

Final
Short Form

Allianz US Equity 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 Allianz US Equity Fund aims to achieve capital growth through investment in leading North American companies.

The Fund invests mainly in the larger companies of the United States of America considered to have good prospects for increasing profits and selling on attractive price/earnings ratios. Investments may also be made in Canadian companies and, if particular opportunities are presented, investments may be made in medium and occasionally smaller sized US companies. The Fund's portfolio is based on the sector weightings of the US stock market and emphasis is placed on sectors expected to out perform relative to the market.

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.

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 US Equity 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 year under review, 1 May 2013 to 30 April 2014, the Fund's 'A' class produced a total return of 7.11%, and 7.91% for 'C' class. The Fund's benchmark, the S&P 500 Index, produced a total return of 11.01% over the same period.*

Market Background: The US equity market surged over the year following the reduction of a number of political and economic overhangs. The US market benefitted from strengthening measures of employment, housing, and manufacturing activity as well as slight improvements in the fiscal condition of the federal and state governments. Underlying these improvements was subdued inflation which allowed the US Federal Reserve (Fed) to continue their easy monetary policies. Investors watched the Fed closely throughout the year for clues as to when it might 'taper' its monthly bond purchases. Though the degree and timing of the stimulus reductions was among the more significant sources of uncertainty during the year, market participants seemed comfortable with the Fed's decision to begin reducing their monthly stimulus by \$10billion, announced during the period.

* 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. Returns for the Fund and the S&P 500 Index are stated in GBP.

Key Facts

Fund manager	Steve Berexa since October 2013 (previously Seung Minn)			
Launch date	20 June 2002			
Fund benchmark	S&P 500 Index			
Annual charge	1.5%			
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' share class is available but are not currently in issue.

Ongoing Charges Figure

30 April 2014	
'A' Shares	1.57%
'C' Shares	0.87%

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	High	Low
Share class	A	A	C ¹	C ¹
Calendar year				
2009	241.2	152.0	107.2 ³	95.4 ³
2010	275.1	226.7	123.1	101.1
2011	283.3	222.9	127.0	100.3
2012	293.9	262.2	132.9	118.7
2013	341.6	275.7	156.0	125.4
2014 ²	347.8	322.3	159.7	147.8

¹ On 26 October 2009, the Fund launched one additional share class, namely 'C' class (Accumulation)

² For the period to 30 April 2014

³ For the period from 26 October 2009

Summary of Fund Performance

	Net Asset Value		Net Asset Value per share		Change %
	30 Apr 2014	30 Apr 2013	30 Apr 2014	30 Apr 2013	
	£000s	£000s	(p)	(p)	
'A' Shares	39,961	80,634	338.0	315.5	7.1
'C' Shares	25,287	51,295	155.2	143.8	7.9

Summary of Distribution

Share class	Payment date	Net distribution per share (p)
'A' Shares	30 June 2014	0.4816
'C' Shares	30 June 2014	1.3615

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

Portfolio Review: Over this evaluation period, the Fund's underperformance was driven primarily by stock selection. On a sector allocation basis, the portfolio's overweight in telecommunication services and underweight in financials detracted from relative performance. Conversely, our overweight in industrials and underweight in utilities and consumer staples contributed favourably. On balance, sector allocation had a positive impact on performance.

The top detractor from returns during this period was fertilizer producer Mosaic (-17%). Shares of Mosaic and other industry players tumbled after a large potash producer in Russia said it would abandon its sales organization which would invite increased competition and compromise the previously attractive return profile of the industry. We ultimately sold our position in Mosaic given our concerns that fertilizer market fundamentals might take an extended period of time to recover.

Other leading detractors from returns during the period included Target (-10%), Intuitive Surgical (-27%), and our overweights in Citigroup (+3%) and AT&T (0%).

On the contrary, the top contributor to active performance during the period was aircraft maker Boeing (+44%). The company performed the first test flight of its latest 787-9 Dreamliner which is larger and more fuel efficient than previous 787 models. The 787-9 is set to enter commercial service by mid-2014 and represents a significant portion of the company's backlog of over 800 planes in its Dreamliner program. We decided to reduce our exposure to Boeing during the period to reduce risk but still maintain a sizable position.

Other leading contributors to returns were Edwards Lifesciences (+28%), Schlumberger (+39%), Eli Lilly (+11%), and an underweight to IBM (-1%).

Outlook: Regarding our outlook on the US equity market, we believe US stocks still offer some of the best risk-adjusted return opportunities for investors. We see several key structural improvements which could drive upside in the overall US equity market such as increased manufacturing competitiveness, reduction in fiscal drag, consistency in domestic monetary policy, and attractive real growth rates.

We expect that growth concerns in some emerging markets will have limited impact on developed markets. However, we do note that unexpected risks could buffet the portfolio and market at times given the increased relative importance of these economies. Through these and other unforeseen uncertainties, we are confident our emphasis on downside risk protection in our stock selection should help protect the portfolio against major declines.

In light of the reduction in the Federal Reserve's stimulus program, we do not expect the market to rise in a straight line as has been the case over the past couple of years. We believe this could lend to some increased volatility in the market and result in greater dispersion of the returns between companies executing well and those that are not. We believe this situation is positive for our

Classification of Investments

Ten Largest Holdings as at 30 April 2014	(%)
Apple	6.13
General Electric	3.96
Microsoft	3.39
JP Morgan Chase	3.12
Citigroup	3.03
Wells Fargo	2.94
Boeing	2.82
Comcast class 'A' shares	2.78
Eli Lilly	2.71
Schlumberger	2.65
Total	33.53

Ten Largest Holdings as at 30 April 2013	(%)
General Electric	4.42
Apple	3.79
Exxon Mobil	3.71
Boeing	3.57
AT&T	2.98
Schlumberger	2.96
Pfizer	2.84
Qualcomm	2.74
Intel	2.55
Wells Fargo	2.50
Total	32.06

Sector Breakdown as at 30 April 2014	(%)
Aerospace & Defence	3.85
Banks	10.90
Beverages	1.72
Chemicals	2.98
Constructions & Materials	2.88
Financial Services	1.56
Fixed Line Telecommunication	2.09
Food Producers	1.63
General Finance	2.71
General Industrials	3.96
General Retailers	5.67
Health Care Equipment & Services	2.81
Household Goods & Home Construction	2.51
Industrial Engineering	1.90
Industrial Metals	0.00
Leisure Goods	0.00
Life Insurance	1.74
Media	2.78
Oil & Gas Producers	4.40
Oil Equipment, Services & Distribution	7.21
Pharmaceuticals & Biotechnology	9.87
Software & Computer Services	7.64
Technology Hardware & Equipment	14.27
Travel & Leisure	3.36
Net other assets	1.56
Net Assets	100.00

Sector Breakdown as at 30 April 2013	(%)
Aerospace & Defence	5.29
Banks	6.70
Beverages	1.82
Chemicals	4.76
Constructions & Materials	0.00
Financial Services	0.00
Fixed Line Telecommunications	4.45
Food Producers	2.86
General Finance	5.02
General Industrials	4.42
General Retailers	2.92
Health Care Equipment & Services	3.53
Household Goods & Home Construction	2.20
Industrial Engineering	3.63
Industrial Metals	1.59
Leisure Goods	0.95
Life Insurance	1.28
Media	0.00
Oil & Gas Producers	7.02
Oil Equipment, Services & Distribution	6.82
Pharmaceuticals & Biotechnology	10.80
Software & Computer Services	8.13
Technology Hardware & Equipment	11.46
Travel & Leisure	1.67
Net other assets	2.68
Net Assets	100.00

strategy which emphasizes the bottom-up selection of stocks with positive long-term drivers selling at attractive valuations.

20 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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