

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 the highly experienced Global Technology Team which currently manages \$12bn in assets under management.

At the Heart of the Industry

Allianz Technology Trust is managed by the highly experienced 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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From 25 July 2022, discretionary portfolio management services formerly provided to Allianz Technology Trust PLC (the "Company") by Allianz Global Investors ("AllianzGI") have been delegated to Voya Investment Management Co. LLC ("Voya IM"). All members of the former AllianzGI Global Technology Team transferred to Voya IM and continue to manage the Company's portfolio. It is anticipated that there will be no change to the investment process. AllianzGI will remain the Company's AIFM (Alternative Investment Fund Manager), providing company secretarial, administration and sales and marketing services.

Total Assets £1,028.5m **Shares in Issue** 407,302,718 (Ordinary 2.5p) **Market Cap** £881.8m

Share Price

216.5p

NAV per Share

252.5p

Premium/-Discount

-14.3%

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.

Fund Manager's Review

Market Overview

Global equity markets closed November higher, recording their first back-to-back monthly gains since mid-2021, as signs that inflationary pressures may be lessening sparked hopes that central banks may become less aggressive in raising rates. Sentiment was also lifted by speculation that China may start to ease its strict zero-Covid policy.

Central banks continued to raise rates to combat inflation. In the United States, the US Federal Reserve (Fed) implemented its fourth successive 0.75% rate hike, taking rates to a range of 3.25% to 4.0%. However, hopes grew that future rate increases may be smaller after inflation data in the US and euro zone for November was lower than forecast. Information technology and related stocks outperformed the broader market during the period. At the industry level, entertainment and interactive media stocks rallied, thanks to a rebound in sentiment for consumer-related stocks.

Semiconductors advanced strongly as better-than-expected earnings reports and economic data sparked a rally for the sector. Technology hardware was the weakest performing industry, while software produced mixed results and lagged the total Index return.

Portfolio Overview

The Allianz Technology Trust was slightly lower in November with an NAV total return of -0.9%, trailing the Dow Jones World Technology Index return of 5.3%. Relative results were impacted by short-term stock selection, as performance in software and interactive media industries offset positive results in technology hardware and semiconductors.

Contributors

Our active underweight allocation in smartphone, computer and wearables maker Apple Inc. was the top contributor to relative results. Shares were lower due in part to a cut in the outlook for iPhone shipments, which were impacted by lockdowns in China resulting in longer-than-expected wait times for new products. We trimmed our portfolio weight in Apple, and the stock moved down to the second largest weight in the

“ As companies seek to address tight labour conditions and improve productivity, we expect to see accelerating demand for innovative and more productive solutions

portfolio behind Microsoft, in an effort to redeploy capital into other more attractive near-term investment candidates.

Shares of Taiwan Semiconductor Manufacturing Co., Ltd. were higher thanks to a rebound in semiconductor sentiment coupled with news that Warren Buffet was taking a \$5 billion stake in the company, leading to a strong advance in the company's share price. A rebound in China, which was higher thanks to expectations of a softening Covid stance, also had ripple effects to the region.

Similarly, ASML Holding NV was positively impacted by expectations of an improving environment for semiconductors. In addition, ASML announced that new chip lithography growth could be strong for the coming years, boosting consensus sales and gross margin expectations. We increased our position in the stock thanks to a favourable risk-reward profile relative to our portfolio investment case.

Two other semiconductor stocks rounded out the top five relative contributors, with Infineon Technologies AG and ON Semiconductor Corp. both advancing due to upside earnings results and a tailwind for chip companies.

Detractors

Our largest relative detractor in November was CrowdStrike Holdings, Inc. The cyber security leader posted mixed results with revenue exceeding expectations, while annual recurring revenue growth fell short of estimates. Management noted macro weakness as the primary driver of the growth moderation compared to previous quarters, particularly as smaller customers extended sales cycles and larger customers are adopting multiphase deals. Despite the softer near-term results, we maintain our long-term portfolio investment case view and associated exposure to CrowdStrike.

Similarly, shares of Zscaler, Inc. were lower for the month as the 10-year yield spiked higher, leading to valuation compression for most high growth companies. The stock recovered some of the early decline later in the month as the 10-year yield fell and investors looked ahead to its earnings release in early December. We maintain conviction in our portfolio investment case on Zscaler's growth opportunity as the company



Mike Seidenberg, Lead Portfolio Manager

Michael Seidenberg received his BS in Business Administration from the University of Colorado in 1990. He received his Master of Business Administration from Columbia Business School in 1996 with concentrations in Finance and Accounting. Prior to attending Columbia Business School, Michael worked for Roche Laboratories (a division of Hoffman LaRoche) in pharmaceutical and biotechnology sales. From 1996-2001, he worked in the software industry in a variety of roles and spent time at Oracle Corporation. He began his investing career with Citadel Investment Group in 2001 covering the software space. Over the next 8 years he broadened his coverage list to include a variety of technology sectors. Prior to joining the Global Technology team in Sept 2009, Michael worked at a number of hedge funds including Pequot Capital and Andor Capital.

has the potential to maintain a strong leadership position in the cloud security market for the foreseeable future.

Atlassian Corp, a designer and developer of enterprise software solutions for project management, collaboration and various support services, was lower amid a weaker-than-expected revenue forecast. The recent challenging macro environment has led to a slower paid conversion and user expansion, which has clouded the near-term outlook. Given the less visible growth path, we chose to reduce our weight in the stock as we see higher conviction ideas in other portfolio holdings.

Gitlab, Inc., an open-source software development provider, was lower due to expectations of moderating margin expansion while Aspen Technology, Inc., an asset optimisation software provider, saw modest profit-taking after having performed well in prior months.

Market Outlook

We believe technology stocks remain attractive for investors as the sector is likely to continue benefitting from long-term secular tailwinds which should, we believe, drive capital appreciation over time. Despite short term periods of higher volatility among technology stocks, earnings growth ultimately drives stock prices over the long term, and in our view, we are still early in the spending trend supporting this dynamic segment. While the Covid-19 appears to be increasingly in the rearview mirror, the use of technology accelerated as a result of the crisis and may have permanently changed how we live and work and has translated to a further embrace of technology usage. As companies seek to address tight labour conditions and improve productivity, we expect to see accelerating demand for innovative and more productive solutions such as cloud, software-as-a-service, artificial intelligence, cyber security, etc. The asset class remains in a period of rapid change, where the importance of technology is key to the prosperity of most industries, and we believe that this is likely to provide attractive growth opportunities for the foreseeable future.

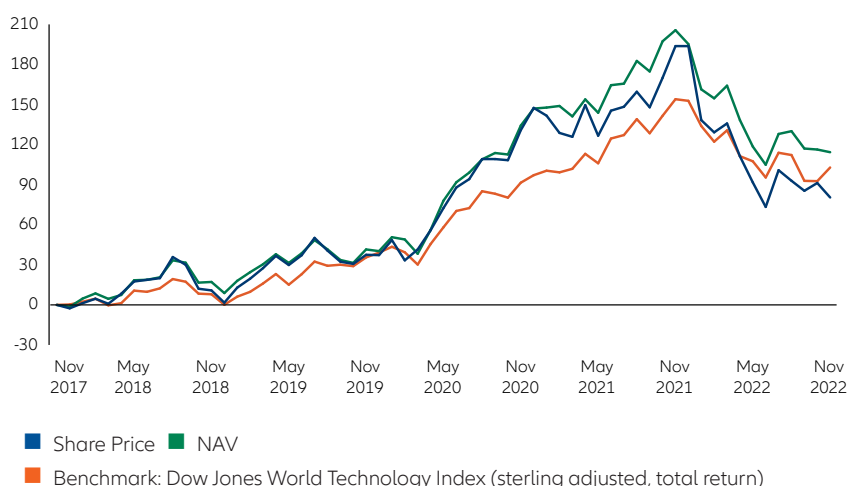
At the end of November, the portfolio remained overweight in software, IT services and automobile industries, thanks to their attractive bottom-up stock potential relative to the benchmark. These allocations remained offset by below-benchmark weights in technology hardware, interactive media and internet & direct retail marketing industries, where near-term prospects were less attractive on an individual company level. We continue to believe the technology sector can provide some of the best absolute and relative return opportunities in the equity markets – particularly for bottom-up stock pickers with proven long-term selection capabilities.

Mike Seidenberg
19 December 2022

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	-6.5	-5.9	-38.6	31.2	80.4
NAV	-6.8	-1.9	-29.9	51.4	114.2
Benchmark	-4.4	-2.2	-20.1	49.7	102.9

Discrete 12 Month Returns to 30 November (%)

	2022	2021	2020	2019	2018
Share Price	-38.6	27.3	67.9	24.1	10.8
NAV	-29.9	30.5	65.5	20.8	17.2
Benchmark	-20.1	32.6	41.3	25.6	8.0

Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 30.11.22. Copyright 2022 © 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 (%)

Information Technology	80.9	<div style="width: 80.9%;"></div>
Industrials	7.7	<div style="width: 7.7%;"></div>
Consumer Discretionary	5.0	<div style="width: 5.0%;"></div>
Cash	6.3	<div style="width: 6.3%;"></div>

Top Ten Holdings (%)

Microsoft	6.7
Apple	5.7
Alphabet - A shares	5.2
Broadcom	4.0
Palo Alto Networks	3.8
Taiwan Semiconductor	3.5
Paycom Software	3.3
Aspen Technology	3.3
Mastercard	3.3
Visa - A Shares	2.7

Total number of holdings 49

Geographic Breakdown (%)

North America	90.8	<div style="width: 90.8%;"></div>
Europe ex UK	1.7	<div style="width: 1.7%;"></div>
UK	0.8	<div style="width: 0.8%;"></div>
Far East & Pacific	0.5	<div style="width: 0.5%;"></div>
Cash	6.3	<div style="width: 6.3%;"></div>

Market Cap Breakdown (%)

Over US \$100bn	41.2	<div style="width: 41.2%;"></div>
US \$10bn to 100bn	41.5	<div style="width: 41.5%;"></div>
US \$1bn to 10bn	11.0	<div style="width: 11.0%;"></div>
Cash	6.3	<div style="width: 6.3%;"></div>

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
AIC Sector	Specialist Sector: Technology, Media & Telecoms
Benchmark	Dow Jones World Technology Index (sterling adjusted, total return)
Annual Management Fee	0.8% p.a. on market capitalisation up to £400 million, 0.6% p.a. on any market capitalisation between £400 million and £1 billion, and 0.5% p.a. on any market capitalisation over £1 billion. In addition there is an admin fee of £55,000 p.a.
Performance Fee ¹	Yes
Ongoing Charges ²	0.69%
Year End	31 December
Annual Financial Report	Final published in March, Half-yearly published in August
AGM	April
NAV Frequency	Daily
Price Information	Financial Times, The Daily Telegraph, www.allianztechnologytrust.com
Company Secretary	Kelly Nice
Investment Manager	Mike Seidenberg
Codes	RIC: ATT.L SEDOL: BNG2M15

1. Calculated as 10% of outperformance against the benchmark, after adjusting for changes in share capital and will be capped at 1.75% of the Company's average daily NAV over the relevant year.

2. As at the Trust's Financial Year End (31.12.2021). Ongoing Charges (previously Total Expense Ratios) are published annually to show operational expenses, which include the annual management fee, incurred in the running of the company but excluding financing costs.

Board of Directors

Robert Jeens (Chairman)
Humphrey van der Klugt (Chairman of the Audit & Risk Committee and Senior Independent Director)
Neeta Patel
Tim Scholefield
Elisabeth Scott
Katya Thomson

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 30.11.22 unless otherwise stated.

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