

Final
Short Form

Allianz BRIC Stars Fund

For the year ended 30 April 2014

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 in the long term by investing mainly in the equity markets of Brazil, Russia, India and China.

The ACD will invest at least two thirds of the Fund's assets in equities and securities equivalent to equities (e.g. American Depositary Receipts, Global Depositary Receipts) issued by companies that have their registered office in the Federal Republic of Brazil, the Russian Federation, the Republic of India or the People's Republic of China ("BRIC countries"), or which generate a significant proportion of their sales and/or earnings in BRIC countries. The following may also be acquired and counted towards the two third limit; warrants, index certificates, certificates on adequately diversified equity baskets that apply to at least 10 equities and other transferable securities. Up to one third of the Fund's assets may be invested outside the BRIC countries including developed economies and/or other emerging markets.

The ACD may also utilise deposits in the management of the portfolio. The Fund may also invest in collective investment schemes. Money market instruments may be acquired and their value, together with money market funds, may make up to a maximum of 20% of the the Fund's assets. Subject to any constraints imposed by the regulations of the Financial Conduct Authority, exceeding the above limits or failing to reach them is permitted if the overall market risk remains within the limits set out above.

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.

Exchange Rates: Exchange rate movements may cause the value of any overseas investments, and any revenue from them, to go up or down.

Concentrated Portfolio: Lower diversification and active stock selection may give rise to more risk and substantially increase the risk of loss.

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

Emerging Markets and Liquidity: Emerging markets tend to be more volatile than more established stock markets and therefore your money is at greater risk. Other risk factors such as political and economic conditions should also be considered. Restrictive dealing, custody and settlement practices may be prevalent. A counterparty may not pay or deliver on time or as expected. As a result, settlement may be delayed and the cash or securities could be disadvantaged. Securities of many companies in emerging markets are less liquid and their prices more volatile than securities of comparable companies in more sizeable markets.

Risk and Reward Profile

The Allianz BRIC Stars 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.

Please note, the category stated above is the same for each class of share within the Fund.

Key Facts

Fund manager	Kunal Ghosh since October 2013 (previously Michael Konstantinov)			
Launch date	22 February 2006			
Fund benchmark	25% MSCI Brazil, 25% MSCI Russia, 25% MSCI India, 25% MSCI China, (Total Return Net) rebasing annually to 1 January			
Annual charge	1.75%			
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 dates	1 May			
Payment dates	30 June			
Share classes & types	A (Accumulation) C (Accumulation) I (Accumulation)			

Please note: The information shown above is for the 'A' share class of the Fund. 'I' shares are available but are not currently in issue.

Ongoing Charges Figure

30 April 2014	
'A' Shares	1.99%
'C' Shares	1.25%

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. On 6 April 2014, the Annual ACD Fee for Class 'C' shares reduced from 1.00% to 0.88%.

Performance Record (price in pence)

	High	Low	High	Low
Share class	A	A	C	C
Calendar year				
2009	168.2	80.6	172.4	82.1
2010	190.1	155.3	196.4	159.3
2011	194.0	129.4	200.8	134.4
2012	161.6	128.2	168.3	133.8
2013	160.1	128.7	168.1	135.6
2014 ¹	141.3	129.0	149.3	136.4

¹ For the period to 30 April 2014

Summary of Fund Performance

	Net Asset Value		Net Asset Value per share		Change %
	30 Apr 2014 £000s	30 Apr 2013 £000s	30 Apr 2014 (p)	30 Apr 2013 (p)	
'A' Shares	232,317	382,687	133.8	149.0	(10.2)
'C' Shares	30,164	85,960	141.7	156.6	(9.5)

Summary of Distribution

Share class	Payment date	Net distribution per share (p)
'A' Shares	30 June 2014	0.8997
'C' Shares	30 June 2014	1.6275

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

Investment Review

Performance Summary: Over the year under review, 1 May 2013 to 30 April 2014, the Fund's 'A' class produced a total return of -10.04%, and -9.38% for the 'C' class. The Fund's benchmark (25% MSCI China, 25% Brazil, 25% Russia and 25% India), produced a total return of -13.20% over the period.*

The Fund benefitted from stock selection throughout the reporting period. In particular, stock picking in information technology and consumer discretionary sectors added meaningfully to performance. Consumer staples also contributed to returns due to stock selection coupled with a relative underweight allocation. Conversely, financial and industrial stocks lagged in the second half of the reporting period. Bottom-up selections in China added to results, as did an underweight in Russia. The portfolio managers also took advantage of opportunities outside BRIC countries, with Taiwan, South Africa and Turkey among the outperformers. Meanwhile, an underweight to India detracted from results due to strong performance in the latter portion of the 12 month period.

Market Background: The BRIC economies have experienced challenging market conditions post the US Federal Reserve (Fed) tapering announcement, but saw a noticeable turnaround in investor's perception and performance in the latter part of the reporting period.

China captured headlines throughout the period, as investors were focused on top line growth figures and whether or not the country would experience a potential hard-landing. While the Chinese transition from an export economy to one driven by consumer demand is viewed as a positive by markets, participants realize there may be short-term hiccups including a potential slowdown in gross domestic product (GDP) growth relative to the recent past. Brazil had been an underperformer during the majority of the reporting period, due in part to concerns of rising inflation and weakness for commodity and energy-related stocks, which dominate the benchmark weights. However, there was a significant turnaround in the last two months of the 12 month period as investors focused on a low unemployment rate and potential for new pro-growth government initiatives. This resulted in Brazilian equities, particularly state-owned enterprises, advancing significantly. Export-oriented stocks in India benefitted from local currency weakness as well as improving demand from the developed world. These demand expectations, coupled with improving sentiment that new government policies could spur greater near-term growth, resulted in outperformance during the second half of the reporting period. Russia was in the spotlight, particularly during the last part of the reporting period, as political uncertainty in the Ukraine intensified. Vladimir Putin's decision to annex Crimea was not well received by other global powers, with the country being disbarred from the "G8" and US and European leaders threatening more severe economic sanctions. The result was an overhang for Russian equities whereby macroeconomic factors generally took hold of stock specific opportunities in the country.

* 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.

Classification of Investments

Ten Largest Holdings as at 30 April 2014	(%)
Lukoil ADR (each representing 1 ordinary share)	5.80
Cielo	4.03
Infosys Technologies	3.95
Tata Motors	3.85
Tata Consultancy Services	3.79
Itau Unibanco ADR (each representing 1 preference share)	3.49
Bank of China	3.37
Surgutneftegas OAO	3.21
Apollo Tyres	3.19
Vale Rio Doce sponsored ADR (each representing 1 preference share)	3.11
Total	37.79

Ten Largest Holdings as at 30 April 2013	(%)
Sberbank of Russia	4.96
Petroleo Brasileiro Sponsored ADR (each representing 2 ordinary shares)	4.00
Banco Bradesco Sponsored ADR (each representing 1 preference share)	3.33
Magnit GDR (each representing 1 ordinary share)	3.22
China Construction Bank	3.16
Housing Development Finance	3.16
Industrial & Commercial Bank of China	3.07
ITC	3.04
Tencent	3.01
Itau Unibanco ADR (each representing 1 preference share)	2.85
Total	33.80

Geographical Breakdown as at 30 April 2014	(%)
Brazil	18.65
China	18.10
Hong Kong	5.76
India	20.99
Ireland	1.27
Luxembourg	0.00
Malaysia	0.54
Mexico	1.22
Poland	0.49
Russia	14.19
South Africa	3.04
South Korea	4.75
Taiwan	8.17
Turkey	0.51
United Kingdom	1.91
Net other assets	0.41
Net Assets	100.00

Geographical Breakdown as at 30 April 2013	(%)
Brazil	23.73
China	22.78
Hong Kong	1.81
India	25.45
Ireland	1.01
Luxembourg	1.05
Malaysia	0.00
Mexico	0.00
Poland	0.00
Russia	23.02
South Africa	0.00
South Korea	0.00
Taiwan	0.00
Turkey	0.00
United Kingdom	0.00
Net other assets	1.15
Net Assets	100.00

Portfolio Review: The Fund maintains a diversified positioning with a bias towards high quality securities with attractive underlying fundamentals. The portfolio holdings have increased to around 70 positions, yet, our active share is higher than previous periods given opportunities which differ from the underlying benchmark weights. We have a strategic tilt towards consumer-oriented companies benefitting from demand across the BRIC and other emerging market countries, with information technology, consumer discretionary and health care among the largest overweight allocations in the Fund. Financials, energy and materials were among the biggest underweight positions relative to the benchmark due to lack of compelling growth relative to valuation. In the last several months, we have been focusing on opportunities in China, which we believe offers the best medium-term growth potential out of the four BRIC countries. More recently, we have also been focusing on export-oriented stocks in India which benefitted from higher growth in the United States and Europe. Russia remains a structural underweight given lack of attractive bottom-up investment opportunities coupled with the recent cloudy macroeconomic picture. We also have been

underweight Brazil, choosing to forego the largely commodity and energy-driven focus for opportunities elsewhere. We also have been finding considerable opportunities outside the four BRIC countries, including Taiwan, South Africa, Turkey and South Korea.

Outlook: We believe emerging markets may have turned the corner as investors begin to recognize unmatched economic growth potential alongside the large valuation discount relative to other equities globally. In recent months, BRIC and other emerging markets have generally outperformed developed economies, including the United States and Japan. We believe that there is potential for capital to flow from previously outperforming developed market economies to emerging markets, particularly given the growth and valuation disparity. The portfolio remains positioned with a dual focus on the local consumer as well as export-oriented stocks which take advantage of growth from developed market economies.

We continue to believe investment results will be supported by earnings growth. We also believe there may be prolonged

benchmark volatility, both foreseen and unexpected, and as such build the BRIC Stars portfolio with an eye towards lower forecast risk. This modestly lower risk profile naturally helps preserve capital during down market periods, with our expectation that alpha capabilities will supersede in flat and up market period. We remain confident that our behavioural finance-focused investment process and emphasis on high quality securities with strong company fundamentals will be a driver of returns for the coming quarters.

16 May 2014

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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