Allianz Technology Trust PLC

Annual Financial Report

31 December 2019

Allianz Global Investors

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
The investment management team views technology companies as those with revenues primarily generated by the application of technology products and services. This is divided into two areas:

- Traditional telecommunications, media and technology (TMT) segments which include Internet, computers and computer peripherals, software, electronic components and systems, communications equipment and services, semiconductors, media and information services.
- Non-traditional technology companies are those in various other industries that use technology in an innovative way to gain a strategic, competitive edge.

As technology becomes ever more pervasive, it is increasingly difficult to differentiate between technology companies and significant adopters as outlined above. Much is spoken of disruptive technologies – those which will force change within an industry and which may often displace the dominance of incumbent market leaders. The challenge is to understand not only current technologies, but also future trends and the likely effects.

Asset allocation
The fund managers do not target specific country or regional weightings and aim to invest in the most attractive technology shares on a global basis. The fund managers aim 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 and no holding in the portfolio will comprise 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
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. As at 31 December 2019 there was no borrowing facility in place.

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 a concentrated 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 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.

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Financial Highlights

As at 31 December 2019

Net assets per ordinary share

+28.8%

2019 **1654.1p**
2018 **1284.7p**

Share price per ordinary share

+35.0%

2019 **1647.0p**
2018 **1220.0p**

Benchmark

+39.0%

2019 **1369.9**
2018 **985.8**

Performance against benchmark[1]

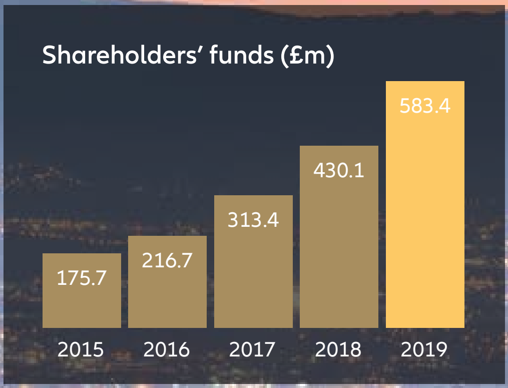
Performance against sector average[1]

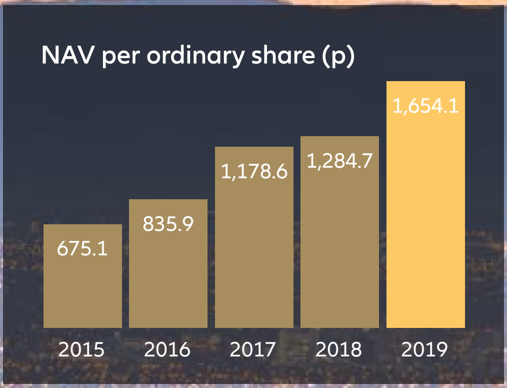
1 10 years to 31 December 2019. Rebased to 100 at 30 November 2009.
2 Allianz Technology Trust – Net Asset Value (PAR) – undiluted.
3 Dow Jones World Technology Index (sterling adjusted, total return).
4 Morningstar Global Technology Sector Equity

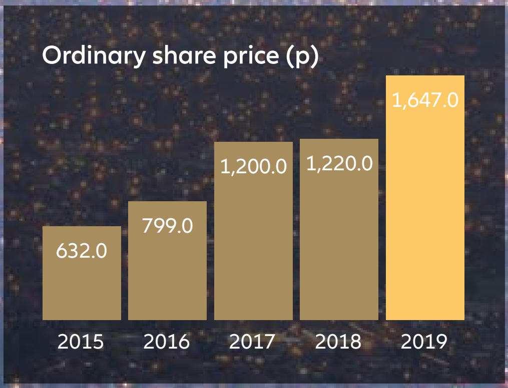
Source: AllianzGI/Datastream.
2018 figures are over a 13 month period.

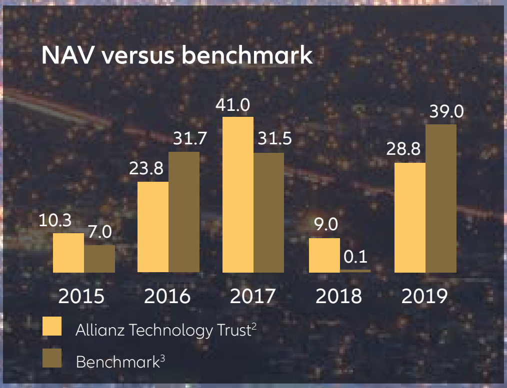
The APMs can be found on page 108.

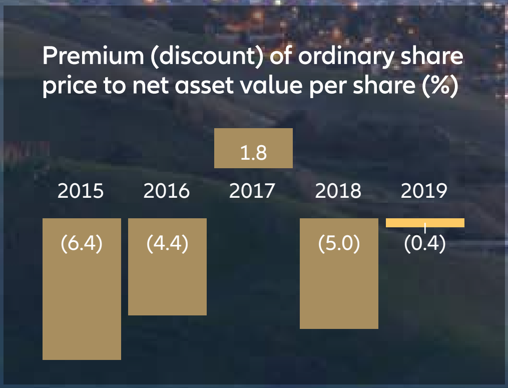
Silicon Valley, California, USA.











Financial Summary

	As at 31 December 2019	As at 31 December 2018	% change
Net Asset Value per Ordinary Share	1,654.1p	1,284.7p	+28.8
Ordinary Share Price	1,647.0p	1,220.0p	+35.0
(Discount) premium on Ordinary Share Price to Net Asset Value	(0.4%)	(5.0%)	n/a
Dow Jones World Technology Index (sterling adjusted, total return)	1,369.9	985.8	+39.0
Shareholders' Funds	£583,440,246	£430,072,701	+35.7

	For the year ended 31 December 2019	For the period ended 31 December 2018*	% change
Net Revenue Return per Ordinary Share	(7.46p)	(9.19p)	n/a
Ongoing charges†	0.88%	1.01%	n/a

* The 2018 figures are over a 13 month period.

† Ongoing charges (as defined in the APMs on page 108) are calculated by dividing operating expenses paid by the Company by the average NAV over the year, excluding any performance fees.
The 2018 annualised ongoing charge is 0.93%.

Five year performance summary

	31 December 2019	31 December 2018*	30 November 2017	30 November 2016	30 November 2015
Shareholders' Funds	£583.4m	£430.1m	£313.4m	£216.7m	£175.7m
Net Asset Value per Ordinary Share	1,654.1p	1,284.7p	1,178.6p	835.9p	675.1p
Ordinary Share Price	1,647.0p	1,220.0p	1,200.0p	799.0p	632.0p
Dow Jones World Technology Index (sterling adjusted, total return)	1,369.9	985.8	984.8	748.7	568.5
(Discount) premium on Ordinary Share Price to Net Asset Value	(0.4%)	(5.0%)	1.8%	(4.4%)	(6.4%)

Chairman's Statement

Dear Shareholder

Strong investment returns defy global economy headwinds

The year to 31 December 2019 was a period of strong returns for almost all equity markets around the world, in spite of the global economy shifting into reverse gear and geopolitical tensions continuing to prevail. It was a year dominated by the prolonged – and thus far unresolved - trade dispute between China and the United States which hit manufacturing and corporate earnings around the world. However, despite this complicated backdrop, global stock markets delivered unexpectedly strong returns, with the technology sector shining brightest of all and outperforming global stock markets by some considerable distance.

Although the Company's overall performance was positive, 2019 was very much 'a tale of two halves'. Over the first half, to 30 June 2019, absolute and comparative performance was impressive, boosted by careful stock selection, as we reported in the half yearly financial report. Indeed, at that half-way stage, the Company was significantly outperforming its benchmark index, the Dow Jones World Technology Index (sterling adjusted, total return) and thus continuing the robust direction of travel witnessed in 2018. Jumping forward six months, whilst performance remained strong the Company lost ground to its benchmark and ended the year lagging it by some considerable distance. For the year to 31 December 2019, Net Asset Value (NAV) per share increased by a pleasing 28.8% but this compared with a rise of 39.0% for the benchmark.

In order to explain the Company's relative performance over the year, it is important to flag that ours is a high conviction concentrated portfolio with attractive growth and valuation characteristics that differs markedly from the benchmark. As such, we have a large overweight position to smaller and mid-cap higher growth stocks and a large underweight position in some of the very largest technology companies (which grew even larger over the course of 2019). This positioning has driven the Company's sustained outperformance over recent years but is the key reason for underperformance this time around, as explained in the Investment Managers' Review, on pages 32 to 40.

Whilst any period of underperformance is disappointing, the Board is reassured by the Manager's demonstrable expertise over many years and by the Company's excellent medium to longer term track record. And, as we enter a new decade, it is worth remembering that not only has the technology sector delivered outstanding cumulative returns over the last ten years, but your Company has also been one of the top-performing of all UK-listed investment trusts over the same timeframe.

Over the year, the market price of the Company's shares rose by 35.0%, from 1220p to 1647p as at 31 December 2019, moving from a discount to NAV of 5.0% to a discount of 0.4%. The share price typically traded at a small discount or small premium to NAV throughout most of the reporting period. Strong investment returns, combined with share issuance (as described below), saw shareholders' funds increasing by over £153.3 million to £583.4 million (31 December 2018: £430.1 million).

No dividend is proposed for the year ended 31 December 2019 (2018: nil). Given the nature of the Company's investments and its stated objective to achieve long-term capital growth the Board considers it unlikely that any dividend will be declared in the near future. It should be noted that all the Company's expenses continue to be charged to income and not capital, as set out in the accounting polices found in the financial statements.

Your Board regularly considers the use of borrowing and gearing. Although we have this flexibility, to date our assessment has been not to take on this additional risk.

Investment Managers' Review

Your Company is managed from San Francisco by an experienced portfolio management team. This year's performance is explored in depth on pages 34 to 40 where the Manager explains the reasons behind the Technology sector's momentum in 2019. They also consider how the global economy's marked slowdown, geopolitical manoeuvrings and the gloomy outlook for the corporate sector have impacted on the Company's high conviction portfolio. Looking ahead, the Manager reviews the prospects for technology and why good stock picking remains fundamental as the Company continues its search for (1) major technology growth trends ahead of the crowd and (2) stocks within tech sub-sectors that offer genuine, long-term growth potential.

How do we compare with our peers and other indices?

The table below compares the Company to its technology fund peers and related indices. You will note that the Company's performance over all timeframes has been robust, particularly over longer periods.

% change	1 year	3 years	5 years	10 years
ATT NAV	**28.8**	**96.9**	**176.3**	**470.9**
Dow Jones World Technology Index (sterling adjusted, total return)	39.0	79.0	161.6	381.5
MSCI World Technology Index (total return)	42.4	87.4	178.6	436.6
Russell MidCap Technology Index	18.1	65.1	147.9	390.8
Morningstar Global Technology Sector	29.8	56.8	118.9	257.4

Source: Allianz Global Investors in GBP as at 31 December 2019

The table below provides a comparison with the broader UK and world equity indices which many investors will use when reviewing the performance of their individual portfolios.

% change	1 year	3 years	5 years	10 years
ATT NAV	**28.8**	**96.9**	**176.3**	**470.9**
FTSE All Share Index (total return)	19.2	22.0	43.8	118.3
FTSE World Index (total return)	22.8	34.9	82.4	204.3

Source: AllianzGI in GBP as at 31 December 2019

The Board continues to pay close attention to the Company's performance position against the wider universe of open ended funds, closed ended funds and exchange traded funds. The funds included within the Morningstar Global Technology Sector - Equity (Morningstar) category has increased considerably during 2019 and the performance of your Company is very positive for the 3, 5 and 10 years investment periods.

	1 year	3 years	5 years	10 years
Peer Group Ranking vs Morningstar	**59/98**	**3/69**	**4/55**	**1/51**

Growing the Company

Your Board remains committed to growing the Company. In addition to delivering capital growth per share, increasing the total value of the Company should make the Company more attractive to a wider range of investors through improved secondary market liquidity and marketability; it also enables the Company's fixed expenses to be spread over a larger asset base, to the benefit of all shareholders.

Each year the Board considers carefully what level of expenditure should be incurred to promote the growth of the Company, recognising that the benefit of much marketing-related expenditure is cumulative and hence that returns are not easily measured within each financial year. Over recent years the Board has modestly increased marketing expenditure on a strongly focused basis and it is very pleasing to note the heightened profile the Company has achieved. Awareness has grown on the back of the Company's long-term performance record as well as the numerous (and prestigious) awards and positive press comment that this performance has delivered.

Creating demand for the Company's shares

Our communications programme continues to create significant demand for the Company's shares, particularly through online investment trading platforms where demand has increased steadily in recent years. The Company's shares have become ever more popular with retail investors keen to access the growth potential of the fast-moving technology sector and who believe that Allianz Technology Trust provides them with a cost-effective means of doing so.

The Company featured in the top twenty most viewed investment trusts on the Association of Investment Companies (AIC) website for 2019. It was also amongst the top ten most bought investment trusts through the Interactive Investor platform over the same 12-month period.

The marketing programme includes targeted advertising, investor events (often in association with trading platform providers) and substantial interaction with national and industry journalists, financial advisers and wealth managers, all timed to coincide with UK visits made by Walter Price and other members of the investment management team. In 2019, we continued recording regular podcasts, providing insights and outlook views for those interested in the technology sector. This content can be accessed through iTunes or the Company's website (www.allianztechnologytrust.com), managed by Allianz Global Investors.

Investment Insights from Silicon Valley

Shareholders are reminded that, via the website, they can register to receive monthly performance updates via email as well as regular 'Investment Insights from Silicon Valley' e-newsletters from the Company's Investment Manager. If you would like to receive our targeted communications, you can opt in via the website – simply click on 'Sign up' on the home page.

More award accolades bestowed

Awards success is helpful in raising awareness of your Company's specialist investment remit. Shareholders will know that Allianz Technology Trust has received numerous high profile and prestigious awards in recent years. These include the Investment Week Investment Company of the Year Award, Specialist category in four of the last five years. This award is coveted as it recognises excellence in closed-ended fund management and highlights the Company's long term performance record. The judging panel was made up of some of the UK's leading researchers and investors in investment trusts and closed-ended companies, as well as several senior board members with many years' experience in the industry.

In September 2019, the Company was again recognised by Investors Chronicle who named it a 'Top 100 Fund' for the seventh consecutive year.

Earlier in 2019, the Company was named Best Large Trust at the Money Observer Investment Trust Awards. The publication noted that ATT had achieved the highest returns among 2019's award-winners, calling it "a worthy winner of our most prestigious sector award".

These awards are valued accolades as they reflect the Company's long-term investment performance track record and help create sustained and ongoing demand for the Company's shares.

Ongoing issuance of shares

As stated earlier, the Board is very keen to increase the number of shares in issue as a means of growing the Company. However, where there is market volatility the Board will also consider buying back shares when the discount is over 7% and all other factors align. The Board considers carefully the parameters which should apply to both the issuance of shares and the buy-back of shares from the market and will only proceed when the action is in the best interests of shareholders. No shares were bought back during the reporting year.

Within the year the Company responded to increased demand by issuing a total of 1,795,000 new shares, at an average premium to NAV of 1%, for a total of £29.8 million. So far in 2020 the Company has issued 425,000 new shares, at an average premium of 1%, for a total of £8.09 million.

Our continued focus on the costs of running the Company

Your Board continues to work hard to ensure that the costs of running the Company are both reasonable and competitive, whilst also recognising that Allianz Technology Trust is a specialist vehicle investing in a sector that rewards judicious, active management.

The Ongoing Charges Figure (OCF) is calculated by dividing operating expenses by the average NAV. The OCF for the year under review was 0.88% (2018 annualised OCF: 0.93%). The OCF excludes any performance fee to which the Investment Manager may be entitled if the Company's NAV per share outperforms its benchmark (and is explained in full under Financial Statements, Note 2 on page 97). As a result of the Company's underperformance of its benchmark index in the year to 31 December 2019, no performance fee was earned by the Investment Manager for this period (2018: £5,162,649). Although actual performance was strong over the year, the Investment Management Agreement is in place to encourage, recognise and reward relative outperformance. Your Board is satisfied that the performance fee structure is an appropriate incentive mechanism and is confident in the Managers' ability to deliver outperformance in future review periods, just as they have done in the past.

The Company's market capitalisation ended the year at £580.9m. Throughout the year, market cap exceeded £400 million which is significant because of the Company's tiered management fee structure with Allianz Global Investors. Under this arrangement, the standard fee rate of 0.8% of market capitalisation reduces to 0.6% for any amount of market capitalisation in excess of £400 million. The Board is pleased to inform you that as of 1 January 2020, a new tier to the management fee has been agreed. This is set at 0.8% for any market capitalisation up to £400m, 0.6% for any market capitalisation between £400m and £1 billion, and 0.5% for any market capitalisation over £1 billion.

Board matters

Your Company's Investment Managers continue to take advantage of being based in San Francisco, close to where many of the world's technology companies are headquartered. The team has close and regular contact with the growth companies they hold as well as those that have been identified for future investment. As a Board we recognise the advantage the Company gains by being within touching distance of Silicon Valley's gateway, whilst recognising the constraints imposed by the geographical distance and time zone difference between London and San Francisco.

Most of the Company's Board meetings are held in London, but we schedule a periodic visit to San Francisco. The most recent San Francisco Board meeting was at the end of September/beginning of October 2019 and the next visit is planned for Autumn 2021. The frequency of these visits recognises the importance of good communications and close working relationships between the Manager and the Board, but also the costs and time commitment of such trips.

The United Kingdom formally left the European Union on 31 January this year and has moved into a transitional period that is scheduled to end on 31 December 2020. Other than the possible impact on the Sterling exchange rate (as already seen in the aftermath of last December's general election), this change is not a material factor to the global investment proposition offered by the Company. The Company's AIFM, Allianz Global Investors GmbH (AllianzGI GmbH) is incorporated in Germany and it currently provides cross-border management services to the Company using the AIFMD management passport. The German regulator BaFin and the FCA in the UK reached a formal understanding so that AllianzGI GmbH can continue to operate as the AIFM, and is regulated in the UK by the FCA, in a three-year transition period. More detail can be found on page 59.

An internally facilitated Board and Manager performance appraisal process was conducted towards the end of the year. This confirmed that the current Board is working in an effective manner with no significant shortcomings identified

In accordance with the new AIC Code, all directors will now be proposed for re-election annually.

Board changes

In the Company's interim report, we confirmed our earlier announcement that Richard Holway had decided to step down from the Board in accordance with the Board's agreed succession plan. Richard retired from the Board on 31 December 2019. I and my fellow board members would once more like to record our thanks to Richard for his excellent contribution over his 12-year tenure and we wish him all the very best for the future.

We are delighted that Neeta Patel joined our Board on 1 September 2019, bringing with her a wealth of experience of evolving technologies. She is currently the Chief Executive Officer of the Centre for Entrepreneurs, a board advisor for Tech London Advocates and an entrepreneur mentor-in-residence at London Business School. She is also a member of the newly appointed advisory board at City Ventures, the entrepreneurship hub at City University, London and a non-executive director for various start-ups. Neeta has already proven herself to be a valuable addition to the Board and I look forward to introducing her to shareholders at the Company's forthcoming Annual General Meeting in May where, in accordance with the Articles of Association, she will be standing for election.

Continuation Vote

In accordance with our Articles of Association we are required to propose a continuation vote every five years. The most recent continuation vote was proposed and passed by Shareholders at the 2016 AGM. Shareholders will have a further opportunity to vote on the continuation of the Company at the AGM to be held in 2021.

Outlook

The beginning of the new decade provides us with an opportunity to reflect on the technology sector's success story over the last ten years and, of course, the exceptional and top-performing investment performance your Company's investment managers have delivered. Whilst we are all aware that past performance is no guide to future returns, our thoughts now turn to the future and what the new decade could hold. Can technology stocks deliver success on a similar scale, when stock market sectors typically come and go out of fashion over the course of time? Of course, nobody has a perfect vison of what lies ahead but we are reassured by the Manager's first-hand knowledge and long track record. The team continues to believe that exciting opportunities to identify disciplined and well-run tech companies lie ahead.

Geopolitics and macroeconomic uncertainties will continue to throw up obstacles along the way. Last year, the US-China trade wars triggered clouds of uncertainty and already, at this early stage of 2020, we have witnessed challenges which have unnerved markets. In the very first days of 2020, new tension between the US and Iran unsettled investors and, more recently, the focus of concern has been the spread of the coronavirus; this global public health crisis is evolving day by day and, first and foremost, our concerns relate to the loss of human life and how to contain the spread of the virus. From an investment perspective, however, this dynamic situation poses a very real threat to the hopes of recovery in the global economy. The end of February and beginning of March were very painful weeks for stock markets, with global share prices tumbling over successive days. We will continue to monitor the situation but, in the face of this and other future uncertainties, your Board is reassured by the Manager's proven ability to carefully balance risks and opportunities, leveraging industry experience and emphasising individual stock selection.

Technology is a 21st century growth story and, with every year, its reach and influence grows. It disrupts old industries and moves into different parts of our lives as it tightens its grip on the global economy. This 'bubble' is not about to burst any time soon but investing in the sector is not for the faint-hearted and there will always be examples of technology stocks that do not deliver on their promised growth trajectory. With this in mind, we continue to believe that a diversified technology fund like ours has considerable advantages, since the portfolio offers risk-diversification by investing in a basket of stocks across a range of technology sub-sectors. The team continues to believe that a carefully chosen portfolio of technology stocks can continue to deliver positive returns over the long term.

Annual General Meeting

The AGM will be held at the new premises of Grocers' Hall Princes Street London EC2R 8AD, on 19 May 2020 at 12 noon. I look forward to welcoming and meeting those shareholders who can attend. For those unable to attend in person, the AGM investment presentation will be filmed and made available on the Company's website as soon as practicable after the event.

Your vote counts

Your Board takes very seriously its responsibility for safeguarding the interests of all Shareholders. We are keen to remind you that being a Shareholder gives you the right to vote on issues that affect the Company, such as director elections and any amendments to policy. Irrespective of whether you can attend the AGM, Shareholders are encouraged to make your voices heard by voting on ordinary and special business matters, as detailed on the form of proxy enclosed with this report.

Robert Jeens
Chairman
13 March 2020

Why invest in technology?

Why invest in technology?

With every year, the reach and influence of technology grows. It disrupts new industries and moves into different parts of our lives. Technology is present in the way we drive, the way we shop, in our workplaces, in our homes. It helps us communicate effectively and manage our lives more efficiently. The companies that create that technology are in a powerful position to grow even in stagnant economic conditions.

Technology is embedding itself into new industries: twenty years ago, car companies relied on mechanics to stay competitive. Today, they rely on their technology departments. The greatest innovation in the motor industry is coming from technology companies such as Google, rather than VW or Ford. As we look to the future, the key determinant of the success or otherwise of a motor company is likely to be the extent to which it can harness technology to build safer, comfortable and more energy efficient cars.

We see a similar phenomenon in payment systems. Cash is increasingly obsolete, while mobile apps and digital currencies are likely to overtake credit and debit cards as the most popular ecommerce payment methods worldwide. Nimble fintechs are challenging the existing banking networks, which are encumbered by legacy systems and, too often, surprised by the speed with which people are willing to switch.

Software providers form a major position in the Trust, representing 34.4% of the portfolio as at 31 December 2019.

This pattern is replicated across multiple industries. No sector is immune – those that believe their business is untouchable are likely to experience the most dramatic change when it arrives. Companies must embrace technology and innovate, or face extinction. In the process, the addressable market for technology companies grows.

However, technology is not only about taking staid old industries and 'disrupting' them, technology also has an important role in allowing businesses to be more efficient. This is at the heart of corporate digital transformation. Those businesses that are not embracing a digital strategy find themselves marginalised and uncompetitive. Companies that rethink their existing business models and processes through the use of technology are becoming more efficient.

Increasingly, companies see the potential in artificial intelligence. In a healthcare company, it may be the reading of scans, or the administration of drugs. For insurance companies, it may be in the interpretation of claims. The data sets used to power Artificial Intelligence (AI) would not be accessible if it was not for the cloud. Also, the cloud enables businesses to build sufficient scale to cope with the demands of data-intensive services. This is driving wider adoption of cloud-based systems.

It is also saving companies money: moving to software as a service and cloud computing lets companies circumvent a costly upgrade cycle. Rather than having to support expensive in-house technology capability, they can pick and mix their technology requirements to suit their business requirements. They can move data storage to the cloud and buy their software on a subscription basis.

These trends have helped make technology a successful investment in recent years. That said, just because technology is pervasive and high growth, it does not guarantee good returns. This was seen starkly in 2019, when strong revenue growth provided little protection in the technology rout in the last quarter of the year. While technology companies can justify a premium to the wider market – they are delivering structural growth at a time of flat economic growth - valuation levels are important and need a discriminating eye.

Technology investment forces an investor to look to the future. This is the direct opposite of investing in a benchmark that rewards yesterday's winning companies. Technology investment demands that investors uncover the trends of the future, looking to see where industries are going, and who is likely to win or lose from those developments. In this way, it forces investors to keep pace with changing markets. At each stage, therefore,

the technology investor should be aligned with the winners from change, rather than those at the wrong end of it. We continue to see new industries being created, while old industries die or are forever altered and technology sits at the heart of this global innovation.

At a time when the global economy may be slowing, it is also worth noting that technology is far less cyclical today than it has ever been. The days of the upgrade cycle, where companies replaced expensive technology equipment when they were flush with cash, have largely disappeared. Enterprise software allows companies to avoid these capex-heavy cycles, paying for what they need when they need it.

As it stands, technology incorporates a vast range of different options. There are the traditional technology companies – fast-growing, disruptive companies such as Amazon or Square, where revenue growth might be 50% per year. However, the sector has alternative options: Microsoft and Apple, for example, could be considered more stable, annuity-like options. Less highly-valued, they pay growing dividends and deliver steady earnings. There are turnaround ideas, or special situations. This means it is possible to build a portfolio that can perform in a range of market environments. The diversity of technology companies is often over-looked.

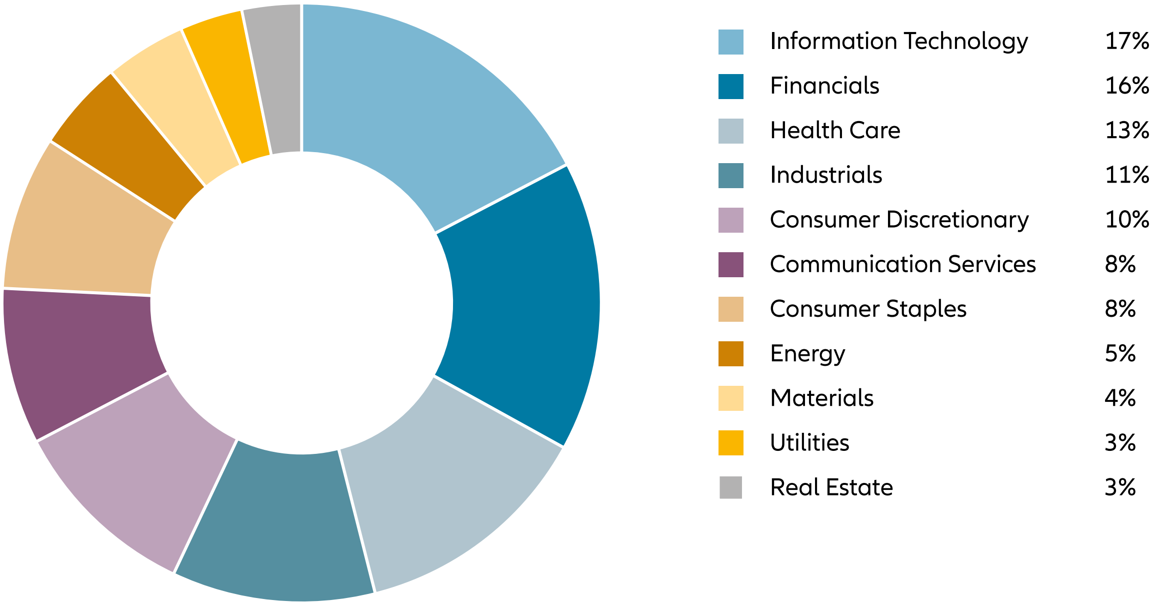
The growth of technology has been seen in its increasing dominance of stock market indices. Technology currently forms around 23% of the S&P 500 index, its largest sector weight.[1] For the MSCI World, it is 17%.[2] As technology's influence grows, we see it forming a greater part of stock market indices as it pervades more and more industries.

Most investors have long-term goals for their savings: they may be saving for retirement, or for their children's university fees. It makes sense, therefore, to future-proof an investment portfolio by aligning it with enduring structural trends. An investment in technology helps keep a portfolio focused firmly on the future.

1 Source: S&P Dow Jones Indices, December 2019.
2 Source: MSCI, December 2019.

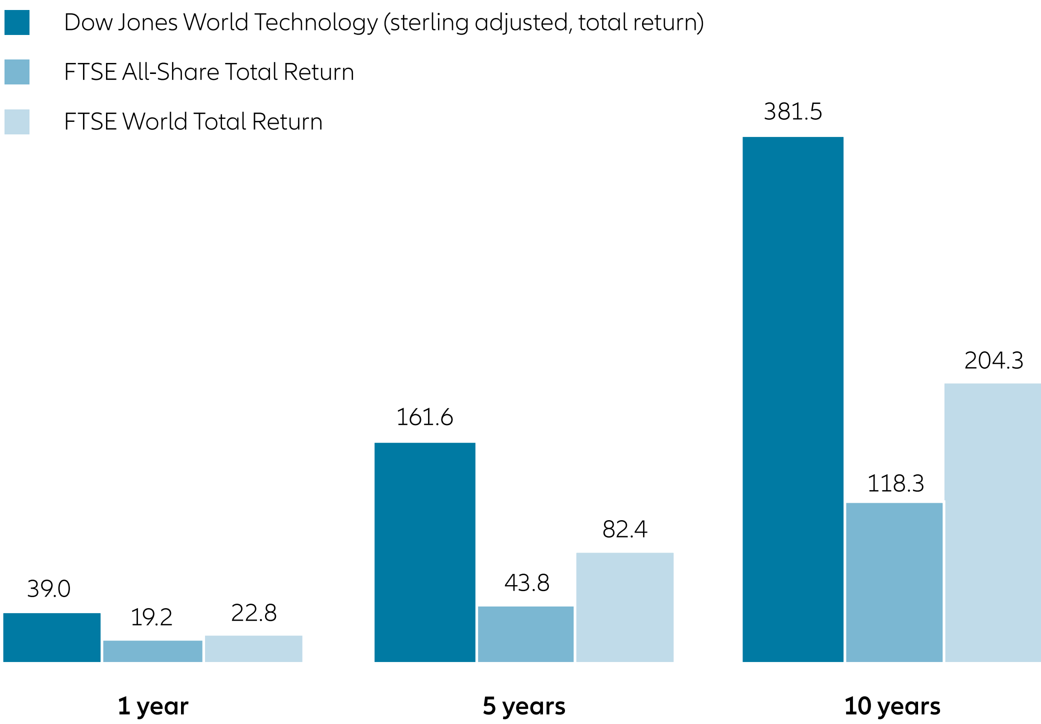
Tesla announced the Cybertruck in 2019, an all-electric light commercial vehicle with a range of up to 500 miles.

How technology contributes to the MSCI World index



Source: MSCI World Index as at 31 December 2019. The weightings for each sector of the index are rounded to the nearest tenth of a percent; therefore, the aggregate weights for the index may not equal 100%.

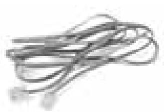
Total return – how technology has performed against UK and global equities



Source: Thomson DataStream, total return % in GBP, to 31 December 2019.

Key milestones in technology

CERN scientist Tim Berners-Lee writes a proposal to enable the linking and sharing information over the internet. This was to become the World Wide Web, using HTTP protocol and HTML language. Ultimately, the development of web browsers such as Netscape Navigator in 1993 and Internet Explorer in 1995 makes surfing the Web easier.



Stanford PhD students Larry Page and Sergey Brin begin indexing the World Wide Web. They went on to found Google in September 1998. Previous search engines had ranked search terms by the amount of times they appeared on the page, while Google looked at the relationships between websites instead.

The dotcom bubble begins. Internet businesses were launched in a frenzy. Capital was readily available and not always discerning. New valuations 'clicks', 'eyeballs' were used to justify vast valuations. The house of cards tumbled from March 2000. However, some of the very best companies ultimately justified the lofty expectations set for them.

Mark Zuckerberg starts social networking site Facebook in a Harvard dorm room. There were other players at the time and the Winklevoss twins famously sued Zuckerberg for copying their ConnectU idea. Today, the company has expanded far beyond its original concept, taking over businesses such as Instagram and WhatsApp.

1989 | 1994 | 1996 | 1998 | 2001 | 2004

Amazon was founded by Jeff Bezos in the garage of his rented home in Washington. Bezos persuaded family members to back his venture, then just an online bookstore. Those who invested at the start have now made over 100x their initial investment.

USB ports are invented, allowing computing devices to connect with ease. Flash drives were launched in December 2000, while the first consumer Bluetooth device was launched in 1999.

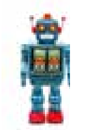
The launch of Wikipedia marked a new era in user-generated content. Once a byword for inaccurate information, it has become a go-to information source. There are now 200 versions of Wikipedia and it holds millions of articles.

The current US president has helped ensure the ongoing relevance of Twitter as a source of breaking news and opinions. The site first launched in 2006, offering limited character messages called "tweets."

IBM's Watson brought artificial intelligence to the mainstream. In 2010, man was pitted against machine on Jeopardy! . Machine won, beating Ken Jennings.

Azure was Microsoft's attempt to rebuild its relevance, and followed the launch of Amazon Web Services. The two platforms have become the core infrastructure for the modern corporation and enabled widespread digitisation.

Competition in video streaming heated up with the launch of Apple TV+ and Disney+ and others are waiting in the wings. Neflix was launched in 1997 and today sits atop an increasingly competitive market for streaming services. It has nevertheless made real progress with its original content, and now spends over $17 billion a year on content, many times that of any other content producer.



2006 | 2007 | 2010 | 2014 | 2019

The iPhone launched in 2007, creating the mobile internet and setting a standard for smartphone design and usability.

Instagram launched, receiving a billion-dollar boost of Facebook cash in 2012. Its relevance has built over time, fuelled by an army of influencers. It changed the way people shared their lives with the world.

Amazon Echo and Alexa were the first consumer-focused artificial intelligence devices, fuelling an explosion in smart home devices. A number of competitors have since been launched, but Alexa remains the one to beat.

Allianz Technology Trust PLC

Allianz Technology Trust is managed by the Allianz Global Investors Global Technology team based in San Francisco.

The team is co-headed by Walter Price and Huachen Chen, who have worked together for more than 30 years and who both have decades of experience working within the sector. Walter and Huachen report into the Head of Global Technology, Karen Hiatt. The team includes two experienced portfolio managers/analysts, Michael Seidenberg and Danny Su, who each offer more than a decade's experience. They are supported by over ten global sector analysts, nine of whom focus purely on technology companies. Based in the US, Europe and Asia, these specialists extend a global reach which is ever-more important in the technology sector.

Top 100 Funds
Allianz Technology Trust has been chosen from almost 3,000 eligible actively-managed funds as one of Investors Chronicle 'Top 100 Funds' for six consecutive years. The Company's selection is based on its performance history relative to risk, fees, tenure of manager and consistency of returns.

Investment Company of the Year Awards
The Company won this coveted award in November 2019, having also been victorious in 2018, 2017 and 2015. This accolade recognises excellence in closed-ended fund management and highlights consistent performance over time.

Money Observer Rated Funds 2019
The Company has been included in Money Observer's Rated Funds list for 2019. The list recognises funds that have demonstrated consistent outperformance or that have been chosen as ideal routes into specific markets and sectors.

Money Observer Investment Trust Awards 2019
Allianz Technology Trust won the Best Large Trust category, in recognition of its consistent, high achievement. The publication described the Company as "a worthy winner of our most prestigious sector award". This accolade is an independent, statistical and qualitative assessment of Allianz Technology Trust's performance and highlights the Trust's outperformance both in its class and against its peers.

First-hand knowledge:

Allianz Technology Trust's top twenty holdings

1	Microsoft	11	Autodesk
2	Apple	12	AMD
3	Facebook	13	Tesla
4	Taiwan Semiconductor	14	Alphabet
5	Paycom	15	Zscaler
6	Mastercard	16	Square
7	Teradyne	17	Yandex
8	Samsung Electronics	18	Okta
9	Fortinet	19	Qualcomm
10	Ringcentral	20	Nvidia

- within 50 miles
- within 2 hours
- elsewhere in the USA
- outside of the USA

Investment managers

Walter C. Price CFA

Managing Director,
Senior Portfolio Manager

Walter is a CFA charter-holder, Managing Director and Portfolio Manager on the AllianzGI technology team in San Francisco. He received his BS with Honours in electrical engineering from Massachusetts Institute of Technology (M.I.T) and his BS and MS in management from the Sloan School at M.I.T. In 1971 he joined Colonial Management, an investment advisory firm in Boston, where he became a senior analyst responsible for the chemical industry and the technology area. Walter joined AllianzGI in 1974 as a senior securities analyst in technology and became a principal in 1978. Since 1985, he has had increasing portfolio responsibility for technology stocks and has managed many technology portfolios. Walter is a current Director and past president of the M.I.T. Club of Northern California. He also heads the Educational Council for M.I.T. in the Bay Area and is a past Chairman of the AIMR Committee on Corporate Reporting for the computer and electronics industries.

Huachen Chen CFA

Managing Director,
Senior Portfolio Manager

Huachen is a Senior Portfolio Manager, and joined AllianzGI in 1984. He has covered many sectors within technology, as well as the electrical equipment and multi-industry areas. Since 1990, he has had extensive portfolio responsibilities for technology and capital goods stocks and has managed U.S. and Global portfolios with Walter Price. In 1994 Huachen became a principal of AllianzGI. Prior to AllianzGI, he worked for Intel Corporation from 1980 to 1983, where he had responsibilities for semiconductor process engineering.

Michael Seidenberg CFA

Director,
Portfolio Manager/Analyst

Michael is a portfolio manager/analyst and a director with AllianzGI, which he joined in 2009. He received his BS in Business Administration from the University of Colorado in 1990 and his MBA from Columbia Business School in 1996 with concentrations in Finance and Accounting. He began his investing career with Citadel Investment Group in 2001 covering the software space. Over the next eight years Michael broadened his coverage list to include a variety of technology sectors. Prior to joining AllianzGI in Sept 2009, he worked at a number of hedge funds including Pequot Capital and Andor Capital.

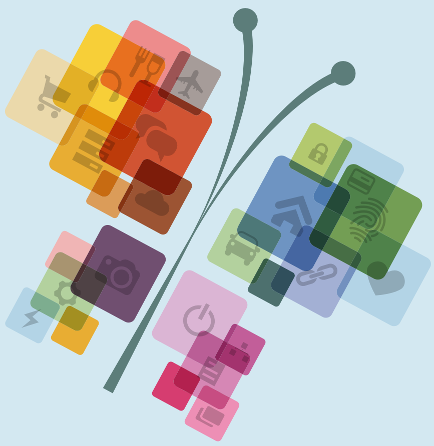
Danny Su

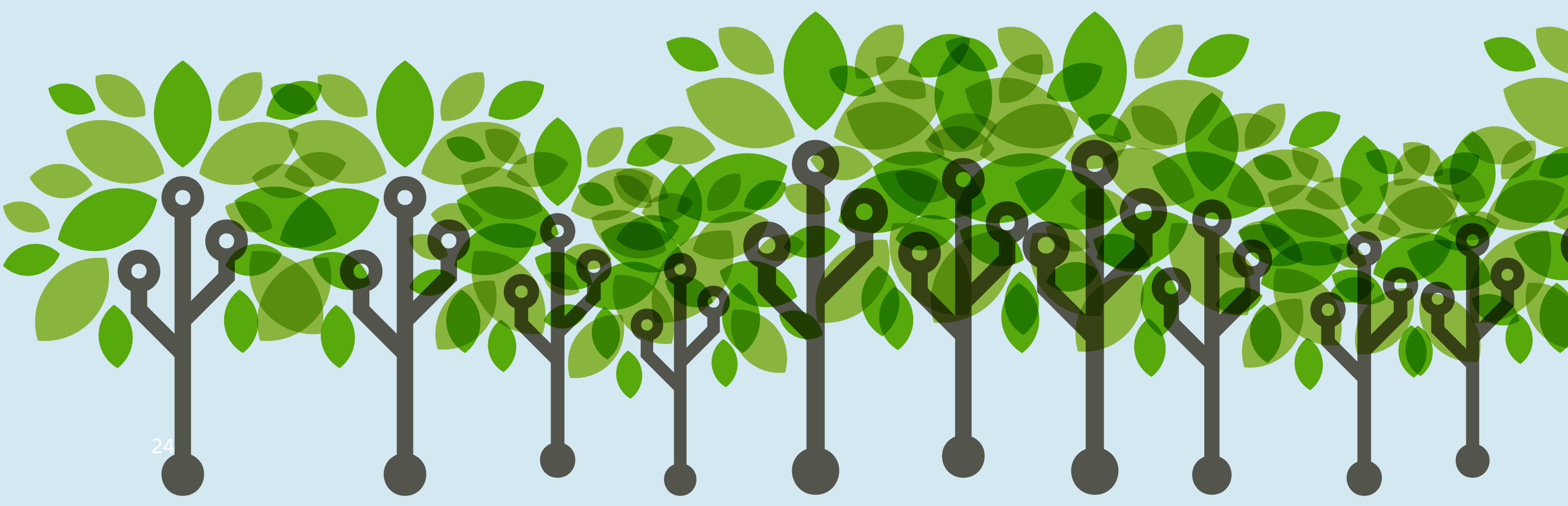
Director,
Portfolio Manager/Analyst

Danny is a portfolio manager/analyst and a director with AllianzGI, which he joined in 2000. He received his dual BS in Electrical Engineering and Economics from M.I.T. in 1993. He received his Master of Management degree from Kellogg Graduate School of Management at Northwestern in 1998. From 1993 to 1996, he was a business analyst with McKinsey & Company in Hong Kong. He has global responsibility for hardware, semiconductor, semiconductors capital equipment, and contract manufacturers.

Insights

Digitisation takes off





Constrained by geopolitical uncertainty and weakening economic data, 2019 was a dismal year for corporate investment. In the US, business investment dropped and Fed Chairman Jerome Powell blamed "sluggish growth abroad and trade developments" for companies' reluctance to spend.[1]

Usually, this is a tough environment for technology. Corporate management tends to spend when they are optimistic and pull back when times are tougher. However, one area bucked the trend. In general, if companies were spending, they were spending on digitisation.

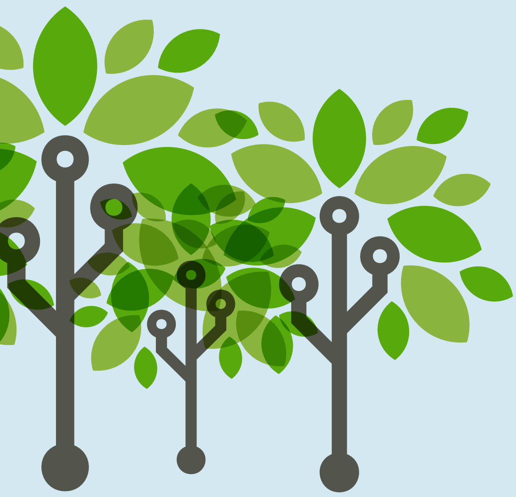
Digitisation is not new but continued to build momentum in 2019 as companies have recognised the competitive advantage in rethinking existing business models and processes through the use of technology. The change is long-term and far-reaching, incorporating many aspects of technology, including artificial intelligence, the internet of things, cloud computing and software-as-a-service.

Growing influence

In a slow-growth, hypercompetitive world, digitisation offers a means for companies to squeeze out stronger returns. Worldwide spending on the technologies and services that enable the digital transformation is forecast to reach almost $2 trillion by 2022.[2] The same survey showed that this year, spending on digital strategies is likely to hit 10% or more of total spending for nearly a third of companies. It is clear that management teams need to embrace change or risk the long-term health of their business.

When we wrote about it last year, we focused on the persistency of the trend and the companies that were benefiting. Corporate performance this year confirmed that the trend is well-established with software-as-a-service companies in particular performing well and delivering stronger earnings. Salesforce.com, for example, exceeded its 2019 fourth quarter earnings expectations[3] with chief executive Keith Block attributing the success firmly to digitisation: "We had strong growth across our clouds and regions in the quarter as more companies turn to Salesforce as a trusted advisor in their digital transformations," he said.

As digitisation spreads, we see its influence reaching more sectors. For example, there has been increasing demand in the semiconductor industry for specialist chips. Different chips with more processing power are needed to accommodate and manage a new world of data. Advanced Micro Devices has been a



notable beneficiary. It announced this year that Google would be using its server chips for its vast cloud data centres. In this way digital transformation is influencing who wins and who loses in the semiconductor industry.

It also requires a different type of security. During the year, we built a position in Zscaler, which provides global cloud-based information security, covering web security, firewalls, sandboxing, antivirus and vulnerability management. It is designed to give granular control of user activity in cloud computing, mobile and Internet of things environments.

It should be noted that digitisation has its losers as well. During 2019, certain areas saw considerable weakness as companies allocated less capital to supporting their existing infrastructure. Component makers such as DXC Technology and NetApp are re-engineering their businesses, but their legacy business is declining faster than they had expected due to the pace of digitisation.

Implementation problems

Equally, there were reminders that even the most insistent technology trends are not linear. It has become increasingly clear that digital transformation is not always being done well. In a new McKinsey Global Survey on digital transformations[4], more than eight in ten respondents said their organisations had undertaken some digital transformation in the past five years. However, it said that success in these transformations was proving elusive, with companies struggling to ensure digitisation improved performance and then sustained the improved performance. This was particularly true in certain industries - oil and gas, automotive, infrastructure, and pharmaceuticals.

It attributed the failure to several factors: a piecemeal approach, poor coordination, a lack of 'buy-in' from the business, the persistency of 'old model' thinking. Nevertheless, the companies that show the greatest level of success adopt more technologies rather than fewer: "The organisations with successful transformations are likelier than others to use more sophisticated technologies, such as artificial intelligence, the Internet of Things, and advanced neural machine-learning techniques." More is more when it comes to digitisation.

Certainly, it is not enough to buy the kit, businesses need to build the process around it to make it work. Also, it takes time to realise the rewards. This trend has only started in earnest over the past couple of years and the results will not be instant. It takes time to re-engineer a workforce. As McKinsey said: "What lies ahead is not a sudden robot takeover but a period of ongoing, and perhaps accelerated, change in how work is organised and the mix of jobs in the economy."

At the same time companies must consider business as usual. Ashutosh Bisht, senior research manager for IDC's Customer Insights & Analysis Group says: "Digital transformation involves managing the existing business and building for the future at the same time, something like changing the engine of the plane while in flight." It is tougher than many enterprises had initially believed.

More is more

In spite of these teething problems, companies are demonstrably not going backwards. They have come too far. The current estimates suggest that over 80% of enterprise workloads will be in the cloud by 2020 and 94% of enterprises already use a cloud service[5]. This is an inexorable trend: companies are not going to rebuild in-house servers having moved to the cloud, or reintroduce an inflexible and costly upgrade cycle.

The major advantage of digitisation is the ability to pick and mix requirements rather than support expensive in-house technology capability. They can move data storage to the cloud and buy their software on a subscription basis. This means companies do not have to anticipate years in advance. This logic is still driving corporate thinking.

Companies appear to be learning from their mistakes and rather than backtracking on digital innovation, doing it better. Surveys suggest that digital transformation remains the top strategic priority for organisations across the globe.[6] By 2023, digital transformation spending will amount to over 50% of all worldwide technology investment for the year. At the same time, companies are getting better at it. In a recent survey, 68% said they now considered themselves to be "intermediate" or "advanced" in terms of digital adoption.

An EY survey[7] shows that companies are under pressure from shareholders as well: "More than two-thirds of investors want companies to embrace disruptive innovation projects, even if they are risky and may not deliver short-term returns. The message here is clear: doing anything is better than doing nothing. Driven by people, powered by technology, this is business transformation for a better working world."

The likely winners

Our view is that there are plenty of potential winners from the digitisation trend across the technology sector. At the forefront are the large cloud providers - Amazon, Google, Microsoft. Here we see a concentration into the larger names who can offer better pricing. Ultimately, cloud is a scale business.

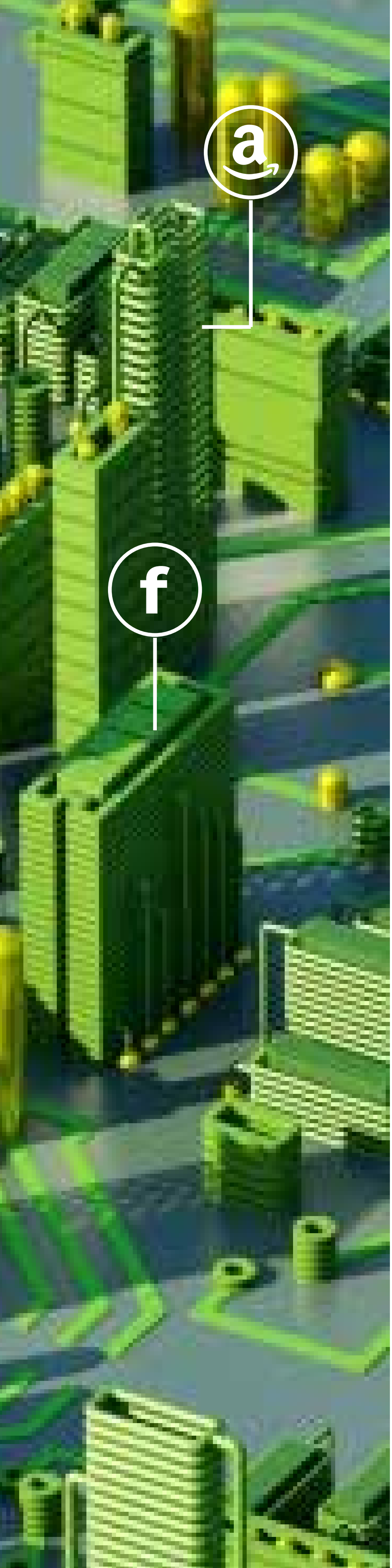
The software-as-a-service providers are also notable beneficiaries of the digitisation trend. This includes companies such as Paycom Software, which provides online payroll and human resources technology. The company provides functionality and data analytics that businesses need to manage the complete employment life cycle. As at 31 December 2019 the software providers segment is a major position in the Trust, representing 34.4% of the portfolio.

As cloud adoption progresses, there are companies poised to benefit. RingCentral provides cloud-based communications and collaboration solutions for businesses. This includes all-in-one cloud phone system with team messaging and video conferencing. AMD makes the right chips for data storage and management, while Zscaler provides security.

Digitisation is here to stay. There have been teething problems, but companies are getting better at implementing the solutions and realising the benefits. There are potential winners across the value chain.

1. https://www.cnbc.com/2019/10/30/business-investment-drops-3percent-in-third-quarter-amid-trade-war-uncertainty.html
2. https://www.idc.com/getdoc.jsp?containerId=IDC_P32575
3. https://www.marketwatch.com/story/salesforce-earnings-top-estimates-but-forecast-disappoints-2019-12-03.
4. https://www.mckinsey.com/business-functions/organization/our-insights/unlocking-success-in-digital-transformations
5. https://hostingtribunal.com/blog/cloud-adoption-statistics/#content-3
6. https://www.idc.com/getdoc.jsp?containerId=prUS45612419
7. https://www.ey.com/en_us/digital/three-trends-driving-digital-transformation-in-2019

Rise of the trillion-dollar companies.



2019 was notable for the rise of a small number of global technology giants. For much of the year performance from the world's stock markets was dominated by a handful of behemoth companies. Their dominance has been driven, in part, by flows into index funds, which has become an issue not just for technology investors, but for all investors. Today, Microsoft, Apple, Amazon, Google's owner Alphabet, and Facebook are the largest companies in the US.[1] Apple and Microsoft have a combined market capitalisation of $2.1 trillion, approximately equal to the market cap of the Russell 2000 small cap index. Their size is undoubtedly a function of their historic success, but as these companies become a larger share of major indices, their share price movements are becoming self-reinforcing.

Index funds have proved increasingly popular with investors looking for cheap, convenient access to markets. 2019 saw them smash through the $10 trillion level, rising to $11.4 trillion by the end of November.[2] This is 5x their level a decade ago. In 2019, US listed exchange-traded funds (ETFs) – a type of index investment - added another $326.3 billion – with funds tracking the S&P 500 among the most popular.[3]

Index weightings

To highlight the extent of tech giants' dominance of major global indices, it is worth looking at their weightings. Apple, with a market capitalisation of $1.3 trillion (to end December 2019), forms around 3% of the MSCI World index, Microsoft another 2.6% and Amazon and Facebook 1.7% and 1.1% respectively. Between its A and C shares, Alphabet takes another 1.8%. That is around 10% of the global index just in five dominant technology companies.[4]

For US-focused indices, there is even greater dominance. The S&P 500, for example, has around 10% in Apple and Microsoft, with technology as a whole making up around 23%[5], mostly in these five companies. In the Nasdaq Composite, these five large companies form around one-third of the index.[6]

Investors taking an index approach to technology investment are taking a significant bet on a small number of large companies. At the same time, it means that the valuations of these technology companies have been supported to some extent by flows into passive funds. Should these flows start to reverse, it may leave the share prices vulnerable.

So does this matter? After all, Apple and Microsoft are fantastically successful companies, having delivered growing earnings for many years. They have placed themselves at the forefront of transformative technical developments such as smartphones and the Cloud.

Valuation versus potential

The importance of these companies is not in dispute. The question is whether their values reflect their potential. Today, Apple is 3x the size of the nearest non-technology rival (JP Morgan). We can see this valuation stretch in the discrepancy between share price performance and earnings performance for some of these large companies. During 2019, Apple's share price almost doubled.[6] Its most recent earnings showed $64 billion in revenue for the three months to 30 September 2019. This was just 2% higher than a year ago. Perhaps more worryingly, smartphone and Mac sales both declined.[7]

This rise in share price, unmatched by a rise in earnings, has left the shares on a far higher multiple than a year ago. Apple is a large, mature, annuity-style business. Its recent iPhone developments have failed to excite users with iPhone sales down 9% in the most recent quarter. There are areas of potential growth for the company – its services business continues to do well - but it is vulnerable to ongoing US/China hostility. These should give passive investors pause for thought.

Microsoft has seen a similar phenomenon, albeit not to the same extent. Its share price has risen a more modest 60%[8] and its earnings have shown punchier growth than those of Apple. It has some strong sources of potential new revenue in its cloud business and wearables. However, its multiple has grown and it is not a high growth business in the same way as some of the software-as-a-service businesses, which are seeing earnings growth of 50-100%.

The concern is that if share prices have been propped up by passive investment, gains may swiftly reverse should market sentiment change. After 10 years of more or less continued expansion in markets, this is plausible. Equally, the US has been the top-performing market for a number of years, which has driven flows. Should the US market lose its lustre, investors could drift away from the market, pulling capital from its largest and most liquid stocks. As we see it, this is a risk that investors may not have appreciated.

The sweet spot for growth

While many large companies have been great businesses, inevitably, growth is harder the larger a company becomes. We have a flexible approach and over the Company's history, we have had periods of favouring megacaps. However, for a number of years our focus has been on mid cap companies. To our mind, the most compelling argument for technology investment is to find new sources of innovation and growth in the global economy. Companies that are doing something new have a window to make exceptional returns before the rest of the market catches up and competitors emerge.

To our mind, these are far more likely to be found among medium-sized companies than among the large caps, where the growth trajectory is well-established and well-known and therefore likely to be fully reflected in the share price. In recent years, the most exciting software-as-a-service companies and the major security names have all been in the mid-cap area.

We believe it is where many of the more exciting companies will emerge in future. Companies in the mid-cap area have proof of concept and are established businesses, but often still have their strongest growth ahead of them. Disruption is getting faster: Sectors such as automobiles, advertising, security, retail and manufacturing are all being transformed by advances in technology. We find a lot of areas of this 'innovative disruption' among the mid-caps.

Environmental, social and governance (ESG) considerations

There is another consideration worth noting for passive investors. Can they be sure that an index manager is paying attention to ESG considerations? In general, Apple and Microsoft have been strong on governance – it has been part of their success. Microsoft has managed to shake off its predatory reputation and become a leader for corporate efficiency. Apple has led the way in terms of privacy and been focused on giving money back to shareholders. However, this is not necessarily true for some of the other technology giants who have rubbed regulators and tax authorities up the wrong way. Should these companies be left less accountable because the investor base is largely passive, it could spell bad news for shareholders.

The technology giants are at the top for a reason. They are, in general, excellent companies that have built unrivalled technology. However, we are mindful of the distorting impact on their valuations from index funds and the potential repercussions if flows reverse.

1. https://edition.cnn.com/2019/11/01/investing/tech-stocks-faang/index.html
2. https://www.ft.com/content/a7e20d96-318c-11ea-9703-eea0cae3f0de
3. https://www.etf.com/sections/monthly-etf-flows/etf-monthly-fund-flows-december-2019
4. https://www.msci.com/documents/10199/178e6643-6ae6-47b9-82be-e1fc565ededb
5. https://www.ssga.com/doc/factsheets/FS1504_English.pdf
6. https://indexes.nasdaqomx.com/docs/FS_COMP.pdf
7. https://www.bloomberg.com/quote/AAPL:US
8. https://www.ft.com/content/31eec6d0-fb39-11e9-98fd-4d6c20050229
9. https://www.bloomberg.com/quote/MSFT:US
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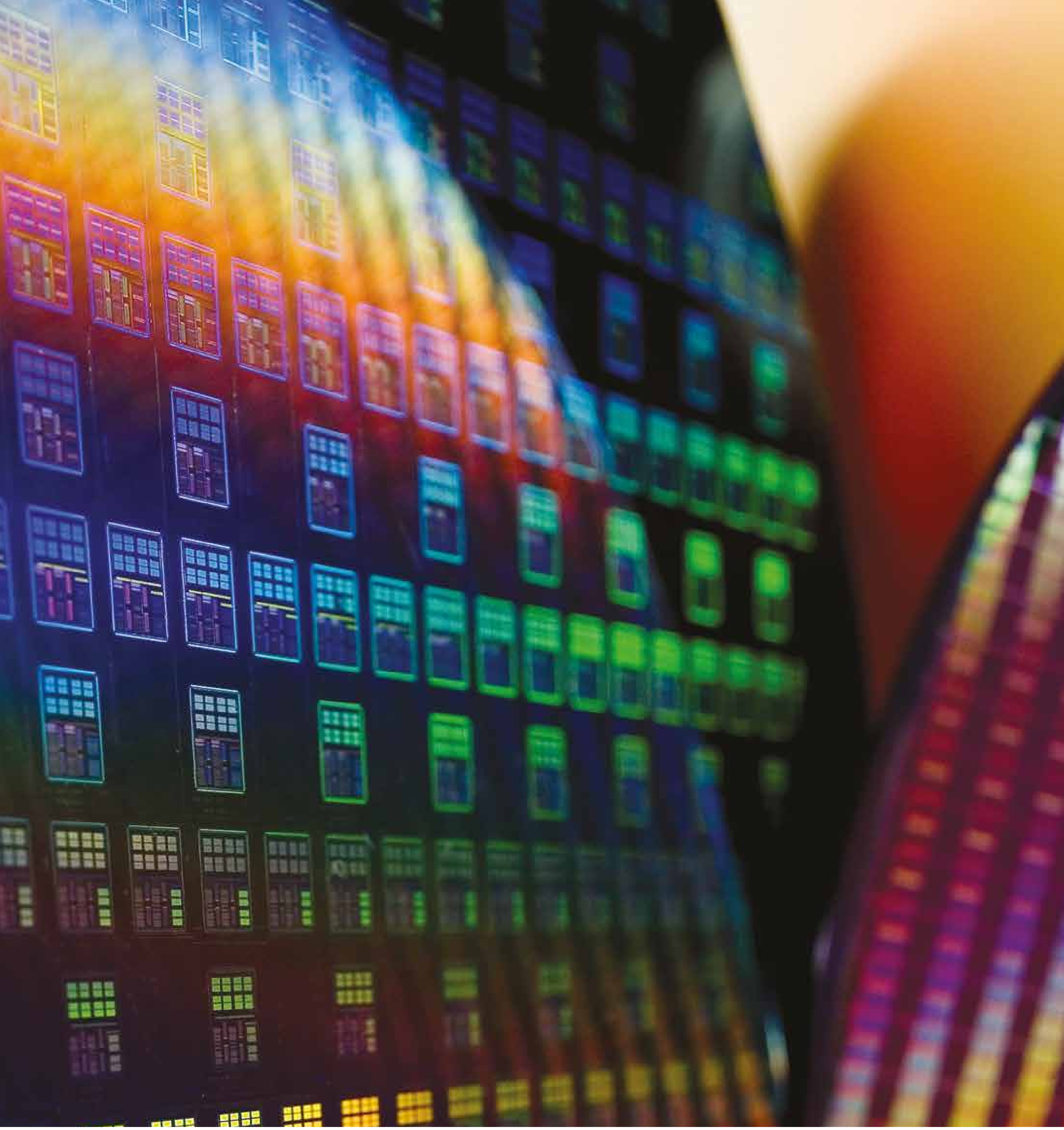
Investment Managers' Review



Demand for bespoke semiconductors grew over the year. Artificial intelligence, for example, requires large capacity for data processing.

Investment Managers' Review

It was a year of contrasts for the technology sector. Although aggregate performance was positive, there were two distinct phases. The first favoured high growth companies; the second saw investors shift to more economically-sensitive areas. One trend persisted, however - the largest stocks grew even larger as flows into index funds influenced pricing.

Economic backdrop

The first part of the year was dominated by concerns on trade tensions and declining economic data. Global growth in 2019 recorded its weakest pace since the global financial crisis a decade ago[1] and this was particularly marked in the first half of the year, prompting central banks around the world to take action.

Manufacturing was the notable weak spot as the US/China trade war weighed on activity. The weakness of manufacturing behemoth Germany was emblematic of a wider malaise, with key industries under pressure and investment levels weak. For Germany, the dominant auto sector saw a perfect storm of regulatory change, emissions standards and declining consumer demand. Both China and the US saw PMI data fall below the 50-mark that indicates contraction.[2,3]

In the manufacturing sector and beyond, global geopolitical uncertainty prompted caution among corporate decision makers. Firms proved reluctant to undertake long-term spending projects, with purchases of machinery and equipment decelerating. Nevertheless, the digitisation trend remained largely intact as firms saw the financial and competitive advantages of selective investment in technology.

In the face of these gloomier signals from the global economy, monetary policy remained accommodative. The Federal Reserve changed course during 2019, initially halting its ambitions to normalise rates; and then implementing quarter-point cuts in July, September and October. In its December meeting, Fed chair Jerome Powell signalled rates would now stay on hold throughout 2020.[4]

The Galaxy Z Flip from Samsung Electronics is the first folding smartphone to use a glass display.

Towards the end of the year, there were signs that central bank measures were having an effect with green shoots of recovery emerging. Loose monetary policy helped compensate for the waning impact of President Trump's tax cuts. As importantly, expectations of a US/China trade deal revived in September. With the prospect of a deal came higher expectations for global growth.

Markets

Overall, it was a good year for the technology sector. The tech-heavy Nasdaq outpaced the S&P 500 and Dow Jones Industrial indices. Our benchmark index, the Dow Jones World Technology Index (sterling adjusted, total return), delivered 39.0%. However, the gains were not universally distributed, with the lion's share of fund flows moving into the largest companies in the sector.

In the early part of the year, it was the higher growth stocks that made progress. Amazon, for example, saw its share price rise from $1,656 a share to a peak of over $2,000 in July.[5] It was a familiar story. Fearful of a downturn in global economic growth, investors sought the relative safety of reliable earnings and a compelling growth story.

However, there was a discernible switch in sentiment from September onwards. This benefited cyclical and value companies at the expense of higher growth companies. Previously unloved areas such as hardware and semiconductors performed well.

Flows into index funds increased over the year and this had an influence on pricing. The largest stocks in the index saw significant multiple expansion. In some cases, this came in spite of weaker earnings.

This was also a year in which investors grew sceptical of the valuations in private equity. A number of high profile companies came to market, but failed to deliver for optimistic investors. The valuation gap between public and private markets was exposed.

There remain, nevertheless, some notable secular trends and companies exposed to those trends did well. In particular, the digitisation trend continued to show momentum. Software-as-a-service providers had a good year. This rippled out into the semiconductor industry, with specialist cloud chip makers, such as Advanced Micro Devices also benefiting from the trend.

Streaming service Disney+ launched during the year to compete with established rivals such as Netflix, Hulu and Amazon Prime Video.

Apple's iPhone 11 range, including the triple-camera 11 Pro, launched in September 2019. The iPhone 11 became the second-best selling smartphone globally in 2019, despite only being made available for fewer than four months of the whole year.

Technology developments

IPOs

It was the year that a number of high-profile technology unicorns finally came to market, including Lyft, Pinterest and Uber. However, it also exposed the ambitious valuations set for many of these companies. As a result, in spite of good earnings performance, the share prices were weak. A high-profile casualty was WeWork, which pulled its flotation after struggling to attract investors, who proved disinclined to support a technology-type valuation for a property company.[6]

Apple's iPhone 11 range

The latest iPhone incarnation brought more cameras and longer-lasting batteries. 5G was notably absent, despite rivals introducing compatible smartphones. It was generally favourably reviewed and early reports suggested sales may be better than expected across the US and Western Europe. However, this has yet to be reflected in Apple's results.[7]

Security breaches and technical glitches at Facebook

It was a year of disruption for Facebook. Alongside the usual hum of regulatory threats, it also experienced security breaches and technical glitches. March saw the group experience 14 hours of disruption, its "most severe outage" to date.[8] May saw WhatsApp admit that the app had been used to install surveillance software on the phones of around 1,400 users. There were further technical problems in July, with users unable to upload photos and videos.

Streaming wars

Netflix saw its streaming dominance challenged as, among others, Disney Plus launched a streaming service, giving access to more than 500 movies and 7,500 TV episodes.[9]

Microsoft's revival

Microsoft CEO Satya Nadella was the Financial Times' 'person of the year' for 2019, praised for his 'stunning wealth creation'.[10] His venture into cloud computing has been a resounding success. The company scored a coup when it won the high-profile contract to provide the Pentagon with cloud computing and artificial intelligence services, pipping hotly-tipped Amazon to the prize. The deal could be worth as much as $10bn (£7.7bn) over time and presents a good platform to pitch

Microsoft beat Amazon to win a contract to provide the Pentagon with cloud computing and artificial intelligence services.

the firm's Azure services to other government departments and private companies.

Performance

It was a strong year for the Company in absolute terms, with our net asset value rising 28.8%. However, we lagged our benchmark by 10.2%. Although our investments are not driven by the weightings of individual companies in the benchmark, we are aware of the benchmark and use it to measure the success of our performance. As such, this was disappointing, but there were clear reasons for the discrepancy.

The Company had long favoured the mid cap area, believing this to be the sweet spot for innovation and growth. As a result, we are typically underweight the mega-caps. With this in mind, the most dramatic detractor from overall performance this year was our 10.1% underweight to Apple. Apple gained around 82% over the year and we were very underweight.

The dominance of these large companies continues to prove a challenge for technology investors. On the one hand, they have become huge parts of the index, so their performance tends to dominate relative performance for the Company, either good or bad. At the same time, their share prices are influenced by passive flows. This year saw a significant rise in Apple's share price while earnings were lacklustre.

Microsoft was another major detractor, for similar reasons. While we held an average weight of 5.3% in Microsoft and believe it is a business with attractive qualities, the benchmark weighting is 12%. From a risk management point of view, this would be a lot to hold in an individual stock and not the size of position we favour. As it stands, we keep our conviction approach even if it means there will be moments of pain.

Our strongest performers over the year were clustered into the software-as-a-service sector. Corporate digitisation continues apace and these stocks did well over the year, beating earnings expectations and improving and diversifying their businesses. Otka, Paycom Software and Teradyne were three of the most significant contributors to overall performance.

Otka had another strong year as cloud security software saw widespread adoption. It is built on

Workforce and customer identity specialist Okta achieved $141 million in sales and 49% growth year over year.

top of the Amazon web services cloud, helping companies manage employee access to corporate applications. The company not only exceeded market expectations on sales, which hit $141 million, representing 49% growth year over year, but also raised its outlook for the year ahead.[11]

We opened our position in Teradyne in 2017 and it has subsequently proved a strong performer for the trust. Alongside its core business, which is semiconductor testing, it makes small robots, nicknamed 'co-bots'. They are not designed to replace humans, but to remove some repetitive tasks – attaching two components together, for example. The robots are both flexible and trainable. The company beat earnings expectations for the year, as ongoing demand for 5G infrastructure and Flash memory testing drove Semiconductor Test performance.[12]

Semiconductor specialism became a theme over the year as demand for bespoke semiconductors grew. Artificial intelligence, for example, requires large capacity for data processing, which in turn requires high performance chips. Semiconductor companies had performed poorly for much of the year, but picked up in the final quarter and it was those that could meet specialist needs that led the way.

In the portfolio, this was seen in the strong relative performance of Taiwan Semiconductor, which we bought during the year, and Advanced Micro Devices (AMD). Apple continues to use Taiwan Semiconductor to produce chips for iPhones, while AMD is benefiting from the move to the cloud. The trade war has been a headwind for the semiconductor sector, but this is more than reflected in valuations.

The trade war had an impact on technology in other ways, notably among the component makers. Companies such as Netapp and DXC had been facing weakening demands for their products anyway as companies moved to the cloud. They had been trying to transition to growth areas, in some cases successfully, but the slowdown in their legacy business was much faster than expected as companies grew increasingly disinclined to spend on existing infrastructure. For these groups, some resolution in the trade war will be welcome.

In general, we avoided many of the IPOs coming to market. While they were often

Semiconductor testing company Teradyne beat earnings expectations for the year.

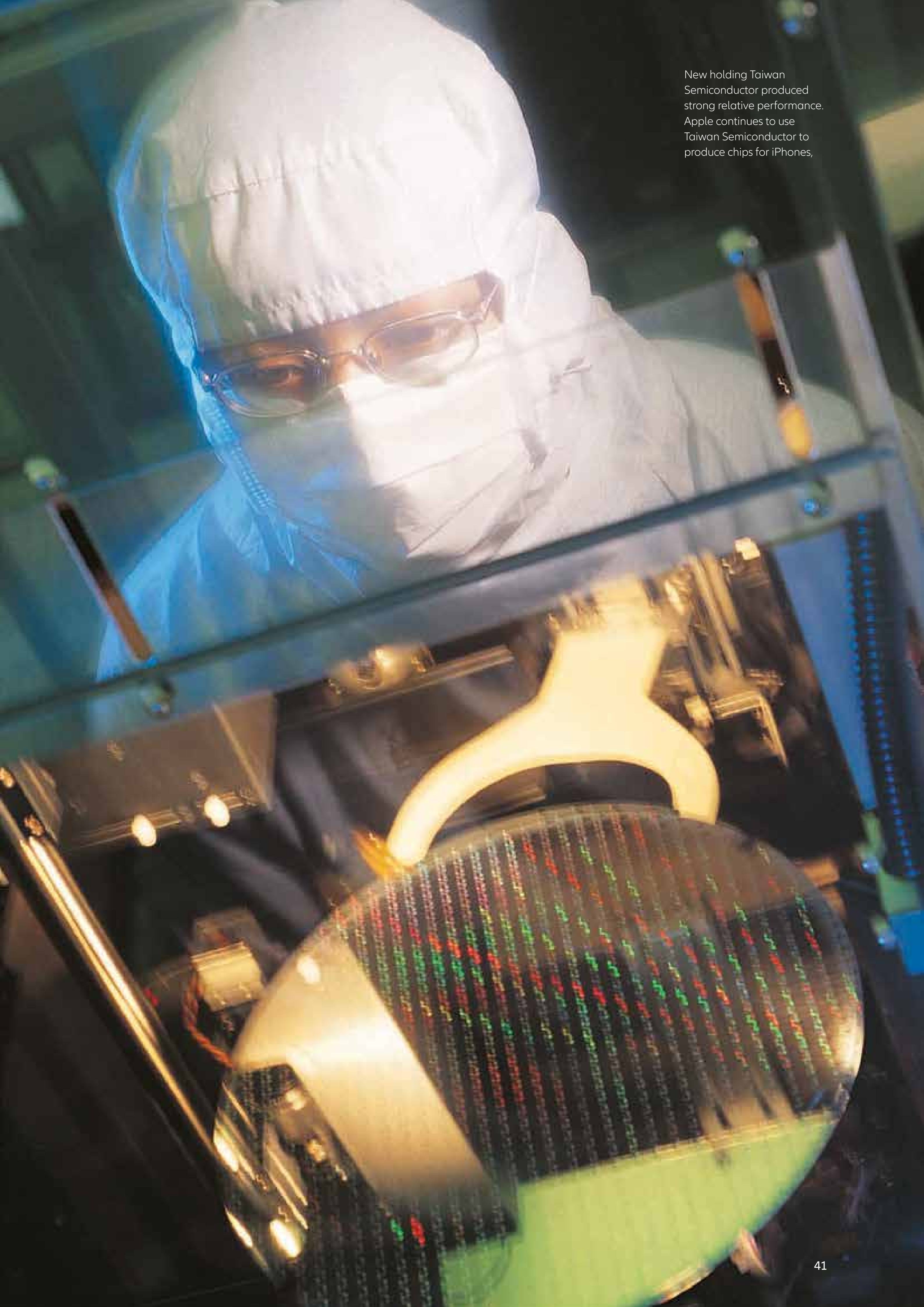
exciting, high growth businesses, the valuations are simply too high and even if they deliver on expectations, it is difficult to see how the share prices can make significant headway. One exception was cybersecurity group Crowdstrike, in which we built a small position. We believe it has potential, but it was a detractor from performance over the year.

Outlook

Here, we focus on a single year in technology, but it is important to remember that technology's influence continues to grow, year after year. It disrupts more industries, from retail to autos, and on into financial services and beyond. Our universe expands each year, with exciting companies emerging and evolving. Technology investment is about future-proofing your portfolio, ensuring you have tomorrow's winners rather than yesterday's.

1. https://blogs.imf.org/2019/12/18/2019-in-review-the-global-economy-explained-in-5-charts/
2. https://www.cnbc.com/2019/10/01/us-manufacturing-economy-contracts-to-worst-level-in-a-decade.html
3. https://www.scmp.com/economy/china-economy/article/3035656/china-manufacturing-falls-october-lowest-level-three-and-half
4. https://www.bloomberg.com/news/articles/2019-12-11/fed-leaves-rates-unchanged-and-forecasts-show-no-change-in-2020
5. https://www.bloomberg.com/quote/AMZN:US
6. https://www.theguardian.com/business/2019/sep/17/wework-delays-ipo-investors-flotation
7. https://www.idc.com/getdoc.jsp?containerId=prUS45636719
8. https://www.bbc.co.uk/news/technology-50809562
9. https://www.foxbusiness.com/technology/what-you-get-for-7-a-month-disney-plus-subscription
10. https://www.ft.com/content/0e8c3002-20c7-11ea-92da-f0c92e957a96
11. https://www.fool.com/investing/2019/09/03/okta-earnings-takeaways-trouncing-expectations-aga.aspx
12. https://www.investors.com/news/technology/teradyne-earnings-q3-2019-ter-stock/

Microsoft introduced its HoloLens 2 mixed reality smartglasses technology in November.



New holding Taiwan Semiconductor produced strong relative performance. Apple continues to use Taiwan Semiconductor to produce chips for iPhones,

Top 20 Holdings

1 Microsoft

Software
Washington, USA
45,637,000
8.0%

Microsoft develops, manufactures, licenses, and supports a range of hardware and software. Since Satya Nadella took over as CEO in 2014, the company has moved away from its traditional hardware business to focus on its Azure cloud computing platform. As a result, Microsoft revenue is now split roughly equally between its three personal computing, cloud and business processing divisions.

2 Apple

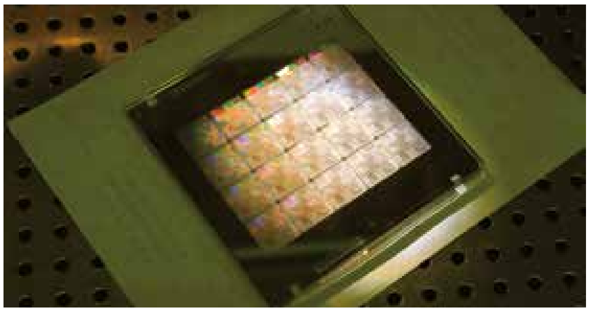
Technology, Hardware Storage & Peripherals
California, USA
26,022,000
4.5%

Apple is a leading global consumer electronics company, making personal computers, software, mobile communications devices, and networking solutions. Its market capitalisation is now $1.327 trillion, with revenues of almost $265.6bn in 2018 (2.). Over one billion people have bought an iPhone, its flagship product, since it launched a decade ago.

3 Facebook

Interactive Media & Services
California, USA
24,845,000
4.4%

Facebook hit 2.4bn monthly active users in 2019. It is increasingly monetising these users through advertising. It has faced technology problems this year, but has worked hard to address criticism over its dissemination of fake news, hate messages and violence. It has seen significant growth via Instagram and also launched Facebook Dating during the year.



4 Taiwan Semiconductor

Semiconductors & Semiconductor Equipment
Taiwan
20,526,000
3.6%

Taiwan Semiconductor is the world's largest dedicated semiconductor manufacturer. It has over half the market for semiconductor production outsourcing and counts Qualcomm, Apple, Nvidia and Advanced Micro Devices (AMD) among its customers. It makes the central processing units for the iPhone and last year reported $1,031bn in revenue.

 Sector Headquarters Value of holding Percentage of portfolio

5 Paycom Software

Software
Oklahoma, USA
19,511,000
3.4%

Paycom is an US online payroll and human resource technology provider. The company provides functionality and data analytics that businesses need to manage the complete employment life cycle. Its software improves productivity and this has been reflected in Paycom's impressive growth rates, as businesses look to re-engineer their systems using technology to create efficiency. Its share price more than doubled in 2019.

6 Mastercard

IT Services
New York, USA
16,243,000%
2.9%

Mastercard operates a global payment processing network, connecting consumers, financial institutions, retailers, governments and businesses. It operates across more than 210 countries and territories. In recent years, it has built a suite of digital payment products, including its Digital Enablement Service. In 2019, the company acquired the Danish real-time payments company Nets for $3.2bn, as part of its strategy to expand beyond card payments.

7 Teradyne

Semiconductors & Semiconductor Equipment
Massachusetts, USA
15,133,000
2.7%

Teradyne was a new holding for the trust in 2017. Its core business is semi-conductor testing, but has a growing robotics business. It makes small robots, nicknamed 'co-bots', designed to take on some of the repetitive tasks – attaching two components together, for example. They are designed to improve the efficiency of the manufacturing process, helping humans to complete tasks.

8 Samsung Electronics Co

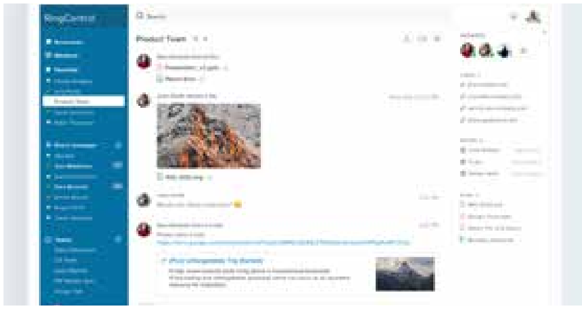
Technology, Hardware Storage & Peripherals
South Korea
14,905,000
2.6%

Samsung Electronics is a South Korean multinational electronics company, and is the world's largest manufacturer of mobile phones and smartphones. Significant improvements in its smartphone range have seen it emerge as a major rival to Apple in recent years. The company also manufacturers televisions, cameras, and electronic components.

9 Fortinet

Software
California, USA
13,549,000
2.4%

Security group Fortinet develops and markets cybersecurity software and appliances and services, such as firewalls, anti-virus, intrusion prevention and endpoint security. Its flagship products is FortiGate, an enterprise firewall platform. It was founded in 2000 by brothers Ken and Michael Xie and now has over 425,000 customers.



10 Ringcentral

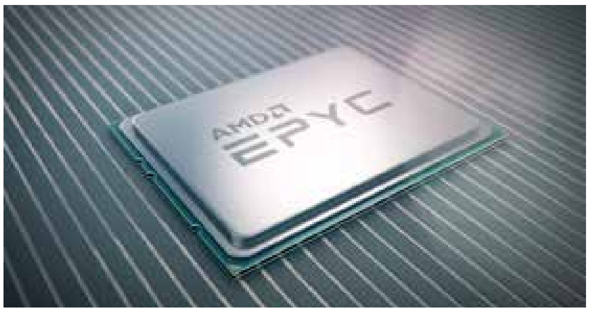
Software
California, USA
13,370,000
2.4%

Ringcentral does as its name suggests, providing an all-in-one cloud phone system with team messaging and video conferencing, alongside other cloud-based communications and collaboration solutions for businesses. It has made selective acquisitions in recent years, including Dimelo, a Paris-based OmniChannel contact centre provider in October 2018 and Connect First, a customer engagement provider in January 2019.

11 Autodesk

Software
California, USA
12,388,000
2.2%

Autodesk is a computer-aided design company. It makes software for the architecture, engineering, construction, manufacturing, media, education, and entertainment industries. It recently switched its business model from licensed software to subscriptions sold and delivered via the cloud. It is now seeing subscription growth of around 16% year on year.



12 Advanced Micro Devices

Semiconductors & Semiconductor Equipment
California, USA
12,360,000
2.2%

AMD has built specialism in high performance chips, designed to manage and store 'big data'. Independent benchmarks suggest that its chips deliver more than twice the performance of close rival Intel's for each dollar spent, and four times as much for high-performance computing. This is vitally important in a world rapidly moving to the cloud.

13 Tesla

Automobiles
California, USA
£ 12,034,000
2.1%

"I hope he likes what we have done in his name" said Elon Musk about Nikola Tesla. Nikola Tesla, inventor of the electric motor, plus a pioneer in radar, radio and x-rays, inspired Elon Musk to push the boundaries of conventional science and engineering and gave his pioneering electric car company its name. Tesla continues to dominate electric car manufacturing and, through its SolarCity subsidiary, solar panel manufacturing. The company has recently established a European base in Germany.

14 Alphabet

Internet Software & Services
California, USA
£ 11,471,000
2.0%

Alphabet, the parent company of Google, the world's leading search engine. The group remains a primary beneficiary of the secular shift to online spending. It also owns YouTube. Founders Larry Page and Sergey Brin stepped down this year, to be replaced with Sundar Pichai. However, they remain controlling shareholders of the business.

15 Zscaler

Software
California, USA
£ 11,375,000
2.0%

Zscaler is a global cloud-based information security company, founded in 2008 by serial entrepreneur Jay Chaudhry. It provides a cloud-based information security platform and has the world's largest security cloud. It also provides next generation firewalls, sandboxing, SSL inspection, antivirus and vulnerability management and is geared into growth sectors such as cloud computing, mobile and the Internet of things environments.

16 Square

IT Services
California, USA
£ 10,463,000
1.9%

Square helps different types of merchants run their business better - from secure credit card processing to faster access to cash. It makes software and hardware payments products, including Square Register and Square Reader. It also has a number of services for small business, such as Square Capital, a financing program, and Square Cash, a person-to-person payments service, plus Square Payroll.

17 Yandex

- Internet Software & Services
- Moscow, Russia
- 10,425,000
- 1.8%

Russia's multinational internet company owns the largest search engine in the Russia market, with a market share of over 50%. It also operates across transport, eCommerce, mobile applications and online advertising. Notably, Uber and Yandex merged their businesses in Russia, Kazakhstan, Azerbaijan, Armenia, Belarus and Georgia. It has recently conducted tests of autonomous vehicles in Moscow.

18 Okta

- Internet Software & Services
- California, USA
- 10,184,000
- 1.8

Okta provides cloud software, built on top of the Amazon web services cloud, that helps companies manage employee passwords. It came to the public markets in 2017, having been founded in 2009 by a team of former Salesforce.com executives led by Todd McKinnon. Okta sells a range of services, including a single sign-on option that acts as a gateway to a number of different systems, including Gmail, Salesforce.com and Slack.

19 Qualcomm

- Semiconductors & Semiconductor Equipment
- California, USA
- 9,626,000
- 1.7%

Qualcomm is a US-based multinational semiconductor and telecommunications equipment company. Its core business is chip-making and the bulk of its profit comes from patent licensing businesses. Chinese telecoms group Huawei is a major customer, which has given the group some problems during the trade war, but the group posted stronger than expected results for the final quarter of its fiscal year.

20 Nvidia Corp

- Semiconductors & Semiconductor Equipment
- California, USA
- 9,401,000
- 1.7%

Nvidia creates graphic chips used for video games and cloud infrastructure. In theory it should be in a sweet spot for growth, with gaming booming and cloud adoption accelerating. However, the group has had to contend with the US trade tensions, plus falling demand from China, which has implemented gaming restrictions and weakening smartphone sales. It has recently expanded its key markets - gaming, professional visualisation, data centres, and auto – to include artificial intelligence.

Stock Stories

Microsoft

Sector Software
Headquarters Washington USA
Value of holding 45,637,000
% of portfolio 8.0%

Microsoft develops, manufactures, licenses, and supports a wide range of software products for computing devices. When Satya Nadella took over as CEO in 2014, the company appeared to be drifting into irrelevance. It had plenty of cash, but its legacy business appeared increasingly irrelevant and attempts to compete in search and smartphones had come to nothing.

Over the past five years, Nadella has carefully steered the company away from its traditional hardware business, focusing instead on the high growth cloud computing market. The move has been more successful than almost anyone anticipated. In the quarter to 30 September, the company's intelligent cloud business saw revenues jump 27%, to $10.8bn.

Microsoft recently won a $10bn contract from the US Department of Defense. Amazon had been favourite to win the bid, so it represented a satisfying competitive victory as well as putting the group in a prime position to pitch the firm's Azure services to other government departments and private companies.

Microsoft has also managed to shed its reputation for corporate arrogance, responding to shareholder demands for a more independent board and keeping a low profile when its fellow technology giants were under attack. The company has achieved the unusual feat of sustaining its relevance over multiple decades.

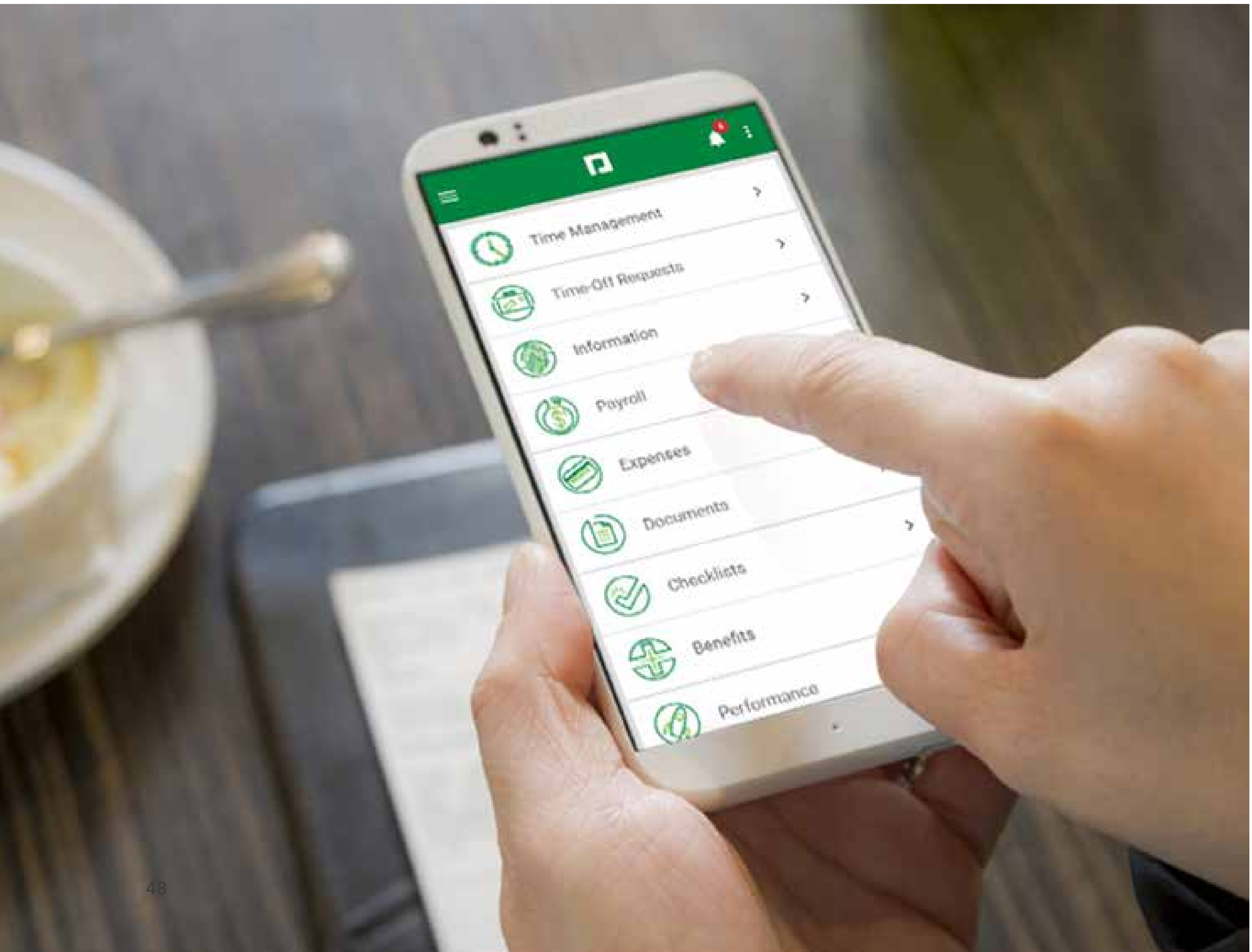
Paycom Software

Sector Software
Headquarters Oklahoma USA
Value of holding 19,511,000
% of portfolio 3.4%

Paycom is an US online payroll and human resource technology provider. The company provides functionality and data analytics that businesses need to manage the complete employment life cycle. Its software frees companies from the tedium of time sheets, holiday requests and payroll, all of which suck time and resources from the business.

It is an easy win for companies looking to improve productivity and this has been reflected in Paycom's impressive growth rates. It has beaten market expectations in each of its four most recent quarterly earnings statements and earnings per share are showing growth of over 30%.

It is a key winner from the digitisation trend as businesses look to re-engineer their systems using technology to create efficiency. Paycom's customers pay quarterly or monthly, which delivers a regular revenue stream. Its share price more than doubled in 2019.



Advanced Micro Devices

Sector Semiconductors & Semiconductor Equipment
Headquarters California, USA
Value of holding 12,360,000
% of portfolio 2.2%

AMD has seen a major turnaround under the stewardship of chief executive Lisa Su. Five years ago, after a long period of underperformance, Su and IBM colleague Mark Papermaster decided to redesign the group's product range from the bottom up. It was a gamble and one that also required strong performance from manufacturing partner Taiwan Semiconductor.

It appears to have paid off. It has seen a significant re-rating in its stock price, which has risen 19x over the past five years. Its most recent coup was Google choosing AMD's server chips for its vast cloud data centres. Microsoft, Amazon, Tencent and Baidu are already customers, giving it a major foothold in the major cloud and internet giants.

The company has built specialism in high performance chips, designed to manage and store 'big data'. Independent benchmarks suggest that AMD chips deliver more than twice the performance of close rival Intel's for each dollar spent, and four times as much for high-performance computing. This is vitally important in a world rapidly moving to the cloud.

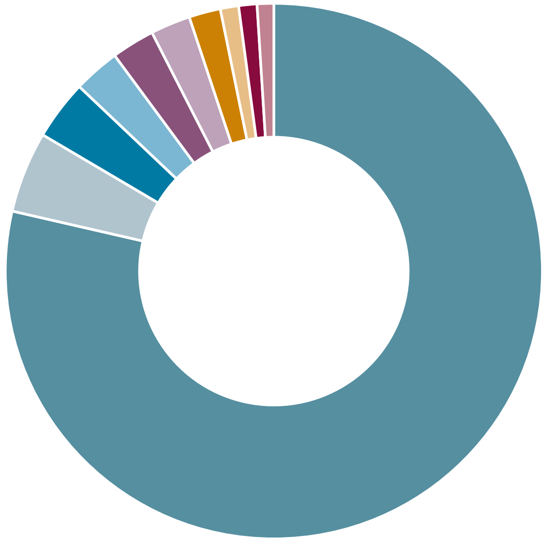
It continues to draw scepticism from some analysts, who have seen AMD build up a technical advantage only to lose it again, but Su and Papermaster have already exceeded expectations and may do so again.

Investment Portfolio

at 31 December 2019

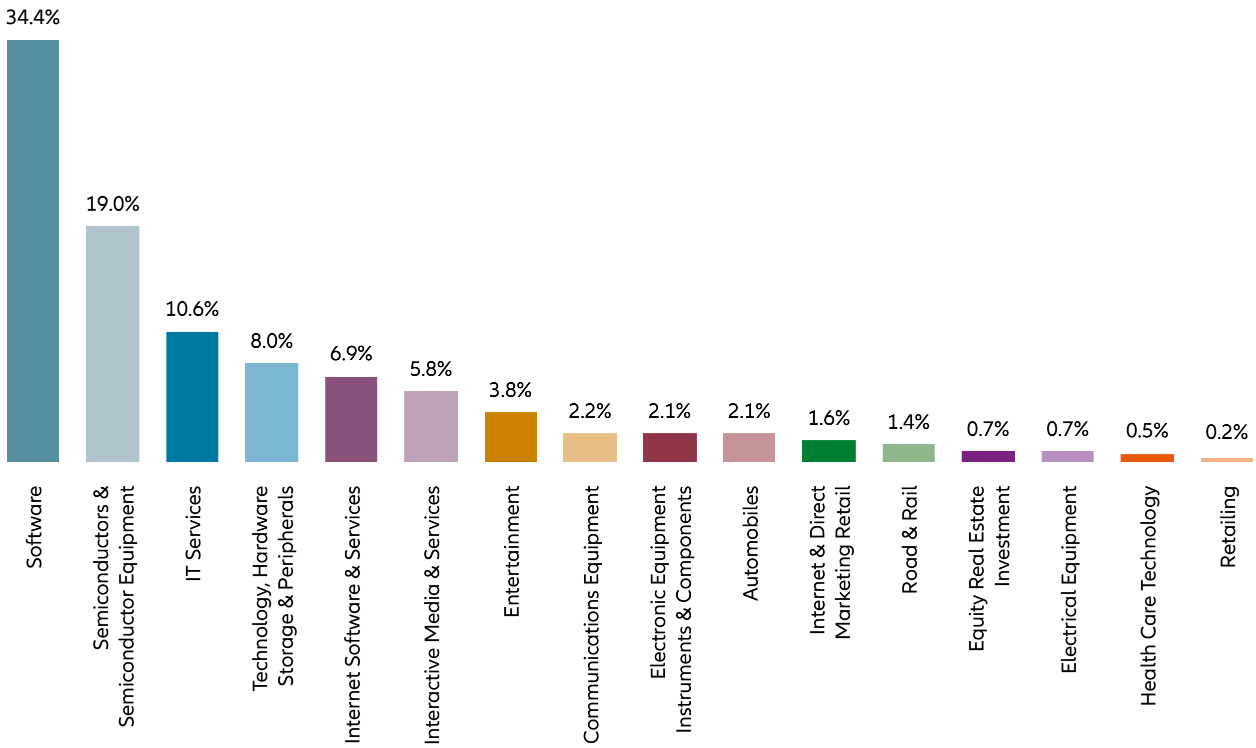
Geographical breakdown

Region	Valuation £000	% of Invested Funds
United States	446,274	78.6
Netherlands	28,498	4.9
Taiwan	20,526	3.6
United Kingdom	16,049	2.8
South Korea	14,905	2.6
Germany	13,350	2.4
Cayman Islands	10,230	1.9
Singapore	6,331	1.1
Switzerland	5,956	1.1
Sweden	5,815	1.0



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%.

Full portfolio list

Investment	Sector#	Sub Sector#	Country	Valuation £000	% of Portfolio
Microsoft	Software	Systems Software	United States	45,637	8.0
Apple	Technology, Hardware Storage & Peripherals	Technology, Hardware Storage & Peripherals	United States	26,022	4.5
Facebook	Interactive Media & Services	Interactive Media & Services	United States	24,845	4.4
Taiwan Semiconductor	Semiconductors & Semiconductor Equipment	Semiconductors	Taiwan	20,526	3.6
Paycom Software	Software	Application Software	United States	19,511	3.4
Mastercard	IT Services	Data Processing & Outsourced Services	United States	16,243	2.9
Teradyne	Semiconductors & Semiconductor Equipment	Semiconductor Equipment	United States	15,133	2.7
Samsung Electronics	Technology, Hardware Storage & Peripherals	Technology, Hardware Storage & Peripherals	South Korea	14,905	2.6
Fortinet	Software	Systems Software	United States	13,549	2.4
Ringcentral	Software	Application Software	United States	13,370	2.4
Top Ten Investments				**209,741**	**36.9**
Autodesk	Software	Application Software	United States	12,388	2.2
Advanced Micro Devices	Semiconductors & Semiconductor Equipment	Semiconductors	United States	12,360	2.2
Tesla	Automobiles	Automobile Manufacturers	United States	12,034	2.1
Alphabet Inc	Internet Software & Services	Internet Software & Services	United States	11,471	2.0
Zscaler	Software	Systems Software	United States	11,375	2.0
Square	IT Services	Data Processing & Outsourced Services	United States	10,463	1.9
Yandex	Internet Software & Services	Internet Software & Services	Netherlands	10,425	1.8
Okta	Internet Software & Services	Internet Software & Services	United States	10,184	1.8
Qualcomm	Semiconductors & Semiconductor Equipment	Semiconductors	United States	9,626	1.7
Nvidia	Semiconductors & Semiconductor Equipment	Semiconductors	United States	9,401	1.7
Top Twenty Investments				**319,468**	**56.3**
Workday	Software	Application Software	United States	8,901	1.6
MongoDB	IT Services	Internet Services & Infrastructure	United States	8,805	1.5
Netflix	Entertainment	Movies & Entertainment	United States	8,492	1.5
Snap	Interactive Media & Services	Interactive Media & Services	United States	8,197	1.4
Aveva	Software	Application Software	United Kingdom	7,458	1.3
Nemetschek	Software	Application Software	Germany	7,287	1.3
Alibaba	Internet Software & Services	Internet Software & Services	Cayman Islands	7,285	1.3
Visa	IT Services	Data Processing & Outsourced Services	United States	7,251	1.3
Splunk	Software	Application Software	United States	6,926	1.2
Zendesk	Software	Application Software	United States	6,473	1.1
Top Thirty Investments				**396,543**	**69.8**

Investment	Sector#	Sub Sector#	Country	Valuation £000	% of Portfolio
Kla Tencor	Semiconductors & Semiconductor Equipment	Semiconductor Equipment	United States	6,336	1.1
Flex	Electronic Equipment Instruments & Components	Electronic Manufacturing Services	Singapore	6,331	1.1
STMicroelectronics	Semiconductors & Semiconductor Equipment	Semiconductors	Netherlands	6,322	1.1
Lam Research	Semiconductors & Semiconductor Equipment	Semiconductor Equipment	United States	6,293	1.1
Coupa Software	Software	Application Software	United States	6,217	1.1
Infineon Technologies	Semiconductors & Semiconductor Equipment	Semiconductors	Germany	6,063	1.1
Temenos	Software	Application Software	Switzerland	5,956	1.1
Akamai Technologies	IT Services	Internet Services & Infrastructure	United States	5,942	1.1
Adyen	IT Services	Data Processing & Outsourced Services	Netherlands	5,921	1.0
ASML	Semiconductors & Semiconductor Equipment	Semiconductor Equipment	Netherlands	5,830	1.0
Top Forty Investments				**457,754**	**80.6**
Atlassian	Software	Application Software	United Kingdom	5,830	1.0
Ericsson	Communications Equipment	Communications Equipment	Sweden	5,815	1.0
Cognex	Electronic Equipment Instruments & Components	Electronic Equipment Instruments	United States	5,804	1.0
Take-Two Interactive Software	Entertainment	Interactive Home Entertainment	United States	5,753	1.0
Micron Technology	Semiconductors & Semiconductor Equipment	Semiconductors	United States	5,733	1.0
Amazon.com	Internet & Direct Marketing Retail	Internet & Direct Marketing Retail	United States	5,613	1.0
Proofpoint	Software	Systems Software	United States	5,457	1.0
Smartsheet	Software	Application Software	United States	5,421	1.0
Pure Storage	Technology, Hardware Storage & Peripherals	Technology, Hardware Storage & Peripherals	United States	5,264	0.9
Roku	Entertainment	Movies & Entertainment	United States	4,538	0.8
Top Fifty Investments				**512,982**	**90.3**
Uber Technologies	Road & Rail	Trucking	United States	4,450	0.8
Cree	Semiconductors & Semiconductor Equipment	Semiconductors	United States	4,193	0.7
Viavi Solutions	Communications Equipment	Communications Equipment	United States	4,191	0.7
Equinix	Equity Real Estate Investment	Specialized REITs	United States	4,127	0.7
Crowdstrike	Software	Systems Software	United States	3,994	0.7
Bloom Energy	Electrical Equipment	Heavy Electrical Equipment	United States	3,953	0.7
Lyft	Road & Rail	Trucking	United States	3,189	0.6
Hubspot	Software	Application Software	United States	3,089	0.6
JD.com	Internet & Direct Marketing Retail	Internet & Direct Marketing Retail	Cayman Islands	2,945	0.6
Palo Alto Networks	Communications Equipment	Communications Equipment	United States	2,935	0.5
Top Sixty Investments				**550,048**	**96.9**
Docusign	Software	Application Software	United States	2,935	0.5
Veeva Systems	Health Care Technology	Health Care Technology	United States	2,926	0.5
Alteryx	Software	Application Software	United States	2,905	0.5
Zynga	Entertainment	Interactive Home Entertainment	United States	2,829	0.5
Computacenter	IT Services	IT Consulting & Other Services	United Kingdom	2,761	0.5
Twilio	IT Services	Internet Services & Infrastructure	United States	2,655	0.4
Grubhub	Retailing	Internet & Direct Marketing Retail	United States	875	0.2
Total Investments				**567,934**	**100.0**

#GICS Industry classifications

Directors' Review

The ongoing global rollout of 5G infrastructure should benefit the manafacturers and testers of semiconductors.

Directors

Robert Jeens, MA (Cantab), FCA

Chairman of the Board, the Nomination Committee and the Management Engagement Committee. Member of the Remuneration Committee.

Robert joined the Board on 1 August 2013 and became Chairman on 2 April 2014. Following 12 years with Touche Ross, where he was an audit partner, Robert became Finance Director of Kleinwort Benson Group and subsequently Woolwich plc. He has extensive experience of the asset management industry and is currently Chairman of Henderson European Focus Trust plc and a non-executive director of JPMorgan Russian Securities plc and Chrysalis VCT plc. He has also had experience of technology companies, including as Chairman of nCipher plc and as a Non-Executive Director of Dialight plc, and is currently Chairman of Remote Media Group, a cloud-based digital signage company.

Humphrey van der Klugt, BSc (Hons), FCA

Senior Independent Director and Chairman of the Audit Committee and Remuneration Committee. Member of the Nomination Committee and the Management Engagement Committee.

Humphrey joined the Board on 1 July 2015 and became Chairman of the Audit Committee and Senior Independent Director on 14 April 2016. He is currently a director of JPMorgan Claverhouse Investment Trust plc and Worldwide Healthcare Trust PLC. He is an experienced investment manager and investment company director, having previously served as a director of trusts managed by BlackRock, Fidelity and Standard Life Aberdeen. Humphrey initially qualified as a chartered accountant with Peat Marwick Mitchell & Co. (now KPMG) in 1979, and in 2004 retired from a long career as a fund manager and director of Schroder Investment Management Limited

Meeting attendance by the Directors during the year ending 31 December 2019 was as follows:

	Board	Audit Committee	Nomination Committee	Remuneration Committee	Management Engagement Committee
Number of meetings in the year	**5**	**2**	**2**	**1**	**1**
Robert Jeens	5	2[1]	2	1	1
Humphrey van der Klugt	5	2	2	1	1
Richard Holway	5	2	2	1	1
Elisabeth Scott	5	2	2	1	1
Neeta Patel[2]	2	0	1	1	1

All Directors attended the Annual General Meeting of the Company.

None of the Directors has a service contract with the Company. The terms of their appointment are detailed in a letter sent to them when they join the Board. These letters are available for inspection on request to the Company Secretary.

[1] Robert Jeens' attendance at the Audit Committee is by invitation as he is not a Committee member.
[2] Neeta Patel joined the Board on 1 September 2019.

Elisabeth Scott, MA (Hons), MSc

Member of the Audit Committee, the Nomination Committee, Remuneration Committee and the Management Engagement Committee.

Elisabeth joined the Board on 1 February 2015. She was managing director and country head of Schroder Investment Management (Hong Kong) Limited from 2005 to 2008 and Chairman of the Hong Kong Investment Funds Association from 2005 to 2007. She worked in the Hong Kong asset management industry from 1992 to 2008. She is a non-executive director and deputy Chairman of the Association of Investment Companies, and a non-executive director of Fidelity China Special Situations plc, Dunedin Income Growth Investment Trust plc and Chairman of India Capital Growth Fund plc.

Neeta Patel, MA (Oxon), MBA, MSc

Member of the Audit Committee, the Nomination Committee, Remuneration Committee and the Management Engagement Committee.

Neeta joined the Board on 1 September 2019. She is currently the CEO of the Centre for Entrepreneurs, a board advisor for Tech London Advocates and an entrepreneur mentor-in-residence at London Business School. She is also a member of the newly appointed advisory board at City Ventures, the entrepreneurship hub at City University, London and a non-executive director for various start-ups.

Strategic Report

Introduction

This Strategic Report is provided in accordance with The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 as amended and is intended to provide information about the Company's strategy and business needs, its performance and results for the year, and the information and measures which the Directors use to assess, direct and oversee Allianz Global Investors GmbH, UK Branch (the Investment manager) in the management of the Company's activities. This report is intended to be read in conjunction with the Directors' Report and is not intended to duplicate such. It is also intended to supplement strategic commentary as set out in the Chairman's Statement on page 5 and in the Investment Managers' review on page 34.

Strategy and Business Model

The objective of the Company is to provide shareholders with an investment in equity securities of quoted technology companies on a worldwide basis with the aim of achieving long-term capital growth. The Company carries on business as an investment trust and maintains a primary listing on the London Stock Exchange. Investment trusts are collective investment vehicles constituted as closed ended public limited companies. The Company is managed by a board of non-executive Directors and the management of the Company's investments is delegated to the Investment Manager. The Company's day-to-day functions, including administrative, financial and share registration services are carried out by duly appointed third party service providers. The Company's Custodian and Depositary moved from BNY Mellon to HSBC Bank plc as Custodian and HSBC Securities Services as Depositary during the first half of 2019. The Company complies, where relevant, with the Financial Conduct Authority's (FCA) Handbook including the Disclosure Guidance and Transparency Rules. Regulatory and portfolio information is announced via the regulatory news service on a daily, monthly and other periodic basis thereby assisting current and potential investors to make informed investment decisions. Additional portfolio information, technology commentary and corporate information is available on the Company's website www.allianztechnologytrust.com.

Performance

The investment portfolio at the year end is set out on pages 51 to 52 and the top twenty holdings are listed on pages 42 to 46. In the year ended 31 December 2019, the Company's total return on net assets per share was 28.8% (2018: 9.0%), underperforming the Dow Jones World Technology Index (sterling adjusted, total return) by 10.2 percentage points. Further details on the performance of the Company, future trends and factors that may impact future performance of the Company are included in the Chairman's Statement and the Investment Managers' Review.

Monitoring Performance – Key Performance Indicators

The Board assesses performance in meeting the Company's objective and assessing the longer term viability of the Company against the following Key Performance Indicators (KPIs):

- **NAV per Ordinary Share** relative to the Company's benchmark, the Dow Jones World Technology Index (sterling adjusted, total return)
- **Ordinary Share price**
- **Premium/Discount of Share price to NAV**
- **Ongoing Charges**
- **Peer group performance**

Numerical analysis of the above is provided on page 2 in the Financial Summary, and is explored further within the Chairman's Statement.

The Board regularly reviews forms of stock and attribution analysis to determine the contribution to relative and absolute performance of the portfolio of the top and bottom stocks. The top contributors to and detractors from the Company's Net Asset Value total return over the year ended to 31 December 2019, relative to the benchmark index, were as follows:

Top ten contributors		**Active Contribution GBP (%)**
Okta	Overweight	1.74
Paycom Software	Overweight	1.64
Teradyne	Overweight	1.11
AVEVA Group plc	Overweight	0.87
Cisco Systems	Underweight	0.73
Alphabet Inc. Class C	Underweight	0.65
Tencent Holdings	Underweight	0.58
Advanced Micro Devices	Overweight	0.57
RingCentral	Overweight	0.48
Cypress Semiconductor	Overweight	0.42
		8.79

Top ten detractors		
Apple Inc.	Underweight	-3.68
Microsoft Corporation	Underweight	-1.04
CrowdStrike Holdings, Inc. Class A	Overweight	-0.89
NetApp, Inc.	Overweight	-0.85
Bloom Energy Corporation Class A	Overweight	-0.81
Alteryx, Inc. Class A	Overweight	-0.70
DXC Technology Co.	Overweight	-0.67
Workday, Inc. Class A	Overweight	-0.64
Facebook, Inc. Class A	Underweight	-0.63
Elastic NV	Overweight	-0.54
		-10.45

Source: Allianz Global Investors. 31 Dec 2018 - 31 Dec 2019. *Relative to Dow Jones World Technology Index. Figures may not add due to rounding.

Share Buybacks and Share Issues

The Directors continually monitor the level of premium or discount of the share price to the net asset value (NAV) per share. Over the year to 31 December 2019, the mid-market price of the Company's shares increased by 35% (2018: 1.7%), with a discount at the year end of 0.4% (2018: 5.0% discount). As part of its discount management policy, the Company is prepared to buy back shares, for cancellation or to be held in treasury, at prices representing a discount greater than 7% to NAV, where there is a demand in the market for it to do so and all other factors align.

Subsequent to the issue of all shares from treasury in 2018, the Company issued 1,795,000 new shares at a premium to NAV during 2019.

Results and Dividends

Details of the Company's results are shown in the Financial Highlights on page 2. The revenue reserve remains substantially in deficit, and no dividend is proposed in respect of the year ended 31 December 2019 (2018: nil). As stated in the Chairman's Statement the Board considers that it is unlikely that a dividend will be declared in the near future.

Future Development

The future development of the Company is dependent on the success of the Company's investment strategy against the background of the economic environment and market developments and the future attractiveness of the Company as an investment vehicle when considering the developments in the long-term savings markets. The Chairman gives his view on the outlook in his statement on page 9 and the Investment Managers discuss their view of the Company's portfolio and the outlook on pages 34 to 40. The Board holds a strategy specific meeting at least once per year at which time they consider the position of the Company and the strategy for the year ahead, making recommendations for change where appropriate. The last strategy specific meeting was held in October 2019.

Marketing the Company's investment strategy

The Company continues to operate a targeted and coordinated marketing programme in order to raise awareness of its investment strategy. This programme targets potential investors as well as communicating the latest developments to its valued existing shareholders.

The programme is aimed at both professional and retail investors and aims to create ongoing and sustained demand for the Company's shares. The retail audience includes those investors who delegate their investment decisions to financial advisers as well as the ever increasing numbers who are researching and making their own investment decisions. The programme includes advertising and other promotional activity as well as communicating with national journalists and the financial intermediary press, since positive coverage of the Company's specialist investment strategy can be highly influential. The marketing programme's success has been boosted by the number of performance awards won by the Company over recent years and has been successful in generating demand from retail investors which is, of course, to the benefit of all of the Company's shareholders. Increasingly investors are choosing to buy and sell stocks and shares via online trading platforms rather than via a traditional stockbroker. Approximately 29% (2018: 30%) of the Company's shares are now held by investors on these platforms and this percentage has increased markedly over recent years. Many platform providers offer Individual Savings Account and pension products as well as the facility to invest on a regular monthly basis. Competition amongst platform providers is intense so investing online can be a cost-effective way to buy the Company's shares.

Risk Report

Risks and implications of the UK leaving the European Union

The Board has considered the likely impact of this and identified the areas where it believes there will be consequential adjustments in how the Company operates.

Portfolio management: There could be an impact on the day to day ability of companies to trade as the UK will be seen as a third country party under MiFID II. While the UK has put into place a temporary permissions regime, there has been no clarity from the EU on how it will treat UK institutions. For example, the EU would need to formally recognise UK clearers as being properly regulated and supervised. The Company will be in the same position as other investment companies and will watch the developments in this area closely with its advisers.

Regulations: The Company will need to consider the impact of this on the key financial services regulations which apply to it. The UK government has indicated that it will enshrine all existing EU law into UK law at the date of withdrawal. The Company's AIFM, Allianz Global Investors GmbH (AllianzGI GmbH) is incorporated in Germany and it currently provides cross-border management services to the Company using the AIFMD management passport. The German regulator, BaFin, and the FCA in the UK have reached a formal understanding that AllianzGI GmbH can continue to operate as the AIFM after Brexit and apply to be regulated in the UK by the FCA in a three year transition period.

Promotion of the Company: As the Company's shareholders are predominately UK based and no marketing activities are carried out in continental Europe, we believe the impact would not be serious.

Taxation: Withholding tax and other tax implications are expected to be immaterial.

Currency risk: The currency risk arises due to over 95% of the Company's portfolio being invested outside of the UK.

Viability Statement

In accordance with the Corporate Governance provisions the Company is required to make a forward looking (longer term) Viability Statement. In order to do this the Board has considered the appetite for a technology investment trust against the current market backdrop and has formally assessed the prospects for the Company over a period of four years. The Board believes that the period of four years continues to be appropriate, as this time frame incorporates the Company's next five-year continuation vote, which the Board expects shareholders to pass when proposed at the AGM in 2021. In order to assess the prospects for the Company the Board has considered:

- The investment objective and strategy taking into account recent, past and potential performance against both the benchmark, other indices of note and peers;
- The financial position of the Company, which does not currently utilise gearing in any form but does maintain a portfolio of, in the main, non-income bearing investments;
- The liquidity of the portfolio and the ability to liquidate the portfolio on the failure of a continuation vote;
- The ever increasing level of technology adopted by both individuals and corporations alike;
- The inherent risks in such technology both in terms of speed of advancement but also potential catastrophe with the growth of cyber fraud; and
- The principal risks faced by the Company as outlined below.

The Board is fully aware that the world of technology is constantly moving and growing and the perceived picture of technology now and in four years' time is potentially very different. Based on the results of the formal assessment the Board believes it is reasonable to expect that the Company will continue in operation and meet its liabilities for the period of four years under direct review.

Investment Controls and Monitoring

The Board in conjunction with the Investment Manager has put in place a schedule of investment controls and restrictions within which investment decisions are made. These controls include limits on the size and type of investment. The controls are monitored on a constant basis, are formally signed off by the Manager monthly and are reviewed by the Board at every meeting.

Principal & Emerging Risks and Uncertainties

The principal risks identified by the Board are set out in the table overleaf, together with information about the actions taken to mitigate these risks. A more detailed version of this table in the form of a Risk Map and Controls document is reviewed in full and updated by the Audit Committee and Board at least twice yearly. Individual, including emerging risks and threats to reputation, are considered by the Board in further detail depending on the market situation and a high-level review of all known risks faced by the Company is considered at every Board meeting. The principal risks and uncertainties faced by the Company relate to the nature of its objectives and strategy as an investment company and the markets in which it operates.

Description	Mitigation
Investment Strategy Risk The Company's NAV may be adversely affected by the Investment Manager's inappropriate allocation of funds to particular sub-sectors of the technology market and/or to the selection of individual stocks that fail to perform satisfactorily, leading to poor investment performance in absolute terms and/or against the benchmark.	The Investment Manager has responsibility for sectoral weighting and for individual stock picking, having taken due account of Investment Objectives and Controls that are agreed with the Board from time to time and regularly reviewed. These seek, inter alia, to ensure that the portfolio is diversified and that its risk profile is appropriate.
Technology Sector Risk The technology sector is characterised by rapid change. New and disruptive technologies can place competitive pressures on established companies and business models, and technology stocks may experience greater price volatility than securities in some slower changing market sectors.	The Board reviews investment performance, including a detailed attribution analysis comparing performance against the benchmark, at each Board meeting. At such meetings, the Investment Manager reports on major developments and changes in technology market sectors and also highlights issues relating to individual securities. The portfolio is diversified.
Cyber Risk The Company may be at risk of cyber attacks which may result in the loss of sensitive information or disruption to the business.	The operations of the Company are carried out by the Investment Manager and various third party service providers. All service providers report to the Board on operational issues including cyber risks and the controls in place to capture potential attacks. The Board meets with the AllianzGI Head of Information Security and is satisfied that appropriate controls are in place. See Operational Risk below.
Market Risk The Company's NAV may be adversely affected by a general decline in the valuation of listed securities and/or adverse market sentiment towards the technology sector in particular. Although the Company has a portfolio that is diversified by company size, sector and geography its principal focus is on companies with high growth potential in the mid-size ranges of capitalisation. The shares of these companies may be perceived as being at the higher end of the risk spectrum, leading to a lack of interest in the Company's shares in some market conditions.	The Board and the Investment Manager monitor stock market movements and may consider hedging, gearing or other strategies to respond to particular market conditions. The Investment Manager maintains regular contact with shareholders to discuss performance and expectations and to convey the belief of the Board and the Investment Manager that superior returns can be generated from investment in carefully selected companies that are well managed, financially strong and focused on those segments of the technology market where disruptive change is occurring.
Currency Risk A high proportion of the Company's assets is likely to be held in securities that are denominated in US Dollars, whilst its accounts are maintained in Sterling. Movements in foreign exchange rates affect the performance of the Investment Portfolio and creates a risk for shareholders.	The Board monitors currency movements and determines hedging policy as appropriate. The Board does not currently seek to hedge this foreign currency risk.
Financial and Liquidity Risk The financial risks to the Company and the controls in place to manage these risks are disclosed in detail in Note 15 beginning on page 102.	Financial and liquidity reports are provided to and considered by the Board on a regular basis.

Description	Mitigation
Operational Risk Disruption to or the failure of the systems and processes utilised by the Investment Manager or other third party service providers. This encompasses disruption or failure caused by cybercrime and covers dealing, trade processing, administrative services, financial and other operational functions.	The Board receives regular reports from the Investment Manager and third parties on internal controls including reports on monitoring visits carried out by the Depositary on behalf of the Company. The Board has further considered the increased risk of cyber-attacks and has received reports and assurance from the Investment Manager regarding the controls in place.
Emerging Risk **Brexit**: Whilst the "Brexit deal" has been signed and the UK has left the EU, there is still a risk that the UK and EU do not negotiate a suitable trade deal, by the end of 2020, which creates uncertainty and disruption within the market. **US-China Trade War**: Risk that China's economy will be damaged by trade frictions and the emerging "technology cold war" with the US, preventing growth in consumption and services sectors. **Cyber Security**: The constant and evolving nature of cyber threats means that there are risks that the Company could be exposed to new threats and attack attempts. **Sustainability and Environmental factors**: Risk that investments are made in non-sustainable sources, and are subject to reputational scrutiny and lower performance as part of a move towards more sustainable investments. Continued climate change could impact the industries in which the Company invests.	The Board carries out horizon scanning by: – The Board is kept informed through its advisors and Manager on the Political, Economic and Legal landscape and reviews updates received on regulatory changes that affect the Company. – The Manager and Advisors provide regular updates around planning for Brexit and any developments that may impact the Company. – Reviewing industry and manager thematic outlook and insights in research publications. – Receiving and reviewing a summary update outlining the cyber exposures and control framework of the Manager and service providers. – The Board pays attention to the nature of its investments and how exposed the Company is to environmental and sustainable factors.
Pandemic: The uncertainty and unknown impact the Coronavirus outbreak will have is still unclear. Risk that industries and economies will suffer as a result, and potential Key Person Risk should the epidemic turn into a pandemic.	– The Board and Manager are monitoring the progress of the Coronavirus outbreak closely. – The Manager has taken the WHO advice, and has taken steps to limit exposure to staff. The Manager has plans in place to deal with any pandemic.

In addition to the specific principal risks identified in the table above, the Company faces risks arising from the provision of services from third parties including the Investment Manager where succession planning for the individuals carrying out the day-to-day investment activities has been discussed. General risks are also present relating to compliance with accounting, legal and regulatory requirements, and with corporate governance and shareholder relations issues which could have an impact on reputation and market rating. Management of the services provided and the internal controls procedures of the third party providers is monitored and reported on by the Manager to the Board. These risks are all formally reviewed by the Board twice each year and at such other times as deemed necessary. Details of the Company's compliance with corporate governance best practice, including information on relations with shareholders, are set out in the Corporate Governance Statement within the Directors' Report beginning on page 71.

The Board's review of the risks faced by the Company also includes an assessment of the residual risks after mitigating action has been taken.

On behalf of the Board

Robert Jeens
Chairman
13 March 2020

Engagement with Key Stakeholders

As an investment company with no employees, the Company's key stakeholders are its investors, its service providers and the companies in which it invests. The Board's strategy is facilitated by interacting with a wide range of stakeholders through direct meetings, seminars, presentations and publications and through contacts made through our suppliers and intermediaries.

Engagement with the Company's stakeholders enables the Company to fulfil its strategies and to promote the success of the Company for the benefit of the shareholders as a whole. The Board strives for an open, constructive and pro-active culture in its engagements as it seeks to meet the Company's investment objectives.

Set out below are examples of the ways in which the Company has interacted with key stakeholders in line with section 172 of the Companies Act as the Directors have a statutory duty to promote the success of the Company.

Stakeholders	Why we engage	How we engage and what we do	The outcomes
Shareholders	Shareholders receive relevant information to enable them to evaluate whether their investment interests are aligned with the strategy of the Company.	The Board communicates with shareholders through the annual report and half-yearly report. Meets with shareholders at the AGM and provides a forum for interaction. There is a portfolio management presentation and Q&As.	Shareholders make informed decisions about their investments.
Allianz Global Investors – the manager	The Board works with the Manager who provides investment management, accounting, secretarial services as well as expertise in sales and marketing.	In addition to the reporting at regular board meetings the Board meets with representatives of AllianzGI to develop strategy for the Company, including a sales and marketing plan to promote the Company and raise its profile which helps raise its rating.	The Company is well managed and receives appropriate and timely advice and guidance for a reasonable cost.
Portfolio companies	The Board approves the Manager's active, stock picking approach and believes in good stewardship.	On the Company's behalf the Manager engages with investee companies, particularly on Environmental, Social and Governance matters and exercises its votes at all company meetings.	The Company is a responsible investor and is labelled as ESG Aware.
Brokers	The Board and Manager work with the brokers, including their research and sales teams to provide access to the market and liquidity in the Company's shares.	The brokers are kept updated on the strategy of the Company so that they can publish relevant research information and talk to potential investors. The sales team receives regular contact and helps the Company to participate in exchange volume and provide liquidity for investors.	The Company is an attractive investment and there is liquidity in the Company's shares.
Media partnerships	The Company works with public relations advisers to ensure information about the Company, its strategies and performance can reach a wide audience of potential investors through press articles and online media coverage.	Regular communication with public relations partners to raise the Company's profile through press and media activity. We can measure the success of this activity by monitoring website hits and new investment in the Company on retail platforms.	The Company's name and its attributes as an investment company are known to an increasingly wider audience..
Distribution partnerships	To reach a wider audience of investors the Company works with firms providing access to platforms and wealth managers.	The wealth managers together with our distribution partners arrange presentations about the Company at roadshows and conferences to reach investors through share trading platforms and wealth managers.	The Board receives detailed feedback to confirm that there is wide and growing interest in the Company's shares.
AIC	The Association of Investment Companies looks after the interests of investment trusts and provides information to the market.	The Company is a member of the AIC and has also supported lobbying activities such as the representations made to the Financial Conduct Authority on the KID document.	Information about the Company is disseminated widely.

Environmental, Social, Governance Research and Stewardship (ESG)

As an investment trust, the Company has no direct social or community responsibilities. However, the Board shares the Manager's view that it is in shareholders' interests to be aware of and consider human rights issues, together with environmental, social and governance factors, when selecting and retaining investments. Details of the Company's policy on socially responsible investment are set out below.

Environmental, Social and Governance Research and Stewardship

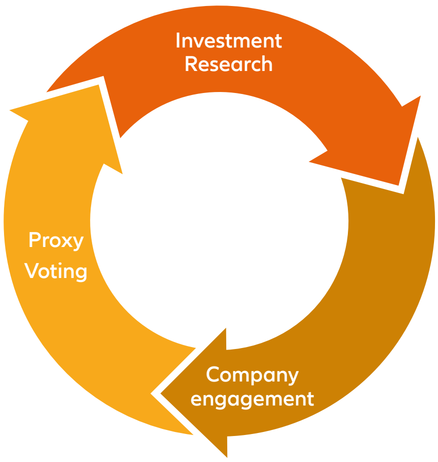
Active stewardship is an integral component of our Manager's active approach to investment. Investment stewardship can help to unlock potential in companies, as well as protect companies from downside risks. Active engagement by the Manager with the direct involvement of investment professionals spans all aspects of the Company's performance, improves practices and enhances the Company's research. Active proxy voting engagement for clients is seen as a core element of fiduciary responsibilities and the Manager provides total voting coverage. This active global approach to the exercise of voting rights is aimed at improving governance standards across all portfolios managed by AllianzGI.

AllianzGI incorporates ESG as an active component to their approach to investment. The Company is classed as ESG Aware and benefits from the two pillars of ESG integration – research and stewardship. Third party ESG research is available for the majority of the Company's stocks which is analysed by AllianzGI's dedicated ESG analysts (the Team). The Team focuses ESG research and engagement activities on issues that can prove financially material for businesses and performance of investee companies. These include corporate governance and shareholder rights, as well as material environmental and social risks facing businesses that are invested in. From an environmental perspective, the Team focuses on water efficiency, waste management, and climate risk assessment, including how companies are reflecting climate risk and the imperative of low carbon transition in their strategy and operations, adoption of Science Based Targets (SBT), and disclosures on climate-, water- and waste-related KPIs. On social matters, the topics of human capital management and labour relations, data privacy & security, advertising standards, and cyber-risk management are among key areas that the Team researches and engages on.

Company Engagement

The Manager conducts regular meetings with companies which:

- Enriches investment analysis and decision making
- Helps assess company leadership and culture and build trust
- Facilitates active involvement from portfolio managers and sector analysts in company engagements
- Provides an inclusive transparent process and multiple pressure points from within AllianzGI
- Focuses on material issues in a case-by-case approach
- Provide an organic link to Proxy Voting decisions



Engagement success is part of delivering investment performance

More information can be found at: www.allianzgi.com/en/our-firm/our-esg-approach

The UK Stewardship Code and Exercise of Voting Powers

The Company's investments are held in a nominee name. The Board has delegated discretion to discharge its responsibilities in respect of investments, including the exercise of voting powers on its behalf, to the Investment Manager, AllianzGI.

The Stewardship Code published by the FRC sets out good practice on engagement with investee companies. The FRC sees it as complementary to the UK Corporate Governance Code.

The AllianzGI policy statement on the Stewardship Code can be found on the Company's website www.esgmatters.com within the literature section. The Board has reviewed this policy statement and believes that the Company's delegated voting powers are being properly executed.

AllianzGI subscribes to the ISS Proxy Voting Services. ISS manages the voting process and recommends actions based upon AllianzGI's Global Proxy Voting Policy Guidelines. Where recommendations are for a vote to be cast against a resolution or for an abstention, and for all extraordinary general meeting resolutions, the relevant portfolio managers or analysts are consulted and may decide on a different course of action. The reasons for such deviations are recorded as are all the reasons for abstaining on or voting against any resolution.

In the event of a director holding a directorship on the board of a company in which the Company is invested, they would be prohibited from participating in decisions made concerning those investments.

Corporate Social Responsibility (CSR), Community and Employee Responsibilities, Emissions, Environmental and Ethical Policy (EEE)

The Company's investment activities and day to day management are delegated to the Manager and other third parties. As an investment trust, the Company has no direct social, community, employee or environmental responsibilities. Its principal responsibility to shareholders is to ensure that the investment portfolio is properly managed and invested. As detailed above, the management of the portfolio has been delegated to the Investment Manager.

In light of the nature of the Company's business there are no relevant human rights issues and the Company does not have a human rights policy. The Company does not maintain premises, hold any physical assets or operations and does not have any employees. Consequently, the Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. The Board has noted the Investment Manager's report on greenhouse gas emissions on its own operations and the views of the Investment Manager on CSR and EEE which it adheres to in engaging with the underlying investee companies and in exercising its delegated responsibilities in voting. The Investment Manager engages with the Company's underlying investee companies in relation to their corporate governance practices and in developing their policies on social, community and environmental matters. Further information may be found in the Investment Manager's Statement of Corporate Governance, including the approach to CSR and EEE which is available on the Investment Manager's website www.esgmatters.co.uk.

The Company's primary objective is to invest principally in the equity securities of quoted technology companies on a worldwide basis with the aim of achieving long-term capital growth. The Board believes that the Company would be in breach of its fiduciary duties to shareholders if investment decisions were based solely on CSR and EEE considerations. The Investment Manager therefore takes account, in general terms, of these considerations as a part of its investment evaluations.

The Future

The main trends and factors likely to affect the Company in the future are common to all investment companies and are the attractiveness of investment companies as investment vehicles for the asset classes in which the Company invests, and the returns available from the market. The development of the Company is dependent on the success of the Company's investment strategy against the economic environment and market developments. The Chairman gives his view on the outlook in his statement on page 9 and the Investment Manager discusses his view of the outlook for the company's portfolio in his review on page 40.

By order of the board
Eleanor Emuss
Company Secretary
13 March 2020

Directors' Report

The Directors present their Report and the audited Financial Statements for the year ended 31 December 2019. Information pertaining to the business review is included in the Strategic Report, detailed on pages 56 to 61.

Principal Activity and Status

The Company was incorporated on 18 October 1995 and its Ordinary Shares were listed on the London Stock Exchange on 4 December 1995. The Company is registered as a public limited company in England under company number 3117355. The Company is an investment company within the meaning of section 833 of the Companies Act 2006 and carries on business as an investment trust. The Company is a member of the Association of Investment Companies. The Company has applied for and been accepted as an approved investment trust under sections 1158 and 1159 of the Corporation Taxes Act 2010 and Part 2 Chapter 1 of Statutory Instrument 2011/2999. This approval relates to accounting periods commencing on or after 1 December 2012. The Directors are of the opinion, under advice, that the Company has continued to conduct its affairs so as to be able to retain such approval. As an investment trust pursuant to section 1158 of the Corporation Tax Act 2010, the Financial Conduct Authority (FCA) rules in relation to non-mainstream investment products do not apply to the Company.

Investment Objective

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 Funds

The market value of the Company's investments at 31 December 2019 was £568m (2018: £408m) with gains of £94m (2018: £60m) over book cost. Taking these investments at this valuation, the net assets attributable to each Ordinary Share amounted to 1,654.1p at 31 December 2019 (2018: 1,284.7p).

Investment Management Agreement

The management contract with Allianz Global Investors GmbH, UK Branch (AllianzGI), in place during the year under review is terminable at six months' notice (2018: six months). Under the contract AllianzGI provides the Company with investment management, accounting, company secretarial and administration services and provides for a tiered management fee of 0.8% per annum on market capitalisation up to £400 million and 0.6% thereafter (2018: tiered management fee of 0.8% per annum on market capitalisation up to £400 million and 0.6% thereafter) 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. As of 1 January 2020, a new tier to the management fee has been agreed. This is set at 0.8% for any market capitalisation up to £400m, 0.6% for any market capitalisation between £400m and £1 billion, and 0.5% for any market capitalisation over £1 billion. In addition there is a fee of £55,000 per annum (2018: £55,000 per annum) to cover AllianzGI's administration costs. In addition, the Investment Manager is entitled to a performance fee, subject to a 'high water mark', based on the level of outperformance of the Company's net asset value (NAV) per share over its benchmark, the Dow Jones World Technology Index (sterling adjusted, total return), during the relevant Performance Period. The performance fee is calculated as 12.5% (2018: 12.5%) of outperformance against the Company's benchmark multiplied by the weighted average number of shares in issue and the NAV at the year end. This is capped at 2.25% of the Company's NAV at the relevant year end. To the extent that 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. No performance fee was payable for the year ended 31 December 2019 (2018: £5,162,649). See also Note 2 on page 97.

Continuing Appointment of the Investment Manager

During the year, in accordance with the Listing Rules published by the FCA, the Board reviewed the performance of the Investment Manager. The review considered the Company's investment performance over both the short and longer terms, together with the quality and adequacy of other services provided. The Board also reviewed the appropriateness of the terms of the Investment Management Agreement, in particular the length of notice period and the management fee structure.

The Board is satisfied that the continuing appointment of the Investment Manager under the terms of the Investment Management Agreement is in the best interests of shareholders as a whole.

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. Accordingly 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 and passed at the AGM held in 2016. Further details on the longer term viability of the Company, including consideration of the continuation vote, are provided in the Strategic Report on page 59.

Related Party Transactions

During the financial year no transactions with related parties took place which would materially affect the financial position or the performance of the Company.

Capital Structure

The Company's capital structure is set out in Note 11 on page 101.

Voting Rights in the Company's Shares

As at 6 March 2020, Allianz Technology Trust PLC's capital consisted of:

Share class	Number of shares issued	Voting rights per share	Total voting rights
Ordinary Shares of 25p in issue	35,697,168	1	35,697,168
Ordinary Shares of 25p held in treasury	-	-	-
Total	**35,697,168**	**1**	**35,697,169**

Interests in the Company's Share Capital

Information on major interests in shares provided to the Company under the Disclosure and Transparency Rules (DTR) of the UK Listing Authority is published via a Regulatory Information Service. The Company has received the following formal notifications under DTR, representing voting rights of 3% or more of the issued ordinary share capital of the Company at the date of notification. It should be noted that these holdings may have changed since being notified to the Company. Further notifications of any changes are not required until the next applicable percentage threshold is crossed. The percentages shown are based on the total voting rights as at 31 December 2018 and 6 March 2020 respectively.

	31 December 2019 Total Voting rights 35,272,168		6 March 2020* Total Voting rights 35,697,168	
Holder	Number of shares	% of capital	Number of shares	% of capital
Rathbone Brothers PLC	4,597,703	12.9	4,597,703	12.9
Charles Stanley Group	1,304,607	3.7	1,304,607	3.7
Brewin Dolphin	1,295,855	3.7	1,295,855	3.6
Mattioli Woods plc	1,062,296	3.0	1,062,296	3.0

* Latest practical date

Repurchase and Reissue of Shares

At the Annual General Meeting (AGM) held on 22 May 2019, authority was granted for the repurchase of up to 5,100,297 Ordinary Shares of 25p each, representing 14.99% of the issued share capital at the time. The Board has in place a discretionary discount protection mechanism, described in the Chairman's Statement and Strategic Report. In the year under review the Company did not buy back any shares for holding in treasury (2018: nil shares).

The Board and Gender Diversity

The Board currently consists of a non-executive Chairman, Robert Jeens, and three non-executive Directors. The names and biographies of those Directors who held office at 31 December 2019 and at the date of this Report appear on pages 54 and 55 and indicate their range of investment, industrial, commercial and professional experience. On 31 December 2019, Richard Holway retired from the Board, therefore currently two of the Company's Directors are male and two are female. As the Company is an investment trust, all of its activities are outsourced and it does not have any employees. Therefore it has nothing further to report in respect of gender representation within the Company.

Directors Re-elections

The Directors of the Company all served throughout the year, with the exception of Neeta Patel, who was appointed on 1 September 2019. At the AGM, in accordance with the new AIC Code 2019, all directors who served during the year under review, apart from Richard Holway who retired on 31 December 2019, will stand for re-election by the shareholders. Neeta Patel joined the Board on 1 September 2019 and will stand for election at the AGM. The biographies of the Directors are set out on pages 54 and 55 and are incorporated into this report by reference. The skills and experience each Director brings to the Board for the long-term sustainable success of the Company are set out below. The attendance record of each Director at meetings of the Board through the year is shown on page 54.

- Resolution 2 relates to the re-election of Robert Jeens as the Chairman, who was appointed on 1 August 2013, who brings in-depth knowledge, expertise and experience in investment management, most notably from his time as Finance Director of Kleinwort Benson Group and as chairman of nCipher plc.
- Resolution 3 relates to the re-election of Humphrey van der Klugt who was appointed on 1 July 2015, who has a wealth of experience from his time as an investment manager and investment company director, with strong accounting skills which enables him to perform an in-depth review of the Company's financial statements as the Audit Committee Chairman. He is the Chairman of the Audit and Remuneration Committees as well as the Senior Independent Director.
- Resolution 4 relates to the re-election of Elisabeth Scott who was appointed on 1 February 2015, who brings in-depth investment knowledge, expertise and experience of the investment management industry from her time in Hong Kong and more recently from her non-executive directorship at the AIC.
- Resolution 5 relates to the election of Neeta Patel who was appointed on 1 September 2019 as a Director of the Company. Neeta brings a wealth of knowledge from the technology sector, most notably as CEO for Centre of Entrepreneurs.

Directors' Fees

A report on Directors' Remuneration is set out on pages 77 to 79.

Directors' and Officers' Liability Insurance

Directors' and Officers' Liability Insurance cover is in place and is provided at the expense of the Company.

Conflicts of Interest

Under the Companies Act 2006 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests. Directors are able, if appropriate, to authorise these conflicts and potential conflicts. The Board reports annually on the Company's procedures for ensuring that its powers of authorisation of conflicts are operated effectively and that the procedures have been followed. Under the new AIC Code 2018, the Directors are required to notify the Chairman and Company Secretary of any proposed new appointments and new conflicts or potential conflicts for consideration, if necessary, by the Board. The Directors are required to list their current time constraints when requesting prior approval of a new appointment. The Board confirms that its powers of authorisation are operating effectively and that the agreed procedures have been followed in the year under review.

Board Committees

For the year under review the Management Engagement and the Nomination Committees were chaired by the Chairman of the Company, Robert Jeens. The Audit Committee was chaired by Humphrey van der Klugt. During the year under review, a Remuneration Committee was formed and is chaired by Humphrey van der Klugt in his capacity as the Senior Independent Director. The full Terms of Reference, which clearly define the responsibilities of each Committee, can be obtained from the Company Secretary and can be found on the website www.allianztechnologytrust.com.

Management Engagement Committee

The Management Engagement Committee report is on page 74.

Nomination Committee

The Nomination Committee report is on page 75.

Remuneration Committee

The Remuneration Committee report is on page 76.

Audit Committee

The Audit Committee Report is on pages 82 to 84.

The Board and Matters Reserved for the Board

The Board is responsible for efficient and effective leadership of the Company and for the Company's affairs. There is a formal schedule of matters reserved for the decision of the Board and there is an agreed procedure for Directors, in the furtherance of their duties, to take independent professional advice if necessary at the Company's expense. The specific areas reserved for the Board include the setting of parameters for and the monitoring of investment strategy, the review of investment performance (including performance relative to the benchmark and to the Company's peer group) and investment policy; final approval of statutory Companies Act requirements including the payment of any dividend and the allotment of shares; matters of a Stock Exchange or Internal Control nature such as approval of shareholder statutory documentation; performance reviews and director independence; and, in particular matters of a strategic or management nature, such as the Company's long term objectives, commercial and corporate strategy, share buy-back and share issue policy, share price and discount/premium monitoring; the appointment or removal of the Investment Manager; unquoted investment valuations; consideration and final approval of borrowing requirements and limits and corporate governance matters.

In order to enable them to discharge their responsibilities, prior to each meeting Directors are provided, in a timely manner, with a comprehensive set of papers giving detailed information on the Company's transactions, financial position and performance. Representatives of the Investment Manager attend each Board meeting, enabling the Directors to seek clarification on specific issues or to probe further on matters of concern. A full report is received from the Investment Manager at each meeting. In the light of these reports, the Board reviews compliance with the Company's stated investment objectives and, within these established guidelines, the Investment Manager takes decisions as to the purchase and sale of individual investments.

Whistleblowing

As the Company has no employees it does not have a formal policy concerning the raising, in confidence, of any concerns about improprieties for appropriate independent investigation. The Audit Committee has, however, received and noted the Manager's policy on this matter. However, any matters concerning the Company may be raised with the Chairman or Senior Independent Director.

Modern Slavery Act 2015

The Company does not provide goods or services in the normal course of business, and as a financial investment vehicle does not have customers. The Directors do not therefore consider that the Company is required to make a statement under the Modern Slavery Act 2015 in relation to slavery or human trafficking.

Bribery Act 2010

The Board has a zero tolerance policy in relation to bribery and corruption in its business processes and activities and has received assurance via internal controls reporting from the Company's main third party service providers that adequate safeguards are in place to protect against any such potentially illegal behaviour by employees or agents.

Electronic Communications

The Company has enabled electronic communications whereby shareholders may opt to receive documents electronically. Shareholders who opted for this receive either an email, where an email address has been registered, or letter notifying them of the availability of the Company's Annual Report, Half-Year Report and any other Shareholder documents on the Company's website. Those that elected not to switch to electronic means will continue to receive hard-copy documents by post. In order to reduce the Company's impact on the environment we encourage Shareholders, wherever possible, to register an email address and to receive notifications electronically. We will however continue to make available postal copies where required.

Common Reporting Standard (CRS)

CRS is a global standard for the automatic exchange of information commissioned by the Organisation for Economic Cooperation and Development and incorporated into UK law by the International Tax Compliance Regulations 2015. CRS requires the Company to provide certain additional details to HMRC in relation to UK resident foreign investment holders. The reporting obligation began in 2016 and will be an annual requirement going forward. The Registrars, Link Asset Services, have been engaged to collate such information and file the reports with HMRC on behalf of the Company.

Safe Custody

The Company's listed investments are held in safe custody by HSBC Bank Plc (the "Custodian"). Operational matters with the Custodian are carried out on the Company's behalf by the Manager in accordance with the provision of the investment management agreement. The Custodian is paid a variable fee dependent on the number of trades transacted and location of the securities held.

Depositary

HSBC Securities Services (the "Depositary") acts as the Company's Depositary in accordance with the Alternative Investment Fund Managers Directive ("AIFMD"). The Depositary's responsibilities, which are set out in the Investor Disclosure Document on the Company's website, include cash monitoring; ensuring the proper segregation and safe keeping of the Company's financial instruments that are held by the Custodian; and monitoring the Company's compliance with investment and leverage limit requirements.

Although the Depositary has delegated the safekeeping of all assets held within the Company's investment portfolio to the Custodian, in the event of loss of those assets that constitute financial instruments under AIFMD, the Depositary will be obliged to return to the Company financial instruments of an identical type, or the corresponding amount of money, unless it can demonstrate that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

Directors' Responsibility, Accountability and Audit

The Directors' Statement of Responsibilities in respect of the financial statements is set out on page 81. The Independent Auditors' Report is set out on pages 86 to 91. The Board has delegated contractually to external agencies, including the Investment Manager, the management of the investment portfolio, the custodial services (which include the safeguarding of the assets), the day to day accounting, company secretarial and administration requirements and the registration services.

Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of the services offered, including the control systems in operation insofar as they relate to the affairs of the Company. The Board receives and considers regular reports from the Investment Manager and ad hoc reports and information are supplied to the Board as required.

Auditor objectivity and independence

Grant Thornton UK LLP is the Auditor of the Company. The Board believes that auditor objectivity and independence is safeguarded for the following reasons: the extent of non-audit work which may be carried out by Grant Thornton UK LLP is limited and would flow naturally from the firm's role as auditor to the Company; Grant Thornton UK LLP has provided information on its independence policies and the safeguards and procedures it has developed to counter perceived threats to its objectivity; it also confirms that it is independent within the meaning of all regulatory and professional requirements and that the objectivity of the audit team is not impaired.

Each director at the date of approval of this report confirms that:

(a) in so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
(b) the director has taken all the steps he or she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006. Grant Thornton UK LLP has expressed willingness to continue to act as Auditor to the Company; a resolution to re-appoint Grant Thornton UK LLP as statutory auditor to the Company will be proposed at the forthcoming AGM; a further resolution authorising the directors to determine the auditor's remuneration will also be proposed.

Annual General Meeting

The formal Notice of AGM is set out on pages 112 to 113. The Directors consider that the resolutions relating to the items of special business, as detailed below, are in the best interests of shareholders as a whole. Accordingly, the Directors unanimously recommend to the shareholders that they vote in favour of the resolutions to be proposed at the forthcoming AGM, as they intend to do in respect of their own holdings of Ordinary Shares.

The Board welcomes all shareholders to the AGM at which the Investment Manager will present his review of the year and prospects for the future. All Directors aim to be present at the AGM to meet and talk with shareholders. Additionally, shareholders wishing to communicate directly with the Board may make contact via the Investment Manager or Company Secretary, details of whom can be found on page 109.

The following Resolutions relating to items of special business will be proposed:

Authority to allot new shares, to sell Treasury Shares and to Disapply Pre-Emption Rights

Resolutions authorising the Directors to allot new share capital and to sell shares held as treasury shares for cash and to disapply pre-emption rights in relation to such were passed at the AGM of the Company on 22 May 2019 under Section 551 and Section 570 of the Companies Act 2006 and will expire on 22 July 2020.

Approval is therefore being sought for the renewal of the Directors' authority to allot new shares up to an aggregate nominal amount of £892,429, being 3,569,716 Ordinary Shares of 25p each, or, if different, such amount as is equal to 10% of the issued share capital at the date of the AGM, and also renewal of the Directors' authority to sell shares held as Treasury Shares.

Approval is also sought for the renewal of the authority to disapply pre-emption rights in respect of the allotment of new shares or the sale by the Company of shares held by it as Treasury Shares, for cash up to an aggregate nominal value of £892,429, being 3,569,716 Ordinary Shares or, if different, such amount as is equal to 10% of the issued share capital at the date of the AGM.

If passed, these authorities will remain in place until the conclusion of the next AGM of the Company, or, if earlier, on 19 August 2021.

The directors do not currently intend to allot new shares under these authorities other than to take advantage of opportunities in the market as they arise and/or to seek to manage demand for the Company's shares and the premium to NAV per share at which they trade, and only if they believe it would be advantageous to the Company's existing shareholders to do so. The directors confirm that no allotments of new shares will be made unless the lowest market offer price of the ordinary shares is at least at a premium to net asset value. Treasury Shares may be resold by the Company at a discount to NAV provided that such shares are sold by the Company at a lower discount to the NAV per share than the average discount at which they were repurchased by the Company.

Continuation of share buy-back programme

A resolution authorising the Directors to make market purchases of the Company's Ordinary Shares was passed at the AGM of the Company on 22 May 2019, under Section 701 of the Companies Act 2006.

The Board is proposing the renewal of the Company's authority to make market purchases of Ordinary Shares either for cancellation or for holding in treasury. The Board believes that such purchases in the market at appropriate times and prices may be a suitable method of enhancing shareholder value. The Company would make either a single purchase or a series of purchases, when market conditions are suitable and within guidelines set from time to time by the Board, with the aim of maximising the benefits to shareholders.

The Board believes that the Company's ability to purchase its own shares may assist liquidity in the market. Additionally, where purchases are made at prices below the prevailing NAV, this enhances the NAV for the remaining shareholders. It is therefore intended that purchases will only be made at prices below NAV, with the purchases to be funded from the realised capital profits of the Company (which are currently £342 million). The rules of the UK Listing Authority limit the maximum price which may be paid by the Company to 105% of the average middle-market quotation for an Ordinary Share on the 5 business days immediately preceding the date of the relevant purchase. The minimum price to be paid will be 25p per Ordinary Share (being the nominal value). Overall these share buy-back proposals should help to reduce the discount to NAV at which the Company's shares are then trading. Under the FCA Listing Rules, a company is permitted to purchase up to 14.99% of its equity share capital through market purchases pursuant to a general authority granted by shareholders in general meeting.

The current authorities expire at the conclusion of the forthcoming AGM. Accordingly, a Special Resolution will be proposed at the AGM giving authority to make market purchases of up to 14.99% of the Company's issued Ordinary Share capital, being equivalent to 5,351,005 Ordinary Shares or, in the event of change in the issued share capital between the date of this Report and the AGM to be held on 19 May 2020, an amount equal to 14.99% of the Company's issued Ordinary Share capital at the date of the AGM.

By order of the Board

Eleanor Emuss
Company Secretary
13 March 2020

Corporate Governance Statement

The Board recognises the importance of a strong corporate governance culture that meets the listing requirements. The Board has put in place a framework for corporate governance which it believes is appropriate for an investment company in line with the best practices in relation to matters affecting shareholders, communities, regulators and other stakeholders of the Company. With a range of relevant skills and experience, all Directors contribute to the Board discussions and debates on corporate governance. In particular, the Board believes in providing as much transparency for investors as is reasonably possible to ensure investors can clearly understand the prospects of the business and enhance liquidity of its shares while also preserving an appropriate level of commercial confidentiality.

The Board has considered the Principles and Provisions of the AIC Code of Corporate Governance (AIC Code) issued in February 2019. The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the UK Code), as well as setting out additional Provisions on issues that are of specific relevance to the Company. The UK Code was updated in July 2018. Both the UK Code and the AIC code apply to accounting years beginning on or after 1 January 2019.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the FRC, provides more relevant information to shareholders.

The AIC Code is available on the Company's and AIC's websites. It includes an explanation of how the AIC Code adapts to the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

Application of the Provisions and Principles

The Company has compiled with the Principles and Provisions of the AIC Code during the year ended 31 December 2019. Where the Principles and Provisions are related to the role of the chief executive, internal audit function and executive directors' remuneration, the Board considers these principles not relevant as the Company is an externally managed Company with an entirely non-executive Board, no employees or internal operations.

The Board

The Board is responsible for the effective stewardship of the Company's affairs and aims to provide effective leadership so that the Company has the platform from which is can achieve its investment objective. Its role is to guide the overall business strategy to achieve long term success and value for the benefit of shareholders. A fuller description of the Company's strategy can be found on page 56. Strategic issues and all operational matters of a material nature are considered at its meetings.

At 31 December 2019, the Board comprised five non-executive Directors, of whom Robert Jeens is Chairman. Richard Holway retired on 31 December 2019. A formal schedule of matters reserved for decision by the Board has been adopted. The Board has engaged external firms to provide investment management, secretarial, depositary and custodial services. Contractual arrangements are in place between the Company and these firms. The Board carefully considers the various guidelines for determining the independence of non-executive Directors, placing particular weight on the view that independence is evidenced by an individual being independent of mind, character and judgement. All Directors are presently considered to be independent in accordance with Provision 23 of the AIC Code. All Directors retire at the AGM each year and, if appropriate, seek re-election. Each Director has signed a letter of appointment to formalise the terms of their engagement as a non-executive Director, therefore they do not have a service contract with the Company. Copies of the letter of engagements are available on request and at the AGM.

Appointments to the Board

The Board regularly reviews its composition, having regard to the Board's structure and to the present and future needs of the Company. The Board takes into account its diversity, the balance of expertise and skills brought by individual Directors, and length of service, where continuity and experience can add significantly to the strength of the Board and believes that this provides for a sound base from which the interests of investors will be served to a high standard.

The Board believes in regular refreshment of the Board and in the benefits of having a diverse range of experience, skills, length of service and backgrounds. The Board is also of the view that length of service will not necessarily compromise the independence or contribution of directors of an investment trust company or, indeed, its chairman. Continuity and experience can add significantly to the strength of the Board especially in times of market turbulence. All the current Directors have served for fewer than nine years. The Directors' appointments are formally reviewed annually after the first AGM following their date of joining the Board. In line with the principles of the new AIC Code, each Director will stand for re-election annually at the AGM. The biographies of each Director can be found on pages 54 to 55 and the ordinary resolutions for their re-election on page 67.

The Board appoints all directors on merit and under the Articles of Association of the Company, the number of Directors may be no more than ten and no less than two. A director may be appointed by ordinary resolution. When the Nominations Committee considers Board succession planning and recommends appointments to the Board, it takes into account a variety of factors. Knowledge, experience, skills, personal qualities, residency and governance credentials play an important part. During the year under review, one director retired and a new director was appointed. Further details on the formal and rigorous process can be found on page 75 of the Nomination Committee Report. The recruitment of Neeta Patel, following a process run by Nurole, an external recruitment agency, provides additional expertise in the technology sector. With her appointment, there is now equal representation of men and women on the Board.

Meetings

The Board is scheduled to meet at least four times a year and between these formal meetings there is regular contact with the Investment Manager, the Company Secretary and the Company's Brokers. The Directors are kept fully informed of investment and financial controls, and other matters that are relevant to the business of the Company that should be brought to the attention of the Directors. The Directors also have access, where necessary in the furtherance of their duties, to independent professional advice at the expense of the Company. The attendance record of Directors for the period to 31 December 2019 is set out on page 54.

The Board considers agenda items laid out in the notice and agenda of each meeting which are circulated to the Board in advance of the meeting as part of the Board papers. Directors may request any agenda items to be added that they consider appropriate for Board discussion. Each Director is required to inform the Board of any potential or actual conflicts of interest prior to Board discussion. The Board constantly considers the Company's strategy with regard to market conditions and feedback from shareholders received directly or from the Managers. The investment strategy is reviewed regularly with the Investment Manager. Board meetings include a review of investment performance and associated matters such as health and safety, marketing/investor relations, risk management, gearing, general administration and compliance, peer group information and industry issues.

During the year, a Renumeration Committee was formed, consisting of all four Board members and chaired by Humphrey van der Klugt. A fuller report can be found on pages 76 to 79.

Board Evaluation

The Board evaluates its performance and considers the tenure and independence of each Director on an annual basis. During 2019, an internal Board evaluation was conducted where by each Director was required to complete an in-depth questionnaire on the workings of and individual contributions to the Board as a whole and the performance of the Chairman. The results were discussed at the Nomination Committee held in December 2019.

The Board believes that the composition of the Board and its Committees reflect a suitable mix of skills and experience, and that the Board, as a whole, and its Committees functioned effectively during 2019. The composition of the Board, Committees and tenure of the Chairman are reviewed annually by the Nomination Committee. Further details can be found on page 75.

The Board is diverse in its composition and thought processes. The Directors have a breadth of experience relevant to the Company. The Directors believe that any changes to the Board's composition can be managed without undue disruption. The members of the Board strive to challenge each other constructively to make sure all issues are examined from different angles and the Board holds the Managers properly to account on their progress on inclusion and diversity.

The Board recommends the re-election of Directors and supporting biographies are disclosed on pages 54 and 55 of this annual report. The Board believes that each Director continues to be effective, bringing a wealth of knowledge and experience to the Board, and the Chairman recommends their re-election to Shareholders.

Delegation of Responsibilities

The Board has delegated the following areas of responsibility: The day-to-day administration of the Company has been delegated to Allianz Global Investors GmbH, UK Branch in its capacity as Company Secretary and Administrator.

The Investment Manager has full discretion (within agreed parameters) to make investments in accordance with the Company's Investment Policy and has responsibility for financial administration and investor relations. Among the specific tasks of the Investment Manager are the overall financial management of the Company and existing portfolio as a whole, including the sourcing of new investments, preparing the valuations, the statutory accounts, the management accounts, presenting results and information to shareholders, coordinating all corporate service providers to the Company and giving the Board general advice.

Directors' and Officers' Deed Of Indemity

The Company has also entered into qualifying third party deeds of indemnity with each Director to cover any liabilities that may arise to a third party, other than the Company, for negligence, default or breach of trust or duty. The deeds were in force during the year to 31 December 2019 and up to the date of approval of this report. The Directors are not indemnified in respect of liabilities to the Company or costs incurred in connection with criminal proceedings in which the Director is convicted or required to pay any regulatory or criminal fines. Directors' and Officers' Liabilities insurance information can be found on page 67.

Training and Advice

New Directors are provided with an induction programme that is tailored to the particular requirements of the appointee. Thereafter regular briefings are provided on changes in regulatory requirements that affect the Company. Directors are also encouraged to attend industry and other seminars. Directors, in the furtherance of their duties, may also seek independent professional advice at the expense of the Company. No Director took such advice during the financial year under review. All Directors have access to the advice and services of the Company's Secretary, who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretary is also responsible for advising the Board through the Chairman on all governance matters.

Conflicts of Interest

Company directors have a statutory obligation to avoid a situation in which they (and connected persons) have, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company. The Board has in place procedures for managing any actual or potential conflicts of interest as set out on page 67. No conflicts of interest arose during the year under review.

Alternative Performance Measures

In addition to providing guidance on Corporate Governance, the AIC provides the investment company industry with leadership on the reporting of alternative performance measures to support a fair and balanced approach to the performance of your Company. A glossary of Alternative Performance Measures (APMs) can be found on page 108.

Audit, Risk Management & Internal Controls

For the reasons previously mentioned, the Directors consider the provisions relating to the internal audit as not relevant to the Company.

There is an Audit Committee, which is chaired by Humphrey van der Klugt, that meets at least twice a year and the full Audit Committee Report can be found on page 82 to 84.

The Directors are responsible for overseeing the effectiveness of the risk management and internal control systems for the Company, which are designed to ensure that proper accounting records are maintained, that the financial information on which business decisions are made and which is issued for publication is reliable, and that the assets of the Company are safeguarded. Such a system of internal control is designed to manage rather than eliminate the risks of failure to achieve the Company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Directors, through the procedures outlined below and further detailed in the Strategic Report and the Audit Committee Report, have kept the effectiveness of the Company's risk management and internal controls under review throughout the year covered by these financial statements and up to the date of approval of the Annual Financial Report. The Board has identified risk management controls in the key areas of investment strategy, technology sector risk, cyber risk, market risk, currency risk, financial and liquidity risk and operational risk for extended review. Emerging risks are also considered by the Board.

The Directors' Statement of Responsibilities, set out on page 81, confirms that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity and reputation.

The Investment Manager has established an internal control framework to provide reasonable assurance on the effectiveness of the internal controls operated on behalf of its clients. The Investment Manager's compliance and risk department assesses the effectiveness of the internal controls on an ongoing basis.

The Investment Manager provides the Board with regular reports on all aspects of internal control (including financial, operational and compliance control, risk management and relationships with external service providers). Business risks have been analysed and recorded in a Risk Matrix, which is formally reviewed by the Audit Committee at its meetings and at other times as necessary. It is believed that an appropriate framework is in place to meet the requirements of the AIC Code 2019.

The Investment Manager, at least on a quarterly basis, reports to the Board on the market and on the investment performance of the Company's portfolio. Further information is contained in the Chairman's Statement, the Directors' Report and the Investment Managers' Review.

Relations with Shareholders

The Company has regular contact with its institutional shareholders particularly through the Investment Manager. The Chairman also makes regular direct contact and he and the other directors are available to meet institutional shareholders from time to time. The Board supports the principle that the AGM be used to communicate with private investors. The full Board attends the AGM and the Chairman of the Board chairs the AGM. Details of the proxy votes received in respect of each resolution are made available to shareholders at the meeting and are available on the website www.allianztechnologytrust.com following the meeting. The Investment Manager attends the AGM to give a presentation to the meeting on the year under review and the outlook for the year ahead.

The Board and the Annual Report

The Board is responsible for reviewing the entire annual report and has noted the supporting information received and the recommendations of the Audit Committee. The Board has considered whether the annual report satisfactorily reflects a true picture of the Company and its activities and performance in the year under review with a clear link between the relevant sections of the report. The Board was then able to confirm that the annual report, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's position and performance, business model and strategy.

By order of the Board

Eleanor Emuss
Company Secretary
13 March 2020

Report of the Management Engagement Committee

Role of the Committee
The role of the Management Engagement Committee is to review the investment management agreement and the Company's Service Providers. The Committee monitors the performance of the Manager for the investment, secretarial, financial, administration, marketing and support services that it provides under that agreement. It also reviews the terms of the agreement including the level and structure of fees payable, the length of notice period and best practice provisions generally. All of the Committee's responsibilities have been carried out over the course of the year under review.

Composition of the Committee
All the Directors are members of the Committee. Its terms of reference can be found on the Company's website www.allianztechnology.com

Manager Evaluation Process
During the year under review, the Committee met once to consider the relationship, and the services provided by the Manager prior to making its recommendation to the Board on the retention of the Manager being in the best interests of the Shareholders.

The performance of the Manager is considered at every Board meeting with a formal evaluation by the Committee each year. For the purpose of its ongoing monitoring, the Board receives detailed reports and views from the Manager on the investment policy and strategies, asset allocation, stock selection, attributions, portfolio characteristics and risk. The Board also assesses the Manager's performance against the investment controls set by the Board.

Portfolio performance information is set out on pages 51 and 52.

Manager Reappointment
The Committee last met in December 2019 and in a closed session after the presentation from the Manager, it was concluded that in its opinion the continuing appointment of the Manager on the terms agreed was in the interests of shareholders as a whole and recommended this to the Board.

Committee Evaluation
The activities of the Management Engagement Committee were considered as part of the Board appraisal process completed in accordance with standard governance arrangements as summarised on page 72. The conclusion from the process was that the Committee was operating effectively, with the right balance of membership and skills.

Robert Jeens
Management Engagement Committee Chairman
13 March 2020

Report of the Nomination Committee

Role of the Committee

The primary role of the Nomination Committee is to review and make recommendations with regard to Board structure, size and composition, the balance of knowledge, experience, skill ranges and diversity and consider succession planning and tenure policy. All of the Committee's responsibilities have been carried out during the year under review. The Committee met on two occasions during the year and specifically considered, monitored and reviewed the following matters:

- the structure and size of the Board and its composition particularly in terms of succession planning and the experience and skills of the individual Directors and diversity across the Board as a whole;
- tenure policy;
- the criteria for future Board appointments and the methods of recruitment, selection and appointment;
- the recruitment of a new Chairman and the reappointment of those Directors standing for re-election at annual general meetings;
- the need for any changes in committee membership;
- the attendance and time commitment of the Directors in fulfilling their duties, including the extent of their other directorships;
- the question of each Director's independence prior to publication of the Report and Accounts; and
- the authorisation of each Director's situational conflicts of interests in accordance with the provisions of the Act

Composition of the Committee

The Committee is composed of all the current Directors and chaired by the Chairman of the Board. The terms of reference can be found on the Company's website www.allianztechnology.com.

Succession Planning

There was one new appointment during the year under review to replace Richard Holway, who retired on 31 December 2019. Neeta Patel joined the Board on 1 September 2019. The recruitment process was undertaken by an independent search platform, Nurole Limited, who's services of which are for the sole purpose of recruiting the replacement Director.

Board Evaluation

An external evaluation was last conducted in 2016. In view of the appointment of a new director, it was decided to defer the next external evaluation until 2020 and hence an internal evaluation was performed in 2019.

The evaluation process adopted required each director to complete an in-depth questionnaire on the workings of and individual contributions to the Board as a whole and the performance of the Chairman. Questions also included a review of the interaction with the Investment Manager. The Senior Independent Director led a review of the Chairman. The results of the questionnaires were collated anonymously and discussed at the Committee meeting in December 2019. Any concerns were discussed openly and addressed with all Directors and the Investment Manager present. It was agreed by all participants that the evaluation process had been effective and that the review points identified would be of benefit to the Board and the Company as a whole.

Board and gender diversity is summarised on page 66.

Committee Evaluation

The activities of the Nomination Committee were considered as part of the Board appraisal process completed in accordance with standard governance arrangements as summarised on page 72. The conclusion from the process was that the Committee was operating effectively, with the right balance of membership, experience and skills.

Robert Jeens
Nomination Committee Chairman
13 March 2020

Report of the Remuneration Committee

Role of the Committee

The primary role of the Remuneration Committee is to determine the remuneration policy for the Chairman and Directors as well as considering the need to appoint external remuneration consultations. The Committee reviews the effectiveness of the remuneration policy and strategy at least once a year.

Composition of the Committee

The Committee comprises of all current Directors and is being chaired by Humphrey van der Klugt. The terms of reference can be found on the Company's website www.allianztechnology.com.

Consideration of Directors' Remuneration

The Committee has not received independent advice or services in respect of its consideration of the Directors' remuneration; however the Company Secretary provides the Board with details of comparable fees and other market information. The policy is to review directors' fee rates from time to time, but reviews will not necessarily result in a change to the rates. Any feedback received from shareholders is also taken into account when setting remuneration levels.

The level of Directors' fees are recommended to and approved by the Board. Directors abstain from voting on their own fees. Directors' remuneration is paid quarterly or monthly in arrears and is paid to the individual director; no payments have been made to third parties on behalf of the individual.

A detailed summary of the Chairman and Directors' remuneration can be found on page 77 to 79.

Committee Evaluation

The activities of the Remuneration Committee were considered as part of the Board appraisal process completed in accordance with standard governance arrangements as summarised on page 72. The conclusion from the process was that the Committee was operating effectively.

Humphrey van der Klugt
Remuneration Committee Chairman
13 March 2020

Directors' Remuneration Implementation Report

Introduction

This Directors' Remuneration Implementation Report (the Report) has been prepared in accordance with the requirements of Sections 420-422A of the Companies Act 2006 and Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended in August 2013 (the Regulations). The Report is subject to an annual advisory vote of shareholders and an Ordinary Resolution for the approval of the Report will be put to the shareholders at the forthcoming Annual General Meeting (AGM).

Remuneration Policy Report

The Remuneration Policy Report of the Company is required to be put to a binding vote of shareholders at least once every three years; the policy was last proposed to and approved by shareholders at the AGM in 2017 and will therefore next be proposed as a binding vote Resolution at the forthcoming AGM in 2020. The Remuneration Policy Report follows on page 80 and is available on the Company's website www.allianztechnologytrust.com.

The law requires your Company's Auditor to audit certain disclosures provided. Where disclosures have been audited, they are noted as such. The Auditor's opinion is included in their report on page 86.

Remuneration Committee

A detailed description of the Committee's role and members can be found on page 76.

Annual General Meeting (AGM) Voting Statement

At the AGM held on 22 May 2019, of the votes cast by proxy for the approval of the Remuneration Implementation Report, 13,607,675 (98.68%) were cast in favour, 34,326 (0.25%) were cast as discretionary, 82,801 (0.60%) were cast against and 63,662 (0.46%) shares were withheld from the vote. For the Remuneration Policy Report, which was last proposed as a binding vote at the AGM held on 19 April 2017, of the votes cast for approval, 10,991,325 (98.9%) were cast in favour, 12,099 (0.1%) were cast as discretionary, 38,247 (0.3%) were against and 61,559 (0.5%) were withheld from the vote.

Annual Statement

The Chairman of the Remuneration Committee reports that the Directors' remuneration will be increased as of 1 January 2020 as set out on page 78.

Relative importance of spend on pay

The following disclosure is a statutory requirement. The directors, however, do not consider that the comparison of directors' remuneration with distributions made by the Company is a meaningful measure of the Company's overall performance. The table below sets out the total level of remuneration compared to the share buy-backs, dividends and distributions made in the year:

	2019	2018	2017	2016	2015
Total Remuneration	132,167	118,084*	109,000	117,484	137,369
Total Dividends, Share Buy-backs and Distributions	-	-	-	673,775	232,518

*2018 was a 13 month period

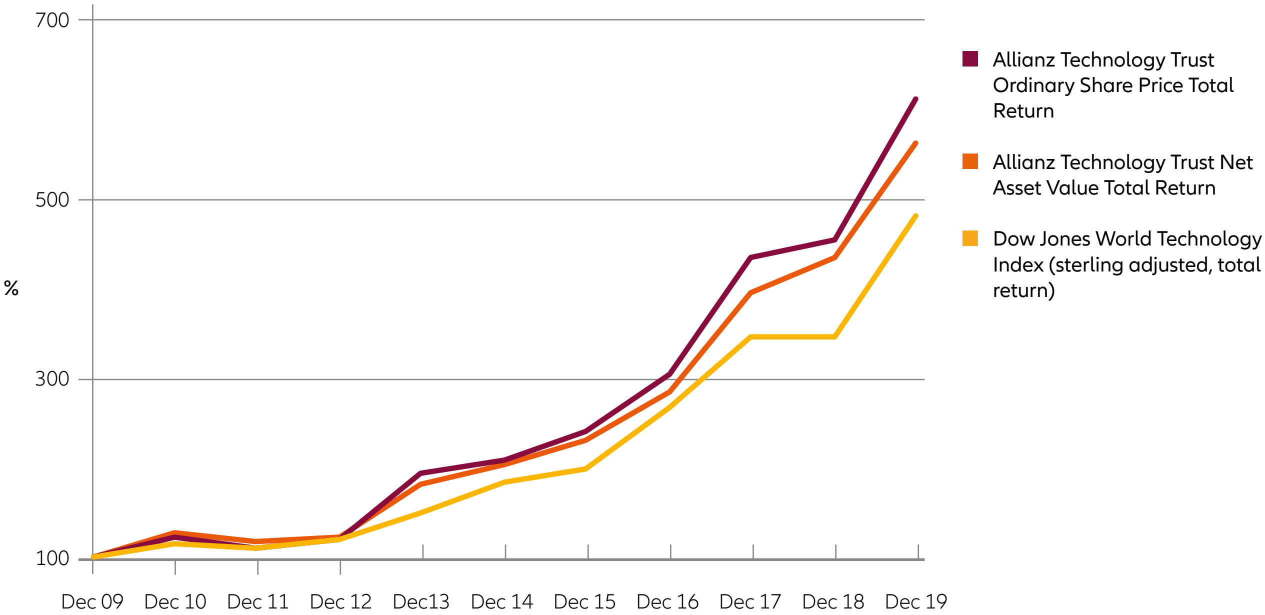
Directors' Service Contracts

It is the Board's policy that none of the Directors has a service contract. The terms of their appointment provide that Directors shall, in accordance with the Articles of Association, stand for election by shareholders at the first AGM after their appointment. Each Director will stand for annual election as required by the new AIC Code. The terms also provide that a Director may resign by notice in writing to the Board at any time and may be removed without notice and that compensation will not be due on leaving office.

Directors' and Officers' Liability Insurance cover is held by the Company. The Board has granted individual indemnities to the Directors.

Your Company's Performance

The Regulations require a line graph to be included in the Directors' Remuneration Report showing total shareholder return for each of the financial years over a ten year period. The graph set out below compares, on a cumulative basis, the total return to Ordinary Shareholders compared to the total shareholder return on a notional investment made up of shares of the same kind and number as those by reference to which the Company's Benchmark is calculated.



Source: AllianzGI / Datastream in sterling. Figures have been rebased to 100 as at 31 December 2009

Directors' Fees

The Directors all served throughout the year and received the fees listed, with the exception of Neeta Patel, who was appointed on 1 September 2019.

In the year under review to 31 December 2019 the Directors' fees were paid at the rate of £26,000 (2018: £23,000) per annum with the Chairman of the Board receiving an extra £13,000 (2018: £12,000) per annum and the Chairman of the Audit Committee an extra £6,500 (2018: £5,000) per annum.

During the year the Directors' fees were reviewed and the following increases agreed. The Directors' fees will be increased as of 1 January 2020 to £27,000 per annum with the Chairman of the Board receiving an extra £13,500 per annum and the Chairman of the Audit Committee an extra £6,750 per annum.

In accordance with the Articles of Association, the aggregate limit of fees that may be paid to the Directors per annum is £200,000.

These fees exclude any employers' national insurance contributions, if applicable. Directors are authorised to claim reasonable expenses from the Company in relation to the performance of their duties. However, the policy is to only claim ad hoc expenses which would not ordinarily include general travel to and from meetings held in London. No director is entitled to receive share options, bonuses, pension benefits or other financial or non-financial incentives either in substitution for or in addition to the remuneration stated above.

Directors' Remuneration (Audited Information)

The Directors who served in the year received the following emoluments in the form of fees:

	Appointed	Fees 2019 £	Fees 2018* £
Robert Jeens	1 August 2013, Chairman: 2 April 2014	39,000	37,917
Humphrey van der Klugt	1 July 2015, Audit Committee Chairman: 14 April 2016	32,500	30,333
Richard Holway	29 January 2007	26,000	24,917
Elisabeth Scott	1 February 2015	26,000	24,917
Neeta Patel	1 September 2019	8,667	-
		132,167	**118,084**

* 13 month period

No payments of Directors' fees were made to third parties.

The fees are pro-rota.

Directors' Interests (Audited Information)

The Directors are not required to hold any shares in the Company; however, pursuant to Article 19 of the EU Market Abuse Regulations the Directors' Interests in the share capital of the Company are shown in table below.

			Ordinary Shares of 25p each	
	Appointed	**Retired**	**31 December 2019**	**31 December 2018**
Robert Jeens	1 August 2013		10,000	10,000
Humphrey van der Klugt	1 July 2015		7,000	5,000
Richard Holway	29 January 2007	31 December 2019	17,000	17,000
Elisabeth Scott	1 February 2015		1,650	1,650
Neeta Patel	1 September 2019		-	-

There have been no further changes in the above holdings for the current Directors from the year end to the date of this report.

Humphrey van der Klugt
Remuneration Committee Chairman
13 March 2020

Directors' Remuneration Policy Report

In accordance with Schedule 8 of The Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended, the Company is required to put to a binding vote of shareholders, at least every three years, the Company's Remuneration Policy Report (the Policy).

The Policy was last proposed to and approved by shareholders at the AGM in 2017 and will therefore next be proposed as an Ordinary Resolution at the forthcoming AGM in 2020.

Directors' Remuneration

The Company's remuneration policy provides that fees payable to the Directors should reflect the time spent by the Board on the Company's affairs and the responsibilities borne by the Directors and should be sufficient to enable candidates of high calibre to be recruited.

Directors are remunerated solely in the form of fees payable monthly or quarterly in arrears, paid to the Director personally or to a specified third party. There are no long-term incentive schemes, share option schemes or pension arrangements and the fees are not specifically related to the Directors' performance, either individually or collectively.

The 2019 annual fee rates are Chairman: £39,000, Audit Committee Chairman: £32,500 and Director: £26,000. The projected 2020 annual fee rates are Chairman: £40,500, Audit Committee Chairman: £33,750 and Director: £27,000. The Company does not have a Chief Executive Officer and there are no employees.

The Board consists of non-executive Directors whose appointments are reviewed by the Board as a whole. None of the Directors has a service contract with the Company and any Director may resign by notice in writing to the Board at any time; there are no set notice periods and no compensation is payable to a Director on leaving office.

When reviewing the level of remuneration consideration is given to the time, commitment and Committee responsibilities of each Director. The Board also takes into account the fees paid to directors of companies within its peer group.

The Company's Articles of Association limit the aggregate fees payable to Directors to £200,000 per annum. The policy is for the Chairman of the Board and of each relevant Committee to be paid a fee which is proportionate to the additional responsibilities involved in the position. It is intended that the above remuneration policy will continue to apply in the forthcoming financial year and subsequent years.

Humphrey van der Klugt
Chairman
13 March 2020

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Financial Report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the total return of the Company for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that the financial statements comply with the above requirements.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. The financial statements are published on www.allianztechnologytrust.com, which is a website maintained by the Investment Manager. The work undertaken by the Auditors does not involve consideration of the maintenance and integrity of the website and, accordingly, the Auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Neither an audit nor a review provides assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular whether any changes may have occurred to the financial information since first published. These matters are the responsibility of the Directors but no control procedures can provide absolute assurance in this area.

The Directors each confirm to the best of their knowledge that:

(a) the Financial Statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and return of the Company; and
(b) the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, along with with a description of the principal risks and uncertainties that the Company faces.

The Directors confirm that the Annual Report and Financial Statements, taken as a whole are fair, balanced and understandable and provide the information necessary to assess the Company's position and performance, business model and strategy.

For and on behalf of the Board

Robert Jeens
Nomination Committee Chairman
13 March 2020

Audit Committee Report

Introduction from the Chairman

I am pleased to present my formal report to Shareholders as Chairman of the Audit Committee for the year ended 31 December 2019.

Responsibility

The primary responsibilities of the Committee are to ensure the integrity of the Company's financial reporting and the appropriateness of the risk management processes and internal controls. The report details how we carry out this role.

Composition and Meetings

The members of the Committee during the year were myself as Chairman, Richard Holway, Elisabeth Scott and as at 1st September 2019 Neeta Patel joined the Committee. Robert Jeens, Chairman of the Board, is not a member of the Committee but will attend meetings by invitation. The Committee believe that this is in the best interests of the Company for the Chairman of the Board to attend the Committee meetings. All the members of the Committee are independent Non-Executive Directors, and their skills and experience are set out on pages 54 and 55. The Board reviews the composition of the Audit Committee and it considers that, collectively, its members have sufficient recent and relevant financial and sector experience to fully discharge their responsibilities.

The Committee meets at least twice per year. The attendance of the Committee members is shown on page 54. The Committee invites the external auditors and personnel from the Managers financial, compliance and risk functions to attend and report to the Committee on relevant matters. As part of the year end process I, as Chairman of the Committee, attended additional meetings with representatives of the Investment Manager and the external auditor. In addition, during the year, the Committee also met privately with the external auditor to give them an opportunity to raise any issues without management present. After each Committee meeting I report to the Board on the main items discussed at the meeting.

Role and Responsibilities of the Audit Committee

The Committee's authority and duties are defined in its terms of reference, which were reviewed during the year, and are available on the Company's website www.allianztechnologytrust.com.

The principal activities carried out during the year were:

- **Financial reporting**: we considered the Company's financial reports, including the implications of any new accounting standards and regulatory changes, significant accounting issues and the appropriateness of the accounting policies adopted. We considered and are satisfied that, taken as a whole, the Annual Report is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's position, performance, business model and strategy.
- **External audit**: we considered the scope of the external audit plan and the subsequent findings from this work.
- **Risk and internal control**: we considered the key risks facing the Company and the adequacy and effectiveness of the internal controls and risk management processes.
- **External auditor**: we considered the independence, effectiveness and fees of the external auditor, as detailed later in this report.

Internal audit

The Committee continues to believe that the Company does not require an internal audit function as it delegates its day-to-day operations to third parties from whom it receives internal control reports. Reports from third party auditors on the internal controls maintained on behalf of the Company by AllianzGI and by other providers of administrative and custodian services to AllianzGI or directly to the Company were reviewed during the year.

Risk Management

The Board has ultimate responsibility for the management of the risks associated with the Company. The Committee assists the Board by undertaking a formal assessment of risks and reporting to the Board as appropriate. The Committee has reviewed its approach to risk management and the reporting of such to the Board and has concluded that the processes in place are adequate and provide a robust assessment of risk associated with the Company.

The Committee reviews in detail at least twice per year the full Risk Matrix and Controls schedule and makes appropriate recommendations to the Board which may include adding or removing risks for consideration, monitoring and reviewing the mitigating actions. In turn the Board carries out both a detailed specific review of matters highlighted by the Committee and continues to assess the high-level risks.

The Audit Committee also reviews the annual Internal Controls documents provided by key third party service providers and reports as necessary to the Board. Further details of the key risks associated with the Company are detailed within the Strategic Report.

Significant areas of risk and focus considered by the Audit Committee during the year

The Annual Report and Financial Statements are the responsibility of the Board and the Statement of Directors' Responsibilities is on page 81. The Audit Committee advises the Board on the form and content of the Annual Report and Financial Statements, any issues which may arise in relation to these and any specific areas which require judgement.

The Committee is responsible for agreeing a suitable Audit Plan for the year-end audit and production of the Annual Financial Report. The significant areas of risk and focus were substantively unchanged from 2018 and included:

Valuation, existence and ownership of the Company's investments	Valuations of actively traded investments are reconciled using stock exchange prices provided by third party pricing vendors; where no third party source exists the Manager and Director valuations are reviewed with appropriate valuation evidence being provided to ensure valuations are suitable at the year end. Ownership of listed investments is verified by reconciliation to the custodian's records.
Recognition, completeness and occurrence of revenue	Income received is accounted for in line with the Company's accounting policy (as set out on page 95) and is reviewed by the Committee.
Compliance with Section 1158 of the Corporation Tax Act 2010	The Committee regularly considers the controls in place to ensure that the regulations for ensuring investment trust status are observed at all times.
Maintaining internal controls	The Committee receives regular reports on internal controls from AllianzGI and its delegates and has access to the relevant personnel at AllianzGI who have responsibility for risk management.
Management and Performance Fees	The calculation of the management and performance fees payable to AllianzGI is reviewed by the Committee before being approved by the Board.
Viability Statement	The Board is required to make a longer term viability statement in relation to the continuing operations of the Company. The Committee reviews papers produced in support of the statement made by the Board which assesses the viability of the Company over a period of four years.

Annual Financial Report

The Committee and then the whole Board reviewed the entire annual financial report and noted all the supporting information received. It then considered and concluded that the annual report satisfactorily reflected a true picture of the Company and its activities and performance in the year, with a clear link between the relevant sections of the report. The directors were then able to confirm that the annual financial report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Auditor Effectiveness

The Committee is responsible for reviewing the terms of appointment of the auditor and for monitoring the audit process including the effectiveness and objectivity of the Auditor in fulfilling the terms of the agreed Audit Plan and the Audit Findings Report subsequently issued by them.

As part of the review of the auditor, the members of the Committee and those representatives of the Manager involved in the audit process reviewed and considered a number of areas including:

- the reputation and standing of the audit firm
- the audit processes and evidence of partner oversight
- audit communication including details of planning; and
- information on relevant accounting and regulatory developments, and recommendations on corporate reporting.

Auditor Tenure

There are no contractual obligations which restrict the Committee's choice of auditor. Grant Thornton UK LLP's first year as the Company's Independent Auditor was for the year ended 30 November 2007, following the merger of Robson Rhodes (who were appointed as the Company's auditor in 1996) with Grant Thornton in 2007. Paul Flatley was appointed audit partner in 2018. Following professional guidelines, Mr Flatley can serve for up to five years. The continued appointment of Grant Thornton is considered by the Audit Committee each year, taking into account relevant guidance and best practice and considering their independence and the effectiveness of the external audit process.

Auditor Independence and Reappointment

The Committee has confirmed the independence of the auditor and Grant Thornton has confirmed that they are independent of the Company and have complied with relevant accounting standards. Grant Thornton did not provide any non-audit services to the Company in this or the previous accounting year.

The Committee also took into account the competitiveness of their fees and obtained feedback from the Investment Manager regarding the performance of the audit team. The Committee is satisfied with the independence and performance of the Auditor and has recommended their reappointment for a further year.

In accordance with the EU Accounting reform requiring public interest entities to periodically change their auditor, the Company will be required to put the audit out to public tender in or before the year ending 31 December 2023.

Committee Evaluation

The activities of the Audit Committee were considered as part of the Board appraisal process completed in accordance with standard governance arrangements as summarised on page 72.

The conclusion from the process was that the Committee was operating effectively, with the right balance of membership, experience and skills.

Humphrey van der Klugt
Audit Committee Chairman
13 March 2020

Financial Statements

Black titanium smart ring the Echo Loop is one of Amazon's latest AI voice-controlled wearable technologies, alongside the Echo Frames glasses and the Echo Buds wireless headphones.

Independent Auditor's Report to the Members of Allianz Technology Trust PLC

Our opinion on the financial statements is unmodified

We have audited the financial statements of Allianz Technology Trust Plc (the 'company') for the year ended 31 December 2019, which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of uncertainties arising from the UK exiting the European Union on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with a course of action such as Brexit.

Conclusions relating to principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the annual report set out on pages 59 to 61 that describe the principal risks (including the impact of Brexit) and explain how they are being managed or mitigated;
- the directors' confirmation, set out on page 69 of the annual report that they have completed a robust assessment of the principal and emerging risks facing the company (including the impact of Brexit), including those that would threaten its business model, future performance, solvency or liquidity;
- the directors' statement, set out on page 95 of the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the directors' explanation, set out on page 59 of the annual report as to how they have assessed the prospects of the company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Overview of our audit approach

- Overall materiality: £5,834,000 which represents 1% of the company's net assets;
- Key audit matters were identified as existence, valuation and ownership of investments, and occurrence and accuracy of investment income
- Our audit approach was a risk based substantive audit focused on investments at the period end and investment income recognised during the period. There was no change in our approach from the prior year

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in the audit
Existence, valuation and ownership of investments The company's business is investing in the equity securities of quoted technology companies on a worldwide basis with the aim of achieving long-term capital growth. The investment portfolio at the period end had a carrying value of £567.9m and all investments were listed on recognised stock exchanges. As a material financial statement line item, there is a risk that the investment valuation recorded may be incorrect. There is also a risk that investments recorded might not exist or may not be owned by the company. We therefore identified valuation, existence and ownership of investments as a significant risk, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: – understanding management's process to value and manage investments through discussions with management and examination of control reports on third party administrators, and assessing whether the accounting policy for investments is in accordance with the requirements of United Kingdom Generally Accepted Accounting Practice ('UK GAAP') and the Statement of Recommended Practice ('SORP') issued by the Association of Investment Companies ('AIC'); – agreeing the valuation of all investments to an independent source of market prices, and agreeing the nominal holdings of securities to confirmation from the custodian, in order to obtain evidence over existence and ownership of investments; and – assessing investments on a sample basis to ensure they were recognised and subsequently measured in accordance with the accounting policy. The Company's accounting policy on investments is shown in Accounting policy 4 in the Summary of Accounting Policies to the financial statements, and related disclosures are included in note 8. The Audit Committee identified valuation, existence and ownership of the Company's investments as a significant issue in its report on page 83 where the Committee also described the action that it has taken to address this issue. **Key observations** Our audit testing did not identify any material misstatements in the valuation of the Company's investment portfolio as at the period end nor were any issues noted with regards to the existence or the Company's ownership of the underlying investments at the period end.

Key Audit Matter	How the matter was addressed in the audit
Occurrence and accuracy of investment income The Company measures performance on a total return basis and investment income is one of the significant components of this performance measure in the Income Statement. Under ISA (UK) 240 'The auditor's responsibilities relating to fraud in an audit of financial statements', there is a presumed risk of fraud in revenue recognition. Investment income is the Company's major source of revenue and used in its performance evaluation. We have therefore determined that there is a risk that investment income might not have occurred or is not recognised in the correct accounting period. We therefore identified accuracy and occurrence of investment income as a significant risk, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: – assessing whether the Company's accounting policy for revenue recognition is in accordance with the requirements of UK GAAP and the AIC SORP, and testing its consistent application on revenue recognised during the period; – substantively testing a sample of income transactions to assess if they were recognised in accordance with the accounting policy; – for investments held during the period, obtaining the ex-dividend dates and rates for dividends declared during the period from an independent source and agreeing the expected dividend entitlements to those recognised in the Income Statement, and agreeing dividend income recognised by the Company to an independent source; and – assessing the categorisation of corporate actions and special dividends to identify whether the treatment is correct. The Company's accounting policy on income, including its recognition, is shown in Accounting policy 2 in the Summary of Accounting Policies to the financial statements, and related disclosures are included in note 1. The Audit Committee identified recognition, completeness and occurrence of revenue as a significant issue in its report on page 83, where the Committee also described the action that it has taken to address this issue. **Key observations** Our audit testing identified a material misstatement of investment income with regards to a dividend which was earnt in December 2019 but was not recognised in the current periods revenue. This has been adjusted for in the financial statements. We did not identify any further issues with regards to the occurrence and accuracy of investment income.

Our application of materiality

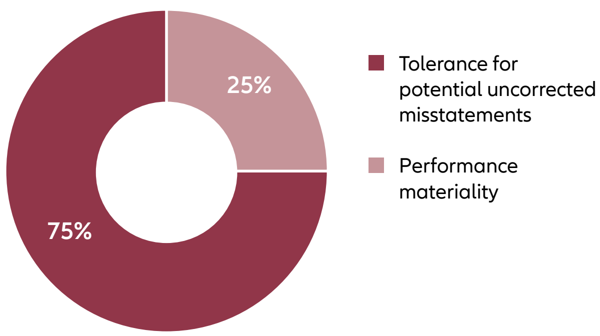
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our work and in evaluating the results of that work.

We determined materiality for the audit of the financial statements as a whole to be £5,834,000 which is 1% of the Company's net assets. This benchmark is considered the most appropriate because net assets, which primarily comprise the Company's investment portfolio, are considered to be a key driver of the Company's total return performance and form a part of the net asset valuation.

Materiality for the current year is higher than the level that we determined for the period ended 31 December 2018 to reflect the increased value of the Company's net assets, including its investment portfolio, at the period end.

We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 75% of financial statement materiality.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.



We also determine a lower level of specific materiality for certain areas such as investment income, performance fees, and related party transactions.

We determined the threshold at which we will communicate misstatements to the audit committee to be £291,700. In addition we will communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

An overview of the scope of our audit

Our audit approach was a risk-based approach founded on a thorough understanding of the Company's business, its environment and risk profile and in particular included:

- obtaining an understanding of relevant internal controls at both the Company and third party service providers. This included obtaining and reading internal controls reports prepared by the third-party service providers on the description; design, and operating effectiveness of the internal controls at the investment manager, custodian, and administrator; and
- performing substantive audit procedures on specific transactions, which included journal entries and individual material balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment and our evaluation of the design and implementation of controls that address significant risk.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company and industry in which it operates. We determined that the following laws and regulations were most significant including FRS102, Companies Act 2006, and UK Corporate governance code.
- We understood how the company is complying with those legal and regulatory frameworks by, making inquiries to the management, and the company secretary. We corroborated our inquiries through our review of board minutes and papers provided to the Audit Committee. We identified whether there is culture of honesty and ethical behaviour and whether there is a strong emphasis of prevention and deterrence of fraud.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the included:
  - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud
  - understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process
  - challenging assumptions and judgments made by management in its significant accounting estimates;
  - identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual financial report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- Fair, balanced and understandable set out on page 83 – the statement given by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, is materially inconsistent with our knowledge

obtained in the audit; or
- Audit committee reporting set out on page 84 – the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee or
- Directors' statement of compliance with the UK Corporate Governance Code set out on page 71 – the parts of the directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Our opinions on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

- In our opinion, based on the work undertaken in the course of the audit the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion::
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 81 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the members for the year ended 30 November 2007, following the merger of Robson Rhodes LLP with Grant Thornton in 2007. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 24 years. The Company will be required to put the audit out to tender in or before the year ending 31 December 2023.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Flatley
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
13 March 2020

Income Statement

for the year ended 31 December 2019

	Notes	2019 Revenue £	2019 Capital £	2019 Total Return £	2018* Revenue £	2018* Capital £	2018* Total Return £
Gains on investments held at fair value through profit or loss	8	-	126,602,466	126,602,466	-	27,035,470	27,035,470
(Loss) gains on foreign currencies		(11,271)	(518,966)	(530,237)	(276)	1,958,678	1,958,402
Income	1	2,768,331	-	2,768,331	1,861,880	-	1,861,880
Investment management fee and performance fee	2	(4,147,329)	-	(4,147,329)	(3,561,453)	(5,162,649)	(8,724,102)
Administration expenses	3	(837,939)	-	(837,939)	(847,061)	-	(847,061)
(Loss) profit before finance costs and taxation		**(2,228,208)**	**126,083,500**	**123,855,292**	**(2,546,910)**	**23,831,499**	**21,284,589**
Finance costs: interest payable and similar expenses	4	(1,525)	-	(1,525)	(26,174)	-	(26,174)
(Loss) profit before taxation		**(2,229,733)**	**126,083,500**	**123,853,767**	**(2,573,084)**	**23,831,499**	**21,258,415**
Taxation	5	(334,288)	-	(334,288)	(204,749)	-	(204,749)
(Loss) profit attributable to ordinary shareholders		**(2,564,021)**	**126,083,500**	**123,519,479**	**(2,777,833)**	**23,831,499**	**21,053,666**
(Loss) earnings per ordinary share	7	**(7.46p)**	**367.04p**	**359.58p**	**(9.19p)**	**78.81p**	**69.62p**

The total return column of this statement is the profit and loss account of the Company.

The supplementary revenue and capital columns are both prepared under the guidance published by the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year.

The net profit for the year disclosed above represents the Company's total comprehensive income

* 2018 was a 13 month period.

The notes on pages 95 to 106 form an integral part of these Financial Statements.

Balance Sheet

at 31 December 2019

	Notes	2019 £	2019 £	2018 £
Non Current Assets				
Investments held at fair value through profit or loss	8		567,933,806	407,901,923
Current Assets				
Other receivables	10	1,455,508		2,141,300
Cash and cash equivalents	10	15,438,099		30,717,000
		16,893,607		**32,858,300**
Current Liabilities				
Other payables	10	(1,387,167)		(10,687,522)
Net current assets			**15,506,440**	**22,170,778**
Total net assets			**583,440,246**	**430,072,701**
Capital and Reserves				
Called up share capital	11		8,818,042	8,369,292
Share premium account	12		160,093,330	130,694,014
Capital redemption reserve	12		1,020,750	1,020,750
Capital reserve	12		436,848,128	310,764,628
Revenue reserve	12		(23,340,004)	(20,775,983)
Shareholders' funds	13		**583,440,246**	**430,072,701**
Net asset value per ordinary share	13		**1,654.1p**	**1,284.7p**

The financial statements of Allianz Technology Trust PLC, company number 3117355, were approved and authorised for issue by the Board of Directors on 13 March 2020 and signed on its behalf by:

Robert Jeens
Chairman

The notes on pages 95 to 106 form an integral part of these Financial Statements.

Statement of Changes in Equity

for the year ended 31 December 2019

	Called up Share Capital £	Share Premium Account £	Capital Redemption Reserve £	Capital Reserve £	Revenue Reserve £	Total £
Net assets at 1 December 2017	7,075,720	41,810,716	1,020,750	281,523,911	(17,998,150)	313,432,947
Revenue loss	-	-	-	-	(2,777,833)	(2,777,833)
Shares issued from treasury during the period	-	15,446,442	-	5,409,218	-	20,855,660
Shares issued from block listing facility during the period	1,293,572	73,436,856	-	-	-	74,730,428
Capital profit	-	-	-	23,831,499	-	23,831,499
Net assets at 31 December 2018*	**8,369,292**	**130,694,014**	**1,020,750**	**310,764,628**	**(20,775,983)**	**430,072,701**
Net assets at 1st January 2019	8,369,292	130,694,014	1,020,750	310,764,628	(20,775,983)	430,072,701
Revenue loss	-	-	-	-	(2,564,021)	(2,564,021)
Shares issued from block listing facility during the year	448,750	29,399,316	-	-	-	29,848,066
Capital profit	-	-	-	126,083,500	-	126,083,500
Net assets at 31 December 2019	**8,818,042**	**160,093,330**	**1,020,750**	**436,848,128**	**(23,340,004)**	**583,440,246**

*2018 was a 13 month period.

The notes on pages 95 to 106 form an integral part of these Financial Statements.

Notes to the Financial Statements

for the year ended 31 December 2019

Summary of Accounting Policies

for the year ended 31 December 2019

1 **The financial statements** – have been prepared on the basis of the accounting policies set out below.

The financial statements have been prepared in accordance with The Companies Act 2006, FRS 102 and with 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 October 2019.

The amended SORP is not mandatory for adoption until periods beginning on or after 1 January 2019. Therefore it has been early adopted.

In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. In accordance with the Company's status as a UK investment company under section 833 and 834 of the Companies Act 2006, net capital returns may be distributed by way of dividend.

The requirements have been met to qualify for the exemption to prepare a Cash Flow Statement. Therefore the Cash Flow Statement has not been included in the financial statements.

The accounting policies adopted in preparing the current year's financial statements are consistent with those of previous years.

The Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the financial statements as the assets of the Company consist mainly of securities which are readily realisable and significantly exceed liabilities. Accordingly, the Directors believe that the Company has adequate financial resources to continue in operational existence for the foreseeable future. The Company's business, the principal risks and uncertainties it faces, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 56 to 61.

2 **Revenue** – Dividends received on equity shares are accounted for on an ex-dividend basis. UK dividends are shown net of tax credits and foreign dividends are grossed up at the appropriate rate of withholding tax.

Special dividends are recognised on an ex-dividend basis and treated as a capital or revenue item depending on the facts and circumstances of each dividend.

Where the Company has elected to receive its dividends in the form of additional shares rather than in cash, the equivalent of the cash dividend is recognised as revenue. Any excess in the value of the shares received over the amount of the cash dividend is recognised in capital.

Deposit interest receivable is accounted for on an accruals basis.

3 **Investment management fees and administrative expenses** – The investment management fee is calculated on the basis set out in Note 2 to the financial statements and is charged in full to revenue as permitted by the SORP. Performance fees are charged in full to capital, as they are directly attributable to the capital performance of the investments. Other administrative expenses are charged in full to revenue. All expenses are recognised on an accrual basis.

4 **Valuation** – As the Company's business is investing in financial assets with a view to profiting from their total return in the form of increases in fair value, financial assets are held at fair value through profit or loss in accordance with FRS 102 Section 11: 'Basic Financial Instruments' and Section 12: 'Other Financial Instruments'.

Investments held at fair value through profit or loss are initially recognised at fair value. After initial recognition, these continue to be measured at fair value, which for quoted investments is either the bid price or the last traded price depending on the convention of the exchange on which the investment is listed. Gains or losses on investments are recognised in the capital column of the Income Statement. Purchases and sales of financial assets are recognised on the trade date, being the date which the Company commits to purchase or sell the assets.

Unlisted investments are valued by the Directors based upon the latest dealing prices, stockbrokers' valuations, net asset values, earnings and other known accounting information in accordance with the principles set out by the International Private Equity and Venture Capital Valuation Guidelines issued in December 2018.

5 **Finance costs** – In accordance with the FRS 102 Section 11: 'Basic Financial Instruments' and Section 12: 'Other Financial Instruments', finance costs of borrowing are calculated using the effective interest method and charged to revenue.

6 Taxation – Where expenses are allocated between capital and revenue, any tax relief obtained in respect of those expenses is allocated between capital and revenue on the marginal basis.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax or a right to pay less tax in the future have occurred. Timing differences are differences between the Company's taxable profits and its return as stated in the financial statements.

A deferred tax asset is recognised when it is more likely than not that the asset will be recoverable. Deferred tax is measured on a non-discounted basis at the rate of Corporation tax that is expected to apply when the timing differences are expected to reverse.

7 Foreign currency – In accordance with FRS 102 Section 30: 'Foreign Currency Translation', the company is required to nominate a functional currency, being the currency in which the company predominately operates. The functional and reporting currency is sterling, reflecting the primary economic environment in which the company operates, the predominant currency in which its shareholders operate and the currency in which its expenses are generally paid.

Transactions in foreign currencies are translated into sterling at the rates of exchange ruling on the date of the transaction. Assets and liabilities are translated into sterling at the rates of exchange ruling at the balance sheet date. Gains and losses thereon are recognised in the revenue or capital column of the income statement, dependant on the nature of the gain or loss. Gains and losses on investments arising from a change in exchange rate are taken to the capital reserves.

8 Shares repurchased for cancellation and holding in treasury – For shares repurchased for cancellation, Share Capital is reduced by the nominal value of the shares repurchased, and the Capital Redemption Reserve is correspondingly increased in accordance with Section 733 of the Companies Act 2006. The full cost of the repurchase is charged to the Capital Reserve.

For shares repurchased for holding in treasury, the full cost is charged to the Capital Reserve.

9 Shares sold (re-issued) from treasury – Proceeds received from the sale of shares held in treasury are treated as realised profits in accordance with Section 731 of the Companies Act 2006. Proceeds equivalent to the original cost, calculated by applying a weighted average price, are credited to the Capital Reserve to replenish the profits available for distribution; proceeds in excess of the original cost are credited to the Share Premium account.

10 Significant judgements, estimates and assumptions – In the application of the Company's accounting policies, which are described above, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or, in the period of the revision and future periods if the revision affects both current and future periods.

There have been no such significant judgements, estimates or assumptions made during the year. The investment portfolio currently consists of listed investments and therefore no significant estimates have been made in valuing those securities.

1. Income

	2019 £	2018 £
Income from Investments*		
Equity income from UK investments	315,217	121,823
Equity income from overseas investments	2,199,381	1,460,028
	2,514,598	**1,581,851**
Other Income		
Deposit interest	253,733	280,029
	253,733	**280,029**
Total income	**2,768,331**	**1,861,880**

* All equity income is derived from listed investments.

2. Investment Management Fee

	2019 Revenue £	2019 Capital £	2019 Total £	2018 Revenue £	2018 Capital £	2018 Total £
Investment management fee	4,147,329	-	4,147,329	3,561,453	-	3,561,453
Performance fee	-	-	-	-	5,162,649	5,162,649
Total	**4,147,329**	**-**	**4,147,329**	**3,561,453**	**5,162,649**	**8,724,102**

The Company's investment manager is Allianz Global Investors GmbH, UK Branch (the Investment Manager). The Investment Manager provides the Company with investment management, accounting, company secretarial and administration services pursuant to the management contract. The management contract is terminable on giving six months' notice (2018 - six months'), and provides for a base management fee of 0.8% (2018 - 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 that exceeds £400m. In addition there is a fixed fee of £55,000 (2018 - £55,000) per annum to cover the Investment Manager'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 December 2013, the performance fee entitlement is equal to 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 2019 this 'high water mark' (HWM) was 1281.03p 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 2.25% of the year end NAV of the Company. 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 earned by the Investment Manager for this Performance Period was £nil (2018: £5,162,649).

3. Administration Expenses

	2019 £	2018 £
Auditors' Remuneration		
Fee payable to the Company's auditor for the audit of the Company's annual accounts	30,150	30,800
VAT on auditors' remuneration	6,030	6,160
	36,180	**36,960**
Directors' fees[1]	132,167	118,084
Employer national insurance contributions	15,062	10,808
Marketing costs[2]	174,720	170,712
Depositary fees	62,230	84,582
Registrars' fees	96,790	108,314
Professional & Advisory fees	91,094	139,241
Stock exchange fees[3]	193,630	140,733
Other administrative expenses	36,066	37,627
	837,939	**847,061**

The above expenses include value added tax where applicable.

1 Directors' fees are set out in the Directors' Remuneration Implementation Report on pages 77 to 79.

2 The marketing budget takes into account both the marketing of the Investment Manager and also third party service providers.

3 Stock exchange fees include the block listing fees.

4. Finance Costs: Interest Payable and Similar Expenses

	2019 £	2018 £
Interest on overseas overdraft	1,525	26,174
	1,525	**26,174**

5. Taxation

	2019 Revenue £	2019 Capital £	2019 Total £	2018 Revenue £	2018 Capital £	2018 Total £
Overseas taxation	334,288	-	334,288	204,479	-	204,479
Total tax	**334,288**	**-**	**334,288**	**204,479**	**-**	**204,479**
Reconciliation of tax charge						
(Loss) profit before taxation	(2,229,733)	126,083,500	123,853,767	(2,573,084)	23,831,499	21,258,415
Tax on (loss) profit at 19.00% (2018: 19.00%)	**(423,649)**	**23,955,865**	**23,532,216**	**(488,886)**	**4,527,985**	**4,039,099**
Reconciling factors						
Non taxable income	(473,492)	-	(473,492)	(300,312)	-	(300,312)
Non taxable capital gains	-	(23,955,865)	(23,955,865)	-	(5,508,888)	(5,508,888)
Disallowable expenses	670	-	670	970	-	970
Excess of allowable expenses over taxable income	896,799	-	896,799	788,228	980,903	1,769,131
Overseas tax suffered	334,288	-	334,288	204,749	-	204,749
Overseas tax expensed	(328)	-	(328)	-	-	-
Total tax	**334,288**	**-**	**334,288**	**204,749**	**-**	**204,749**

The Company's taxable income is exceeded by its tax allowable expenses. As at 31 December 2019, the Company had accumulated surplus expenses of £65.8m (2018: £61.1m).

At 31 December 2019 the Company has not recognised a deferred tax asset of £11.2m (2018: £10.4m) in respect of accumulated expenses based on a prospective corporation tax rate of 17% (2018: 17%). The reduction in the standard rate of corporation tax was substantively enacted on 15 September 2016 and will be effective 1 April 2020. Provided the Company continues to maintain its current investment profile, it is unlikely that the expenses will be utilised and that the Company will obtain any benefit from this asset.

In May 2013 the company received confirmation from HM Revenue & Customs of its status as an approved investment trust for accounting periods commencing on or after 1 December 2012, subject to the Company continuing to meet the eligibility conditions at Section 1158 Corporation Tax Act 2010 and the ongoing requirements for approved companies in Chapter 3 of Part 2 Investment Trust (Approved Company) Tax Regulations 2011 (Statutory Instrument 2011/2999).

In the opinion of the Directors, the Company has conducted its affairs in such a manner that it continues to meet the eligibility conditions.

The Company has not therefore provided tax on any capital gains and losses arising on the disposal of investments.

6. Dividends on Ordinary Shares

There were no dividends paid or declared during the financial year ended 31 December 2019 (2018: nil).

7. (Loss) Earnings per Ordinary Share

	2019 Revenue £	2019 Capital £	2019 Total Return £	2018 Revenue £	2018 Capital £	2018 Total Return £
(Loss) earnings after taxation attributable to ordinary shareholders	(2,564,021)	126,083,500	123,519,479	(2,777,833)	23,831,499	21,053,666
(Loss) earnings per ordinary share	(7.46p)	367.04p	359.58p	(9.19p)	78.81p	69.62p

	2019 No. of Shares	2018 No. of Shares
Weighted average number of Ordinary Shares in issue for the earnings per Ordinary Share calculations above	34,351,460	30,241,003

8. Investments held at fair value through profit or loss

Listed assets	2019 £	2018 £
Opening book cost	348,043,800	216,175,138
Opening investments holding gains	59,858,123	88,783,575
Opening market value	**407,901,923**	**304,958,713**
Additions at cost	619,142,073	431,313,312
Disposals proceeds received	(585,712,656)	(355,405,572)
Gains on investments	126,602,466	27,035,470
Market value of investments held at 31 December	**567,933,806**	**407,901,923**
Closing book cost	474,207,595	348,043,800
Closing investment holding gains	93,726,211	59,858,123
Closing market value	**567,933,806**	**407,901,923**

The Company received £585,712,656 (2018: £355,405,572) from investments sold in the year. The book cost of these investments when they were purchased was £492,978,277 (2018: £299,444,650). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

Transaction costs and stamp duty on purchases amounted to £222,578 (2018: £211,910) and transaction costs on sales amounted to £158,716 (2018: £154,151).

9. Investments in Subsidiaries or other companies

As at 31 December 2019 the Company held no investments in subsidiaries, nor did it hold more than 10% of the share capital of any other company.

10. Other Receivables, Cash and Cash Equivalents, and other Payables

	2019 £	2018 £
Other receivables		
Sales for future settlement	1,104,656	2,054,737
Accrued income	319,690	31,521
Other receivables	31,162	55,042
	1,455,508	**2,141,300**
Cash and Cash Equivalents		
Cash at bank	**15,438,099**	**30,717,000**
Other Payables		
Purchases for future settlement	-	4,109,528
Other payables	1,387,167	6,577,994
	1,387,167	**10,687,522**

The contingent consideration of £424,419 relating to Microdose Therapeutix was written down during the period to 31 December 2018, as no further return was expected to be received.

The carrying amount of other receivables, cash and cash equivalents and other payables, each approximate their fair value.

11. Called up Share Capital

	2019 £	2018 £
Allotted and Fully Paid		
35,272,168 Ordinary Shares of 25p (2018: 33,477,168)	8,818,042	8,369,292

During the year, there were no Ordinary shares repurchased to be held in treasury (2018: nil). During the year no Ordinary Shares were reissued from treasury (2018: 1,708,453), and 1,795,000 Ordinary Shares (2018: 5,174,288) were issued from the block listing facility. Since the year end a further 425,000 shares have been issued up to and including 6 March 2020.

	2019 Number	2019 £	2018 Number	2018 £
Allotted 25p ordinary shares				
Brought forward	33,477,168	8,369,292	26,594,427	6,648,607
Shares issued from treasury	-	-	1,708,453	427,113
Shares issued from block listing facility	1,795,000	448,750	5,174,288	1,293,572
Carried forward	**35,272,168**	**8,818,042**	**33,477,168**	**8,369,292**
Treasury shares:				
Brought forward	-	-	1,708,453	427,113
Shares issued from treasury	-	-	(1,708,453)	(427,113)
Carried forward	**-**	**-**	**-**	**-**

12. Reserves

			Capital Reserve		
	Share Premium Account £	Capital Redemption Reserve £	Gains on Sales of Investments £	Investment Holding Gains (Losses) £	Revenue Reserve £
Balance at 31 December 2018	130,694,014	1,020,750	249,729,556	61,035,072	(20,775,983)
Gains on sales of fixed asset investments	-	-	267,685,680	-	-
Foreign currency losses	-	-	(518,966)	-	-
Net movement in fixed asset investment holding gains	-	-	-	(141,083,214)	-
Transfer on disposal of investments	-	-	(174,951,302)	174,951,302	-
Issue of ordinary shares from block listing facility	29,399,316	-	-	-	-
Retained revenue loss for the year	-	-	-	-	(2,564,021)
Balance at 31 December 2019	**160,093,330**	**1,020,750**	**341,944,968**	**94,903,160**	**(23,340,004)**

The Institute of Chartered Accountants in England and Wales in its technical guidance TECH 02/17 states that investment holding gains arising out of a change in fair value of assets may be recognised as gains on sales of investments provided they can be readily converted into cash.

Securities listed on a stock exchange are generally regarded as being readily convertible into cash and hence investment holding gains in respect of such securities may be regarded as realised under Company Law.

The Share Premium Account arose on the issue of ordinary shares. The difference between the par value of shares and the total amount received is allocated here. It is not distributable by way of a dividend and cannot be used to repurchase shares.

The Capital Redemption Reserve represents the nominal value of shares repurchased and cancelled. It is not distributable by way of a dividend and cannot be used to repurchase shares.

The Capital Reserve reflects realised and unrealised gains and losses on investments and other income and costs recognised in the Capital column of the Income Statement. It can be used for share repurchases for holding in treasury. It is also distributable by way of a dividend.

The Revenue Reserve reflects revenue gains or losses.

13. Net Asset Value (NAV) per Share

The Net Asset Value per share (which equates to the net asset value attributable to each Ordinary Share in issue at the year end calculated in accordance with the Articles of Association) was as follows:

	NAV Per Share Attributable	
	2019	**2018**
Ordinary Shares of 25p	1,654.1p	1,284.7p

	NAV Attributable	
	2019	**2018**
Ordinary Shares of 25p	£583,440,246	£430,072,701

The Net Asset Value per share is based on 35,272,168 Ordinary Shares in issue at the year end (2018: 33,477,168 Ordinary Shares).

14. Contingent Liabilities and Commitments and Guarantees

At 31 December 2019 there were no contingent liabilities or commitments (2018: £Nil).

15. Financial Risk Management policies and procedures

The Company invests in equities and other investments in accordance with its investment policy as stated on the inside front cover. In pursuing its investment objective, the Company is exposed to certain inherent risks that could result in a reduction either in the Company's net return or in its net assets.

The main risks arising from the Company's financial instruments are: market risk (comprising market price risk, foreign currency risk and interest rate risk), liquidity risk and credit risk. The Directors determine the objectives and agree policies for managing each of these risks, as set out below. The Investment Manager, in close co-operation with the Directors, implements the Company's risk management policies. These policies have remained substantially unchanged during the current and preceding period.

(a) Market Risk

The Investment Manager assesses the exposure to market risk when making each investment decision, and monitors the risk on the investment portfolio on an ongoing basis. Market risk comprises market price risk, foreign currency risk and interest rate risk.

(i) Market Price Risk

Market price risk arises mainly from the uncertainty about future prices of financial instruments held. It represents the potential loss the Company might suffer through holding market positions in the face of price movements. An analysis of the Company's portfolio is shown on pages 51 and 52.

Market Price Sensitivity

The value of the Company's listed equities, which were exposed to market price risk as at 31 December 2019 and 31 December 2018 was as follows:

	2019 £	2018 £
Listed equity investments held at fair value through profit or loss	567,933,806	407,901,923

The following illustrates the sensitivity of the net return and the net assets to an increase or decrease of 20% (2018: 20%) in the fair values of the Company's listed investments. This level of change is considered to be reasonably possible based on observation of market conditions in the year. The sensitivity analysis is based on the impact of a change to the value of the Company's listed equity investments at each balance sheet date and the consequent impact on the investment management fees for the year, with all other variables held constant.

	2019 20% Increase in fair value £	2019 20% Decrease in fair value £	2018 20% Increase in fair value £	2018 20% Decrease in fair value £
Revenue earnings				
Investment management fees	(681,521)	681,521	(489,482)	636,839
Capital earnings				
Gains (losses) on investments at fair value	113,586,761	(113,586,761)	81,580,385	(81,580,385)
Change in net return	**112,905,240**	**(112,905,240)**	**81,090,903**	**(80,943,546)**

Management of market price risk
The Directors meet regularly to evaluate the risks associated with the investment portfolio. Dedicated fund managers have the responsibility for monitoring the existing portfolio selection in accordance with the Company's investment objective and seek to ensure that individual stocks meet an acceptable risk reward profile.

The Board can authorise the Investment Manager to use options in order to protect the portfolio against high market volatility. Where options are employed, the market value of such options can be volatile but the maximum realised loss on any contract is limited to the original investment cost. No options were taken out in the current year (2018: £nil).

(ii) Foreign Currency Risk
Foreign currency risk is the risk of the movement in the values of overseas financial instruments as a result of fluctuations in exchange rates.

Management of foreign currency risk
Transactions in foreign currencies are translated into sterling at the rates of exchange ruling on the date of the transaction. Foreign currency assets and liabilities are translated into sterling at the rates of exchange ruling at the balance sheet date. It is the Company's policy not to hedge foreign currency exposure.

Any income denominated in foreign currency is converted into sterling on receipt. The Company does not use financial instruments to mitigate the currency exposure in the period between the time that income is included in the financial statements and its receipt.

The table below summarises in sterling terms the foreign currency risk exposure:

	2019 Investments £	2019 Other Assets and Liabilities £	2019 Total Currency Exposure £	2018 Investments £	2018 Other Assets and Liabilities £	2018 Total Currency Exposure £
Sterling	10,218,635	(30,108)	10,188,527	15,903,881	(5,657,981)	10,245,900
US Dollar	511,260,271	15,016,373	526,276,644	365,135,708	27,392,886	392,528,594
Other currency exposure	46,454,900	520,175	46,975,075	26,862,334	435,873	27,298,207
	567,933,806	**15,506,440**	**583,440,246**	**407,901,923**	**22,170,778**	**430,072,701**

Foreign Currency Risk Sensitivity

The following table details the company's sensitivity to a 20% increase and decrease in sterling against the relevant foreign currencies and the resultant impact that any such increase or decrease would have on the net return and net assets. The sensitivity analysis includes all foreign currency denominated items and adjusts their translation at the period end for a 20% change in foreign currency rates.

	2019 20% Decrease in sterling against foreign currencies £	2019 20% Increase in sterling against foreign currencies £	2018 20% Decrease in sterling against foreign currencies £	2018 20% Increase in sterling against foreign currencies £
US Dollar	131,569,161	(87,712,774)	98,132,149	(65,421,432)
Other currency exposure	11,743,768	(7,829,179)	6,824,552	(4,549,701)
Change in net return and net assets	**143,312,929**	**(95,541,953)**	**104,956,701**	**(69,971,133)**

(iii) Interest Rate Risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

Interest Rate Exposure

The table below summarises in sterling terms the financial assets and financial liabilities whose values are directly affected by changes in interest rates.

	2019 Fixed rate interest £	2019 Floating rate interest £	2019 Nil interest £	2019 Total £	2018 Fixed rate interest £	2018 Floating rate interest £	2018 Nil interest £	2018 Total £
Financial assets	-	15,438,099	567,933,806	583,371,905	-	30,717,000	407,901,923	438,618,923
Financial liabilities	-	-	-	-	-	-	-	-
Net financial assets	-	**15,438,099**	**567,933,806**	**583,371,905**	-	**30,717,000**	**407,901,923**	**438,618,923**
Short-term receivables and payables				68,341				(8,546,222)
Net assets per balance sheet				**583,440,246**				**430,072,701**

As at 31 December 2019, the interest rates received on cash balances or paid on bank overdraft was 0.20% and 1.75% per annum respectively (2018: nil% and 2.0% per annum).

Management of interest rate risk

The Company invests predominantly in equities, the values of which are not directly affected by changes in prevailing market interest rates. The Company's policy is to remain substantially fully invested. It does not normally expect to hold significant cash balances for other than brief periods of time and therefore there is minimal exposure to interest rate risk.

(b) Liquidity risk
Liquidity risk relates to the capacity to meet liabilities as they fall due and is dependent on the liquidity of the underlying assets.

Maturity of financial liabilities
The table below presents the future cash flows payable by the Company in respect of its financial liabilities.

2019	Three months or less £	Between three months and one year £	Between one and five years £	More than five years £	Total £
Other Payables - Within one year					
Other payables	1,387,167	-	-	-	1,387,167
	1,387,167	**-**	**-**	**-**	**1,387,167**

2018	Three months or less £	Between three months and one year £	Between one and five years £	More than five years £	Total £
Other Payables - Within one year					
Other payables	10,687,522	-	-	-	10,687,522
	10,687,522	**-**	**-**	**-**	**10,687,522**

Management of liquidity risk
Liquidity risk is not considered to be significant as the Company's assets mainly comprise realisable securities, which can be sold to meet funding requirements. Short term flexibility can be achieved through the use of overdraft facilities, where necessary. As at the 31 December 2019, the Company had no committed borrowing facility (2018: £nil).

(c) Credit risk
Credit risk is the risk of default by a counterparty in discharging its obligations under transactions that could result in the Company suffering a loss.

Management of credit risk
Outstanding settlements are subject to credit risk. Credit risk is mitigated by the Company through its decision to transact with counterparties of high credit quality. The Company only buys and sells investments through brokers which are considered to be approved counterparties, thus minimising the risk of default during settlement. Normally trades are settled by payment of cash against delivery. The credit ratings of brokers are reviewed quarterly by the Investment Manager.

The Company is also exposed to credit risk through the use of banks for its cash position. Bankruptcy or insolvency of banks may cause the Company's rights with respect to cash held by banks to be delayed or limited. The Company's cash balances are held with HSBC, rated Aa3 by Moody's rating agency. The Directors believe the counterparties the Company has chosen to transact with are of high credit quality, therefore the Company has minimal exposure to credit risk.

The table below summarises the credit risk exposure of the Company as at 31 December:

	2019 £	2018 £
Other Receivables:		
Outstanding settlements	1,104,656	2,054,737
Accrued income	319,690	31,521
Other receivables	31,162	55,042
Cash and cash equivalents	15,438,099	30,717,000
	16,893,607	**32,858,300**

Fair Values of Financial Assets and Financial Liabilities

Investments and derivative financial instruments are held at fair value through profit or loss in accordance with FRS 102 sections 11 and 12.

FRS102 sets out three fair value hierarchy levels for disclosure that reflect the significance of the inputs used in making the measurements.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant assets as follows:

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 31 December 2019, the financial assets at fair value through profit and loss are categorised as follows:

	2019 £	2018 £
Level 1	567,933,806	407,901,923
Level 2	-	-
Level 3	-	-
	567,933,806	**407,901,923**

16. Capital Management Policies and Procedures

The Company's objective is to provide long-term capital growth through investing principally in the equity securities of quoted technology companies on a worldwide basis.

The Company's capital at 31 December 2019 was as per the equity shareholders' funds in the Balance Sheet on page 93.

The Board, with the assistance of the Investment Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis, including the level of gearing, taking into account the Investment Manager's view on the market and the future prospects of the Company's performance. Capital management also involves reviewing the difference between the net asset value per share and the share price (i.e. the level of share price discount or premium) to assess whether to repurchase shares for cancellation or holding in treasury.

The Company's objective, policies and processes for managing capital are unchanged from the preceding accounting period and the Company has complied with them.

The Company will not invest in more than 20% of the net assets using 'gearing'. The Company's Articles of Association limit borrowing to one quarter of its called up share capital and reserves.

17. Transactions with the Investment Manager and related parties

The amounts paid to the Investment Manager together with details of the investment management contract are disclosed in Note 2 on page 97. The existence of an independent board of directors demonstrates that the Company is free to pursue its own financial and operating policies and therefore, under FRS102 Section 33: 'Related Party Disclosures', the Investment Manager is not considered to be a related party.

The Company's related parties are its directors. Fees paid to the Company's board, including employer national insurance contributions, are disclosed in Note 3 on page 98. There are no other identifiable related parties at 31 December 2019, and as of 13 March 2020.

18. Post Balance Sheet Events

Since the year end a further 425,000 shares have been issued. As at 6 March 2020 there were 35,697,168 shares in issue.

Global markets have experienced significant fluctuations due to risks associated with Covid-19 virus. Since the year end, the NAV of Allianz Technology Trust Plc has fallen by 6.25%, as at close of business on 11 March 2020.

Investor Information

Microsoft's Xbox Series X gaming console was announced in 2019. This fourth generation of Xbox hardware will compete with Sony's Playstation 5 when it launches in late 2020.

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, by dividing this amount by the total number of ordinary shares in issue.

Earnings per ordinary share is the profit after taxation, divided by the weighted average number of shares in issue for the period.

Alternative Performance Measures (APMs)

Discount/Premium is the amount by which the stock market price per ordinary share is lower/higher 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, incurred in the running of the company, whether charged to revenue or capital, but excluding financing costs and performance fees. 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

Manager and Investment Manager
Allianz Global Investors GmbH, UK Branch
199 Bishopsgate, London EC2M 3TY

Head of Investment Trusts - AllianzGI
Stephanie Carbonneil
Email: stephanie.carbonneil@allianzgi.com

Company Secretary and Registered Office
Eleanor Emuss
Email: eleanor.emuss@allianzgi.com

199 Bishopsgate, London EC2M 3TY
Telephone: 020 3246 7405
Website: www.allianztechnologytrust.com

Registered Number
3117355

Bankers and Custodian
HSBC Bank plc, 8 Canada Square, London E14 5HQ

Solicitors
Eversheds LLP, 1 Wood Street, London EC2V 7WS

Depositary
HSBC Security Services, 8 Canada Square, London E14 5HQ

Independent Auditors
Grant Thornton UK LLP, 30 Finsbury Square, London EC2A 1AG

Registrars
Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Telephone: 0371 664 0300. Lines are open 9.00 a.m. to 5.30p.m. (London time) Monday to Friday.
Email: enquiries@linkgroup.co.uk
Website: www.linkassetservices.com

Stockbrokers
Winterflood Investment Trusts, The Atrium Building, Cannon Bridge House, 25 Dowgate Hill, London, EC4R 2GA

Identifiers
SEDOL: 0339072
ISIN: GB0003390720 BLOOMBERG: ATT
EPIC: ATT
GIIN: YSYR74.99999.SL.826
LEI: 549300JMDPMJU23SSH75

Financial Calendar
Full year results announced and Annual Financial Report posted to Shareholders in March.

Annual General Meeting held in May.

Half year results announced and Half-Yearly Financial Report posted to Shareholders in August.

The year end is 31 December.

How to invest
Information is available from Allianz Global Investors either via Investor Services on 0800 389 4696 or on the Company's website: www.allianztechnologytrust.com.

A list of other providers can be found on the Company's website www.allianztechnologytrust.com/howtoinvest

Market and Portfolio Information
The Company's Ordinary Shares are listed on the London Stock Exchange under the code ATT. The market price range, gross yield and net asset value (NAV) are shown daily in the Financial Times and The Daily Telegraph under the headings 'Investment Trusts' and 'Investment Companies', respectively. The NAV of the Ordinary Shares is calculated daily and published on the London Stock Exchange Regulatory News Service. The geographical spread of investments and ten largest holdings are published monthly on the London Stock Exchange Regulatory News Service. They are also available from the Manager's Investor Services Helpline on 0800 389 4696 or via the Company's website: www.allianztechnologytrust.com.

Share Price
The share price quoted in the London Stock Exchange Daily Official List for 31 December 2019 was 1647.0p per Ordinary Share.

Website

Further information about Allianz Technology Trust PLC, including monthly factsheets, daily share price and performance, is available on the Company's website: www.allianztechnologytrust.com

Association of Investment Companies (AIC)

The Company is a member of the AIC, the trade body of the investment trust industry, which provides a range of literature including fact sheets and a monthly statistical service. Copies of these publications can be obtained from the AIC, 9th Floor, 24 Chiswell Street, London EC1Y 4YY, or at www.theaic.co.uk. AIC Category: Technology, Media and Telecommunications.

Shareholder Enquiries – Link Asset Services

In the event of queries regarding their holdings of shares, lost certificates, dividend payments, registered details, etc., shareholders should contact the registrars on 0371 664 0300. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. Calls to this number are charged at local rates, calls from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes.

Changes of name and address must be notified to the registrars in writing. Any general enquiries about the Company should be directed to the Company Secretary, Allianz Technology Trust PLC, 199 Bishopsgate, London EC2M 3TY. Telephone: 020 3246 7405.

Share Dealing Services

Link Asset Services operate an online and telephone dealing facility for UK resident shareholders with share certificates. Stamp duty and commission may also be payable on transactions.

For further information on these services please contact: www.linksharedeal.com for online dealing or 0371 664 0445 for telephone dealing. Lines are open 8.00 a.m. to 4.30 p.m. Monday to Friday. Calls to this number are charged at local rates, calls from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes.

Share Portal

Link Asset Services also offer shareholders a free online service called the Share Portal, enabling shareholders to access a comprehensive range of shareholder related information. Through the Share Portal, shareholders can; view their current and historical shareholding details; obtain an indicative share price and valuation; and amend address details. Shareholders can access these services at www.signalshares.com.

Shareholders will need to register for a Share Portal Account by completing an on-screen registration form. An email address is required.

CREST Proxy Voting

Shares held in uncertificated form (i.e. in CREST) may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST manual.

FATCA

The Company is registered with the Internal Revenue Service (IRS) as a Foreign Financial Institution for the purposes of the Foreign Tax Compliance Act (FATCA). The Company's Global Intermediary Identification Number (GIIN) is YSYR74.99999.SL.826

Non Mainstream Pooled Investments

The Company is an investment trust and therefore its shares are not subject to the Financial Conduct Authority's (FCA) rules relating to the restrictions on the retail distribution of unregulated collective investment schemes and close substitutes which came into effect on 1 January 2014. Accordingly, its shares can be recommended by IFAs to retail investors in accordance with the FCA's rules in relation to nonmainstream investment products.

Nominee Code

In order to allow investors holding their shares within a nominee company to receive shareholder communications, the Company undertakes to provide multiple copies of such documents to the registered nominee company where prior notice has been given. The Company encourages nominee companies to provide the underlying investors with sufficient information to make informed decisions regarding their investments, including the opportunity to attend Company General Meetings.

Fraud warning to Shareholders

We are aware that shareholders may receive unsolicited telephone calls or correspondence concerning investment matters. These are typically from overseas based organisations who target UK shareholders offering to sell them, what often turn out to be, worthless or high risk shares in US or UK investments or encourage them to dispose of UK shares. They can be extremely persistent and persuasive. Shareholders are therefore advised to be very wary of any unsolicited advice or offers. Please note that it is most unlikely that either the Company or the Company's Registrar, Link Asset Services, would make unsolicited telephone calls to shareholders. Any such calls would only ever relate to official documentation already circulated to shareholders and never in respect of investment 'advice'. If you are in any doubt about the veracity of an unsolicited telephone call, please call the Company Secretary on +44 (0)800 389 4696 or the Registrar on +44 (0) 371 664 0300.

Alternative Investment Fund Manager

Alternative Investment Fund Manager (Investment Manager)

Allianz Global Investors GmbH (AllianzGI) is an investment company with limited liability incorporated in Germany and registered in the UK as a branch with establishment number BR009058 and with an establishment address of 199 Bishopsgate, London EC2M 3TY. It is authorised by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and is subject to limited regulation by the Financial Conduct Authority (FCA). AllianzGI are active asset managers operating across 19 markets with specialised in-house research teams around the globe, managing assets for individuals, families and institutions worldwide. As at 30 September 2019, AllianzGI had €557 billion of assets under management worldwide. Through its predecessors, AllianzGI has a heritage of investment trust management expertise in the UK reaching back to the nineteenth century and as at 31 December 2019 had £1.75 billion of assets under management in a range of investment trusts. Website: www.allianzgi.co.uk

Remuneration Disclosure of the AIFM

Employee remuneration of Allianz Global Investors GmbH for the financial year ending 31 December 2019 (all values in Euro).

Number of employees: 1,707

	All employees	Risk Taker	Board Member	Other Risk Taker	Employees with Control Function	Employees with Comparable Compensation
Fixed remuneration	163,646,905	8,839,907	1,718,951	1,294,426	488,352	5,338,178
Variable remuneration	122,615,429	23,341,018	3,821,074	4,708,477	420,897	14,390,570
Total remuneration	**286,262,334**	**32,180,925**	**5,540,025**	**6,002,903**	**909,249**	**19,728,748**

Remuneration Policy of the AIFM

The compensation structure at AllianzGI Europe is set up to avoid any kind of excessive risk-taking. Variable compensation awards are delivered via deferral programs to ensure they are linked to sustainable performance. In addition any compensation decisions have to be reviewed and approved by our Functional, Regional and Global Compensation Committees on both an aggregate and individual basis, to further ensure effective risk mitigation.

AIFM and Depositary

The Alternative Investment Fund Managers Directive (AIFMD) aims to create a comprehensive and effective regulatory and supervisory framework for alternative investment fund managers within the EU. Allianz Global Investors GmbH, UK Branch (AllianzGI) is the Company's AIFM and HSBC Securities Services (HSBC) has been appointed as its Depositary in accordance with AIFMD under a depositary agreement between the Company, and HSBC. Depositary fees are charged in addition to custody fees and are calculated on the basis of net assets.

AIFM Leverage Disclosure

The Company may borrow cash and employ leverage which may include the use of derivatives in accordance with the stated investment policy and the underlying investment guidelines set by the Board for the Investment Manager from time to time. It is acknowledged that the use of leverage may expose the Company to greater risk as volatility levels, in particular within derivative contracts, can be high. The use of leverage is therefore carefully considered prior to exposure. The AIFMD requires each element of leverage and its exposure to be expressed as a ratio of the Company's NAV. The Company does not currently employ gearing and does not currently invest in derivatives.

AIFM Pre-Investment Disclosures

The AIFMD requires that potential investors are provided with sufficient pre-investment information in order to make an informed decision. An 'AIFMD: Information Document' is available in the Literature Library on the Company's website at www.allianztechnologytrust.com which provides information on investment objective, strategy, policies and other pertinent information which may have an impact on a potential investors decision. There have been no material changes to the information disclosed within the 'AIFMD: Information Document' since publication.

Notice of Meeting

Notice is hereby given that the Annual General Meeting of Allianz Technology Trust PLC will be held at Grocers' Hall, Princes Street, London EC2R 8AD on Tuesday 19 May 2020 at 12 noon to transact the following business:

Ordinary Business

1. To receive and adopt the audited accounts and the Report of the Directors for the year ended 31 December 2019.
2. To re-elect Robert Jeens as a Director of the Company.
3. To re-elect Humphrey van der Klugt as a Director of the Company.
4. To re-elect Elisabeth Scott as a Director of the Company.
5. To elect Neeta Patel as a Director of the Company.
6. To re-appoint Grant Thornton UK LLP as the Auditors of the Company.
7. To authorise the Directors to determine the remuneration of the Auditors.
8. To approve the Directors' Remuneration Policy Report
9. To receive and approve the Directors' Remuneration Implementation Report.

Special Business

To consider, and if thought fit, pass the following Resolutions, of which resolution 10 will be proposed as an ordinary resolution and resolutions 11, 12, and 13 will be proposed as Special Resolutions:

10. THAT, in substitution for any existing authority, but without prejudice to the exercise of any such authority prior to the date hereof, the Directors of the Company be and they are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the Act) to exercise all the powers of the Company to allot shares in the Company provided that such authority shall be limited to shares with an aggregate nominal value of up to £892,429 equivalent to 3,569,716 shares or, if different, the number representing 10% of the issued share capital (excluding treasury shares) at the date of passing the resolution, such authority to expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, unless previously revoked, varied or extended by the Company in a general meeting, save that the Company may at any time prior to the expiry of this authority make an offer or enter into an agreement which would or might require shares to be allotted after the expiry of such authority and the Directors shall be entitled to allot shares in pursuance of such an offer or agreement as if such authority had not expired.
11. THAT, subject to the passing of resolution 10 above, and in substitution for any existing power but in addition to any power conferred on them by resolution 12 below and without prejudice to the exercise of any such power prior to the date hereof, the Directors of the Company be and they are hereby generally empowered, pursuant to Section 570 of the Companies Act 2006 (the Act), to allot equity securities (as defined in Section 560 of the Act) for cash pursuant to the authority given by resolution number 7 above as if Section 561(1) of the Act did not apply to any such allotment of equity securities, provided that this power shall be limited to the allotment of equity securities:

(a) in connection with or pursuant to an offer by way of rights, open offer or other pre-emptive offer to the holders of shares in the Company and other persons entitled to participate therein in proportion (as nearly as practicable) to their respective holdings, subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory or the regulations or requirements of any regulatory authority or any stock exchange in any territory;

(b) (otherwise than pursuant to sub-paragraph (a) above) up to an aggregate nominal value of £892,429 being approximately 10% of the nominal value of the issued share capital of the Company, as at 13 March 2020,or, if different, such amount as is equal to 10% of the issued share capital at the date of the AGM, and provided further that the number of equity securities to which this power applies shall be reduced from time to time by the number of treasury shares which are sold pursuant to any power conferred on the Directors by resolution 13 below, and such power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the date of the passing of this resolution, whichever is the earlier, unless previously revoked, varied or renewed by the Company in general meeting save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted and the Directors of the Company may allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired.

12. THAT, in addition to any power conferred on them by resolution 11 above, and in substitution for any existing power and without prejudice to the exercise of any such power prior to the date hereof, the Directors of the Company be and they are hereby generally empowered, pursuant to Section 570 of the Companies Act 2006 (the Act), to sell relevant shares (as defined in Section 560 of the Act) if, immediately before the sale, such shares are held by the Company

as treasury shares (as defined in section 724 of the Act (treasury shares), for cash as if Section 561(1) of the Act did not apply to any such sale of treasury shares, provided that:

(a) where any treasury shares are sold pursuant to this power at a discount to the then prevailing net asset value (NAV) of shares, such discount must be (i) lower than the discount to the NAV per share at which the Company acquired the shares which it then holds in treasury and (ii) not greater than 5% of the prevailing NAV per share at the latest practicable time before such sale (and for this purpose the Directors shall be entitled to determine in their reasonable discretion the discount to their net asset value at which such shares were acquired by the Company and the NAV per share at the latest practicable time before such shares are sold pursuant to this power); and

(b) this power shall be limited to the sale of relevant shares up to an aggregate nominal value of £892,429 being approximately 10% of the nominal value of the issued share capital of the Company, as at 13 March 2020, and provided further that the number of relevant shares to which this power applies shall be reduced from time to time by the number of shares which are allotted for cash as if Section 561(1) of the Act did not apply pursuant to the power conferred on the Directors by resolution 11 above, and such power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the date of the passing of this resolution, whichever is the earlier, unless previously revoked, varied or renewed by the Company in general meeting save that the Company may, before such expiry, make an offer or agreement which would or might require treasury shares to be sold and the Directors of the Company may sell treasury shares in pursuance of any such offer or agreement as if the power conferred hereby had not expired.

13. THAT, in substitution for any existing authority but without prejudice to the exercise of any such authority prior to the date hereof, the Company be and is hereby generally and unconditionally authorised, pursuant to and in accordance with Section 701 of the Companies Act 2006 (the Act), to make market purchases (within the meaning of Section 693(4) of the Act) of fully paid Ordinary shares of 25p each in the capital of the Company (Ordinary shares) (either for retention as treasury shares for future reissue, resale, transfer or cancellation), provided that:

(a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 5,351,005;

(b) the minimum price (excluding expenses) which may be paid for each Ordinary Share is 25p;

(c) the maximum price (excluding expenses) which may be paid for each Ordinary Share shall not be more than the higher of:

(i) 5% above the average closing price on the London Stock Exchange of an Ordinary Share over the five business days immediately preceding the date of purchase: and

(ii) the higher of the last independent trade and the highest current independent bid on the London Stock Exchange; and

(d) unless previously varied, revoked or renewed by the Company in a general meeting, the authority hereby conferred shall expire at the conclusion of the Company's next Annual General Meeting or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares under such authority which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.

By order of the Board

Eleanor Emuss
Company Secretary
199 Bishopsgate, London EC2M 3TY
13 March 2020

Notes:

1. Members entitled to attend and vote at this Meeting may appoint one or more proxies to attend, speak and vote in their stead by completion of a personalised form of proxy. Full details on how to complete the form of proxy are set out on the form of proxy. The proxy need not be a Member of the Company.
2. A proxy must vote in accordance with any instructions given by the member by whom the proxy is appointed. A proxy has one vote on a show of hands in all cases (including where one member has appointed multiple proxies) except where he is appointed by multiple members who instruct him to vote in different ways, in which case he has one vote for and one vote against the resolution.
3. A personalised form of proxy is provided with the Annual Financial Report. Any replacement forms must be requested direct from the Registrar.
4. Completion of the form of proxy does not exclude a Member from attending the Meeting and voting in person.
5. Duly completed forms of proxy must reach the office of the Registrars at least 48 hours before the Meeting (excluding non-business days).
6. Shares held in uncertificated form (i.e. in CREST) may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST manual on the Euroclear website (www.euroclear.com/CREST).
7. To be entitled to attend and vote at the Meeting (and for the purpose of determination by the Company of the number of votes they may cast), Members must be entered on the Company's Register of Members by 6pm on Friday 15 May 2020 (the record date).
8. If the Meeting is adjourned to a time not more than 48

hours after the record date applicable to the original Meeting, that time will also apply for the purpose of determining the entitlement of Members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned Meeting. If, however, the Meeting is adjourned for a longer period then, to be so entitled, Members must be entered on the Company's Register of Members at the time which is 48 hours before the time fixed for the adjourned Meeting or, if the Company gives new notice of the adjourned Meeting, at the record date specified in that notice.

9. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006 (nominated persons). Nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.
10. Corporate representatives are entitled to attend and vote on behalf of the corporate member in accordance with Section 323 of the Companies Act 2006. Pursuant to the Companies (Shareholders' Rights) Regulations 2009 (SI2009/1632), multiple corporate representatives appointed by the same corporate member can vote in different ways provided they are voting in respect of different shares.
11. Members have a right under Section 319A of the Companies Act 2006 to require the Company to answer any question raised by a member at the AGM, which relates to the business being dealt with at the meeting, although no answer need be given (a) if to do so would interfere unduly with the preparation of the meeting or involve disclosure of confidential information; (b) if the answer has already been given on the Company's website; or (c) it is undesirable in the best interests of the Company or for the good order of the meeting.
12. Members satisfying the thresholds in Section 527 of the Companies Act 2006 can require the Company, at its expense, to publish a statement on the Company website setting out any matter which relates to the audit of the Company's accounts that are to be laid before the meeting. Any such statement must also be sent to the Company's auditors no later than the time it is made available on the website and must be included in the business of the meeting.
13. As at 13 March 2020, the latest practicable date before this Notice is given, the total number of shares in the Company in respect of which members are entitled to exercise voting rights was 35,697,168 Ordinary Shares of 25p each. Each Ordinary Share carries the right to one vote and therefore the total number of voting rights in the Company on 13 March 2020 is 35,697,168.
14. Further information regarding the meeting which the Company is required by Section 311A of the Companies Act 2006 to publish on a website in advance of the meeting (including this Notice), can be accessed at www.allianztechnologytrust.com
15. Contracts of service are not entered into with the Directors, who hold office in accordance with the Articles of Association.

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