

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.

© 2019 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

Source and copyright of Citywire. Walter Price is 'A' rated by Citywire for his three year risk-adjusted performance for the period 31.01.2017 to 31.01.2020. Citywire awards apply to the Manager, rather than the Fund.

Total Assets £627.8m

Shares in Issue 35,342,168 (Ordinary 25p)

Market Cap £629.8m

Share Price

1782.0p

NAV per Share

1776.4p

Premium/-Discount

0.30%

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 7.5% in January, outperforming the Dow Jones World Technology Index return of 3.2%. During the month, both stock selection and industry allocation contributed to relative performance.

Paycom Software was a top contributor to relative performance after shares were boosted by news that the stock would be added to the S&P 500 index at the end of January. 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. We see the company as a unique cloud asset modernising the payroll market.

Our position in RingCentral was also a top relative contributor. Shares outperformed in January as analysts continued to react positively to the company's recently announced strategic partnership with Avaya, the leader in on-premise unified communications (UC). The companies will jointly deliver a cloud UC offering leveraging Avaya's customer base and sales network. RingCentral provides cloud-based UC services that connect multiple users over multiple devices. The company's solution replaces legacy business communication systems and offers advantages such as minimal upfront investment, rapid deployment, increased functionality, and ease of management. RingCentral has the largest scale among its cloud-based competitors, and we believe it is well positioned to achieve

“ we expect the broad technology sector to see attractive growth

growth by continuing to disrupt the business communications market in the mobile workforce era.

Other top active contributors included overweight positions in Tesla, MongoDB, and Zscaler.

Our underweight position in Microsoft was the top detractor from relative performance. The company reported strong quarterly financial results across every segment of its business, beating both revenue and earnings expectations, and management provided better than expected guidance. Revenue growth from cloud service Azure accelerated to 64% year-on-year from 63% year-on-year in the prior quarter, demonstrating continued rapid market growth. The company has done a good job of meeting the complex requirements of its enterprise customers as they begin the migration to cloud based architectures. Microsoft should continue to benefit from this shift over time given their strong long-term relationships with enterprise customers. While we are positive on the company, we are underweight relative to the benchmark's large position in the stock. Our exposure to the cloud and artificial intelligence themes is spread across multiple companies in the portfolio, as we believe this approach offers a more attractive risk/reward profile.

Our underweight position in Apple, the largest holding in the benchmark, was also a top detractor from relative performance. The company reported strong quarterly financial results with both revenue and earnings exceeding expectations. The strength in the quarter was driven by better than expected iPhone and wearables/accessories sales. Higher than expected profitability helped generate free cash flow of \$28.4 billion,



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.

which supported a robust return of capital via a cash dividend of \$3.5 billion and stock repurchases of \$20.7 billion. Management provided a stronger than expected outlook for the upcoming quarter, but provided a wider range given the uncertainty and fluidity of the coronavirus outbreak. While the iPhone product cycle remains uncertain, the consistent growth in the services segment is helping the company re-accelerate revenue growth. The portfolio's weighting in Apple continues to be significantly underweight relative to the benchmark's large position.

Other top active detractors included an overweight position in Taiwan Semiconductor, an underweight position in Alphabet (Google's parent), and not owning Salesforce.

Market Outlook

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.

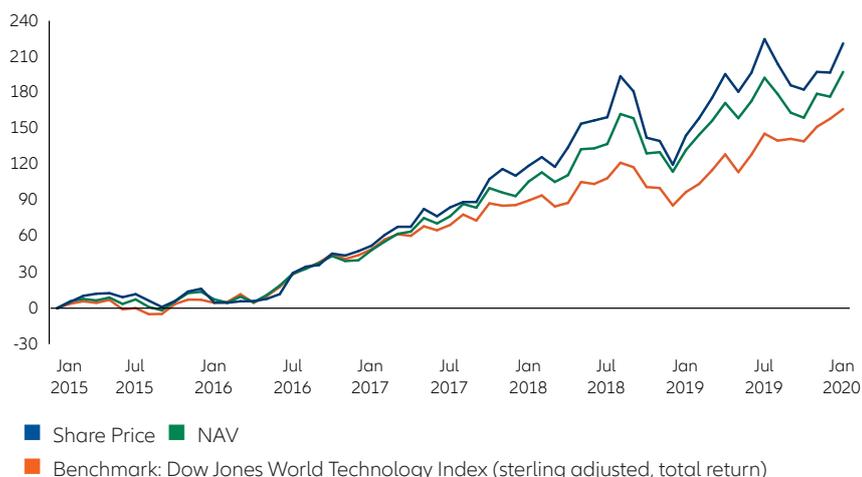
We continue to believe the technology sector can provide some of the best absolute and relative return opportunities in the equity markets – especially for bottom-up stock pickers.

Walter Price
10 February 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	13.6	-1.1	31.5	111.1	221.1
NAV	14.7	1.5	27.7	99.6	196.2
Benchmark	11.3	8.4	35.2	78.5	166.3

Discrete 12 Month Returns to 31 January (%)

	2020	2019	2018	2017	2016
Share Price	31.5	11.5	43.9	45.3	4.7
NAV	27.7	12.7	38.7	38.3	7.3
Benchmark	35.2	3.7	27.3	42.8	4.5

Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 31.01.20. 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	70.0	
Consumer Services	8.4	
Industrials	4.9	
Consumer Goods	4.7	
Financials	4.4	
Utilities	0.7	
Cash	6.8	

Top Ten Holdings (%)

Microsoft	4.8
Amazon	4.0
CrowdStrike	3.8
Paycom Software	3.8
Apple	3.4
Tesla	3.4
MongoDB	3.3
Mastercard	2.8
RingCentral	2.6
Fortinet	2.4

Total number of holdings 66

Geographic Breakdown (%)

North America	85.2	
Europe ex UK	5.3	
UK	1.4	
Far East & Pacific	1.3	
Cash	6.8	

Market Cap Breakdown (%)

Over US \$100bn	31.2	
US \$10bn to 100bn	41.5	
US \$1bn to 10bn	19.8	
Under US \$1bn	0.7	
Cash	6.8	

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)
Neeta Patel
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.



Investing involves risk. The value of an investment and the income from it may fall as well as rise and investors may not get back the full amount invested. The views and opinions expressed herein, which are subject to change without notice, are those of the issuer and/or its affiliated companies at the time of publication. The data used is derived from various sources, and assumed to be correct and reliable, but it has not been independently verified; its accuracy or completeness is not guaranteed and no liability is assumed for any direct or consequential losses arising from its use, unless caused by gross negligence or wilful misconduct. The conditions of any underlying offer or contract that may have been or will be made or concluded shall prevail.

All data source Allianz Global Investors as at 31.01.20 unless otherwise stated.

This is a marketing communication issued by Allianz Global Investors GmbH, an investment company with limited liability, incorporated in Germany, with its registered office at Bockenheimer Landstrasse 42-44, D-60323 Frankfurt/M, registered with the local court Frankfurt/M under HRB 9340, authorised by Bundesanstalt für Finanzdienstleistungsaufsicht (www.bafin.de). Allianz Global Investors GmbH has established a branch in the United Kingdom, Allianz Global Investors GmbH, UK branch, which is subject to limited regulation by the Financial Conduct Authority (www.fca.org.uk). This communication has not been prepared in accordance with legal requirements designed to ensure the impartiality of investment (strategy) recommendations and is not subject to any prohibition on dealing before publication of such recommendations. 814721