

Technology investing from the heart of the industry

Allianz Technology Trust PLC

Factsheet

31 October 2018

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



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A ranking, a rating or an award provides no indicator of future performance and is not constant over time.

Total Assets £459.5m **Shares in Issue** 33,417,168 (Ordinary 25p) **Market Cap** £449.5m

Share Price

1345.0p

Source: Lipper

NAV per Share

1375.1p

Premium/-Discount

-2.2%

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.

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All data source Allianz Global Investors as at 31.10.18 unless otherwise stated.

Allianz Global Investors GmbH, UK Branch, 199 Bishopsgate, London EC2M 3TY

Fund Manager's Review

Portfolio Overview

Allianz Technology Trust's NAV fell by 11.3% in October, underperforming the Dow Jones World Technology Index return of -7.6%. Global markets fell sharply during the month, with technology stocks hit particularly hard. In the case of ATT, stock selection detracted from its relative performance against the benchmark.

Our position in electric vehicle maker, Tesla, was the top contributor during the period. Shares have been more volatile recently with questions regarding the financial stability of the company escalating while ramping up production of its Model 3 car. We believe Tesla made significant steps in addressing those concerns in its latest quarterly update, demonstrating better-than-expected profitability on Model 3 and generating attractive and healthy cash flows. Another area of concern has been sustainability of demand, and we believe Model 3 sales to non-US countries could offset potential pressures in the future.

Our underweight position in NVIDIA was also a top contributor. NVIDIA's Graphics Processing Units (GPUs) are used in nearly all deep learning/machine learning applications for the purpose of training neural networks. Shares fell in sympathy with other semiconductor stocks through some of the market volatility. Losses accelerated when a competitor reported earnings and indicated that the market for GPUs used in crypto-currency mining applications had weakened more than expected. We remain constructive on NVIDIA shares as the long-term growth trajectory is intact driven by increasing penetration of GPUs in the AI training market and strength in other end markets. While we like the long

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

term opportunity for NVIDIA, we reduced our overall position size in the stock and semiconductors space due to concerns around inventories and the ongoing trade issues with China.

Other top active contributors included not owning IBM, an underweight position in Tencent, and an overweight position in MongoDB.

Our position in Square was the top relative 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. During the month, Square announced that Sarah Friar (CFO) would be stepping down to take on a CEO role at Nextdoor (a hyper-local social platform). Friar had been the face of the company to investors, and her departure was unexpected and disappointing. Jack Dorsey (CEO) indicated in a memo that her departure was amicable and driven by her ambition to be a CEO. Square's culture of experimentation and delegation has created a deep bench of talent. Square continues to execute well against its goals of moving to larger sellers, expanding internationally, and building e-commerce tools.

Our position in Amazon.com was the top detractor during the period. The company's shares were caught in the investor angst that persisted throughout the month. Amazon's third quarter revenue and fourth quarter guidance also fell short of expectations, which further exacerbated the share price declines.



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.

While revenues lagged, the company meaningfully increased profitability demonstrating the strength of the underlying cash flow generation of the consolidated entity. We expect there is some conservatism in management's outlook for the fourth quarter and remain constructive on the business trends, especially the emerging profitability profile.

Other top active detractors included an underweight position in Apple and overweight positions in Advanced Micro Devices (AMD) and GrubHub.

Market Outlook

Our view is that technology remains 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.

Despite high valuations for some cloud and internet 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.

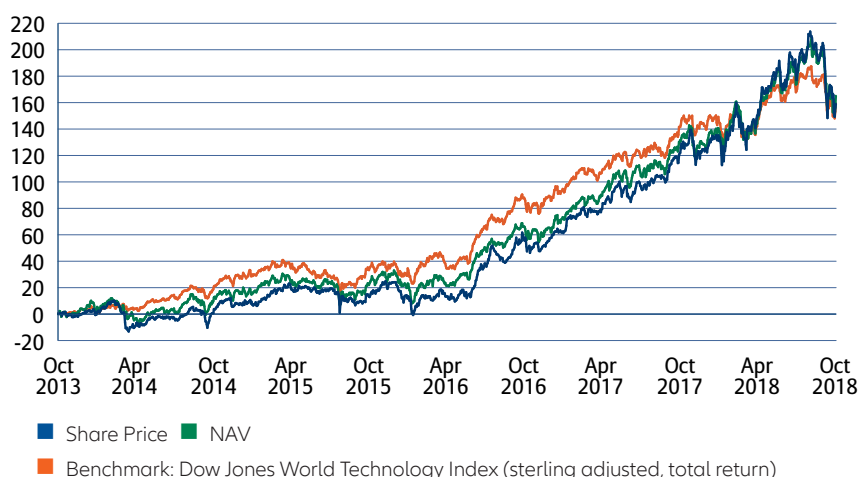
Artificial intelligence (AI) is also becoming a significant trend. From consumer goods, such as the Amazon Echo, to autonomous driving, practical applications of AI are emerging. We expect AI will increasingly be used to make our lives more convenient.

Walter Price
9 November 2018

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	-6.6	3.5	16.7	128.7	158.9
NAV	-3.3	8.6	14.5	117.3	165.0
Benchmark	-3.5	7.0	7.3	94.5	159.2

Discrete 12 Month Returns (%) to 31 October

	2018	2017	2016	2015	2014
Share Price	16.7	42.7	37.4	9.0	3.8
NAV	14.5	39.5	36.0	8.3	12.6
Benchmark	7.3	29.0	40.5	10.1	21.0

Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 31.10.18. 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	73.5	
Consumer Services	8.8	
Industrials	6.6	
Consumer Goods	4.6	
Financials	3.0	
Utilities	0.4	
Cash	3.1	

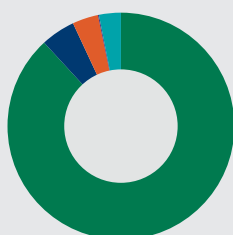
Top Ten Holdings (%)

Amazon	6.3
Alphabet - A shares	5.7
Apple	4.8
Square	4.2
NetApp	4.1
Microsoft	3.7
Paycom Software	2.9
Okta	2.9
Salesforce.com	2.8
ServiceNow	2.5

Total number of holdings 66

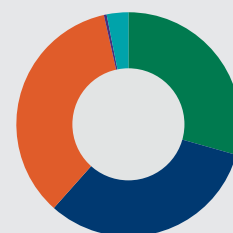
Geographic Breakdown (%)

North America	88.2	
Europe ex UK	4.9	
UK	3.7	
Far East & Pacific	0.1	
Cash	3.1	



Market Cap Breakdown (%)

Over US \$100bn	29.4	
US \$10bn to 100bn	32.2	
US \$1bn to 10bn	34.9	
Under US \$1bn	0.4	
Cash	3.1	



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: 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 (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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