

# 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 PLC 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 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   Kirsten Salt
Investment Managers	Mike Seidenberg (Lead Portfolio Manager) Erik Swords (Portfolio Manager)
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 (31.12.2023). 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** £1,511.6m    **Shares in Issue** 384,612,114 (Ordinary 2.5p)    **Market Cap** £1,330.8m

Share Price  
**346.0p**

NAV per Share  
**393.0p**

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 31.05.24 unless otherwise stated.

## Fund Manager's Review

### Portfolio review

Allianz Technology Trust's Net Asset Value (NAV) total return was 3.94% in May compared to the Dow Jones World Technology Index return of 5.97%.

Technology shares advanced in May despite U.S. Federal Reserve chair Jay Powell signalling that investors would need to be "patient and let restrictive policy do its work" in reducing inflation, as market sentiment was generally positive and boosted by earnings results from select companies. Monthly relative performance trailed the benchmark due to short-term stock selection and allocation impacts. There was a notable dispersion in benchmark industry returns, with semiconductor and technology hardware stocks meaningfully outpacing software and IT services. Our positioning within software and IT services stocks was the primarily source of underperformance for the month, which was countered by positive bottom-up stockpicking in interactive media and services and communications equipment industries. Similarly, a greater emphasis on mid caps, which has been a key contributor to performance over time, offset results due to their greater interest rate sensitivity and investor preference for select mega-cap names.

### Contributors

Our avoidance of consumer and communications equipment giant **Samsung Electronics Co.** contributed to relative performance in May as the stock was lower despite improving profits and incremental demand for artificial intelligence (AI) related applications. We continue to prefer other companies with better business models.

Shares of **Pinterest, Inc.**, a social media networking site focused on home, culinary and design inspiration, surged following robust quarterly sales and user growth which surpassed market expectations. The company has been investing heavily in its digital advertising business, including partnerships with Amazon and Alphabet. We believe that the stock remains attractive thanks to its differentiated strategy and high level of recurring user engagement, translating to a high degree of revenue and earnings visibility.

**“ We saw a similar pattern of a slow relative start compared to broader technology peers in early 2023, which reversed course in the second half of the year**

Our avoidance of financial management software maker **Intuit Inc.** aided relative results as the stock was lower following lackluster earnings and a weaker-than-expected guide, as did the exclusion of diversified software and creative content provider **Adobe Inc.** as shares continued to moderate post the company's generative-AI boom in late 2023/early 2024. Our active position in application software maker **monday.com Ltd** contributed to results thanks to upside earning results.

### Detractors

Shares of **MongoDB Inc.**, a document database provider which allows storage of structured or unstructured data to make development of applications more agile, offset performance following a weak outlook combined with overall headwinds in software names. The company's more cautious stance on growth reflects an overall softening of IT spending among clients and higher competition from peers which may translate to greater spending on research and development and sales efforts in order to maintain its competitive market share. We are actively monitoring this position and whether a change in our thesis is warranted.

A below-benchmark position in iPhone and personal computer maker **Apple Inc.** also offset results for the month. The stock has been a recent beneficiary of improving sentiment, perceived safety from a valuation standpoint following multiple quarters of relative underperformance, combined with a potential greater focus and partnerships for AI-related applications. We continue to hold the stock given its leadership position, consumer loyalty and history of innovation, and for now will remain at a larger-than-typical underweight given our preference to provide alpha potential and diversification in other stocks.

Our exposure to cloud-based commerce platform **Shopify, Inc.** offset results following a weaker-than-expected earnings outlook, which prompted our decision to exit the name in favour of stocks with better near-term catalysts. Our above-benchmark exposure to infrastructure software solutions provider **Cloudflare Inc.** and cloud-based data monitoring and analytics platform **Datadog Inc.** each offset results given their muted guidance combined with the overall headwinds in IT services and software companies.



### Mike Seidenberg, Lead Portfolio Manager

Michael Seidenberg is a senior portfolio manager for the global technology strategies and an equity analyst on the fundamental thematic team at Voya Investment Management. He joined the firm following Voya's integration of certain assets and teams comprising the substantial majority of Allianz Global Investors U.S. business, where he was a portfolio manager, analyst and director on the U.S. global technology team. Prior to that, he worked at a number of hedge funds, including Pequot Capital, Andor Capital and Citadel Investment Group. He also worked in the software industry and at Oracle Corporation. Michael earned a BS in business administration from the University of Colorado and an MBA with concentrations in finance and accounting from Columbia Business School.

### New buys and sells

Portfolio turnover was low in May, reflecting our viewpoint that the portfolio was already well-positioned from a bottom-up standpoint. There were no new buys in the portfolio during the month. The only complete sell was the aforementioned **Shopify Inc.**, which was cut amid disappointing results and expectations that a new cycle of increased spending would likely translate to weaker margins and take time to materialise.

### Outlook

There was a wider-than-typical performance differential between key technology industries in May as AI-related euphoria translated into divergent outcomes in the short-term. Areas like semiconductors and hardware were among the outperformers, while software and IT services lagged due to their muted guidance and interest rate sensitivity, as expectations for Fed rate cuts have been lowered from six to under two, over the year-to-date period. It's important to note that the recent reporting quarter is seasonally slow for software and IT services due to tech spending cycles which favour the back half of the year. We saw a similar pattern of a slow relative start compared to broader technology peers in early 2023, which reversed course in the second half of the year. Our viewpoint is that this playbook may continue this year as well.

Technology earnings results have been broadly positive and we continue to believe that the equity market rally can extend into the second half of the year. Inflation has trended lower over the trailing twelve months but has moved sideways so far this year. A normalised monetary policy backdrop should be conducive for economic strength to broaden. Despite relatively tight monetary conditions, the global economy remains healthy. Valuations remain reasonable and we believe there is ample room for estimates to increase which should be the primary driver of performance over the course of the year. We are seeing a broader recovery of earning growth, including for mid-and small market capitalisation stocks. Even if there is more volatility ahead, we believe companies further down the cap spectrum have discounted more uncertainties, offering attractive risk rewards for companies that are well positioned for a recovery.

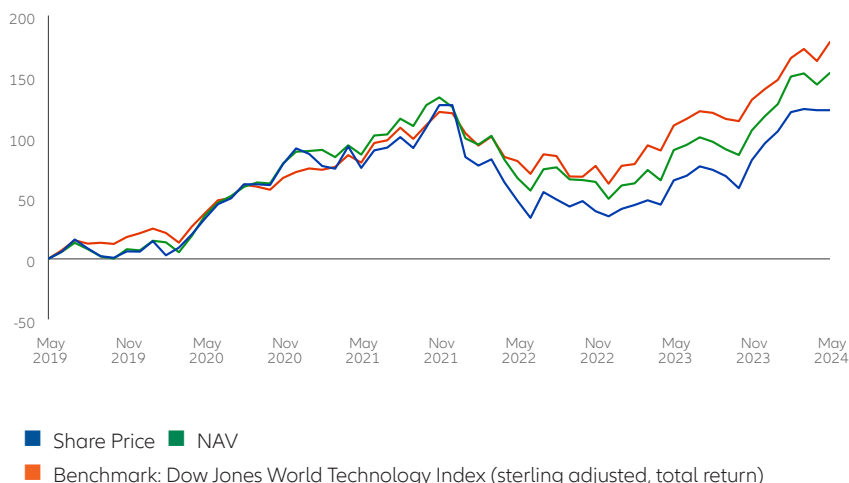
Our conviction in secular growth opportunities within technology, including AI and machine learning, Internet of Things (IOT), cyber security, digital assets and mobility, remains high thanks to secular growth potential and bottom-up fundamental factors. Despite short term periods of higher volatility 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. We are excited about the investment opportunities presented, and believe our research-driven, bottom-up process is the most effective means to capture the value generated by this theme.

**Mike Seidenberg**  
14 June 2024

**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	22.7	35.2	27.2	122.1
NAV	1.0	22.8	34.1	36.8	153.7
Benchmark	5.0	20.6	32.8	55.5	178.3

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

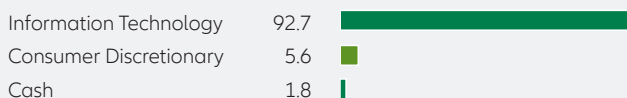
	2024	2023	2022	2021	2020
Share Price	35.2	11.3	-15.4	31.4	32.9
NAV	34.1	13.8	-10.4	36.9	35.5
Benchmark	32.8	16.2	0.7	30.3	37.4

Source: Thomson Reuters Refinitiv DataStream, percentage growth, mid to mid, total return to 31.05.24. Copyright 2024 © 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 (%)



### Top Ten Holdings (%)

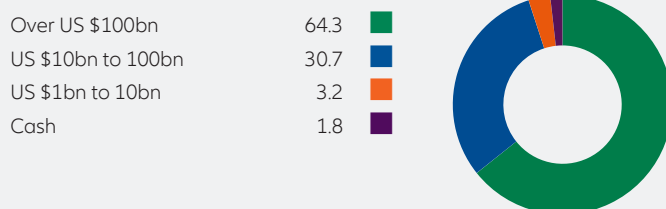
Nvidia	11.5
Microsoft	8.0
Meta	6.3
Apple	5.4
Broadcom	4.2
Amazon	4.1
Alphabet - A shares	4.0
Micron Technology	3.4
Lam Research	3.2
Monolithic Power Systems	2.5

Total number of holdings 43

### 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)

Neeta Patel (Senior Independent Director)

Sam Davis

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 31.05.24 unless otherwise stated.**

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