

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 'AAA' rated by Citywire for his three year risk-adjusted performance for the period 31.05.2016 to 31.05.2019. Citywire awards apply to the Manager, rather than the Fund.

Total Assets £584.0m

Shares in Issue 34,987,168 (Ordinary 25p)

Market Cap £590.6m

Share Price

1688.0p

NAV per Share

1669.1p

Premium/-Discount

1.1%

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.

Fund Manager's Review

Portfolio Overview

The Trust's NAV fell by 4.6% in August, underperforming the Dow Jones World Technology Index return of -2.4%. During the month, both stock selection and industry allocation detracted from relative performance.

Our position in video streaming platform provider, Roku, was one of the top relative contributors. Shares surged after the company reported solid quarterly revenue results and management raised their outlook for the year. Underlying metrics were also strong with average revenue per user growth accelerating versus the prior quarter and user counts continuing to grow at impressive rates. Roku is a direct beneficiary of the secular trend towards streaming. In the near-term, we expect consumer engagement on its platform to rise as new direct-to-consumer offerings are launched over the next year.

Paycom Software was also a top contributor to relative performance after reporting strong quarterly results driven by revenue growth of 31% year over year. Paycom provides cloud-based payroll and human capital management software in a Software-as-a-Service (SaaS) format to small and medium businesses in the US. The company's software provides unique value to customers because it typically replaces multiple systems and helps manage complex compliance requirements. The single database, ease of implementation, and high customer satisfaction should help Paycom continue to take market share in this market. We see the company as a unique cloud asset modernising the payroll market.

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

“ certain technology incumbents are making compelling progress on their “as-a-service” offerings.

Our position in cloud security company Zscaler was the top relative detractor during the period. The company's shares more than doubled this year through July, but then pulled back in August amid market volatility and an analyst's downgrade. Zscaler operates as a SaaS company, offering a cloud-based security platform. The platform provides web and mobile security, threat protection, cloud application visibility, and cloud-enabled networking solutions. Customers are increasingly adopting Zscaler's products, which provide a single platform to enforce business and security policy for their users to access multiple applications and services. Zscaler has compelling competitive advantages with its unique capabilities in cloud security. Additionally, customers are seeing a quick return on their investment, which is a very strong selling point for Zscaler relative to competitors.

Our position in Square was also one of the top relative detractors 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 came under pressure after the company reported fiscal quarter earnings results with strong revenue growth but lower-than-expected volume metrics. The company also announced plans to sell its food delivery business, Caviar, to pure-play DoorDash.

Other top active detractors included overweight positions in Cree, Bloom Energy, and DXC Technology.

Market Outlook



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.

In our view, the technology sector continues to benefit from strong tailwinds which should continue to drive attractive long-term appreciation. The digital transformation is the top priority for many companies across the economy, as these technologies are increasingly becoming critical drivers of growth, productivity, and competitive positioning. If IT budgets must be cut in an economic slowdown, management teams are reporting that the budget for the digital transformation will be the last to be reduced. This transition is a multi-year process and we believe we are still in the fairly early stages. For the semiconductors and hardware segments, we expect the environment to remain mixed as companies work through production and inventory adjustments amid the trade conflict between the US and China. From a fundamental perspective, these companies are much stronger after years of consolidation and we expect growth to reaccelerate in 2020. We maintain exposure to companies that we believe will benefit from secular growth themes. Despite periods of volatility driven by geopolitical uncertainty, we expect the broad technology sector to see attractive growth in the future.

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.

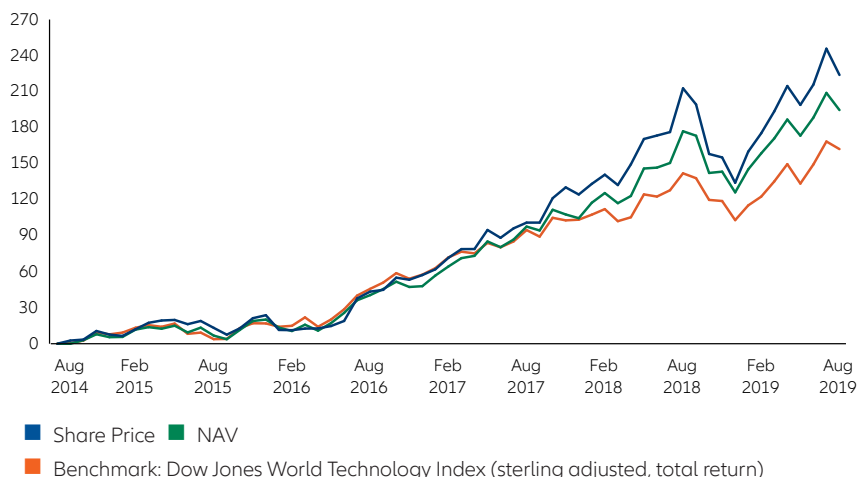
Finally, we will carefully balance risks and opportunities going forward, leveraging our industry expertise, and emphasising individual stock selection.

Walter Price
13 September 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	8.3	17.6	3.6	125.8	223.8
NAV	7.8	13.8	6.2	109.3	194.0
Benchmark	12.3	17.8	8.3	79.9	162.1

Discrete 12 Month Returns to 31 August (%)

	2019	2018	2017	2016	2015
Share Price	3.6	55.7	40.1	26.7	13.2
NAV	6.2	40.2	40.6	31.6	6.7
Benchmark	8.3	24.3	33.6	40.4	3.8

Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 31.08.19. 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 (%)

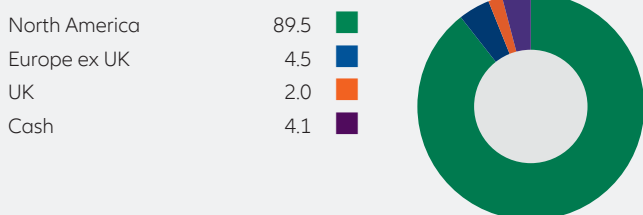
Technology	83.0	<div style="width: 83%;"></div>
Consumer Services	4.5	<div style="width: 4.5%;"></div>
Consumer Goods	3.2	<div style="width: 3.2%;"></div>
Financials	3.1	<div style="width: 3.1%;"></div>
Industrials	1.6	<div style="width: 1.6%;"></div>
Utilities	0.4	<div style="width: 0.4%;"></div>
Cash	4.1	<div style="width: 4.1%;"></div>

Top Ten Holdings (%)

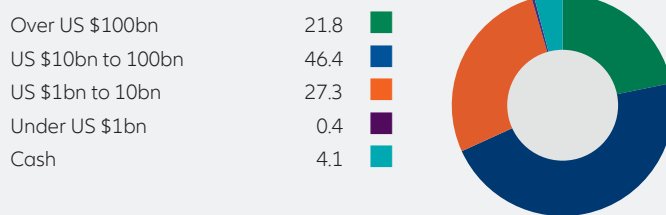
Microsoft	7.4
Facebook	4.2
Zscaler	3.4
Paycom Software	3.4
Okta	3.4
Micron Technology	3.1
Advanced Micro Devices	3.0
Alphabet - A shares	2.8
Mastercard	2.3
Akamai Technologies	2.2

Total number of holdings 74

Geographic Breakdown (%)



Market Cap Breakdown (%)



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	0.93%
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, 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 (31.12.2018). The figure is annualised to reflect the 13 month period for the year end to 31.12.18. 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
Neeta Patel (joined 1 September 2019)

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 31.08.19 unless otherwise stated.

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