

Final
Short Form

Allianz Global EcoTrends 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 long-term capital growth by investing in companies across the globe that are directly or indirectly active in the following sectors: “eco-energy” (alternative energy sources and energy efficiency), “pollution control” (environment quality, waste management and recycling) and “clean water” (water treatment and supply).

It is the general intention of the ACD to invest predominantly in securities which constitute the FTSE ET50 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.

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.

Industry Risk: If a Fund focuses its investments on certain industries, this reduces risk diversification. Consequently, the Fund is particularly dependent both on the general development and the development of corporate profits of individual industries, or industries that influence each other.

Risk and Reward Profile

The Allianz Global EcoTrends 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.

Investment Review

Performance Summary: Over the 12 months under review, 1 May to 30 April 2014, the Fund's 'C' class produced a total return of 11.34%, and 'A' class of 10.72%. The Fund's benchmark, FTSE ET50, produced a total return of 25.49% over the period.*

The key reason for this under performance was negative stock selection, particularly within pollution control and energy efficiency as well as an underweight position to Tesla Motors.

Market Background: US monetary policy dominated market movements over the early reporting period. In May 2013 global capital markets exhibited increased volatility on growing uncertainty over the outlook for US monetary policy and continued to decline in June. However, towards the end of the month market conditions began to stabilise as investors concluded that reduced asset purchases by the US Federal Reserve (“Fed”) was not imminent and that any tapering of buying would only occur once it had become clear that the US economy was improving on a sustainable basis.

* 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.

Key Facts

Fund manager	Vipin Ahuja			
Launch date	14 February 2008			
Fund benchmark	FTSE ET50 Index			
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)			

Please note: The information shown above is for the 'A' share class of the Fund.

Ongoing Charges Figure

30 April 2014	
'A' Shares	2.23%
'C' Shares	1.63%

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	82.4	61.0	83.3	61.1
2010	85.6	66.9	86.9	68.1
2011	84.5	60.8	86.3	62.4
2012	74.4	63.0	76.6	64.9
2013	89.1	69.2	92.7	71.6
2014 ¹	94.5	84.9	98.4	88.3

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	6,130	6,521	87.3	78.9	10.6
'C' Shares	1,171	972	91.1	81.8	11.4

Summary of Distribution

Share class	Payment date	Net distribution per share (p)
'A' Shares	30 June 2014	0.0000
'C' Shares	30 June 2014	0.0000

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

This set the scene for a strong rally in July as markets were buoyed by signs of a recovery in growth in China and Europe, while the US outlook continued to look mixed. Markets rose in September as the Federal Open Market Committee surprised investors by deciding to delay tapering its \$85 billion-a-month asset purchase programme, citing continuing concerns about the health of the economy. Markets did, however, sell off towards the end of the month as concerns over the US fiscal deadline resurfaced. Investors were unsettled by the lack of progress in negotiations over the US debt ceiling and budget. Worries that a partial government shutdown could be on the cards if Congress fails to reach an agreement kept investors on edge.

Global equities continued to move higher in the fourth quarter of 2013, propelled by improving economic data, low interest rates and an increase in risk appetite. The US led the way higher in Q4, although Europe followed close behind. Japan also rose strongly but the Yen continued its weakening trend. All sectors finished in positive territory for the quarter, with information technology, telecommunications services and industrials outperforming. Precious metals and bond prices fell; the 10-year US Treasury bond yield increased from 2.6% to 3.0%.

After a weak start to 2014, global equities ended the first quarter in positive territory, driven by overall strengthening economic data points and decreasing worries over emerging markets. Europe and the US led the market higher. Japan was the worst performing developed market. Utilities and health care were the top performing sectors while consumer discretionary lagged. Emerging markets fell slightly and value shares outperformed growth. Bond yields generally fell.

Despite a pull-back at the end of the reporting period the clean technology sector outpaced the general strength in the broader equity markets and finished the period markedly ahead.

Portfolio Review: The investment strategy of the fund is to generate positive performance by constructing a concentrated portfolio based on fundamental stock selection within the clean technology sector. The Fund's underweight position to Umicore was the top contributor to relative performance as the waste management company struggled over the reporting period as its exposure to metal prices negatively affected its share price. The Fund also benefited from not holding Clean Harbours and Kurita Water Industries.

The Fund's underweight to Tesla Motors was the largest detractor from relative performance during the reporting period. The electronic car manufacturer performed extremely strongly during the reporting period and is a substantial holding within the benchmark. Although fundamentals of the company are improving, valuation does look expensive and the benchmark weight is larger than any single position the Fund would take.

Vestas Wind Systems, the wind turbine manufacturer rose sharply during the reporting period on account of a reformed balance sheet post a capital raising, management change and significant order

Classification of Investments

Ten Largest Holdings as at 30 April 2014	(%)
BorgWarner	4.22
Pentair	3.75
Stericycle	3.55
Pall	3.51
Tesla Motors	3.14
Xylem	3.04
Flowserve	2.99
Infineon	2.82
Vestas Wind Systems	2.73
Ilex	2.71
Total	32.46

Ten Largest Holdings as at 30 April 2013	(%)
China Longyuan Power	4.26
LKQ	3.63
Polypore International	3.57
Cree	3.56
Stericycle	3.55
Schneider Electric	3.32
Novozymes	3.28
Pentair	3.19
Danaher	3.00
Pall	3.00
Total	34.36

Geographical Breakdown as at 30 April 2014	(%)
Austria	1.78
Belgium	0.92
China	5.36
Denmark	4.74
Finland	0.00
France	3.08
Germany	8.78
Hong Kong	1.22
India	0.67
Italy	0.34
Japan	1.15
Portugal	1.37
South Korea	1.64
Switzerland	1.93
Taiwan	2.15
United Kingdom	10.71
United States of America	53.15
Net other assets	1.01
Net Assets	100.00

Geographical Breakdown as at 30 April 2013	(%)
Austria	1.28
Belgium	1.01
China	7.20
Denmark	3.28
Finland	1.41
France	5.98
Germany	3.72
Hong Kong	0.51
India	0.52
Italy	0.75
Japan	0.00
Portugal	1.22
South Korea	0.80
Switzerland	0.00
Taiwan	1.87
United Kingdom	8.82
United States of America	57.59
Net other assets	4.04
Net Assets	100.00

inflow particularly in the USA where the company has domestic manufacturing capacity. The company's working capital intensity reduced, margins recovered and cash flow improved, giving investors confidence of an on-going financial turnaround. We were underweight the stock during this period and this underweight detracted from relative performance. We were underweight on the grounds of risk management given much uncertainty in the wind industry with political government incentives variable and competition high.

Polypore, the battery cell membrane manufacturer, fell as a consequence of the loss of a significant customer in the period and slower than expected development of demand for electric vehicles impacting demand for Polypore's battery component technology. High investor expectations were reset and the fall in share price detracted from performance.

Outlook: Accommodative monetary policies and the large expansion of the monetary base have had a significant impact on

global economic growth and financial assets. However, in the longer run, this newly created money is potentially inflationary, implying that investors should reduce exposure to fixed income assets, and raise exposure to real assets like REITs, commodities and equities. While REITs are expensive and commodities suffer from the growth slowdown in China, equities are relatively cheap. We do not expect interest rates hikes in the US before next year, and then only if the economy is on a sustainable growth path. Interest rate increases in other regions of the developed world are even further out in the future. The intention of the Bank of Japan to double its balance sheet in just two years adds a new dimension of quantitative easing. We believe that increasing risk in a disciplined and consistent manner by reducing the number of holdings in the portfolio and focusing even more on our highest conviction names will create further opportunities to achieve higher returns for our clients.

4 June 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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