

# 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** £1,114.3m    **Shares in Issue** 411,112,287 (Ordinary 2.5p)    **Market Cap** £951.7m

Share Price

**231.5p**

NAV per Share

**271.0p**

Premium/-Discount

**-14.6%**

**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 total return was 0.9% in August, outperforming the Dow Jones World Technology Index total return of -0.8% GBP. During the month, bottom-up stock selection was the chief driver of outperformance, led by gains in the software and semiconductor industries, while relative results in the interactive media industry offset performance only modestly.

### Contributors

Network security solutions provider Palo Alto Networks, Inc. was the top relative contributor for the month. Shares advanced following strong earnings results which topped sell-side expectations, led by sales execution in the company's core firewall and bundled cloud offerings. Palo Alto also provided a better-than-expected guidance for the remainder of the year, which reinforced investor confidence in the company's near-term earnings visibility. We are constructive on the cybersecurity industry and Palo Alto Networks is a good example of the increased relative importance these companies have in a digitally oriented economy.

Shares of KnowBe4, Inc., a small-cap software security solutions provider to assess, monitor, and minimize the ongoing cybersecurity threat of social engineering attacks, was also a top relative contributor for the month. Shares rebounded significantly following declines in the prior three months, thanks to a strong upside earnings surprise. The company's management team expressed confidence that their current product portfolio, coupled with the release of new products planned for later this year, position KnowBe4 to take advantage of the market's heightened focus on security. We made the decision to trim our position in the stock in light of the strong rebound in share price.

“ **At the end of August, the strategy was positioned with an active overweight allocation to automobiles, IT services and software sectors, relative to the benchmark**

An active underweight to interactive 3D graphics chip maker NVIDIA Corporation aided benchmark-relative results given a weaker-than-expected outlook amid concerns of a slowing gaming environment. Above-benchmark allocations to software solutions providers Aspen Technology Inc and Paycom Software, Inc also contributed to performance thanks to upside earnings surprises in both stocks.

### Detractors

Our position in online dating platform provider, Bumble, was the top detractor for the month. The company reported solid quarterly financial results, but they fell short of elevated expectations. Additionally, management lowered revenue guidance due to foreign exchange headwinds and disappointing international revenues. We remain constructive on Bumble and view its emphasis on elevating woman as a key differentiator in the online dating space. In addition we are excited about their ability to leverage the brand beyond dating over time. We believe the company has strong prospects to convert freemium users to paid and further opportunities to enhance monetisation through innovations such as virtual goods and other services.

The decision to avoid Chinese-based gaming provider Tencent Holdings Ltd. offset performance as shares were higher following earnings results. The company's focus on profitability translated to better-than-expected margin expansion, which offset moderating revenue growth and an increasingly challenging macroeconomic backdrop in terms of their exposure to China as well as gaming. We continue to favour opportunities with a better near-term alpha (excess return to benchmark) vs. risk profile.

Our active underweight allocation in smartphone, computer and wearables maker Apple Inc. detracted from performance as the stock posted only a low single-digit monthly return, yet commands a significant weight in the benchmark. Shares were higher midway through the month as expectations of new product launches and overall market gains provided a slight tailwind. The stock then pared gains in the second half of the month as market sentiment moderated. Apple remains the largest absolute weight in the portfolio given its strong leadership position, yet



### 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.

we maintain a below-benchmark position in order to limit risk and provide greater diversification given its 18.5% benchmark weight.

The avoidance of social media giant Meta Platforms, Inc. offset relative performance as the company's share price was higher for the first time in four months. Our outlook on the stock remains unchanged in light of structural headwinds, intensifying competition and the potential for moderating revenue and margin expansion.

Shares of Fortinet, Inc, a global leader in cybersecurity solutions, were lower as the company trimmed its revenue outlook for the year. In our view, compared to its other hardware-centric security peers, Fortinet, Inc. offers a better integrated solutions platform and more competitive price structure thereby underpinning our portfolio investment case.

### Market Outlook

In our view, the technology sector is likely to continue benefiting from undeniable long-term tailwinds which, we believe, should drive capital appreciation. 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. Furthermore, many businesses remain challenged to find workers to meet customer demands and are likely to further leverage technology-based solutions to improve productivity of limited staffs. As companies need to reduce costs 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. We are in a period of rapid change, where the importance of technology is key to the prosperity of most industries. We believe that this environment is likely to provide attractive growth opportunities in many technology stocks over the next several years.

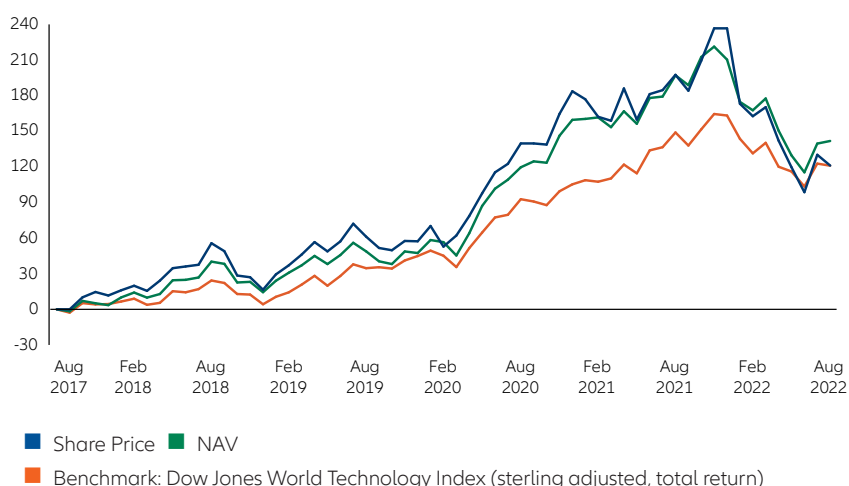
At the end of August, the strategy was positioned with an active overweight allocation to automobiles, IT services and software sectors, relative to the benchmark. This was offset via underweight positions in technology hardware, interactive media and semiconductor stocks. We continue to believe the 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**  
27 September 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	0.7	-15.8	-25.7	37.1	121.1
NAV	5.3	-9.7	-18.6	62.4	141.7
Benchmark	2.3	-4.5	-11.2	64.1	121.0

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

	2022	2021	2020	2019	2018
Share Price	-25.7	24.1	48.7	3.6	55.7
NAV	-18.6	35.2	47.6	6.2	40.2
Benchmark	-11.2	29.2	43.2	8.3	24.3

Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 31.08.22. 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	72.3	<div style="width: 72.3%;"></div>
Consumer Discretionary	10.7	<div style="width: 10.7%;"></div>
Industrials	7.5	<div style="width: 7.5%;"></div>
Cash	9.8	<div style="width: 9.8%;"></div>

### Top Ten Holdings (%)

Apple	8.2
Microsoft	6.4
Alphabet - A shares	5.3
Tesla	4.9
CrowdStrike	3.5
Palo Alto Networks	3.5
Broadcom	3.4
Taiwan Semiconductor	3.3
Paycom Software	3.2
Aspen Technology	2.8

Total number of holdings 47

### Geographic Breakdown (%)

North America	87.0	<div style="width: 87.0%;"></div>
Europe ex UK	2.3	<div style="width: 2.3%;"></div>
UK	1.0	<div style="width: 1.0%;"></div>
Cash	9.8	<div style="width: 9.8%;"></div>

### Market Cap Breakdown (%)

Over US \$100bn	44.6	<div style="width: 44.6%;"></div>
US \$10bn to 100bn	37.1	<div style="width: 37.1%;"></div>
US \$1bn to 10bn	8.5	<div style="width: 8.5%;"></div>
Cash	9.8	<div style="width: 9.8%;"></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 <sup>1</sup>	Yes
Ongoing Charges <sup>2</sup>	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 (joined the Board on 18 July 2022)

## 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.



**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 31.08.22 unless otherwise stated.**

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