1 July 2015 which followed the appointment of Elisabeth Scott to the Board on 1 February 2015.

### Board Evaluation

The engagement of an external evaluation service was considered for the Board Evaluation 2015 process. It was acknowledged however that the Board, including the recently appointed directors, were able to provide considerable insight from their other roles, on the needs of the Board and it was therefore decided that an external process was not required on this occasion. The evaluation process adopted required each director to complete an in-depth questionnaire on the workings of and individual contributions to the Board as a whole and a separate questionnaire on the performance of the Chairman. Questions also included a review of the interaction with the Investment Manager.

The results of the questionnaires were collated anonymously and discussed at the Nomination Committee meeting in November. Any concerns were discussed openly and addressed with both the Board and the Investment Manager present. In conclusion some revised reporting requirements have been put in place and relationships and interaction between the Board and the Investment Manager have been revisited and improved. It was agreed by all participants that the process had been effective and that the changes put in place would be of benefit to the Company as a whole.

### Corporate Governance Statement

#### Introduction

The Board is accountable to the Company's shareholders for high standards of corporate governance and this statement describes how the Company applies the main principles identified in the UK Corporate Governance Code (the Governance Code) issued in September 2014 and which was first in effect for the Company's year ended 30 November 2015. The Governance Code is available from the website of the Financial Reporting Council (the FRC) at [www.frc.org.uk](http://www.frc.org.uk). The Association of Investment Companies (the AIC) has published its own Code on Corporate Governance (the AIC Code), by reference to the AIC Corporate Governance Guide for Investment Companies (the AIC Guide), both revised in February 2015, which provide a comprehensive guide to best practice in certain areas of governance where the specific characteristics of investment trusts suggest alternative approaches to those set out in the Governance Code. Both the AIC Code and AIC Guide are available from the AIC website at [www.theaic.co.uk](http://www.theaic.co.uk) and have been endorsed by the FRC which has confirmed that following of the AIC Guide by investment companies should fully meet the obligations under the Governance Code.

This Statement of Corporate Governance forms part of the Directors' Report.

#### Application of the Main Principles of the Governance Code and the AIC Code

This statement describes how the main principles identified in the Governance Code and the AIC Code (the Codes) have been applied by the Company throughout the year as is required by the Listing Rules of the Financial Conduct Authority (the FCA). In instances where the Governance Code and the AIC Code differ, an explanation will be given as to which governance code has been applied, and the reason for that decision.

The Board is of the opinion that the Company has complied fully with the main principles identified in the Codes except as set out below:

- the role of the chief executive—Code provision A2.1;
- the need for an internal audit function—Code provision C3.6; and
- executive directors' remuneration—Code provisions D2.1, D2.2 and D2.4.

For the reasons set out in the AIC Guide, and as explained in the Codes, the Board considers that these provisions are not relevant to the Company which does not have a Chief Executive or any executive directors, and which is an externally managed investment company, the administrative and management functions for which are carried out by third party service providers. The Company has therefore not reported further in respect of these provisions.

# Directors' Report *(continued)*

## AIC Code Principles

## How the principles are applied

THE BOARD		
1	The chairman should be independent.	<p>Robert Jeens joined the Board as non-executive director on 1 August 2013 and he has been Chairman since 2 April 2014. The Board, through the Nomination Committee, formally reviews the Chairman each year and it considers that Robert Jeens is independent both in character and in judgement and that there are no relationships or circumstances which are likely to affect, or could appear to affect, his judgement.</p> <p>For the year under review the Senior Independent Director was John Cornish. John provided a sounding board for the Chairman and served as an intermediary for the other directors when necessary and in particular assisted with the Board recruitment programme. On the retirement of John Cornish, it has been agreed that Humphrey van der Klugt will become the Senior Independent Director.</p>
2	A majority of the board should be independent of the manager.	<p>The Board is currently composed of five non-executive directors and all are considered to be independent of the Manager. None of the directors have any former association with the Manager and each is considered to be independent in character and judgement. Both John Cornish and Richard Holway have served on the Board for more than nine years, Board colleagues are however in full agreement that each of them maintains the ability to act independently and they continue to add value by virtue of their particular skills and experience.</p>
3	Directors should be submitted for re-election at regular intervals. Nomination for re-election should not be assumed but be based on disclosed procedures and continued satisfactory performance.	<p>New directors stand for election by shareholders at the AGM of the Company following their appointment and at three yearly intervals thereafter. Directors with more than nine years' service stand for annual re-election.</p> <p>Under the guidance of the Nomination Committee, the Board reviews Board and Board Committee composition every year.</p> <p>Richard Holway will stand for re-election annually. John Cornish has opted to retire and shall not therefore stand for re-election at the 2016 AGM. Humphrey van der Klugt, having been appointed a Director since the date of the last AGM, will be seeking election at the 2016 AGM. Thereafter rotation and re-election provisions will apply.</p>
4	The board should have a policy on tenure, which is disclosed in the annual report.	<p>Directors' appointments are formally reviewed every three years after the first AGM following their date of joining the Board. After nine years on the Board, directors' appointments are reviewed annually. No director has a contract of service and a director may resign by notice in writing to the Board at any time. A performance review of the Board and the individual directors is conducted annually.</p> <p>The Board aims to refresh its composition from time to time and regularly reviews the need to do this. A programme of refreshment was carried out through 2015 and resulted in the appointment of two new directors and the retirement of two long-standing directors. The next full review of Board composition will be carried out by the Nomination Committee in late 2016.</p>

## Directors' Report *(continued)*

	AIC Code Principles	How the principles are applied
5	There should be full disclosure of information about the board.	The directors' biographies on page 25 demonstrate a breadth of investment, industrial commercial and professional experience and expertise.
6	The board should aim to have a balance of skills, experience, length of service and knowledge of the company.	Each year the Board reviews its composition, seeking to ensure a balance of skills and experience.
7	The board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.	It has been the Board's practice for many years to undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors. The latest such evaluation took place in the year ended 30 November 2015. The Board has no current plans to use external facilitators to carry out the Board evaluation but may do this in the future.
8	Director remuneration should reflect their duties, responsibilities and the value of their time spent.	The Directors' Remuneration Report is on pages 49 and 51.  When setting remuneration levels the Board gives due regard to the amount of time required by each director, the remuneration levels of peer investment trusts, the market as a whole and any views expressed any shareholders.
9	The independent directors should take the lead in the appointment of new directors and the process should be disclosed in the annual report.	All directors are deemed to be independent. The Nomination Committee, considers the required and desirable competencies for new appointments. Consultants are appointed to assist in the recruitment process and all directors are encouraged to meet a shortlist of candidates which will take due account of diversity, including gender diversity, prior to a final recommendation being made to the Board.
10	Directors should be offered relevant training and induction.	When a new Director is appointed there is an induction process carried out by the Investment Manager. Directors are provided, on a regular basis, with key information on the Company's policies, regulatory and statutory requirements and internal financial controls. Changes affecting Directors' responsibilities are advised to the Board as they arise. In addition to the induction process and regular provision of information the Investment Manager runs periodic investment forums and non-executive directors training sessions to which all directors are invited.
11	The chairman (and the board) should be brought into the process of structuring a new launch at an early stage.	This principle does not apply to the Company as it is an established investment company. In the event of restructuring or other market considerations the whole Board would participate and would receive guidance from third party service providers where appropriate.



# Directors' Report *(continued)*

## AIC Code Principles

## How the principles are applied

BOARD MEETINGS AND THE RELATIONSHIP WITH THE INVESTMENT MANAGER		
12	Boards and managers should operate in a supportive, co-operative and open environment.	The Board meets formally at least five times each year. Representatives of the Investment Manager, including senior executives of the management company and the fund managers, together with the Company Secretary attend every meeting and other investment professionals and marketing executives join the meetings from time to time. The Chairman encourages participation and discussion at the meetings and encourages directors to meet with members of the Investment Manager and other professionals as appropriate.
13	The primary focus at regular board meetings should be a review of investment performance and associated matters such as gearing, asset allocation, marketing/ investor relations, peer group information and industry issues.	Full investment and performance reports are received and discussed at every Board meeting and matters such as gearing, asset allocation, marketing and investor relations, peer group information and industry issues are all matters that are covered by the regular agenda. Additional focus being placed on particular areas from time to time and as the market situation requires.
14	Boards should give sufficient attention to overall strategy.	The Board devotes time outside of the formal Board meetings to discuss and plan strategy and meet with its advisers and continually monitors the matters discussed throughout the year. Additionally a Strategy focused Board meeting is held at least once per year at which various third party service providers and other professionals may be invited to present on particular matters of interest.
15	The board should regularly review both the performance of, and contractual arrangements with, the manager.	The Management Engagement Committee formally meets once each year to consider the performance of the Investment Manager and the contractual terms of engagement. The recommendation of the Board on the continued appointment of the Investment Manager is on page 32.
16	The board should agree policies with the manager covering key operational issues.	The investment management contract covers the provision of operational matters and the Board discusses with the Investment Manager and agrees policies concerning key operational matters such as: corporate governance issues and voting in respect of portfolio holdings; performance reporting methodology including matters such as benchmarking, gearing, share buy backs and investment restrictions.
17	Boards should monitor the level of the share price discount or premium (if any) and, if desirable, take action to reduce it.	The share price is monitored and the NAV is reported on a daily basis. The Board receives reports at each Board meeting. The Company has implemented a discount control mechanism by pursuing a share buy back programme where discounts exceed 7% and where there is demand in the market for the Company to do so.
18	The board should monitor and evaluate other service providers.	The Audit Committee receives and considers internal controls reports from third party service providers and the Investment Manager and Company Secretary report to the Committee on their monitoring and evaluation of these services.

## Directors' Report *(continued)*

AIC Code Principles	How the principles are applied	
<b>SHAREHOLDER COMMUNICATIONS</b>		
<b>19</b>	The board should regularly monitor the shareholder profile of the company and put in place a system for canvassing shareholder views and for communicating the board's views to shareholders.	The Chairman works with the Investment Manager to ensure that there is effective communication with the Company's shareholders. There is a process for monitoring and analysing the shareholder register and this is reported at each Board meeting. Visits to institutional shareholders and private client brokers are offered and carried out in a rolling programme. There is an opportunity for shareholders to meet and communicate with the Directors and Managers at the Company's AGM, at which the portfolio managers give a presentation.
<b>20</b>	The board should normally take responsibility for, and have a direct involvement in, the content of communications regarding major corporate issues even if the manager is asked to act as spokesman.	The Board, or a Committee of the Board, reviews all major communications by the Company.
<b>21</b>	The board should ensure that shareholders are provided with sufficient information for them to understand the risk:reward balance to which they are exposed by holding the shares.	The Board agrees with the Investment Manager every year a budget for and programme of marketing activity to communicate with investors and to reach a wider audience. In addition to the Annual and Half-Yearly Report, both of which are sent or made available to all shareholders and those others who have registered to receive them, the Company publishes online and makes available in hard copy a monthly factsheet and publishes daily on its website ( <a href="http://www.allianztechnologytrust.com">www.allianztechnologytrust.com</a> ) the NAV of the Company's shares and many other details of interest to investors.

### Risk Management & Internal Controls

The Directors are responsible for overseeing the effectiveness of the risk management and internal control systems for the Company, which are designed to ensure that proper accounting records are maintained, that the financial information on which business decisions are made and which is issued for publication is reliable, and that the assets of the Company are safeguarded. Such a system of internal control is designed to manage rather than eliminate the risks of failure to achieve the Company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Directors, through the procedures outlined below and further detailed in the Strategic Report and the Audit Committee Report, have kept the effectiveness of the Company's risk management and internal controls under review throughout the year covered by these financial statements and up to the date of approval of the Annual Financial Report. The Board has identified risk management controls in the key areas of business objectives, accounting, compliance, operations and company secretarial as areas for extended review.

The Investment Manager has established an internal control framework to provide reasonable assurance on the effectiveness of the internal controls operated on behalf of its clients. The Investment Manager's compliance and risk department assesses the effectiveness of the internal controls on an ongoing basis. The Investment Manager provides the Board with regular reports on all aspects of internal control (including financial, operational and compliance control, risk management and relationships with external service providers). Business risks have been analysed and recorded in a Risk Matrix, which is formally reviewed by the Audit Committee at its meetings and at other times as necessary. It is believed that an appropriate framework is in place to meet the requirements of the AIC Code.

## Directors' Report *(continued)*

The Investment Manager, at least on a quarterly basis, reports to the Board on the market and on the investment performance of the Company's portfolio. Further information is contained in the Chairman's Statement, the Directors' Report and the Investment Managers' Review.

### Relations with Shareholders

The Company has regular contact with its institutional shareholders particularly through the Investment Manager. The Chairman also makes regular direct contact and he and the other directors are available to meet institutional shareholders from time to time. The Board supports the principle that the AGM be used to communicate with private investors. The full Board attends the AGM and the Chairman of the Board chairs the AGM. Details of the proxy votes received in respect of each resolution are made available to shareholders at the meeting and are available on the website [www.allianztechnologytrust.com](http://www.allianztechnologytrust.com) following the meeting. The Investment Manager attends the AGM to give a presentation to the meeting on the year under review and the outlook for the year ahead.

### Directors' Responsibility, Accountability and Audit

The Directors' Statement of Responsibilities in respect of the financial statements is set out on page 46. The Independent Auditors' Report is set out on pages 53 to 55. The Board has delegated contractually to external agencies, including the Investment Manager, the management of the investment portfolio, the custodial services (which include the safeguarding of the assets), the day to day accounting, company secretarial and administration requirements and the registration services.

Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of the services offered, including the control systems in operation insofar as they relate to the affairs of the Company. The Board receives and considers regular reports from the Investment Manager and ad hoc reports and information are supplied to the Board as required.



## Directors' Report *(continued)*

### Auditor objectivity and independence

Grant Thornton UK LLP is the Auditor of the Company. The Board believes that auditor objectivity and independence is safeguarded for the following reasons: the extent of non-audit work which may be carried out by Grant Thornton UK LLP is limited and would flow naturally from the firm's role as auditor to the Company; Grant Thornton UK LLP has provided information on its independence policies and the safeguards and procedures it has developed to counter perceived threats to its objectivity; it also confirms that it is independent within the meaning of all regulatory and professional requirements and that the objectivity of the audit team is not impaired.

Each director at the date of approval of this report confirms that:

- (a) in so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (b) the director has taken all the steps he or she ought to have taken as a director in order to make himself/ herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Grant Thornton UK LLP has expressed willingness to continue to act as Auditor to the Company; a resolution to re-appoint Grant Thornton UK LLP as statutory auditor to the Company will be proposed at the forthcoming AGM; a further resolution authorising the directors to determine the auditor's remuneration will also be proposed.

### The UK Stewardship Code and Exercise of Voting Powers

The Company's investments are held in a nominee name. The Board has delegated discretion to discharge its responsibilities in respect of investments, including the exercise of voting powers on its behalf, to the Investment Manager, AllianzGI.

The Stewardship Code published by the FRC sets out good practice on engagement with investee companies. The FRC sees it as complementary to the UK Corporate Governance Code.



## Directors' Report *(continued)*

The AllianzGI policy statement on the Stewardship Code can be found on the Company's website [www.allianztechnologytrust.com](http://www.allianztechnologytrust.com) within the literature section. The Board has reviewed this policy statement and believes that the Company's delegated voting powers are being properly executed.

AllianzGI subscribes to the ISS Proxy Voting Services. ISS manages the voting process and recommends actions based upon AllianzGI's Global Proxy Voting Policy Guidelines. Where recommendations are for a vote to be cast against a resolution or for an abstention, and for all extraordinary general meeting resolutions, the relevant portfolio managers or analysts are consulted and may decide on a different course of action. The reasons for such deviations are recorded as are all the reasons for abstaining on or voting against any resolution.

In the event of a director holding a directorship on the board of a company in which the Company is invested, they would be prohibited from participating in decisions made concerning those investments.

### Corporate Social Responsibility (CSR), Community and Employee Responsibilities, Emissions, Environmental and Ethical Policy (EEE)

The Company's investment activities and day to day management is delegated to the Investment Manager and other third parties. As an investment trust, the Company has no direct social, community, employee or environmental responsibilities. Its principal responsibility to shareholders is to ensure that the investment portfolio is properly managed and invested. As detailed above, the management of the portfolio has been delegated to the Investment Manager.

In light of the nature of the Company's business there are no relevant human rights issues and the Company does not have a human rights policy. The Company does not maintain premises, hold any physical assets or operations and does not have any employees. Consequently, the Company has no greenhouse gas emissions to report from its operations, nor does it have

responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. The Board has noted the Investment Manager's report on greenhouse gas emissions on its own operations and the views of the Investment Manager on CSR and EEE which it adheres to in engaging with the underlying investee companies and in exercising its delegated responsibilities in voting. The Investment Manager engages with the Company's underlying investee companies in relation to their corporate governance practices and in developing their policies on social, community and environmental matters. Further information may be found in the Investment Manager's Statement of Corporate Governance, including the approach to CSR and EEE which is available on Investment Manager's website [www.esgmatters.co.uk](http://www.esgmatters.co.uk).

The Company's primary objective is to invest principally in the equity securities of quoted technology companies on a worldwide basis with the aim of achieving long-term capital growth. The Directors believe that the Company would be in breach of its fiduciary duties to shareholders if investment decisions were based solely on CSR and EEE considerations. The Investment Manager therefore takes account, in general terms, of these considerations as a part of its investment evaluations.

### Electronic Communications

With the half-year report mailing in July 2015, Shareholders were given the opportunity to switch to receiving communications from the Company by electronic means. Shareholders who opted for this will now receive either an email, where an email address has been registered, or letter notifying them of the availability of the Company's Annual Report, Half-Year Report and any other Shareholder documents on the Company's website. Those that elected not to switch to electronic means will continue to receive hard-copy documents by post. In order to reduce the Company's impact on the environment we encourage Shareholders, wherever possible, to register an email address and to receive notifications electronically. We will however continue to make available postal copies where required.

# Directors' Report *(continued)*

## Annual General Meeting

The formal Notice of AGM is set out on pages 78 and 79. Resolutions relating to the following items of special business will be proposed:

### 1 Continuation Vote

In accordance with the Articles of Association of the Company a resolution to continue the Company for a further period of five years was proposed to and passed by Shareholders at the AGM in 2011. The next scheduled continuation vote is therefore due to be held at the AGM in 2016.

A resolution to continue the Company for a further period of five years from the conclusion of the AGM on 13 April 2016 is therefore being proposed. The Board continues to support the Company's mandate of investing in global technology under the investment management capabilities of AllianzGI where the direct investment team is based in San Francisco close to many of the world's leading technology companies. The Board recommends support of the continuation resolution and encourages Shareholders to vote in favour of such as each director intends to do in respect of their own share holdings. In the event that the continuation resolution is defeated, in accordance with the Articles of Association, proposals for the voluntary liquidation or other reorganisation of the Company will be submitted to shareholders within three months.

### 2 Authority to allot new shares and to sell Treasury Shares

Resolutions authorising the Directors to allot new share capital and to sell shares held as treasury shares for cash were passed at the AGM of the Company on 8 April 2015 under Section 551 of the Companies Act 2006 and will expire on 13 April 2016.

Approval is therefore being sought for the renewal of the Directors' authority to allot new shares up to an aggregate nominal amount of £650,685 representing 2,602,742 Ordinary Shares of 25p each, such amount being equivalent to 10% of the present issued share capital and also renewal of the Directors' authority to sell shares held as Treasury Shares. If passed, these authorities will remain in place until the conclusion of the next AGM of the Company, or, if earlier, on 13 July 2017.

### 3 Disapplication of pre-emption rights

A resolution authorising the Directors to disapply pre-emption rights was passed at the AGM of the Company on 8 April 2015 under Section 570 of the Companies Act 2006 and will expire on 13 April 2016.

Approval is therefore sought for the renewal of the authority to disapply pre-emption rights in respect of the allotment of new shares or the sale by the Company of shares held by it as Treasury Shares, for cash up to an aggregate nominal value of £650,685 (representing 2,602,742 Ordinary Shares). Treasury Shares may be resold by the Company at a discount to NAV provided that such shares are resold by the Company at a lower discount to the NAV than the average discount at which they were repurchased by the Company.

### 4 Continuation of share buy-back programme

A resolution authorising the Directors to make market purchases of the Company's Ordinary Shares was passed at the AGM of the Company on 8 April 2015, under Section 701 of the Companies Act 2006.

The Board is proposing the renewal of the Company's authority to make market purchases of Ordinary Shares either for cancellation or for holding in treasury. The Board believes that such purchases in the market at appropriate times and prices may be a suitable method of enhancing shareholder value. The Company would make either a single purchase or a series of purchases, when market conditions are suitable and within guidelines set from time to time by the Board, with the aim of maximising the benefits to shareholders.

The Board believes that the Company's ability to purchase its own shares may assist liquidity in the market. Additionally, where purchases are made at prices below the prevailing NAV, this enhances the NAV for the remaining shareholders. It is therefore intended that purchases will only be made at prices below NAV, with the purchases to be funded from the realised capital profits of the Company (which are currently in excess of £100 million – including investment holding gains). The rules of the UK Listing Authority limit the maximum price which may be paid by the Company to 105% of the average middle-market quotation for an Ordinary Share on the 5 business days immediately preceding the date of the relevant purchase. The minimum price to be paid will be 25p per Ordinary Share (being the nominal value). Overall these share buy-back proposals should help to reduce the discount to NAV at which the Company's shares are then trading.

## Directors' Report *(continued)*

Under the FCA Listing Rules, a company is permitted to purchase up to 14.99% of its equity share capital through market purchases pursuant to a general authority granted by shareholders in general meeting.

The current authorities expire at the conclusion of the forthcoming AGM. Accordingly, a Special Resolution will be proposed at the AGM giving authority to make market purchases of up to 14.99% of the Company's issued Ordinary Share capital, being equivalent to 3,901,511 Ordinary Shares or, in the event of change in the issued share capital between the date of this Report and the AGM to be held on 13 April 2016, an amount equal to 14.99% of the Company's issued Ordinary Share capital at the date of the AGM.

The Directors consider that the resolutions relating to the items of special business are in the best interests of shareholders as a whole. Accordingly, the Directors unanimously recommend to the shareholders that they vote in favour of the resolutions to be proposed at the forthcoming AGM, as they intend to do in respect of their own holdings of Ordinary Shares.

The Board welcomes all shareholders to the AGM at which the Investment Manager will present his review of the year and prospects for the future. All Directors aim to be present at the AGM to meet and talk with shareholders. Additionally, shareholders wishing to communicate directly with the Board may make contact via the Investment Manager or Company Secretary, details of whom can be found on page 26.

The Board is responsible for reviewing the entire annual report and has noted the supporting information received. The Board has considered whether the annual report satisfactorily reflects a true picture of the Company and its activities and performance in the year under review with a clear link between the relevant sections of the report. The Board was then able to confirm that the annual report, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's position and performance, business model and strategy.

*By order of the Board*



*Tracey Lago  
Company Secretary  
25 February 2016*

## Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Financial Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the total return of the Company for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that the financial statements comply with the above requirements.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

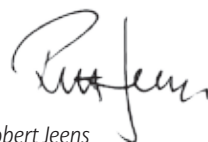
The financial statements are published on [www.allianztechnologytrust.com](http://www.allianztechnologytrust.com), which is a website maintained by the Investment Manager. The work undertaken by the Auditors does not involve consideration of the maintenance and integrity of the website and, accordingly, the Auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Neither an audit nor a review provides assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular whether any changes may have occurred to the financial information since first published. These matters are the responsibility of the Directors but no control procedures can provide absolute assurance in this area.

The Directors each confirm to the best of their knowledge that:

- a) the Financial Statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and return of the Company;
- b) the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces; and that
- c) the Annual Report and Financial Statements, taken as a whole are fair, balanced and understandable and provide the information necessary to assess the Company's position and performance, business model and strategy.

*For and on behalf of the Board*



Robert Jeens  
Chairman  
25 February 2016



# Audit Committee Report



I am pleased to present the formal report of the Audit Committee to Shareholders for the year ended 30 November 2015.

The primary responsibilities of the Committee are to ensure the integrity of the Company's financial reporting and the appropriateness of the risk management processes and internal controls. The report details how we carry out this role.

## Composition and Meetings

The members of the Committee during the year were myself as Chairman, Richard Holway, Paul Gaunt and Chris Martin who both retired within the year, Elisabeth Scott who was appointed a member of the Committee on 1 February 2015 and Humphrey van der Klugt who was appointed a member of the Committee on 1 July 2015. All the members of the Committee are independent Non-Executive Directors, and their skills and experience are set out on page 25. The Board reviews the composition of the Audit Committee and it considers that, collectively, its members have sufficient recent and relevant financial experience to discharge fully their responsibilities.

I am currently the Chairman of the Committee however, as stated within the Chairman's Statement, I will retire my position as a Director and Chairman of the Audit Committee with effect from the conclusion of the Annual General Meeting (AGM) to be held on 13 April 2016. Humphrey van der Klugt will succeed me as Chairman of the Audit Committee; Humphrey was previously an accountant at KPMG having qualified in 1979 and has served a long term as a fund manager and senior executive at Schroders. Humphrey is currently Chairman of Fidelity European Values plc and Chairman of the Audit Committee of JPM Claverhouse Investment Trust plc and so has significant recent and relevant financial experience.

The Committee meets at least twice per year. The attendance of the Committee members is shown on page 34. The Committee invites the external auditors and personnel from the Managers financial, compliance and risk functions to attend and report to the Committee on relevant matters. During the year the Committee also met privately with the external auditor to give them an opportunity to raise any issues without management present. After each Committee meeting I report to the Board on the main items discussed at the meeting.

## Role and Responsibilities of the Audit Committee

The Committee's authority and duties are defined in its terms of reference, which were reviewed during the year, and are available on the Company's website ([www.allianztechnologytrust.com](http://www.allianztechnologytrust.com)). The principal activities carried out during the year were:

- **Financial reporting:** we considered the Company's financial reports, including the implications of any new accounting standards and regulatory changes, significant accounting issues and the appropriateness of the accounting policies adopted. We considered and are satisfied that, taken as a whole, the 2015 Annual Report is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance and strategy.
- **External audit:** we considered the scope of the external audit plan and the subsequent findings from this work, receiving regular reports from the external auditors.
- **Risk and internal control:** we considered the key risks facing the Company and the adequacy and effectiveness of the internal controls and risk management processes.
- **External auditor:** we considered the independence, effectiveness and fees of the external auditor, as detailed later in this report.

## Audit Committee Report *(continued)*

### Significant issues considered by the Audit Committee during the year

The Annual Report and Financial Statements are the responsibility of the Board and the Statement of Directors' Responsibilities is on page 46. The Audit Committee advises the Board on the form and content of the Annual Report and Financial Statements, any issues which may arise in relation to these and any specific areas which require judgement.

Summarised below are the most significant issues considered by the Committee in respect of these Financial Statements, and how these issues were addressed.

Valuation, existence and ownership of the Company's investments	Actively traded investments are valued using stock exchange prices provided by third party pricing vendors. Ownership of listed investments is verified by reconciliation to the custodian's records.
Recognition of Investment Income	Income received is accounted for in line with the Company's accounting policy (as set out on page 60) and is reviewed by the Committee at each meeting.
Compliance with Section 1158 of the Corporation Tax Act 2010	The Committee regularly considers the controls in place to ensure that the regulations for ensuring investment trust status are observed at all times.
Maintaining internal controls	The Committee receives regular reports on internal controls from AllianzGI and its delegates and has access to the relevant personnel at AllianzGI who have responsibility for risk management.
Performance and Management Fees	The calculation of the management and performance fees payable to AllianzGI is reviewed by the Committee before being approved by the Board.

### Risk Management

The Board has ultimate responsibility for the management of the risks associated with the Company. The Audit Committee assists the Board by undertaking a formal assessment of risks and reporting to the Board as appropriate.

The Committee has reviewed its approach to risk management and the reporting of such to the Board and has concluded that the processes in place are adequate and provide a robust assessment of risk associated with the Company. The Committee reviews in detail at least twice per year the full Risk Matrix and Controls schedule and makes appropriate recommendations to the Board; in turn the Board carries out both a detailed specific review of matters highlighted by the Committee and a continual assessment of high-level risks. Mitigating actions are considered along with associated reporting and documentation as provided by the Investment Manager and other third party service providers.

The Audit Committee also reviews the annual Internal Controls documents provided by key third party service providers and reports as necessary to the Board. Further details of the key risks associated with the Company are detailed within the Strategic Report.

### Relationship with the Independent Auditor

There are no contractual obligations which restrict the Committee's choice of auditor. Grant Thornton UK LLP's first year as the Company's Independent Auditor was for the year ended 30 November 2007, following the merger of Robson Rhodes with Grant Thornton in 2007, and they have appointed Christopher Smith as the current audit partner. Christopher became the audit partner in 2013 and, following professional guidelines, can serve for up to five years. The continued appointment of Grant Thornton is considered by the Audit Committee each year, taking into account relevant guidance and best practice and considering their independence and the effectiveness of the external audit process.

As part of the review of Auditor independence and effectiveness, Grant Thornton has confirmed that they are independent of the Company and have complied with relevant accounting standards. Grant Thornton did not provide any non-audit services to the Company in this or the previous accounting period. With regard to their performance and the effectiveness of the audit process, the Committee considered the fulfilment by the auditor of the agreed audit plan and the Audit findings Report subsequently issued by them. The Committee also took into account the competitiveness of their fees and obtained feedback from the Investment Manager regarding the performance of the audit team. There are no current plans to consider rotation of the audit firm.

The Committee is satisfied with the independence and performance of the Auditor and has recommended their reappointment for a further year.



John Cornish  
Audit Committee Chairman  
25 February 2016

# Directors' Remuneration Report

## Introduction

This report has been prepared in accordance with the requirements of Sections 420-422A of the Companies Act 2006 and Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended in August 2013. An Ordinary Resolution for the approval of this Remuneration Report will be put to the members at the forthcoming Annual General Meeting (AGM).

The Remuneration Policy Report of the Company is required to be put to members at least once every three years; the policy was proposed to and approved by members at the AGM in 2014 and will therefore be proposed again to members at the AGM in 2017. A copy of the current Remuneration Policy Report is available on the Company's website [www.allianztechnologytrust.com](http://www.allianztechnologytrust.com).

The law requires your Company's Auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are noted as such. The Auditor's opinion is included in their report on page 54.

## Remuneration Committee

No formal Remuneration Committee has been appointed, the Board as a whole therefore fulfils the function of a Remuneration Committee. The Company currently has five non-executive Directors, all of whom are considered by the Board to be independent. The Company has no employees or chief executive officer therefore many of the reporting requirements of the Regulations on remuneration are not applicable.

## Annual Statement

The Chairman of the Board reports that there have been no changes made to, or major decisions taken, within the year on the level of, or arrangements for, Directors' remuneration.

## Directors' Fees

The Board has not received independent advice or services in respect of its consideration of the Directors' remuneration; however the Company Secretary provides the Board with details of comparable fees and other market information. The policy is to review directors' fee rates from time to time, but reviews will not necessarily result in a change to the rates. Any feedback received from shareholders is also taken into account when setting remuneration levels. Directors' remuneration is paid quarterly or monthly in arrears and is paid to the individual director; no payments have been made to third parties on behalf of the individual.

In the year to 30 November 2015 the Directors' fees were paid at the rate of £23,000 (2014 - £18,000) per annum with the Chairman of the Board receiving an extra £12,000 (2014 - £9,000) per annum and the Chairman of the Audit Committee an extra £5,000 (2014 - £1,500) per annum. During the year the Directors' fees were reviewed with no change being proposed. The additional fees previously paid to the Senior Independent Director (2014 - £1,500) were abolished with effect from 1 December 2014.

In accordance with the Articles of Association, the aggregate limit of fees that may be paid to the Directors per annum is £200,000.

Directors' and Officers' Liability Insurance cover is held by the Company. The Board has granted individual indemnities to the Directors.

## Directors' Service Contracts

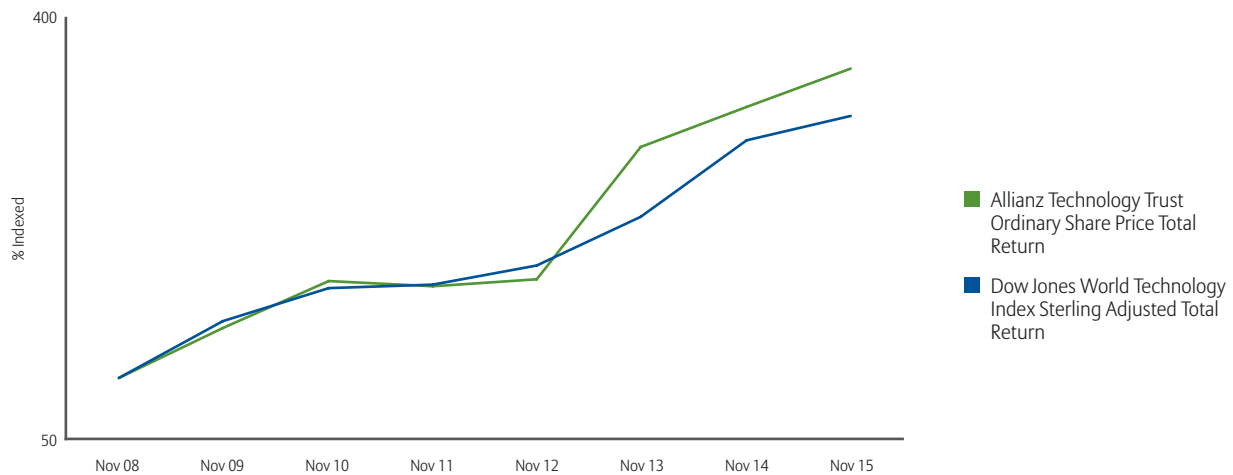
It is the Board's policy that none of the Directors has a service contract. The terms of their appointment provide that Directors shall, in accordance with the Articles of Association, stand for election by shareholders at the first AGM after their appointment, and at least every three years thereafter. The terms also provide that a Director may resign by notice in writing to the Board at any time and may be removed without notice and that compensation will not be due on leaving office.

## Your Company's Performance

The Regulations require a line graph to be included in the Directors' Remuneration Report showing total shareholder return for each of the financial years in the relevant period. The graph set out below compares, on a cumulative basis, the total return to Ordinary Shareholders compared to the total shareholder return on a notional investment made up of shares of the same kind and number as those by reference to which the Company's Benchmark is calculated.

## Directors' Remuneration Report *(continued)*

### Total Shareholder Return for the seven years to 30 November 2015



Source: AGI / Datastream in GBP  
Figures have been rebased to 100 as at 30 November 2008

### Relative importance of spend on pay

The following disclosure is a statutory requirement. The directors, however, do not consider that the comparison of directors' remuneration with distributions of the Company is a meaningful measure of the Company's overall performance. There were no dividends paid to shareholders or other distributions which made use of the Company's profit or cash flow deemed to assist in the understanding of the relative importance of spend on pay. The table below sets out the total level of remuneration compared to the share buy-backs made in the year:

	2015 £	2014 £	Change £
Total Remuneration	137,369	108,165	29,204
Total Share Buy-backs	230,900	-	230,900

### Directors' Remuneration (Audited Information)

The Directors who served in the year received the following emoluments in the form of fees:

		Fees 2015 £	Fees 2014 £
Robert Jeens		35,000	23,957
John Cornish		28,000	21,000
Richard Holway		23,000	18,000
Elisabeth Scott	Appointed 1 February 2015	19,166	-
Humphrey van der Klugt	Appointed 1 July 2015	9,583	-
Dr. Chris Martin	Retired 8 July 2015	14,406	18,000
Paul Gaunt	Retired 8 April 2015	8,214	18,000
David Quysner	Retired 2 April 2014	-	9,208
		<b>137,369</b>	<b>108,165</b>

No payments of Directors' fees were made to third parties.

# Directors' Remuneration Report *(continued)*

## Directors' Fees

Save for the changes noted in the table the Directors all served throughout the year and received the fees listed. These exclude any employers' national insurance contributions, if applicable. Directors are authorised to claim reasonable expenses from the Company in relation to the performance of their duties. However, the policy is to only claim ad hoc expenses which would not ordinarily include general travel to and from meetings held in London. No director is entitled to receive share options, bonuses, pension benefits or other financial or non-financial incentives either in substitution for or in addition to the remuneration stated above.

## Directors' Interests (Audited Information)

The Directors are not required to hold any shares in the Company, however, the Directors' Interests in the share capital of the Company are shown in table below.

		Ordinary Shares of 25p each	
		30 November 2015	30 November 2014
Robert Jeens		10,000	10,000
John Cornish		4,200	4,200
Richard Holway		17,000	17,000
Elisabeth Scott	Appointed 1 February 2015	*1,650	-
Humphrey van der Klugt	Appointed 1 July 2015	*5,000	-
Dr. Chris Martin	Retired 8 July 2015	*3,746	3,746
Paul Gaunt	Retired 8 April 2015	*-	-
David Quysner	Retired 2 April 2014	-	*6,710

#Purchased since date of appointment.

\*At date of retirement.

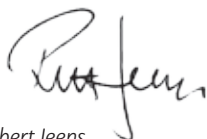
There have been no further changes in the above holdings from the year end to the date of this report.

## Annual General Meeting (AGM) Voting Statement

At the AGM held on 8 April 2015, of the votes cast by proxy for the approval of the Remuneration Report, 14,230,708 (99.0%) were cast in favour, 6,908 (0.1%) were cast as discretionary, 130,291 (0.9%) were cast against and 55,596 shares were withheld from the vote.

## Approval

The Directors' Remuneration Report was approved by the Board of Directors on 25 February 2016 and signed on its behalf by



Robert Jeens  
Chairman

Allianz Technology Trust PLC

# Financial Statements



Kaspars Crinvalds / Shutterstock.com

Tesla Motors continues to be a significant portfolio holding.

# Independent Auditor's Report to the Members of Allianz Technology Trust PLC

## Our opinion on the financial statements is unmodified

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 November 2015 and of its net return for the year then ended;
- have been properly prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Who we are reporting to

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## What we have audited

Allianz Technology Trust plc's financial statements for the year ended 30 November 2015 comprise the Income Statement, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, the Cash Flow Statement, the Statement of Accounting Policies and the related notes.

The financial reporting framework that has been applied in their preparation is United Kingdom Generally Accepted Accounting Practice.



## Overview of our audit approach

- Overall materiality: £1,757,000 which represents 1% of the Company's net assets; and
- Key audit risks were identified as Valuation, Existence and Ownership of Investments and Completeness and Occurrence of Investment Income.

## Our assessment of risk

In arriving at our opinions set out in this report, we highlight the following risks that, in our judgement, had the greatest effect on our audit:

### Audit risk

#### Valuation, Existence and Ownership of investments

The Company's business is investing in equity securities with the aim of achieving long-term capital growth. Accordingly, the investment portfolio is a significant, material item in the financial statements. We therefore identified the valuation, existence and ownership of the investment portfolio as a risk that requires particular audit attention.

#### How we responded to the risk

Our audit work on valuation included, but was not restricted to:

- obtaining an understanding of the process to value the quoted investments;
- agreeing the valuation of quoted investments to an independent source of market prices; and
- in order to assess whether the quoted investments were actively traded, we obtained trading volumes of those held at year end.

Our audit work on ownership and existence included, but was not restricted to:

- obtaining a confirmation of investments held at the year-end directly from the independent custodian; and
- testing the reconciliation of the custodian records.

The Company's accounting policy on the valuation of quoted investments is shown in accounting policy 4 and its disclosures about investments held at the year-end are included in Note 8. The Audit Committee identified valuation and ownership of the Company's investments as a significant issue in its report on page 48, where the Committee also described the action that it has taken to address this issue.

## Completeness and Occurrence of Investment income

Investment income is the Company's major source of revenue within the Income Statement. Accordingly we identified completeness and occurrence of investment income as a risk which requires particular audit attention.

Our audit work included, but was not restricted to:

- assessing whether the Company's accounting policy for revenue recognition is in accordance with the Statement of Recommended Practice: 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'; and

# Independent Auditor's Report to the Members of Allianz Technology Trust PLC *(continued)*

- for a sample of investments held during the period, confirming that income that should have been received has been received and recorded, and assessing whether any of the revenue receivable should have been treated as a return of capital.

The Company's accounting policy on the recognition of revenue from investments is shown in accounting policy 2 and related disclosures are included in Note 1. The Audit Committee identified Recognition of investment income as a significant issue in its report on page 48, where the Committee also described the action that it has taken to address this issue.

## Our application of materiality and an overview of the scope of our audit

### Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our work and in evaluating the results of that work. We determined materiality for the audit of the financial statements as a whole to be £1,757,000 which is 1% of net assets. This benchmark is considered the most appropriate because the Company's investment objective is to achieve long-term capital growth.

Materiality for the current year is higher than the level that we determined for the year ended 30 November 2014 to reflect higher net assets at the end of the year.

We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 75% of the financial statement materiality. We also determine a lower level of specific materiality for certain areas such as the revenue column of the income statement, directors' remuneration and related party transactions.

We determined the threshold at which we will communicate misstatements to the audit committee to be £87,850. In addition we will communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

### Overview of the scope of our audit

A description of the generic scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

We conducted our audit in accordance with International Standards on Auditing (ISAs) (UK and Ireland). Our responsibilities under those standards are further described in the 'Responsibilities for the financial statements and the audit' section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with the Auditing Practices Board's Ethical Standards for Auditors, and we have fulfilled our other ethical responsibilities in accordance with those Ethical Standards.

Our audit approach was based on a thorough understanding of the Company's business and is risk-based and, in particular, included the following considerations:

- The day-to-day management of the Company's investment portfolio, the custody of its investments and the maintenance of the Company's accounting records is outsourced to third-party service providers. Accordingly, our audit work is focussed on obtaining an understanding of internal controls at the Company and relevant third-party service providers. This included obtaining and reading internal controls reports prepared by third party auditors in respect of the independent Custodian and the investment management operations provided by the Manager;
- we undertook substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment and the management of specific risks; and
- there were minimal changes in the overview of the scope of the current year audit from the scope of that of the prior year. This is due to the Company's business activities and operations staying relatively stable over the past year.

## Other reporting required by regulations

### Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



# Independent Auditor's Report to the Members of Allianz Technology Trust PLC *(continued)*

## Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules, we are required to review:

- the directors' statements in relation to going concern and longer-term viability, set out on pages 32 and 28; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to report to you if:

- we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable; or
- the annual report does not appropriately disclose those matters that were communicated to the audit committee which we consider should have been disclosed.

We have nothing to report in respect of the above.

We also confirm that we do not have anything material to add or to draw attention to in relation to:

- the directors' confirmation in the annual report that they have carried out a robust assessment of the principal risks facing the Company including those that would threaten its business model, future performance, solvency or liquidity;
- the disclosures in the annual report that describe those risks and explain how they are being managed or mitigated;

- the directors' statement in the financial statements about whether they have considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements; and
- the directors' explanation in the annual report as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

## Responsibilities for the financial statements and the audit

What the directors are responsible for:

As explained more fully in the Statement of Directors' Responsibilities set out on page 46, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

What we are responsible for:

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.



*Christopher Smith*  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London  
25 February 2016

# Income Statement

for the year ended 30 November 2015

	Notes	2015 Revenue £	2015 Capital £	2015 Total Return £	2014 Revenue £	2014 Capital £	2014 Total Return £
Net gains on investments at fair value	8	-	17,288,586	17,288,586	-	24,245,987	24,245,987
Net gains on foreign currencies		-	14,030	14,030	-	466,555	466,555
Income	1	1,024,273	-	1,024,273	838,994	-	838,994
Investment management fee	2	(1,302,490)	-	(1,302,490)	(1,117,310)	-	(1,117,310)
Administration expenses	3	(495,378)	-	(495,378)	(566,950)	-	(566,950)
<b>Net return before finance costs and taxation</b>		<b>(773,595)</b>	<b>17,302,616</b>	<b>16,529,021</b>	<b>(845,266)</b>	<b>24,712,542</b>	<b>23,867,276</b>
Finance costs: interest payable and similar charges	4	(746)	-	(746)	-	-	-
<b>Net return on ordinary activities before taxation</b>		<b>(774,341)</b>	<b>17,302,616</b>	<b>16,528,275</b>	<b>(845,266)</b>	<b>24,712,542</b>	<b>23,867,276</b>
Taxation	5	(125,065)	-	(125,065)	(111,440)	-	(111,440)
<b>Net return on ordinary activities attributable to Ordinary Shareholders</b>		<b>(899,406)</b>	<b>17,302,616</b>	<b>16,403,210</b>	<b>(956,706)</b>	<b>24,712,542</b>	<b>23,755,836</b>
<b>Return per Ordinary Share</b>	<b>7</b>	<b>(3.48p)</b>	<b>66.94p</b>	<b>63.46p</b>	<b>(3.73p)</b>	<b>96.32p</b>	<b>92.59p</b>

The total return column of this statement is the profit and loss account of the Company.

The supplementary revenue and capital columns are both prepared under the guidance published by the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses of the Company have been reflected in the above statement.

The Notes on pages 62 to 74 form an integral part of these Financial Statements.

# Reconciliation of Movements in Shareholders' Funds

for the year ended 30 November 2015

	Notes	Called up Share Capital £	Share Premium Account £	Capital Redemption Reserve £	Capital Reserve £	Revenue Reserve £	Total £
Net Assets at 1 December 2013		7,075,720	35,032,345	1,020,750	102,670,319	(14,237,637)	131,561,497
Revenue Return		-	-	-	-	(956,706)	(956,706)
Ordinary shares issued from treasury during the year		-	1,179,068	-	1,245,667	-	2,424,735
Capital Return		-	-	-	24,712,542	-	24,712,542
<b>Net Assets at 30 November 2014</b>		<b>7,075,720</b>	<b>36,211,413</b>	<b>1,020,750</b>	<b>128,628,528</b>	<b>(15,194,343)</b>	<b>157,742,068</b>
Net Assets at 1 December 2014		7,075,720	36,211,413	1,020,750	128,628,528	(15,194,343)	157,742,068
Revenue Return		-	-	-	-	(899,406)	(899,406)
Shares repurchased during the year		-	-	-	(232,518)	-	(232,518)
Ordinary Shares issued from treasury during the year	12	-	886,138	-	903,127	-	1,789,265
Capital Return		-	-	-	17,302,616	-	17,302,616
<b>Net Assets at 30 November 2015</b>		<b>7,075,720</b>	<b>37,097,551</b>	<b>1,020,750</b>	<b>146,601,753</b>	<b>(16,093,749)</b>	<b>175,702,025</b>

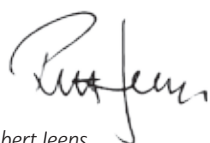
The Notes on pages 62 to 74 form an integral part of these Financial Statements.

# Balance Sheet

at 30 November 2015

	Notes	2015 £	2015 £	2014 £
<b>Fixed Assets</b>				
Investments held at fair value through profit or loss	8		172,918,744	151,997,090
<b>Current Assets</b>				
Debtors	10	563,079		477,579
Cash at Bank		2,716,709		5,679,977
		3,279,788		6,157,556
<b>Creditors</b>				
Amounts falling due within one year	10	(496,507)		(412,578)
<b>Net Current Assets</b>			2,783,281	5,744,978
<b>Total Assets less Current Liabilities</b>			175,702,025	157,742,068
<b>Capital and Reserves</b>				
Called up Share Capital	11		7,075,720	7,075,720
Share Premium Account	12		37,097,551	36,211,413
Capital Redemption Reserve	12		1,020,750	1,020,750
Capital Reserve	12		146,601,753	128,628,528
Revenue Reserve	12		(16,093,749)	(15,194,343)
<b>Shareholders' Funds</b>	13		175,702,025	157,742,068
<b>Net Asset Value per Ordinary Share</b>	13		675.1p	612.2p

The financial statements of Allianz Technology Trust PLC, company number 3117355, were approved and authorised for issue by the Board of Directors on 25 February 2016 and signed on its behalf by:



Robert Jeens  
Chairman

The Notes on pages 62 to 74 form an integral part of these Financial Statements.

# Cash Flow Statement

for the year ended 30 November 2015

	Notes	2015 £	2015 £	2014 £
<b>Net cash outflow from operating activities</b>	15		(900,231)	(4,661,149)
<b>Return on investment and servicing of finance</b>				
Interest paid			(746)	-
<b>Capital expenditure and financial investment</b>				
Purchases of fixed asset investments		(233,126,972)		(143,330,867)
Sales of fixed asset investments		229,267,207		135,056,205
Special dividends credited to capital		226,697		
<b>Net cash outflow from capital expenditure and financial investment</b>			(3,633,068)	(8,274,662)
<b>Net cash outflow before financing</b>			(4,534,045)	(12,935,811)
<b>Financing</b>				
Purchase of Ordinary Shares for cancellation or for holding in treasury			(232,518)	-
Issue of Ordinary Shares from treasury			1,789,265	-
<b>Net cash inflow from financing</b>			1,556,747	-
<b>Decrease in cash</b>	16		(2,977,298)	(12,935,811)

The Notes on pages 62 to 74 form an integral part of these Financial Statements.

# Statement of Accounting Policies

for the year ended 30 November 2015

1. **Financial statements** – The financial statements have been prepared under the historical cost basis, except for the measurement at fair value of investments, and in accordance with United Kingdom Law and United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice - 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (SORP) issued in January 2009 by the Association of Investment Companies.

In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. In accordance with the Company's status as a UK investment company under section 833 and 834 of the Companies Act 2006, net capital returns may be distributed by way of dividend. Under the terms of the Articles of Association the Company does not utilise this ability.

The accounting policies adopted in preparing the current year's financial statements are consistent with those of previous years.

The Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the financial statements as the assets of the Company consist mainly of securities which are readily realisable and significantly exceed liabilities. Accordingly, the Directors believe that the Company has adequate financial resources to continue in operational existence for the foreseeable future. The Company's business, the principal risks and uncertainties it faces, together with the factors likely to affect its future development, performance and position, including the forthcoming continuation vote, are set out in the Strategic Report on pages 27 to 31.

2. **Revenue** – Dividends received on equity shares are accounted for on an ex-dividend basis. UK dividends are shown net of tax credits and foreign dividends are grossed up at the appropriate rate of withholding tax.

Special dividends are recognised on an ex-dividend basis and treated as a capital or revenue item depending on the facts and circumstances of each dividend.

Where the Company has elected to receive its dividends in the form of additional shares rather than in cash, the equivalent of the cash dividend is recognised as revenue. Any excess in the value of the shares received over the amount of the cash dividend is recognised in capital.

Deposit interest receivable is accounted for on an accruals basis.

Commissions in respect of underwriting are recognised when the underwritten issue closes and are generally recognised within the Income Statement as revenue. Where, however, the Company is required to take up a proportion of the shares underwritten, the same proportion of the commission received is recognised as capital, with the balance recognised as revenue.

3. **Investment management fees and administrative expenses** – The investment management fee is calculated on the basis set out in Note 2 to the financial statements and is charged in full to revenue as permitted by the SORP. Performance fees are charged in full to capital, as they are directly attributable to the capital performance of the investments. Other administrative expenses are charged in full to revenue. All expenses are recognised on an accruals basis.
4. **Valuation** – As the Company's business is investing in financial assets with a view to profiting from their total return in the form of increases in fair value, financial assets are designated as held at fair value through profit or loss in accordance with FRS 26 'Financial Instruments: Recognition and Measurement'. The Company manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy, and information about the investments is provided on this basis to the Board of Directors.

Investments held at fair value through profit or loss are initially recognised at fair value. After initial recognition, these continue to be measured at fair value, which for quoted investments is either the bid price or the last traded price depending on the convention of the exchange on which the investment is listed. Gains or losses on investments are recognised in the capital column of the Income Statement. Purchases and sales of financial assets are recognised on the trade date, being the date which the Company commits to purchase or sell the assets.

# Statement of Accounting Policies *(continued)*

for the year ended 30 November 2015

Unquoted investments are valued by the Directors with reference to the principles set out by the International Private Equity and Venture Capital Valuation Guidelines issued in December 2012.

5. **Derivatives** – Options may be purchased or written over securities held in the portfolio only for generating or protecting capital returns.

Where the purpose of the option is the maintenance of capital the premium is treated as a capital item. The value of the option is subsequently marked to market to reflect the fair value of the option based on traded prices. When an option is closed out or exercised the gain or loss is accounted for as capital. Unamortised premiums on exercise date are taken to capital.

6. **Finance costs** – The finance costs of borrowings are charged to revenue and accounted for using the effective interest method.

7. **Taxation** – Where expenses are allocated between capital and revenue, any tax relief obtained in respect of those expenses is allocated between capital and revenue on the marginal basis using the Company's effective rate of corporation tax for the accounting period.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax or a right to pay less tax in the future have occurred. Timing differences are differences between the Company's taxable profits and its return as stated in the financial statement.

A deferred tax asset is recognised when it is more likely than not that the asset will be recoverable. Deferred tax is measured on a non-discounted basis at the rate of Corporation tax that is expected to apply when the timing differences are expected to reverse.

8. **Foreign currency** – In accordance with FRS 23 'The Effects of Changes in Foreign Exchange Rates', the Company is required to nominate a functional currency, being the currency in which the Company predominately operates. The functional and reporting currency is sterling, reflecting the primary economic environment in which the Company operates. Transactions in foreign currencies are translated into sterling at the rates of exchange ruling on the date of the transaction. Foreign currency assets and liabilities are translated into sterling at the rates of exchange ruling at the balance sheet date. Profits and losses thereon are recognised in the capital column of the income statement and taken to the Capital Reserve.

9. **Shares repurchased for cancellation and holding in treasury** – For shares repurchased for cancellation, Share Capital is reduced by the nominal value of the shares repurchased, and the Capital Redemption Reserve is correspondingly increased in accordance with Section 733 of the Companies Act 2006. The full cost of the repurchase is charged to the Capital Reserve.

For shares repurchased for holding in treasury, the full cost is charged to the Capital Reserve.

10. **Shares sold (re-issued) from treasury** – Proceeds received from the sale of shares held in treasury are treated as realised profits in accordance with Section 731 of the Companies Act 2006. Proceeds equivalent to the original cost, calculated by applying a weighted average price, are credited to the Capital Reserve to replenish the profits available for distribution; proceeds in excess of the original cost are credited to the Share Premium account.

# Notes to the Financial Statements

for the year ended 30 November 2015

## 1. Income

	2015 £	2014 £
<b>Income from Investments*</b>		
Equity income from UK investments	87,070	7,350
Equity income from overseas investments	937,203	831,644
	<b>1,024,273</b>	<b>838,994</b>

\* All equity income is derived from listed investments.

## 2. Investment Management Fee

	2015 Revenue £	2015 Capital £	2015 Total £	2014 Revenue £	2014 Capital £	2014 Total £
Investment management fee	1,302,490	-	1,302,490	1,117,310	-	1,117,310
Performance Fee	-	-	-	-	-	-
<b>Total</b>	<b>1,302,490</b>	<b>-</b>	<b>1,302,490</b>	<b>1,117,310</b>	<b>-</b>	<b>1,117,310</b>

The Company's investment manager is Allianz Global Investors GmbH, UK Branch (the Investment Manager). The Investment Manager provides the Company with investment management, accounting, company secretarial and administration services pursuant to the management contract. The management contract is terminable on giving six months' notice (2014 - six months'), and provides for a base management fee of 0.8% (2014 - 0.8%) per annum payable quarterly in arrears and calculated on the average value of the market capitalisation of the Company at the last business day of each month in the relevant quarter. In addition there is a fixed fee of £55,000 (2014 - £55,000) per annum to cover the Investment Manager's administration costs.

In each year, in accordance with the management contract the Investment Manager is entitled to a performance fee subject to various performance conditions. For years beginning on or after 1 December 2013, the performance fee entitlement is equal to 12.5% of the outperformance of the adjusted NAV per share total return as compared to the benchmark index, the Dow Jones World Technology Index Sterling adjusted Total Return. Such amount is applied to the year end NAV and adjusted for the weighted average number of Ordinary Shares in issue during the Performance Period. Any underperformance brought forward from previous years is taken into account in the calculation of the performance fee.

A performance fee is only payable where the NAV per share at the end of the relevant Performance Period is greater than the NAV per share at the end of the financial year in which a performance fee was last paid. At 30 November 2015 this 'high water mark' (HWM) was 542.89p per share. In the event the HWM is not reached in any year, any outperformance shall instead be carried forward to future periods to be applied as detailed below. Any performance fee payable is capped at 2.25% of the year end NAV of the Company. For this purpose, the NAV is calculated after deduction of the associated performance fee payable.

Any outperformance in excess of the cap (or where the HWM has not been met) shall be carried forward to future years to be available for offset against future underperformance but not to generate a performance fee. To the extent the Company has underperformed the benchmark, such underperformance is carried forward and must be offset by future outperformance before a performance fee can be paid. Underperformance/outperformance amounts carried forward do so indefinitely until offset.

The performance fee earned by the Investment Manager for this Performance Period was £nil (2014 - £nil). While the HWM in the period was breached, no fee is payable until the underperformance of the prior year has been fully offset.



# Notes to the Financial Statements *(continued)*

for the year ended 30 November 2015

## 3. Administration Expenses

	2015 £	2014 £
<b>Auditor's remuneration</b>		
for audit services	24,613	29,397
VAT on auditors' remuneration	4,923	5,879
	<b>29,536</b>	<b>35,276</b>
Directors' fees (ii)	137,369	108,165
Marketing costs (iii)	116,377	79,454
Other administrative expenses (iv)	212,096	344,055
	<b>495,378</b>	<b>566,950</b>

(i) The above expenses include value added tax where applicable.

(ii) Directors' fees are set out in the Directors' Remuneration Report on page 50.

(iii) The marketing budget was increased and takes into account both marketing by the Investment Manager and third party service providers.

(iv) The 2014 Other Administrative Expenses included approximately £110,000 legal, broker, custody and depositary fees incurred in connection with the review of the Investment Management Agreement, advice on implementation of the AIFM and new custody and depositary fees.

## 4. Finance Costs: Interest Payable and Similar Charges

	2015 £	2014 £
Interest on overseas overdraft	746	-
	<b>746</b>	<b>-</b>

## Notes to the Financial Statements *(continued)*

for the year ended 30 November 2015

### 5. Taxation

	2015 Revenue £	2015 Capital £	2015 Total £	2014 Revenue £	2014 Capital £	2014 Total £
Overseas taxation	125,065	-	125,065	111,440	-	111,440
<b>Current tax charge</b>	<b>125,065</b>	<b>-</b>	<b>125,065</b>	<b>111,440</b>	<b>-</b>	<b>111,440</b>

#### Reconciliation of tax charge

Return on ordinary activities before taxation	(774,341)	17,302,616	16,528,275	(845,266)	24,712,542	23,867,276
Corporation tax of 20.33% (2014 - 21.67%)	(157,449)	3,518,199	3,360,750	(183,141)	5,354,384	5,171,243

#### Reconciling factors

Non taxable income	(208,269)	-	(208,269)	(181,782)	-	(181,782)
Non taxable capital gains	-	(3,518,199)	(3,518,199)	-	(5,354,384)	(5,354,384)
Disallowable expenses	1,605	-	1,605	2,967	-	2,967
Excess of allowable expenses over taxable income	364,113	-	364,113	361,956	-	361,956
Overseas tax suffered	125,065	-	125,065	111,440	-	111,440
<b>Current tax charge</b>	<b>125,065</b>	<b>-</b>	<b>125,065</b>	<b>111,440</b>	<b>-</b>	<b>111,440</b>

The Company's taxable income is exceeded by its tax allowable expenses. As at 30 November 2015, the Company had accumulated surplus expenses of £46.8m (2014 - £45.0m).

At 30 November 2015 the Company has not recognised a deferred tax asset of £8.4m (2014 - £9.0m) in respect of accumulated expenses based on a prospective corporation tax rate of 18% (2014 - 20%). The reduction in the standard rate of corporation tax was substantively enacted on 26 October 2015 and will be effective 1 April 2020. Provided the Company continues to maintain its current investment profile, it is unlikely that the expenses will be utilised and that the Company will obtain any benefit from this asset.

In May 2013 the Company received confirmation from HM Revenue & Customs as an approved investment trust for accounting periods commencing on or after 1 December 2012, subject to the Company continuing to meet the eligibility conditions at Section 1158 Corporation Tax Act 2010 and the ongoing requirements for approved companies in Chapter 3 of Part 2 Investment Trust (Approved Company) Tax Regulations 2011 (Statutory Instrument 2011/2999).

In the opinion of the Directors, the Company has conducted its affairs in such a manner that it continues to meet the eligibility conditions.

The Company has not therefore provided tax on any capital gains and losses arising on the disposals of investments.

### 6. Dividends on Ordinary Shares

There were no dividends paid or declared during the financial year ended 30 November 2015 (2014 - £nil).

# Notes to the Financial Statements *(continued)*

for the year ended 30 November 2015

## 7. Return per Ordinary Share

	2015 Revenue £	2015 Capital £	2015 Total Return £	2014 Revenue £	2014 Capital £	2014 Total Return £
Return after taxation attributable to Ordinary Shareholders	(899,406)	17,302,616	16,403,210	(956,706)	24,712,542	23,755,836
Return per Ordinary Share	(3.48p)	66.94p	63.46p	(3.73p)	96.32p	92.59p
					2015 No. of Shares	2014 No. of Shares
Weighted average number of Ordinary Shares in issue for the return per Ordinary Share calculations above					25,849,713	25,656,904

## 8. Fixed Asset Investments

	2015 Quoted UK/Overseas £	2015 Total £	2014 Quoted UK/Overseas £	2014 Total £
Fair value of investments brought forward	151,997,090	151,997,090	119,476,441	119,476,441
Investment holding gains brought forward	(39,533,956)	(39,533,956)	(25,259,342)	(25,259,342)
<b>Cost of investments held brought forward</b>	<b>112,463,134</b>	<b>112,463,134</b>	<b>94,217,099</b>	<b>94,217,099</b>
Additions at cost	233,126,972	233,126,972	143,330,867	143,330,867
Disposals at cost	(203,270,130)	(203,270,130)	(125,084,832)	(125,084,832)
<b>Cost of investments held at 30 November</b>	<b>142,319,976</b>	<b>142,319,976</b>	<b>112,463,134</b>	<b>112,463,134</b>
Investment holding gains at 30 November	30,598,768	30,598,768	39,533,956	39,533,956
<b>Fair value of investments held at 30 November</b>	<b>172,918,744</b>	<b>172,918,744</b>	<b>151,997,090</b>	<b>151,997,090</b>

## Notes to the Financial Statements *(continued)*

for the year ended 30 November 2015

### 8. Fixed Asset Investments *(continued)*

	2015 £	2014 £
<b>Net gains on investments</b>		
Net gains on sales of investments based on historical costs	25,997,077	9,971,373
Adjustment for net investment holding losses recognised in previous years	(36,323,109)	(18,576,281)
<b>Net losses on sales of investments based on carrying value at previous balance sheet date</b>	<b>(10,326,032)</b>	<b>(8,604,908)</b>
Net investment holding gains arising in the year	27,387,921	32,850,895
<b>Net gains on sales of investments before special dividends</b>	<b>17,061,889</b>	<b>24,245,987</b>
Special dividends credited to capital	226,697	-
<b>Net gains on investments</b>	<b>17,288,586</b>	<b>24,245,987</b>

Transaction costs on equity purchases amounted to £201,476 (2014 - £125,184) and transaction costs on equity sales amounted to £204,161 (2014 - £136,803).

### 9. Investments in Subsidiaries or other companies

As at 30 November 2015 the Company held no investments in subsidiaries, nor did it hold more than 10% of the share capital in any other company.

### 10. Current Assets and Creditors

	2015 £	2014 £
<b>Debtors</b>		
Accrued income	165,959	93,626
Other debtors	397,120	383,953
	<b>563,079</b>	<b>477,579</b>
<b>Creditors: Amounts falling due within one year</b>		
Other creditors	496,507	412,578
	<b>496,507</b>	<b>412,578</b>

Included within other debtors is a directors' valuation of a contingent consideration of £372,019 (2014 - £357,877) relating to the acquisition of MicroDose Therapeutx Inc. by Teva Pharmaceuticals USA, Inc., a subsidiary of Teva Pharmaceutical Industries Limited.

# Notes to the Financial Statements *(continued)*

for the year ended 30 November 2015

## 11. Share Capital

	2015 £	2014 £
<b>Allotted and fully paid</b>		
28,302,880 Ordinary Shares of 25p (2014 - 28,302,880)*	7,075,720	7,075,720

\*Inclusive of 2,275,454 (2014 - 2,534,874) Ordinary Shares held in treasury for reissue into the market or cancellation at a future date. Shares held in treasury are non-voting and not eligible for receipt of dividends.

On 20th January 2015 the Company repurchased 40,580 Ordinary Shares to be held in treasury (2014 - nil). During the year a total of 300,000 Ordinary Shares were re-issued from treasury as shown below:

Date of Issue	Number of shares issued from treasury	Cumulative total of shares issued for the year	Price Per share (pence)	Total proceeds (£ before expenses)
6 May 2015	20,000	20,000	613.10	122,620
12 May 2015	35,000	55,000	607.50	212,625
13 May 2015	20,000	75,000	609.00	121,800
14 May 2015	75,000	150,000	612.50	459,375
12 Jun 2015	15,000	165,000	622.00	93,300
3 Sep 2015	125,000	290,000	580.75	725,938
11 Sep 2015	10,000	300,000	572.00	57,200
<b>Total</b>				<b>1,792,858</b>

## Notes to the Financial Statements *(continued)*

for the year ended 30 November 2015

### 12. Reserves

	Share Premium Account £	Capital Redemption Reserve £	Capital Reserve		Revenue Reserve £
			Gains on Sales of Investments £	Investment Holding Gains (Losses) £	
Balance at 1 December 2014	36,211,413	1,020,750	88,998,552	39,629,976	(15,194,343)
Net losses on sales of fixed asset investments	-	-	(10,326,032)	-	-
Special dividends	-	-	226,697	-	-
Net gains on foreign currencies	-	-	-	14,030	-
Net movement in fixed asset investment holding gains	-	-	-	27,387,921	-
Transfer on disposal of investments	-	-	36,323,109	(36,323,109)	-
Purchase of Ordinary Shares for holding in treasury	-	-	(232,518)	-	-
Issue of Ordinary Shares from treasury	886,138	-	903,127	-	-
Retained loss for the year	-	-	-	-	(899,406)
<b>Balance at 30 November 2015</b>	<b>37,097,551</b>	<b>1,020,750</b>	<b>115,892,935</b>	<b>30,708,818</b>	<b>(16,093,749)</b>

Under the terms of the Company's Articles of Association, the capital reserves are distributable only by way of redemption or purchase of the Company's own shares, for so long as the Company carries on business as an Investment Company. The Institute of Chartered Accountants in England and Wales in its technical guidance TECH 02/10 states that investment holding gains arising out of a change in fair value of assets may be recognised as realised gains on sales of investments provided they can be readily converted into cash.

Securities listed on a stock exchange are generally regarded as being readily convertible into cash and hence investment holding gains in respect of such securities may be regarded as realised under Company Law.

### 13. Net Asset Value (NAV) per Share

The NAV per share (which equates the NAV attributable to each Ordinary Share in issue at the year end calculated in accordance with the Articles of Association) was as follows:

	NAV per Share attributable	
	2015	2014
Ordinary Shares of 25p	675.1p	612.2p
	NAV attributable	
	2015	2014
	£	£
Ordinary Shares of 25p	£175,702,025	£157,742,068

The NAV per share is based on 26,027,426 Ordinary Shares in issue as at 30 November 2015 (2014 - 25,768,006 Ordinary Shares).

### 14. Contingent Liabilities and Commitments and Guarantees

At 30 November 2015 there were no outstanding contingent liabilities or commitments (2014 - £nil).

# Notes to the Financial Statements *(continued)*

for the year ended 30 November 2015

## 15. Reconciliation of Return on Ordinary Activities before Finance Costs and Taxation to Net Cash Flow from Operating Activities

	2015 £	2014 £
Total return before finance costs and taxation	16,529,021	23,867,276
Less: Net gains on investments at fair value	(17,288,586)	(24,245,987)
Less: Overseas tax suffered	(125,065)	(111,440)
Add: Net gains on foreign currency	(14,030)	(466,555)
	<b>(898,660)</b>	<b>(956,706)</b>
Increase in debtors	(85,500)	(31,772)
Increase (Decrease) in creditors	83,929	(3,672,671)
<b>Net cash outflow from operating activities</b>	<b>(900,231)</b>	<b>(4,661,149)</b>

## 16. Reconciliation of Net Cash Flow to Movement in Net Funds

	Cash £	Bank Overdraft £	Net Funds £
<b>(i) Analysis of changes in net funds</b>			
Balance at 1 December 2014	5,679,977	-	5,679,977
Net cash outflow	(2,977,298)	-	(2,977,298)
Net gains on foreign currencies	14,030	-	14,030
<b>Balance at 30 November 2015</b>	<b>2,716,709</b>	<b>-</b>	<b>2,716,709</b>

	2015 £	2014 £
<b>(ii) Reconciliation of net cash flow to movement in net funds</b>		
Net cash outflow	(2,977,298)	(12,935,811)
Net gains on foreign currencies	14,030	466,555
<b>Movement in net funds</b>	<b>(2,963,268)</b>	<b>(12,469,256)</b>
Net funds brought forward	5,679,977	18,149,233
<b>Net funds carried forward</b>	<b>2,716,709</b>	<b>5,679,977</b>

# Notes to the Financial Statements *(continued)*

for the year ended 30 November 2015

## 17. Financial Risk Management policies and procedures

The Company invests in equities and other investments in accordance with its investment policy as stated on page 1. In pursuing its investment objective, the Company is exposed to certain inherent risks that could result in a reduction in the Company's net return and net assets.

The main risks arising from the Company's financial instruments are: market risk (comprising market price risk, foreign currency risk and interest rate risk), liquidity risk and credit risk. The Directors determine the objectives and agree policies for managing each of these risks, as set out below. The Investment Manager, in close cooperation with the Directors, implements the Company's risk management policies. These policies have remained substantially unchanged during the current and preceding period.

### (a) Market Risk

The Investment Manager assesses the exposure to market risk when making each investment decision, and monitors the risk on the investment portfolio on an ongoing basis. Market risk comprises market price risk, foreign currency risk and interest rate risk.

#### (i) Market Price Risk

Market price risk arises mainly from the uncertainty about future prices of financial instruments held. It represents the potential loss the Company might suffer through holding market positions in the face of price movements. An analysis of the Company's portfolio is shown on pages 21 to 23.

#### Market Price Sensitivity

The value of the Company's listed equities excluding unlisted equities, which were exposed to market price risk as at 30 November was as follows:

	2015 £	2014 £
Listed equity investments held at fair value through profit or loss	172,918,744	151,997,090

The following illustrates the sensitivity of the net return and the net assets to an increase or decrease of 20% (2014 - 20%) in the fair values of the Company's listed investments. This level of change is considered to be reasonably possible based on observation of market conditions in the year. The sensitivity analysis is based on the impact of a change to the value of the Company's listed equity investments at each balance sheet date and the consequent impact on the investment management fees for the year, with all other variables held constant.

	2015 20% Increase in fair value £	2015 20% Decrease in fair value £	2014 20% Increase in fair value £	2014 20% Decrease in fair value £
<b>Revenue Return</b>				
Investment management fees	(276,670)	276,670	(243,195)	243,195
<b>Capital Return</b>				
Net gains (losses) on investments at fair value	34,583,749	(34,583,749)	30,399,418	(30,399,418)
Change in net return and net assets	34,307,079	(34,307,079)	30,156,223	(30,156,223)



# Notes to the Financial Statements *(continued)*

for the year ended 30 November 2015

## Management of market price risk

The Directors meet regularly to evaluate the risks associated with the investment portfolio. Dedicated fund managers have the responsibility for monitoring the existing portfolio selection in accordance with the Company's investment objective and seek to ensure that individual stocks meet an acceptable risk reward profile.

The Board can authorise the fund managers to use options in order to protect the portfolio against high market volatility. Where options are employed, the market value of such options can be volatile but the maximum realised loss on any contract is limited to the original investment cost. No options were taken out in the current year.

## (ii) Foreign Currency Risk

Foreign currency risk is the risk of the movement in the values of overseas financial instruments as a result of fluctuations in exchange rates.

### Management of foreign currency risk

Transactions in foreign currencies are translated into sterling at the rates of exchange ruling on the date of the transaction. Foreign currency assets and liabilities are translated into sterling at the rates of exchange ruling at the balance sheet date. It is the Company's policy not to hedge foreign currency exposure.

Any income denominated in foreign currency is converted into sterling on receipt. The Company does not use financial instruments to mitigate the currency exposure in the period between the time that income is included in the financial statements and its receipt.

The table below summarises in sterling terms the foreign currency risk exposure:

	2015 Investments £	2015 Other Assets and Liabilities £	2015 Total Currency Exposure £	2014 Investments £	2014 Other Assets and Liabilities £	2014 Total Currency Exposure £
Sterling	5,612,637	(441,633)	5,171,004	1,654,660	(368,711)	1,285,949
US Dollar	159,527,041	2,853,197	162,380,238	143,701,463	4,924,393	148,625,856
Other currency exposure	7,779,066	371,717	8,150,783	6,640,967	1,189,296	7,830,263
	<b>172,918,744</b>	<b>2,783,281</b>	<b>175,702,025</b>	<b>151,997,090</b>	<b>5,744,978</b>	<b>157,742,068</b>

### Foreign Currency Risk Sensitivity

The following table details the Company's sensitivity to a 20% increase and decrease in sterling against the relevant foreign currencies and the resultant impact that any such increase or decrease would have on the net return and net assets. The sensitivity analysis includes all foreign currency denominated items and adjusts their translation at the year end for a 20% change in foreign currency rates.

	2015 20% Decrease in Sterling against foreign currencies £	2015 20% Increase in Sterling against foreign currencies £	2014 20% Decrease in Sterling against foreign currencies £	2014 20% Increase in Sterling against foreign currencies £
US Dollar	40,595,059	(27,063,373)	37,156,464	(24,770,976)
Other currency exposure	2,037,697	(1,358,465)	1,957,565	(1,305,043)
<b>Change in net return and net assets</b>	<b>42,632,756</b>	<b>(28,421,838)</b>	<b>39,114,029</b>	<b>(26,076,019)</b>

## Notes to the Financial Statements *(continued)*

for the year ended 30 November 2015

### (iii) Interest Rate Risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

#### Interest Rate Exposure

The table below summarises in sterling terms the financial assets and financial liabilities whose values are directly affected by changes in interest rates.

	2015 Fixed rate interest £	2015 Floating rate interest £	2015 Nil interest £	2015 Total £	2014 Fixed rate interest £	2014 Floating rate interest £	2014 Nil interest £	2014 Total £
Financial Assets	-	2,716,709	172,918,744	175,635,453	-	5,679,977	151,997,090	157,677,067
Financial Liabilities	-	-	-	-	-	-	-	-
<b>Net Financial Assets</b>	<b>-</b>	<b>2,716,709</b>	<b>172,918,744</b>	<b>175,635,453</b>	<b>-</b>	<b>5,679,977</b>	<b>151,997,090</b>	<b>157,677,067</b>
Short-term debtors and creditors				66,572				65,001
<b>Net Assets per Balance Sheet</b>				<b>175,702,025</b>				<b>157,742,068</b>

As at 30 November 2015, the interest rates received on cash balances or paid on bank overdrafts was nil% and 3.0% per annum, respectively (2014 - nil% and 2.9% per annum).

#### Management of interest rate risk

The Company invests predominantly in equities, the values of which are not directly affected by changes in prevailing market interest rates. The Company's policy is to remain substantially fully invested. It does not normally expect to hold significant cash balances for other than brief periods of time and therefore there is minimal exposure to interest rate risk.

### (b) Liquidity risk

Liquidity risk relates to the capacity to meet liabilities as they fall due and is dependent on the liquidity of the underlying assets.

#### Maturity of financial liabilities

The table below presents the future cash flows payable by the Company in respect of its financial liabilities.

2015	Three months or less £	Between three months and one year £	Between one and five years £	More than five years £	Total £
<b>Creditors - Amounts falling due within one year</b>					
Other creditors	496,507	-	-	-	496,507
	<b>496,507</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>496,507</b>
2014	Three months or less £	Between three months and one year £	Between one and five years £	More than five years £	Total £
<b>Creditors - Amounts falling due within one year</b>					
Other creditors	412,578	-	-	-	412,578
	<b>412,578</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>412,578</b>

# Notes to the Financial Statements *(continued)*

for the year ended 30 November 2015

## Management of liquidity risk

Liquidity risk is not considered to be significant as the Company's assets mainly comprise realisable securities, which can be sold to meet funding requirements. Short term flexibility can be achieved through the use of overdraft facilities, where necessary. As at 30 November 2015, the Company had no committed borrowing facility (2014 - £nil).

## (c) Credit risk

Credit risk is the risk of default by a counterparty to discharge its obligations under transactions that could result in the Company suffering a loss.

## Management of credit risk

Outstanding settlements are subject to credit risk. Credit risk is mitigated by the Company through its decision to transact with counterparties of high credit quality. The Company only buys and sells investments through brokers which are considered to be approved counterparties, thus minimising the risk of default during settlement. Normally trades are settled by payment of cash against delivery. The credit ratings of brokers are reviewed quarterly by the Investment Manager.

The Company is also exposed to credit risk through the use of banks for its cash position. Bankruptcy or insolvency of banks may cause the Company's rights with respect to cash held by banks to be delayed or limited. The Company's cash balances are held with The Bank of New York Mellon, rated Aa1 by Moody's rating agency. The Directors believe the counterparties the Company has chosen to transact with are of high credit quality, therefore the Company has minimal exposure to credit risk.

The table below summarises the credit risk exposure of the Company as at 30 November:

	2015 £	2014 £
<b>Debtors</b>		
Accrued income	165,959	93,626
Other debtors	397,120	383,953
Cash at bank	2,716,709	5,679,977
	<b>3,279,788</b>	<b>6,157,556</b>

## Fair Values of Financial Assets and Financial Liabilities

The financial assets and financial liabilities are either carried at fair value or the balance sheet amount is a reasonable approximation of their fair value.

FRS 29 'Financial Instruments: Disclosures' includes a fair value hierarchy for the disclosure of fair value measurement of financial instruments.

As at 30 November 2015, the financial assets at fair value through profit and loss of £173,290,763 (2014 - £152,354,967) are categorised as follows:

	2015 £	2014 £
Level 1	172,918,744	151,997,090
Level 2	-	-
Level 3	372,019	357,877
	<b>173,290,763</b>	<b>152,354,967</b>

## Notes to the Financial Statements *(continued)*

for the year ended 30 November 2015

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant assets as follows:

Level 1 - valued using quoted prices in active markets

Level 2 - valued by reference to valuation techniques using observable inputs other than quoted prices included in level 1

Level 3 - valued by reference to valuation techniques using inputs that are not based on observable market data

Movements in Level 3 have not been disclosed as they are not material.

### 18. Capital Management Policies and Procedures

The Company's objective is to provide long-term capital growth through investing principally in the equity securities of quoted technology companies on a worldwide basis.

The Company's capital at 30 November 2015 was as per the equity Shareholders' Funds in the Balance Sheet on page 58.

The Board, with the assistance of the Investment Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis, including the level of gearing, taking into account the Investment Manager's view on the market and the future prospects of the Company's performance. Capital management also involves reviewing the difference between the NAV per share and the share price (i.e. the level of share price discount or premium) to assess the need whether to repurchase shares for cancellation or holding in treasury.

The Company's objective, policies and processes for managing capital are unchanged from the preceding accounting period and the Company has complied with them.

The Company will not invest in more than 20% of the net assets using 'gearing'. The Company's Articles of Association limit borrowing to one quarter of its called up share capital and reserves.

### 19. Transactions with the Investment Manager and related parties

The amounts paid to the Investment Manager together with details of the investment management contract are disclosed in Note 2. The existence of an independent Board of directors demonstrates that the Company is free to pursue its own financial and operating policies and therefore, under FRS 8: Related Party Disclosures, the Investment Manager is not considered to be a related party.

The Company's related parties are its directors. Fees paid to the Company's Board are disclosed in the Director's Remuneration Report on page 50. There are no other identifiable related parties at the year end, and as of 25 February 2016.

A close-up, low-angle shot of a microchip, showing its intricate circuitry and grid-like pattern. The chip is set against a blurred background of a blue sky with white clouds. A teal-colored overlay covers the top-left portion of the image, containing the company name and title.

Allianz Technology Trust PLC

# Investor Information

Our overweight position in Freescale Semiconductor made the stock one of the top active contributors of the period.

# Investor Information

## Financial Calendar

Year end 30 November.

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Full year results announced and Annual Financial Report posted to Shareholders in February/March.

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Annual General Meeting held in March/April.

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Half year results announced and Half-Yearly Financial Report posted to Shareholders in July.

## How to invest

Alliance Trust Savings Limited (ATS) is one of a number of providers offering a range of products and services, including Share Plans, ISAs and pension products. ATS also maintains services including online and telephone-based dealing facilities and online valuations. More information is available from Allianz Global Investors either via Investor Services on 0800 389 4696 or on the Company's website: [www.allianztechnologytrust.com](http://www.allianztechnologytrust.com), or from Alliance Trust Savings Customer Services Department on 01382 573737 or by email: [contact@alliancetrust.co.uk](mailto:contact@alliancetrust.co.uk)

A list of other providers can be found on the Company's website: [www.allianztechnologytrust.com](http://www.allianztechnologytrust.com) under 'How to Invest' in the 'Quicklinks' menu.

## Market and Portfolio Information

The Company's Ordinary Shares are listed on the London Stock Exchange under the code ATT. The market price range, gross yield and net asset value (NAV) are shown daily in the Financial Times and The Daily Telegraph under the headings 'Investment Trusts' and 'Investment Companies', respectively. The NAV of the Ordinary Shares is calculated daily and published on the London Stock Exchange Regulatory News Service. The geographical spread of investments and ten largest holdings are published monthly on the London Stock Exchange Regulatory News Service. They are also available from the Manager's Investor Services Helpline on 0800 389 4696 or via the Company's website: [www.allianztechnologytrust.com](http://www.allianztechnologytrust.com)

## Share Price

The share price quoted in the London Stock Exchange Daily Official List for 30 November 2015 was 632.0p per Ordinary Share.

## Website

Further information about Allianz Technology Trust PLC, including monthly factsheets, daily share price and performance, is available on the Company's website: [www.allianztechnologytrust.com](http://www.allianztechnologytrust.com)

## Registrars

Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU

Telephone: 0871 664 0300 or +44 20 8639 3399 if calling from overseas. Lines are open 9.00 a.m. to 5.30 p.m. (London time)

Monday to Friday. Calls to the 0871 664 0300 number are charged at 10 pence per minute plus any of your service providers network extras.

Email: [ssd@capita.co.uk](mailto:ssd@capita.co.uk)

Website: [www.capitaassetservices.com](http://www.capitaassetservices.com)

## Shareholder Enquiries – Capita Asset Services

In the event of queries regarding their holdings of shares, lost certificates, dividend payments, registered details, etc., shareholders should contact the registrars on 0871 664 0300 or +44 20 8639 3399 if calling from overseas. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. Calls to the 0871 664 0300 number are charged at 10 pence per minute plus any of your service provider's network extras. Calls to the helpline number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes.

Changes of name and address must be notified to the registrars in writing. Any general enquiries about the Company should be directed to the Company Secretary, Allianz Technology Trust PLC, 199 Bishopsgate, London EC2M 3TY. Telephone: 020 3246 7405.

## FATCA

The Company is registered with the Internal Revenue Service (IRS) as a Foreign Financial Institution for the purposes of the Foreign Tax Compliance Act (FATCA). The Company's Global Intermediary Identification Number (GIIN) is YSYR74.99999.SL.826

## Share Dealing Services

Capita Asset Services operate an online and telephone dealing facility for UK resident shareholders with share certificates. Stamp duty and commission may also be payable on transactions.

For further information on these services please contact: [www.capitadeal.com](http://www.capitadeal.com) for online dealing or 0871 664 0384 for telephone dealing. Lines are open 8.00 a.m. to 4.30 p.m. Monday to Friday. Calls to the 0871 664 0384 number are charged at 10 pence per minute plus any of your service provider's network extras. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes.

# Investor Information *(continued)*

## Share Portal

Capita Asset Services also offer shareholders a free online service called The Share Portal, enabling shareholders to access a comprehensive range of shareholder related information. Through The Share Portal, shareholders can; view their current and historical shareholding details; obtain an indicative share price and valuation; amend address details; and apply for dividends to be paid directly to a bank or to change existing bank details.

Shareholders can access these services at [www.capitaassetservices.com](http://www.capitaassetservices.com) and selecting Share Portal (Shareholders) from the dropdown menu, or alternatively via the Portals: Quick Links, and selecting Share Portal. Shareholders will need to register for a Share Portal Account by completing an on-screen registration form. An email address is required.

## CREST Proxy Voting

Shares held in uncertificated form (i.e., in CREST) may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST manual.

## Non Mainstream Pooled Investments

The Company is an investment trust and therefore its shares are not subject to the Financial Conduct Authority's (FCA) rules relating to the restrictions on the retail distribution of unregulated collective investment schemes and close substitutes which came into effect on 1 January 2014. Accordingly, its shares can be recommended by IFAs to retail investors in accordance with the FCA's rules in relation to non-mainstream investment products.

## Association of Investment Companies (AIC)

The Company is a member of the AIC, the trade body of the investment trust industry, which provides a range of literature including fact sheets and a monthly statistical service. Copies of these publications can be obtained from the AIC, 9th Floor, 24 Chiswell Street, London EC1Y 4YY, or at [www.theaic.co.uk](http://www.theaic.co.uk).

AIC Category: Technology, Media and Telecommunications.

## Nominee Code

In order to allow investors holding their shares within a nominee company to receive shareholder communications, the Company undertakes to provide multiple copies of such documents to the registered Nominee Company where prior notice has been given. By pre-arrangement, investors in the Company via the Alliance Trust Savings will automatically receive shareholder communications. The Company encourages nominee companies to provide the underlying investors with sufficient information to make informed decisions regarding their investments, including the opportunity to attend Company General Meetings.

## AIFM and Depositary

The Alternative Investment Fund Managers Directive (AIFMD) aims to create a comprehensive and effective regulatory and supervisory framework for alternative investment fund managers within the EU. Allianz Global Investors GmbH, UK Branch (AllianzGI) is the Company's AIFM and BNY Mellon Trust & Depositary (UK) Limited (BNYM) has been appointed as its Depositary in accordance with AIFMD under a depositary agreement between the Company, and BNYM. Depositary fees are charged in addition to custody fees and are calculated on the basis of net assets.

## AIFM Leverage Disclosure

The Company may borrow cash and employ leverage which may include the use of derivatives in accordance with the stated investment policy and the underlying investment guidelines set by the Board for the Investment Manager from time to time. It is acknowledged that the use of leverage may expose the Company to greater risk as volatility levels, in particular within derivative contracts, can be high. The use of leverage is therefore carefully considered prior to exposure. The AIFMD requires each element of leverage and its exposure to be expressed as a ratio of the Company's NAV. The Company does not currently employ gearing and does not currently invest in derivatives.

## AIFM Pre-Investment Disclosures

The AIFMD requires that potential investors are provided with sufficient pre-investment information in order to make an informed decision. An 'AIFMD: Information Document' is available in the Literature Library on the Company's website at [www.allianztechnologytrust.com](http://www.allianztechnologytrust.com) which provides information on investment objective, strategy, policies and other pertinent information which may have an impact on a potential investors decision. There have been no material changes to the information disclosed within the 'AIFMD: Information Document' since publication.

# Notice of Meeting

## Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Allianz Technology Trust PLC will be held at The City of London Club, 19 Old Broad Street, London EC2N 1DS on Wednesday, 13 April 2016 at 12 noon to transact the following business:

### Ordinary Business

1. To receive and adopt the audited accounts and the Report of the Directors for the year ended 30 November 2015.
2. To re-elect Richard Holway as a Director of the Company.
3. To elect Humphrey van der Klugt as a Director of the Company.
4. To re-appoint Grant Thornton UK LLP as the Auditors of the Company.
5. To authorise the Directors to determine the remuneration of the Auditors.
6. To receive and approve the Directors' Remuneration Report for the year ended 30 November 2015.

### Special Business

To consider, and if thought fit, pass the following Resolutions, of which Resolutions 7 and 8 will be proposed as Ordinary Resolutions and Resolutions 9, 10, and 11 will be proposed as Special Resolutions:

7. THAT the Company shall continue as an investment trust for a further period of five years.
8. THAT in substitution for any existing authority, but without prejudice to the exercise of any such authority prior to the date hereof, the Directors of the Company be and they are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the Act) to exercise all the powers of the Company to allot shares in the Company provided that such authority shall be limited to shares with an aggregate nominal value of up to £650,685 equivalent to 2,602,740 shares, such authority to expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, unless previously revoked, varied or extended by the Company in a general meeting, save that the Company may at any time prior to the expiry of this authority make an offer or enter into an agreement which would or might

require shares to be allotted after the expiry of such authority and the Directors shall be entitled to allot shares in pursuance of such an offer or agreement as if such authority had not expired.

9. THAT, subject to the passing of resolution 8 above, and in substitution for any existing power but in addition to any power conferred on them by resolution 10 below and without prejudice to the exercise of any such power prior to the date hereof, the Directors of the Company be and they are hereby generally empowered, pursuant to Section 570 of the Companies Act 2006 (the Act), to allot equity securities (as defined in Section 560 of the Act) for cash pursuant to the authority given by resolution number 8 above as if Section 561(1) of the Act did not apply to any such allotment of equity securities, provided that this power shall be limited to the allotment of equity securities:
  - (a) in connection with or pursuant to an offer by way of rights, open offer or other pre-emptive offer to the holders of shares in the Company and other persons entitled to participate therein in proportion (as nearly as practicable) to their respective holdings, subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory or the regulations or requirements of any regulatory authority or any stock exchange in any territory;
  - (b) (otherwise than pursuant to sub-paragraph (a) above) up to an aggregate nominal value of £650,685 being approximately 10% of the nominal value of the issued share capital of the Company, as at 25 February 2016, and provided further that the number of equity securities to which this power applies shall be reduced from time to time by the number of treasury shares which are sold pursuant to any power conferred on the Directors by resolution 10 below, and such power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the date of the passing of this resolution, whichever is the earlier, unless previously revoked, varied or renewed by the Company in general meeting save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted and the Directors of the Company may allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired.



## Notice of Meeting *(continued)*

10. THAT, in addition to any power conferred on them by resolution 9 above, and in substitution for any existing power and without prejudice to the exercise of any such power prior to the date hereof, the Directors of the Company be and they are hereby generally empowered, pursuant to Section 570 of the Companies Act 2006 (the Act), to sell relevant shares (as defined in Section 560 of the Act) if, immediately before the sale, such shares are held by the Company as treasury shares (as defined in section 724 of the Act (treasury shares), for cash as if Section 561(1) of the Act did not apply to any such sale of treasury shares, provided that:
- (a) where any treasury shares are sold pursuant to this power at a discount to the then prevailing net asset value (NAV) of shares, such discount must be (i) lower than the discount to the NAV per share at which the Company acquired the shares which it then holds in treasury and (ii) not greater than 5% to the prevailing NAV per share at the latest practicable time before such sale (and for this purpose the Directors shall be entitled to determine in their reasonable discretion the discount to their net asset value at which such shares were acquired by the Company and the NAV per share at the latest practicable time before such shares are sold pursuant to this power); and
  - (b) this power shall be limited to the sale of relevant shares up to an aggregate nominal value of £650,685 being approximately 10% of the nominal value of the issued share capital of the Company, as at 25 February 2016, and provided further that the number of relevant shares to which this power applies shall be reduced from time to time by the number of shares which are allotted for cash as if Section 561(1) of the Act did not apply pursuant to the power conferred on the Directors by resolution 9 above, and such power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the date of the passing of this resolution, whichever is the earlier, unless previously revoked, varied or renewed by the Company in general meeting save that the Company may, before such expiry, make an offer or agreement which would or might require treasury shares to be sold and the Directors of the Company may sell treasury shares in pursuance of any such offer or agreement as if the power conferred hereby had not expired.
11. THAT, in substitution for any existing authority but without prejudice to the exercise of any such authority prior to the date hereof, the Company be and is hereby generally and unconditionally authorised, pursuant to and in accordance with Section 701 of the Companies Act 2006 (the Act), to make market purchases (within the meaning of Section 693(4) of the Act) of fully paid Ordinary shares of 25p each in the capital of the Company (Ordinary shares) (either for retention as treasury shares for future reissue, resale, transfer or cancellation), provided that:
- (a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 3,901,511;
  - (b) the minimum price (excluding expenses) which may be paid for each Ordinary Share is 25p;
  - (c) the maximum price (excluding expenses) which may be paid for each Ordinary Share shall not be more than the higher of:
    - (i) 5% above the average closing price on the London Stock Exchange of an Ordinary Share over the five business days immediately preceding the date of purchase: and
    - (ii) the higher of the last independent trade and the highest current independent bid on the London Stock Exchange; and
  - (d) unless previously varied, revoked or renewed by the Company in a general meeting, the authority hereby conferred shall expire at the conclusion of the Company's next Annual General Meeting or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares under such authority which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.

*By order of the Board*



*Tracey Lago  
Company Secretary  
199 Bishopsgate, London EC2M 3TY  
25 February 2016*

## Notice of Meeting *(continued)*

### Notes:

1. Members entitled to attend and vote at this Meeting may appoint one or more proxies to attend, speak and vote in their stead by completion of a personalised form of proxy. Full details on how to complete the form of proxy are set out on the form of proxy. The proxy need not be a Member of the Company.
2. A proxy must vote in accordance with any instructions given by the member by whom the proxy is appointed. A proxy has one vote on a show of hands in all cases (including where one member has appointed multiple proxies) except where he is appointed by multiple members who instruct him to vote in different ways, in which case he has one vote for and one vote against the resolution.
3. A personalised form of proxy is provided with the Annual Financial Report. Any replacement forms must be requested direct from the Registrar.
4. Completion of the form of proxy does not exclude a Member from attending the Meeting and voting in person.
5. Duly completed forms of proxy must reach the office of the Registrars at least 48 hours before the Meeting (excluding non-business days).
6. Shares held in uncertificated form (i.e. in CREST) may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST manual on the Euroclear website ([www.euroclear.com/CREST](http://www.euroclear.com/CREST)).
7. To be entitled to attend and vote at the Meeting (and for the purpose of determination by the Company of the number of votes they may cast), Members must be entered on the Company's Register of Members by close of business on Monday, 11 April 2016 (the record date).
8. If the Meeting is adjourned to a time not more than 48 hours after the record date applicable to the original Meeting, that time will also apply for the purpose of determining the entitlement of Members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned Meeting. If, however, the Meeting is adjourned for a longer period then, to be so entitled, Members must be entered on the Company's Register of Members at the time which is 48 hours before the time fixed for the adjourned Meeting or, if the Company gives new notice of the adjourned Meeting, at the record date specified in that notice.
9. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006 (nominated persons). Nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.
10. Corporate representatives are entitled to attend and vote on behalf of the corporate member in accordance with Section 323 of the Companies Act 2006. Pursuant to the Companies (Shareholders' Rights) Regulations 2009 (SI 2009/1632), multiple corporate representatives appointed by the same corporate member can vote in different ways provided they are voting in respect of different shares.
11. Members have a right under Section 319A of the Companies Act 2006 to require the Company to answer any question raised by a member at the AGM, which relates to the business being dealt with at the meeting, although no answer need be given (a) if to do so would interfere unduly with the preparation of the meeting or involve disclosure of confidential information; (b) if the answer has already been given on the Company's website; or (c) it is undesirable in the best interests of the Company or for the good order of the meeting.
12. Members satisfying the thresholds in Section 527 of the Companies Act 2006 can require the Company, at its expense, to publish a statement on the Company website setting out any matter which relates to the audit of the Company's accounts that are to be laid before the meeting. Any such statement must also be sent to the Company's auditors no later than the time it is made available on the website and must be included in the business of the meeting.
13. As at 25 February 2016, the latest practicable date before this Notice is given, the total number of shares in the Company in respect of which members are entitled to exercise voting rights was 26,027,426 Ordinary Shares of 25p each. Each Ordinary Share carries the right to one vote and therefore the total number of voting rights in the Company on 25 February 2016 is 26,027,426.

## Notice of Meeting *(continued)*

14. Further information regarding the meeting which the Company is required by Section 311A of the Companies Act 2006 to publish on a website in advance of the meeting (including this Notice), can be accessed at [www.allianztechnologytrust.com](http://www.allianztechnologytrust.com)
15. Contracts of service are not entered into with the Directors, who hold office in accordance with the Articles of Association.

### Annual General Meeting venue

The City of London Club, 19 Old Broad Street, London EC2N 1DS



### Analysis of Registered Shareholders

as at 30 November

	2015 number of holders	2015 number of shares	2015 % of issued share capital	2014 number of holders	2014 number of shares	2014 % of issued share capital
Nominee Companies	873	21,713,539	76.7	757	20,705,374	73.0
Limited Companies	19	2,481,556	8.8	19	2,662,212	9.3
Other Institutions, Investment Trusts and Pension Funds	19	52,985	0.2	20	76,655	0.5
Banks and Bank Nominees	5	1,106,871	3.9	6	1,578,694	5.6
Private Individuals	506	672,475	2.4	530	745,071	2.6
Shares held in Treasury	-	2,275,454	8.0	-	2,534,874	9.0
<b>Total shares</b>	<b>1,422</b>	<b>*28,302,880</b>	<b>100.0</b>	<b>1,332</b>	<b>*28,302,880</b>	<b>100.0</b>

\* includes treasury shares.

As at 25 February 2016 the total voting rights of the Company was 26,027,426 Ordinary Shares.

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