

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 Walter Price who has over 40 years of experience of investing in technology. He is Co-Head of the AllianzGI Global Technology Team which currently manages \$4bn in assets under management.

At the Heart of the Industry

Allianz Technology Trust is managed by the highly experienced AllianzGI 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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Source and copyright of Citywire. Walter Price is 'A' rated by Citywire for his three year risk-adjusted performance for the period 31.10.2017 to 31.10.2020. Citywire awards apply to the Manager, rather than the Fund.

Total Assets £1,148.4m **Shares in Issue** 41,580,668 (Ordinary 25p) **Market Cap** £1,151.8m

Share Price

2770.0p

NAV per Share

2761.8p

Premium/-Discount

0.3%

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 returned 10.2% in November, outperforming the Dow Jones World Technology Index return of 6.2%. During the month, stock selection contributed and industry allocation detracted from relative performance. For the year to date period, the Trust returned 67.1%, significantly outperforming the benchmark return of 37.7%.

Our position in electric vehicle maker, Tesla, was the top contributor during the period. Shares surged after it was announced that the company would enter the S&P 500 Index in December. Additionally, it was reported that the company's Shanghai factory was producing Model 3 sedans at near capacity levels, which would close the gap on management's pre-COVID-19 goal of 500,000 vehicle deliveries in 2020. With the rapid scaling of their vehicle production and further planned capacity, our earnings power estimates have increased significantly over the past several months. We remain constructive on shares, while acknowledging the sensitivity to the cash flow outlook.

Our underweight position in Microsoft was also one of the top relative contributors. The company reported another impressive quarter with revenue and profits topping expectations. Guidance for the December quarter fell slightly below consensus estimates, but this was almost entirely due to headwinds in the More Personal Computing segment. The September quarter results were driven by continued strong growth in the company's cloud segment with commercial cloud revenue growing 31% and Azure growing 47%. Office/Microsoft 365 saw strong upsell activity propelled by customer demand for Microsoft's security, voice, compliance,

“ **The company continues to drive the opportunity around the expanded concept of digital safety**

and analytics solutions. Longer term, as COVID-19 crystallizes the urgency of digital transformation, we believe Microsoft remains in an enviable strategic position to help customers along this journey, with a proven ability to execute across multiple vectors of growth. Despite this positive background, we are underweight relative to the benchmark's large position in the stock.

Other top active contributors included an overweight position in Square and underweight positions in Alibaba and Tencent.

Our position in Amazon.com was the top relative detractor as the stock's positive performance trailed the benchmark. Amazon delivered another strong quarter with sales and profits exceeding expectations. Total sales increased 37% year-on-year, with higher than expected volume driving record profit despite the incremental COVID-19 related expenses. The sales results were primarily driven by strength in both its North American and International marketplaces, while Amazon Web Services (AWS) was roughly in line with expectations. Strong demand for essentials in the first half of the year led to more engaged members and higher Prime renewal rates in the third quarter. AWS sales grew 29%, and advertising revenue re-accelerated to 54% from 42% in Q2, which may bode well as we head into the seasonally strong holiday period. In our view, the pandemic has increased demand for e-commerce and cloud computing has increased and will likely remain high post the pandemic.

Our position in NortonLifeLock was also a top relative detractor during the period. The company reported another solid quarter for revenue and customer growth, while operating margins crossed 50%. NortonLifeLock



Walter Price CFA, Portfolio Manager

Allianz Technology Trust PLC is managed by Walter Price who is a Managing Director and Co-Head of the AllianzGI Technology Team in San Francisco, having joined in 1974. 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.

has shown continued success growing its customer count and evolving the product portfolio as a stand-alone company. The company added 608,000 customers over the past year and 117,000 customers over the quarter, as customer count grew year-on-year for the second quarter in a row for the first time since 2014. Importantly, customers are adopting higher value offerings as half of the installed base is now on Norton 360. The company continues to drive the opportunity around the expanded concept of digital safety with accelerated feature/product development including Norton 360 for Gamers and Norton 360 with LifeLock for Family, both seem timely with work-from-home and home education. We believe NortonLifeLock remains well positioned to benefit from the growing attack surface around expanding digital lives and more time spent online due to remote work. The stock has a strong margin and free cash flow profile.

Other top active detractors included not owning ASML, Applied Materials, or Cisco Systems.

Market Outlook

In our view, the technology sector continues to benefit from strong tailwinds which should continue to drive attractive long term appreciation. There is no question in our minds that the present events around the COVID-19 crisis will spur the use of technology and change how we live and work in the future. As companies adjust budgets due to supply and/or demand disruptions, the need for companies to reduce costs should accelerate the move to cheaper 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. This environment is likely to provide attractive growth opportunities in many technology stocks over the next several years.

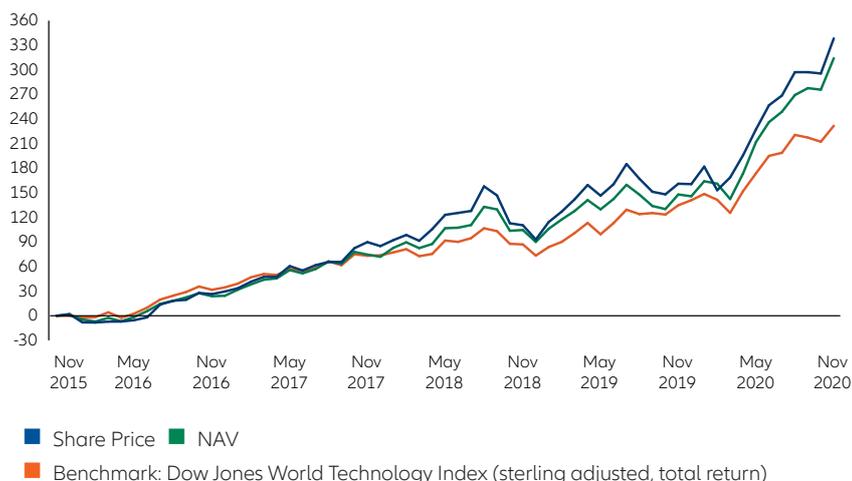
We continue to believe the technology sector can provide some of the best absolute and relative return opportunities in the equity markets – especially for bottom-up stock pickers.

Walter Price
17 December 2020

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	10.4	33.8	67.9	130.8	338.3
NAV	12.1	31.6	65.5	134.2	309.0
Benchmark	3.5	21.1	41.3	91.5	231.7

Discrete 12 Month Returns to 30 November (%)

	2020	2019	2018	2017	2016
Share Price	67.9	24.1	10.8	50.2	26.4
NAV	65.5	20.8	17.2	41.0	23.8
Benchmark	41.3	25.5	8.0	31.5	31.7

Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 30.11.20. Copyright 2020 © 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 (%)

Technology	74.5	
Consumer Goods	11.9	
Industrials	6.9	
Consumer Services	4.4	
Financials	0.9	
Health Care	0.8	
Cash	0.6	

Top Ten Holdings (%)

Alphabet - A shares	6.7
Amazon	4.5
Tesla	3.8
Paycom Software	3.4
Samsung	2.9
CrowdStrike	2.7
Twilio	2.6
Apple	2.6
Flex	2.3
Square	2.3

Total number of holdings 72

Geographic Breakdown (%)

North America	90.7	
Far East & Pacific	5.8	
Europe ex UK	2.2	
UK	0.8	
Cash	0.6	

Market Cap Breakdown (%)

Over US \$100bn	40.7	
US \$10bn to 100bn	52.7	
US \$1bn to 10bn	6.0	
Cash	0.6	

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
Continuation Vote	2021 AGM
AIC Sector	Specialist Sector: Technology, Media & Telecoms
Benchmark	Dow Jones World Technology Index (sterling adjusted, total return)
Annual Management Charge	0.8% for any market capitalisation up to £400m, 0.6% for any market capitalisation between £400m and £1 billion, and 0.5% for any market capitalisation over £1 billion
Performance Fee ¹	Yes
Ongoing Charges ²	0.92%
Year End	31 December
Annual Financial Report	Final published in March, Half-yearly published in August
AGM	May
NAV Frequency	Daily
Price Information	Financial Times, The Daily Telegraph, www.allianztechnologytrust.com
Company Secretary	Eleanor Emuss
Investment Manager	Walter Price
Codes	RIC: ATT.L SEDOL: 0339072

1. Calculated as 12.5% of the outperformance of the NAV compared to the indexed NAV over the performance period. The fee is capped at a maximum of 2.25% of the Trust's NAV at the year-end.

2. Source: AIC, as at the Trust's Financial Year End (31.12.2019). Ongoing Charges (previously Total Expense Ratios) are published annually to show operational expenses incurred in the running of the company but excluding financing costs.

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

E-mail: 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.



Board of Directors

Robert Jeens (Chairman)
Humphrey van der Klugt (Chairman of the Audit Committee and Senior Independent Director)
Neeta Patel
Elisabeth Scott

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All data source Allianz Global Investors as at 30.11.20 unless otherwise stated.

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