

# Allianz Technology Trust PLC

Technology investing from the heart of the industry



## Aim

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

## Trust Benefits

The award-winning Allianz Technology Trust PLC offers investors access to the fast moving world of technology with the reassurance that investment decisions are made by the highly experienced Global Technology Team which currently manages \$12bn in assets under management.

## At the Heart of the Industry

Allianz Technology Trust is managed by the highly experienced Global Technology team based in San Francisco. The team benefits from its close proximity to Silicon Valley where many of the world's key technology companies are headquartered.

## Awards & Ratings



A ranking, a rating or an award provides no indicator of future performance and is not constant over time.

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From 25 July 2022, discretionary portfolio management services formerly provided to Allianz Technology Trust PLC (the "Company") by Allianz Global Investors ("AllianzGI") have been delegated to Voya Investment Management Co. LLC ("Voya IM"). All members of the former AllianzGI Global Technology Team transferred to Voya IM and continue to manage the Company's portfolio. It is anticipated that there will be no change to the investment process. AllianzGI will remain the Company's AIFM (Alternative Investment Fund Manager), providing company secretarial, administration and sales and marketing services.

**Total Assets** £1,068.8m    **Shares in Issue** 399,292,223 (Ordinary 2.5p)    **Market Cap** £920.4m

Share Price  
**230.5p**

NAV per Share  
**267.7p**

Premium/-Discount  
**-13.9%**

**Share Price** is the price of a single ordinary share, as determined by the stock market. The price shown above is the mid-market price.

**Net Asset Value (NAV) per Share** is calculated as available shareholders' funds divided by the number of shares in issue, with shareholders' funds taken to be the net value of all the company's assets after deducting liabilities. An undiluted, cum-income NAV is shown.

**Premium/Discount.** Since investment company shares are traded on a stock market, the share price that you get may be higher or lower than the NAV. The difference is known as a discount or premium.

## Fund Manager's Review

### Portfolio overview

The Allianz Technology Trust's Net Asset Value (NAV) total return was 6.76% in March, compared to the Dow Jones World Technology Index return of 8.66%. During the month, stock selection and industry allocation detracted.

### Contributors

Meta Platforms Inc. delivered solid earnings results, driven by strong engagement as well as improvements in e-commerce ad spend. The company noted that it will focus on driving efficiencies in some areas, while contemplating revenue growth in others. This is evident in the company's revised data center plans, where Meta is focused on cost-efficiency and flexibility. This is a very welcomed change as Meta's high level of spending has been a concern for several years. Additionally, Reels plays doubled year-over-year, and Meta expects Reels usage to be a "neutral" monetisation headwind at the end of 2023 or early 2024. Reels has been a significant revenue challenge, and this improvement should contribute to more stable revenue growth over time.

Okta, Inc. delivered strong results for the quarter, beating expectations for revenue and pro forma Earnings per Share (EPS). The company also generated record free cash flow of \$72 million as management tightly controlled costs. Outperformance was driven by strong demand, solid execution, and improvement in its go-to-market business performance. Customer attrition rates were at more normalised levels for the second quarter in a row despite transitioning sales leadership. The company is making a conscious effort to reduce costs, while also supporting a return to higher growth in fiscal 2025. Operating leverage is expected to come from previously announced headcount reductions, tight expense controls, and increased sales productivity as the sales teams mature. In our view, the company has likely corrected many of the sales execution challenges that impacted the business last year and has set expectations at prudent and conservative levels for fiscal 2024.

**“ Meta Platforms Inc. delivered solid earnings results, driven by strong engagement as well as improvements in e-commerce ad spend**

Other top contributors included not owning Qualcomm Inc., International Business Machines Corp. and Infosys Ltd.

### Detractors

Pure Storage delivered mixed fourth-quarter results, missing revenue expectations but topping Earnings per Share (EPS) estimates. Furthermore, guidance for fiscal 2024 came in well below expectations as the company saw pronounced pressure on pipeline aging starting in January as customers entered a new budget cycle. Given the poor outlook, we decided to exit our position as the company works through these challenges. We will continue to monitor the company's progress over time.

Our underweight to Microsoft Corp. was also a top detractor over the month. In addition to launching a new artificial intelligence-powered Copilot product for Office apps, Microsoft also launched a Security Copilot product. The Security Copilot is an AI assistant designed to help security professionals quickly summarise and investigate incidents. Security Copilot will also continually learn and improve to help ensure that security teams are operating with the latest knowledge of attackers, their tactics, techniques and procedures. Microsoft believes that these innovations should help them continue to grow and remain a dominant player in software and security. Its security business is producing more than \$20 billion in revenue and growing more than 30% year over year. Microsoft



### Mike Seidenberg, Lead Portfolio Manager

Michael Seidenberg received his BS in Business Administration from the University of Colorado in 1990. He received his Master of Business Administration from Columbia Business School in 1996 with concentrations in Finance and Accounting. Prior to attending Columbia Business School, Michael worked for Roche Laboratories (a division of Hoffman LaRoche) in pharmaceutical and biotechnology sales. From 1996-2001, he worked in the software industry in a variety of roles and spent time at Oracle Corporation. He began his investing career with Citadel Investment Group in 2001 covering the software space. Over the next 8 years he broadened his coverage list to include a variety of technology sectors. Prior to joining the Global Technology team in Sept 2009, Michael worked at a number of hedge funds including Pequot Capital and Andor Capital.

remains a top holding in the portfolio, although we are underweight the benchmark's large position.

Other top detractors included overweights in Gitlab, Inc., Marvell Technology, Inc. and Zscaler, Inc.

### Market outlook

Our expectation is that the recent macro challenges could translate to an attractive opportunity for long-term investors as the technology sector is likely to continue benefiting from secular tailwinds which should, we believe, drive capital appreciation over time. Having said this, we are cognisant of the scrutiny on IT budgets and the potential challenge near term. In addition, many companies remain challenged to find workers to meet customer demands and are likely to further leverage technology-based solutions to improve productivity of limited staffs. As companies need to reduce costs and improve productivity, particularly in light of a potentially uncertain macroeconomic outlook, we expect to see accelerating demand for innovative and more productive solutions such as cloud, software-as-a-service, artificial intelligence, cyber security, etc. We are in a period of rapid change, where the importance of technology is key to the prosperity of most industries. We believe that this environment is likely to provide attractive growth opportunities in many technology stocks over the next several years.

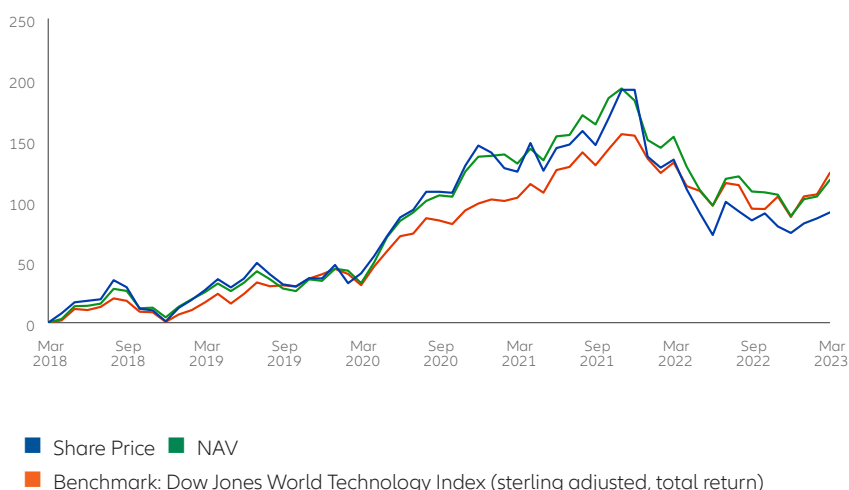
We continue to believe the technology sector can provide some of the best absolute and relative return opportunities in the equity markets — particularly for bottom-up stock pickers with proven long-term selection capabilities.

**Mike Seidenberg**  
**21 April 2023**

**This is no recommendation or solicitation to buy or sell any particular security. Any security mentioned above will not necessarily be comprised in the portfolio by the time this document is disclosed or at any other subsequent date.**

## Performance Track Record

### Five Year Performance (%)



## Risk & Features

Investment trusts are quoted companies listed on the London Stock Exchange. Their share prices are determined by factors including the balance of supply and demand in the market.

Competition among technology companies may result in aggressive pricing of their products and services, which may affect the profitability of the companies in which the Trust invests. In addition, because of the rapid pace of technological development, products or services developed by these companies may become rapidly obsolete or have relatively short product cycles. This may have the effect of making the Trust's returns more volatile than the returns of a fund that does not invest in similarly related companies.

Derivatives can be used to manage the Trust efficiently.

### Cumulative Returns (%)

	3M	6M	1Y	3Y	5Y
Share Price	9.8	3.6	-18.6	35.7	90.5
NAV	15.9	4.7	-14.0	64.2	117.2
Benchmark	19.5	15.3	-3.6	70.8	123.1

### Discrete 12 Month Returns to 31 March (%)

	2023	2022	2021	2020	2019
Share Price	-18.6	4.4	59.6	11.0	26.4
NAV	-14.0	9.5	74.3	6.1	24.8
Benchmark	-3.6	14.3	55.1	12.2	16.4

Source: Thomson Reuters Refinitiv DataStream, percentage growth, mid to mid, total return to 31.03.23. Copyright 2023 © DataStream, a Thomson Reuters company. All rights reserved. DataStream shall not be liable for any errors or delays in the content, or for any actions taken in reliance thereon.

Past performance is not a reliable indicator of future returns. You should not make any assumptions on the future on the basis of performance information. The value of an investment and the income from it can fall as well as rise as a result of market fluctuations and you may not get back the amount originally invested.

## Portfolio Breakdown

### Sector Breakdown (%)

Information Technology	90.1	<div style="width: 90.1%;"></div>
Consumer Discretionary	5.4	<div style="width: 5.4%;"></div>
Industrials	2.3	<div style="width: 2.3%;"></div>
Financials	0.1	<div style="width: 0.1%;"></div>
Cash	2.1	<div style="width: 2.1%;"></div>

### Top Ten Holdings (%)

Apple	8.7
Microsoft	6.9
Nvidia	5.8
Meta	5.3
Alphabet - A shares	5.0
Palo Alto Networks	3.2
Taiwan Semiconductor	3.1
HubSpot	2.6
ON Semiconductor	2.5
Okta	2.3

Total number of holdings 51

### Geographic Breakdown (%)

North America	91.3	<div style="width: 91.3%;"></div>
Far East & Pacific	4.5	<div style="width: 4.5%;"></div>
Europe ex UK	2.0	<div style="width: 2.0%;"></div>
UK	0.1	<div style="width: 0.1%;"></div>
Cash	2.1	<div style="width: 2.1%;"></div>

### Market Cap Breakdown (%)

Over US \$100bn	54.6	<div style="width: 54.6%;"></div>
US \$10bn to 100bn	40.5	<div style="width: 40.5%;"></div>
US \$1bn to 10bn	2.8	<div style="width: 2.8%;"></div>
Cash	2.1	<div style="width: 2.1%;"></div>

The data shown is not constant over time and the allocation may change in the future. Totals may not sum to 100.0% due to rounding. This is no recommendation or solicitation to buy or sell any particular security.

## Key Information

Launch Date	December 1995
AllianzGI Appointment	April 2007
AIC Sector	Specialist Sector: Technology, Media & Telecoms
Benchmark	Dow Jones World Technology Index (sterling adjusted, total return)
Annual Management Fee	0.8% p.a. on market capitalisation up to £400 million, 0.6% p.a. on any market capitalisation between £400 million and £1 billion, and 0.5% p.a. on any market capitalisation over £1 billion. In addition there is an admin fee of £55,000 p.a.
Performance Fee <sup>1</sup>	Yes
Ongoing Charges <sup>2</sup>	0.70%
Year End	31 December
Annual Financial Report	Final published in March, Half-yearly published in August
AGM	April
NAV Frequency	Daily
Price Information	Financial Times, The Daily Telegraph, <a href="http://www.allianztechnologytrust.com">www.allianztechnologytrust.com</a>
Company Secretary	Kelly Nice
Investment Manager	Mike Seidenberg
Codes	RIC: ATT.L SEDOL: BNG2M15

1. Calculated as 10% of outperformance against the benchmark, after adjusting for changes in share capital and will be capped at 1.75% of the Company's average daily NAV over the relevant year.

2. As at the Trust's Financial Year End (31.12.2022). Ongoing Charges (previously Total Expense Ratios) are published annually to show operational expenses, which include the annual management fee, incurred in the running of the company but excluding financing costs.

## Board of Directors

Robert Jeens (Chairman)  
Katya Thomson (Chair of the Audit & Risk Committee)  
Humphrey van der Klugt (Senior Independent Director)  
Neeta Patel  
Tim Scholefield  
Elisabeth Scott

## How to invest

You can buy shares in the Trust through:

- A third party provider - see 'How to Invest' on our website, where you will find links to a range of these platforms, many of which allow you to hold the shares within an ISA, Junior ISA, SIPP and/or savings scheme.
- A stockbroker.
- A financial adviser.

## Contact us

If you have any queries regarding our investment trusts our Investor Services team can be contacted on:

0800 389 4696

[www.allianztechnologytrust.com](http://www.allianztechnologytrust.com)

**E-mail: [investment-trusts@allianzgi.com](mailto:investment-trusts@allianzgi.com)**

You will find much more information about Allianz Technology Trust on our website.

Please note that we can only offer information and are unable to provide investment advice. You should contact your financial adviser before making any investment decision.



**Investing involves risk. The value of an investment and the income from it may fall as well as rise and investors may not get back the full amount invested.** The views and opinions expressed herein, which are subject to change without notice, are those of the issuer and/or its affiliated companies at the time of publication. The data used is derived from various sources, and assumed to be correct and reliable, but it has not been independently verified; its accuracy or completeness is not guaranteed and no liability is assumed for any direct or consequential losses arising from its use, unless caused by gross negligence or wilful misconduct. The conditions of any underlying offer or contract that may have been or will be made or concluded shall prevail.

**All data source Allianz Global Investors as at 31.03.23 unless otherwise stated.**

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