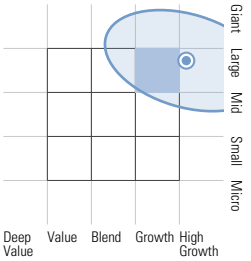
Allianz Continental European Fund Class A Shares Acc

GB0031382988

Morningstar Analyst Rating
Bronze
30 May 2017 20:49, UTC-0500

Morningstar Category	Category Index	Total Assets	Current Yield %	Inception Date	Domicile/ Currency	Morningstar Rating
Europe ex-UK Large-Cap Equity	MSCI Europe Ex UK NR EUR	139.11 Mil GBP	—	21/02/73	GBR/GBP	★★★★

Equity Style Map

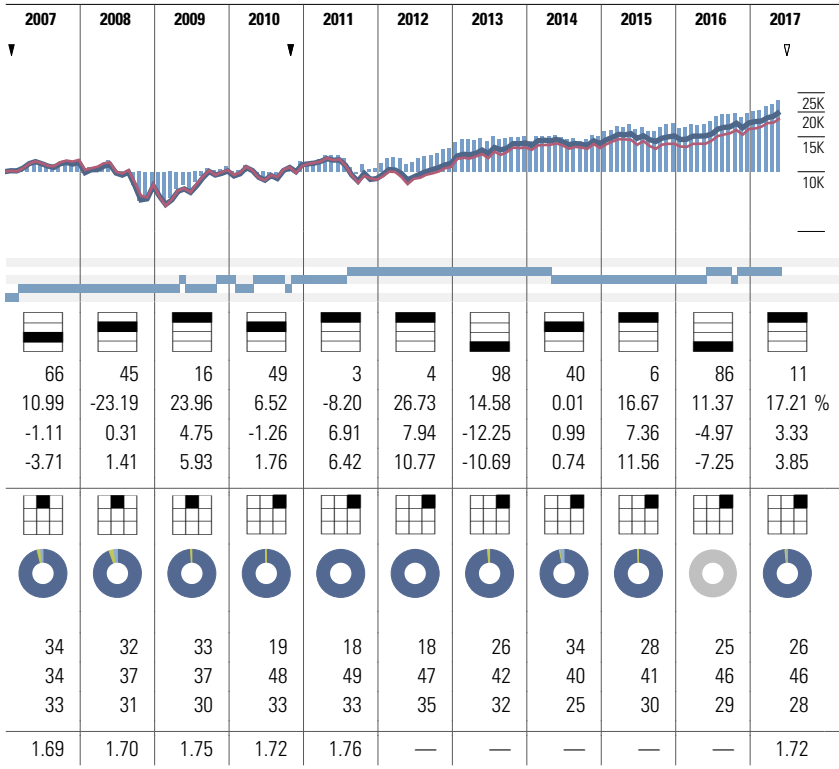


People

Thorsten Winkelmann	10/10
Marcus Morris-Eyton	06/17
Martin Hermann	06/17
Total Named Managers	3

Morningstar Pillars

Process	Positive
Performance	Positive
People	Positive
Parent	Neutral
Price	Neutral



Performance 31/05/17

Growth of 10,000 Annualized	Value GBP	Ret %
Fund	22,852	8.26
Category	21,127	7.45
Index	18,605	6.14

▼ Full Manager Change
∇ Partial Manager Change

Morningstar Rating

66	45	16	49	3	4	98	40	6	86	11	Percentile Rank in Category
10.99	-23.19	23.96	6.52	-8.20	26.73	14.58	0.01	16.67	11.37	17.21 %	Total Return GBP
-1.11	0.31	4.75	-1.26	6.91	7.94	-12.25	0.99	7.36	-4.97	3.33	+/- Category
-3.71	1.41	5.93	1.76	6.42	10.77	-10.69	0.74	11.56	-7.25	3.85	+/- Index

Quartile Rank in Category

Process

Equity Style Box

Asset Allocation
Stock Bond Cash Other

34	32	33	19	18	18	26	34	28	25	26	Cyclical
34	37	37	48	49	47	42	40	41	46	46	Sensitive
33	31	30	33	33	35	32	25	30	29	28	Defensive

Equity Supersectors

1.69	1.70	1.75	1.72	1.76	—	—	—	—	—	1.72	Price TER/OGC

Analyst View

Barbara Claus, Senior Analyst

We take a more cautious stance, but we think that this fund is still an appealing choice for investors.

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Morningstar Analyst Rating
Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis.

Analyst Rating Spectrum

Gold Silver Bronze Neutral Negative

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30 May, 2017 | A well-established team and process ensure continuity after Matthias Born's departure.

The fund has been managed since October 2010 by Matthias Born in close collaboration with Thorsten Winkelmann and deputy manager Robert Hofmann. Born has been, together with Winkelmann, co-leader of AllianzGI's European Growth team. Since June 2017, Winkelmann and Hofmann have comanaged the fund together, and Marcus Morris-Eyton became the new deputy manager. Born's departure will definitely be a loss for the team, but Winkelmann and his team colleagues ensure continuity. A seasoned analyst recently joined the team to replace Born, but his portfolio management experience is mostly limited to the consumer sector. The team of six can draw on additional research resources like AllianzGI's broader equity analyst team and Grassroots.

In October 2010, Allianz Continental European switched to a long-established, proven, and successful growth strategy. The focus of the strategy lies in stock selection; the fund managers look for high-quality companies that benefit from strong structural growth. They are not guided by an index when constructing the portfolio, which can result in significant deviations at individual stock, country, or sector level relative to the FTSEuroFirst 300 Ex UK benchmark and the Europe ex-UK large-cap equity Morningstar Category, especially given that neither the index nor the category is focused on growth companies.

The managers tend to find stocks that they like mainly in the consumer, manufacturing, and technology sectors. They stay true to their strategy regardless of the market environment, which means that the fund can underperform when the market is moving the other way, as was the case in 2013 or in the fourth quarter of 2016. (However, it's worth noting that unsuccessful stock-picking also played a role in 2013's underperformance.)

We think that this fund has a structure that can succeed even after Born's departure, but nonetheless it is a significant loss to the team and creates a level of uncertainty. We therefore express our more cautious stance by moving the fund's Morningstar Analyst Rating down one notch to Bronze from Silver.

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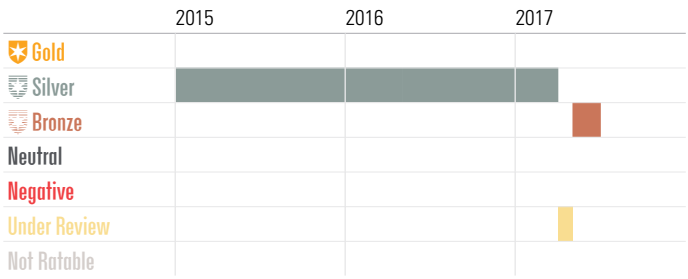
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Morningstar has identified five key areas that we believe are crucial to predicting the future success of funds: People, Parent, Process, Performance, and Price. Each pillar is evaluated when assessing a fund as well as the interaction between the pillars, which we believe is crucial to understanding a fund's overall merit.

People

The overall quality of a fund's investment team is a significant key to its ability to deliver superior performance relative to its benchmark and/or peers. Evaluating a fund's investment team requires that analysts assess several relevant items including how key decisions are made.

Parent

We believe the parent organization is of utmost importance in evaluating funds. The fund's management set the tone for key elements of our evaluation, including capacity management, risk management, recruitment and retention of talent, and incentive pay. Beyond these operational areas, we prefer firms that have a culture of stewardship and put investors first to those that are too heavily weighted to salesmanship.

Process

We look for funds with a performance objective and investment process (for both security selection and portfolio construction) that is sensible, clearly defined, and repeatable. In addition, the portfolio should be constructed in a manner that is consistent with the investment process and performance objective.

Performance

We do not believe past performance is necessarily predictive of future results, and this factor accordingly receives a relatively small weighting in our evaluation process. In particular, we strive not to anchor on short-term performance. However, we do believe that the evaluation of long-term return and risk patterns is vital to determining if a fund is delivering to our expectations.

Price

To reflect actual investor experience, price is evaluated within the context of the relevant market or cross-border region—for example, the United States, Australia, Canada, or Europe. In recognition of differences in scale and distribution costs in various markets, the level at which a fund is penalised for high fees or rewarded for low fees can vary with region. In Europe, for example, funds are penalised if they land in the most expensive quintile of their Morningstar category and are rewarded if they land in the cheapest quintile. The assessment is made using annual expense ratios, but in the case of funds with performance fees, expenses are evaluated excluding any performance fees and then the structure of the performance fee is evaluated separately.

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Gold
Represents funds that our analyst has the highest-conviction in for that given investment mandate. By giving a fund a Gold rating, we are expressing an expectation that it will outperform its relevant performance benchmark and/or peer group within the context of the level of risk taken over the long term (defined as a full market cycle or at least five years). To earn a Gold rating, a fund must distinguish itself across the five pillars that are the basis for our analysis.

Silver
Represents funds our analyst has high-conviction in, but not in all of the five pillars. With those fundamental strengths, we expect these funds will outperform their relevant performance benchmark and/or peer group within the context of the level of risk taken over the long term (defined as a full market cycle or at least five years).

Bronze
Represents funds that have advantages that clearly outweigh any disadvantages across the pillars, giving analyst the conviction to award them a positive rating. We expect these funds to beat their relevant performance benchmark and/ or peer group within the context of the level of risk taken over a full market cycle (or at least five years).

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