

# 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 31.05.2017 to 31.05.2020. Citywire awards apply to the Manager, rather than the Fund.

**Total Assets** £797.7m

**Shares in Issue** 38,007,168 (Ordinary 25p)

**Market Cap** £786.7m

Share Price

**2070.0p**

NAV per Share

**2098.7p**

Premium/-Discount

**-1.4%**

**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 14.1% in May, outperforming the Dow Jones World Technology Index return of 8.7%. During the month, stock selection contributed while industry allocation detracted from relative performance. For the year to date period, the Trust returned 25.7% and significantly outperformed the benchmark return of 13.7%.

Our position in cloud security company Zscaler was the top contributor during the period. The company delivered a very strong quarter, significantly exceeding consensus expectations across the board, including 55% year over year billings growth versus 30% last quarter. The acceleration of demand is being boosted by the COVID-19 pandemic backdrop, with more enterprises shifting to a remote workforce for the foreseeable future and CIOs focused on fast tracking a digital transformation. The combination of its ZIA and ZPA products is what many enterprises are looking for as they migrate to cloud driven deployments. Additionally, sales execution has meaningfully improved as the new CRO, Dali Rajic, continues to transform the sales force. Zscaler is a first mover in cloud security that has essentially created a new market in the cyber security world with an innovative product umbrella and strategic focus.

Our position in Twilio was also one of the top relative contributors during the period. The company provides a cloud-based platform that enables developers to build, scale, and operate real-time communications within software applications as a pay-as-you-go service. Shares surged after the company reported solid first quarter results and management offered a strong outlook for the current quarter. Weakness in verticals like travel

**“ We are in a period of rapid change, where the importance of technology is key to the prosperity of most industries**

and hospitality were offset by new use cases catalysed by the pandemic such as remote contact center, contactless delivery, distance learning, and telehealth.

Other top active contributors included overweight positions in MongoDB, CrowdStrike, and Zoom Video.

Our position in Amazon.com was the largest detractor during the period. Although the company saw a huge spike in retail demand, Amazon's results and outlook fell short of high expectations as the company announced that they would spend \$4 billion in extra costs to meet the demand and safety needs of their customers and employees during the COVID-19 crisis. Management is implementing testing for their employees and adding extra wages for those who are working. They added 80,000 employees by March and another 95,000 by the end of April. Additionally, they are shipping many essential items at cost and providing meal deliveries to disadvantaged people. Although this will likely weigh on earnings growth for a while, it is pulling forward the penetration of E-commerce everywhere and expanding Amazon's ability to deliver products themselves quickly.

Our underweight position in Apple, one of the largest holdings in the benchmark, was also a top detractor from relative performance. The company reported quarterly financial results that were better than feared due to unexpected demand recovery in China toward the end of the quarter. The services segment posted revenue growth of 17% year over year driven by strong buying activity in the App Store due partly to the stay-at-home trend as well as continued strong adoption of the various



### 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.

subscription services. Apple continued with its robust shareholder return and announced increases in both cash dividends and stock repurchases. The company indicated that iPhone demand has picked-up meaningfully in April coupled with the launch of the second-generation of its lower-end iPhone, the iPhone SE, with a starting price of \$399. The lower price point creates strong growth opportunities in emerging markets like India and China, which could significantly increase the installed base of users and drive demand for wearables/accessories and services. While the company did not provide guidance, in our opinion, management clearly projected a positive tone looking into the remainder of the year driven by the reopening of the economy as well as the beginning of the new 5G iPhone product cycle. While we have recently increased the position size in Apple, the portfolio's weighting continues to be significantly underweight relative to the benchmark's large position.

Other top active detractors included overweight positions in Taiwan Semiconductor and Micron and not owning 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.

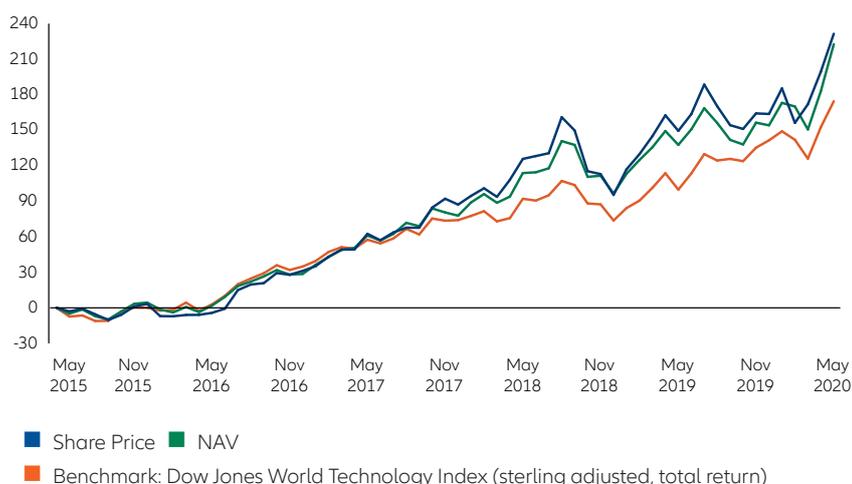
We continue to believe the technology sector can provide some of the best absolute and relative return opportunities in the equity markets – especially for bottom-up stock pickers.

**Walter Price**  
**17 June 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	29.4	25.5	32.9	103.9	231.5
NAV	19.5	25.8	35.4	99.6	221.4
Benchmark	13.4	16.7	37.3	74.2	174.4

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

	2020	2019	2018	2017	2016
Share Price	32.9	10.5	38.9	69.7	-4.2
NAV	35.4	11.0	32.8	58.0	1.9
Benchmark	37.3	4.0	22.0	53.1	2.9

Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 31.05.20. 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	67.7	
Industrials	11.1	
Consumer Services	7.0	
Consumer Goods	6.3	
Telecommunications	2.7	
Financials	2.4	
Utilities	0.6	
Cash	2.3	

### Top Ten Holdings (%)

Apple	5.7
Microsoft	5.6
CrowdStrike	3.3
MongoDB	3.2
Facebook	2.9
Samsung	2.8
Zoom Video Communications	2.6
Zscaler	2.6
Okta	2.5
Tesla	2.5

Total number of holdings 71

### Geographic Breakdown (%)

North America	90.9	
Far East & Pacific	4.3	
Europe ex UK	1.7	
UK	0.8	
Cash	2.3	

### Market Cap Breakdown (%)

Over US \$100bn	33.2	
US \$10bn to 100bn	52.3	
US \$1bn to 10bn	11.6	
Under US \$1bn	0.6	
Cash	2.3	

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 31.05.20 unless otherwise stated.**

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