

Technology investing from the heart of the industry

# Allianz Technology Trust PLC

Factsheet

31 March 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



Morningstar Rating™



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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** £344.3m    **Shares in Issue** 27,939,427 (Ordinary 25p)    **Market Cap** £338.1m

Share Price

1210.0p

Source: Lipper

NAV per Share

1239.1p

Premium/-Discount

-2.3%

**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.

**Allianz**   
Global Investors

All data source Allianz Global Investors as at 31.03.18 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 3.7% in March, outperforming the Dow Jones World Technology Index return of -4.7% GBP. During the month, both stock selection and industry allocation contributed to relative performance.

Our position in Square was the top contributor during the month. The company develops business management software for small- & medium-sized businesses (SMB) and monetises many of these products through transaction processing. Square reported earnings at the end of February, which included a positive outlook for 2018 revenues and profits.

Our position in IT service desk software vendor, ServiceNow, was also a top contributor. The company has rapidly expanded its product offerings and created a platform that can automate workflow processes across multiple departments of the enterprise, including IT, human resources, legal, finance, and customer service. ServiceNow is also incorporating artificial intelligence in its software solutions to enhance data security. Customers have been expanding their usage of the core IT Service Management (ITSM) offering, and they are now looking to ServiceNow to automate workflows across their organizations as solutions outside of IT continue to gain rapid adoption. The continuing move to the cloud may fuel rapid sales and earnings growth over the next few years.

Other top active contributors included underweight positions in Apple and Facebook and an overweight position in Paycom Software.

Our position in electric vehicle maker, Tesla, was a top detractor

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during the period. Tesla shares traded lower after its debt was downgraded by Moody's in part due to liquidity concerns surrounding the company's ability to raise additional capital. However, Tesla has many sources of cash including unsecured credit lines, securitisation of leases, favourable payment terms, product deposits, stock issuance, and strategic third party investments.

Not owning Intel was also a top relative detractor in March. The company has focused on the client computing, data center, and memory business segments. A positive outlook is driven by continued strengthening of the core business (client computing, data center, Internet of Things (IoT), and memory) and contribution from the acquisition of Mobileye. There is a commitment to continue reducing operating expenses over the coming years. We currently do not own the stock as we believe our portfolio holdings in semiconductors offer more attractive investment opportunities; however, we will continue to monitor Intel's execution and growth prospects.

### Market Outlook

While some investors assume technology companies may see a small benefit from US tax reform, we believe this can significantly help the sector. New tax rules will allow companies to repatriate cash balances held offshore at lower tax rates. Cash repatriation can lead to larger cash returns to shareholders of large technology companies, and it could spark M&A activity in the tech sector, which should benefit smaller companies. Additionally, companies across the economy will likely spend at least some of the tax savings to invest in their businesses. We expect more spending to flow to technology companies that offer innovative products and services designed to help businesses increase productivity and improve



### 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.

efficiency. In our view, these factors should lead to continued strong earnings growth for technology companies.

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 GDP (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.

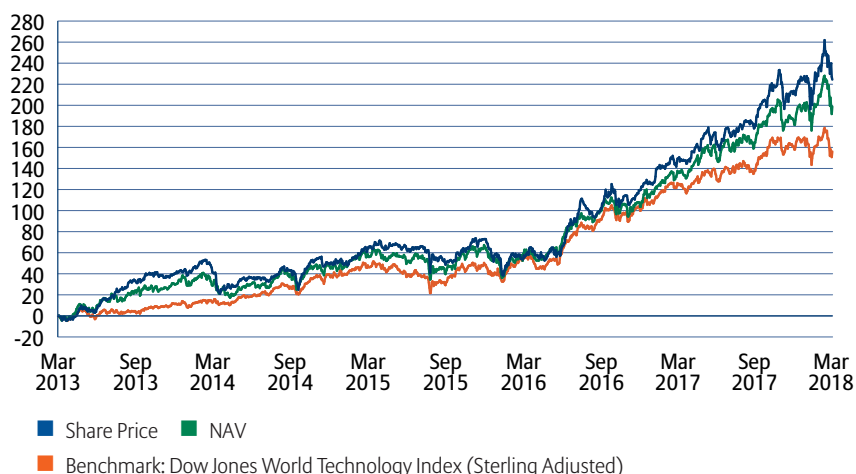
We will continue carefully balancing risks and opportunities, leveraging our industry expertise, and emphasizing individual stock selection.

Walter Price  
11 April 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	3.5	15.6	29.8	97.7	224.4
NAV	6.1	11.7	26.8	90.8	198.9
Benchmark	-0.6	6.8	14.4	75.0	156.2

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

	2014	2015	2016	2017	2018
Share Price	40.5	16.8	-4.1	58.8	29.8
NAV	30.3	20.2	1.8	47.9	26.8
Benchmark	13.7	28.8	5.6	44.9	14.4

Source: Lipper, percentage growth, mid to mid, total return to 31.03.18. Copyright 2018 © Lipper, a Thomson Reuters company. All rights reserved. Lipper 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	
Consumer Services	13.4	
Industrials	6.4	
Consumer Goods	2.2	
Financials	0.7	
Cash	2.8	

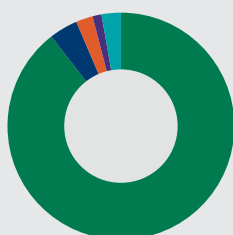
## Top Ten Holdings (%)

Amazon	7.0
Microsoft	4.5
ServiceNow	4.0
Palo Alto Networks	3.5
Square	3.5
Netflix	3.5
Arista Networks	3.0
Micron Technology	3.0
DXC Technology	2.7
Facebook	2.7

**Total number of holdings 66**

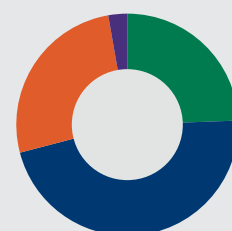
## Geographic Breakdown (%)

North America	89.4	
Europe ex UK	4.1	
UK	2.4	
Far East & Pacific	1.3	
Cash	2.8	



## Market Cap Breakdown (%)

Over US \$100bn	24.4	
US \$10bn to 100bn	46.5	
US \$1bn to 10bn	26.3	
Cash	2.8	



## 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)
Annual Management Charge	0.8% plus £55,000 p.a. (Admin Fee)
Performance Fee <sup>1</sup>	Yes
Ongoing Charges <sup>2</sup>	1.0%
Year End	31 December
Annual Financial Report	Final published in March, Half-yearly published in July
AGM	April
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 31.03.18 unless otherwise stated.**

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