Allianz Global EcoTrends Fund

Interim
Short Form

For the period ended 31 October 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 period 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 six month period under review, 1 May to 31 October 2013, the Fund's 'A' class produced a total return of 10.69%, and the 'C' class of 10.91%. The Fund's benchmark, FTSE ET50 Index (UK stock exchange for Environmental Technology), produced a total return of 19.08% over the period.*

The key reason for this underperformance was negative stock selection, particularly within pollution control and energy efficiency although performance was helped by strong stock selection in recycling and water treatment.

Market Background: After global equities initially rose in May and then retreated in June, they recovered well in July and went on to post strong absolute returns for the reporting period. Clean technology stocks rallied more strongly than the broader equity markets and finished the 6 months markedly ahead.

* 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.

Allianz Global Investors

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 2013	
'A' Shares	2.25%
'C' Shares	1.59%

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	C
2008[1]	112.5	58.9	112.7	59.2
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[2]	87.8	69.2	91.2	71.6

[1] For the period from 14 February 2008 to 31 December 2008
[2] For the period to 31 October 2013

Summary of Fund Performance

	Net Asset Value		Net Asset Value per share		
	31 Oct 2013 £000s	30 Apr 2013 £000s	31 Oct 2013 (p)	30 Apr 2013 (p)	Change %
'A' Shares	6,683	6,521	87.3	78.9	10.6
'C' Shares	832	972	90.7	81.8	10.9

Summary of Distribution

Share class	Payment date	Net distribution per share (p)
'A' Shares	30 June 2013	0.0000
'C' Shares	30 June 2013	0.0000

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

US monetary policy dominated market movements over the reporting period. In May global capital markets exhibited increased volatility on growing uncertainty over the outlook for US monetary policy. The heightened concerns were triggered by comments from US Federal Reserve (Fed) Chairman Ben Bernanke that a tapering of quantitative easing would be justified if economic data continued to improve. Concerns over the direction of the US monetary policy caused markets to dip in June, however, towards the end of the month market conditions began to stabilise as investors concluded that reduced asset purchases by the 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.

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. Shares took a breather in August as the growing possibility of less quantitative easing in the US reduced investors' risk appetite. Markets then recovered 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.

Equity markets rebounded in October, though, ignoring the fiasco in Congress, with many markets hitting multi-year highs. The Fed's decision to delay tapering of its bond purchasing programme boosted investor confidence across the globe.

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.

One of the strongest holdings relative to the benchmark was our holding in Flowserve. The company is a manufacturer of industrial pumps, valves, seals and related equipment, and provides after-market products and services with main focus on oil & gas, power and chemical sectors. Having benefited from macro-economic news in September, Flowserve benefitted from posting strong quarterly in October, beating expectations including margin uplift for the company. We continue to be optimistic about process industry capex (capital expenditures with future benefits) globally.

Holdings in LKQ, BorgWarner and China Longyuan Power all performed strongly on an absolute return level over the reporting period, too.

The Fund's underweight to Tesla Motors was the largest detractor from relative performance during the reporting period. The

Classification of Investments

Ten Largest Holdings as at 31 October 2013	(%)
Polypore International	3.66
Stericycle	3.62
BorgWarner	3.58
Pentair	3.46
Pall	3.42
Danaher	3.35
Schneider Electric	3.23
LKQ	3.05
Flowserve	2.90
Cree	2.77
Total	**33.04**

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 31 October 2013	(%)
Austria	1.81
Belgium	0.92
China	5.27
Denmark	2.58
Finland	0.47
France	4.50
Germany	5.88
Hong Kong	1.28
India	0.57
Italy	0.00
Japan	1.06
Portugal	1.13
South Korea	1.36
Switzerland	0.40
Taiwan	2.23
United Kingdom	8.93
United States of America	59.40
Net other assets	2.21
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**

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.

Veeco Instruments, the manufacturer of equipment for Light Emitting Diode (LED) production, was another leading detractor for the Fund. Having had a strong run in May the stock sold off sharply in June and once again in October following poor guidance from LED manufacturer Cree which included higher operational expenditure amongst other factors. We sold the position entirely in October on concern that, despite the imminent boom in LED lighting globally, LED equipment makers are possibly undercutting each other on pricing which should pressure margins.

Outlook: The consequences of the US budget debate are likely to be felt for some time to come. For example, the mandatory two-week government shutdown could act as a drag on US growth in the fourth quarter, which makes a roll-back of the bond purchase programme by the Fed unlikely in 2013 – our expectation is towards March 2014, which corresponds to the change in leadership at the Fed. On the positive side, economic growth in the emerging markets is brightening again and Japan is benefiting from a weak yen, although without progress in structural reforms we are casting a critical eye on the "Abenomics" experiment.

In Europe, the peripheral countries are likely to benefit from the gradually reduced fiscal headwind and the lessening of tensions in the financial sector, especially since their competitiveness has increased due to noticeably lower labour costs. That said, the periphery and France remain a potential (economic and political) risk factor for the Eurozone, as does the low demand for credit. There is also a risk that urgently needed reform processes in many countries will not move forward at an adequate pace. Overall, in view of the cyclical recovery and the relatively moderate valuations (both historic and regional), attractive European opportunities can still be found.

The delay in the exit from quantitative US monetary policy, coupled with a sustained unconventional monetary policy in the UK, Japan and the Eurozone as well as an economic recovery, is likely to continue to favour risky assets such as equities. Equities stand to benefit from cheap liquidity, moderate valuations, strong cash flows and dividend growth.

20 November 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 period covered by the report and the results of those activities at the end of the period.

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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