

# Allianz Technology Trust PLC

Technology investing from the heart of the industry

**Allianz**   
Global Investors

## 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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## 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>	0.70%
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 (31.12.2022). 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.

**Total Assets** £1,231.1m    **Shares in Issue** 395,634,069 (Ordinary 2.5p)    **Market Cap** £1,084.0m

Share Price  
**274.0p**

NAV per Share  
**311.2p**

Premium/-Discount  
**-12.0%**

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.

All data source DataStream and Allianz Global Investors as at 31.07.23 unless otherwise stated.

## Fund Manager's Review

### Portfolio overview

Allianz Technology Trust's Net Asset Value total return for July was 3.83%, compared to the Dow Jones World Technology Index return of 2.90%. During the month, stock selection and industry allocation contributed to relative returns.

### Contributors

Meta Platforms Inc. was among the top contributors in the month of July. Total revenue topped expectations and user engagement across the platform remained strong with monthly active users surpassing 3 billion for the first time in June. Artificial Intelligence (AI) is also continuing to drive results through Meta's automated adverts product and almost all advertisers are using at least one of Meta's AI-driven products. Product momentum is strong with impressive growth given a soft macro environment. However, management noted that the macro environment seemed to improve sequentially in the second quarter. Finally, Reels continues to scale. Reels plays now exceeds 200 billion per day across both Facebook and Instagram, with the annual revenue run-rate for the Reels product now reaching \$10 billion, up from \$3 billion last autumn.

Datadog Inc. was also a top contributor as the company's overall growth outlook and competitive positioning remain strong. While Datadog continues to see cloud optimisation challenges due to the macro environment, we also believe the company has the potential to maintain strong growth over the coming years. Datadog benefits from secular tailwinds such as the growth in data, the continued shift to the cloud, the adoption of DevSecOps processes (the practice of integrating security testing at every stage of the software development process), and increasing infrastructure complexity from the use of containers, microservices, and generative AI. We maintain our conviction in Datadog as a portfolio holding as their broad platform and ability to serve diverse customer sizes put the company in a favourable position over the long-term.

**“ Reels plays now exceeds 200 billion per day across both Facebook and Instagram**

Other top relative contributors included underweight positions in Microsoft Corp. and Apple Inc., and an overweight to Nvidia Corp.

### Detractors

Palo Alto Networks was a top detractor in the month of July. After very strong stock performance year to date, shares declined as investors took some profits. In terms of our holding, our view is that the company's long-term fundamental factors appear strong. Palo Alto is seeing considerable strength with expansions within its installed base as more enterprises move to the cloud with the company's platform. Overall cloud activity continues to be a key area of strength that is enabling the company to win more complex enterprise deals which are getting approved despite a murky macroeconomic environment. The management team has been executing its growth strategy very well, and we maintain conviction in the company's ability to deliver over time.

Taiwan Semiconductor Manufacturing Co., Ltd. reported in-line second quarter results for sales and earnings. However, the company lowered the bar for its near-term outlook. Management sees further inventory digestion in the fourth quarter of 2023 based on the overall macro environment, with a more conservative tone compared to three months ago. Full-year guidance was lowered to down 10% year-on-year compared to its previous guidance of down low-to-mid single-digits year-on-year. Despite the near-term challenges, the longer term opportunity lies with the boom of generative AI and other emerging applications. The company should see a boost in demand for its products as AI continues to advance.



### 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.

Other top detractors included an underweight to Alphabet Inc. and not owning Alibaba Group Holding Ltd. and Adobe Inc.

### Market outlook

Our expectation is that the recent macro-economic challenges could translate to an attractive opportunity for long-term investors as the technology sector is likely to continue benefitting from secular tailwinds which should drive capital appreciation over time. Having said this, we are cognisant of the scrutiny on IT budgets and the potential challenge near term. In addition, many companies 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, particularly in light of a potentially uncertain macroeconomic outlook, we expect to see accelerating demand for innovative and more productive solutions such as cloud, software-as-a-service, AI, cyber security, etc. Lastly, we are excited about the advancement of artificial intelligence and what it means to the companies who trial and embrace these new models. Like many secular themes in technology, we would expect the companies who both enable and benefit to have good long term revenue growth and profitability characteristics but caution investors to expect volatility in this emerging sector. This is yet another example of technology solving a difficult problem and providing companies with a competitive advantage over time. 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.

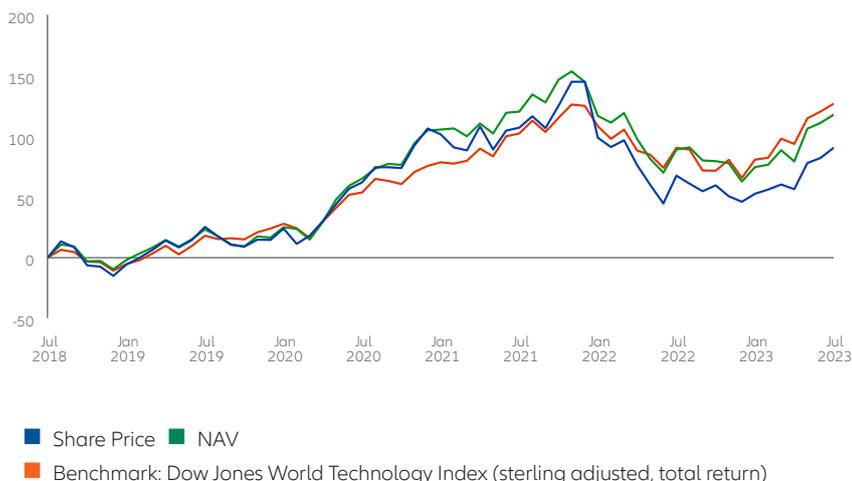
We continue to believe the technology sector can provide some of the best absolute and relative return opportunities in the equity markets — particularly for bottom-up stock pickers with proven long-term selection capabilities.

**Mike Seidenberg**  
25 August 2023

**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	21.8	24.8	13.7	17.6	90.3
NAV	21.5	24.7	15.2	31.8	117.5
Benchmark	17.1	25.5	19.1	47.7	126.6

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

	2023	2022	2021	2020	2019
Share Price	13.7	-19.1	27.9	29.3	25.1
NAV	15.2	-14.2	33.4	34.1	23.1
Benchmark	19.1	-5.8	31.7	30.3	17.8

Source: Thomson Reuters Refinitiv DataStream, percentage growth, mid to mid, total return to 31.07.23. Copyright 2023 © 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 does not predict future returns. Investing involves risk. The value of an investment and the income from it may fall as well as rise and investors might not get back the full amount invested.

## Portfolio Breakdown

### Sector Breakdown (%)

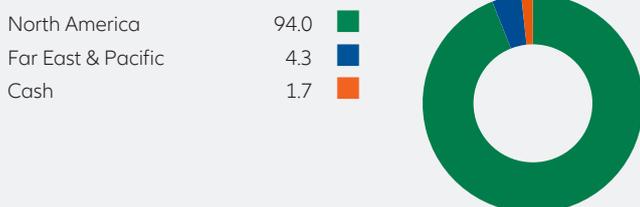
Information Technology	89.2	<div style="width: 89.2%;"></div>
Consumer Discretionary	9.0	<div style="width: 9.0%;"></div>
Cash	1.7	<div style="width: 1.7%;"></div>

### Top Ten Holdings (%)

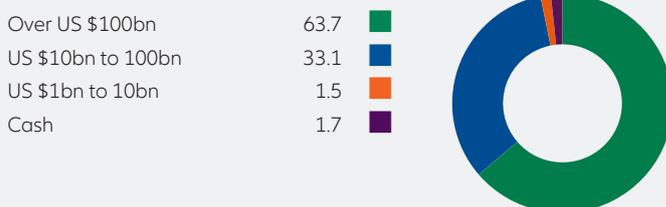
Nvidia	9.5
Apple	8.8
Meta	8.5
Microsoft	7.9
Alphabet - A shares	5.5
Amazon	3.2
Datadog	3.2
HubSpot	3.0
MongoDB	2.9
Palo Alto Networks	2.5

Total number of holdings 42

### Geographic Breakdown (%)



### Market Cap Breakdown (%)



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.

## Board of Directors

Tim Scholefield (Chairman)

Katya Thomson (Chair of the Audit & Risk Committee)

Humphrey van der Klugt (Senior Independent Director)

Neeta Patel

Elisabeth Scott

## Glossary

**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.

## 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. For further information contact the issuer at the address indicated below.

**All data source Allianz Global Investors as at 31.07.23 unless otherwise stated.**

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