Final
Short Form

Allianz UK Growth Fund

For the year ended 31 August 2013

The report below, as prescribed by the Financial Conduct Authority (FCA), aims to provide clear and concise information enabling you to make an informed judgement on your investment, during the year covered. We continually strive to enhance the information we send to you and we would welcome any comments you may have. A long form version of the report and accounts can still be viewed at www.allianzglobalinvestors.co.uk. Alternatively, call our Investor Services team on 0800 317 573 to request a copy. Thank you for your continued investment with Allianz Global Investors.

Investment Objective & Policy

The Fund aims to achieve capital growth.

The ACD aims to achieve the investment objective by investing in all economic sectors of the United Kingdom although it may invest internationally. The Fund may also hold fixed income securities. It is the general intention of the ACD to invest in all sectors and stocks of the FTSE All Share Index.

The ACD may also utilise deposits in the management of the portfolio. The Fund may also invest in collective investment schemes.

Risk Profile

Equity Risk: Equities are generally more risky than fixed interest securities. Considerable fluctuations in equity prices may mean that you do not get all your money back.

Smaller Companies: Smaller companies may be riskier and less liquid than larger companies, which means that their share price may be more volatile.

Risk and Reward Profile

The Allianz UK Growth Fund has a risk reward indicator of 6. Funds of category 6 have shown high volatility in the past. The volatility describes how much the value of the Fund went up and down in the past. The shares of a Fund of category 6 might be subject to high price fluctuations based on the historical volatilities observed.

The indicator is mapped through an integer number between 1 & 7 and is based on past performance data and is calculated in accordance with European legislation. The categorisation of the Fund is not guaranteed and may change in the future.

Investment Review

Performance Summary: Over the 12 month period under review, 1 September 2012 to 31 August 2013, the Fund's 'A' class produced a total return of 20.7%. The Fund's benchmark, the FTSE All Share Index, produced a total return of 18.9%.*

The main drivers of the Fund's outperformance were conviction holdings in small and mid-cap companies, such as Tyman, Mothercare and Henry Boot. In some cases we have reduced these holdings as they approached our estimates of fair value.

Market Background: Equity markets performed strongly during the year under review. This was driven by two factors: the continuation of the extremely accommodative monetary policy stance by developed world central banks; and an improvement in the economic data, initially in the US, then followed by the UK and most recently continental Europe.

Towards the end of the year, a certain tension emerged between these two drivers. With growth apparently recovering, investors began to question how long such stimulus would remain in place. This was triggered by Ben Bernanke, the Chairman of the US Federal Reserve (Fed), who hinted in a speech in May that the Fed may begin "tapering", or reducing, its asset purchases later in the year. Market volatility increased significantly following this speech. Government bond yields rose to their highest levels since 2011.

Stock market performance over the year was distinctly polarised. In the UK, the strongest performing areas were the domestic focused companies, particularly those in the cyclical consumer sector. Investor expectations for these companies rose considerably following the improvement in the outlook for the UK economy. The weakest areas were those exposed to emerging markets, in particular the mining sector. Fears around the removal of monetary stimulus and worsening economic data caused investor sentiment towards emerging markets to deteriorate considerably.

* Source: Allianz Global Investors/Datastream. Fund performance based on end of day prices, net of fees and expenses, with net revenue re-invested in Sterling. Benchmark performance based on end of day prices.

As previously advised, AllianzGI UK and RCM UK will merge into AllianzGI Europe on or around 31 October 2013.

Allianz Global Investors

Key Facts

Fund manager	Matthew Tillett (Jeremy Thomas ceased July 2013)			
Launch date	20 June 2002			
Fund benchmark	FTSE All Share Index			
Annual charge	1.25%			
Initial charge	ISA	3%	Direct	4%
Minimum investment	ISA	£1,000	Direct	£500
Additional investment	ISA	£1,000	Direct	£500
Regular savings plan	ISA	£200	Direct	£50
Ex dividend date	1 September			
Payment date	31 October			
Share classes & types	A (Accumulation)			

Ongoing Charges Figure

31 August 2013	
'A' Shares	1.43%

Ongoing Charges Figure (OCF) represents all operating charges and expenses and is expressed as a percentage of the average net asset value. It includes the annual ACD fee as well as all the administrative expenses including custodial transaction charges incurred by the Fund.

Performance Record (price in pence)

	High	Low
Share class	A	A
2008	3,539.9	1,893.7
2009	2,947.8	1,770.9
2010	3,324.0	2,757.2
2011	3,416.8	2,770.4
2012	3,486.9	3,004.8
2013[1]	4,065.4	3,509.1

[1] For the period to 31 August 2013

Summary of Fund Performance

	Net Asset Value		Net Asset Value per share		
	31 Aug 2013 £000s	31 Aug 2012 £000s	31 Aug 2013 (p)	31 Aug 2012 (p)	Change %
'A' Shares	49,473	49,259	3,961.3	3,286.5	20.5

Summary of Distribution

	Payment date	Net distribution per share (p)
'A' Shares	31 October 2013	93.3916

Please note: Investors are reminded that the Fund distributes annually.

Portfolio Review

Following the change of manager in July, the portfolio is being gradually transitioned to an unconstrained strategy.

There will be a greater focus on bottom-up stock picking, with less emphasis on managing the Fund to a benchmark. The strategy still aims to outperform the benchmark, but seeks to achieve this over a 3-5 year time horizon. The manager has been following a similar unconstrained strategy for over 3 years and has recently received an AA rating from Citywire.

A notable trend in the portfolio over the past year has been an increase in the number of "special situation" investments. Special situation investment cases typically have unusual share price drivers that are often independent of the economy or the stock market. The rise in stock markets has led to a situation where it is now harder to find clear value, and as such we are looking more towards the special situations area for attractive investment ideas. Two new portfolio holdings in this area were Firstgroup and Sirius Real Estate.

Firstgroup is one of the UK's leading bus and rail companies. We bought shares at the rights issue, as we felt that this removed the severe financial risk facing the business, and also allowed management to finally begin investing in the business again. The valuation at our purchase price was very attractive and the shares have the potential to go much higher in time if the investment in the business begins to show through in higher margins.

Sirius Real Estate is a flexible workspace real estate company operating in Germany. The shares have suffered since listing in the 2007 due to severe valuation write downs and an overleveraged balance sheet. However, the business plan under new CEO Andrew Coombs is performing well. We bought shares in a placing that served to partially refinance the balance sheet, thereby reducing the previously high financial risk. Over time, we expect the 50% discount to net asset value (NAV) to close driving a strong share price return.

There were a number of complete sales and reductions to positions following strong share price appreciation. In consumer staples, we sold out of Diageo completely and reduced Unilever. We also reduced the large position in Tyman following the rights issue to finance the acquisition of Truth and subsequent strong share price performance.

Outlook: The UK economy is currently showing some of the strongest signs of recovery since the global financial crisis. The housing market is recovering and confidence is generally improving. However, we remain wary that the high debt will restrain activity in the medium term and keep growth below the longer term trend.

The outlook in the US is broadly similar to the UK. In Europe, Germany has been fairly resilient and there are tentative signs of recovery in the weaker regions. However, this recovery is at an earlier stage than in the UK and remains vulnerable to further stresses in the financial system. Elsewhere, Japan is performing

Classification of Investments

Ten Largest Holdings as at 31 August 2013	(%)
GlaxoSmithKline	6.77
Royal Dutch Shell 'B' Shares	5.90
BP	5.70
HSBC	4.70
Tyman	4.07
Rio Tinto	3.57
Reed Elsevier	3.51
Henry Boot	3.26
Vodafone	3.21
Tesco	2.90
Total	**43.59**

Ten Largest Holdings as at 31 August 2012	(%)
GlaxoSmithKline	7.34
BP	7.10
Royal Dutch Shell 'B' Shares	6.19
Vodafone	6.15
HSBC	5.25
Diageo	4.34
Reed Elsevier	3.90
Rio Tinto	3.52
Unilever	2.90
Centrica	2.62
Total	**49.31**

Sector Breakdown as at 31 August 2013	(%)
Aerospace & Defence	1.81
Banks	4.70
Beverages	0.00
Chemicals	0.00
Construction & Materials	9.85
Equity Investment Instruments	4.22
Food & Drug Retailers	2.90
Food Producers	2.48
Gas, Water & Multiutilities	2.49
General Financial	7.17
General Retailers	1.83
Healthcare Equipment & Services	1.59
Media	6.11
Mining	6.21
Mobile Telecommunications	4.83
Non-Life Insurance	0.00
Oil Equipment, Services & Distribution	1.42
Oil & Gas Producers	13.44
Pharmaceuticals & Biotechnology	6.77
Real Estate	3.11
Support Services	6.72
Travel & Leisure	2.81
Germany Equities	1.98
Ireland Equities	2.89
Net other assets	4.67
Net Assets	**100.00**

Sector Breakdown as at 31 August 2012	(%)
Aerospace & Defence	2.57
Banks	6.63
Beverages	4.34
Chemicals	1.07
Construction & Materials	6.62
Equity Investment Instruments	2.80
Food & Drug Retailers	2.57
Food Producers	2.90
Gas, Water & Multiutilities	2.62
General Financial	6.17
General Retailers	1.36
Healthcare Equipment & Services	1.48
Media	8.42
Mining	7.15
Mobile Telecommunications	7.49
Non-Life Insurance	0.85
Oil Equipment, Services & Distribution	1.49
Oil & Gas Producers	16.01
Pharmaceuticals & Biotechnology	7.34
Real Estate	0.00
Support Services	4.13
Travel & Leisure	2.47
Germany Equities	0.00
Ireland Equities	0.88
Net other assets	2.64
Net Assets	**100.00**

better although it is unlikely to drive global activity. Emerging markets look particularly uncertain with Brazil and India slowing rapidly. China is also showing significant strains as it attempts to rebalance the economy from investment led to consumer led whilst pulling back on the shadow banking system. Although Chinese demand is uncertain, it remains the key to many commodity markets.

The stock market has been revalued significantly over the last year, and within the market there is now a far greater polarisation of valuations. Whilst higher quality, defensive growth stocks have been highly valued for a while, many cyclical stocks have now also risen to fuller valuations amid hopes of economic recovery. Conversely mining and oil shares have languished and trade at more depressed levels.

We are finding fewer new investment ideas, with many stocks in the portfolio and market having appreciated. However, we remain alert to potential opportunities created by market volatility and individual company circumstances. We see specific opportunities in certain sectors such as media, speciality financials, construction and non-prime real estate. We have limited exposure to the more defensive growth sectors like food producers, beverages and household products where valuations look stretched. The portfolio also has little allocated to domestic banks or the mining industry, both sectors where risks remain high although valuations are more interesting.

23 September 2013

The contents of this Investment Review are based on the views of the manager at the time of writing, which may be subject to change.

Investors are reminded that the value of shares within an OEIC fund, and the income from them, may go down as well as up and is not guaranteed. An investor may not get back the amount invested. The past is no guide to future performance.

The opinions expressed here are believed to be accurate and reliable, however these opinions may change without notice. Although the information is believed to be reliable, Allianz Global Investors does not guarantee the timeliness, accuracy or suitability of such information in any way and anyone who acts on the information does so at their own risk. Allianz Global Investors only provides information on our own products and does not give advice based on personal circumstances.

Further Information

The information in this report is designed to enable shareholders to make an informed judgement on the activities of the Fund during the year covered by the report and the results of those activities at the end of the year.

More information on the performance and make-up of this Fund is available on our Fund factsheets, which you can view via our Literature Library on www.allianzglobalinvestors.co.uk. You can also request a valuation at any time by calling 0800 073 2001.

Alternatively, our Investor Services team will be happy to respond to any issues you may wish to raise with them regarding product information and Fund performance. If you have invested via a financial adviser, you should contact them first if you wish to discuss your investment in greater detail.

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