

Technology investing from the heart of the industry

# Allianz Technology Trust PLC

Factsheet

30 September 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** £515.3m    **Shares in Issue** 33,217,168 (Ordinary 25p)    **Market Cap** £518.0m

Share Price

1560.0p

Source: Lipper

NAV per Share

1551.4p

Premium/-Discount

0.1%

**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.

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All data source Allianz Global Investors as at 30.09.18 unless otherwise stated.

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

## Fund Manager's Review

### Portfolio Overview

The Trust's NAV fell by 1.32% in September, outperforming the benchmark return of -1.68%. During the month, both stock selection and industry allocation contributed to relative performance.

Our position in Square was the top relative contributor during the period. The company develops business management software for small- & medium-sized businesses (SMB) and monetises many of these products through transaction processing. Shares rallied after the company introduced its new Square Payroll App and an analyst significantly raised his price target for the company's shares. The company has been effectively adding new services to its platform to make the total value proposition more compelling for customers. Square's recent acquisition of Weebly as well as the monetisation opportunities for its Cash App could provide additional growth drivers for the company. Square's subscriptions and services are key differentiators against other processors and include a variety of offerings designed to help customers operate their businesses more efficiently.

Our position in Okta was also a top relative contributor in September after reporting strong quarterly results driven by 59% revenue growth and record 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 an opportunity to disrupt the large market for identity and access management. The

“ 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.

company has developed a highly scalable identity platform with integrations to over 5,000 applications. With the large number of applications and over 4,000 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.

Other top active contributors included an underweight position in Facebook and overweight positions in Advanced Micro Devices (AMD) and Activision Blizzard.

Cloud networking software and hardware provider, Arista Networks, was a top relative detractor during the period. Shares jumped in August on news of the company's inclusion in the S&P 500 Index, but then pulled back in September. The company provides cloud networking software and hardware for Internet and Cloud service providers, as well as next generation datacenters. Its products include modular cloud networking platforms that enable in-service upgrades and application extensibility.

Our position in Proofpoint was also a top relative detractor in September. Shares came under pressure as investors became concerned about the potential for management to issue conservative 2019 guidance. The company's emerging products category, which includes Email Fraud Defense, Threat Response, Targeted Attack Protection, and Social Media Protection, is expected to be a driver of future growth. The company continues expansion efforts in Europe as they anticipate increased spending this year by companies seeking to comply with the EU's new General



### 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.

Data Protection Regulation. Proofpoint is benefiting from several growth drivers, and the power of its Software-as-a-Service model is beginning to generate leverage and produce solid free cash flow growth. Email security is a mature market and Proofpoint could continue to capture market share as enterprises shift to cloud-based infrastructure and adopt more of the company's products, which include broader data security, advanced malware protection, and security analytics.

Other top active detractors included overweight positions in Teradyne and Tesla and an underweight position in Microsoft.

### Market Outlook

Our view is that technology is well-positioned to remain a major driver of market returns. The combination of solid global GDP 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.

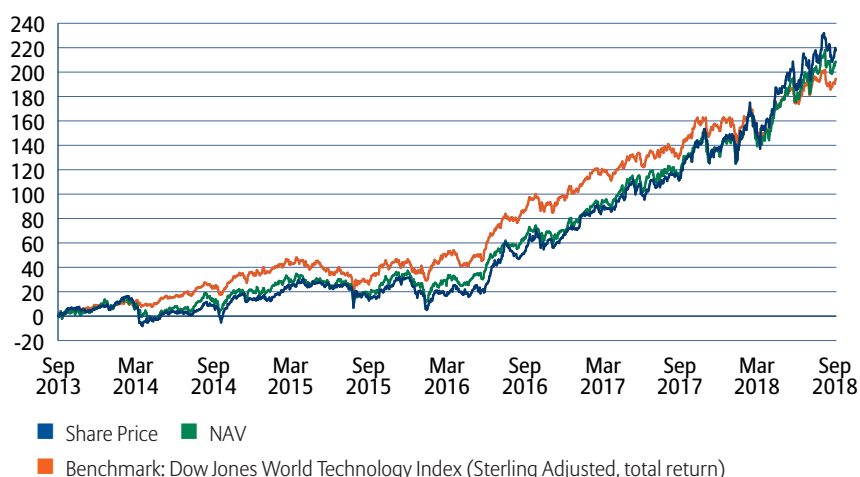
We will continue carefully balancing risks and opportunities, leveraging our industry expertise, and emphasizing individual stock selection.

Walter Price  
9 October 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	9.5	28.9	49.0	178.3	217.7
NAV	10.8	25.9	40.7	163.5	208.6
Benchmark	6.9	17.7	25.7	128.7	194.6

## Discrete 12 Month Returns (%) to 30 September

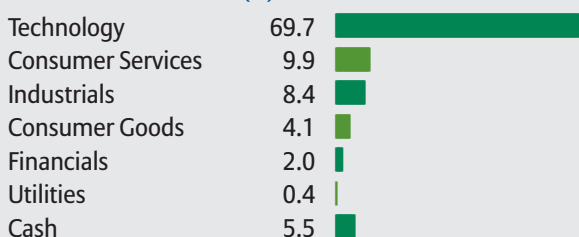
	2014	2015	2016	2017	2018
Share Price	9.0	4.8	34.7	38.7	49.0
NAV	12.9	3.7	40.3	33.5	40.7
Benchmark	24.5	3.5	45.1	25.4	25.7

Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 30.09.18. 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 (%)

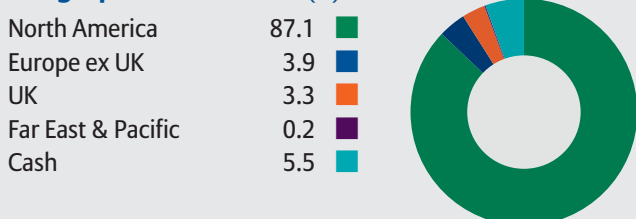


### Top Ten Holdings (%)

Amazon	6.9
Alphabet - A shares	5.5
Square	5.0
NetApp	4.0
Microsoft	3.5
Teradyne	2.9
Okta	2.5
Apple	2.5
Paycom Software	2.4
ServiceNow	2.4

**Total number of holdings 70**

### Geographic Breakdown (%)



### Market Cap Breakdown (%)



## 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 <sup>1</sup>	Yes
Ongoing Charges <sup>2</sup>	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, <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 (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](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.



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**All data source Allianz Global Investors as at 30.09.18 unless otherwise stated.**

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