

# 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** £1,457.8m    **Shares in Issue** 385,562,114 (Ordinary 2.5p)    **Market Cap** £1,334.0m

Share Price  
**346.0p**

NAV per Share  
**378.1p**

Premium/-Discount  
**-8.5%**

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 30.04.24 unless otherwise stated.

## Fund Manager's Review

### Portfolio review

Allianz Technology Trust's Net Asset Value (NAV) total return was -3.62% in April, compared to the Dow Jones World Technology Index return of -3.64%.

Technology shares declined in April, undermined by fears that the conflict in the Middle East may be spreading and concerns that the U.S. Federal Reserve may keep interest rates higher for longer to bring inflation back to target. Monthly performance was in line with the benchmark as positive stock selection was counterbalanced by short-term industry allocation impacts. Specifically, results were aided by stockpicking in semiconductor and software industries, which were offset primarily by a below-benchmark allocation and stock selection in the interactive media and services industry.

### Contributors

Our avoidance of legacy chip maker **Intel Corp.** contributed to relative performance as shares were impacted by softer-than-expected earnings results combined with a lackluster forecast. The company continues to lag several chip rivals in terms of revenue and cutting-edge expertise. Although Intel's turnaround may be underway as expressed by the company's CEO, we continue to remain on the sidelines given expectations of potential cyclical weakness and preference for chip makers with better exposure to artificial intelligence (AI) and other leading technologies.

A below-benchmark allocation to **Microsoft Corp.** contributed to relative performance as the company's share price moderated despite posting another solid quarter led by strong sales growth and margin expansion. We had a favourable viewpoint on the company's short and longer-term business prospects and chose to maintain our current portfolio position given the attractiveness to us of the fundamental factors which informed our portfolio investment case, despite being somewhat counterbalanced by a valuation level trading at the higher end of its historical range.

“ Our expectation is that the merger and acquisition environment, as evident by the takeout of Darktrace, is likely to accelerate for both public and private companies

Our exposure to **Darktrace PLC**, a United Kingdom-based application software provider which leverages AI and machine learning to detect cyber-threats, aided results following news that the company was being taken private in an all-cash deal. **Western Digital Corp.** and **Dell Technologies, Inc.**, are both benefitting from growth AI and digital transformation, which are translating into higher server, storage and equipment demand.

### Detractors

A below-benchmark allocation to **Alphabet Inc.** offset performance as the company's share price rallied, particularly following earnings results. The market appreciated the resilience around the company's core search segment, with YouTube and cloud segments benefitting from incremental margin and the development of generative AI tools. We continue to have exposure to the company, although at a below-benchmark level, given our preference for other stocks with better near-term growth catalysts.

Our active underweight allocation in **Apple Inc.** also offset results for the month. The decision to have a meaningful below-benchmark allocation to the company, which is the second largest index weight, had been advantageous to relative performance for the last several months as investors were unimpressed with recent product catalysts and concerned about slowing growth in China. The company's share decline reversed course in April as investor sentiment surrounding the company's AI aspirations improved. We continue to hold the stock given its significant benchmark weight 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.

Other detractors included our avoidance of Chinese internet media and services provider **Tencent Holdings Ltd.**, which rallied given an improvement in sentiment in the country. Application software maker **monday.com Ltd.** found itself lower amid potential slowing of demand and infrastructure software platform **CyberArk Software Ltd.** also declined



### 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.

due to a softer-than-expected guide.

### New buys and sells

Turnover was lower-than-typical in April, reflecting our viewpoint that the portfolio was already well-positioned from a bottom-up standpoint. We made the decision to purchase **Amphenol Corp.**, a designer, manufacturer and marketer of electrical, electronic and fiber optic connectors and interconnect systems, given the potential for favourable demand from AI and traditional sectors like automotive and aerospace. There were no other new buys for the month, nor any complete sells in the portfolio.

### Outlook

Despite tighter-than-anticipated monetary conditions, the global economy remains resilient, as labour markets remained healthy, corporate earnings trended higher and consumer spending has been robust. As the Federal Reserve (the US central bank) gets comfortable that inflation is moving towards its 2% target, we should see rate cuts, which are looking likely to happen closer to the latter end of 2024. Our expectation is that the merger and acquisition environment, as evident by the takeout of Darktrace, is likely to accelerate for both public and private companies. Valuations remain reasonable in our view 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 (cap) 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. The upcoming quarterly earnings results are likely to dictate the performance trend over the next few months, particularly as we enter a seasonally slower summer trading period.

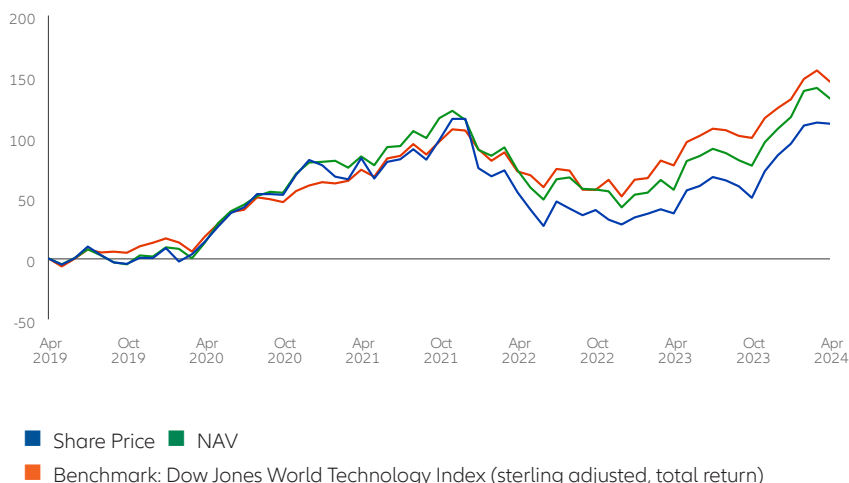
We continue to have a high level of conviction in secular growth opportunities within technology, including AI and machine learning, Internet of Things (IOT), cyber security, digital assets and mobility, thanks to secular growth potential and bottom-up fundamental factors. Despite short term periods 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 May 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	8.5	40.7	53.8	15.5	111.0
NAV	6.9	31.1	48.5	26.4	132.5
Benchmark	6.3	23.2	39.0	41.9	145.5

### Discrete 12 Month Returns to 30 April (%)

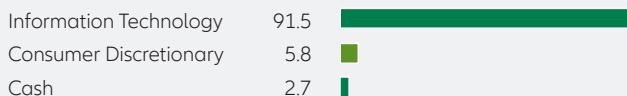
	2024	2023	2022	2021	2020
Share Price	53.8	-11.2	-15.4	60.2	14.0
NAV	48.5	-9.4	-6.1	62.6	13.2
Benchmark	39.0	2.9	-0.8	46.4	18.2

Source: Thomson Reuters Refinitiv DataStream, percentage growth, mid to mid, total return to 30.04.24. 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 (%)

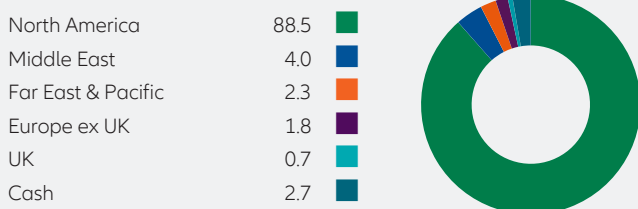


### Top Ten Holdings (%)

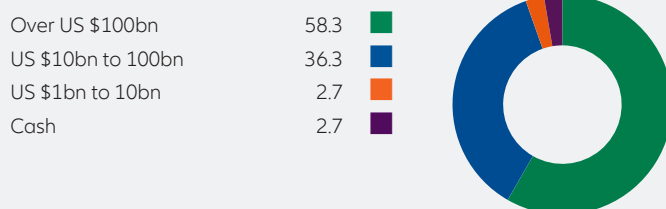
Nvidia	9.6
Microsoft	7.9
Meta	6.1
Apple	5.0
Broadcom	4.4
Amazon	4.3
Alphabet - A shares	4.0
Lam Research	3.2
Micron Technology	3.2
Western Digital	2.5

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 30.04.24 unless otherwise stated.**

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