

Interim
Short Form

Allianz US Equity 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 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 six month period under review, 1 May 2013 to 31 October 2013, the Fund's 'A' class produced a total return of 5.28%. The Fund's benchmark, the S&P 500 Index, produced a total return of 7.67% over the same period.*

Market Background:

Major US equity indices rallied over the period despite uncertainty over US Federal Reserve (Fed) policy and mixed global economic data.

Early in the period, the Fed chairman, Ben Bernanke, indicated that the Fed could start to pull back on its stimulus measures if the economic data continued to show improvement. The prospect of the Fed scaling back stimulus measures drove global bond yields higher and put pressure on equity markets, especially high dividend paying sectors that were market leaders earlier in the year. However, at the long anticipated September Federal Open Market Committee (FOMC) meeting, the Fed cited concerns about the health of the US economy and surprised investors by delaying the reduction of its quantitative easing program.

* 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	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) S (Accumulation)			

Please note: The information shown above is for the 'A' share class of the Fund. 'I' and 'S' share classes are available but are not currently in issue.

Ongoing Charges Figure

30 April 2013	
'A' Shares	1.57%
'C' Shares	0.82%

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
2008	228.2	149.9	-	-
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 ²	341.6	275.7	156.0	125.4

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

² For the period to 31 October 2013

³ For the period 26 October 2009 31 December 2009

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	54,254	80,634	332.2	315.5	5.3
'C' Shares	43,741	51,295	152.0	143.8	5.7

Summary of Distribution

Share class	Payment date	Net distribution per share (p)
'A' Shares	30 June 2013	0.6910
'C' Shares	30 June 2013	1.2832

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

The ensuing rally in stocks was halted as the market quickly shifted its focus to the contentious debate in Washington over the budget and debt ceiling. Investors' fears became reality and, for the first time in 17 years, the US government shuttered daily operations. Following an increasingly familiar pattern, lawmakers waited until the last minute before agreeing on a temporary solution that is scheduled to hold only for a few months. The uncertainty surrounding the impacts of this latest fiscal squabble and the potential for another showdown in just a few months lent to the expectation that the Fed might push-out the normalisation process which was also supportive of some risk assets.

Through the height of the Q3 2013 earnings season, economic headwinds associated with the government shutdown did not appear to dominate overall company managements' forward guidance as might have been expected. Further, other recent macro challenges such as economic progress in Europe and emerging markets seemed less prevalent in earnings releases and commentary. Instead, results and guidance seemed to be more company-specific relative to prior quarters which was consistent with the continued reduction in return correlations among US stocks.

Portfolio Review:** Over this evaluation period, the Fund's underperformance was driven primarily by stock selection, while sector allocation was positive. On a sector allocation basis, our underweight in utilities and overweight in industrials contributed to active performance while our underweight in consumer discretionary and overweight in telecommunications detracted.

The top detractor from returns during this period was fertilizer producer Mosaic (-25%). Shares of Mosaic and other industry players tumbled at the end of July 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 Cameron International (-11%), Target (-7%), Nuance Communications (-18%), and Intuitive Surgical (-25%).

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 Schlumberger (+27%), Freeport-McMoRan Copper & Gold (+27%), Celgene (+26%), and not holding IBM (-11%).

Outlook: We continue to hold a positive market outlook for the remainder of the year. With modest global growth prospects and muted inflation expectations, we expect interest rates to remain relatively stable. As the market focuses on stock specific factors, we

Classification of Investments

Ten Largest Holdings as at 31 October 2013	(%)
General Electric	4.68
Apple	4.35
Boeing	3.93
Exxon Mobil	3.46
Schlumberger	3.38
Qualcomm	2.96
Pfizer	2.76
AT&T	2.65
Wells Fargo	2.51
Intel	2.49
Total	33.17

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 31 October 2013	(%)
Aerospace & Defence	5.26
Banks	8.24
Beverages	1.79
Chemicals	3.28
Constructions & Materials	0.50
Fixed Line Telecommunications	3.86
Food Producers	3.05
General Finance	4.65
General Industrials	4.68
General Retailers	3.69
Health Care Equipment & Services	1.96
Household Goods & Home Construction	2.23
Industrial Engineering	3.23
Industrial Metals	1.93
Leisure Goods	0.86
Life Insurance	1.46
Media	0.18
Oil & Gas Producers	6.73
Oil Equipment, Services & Distribution	7.76
Pharmaceuticals & Biotechnology	11.37
Software & Computer Services	7.23
Technology Hardware & Equipment	12.14
Travel & Leisure	3.11
Net other assets	0.81
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
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

believe our bottom-up research will produce positive relative performance.

Risks to the equity market include the economic impact of fiscal tightening, reemergence of the European debt crisis, and slower than expected growth in China.

21 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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