

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 £429.6m

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

Market Cap £408.4m

Share Price

1220.0p

Source: Lipper

NAV per Share

1283.2p

Premium/-Discount

-4.9%

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 Trust's NAV fell by 7.1% in December, outperforming the Dow Jones World Technology Index return of -7.3%. During the month, both stock selection and industry allocation contributed to relative performance.

Our position in Okta was a top contributor in December after reporting strong quarterly results driven by 58% revenue growth and new customer additions. 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. The company has developed a highly scalable identity platform with integrations to over 5,000 applications. 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.

Palo Alto Networks offers enterprise-wide Internet security (including security measures for mobile devices) to protect companies from breaches in their corporate networks. It was among the top contributors in December after reporting strong quarterly results at the end of November. The company's hardware and software security products identify network traffic in detail and provide the ability to control access by user. Its products identify and manage threats rather than simply blocking access.

Other top active contributors included an underweight position in Apple, an overweight position in IT security company Zscaler, and not owning NVIDIA.

“ Amazon is a key company in the e-commerce and cloud infrastructure markets as it works to develop new products and services that enhance customer loyalty.

Our position in Square was the top detractor over the month. The company develops business management software for small and medium-sized businesses (SMB) and monetises many of these products through transaction processing. Shares fell under further pressure during the month amid limited news flow and the broad market sell-off. Square's stock price had appreciated strongly through the third quarter until the market's swoon in October. Compounding the pressure was the departure of the well-regarded Chief Financial Officer who is taking a Chief Executive role elsewhere. The company continues to focus on the SMB payments and software market with multiple vectors including online, international, and consumer finance.

Our position in Amazon.com was also a top detractor during the period. The company's shares were caught in the investor angst that persisted throughout the month. The company continues to enter into new segments, with the scope of its operations ever expanding, while demonstrating a remarkable ability to deliver success against many different opportunities. Amazon is a key company in the e-commerce and cloud infrastructure markets as it works to develop new products and services that enhance customer loyalty.

Other top active detractors included underweight positions in Tencent and Broadcom, and an overweight position in NetApp.



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.

Market Outlook

Despite the recent market volatility, our view is that technology is well-positioned to remain a major driver of market returns. The combination of solid global economic growth, strong corporate earnings, domestic tax cuts in the US, and 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. 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.

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. 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 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.

Walter Price
10 January 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	-21.8	-14.4	4.4	89.1	132.8
NAV	-17.3	-8.4	10.5	88.2	139.1
Benchmark	-14.7	-8.8	-0.2	73.6	130.9

Discrete 12 Month Returns to 31 December (%)

	2018	2017	2016	2015	2014
Share Price	4.4	42.7	27.0	15.0	7.1
NAV	10.5	38.3	23.1	13.9	11.5
Benchmark	-0.2	29.1	34.8	8.4	22.6

Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 31.12.18. Copyright 2018 © 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	<div style="width: 74.5%;"></div>
Consumer Services	8.1	<div style="width: 8.1%;"></div>
Industrials	5.4	<div style="width: 5.4%;"></div>
Consumer Goods	3.6	<div style="width: 3.6%;"></div>
Financials	3.1	<div style="width: 3.1%;"></div>
Utilities	0.2	<div style="width: 0.2%;"></div>
Cash	5.1	<div style="width: 5.1%;"></div>

Top Ten Holdings (%)

Amazon	6.2
Alphabet - A shares	5.8
Microsoft	3.8
Okta	3.4
Paycom Software	3.1
Salesforce.com	3.0
Square	3.0
Twilio	2.7
Workday	2.7
ServiceNow	2.6

Total number of holdings 65

Geographic Breakdown (%)

North America	85.0	<div style="width: 85.0%;"></div>
Europe ex UK	5.6	<div style="width: 5.6%;"></div>
UK	3.7	<div style="width: 3.7%;"></div>
Far East & Pacific	0.6	<div style="width: 0.6%;"></div>
Cash	5.1	<div style="width: 5.1%;"></div>

Market Cap Breakdown (%)

Over US \$100bn	28.5	<div style="width: 28.5%;"></div>
US \$10bn to 100bn	29.0	<div style="width: 29.0%;"></div>
US \$1bn to 10bn	37.0	<div style="width: 37.0%;"></div>
Under US \$1bn	0.4	<div style="width: 0.4%;"></div>
Cash	5.1	<div style="width: 5.1%;"></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
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.

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)

Richard Holway MBE

Elisabeth Scott

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All data source Allianz Global Investors as at 31.12.18 unless otherwise stated.

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