

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 &



Morningstar Rating™



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 'AA' rated by Citywire for his three year risk-adjusted performance for the period 31/12/2015 to 31/12/2018. Citywire awards apply to the Manager, rather than the Fund.

Total Assets £465.9m

Shares in Issue 33,477,168 (Ordinary 25p)

Market Cap £453.6m

Share Price

1355.0p

Source: Lipper

NAV per Share

1391.8p

Premium/-Discount

-2.6%

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 Trust's NAV rose by 8.5% in January, outperforming the Dow Jones World Technology Index return of 6.0%. During the month, stock selection contributed and industry allocation detracted from relative performance.

Our position in Okta was the top contributor in January. After a volatile fourth quarter during the market sell-off, the stock delivered strong gains to start the new year. Okta is a data security provider offering services such as automated user management, integration, mobile identification, multifactor authentication, and reporting software. Okta has an opportunity to disrupt the large market for identity and access management.

Our position in Square was also a top contributor. The company develops business management software for small- & medium-sized businesses (SMB) and monetises many of these products through transaction processing. Shares gained following the announcement of a new Chief Financial Officer to take the seat that was vacated in October. We believe shares also reacted favorably to the Fed's communication of a pause on interest rate increases, which is helpful from a valuation perspective.

Other top active contributors included an underweight position in Microsoft and overweight positions in Twilio and Zscaler.

Our position in electric vehicle maker, Tesla, was a top detractor during the period. Shares lost ground after the company unexpectedly announced price cuts on its vehicles following the expiration of tax credit programmes in the US. This contributed to the view that Tesla might be seeing softening demand in the US, though we see this as a reasonable action and note

“ companies across the economy are turning to technology solutions to increase revenue, improve productivity, and enhance operating efficiency

the company still has large unmet demand in Asia and Europe. Later in the period, shares compressed further after the CEO announced layoffs intending to rationalise costs as the company targets profitability. Because of the company's vertical integration that requires high capital needs, we acknowledge the shares are more sensitive to changes in business trajectory and perception of capital conditions. We are mindful of this sensitivity and manage the position size in the portfolio to reflect these issues.

Sophos Group was also a top detractor in January after reporting interim quarterly financial results with disappointing billings growth. The company continued to experience strong renewal rates from existing customers and added 9,000 net new customers.

Other top active detractors included underweight positions in Facebook, Alibaba, and Samsung.

Market 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



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.

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.

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 economic 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.

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 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.

We will continue carefully balancing risks and opportunities, leveraging our industry expertise, and emphasising individual stock selection.

Walter Price
8 February 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	0.7	-5.9	11.5	133.2	156.1
NAV	1.2	-2.1	12.8	116.2	155.7
Benchmark	-2.1	-5.5	3.7	88.6	148.1

Discrete 12 Month Returns to 31 January (%)

	2019	2018	2017	2016	2015
Share Price	11.5	43.9	45.3	4.7	4.9
NAV	12.8	38.7	38.3	7.3	10.2
Benchmark	3.7	27.3	42.8	4.5	26.0

Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 31.01.19. 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 (%)

Technology	79.2	
Consumer Services	8.7	
Industrials	4.8	
Consumer Goods	2.8	
Financials	2.0	
Utilities	0.1	
Cash	2.4	

Top Ten Holdings (%)

Amazon	6.3
Alphabet - A shares	5.6
Okta	4.0
Facebook	3.8
Square	3.3
Paycom Software	3.3
Cree	3.2
Twilio	3.0
Salesforce.com	3.0
ServiceNow	2.9

Total number of holdings 70

Geographic Breakdown (%)

North America	87.2	
Europe ex UK	5.6	
UK	3.6	
Far East & Pacific	1.2	
Cash	2.4	

Market Cap Breakdown (%)

Over US \$100bn	28.9	
US \$10bn to 100bn	27.0	
US \$1bn to 10bn	41.5	
Under US \$1bn	0.2	
Cash	2.4	

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	1.0%
Year End	31 December
Annual Financial Report	Final published in April, 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 (30.11.2017). 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

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 31.01.19 unless otherwise stated.

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