

# 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 'A' rated by Citywire for his three year risk-adjusted performance for the period 31.03.2017 to 31.03.2020. Citywire awards apply to the Manager, rather than the Fund.

**Total Assets** £582.3m

**Shares in Issue** 35,722,168 (Ordinary 25p)

**Market Cap** £606.6m

Share Price

**1698.0p**

NAV per Share

**1630.2p**

Premium/-Discount

**4.2%**

**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.

## Fund Manager's Review

### Portfolio Overview

The Allianz Technology Trust's NAV fell 7.2% in March, slightly underperforming the Dow Jones World Technology Index return of -6.6%. During the month, both stock selection and industry allocation detracted from relative performance. For the year to date period to the end of March, the Trust's NAV returned -1.4% and significantly outperformed the benchmark return of -6.4%.

Our position in cloud security company Zscaler was the top relative contributor during the period. In late February, the company reported solid quarterly financial results with revenue and billings growing 36% and 18% year-on-year, respectively. The company's profit growth has temporarily slowed as it is expanding its sales leadership team and investing in systems and tools to improve sales productivity. Considering this significant undertaking, management is pleased with results and they are seeing good momentum in the business. As a result, the company increased its revenue and billings outlook for the full fiscal year 2020. Zscaler continues to complement its platform by integrating their solution with technology leaders such as CrowdStrike and Microsoft, creating additional growth opportunities with their sales organisations. We believe the company continues to benefit from multiple tailwinds. The cloud journey is still in the early innings, and Zscaler remains well-positioned to expand its addressable market significantly.

Our position in Amazon.com was also a top relative contributor during the period. The company's shares were among the few to hold their value in this unprecedented period as the company emerged as a beneficiary

“ **present events around the COVID-19 crisis will spur the use of technology and change how we work in the future**

across a number of fronts. With consumers homebound, many went to Amazon's online marketplace to purchase home goods. Amazon's fulfilment capabilities have been pushed through this period but have performed well considering the influx of demand. The company's web-hosting business has also benefitted as consumer and corporate usage has surged. The current environment is shifting consumer behaviour even more online to trusted providers like Amazon that can deliver goods and services effectively.

Other top active contributors included overweight positions in Netflix, Take-Two Interactive, and DocuSign.

Paycom Software was the top detractor from relative performance during the period. Shares underperformed the overall market as analysts predicted delayed new sales during the COVID-19 slowdown. 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.

Our underweight position in Microsoft was also a top detractor from relative performance as shares significantly outperformed the technology



### 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.

sector. While the personal computing unit has been impacted by supply chain related issues, other segments of the company's business appear to be benefitting from increased demand, such as Azure and Office. 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 and they have strong long-term relationships with those 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.

Other top active detractors included overweight positions in Square, Tesla, and Alteryx.

### Market Outlook

In our view, the technology sector continues to benefit from strong tailwinds which should continue to drive attractive long term appreciation. There is no question in our minds that the present events around the COVID-19 crisis will spur the use of technology and change how we work in the future. As companies adjust budgets due to supply and/or demand disruptions, the need for companies to reduce costs should accelerate the move to cheaper and more productive solutions such as cloud, software as a service, artificial intelligence, cyber security, etc.

The recent market volatility has certainly not been pleasant, but we maintain our conviction in the long term growth for these companies. The global digital transformation will continue to progress due to numerous cost and productivity benefits relative to traditional technologies.

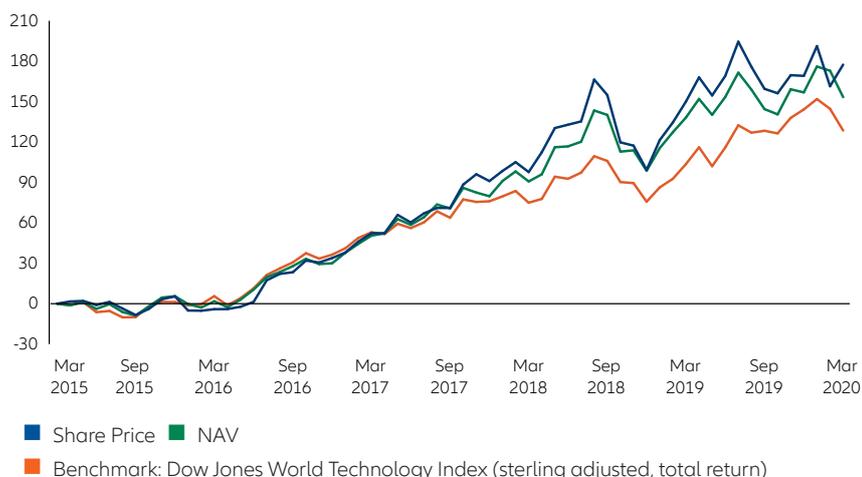
We continue to believe the technology sector can provide some of the best absolute and relative return opportunities in the equity markets – especially for bottom-up stock pickers.

**Walter Price**  
15 April 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	3.1	6.9	11.0	82.2	177.5
NAV	-1.4	3.5	6.1	67.7	152.4
Benchmark	-6.4	0.1	12.2	49.4	128.5

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

	2020	2019	2018	2017	2016
Share Price	11.0	26.4	29.8	58.8	-4.1
NAV	6.1	24.8	26.7	47.9	1.8
Benchmark	12.2	16.4	14.4	44.9	5.6

Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 31.03.20. 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	9.3	
Consumer Goods	8.2	
Industrials	3.9	
Financials	1.1	
Utilities	0.5	
Cash	6.9	

### Top Ten Holdings (%)

Amazon	6.0
Microsoft	5.6
CrowdStrike	3.9
Zscaler	3.4
MongoDB	3.1
RingCentral	3.1
Apple	3.0
Take-Two Interactive	2.7
Micron Technology	2.7
Samsung	2.7

Total number of holdings 60

### Geographic Breakdown (%)

North America	88.3	
Far East & Pacific	3.2	
Europe ex UK	1.0	
UK	0.7	
Cash	6.9	

### Market Cap Breakdown (%)

Over US \$100bn	26.7	
US \$10bn to 100bn	42.3	
US \$1bn to 10bn	23.6	
Under US \$1bn	0.5	
Cash	6.9	

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% for any market capitalisation up to £400m, 0.6% for any market capitalisation between £400m and £1 billion, and 0.5% for any market capitalisation over £1 billion
Performance Fee <sup>1</sup>	Yes
Ongoing Charges	0.88%
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, <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.

## 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.



## Board of Directors

Robert Jeens (Chairman)  
Humphrey van der Klugt (Chairman of the Audit Committee and Senior Independent Director)  
Neeta Patel  
Elisabeth Scott

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**All data source Allianz Global Investors as at 31.03.20 unless otherwise stated.**

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