

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 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 30.09.2016 to 30.09.2019. Citywire awards apply to the Manager, rather than the Fund.

Total Assets £588.5m

Shares in Issue 35,272,168 (Ordinary 25p)

Market Cap £582.0m

Share Price

1650.0p

NAV per Share

1668.6p

Premium/-Discount

-1.1%

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 NAV returned 7.7% in November, outperforming the Dow Jones World Technology Index return of 5.1%. During the month, stock selection contributed and industry allocation detracted from relative performance.

Paycom Software was the top contributor to relative performance after reporting strong quarterly results driven by revenue growth of 31% year over year. 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.

Our position in Okta was also a top relative contributor as investors reacted positively to analysts' upgrades during the period. Okta is a data security provider offering services such as automated user management, integration, mobile identification, multifactor authentication, and reporting software. Okta has a compelling opportunity to disrupt the large market for identity and access management. With a large number of applications and over 5,000 customers, Okta is beginning to see a network effect developing. The company also benefits from the shift to the cloud as customers looking for an identity management solution for cloud applications are attracted to the wide range of applications.

“ The world's largest organisations are increasingly realising that identity security is essential to their cloud, digital transformation, and security initiatives.

Management has noted that subscription revenue is being driven by the company's acceleration with enterprise customers. The world's largest organisations are increasingly realising that identity security is essential to their cloud, digital transformation, and security initiatives.

Other top active contributors included overweight positions relative to the benchmark index in Fortinet, Bloom Energy, and Advanced Micro Devices.

Our underweight position in Apple, one of the largest holdings in the benchmark, was the top detractor from relative performance. The company reported strong quarterly financial results with both revenue and earnings exceeding expectations. Although iPhone sales were down 9% year over year, outperformance was driven by growth in the services and accessories segments. While the iPhone product cycle remains uncertain, the consistent growth in the services segment is helping the company re-accelerate revenue growth. We have recently added to our position due to our expectation that services growth will remain strong. However, the portfolio's weighting in Apple continues to be significantly underweight relative to the benchmark's 12% position.

Our position in Arista Networks was also a top relative detractor during the period. The company posted solid results for the third quarter, but shares fell sharply after management provided disappointing guidance for the fourth quarter and the full year of 2020. The weaker guidance is primarily due to softer spending from the large cloud providers (Cloud Titans segment) as well as the smaller cloud providers and service providers segments. Strength in the enterprise and financials segments were not enough to offset the lighter cloud spending. The weak guidance and negative sentiment will likely be a significant headwind for the



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.

stock over the next few months. Their management believes growth in cloud spending will eventually accelerate, but this will likely not occur until 2021 at the earliest. Their management sees this downturn as a temporary setback, and they believe other segments such as enterprise and financials can become significant growth drivers to overall revenues over the next few years. We reduced our position size earlier this year in anticipation of uneven spending from cloud players, and Arista remains a relatively small position in the portfolio.

Other top active detractors included overweight positions in Pure Storage and Cree and an underweight position in Alibaba.

Market Outlook

In our view, the technology sector continues to benefit from strong tailwinds which should continue to drive attractive long term appreciation. The digital transformation is the top priority for many companies across the economy, as these technologies are increasingly becoming critical drivers of growth, productivity, and competitive positioning. This transition is a multi-year process, and we believe we are still in the fairly early stages. Despite periods of volatility driven by geopolitical uncertainty, we expect the broad technology sector to see attractive growth in the future.

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.

Despite high valuations for some high growth companies, we continue to see massive addressable markets much larger than the revenue 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.

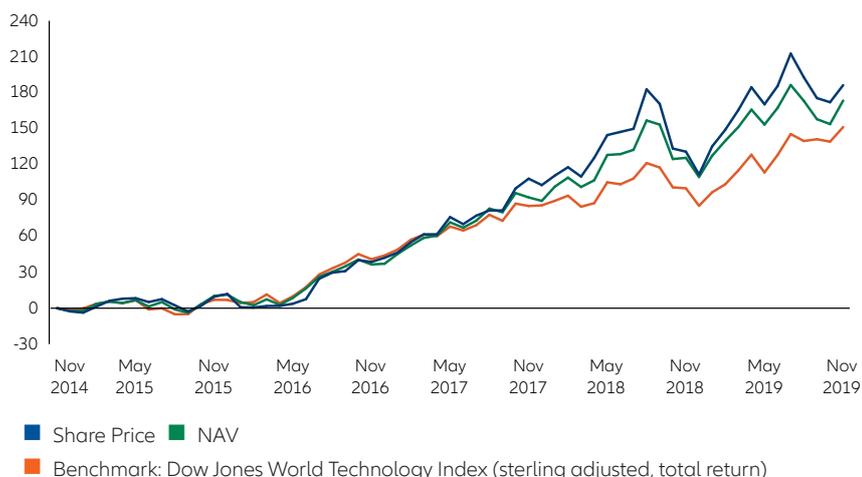
We continue to carefully balance risks and opportunities going forward, leveraging our industry expertise, and emphasising individual stock selection.

Walter Price
12 December 2019

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	-2.3	5.9	24.1	106.5	186.2
NAV	0.0	7.7	20.8	99.6	172.5
Benchmark	4.8	17.7	25.5	78.3	151.2

Discrete 12 Month Returns to 30 November (%)

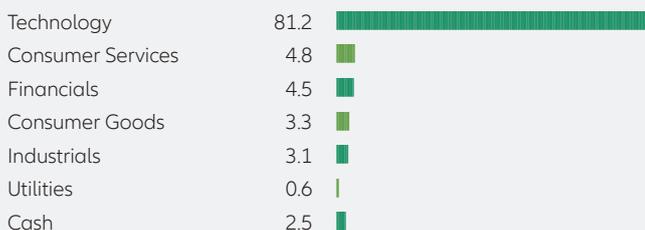
	2019	2018	2017	2016	2015
Share Price	24.1	10.8	50.2	26.4	9.6
NAV	20.8	17.2	41.0	23.8	10.2
Benchmark	25.5	8.0	31.5	31.7	7.0

Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 30.11.19. Copyright 2019 © 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 (%)



Top Ten Holdings (%)

Microsoft	7.6
Facebook	4.2
Paycom Software	3.5
Advanced Micro Devices	3.5
Taiwan Semiconductor	3.3
Apple	3.2
Alphabet - A shares	2.9
Mastercard	2.8
Teradyne	2.4
RingCentral	2.4

Total number of holdings 69

Geographic Breakdown (%)



Market Cap Breakdown (%)



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% p.a. on market capitalisation up to £400 million and 0.6% p.a. thereafter. In addition there is an admin fee of £55,000 p.a.
Performance Fee ¹	Yes
Ongoing Charges ²	0.93%
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: ATTL 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 (31.12.2018). The figure is annualised to reflect the 13 month period for the year end to 31.12.18. Ongoing Charges (previously Total Expense Ratios) are published annually to show operational expenses including Annual Management Fee.

Board of Directors

Robert Jeens (Chairman)
Humphrey van der Klugt (Chairman of the Audit Committee and Senior Independent Director)
Richard Holway MBE
Neeta Patel
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

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.



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All data source Allianz Global Investors as at 30.11.19 unless otherwise stated.

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