Allianz Technology Trust PLC

Annual Financial Report
31 December 2018

Allianz Global Investors

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.

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 31 December 2018 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.

Contents

Financial Highlights

As at 31 December 2018

Net assets per ordinary share

+9.0%

2018 **1284.7p**
2017 **1178.6p**

Share price per ordinary share

+1.7%

2018 **1220.0p**
2017 **1200.0p**

Benchmark

+0.1%

2018 **985.8**
2017 **984.8**

Performance against benchmark[1]

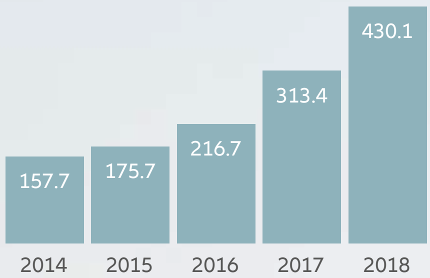
Performance against sector average[1]

1 10 years to 31 December 2018. Rebased to 100 at 30 November 2008.
2 Allianz Technology Trust – Net Asset Value (PAR) – undiluted.
3 Dow Jones World Technology Index (sterling adjusted, total return).
4 Morningstar Technology Sector Average

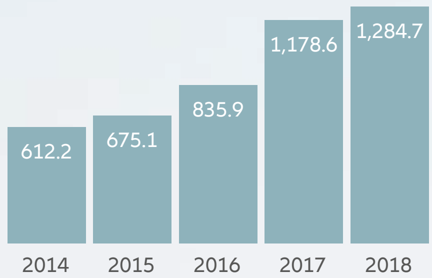
Source: AllianzGI/Datastream.

2018 figures are over a 13 month period.

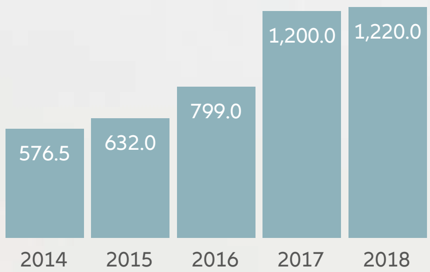
Shareholders' funds (£m)



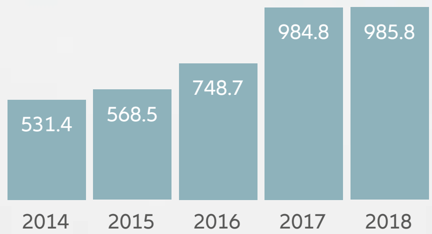
NAV per ordinary share (p)



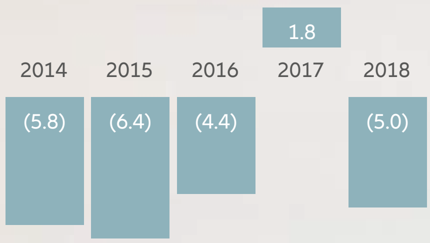
Ordinary share price (p)



Benchmark



Premium (discount) of ordinary share price to net asset value per share (%)



2018 figures are over a 13 month period.

Financial Summary

	As at 31 December 2018	As at 30 November 2017	% change
Net Asset Value per Ordinary Share	1,284.7p	1,178.6p	+9.0
Ordinary Share Price	1,220.0p	1,200.0p	+1.7
(Discount) premium on Ordinary Share Price to Net Asset Value	(5.0%)	1.8%	n/a
Dow Jones World Technology Index (sterling adjusted, total return)	985.8	984.8	+0.1
Shareholders' Funds	£430,072,701	£313,432,947	+37.2

	For the period ended 31 December 2018	For the year ended 30 November 2017	% change
Net Revenue Return per Ordinary Share	(9.19p)	(4.75p)	n/a
Ongoing charges*	1.01%	1.02%	n/a

The 2018 figures are over a 13 month period.
* Ongoing charges are calculated by dividing operating expenses paid by the Company by the average NAV over the period, excluding any performance fees.
The 2018 annualised ongoing charge is 0.93%

Five year performance summary

	31 December 2018	30 November 2017	30 November 2016	30 November 2015	30 November 2014
Shareholders' Funds	£430.1m	£313.4m	£216.7m	£175.7m	£157.7m
Net Asset Value per Ordinary Share	1,284.7p	1,178.6p	835.9p	675.1p	612.2p
Ordinary Share Price	1,220.0p	1,200.0p	799.0p	632.0p	576.5p
Dow Jones World Technology Index (sterling adjusted, total return)	985.8	984.8	748.7	568.5	531.4
(Discount) premium on Ordinary Share Price to Net Asset Value	(5.0%)	1.8%	(4.4%)	(6.4%)	(5.8%)

Chairman's Statement

Dear Shareholder

Volatile times for the technology sector but stock selection delivers a robust performance

The financial period under review, running for 13 months from 30 November 2017 to 31 December 2018 (following a change in the Company's year-end from November to December), has been a turbulent period for global investment markets. However, despite global equity markets selling off over the period it is pleasing to report that the Company's investment manager has delivered a robust performance for investors, with the Company delivering a positive return and beating its benchmark index by some distance.

In the 13 months to 31 December 2018, the Company's Net Asset Value (NAV) per share increased by 9.0%. Our benchmark index, the Dow Jones World Technology Index (sterling adjusted, total return), increased by 0.1% over the same period. In what was a challenging, volatile year for global markets - and some technology stocks in particular - your Manager has emphasised individual stock selection to deliver solid results.

This period has seen Shareholders' funds increasing by over £116 million to £430.1 million (30 November 2017: £313.4 million). Over this period, the market price of the Company's shares rose by 1.7%, from 1200p to 1220p. The share price typically traded at a small discount or small premium to NAV throughout most of the reporting period, although the discount widened a little towards the end of the period, ending at -5.0% (31 December 2018). At 30 November 2017, the shares had been trading at a 1.8% premium to NAV. This shift reflected the market volatility and deterioration in investor sentiment in the latter part of 2018.

No dividend is proposed for the 13 month period ended 31 December 2018 (2017: 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.

Your Board regularly considers the use of borrowing and gearing. Although we have this flexibility, to date our assessment has been not to take on this additional risk.

Investment Managers' Review

In both the Company's interim results to 31 May 2018 and the previous annual results to 30 November 2017, the Board had commented that the possibility of a significant market correction was high. This finally came to pass in the second half of 2018, with global equities selling off sharply and October being the worst month in a decade for technology stocks. In contrast to the previous, extremely positive year, 2018 was much more challenging overall, a year characterised by geopolitical challenges and sharp swings in equity markets.

Your Company's performance is explored in depth in the Investment Managers' Review on pages 38 to 45 which also discusses the impact of a slowing global economy and the factors that have worried investors around the world over the review period. The Managers' overview considers how the year's events have impacted the portfolio as well as the team's view on future prospects for technology in a slower growth world. Good stock picking remains key as the Managers have frequently commented that technology stocks can thrive in all market conditions, including when economic growth falters.

Chairman's Statement *(continued)*

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 robust when compared to peers and indices.

% change	1 year	3 years	5 years	10 years
ATT NAV	**10.5**	**88.2**	**139.1**	**508.1**
Dow Jones World Technology Index (sterling adjusted, total return)	(0.2)	73.6	130.9	400.5
MSCI World Technology Index (total return)	3.8	75.7	142.3	412.7
Russell MidCap Technology Index	12.1	101.4	158.9	545.6
Polar Capital Technology (NAV)	5.2	85.0	142.7	528.2

Source: Allianz Global Investors in GBP as at 31 December 2018

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.

% change	1 year*	3 years	5 years	10 years
ATT NAV	**10.5**	**88.2**	**139.1**	**508.1**
FTSE All Share Index (total return)	(9.5)	19.5	22.1	138.3
FTSE World Index (total return)	(3.1)	42.3	65.3	196.4

Source: AllianzGI in sterling as at 31 December 2018.
*1 year figures are 01.01.2018 – 31.12.18 inclusive, rather than the Company's financial year of 01.12.17 – 31.12.18, as a result of its change of financial year end. Future financial years will run from 1 January to 31 December inclusive.

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 extremely positive over all periods.

	1 year*	3 years	5 years	10 years
Peer Group Ranking vs Morningstar	**4/76**	**2/62**	**5/54**	**6/76**

*All figures relate to 1 year performance from 1 January to 31 December inclusive.

Promoting the interests of shareholders

Your Board continues to believe that growing the Company strongly benefits 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; it 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 heightened profile the Company has 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.

Chairman's Statement *(continued)*

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 Company was the 8th most viewed investment trust on the Association of Investment Companies (AIC) website for the whole of 2018. Online trading platform demand spiked upwards on the back of this heightened awareness. For example, the Company was regularly amongst the top five most bought investment trusts through the Interactive Investor platform in 2018. Notably, the Company remained a popular investment choice even when markets became more erratic and the share prices of technology stocks tumbled.

The marketing programme includes targeted advertising, investor events and substantial communications with national and industry journalists, coinciding with UK visits made by Walter Price and other members of the investment management team. A new initiative for 2018 was the introduction of a regular podcast, providing insights and outlook views for the tech sector. This can be accessed via the Company's website (www.allianztechnologytrust.com), managed by Allianz Global Investors, and considered the Company's 'shop window'. Shareholders are encouraged to visit the site for the very latest news: 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.

Investment Insights from Silicon Valley

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' e-newsletters from the Company's Investment Manager. In May 2018, the General Data Protection Regulation (GDPR) became law. Under this regulation, shareholders must provide 'opt-in' consent to receive communications. If you have not already provided consent but would like to receive our targeted communications, such as 'Investment Insights', you can opt in via the website – simply click on 'Sign up' on the home page.

Awarding success

The Company has a specialist investment remit, so success in industry awards is extremely helpful in raising awareness. Shareholders will know that the Company has received a plethora of high profile and prestigious accolades in recent years. These awards include the Investment Week Investment Company of the Year Award, Specialist category, in three of the last four years (2015, 2017 and 2018). This award is highly coveted as it recognises excellence in closed-ended fund management and highlights the Company's consistent performance over time. The judging panel was made up of some of the UK's leading researchers and investors in investment trusts and closed-ended companies, as well as several senior board members with many years' experience in the industry.

In September 2018, the Company was once again recognised by Investors Chronicle who named it a 'Top 100 Fund' for the sixth consecutive year. Shareholders can read more about awards on the Company's website. Performance accolades are greatly valued as they reflect the Company's long-term investment performance track record and create sustained and ongoing demand for the Company's shares.

Away from performance-related awards, in May 2018 the Company was awarded 'Best Report and Accounts (Specialist)' by the AIC. The Board is conscious that the Company has attracted an influx of private investors in recent years so it is proud to receive this award that recognises provision of clear and meaningful information to shareholders in an imaginative way.

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.

During the first half of the Company's financial period, excellent investment performance, well focused marketing and conducive market conditions all combined to enable the reissuance of all shares previously held in treasury. A total of 1,708,453 shares were reissued from treasury at an average price of 1293p and an average discount to NAV of 1.7%.

Using the authorities approved by shareholders at the AGM, the Company was then able to issue new shares once all those held in treasury had been reissued and over the remainder of the period a total of 5,174,288 shares were issued at an average price of 1450p and an average premium of 1.10%. In total over the period, the Company raised additional capital of £95.8m by the issue of 6,882,741 shares at an average premium to NAV of 0.32%. 370,000 of these shares were issued under the new authorities approved by shareholders at the additional General Meeting held on 23 July 2018. Market conditions changed towards the end of the period and there has been no issuance of shares since 8 November 2018.

The Board will continue to 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 the issuance of shares and the buy back of shares from the market and will only proceed when the action is in the best interests of shareholders. No shares were bought back during the period.

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 shareholders are seeking strong returns from a highly specialised investment mandate.

The ongoing charges figure (OCF) is calculated by dividing operating expenses by the average net asset value. The annualised OCF for the period under review was 0.93% (2017: 1.02%). The OCF excludes any performance fee to which the Investment Manager may be entitled if the Company's NAV per share outperforms its benchmark (and is explained in full under Financial Statements, Note 13 on page 101).

The Company's market capitalisation exceeded £400 million for the first time during the review period; indeed, assets rose considerably higher than this before October's market sell-off. However, the figure of £400 million is significant because of the tiered management fee that the Board negotiated with Allianz Global Investors and which became effective on 1 December 2017. Under the revised structure, the fee of 0.8% of market capitalisation reduces to 0.6% for any amount of market capitalisation in excess of £400 million. The Board is pleased that shareholders have benefited from lower costs per share during this review period as a result of its earlier negotiations.

As a result of the Company's outperformance of its benchmark index in the 13 months to 31 December 2018, a performance fee of £5,162,649 was earned by the Investment Manager for this period (2017: £433,476). Your board is pleased with the Company's outperformance over the period and believe that it is appropriate that this has triggered the payment of a substantial performance fee. The Investment Management Agreement is in place to encourage, recognise and reward such positive results. Any future performance fee will be subject to the Manager both achieving additional outperformance of the benchmark and the NAV exceeding the new "high water mark" of 1281.03p.

Chairman's Statement *(continued)*

Key Investor Information

As detailed in last year's annual report, the Key Information Document (KID) is a standardised pan-European Union document that 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 contains product, risk, charges and other information. It is a regulatory requirement that you are provided with a KID before you invest, and you are required to declare that you have seen the latest KID when you make your investment.

Industry concerns, which your Board shares, that disclosures mandated for inclusion could be unhelpful for investors have gathered pace over the year. Specific concern surrounds the methodology for both the investment performance and risk sections. The Association of Investment Companies has been very vocal in its criticism of this regulatory document and has lobbied for KIDs to be suspended while the problems are addressed. However, this has not happened and KIDs remain a regulatory disclosure requirement. With this in mind, your Board considers it worth reminding prospective investors in the Company not to rely solely on the KID when making their investment decision.

Sector reclassification

The Global Industry Classification Standard (GICS) is a classification system for equities, allowing market participants to classify stocks by standardised industry definitions. As part of a September 2018 reclassification exercise, a number of stocks were moved from the 'Consumer Discretionary', 'Information Technology' and the now discontinued 'Telecommunication Services' sectors into a new 'Communication Services' sector. The Board considers the GICS reclassification as confirmation that technology is broadening its reach into other industries: technology is very much alive and continues to be the driver of innovation across many industries, for both businesses and consumers. The reclassification does not change how the Company's portfolio is managed and the Manager will continue to build a diversified portfolio across a variety of secular themes.

Board Matters

Your Company's Investment Manager continues to enjoy considerable benefits from being located in San Francisco, at the epicentre of the industry and close to where many of the Company's top holdings are located. As a Board we recognise the advantage that the Company gains from its close proximity to Silicon Valley. 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.

Most of the Company's Board meetings are held in London, but we schedule a visit to San Francisco every couple of years. The next visit is planned for September 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.

Brexit, other than the possible impact on the Sterling exchange rate, is not a material factor to the global investment proposition offered by the Company (but does potentially have some administration implications). The Company's AIFM, Allianz Global Investors GmbH (AllianzGI GmbH) is incorporated in Germany and it currently provides cross-border management services to the Company using the AIFMD management passport. The German regulator BaFin and the FCA in the UK have reached a formal understanding that AllianzGI GmbH can continue to operate as the AIFM after Brexit, and apply to be regulated in the UK by the FCA, in a three year transition period. More detail can be found on page 59.

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, Humphrey van der Klugt shall retire by rotation and Richard Holway shall retire due to tenure having served as a Director in excess of nine years. I am pleased to confirm that Humphrey and Richard remain 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 have continued to be unpredictable but the Trust's NAV has experienced a significant and positive 'bounce', rising by 14.2% over the initial two months of 2019. Markets have been more buoyant but positive stock section has been the key contributor to the Company's relative performance. The slowdown in global economies (with China particularly under the spotlight) remains a concern and markets continue to be influenced by the latest news flow on the US-China trade conflict, with the prospect of some sort of resolution looking more likely at the time of writing.

Weakening global growth will remain a factor, making 2019 a difficult year for investors to navigate. The Company's Managers expect crosscurrents and some weakness in the first half of the year followed by a stronger second half. Significantly, however, the team continues to believe that a carefully chosen portfolio of technology stocks can continue to deliver positive returns over the long term as it has done in the past. And let us not forget that, while there will always be examples of technology stocks that don't deliver on their promised growth, the technology sector as a whole continues to widen its grip on the global economy.

In times of elevated volatility, your Board is reassured by the Manager's proven ability to carefully balance risks and opportunities, over both shorter and longer time frames. The team continues to leverage its industry experience, emphasising individual stock selection. We also believe that a diversified technology fund like ours has its advantages, since it offers access to a portfolio of stocks across a range of technology subsectors. As such, the Company's shareholders are never reliant on the success of just one or two investments. Our reassurance also derives from the knowledge that investment decisions are being taken with such an experienced investment management team informed by significant research resources.

Annual General Meeting

The AGM will be held at The City of London Club, 19 Old Broad Street, London EC2N 1DS, on 22 May 2019 at 12 noon. I look forward to welcoming and meeting those Shareholders who are able to attend.

Your Board takes very seriously its responsibility for safeguarding the interests of all Shareholders. We are keen to remind you that being a Shareholder gives you the right to vote on issues that affect the Company, such as director elections and any amendments to policy. Irrespective of whether or not you are able to attend the AGM, Shareholders are encouraged to makes their voices heard by voting on ordinary and special business matters, as detailed on the voting instruction card enclosed with this report.

Robert Jeens
Chairman
14 March 2019

Why invest in technology?

The technology sector is the single greatest contributor to global growth

Why invest in technology?

With every year, the reach and influence of technology grows. It disrupts new industries and moves into different parts of our lives. Technology is present in the way we drive, the way we shop, in our workplaces, in our homes. It helps us communicate effectively and manage our lives more efficiently. The companies that create that technology are in a powerful position to grow even in stagnant economic conditions.

Technology is embedding itself into new industries: twenty years ago, car companies relied on mechanics to stay competitive. Today, they rely on their technology departments. The greatest innovation in the motor industry is coming from technology companies such as Google, rather than VW or Ford. As we look to the future, 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 safer, comfortable and more energy efficient cars.

We see a similar phenomenon in payment systems. Cash is increasingly obsolete, while mobile apps and digital currencies are likely to overtake credit and debit cards as the most popular ecommerce payment methods worldwide this year. Nimble fintechs are challenging the existing banking networks, which are encumbered by legacy systems and, too often, surprised by the speed with which people are willing to switch.

Why invest in technology? *(continued)*

This pattern is replicated across multiple industries. No sector is immune – those that believe their business is untouchable are likely to experience the most dramatic change when it arrives. Companies must embrace technology and innovate, or face extinction. In the process, the addressable market for technology companies grows.

However, technology is not only about taking staid old industries and 'disrupting' them, technology also has an important role in allowing businesses to be more efficient. This is at the heart of corporate digital transformation. Those businesses that are not embracing a digital strategy find themselves marginalised and uncompetitive. Companies that rethink their existing business models and processes through the use of technology are becoming more efficient.

Increasingly, companies see the potential in artificial intelligence. In a healthcare company, it may be the reading of scans, or the administration of drugs. For insurance companies, it may be in the interpretation of claims. The data sets used to power AI would not be accessible if it was not for the cloud. Also, the cloud enables businesses to build sufficient scale to cope with the demands of data-intensive services. This is driving wider adoption of cloud-based systems.

It is also saving companies money: moving to software as a service and cloud computing lets companies circumvent a costly upgrade cycle. Rather than having to support expensive in-house technology capability, they can pick and mix their technology requirements to suit their business requirements. They can move data storage to the cloud and buy their software on a subscription basis.

These trends have helped make technology a successful investment in recent years. That said, just because technology is pervasive and high growth, it doesn't guarantee good returns. This was seen starkly in 2018, when strong revenue growth provided little protection in the technology rout in the last quarter of the year. While technology companies can justify a premium to the wider market – they are delivering structural growth at a time of flat economic growth - valuation levels are important and need a discriminating eye.

Technology investment forces an investor to look to the future. This is the direct opposite of investing in a benchmark that rewards

Why invest in technology? *(continued)*

yesterday's winning companies. Technology investment demands that investors uncover the trends of the future, looking to see where industries are going, and who is likely to win or lose from those developments. In this way, it forces investors to keep pace with changing markets. 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.

At a time when the global economy may be slowing, it is also worth noting that technology is far less cyclical today than it has ever been. The days of the upgrade cycle, where companies replaced expensive technology equipment when they were flush with cash, have largely disappeared. Enterprise software allows companies to avoid these capex-heavy cycles, paying for what they need when they need it.

As it stands, technology incorporates a vast range of different options. There are the traditional technology companies – fast-growing, disruptive companies such as Amazon or Square, where revenue growth might be 50% per year. However, the sector has alternative options: Microsoft and Apple, for example, could be considered more stable, annuity-like options. Less highly-valued, they pay growing dividends and deliver steady earnings. There are turnaround ideas, or special situations. 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 over-looked.

The growth of technology has been seen in its increasing dominance of stock market indices. Technology currently forms around 20% of the S&P 500 index, its largest sector weight.[1] For the MSCI World, it is 15%.[2] As technology's influence grows, we see it forming a greater part of stock market indices as it pervades more and more industries.

Most investors have long-term goals for their savings: they may be saving for retirement, or for their children's university fees. It makes sense, therefore, to future-proof an investment portfolio by aligning it with enduring structural trends. An investment in technology helps keep a portfolio focused firmly on the future.

1 Source: S&P Dow Jones Indices, February 2019.
2 Source: MSCI, January 2019.

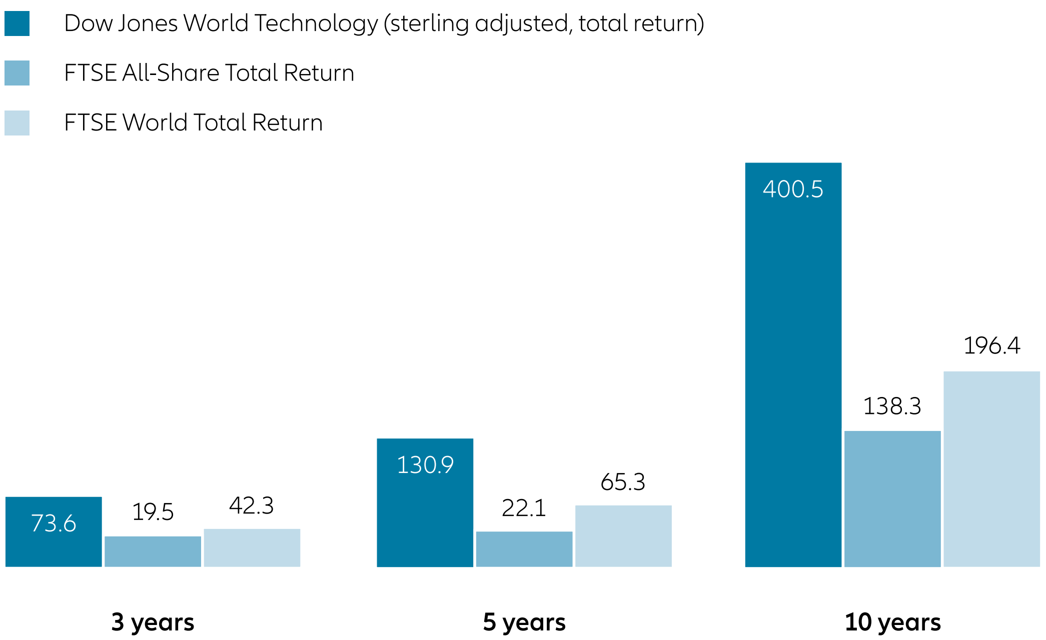
Why invest in technology? *(continued)*

How technology contributes to the MSCI World index

Financials	16%
Information Technology	15%
Health Care	13%
Industrials	11%
Consumer Discretionary	10%
Consumer Staples	9%
Communication Services	8%
Energy	6%
Materials	5%
Utilities	3%
Real Estate	3%

Source: MSCI World Index as at 31 December 2018. 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 31 December 2018.

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 2018
Allianz Technology Trust PLC

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Top 100 Funds 2016
Allianz Technology Trust PLC

investors CHRONICLE
Top 100 Funds 2015
Allianz Technology Trust PLC

investors CHRONICLE
Top 100 Funds 2014
Allianz Technology Trust PLC

investors CHRONICLE
Top 100 Funds 2013
Allianz Technology Trust PLC

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 six consecutive years. The Company's selection is based on its performance history relative to risk, fees, tenure of manager and consistency of returns.

Allianz Technology Trust PLC *(continued)*

Investment Company of the Year Awards
The Company won this coveted award in November 2018, having also been victorious in 2017 and 2015. This accolade recognises excellence in closed-ended fund management and highlights consistent performance over time.

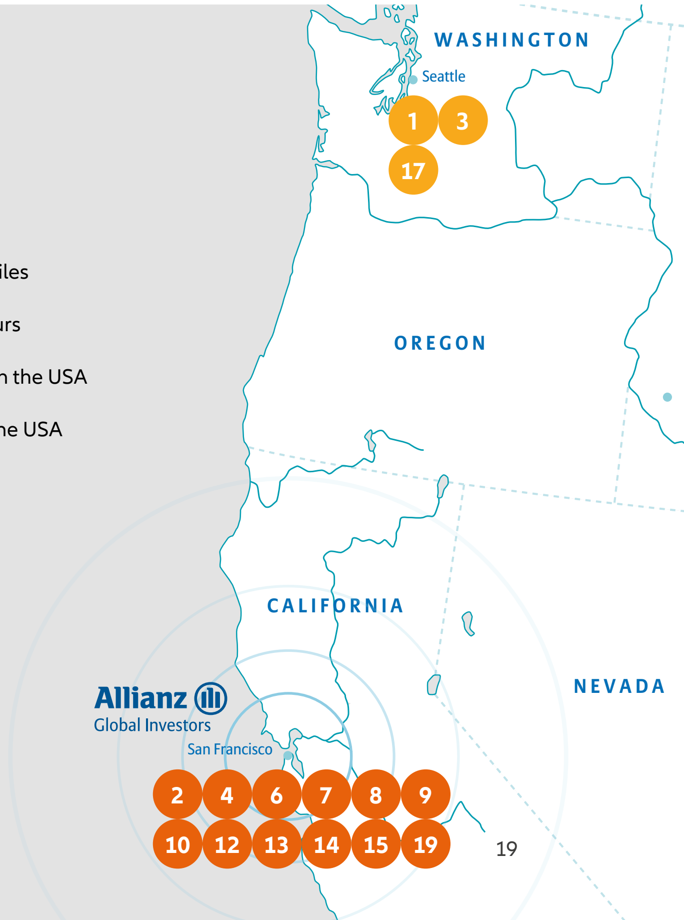
Money Observer Rated Funds 2019
The Company has been included in Money Observer's Rated Funds list for 2019. The list recognises funds that have demonstrated consistent outperformance or that have been chosen as ideal routes into specific markets and sectors.

Association of Investment Companies Shareholder Communication Award, Best Specialist Report and Accounts 2018
These awards celebrate those AIC member investment trusts and their managers who are providing clear, meaningful information to shareholders in an imaginative way. The independent judging panel commented on the Allianz Technology Trust report's excellent use of pictures as well as its use of text and design in a creative way.

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

1	Amazon.com	11	Cree
2	Alphabet Inc	12	Zscaler
3	Microsoft	13	NetApp
4	Okta	14	Tesla
5	Paycom Software	15	Paypal
6	Salesforce.com	16	Teradyne
7	Square	17	Tableau Software
8	Twilio	18	Aveva
9	Workday	19	Apple
10	ServiceNow	20	Infineon Technologies

- within 50 miles
- within 2 hours
- elsewhere in the USA
- outside of the USA



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.

Investment managers *(continued)*

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.

Insights

Digital transformation – a disruptive force for all sectors of the economy

Amid the drama of 2018's technology markets, one sector showed notable resilience: enterprise software. This was no accident. These companies are geared into a major shift in the way the corporate sector manages its technology needs. This 'digital transformation' is dramatically changing industries from the healthcare to consumer sectors and beyond. In 2018, more companies woke up to the potential gains from a digital strategy.

What is digital transformation?

The definition of digital transformation strategies will be as disparate as the companies that employ them. However, at its heart, it involves rethinking existing business models and processes through the use of technology. As such, it may incorporate many aspects of technology, including artificial intelligence, the internet of things, cloud computing and software-as-a-service.

For example, moving to software as a service and cloud computing as part of a digital transformation lets companies circumvent a costly upgrade cycle. Rather than having to support expensive in-house technology capability, they can pick and mix their technology requirements to suit their business requirements. They can move data storage to the cloud and buy their software on a subscription basis. This means companies don't have to anticipate years in advance or commit significant capital to technology infrastructure, bringing invaluable flexibility.

Within digital transformation, there are new elements all the time. Viable artificial intelligence solutions, for example, are emerging, allowing companies to automate manual processes and redeploy their human capital into more value-added and challenging work. The internet of things is bringing efficiencies to supply chains and resources allocation.

Why did digitisation fast-track in 2018?

Adoption of digital transformation strategies accelerated this year. Until relatively recently, mid-sized companies had been eager adopters of cloud computing, but larger companies – possibly because of greater implementation challenges – had been more reluctant.

However, these companies increasingly recognised that it was a major competitive disadvantage to lag on digital transformation. At the same time, companies had more cash to direct to these transformation programmes as a result of the US administration's tax cuts. Many technology companies were able to repatriate capital held offshore at lower tax rates and reinvest it.

Cloud computing continues to get cheaper and its functionality is improving, notably with new artificial intelligence options. The most recent 'LogicMonitor's Cloud Vision 2020: The Future of the Cloud' Study found that 50% of IT professionals believe artificial intelligence and machine learning are playing a role in cloud computing adoption today, growing to 67% by 2020. It also showed that digitally transforming enterprises (63%) are the leading factor driving moves to cloud computing today.

Increasingly, enterprises cannot overlook the efficiency gains from a move to the cloud, particularly when compared to upgrading legacy hardware and software. Upgrading legacy systems may achieve a 10-15% productivity improvement, compared to 50% for switching to a new architecture. This makes it harder for companies to ignore. CEOs continue to be focused on transforming their businesses and making them more efficient. This is a necessity in many cases to stay responsive to their customers.

This transformation is still in its early stages and is unlikely to be derailed. In many cases, companies are transitioning from decades-old software and the new software they are adopting will be embedded in their technology infrastructure for decades to come. For investors, this means that the return from these companies is less cyclical and more like a long-term annuity.

Entering the mainstream

Digital transformation is going mainstream. Today it has widespread application across different industries. Companies across all sectors are discussing technology investment and the opportunities available.

In healthcare, for example, electronic health records, digital imaging and e-prescription services have been integrated into existing IT systems for large healthcare organisations across the globe. There is also the increasing use of 'telemedicine' – apps providing immediate consultations for minor health complaints, which is important for rural areas with poor access to medical facilities. At the consumer healthcare end, we are seeing the adoption of wearable health monitoring devices, which increasingly feed into health insurance assessments.

In retail, digital technologies are being used to improve the customer experience, to tailor and guide their preferences and to prevent 'spamming' them with products they are never likely to buy. PwC research shows that only 4% of UK consumers say that they will keep interacting with a company that provides unsatisfactory experiences.[1] Retailers need to get it right first time, or risk losing customers for good.

The beneficiaries

There are a number of different types of companies benefiting from this trend. There are the large cloud providers, where pricing benefits from economies of scale – Amazon, Google, Microsoft. They are taking share in the cloud market. At the same time, there are the smaller Software-as-a-Service providers. This would include names such as ServiceNow, whose offering includes enterprise platform-as-a-service management software for human resources, law, facilities management, finance, marketing, and field operations.

Salesforce.com is the largest of the SaaS companies, focused on customer relationship management software. Paycom and Workday are other holdings in this area. These companies are moving into horizontal applications in areas such as marketing management. The tools needed to build the infrastructure are generic and can be used for a wide range of different purposes. Now that these companies have built the infrastructure, they can customise it to create a second level of SaaS.

At the same time, we are seeing SaaS infrastructure packaged up with industry knowledge to solve major problems. One of the companies in our portfolio, Veeva Systems, has built cloud-based systems specifically for the life sciences industry. They take on the administration process for drug approvals for healthcare companies. This means companies can focus on finding and making drugs, while Veeva takes control of areas such as regulatory filing or drugs safety. The life sciences industry is happy, because it saves them money, but it also helps collective knowledge because it builds a co-ordinated database.

Legacy technology

This transformation also has implications for legacy technology as well. Where it is coming to the end of its lifecycle, companies can no longer rely on renewals. Newer technology is constantly improving, delivering greater productivity improvements at lower and lower cost. With each upgrade cycle those companies not transforming are become less competitive. In a recent report McKinsey said: "Only 8% of companies we surveyed said their current business model would remain economically viable if their industry keeps digitising at its current course and speed."[2]

A solution to the productivity puzzle

Part of the reason companies need to embrace digitisation is for productivity enhancements. Another McKinsey report 'Solving the productivity puzzle: the role of demand and the promise of digitisation' said that around 60% of productivity growth from here is likely to come from digitisation.[3]

It said: "Digitisation, often involving a transformation of operating and business models, promises significant productivity-boosting opportunities but the benefits have not yet materialised at scale. This is due to adoption barriers and lag effects as well as transition costs." In our view, enterprises will progressively be forced to overcome these barriers as the competitive environment demands it. This suggests that the digital transformation has a considerable way to run, which should continue to support those cloud computing and software-as-a-service companies that benefit from it.

1. https://www.pwc.co.uk/services/consulting/accelerate-digital/retail-digital-transformation.html
2. https://www.mckinsey.com/business-functions/digital-mckinsey/our-insights/why-digital-strategies-fail
3. https://www.mckinsey.com/~/media/McKinsey/Featured%20Insights/Meeting%20societys%20expectations/Solving%20the%20productivity%20puzzle/MGI-Solving-the-Productivity-Puzzle-Report-February-22-2018.ashx

Securing the digital world

By the standards of recent history, 2018 was a relatively light year for cyber-attacks. There was nothing on the magnitude of 2017's Equifax hack, with cyber-criminals diverting their activities to supply chain disruption or cryptocurrencies. However, it appears crises are no longer necessary to convince companies of the need to take cybersecurity seriously.

Cybersecurity companies have long had a tailwind. Criminals grow more sophisticated over time as they work round existing systems. That means companies' digital protection also needs to evolve, creating ongoing demand for products and services that can tackle the problem.

Key in 2018 has been the digital transformation by the corporate sector. The move to the cloud brings many advantages for companies, but comes with associated security risks and data protection requirements. At the same time, cloud computing facilitates remote working, but this also brings greater potential for a security breach.

There are other sources of important demand for security companies: the growth of the cashless society, for example. In 2018, debit card payments overtook cash for the first time in the UK. According to banking trade body UK Finance, 13.2 billion debit card payments were made in the last year, with over three million people barely using cash at all.[1] This is a worldwide phenomenon, stretching into emerging markets and Africa. However, it means the effects of IT outages can be crippling. Fintech companies stake their reputations on providing a secure platform.

Deal-making

The strength and importance of cybersecurity has been reflected in a number of deals this year. Cisco, for example, has looked to build up its cybersecurity business through acquisitions such as that of Duo Security, which it bought for $2.35bn. It is part of shoring up its cloud services by offering customers a more robust system. Michigan-based Duo provides cloud-based two-factor authentication, used when accessing sensitive information across multiple devices.[2]

In January, UK technology group Sophos announced the acquisition of Avid Secure, a small start-up dedicated to cloud security. The group said the deal addressed an increasing need for cloud security solutions, especially within public cloud environments where confidential and sensitive business information is held.[3]

At the same time, Avast Software became one of the biggest European technology IPOs of 2018. It listed on the London Stock Exchange in May at a valuation of £2.4bn. Avast, which competes with cybersecurity groups such as McAfee and Symantec's Norton, has 435m customers.[4]

Regulation

Governments are starting to recognise that digitisation and cybersecurity go hand in hand. To date, this has not translated into any significant action, but this may only be a matter of time. This may take time to filter through to the bottom line of security companies, but will provide an important boost when it does. The EU's General Data Protection Regulation (GDPR), for example, implemented in May 2018, has not yet been reflected in results. However, as we see it, companies are going through the legal exercise from GDPR, changing their screening, informing users, gaining consent to tracking and data sharing, but have not started on data leakage systems or implementing new software. That will be the second phase and at that point, we believe cybersecurity companies should benefit.

Company performance

Security companies have lagged the wider technology sector in performance terms, in spite of some high profile security breaches during the year. The importance of security had not diminished, but many of the higher profile security companies were transitioning their business model from selling hardware and licenses to a subscription service where customers pay recurring fees. In the long-term, this should be a more sustainable business model, but execution was not always good, and it created volatility in earnings.

This was particularly the case for Palo Alto Networks. Its transformation created some angst among investors and there was a period when it was not clear what the valuation should be. However, growth has stabilised and the business appears to be through its transformation, while the need for its products remains undiminished. Across the sector, the move to a cloud-based subscription model should create greater revenue visibility for all of these companies and consistency. This has been reflected in stronger earnings and share price performance this year.

The future

Cybercriminals are refining their approach all the time. At the moment, many attacks now come through the supply chain - through cloud service providers or other managed IT companies. Cybersecurity group Symantec reported a 200% increase in supply chain attacks in 2017 compared with the previous year.

There are a number of emergent trends that reinforce the importance of cybersecurity. In addition to the digital transformation of enterprise, and the adoption of cashless payments, it is possible to point to trends such as Open Banking, which started in January 2018. Financial services firms are now required to facilitate third party access to their customers' accounts via an open Application Programming Interface (API). This has seen many firms move to secure critical applications individually to prevent a domino effect in the case of a breach.

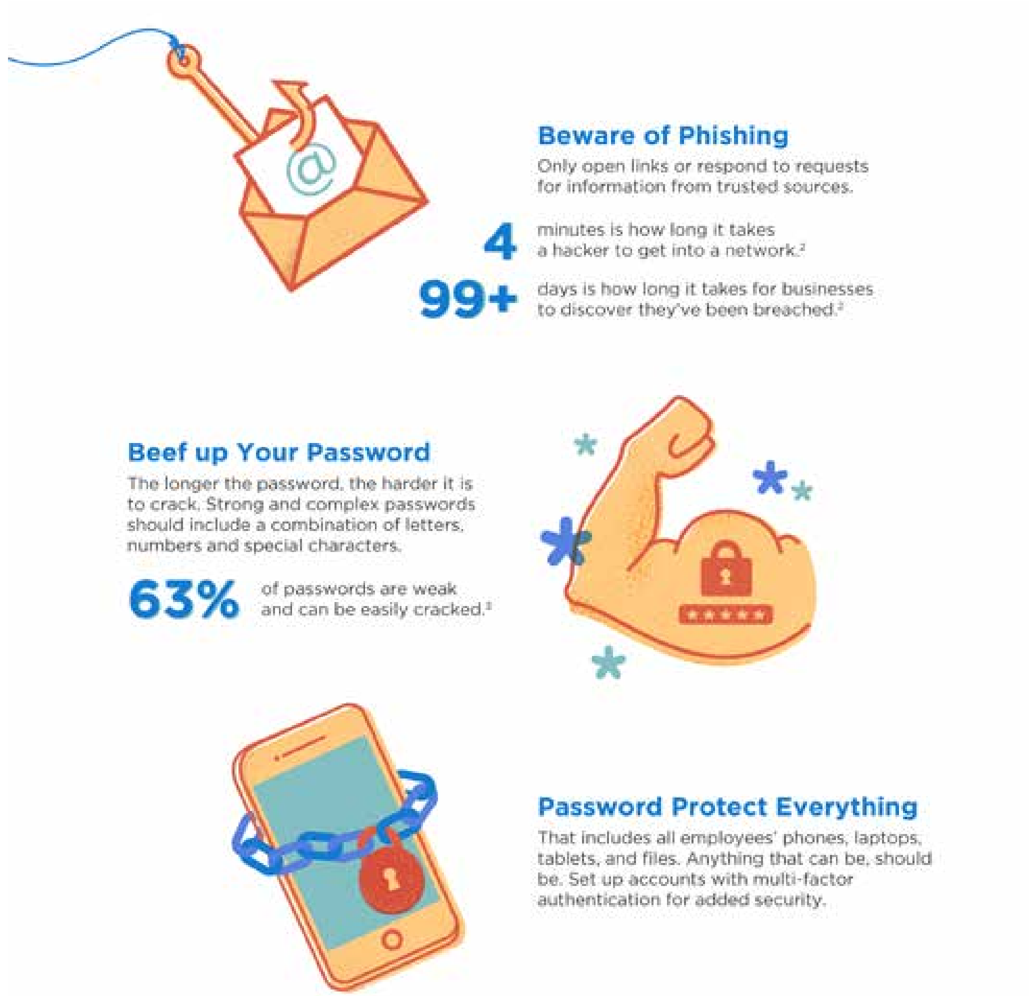
There are also developments such as 'quantum computing', where large organisations such as Microsoft, Google and IBM have invested more heavily in recent years. IBM now gives access to a basic quantum computer in the cloud. This vastly extends the capability of technology, but also brings larger and more critical risks. As such, security and encryption are huge considerations.

At the same time, artificial intelligence is being adopting by more sectors, including sensitive areas such as healthcare. This is creating new challenges for security companies to be less rigid in their thinking and to find ways to spot anomalies.

Top of management's agenda

A recent study by PwC showed that cybercrime is now the UK's number one fraud, reported by 49% of respondents who have encountered fraud. The report said that a quarter of all UK

58% of data breaches target small businesses. Microsoft published this infographic in 2018 to help firms minimise the risk.



organisations have experienced cybercrime in the past two years – almost 60% above the global average. It is worth bearing in mind that this is only organisations that know about and are willing to report attacks. The report also found cybercrime is high on the agenda for UK boards, with 82% of Chief Information Security Officers (CISOs) in the UK reporting into the board.[5]

There is a clear economic incentive for this attention. Cybercrime comes with a significant cost, both financially and to a company's reputation. Over half of the most disruptive frauds in the UK resulted in losses of over US$100,000 (£70,000), while some 24% of frauds saw the victims lose more than US$1m (£700,000).

Company management recognise that it will be their necks on the line in the event of a global breach. The Equifax scandal saw the CEO, chief information and chief security officer resign. Breaches are reflected in share prices and can wreak irreparable reputation damage. Companies that neglect cybersecurity rapidly lose the trust of their customers, and with it their competitive advantage.

1. https://www.finance-monthly.com/2018/08/high-level-of-cyber-security-and-cashless-go-hand-in-hand/
2. https://www.ft.com/content/bd1dd05c-3e1b-11e8-b9f9-de94fa33a81e
3. https://www.zdnet.com/article/sophos-snaps-up-cloud-infrastructure-specialist-avid-secure/
4. https://www.ft.com/content/5176c4fa-963e-11e8-b747-fb1e803ee64e
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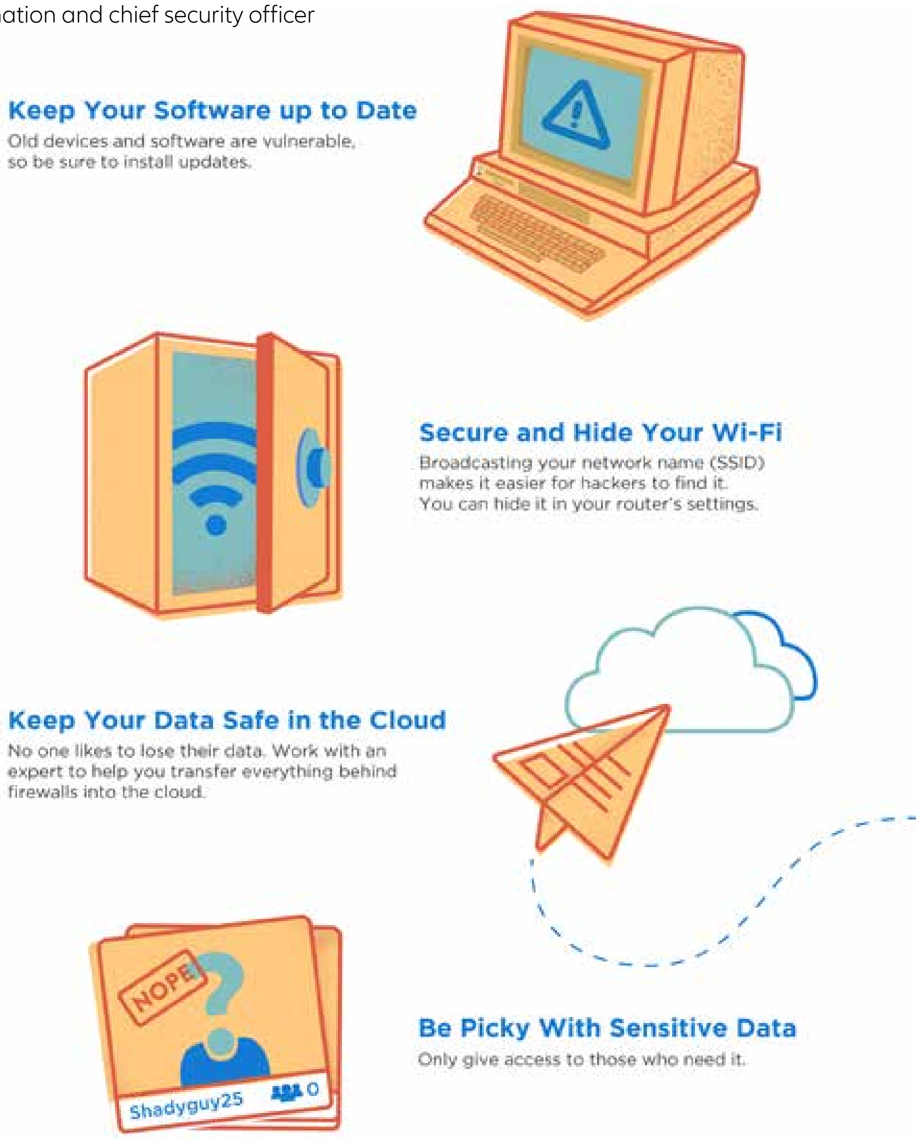

The digital payments revolution

Society is increasingly cashless. The use of digital payments continues to rise globally. Notably, in emerging markets it is rising exponentially as these countries embrace a new model of banking. This creates opportunities both for established financial companies as well as more nimble FinTechs as they change the way people manage their money.

By 2019, 2.1 billion consumers will have used a digital wallet – up 30% from 2017, according to Braintree's 2018 Global Payments Report.[1] Last year's United Nations Information Economy report said mobile apps and digital currencies are set to overtake credit and debit cards in 2019 as the most popular e-commerce payment methods worldwide.[2]

Leading the charge are not the established, tech-enabled nations of the US and Europe, but developing economies. Adoption has proved easier with no legacy systems to discard. Many of these countries are bypassing the Western branch network banking model altogether. Young, dynamic populations, well-versed in digital technology, are happy to embrace digital payments. Governments provide explicit support for these new developments because of the financial inclusion they promote, notably among far-flung rural communities.

The 2018 World Payments Report from Capgemini and BNP Paribas projects an annual growth rate for non-cash transactions of 12.7% through to 2021, up from 10.1% in 2015-16. The total volume of non-cash transactions is currently $482.6 billion.[3] The highest growth rates are being seen in Russia (36.5%), India (33.2%) and China (25.8%). Developed markets saw growth of around 7%, still impressive in value terms.

Emerging and developing markets have evolved differently. In emerging markets, the payments revolution has often been led from outside the banking sector: Kenyan group M-Pesa, for example, evolved from the South African telecoms group Vodacom. In China, technology giants Alibaba and TenCent have led the way. Only in countries such as India have banks had greater involvement.

In developing economies, the spread has been more mixed. Banks have had greater involvement, as have large credit card companies such as Visa and Mastercard. There are FinTech names, such as Revolut, that are now getting banking licenses, but the established financial sector has kept its hold for the time being.

Adoption is being led by high frequency transactions – these might be for ride-hailing services, or low-cost casual purchases such as coffee chains or Amazon. As consumers become more comfortable using digital payments for this type of transaction, their usage spreads. At the same time, other merchants are increasingly responding to customer needs and implementing cashless technology to facilitate it. It is a virtuous circle.

Many of these payment systems allow merchants to be highly tailored in the way they approach clients. It may even link to location apps. In theory, someone with a smartphone could receive a discount offer just as they pass a shop. This may be far more effective than other digital marketing options, such as email. This is likely to see more merchants adopt this type of technology over time.

Companies

Within the portfolio, we have a number of companies keyed into this trend. Top of the list is Square. Square works with the merchants to help them provide cashless payments to their clients. Many will not have had card processing technology up to the point they adopt Square's technology. Square has used its unique position with merchants to provide all sorts of add-on services to help them run their business better including Square Capital, a financing program, and Square Cash, a person-to-person payments service, plus Square Payroll.

Mastercard and Visa have both built digital payment capabilities. The Visa Token Service provides financial institutions, merchants and the group's other partners with a consolidated payment platform. It also connects Visa issuers to current and future wallet providers, such as Google Pay and Samsung Pay. Visa Checkout enables shoppers to pay without entering their shipping and account information for each transaction. Mastercard offers a similar suite of products, including its Digital Enablement Service.

PayPal is the original online payments service and has managed to retain its position in spite of increasing competition. This has been reflected in resilient share price performance. Strategic acquisitions have helped, including European payment giant iZettle in 2018,[4] giving its user base a big boost. iZettle is a commerce platform focused on small businesses, allowing them to take payments and get funding, plus point-of-sale applications.[5] PayPal is now the most popular digital wallet on the planet, with more than 250 million active accounts globally.[6]

Open banking

The arrival of 'open banking' may unlock faster growth rates for digital payments in developed economies. To date, the UK, Sweden, the Netherlands, the US and Singapore have been pioneers in this area, while countries such as Canada are currently consulting on adoption of open banking.

Open banking means that banks and other financial institutions are compelled to share customer data securely and quickly with third parties. This is designed to make it easier for people to shop around for better financial deals and view and manage all their finances in one place. Banks and other financial companies need to comply by law.

It is likely to take some time for the effects to be felt. The early adopter countries only brought in open banking a year ago and while there have been early signs of new technologies emerging, powered by open banking, the real growth lies ahead.

Many of the emerging markets that have been early adopters of digital payments have not done much on open banking. China, for example has not adopted new rules. This may be because the advances in payments have been made by big tech firms such as Alibaba and Tencent rather than the country's banks. This may change as banks' competitiveness is eroded by FinTech providers.

There are other cross-border initiatives, such as SEPA and ISO 20022, that aim to increase payment processing harmonisation and remove the need for multiple layers. Establishing these common standards is an important enabler in the growth of international payments infrastructures.

Financial inclusion

Digital payments have a welcome side-effect – they promote financial inclusion quickly and cheaply. Many countries within emerging markets have high mobile phone penetration. Their mobile phone infrastructure may be better than their land and rail infrastructure. It is far easier and more practical to promote digital banking to reach unbanked populations than try to develop a banking network along traditional lines. This democratises access to finance.

Security

Adequate security is vital to the integrity of payment systems. Payment groups are increasingly moving beyond passwords to fingerprints, facial recognition, iris scanning and voice recognition to protect users. For those who can manage this effectively, the rewards may be high. Consultancy group McKinsey believes the banking industry could be one of the key beneficiaries of 'big data'. The potential to look at consumer trends and preferences could be a real competitive advantage for those that do it well.

To our mind, digital payments remain a well-established and important trend for the long-term. Ultimately, they will prompt a sea-change in the way people manage their money. The financial sector may see the same disruption as the car and retail sectors.

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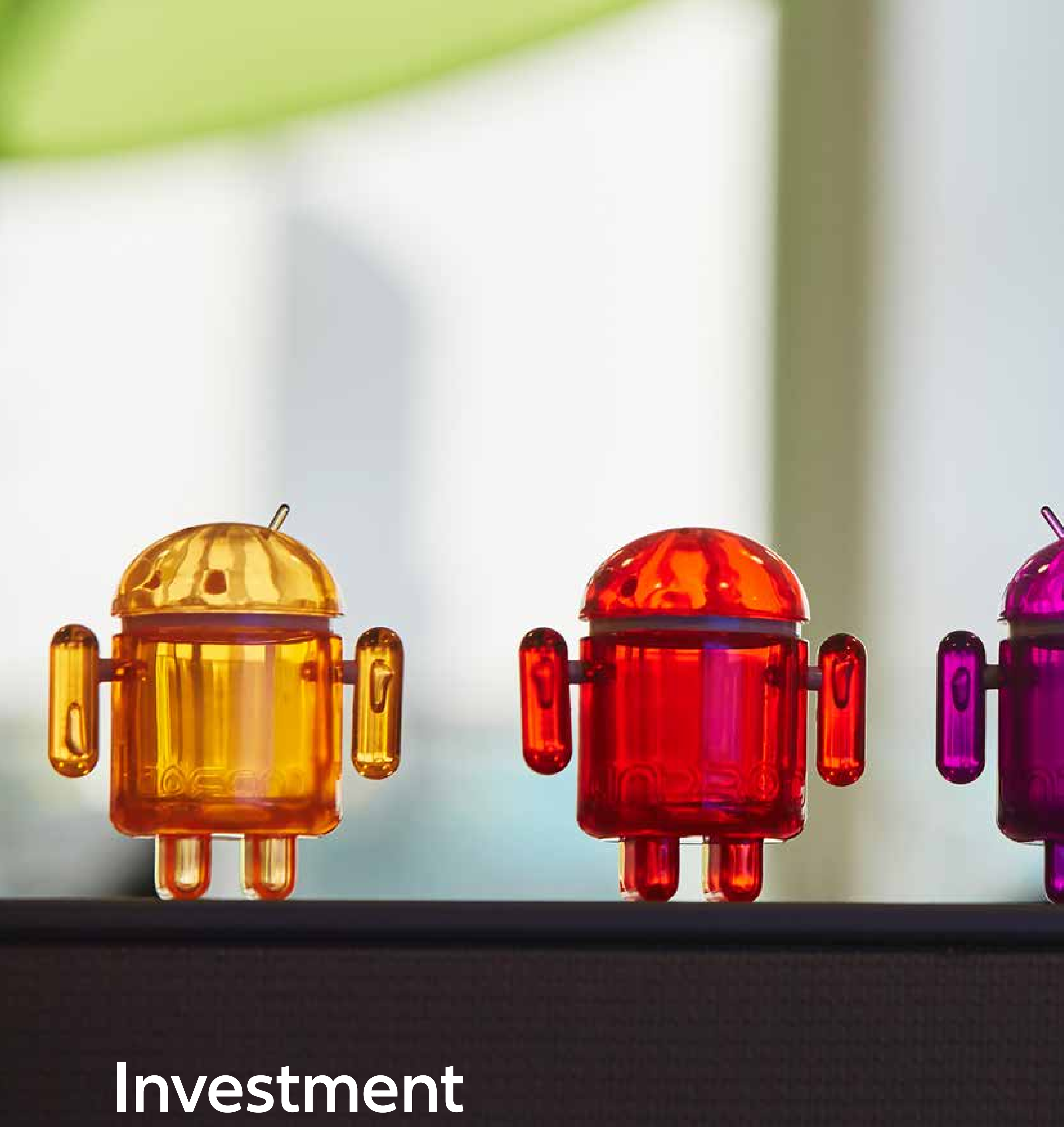
2. https://unctad.org/en/PublicationsLibrary/ier2017_en.pdf?user=46
3. https://www.paymentscardsandmobile.com/world-payments-report-2018-digital-payments-booming/
4. https://www.bbc.co.uk/news/business-44161814
5. https://www.reuters.com/sponsored/article/next-decade-digital-payments
6. https://www.thebanker.com/Editor-s-Blog/Which-countries-lead-in-open-banking



Investment Managers' Review

Investment Managers' Review

Economic and Market Backdrop

It was always unlikely that markets would repeat their performance in 2017, which was characterised by low volatility and high returns. However, few were prepared for the onslaught of 2018, where volatility returned forcefully and some of technology's largest names found themselves vulnerable. In spite of apparently synchronised global economic growth at the start of the year, sentiment soon soured and financial markets struggled.

Initially, the US market managed to resist much of this weakness and the technology sector – where companies were still growing earnings – continued its strength. Partly, this was due to the package of corporate tax cuts brought in by the Trump Administration. Companies started to feel the effects on their cash flows early in 2018. US economic activity increased, with Gross Domestic Product (GDP) rising to a peak of 4.2% in the second quarter of the year.[1]

However, the shine wore off as the US trade war with China escalated. Investors were increasingly troubled about the potential repercussions for the global economy and for US manufacturing. The strong Dollar hurt those emerging markets with significant Dollar-denominated debt, precipitating currency crises in Argentina and Turkey. Markets wobbled as the international environment looked increasingly unstable. This tipped in October, with markets – and technology stocks in particular – sliding as much as 20%.

While geopolitics has played a role, the recent volatility must be set against a backdrop of higher bond yields. US interest rates rose four times in 2018,[2] quantitative easing was progressively withdrawn in Europe and the UK also saw a rate rise. Only Japan held out. This withdrew liquidity from the system. At the same time, the gap between shorter- and longer-dated bonds narrowed, typically a harbinger of imminent recession. It was this, perhaps more than anything else, that ultimately changed the path of markets over the year.

Investment Managers' Review *(continued)*

The Technology Sector

For the technology sector, there was a notable difference between its performance pre-October and post-October. Before October, technology companies had led the S&P 500 to its longest-ever bull run. There were hints of the problems to come – Facebook's data privacy issues, for example – but companies kept delivering on high earnings expectations and they appeared to be a bright spot for growth.

The catalyst for the sharp reversal was not entirely clear. However, it was sudden and dramatic. Over the month of October, the Nasdaq dropped from 8,025 (3 October) to 7,050 (29 October) – a 12% fall. By 24 December, it was another 12% lower at 6,192.[3] With hindsight, the deciding factor appeared to be the weakness in China. Chinese demand is an important source of growth for technology companies and earnings suffered as the US/China trade war hurt Chinese consumer sentiment. This impacted certain sectors more than others. In particular, hardware and semiconductor names saw a rapid sell-off. Robotics names also suffered.

Rising US interest rates also contributed. In raising the discount rate, technology valuations needed to undergo some reappraisal. Future growth was no longer as valuable and this saw some of the highest growth technology names marked lower.

Earnings growth remained strong across the technology sector. In aggregate, growth rates for the sector are expected to be over 20% for the full year 2018,[4] and over 30% in our portfolio. Amazon continued to grow at just under 30%[5] in the third quarter, but guided markets lower for the fourth quarter. Netflix continued to see growth at a similar level.[6] The problem was that high expectations were embedded into share prices. As such, when forward guidance from some key technology names was not as buoyant as anticipated, markets became troubled.

Taking the year as a whole, the technology sector remains one of the few areas to have seen positive returns, albeit with considerable volatility. Technology stocks remain a strong source of growth in a low growth world.

Investment Managers' Review *(continued)*

Technology Developments over the year

Data security & Facebook

Data remains a problem for many technology groups. In 2018, it became clear that many users had not been aware of how social media groups were using their data. At the same time, companies such as Facebook struggled to fight against criminality and propaganda on their sites. As Facebook CEO Mark Zuckerberg has pointed out, the 'bad guys' are not robots. While Facebook and other companies are moving fast, the hackers are often moving faster.

The new General Data Protection Regulation (GDPR) was introduced in May. This was Europe's new framework for data protection laws. It significantly extended the rights of individuals to ask companies to reveal or delete the personal data they hold on them. Fines for breaching the new rules are significant – the maximum fine is the higher of €20m (£17.5m) or 4% of a company's global turnover.[7]

Elon Musk and management

The last few months of 2018 were a tough time for Tesla founder Elon Musk. A threat to take the company private surprised shareholders and the market, while Musk also engaged in a bizarre spat with a British cave diver. Perhaps more worryingly, there was also a stream of senior management departures from the electric car maker, including important engineering and sales personnel.[8]

However, Tesla resolved some of the production issues of its Model 3 saloon car showing that mass production was a reality. Production sped up and the company saw greater free cash flow as a result. Separately, Musk has now been replaced as chairman of Tesla by Australian business executive Robyn Denholm.[9]

Portfolio Analysis

Within our portfolio, Amazon and Square were the two stand-out performers for the 13 months to 31 December 2018.

Investment Managers' Review *(continued)*

Amazon proved more resilient than a number of the other FAANG (Facebook, Apple, Amazon, Netflix and Alphabet's Google) stocks. It has continued to grow its earnings, although third-quarter sales and its forecast for fourth-quarter sales missed analyst estimates; it could not prove entirely immune to the weakness in consumer spending. However, revenue from Amazon Web Services, the group's cloud services business, continued to expand rapidly, nearing $7bn in the third quarter.[10]

Square has been a strong long-term contributor to returns and was also among last year's top contributors to fund performance. Having started life as a payment processing company, it has evolved into a valuable Software-as-a-Service (SaaS) option for small business. Initially, it just allowed small businesses – hairdressers, cab drivers, corner shops - to accept credit card payments, many of whom had been cash-only. However, increasingly those same businesses are starting to use Square's software to manage other aspects of their businesses – staffing costs, inventories, supply chains. It allows far more efficient business management for small merchants and has continued to build its position in 2018.

Elsewhere, among the top performers in the portfolio were some of the software names: ServiceNow, Workday, Paycom. These proved resilient as the corporate sector continued its digital transformation, fuelled in part by cash freed up by tax cuts. Security names such as Okta and Palo Alto Networks did well for similar reasons: digital transformation requires better security. Many security companies also emerged from a different transformation in their business models.

There were also companies where we benefited from holding a low weighting. The most important of these was Facebook. The company had a dismal year, dropping 19% in a single day in July[11] after revenues missed target and user numbers weakened. It had struggled since the start of the year over privacy issues. While it has made significant hires to combat data issues, it is clear that it will take time to restore its credibility and this may cost more than it originally expected.

Investment Managers' Review *(continued)*

Semiconductors had a difficult year. We spotted the decline early, but the sector still made a negative contribution to overall portfolio returns. The sector is still a beneficiary of some important long-term trends: Cloud, Artificial Intelligence (AI) and the connected car. These innovations need high performance processing chips to manage large volumes of data. Consolidation has helped pricing.

Apple's problems became increasingly apparent as the year wore on. However, for most of the year, investors stayed with the company. Our large underweight position hurt performance overall, but we believe investors were slow to see the difficulties for Apple resulting from Chinese economic weakness. China remains its biggest growth market. The product upgrade cycle was underwhelming, with Chinese consumers generally unimpressed with Apple's innovation and choosing to support local providers such as Huawei. The situation in China, combined with poor-take-up for the group's new phone, saw Apple issue a rare profits warning in early 2019.

International holdings – It was a tough period for some non-US names, particularly some of the large Chinese technology groups. Emerging markets in general were out of favour, and China in particular, as the trade war took its toll. Our low weighting in Tencent and Alibaba helped performance over the year with both companies losing ground over the year.

The corporate tax changes introduced at the start of the year had a notable impact on earnings but this had often already been built into expectations. Technology companies repatriated cash balances held offshore, spending it on M&A activity, buybacks and dividends. The largest M&A activity was seen in the SaaS arena, with deals such as German-based SAP agreeing to buy technology unicorn Qualtrics for $8 billion in November. This helped support prices in the sector.

During the period, we made our first investments in e-Sports. These are an important emerging trend. Participants play video games, while being watched by a live audience and are drawing larger and larger crowds: One major tournament, the 2018 League of Legends World Championship finals, attracted 200 million viewers.[12]

Investment Managers' Review *(continued)*

Absolute performance

While we saw a significant spike in market volatility that drove most technology and broad market indices to negative returns for the period, the Company delivered a NAV gain of 9% in 2018. The Company benefited from having exposure to a variety of companies that delivered consistent earnings growth over the year. The majority of the gains were driven by higher growth companies in the SaaS, security, payments/software, and video streaming segments. Our positions in mega cap companies such as Amazon and Microsoft also meaningfully helped absolute returns.

The Company was not completely immune to the macro issues that sparked the extreme market volatility. We had small positions in some semiconductor and robotics companies that were negatively impacted by the trade conflict between the US and China. However, we identified the issues and quickly reduced exposure to minimize the impact to the Company.

Relative performance

A final note on relative performance: This period we outperformed the Dow Jones Technology Index (sterling adjusted, total return), with the Company returning 9% against an index performance of 0.1% GBP. 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 that contributed on an absolute and relative basis are also held in the benchmark, stocks such as Amazon, Netflix, and Square are not currently part of our benchmark and have helped overall performance.

Investment Managers' Review *(continued)*

Outlook

Despite the recent market volatility, our view is that technology is well-positioned to remain a major driver of market returns. The ongoing digital transformation among corporations should continue to drive growth in IT spending. Feedback from our discussions with company management teams, as well as management surveys from multiple sources, indicate that companies across the economy are turning to technology solutions to increase revenue, improve productivity, and enhance operating efficiency. We believe this is a multi-year transition which is still in the very early stages. While the largest technology companies today will inevitably struggle to grow as rapidly in the future, the broad technology sector should continue to see attractive growth in the future. During the sharp sell-off in the fourth quarter, many high quality technology companies continued to deliver strong operational execution. With more reasonable valuations and less euphoria in the market, we believe high quality companies should exceed expectations and deliver attractive stock returns in 2019.

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

We are also finding excellent investment opportunities among more attractively valued areas of technology. In particular, certain technology incumbents are making compelling progress on their "as-a-service" offerings.

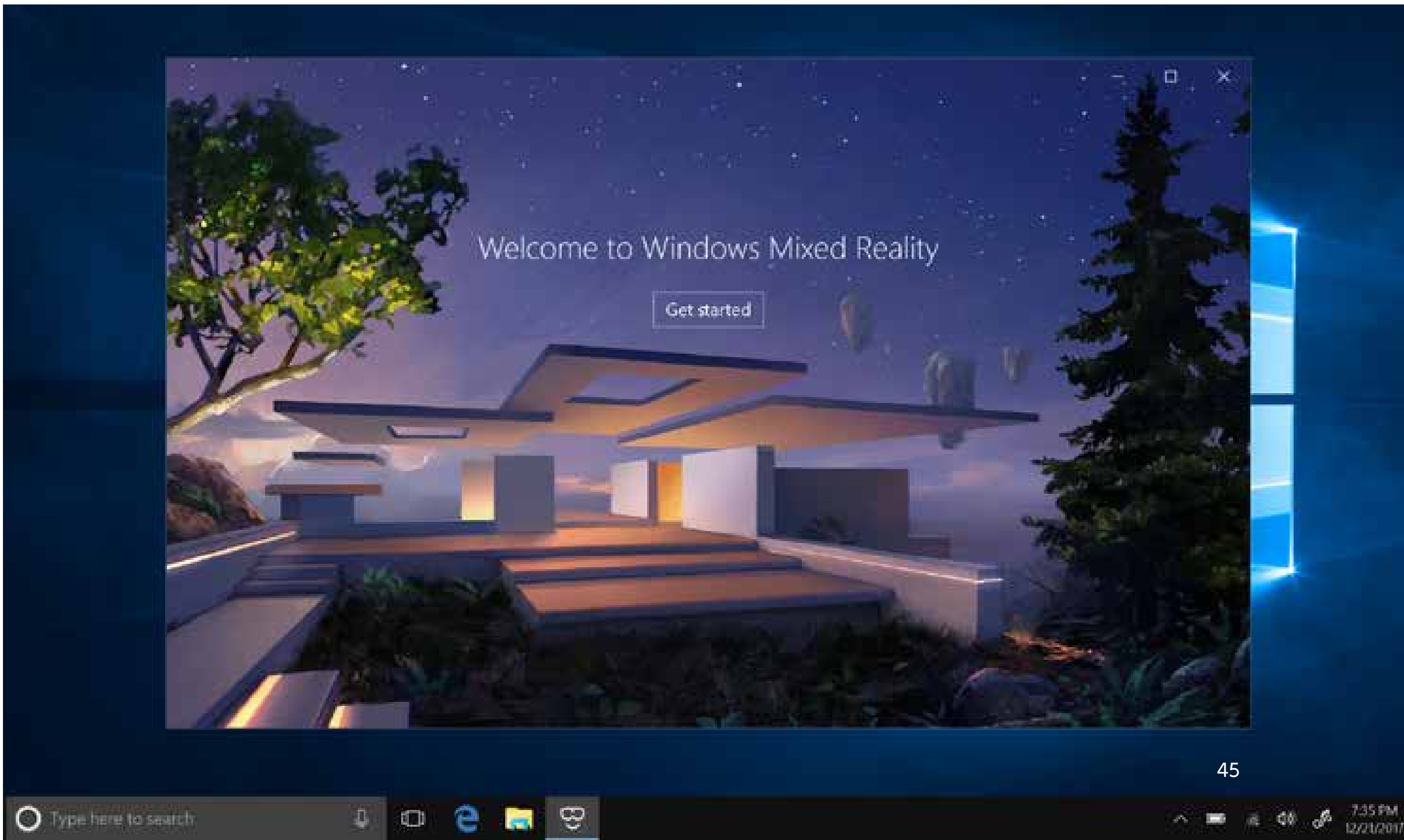
Artificial intelligence (AI) is also becoming a significant trend. From consumer goods, such as the Amazon Echo, to autonomous driving, practical applications of AI are emerging. We expect AI will increasingly be used to make our lives more convenient.

Investment Managers' Review *(continued)*

We continue to believe the technology sector can provide some of the best absolute and relative return opportunities in the equity markets – especially for bottom-up stock pickers. The growth in technology is coming from the creation of new markets, rather than simply gross domestic product growth. Investors need to find companies generating organic growth by creating new markets or effecting significant change on old markets. Industries such as automobiles, advertising, security, retail, and manufacturing are all being shaped and transformed by advances in technology.

We are seeing an ongoing wave of innovation in the sector that we believe has the potential to produce attractive returns for companies with best-in-class solutions. We also see a number of companies with present valuations that, in our view, do not fully reflect positive company- and/or industry-specific tailwinds.

1. https://uk.reuters.com/article/uk-usa-economy-gdp/u-s-second-quarter-gdp-growth-raised-to-4-2-percent-idUKKCN1LE1H2
2. https://www.bankrate.com/banking/federal-reserve/fomc-recap/
3. https://money.cnn.com/data/markets/nasdaq/
4. http://lipperalpha.financial.thomsonreuters.com/2019/01/sp-500-17q1-earnings-dashboard/
5. https://www.cnbc.com/2018/10/25/amazon-earnings-q3-2018.html
6. https://www.cnbc.com/2018/10/16/netflix-q3-2018-earnings-and-revenue.html
7. https://www.theguardian.com/technology/2018/may/21/what-is-gdpr-and-how-will-it-affect-you
8. https://www.theguardian.com/technology/2018/aug/19/elon-musk-tesla-timeline-difficult-painful-year
9. https://www.theguardian.com/technology/2018/nov/08/tesla-names-new-chair-robyn-denholm-to-replace-elon-musk
10. https://venturebeat.com/2018/10/25/amazon-revenue-grows-29-to-56-6-billion-in-q3-2018-aws-up-46/
11. https://www.cnbc.com/2018/07/26/facebook-is-on-pace-for-its-worst-day-ever.html
12. https://www.weforum.org/agenda/2018/07/the-explosive-growth-of-esports/



Top 20 Holdings

1 Amazon.com

Internet & Direct Marketing Retail
Washington, USA
26,878,000
6.6%

Amazon.com continued its disruption of the retail marketplace in 2018. 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 2018. Amazon is also well positioned to capitalise on the secular trends of cloud computing and digital media initiatives.

2 Alphabet Inc

Internet Software & Services
California, USA
25,354,000
6.2%

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.

3 Microsoft

Software
Washington, USA
16,591,000
4.1%

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.

4 Okta

Internet Software & Services
California, USA
14,986,000
3.7%

Okta provides cloud software, built on top of the Amazon web services cloud, that helps companies manage employee passwords. It came to the public markets in 2017, having been founded in 2009 by a team of former Salesforce.com executives led by Todd McKinnon. Okta sells six services, including a single sign-on option that acts as a gateway to a number of different systems, including Gmail, Salesforce.com and Slack. It also offers API authentication services.

Sector Headquarters Value of holding Percentage of portfolio

Top 20 Holdings *(continued)*

5 Paycom Software

Software
Oklahoma, USA
13,465,000
3.3%

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 2018, 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.

6 Salesforce.com

Software
California, USA
13,122,000
3.2%

Salesforce.com is one of the pioneers of software as a service. Its main product is focused on customer relationship management (CRM) product, but it also has software targeted at customer service, marketing automation, analytics and application development. It was founded in 1999 and came to market in 2004. The group has recently partnered with Apple to improve the apps available for businesses.

7 Square

IT Services
California, USA
12,835,000
3.1%

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.

8 Twilio

IT Services
California, USA
11,911,000
2.9%

Twilio is a cloud communications platform, which allows software developers to make and receive phone calls, send and receive text messages, and perform other communication functions using its web service APIs. It was founded in 2008 and allows companies to get rid of telecoms hardware by using a web service instead.

Top 20 Holdings *(continued)*

9 Workday

Software
California, USA
11,809,000
2.9%

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.

10 ServiceNow

Software
California, USA
11,474,000
2.8%

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.

11 Cree

Semiconductors & Semiconductor Equipment
North Carolina, USA
11,199,000
2.7%

Cree is a US-based manufacturer and distributor of LEDs lighting systems and bulbs, lighting products and products for power and radio frequency applications. Its key intellectual property is a synthetic silicon carbide. The business was founded in 1987 and now has a global presence. Last year, it bought Infineon Technologies' RF Power Business.

12 Zscaler

Software
California, USA
10,974,000
2.7%

Zscaler is a global cloud-based information security company, founded in 2008 by serial entrepreneur Jay Chaudhry. It has the world's largest security cloud: this is a unique position as, to date, most security products have been hardware rather than software. It is geared into growth sectors such as cloud computing, mobile and the Internet of things environments.

Sector Headquarters Value of holding Percentage of portfolio

Top 20 Holdings *(continued)*

13 NetApp

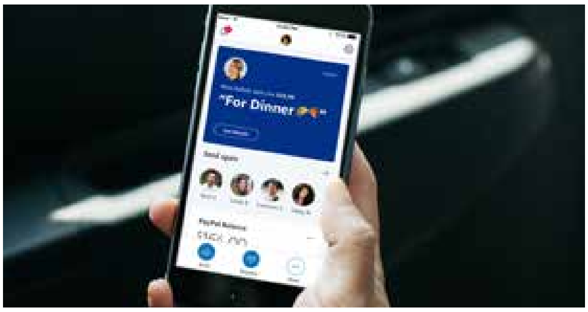
Technology, Hardware Storage & Peripherals
California, USA
10,354,000
2.5%

NetApp is a hybrid cloud data services and data management company, founded in 1992 by David Hitz, James Lau and Michael Malcolm. It provides services for the management of applications and data across cloud and on-premises environments. The company came to public markets in 1995. NetApp's OnCommand management software controls and automates data-storage.

14 Tesla

Automobiles
California, USA
9,630,000
2.4%

Tesla is an electric car company based in Palo Alto, California, originally founded by engineers Martin Eberhard and Marc Tarpenning, who were quickly joined by Elon Musk, plus J. B. Straubel and Ian Wright. The company specialises in electric car manufacturing and, through its SolarCity subsidiary, solar panel manufacturing.



15 Paypal

IT Services
California, USA
9,346,000
2.3%

Paypal is a global online payments provider, supporting online money transfers. The company also operates as a payment processor for ecommerce providers, auction sites, and other commercial users. It spun out of eBay in 2015, who had owned the company since 2002. Last year it bought Swedish payment processing group iZettle, which has strength in in-store and digital marketing. At $2.2bn, it was its biggest acquisition to date.

16 Teradyne

Semiconductors & Semiconductor Equipment
Massachusetts, USA
8,722,000
2.2%

Teradyne 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.

Top 20 Holdings *(continued)*

17 Tableau Software

Software
Washington, USA
8,715,000
2.1%

Tableau Software produces interactive data visualization products. It spun out of research from Stanford University's Department of Computer Science, launching in 2003. Today, it produces online analytical processing cubes, cloud databases, and spreadsheets that generate a number of graph types.

18 Aveva

Software
Cambridge, UK
8,425,000
2.1%

AVEVA is a global leader in engineering and industrial software for a variety of sectors, including chemicals, food, life sciences, oil and gas and power. On 1 March, 2018, AVEVA combined with Schneider Electric's industrial software business to create a new focus on driving digital transformation across the entire asset and operational life cycles to maximise return on capital and improve profitability.

19 Apple

Technology, Hardware Storage & Peripherals
California, USA
8,169,000
2.0%

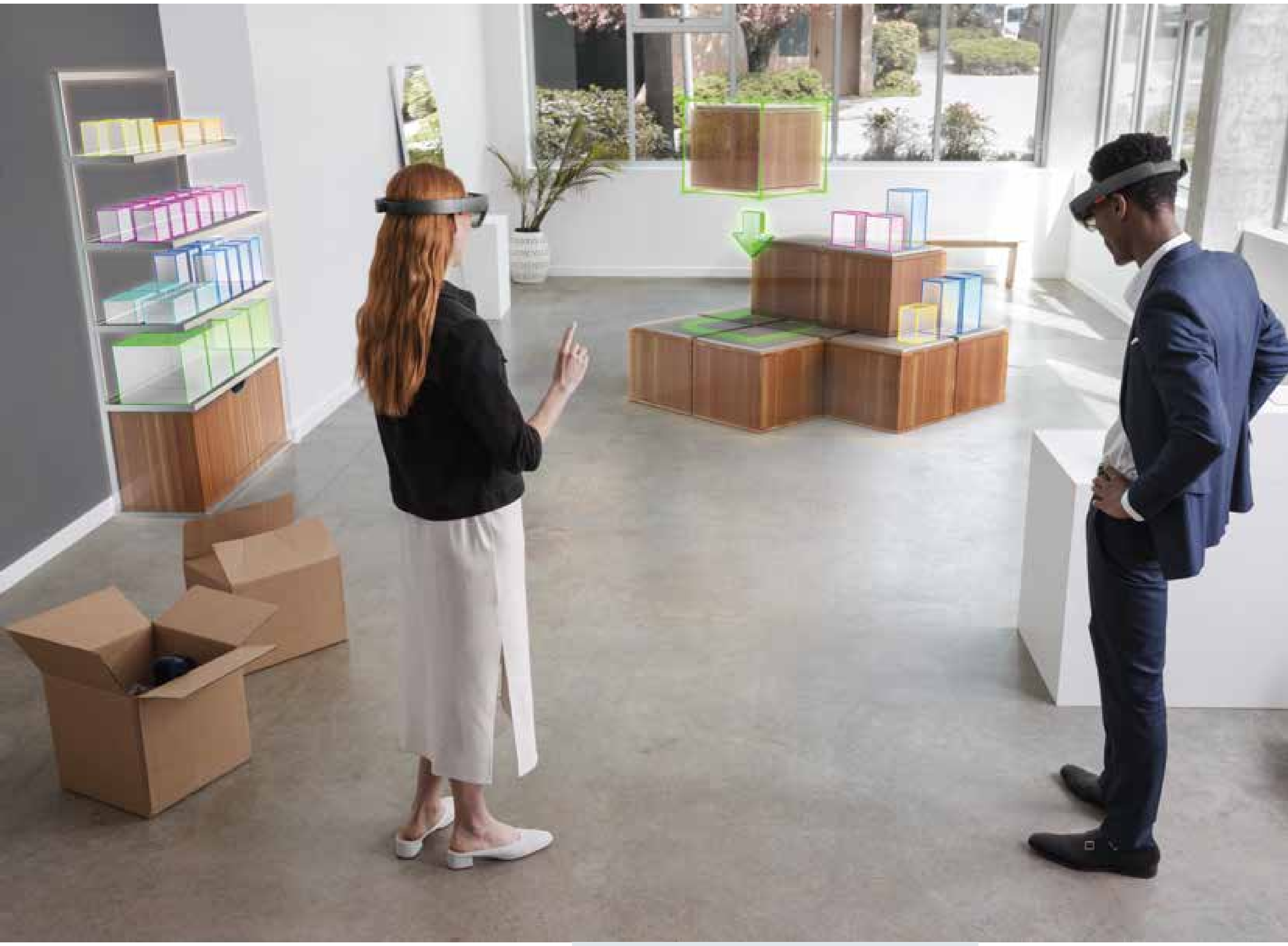
Apple is a leading global consumer electronics company, making personal computers, software, mobile communications devices, and networking solutions. Over one billion people have bought an iPhone, its flagship product, since it launched a decade ago.

20 Infineon Technologies

Semiconductors & Semiconductor Equipment
Munich, Germany
7,319,000
1.8%

Infineon Technologies is a German semiconductor manufacturer founded in 1999. It has been through a number of restructurings, but now has four main business areas: automotive, industrial power control, power management and multi-market, and digital security solutions. It sold its RF Power Business Unit to Cree for €345 Million in 2018.

 Sector Headquarters Value of holding Percentage of portfolio



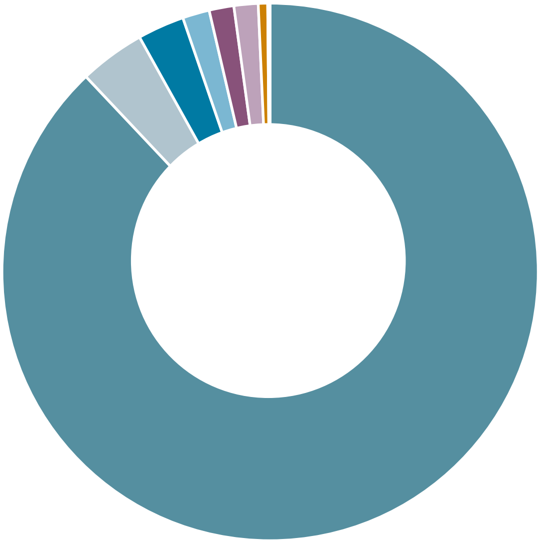
'Automobiles, advertising, security, retail, and manufacturing are all being shaped and transformed by advances in technology.'

Investment Portfolio

at 31 December 2018

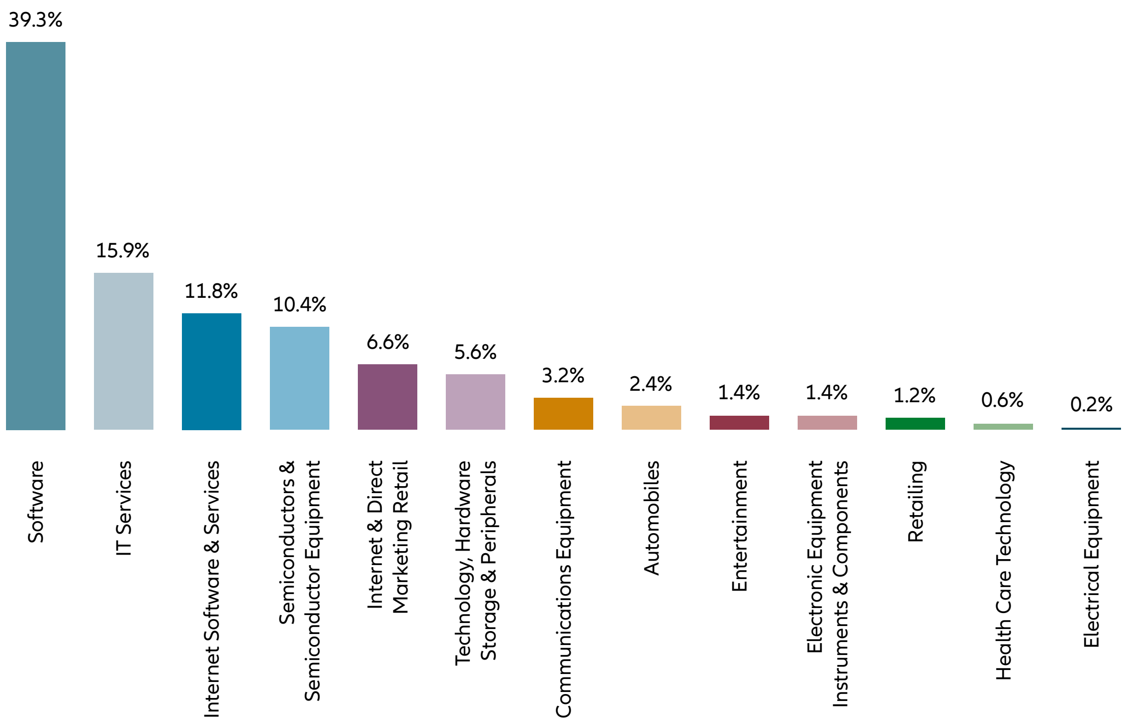
Geographical breakdown

Region	% of Invested Funds
United States	87.9
United Kingdom	4.0
Germany	2.8
Switzerland	1.6
China	1.5
France	1.5
Taiwan	0.6
Netherlands	0.1



As cash is excluded and the weightings for each country are rounded to the nearest tenth of a percent, the aggregate weights may not equal 100%.

Sector breakdown



As cash is excluded and the weightings for each sector are rounded to the nearest tenth of a percent, the aggregate weights may not equal 100%.

Investment Portfolio *(continued)*

at 31 December 2018

Investment	Sector#	Sub Sector#	Country	Valuation £000	% of Portfolio
Amazon.com	Internet & Direct Marketing Retail	Internet & Direct Marketing Retail	United States	26,878	6.6
Alphabet Inc	Internet Software & Services	Internet Software & Services	United States	25,354	6.2
Microsoft	Software	Systems Software	United States	16,591	4.1
Okta	Internet Software & Services	Internet Software & Services	United States	14,986	3.7
Paycom Software	Software	Application Software	United States	13,465	3.3
Salesforce.com	Software	Application Software	United States	13,122	3.2
Square	IT Services	Data Processing & Outsourced Services	United States	12,835	3.1
Twilio	IT Services	Internet Services & Infrastructure	United States	11,911	2.9
Workday	Software	Application Software	United States	11,809	2.9
ServiceNow	Software	Systems Software	United States	11,474	2.8
Top Ten Investments				**158,425**	**38.8**
Cree	Semiconductors & Semiconductor Equipment	Semiconductors	United States	11,199	2.7
Zscaler	Software	Systems Software	United States	10,974	2.7
NetApp	Technology, Hardware Storage & Peripherals	Technology, Hardware Storage & Peripherals	United States	10,354	2.5
Tesla	Automobiles	Automobile Manufacturers	United States	9,630	2.4
Paypal	IT Services	Data Processing & Outsourced Services	United States	9,346	2.3
Teradyne	Semiconductors & Semiconductor Equipment	Semiconductor Equipment	United States	8,722	2.2
Tableau Software	Software	Systems Software	United States	8,715	2.1
Aveva	Software	Application Software	United Kingdom	8,425	2.1
Apple	Technology, Hardware Storage & Peripherals	Technology, Hardware Storage & Peripherals	United States	8,169	2.0
Infineon Technologies	Semiconductors & Semiconductor Equipment	Semiconductors	Germany	7,319	1.8
Top Twenty Investments				**251,278**	**61.6**
Visa	IT Services	Data Processing & Outsourced Services	United States	6,774	1.7
Intuit	Software	Application Software	United States	6,669	1.7
Temenos	Software	Application Software	Switzerland	6,613	1.6
Mastercard	IT Services	Data Processing & Outsourced Services	United States	6,598	1.6
Broadcom Inc	Semiconductors & Semiconductor Equipment	Semiconductors	United States	6,532	1.6
Capgemini	IT Services	IT Consulting & Other Services	France	5,941	1.5
Take-Two Interactive Software	Entertainment	Interactive Home Entertainment	United States	5,869	1.4
MongoDB	IT Services	Internet Services & Infrastructure	United States	5,830	1.4
Atlassian	Software	Application Software	United States	5,234	1.3
Palo Alto Networks	Communications Equipment	Communications Equipment	United States	4,916	1.2
Top Thirty Investments				**312,254**	**76.6**
Grubhub	Retailing	Internet & Direct Marketing Retail	United States	4,755	1.2
Sophos	Software	Systems Software	United Kingdom	4,691	1.2
Ringcentral	Software	Application Software	United States	4,688	1.1
CDW	Electronic Equipment Instruments & Components	Technology Distributors	United States	4,540	1.1
Zendesk	Software	Application Software	United States	4,476	1.1
Fortinet	Software	Systems Software	United States	4,419	1.1
Pure Storage	Technology, Hardware Storage & Peripherals	Technology, Hardware Storage & Peripherals	United States	4,348	1.1
Arista Networks	Communications Equipment	Communications Equipment	United States	4,291	1.0
Nemetschek	Software	Application Software	Germany	4,182	1.0
Qualcomm	Semiconductors & Semiconductor Equipment	Semiconductors	United States	4,072	1.0
Top Forty Investments				**356,716**	**87.5**

Investment Portfolio *(continued)*

at 31 December 2018

Investment	Sector#	Sub Sector#	Country	Valuation £000	% of Portfolio
DXC Technology	IT Services	IT Consulting & Other Services	United States	3,934	1.0
Proofpoint	Software	Systems Software	United States	3,785	0.9
New Relic	Software	Application Software	United States	3,700	0.9
Hubspot	Software	Application Software	United States	3,531	0.9
Realpage	Software	Application Software	United States	3,471	0.9
Alibaba	Internet Software & Services	Internet Software & Services	China	3,268	0.8
Tencent	Internet Software & Services	Internet Software & Services	China	2,807	0.7
Veeva Systems	Health Care Technology	Health Care Technology	United States	2,630	0.6
Autodesk	Software	Application Software	United States	2,327	0.6
Taiwan Semiconductor	Semiconductors & Semiconductor Equipment	Semiconductors	Taiwan	2,258	0.6
Top Fifty Investments				**388,427**	**95.4**
Microchip Technology Inc	Semiconductors & Semiconductor Equipment	Semiconductors	United States	2,193	0.5
Fireeye	Software	Systems Software	United States	2,161	0.5
Oracle Corporation	Software	Systems Software	United States	2,133	0.5
Cisco Systems	Communications Equipment	Communications Equipment	United States	2,117	0.5
Viavi Solutions	Communications Equipment	Communications Equipment	United States	1,984	0.5
Guidewire Software	Software	Application Software	United States	1,848	0.4
Yandex	Internet Software & Services	Internet Software & Services	United States	1,780	0.4
Computacenter	IT Services	IT Consulting & Other Services	United Kingdom	1,560	0.4
Cognex	Electronic Equipment Instruments & Components	Electronic Equipment Instruments	United States	1,228	0.3
Blue Prism	Software	Systems Software	United Kingdom	861	0.2
Top Sixty Investments				**406,292**	**99.6**
Bloom Energy	Electrical Equipment	Heavy Electrical Equipment	United States	660	0.2
Elastic NV	Software	Application Software	Netherlands	583	0.1
Alfa Financial Software	Software	Application Software	United Kingdom	367	0.1
Total Investments				**407,902**	**100.0**

#GICS Industry classifications

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

Senior Independent Director and 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 non-executive director of the AIC, Fidelity China Special Situations plc, Dunedin Income Growth Investment Trust plc and Chairman of India Capital Growth Fund plc.

Meeting attendance by the Directors during the 13 month period ending 31 December 2018 was as follows:

	Board	Audit Committee	Nomination Committee	Management Engagement Committee
Number of meetings in the period	**5**	**3**	**1**	**1**
Robert Jeens	5	3*	1	1
Richard Holway	5	3	1	1
Elisabeth Scott	5	3	1	1
Humphrey van der Klugt	5	3	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 period, 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. The Company's Custodian and Depositary will be moving from BNY Mellon to HSBC Bank plc during the first half of 2019.

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 period end is set out on pages 53 to 54 and the top twenty holdings are listed on pages 46 to 50. In the 13 month period ended 31 December 2018, the Company's total return on net assets per share was 9.0% (2017: 41.0%), outperforming the Dow Jones World Technology Index (sterling adjusted, total return) by 8.9%. 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 period to 31 December 2018, the mid-market price of the Company's shares increased by 1.7% (2017: 50.2%), with a discount at the period end of 5.0% (2017: 1.8% premium). 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 99; there were 1,708,453 shares issued out of treasury in the period to 31 December 2018 (2017: 675,000). No shares were held in treasury as at 31 December 2018.

Subsequent to the issue of all shares from treasury, the Company issued 5,174,298 new shares, under the authority granted, at a premium to NAV.

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 the13 month period ended 31 December 2018 (2017: 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 44 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 September 2018.

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. The programme is aimed at both professional and retail

Strategic Report *(continued)*

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 30% (2017: 26%) 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 cost-effective way to buy the Company's shares.

Brexit - Risks and implications

The Board has considered the likely impact of Brexit and identified the areas where it believes there will be consequential adjustments in how the Company operates.

Portfolio management: There could be an impact on the day to day ability of companies to trade as the UK will be seen as a third country party under MiFID II. While the UK is expected to put in place a temporary permissions regime, there has been no clarity from the EU on how it will treat UK institutions. For example, the EU would need to formally recognise UK clearers as being properly regulated and supervised. The Company will be in the same position as other investment companies and will watch the developments in this area closely with its advisers.

Regulations: The Company will need to consider the impact of Brexit on the key financial services regulations which apply to it. Brexit will impact the Prospectus Regulation, MAR, PRIIPs, AIFMD and MiFID II. Data Protection laws in the UK will remain in force, although there will need to be some safeguards on any transfers of personal data from the EEA to the UK. The UK government has indicated that it will enshrine all existing EU law into UK law at the date of withdrawal. The Company's AIFM, Allianz Global Investors GmbH (AllianzGI GmbH) is incorporated in Germany and it currently provides cross-border management services to the Company using the AIFMD management passport. The German regulator, BaFin, and the FCA in the UK have reached a formal understanding that AllianzGI GmbH can continue to operate as the AIFM after Brexit and apply to be regulated in the UK by the FCA in a three year transition period.

Promotion of the Company: As the Company's shareholders are predominately UK based and no marketing activities are carried out in continental Europe, we believe the impact of Brexit would not be serious.

Taxation: Withholding tax and other tax implications are expected to be immaterial.

Currency risk: The currency risk arises due to over 95% of the Company's portfolio being invested outside of the UK.

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 the period of four years under direct review.

Strategic Report *(continued)*

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 3 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.

The top contributors to and detractors from the Company's Net Asset Value total return over the 13 month period to 31 December 2018 were as follows:

Top ten contributors	**Active Contribution %**
Amazon.com	2.11
Okta	1.87
ServiceNow	1.83
Workday	1.38
Netflix	1.34
Microsoft	1.16
Tableau Software	1.07
Palo Alto Networks	1.05
Square	0.95
Salesforce.com	0.77
	13.53

Top ten detractors	**Active Contribution %**
Apple	(0.66)
Cognex	(0.59)
Grubhub	(0.51)
Advanced Micro Devices	(0.49)
IPG Photonics	(0.43)
Sophos	(0.42)
Teradyne	(0.37)
Activision Blizzard	(0.32)
Flex	(0.31)
Alphabet Inc	(0.31)
	(4.41)

Source: AllianzGI. 30 November 2017 - 31 December 2018.

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 the 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 101.	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
14 March 2019

Directors' Report

The Directors present their Report and the audited Financial Statements for the 13 month period ended 31 December 2018. 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 3117355. 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 31 December 2018 was £408m (2017: £305m) with gains of £60m (2017: £89m) over book cost. Taking these investments at this valuation, the net assets attributable to each Ordinary Share amounted to 1284.7p at 31 December 2018 (2017: 1178.6p).

Investment Management Agreement

The management contract with Allianz Global Investors GmbH, UK Branch (AllianzGI), in place during the 13 month period is terminable at six months' notice (2017: six months'). Under the contract AllianzGI provides the Company with investment management, accounting, company secretarial and administration services and provides for a tiered management fee of 0.8% per annum on market capitalisation up to £400 million and 0.6% thereafter (2017: 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 (2017: £55,000 per annum) to cover AllianzGI's administration costs.

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% (2017: 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 13 month period ended 31 December 2018 which equated to £5,162,649 (2017: £433,476). See also Note 2 on page 94.

Continuing Appointment of the Investment Manager

During the 13 month period, 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 twelve months after approval of these financial statements. 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 period 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 99.

Voting Rights in the Company's Shares

As at 28 February 2019, 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	33,477,168	1	33,477,168
Ordinary Shares of 25p held in treasury	0	0	0
Total	**33,477,168**		**33,477,168**

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 has received the following formal notifications under DTR, representing voting rights of 3% or more of the issued ordinary share capital of the Company at the date of notification. It should be noted that these holdings may have changed since being notified to the Company. Further notifications of any changes are not required until the next applicable percentage threshold is crossed. The percentages shown are based on the total voting rights as at 31 December 2018 and 28 February 2019 respectively.

	31 December 2018 Total Voting rights 33,477,168		28 February 2019* Total Voting rights 33,477,168	
Holder	**Number of shares**	**% of capital**	**Number of shares**	**% of capital**
Rathbone Brothers PLC	3,336,858	9.9	3,336,858	9.9
Charles Stanley Group	1,304,607	3.9	1,304,607	3.9
Brewin Dolphin	1,295,855	3.9	1,295,855	3.9
Mattioli Woods plc	1,011,143	3.0	1,011,143	3.0

* Latest practical date

Directors' Report *(continued)*

Repurchase and Reissue of Shares

At the Annual General Meeting (AGM) held on 25 April 2018, authority was granted for the repurchase of up to 4,295,816 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 13 month period under review the Company did not buy back any shares for holding in treasury (2017: nil 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 period under review, 1,708,453 shares were reissued from treasury (2017: 675,000). At 31 December 2018 and at date of this report, there are no shares held in treasury.

The Board and Gender Diversity

The Board currently consists of a non-executive Chairman, Robert Jeens, and three non-executive Directors. The names and biographies of those Directors who held office at 31 December 2018 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 period. At the AGM, in accordance with the Articles of Association, Humphrey van der Klugt will retire by rotation and, being eligible, offers himself for re-election. In line with good Corporate Governance practice, having now served more than nine years' on the Board, Richard Holway shall 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 period is shown on page 57.

Directors' Fees

A report on Directors' Remuneration is set out on pages 79 to 82.

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. Directors are able, if appropriate, to authorise these conflicts and potential conflicts. The Board reports annually on the Company's procedures for ensuring that its powers of authorisation of conflicts are operated effectively and that the procedures have been followed.

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

The Board and Matters Reserved for the Board

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

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

Directors' Report *(continued)*

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 period 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 76 to 78.

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 November 2018 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.

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 November 2018 to make arrangements for the 2018 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 2018. 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 13 month period under review, describes how the Company applies the main principles identified in the Association of Investment Companies (the AIC) Code on Corporate Governance (the AIC Code July 2016). The AIC Code has been endorsed by the FRC and confirms that following the AIC Code, investment companies should fully meet the obligations under the FRC Governance Code.

A revised AIC Code, following a new FRC Governance Code (published in July 2018), will be applicable for the year commencing 1 January 2019.

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 period 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:

Directors' Report *(continued)*

- 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.

	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.

Directors' Report *(continued)*

	AIC Code Principles	How the principles are applied
5	There should be full disclosure of information about the board.	The directors' biographies on pages 56 and 57 demonstrate a breadth of investment, industrial, commercial and professional experience and expertise.
6	The board should aim to have a balance of skills, experience, length of service and knowledge of the company.	Each year the Board reviews its composition, seeking to ensure a balance of skills and experience. 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 13 month period ended 31 December 2018. 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 79 to 82. 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 66.
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. A glossary of Alternative Performance Measures (APMs) can be found on page 108.

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 period 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 investment strategy, technology sector risk, cyber risk, market risk, currency risk, financial and liquidity risk and operational risk for extended review.

Directors' Report *(continued)*

The Directors' Statement of Responsibilities, set out on page 75, 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 period under review and the outlook for the year ahead.

During the period under review, the Board sought Shareholders' approval for a prospectus placing programme for 20 million ordinary shares, as there had been a continued demand for the Company's shares. A general meeting was held on 23 July 2018 whereby the approval was given. The prospectus was published on 27 September 2018.

Directors' Responsibility, Accountability and Audit

The Directors' Statement of Responsibilities in respect of the financial statements is set out on page 75. The Independent Auditors' Report is set out on pages 84 to 88. 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 are delegated to the 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.com.

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.

Directors' Report *(continued)*

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 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 112 to 114. 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 period 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 25 April 2018 under Section 551 and Section 570 of the Companies Act 2006 and will expire on 25 July 2019.

Approval is therefore being sought for the renewal of the Directors' authority to allot new shares up to an aggregate nominal amount of £836,929, being 3,347,716 Ordinary Shares of 25p each, or, if different, such amount as is equal to 10% of the issued share capital at the date of the AGM, 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 £836,929, being 3,347,716 Ordinary Shares or, if different, such amount as is equal to 10% of the issued share capital at the date of the AGM.

If passed, these authorities will remain in place until the conclusion of the next AGM of the Company, or, if earlier, on 22 August 2020.

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/or to seek to manage demand for the Company's shares and the premium to NAV per share at which they trade, 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

Directors' Report *(continued)*

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 sold by the Company at a lower discount to the NAV per share 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 25 April 2018, under Section 701 of the Companies Act 2006.

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

The Board believes that the Company's ability to purchase its own shares may assist liquidity in the market. Additionally, where purchases are made at prices below the prevailing NAV, this enhances the NAV for the remaining shareholders. It is therefore intended that purchases will only be made at prices below NAV, with the purchases to be funded from the realised capital profits of the Company (which are currently £250 million). 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 5,018,227 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 22 May 2019, 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 13 month period 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
14 March 2019

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
14 March 2019

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 period ended 31 December 2018. We are reporting this year on a 13 month period, the Board having taken the decision to move the reporting year end from 30 November to 31 December for this and subsequent years.

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 period 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.

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 period, and are available on the Company's website www.allianztechnologytrust.com.

The principal activities carried out during the period 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.
– **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.

Audit Committee Report *(continued)*

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.

Significant areas of risk and focus considered by the Audit Committee during the period

The Annual Report and Financial Statements are the responsibility of the Board and the Statement of Directors' Responsibilities is on page 75. 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 period-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 period under review were substantively unchanged from 2017 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 period 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 92) and is reviewed by the Committee.
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.
Management and Performance 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.

Audit Committee Report *(continued)*

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 13 month period, 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.

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 Review on Grant Thornton LLP for 2017/18.

The Committee was pleased that Grant Thornton UK LLP's audit of the Trust was selected for the FRC's Audit Quality Review for the 2017 year end. This involved an in-depth review from the FRC's audit quality review team of the Company's audit by Grant Thornton for 2017. The Committee has received the report from the FRC of their findings. This has been discussed by the Committee and with the auditors. It has been a useful process because it casts light on the quality of the audit process in a way that the Committee does not normally see.

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 auditor in 1996) with Grant Thornton in 2007. As Christopher Smith had served as audit partner for a period of 5 years from 2013 to 2017, the Company has appointed a new audit partner – Paul Flatley. Following professional guidelines, Mr Flatley 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 auditor, the Company will be required to put the audit out to public tender in or before the year ending 31 December 2023.

Humphrey van der Klugt
Audit Committee Chairman
14 March 2019

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 84.

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 2020. The Remuneration Policy Report follows on page 82 and is available on the Company's website www.allianztechnologytrust.com.

Annual General Meeting (AGM) Voting Statement

At the AGM held on 25 April 2018, of the votes cast by proxy for the approval of the Remuneration Implementation Report, 11,425,826 (98.82%) were cast in favour, 5,669 (0.05%) were cast as discretionary, 73,251 (0.63%) were cast against and 56,556 (0.49%) shares were withheld from the vote.

Annual Statement

The Chairman of the Board reports that the Directors' remuneration will be increased as of 1 January 2019 as set out on page 80.

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, dividends and distributions made in the period:

	2018	**2017**
Total Remuneration	118,084*	109,000
Total Dividends, Share Buy-backs and Distributions	-	-

*2018 was a 13 month period

Directors' Remuneration Implementation Report *(continued)*

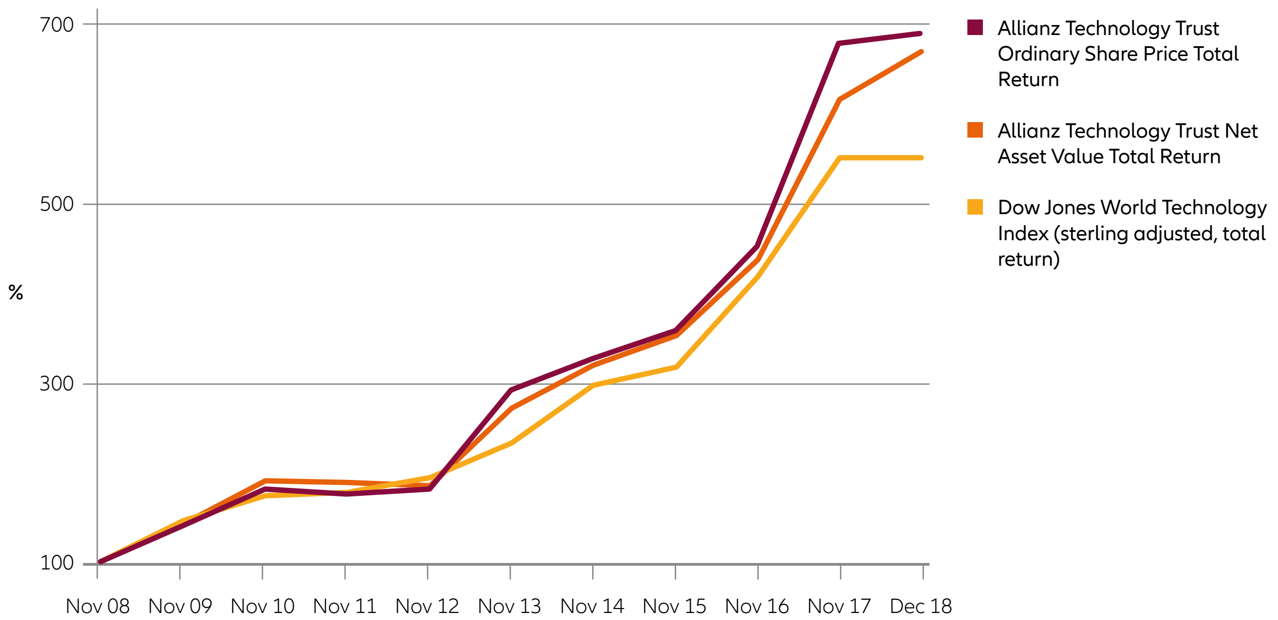
Directors' Service Contracts

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 over a ten year period. The graph set out below compares, on a cumulative basis, the total return to Ordinary Shareholders compared to the total shareholder return on a notional investment made up of shares of the same kind and number as those by reference to which the Company's Benchmark is calculated.



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

Directors' Fees

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

In the 13 month period to 31 December 2018 the Directors' fees were paid at the rate of £23,000 (2017: £23,000) per annum with the Chairman of the Board receiving an extra £12,000 (2017: £12,000) per annum and the Chairman of the Audit Committee an extra £5,000 (2017: £5,000) per annum. During the period the Directors' fees were reviewed and the following increases agreed. The Directors' fees will be increased as of 1 January 2019 to £26,000 per annum with the Chairman of the Board receiving an extra £13,000 per annum and the Chairman of the Audit Committee an extra £6,500 per annum.

Directors' Remuneration Implementation Report *(continued)*

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 (Audited Information)

The Directors who served in the period received the following emoluments in the form of fees:
(2018 was a 13 month period)

	Appointed	**Fees 2018 £**	**Fees 2017 £**
Robert Jeens	1 August 2013, Chairman: 2 April 2014	37,917	35,000
Humphrey van der Klugt	1 July 2015, Audit Committee Chairman: 14 April 2016	30,333	28,000
Richard Holway	29 January 2007	24,917	23,000
Elisabeth Scott	1 February 2015	24,917	23,000
		118,084	**109,000**

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	**31 December 2018**	**30 November 2017**
Robert Jeens	1 August 2013	10,000	10,000
Humphrey van der Klugt	1 July 2015	7,000	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 period end to the date of this report.

Approval

The Directors' Remuneration Report was approved by the Board of Directors on 14 March 2019 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 2018 annual fee rates are Chairman: £35,000, Audit Committee Chairman: £28,000 and Director: £23,000. The projected 2019 annual fee rates are Chairman: £39,000, Audit Committee Chairman: £32,500 and Director: £26,000. 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.

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

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 period from 1 December 2017 to 31 December 2018, which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. 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 31 December 2018 and of its profit for the period 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.

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 71 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 92 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: £4,295,000, which represents approximately 1% of the Company's net assets
- Key audit matters were identified as existence, valuation and ownership of investments and occurrence and accuracy of investment income
- Our audit approach was a risk based substantive audit focused on investments at the period end and investment income recognised during the period. 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
Existence, valuation and ownership of investments The Company's business is investing in the equity securities of quoted technology companies on a worldwide basis with the aim of achieving long-term capital growth. The investment portfolio at the period end had a carrying value of £407.9m and all investments were listed on recognised stock exchanges. As a significant, material item in the balance sheet, there is a risk that the investment valuation recorded may be incorrect. There is also a risk that investments recorded might not exist or may 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 and manage 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 agreeing the nominal holdings of securities to confirmation from the custodian, in order to obtain evidence over existence and ownership of investments; and – assessing if the investments were recognised and subsequently measured in accordance with the accounting policy. The Company's accounting policy on investments is shown in Accounting policy 4 in the Summary of Accounting Policies to the financial statements, and related disclosures are included in note 8. The Audit Committee identified valuation, existence and ownership of the Company's investments as a significant issue in its report on page 77, where the Committee also described the action that it has taken to address this issue. **Key observations** Our audit testing did not identify any material misstatements in the valuation of the Company's investment portfolio as at the period end nor were any issues noted with regards to the existence or the Company's ownership of the underlying investments at the period 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 accuracy 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 ISA (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. Investment income is the Company's major source of revenue and used in its performance evaluation. We have therefore determined that there is a risk that investment income might not have occurred or is not recognised in the correct accounting period. We therefore identified accuracy 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 period; – substantively testing income transactions to assess if they were recognised in accordance with the accounting policy; – for investments held during the period, obtaining the ex-dividend dates and rates for dividends declared during the period 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 Accounting policy 2 in the Summary of Accounting Policies to the financial statements, and related disclosures are included in note 1. The Audit Committee identified recognition, completeness and occurrence of revenue as a significant issue in its report on page 77, where the Committee also described the action that it has taken to address this issue. **Key observations** Our audit testing did not identify any material misstatements with regard to the accuracy and occurrence of investment income during the period.

Our application of materiality

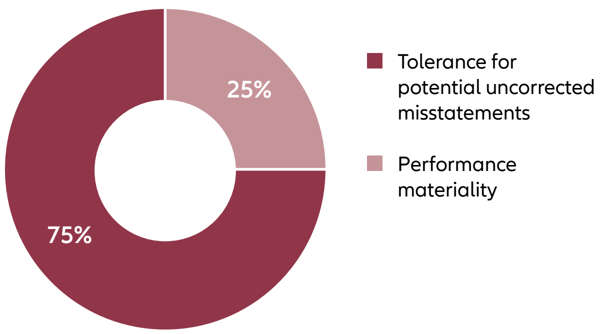
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our work and in evaluating the results of that work.

We determined materiality for the audit of the financial statements as a whole to be £4,295,000, which represents approximately 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 asset value calculation.

Materiality for the current period is higher than the level that we determined for the year ended 30 November 2017 to reflect the increased value of the Company's net assets, including its investment portfolio, at the period 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.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.



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

We also determine a lower level of specific materiality for certain areas such as investment income, performance fees and related party transactions.

We determined the threshold at which we will communicate misstatements to the audit committee to be £214,700. In addition, we will communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

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 financial report, 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 75 – 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 page 76 – the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee 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 period 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 75, 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 first period of accounts audited by Robson Rhodes was for the period ended 30 November 1996. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 24 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.

Use of our report

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.

Paul Flatley, Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
14 March 2019

Income Statement

for the 13 month period ended 31 December 2018

	Notes	2018 Revenue £	2018 Capital £	2018 Total Return £	2017 Revenue £	2017 Capital £	2017 Total Return £
Gains on investments held at fair value through profit or loss	8	-	27,035,470	27,035,470	-	91,039,974	91,039,974
(Loss) gains on foreign currencies		(276)	1,958,678	1,958,402	-	(515,184)	(515,184)
Income	1	1,861,880	-	1,861,880	1,723,582	-	1,723,582
Investment management fee and performance fee	2	(3,561,453)	(5,162,649)	(8,724,102)	(2,116,945)	(433,476)	(2,550,421)
Administration expenses	3	(847,061)	-	(847,061)	(609,756)	-	(609,756)
(Loss) profit before finance costs and taxation		**(2,546,910)**	**23,831,499**	**21,284,589**	**(1,003,119)**	**90,091,314**	**89,088,195**
Finance costs: interest payable and similar expenses	4	(26,174)	-	(26,174)	(1,536)	-	(1,536)
(Loss) profit before taxation		**(2,573,084)**	**23,831,499**	**21,258,415**	**(1,004,655)**	**90,091,314**	**89,086,659**
Taxation	5	(204,749)	-	(204,749)	(228,129)	-	(228,129)
(Loss) profit attributable to ordinary shareholders		**(2,777,833)**	**23,831,499**	**21,053,666**	**(1,232,784)**	**90,091,314**	**88,858,530**
(Loss) earnings per ordinary share	7	**(9.19p)**	**78.81p**	**69.62p**	**(4.75p)**	**346.78p**	**342.03p**

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 13 month period.

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

The notes on pages 92 to 106 form an integral part of these Financial Statements.

Balance Sheet

at 31 December 2018

	Notes	2018 £	2018 £	2017 £
Non Current Assets				
Investments held at fair value through profit or loss	8		407,901,923	304,958,713
Current Assets				
Other Receivables	10	2,141,300		2,641,205
Cash and cash equivalents	10	30,717,000		7,189,378
		32,858,300		**9,830,583**
Current Liabilities				
Other payables	10	(10,687,522)		(1,356,349)
Net current assets			**22,170,778**	**8,474,234**
Total net assets			**430,072,701**	**313,432,947**
Capital and Reserves				
Called up share capital	11		8,369,292	7,075,720
Share premium account	12		130,694,014	41,810,716
Capital redemption reserve	12		1,020,750	1,020,750
Capital reserve	12		310,764,628	281,523,911
Revenue reserve	12		(20,775,983)	(17,998,150)
Shareholders' funds	13		**430,072,701**	**313,432,947**
Net asset value per ordinary share	13		**1,284.7p**	**1,178.6p**

The financial statements of Allianz Technology Trust PLC, company number 3117355, were approved and authorised for issue by the Board of Directors on 14 March 2019 and signed on its behalf by:

Robert Jeens
Chairman

The notes on pages 92 to 106 form an integral part of these Financial Statements.

Statement of Changes in Equity

for the 13 month period ended 31 December 2018

	Called up Share Capital £	Share Premium Account £	Capital Redemption Reserve £	Capital Reserve £	Revenue Reserve £	Total £
Net assets at 1st 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)
Shares issued from treasury during the period	-	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**
Net assets at 1 December 2017	7,075,720	41,810,716	1,020,750	281,523,911	(17,998,150)	313,432,947
Revenue loss	-	-	-	-	(2,777,833)	(2,777,833)
Shares issued from treasury during the period	-	15,446,442	-	5,409,218	-	20,855,660
Shares issued from block listing facility during the period	1,293,572	73,436,856	-	-	-	74,730,428
Capital profit	-	-	-	23,831,499	-	23,831,499
Net assets at 31 December 2018	**8,369,292**	**130,694,014**	**1,020,750**	**310,764,628**	**(20,775,983)**	**430,072,701**

The notes on pages 92 to 106 form an integral part of these Financial Statements.

Notes to the Financial Statements

for the 13 month period ended 31 December 2018

Summary of Accounting Policies

for the 13 month period ended 31 December 2018

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

The accounts have been prepared over a 13 month period due to the accounting year end changing from 30 November to 31 December in 2018.

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 February 2018.

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.

The requirements have been met to qualify for the exemption to prepare a Cash Flow Statement. A Cash Flow Statement has therefore not been included within the financial statements.

The accounting policies adopted in preparing the current period'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 following twelve months after the date of the approval of these financial statements. 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 or 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 2018.

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 method and charged to revenue.

Notes to the Financial Statements *(continued)*

for the 13 month period ended 31 December 2018

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.

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, dependant on the nature of the gain or loss. Gains and losses on investments arising from a change in exchange rate 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 may also be made 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 made in the period.

Notes to the Financial Statements *(continued)*

for the 13 month period ended 31 December 2018

1. Income

	2018 £	2017 £
Income from Investments*		
Equity income from UK investments	121,823	63,390
Equity income from overseas investments	1,460,028	1,658,300
	1,581,851	**1,721,690**
Other Income		
Deposit interest	280,029	1,892
	280,029	**1,892**
Total income	**1,861,880**	**1,723,582**

* All equity income is derived from listed investments.

2. Investment Management Fee

	2018 Revenue £	2018 Capital £	2018 Total £	2017 Revenue £	2017 Capital £	2017 Total £
Investment management fee	3,561,453	-	3,561,453	2,116,945	-	2,116,945
Performance fee	-	5,162,649	5,162,649	-	433,476	433,476
Total	**3,561,453**	**5,162,649**	**8,724,102**	**2,116,945**	**433,476**	**2,550,421**

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 (2017: six months'), and provides for a base management fee of 0.8% (2017: 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. The base fee reduces to 0.6% for any market capitalisation that exceeds £400m. In addition there is a fixed fee of £55,000 (2017: £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 period in which a performance fee was last paid. At 31 December 2018 this 'high water mark' (HWM) was 1,180.19p 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 January 2019 the HWM was reset to 1,281.03p per share.

Notes to the Financial Statements *(continued)*

for the 13 month period ended 31 December 2018

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 £5,162,649 (2017: £433,476).

3. Administration Expenses

	2018 £	2017 £
Auditors' Remuneration		
Fee payable to the Company's auditor for the audit of the Company's annual accounts	30,800	28,500
VAT on auditors' remuneration	6,160	5,700
	36,960	**34,200**
Directors' fees[1]	118,084	109,000
Employer national insurance contributions	10,808	10,538
Marketing costs[2]	170,712	175,351
Depositary fees	84,582	50,250
Registrars' fees[3]	108,314	55,223
Professional & Advisory fees[3]	139,241	51,337
Stock exchange fees[3]	140,733	8,505
Other administrative expenses	37,627	115,352
	847,061	**609,756**

The above expenses include value added tax where applicable.

1 Directors' fees are set out in the Directors' Implementation Remuneration Report on pages 79 to 81.

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

3 Administration expenses in 2018 include one-off costs of the prospectus programme and issuance of new shares.

4. Finance Costs: Interest Payable and Similar Expenses

	2018 £	2017 £
Interest on overseas overdraft	26,174	1,536
	26,174	**1,536**

Notes to the Financial Statements *(continued)*

for the 13 month period ended 31 December 2018

5. Taxation

	2018 Revenue £	2018 Capital £	2018 Total £	2017 Revenue £	2017 Capital £	2017 Total £
Overseas taxation	204,749	-	204,749	228,129	-	228,129
Total tax	**204,749**	**-**	**204,749**	**228,129**	**-**	**228,129**
Reconciliation of tax charge						
(Loss) profit before taxation	(2,573,084)	23,831,499	21,258,415	(1,004,655)	90,091,314	89,086,659
Tax on (loss) profit at 19.00% (2017: 19.33%)	**(488,886)**	**4,527,985**	**4,039,099**	**(194,233)**	**17,417,654**	**17,223,421**
Reconciling factors						
Non taxable income	(300,312)	-	(300,312)	(332,860)	-	(332,860)
Non taxable capital gains	-	(5,508,888)	(5,508,888)	-	(17,501,459)	(17,501,459)
Disallowable expenses	970	-	970	2,771	-	2,771
Excess of allowable expenses over taxable income	788,228	980,903	1,769,131	524,322	83,805	608,127
Overseas tax suffered	204,749	-	204,749	228,129	-	228,129
Total tax	**204,749**	**-**	**204,749**	**228,129**	**-**	**228,129**

The Company's taxable income is exceeded by its tax allowable expenses. As at 31 December 2018, the Company had accumulated surplus expenses of £61.1m (2017: £51.8m).

At 31 December 2018 the Company has not recognised a deferred tax asset of £10.4m (2017: £8.8m) in respect of accumulated expenses based on a prospective corporation tax rate of 17% (2017: 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 of its status 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 disposal of investments.

6. Dividends on Ordinary Shares

There were no dividends paid or declared during the 13 month financial period ended 31 December 2018 (2017: nil).

Notes to the Financial Statements *(continued)*

for the 13 month period ended 31 December 2018

7. (Loss) Earnings per Ordinary Share

	2018 Revenue £	2018 Capital £	2018 Total Return £	2017 Revenue £	2017 Capital £	2017 Total Return £
(Loss) earnings after taxation attributable to ordinary shareholders	(2,777,833)	23,831,499	21,053,666	(1,232,784)	90,091,314	88,858,530
(Loss) earnings per ordinary share	(9.19p)	78.81p	69.62p	(4.75p)	346.78p	342.03p

	2018 No. of Shares	2017 No. of Shares
Weighted average number of Ordinary Shares in issue for the return per Ordinary Share calculations above	30,241,003	25,979,754

8. Investments

Listed at market valuation on recognised stock exchanges

	2018 £	2017 £
Fair value of investments brought forward	304,958,713	209,653,974
Investment holdings gains brought forward	(88,783,575)	(37,305,864)
Cost of investments held brought forward	**216,175,138**	**172,348,110**
Additions at cost	431,313,312	247,115,994
Disposals at cost	(299,444,650)	(203,288,966)
Cost of investments held at 31 December	**348,043,800**	**216,175,138**
Investment holdings gains at 31 December	59,858,123	88,783,575
Market value of investments held at 31 December	**407,901,923**	**304,958,713**
Gains on Investments		
Gains on sales of investments based on historical costs	55,960,922	39,562,263
Adjustment for investment holding losses (gains) recognised in previous years	27,874,937	(25,248,845)
Gains on sales of investments based on carrying value at previous balance sheet date	**83,835,859**	**14,313,418**
Investment holding (losses) gains arising in the period	(56,800,389)	76,726,556
Gains on investments	**27,035,470**	**91,039,974**

Transaction costs and stamp duty on purchases amounted to £211,910 (2017: £186,894) and transaction costs on sales amounted to £154,151 (2017: £151,431).

Notes to the Financial Statements *(continued)*

for the 13 month period ended 31 December 2018

9. Investments in Subsidiaries or other companies

As at 31 December 2018 the Company held no investments in subsidiaries, nor did it hold more than 10% of the share capital of any other company.

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

	2018 £	2017 £
Other receivables		
Sales for future settlement	2,054,737	-
Accrued income	31,521	143,785
Other receivables	55,042	2,497,420
	2,141,300	**2,641,205**
Cash and Cash Equivalents		
Cash at bank	**30,717,000**	**7,189,378**
Other Payables		
Purchases for future settlement	4,109,528	-
Other payables	6,577,994	1,356,349
	10,687,522	**1,356,349**

The contingent consideration of £424,419 relating to Microdose Therapeutix was written down to zero during the period to 31 December 2018 as no further return was expected to be received. In 2017, £413,969 was included within other receivables.

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 13 month period ended 31 December 2018

11. Called up Share Capital

	2018 £	2017 £
Allotted and Fully Paid		
33,477,168 Ordinary Shares of 25p (2017: 28,302,880)*	8,369,292	7,075,720

*2017 inclusive of 1,708,453 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 period, there were no Ordinary shares repurchased to be held in treasury (2017: nil). During the period 1,708,453 Ordinary Shares were reissued from treasury (2017: 675,000), and 5,174,288 Ordinary Shares were issued from the block listing facility. Since the period end no further shares have been issued up to and including 28 February 2019.

	2018 Number	2018 £	2017 Number	2017 £
Allotted 25p ordinary shares				
Brought forward	26,594,427	6,648,607	25,919,427	6,479,857
Shares issued from treasury	1,708,453	427,113	675,000	168,750
Shares issued from block listing facility	5,174,288	1,293,572	-	-
Carried forward	**33,477,168**	**8,369,292**	**26,594,427**	**6,648,607**
Treasury shares:				
Brought forward	1,708,453	427,113	2,383,453	595,863
Shares issued from treasury	(1,708,453)	(427,113)	(675,000)	(168,750)
Carried forward	**-**	**-**	**1,708,453**	**427,113**

Notes to the Financial Statements *(continued)*

for the 13 month period ended 31 December 2018

12. Reserves

			Capital Reserve		
	Share Premium Account £	Capital Redemption Reserve £	Gains on Sales of Investments £	Investment Holding Gains (Losses) £	Revenue Reserve £
Balance at 1 December 2017	41,810,716	1,020,750	191,563,387	89,960,524	(17,998,150)
Gains on sales of fixed asset investments	-	-	83,835,859	-	-
Foreign currency gains	-	-	1,958,678	-	-
Net movement in fixed asset investment holding gains	-	-	-	(56,800,389)	-
Transfer on disposal of investments	-	-	(27,874,937)	27,874,937	-
Issue of ordinary shares from treasury	15,446,442	-	5,409,218	-	-
Issue of ordinary shares from block listing facility	73,436,856	-	-	-	-
Performance fee	-	-	(5,162,649)	-	-
Retained loss for the period	-	-	-	-	(2,777,833)
Balance at 31 December 2018	**130,694,014**	**1,020,750**	**249,729,556**	**61,035,072**	**(20,775,983)**

The Institute of Chartered Accountants in England and Wales 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 realised gains on sales of investments provided they can be readily converted into cash.

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

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.

Notes to the Financial Statements *(continued)*

for the 13 month period ended 31 December 2018

13. Net Asset Value (NAV) per Share

The Net Asset Value per share (which equates to the net asset value attributable to each Ordinary Share in issue at the period end calculated in accordance with the Articles of Association) was as follows:

	NAV Per Share Attributable	
	2018	**2017**
Ordinary Shares of 25p	1,284.7p	1,178.6p

	NAV Attributable	
	2018	**2017**
Ordinary Shares of 25p	£430,072,701	£313,432,947

The Net Asset Value per share is based on 33,477,168 Ordinary Shares in issue at 31 December 2018 (2017: 26,594,427 Ordinary Shares).

14. Contingent Liabilities and Commitments and Guarantees

At 31 December 2018 there were no contingent liabilities or commitments (2017: £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 either in the Company's net return or in its 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 co-operation 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 53 to 54.

Market Price Sensitivity

The value of the Company's listed equities, which were exposed to market price risk as at 31 December 2018 was as follows:

	2018 £	**2017** £
Listed equity investments held at fair value through profit or loss	407,901,923	304,958,713

Notes to the Financial Statements *(continued)*

for the 13 month period ended 31 December 2018

The following illustrates the sensitivity of the net return and the net assets to an increase or decrease of 20% (2017: 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 period, with all other variables held constant.

	2018 20% Increase in fair value £	2018 20% Decrease in fair value £	2017 20% Increase in fair value £	2017 20% Decrease in fair value £
Revenue earnings				
Investment management fees	(489,482)	636,839	(487,934)	487,934
Capital earnings				
Gains (losses) on investments at fair value	81,580,385	(81,580,385)	60,991,743	(60,991,743)
Change in net return	**81,090,903**	**(80,943,546)**	**60,503,809**	**(60,503,809)**

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 Investment Manager 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 period (2017: £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:

	2018 Investments £	2018 Other Assets and Liabilities £	2018 Total Currency Exposure £	2017 Investments £	2017 Other Assets and Liabilities £	2017 Total Currency Exposure £
Sterling	15,903,881	(5,657,981)	10,245,900	12,344,354	763,551	13,107,905
US Dollar	365,135,708	27,392,886	392,528,594	269,700,759	7,291,472	276,992,231
Other currency exposure	26,862,334	435,873	27,298,207	22,913,600	419,211	23,332,811
	407,901,923	**22,170,778**	**430,072,701**	**304,958,713**	**8,474,234**	**313,432,947**

Notes to the Financial Statements *(continued)*

for the 13 month period ended 31 December 2018

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 period end for a 20% change in foreign currency rates.

	2018 20% Decrease in sterling against foreign currencies £	2018 20% Increase in sterling against foreign currencies £	2017 20% Decrease in sterling against foreign currencies £	2017 20% Increase in sterling against foreign currencies £
US Dollar	98,132,149	(65,421,432)	69,248,057	(46,165,372)
Other currency exposure	6,824,552	(4,549,701)	5,833,203	(3,888,800)
Change in net return and net assets	**104,956,701**	**(69,971,133)**	**75,081,260**	**(50,054,172)**

(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.

	2018 Fixed rate interest £	2018 Floating rate interest £	2018 Nil interest £	2018 Total £	2017 Fixed rate interest £	2017 Floating rate interest £	2017 Nil interest £	2017 Total £
Financial assets	-	30,717,000	407,901,923	438,618,923	-	7,189,378	304,958,713	312,148,091
Financial liabilities	-	-	-	-	-	-	-	-
Net financial assets	-	**30,717,000**	**407,901,923**	**438,618,923**	**-**	**7,189,378**	**304,958,713**	**312,148,091**
Short-term receivables and payables				(8,546,222)				1,284,856
Net assets per balance sheet				**430,072,701**				**313,432,947**

As at 31 December 2018, the interest rates received on cash balances or paid on bank overdrafts, was nil% and 2.0% per annum respectively (2017: nil% and 3.0% 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.

Notes to the Financial Statements *(continued)*

for the 13 month period ended 31 December 2018

(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.

2018	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	10,687,522	-	-	-	10,687,522
	10,687,522	**-**	**-**	**-**	**10,687,522**

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**

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 the 31 December 2018, the Company had no committed borrowing facility (2017: £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.

Notes to the Financial Statements *(continued)*

for the 13 month period ended 31 December 2018

The table below summarises the credit risk exposure of the Company as at 31 December:

	2018 £	2017 £
Other Receivables:		
Outstanding settlements	2,054,737	-
Accrued income	31,521	143,785
Other receivables	55,042	2,497,420
Cash and cash equivalents	30,717,000	7,189,378
	32,858,300	**9,830,583**

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 31 December 2018, the financial assets at fair value through profit and loss are categorised as follows:

	2018 £	2017 £
Level 1	407,901,923	304,958,713
Level 2	-	-
Level 3	-	413,969
	407,901,923	**305,372,682**

The level 3 amount was the contingent asset for Microdose Therapeutix which was written down to zero during the period to 31 December 2018 as no further returns were expected to be received.

Notes to the Financial Statements *(continued)*

for the 13 month period ended 31 December 2018

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 31 December 2018 was as per the equity shareholders' funds in the Balance Sheet on page 90.

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 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 94. 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 FRS102 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 95. There are no other identifiable related parties at 31 December 2018, and as of 14 March 2019.

18. Post Balance Sheet Events

Since the period end no further shares have been issued. As at 14 March 2019 there were 33,477,168 shares in issue.

Investor Information

Glossary of UK GAAP Performance Measures and Alternative Performance Measures

UK GAAP performance measures

Net Asset Value is the value of total assets less all liabilities, by dividing this amount by the total number of ordinary shares in issue.

Earnings per ordinary share is the profit after taxation, divided by the weighted average number of shares in issue for the period.

Alternative Performance Measures (APMs)

Discount/Premium is the amount by which the stock market price per ordinary share is lower/higher than the Net Asset Value, or NAV, per ordinary share. The discount/premium is normally expressed as a percentage of the NAV per ordinary share.

Ongoing charges are operating expenses, excluding one off costs, incurred in the running of the company, whether charged to revenue or capital, but excluding financing costs and performance fees. These are expressed as a percentage of the average net asset value during the year and this is calculated in accordance with guidance issued by the Association of Investment Companies.

Investor Information

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

Head of Investment Trusts - AllianzGI
Stephanie Carbonneil
Email: stephanie.carbonneil@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

The depositary will change during 2019 to HSBC Bank plc,
8 Canada Square, London E14 5HQ

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

Registrars
Link Asset Services, The Registry, 34 Beckenham Road,
Beckenham, Kent BR3 4TU. Telephone: 0371 664 0300.
Lines are open 9.00 a.m. to 5.30p.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 March. Annual General Meeting held in May.

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

The year end is 31 December.

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

Alliance Trust Savings Limited (ATS) is one of a number of providers offering a range of products and services, including Share Plans, ISAs and pension products. ATS also maintains services including online and telephone-based dealing facilities and online valuations. More information is available from Allianz Global Investors either via Investor Services on 0800 389 4696 or on the Company's website: www.allianztechnologytrust.com, 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.

Share Price
The share price quoted in the London Stock Exchange Daily Official List for 31 December 2018 was 1220.0p per Ordinary Share.

Investor Information *(continued)*

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 nonmainstream investment products.

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.

Investor Information *(continued)*

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 2018, AllianzGI had €535 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 2018 had £1.41 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 2018 (all values in Euro).

Number of employees: 1,718

	All employees	Risk Taker	Board Member	Other Risk Taker	Employees with Control Function	Employees with Comparable Compensation
Fixed remuneration	152,084,831	8,487,988	1,962,234	405,616	1,226,734	4,893,404
Variable remuneration	119,079,444	28,858,193	12,335,788	323,424	4,789,449	11,409,531
Total remuneration	**271,164,275**	**37,346,181**	**14,298,022**	**729,040**	**6,016,183**	**16,302,935**

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. The Depositary will change from BNYM to HSBC Bank plc during 2019. Depositary fees are charged in addition to custody fees and are calculated on the basis of net assets.

AIFM Leverage Disclosure

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

AIFM Pre-Investment Disclosures

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

Notice of Meeting

Notice 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, 22 May 2019 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 13 month period ended 31 December 2018.
2. To re-elect Humphrey van der Klugt 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 13 month period ended 31 December 2018.

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 £836,929 equivalent to 3,347,716 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 £836,929 being approximately 10% of the nominal value of the issued share capital of the Company, as at 14 March 2019, or, if different, such amount as is equal to 10% of the issued share capital at the date of the AGM, 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, 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

Notice of Meeting *(continued)*

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 £836,929 being approximately 10% of the nominal value of the issued share capital of the Company, as at 14 March 2019, 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 5,018,227;

(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
14 March 2019

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 20 May 2019 (the record date).

Notice of Meeting *(continued)*

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 (SI2009/1632), multiple corporate representatives appointed by the same corporate member can vote in different ways provided they are voting in respect of different shares.
11. Members have a right under Section 319A of the Companies Act 2006 to require the Company to answer any question raised by a member at the AGM, which relates to the business being dealt with at the meeting, although no answer need be given (a) if to do so would interfere unduly with the preparation of the meeting or involve disclosure of confidential information; (b) if the answer has already been given on the Company's website; or (c) it is undesirable in the best interests of the Company or for the good order of the meeting.
12. Members satisfying the thresholds in Section 527 of the Companies Act 2006 can require the Company, at its expense, to publish a statement on the Company website setting out any matter which relates to the audit of the Company's accounts that are to be laid before the meeting. Any such statement must also be sent to the Company's auditors no later than the time it is made available on the website and must be included in the business of the meeting.
13. As at 14 March 2019, 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 33,477,168 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 14 March 2019 is 33,477,168.
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.

Allianz Technology Trust PLC
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www.allianztechnologytrust.com