

# Allianz Technology Trust PLC

Half-Yearly Financial Report, 30 June 2023

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## Key Information

### Investment objective

Allianz Technology Trust PLC (the Company) invests principally in the equity securities of quoted technology companies on a worldwide basis with the aim of achieving long-term capital growth in excess of the Dow Jones World Technology Index (sterling adjusted, total return) (the benchmark).

### Investment policy

The investment policy of the Company is to invest in a diversified portfolio of companies that use technology in an innovative way to gain a competitive advantage. Particular emphasis is placed on companies that are addressing major growth trends with innovation that replaces existing technology or radically changes products and services and the way in which they are supplied to customers.

### What constitutes a technology stock

Technology has become a vast and diverse investment theme. It encompasses those companies that sell technology solutions – from cloud storage to component manufacturers to software developers – and also those for whom technology is an intrinsic part of their business – the car makers or ecommerce groups using technology to gain a competitive advantage. In this way, technology stocks may sit across multiple sectors, including healthcare, industrials or

financial services. The challenge is to understand not only current technologies, but also future trends and the likely effects.

### Asset allocation

The portfolio managers aim to invest in the most attractive technology shares on a global basis. They do not target specific country or regional weightings. They seek to identify the leading companies in emerging technology growth sub-sectors. The majority of the portfolio will comprise mid and large cap technology shares.

### Risk diversification

The Company aims to diversify risk with no holding in the portfolio comprising more than 15% of the Company's assets at the time of acquisition. The Company aims to diversify the portfolio across a range of technology sub-sectors.

### Gearing

As at 30 June 2023 there was no borrowing facility in place. In normal market conditions gearing will not exceed 10% of net assets but may increase to 20%. The Company's Articles of Association limit borrowing to one quarter of its called up share capital and reserves.

### Liquidity

In normal market conditions the liquidity of the portfolio, that is the proportion of the Company's net assets held in cash or cash

equivalents, will not exceed 15% of net assets but may be increased to a maximum of 30% of net assets.

### Derivatives

The Company may use derivatives for investment purposes within guidelines set down by the Board.

### Foreign currency

The Company's current policy is not to hedge foreign currency.

### Benchmark

One of the ways in which the Company measures its performance is in relation to its "benchmark", which is an index made up of some of the world's leading technology shares. The benchmark used is the Dow Jones World Technology Index (sterling adjusted, total return). The Company's strategy is to have an actively managed portfolio which is benchmark aware rather than benchmark driven. Therefore, the Company has tended to have a significantly higher than benchmark allocation to high growth, mid cap companies which are considered to be the emerging leaders in the technology sector. The portfolio managers believe that the successful identification of these companies relatively early on in their growth stages offers the best opportunity for outperformance over the long term.

# Financial Highlights and Summary

Net asset value per ordinary share

## +29.7%

2023 299.7p  
2022 231.0p

Share price per ordinary share

## +24.8%

2023 262.0p  
2022 210.0p

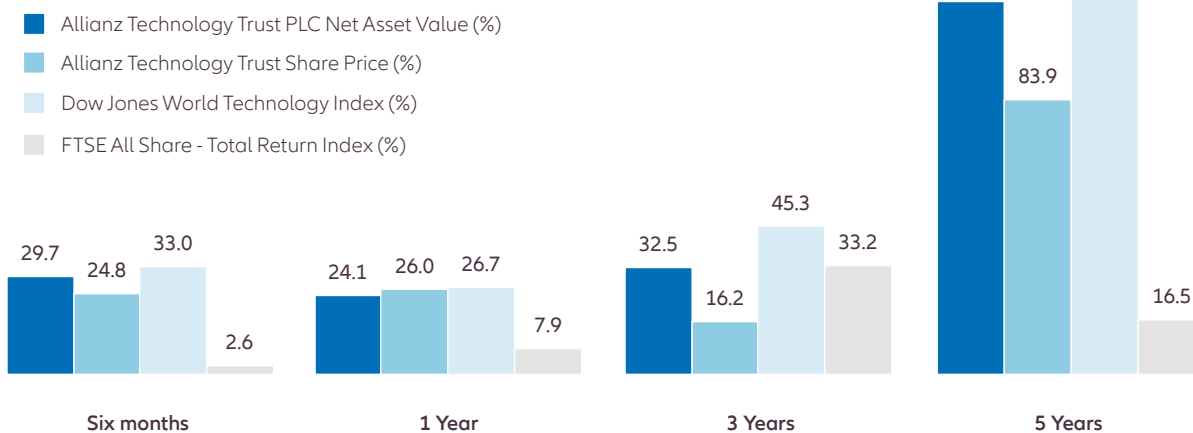
Benchmark

## +33.0%

2023 2,437.4  
2022 1,832.2

	30 June 2023	31 December 2022	% change
Net asset value per ordinary share	299.7p	231.0p	+29.7
Ordinary share price	262.0p	210.0p	+24.8
Dow Jones World Technology Index (sterling adjusted, total return)	2,437.4	1,832.2	+33.0
Shareholders' Funds	£1,188.0m	£938.9m	+26.5
Discount of Ordinary Share Price to Net Asset Value	12.6%	9.1%	-

## Performance graph



Source: Allianz Global Investors in GBP as at 30 June 2023.

# Interim Management Report



Dear Shareholder

## Harsh economic and geopolitical realities

This marks my first interim report since taking over the role of Chairman of Allianz Technology Trust PLC. I am excited by this new role and the opportunities that lie ahead for the Company. I must take this opportunity to pass on my thanks, from the Board and on behalf of ATT shareholders past and present, to my predecessor, Robert Jeens for his commitment and strong leadership as Chairman of the Company.

Although we will reflect on a period which has seen some incredible advancements for society, there are unfortunately also negative factors offsetting these developments. Despite technological progress, mankind continues in some quarters to display the worst of its attributes and we cannot ignore the passing of another period where we must acknowledge the ongoing war in Ukraine, with both its human cost and its impact on the global economy and geopolitical landscape.

## Performance

2023 started as 2022 had left off. The trend of seemingly runaway inflation followed by aggressive interest rate rises that started as we exited the pandemic and was then given further impetus by the war in Europe, did not abate. Glimmers of hope however seemed on occasion to signal we may be somewhere near a peak. While some factors such as the oil price have rolled over, core inflation has remained stubbornly high. This has continued to strain the valuations of growth companies with both their future cash flows continuing to look mathematically less attractive, as well as their business wings being clipped as access to cheap money has been curtailed.

Ultimately though, there were sufficient positive signals through the period to buoy investor sentiment enough to rally global equities off the 2022 lows. The most positive sector in the first half of the year though was, of course, artificial intelligence (AI). This spurred the tech sector in a way not seen for many months with bedrock companies like Nvidia, a key beneficiary of the theme, seeing its valuation rocket. Whether this theme sustains is to be seen, but it gave something of a boost across many areas of tech. However, as our lead portfolio manager has noted, "a rising tide is unlikely to lift all boats" in this new world, with investors needing to be discriminating in their stock choices.

Against this 'tale of two halves' backdrop, I can report that performance for the period was strongly positive in an absolute sense although negative relative to the Company's reference benchmark. The Company's net asset value for the six months to 30 June 2023 rose by 29.7% (2022: -22.7%) compared to the 33.0% return from the benchmark.

The shortfall in performance compared to the index is examined in the Investment Manager's Review on page 8, but one of the main factors continues to be quite deliberate underweights to some of the largest capitalisation stocks which dominate the index and which performed well over the period. Despite this shorter-term shortfall we retain our long-held conviction that the Company should not chase benchmark-like weights in the largest stocks. Whilst holding inflated weights in those stocks may give some short-term performance benefits, we do not view it as appropriate in risk terms to hold such concentrations. In addition, our portfolio managers remain of the view that, whilst the mega-caps are largely great companies, the greater long-term growth story resides further down the market capitalisation scale with mid- and large-caps. This has been a point of differentiation for the Company for many years and continues to be a focus, now and into the future.

Given the nature of the Company's investments and its stated investment objective to achieve capital growth, no dividend is proposed in respect of the current period and the Board considers it unlikely that any dividend will be declared in the near future.

## AI

We are already beyond the generally high trajectory of technological advancement we have been witnessing over the past decades, with the development and impact of generative artificial intelligence.

Generative AI refers to artificial intelligence algorithms that can generate written content, images, computer code, and even speech. At a US congressional hearing earlier this year into the potential social impacts of this new technology, one speaker had ‘recorded’ a speech – except, although it sounded just like him in every way, it certainly wasn’t. An AI algorithm had instead given its ‘view’ – in his voice!

It would be possible to spend a significant amount of time debating AI with multiple different lenses, including morality, ethics, and human advancement. Ultimately though, the power of AI seems really to lie not in the ability to let someone (thing?) else write your next report, but in the largely unseen applications where algorithms are already crunching almost unfathomable amounts of data. They are doing this infinitely faster than we could as human beings and therefore are able to make faster advancements, for example in the development of new medicines.

As with any ‘theme’, there are companies that represent the area as their more-or-less sole focus, as well as companies where they may be more of a beneficiary as a key supplier. Nvidia – a key talking point of the period – falls into this latter category. AI is exciting in terms of what it could achieve, but that will require the right infrastructure to be in place to support the massive computer and storage requirements. Our portfolio managers currently see more potential in this latter type of company, rather than a ‘pure-play’. That being said, we also note the predominance of AI related activities starting to take larger shares across many companies, with Microsoft being a key example. Recently Winterflood Research curated an ‘indicative and non-exhaustive’ list of 18 underlying companies set to benefit from generative artificial intelligence and the AIC examined which member companies had the greatest exposure. The Company topped this list with, at the time, exposure to 13 of them, representing over 37% of the portfolio. The Winterflood list included semiconductor companies (Nvidia, Taiwan Semiconductor Manufacturing, ASML, AMD, Applied Materials and Intel); search companies (Alphabet, Microsoft and Baidu); enterprise and productivity software companies (Salesforce, Workday, HubSpot, SAP and ServiceNow); and companies offering cloud computing (Amazon, IBM, Oracle and Cisco).

Whilst this is currently a positive aspect for the Company, the Board is acutely aware of both shareholder and wider market concerns over the potential for AI to represent an ESG risk factor, particularly from the ‘Social’ angle. To that end we are engaging with our lead portfolio manager to understand a range of views and perspectives on this matter and will ensure that this continues to be appropriately considered from a risk perspective.

## Discount/Buybacks

Over the period our discount to NAV remained elevated, particularly in the context of a longer-term picture where we traded closer to par and often at a small premium when demand for technology stocks was high.

Some factors driving the current discount are outside our control and affect many more companies than ourselves. In particular, continued uncertainty for investors is seeing the closed end fund sector in general at a higher average discount than has been typical over recent years. Notwithstanding the boost to tech shares over recent months, investors perhaps remain unsure of the outlook for interest rates and are consequently cautious.

The Board continues to pay close attention to the level of discount and, through the Company’s broker, have been active in buying back shares. Over the period 10,052,149 shares were bought back at an average discount of 11.8%. Since the period end on 30 June 2023, a further 801,500 shares have been bought back. All shares repurchased are held in treasury rather than cancelled so that they may be reissued if sufficient demand arises.



## Consumer Duty

The Board has worked with Allianz Global Investors, UK Limited ('AllianzGI UK'), our AIFM, to ensure all obligations under the FCA's new Consumer Duty regulations have been appropriately considered and applied to the Company. All communications including the website, factsheets and other published documentation, have been reviewed to ensure they are appropriate for consumers. A 'value assessment' has also been undertaken and it was concluded that the Company provides fair value. The value assessment is made available to distributors such as investment platforms and wealth managers to inform their own due diligence.

## Portfolio management team

This report marks a year since Mike Seidenberg took over the lead portfolio manager role on 1 July 2022. Within that period, Mike has been diligently executing the 'day job' against a sometimes unforgiving backdrop, whilst also getting to grips with the additional responsibilities that come with the lead role – such as responding to press enquiries, particularly during the height of the ChatGPT euphoria and interest. We thank Mike for his first year fully established at the helm of the Company's portfolio management.

## Investment management corporate changes

As outlined in the Company's Annual Financial Report, our contract with Allianz Global Investors GmbH, UK Branch as AIFM of the Company transferred during the period to AllianzGI UK which is a new FCA authorised and regulated UK entity taking on all activities of the former UK Branch of AllianzGI GmbH.



## Annual General Meeting ('AGM')

It was a pleasure to meet many shareholders at the Company's AGM on 26 April 2023. The Board once again put in place arrangements for shareholders to attend the AGM electronically if they could not attend in person, as well as being able to ask questions. All resolutions were passed. A recording of the AGM, including a presentation from the lead portfolio manager, Mike Seidenberg, can be found on the company's website.



We would also remind shareholders that the key elements of this year's Annual Financial Report were made available in an updated online format (the 'Annual Stakeholder Report') at [tinyurl.com/ATT-stakeholderreport-22](https://tinyurl.com/ATT-stakeholderreport-22).

## Outlook

As has so often been the case in recent years, the only certainty from a macroeconomic perspective seems to be uncertainty. In the US as with much of the rest of the world, the outlook for inflation is undoubtedly the key influence on the general direction of markets. Some confidence of an approaching peak has already been priced in, spurring markets, but any more certainty backed by positive action from the US Federal Reserve and other central banks would be a further catalyst.

That of course is a driver for overall market confidence, but we must also examine what might drive the sector. Beyond interest rates, where a reversal of recent rises would give a mathematical boost to growth stocks, there are the secular growth trends to consider. These are identified by our lead portfolio manager in his report, as well as regularly being discussed on our podcast and in interviews and webinars that the manager participates in.

Ultimately, despite the macroeconomic backdrop, our lead portfolio manager continues to follow a bottom-up stock picking approach. Regardless of the shorter term direction of markets or how the global economy performs, there remain some fantastic long term growth companies in the technology sector (with more emerging over time), and our lead portfolio manager and his team are deftly uncovering many of them.

## Principal risks and uncertainties for the remainder of the financial year

The principal risks and uncertainties facing the Company are broadly unchanged from those described in the annual financial report for the year ended 31 December 2022. These are set out in the Strategic Report on pages 20 to 21 of that report, together with commentary on the Board's approach to mitigating the risks and uncertainties. Given the global macroeconomic and geopolitical backdrop, market risk remains front of mind and the Board, AIFM and the Investment Manager continue to monitor the situation carefully.

The Board performs a high-level review of the principal risks at every meeting to ensure that the risk assessment is current and relevant, adjusting mitigating factors and procedures as appropriate.

## Keeping in touch

Shareholders are reminded that the Company's website [www.allianztechnologytrust.com](http://www.allianztechnologytrust.com) is the 'go-to' destination for the very latest news, views and broadcast content relating to the Company. We continue to offer an ongoing email communications programme distributing monthly factsheets, insights and other occasional Company updates to all those who opt in to receive them. If you would enjoy receiving these targeted communications, you can sign up easily via the Company's website. Log in directly using the QR code to the right.



## Going concern

The Directors believe that it is appropriate to adopt the going concern basis in preparing the financial statements as the assets of the Company consist mainly of securities that are readily realisable, and the Company's assets are significantly greater than its liabilities. The Directors have assessed the impact of the change in investment management arrangements and the continued operational resilience of the Company's service providers and have concluded that the Company has adequate financial resources to continue in operational existence for twelve months after approval of these financial statements.

The Company is subject to a continuation vote of the Shareholders every five years. The last continuation vote was put to Shareholders at the AGM in 2021.

## Related party transactions

Note 15 of the Company's 2022 Annual Financial Report gives details of related party transactions and transactions with the AIFM and Investment Manager. The basis for these has not changed during the six months under review. This report is available on the Company's website at [www.allianztechnologytrust.com](http://www.allianztechnologytrust.com).

## Responsibility statement

The Directors confirm to the best of their knowledge that:

- the condensed set of financial statements contained within the half-yearly financial report has been prepared in accordance with FRS 102 and FRS 104, as set out in Note 1 and the Accounting Standards Board's Statement: 'Half-Yearly Financial Reports';
- the interim management report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.7 R, of important events that have occurred during the first six months of the financial year, their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- the interim management report includes a fair review of the information concerning related party transactions as required by Disclosure and Transparency Rule 4.2.8 R. The half-yearly financial report was approved by the Board on 31 July 2023 and signed on its behalf by the Chairman.

*Tim Scholefield*  
Chairman  
31 July 2023

## Investment Manager's Review



### Investment Review

Global equities rallied over the first half of 2023 as signs that inflation was finally starting to cool and swift action to avoid a widespread banking crisis helped investors overcome concerns about waning economic momentum. Japanese equities were among the strongest performers, with major indices touching 33-year highs. US indices also delivered robust gains, led by a narrow band of technology stocks. In contrast, Chinese shares lost ground amid concerns that the nation's post-pandemic recovery was running out of steam. At a sector level, information technology, communication services and consumer discretionary shares climbed sharply, helped by growing interest in artificial intelligence and its applications, but consumer staples and resource-focused sectors lagged.

Western central banks continued to tighten monetary policy. Headline inflation rates fell although, with core inflation proving far stickier in many economies, policymakers signalled that the peak in rates had yet to be reached. In contrast, the Bank of Japan maintained its accommodative stance, while, with China's economic recovery fading, the People's Bank of China cut rates for the first time in almost a year in June.

The British pound strengthened as elevated UK inflation levels boosted expectations that the Bank of England would have to tighten monetary policy considerably. The euro also rallied against the US dollar and Japanese yen as the European Central Bank insisted that the fight against inflation was far from over. In contrast, the Federal Reserve paused its rate hikes in June while the Bank of Japan kept interest rates at -0.1%.

During the period, we reduced exposure to some financial services and professional services (Human Resources software providers) companies which we felt would struggle amid the uncertain economic conditions and job reductions across various technology companies. The team increased exposure to some cyclical companies in the semiconductor and hardware segments. We continue to hold our positions in high growth companies that we believe are well-positioned to maintain steady growth rates. We expect technology to remain the persistent driver of long-term economic growth.

### Top Contributors and Detractors

During the period under review, the Company's net assets rose by 29.7%. The Company underperformed the Dow Jones World Technology Index (sterling adjusted, total return) by 3.3% and outperformed the FTSE All-Share Index by 27.1% during the period. The portfolio's relative underperformance versus the Dow Jones World Technology Index was largely due to the market rotation from growth stocks and the concentration in the mega cap stocks (Apple and Microsoft).

Meta, parent company of Facebook and Instagram, delivered solid earnings results, driven by strong user engagement which boosts overall advertising spend, as well as improvements in e-commerce ad spend. Meta lowered its full year 2023 total operating expenses and capital expenditures outlook, which have been a key focus of investor angst. The company noted that it will focus on driving efficiencies in some areas, while contemplating revenue growth in others. This is evident in the company's revised data centre plans, where Meta is focused on cost-efficiency and flexibility. This is a very welcome change as Meta's high level of spending has been a concern for several years. Additionally, Reels plays (a newer product on the company's platform) doubled year-over-year, and Meta expects Reels usage should contribute to more stable revenue growth over time.

Palo Alto Networks, cyber security hardware and software provider, delivered better than expected sales and profit metrics, strong full-year guidance, and further evidence the company's innovation flywheel is healthier than ever. Impressive growth in revenue and earnings demonstrated strength in the business model across the board. Free Cash Flow growth, a key metric of total company health, also topped estimates by a wide margin. Steady research and development investments coupled with the benefits from successful acquisitions have been driving revenue growth in its Next Generation Security (NGS) segment. The NGS business is the primary growth engine of the business, and the management team has been executing very well.

Other top active contributors included our overweight positions in MongoDB, a next generation database company, and HubSpot, an integrated software application company



used primarily by small and medium sized businesses, as well as not owning Tencent, a Chinese internet company.

Aspen Technology, a software provider to oil & gas industry, was among the top detractors after the company reported earnings results that fell short of expectations. The reported results were complicated by a number of acquisitions the company has done over the past year. Management believes these acquisitions enhance the company's overall business model and offer multiple options for future growth. However, it will likely take some time for the company's overall growth to stabilize as it integrates acquisitions and deals with macro challenges. Given the uncertain near to medium term, we decided to exit the position as we see more attractive risk/reward profiles in other areas of the portfolio.

Okta, security software provider, was also a top detractor in the period. Management reiterated their cautious view around Fiscal Year 2024 guidance, indicating that they have assumed a worsening macro environment. Okta also noted that the recent execution missteps were caused by over-hiring which led to sales territories being cut too small for sales representatives to meet their numbers. This was yet another series of challenges for Okta and we decided to exit the position and may revisit in the future.

Other active detractors included overweight positions in Paycom Software, an integrated payroll and human resources software company, and JD.com, a Chinese internet company, and an underweight to Apple.

## Outlook

Our expectation is that the recent macro 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 cognizant of the scrutiny on IT budgets and the potential challenge near term. In addition, many companies continue to struggle to find workers to meet customer demand 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 computing, software-as-a-service, artificial intelligence, and cyber security.

Lastly, we are excited about artificial intelligence (AI) 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 which both enable AI and benefit from the use of AI 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 technology is key to the prosperity of most industries. 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 long-term selection capabilities.

*Mike Seidenberg*  
*Lead Portfolio Manager*  
*31 July 2023*

# Investment Portfolio

as at 30 June 2023

Investment	Sector <sup>#</sup>	Sub Sector <sup>#</sup>	Country	Valuation £000	% of Portfolio
Apple	Technology, Hardware Storage & Peripherals	Technology, Hardware Storage & Peripherals	United States	108,320	9.2
NVIDIA	Semiconductors & Semiconductor Equipment	Semiconductors	United States	107,581	9.2
Microsoft	Software	Systems Software	United States	99,526	8.5
Meta Platforms	Interactive Media & Services	Interactive Media & Services	United States	95,220	8.1
Alphabet	Interactive Media & Services	Interactive Media & Services	United States	61,797	5.3
Amazon.com	Broadline Retail	Broadline Retail	United States	39,357	3.4
Advanced Micro Devices	Semiconductors & Semiconductor Equipment	Semiconductors	United States	37,759	3.2
MongoDB	IT Services	Internet Services & Infrastructure	United States	34,748	3.0
HubSpot	Software	Application Software	United States	34,407	2.9
Palo Alto Networks	Software	Systems Software	United States	32,466	2.8
<b>Top Ten Investments</b>				<b>651,181</b>	<b>55.6</b>
Shopify	IT Services	Internet Services & Infrastructure	Canada	29,864	2.5
Datadog	Software	Application Software	United States	29,523	2.5
Salesforce	Software	Application Software	United States	29,332	2.5
Samsung Electronics	Technology, Hardware Storage & Peripherals	Technology, Hardware Storage & Peripherals	South Korea	28,751	2.5
Oracle	Software	Systems Software	United States	28,032	2.4
CrowdStrike	Software	Systems Software	United States	26,837	2.3
Taiwan Semiconductor	Semiconductors & Semiconductor Equipment	Semiconductors	Taiwan	24,612	2.1
Netflix	Entertainment	Movies & Entertainment	United States	23,469	2.0
ASML	Semiconductors & Semiconductor Equipment	Semiconductor Equipment	Netherlands	22,731	1.9
Applied Materials	Semiconductors & Semiconductor Equipment	Semiconductor Equipment	United States	20,165	1.7
<b>Top Twenty Investments</b>				<b>914,497</b>	<b>78.0</b>
ServiceNow	Software	Systems Software	United States	19,472	1.7
Monolithic Power Systems	Semiconductors & Semiconductor Equipment	Semiconductors	United States	19,142	1.6
Mercadolibre	Broadline Retail	Broadline Retail	United States	18,467	1.6
ON Semiconductor	Semiconductors & Semiconductor Equipment	Semiconductors	United States	17,454	1.5
Lam Research	Semiconductors & Semiconductor Equipment	Semiconductor Equipment	United States	16,728	1.4
KLA	Semiconductors & Semiconductor Equipment	Semiconductor Equipment	United States	16,061	1.4
Marvell Technology	Semiconductors & Semiconductor Equipment	Semiconductors	United States	15,838	1.3
Cadence Design	Software	Application Software	United States	15,772	1.3
Fortinet	Software	Systems Software	United States	15,450	1.3
Uber Technologies	Ground Transportation	Passenger Ground Transportation	United States	15,050	1.3
<b>Top Thirty Investments</b>				<b>1,083,931</b>	<b>92.4</b>
Micron Technology	Semiconductors & Semiconductor Equipment	Semiconductors	United States	14,932	1.3
Arista Networks	Communications Equipment	Communications Equipment	United States	11,908	1.0
NXP Semiconductors	Semiconductors & Semiconductor Equipment	Semiconductors	Netherlands	11,759	1.0
Trade Desk	Media	Advertising	United States	11,671	1.0
Cyberark Software	Software	Systems Software	Israel	9,643	0.8
Zscaler	Software	Systems Software	United States	8,723	0.7
Altair Engineering	Software	Application Software	United States	8,147	0.7
Tesla	Automobiles	Automobile Manufacturers	United States	8,141	0.7
Smartsheet	Software	Application Software	United States	4,518	0.4
<b>Total Investments</b>				<b>1,173,373</b>	<b>100.0</b>

<sup>#</sup> GICS Industry classifications

# Analysis of Portfolio

as at 30 June 2023

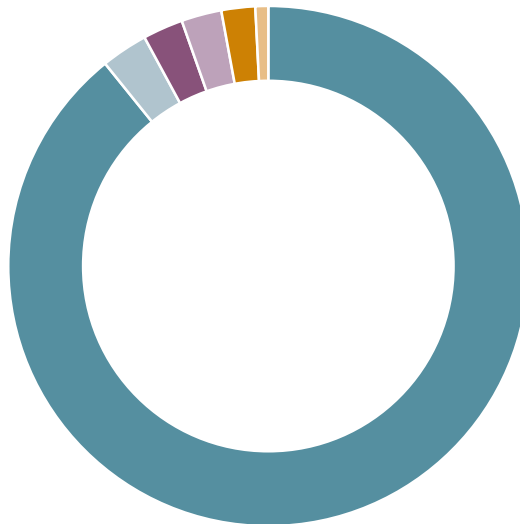
Top five contributors		Active Contribution GBP (%)*	Top five detractors		Active Contribution GBP (%)*
MongoDB, Inc. Class A	Overweight	1.21	Paycom Software, Inc.	Overweight	-0.85
Meta Platforms Inc. Class A	Overweight	1.21	Aspen Technology, Inc.	Overweight	-0.81
HubSpot, Inc.	Overweight	0.85	Apple Inc.	Underweight	-0.75
Palo Alto Networks, Inc.	Overweight	0.72	Okta, Inc. Class A	Overweight	-0.75
Tencent Holdings Ltd.	Underweight	0.70	JD.com, Inc. Sponsored ADR Class A	Overweight	-0.69
		<b>4.70</b>			<b>-3.86</b>

Source: Allianz Global Investors. 31 Dec 2022 - 30 Jun 2023.

\*Relative to Dow Jones World Technology Index. Figures may not add due to rounding.

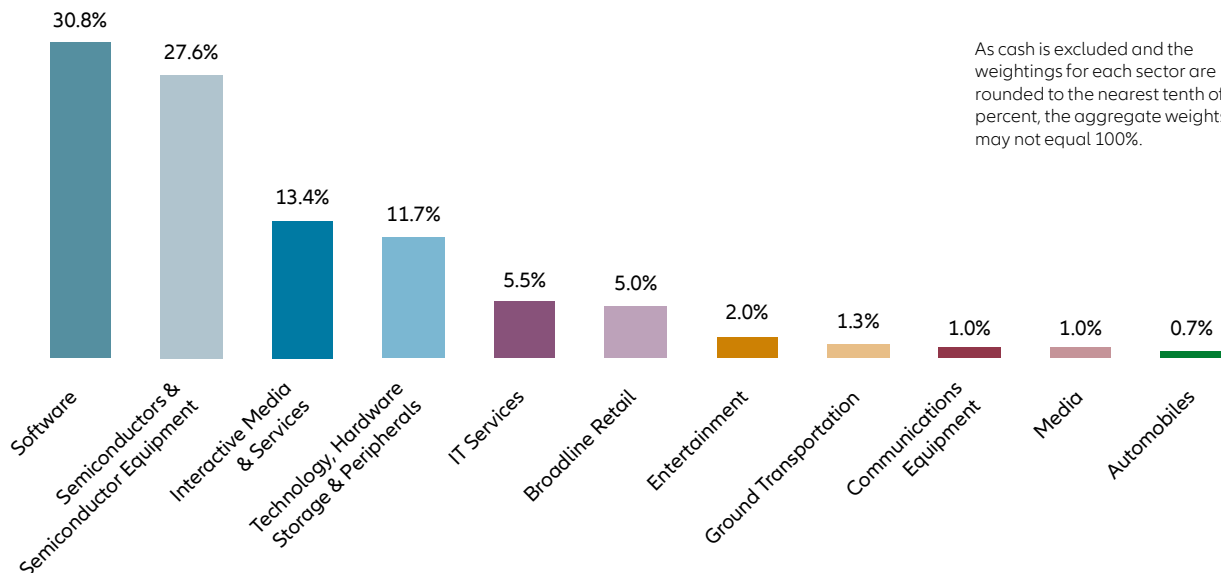
## Geographical breakdown

Region	% of Invested Funds
United States	89.2
Netherlands	2.9
Canada	2.5
South Korea	2.5
Taiwan	2.1
Israel	0.8



As cash is excluded and the weightings for each country are rounded to the nearest tenth of a percent, the aggregate weights may not equal 100%.

## Sector breakdown



As cash is excluded and the weightings for each sector are rounded to the nearest tenth of a percent, the aggregate weights may not equal 100%.

# Income Statement

	For the six months ended 30 June 2023			For the six months ended 30 June 2022		
	Revenue £'000s	Capital £'000s	Total Return £'000s (Note 1)	Revenue £'000s	Capital £'000s	Total Return £'000s (Note 1)
Gains (losses) on investments held at fair value through profit or loss	-	275,144	275,144	-	(455,025)	(455,025)
Exchange (losses) gains on currency balances	(33)	(1,326)	(1,359)	43	6,039	6,082
Income	2,470	-	2,470	3,158	-	3,158
Investment management and performance fee (Note 2)	(3,258)	-	(3,258)	(3,604)	-	(3,604)
Administration expenses	(491)	-	(491)	(510)	-	(510)
<b>Profit (loss) before finance costs and taxation</b>	<b>(1,312)</b>	<b>273,818</b>	<b>272,506</b>	<b>(913)</b>	<b>(448,986)</b>	<b>(449,899)</b>
Finance costs: Interest payable and similar charges	-	-	-	-	-	-
<b>Profit (loss) on ordinary activities before taxation</b>	<b>(1,312)</b>	<b>273,818</b>	<b>272,506</b>	<b>(913)</b>	<b>(448,986)</b>	<b>(449,899)</b>
Taxation	(429)	-	(429)	(393)	-	(393)
<b>Profit (loss) attributable to ordinary shareholders</b>	<b>(1,741)</b>	<b>273,818</b>	<b>272,077</b>	<b>(1,306)</b>	<b>(448,986)</b>	<b>(450,292)</b>
<b>Earnings (loss) per ordinary share (Note 3)</b>	<b>(0.43p)</b>	<b>68.39p</b>	<b>67.96p</b>	<b>(0.31p)</b>	<b>(106.81p)</b>	<b>(107.12p)</b>

# Balance Sheet

	As at 30 June 2023 £'000s	As at 30 June 2022 £'000s	As at 31 December 2022 £'000s
Investments held at fair value through profit or loss (Note 4)	1,173,373	914,379	898,937
Cash and cash equivalents	16,529	88,275	41,695
Net current liabilities	(1,900)	(943)	(1,684)
<b>Total net assets</b>	<b>1,188,002</b>	<b>1,001,711</b>	<b>938,948</b>
Called up share capital	10,719	10,719	10,719
Share premium account	334,191	334,191	334,191
Capital redemption reserve	1,021	1,021	1,021
Capital reserve	877,766	689,189	626,971
Revenue reserve	(35,695)	(33,409)	(33,954)
<b>Shareholders' funds</b>	<b>1,188,002</b>	<b>1,001,711</b>	<b>938,948</b>
<b>Net asset value per ordinary share</b>	<b>299.7p</b>	<b>241.5p</b>	<b>231.0p</b>
The net asset value is based on ordinary shares in issue of	396,435,569	414,774,931	406,487,718
Treasury shares in issue	32,321,111	13,981,749	22,268,962

## Statement of Changes in Equity

	Called up Share Capital £'000s	Share Premium Account £'000s	Capital Redemption Reserve £'000s	Capital Reserve £'000s	Revenue Reserve £'000s	Total £'000s
<b>Six months ended 30 June 2023</b>						
Net assets at 1 January 2023	10,719	334,191	1,021	626,971	(33,954)	938,948
Revenue loss	-	-	-	-	(1,741)	(1,741)
Shares repurchased into treasury during the period (Note 5)	-	-	-	(23,023)	-	(23,023)
Capital profit	-	-	-	273,818	-	273,818
<b>Net assets at 30 June 2023</b>	<b>10,719</b>	<b>334,191</b>	<b>1,021</b>	<b>877,766</b>	<b>(35,695)</b>	<b>1,188,002</b>
<b>Six months ended 30 June 2022</b>						
Net assets at 1 January 2022	10,719	334,191	1,021	1,158,544	(32,103)	1,472,372
Revenue loss	-	-	-	-	(1,306)	(1,306)
Shares repurchased into treasury during the period (Note 5)	-	-	-	(20,369)	-	(20,369)
Capital loss	-	-	-	(448,986)	-	(448,986)
<b>Net assets at 30 June 2022</b>	<b>10,719</b>	<b>334,191</b>	<b>1,021</b>	<b>689,189</b>	<b>(33,409)</b>	<b>1,001,711</b>



# Notes

## Note 1 – Summary statement of accounting policies and basis of preparation

The condensed set of financial statements has been prepared in accordance with FRS 102 'Interim Financial Reporting' (FRS 104) issued by the FRC in January 2022 and the Statement of Recommended Practice - 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (SORP) issued by the Association of Investment Companies (AIC) in July 2022.

The accounting policies applied for the condensed set of financial statements with regard to measurement and classification have not changed from those set out in the Company's annual financial report for the year ended 31 December 2022.

The total column of the Income Statement is the profit and loss account of the Company. All revenue and capital items derive from continuing operations. No operations were acquired or discontinued in the period. A Statement of Total Recognised Gains and Losses is not required as all gains and losses of the Company have been reflected in the Income Statement.

## Note 2 – Management

Allianz Global Investors UK Ltd is appointed as AIFM and portfolio management services are provided by Voya Investment Management Co LLC. The management agreement provides for a base fee of 0.8% per annum payable quarterly in arrears and calculated on the average value of the market capitalisation of the Company at the last business day of each month in the relevant quarter. The base fee reduces to 0.6% for any market capitalisation between £400m and £1 billion, and 0.5% for any market capitalisation over £1 billion. Additionally there is a fixed fee of £55,000 per annum to cover AllianzGI's administration costs.

In each year, in accordance with the management contract, the Investment Manager is entitled to a performance fee subject to various performance conditions. For years beginning on or after 1 January 2022, the performance fee entitlement is equal to 10.0% (1 December 2013 to 31 December 2021: 12.5%) of the outperformance of the adjusted NAV per share total return as compared to the benchmark index, the Dow Jones World Technology Index (sterling adjusted, total return). Any underperformance brought forward from previous years is taken into account in the calculation of the performance fee.

A performance fee is only payable where the NAV per share at the end of the relevant Performance Period is greater than the NAV per share at the end of the financial year in which a performance fee was last paid. At 31 December 2022 this 'high water mark' (HWM) was 297.2p per share. In the event the HWM is not reached in any year, any outperformance shall instead be carried forward to future periods to be applied as detailed below. Any performance fee payable is capped at 1.75% of the average daily NAV of the Company over the period. For this purpose, the NAV is calculated after deduction of the associated performance fee payable.

Any outperformance in excess of the cap (or where the HWM has not been met) shall be carried forward to future years to be available for offset against future underperformance but not to generate a performance fee. To the extent the Company has underperformed the benchmark, such underperformance is carried forward and must be offset by future outperformance before a performance fee can be paid. Underperformance/outperformance amounts carried forward do so indefinitely until offset.

The performance fee accrued as at 30 June 2023 was £nil (30 June 2022: £nil; 31 December 2022: £nil).

The Investment Manager's fee is charged 100% to Revenue and the performance fee is charged 100% to Capital.

## Note 3 – Earnings per Ordinary Share

The earnings per Ordinary Share is based on the net profit for the half year of £272,077,000 (30 June 2022: net loss of £450,292,000, 31 December 2022: net loss of £494,161,000) and on the weighted average number of Ordinary Shares in issue during the period of 400,385,538 (30 June 2022: 420,370,209, 31 December 2022: 415,019,252).

## Note 4 – Valuation of Investments

Investments are designated as held at fair value through profit or loss in accordance with FRS 102 sections 11 and 12. Investments are initially recognised at Fair Value, which is determined to be their cost. Subsequently, investments are revalued at Fair Value, which is the bid market price for listed investments.

FRS 102 sets out three fair value hierarchy levels for disclosure.

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

As at 30 June 2023, the financial assets at fair value through profit or loss of £1,173,373,000 (31 December 2022: £898,937,000) are categorised as follows:

	As at 30 June 2023 £'000s	As at 31 December 2022 £'000s
Level 1	1,173,373	898,937
Level 2	-	-
Level 3	-	-
	<b>1,173,373</b>	<b>898,937</b>

#### Note 5 – Called up Share Capital

At 30 June 2023 there were 396,435,569 Ordinary Shares in issue (30 June 2022: 414,774,931; 31 December 2022: 406,487,718). During the half-year ended 30 June 2023 the Company repurchased 10,052,149 Ordinary shares into treasury (half-year ended 30 June 2022: 8,416,659; and year ended 31 December 2022: 16,703,872). During the same period no Ordinary Shares were issued from the block listing facility or reissued from treasury (half-year ended 30 June 2022: nil; year ended 31 December 2022: nil).

Since 30 June 2023, 801,500 shares were repurchased into treasury.

#### Note 6 – Investments

Purchases for the half-year ended 30 June 2023 were £577,258,000 (30 June 2022: £433,944,000) and sales were £577,965,000 (30 June 2022: £492,676,000).

#### Note 7 – Transaction costs

Brokers commission costs on equity purchases for the half-year ended 30 June 2023 amounted to £151,000 (30 June 2022: £104,000) and on sales were £192,000 (30 June 2022: £134,000).

#### Note 8 – Comparative Information

The half yearly financial report to 30 June 2023 and the comparative information to 30 June 2022 have neither been audited nor reviewed by the Company's auditors and do not constitute statutory accounts as defined in section 434 of the Companies Act 2006 for the respective periods. The financial information for the year ended 31 December 2022 has been extracted from the statutory accounts for that year which have been delivered to the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

# Glossary of UK GAAP Performance Measures and Alternative Performance Measures

## UK GAAP performance measures

**Net Asset Value** is the value of total assets less all liabilities. The Net Asset Value, or NAV, per ordinary share is calculated by dividing this amount by the total number of ordinary shares in issue. As at 30 June 2023, the NAV was £1188.0m (31 December 2022: £938.9m, 30 June 2022: £1,001.7m) and the NAV per share was 299.7p (31 December 2022: 231.0p, 30 June 2022: 241.5p).

**Earnings per ordinary share** is the profit/loss after taxation, divided by the weighted average number of shares in issue for the period (see Note 3).

## Alternative Performance Measures (APMs)

**Discount/Premium** is the amount by which the stock market price per ordinary share is lower (discount) or higher (premium) than the Net Asset Value, or NAV, per ordinary share. The discount/premium is normally expressed as a percentage of the NAV per ordinary share.

**Ongoing charges** are operating expenses, excluding one off costs and performance fees, incurred in the running of the company. These are expressed as a percentage of the average net asset value during the year and this is calculated in accordance with guidance issued by the Association of Investment Companies.

# Investor Information

## Directors

Tim Scholefield (Chairman from 26 April 2023)  
Katya Thomson  
Humphrey van der Klugt  
Neeta Patel  
Elisabeth Scott

## Alternative Investment Fund Manager (AIFM)

Allianz Global Investors UK Limited  
199 Bishopsgate, London, EC2M 3TY  
Telephone: +44 (0)20 3246 7000

## Investment Manager

Voya Investment Management Co. LLC  
555 Mission Street, Suite 1600  
San Francisco, CA 94105  
Telephone: +1 415 954 4500  
Represented by Mike Seidenberg, Lead Portfolio Manager

## Company Secretary and Registered Office

Kelly Nice  
Allianz Technology Trust PLC  
199 Bishopsgate, London, EC2M 3TY  
Telephone: +44 (0)20 3246 7405  
Registered Number: 03117355

## Registrars

Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL. Telephone: 0371 664 0300. Lines are open 9.00am to 5.30pm (London time) Monday to Friday.  
Email: [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk)  
Website: [www.linkgroup.com](http://www.linkgroup.com)

## Key Dates

Year end 31 December. Full year results announced March/April. Annual Financial Report posted to Shareholders March/April. Annual General Meeting held in April/May. Half year results announced in August.

## Identification Codes

### Ordinary Shares

SEDOL: BNG2M15  
ISIN: GB00BNG2M159  
BLOOMBERG: ATT  
EPIC: ATT  
GIIN: YSYR74.99999.SL.826  
LEI: 5493000MDPMJU23SSH75

## Net Asset Value (or NAV)

The Net Asset Value of the Ordinary Shares is calculated and announced daily and the top ten holdings are announced monthly. They are published on the London Stock Exchange Regulatory News Service. They are also available from Allianz Global Investors, via Investor Services on 0800 389 4696 or on the Company's website: [www.allianztechnologytrust.com](http://www.allianztechnologytrust.com)

## How to Invest

Shareholders can invest in Allianz Technology Trust by purchasing shares through an investment platform operated by a third party provider, a stockbroker or a financial adviser. Many online platforms allow share dealing in 'real time' and some offer an option to invest regularly each month as well as lump sum investing. Competition between platform providers is keen so charges are usually very competitive. More information is available from Allianz Global Investors either via Investor Services on 0800 389 4696 or see 'How to invest' on our website, [www.allianztechnologytrust.com](http://www.allianztechnologytrust.com) where there are links to a range of these platforms, many of which allow the holding of shares within an ISA, Junior ISA, SIPP and/or savings scheme.

## Shareholders' Enquiries

Link Group are the Company's registrars and maintain the share register. In the event of queries regarding their holdings of shares, lost certificates, registered name and address details, etc., Shareholders should contact the registrars on +44 (0)371 664 0300. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. Calls may be recorded and monitored randomly for security and training purposes.

Any general enquiries about the Company should be directed to the Company Secretary, Allianz Technology Trust PLC, 199 Bishopsgate, London EC2M 3TY. Telephone: +44 (0)20 3246 7405.

## Website

Further information about the Company is available at [www.allianztechnologytrust.com](http://www.allianztechnologytrust.com), or on the Manager's website: [www.allianzgi.co.uk](http://www.allianzgi.co.uk)

## AIC Membership

The Company is a member of the Association of Investment Companies.

## Category:

Technology and Technology Innovation



**Allianz Technology Trust PLC**

199 Bishopsgate  
London  
EC2M 3TY

+44 (0)203 246 7000

[www.allianztechnologytrust.com](http://www.allianztechnologytrust.com)