30 November 2017

Allianz Technology Trust PLC

Annual Financial Report

Allianz Global Investors

www.allianztechnologytrust.com

Key Information

Investment objective

Allianz Technology Trust PLC (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 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 products and services. This is divided into two areas:

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

As technology becomes ever more pervasive, it is increasingly difficult to differentiate between technology companies and significant adopters as outlined above. Much is spoken of disruptive technologies – those which will force change within an industry and which may often displace the dominance of incumbent market leaders. The challenge is to understand not only current technologies, but also future trends and the likely effects. Recently there has been rapid adoption of cloud computing and there is an increasing focus on AI (artificial intelligence) which is showing significant influence on many industries.

Asset allocation

The fund managers do not target specific country or regional weightings and aim to 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 2017 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.

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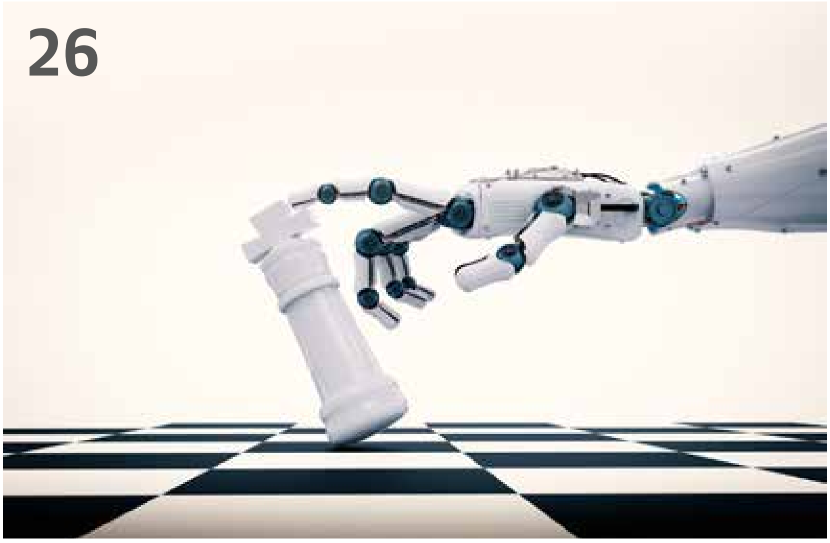

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Silicon Valley, California, USA →

Financial Highlights

As at 30 November 2017

Net assets per ordinary share

+41.0%

2017 **1178.6p**
2016 **835.9p**

Share price per ordinary share

+50.2%

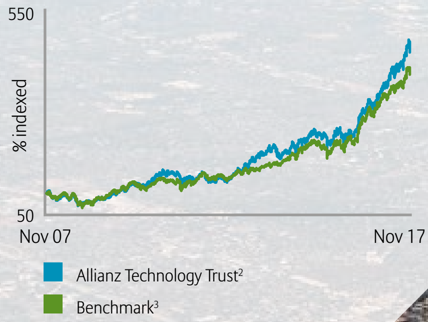
2017 **1,200.0p**
2016 **799.0p**

Benchmark

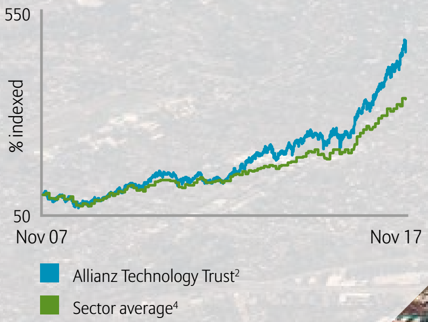
+31.5%

2017 **984.8**
2016 **748.7**

Performance against benchmark[1]



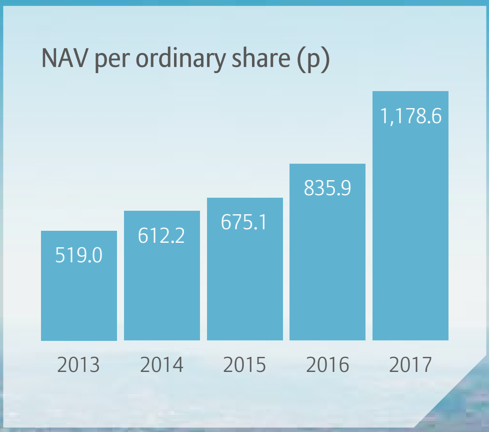
Performance against sector average[1]

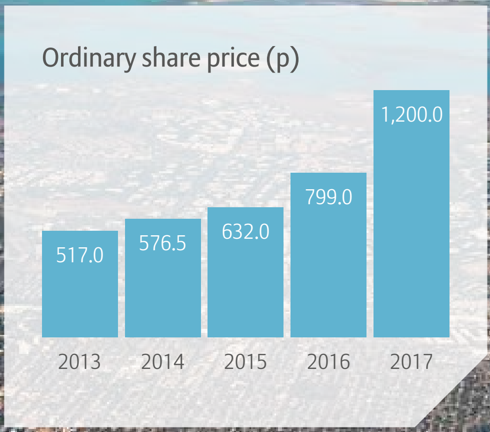


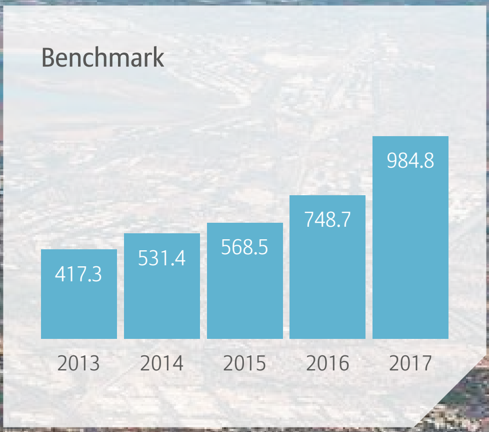
1 10 years to 30 November 2017. Rebased to 100 at 30 November 2007.
2 Allianz Technology Trust – Net Asset Value (PAR) – undiluted.
3 Dow Jones World Technology Index (sterling adjusted, total return).
4 Morningstar Technology Sector Average

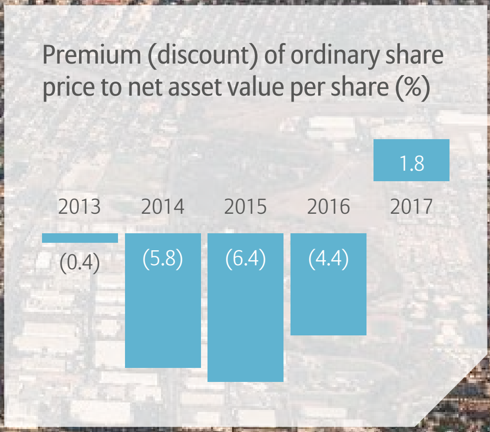
Source: AllianzGI/Datastream.


Shareholders' funds (£m)
131.6
157.7
175.7
216.7
313.4
2013
2014
2015
2016
2017


NAV per ordinary share (p)
519.0
612.2
675.1
835.9
1,178.6
2013
2014
2015
2016
2017


Ordinary share price (p)
517.0
576.5
632.0
799.0
1,200.0
2013
2014
2015
2016
2017


Benchmark
417.3
531.4
568.5
748.7
984.8
2013
2014
2015
2016
2017


Premium (discount) of ordinary share price to net asset value per share (%)
1.8
2013
2014
2015
2016
2017
(0.4)
(5.8)
(6.4)
(4.4)

Financial Summary

	As at 30 November 2017	As at 30 November 2016	% change
Net Asset Value per Ordinary Share	1,178.6p	835.9p	+41.0
Ordinary Share Price	1,200.0p	799.0p	+50.2
Premium (discount) on Ordinary Share Price to Net Asset Value	1.8%	(4.4%)	n/a
Dow Jones World Technology Index (sterling adjusted, total return)	984.8	748.7	+31.5
Total Net Assets	£313,432,947	£216,671,377	+44.7

	For the year ended 30 November 2017	For the year ended 30 November 2016	% change
Net Revenue Return per Ordinary Share	(4.75p)	(2.59p)	n/a
Ongoing Charges*	1.02%	1.03%	n/a

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

Five year performance summary

	30 November 2017	30 November 2016	30 November 2015	30 November 2014	30 November 2013
Shareholders' Funds	£313.4m	£216.7m	£175.7m	£157.7m	£131.6m
Net Asset Value per Ordinary Share	1,178.6p	835.9p	675.1p	612.2p	519.0p
Ordinary Share Price	1,200.0p	799.0p	632.0p	576.5p	517.0p
Dow Jones World Technology Index (sterling adjusted, total return)	984.8	748.7	568.5	531.4	417.3
Premium (discount) of Ordinary Share Price to Net Asset Value per share	1.8%	(4.4%)	(6.4%)	(5.8%)	(0.4%)

Chairman's Statement

Dear Shareholder

A year of strong performance

It is pleasing to report that the year under review has been an extremely successful one for your Company and one in which it beat its benchmark index by some considerable distance.

In the year to 30 November 2017, the Company's Net Asset Value (NAV) per share increased by an outstanding 41.0%. Our benchmark index, the Dow Jones World Technology (sterling adjusted, total return), increased by 31.5% over the same period, creating an outperformance for the portfolio of 9.5% in NAV terms. In both absolute and relative terms, your Manager has delivered an exceptional performance.

Over this extremely positive period, the market price of the Company's shares performed even better than the NAV, with the share price rising 50.2% over the year, from 799p to 1200p. The discount to NAV narrowed, from a 4.4% discount (at 30 November 2016) to a small premium of 1.8% one year later. This year has also seen Shareholders' Funds increasing by almost £100 million to £313.4 million (30 November 2016: £216.7 million).

No dividend is proposed for the year ended 30 November 2017 (2016: nil). Given the nature of the Company's investments and its stated objective to achieve long-term capital growth the Board considers it unlikely that any dividend will be declared in the near future.

Investment Managers' Review

Six months ago, when I commented on the Company's interim results to 31 May 2017, I noted that global markets had been strong and that all-time market highs had been reached in the US; this trend continued unabated throughout the Company's second half. Your Company's performance is explored in depth in the Investment Managers' Review on pages 38 to 45 which also discusses the significant global geopolitical factors that have provided a complex backdrop to the year under review. Of course, 20 January 2017 marked the inauguration of Donald Trump as the 45th president of the United States and the Manager's review naturally considers the impact the Trump administration has had on the portfolio.

How do we compare with our peers and other indices?

The table below compares the Company to its technology investment trust peers and related indices. You will note that the Company's performance over all timeframes has been strong and that, when compared to peers and indices, your Company has been in 1st or 2nd place over each of the time periods set out below:

% increase	1 year	3 years	5 years	10 years
ATT NAV	**41.0**	**92.5**	**234.3**	**349.7**
Dow Jones World Technology Index (sterling adjusted, total return)	31.5	85.3	184.3	295.8
MSCI World Technology Index (total return)	29.9	86.3	193.6	299.3
Russell MidCap Technology Index	23.4	83.4	199.4	326.4
Polar Capital Technology (NAV)	36.1	95.5	192.7	372.2
ATT NAV performance against above comparatives	*1st*	*2nd*	*1st*	*2nd*

Source: AllianzGI in sterling as at 30 November 2017.

Chairman's Statement *(continued)*

The table below provides a comparison with the broader UK and world equity indices which many investors will use when reviewing the performance of their individual investments.

% increase	1 year	3 years	5 years	10 years
ATT NAV	**41.0**	**92.5**	**234.3**	**349.7**
FTSE All Share Index (total return)	13.4	25.2	57.1	76.5
FTSE World Index (total return)	15.4	48.6	107.0	150.9

Source: AllianzGI in sterling as at 30 November 2017.

As noted in previous reports the Board pays close attention to the Company's performance position against the wider universe of open ended funds, closed ended funds and exchange traded funds. The performance of your Company versus the other funds within the Morningstar Global Technology Sector - Equity (Morningstar) category is very strong over all periods and exceptional over the longer investment terms of 5 and 10 years.

	1 year	3 years	5 years	10 years
Peer Group Ranking vs Morningstar	4/70	7/59	1/58	4/50

Growing the Company

Your Board considers that growing the Company is strongly in the interest of all shareholders. In addition to delivering capital growth per share, increasing the total value of the Company should make the Company more attractive to a wider range of investors through improved secondary market liquidity and marketability and also enables the Company's fixed expenses to be spread over a larger asset base.

Each year the Board considers carefully what level of expenditure should be incurred to promote the growth of the Company, recognising that the benefit of much marketing-related expenditure is cumulative and hence that returns are not easily measured within each financial year. Over recent years the Board has modestly increased marketing expenditure on a strongly focused basis and it is very pleasing to note the growing awareness of the Company's shares amongst potential shareholders has been achieved. Awareness has grown on the back of the Company's long-term performance record as well as the numerous (and prestigious) awards and positive press comment that this performance has generated.

How marketing can serve to grow the Company

Our communications programme has created significant demand for the Company's shares in recent years, particularly through execution-only investment platforms. The programme includes targeted advertising and substantial communications with national and industry journalists, since press coverage can be highly influential.

The Company's website (www.allianztechnologytrust.com) is managed by Allianz Global Investors and is at the heart of ongoing marketing initiatives. During the period under review, the website was redesigned in a 'responsive' format that provides an optimal viewing experience (by way of easy viewing and navigation) for visitors using all forms of devices – mobile phones, tablets and desktop computers. As well as a much cleaner 'look and feel', the redesign has added substantial new content that the Board believes shareholders will appreciate. It is pleasing to report that visitor numbers have increased substantially since the new site went live.

Chairman's Statement *(continued)*

Accessing the very latest information

The Company's website provides information on both the Company's investment performance and the technology sector as a whole. You will find video interviews, press coverage, regulatory market announcements and a full Literature & Resources library. The 'How to invest' section includes detailed background information as well as links to the most popular online trading platforms. Shareholders are reminded that, via the website, they can register to receive monthly performance updates via email as well as regular 'Investment Insights from Silicon Valley' updates from the Company's Investment Manager.

Performance awards raise awareness

Award recognition is instrumental in raising awareness of the Company's specialist investment theme (and the technology sector as a whole). Allianz Technology Trust has received high profile and prestigious recognition in recent years. Awards include the Investment Week Investment Company of the Year Award, Specialist category (2015 and 2017) where the judging panel comprised some of the UK's leading researchers and investors in investment trusts. In September 2017, the Company was recognised by Investors Chronicle as a 'Top 100 Fund' for the fifth consecutive year whilst it was also selected as the 'Best Investment Trust 2017' by the users of MoneyAM. Such awards reflect the Company's long-term investment performance track record and drive the sustained and ongoing demand for the Company's shares that its marketing campaign seeks to achieve.

Softbank Pepper robots which provide assistance to customers in a mall in Chiba, Japan

Chairman's Statement *(continued)*

Successful issuance of shares

As stated earlier, the Board remains keen to increase the number of shares in issue as a means of growing the Company. However, where there is market volatility the Board will also consider buying back shares when the discount is over 7% and all other factors align. The Board considers carefully the parameters which should apply to both re-issuances of shares held in treasury and shares to be bought-back from the market and will only proceed when the action is in the best interests of shareholders.

In the year under review, 675,000 shares were issued out of those held in treasury at an average price of 1173p and an average discount of 2.99%, while no shares were bought back. Market conditions were very different from the previous year (to 30 November 2016) when it had not proved possible to issue any shares out of those held in treasury. Indeed, in that period shares had been bought back at an average discount of 11.0%.

At 30 November 2017, the Company had 26,594,427 Ordinary shares in issue with a further 1,708,453 shares held in treasury available for re-issue into the market to meet demand subject to appropriate pricing; it should be noted that shares being re-issued into the market shall only be issued at an average discount narrower than that at which they were bought back.

Since the start of the current financial year and up to 12 February 2018 the Company has issued a further 540,000 shares out of those held in treasury at an average price of 1172p and an average discount of 2.29%, while no shares were bought back. As of 12 February 2018, 1,168,453 shares are held in treasury.

The Board is very pleased that excellent investment performance, well focused marketing and conducive market conditions have combined to enable the reissuance of a significant number of shares from treasury. The Board is also taking steps to ensure that, should appropriate demand arise, the Company is able to issue new shares once those held in treasury have all been reissued. Any such new shares will only be issued at a premium to NAV.

Our focus on the costs of running the Company

Your board works hard to ensure that the costs of running the Company are both reasonable and competitive, whilst also recognising that Allianz Technology Trust is a specialist vehicle.

The ongoing charges figure (OCF) is calculated by dividing operating expenses by the average net asset value. The OCF for the period under review was 1.02% (2016: 1.03%). The OCF excludes any performance fee to which the Investment Manager may be entitled if the Company's NAV per share outperforms its benchmark (as is explained in more detail in Note 2 on page 96 of the Financial Statements). As a result of the Company's significant outperformance of its benchmark in the year to 30 November 2017, a performance fee of £433,476 was earned by the Investment Manager for this period (2016: £nil). Your board is pleased that the Company's excellent performance over the period has triggered the payment of a performance fee. The Investment Management Agreement is in place to encourage, recognise and reward such excellent results. It should be added that the Company was one of the very best performing UK-listed investment trusts over the 2017 calendar year.

Towards the end of the last financial year the Board entered into discussions with Allianz Global Investors (AllianzGI) with a view to reducing the rate of AllianzGI's fees as the Company's assets increase. I am pleased to report that a tiered management fee structure has now been agreed whereby the present management fee of 0.8% per annum on market capitalisation reduces to 0.6% per annum for any amount of market capitalisation in excess of £400 million. This change became effective on 1 December 2017.

Chairman's Statement *(continued)*

Change of financial year end

The Board has reflected on the November financial year end of the Company and concluded that changing this to a December year end should help shareholders by providing greater clarity in reporting comparative performance. The Board has decided that the current financial year will run for thirteen months to 31 December 2018. The interim report for 2018 will be for the six months to May.

Key Investor Information

The Key Investor Information (KID) is a new document which came into force in January 2018 for investment trusts and many other investment products operating under the Packaged Retail and Insurance-based Investment Products (PRIIP) Regulation. The KID is a standardised pan-European document that contains product, risk, charges and other information. It is a regulatory requirement that you are provided with a KID before you invest, and you will be required to declare that you have seen the latest KID when you make your investment.

The Allianz Technology Trust KID is available from the Literature Library at www.allianztechnologytrust.com. However, your chosen platform provider or stockbroker should provide you with a copy before accepting your investment instructions. Please note that existing investors do not need to review the KID unless planning to top up an investment.

The KID's standardised format is intended to allow potential investors to compare funds easily, on a like-for-like basis. However, your Board shares wider industry concerns that disclosures mandated for inclusion may prove to be unhelpful for investors. Specific concern surrounds the methodology for both the investment performance and risk sections as, particularly given the exceptionally strong five-year performance period on which they are required to be based, the published figures may result in a misleadingly optimistic view. Your Board would therefore strongly encourage any prospective investor in the Company not to rely solely on the KID when making their investment decision.

Board matters

Your Company's Investment Manager continues to enjoy considerable benefits from being located in San Francisco, close to where many of the Company's top holdings are located. As a Board we recognise the advantage the Company gains by being located at 'the heart of the action'. Moreover, we have worked hard to optimise working practices with the Manager, whilst recognising the constraints imposed by the geographical distance and time zone difference between London and San Francisco.

The Company's Board meetings are generally held in London, but we schedule a visit to San Francisco every couple of years. The most recent San Francisco Board meeting was in November 2017 and the next visit is tentatively planned for 2019. The frequency of these visits recognises the importance of good communications and close working relationships between the Manager and the Board, but also the costs and time commitment of such trips.

An internally facilitated Board and Manager performance appraisal process was conducted towards the end of the year. This confirmed that the current Board is working in an effective manner with no significant shortcomings identified.

In accordance with the Articles of Association, at this year's AGM Elisabeth Scott shall retire by rotation and Richard Holway shall retire due to tenure having served as a Director for in excess of nine years. I am pleased to confirm that Elisabeth and Richard are fully effective as independent directors and the re-election of both is fully supported by the Board.

Chairman's Statement *(continued)*

Continuation vote

In accordance with our Articles of Association we are required to propose a continuation vote every five years. The most recent continuation vote was proposed and passed by Shareholders at the 2016 AGM. Shareholders will have a further opportunity to vote on the continuation of the Company at the AGM to be held in 2021.

Outlook

Since the end of the reporting period, markets were initially buoyant but volatility has recently increased significantly and confidence appears to have waned. The chances of a significant market correction remain a high possibility. Indeed 2017 may have created false hope in certain sectors and it is realistic to assume that the path ahead may be less smooth. There is also concern on the implications of rising interest rates around the world, rising labour costs in China and, in the US, tax cuts.

However, we should not let the concerns highlighted above detract from the likelihood that technology should continue to grow its influence over the global economy. As such, your board shares the Manager's positive view that the case for strong relative performance from the technology sector remains robust. As always, stock selection will be of the utmost importance but we believe that the Manager's carefully chosen portfolio of technology investments should continue to deliver positive returns over the longer term.

Annual General Meeting

The AGM will be held at The City of London Club, 19 Old Broad Street, London EC2N 1DS, on Wednesday, 25 April 2018 at 12 noon. All of your Board look forward to welcoming and meeting those shareholders who are able to attend.

Robert Jeens
Chairman
22 February 2018


SAMSUNG

Why invest in technology?

The technology sector is the single greatest contributor to global growth

← Apple's new corporate headquarters, the Apple Park campus, opened to employees in April 2017 while still under construction.

Why invest in technology?

With every year, technology forms a larger and more important part of our world; while the growth of online shopping or our enthusiasm for smart phones are more obvious examples, the influence of technology reaches far further, from preventing accidents as you drive, to promoting energy efficiency, even helping you find love. Technology is changing our workplaces, the way we communicate, the fabric of our lives. Investing in technology keeps investors focused on the future.

The impact of the growth of technology on individual industries should not be underestimated. Twenty years ago, car companies were not technology companies, but today, the greatest innovation in the motor industry is coming from technology companies such as Google, rather than Ford or Chrysler. Over the next decade, the key determinant of the success or otherwise of a motor company is likely to be the extent to which it can harness technology to build better and safer cars. That may mean using robots in the manufacturing process, or Artificial Intelligence (AI) to make them safer.

This is a profound change. At the moment, technology only captures around 5% of the car market, mostly in areas such as semiconductors. However, it promises to capture far more, particularly as worldwide attention on global warming and CO^2 emissions increases. Electric car specialist Tesla is moving from luxury to mass market, and incumbent car manufacturers must catch up or risk obsolescence.

This phenomenon is being seen across multiple industries. Sectors that considered themselves immune to the march of technology are finding they must embrace it and innovate, or face extinction. In the process, real value is being created for investors in technology companies.

However, technology is not simply about taking staid old industries and 'disrupting' them, technology also has an important role in allowing businesses to be more efficient. A decade ago, for example, advertisers had little insight into who was watching and responding to their output. Now they can be laser-targeted on the right audience for their messaging. Technology is allowing companies to manage their supply chains more efficiently, creating less waste and improving performance.

Technology brings with it an ecosystem in its own right. For example, cyber security has become a major enterprise. Where there is sensitive data, there will be criminals trying to access that data. This year has seen major breaches for companies that are household names. Data security is mission-critical for companies aiming to protect their clients, and their own reputations.

It should be said that the pervasiveness of technology does not necessarily make it a good investment. There remain concerns over valuation levels among certain high profile technology names and technology investment needs a discriminating eye.

However, in many cases technology companies can command a premium simply because they are delivering structural growth at a time of flat economic growth. A technology company with the power to exploit a niche area can make super-normal returns in a way that companies in many other industries struggle to do.

Digital advertising is a good example of this type of growth. Digital now constitutes around half of advertising revenues, compared to just 10% as little as 10 years ago. The digital advertising

Why invest in technology? *(continued)*

market is now worth around $220 billion.[1] Google's parent company Alphabet generated $73.8 billion dollars in net digital ad sales in 2017, according to internet research firm eMarketer.

These super-normal returns are not confined to developed markets. The impact is often far more powerful when they are happening in emerging markets. The Chinese e-commerce market is estimated at over $1trillion and is around two and a half times that of the US.[2] The Chinese are bypassing the traditional high street and embracing online shopping. For companies participating in this growth – such as Alibaba or Tencent – the potential returns are significant. Similar stories can be found in countries such as India and selectively in other emerging markets. At the same time, China is leading the way in areas such as environmental technology.

Investment markets can often be backward-looking. Benchmarks that reward yesterday's winning companies have often set the pace for investment and investors may be concerned with a company's past performance rather than its future prospects. Technology investment, however, demands that investors look forward, uncovering the trends of the future, looking to see where industries are going, and who is likely to win or lose from those developments.

At each stage, therefore, the technology investor should be aligned with the winners from change, rather than those at the wrong end of it. We continue to see new industries being created, while old industries die or are forever altered and technology sits at the heart of this global innovation. Assuming that the future will look like the past is a dangerous way to invest in today's climate of rapid change. Companies can rise quickly and change the dynamics of an industry before investors have a chance to adjust.

It is also worth noting that technology is not just one type of company. Certainly, there are the traditional technology companies – fast-

Why invest in technology? *(continued)*

growing, disruptive companies such as Amazon or Facebook, where revenue growth might be 50% per year.

However, the sector has alternative options: Microsoft and Apple, for example, could be considered more stable options. Less highly-valued, they pay growing dividends and deliver steady, annuity-like earnings. There are also more 'value' companies such as Intel or 'special situations' such as the semiconductors, where there is significant consolidation. This means it is possible to build a portfolio that can perform in a range of market environments. The diversity of technology companies is often overlooked.

The growth of technology has been seen in its increasing dominance of stock market indices. Technology currently forms around 24%[3] of the S&P 500 index, its largest sector weight. For the MSCI World, it is 17%.[4] As technology's influence grows, we see it forming a greater part of stock market indices.

Most investing is done for the long-term – to save for retirement, or for children's education, or simply to build a nest-egg – it makes sense, therefore, to ensure that a portfolio is investing for long-term trends. An investment in technology can help keep a portfolio focused firmly on the future.

[1] Source: Recode, July 2017. [2] Source: Remarkety, June 2017. [3] Source: S&P Dow Jones Indices, November 2017. [4] Source: MSCI, November 2017.

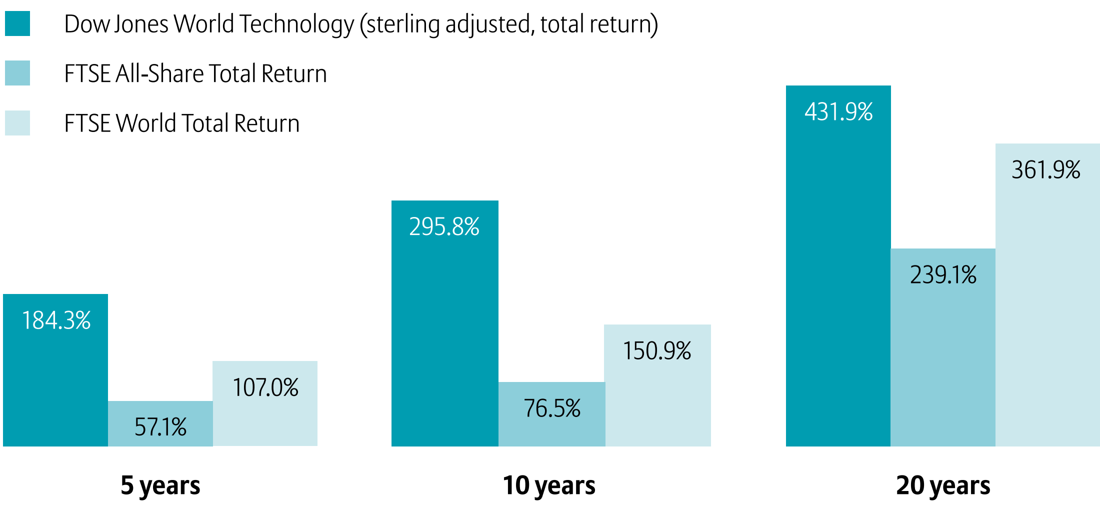
Why invest in technology? *(continued)*

How technology dominates the S&P 500 index

Information Technology	**24.0%**
Financials	14.8%
Health Care	14.1%
Consumer Discretionary	12.1%
Industrials	10.1%
Consumer Staples	8.1%
Energy	5.8%
Utilities	3.1%
Materials	3.0%
Real Estate	2.9%
Telecommunication Services	2.0%

Source: S&P Index as at 30 November 2017. The weightings for each sector of the index are rounded to the nearest tenth of a percent; therefore, the aggregate weights for the index may not equal 100%.

Total return – how technology has performed against UK and global equities



Source: Thomson DataStream, total return % in GBP, to 30 November 2017.

Allianz Technology Trust PLC

Allianz Technology Trust is managed by the Allianz Global Investors Global Technology team based in San Francisco.

The 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 managers/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.

investors CHRONICLE Top 100 Funds 2017 Allianz Technology Trust PLC

investors CHRONICLE Top 100 Funds 2016 Allianz Technology Trust PLC

investors CHRONICLE Top 100 Funds 2015 Allianz Technology Trust PLC

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Top 100 Funds

Allianz Technology Trust has been chosen from almost 3,000 eligible actively-managed funds as one of Investors Chronicle 'Top 100 Funds' for five consecutive years. The Company's selection is based on its performance history relative to risk, fees, tenure of manager and consistency of returns.

INVESTMENT WEEK
INVESTMENT COMPANY OF THE YEAR AWARDS 2017
WINNER
SPECIALIST

Investment Company of the Year Awards

The award recognises excellence in closed-ended fund management and highlights the Company's consistent performance over time.

WINNER
ONLINE PERSONAL WEALTH AWARDS 2017
BEST INVESTMENT TRUST

Online Personal Wealth Awards

The Company was selected as Best Investment Trust 2017 by the users of MoneyAM.

At the heart of the technology industry…

The AllianzGI Global Technology team's location in San Francisco delivers a considerable advantage: the team benefits from its proximity to Silicon Valley – 'the heart of the action' - where many of the world's leading technology companies are headquartered. The Manager has close and regular contact with companies that are identified for possible inclusion in the portfolio. Ten of the Company's top twenty holdings are located within fifty miles of the Manager's offices. A further three are within two hours' flight time and a further four elsewhere in the United States.[1]

[1]Allianz Global Investors 2017

Investment managers

Walter C. Price CFA

**Managing Director,
Senior Portfolio Manager**

Walter is a CFA charter-holder, Managing Director and Portfolio Manager on the AllianzGI technology team in San Francisco. He received his BS with Honours in electrical engineering from Massachusetts Institute of Technology (M.I.T) and his BS and MS in management from the Sloan School at M.I.T. In 1971 he joined Colonial Management, an investment advisory firm in Boston, where he became a senior analyst responsible for the chemical industry and the technology area. Walter 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. Walter is a current Director and past president of the M.I.T. Club of Northern California. He also heads the Educational Council for M.I.T. in the Bay Area and is a past Chairman of the AIMR Committee on Corporate Reporting for the computer and electronics industries.

Huachen Chen CFA

**Managing Director,
Senior Portfolio Manager**

Huachen 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. In 1994 Huachen became a principal of AllianzGI. Prior to AllianzGI, he worked for Intel Corporation from 1980 to 1983, where he had responsibilities for semiconductor process engineering.

Michael Seidenberg CFA

Director,
Portfolio Manager/Analyst

Michael is a portfolio manager/analyst and a director with AllianzGI, which he joined in 2009. He received his BS in Business Administration from the University of Colorado in 1990 and his MBA from Columbia Business School in 1996 with concentrations in Finance and Accounting. He began his investing career with Citadel Investment Group in 2001 covering the software space. Over the next eight years Michael broadened his coverage list to include a variety of technology sectors. Prior to joining AllianzGI in Sept 2009, he worked at a number of hedge funds including Pequot Capital and Andor Capital.

Danny Su

Director,
Portfolio Manager/Analyst

Danny is a portfolio manager/analyst and a director with AllianzGI, which he joined in 2000. He received his dual BS in Electrical Engineering and Economics from M.I.T. in 1993. He received his Master of Management degree from Kellogg Graduate School of Management at Northwestern in 1998. From 1993 to 1996, he was a business analyst with McKinsey & Company in Hong Kong. He has global responsibility for hardware, semiconductor, semiconductors capital equipment, and contract manufacturers.

A laser drill, manufactured by IPG Photonics, can be used to drill almost any material →

Insights

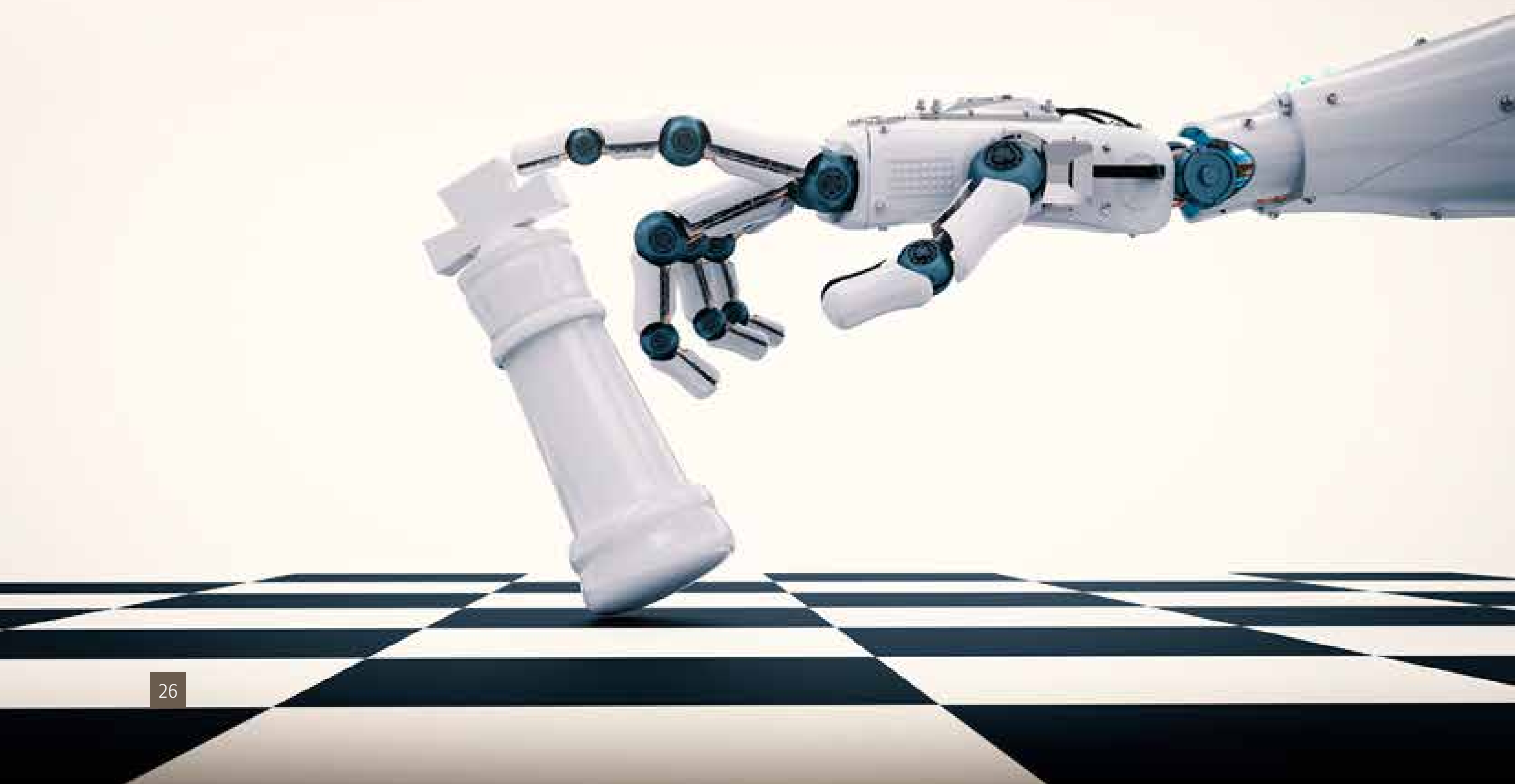
game changer

How artificial intelligence will transform roads, homes and industry.

Chess has become the battleground for human versus robot, and at the start of December 2017, robots took a significant leap forward. AlphaZero, the artificial intelligence-powered robot created by Google-owned DeepMind, beat the world's best chess-playing computer program. It taught itself to play in under four hours. The best human chess players can no longer compete.[1]

However, while this shows the capability of artificial intelligence (AI), its reach is now far broader. The first truly autonomous car, Waymo, has been let loose on the streets of Phoenix, Arizona with no-one at the wheel, but AI is already in the cars we drive, preventing accidents and improving the driving experience. It is in living rooms, with consumer-AI options, such as Amazon's Echo. It is increasingly being used in medicine and in finance.

AI is not new, but it has historically been difficult to collect the data that it needs to learn. This data-gathering is now widespread, and as more data is collected the limits of AI's potential are extended. Computers have become sufficiently powerful to analyse these huge data sets and uncover patterns within them. In a



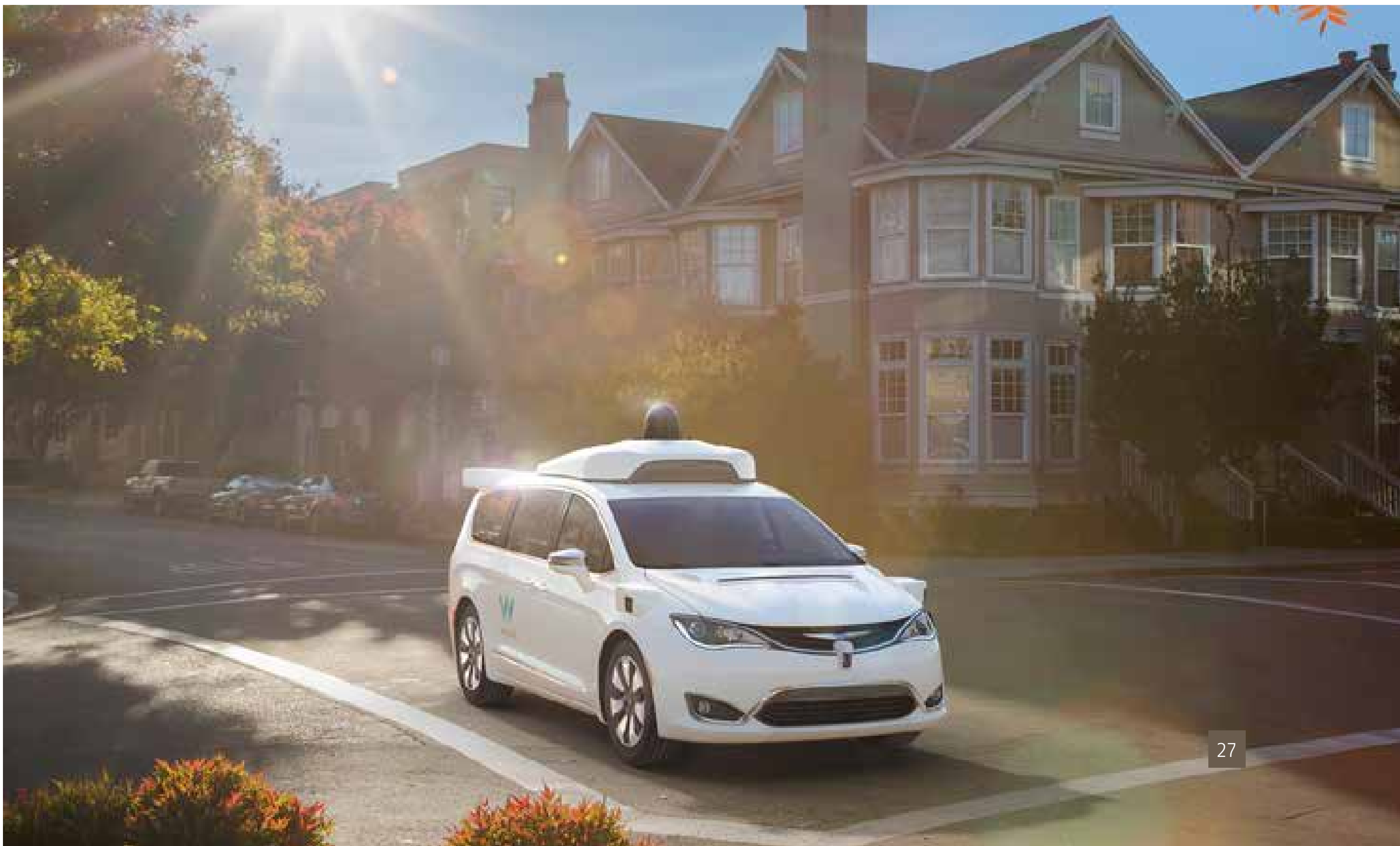
recent report for the Harvard Business Review, Massachusetts Institute of Technology professors Erik Brynjolfsson and Andrew McAfee said: "The most important general-purpose technology of our era is artificial intelligence, particularly machine learning (ML)." Increasingly, machines have the ability to keep improving their performance without human intervention, learning to perform tasks on their own.

Waymo started out as Google's self-driving car project and is the culmination of seven years of work and more than $1billion in investment. Widespread use of self-driving cars and home robots may still be some way off, but AI is already making its presence felt in everyday life. Most new cars, for example, have some element of AI. Sensors ensure that the car brakes automatically should objects get too close, or track the car's mechanics and contact the garage if something goes wrong.

They can interact with intelligent maps, which can take account of traffic conditions. Intelligent maps are likely to be a key application, as consumers look for maps that constantly update, taking account of traffic signals and accidents. AI will increasingly be used to make our lives more convenient. In our portfolio, we hold NVIDEA, which looks for patterns in data, which can then be applied to anything from driving cars to recommendations on websites.

Consumer applications have also become increasingly widespread. Alexa, the smooth-talking robot who fronts the Amazon Echo is a feature of many households. It has been suggested that she could bring the U.S. e-commerce giant $10 billion of revenues by 2020.[2] Google Translate, once a source of amusement to anyone with a more than rudimentary command of foreign languages, has harnessed Internet data using a new algorithm. Rather than simply taking each word and translating it, Google uses AI to build a diagram of words and meanings. The new system looks at the connection between words to build a translation tool that some say is now almost indistinguishable from a good translator.

Google claims that the new algorithm reduces translation errors by around 60%. Translators suggest that the new system is more effective for certain languages; it is better at translation between Indo-European languages than it is at Chinese-English, for example. Others suggest



that the system may need additional sensory inputs – a video of the relevant phrase perhaps – before it achieves genuinely naturalistic language. Nevertheless, the progress made to date has implications for certain professions and for education, but also for effective cross-border communication.

AI has important industrial and social uses. For example, the oil and gas industry is able to gather far more data on seismic waves in a potential drilling location, which can then be compared to data from elsewhere around the world, enabling geologists to build a better idea about the right places to drill.[3]

In healthcare, big data and machine learning potentially revolutionises diagnostics, giving doctors far greater insight. For example, technology can now diagnose tumours that radiologists might miss with the naked eye. Computers can be trained by looking at millions of photos, far more than a radiologist could ever observe, and therefore pick up on abnormalities at an earlier stage. This could change the profession, allowing radiologists to undertake more detailed, value-added work.

Other healthcare innovations include remote monitoring of patient statistics such as blood pressure, weight and heart rate. We may also see increasing personalisation of health powered by AI, which can analyse genetic data, looking at how it interacts with environment to build a better understanding of why people become ill. It should also help understand what types of medicine work for different types of people. AI may become vital in helping stretched health care systems reform.

AI also promises to transform areas such as finance. It should help companies build a more nuanced understanding of credit risk, for example, which will influence the pricing of loans or life insurance. Financial technology groups are harnessing big data to steal a march on the banks, improving their pricing for consumers.

With productivity the watchword for policymakers, AI also offers the means for

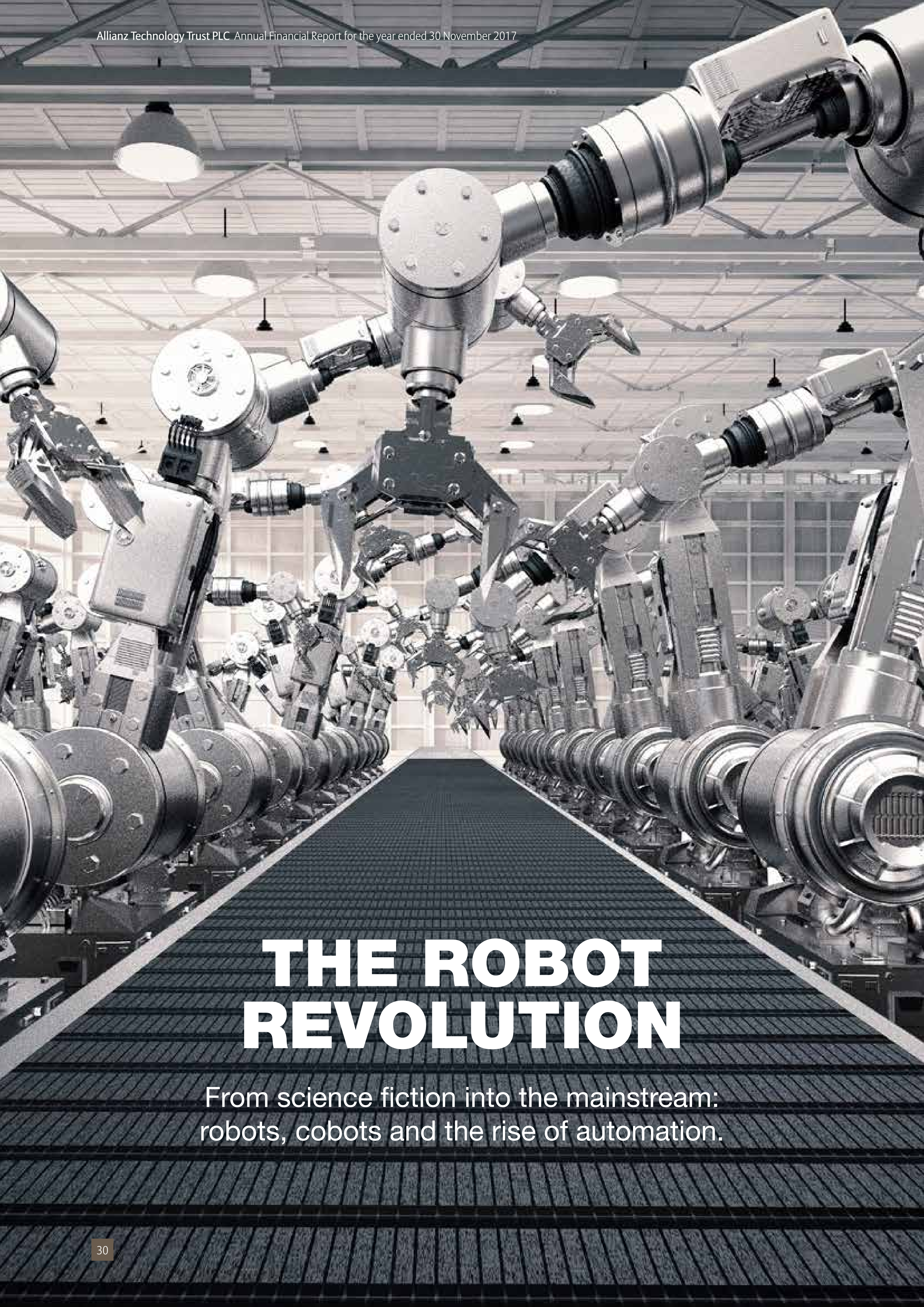
companies to improve their output. Companies such as Google and Microsoft are starting to put analytics capability in the cloud. With all products of this type, users can ask the analytical engine various questions, and the engine can tell them the best way to solve that problem. It may flag that a company is seeing significant sales growth in a specific country, or for a specific product line and adding sales people would be beneficial to revenue growth. As such, it can enable companies to be more targeted in the way they deploy their resources.

AI keeps developing. In May 2017, researchers at Google Brain announced that they had created AutoML, an AI capable of creating its own AI. This uses an approach called 'reinforcement learning'. AutoML managed to build the equivalent of a 'child', who could outperform its human counterparts on a range of tasks.

Experts continue to warn about the dangers of AI. Elon Musk wrote on Edge.org: "The pace of progress in artificial intelligence (I'm not referring to narrow AI) is incredibly fast. Unless you have direct exposure to groups like DeepMind, you have no idea how fast—it is growing at a pace close to exponential. The risk of something seriously dangerous happening is in the five-year timeframe. 10 years at most." He believes there should be regulatory oversight, at a national and international level, to control the use of AI and ensure that the proper checks and balances are in place.

For us, as investors, it is about making sure we understand the transformative effect of AI, and those who benefit from its growth. It promises to revolutionise a disparate range of industries and we want to make sure we are on the right side of the trend.

[1] The Guardian, December 2017. [2] CNBC, March 2017. [3] Forbes, May 2015.



THE ROBOT REVOLUTION

From science fiction into the mainstream: robots, cobots and the rise of automation.

Necessity is the mother of invention. The best technology ideas address the biggest problems – climate change, productivity, security. This year, the Company made its first investment in the field of specialist robotics. This sector, once small and experimental, has seen a notable shift and is now addressing some pressing concerns for governments and companies.

China is the largest market for industrial robots, accounting for over 25% of global sales.[1] For the Chinese government and Chinese companies, robots address the very real and pressing problem of rising wages. Wages in China are now higher than in the newest member of the EU, Croatia.[2] The median monthly wages in Shanghai have hit $1,135 as workers have sought to share the country's rapid economic growth. No longer can China lay claim to be a centre of low cost manufacturing; that title has been seized by countries such as Vietnam or the Philippines.

China is progressively moving its economy to a more consumer-led model, but this does not mean it can abandon its manufacturing engine in the short-term. To remain globally competitive, Chinese companies have had to embrace robots. This helps create efficiency and keep costs lower. The government has made robot involvement in manufacturing a clear policy priority with its 'Made in China 2025' initiative and subsequent Robotics Industry Development Plan. The robotics plan is a five-year program to grow the country's industrial robotics sector.

However, it is not just in China that demand for robots is increasing. There have been increasing examples of 're-shoring', companies bringing manufacturing back into developed countries rather than getting it done more cheaply offshore. This may be because the economics of offshore manufacturing no longer work, or because there is increased scrutiny of supply chains, or because greater technical know-how is needed.

This also creates increasing demand for robotics to reduce costs and improve efficiency to combat higher labour costs. For the first nine months of 2017, North America saw 27,294 orders of robots with a value of almost $1.5 billion.[3] This equates to growth of 14% by units and 10% by value compared to the same 9 month period in 2016. Companies such as Tesla are setting the benchmark for their competitors. The company recently bought German firm Grohmann Engineering, which specialises in automated processes. Tesla CEO and Chairman Elon Musk has a vision of complete automation in the building of cars, with the aim of getting past the limits of human speed. If he succeeds, it could present as great a challenge to the automotive sector as Tesla's electric cars.

Robots are also required to support new industries. For example, the growth of e-commerce is putting increasing pressure on distribution networks. Warehouses must be run more efficiently, and robots are an important

part of the race to automate fulfilment and meet delivery goals. Robots are part and parcel of the big data and artificial intelligence (AI) revolutions. Robots use 'deep learning', gathered from big data to train and adapt to new tasks.

Another significant problem that robots are being used to address is that of an ageing population. It is notable that many of the early developments in robotics have emerged from Japan, which has among the most challenging demographics in the world. The country has little inward migration and a declining working age population to support its elderly. A quarter of Japan's population is over 65 and the government estimates a further 2.5m skilled care workers will be needed by 2025.[4]

Robotics presents a possible solution to the thorny issue of how to care for the elderly in a country where there are fewer young people. There are now robots to address loneliness, such as Chapit, who can chat to elderly, bed-bound people. There are robots for lifting people in and out of wheelchairs or beds. There are even robots who can entertain a room full of people, leading quizzes or exercise classes. Today, Japan is at the extreme end of a demographics problem, but many developed countries, particularly in Europe, are likely to experience similar difficulties. Robots remain a creative solution to a large and growing problem.

To date, the robot market has been dominated by a small number of Japanese and European companies. The trend had been well-explored by investors, and prices for robotics companies were often high historically. There was also a potential threat from emergent Chinese companies, supported by a government keen to harness the trend. Alternatively, it was the familiar technology names, for whom it was a relatively small part of their business mix. However, this is changing. New companies are emerging in exciting and niche areas and this has peaked our interest.

Robots are not homogenous. There are physical robots that do a task. These are building the iPhone in China, for example, and are widely used by companies to reduce their manufacturing bills. There are two main types of physical robot: The first are robots that do the whole task. These are usually static and have one function. These will have a precise task and do not adapt.

Shutterstock.com

Then there are multi-functional robots, affectionately known as 'cobots', which are designed to collaborate with humans to enable tasks to be done faster or more efficiently. This type of robot can move around and may require less precise movements than a robot on the production line, but it will need to be more flexible and may have the ability to be trained on different tasks.

Cobots often meet with less resistance than other types of robot, because they help rather than replace humans. Companies have found that complete automation often plays badly with their customers. For example, train companies that have entirely automated ticket sales have met with anger and frustration; fully automated helplines have also seen customer resistance. Retaining a human element is therefore important in some industries and services.

There is another type of robot that looks set to deal with clerical tasks, such as healthcare or insurance claims, changing a plane reservation or a supplier. The popular model to date has been to work out what tasks need to be done and outsource to low cost centres, such as the Philippines or India, where they have language skills. However, increasingly companies are looking at those tasks, applying AI and automating them. It could be by voice, or on the web. This gives better customer service and at a lower cost.

Some of the companies involved in this are familiar - Google, Microsoft and Amazon, for example, who are helping to move voice recognition technology into the cloud. The Company also owns Blue Prism, which allows companies to do a lot of this AI on their own premises.

Robots are moving into the mainstream, addressing large and complex problems, rather than simply being a sci-fi staple. We believe this will be an important area of investment in the next few years, as new companies emerge to exploit the trend.

[1] Executive Summary World Robotics 2016 Industrial Robots. [2] Forbes, August 2017. [3] ZDNet, December 2017. [4] Financial Times, October 2017.

OUTSIDE THE BOX

What's going on with TV 2.0?

The way we consume entertainment is changing. The TV is, for many, no longer the focal point of a living room, and the idea of tuning into favourite shows at a designated time is alien to younger generations. This shift to 'on demand' and subscription entertainment threatens to disrupt profoundly the whole TV based value chain of advertising agencies, TV broadcasters, and entertainment studios. There will be stark winners and losers from the trend.

A cursory study of the average family home will show these changes in action. The television has become less important, with mobile devices streaming videos from the internet an increasing point of interaction. In percentage terms, data from December 2017 shows that traditional TV viewing by 18-24 year-olds is down by 15.7% year-on-year and has now fallen by 43.6% since 2012.[1]

At the same time, our TV-watching is becoming less focused. People will often watch television while also surfing the internet, browsing social media or doing online shopping. This is bad news for TV advertisers who rely on consumer engagement and helps make the argument for a move to digital advertising.

This changes the landscape of entertainment and has left the industry in a state of flux. To date, powerful studios and rights holders were beholden to broadcast and cable networks to distribute their content. Those broadcast and cable networks could command high fees because there was no other way for the entertainment producers to distribute their content. This is changing.

A recent report by the Boston Consulting Group said: “Powerful digital attackers (among them Amazon, Apple, and Google) are emerging from outside the traditional TV ecosystem, and they are armed with fundamentally different business models and motivations to engage with consumers via video services.

Many in the industry continue to believe that the TV industry will evolve with no major disruptions to existing relationships and with little shift in share. Our view of the future of television is quite different. The disruption of the TV industry is coming, and—as we’ve seen in other media industries—it will be deeply rooted in the changing role of distribution as a critical driver of value.”[2]

It believes that the industry is shifting from a model based on incentives that are aligned across the value chain to one in which disintermediation is not only possible but probable. Companies are changing in response, with some working across content creation, aggregation and distribution. Those who are stuck in old patterns, or who haven’t been quick enough to change, are already being left behind.

For some time, ‘Digital over-the-top’ (Digital OTT) companies seemed to pose little threat to traditional TV. Streaming large videos was unrealistic with low bandwidth and poor

network capacity. This lulled some groups into a false sense of security. As the infrastructure has caught up, companies such as Netflix or Amazon Prime Video are gaining market share from traditional cable and satellite TV companies. Boston Consulting Group expects this part of the market will have doubled from 2014 to 2018, and to command more than $30 billion in revenues at that point.

This is bad news for traditional pay TV providers. US consumers are dropping pay TV, with the number of households with no pay TV service rising every year. In the meantime, their Digital OTT rivals have deep pockets and are picking up choice content. For example, the National Football League's Thursday Night game recently moved from Twitter to Amazon, while Twitter has retained a multi-year agreement to bring live football programming to its service.

Increasingly, innovative and challenging programming is emerging from these disruptors. Netflix can command big-name stars. In 2018, its new show Maniac will star Emma Stone and Jonah Hill. It also won two golden globes for The Crown and as well as achieving another 27 awards at various award ceremonies. These groups have shown they can command large audiences with strong and credible content.

This changes the rules in a number of respects. It issues a huge challenge to cable and satellite networks to make sure they are giving people the content they want and in a format they want. They no longer have a monopoly on high viewer numbers, which is vitally important for advertisers. Increasingly, these advertisers can get the audiences they want from the alternative providers.

At the same time, approximately 50% of online viewing occurs in ad-free or ad-light formats.[2] It would appear that audiences are increasingly willing to pay extra to have an ad-free service.

Advertising through a digital group rather than a pay TV provider is far more targeted. A decade ago, for example, advertisers had little insight into who was watching and responding to their output, now they can get a better idea about the demographic profile of the audience, their

interests and their responsiveness. This means they can be laser-targeted on the right audience for their messaging.

This could go one step further with augmented reality options. Artificial intelligence allows smart devices to monitor an individual's interaction with the virtual environment. Chinese group Baidu recently ran an advertising campaign, using an augmented reality offer called DuSee. People can use Baidu's image recognition technology on a bottle of L'Oreal's shampoo, sparking pink blossoms to pop up on the screen.

Digital is now around half of advertising revenues, compared to just 10% as little as 10 years ago. The Digital advertising market is now worth around $220bn).[4]

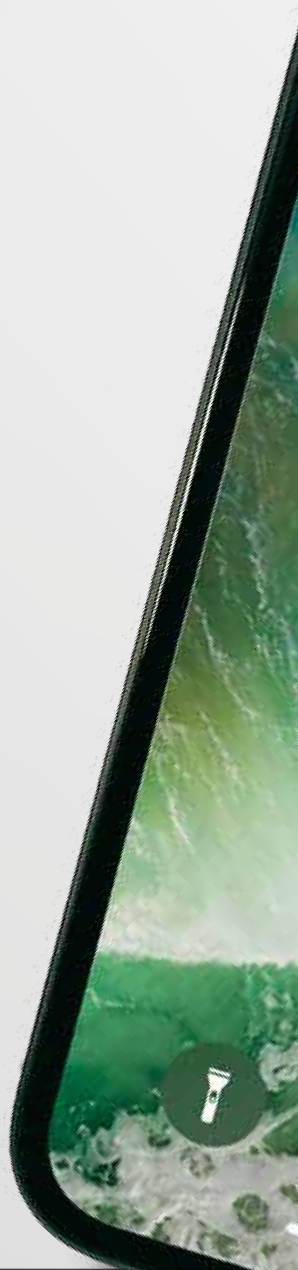
Much of this digital advertising has come at the expense of TV advertising. In the UK, for example, digital advertising is now the only area seeing growth apart from cinema.[6] Companies are questioning the value of traditional advertising, with significant consequences for 'old school' advertising and TV companies. This change in the way people make and consume entertainment has some obvious casualties. Pay TV providers that continue to push over-priced bundles on unwilling consumers are likely to find their business under threat, for example. It is more difficult to identify the beneficiaries. Groups such as Facebook and Google are generally on the right side of the trends mentioned above, but a lot of technology groups are going for the same advertising markets. At some point this will affect returns and growth rates will have to moderate.

The real winner may be the viewer. While companies have cut back on administrative costs, they have begun to recognise that the real differentiator between them and their competitors is strong content. This means budgets for original programming are rising fast. Viewers are getting better, higher quality programmes, with more choice.

[1] Marketingcharts.com, December 2017.
[2] The Boston Consulting Group, June 2016.
[3] Recode.net, July 2017. [4] The Drum, July 2017.

Allianz Technology Trust PLC

Investment Managers' Review



Apple's flagship iPhone X was released in November 2017

Investment Managers' Review

Economic and market backdrop

The concerns over the health of the global economy that had weighed on investor sentiment for much of 2016 dissipated in 2017. For much of the year, the global economy experienced a synchronised economic upturn, led by the US. This was supportive for corporate earnings, which in many cases, remained robust.

Financial markets weathered three quarter-point rises in interest rates, with monetary policy remaining expansive around the globe. Towards the end of the period under review, concerns over the withdrawal of loose monetary policy had started to weigh on sentiment.

The technology sector

Technology companies have shown real strength in 2017. This strength has had multiple causes: a search for structural growth in a low growth world, improving global growth and the onward march of technology into new sectors and industries. However, above all, the technology sector has been driven higher by earnings growth.

The Dow Jones World Technology Index (sterling adjusted, total return) was up 31.5% over the 12 month period to 30 November 2017. This strength has been widely shared, with most underlying technology sectors participating in the growth. Earning growth has been significant (89% year on year for companies in the portfolio) and, in some cases, materially ahead of expectations.

This growth has been seen outside the headline sectors. Even in traditionally slower growth areas such as semiconductors, for example, supply and demand moved into balance after some significant consolidation, improving pricing for much of 2017. This improved earnings, which in turn saw share prices appreciate.

The strength was also not confined to the US. The Asian technology sector had a buoyant 2017, with companies such as Alibaba and Tencent showing that technology innovation is now firmly a global phenomenon. Chinese stocks were some of the best in the market.

Many technology companies continue to sit on significant cash balances. Research from

Investment Managers' Review *(continued)*

Moody's showed that Apple, Microsoft, Google parent Alphabet, Cisco Systems and Oracle are set to hold a cumulative $679 billion in cash, up 16% over 2016. Apple's $285 billion cash balance represented nearly 15% of total non-financial corporate cash held by US Companies.[1]

They may also be significant beneficiaries of the changes in the tax rules relating to repatriating cash balances held offshore. At the moment, these remittances are subject to high tax rates, but this will change under the US administration's new tax proposals. However, elsewhere technology companies came under increasing scrutiny for their tax arrangements. Many now recognise the need to make concessions to ensure they can continue to trade freely.

Technology developments over the year

New developments kept technology companies firmly in the headlines. In early November, and amid much hype, the Apple iPhone X went on sale - a celebration of 10 years since the launch of the first iPhone. While face recognition technology captured the imagination, it also addressed some of the issues with existing iPhones - the glass is harder, the battery life is better and there are new applications. Whether it will be enough to support the upgrade cycle is yet to be seen.

The biggest headlines were reserved for cryptocurrencies. Although they have been around since 2009, interest hit fever-pitch in 2017, with around 900 digital currencies now available. The technology appears to hold significant promise - in the long term its unique ledger may have a place, but its uses to date have been limited, and largely focused on criminality. The Bitcoin price was up over 4,500% for the year but has since fallen heavily.

Robotics has become more widespread, with companies increasingly seeking to mechanise to offset rising wages, particularly in emerging markets. At the same time, artificial intelligence (AI) has become a more important part of daily lives - from driverless technology in cars, to the Amazon Echo, it has become a feature in homes across the globe.

Tesla launched its Model 3 in July after a number of production delays. It brought the reality of

Investment Managers' Review *(continued)*

a mainstream, affordable electric vehicle one step closer. Hurdles remain. In particular, battery supply is a notable challenge, but new factories are being built to address this.

Portfolio analysis

Micron and Square were the top contributors to the portfolio for the 12 months to 30 November 2017. There has been a perception that technology outperformance has largely been generated by the FANGs (Facebook, Amazon, Netflix and Google). While this has a kernel of truth – these stocks have generally performed well this year – they have not been the primary driver of relative and absolute performance in the fund.

Our semiconductor holdings have been a notable contributor to overall performance. Micron has seen a significant appreciation in its share price, on the back of strong earnings and a low starting price. The management team has managed the group's inventory well, which has helped to contribute to a stronger pricing environment for the company. Important too were the semiconductor holdings we didn't own, notably Qualcomm, which saw a series of setbacks including clashes with the regulatory authorities over its patent licensing business, a spat with Apple and a (to date) failed acquisition for NXP Semiconductors.

Having seen unexciting growth in recent years, the semiconductor industry is being given a new lease of life by the demand from developments in software-as-a-service, AI and the connected car. These innovations need high performance processing chips to manage large volumes of data. The sector has seen considerable consolidation, which has also helped pricing. Other notable holdings in the portfolio benefiting from this trend are Lam Research, Broadcom and Applied Materials.

Square was our second strongest contributor to overall performance on an absolute basis. We identified this company relatively early in its lifecycle. It started as a payment processing company. It evolved a system allowing small businesses such as hairdressers or cab drivers to accept credit card payments. It has now

Investment Managers' Review *(continued)*

transitioned from hardware to software. Increasingly those same businesses are starting to use Square's software to manage other aspects of their business – staffing costs, inventories. It allows far more efficient business operations for small merchants. It has also recently started to offer small loans to businesses.

During the year, we made our first investments in robotics companies, building positions in IPG Photonics and Teradyne. Both contributed positively to the portfolio's performance over the period. In previously low wage economies, such as China, wages have risen significantly, threatening corporate profitability.

Companies are increasingly seeking to retain competitiveness in the face of mounting wages and robotics has proved an effective means to do this. Equally, where companies are seeking to repatriate manufacturing back to the US, they will also need robotics capabilities to keep costs low.

Teradyne makes small robots, nicknamed 'co-bots'. They are not designed to replace humans, but to remove some of the repetitive tasks – polishing metal or attaching two components together, for example. The robots can be trained to perform different tasks and are designed to help humans complete tasks more quickly and efficiently. IPG Photonics makes lasers, used in the manufacturing process for cutting and welding parts for cars, planes and electronics.

Elsewhere among the top performers on an absolute basis in the portfolio were some more familiar names; Amazon.com, Facebook and Samsung Electronics. In most cases this was a function of earnings, which continued to support the relatively high price to earnings multiples of these stocks. Apple also saw encouraging returns, having seen little share price movement in 2016. The reception for the iPhone X is still hard to read, but investors had become overly gloomy.

Although Sophos was a positive contributor to absolute performance, it was a more difficult year for our cyber security holdings. This came in spite of some notable data breaches, including some at major technology companies. Holdings in Palo Alto, FireEye and CyberArk Software

Square was a strong contributor to portfolio performance. As well as payment processing, businesses are using Square's software to manage other aspects of their operations, such as staffing costs and inventories.

Investment Managers' Review *(continued)*

detracted from the overall performance of the Company. A lot of the companies are currently going through business model transition, moving from selling hardware and licenses to a subscription service where customers pay fees. In the long-term, this should be a more sustainable business model, and revenues should become more predictable, but in the interim, this has created volatility in earnings.

A secondary problem is that some groups have been weak in executing this transition and investors have lost faith. Valuations were already relatively high and in the end, were not supported by business reality. Similar weakness has been seen in LendingClub, the largest detractor from overall performance. Management has executed poorly on the group's business plan, in spite of some compelling opportunities.

Overseas holdings

It has become increasingly clear in recent years that the US has no monopoly on innovation. Some of the most innovative and fastest growing companies are to be found outside the US, particularly in Asia. Chinese internet stocks have had a particularly strong run, notably Alibaba and Tencent, though investors have started to grow concerned about valuations. We pared back our weighting to China in the wake of the US Election, believing that there was too much uncertainty as to how the new relationship between the US and China would work. This has hurt performance – our underweight position in Tencent was the largest detractor from overall returns on a relative basis for the Company. We rebuilt positions in China early in 2017 but pared some again late in the year after great performance and some concern about difficult comparisons in the first half of 2018.

Absolute performance

The Company delivered a very strong absolute gain of 41%. The primary drivers for the portfolio's absolute performance include positions in some high-growth software companies, as well as robust performance from semiconductor and robotics stocks. These

companies performed well due to higher demand for innovative technologies and components that enable the technologies, which led to consistently strong earnings growth.

Relative performance

A final note on relative performance: this year we outperformed the Dow Jones World Technology Index (sterling adjusted, total return), with the Company returning 41.0% against an index performance of 31.53%. Although our investments are not driven by the weightings of individual companies in the benchmark, we are aware of the benchmark and use it to measure the success of our performance. While many of the companies mentioned above contributed on an absolute and relative basis, stocks such as Amazon and Netflix are not currently part of our benchmark, and have therefore helped overall performance.

Outlook

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

[1] Moody's, November 2017.

Top 20 Holdings

Sector | Headquarters | Value of holding | Percentage of portfolio

1 Apple

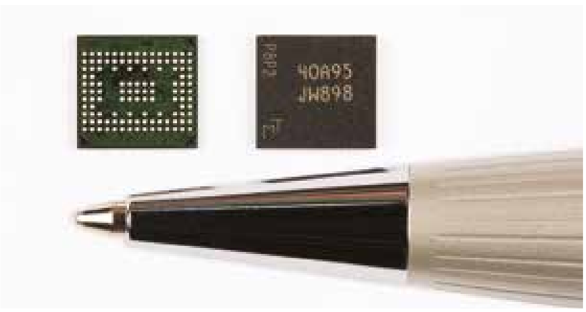
- Technology, Hardware Storage & Peripherals
- California, USA
- £ 17,553,000
- 5.8%

Apple is a leading global consumer electronics company, making personal computers, software, mobile communications devices, and networking solutions. Its market capitalisation is now £889 trillion, with revenues of almost $230bn in 2017. Over one billion people have bought an iPhone, its flagship product, since it launched a decade ago.

2 Amazon.com

- Internet & Direct Marketing Retail
- Washington, USA
- £ 17,167,000
- 5.6%

Amazon.com continued its disruption of the retail marketplace in 2017. The online retailer sells the majority of its products directly, but has also built up a raft of third-party sellers on its site. Investors have continued to underestimate its influence and its earnings beat expectations in 2017. Amazon is also well positioned to capitalise on the secular trends of cloud computing and digital media initiatives.



3 Micron Technology

- Semiconductors & Semiconductor Equipment
- Idaho, USA
- £ 16,642,000
- 5.5%

Micron produces many forms of semiconductor devices, including dynamic random access memory, flash memory, and solid-state drives. Its consumer products are marketed under the brands Crucial Technology and Lexar. Micron and Intel together created IM Flash Technologies, which produces NAND flash memory. Micron is ranked among the Top 5 Semiconductor producing companies in the world.

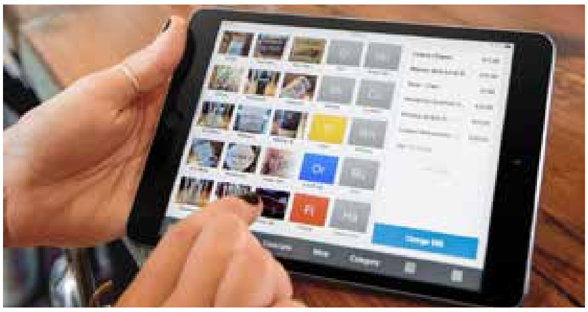
4 Microsoft

- Software
- Washington, USA
- £ 14,808,000
- 4.9%

Microsoft develops, manufactures, licenses, and supports a wide range of software products for computing devices. Since Satya Nadella took over as CEO in 2014, the company has focused less on hardware and more on software and cloud computing. In the quarter to 30 September, it reached its goal of a $20 billion revenue run rate for its commercial cloud offering.

Top 20 Holdings *(continued)*

Sector Headquarters Value of holding Percentage of portfolio



5 Square

IT Services
California, USA
12,972,000
4.3%

Square helps different types of merchants run their business better - from secure credit card processing to faster access to cash. It makes software and hardware payments products, including Square Register and Square Reader. It also has a number of services for small business, such as Square Capital, a financing program, and Square Cash, a person-to-person payments service, plus Square Payroll.

6 Facebook

Internet Software & Services
California, USA
12,014,000
3.9%

Facebook hit more than 2 billion monthly active users in 2017 and is increasingly monetising these through advertising. It has faced criticism this year over its dissemination of fake news, hate messages and violence, but is now working hard to combat these problems. It continues to innovate with virtual reality and Oculus, and also acquired tbh, a social media app for US high school students, during the year.

7 DXC Technology

IT Services
Virginia, USA
9,291,000
3.0%

Formed during the year from the merger of Computer Sciences Corporation (CSC) and the Enterprise Services business of Hewlett Packard Enterprise, DXC Technology provides information technology and consulting services to businesses and governments. It operates in more than 70 countries.

8 Arista Networks

Communications Equipment
California, USA
8,971,000
2.9%

Arista Networks (previously Arastra) is a computer networking company which designs and sells multilayer network switches to deliver software-defined networking (SDN) solutions for large datacentre, cloud computing, high-performance computing and high-frequency trading environments. It exceeded $1bn in global sales during the year, and reported earnings ahead of market expectations.

Top 20 Holdings *(continued)*

Sector Headquarters Value of holding Percentage of portfolio

9 Palo Alto Networks

Communications Equipment
California, USA
8,628,000
2.8%

It was a more difficult year for security groups in spite of some major data breaches. In particular, the transition to a subscription model and resulting weaker earnings has held back share prices in 2017. Nevertheless, security remains a huge problem for individuals and corporations. Palo Alto Networks provides enterprise-level next-generation firewalls, plus a range of security features for networks.

10 Alphabet Inc

Internet Software & Services
California, USA
8,546,000
2.8%

Alphabet is the parent company of Google, the world's leading search engine. The group remains a primary beneficiary of the secular shift to online spending. It also owns YouTube. During the year, Google launched AutoDraw, a tool using artificial intelligence and machine learning to recognise users' drawings, and added 'Family Groups', which lets users group their family's individual Google accounts.

11 Samsung Electronics

Technology, Hardware Storage & Peripherals
Seoul, South Korea
8,514,000
2.8%

Samsung Electronics is a South Korean multinational electronics company, and is the world's largest manufacturer of mobile phones and smartphones. Significant improvements in its smartphone range have seen it emerge as a major rival to Apple in recent years. The company also manufacturers televisions, cameras, and electronic components.

12 IPG Photonics

Electronic Equipment Instruments & Components
New York, USA
8,464,000
2.8%

This year saw the Company build its first holdings in robotics companies. IPG Photonics makes lasers, used in the manufacturing process for precision cutting and welding parts for cars, planes and electronics. It is fulfilling a need for more sophisticated manufacturing processes. It was founded in 1990 by physicist Valentin P. Gapontsev, seen as a pioneer in the field of fibre lasers.

Top 20 Holdings *(continued)*

Sector | Headquarters | Value of holding | Percentage of portfolio

13 ServiceNow

- Software
- California, USA
- 8,243,000
- 2.7%

ServiceNow offers everything-as-a-service cloud computing, including the enterprise platform-as-a-service management software for human resources, law, facilities management, finance, marketing, and field operations. ServiceNow specialises in IT Service Management, IT Operations Management and IT Business Management applications and provides forms-based workflow application development.

14 Teradyne

- Semiconductors & Semiconductor Equipment
- Massachusetts, USA
- 7,981,000
- 2.6%

Teradyne is a new holding in 2017. It makes small robots, nicknamed ‘co-bots’. They are not designed to replace humans, but to remove some of the repetitive tasks – attaching two components together, for example. Adaptable, the robots can be trained to perform different tasks and are designed to improve the efficiency of the manufacturing process.

15 Lam Research

- Semiconductors & Semiconductor Equipment
- California, USA
- 7,754,000
- 2.5%

Lam Research makes semiconductor processing equipment used in the fabrication of integrated circuits. Its products are used primarily in front-end wafer processing but also for back-end wafer-level packaging and related manufacturing markets. It helps chipmakers build smaller, faster, more powerful devices. AI development and Bitcoin mining increased demand for Lam Research’s products in 2017.

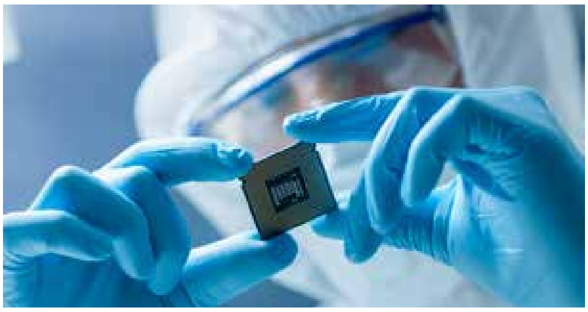
16 Paycom Software

- Software
- Oklahoma, USA
- 6,946,000
- 2.3%

Paycom is a US online payroll and human resource technology company that provides functionality and data analytics that businesses need to manage the complete employment life cycle. During 2017, it continued to make progress with smaller companies (50 to 2,000 employees), often at the expense of larger competitors. This saw it beat its own guidance and market expectations.

Top 20 Holdings *(continued)*

Sector | Headquarters | Value of holding | Percentage of portfolio



17 Applied Materials

- Sector: Semiconductors & Semiconductor Equipment
- Headquarters: California, USA
- Value of holding: £5,815,000
- Percentage of portfolio: 1.9%

Applied Materials supplies equipment, services and software for manufacturing semiconductor (integrated circuit) chips for electronics; flat panel displays for computers, smartphones and televisions; and solar products. It also supplies equipment to produce coatings for flexible electronics and packaging and is benefiting as semiconductor makers upgrade to new production techniques.

18 Workday

- Sector: Software
- Headquarters: California, USA
- Value of holding: £5,758,000
- Percentage of portfolio: 1.9%

Workday is one of the largest and fastest growing providers of human capital management (HCM) software solutions, delivered via a software-as-a-service model. HCM suites automate core Human Resource functions, such as personnel records, benefits administration, and compensation but can also offer workforce management and performance, recruiting, compliance and learning management.

19 Sophos

- Sector: Software
- Headquarters: Oxfordshire, United Kingdom
- Value of holding: £5,689,000
- Percentage of portfolio: 1.9%

Security supplier Sophos is the Company's largest UK holding. It develops products for encryption, network security, email security, mobile security and unified threat management, aimed at enterprises with 100 to 5000 employees. In February 2017, the group bought Invincea, a software company that provides malware threat detection, prevention, and pre-breach forensic intelligence.

20 Baidu

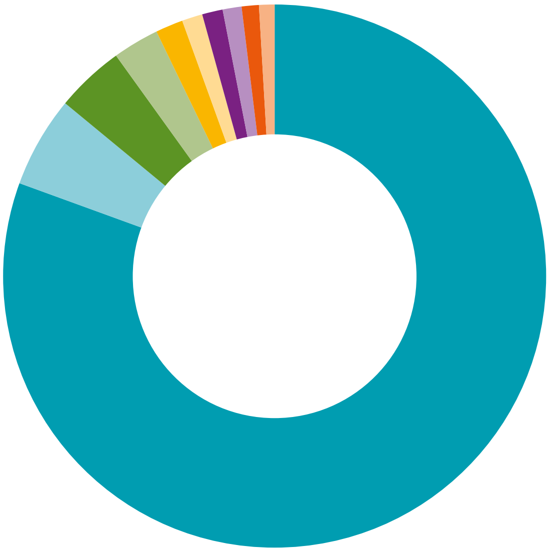
- Sector: Internet Software & Services
- Headquarters: Beijing, China
- Value of holding: £5,131,000
- Percentage of portfolio: 1.7%

Chinese web services group Baidu is one of the world's largest internet companies, and a leader in artificial intelligence. It has the world's second largest search engine, after Google, but also has Baidu Brain, Baidu Cloud and Baidu Music. It held its first AI developer conference during the year, and also announced a partnership with AMD to expand its artificial intelligence capabilities.

Investment Portfolio

at 30 November 2017

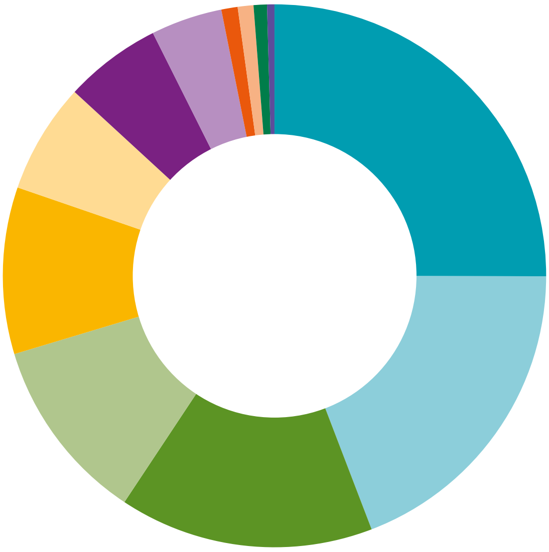
Geographical breakdown



United States	80.6%
China	5.4%
United Kingdom	4.1%
Republic of Korea	2.8%
Germany	1.6%
Netherlands	1.2%
Switzerland	1.2%
Spain	1.1%
Japan	1.0%
Russian Federation	0.9%

The weightings for each country are rounded to the nearest tenth of a percent; therefore, the aggregate weights may not equal 100%.

Sector breakdown



Software	25.0%
Semiconductors & Semiconductor Equipment	19.2%
Internet Software & Services	15.1%
Technology Hardware Storage & Peripherals	11.0%
IT Services	9.9%
Internet & Direct Marketing Retail	6.6%
Communications Equipment	5.8%
Electronic Equipment Instruments & Components	4.2%
Automobiles	1.0%
Health Care Technology	0.9%
Consumer Finance	0.8%
Professional Services	0.4%

The weightings for each sector are rounded to the nearest tenth of a percent; therefore, the aggregate weights may not equal 100%.

Investment Portfolio *(continued)*

at 30 November 2017

Investment	Sector#	Sub-sector#	Country	Fair Value £'000	% of Portfolio
Apple	Technology, Hardware Storage & Peripherals	Technology, Hardware Storage & Peripherals	United States	17,553	5.8
Amazon.com*	Internet & Direct Marketing Retail	Internet & Direct Marketing Retail	United States	17,167	5.6
Micron Technology	Semiconductors & Semiconductor Equipment	Semiconductors	United States	16,642	5.5
Microsoft	Software	Systems Software	United States	14,808	4.9
Square*	IT Services	Data Processing & Outsourced Services	United States	12,972	4.3
Facebook	Internet Software & Services	Internet Software & Services	United States	12,014	3.9
DXC Technology	IT Services	IT Consulting & Other Services	United States	9,291	3.0
Arista Networks	Communications Equipment	Communications Equipment	United States	8,971	2.9
Palo Alto Networks	Communications Equipment	Communications Equipment	United States	8,628	2.8
Alphabet Inc.	Internet Software & Services	Internet Software & Services	United States	8,546	2.8
Top ten investments				**126,592**	**41.5**
Samsung Electronics	Technology, Hardware Storage & Peripherals	Technology, Hardware Storage & Peripherals	South Korea	8,514	2.8
IPG Photonics*	Electronic Equipment Instruments & Components	Electronic Manufacturing Services	United States	8,464	2.8
ServiceNow	Software	Systems Software	United States	8,243	2.7
Teradyne	Semiconductors & Semiconductor Equipment	Semiconductor Equipment	United States	7,981	2.6
Lam Research	Semiconductors & Semiconductor Equipment	Semiconductor Equipment	United States	7,754	2.5
Paycom Software*	Software	Application Software	United States	6,946	2.3
Applied Materials	Semiconductors & Semiconductor Equipment	Semiconductor Equipment	United States	5,815	1.9
Workday	Software	Application Software	United States	5,758	1.9
Sophos *	Software	Systems Software	United Kingdom	5,689	1.9
Baidu ADR	Internet Software & Services	Internet Software & Services	China	5,131	1.7
Top twenty investments				**196,887**	**64.6**
Infineon Technologies	Semiconductors & Semiconductor Equipment	Semiconductors	Germany	4,913	1.6
NVIDIA	Semiconductors & Semiconductor Equipment	Semiconductors	United States	4,778	1.6
Salesforce.com	Software	Application Software	United States	4,773	1.6
Alibaba	Internet Software & Services	Internet Software & Services	China	4,441	1.4
Proofpoint	Software	Systems Software	United States	4,228	1.4
Yelp	Internet Software & Services	Internet Software & Services	United States	4,050	1.3
ASML Holding*	Semiconductors & Semiconductor Equipment	Semiconductor Equipment	Netherlands	3,858	1.3
Temenos	Software	Application Software	Switzerland	3,725	1.2
Amadeus IT Holdings*	IT Services	Data Processing & Outsourced Services	Spain	3,364	1.1
Paypal	IT Services	Data Processing & Outsourced Services	United States	3,148	1.0
Top thirty investments				**238,165**	**78.1**

GICS Industry classifications
* Not constituents of the Benchmark.

Investment Portfolio *(continued)*

at 30 November 2017

Investment	Sector#	Sub-sector#	Country	Fair Value £'000	% of Portfolio
Nintendo	Software	Home Entertainment Software	Japan	3,073	1.0
Micro Focus	Software	Application Software	United Kingdom	3,061	1.0
NetEase ADR	Internet Software & Services	Internet Software & Services	United States	3,011	1.0
Cognex*	Electronic Equipment Instruments & Components	Electronic Equipment & Instruments	United States	2,987	1.0
Tesla*	Automobiles	Automobile Manufacturers	United States	2,959	1.0
Yandex	Internet Software & Services	Internet Software & Services	United States	2,914	1.0
Netflix*	Internet & Direct Marketing Retail	Internet & Direct Marketing Retail	United States	2,860	0.9
Veeva Systems	Health Care Technology	Health Care Technology	United States	2,855	0.9
NetApp	Technology, Hardware Storage & Peripherals	Technology, Hardware Storage & Peripherals	United States	2,753	0.9
Oracle	Software	Systems Software	United States	2,713	0.9
Top forty investments				**267,351**	**87.7**
Microchip Technology	Technology, Hardware Storage & Peripherals	Technology, Hardware Storage & Peripherals	United States	2,710	0.9
Tencent	Internet Software & Services	Internet Software & Services	China	2,688	0.9
Tableau Software	Software	Systems Software	United States	2,676	0.9
Pure Storage	Technology, Hardware Storage & Peripherals	Technology, Hardware Storage & Peripherals	United States	2,540	0.8
LendingClub*	Consumer Finance	Consumer Finance	United States	2,413	0.8
HP	Technology, Hardware Storage & Peripherals	Technology, Hardware Storage & Peripherals	United States	2,273	0.7
Blue Prism	Software	Systems Software	United Kingdom	2,056	0.7
Barracuda Networks	Software	Systems Software	United States	1,839	0.6
Mercadolibre*	Internet Software & Services	Internet Software & Services	United States	1,798	0.6
Cree	Semiconductors & Semiconductor Equipment	Semiconductors	United States	1,586	0.5
Top fifty investments				**289,930**	**95.1**
Okta	Internet Software & Services	Internet Software & Services	United States	1,557	0.5
Alfa Financial Software	Software	Application Software	United Kingdom	1,538	0.5
CDW	Electronic Equipment Instruments & Components	Technology Distributors	United States	1,519	0.5
Vantiv	IT Services	Data Processing & Outsourced Services	United States	1,505	0.5
Broadcom	Semiconductors & Semiconductor Equipment	Semiconductors	Singapore	1,491	0.5
Autodesk	Software	Application Software	United States	1,386	0.5
Guidewire Software	Software	Application Software	United States	1,364	0.4
51Job ADR	Professional Services	Human Resources & Employment Services	United States	1,337	0.4
Symantec	Software	Systems Software	United States	1,217	0.4
Fireeye	Software	Systems Software	United States	1,201	0.4
Top sixty investments				**304,045**	**99.7**
Cirrus Logic	Semiconductors & Semiconductor Equipment	Semiconductors	United States	914	0.3
Total Investments				**304,959**	**100.0**

GICS Industry classifications
* Not constituents of the Benchmark.

US online payroll and human resource technology company Paycom beat its own market expectations in 2017 →

Allianz Technology Trust PLC

Directors' Review

Directors

Robert Jeens, MA (Cantab), FCA

Chairman of the Board, the Nomination Committee and the Management Engagement Committee.

Robert joined the Board on 1 August 2013 and became Chairman on 2 April 2014. Following 12 years with Touche Ross, where he was an audit partner, Robert became Finance Director of Kleinwort Benson Group and subsequently Woolwich plc. He has extensive experience of the asset management industry and is currently a Non-Executive Director of both JPMorgan Russian Securities plc and Chrysalis VCT plc. He has also had experience of technology companies, as Chairman of nCipher plc and as a Non-Executive Director of Dialight plc, and is currently Chairman of Remote Media Group, a cloud-based digital signage company.

Humphrey van der Klugt, BSc (Hons), FCA

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

Humphrey joined the Board on 1 July 2015 and became Chairman of the Audit Committee and Senior Independent Director on 14 April 2016. He is currently 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, Fidelity and Standard Life Aberdeen. Humphrey initially qualified as a chartered accountant with Peat Marwick Mitchell & Co. (now KPMG) in 1979, and in 2004 retired from a long career as a fund manager and director of Schroder Investment Management Limited.

Directors *(continued)*

Richard Holway, MBE

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

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 is a patron of the Prince's Trust, co-founder of the Trust's Technology Leadership Group and was a member of the Trust's advisory board until 2016.

Elisabeth Scott, MA(Hons), MSc

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

Elisabeth joined the Board on 1 February 2015. She was managing director and country head of Schroder Investment Management (Hong Kong) Limited from 2005 to 2008 and Chairman of the Hong Kong Investment Funds Association from 2005 to 2007. She worked in the Hong Kong asset management industry from 1992 to 2008. She is a director of Pacific Horizon Investment Trust plc, Fidelity China Special Situations plc, Dunedin Income Growth Investment Trust plc and Chairman of India Capital Growth Fund plc. She is a board member of the Association of Investment Companies.

Meeting attendance by the Directors during the year ending 30 November 2017 was as follows:

	Board	Audit Committee	Nomination Committee	Management Engagement Committee
Number of meetings in the year	**5**	**2**	**1**	**1**
Robert Jeens	5	2*	1	1
Richard Holway	5	2	1	1
Elisabeth Scott	5	2	1	1
Humphrey van der Klugt	5	2	1	1

All Directors attended the Annual General Meeting of the Company.

None of the Directors has a service contract with the Company. The terms of their appointment are detailed in a letter sent to them when they join the Board. These letters are available for inspection on request to the Company Secretary.

* Robert Jeens' attendance at the Audit Committee is by invitation as he is not a Committee member.

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.

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 Guidance 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.

Performance

The investment portfolio at the year end is set out on pages 52 to 54 and the top twenty holdings are listed on pages 47 to 51. In the year ended 30 November 2017, the Company's total return on net assets per share was 41.0% (2016: 23.8%), outperforming the Dow Jones World Technology Index (sterling adjusted, total return) by 9.5%. 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 premium or discount of the share price to the net asset value (NAV) per share. Over the year to 30 November 2017, the mid-market price of the Company's shares increased by 50.2% (2016: 26.4%), with a premium at the year end of 1.8% (2016: 4.4% discount). 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. The Company is also prepared to issue shares out of treasury at a slight discount. Further details of treasury issuance of shares by the Company can be found in the Chairman's Statement, the Directors' Report and Note 11 on page 101; there were 675,000 shares issued out of those held in treasury in the year to 30 November 2017 (2016: nil).

Results and Dividends

Details of the Company's results are shown in the Financial Highlights on page 2. The revenue reserve remains substantially in deficit, and no dividend is proposed in respect of the year ended 30 November 2017 (2016: 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 10 and the Investment Managers discuss their view of the Company's portfolio and the outlook on pages 42 to 45.

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. The last strategy specific meeting was held in November 2017.

Marketing the Company's investment strategy

The Company continues to operate a targeted and coordinated marketing programme in order to raise awareness of its investment strategy. This programme targets potential investors as well as communicating the latest developments to its valued existing shareholders.

Strategic Report *(continued)*

The programme is aimed at both professional and retail investors and aims to create ongoing and sustained demand for the Company's shares. The retail audience includes those investors who delegate their investment decisions to financial advisers as well as the ever increasing numbers who are researching and making their own investment decisions. The programme includes advertising and other promotional activity as well as communicating with national journalists and the financial intermediary press, since positive coverage of the Company's specialist investment strategy can be highly influential.

Undoubtedly, the marketing programme's success has been boosted by the number of performance awards won by the Company over recent years.

The marketing programme has been highly successful in generating demand from retail investors in recent years which is, of course, to the benefit of all of the Company's shareholders. Increasingly investors are choosing to buy and sell stocks and shares via online trading platforms rather than via a traditional stockbroker. Approximately 26% (2016: 19%) of the Company's shares are now held by investors on these platforms and this percentage has increased markedly over recent years. Many platform providers offer Individual Savings Account and pension products as well as the facility to invest on a regular monthly basis. Competition amongst platform providers is intense so investing online can be a very cost-effective way to buy Allianz Technology Trust shares.

Viability Statement

In accordance with the 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.

The directors believe that the period of four years continues to be appropriate as such time frame incorporates the Company's next five-year continuation vote which will be proposed at the AGM to be held in 2021. 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;
- The inherent risks in such technology both in terms of speed of advancement but also potential catastrophe with the growth of cyber fraud; and
- The principal risks faced by the Company as outlined below.

The Board is fully aware that the world of technology is constantly moving and growing and the perceived picture of technology now and in four years' time is potentially very different. 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, the 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 4 in the Financial Summary, and is explored further within the Chairman's Statement. The Board regularly reviews forms of stock and attribution analysis to determine the contribution to relative and absolute performance of the portfolio of the top and bottom stocks.

Strategic Report *(continued)*

The top contributors to and detractors from the Company's Net Asset Value total return over the year to 30 November 2017 were as follows:

Top ten contributors

	Active Contribution (%)
Micron Technology, Inc.	3.62
Square, Inc. Class A	3.46
Apple Inc.	3.10
Amazon.com, Inc.	2.19
Samsung Electronics Co., Ltd.	1.75
Arista Networks, Inc.	1.55
IPG Photonics Corporation	1.43
Sophos Group Plc	1.41
DXC Technology Co.	1.35
Facebook, Inc. Class A	1.34
	21.20

Top ten detractors

	Active Contribution (%)
LendingClub Corp	(0.40)
Palo Alto Networks, Inc.	(0.21)
Symantec Corporation	(0.20)
Twitter, Inc.	(0.19)
MuleSoft, Inc. Class A	(0.13)
Cirrus Logic, Inc.	(0.12)
CSRA, Inc.	(0.10)
Guidewire Software, Inc.	(0.07)
Tableau Software, Inc. Class A	(0.07)
Splunk Inc.	(0.06)
	(1.54)

Source: AllianzGI. 30 November 2016 - 30 November 2017.

Strategic Report *(continued)*

Investment Controls and Monitoring

The Board in conjunction with the Investment Manager has put in place a schedule of investment controls and restrictions within which investment decisions are made. These controls include limits on size and type of investment. The controls are monitored on a constant basis, are formally signed off by the Manager monthly and are reviewed by the Board at every meeting.

Principal Risks and Uncertainties

The principal risks identified by the Board are set out in the table below, 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 at least 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 is 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
Investment Strategy Risk 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. **Technology Sector Risk** 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. **Cyber Risk** The Company may be at risk of cyber attacks which may result in the loss of sensitive information or disruption to the business.	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. 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. The operations of the Company are carried out by the Investment Manager and various third party service providers. All service providers report to the Board on operational issues including cyber risks and the controls in place to capture potential attacks. The Board meets with the AllianzGI Head of Information Security and is satisfied that appropriate controls are in place. See Operational Risk below.
Market Risk 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. 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.	The Board and the Investment Manager monitor stock market movements and may consider hedging, gearing or other strategies to respond to particular market conditions. 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.

Strategic Report *(continued)*

Description	Mitigation
Currency Risk A high proportion of the Company's assets is likely to be held in securities that are denominated in US Dollars, whilst its accounts are maintained in Sterling. Movements in foreign exchange rates affect the performance of the Investment Portfolio and creates a risk for shareholders.	The Board monitors currency movements and determines hedging policy as appropriate. The Board does not currently seek to hedge this foreign currency risk.
Financial and Liquidity Risk The financial risks to the Company and the controls in place to manage these risks are disclosed in detail in Note 15 beginning on page 103.	Financial and liquidity reports are provided to and considered by the Board on a regular basis.
Operational Risk 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.	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.

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 66.

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

On behalf of the Board

Robert Jeens
Chairman
22 February 2018

Directors' Report

The Directors present their Report and the audited Financial Statements for the year ended 30 November 2017. Information pertaining to the business review is included in the Strategic Report, detailed on pages 58 to 62.

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 2017 was £305m (2016: £210m) with gains of £89m (2016: £37m) over book cost. Taking these investments at this valuation, the net assets attributable to each Ordinary Share amounted to 1178.6p at 30 November 2017 (2016: 835.9p).

Investment Management Agreement

The management contract with Allianz Global Investors GmbH, UK Branch (AllianzGI), in place during the year is terminable at six months' notice (2016: six months'). Under the contract AllianzGI provides the Company with investment management, accounting, company secretarial and administration services and provides for a management fee of 0.8% per annum (2016: 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 (2016: £55,000 per annum) to cover AllianzGI's administration costs. As mentioned in the Chairman's Statement on page 8, the management fee structure changed on 1 December 2017 to a tiered management fee of 0.8% per annum on market capitalisation up to £400 million and 0.6% thereafter.

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% (2016: 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. To the extent that 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. A performance fee was payable for the year ended 30 November 2017 which equated to £433,476 (2016: £nil). See also Note 2 on page 96.

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.

Directors' Report *(continued)*

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. The Company is subject to a continuation vote of the Shareholders every five years; the last continuation vote was put to Shareholders and passed at the AGM held in 2016. Further details on the longer term viability of the Company, including consideration of the continuation vote, are provided in the Strategic Report on page 59.

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 101.

Voting Rights in the Company's Shares

As at 12 February 2018 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	27,134,427	1	27,134,427
Ordinary Shares of 25p held in treasury	1,168,453	0	0
Total	**28,302,880**		**27,134,427**

Interests in the Company's Share Capital

Information on major interests in shares provided to the Company under the Disclosure and Transparency Rules (DTR) of the UK Listing Authority is published via a Regulatory Information Service.

The Company is aware of the following interests representing 3% or more of the issued ordinary share capital of the Company. This information was correct at the date of notification. It should be noted that these holdings may have changed since being notified to the Company. However, notification of any change is not required until the next applicable percentage threshold is crossed. The percentage shown is based on the total voting rights as at 30 November 2017 and 12 February 2018 respectively.

	30 November 2017 Total voting rights 26,594,427		12 February 2018* Total voting rights 27,134,427	
Holder	Number of shares	% of capital	Number of shares	% of capital
Rathbone Brothers PLC	2,890,221	10.9	2,890,221	10.7
Charles Stanley Group	2,060,774	7.7	2,151,575	7.9
Brewin Dolphin	1,295,855	4.9	1,295,855	4.8
East Riding of Yorkshire Council	1,016,585	3.8	1,016,585	3.7

* Latest practical date

Directors' Report *(continued)*

Repurchase and Reissue of Shares

At the Annual General Meeting (AGM) held on 19 April 2017, authority was granted for the repurchase of up to 3,891,318 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 and Strategic Report. In the year under review the Company did not buy back any shares for holding in treasury (2016:107,999 shares). The Company will not reissue shares from treasury at a discount higher than the one used when the shares were bought back. During the year under review, 675,000 shares were reissued from treasury (2016:nil). Since the year end a further 540,000 shares have been reissued from treasury. As at 12 February 2018, 1,168,453 shares are held in treasury for reissue into the market.

The Board and Gender Diversity

The Board currently consists of a non-executive Chairman, Mr Robert Jeens, and three non-executive Directors. The names and biographies of those Directors who held office at 30 November 2017 and at the date of this Report appear on pages 56 and 57 and indicate their range of investment, industrial, commercial and professional experience. Currently three 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. At the AGM, in accordance with the Articles of Association, Elisabeth Scott will retire by rotation and, being eligible, offers herself for re-election. In line with good Corporate Governance practice, having now served more than nine years' on the Board, Richard Holway shall stand for re-election annually and, being eligible, also offers himself for re-election. The Board confirms that Richard remains fully effective as an independent director and as a whole confirms their support of each individual standing for re-election and recommends their continuation as members of the Board. The attendance record of each Director at meetings of the Board through the year is shown on page 57.

Directors' Fees

A report on Directors' Remuneration is set out on pages 81 to 84.

Directors' and Officers' Liability Insurance

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

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

Directors' Report *(continued)*

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; 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 Management Engagement and the Nomination Committees were chaired by the Chairman of the Company, Robert Jeens. The Audit Committee was chaired by Humphrey van der Klugt. 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.

Audit Committee

The Audit Committee Report is on pages 77 to 80.

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 last met in September 2017 at which meeting it was concluded the management arrangements in place continued to be appropriate. The continuing appointment of the Investment Manager was therefore recommended to and accepted by the Board. The Management Engagement Committee also reviewed the fee arrangements with the Investment Manager. The management fee was amended as of 1 December 2017 and the changes are explained further in Note 18 of the Financial Statements on page 107.

Nomination Committee

The Nomination Committee is composed of all the current Directors and meets at least once per year. The Nomination Committee is responsible for considering the composition of the Board, for running the recruitment process for new directors, making appointment recommendations to the Board when appropriate and for carrying out the annual Board and Chairman Evaluation process. The Nomination Committee met in September 2017 to make arrangements for the 2017 Board Evaluation process as discussed below.

Board Evaluation

An external evaluation was conducted in 2016 and it was decided that an internal evaluation would be performed 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 the performance of the Chairman. Questions also included a review of the interaction with the Investment Manager. The Senior Independent Director led a review of the Chairman.

The results of the questionnaires were collated anonymously and discussed at the Board meeting in November 2017. Any concerns were discussed openly and addressed with both the Board and the Investment Manager present. It was agreed by all participants that the evaluation process had been effective and that the review points identified would be of benefit to the Board and 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 for the year under review to 30 November 2017 describes how the Company applies the main principles identified in the UK Corporate Governance Code (the Governance Code) issued in April 2016. The Governance Code is available from the website of the Financial Reporting Council (the FRC) at www. frc.org.uk. The Association of Investment Companies (the AIC) has

Directors' Report *(continued)*

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 July 2016, 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 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.	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. Humphrey van der Klugt is the Senior Independent Director and provides a sounding board for the Chairman and serves as an intermediary for the other directors when necessary and in particular assisted with the Board evaluation process.
2	A majority of the board should be independent of the manager.	The Board is currently composed of four non-executive directors and all are considered to be independent of the Investment Manager. None of the directors have any former association with the Investment Manager and each is considered to be independent in character and judgement. Richard Holway has served on the Board for more than nine years. Board colleagues are however in full agreement that Richard maintains the ability to act independently and he continues to add value by virtue of his particular skills and considerable experience.
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.	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. Under the guidance of the Nomination Committee, the Board reviews Board and Board Committee composition every year. In accordance with the above, Richard Holway will stand for re-election annually.
4	The board should have a policy on tenure, which is disclosed in the annual report.	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. 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 three long-standing directors. A full review of the Board composition was carried out by the Nomination Committee in 2017, whereby it was agreed that no changes were needed to the composition.
5	There should be full disclosure of information about the board.	The directors' biographies on pages 56 and 57 demonstrate a breadth of investment, industrial, commercial and professional experience and expertise.

Directors' Report *(continued)*

	AIC Code Principles	How the principles are applied
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. As a Board refreshment programme was completed in 2015, it is believed that such a balance exists.
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 2017. The Board does not currently anticipate utilising external facilitators on an annual basis but acknowledges the knowledge conveyed and independence demonstrated by the external evaluators used in 2016.
8	Director remuneration should reflect their duties, responsibilities and the value of their time spent.	The Directors' Remuneration Implementation Report is on pages 81 to 83. 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. Thereafter, 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.
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 63.
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 when market conditions are appropriate.
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
	SHAREHOLDER COMMUNICATIONS	
19	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 Investment Managers at the Company's AGM, at which the portfolio managers give a presentation.
20	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.
21	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.	Every year the Board agrees a budget with the Investment Manager for a 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 a copy online and makes available in hard copy a monthly factsheet and publishes daily on its website (www.allianztechnologytrust.com) the NAV of the Company's shares and many other details of interest to investors.

Alternative Performance Measures

In addition to providing guidance on Corporate Governance, the AIC provides the investment company industry with leadership on the reporting of alternative performance measures to support a fair and balanced approach to the performance of your Company.

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.

Directors' Report *(continued)*

The Directors' confirmation, set out on pages 61 and 62 of the annual report, confirms 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 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.

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 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 76. The Independent Auditors' Report is set out on pages 86 to 90. 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.

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.

Directors' Report *(continued)*

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.

The AllianzGI policy statement on the Stewardship Code can be found on the Company's website www.esgmatters.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 the Investment Manager's website 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.

Whistleblowing

As the Company has no employees it does not have a formal policy concerning the raising, in confidence, of any concerns about improprieties for appropriate independent investigation. The Audit Committee has, however, received and noted the manager's policy on this matter. However, any matters concerning the Company may be raised with the Chairman or Senior Independent Director.

Modern Slavery Act 2015

The Company does not provide goods or services in the normal course of business, and as a financial investment vehicle does not have customers. The Directors do not therefore consider that the Company is required to make a statement under the Modern Slavery Act 2015 in relation to slavery or human trafficking.

Bribery Act 2010

The Board has a zero tolerance policy in relation to bribery and corruption in its business processes and activities and has received assurance via internal controls reporting from the

Directors' Report *(continued)*

Company's main third party service providers that adequate safeguards are in place to protect against any such potentially illegal behaviour by employees or agents.

Electronic Communications

The Company has enabled electronic communications whereby shareholders may opt to receive documents electronically. Shareholders who opted for this 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.

Common Reporting Standard (CRS)

CRS is a global standard for the automatic exchange of information commissioned by the Organisation for Economic Cooperation and Development and incorporated into UK law by the International Tax Compliance Regulations 2015. CRS requires the Company to provide certain additional details to HMRC in relation to UK resident foreign investment holders. The reporting obligation began in 2016 and will be an annual requirement going forward. The Registrars, Link Asset Services, have been engaged to collate such information and file the reports with HMRC on behalf of the Company.

Annual General Meeting

The formal Notice of AGM is set out on pages 113 to 116. The Directors consider that the resolutions relating to the items of special business, as detailed below, 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 109.

The following Resolutions relating to items of special business will be proposed:

Authority to allot new shares, to sell Treasury Shares and to Disapply Pre-Emption Rights

Resolutions authorising the Directors to allot new share capital and to sell shares held as treasury shares for cash and to disapply pre-emption rights in relation to such were passed at the AGM of the Company on 19 April 2017 under Section 551 and Section 570 of the Companies Act 2006 and will expire on 28 April 2018.

Approval is therefore being sought for the renewal of the Directors' authority to allot new shares up to an aggregate nominal amount of £678,360 representing 2,713,442 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.

Approval is also 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 £678,360 (representing 2,713,442 Ordinary Shares).

If passed, these authorities will remain in place until the conclusion of the next AGM of the Company, or, if earlier, on 25 July 2019.

The directors do not currently intend to allot new shares under these authorities other than to take advantage of opportunities in the market as they arise and only if they believe it would be advantageous to the Company's existing shareholders to do so. The directors confirm that no allotments of new shares will be made unless the lowest market offer price of the ordinary shares is at least at a premium to net asset value. 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.

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 19 April 2017, 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

Directors' Report *(continued)*

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 £300 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. 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 4,067,450 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 25 April 2018, an amount equal to 14.99% of the Company's issued Ordinary Share capital at the date of the AGM.

The Board and the Annual Report

The Board is responsible for reviewing the entire annual report and has noted the supporting information received and the recommendations of the Audit Committee. 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

Eleanor Emuss
Company Secretary
22 February 2018

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, 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; and
(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.

The Directors confirm that 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
22 February 2018

Audit Committee Report

Introduction from the Chairman

I am pleased to present my formal report to Shareholders as Chairman of the Audit Committee for the year ended 30 November 2017.

I was appointed Chairman of the Audit Committee on 13 April 2016.

Responsibility

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 and Elisabeth Scott. Robert Jeens, Chairman of the Board, is not a member of the Committee but will attend meetings by invitation. All the members of the Committee are independent Non-Executive Directors, and their skills and experience are set out on pages 56 and 57. The Board reviews the composition of the Audit Committee and it considers that, collectively, its members have sufficient recent and relevant financial and sector experience to fully discharge their responsibilities.

The Committee meets at least twice per year. The attendance of the Committee members is shown on page 57. 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. As part of the year end process I, as Chairman of the Committee attended additional meetings with representatives of the Investment Manager and the external auditor. In addition, 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.

Audit Committee Report *(continued)*

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. 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 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 auditor.
- **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.

Internal audit

The Committee continues to believe that the Company does not require an internal audit function as it delegates its day-to-day operations to third parties from whom it receives internal control reports. Reports from third party auditors on the internal controls maintained on behalf of the Company by AllianzGI and by other providers of administrative and custodian services to AllianzGI or directly to the Company were reviewed during the year.

Risk Management

The Board has ultimate responsibility for the management of the risks associated with the Company. The 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 which may include adding or removing risks for consideration, monitoring and reviewing the mitigating actions applicable to the identified risks and determining the acceptability of the residual risk against the Board and the Company's risk appetite; 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.

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 76. 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.

The Committee is responsible for agreeing a suitable Audit Plan for the year-end audit and production of the Annual Financial Report. The significant areas of risk and focus, and the primary procedures adopted to mitigate such, agreed by the Committee and/or within the audit plan for the year under review were substantively unchanged from 2016 and included:

Valuation, existence and ownership of the Company's investments	Valuations of actively traded investments are reconciled using stock exchange prices provided by third party pricing vendors; where no third party source exists the Manager and Director valuations are reviewed with appropriate valuation evidence being provided to ensure valuations are suitable at the year end. Ownership of listed investments is verified by reconciliation to the custodian's records
Recognition, completeness and occurrence of revenue	Income received is accounted for in line with the Company's accounting policy (as set out on page 94) 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.
Viability Statement	The Board is required to make a longer term viability statement in relation to the continuing operations of the Company. The Committee reviews papers produced in support of the statement made by the Board which assesses the viability of the Company over a period of four years.

Annual Financial Report

The Committee and then the whole Board reviewed the entire annual financial report and noted all the supporting information received. It then considered and concluded that the annual report satisfactorily reflected a true picture of the Company and its activities and performance in the year, with a clear link between the relevant sections of the report. The directors were then able to confirm that the annual financial report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Audit Committee Report *(continued)*

Auditor Effectiveness

The Committee is responsible for reviewing the terms of appointment of the auditor and for monitoring the audit process including the effectiveness and objectivity of the Auditor in fulfilling the terms of the agreed Audit Plan and the Audit Findings Report subsequently issued by them.

As part of the review of the auditor, the members of the Committee and those representatives of the Manager involved in the audit process reviewed and considered a number of areas including:

- the reputation and standing of the audit firm;
- the audit processes and evidence of partner oversight
- audit communication including details of planning
- information on relevant accounting and regulatory developments, and recommendations on corporate reporting; and
- the Financial Reporting Council's Audit Quality Report on Grant Thornton LLP for 2016/17.

Auditor Tenure

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 (who were appointed as the Company's auditors in 1996) 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.

Auditor Independence and Reappointment

The Committee has confirmed the independence of the auditor and 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.

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

In accordance with the EU Accounting reform requiring public interest entities to periodically change their auditors, the Company will be required to put the audit out to public tender in or before the year ending 31 December 2023. There are no current plans to consider rotation of the audit firm.

Humphrey van der Klugt
Audit Committee Chairman
22 February 2018

Directors' Remuneration Implementation Report

Introduction

This implementation 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 (the Regulations) and is subject to an annual advisory vote of shareholders. An Ordinary Resolution for the approval of this Remuneration Report will be put to the shareholders at the forthcoming Annual General Meeting (AGM). 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 89.

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 four 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 are not applicable.

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. The level of Directors' fees are therefore determined by the Board as a whole, Directors abstain from voting on their own fees. 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.

Remuneration Policy Report

The Remuneration Policy Report of the Company is required to be put to a binding vote of shareholders at least once every three years; the policy was last proposed to and approved by shareholders at the AGM in 2017 and will therefore next be proposed as a binding vote Resolution at the AGM in 2021. The Remuneration Policy Report follows on page 84 and is available on the Company's website www. allianztechnologytrust.com.

Annual General Meeting (AGM) Voting Statement

At the AGM held on 19 April 2017, of the votes cast by proxy for the approval of the Remuneration Implementation Report, 10,982,581 (98.9%) were cast in favour, 12,099 (0.1%) were cast as discretionary, 39,323 (0.35%) were cast against and 69,227 (0.6%) shares were withheld from the vote. Of the votes cast by proxy for the approval of the Remuneration Policy Report, 10,991,325 (98.9%) were cast in favour, 12,099 (0.1%) were cast as discretionary, 38,247 (0.3%) were cast against and 61,559 (0.5%) shares were withheld from the vote.

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.

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:

	2017 £	2016 £
Total Remuneration	109,000	117,484
Total Share Buy-backs	-	673,775

Directors' Remuneration Implementation Report *(continued)*

Directors' Service Contracts

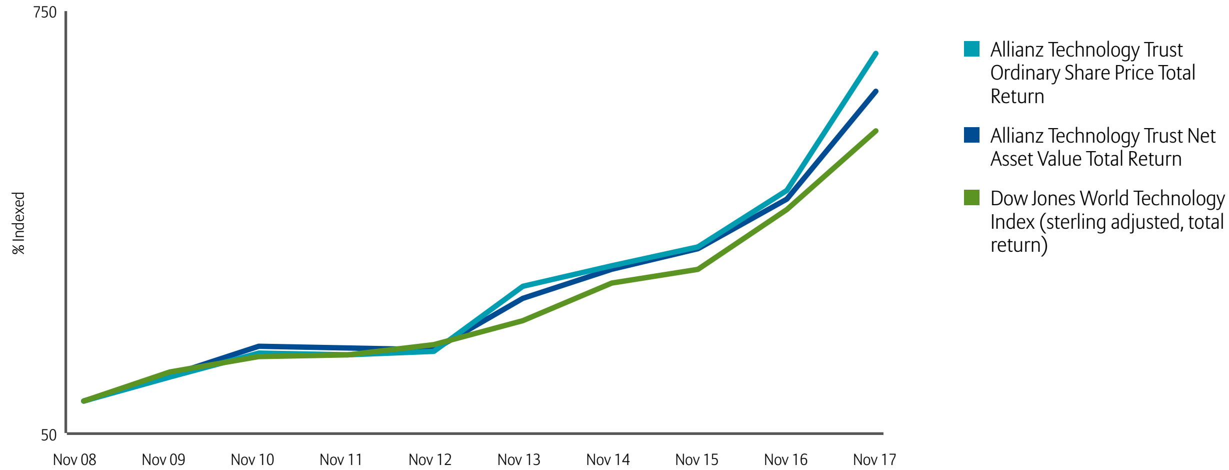
It is the Board's policy that none of the Directors has a service contract. The terms of their appointment provide that Directors shall, in accordance with the Articles of Association, stand for election by shareholders at the first AGM after their appointment, and at least every three years thereafter. 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.

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

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 first period for which this graph was required was the year ended 30 November 2013, the graph was required to show the relevant period of five years, each subsequent graph increases by one year until the maximum relevant period of ten years is reached; thereafter the graph will continue to provide ten years of data. 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.

Total Shareholder Return for the nine years to 30 November 2017



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

Directors' Fees

The Directors all served throughout the year and received the fees listed.

In the year to 30 November 2017 the Directors' fees were paid at the rate of £23,000 (2016: £23,000) per annum with the Chairman of the Board receiving an extra £12,000 (2016: £12,000) per annum and the Chairman of the Audit Committee an extra £5,000 (2016: £5,000) per annum. During the year the Directors' fees were reviewed with no change being proposed.

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

These fees 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' Remuneration Implementation Report *(continued)*

Directors' Remuneration (Audited Information)

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

	Appointed	Fees 2017 £	Fees 2016 £
Robert Jeens	1 August 2013, Chairman: 2 April 2014	35,000	35,000
Humphrey van der Klugt	1 July 2015, Audit Committee Chairman: 14 April 2016	28,000	26,156
Richard Holway	29 January 2007	23,000	23,000
Elisabeth Scott	1 February 2015	23,000	23,000
John Cornish	1 May 2005, retired 13 April 2016	-	10,328
		109,000	**117,484**

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

Directors' Interests (Audited Information)

The Directors are not required to hold any shares in the Company; however, pursuant to Article 19 of the EU Market Abuse Regulations the Directors' Interests in the share capital of the Company are shown in table below.

		Ordinary Shares of 25p each	
	Appointed	30 November 2017	30 November 2016
Robert Jeens	1 August 2013	10,000	10,000
Humphrey van der Klugt	1 July 2015	5,000	5,000
Richard Holway	29 January 2007	17,000	17,000
Elisabeth Scott	1 February 2015	1,650	1,650

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

Approval

The Directors' Remuneration Report was approved by the Board of Directors on 22 February 2018 and signed on its behalf by

Robert Jeens
Chairman

Directors' Remuneration Policy Report

In accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended, the Company is required to put to a binding vote of shareholders, at least every three years, the Company's Remuneration Policy Report (the Policy).

The Policy was last proposed to and approved by shareholders at the AGM in 2017 and will therefore next be proposed as an Ordinary Resolution at the AGM in 2020.

Directors' Remuneration

The Company's remuneration policy provides that fees payable to the Directors should reflect the time spent by the Board on the Company's affairs and the responsibilities borne by the Directors and should be sufficient to enable candidates of high calibre to be recruited.

Directors are remunerated solely in the form of fees payable monthly or quarterly in arrears, paid to the Director personally or to a specified third party. There are no long-term incentive schemes, share option schemes or pension arrangements and the fees are not specifically related to the Directors' performance, either individually or collectively.

The 2017 and projected 2018 annual fee rates are Chairman: £35,000, Audit Committee Chairman: £28,000 and Director: £23,000. The Company does not have a Chief Executive Officer and there are no employees.

The Board consists of non-executive Directors whose appointments are reviewed by the Board as a whole. None of the Directors has a service contract with the Company and any Director may resign by notice in writing to the Board at any time; there are no set notice periods and no compensation is payable to a Director on leaving office.

When reviewing the level of remuneration consideration is given to the time, commitment and Committee responsibilities of each Director. The Board also takes into account the fees paid to directors of companies within its peer group. No communications have been received from shareholders regarding Directors' remuneration.

The Company's Articles of Association limit the aggregate fees payable to Directors to £200,000 per annum. The policy is for the Chairman of the Board and of each relevant Committee to be paid a fee which is proportionate to the additional responsibilities involved in the position. It is intended that the above remuneration policy will continue to apply in the forthcoming financial year and subsequent years.

Robert Jeens
Chairman

A laboratory at Lam Research, which makes semiconductor processing equipment used in the manufacture of integrated circuits →

Allianz Technology Trust PLC

Financial Statements

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

Our opinion on the financial statements is unmodified

We have audited the financial statements of Allianz Technology Trust plc (the Company) for the year ended 30 November 2017 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity, the Statement of Accounting Policies and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Conclusions relating to principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the annual report set out on pages 61 and 62 that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation, set out on page 72 of 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 directors' statement, set out on page 94 of the financial statements, about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' 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;
- whether the directors' statement relating to going concern required under the Listing
- Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the directors' explanation, set out on page 59 of 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.

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

Overview of our audit approach

- Overall materiality: £3,134,000, which represents 1% of the Company's net assets.
- Key audit matters were identified as valuation, existence and ownership of investments, and completeness and occurrence of investment income.
- Our audit approach was a risk based substantive audit focused on investments at year end and investment income recognised during the year. There was no change in our approach from prior year.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in the audit
Valuation, existence and ownership of investments The company's business is investing in equity securities with the aim of achieving long-term capital growth. The investment portfolio at the year end had a carrying value of £305m and all investments were listed on recognised stock exchanges. As a significant, material item in the financial statements there is a risk that the investment valuation recorded in the Statement of Financial Position may be incorrect. Also, there is a risk that investments recorded might not exist or might not be owned by the Company. We therefore identified valuation, existence and ownership of investments as a significant risk, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: ■ understanding management's process to value investments through discussions with management and examination of control reports on third party administrators and assessing whether the accounting policy for investments is in accordance with the requirements of United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice (SORP) issued by the Association of Investment Companies (AIC); ■ agreeing the valuation of investments to an independent source of market prices and nominal holdings to confirmation from the custodian in order to obtain comfort over existence and ownership of investments; and ■ substantively testing a sample of additions and disposals of investments during the year by agreeing such transactions to list of trade confirmations and bank statements as applicable. The Company's accounting policy on investments is shown in Policy 4 in the Statement of Accounting Policies to the financial statements and related disclosures are included in notes 8. The Audit Committee identified valuation and ownership of the Company's investments as a significant issue in its report on page 79, where the Committee also described the action that it has taken to address this issue. **Key observations** Our testing did not identify any material misstatements in the valuation of the Company's investment portfolio as at the year end nor were any issues noted with regards to the existence or the Company's ownership of the underlying investments at the year end.

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

Key Audit Matter	How the matter was addressed in the audit
Occurrence and completeness of investment income The Company measures performance on a total return basis and investment income is one of the significant components of this performance measure in the Income Statement. Under International Standard on Auditing (UK) 240 'The auditor's responsibilities relating to fraud in an audit of financial statements', there is a presumed risk of fraud in revenue recognition. We therefore identified completeness and occurrence of investment income as a significant risk, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: ■ assessing whether the Company's accounting policy for revenue recognition is in accordance with the requirements of UK GAAP and the AIC SORP and testing its consistent application on revenue recognised during the year; ■ substantively testing income transactions to assess if they were recognised in accordance with the policy; ■ for investments held during the year, obtaining the ex-dividend dates and rates for dividends declared during the year from an independent source and agreeing the expected dividend entitlements to those recognised in the Income Statement and agreeing dividend income recognised by the Company to an independent source; and ■ assessing the categorisation of corporate actions and special dividends to identify whether the treatment is correct. The Company's accounting policy on income, including its recognition, is shown in Policy 2 in the Statement of accounting policies to the financial statements and related disclosures are included in note 1. The Audit Committee identified recognition of income as a significant issue in its report on page [78], where the Committee also described the action that it has taken to address this issue. **Key observations** Our testing did not identify any material misstatements in the amount of revenue recognised during the year.

Our application of 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 £3,134,000, which is 1% of the Company's net assets. This benchmark is considered the most appropriate because net assets, which primarily comprise the Company's investment portfolio, are considered to be the key driver of the Company's total return performance and form a part of the net assets value calculation.

Materiality for the current year is higher than the level that we determined for the year ended 30 November 2016 to reflect the increased value of the Company's net assets, including its investment portfolio, at the year end.

We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 75% of financial statement materiality.

We also determine a lower level of specific materiality for certain areas such as investment income and related party transactions, being the management fee and directors' remuneration.
We determined the threshold at which we will communicate misstatements to the audit committee to be £157,000. In addition we will communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

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

An overview of the scope of our audit

Our audit approach was a risk-based approach founded on a thorough understanding of the Company's business, its environment and risk profile and in particular included:

- Obtaining an understanding of relevant internal controls at both the Company and third-party service providers. This included obtaining and reading internal controls reports prepared by the third-party service providers on the description; design, and operating effectiveness of the internal controls at the investment manager, custodian, and administrator, and
- Performing substantive audit procedures on specific transactions, which included journal entries and individual material balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment and our evaluation of the design and implementation of controls that address significant risk.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report set out on pages 2 to 84, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- Fair, balanced and understandable set out on page 76 – the statement given by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- Audit committee reporting set out on pages 77 to 80 – the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee is materially inconsistent with our knowledge obtained in the audit; or
- Directors' statement of compliance with the UK Corporate Governance Code set out on page 66 – the parts of the directors' statement required under the Listing Rules relating to the company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Our opinions 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.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

Responsibilities of directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 76, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). Our audit approach is a risk-based approach and is explained more fully in the 'An overview of the scope of our audit' section of our audit report.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the members for the year ended 30 November 2007, following the merger of Robson Rhodes LLP with Grant Thornton in 2007. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 23 years. The Company will be required to put the audit out to tender in or before the year ending 31 December 2023.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit. Our audit opinion is consistent with the additional report to the audit committee.

Christopher Smith
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
22 February 2018

Income Statement

for the year ended 30 November 2017

	Notes	2017 Revenue £	2017 Capital £	2017 Total Return £	2016 Revenue £	2016 Capital £	2016 Total Return £
Gains on investments held at fair value through profit or loss	8	-	91,039,974	91,039,974	-	41,247,845	41,247,845
(Loss) gains on foreign currencies		-	(515,184)	(515,184)	-	1,066,899	1,066,899
Income	1	1,723,582	-	1,723,582	1,426,898	-	1,426,898
Investment management fee and performance fee	2	(2,116,945)	(433,476)	(2,550,421)	(1,444,512)	-	(1,444,512)
Administration expenses	3	(609,756)	-	(609,756)	(461,918)	-	(461,918)
(Loss) profit before finance costs and taxation		**(1,003,119)**	**90,091,314**	**89,088,195**	**(479,532)**	**42,314,744**	**41,835,212**
Finance costs: interest payable and similar expenses	4	(1,536)	-	(1,536)	(544)	-	(544)
(Loss) profit before taxation		**(1,004,655)**	**90,091,314**	**89,086,659**	**(480,076)**	**42,314,744**	**41,834,668**
Taxation	5	(228,129)	-	(228,129)	(191,541)	-	(191,541)
(Loss) profit attributable to ordinary shareholders		**(1,232,784)**	**90,091,314**	**88,858,530**	**(671,617)**	**42,314,744**	**41,643,127**
(Loss) earnings per ordinary share	7	**(4.75p)**	**346.78p**	**342.03p**	**(2.59p)**	**162.87p**	**160.28p**

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.

The net profit for the year disclosed above represents the Company's total comprehensive income.

The notes on pages 94 to 107 form an integral part of these Financial Statements.

Balance Sheet

at 30 November 2017

	Notes	2017 £	2017 £	2016 £
Non Current Assets				
Investments held at fair value through profit or loss	8		304,958,713	209,653,974
Current Assets				
Other receivables	10	2,641,205		14,454,699
Cash and cash equivalents	10	7,189,378		6,380,078
		9,830,583		20,834,777
Current Liabilities				
Other payables	10	(1,356,349)		(13,817,374)
Net current assets			8,474,234	7,017,403
Net assets			313,432,947	216,671,377
Capital and Reserves				
Called up share capital	11		7,075,720	7,075,720
Share premium account	12		41,810,716	37,097,551
Capital redemption reserve	12		1,020,750	1,020,750
Capital reserve	12		281,523,911	188,242,722
Revenue reserve	12		(17,998,150)	(16,765,366)
Shareholders' funds	13		313,432,947	216,671,377
Net asset value per ordinary share	13		1,178.6p	835.9p

The financial statements of Allianz Technology Trust PLC, company number 3117355, were approved and authorised for issue by the Board of Directors on 22 February 2018 and signed on its behalf by:

Robert Jeens
Chairman

The notes on pages 94 to 107 form an integral part of these Financial Statements.

Statement of Changes in Equity

for the year ended 30 November 2017

	Called up Share Capital £	Share Premium Account £	Capital Redemption Reserve £	Capital Reserve £	Revenue Reserve £	Total £
Net assets at 1 December 2015	7,075,720	37,097,551	1,020,750	146,601,753	(16,093,749)	175,702,025
Revenue loss	-	-	-	-	(671,617)	(671,617)
Shares repurchased into treasury during the year	-	-	-	(673,775)	-	(673,775)
Capital profit	-	-	-	42,314,744	-	42,314,744
Net assets at 30 November 2016	**7,075,720**	**37,097,551**	**1,020,750**	**188,242,722**	**(16,765,366)**	**216,671,377**

	Called up Share Capital £	Share Premium Account £	Capital Redemption Reserve £	Capital Reserve £	Revenue Reserve £	Total £
Net assets at 1 December 2016	7,075,720	37,097,551	1,020,750	188,242,722	(16,765,366)	216,671,377
Revenue loss	-	-	-	-	(1,232,784)	(1,232,784)
Ordinary shares issued from treasury during the year	-	4,713,165	-	3,189,875	-	7,903,040
Capital profit	-	-	-	90,091,314	-	90,091,314
Net assets at 30 November 2017	**7,075,720**	**41,810,716**	**1,020,750**	**281,523,911**	**(17,998,150)**	**313,432,947**

The notes on pages 94 to 107 form an integral part of these Financial Statements.

Notes to the Financial Statements

for the year ended 30 November 2017

Summary of Accounting Policies

1 **The financial statements** – have been prepared on the basis of the accounting policies set out below.

The financial statements have been prepared in accordance with The Companies Act 2006, FRS 102 and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (SORP) issued by the Association of Investment Companies (AIC) in November 2014, as updated in January 2017.

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 requirements have been met to qualify for the exemption to prepare a Cash Flow Statement. The Cash Flow Statement has therefore been removed from the financial statements.

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 are set out in the Strategic Report on pages 58 to 62.

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.

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 accrual 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 held at fair value through profit and loss in accordance with FRS 102 Section 11: 'Basic Financial Instruments' and Section 12 'Other Financial Instruments'.

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.

Unlisted investments are valued by the Directors based upon the latest dealing prices, stockbrokers' valuations, net asset values, earnings and other known accounting information in accordance with the principles set out by the International Private Equity and Venture Capital Valuation Guidelines issued in December 2015.

5 **Finance costs** – In accordance with the FRS 102 Section 11: 'Basic Financial Instruments' and Section 12: 'Other Financial Instruments', finance costs of borrowing are calculated using the effective interest rate method and charged to revenue.

Notes to the Financial Statements *(continued)*

for the year ended 30 November 2017

6 **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 statements.

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.

7 **Foreign currency** – In accordance with FRS 102 Section 30: 'Foreign Currency Translation', 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, the predominant currency in which its shareholders operate and the currency in which its expenses are generally paid.

Transactions in foreign currencies are translated into sterling at the rates of exchange ruling on the date of the transaction. Assets and liabilities are translated into sterling at the rates of exchange ruling at the balance sheet date. Gains and losses thereon are recognised in the revenue or capital column of the income statement, dependent on the nature of the gain or loss. Gains and losses on investments arising from a change in exchange rates are taken to the capital reserves.

8 **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.

9 **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.

10 **Significant judgements, estimates and assumptions** – In the application of the Company's accounting policies, which are described above, the Directors are required to make judgements, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or, in the period of the revision and future periods if the revision affects both current and future periods.

There have been no such significant judgements, estimates or assumptions.

Notes to the Financial Statements *(continued)*

for the year ended 30 November 2017

1. Income

	2017 £	2016 £
Income from Investments*		
Equity income from UK investments	63,390	62,689
Equity income from overseas investments	1,658,300	1,363,748
	1,721,690	**1,426,437**
Other Income		
Deposit interest	1,892	461
	1,892	**461**
Total income	**1,723,582**	**1,426,898**

* All equity income is derived from listed investments.

2. Investment Management Fee

	2017 Revenue £	2017 Capital £	2017 Total £	2016 Revenue £	2016 Capital £	2016 Total £
Investment management fee	2,116,945	-	2,116,945	1,444,512	-	1,444,512
Performance fee	-	433,476	433,476	-	-	-
Total	**2,116,945**	**433,476**	**2,550,421**	**1,444,512**	**-**	**1,444,512**

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 (2016: six months'), and provides for a base management fee of 0.8% (2016: 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 (2016: £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 2017 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. As at 1 December 2017 the 'high water mark' (HWM) was reset to 1180.19p per share.

Notes to the Financial Statements *(continued)*

for the year ended 30 November 2017

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 £433,476 (2016: £nil).

3. Administration Expenses

	2017 £	2016 £
Auditors' Remuneration		
Fee payable to the Company's auditor for the audit of the Company's annual accounts	28,500	29,120
VAT on auditors' remuneration	5,700	5,824
	34,200	**34,944**
Directors' fees[1]	109,000	117,484
Employer national insurance contributions	10,538	11,560
Marketing costs[2]	175,351	111,661
Other administrative expenses[3]	280,667	186,269
	609,756	**461,918**

The above expenses include value added tax where applicable.

[1] Directors' fees are set out in the Directors' Implementation Remuneration Report on page 83.

[2] The marketing budget takes into account both the marketing of the Investment Manager but also third party service providers.

[3] Other includes American Depositary Receipt (ADR) costs of £4,000 (2016: £25,000).

4. Finance Costs: Interest Payable and Similar Expenses

	2017 £	2016 £
Interest on overseas overdraft	1,536	544
	1,536	**544**

Notes to the Financial Statements *(continued)*

for the year ended 30 November 2017

5. Taxation

	2017 Revenue £	2017 Capital £	2017 Total £	2016 Revenue £	2016 Capital £	2016 Total £
Overseas taxation	228,129	-	228,129	191,541	-	191,541
Total tax	**228,129**	**-**	**228,129**	**191,541**	**-**	**191,541**
Reconciliation of Tax Charge						
(Loss) profit on ordinary activities before taxation	**(1,004,655)**	**90,091,314**	**89,086,659**	**(480,076)**	**42,314,744**	**41,834,668**
Tax on (loss) profit of 19.33% (2016: 20%)	(194,233)	17,417,654	17,223,421	(96,015)	8,462,949	8,366,934
Reconciling Factors						
Non taxable income	(332,860)	-	(332,860)	(281,404)	-	(281,404)
Non taxable capital gains	-	(17,501,459)	(17,501,459)	-	(8,462,949)	(8,462,949)
Disallowable expenses	2,771	-	2,771	81	-	81
Excess of allowable expenses over taxable income	524,322	83,805	608,127	377,338	-	377,338
Overseas tax suffered	228,129	-	228,129	191,541		191,541
Total tax	**228,129**	**-**	**228,129**	**191,541**	**-**	**191,541**

The Company's taxable income is exceeded by its tax allowable expenses. As at 30 November 2017, the Company had accumulated surplus expenses of £51.8m (2016: £48.7m).

At 30 November 2017 the Company has not recognised a deferred tax asset of £8.8m (2016: £8.3m) in respect of accumulated expenses based on a prospective corporation tax rate of 17% (2016: 17%). The reduction in the standard rate of corporation tax was substantively enacted on 15 September 2016 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 2017 (2016: £nil).

Notes to the Financial Statements *(continued)*

for the year ended 30 November 2017

7. (Loss) Earnings per Ordinary Share

	2017 Revenue £	2017 Capital £	2017 Total Return £	2016 Revenue £	2016 Capital £	2016 Total Return £
(Loss) Earnings after taxation attributable to ordinary shareholders	(1,232,784)	90,091,314	88,858,530	(671,617)	42,314,744	41,643,127
(Loss) Earnings per ordinary share	(4.75p)	346.78p	342.03p	(2.59p)	162.87p	160.28p

	2017 No. of Shares	2016 No. of Shares
Weighted average number of Ordinary Shares in issue for the return per Ordinary Share calculations above	**25,979,754**	**25,981,157**

8. Investments

	2017 £	2016 £
Fair value of investments brought forward	209,653,974	172,918,744
Investment holding gains brought forward	(37,305,864)	(30,598,768)
Cost of investments held brought forward	**172,348,110**	**142,319,976**
Additions at cost	247,115,994	311,510,015
Disposals at cost	(203,288,966)	(281,481,881)
Cost of investments held at 30 November	**216,175,138**	**172,348,110**
Investment holding gains at 30 November	88,783,575	37,305,864
Fair value of investments held at 30 November	**304,958,713**	**209,653,974**
Gains on Investments		
Gains on sales of investments based on historical costs	39,562,263	34,540,749
Adjustment for investment holding gains recognised in previous years	(25,248,845)	(29,462,158)
Gains on sales of investments based on carrying value at previous balance sheet date	**14,313,418**	**5,078,591**
Investment holding gains arising in the year	76,726,556	36,169,254
Gains on investments	**91,039,974**	**41,247,845**

Transaction costs on equity purchases amounted to £186,894 (2016: £241,586) and transaction costs on equity sales amounted to £151,431 (2016: £220,969).

Notes to the Financial Statements *(continued)*

for the year ended 30 November 2017

9. Investments in Subsidiaries or other companies

As at 30 November 2017 the Company held no investments in subsidiaries, nor did it hold more than 10% of the share capital in any other company.

10. Other Receivables, Cash and Cash Equivalents, and other Payables

	2017 £	2016 £
Other Receivables		
Sales for future settlement	-	13,804,469
Accrued income	143,785	172,393
Other receivables	2,497,420	477,837
	2,641,205	**14,454,699**
Cash and Cash Equivalents		
Cash at bank	**7,189,378**	**6,380,078**
Other Payables		
Purchases for future settlement	-	13,237,071
Other payables	1,356,349	580,303
	1,356,349	**13,817,374**

Included within other receivables is a directors' valuation of a contingent consideration of £413,969 (2016: £448,215) relating to the acquisition of MicroDose Therapeutx Inc. by Teva Pharmaceuticals USA, Inc., a subsidiary of Teva Pharmaceutical Industries Limited.

The carrying amount of other receivables, cash and cash equivalents and other payables, each approximate their fair value.

Notes to the Financial Statements *(continued)*

for the year ended 30 November 2017

11. Called up Share Capital

	2017 £	2016 £
Allotted and Fully Paid		
28,302,880 Ordinary Shares of 25p (2016: 28,302,880)*	**7,075,720**	**7,075,720**

*Inclusive of 1,708,453 (2016: 2,383,453) 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.

During the year, there were no Ordinary shares repurchased to be held in treasury (2016: 107,999). During the year 675,000 Ordinary Shares were reissued from treasury (2016: nil). Since the year end a further 540,000 shares have been re-issued from treasury up to and including 12 February 2018.

	2017 Number	2017 £	2016 Number	2016 £
Allotted 25p ordinary shares				
Brought forward	25,919,427	6,479,857	26,027,426	6,506,857
Shares bought back into treasury	-	-	(107,999)	(27,000)
Shares issued from treasury	675,000	168,750	-	-
Carried forward	**26,594,427**	**6,648,607**	**25,919,427**	**6,479,857**
Treasury shares				
Brought forward	2,383,453	595,863	2,275,454	568,863
Shares bought back into treasury	-	-	107,999	27,000
Shares issued from treasury	(675,000)	(168,750)	-	-
Carried forward	**1,708,453**	**427,113**	**2,383,453**	**595,863**

Notes to the Financial Statements *(continued)*

for the year ended 30 November 2017

12. Reserves

	Share Premium Account £	Capital Redemption Reserve £	Capital Reserve: Gains on Sales of Investments £	Capital Reserve: Investment Holding Gains (Losses) £	Revenue Reserve £
Balance at 1 December 2016	37,097,551	1,020,750	149,759,909	38,482,813	(16,765,366)
Gains on sales of fixed asset investments	-	-	14,313,418	-	-
Foreign currency losses	-	-	(515,184)	-	-
Movement in fixed asset investment holding gains	-	-	-	76,726,556	-
Transfer on disposal of investments	-	-	25,248,845	(25,248,845)	-
Issue of Ordinary Shares from treasury	4,713,165	-	3,189,875	-	-
Performance fee	-	-	(433,476)	-	-
Retained loss for the year	-	-	-	-	(1,232,784)
Balance at 30 November 2017	**41,810,716**	**1,020,750**	**191,563,387**	**89,960,524**	**(17,998,150)**

The Institute of Chartered Accountants in England and Wales and the Institute of Chartered Accountants of Scotland in its technical guidance TECH 02/17 states that investment holding gains arising out of a change in fair value of assets may be recognised as 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.

The Share Premium Account arose on the issue of ordinary shares. The difference between the par value of shares and the total amount received is allocated here. It is not distributable by way of a dividend and cannot be used to repurchase shares.

The Capital Redemption Reserve represents the nominal value of shares repurchased and cancelled. It is not distributable by way of a dividend and cannot be used to repurchase shares.

The Capital Reserve reflects realised and unrealised gains and losses on investments and other income and costs recognised in the Capital column of the Income Statement. It can be used for share repurchases for holding in treasury. It is also distributable by way of a dividend.

The Revenue Reserve reflects revenue gains or losses.

13. Net Asset Value (NAV) per Share

The Net Asset Value per share (which equates the net asset value 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	
	2017	**2016**
Ordinary Shares of 25p	1,178.6p	835.9p

	NAV Attributable	
	2017	**2016**
Ordinary Shares of 25p	£313,432,947	£216,671,377

The Net Asset Value per share is based on 26,594,427 Ordinary Shares in issue as at 30 November 2017 (2016: 25,919,427 Ordinary Shares).

Notes to the Financial Statements *(continued)*

for the year ended 30 November 2017

14. Contingent Liabilities and Commitments and Guarantees

At 30 November 2017 there were no outstanding contingent liabilities or commitments (2016: £nil).

15. Financial Risk Management policies and procedures

The Company invests in equities and other investments in accordance with its investment policy as stated on the inside front cover. 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 52 to 54.

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:

	2017 £	2016 £
Listed equity investments held at fair value through profit or loss	304,958,713	209,653,974

The following illustrates the sensitivity of the net return and the net assets to an increase or decrease of 20% (2016: 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.

	2017 20% Increase in fair value £	2017 20% Decrease in fair value £	2016 20% Increase in fair value £	2016 20% Decrease in fair value £
Revenue earnings				
Investment management fees	(487,934)	487,934	(335,446)	335,446
Capital earnings				
Gains (losses) on investments at fair value	60,991,743	(60,991,743)	41,930,795	(41,930,795)
Change in net return	60,503,809	(60,503,809)	41,595,349	(41,595,349)

Notes to the Financial Statements *(continued)*

for the year ended 30 November 2017

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 (2016: £nil).

(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:

	2017 Investments £	2017 Other Assets and Liabilities £	2017 Total Currency Exposure £	2016 Investments £	2016 Other Assets and Liabilities £	2016 Total Currency Exposure £
Sterling	12,344,354	763,551	13,107,905	5,295,012	(517,698)	4,777,314
US Dollar	269,700,759	7,291,472	276,992,231	189,015,151	8,179,831	197,194,982
Other currency exposure	22,913,600	419,211	23,332,811	15,343,811	(644,730)	14,699,081
	304,958,713	**8,474,234**	**313,432,947**	**209,653,974**	**7,017,403**	**216,671,377**

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.

	2017 20% Decrease in sterling against foreign currencies £	2017 20% Increase in sterling against foreign currencies £	2016 20% Decrease in sterling against foreign currencies £	2016 20% Increase in sterling against foreign currencies £
US Dollar	69,248,057	(46,165,372)	49,298,746	(32,865,830)
Other currency exposure	5,833,203	(3,888,800)	3,674,769	(2,449,848)
Change in net return and net assets	**75,081,260**	**(50,054,172)**	**52,973,515**	**(35,315,678)**

Notes to the Financial Statements *(continued)*

for the year ended 30 November 2017

(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.

	2017 Fixed rate interest £	2017 Floating rate interest £	2017 Nil interest £	2017 Total £	2016 Fixed rate interest £	2016 Floating rate interest £	2016 Nil interest £	2016 Total £
Financial assets	-	7,189,378	304,958,713	312,148,091	-	6,380,078	209,653,974	216,034,052
Financial liabilities	-	-	-	-	-	-	-	-
Net financial assets	**-**	**7,189,378**	**304,958,713**	**312,148,091**	**-**	**6,380,078**	**209,653,974**	**216,034,052**
Short-term receivables and payables				1,284,856				637,325
Net assets per balance sheet				**313,432,947**				**216,671,377**

As at 30 November 2017, the interest rates received on cash balances or paid on bank overdrafts was nil% and 3.0% per annum, respectively (2016: nil% and 2.7% 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.

2017	Three months or less £	Between three months and one year £	Between one and five years £	More than five years £	Total £
Other Payables - Within one year					
Other payables	1,356,349	-	-	-	1,356,349
	1,356,349	**-**	**-**	**-**	**1,356,349**

2016	Three months or less £	Between three months and one year £	Between one and five years £	More than five years £	Total £
Other Payables - Within one year					
Other payables	13,817,374	-	-	-	13,817,374
	13,817,374	**-**	**-**	**-**	**13,817,374**

Notes to the Financial Statements *(continued)*

for the year ended 30 November 2017

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 2017, the Company had no committed borrowing facility (2016: £nil).

(c) Credit risk

Credit risk is the risk of default by a counterparty in discharging 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:

	2017 £	2016 £
Other Receivables:		
Outstanding settlements	-	13,804,469
Accrued income	143,785	172,393
Other receivables	2,497,420	477,837
Cash and cash equivalents	7,189,378	6,380,078
	9,830,583	20,834,777

Fair Values of Financial Assets and Financial Liabilities

Investments and derivative financial instruments are held at fair value through profit or loss in accordance with FRS 102 sections 11 and 12.

FRS102 sets out three fair value hierarchy levels for disclosure that reflect the significance of the inputs used in making the measurements.

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 - The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3 - Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

As at 30 November 2017, the financial assets at fair value through profit and loss of £305,372,409 (2016: £210,102,189) are categorised as follows:

Notes to the Financial Statements *(continued)*

for the year ended 30 November 2017

	2017 £	2016 £
Level 1	304,958,713	209,653,973
Level 2	-	-
Level 3	413,969	448,215
	305,372,682	**210,102,189**

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

16. 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 2017 was as per the equity Shareholders' Funds in the Balance Sheet on page 92.

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 net asset value 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.

17. 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 on page 96. 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 102 Section 33: '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, including employer national insurance contributions, are disclosed in Note 3 on page 97. There are no other identifiable related parties at the year end, and as of 12 February 2018.

18. Post Balance Sheet Events

Since the year end a further 540,000 shares have been reissued from treasury. As at 12 February 2018 there were 27,134,427 shares in issue and a further 1,168,453 shares held in treasury.

As of 1 December 2017, the management fee was amended to 0.8% up to a market capitalisation of £400 million per annum and then 0.6% thereafter.

Investor Information

Investor Information

Manager and Investment Manager

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

Head of Investment Trusts - AllianzGI

Melissa Gallagher.
Email: melissa.gallagher@allianzgi.com

Company Secretary and Registered Office

Eleanor Emuss.
Email: eleanor.emuss@allianzgi.com

199 Bishopsgate, London EC2M 3TY
Telephone: 020 3246 7405
Website: www.allianztechnologytrust.com

Registered Number

3117355

Bankers

The Bank of New York Mellon, London Branch, One Canada Square, Canary Wharf, London E14 5AL

Solicitors

Eversheds LLP, 1 Wood Street, London EC2V 7WS

Depositary

BNY Mellon Trust & Depositary (UK) Limited, London Branch, One Canada Square, Canary Wharf, London E14 5AL

Auditors

Grant Thornton UK LLP, 30 Finsbury Square, London EC2A 1AG

Registrars

Link Asset Services (formerly Capita Asset Services), The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.
Telephone: 0371 664 0300. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday.
Email: enquiries@linkgroup.co.uk
Website: www.linkassetservices.com

Stockbrokers

Winterflood Investment Trusts, The Atrium Building, Cannon Bridge House, 25 Dowgate Hill, London, EC4R 2GA

Identifiers

SEDOL:	0339072
ISIN:	GB0003390720 BLOOMBERG: ATT
EPIC:	ATT
GIIN:	YSYR74.99999.SL.826
LEI:	549300JMDPMJU23SSH75

Financial Calendar

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

Annual General Meeting held in March/April.

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

The year end will change from 30 November to 31 December with effect from 2018.

How to invest

A list of providers can be found on the Company's website: www.allianztechnologytrust.com under 'How to Invest' in the 'Quicklinks' menu.

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, or from Alliance Trust Savings Customer Services Department on 01382 573737 or by email: contact@alliancetrust.co.uk

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.

Investor Information *(continued)*

Share Price

The share price quoted in the London Stock Exchange Daily Official List for 30 November 2017 was 1178.6p 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

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. AIC Category: Technology, Media and Telecommunications.

Shareholder Enquiries – Link 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 0371 664 0300. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. Calls to this number are charged at local rates, calls 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.

Share Dealing Services

Link 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.linksharedeal.com for online dealing or 0371 664 0445 for telephone dealing. Lines are open 8.00 a.m. to 4.30 p.m. Monday to Friday. Calls to this number are charged at local rates, calls 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.

Share Portal

Link 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.signalshares.com. 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.

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

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.

Investor Information *(continued)*

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.

Alternative Investment Fund Manager

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 2017, AllianzGI had €494 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 2017 had £1.43 billion of assets under management in a range of investment trusts. Website: www.allianzgi.co.uk

Remuneration Disclosure of the AIFM

Employee remuneration of Allianz Global Investors GmbH for the financial year ending 31 December 2016 (all values in Euro).

Number of employees: 1,678

	all employees	thereof Risk Taker	thereof Board Member	thereof Other Risk Taker	thereof Employees with Control Function	thereof Employees with Comparable Compensation
Fixed remuneration	155,269,582	9,331,359	3,259,474	3,937,648	614,622	1,519,615
Variable remuneration	103,480,985	29,384,056	11,960,620	10,991,691	547,551	5,884,194
Total remuneration	**258,750,567**	**38,715,415**	**15,220,094**	**14,929,339**	**1,162,173**	**7,403,809**

Remuneration Policy of the AIFM

The compensation structure at AllianzGI Europe is set up to avoid any kind of excessive risk-taking. Variable compensation awards are delivered via deferral programs to ensure they are linked to sustainable performance. In addition any compensation decisions have to be reviewed and approved by our Functional, Regional and Global Compensation Committees on both an aggregate and individual basis, to further ensure effective risk mitigation.

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.

Investor Information *(continued)*

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 which provides information on investment objective, strategy, polices 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, 25 April 2018 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 2017.
2. To re-elect Elisabeth Scott as a Director of the Company.
3. To re-elect Richard Holway 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 Implementation Report for the year ended 30 November 2017.

Special Business

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

7. 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 £678,360 equivalent to 2,713,442 shares or, if different, the number representing 10% of the issued share capital (excluding treasury shares) at the date of passing the resolution, 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.

8. THAT, subject to the passing of resolution 7 above, and in substitution for any existing power but in addition to any power conferred on them by resolution 9 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 7 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 £678,360 being approximately 10% of the nominal value of the issued share capital of the Company, as at 12 February 2018, 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 9 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.

9. THAT, in addition to any power conferred on them by resolution 8 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,

Notice of Meeting *(continued)*

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% of 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 £678,360 being approximately 10% of the nominal value of the issued share capital of the Company, as at 12 February 2018, 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 8 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.

10. 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 4,067,450;

(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

Eleanor Emuss
Company Secretary
199 Bishopsgate, London EC2M 3TY
22 February 2018

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).
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 23 April 2018 (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.

Notice of Meeting *(continued)*

13. As at 12 February 2018, 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 27,134,427 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 12 February 2018 is 27,134,427.

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

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