

Interim
Short Form

Allianz Japan Fund

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 Allianz Japan Fund aims to achieve capital growth through investment in leading Japanese shares and other permitted equity based investment instruments.

The Fund's main emphasis is on companies with larger market capitalisation. Exposure to smaller companies may be obtained either through the purchase of shares or through warrants up to the permitted limit.

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.

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

Risk and Reward Profile

The Allianz Japan 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	Kazuyuki Terao			
Launch date	16 May 2002			
Fund benchmark	TOPIX			
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)			

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

Ongoing Charges Figure

30 April 2013	
'A' Shares	1.79%

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
Share class	A	A
2008	401.0	283.8
2009	360.5	276.4
2010	414.6	347.4
2011	418.6	341.7
2012	394.6	349.9
2013 ¹	512.9	372.0

¹ For the period to 31 October 2013

Summary of Fund Performance

	Net Asset Value		Net Asset Value per share		Change %
	31 Oct 2013 £000s	30 Apr 2013 £000s	31 Oct 2013 (p)	30 Apr 2013 (p)	
'A' Shares	16,743	17,417	474.8	478.2	(0.7)

Summary of Distribution

Share class	Payment date	Net distribution per share (p)
'A' Shares	30 June 2013	0.9866

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

Investment Review

Performance Summary: Over the six month period under review, 1 May 2013 to 31 October 2013, the Fund's 'A' class produced a total return of -0.70%. The Fund's benchmark, the TOPIX (Tokyo Stock Price Index), produced a total return of -0.49 % over the same period.*

The key reason for this underperformance was the stock selection in information technology. Semiconductor-related stocks such as Advantest, Shinko Electric Industries affected the performance as demand from the computer industry was weaker than expected. On the flip side, Softbank (telecom) and Mazda motor (automobile) helped performance as earnings showed solid improvements.

Market Background: The Japanese equity market was almost flat during the period under review after a strong performance in the previous six months. The domestic economy showed a solid growth thanks to the depreciation of Japanese yen (JPY) and an improvement in the labour market. However, the prospect of a possible exit from Quantitative Easing by the Federal Reserve Bank raised concerns about the impact on asset prices and the real economy as it had limited market upside. However, the market stabilised after investors digested the possible outcomes and no imminent action was expected. Corporate earnings showed strong growth in H1 financial year 2013 driven by the recovery of consumer sentiment and depreciation of JPY. During the period, steel and nonferrous metal outperformed on the perception of the Chinese economy bottoming out. Also the automobile industry showed solid performance thanks to a recovery in the US market and depreciation of the JPY.

Portfolio Review: We had a constructive view of the market as corporate earnings were on an upward trend and the Bank of Japan's (BOJ) aggressive easing continued. We had an overweight position in the financials sector due to a recovery of the domestic economy and the BOJ's easing on monetary policy. We were also overweight in the automobile sector because earnings prospects were strong, helped further by a weaker JPY. We were underweight in information technology as earnings recovery was not strong due to structural issues.

Outlook: The BOJ's policy is the key and it will be positive as they will maintain an aggressive easing stance until inflation rates reach 2 % of the inflation target. If economic conditions worsen or the equity market drops, the BOJ will act immediately to stop it. Also, depreciation of JPY will make exporters more competitive in the global market and exporter earnings will benefit in the long term. There will be an upper house election in the summer and the Abe administration will announce growth strategy before the election. This will include deregulations, corporate tax cuts, reforms in the labour markets etc. These policies are expected to be positive for the macro economy and equity market. As the Japanese market performed strongly in the past five months, upside of the market looks limited in near term. However, price to book ratio is still cheap and the market still hasn't considered the significant changes taking place in Japan, therefore we think the equity market is still attractive.

18 November 2013

Classification of Investments

Ten Largest Holdings as at 31 October 2013	(%)
Toyota Motor	8.47
Sumitomo Mitsui Financial	7.89
Softbank	5.20
Japan Tobacco	4.43
Mazda Motor	4.08
Itochu	3.79
Nidec	3.25
Sumitomo Realty & Development	3.15
Don Quijote	2.96
Mitsubishi Materials	2.70
Total	45.92

Ten Largest Holdings as at 30 April 2013	(%)
Sumitomo Mitsui Financial	7.31
Toyota Motor	6.00
Mitsui Fudosan	4.67
Softbank	4.01
Itochu	3.65
Murata Manufacturing	3.62
Japan Tobacco	3.21
Hitachi	3.10
Don Quijote	3.08
Mazda Motor	2.85
Total	41.50

Sector Breakdown as at 31 October 2013	(%)
Automobiles & Parts	15.07
Banks	12.02
Chemicals	0.92
Construction & Materials	2.74
Electronic & Electrical Equipment	5.62
Financial Services	3.62
Fixed Telecommunication	0.00
Food Producers	0.73
General Industrials	4.21
General Retailers	5.06
Health Care Equipment & Services	3.28
Household Goods	2.00
Industrial Engineering	8.18
Industrial Metals	2.08
Industrial Transportation	3.56
Leisure Goods	1.67
Life Insurance	2.38
Mobile Telecommunications	5.20
Non-Life Insurance	0.00
Personal Goods	0.00
Pharmaceuticals & Biotechnology	1.12
Real Estate	6.24
Software & Computer Services	0.00
Support Services	3.79
Technology Hardware & Equipment	0.85
Tobacco	4.43
Travel & Leisure	1.90
Net other assets	3.33
Net Assets	100.00

Sector Breakdown as at 30 April 2013	(%)
Automobiles & Parts	10.75
Banks	10.89
Chemicals	5.55
Construction & Materials	2.27
Electronic & Electrical Equipment	6.72
Financial Services	3.87
Fixed Telecommunication	1.30
Food Producers	1.98
General Industrials	0.00
General Retailers	10.83
Health Care Equipment & Services	1.26
Household Goods	2.83
Industrial Engineering	8.38
Industrial Metals	0.00
Industrial Transportation	1.64
Leisure Goods	1.16
Life Insurance	0.00
Mobile Telecommunications	4.01
Non-Life Insurance	1.60
Personal Goods	1.07
Pharmaceuticals & Biotechnology	2.61
Real Estate	6.24
Software & Computer Services	1.11
Support Services	4.98
Technology Hardware & Equipment	2.68
Tobacco	3.21
Travel & Leisure	2.49
Net other assets	0.57
Net Assets	100.00

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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