

Final
Short Form

Allianz Brazil 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.

The ACD will invest at least 70% 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 head office in Brazil.

Up to 30% of the Fund's assets may be invested in equities and securities equivalent to equities (e.g. American Depositary Receipts, Global Depositary Receipts) issued by companies that have their registered head office in other Latin American countries or elsewhere internationally. Companies with registered head offices elsewhere internationally may be acquired and included in the 30% limit provided they generate a significant proportion of their sales and/or earnings in Brazil or the ACD reasonably anticipates that an increasing proportion of their sales and/or earnings will be generated in Brazil.

The following may also be acquired and counted towards the above limits; warrants, index certificates, certificates on adequately diversified equity baskets that apply to at least 10 equities and other transferable securities.

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 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.

Key Facts

Fund manager	Carlos de Leon			
Launch date	7 October 2010			
Fund benchmark	MCI Brazil 10/40 (Total Return Net)			
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	2.19%
'C' Shares	1.71%

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)

Share class Calendar year	High	Low	High	Low
	A	A	C	C
2010 ¹	101.6	92.8	101.6	92.9
2011	100.8	71.2	100.9	71.4
2012	93.5	71.6	94.1	72.2
2013	89.9	63.9	90.8	64.7
2014 ²	68.3	56.5	69.4	57.3

¹ For the period from 7 October 2010 to 31 December 2010

² 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	14,500	24,425	66.6	84.2	(20.9)
'C' Shares	3,078	888	67.7	85.0	(20.4)

Summary of Distribution

Share class	Payment date	Net distribution per share (p)
'A' Shares	30 June 2014	0.5276
'C' Shares	30 June 2014	0.9155

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

Risk and Reward Profile

The Allianz Brazil Fund has a risk reward indicator of 7. Funds of category 7 have shown very 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 7 might be subject to very 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 Apr 2014, the Fund's 'A' class produced a total return of -20.86%, and 'C' class of -20.39%. The Fund's benchmark, MSCI Brazil 10/40 Index, produced a total return of -17.14% over the year.*

The key reasons for this underperformance were elevated currency volatility and stock selection. The Fund benefited from stock picking in information technology, materials and utilities sectors while the positioning in financials, consumer staples and energy detracted from performance.

Market Background: This was a challenging period for emerging markets due to heightened risk aversion. A main driver of this was the escalation of tension in the Ukraine which upset the relative calm that had prevailed in the asset class. This tested the resilience of the local equity market, which was exposed to a long list of challenges including; concern over tapering by the US Federal Reserve (Fed), currency weakness, monetary tightening, and soft economic activity. Brazilian equities recently recovered ground based on pre-election polls suggesting narrowing voter intentions ahead of the presidential elections next October. In this context, market sentiment improved somewhat.

Over the period under review, the Central Bank raised the benchmark interest rate by a substantial 350 basis points, taking the policy rate to 11.00%. Inflationary pressure was generalised, as shown in a high diffusion index, with food price inflation as key driver. By the end of April, inflation stood at 6.30% and this was mildly below the bank's target band ceiling of 6.50%. This poses a risk that inflation may exceed the target ceiling of 6.50% intra-year, though consensus forecasts signal inflation will end the year within the target.

Economic data has mostly been mixed in recent months, and both consumer and industrial confidence continue to lag expectations. Recent data shows a current account deficit of US\$82 billion in the past 12 months (3.60% of gross domestic product - GDP), showing only a minor improvement since the year ended 2013. In March, S&P cut Brazil's long-term foreign currency rating to BBB- (previously BBB), with a stable outlook. Crucially, Brazil remains investment grade, according to the three leading rating agencies.

* 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	(%)
Banco Bradesco Sponsored ADR (each representing 1 preference share)	9.59
AMBEV Sponsored ADR (each representing 1 ordinary share)	5.86
Vale Sponsored ADR (each representing 1 preference share)	5.59
Petrol Brasileiro ADR (each representing 2 ordinary shares)	5.00
CIELO	4.86
Itau Unibanco ADR (each representing 1 preference share)	4.59
Itausa - Investimentos Itau	4.37
Ultrapar Participacoes	4.35
Petrol Brasileiro	4.13
Companhia de Concessoes Rodoviaras	3.87
Total	52.21

Ten Largest Holdings as at 30 April 2013	(%)
Banco Bradesco Sponsored ADR (each representing 1 preference share)	9.71
Vale Sponsored ADR (each representing 1 preference share)	7.88
Petrol Brasileiro ADR (each representing 2 ordinary shares)	7.75
Itau Unibanco ADR (each representing 1 preference share)	5.01
Ultrapar Participacoes	4.64
Companhia de Bebidas das Amersambev ADR (each representing 1 preference share)	4.61
Itausa - Investimentos Itau	4.17
Companhia de Concessoes Rodoviaras	3.69
Lojas Renner	3.36
Souza Cruz	3.24
Total	54.06

Sector Breakdown as at 30 April 2014	(%)
Banks	15.85
Beverages	5.86
Electricity	1.03
Electronic & Electrical Equipment	0.97
Financial Services	13.67
Food & Drug Retailers	3.40
Food Producers	4.70
Gas, Water & Multiutilities	4.35
General Retailers	5.18
Industrial Metals & Mining	7.20
Industrial Transportation	3.87
Mobile Telecommunications	1.16
Oil & Gas Producers	9.13
Personal Goods	3.57
Real Estate	0.97
Software & Computer Services	1.84
Support Services	0.00
Tobacco	2.55
Travel & Leisure	0.00
Chile	2.99
Mexico	8.51
Net other assets	3.20
Net Assets	100.00

Sector Breakdown as at 30 April 2013	(%)
Banks	15.82
Beverages	4.61
Electricity	1.10
Electronic & Electrical Equipment	0.00
Financial Services	9.38
Food & Drug Retailers	4.32
Food Producers	2.33
Gas, Water & Multiutilities	6.41
General Retailers	5.80
Industrial Metals & Mining	8.76
Industrial Transportation	3.69
Mobile Telecommunications	0.54
Oil & Gas Producers	9.58
Personal Goods	6.66
Real Estate	4.08
Software & Computer Services	3.92
Support Services	0.93
Tobacco	3.24
Travel & Leisure	2.12
Chile	0.00
Mexico	4.32
Net other assets	2.39
Net Assets	100.00

Portfolio Review: The Fund maintains a diversified and defensive positioning with a firm bias to quality companies. The most attractive medium to long-term risk-return positions are seen in the industrial, consumer staples and technology sectors. In 2013, Brazil's Institute for Geography and Statistics reported GDP growth at 2.30% for the year, which was weak but at least up from 0.90% in 2012.

Looking ahead, in the industrial sector, we continue to see attractive growth potential in infrastructure-oriented companies with inflation-adjusted revenues and well-supported growth dynamics. We expect the infrastructure super-cycle to represent a strong, multi-year investment theme that will benefit from a broad-based government push for the required infrastructure development. This involves substantial investment in roads, highways, rail and ports. Spending for the Olympics in 2016 is additional to these plans,

though this event will partly benefit from infrastructure spending related to this year's FIFA World Cup. Infrastructure development is in progress, but is partly delayed due to technical obstacles.

In general terms, consumer demand has not been as robust as expected based on inflationary pressure and consumers already carrying a reasonable amount of consumer debt. In the technology sector, the Fund owns companies that show strong competitive positions in attractive sub-industries, well-defined growth plans and have solid balance sheets. The Fund remains underweight in regulated industries, including telecoms and utilities.

Outlook: Our long-term outlook for Latin American equities remains constructive and the promising structural growth dynamics remain largely unchanged. Brazil should continue to

appeal to investors for its well-supported long-term growth potential, strong demographics, good levels of consumer demand and expanding middle class. That said, the authorities continue to face important policy challenges in light of inflationary pressure, a modest pace of economic growth, currency volatility and a low competitiveness of the industrial sector. In Brazil, all eyes are now on the presidential elections scheduled for October. Early election polls suggest President Dilma Rousseff no longer enjoys the same support as last year and that the election race has become tighter, making a second round increasingly likely. There is enormous hope that new structural reform may help to accelerate the pedestrian pace of economic growth, thus reducing public discontent. There have also been calls for former President Lula to return as leading PT party candidate, though his role currently appears limited to support Rousseff's candidacy.

Brazil's oil sector boom has yet to begin, but there are encouraging signs that upstream infrastructure will materialise in the second half of the year despite a series of delays. Credit expansion in the economy continues to be strong with two-digit loan growth, and asset quality for the most part benign. Brazil remains one of the leading countries worldwide in terms of net foreign direct investment inflows, which remain solid at US\$64 billion or ~3.00% of GDP in 2013. Positively, sentiment has somewhat improved and there have now been three consecutive months with meaningful foreign inflows into Brazilian equities. The equity market is now trading at valuations that are reasonably inexpensive versus its own history.

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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