

# 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** £1,037.2m    **Shares in Issue** 41,380,668 (Ordinary 25p)    **Market Cap** £1,034.5m

Share Price

**2500.0p**

NAV per Share

**2506.5p**

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

Allianz Technology Trust returned -0.5% in October, outperforming the Dow Jones World Technology Index return of -1.6%. During the month, stock selection contributed and industry allocation detracted from relative performance. For the year to date period, the Trust returned 51.6% GBP, significantly outperforming the benchmark return of 29.6% GBP.

Paycom Software was the top contributor to relative performance during the period as analysts upgraded the stock due to rebounding employment trends. Paycom provides cloud-based payroll and human capital management software in a software-as-a-service (SaaS) format to small and medium businesses in the US. The company's software provides unique value to customers because it typically replaces multiple systems and helps manage complex compliance requirements. The single database, ease of implementation, and high customer satisfaction should help Paycom continue to take market share in this market. We see the company as a unique cloud asset modernising the payroll market which, we believe, may give it the opportunity to continue experiencing double-digit revenue growth while aiming to maintain a best-in-class earnings before interest, taxes, depreciation, and amortization (EBITDA) margin.

Pinterest was also a top relative contributor after reporting third quarter financial results that exceeded elevated expectations and was driven by monthly active user growth of 37% year-on-year and revenue growth of 58% year-on-year. Management provided fourth quarter revenue guidance far above expectations as the company expects to benefit from a rebound in advertising and the ongoing secular shift towards

“ **the company expects to benefit from a rebound in advertising and the ongoing secular shift towards e-commerce** ”

e-commerce. Pinterest is a social network that allows users to visually share and discover new interests by posting images or videos. The company has made considerable investment in artificial intelligence to better personalise its site, make content more searchable, improve its understanding of intent, and enhance the commerce experience. We believe the company is well positioned to benefit from the secular shift from traditional advertising towards digital advertising and e-commerce over the next several years.

Other top active contributors included an underweight position in Apple, not owning SAP, and an overweight position in Flex.

Our underweight position in Alphabet (Google's parent), one of the largest holdings in the benchmark, was the top relative detractor during the period. The company reported quarterly financial results that beat expectations driven by broad-based growth in advertiser spending. Management remains confident in its ability to drive growth, as it continues to deepen investments in key segments such as Google Cloud.

Our position in security software vendor, CrowdStrike, was also a top relative detractor during the period. The company is emerging as a leader



### 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.

in the next-generation endpoint security market and has ambitions to expand into a broader cloud security platform vendor. Shares underperformed with the broadly risk-off market sentiment and aversion toward strong year-to-date performers. During the period, the company hosted a constructive product event announcing several new modules and partnerships. We continue to believe CrowdStrike's best-in-class endpoint security solutions are particularly relevant in the new distributed workforce context that many enterprises find themselves in today.

Other top active detractors included an underweight position in Tencent and overweight positions in Tesla and Bloom Energy.

### 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.

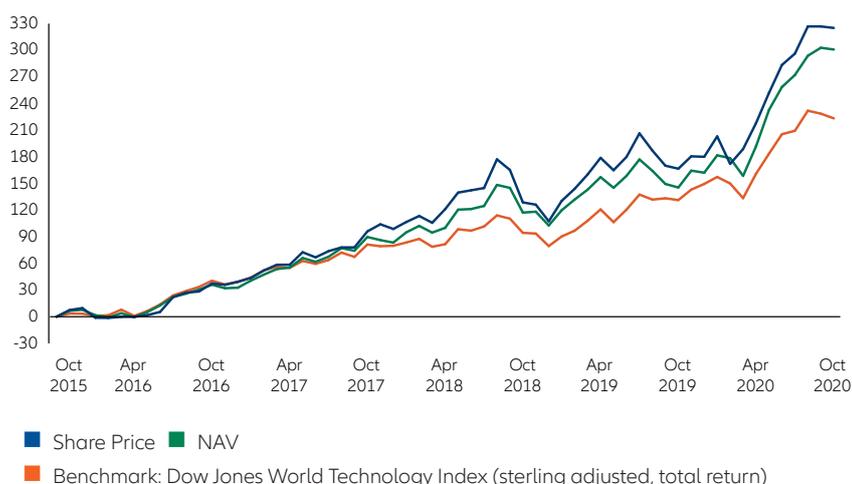
We continue to believe the technology sector can provide some of the best absolute and relative return opportunities in the equity markets – especially for bottom-up stock pickers.

**Walter Price**  
**11 November 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	7.3	33.7	59.4	116.8	325.2
NAV	6.8	36.2	61.8	108.7	296.1
Benchmark	4.5	23.9	39.8	78.4	223.4

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

	2020	2019	2018	2017	2016
Share Price	59.4	16.6	16.7	42.7	37.4
NAV	61.8	12.7	14.5	39.5	36.1
Benchmark	39.8	19.0	7.3	29.0	40.5

Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 31.10.20. 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	73.2	<div style="width: 73.2%;"></div>
Consumer Goods	12.7	<div style="width: 12.7%;"></div>
Industrials	6.9	<div style="width: 6.9%;"></div>
Consumer Services	3.9	<div style="width: 3.9%;"></div>
Health Care	0.9	<div style="width: 0.9%;"></div>
Financials	0.9	<div style="width: 0.9%;"></div>
Cash	1.5	<div style="width: 1.5%;"></div>

### Top Ten Holdings (%)

Alphabet - A shares	7.1
Amazon	4.9
Apple	3.7
Paycom Software	3.4
Tesla	3.0
Samsung	2.8
Twilio	2.6
Alibaba	2.6
CrowdStrike	2.5
Zoom Video Communications	2.4

Total number of holdings 70

### Geographic Breakdown (%)

North America	90.5	<div style="width: 90.5%;"></div>
Far East & Pacific	5.4	<div style="width: 5.4%;"></div>
Europe ex UK	1.6	<div style="width: 1.6%;"></div>
UK	0.9	<div style="width: 0.9%;"></div>
Cash	1.5	<div style="width: 1.5%;"></div>

### Market Cap Breakdown (%)

Over US \$100bn	40.2	<div style="width: 40.2%;"></div>
US \$10bn to 100bn	52.3	<div style="width: 52.3%;"></div>
US \$1bn to 10bn	6.0	<div style="width: 6.0%;"></div>
Cash	1.5	<div style="width: 1.5%;"></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
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 <sup>1</sup>	Yes
Ongoing Charges <sup>2</sup>	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, <a href="http://www.allianztechnologytrust.com">www.allianztechnologytrust.com</a>
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](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.



## 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 31.10.20 unless otherwise stated.**

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