

Allianz UK & European Investment Funds

Final Report & Financial Statements

31 August 2024

Allianz Global Investors

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* Collectively, these comprise the ACD’s Report.

Company Information

Status of the Allianz UK & European Investment Funds

Allianz UK & European Investment Funds (the "Company") is an Open-Ended Investment Company with Variable Capital under Regulation 12 of the Open-Ended Investment Companies Regulations 2001. It was incorporated in England and Wales under registered number IC 120 and authorised and regulated by the Financial Conduct Authority on 20 August 2001. The Company has been certified by the Financial Conduct Authority as complying with the conditions necessary for it to enjoy the rights conferred by the EC Directive on Undertakings for Collective Investment in Transferable Securities. The Company has an unlimited duration.

Allianz Global Investors UK Ltd became an UK Authorised Corporate Director (ACD) in May 2023 following the transition from a branch of Allianz Global Investors GmbH.

The Company is an umbrella company comprising various subfunds, each of which is operated as a distinct fund, with its own portfolio of investments. Each subfund is a UCITS scheme which complies with COLL 5 of the Financial Conduct Authority's Collective Investment Scheme Sourcebook ("COLL").

On 21 December 2011, the Open Ended Investment Companies Regulations 2011 (as amended) ("the Regulations") were amended to introduce a Protected Cell Regime for OEICs. Under the Protected Cell Regime, each subfund represents a segregated portfolio of assets and accordingly, the assets of a subfund belong exclusively to that subfund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including any other subfunds and shall not be available for such purpose.

The subfunds of the Allianz UK & European Investment Funds are:

Subfund	Launch date
Allianz Continental European Fund	16 May 2002
Allianz Gilt Yield Fund	16 May 2002
Allianz Strategic Bond Fund	16 May 2002
Allianz UK Listed Equity Income Fund	16 May 2002
Allianz UK Listed Opportunities Fund	16 May 2002
Allianz Index-Linked Gilt Fund	1 February 2018

At the balance sheet date there were no cross holdings in any subfunds of the Allianz UK and European Funds Company held by other subfunds of the Company.

Remuneration Policy

In accordance with the UCITS Remuneration Code and corresponding changes to the FCA Handbook for Collective Investment Schemes (COLL), the Allianz UK & European Investment Funds are required to disclose details of the remuneration paid by the Authorised Corporate Director (ACD) to its staff for the financial year.

The compensation structure at Allianz Global Investors UK Ltd. is set up to avoid any kind of excessive risk-taking. Variable compensation awards are delivered via deferral programs to ensure they are linked to sustainable performance. In addition any compensation decisions have to be reviewed and approved by our Functional, Regional and Global Compensation Committees on both, aggregate and individual basis, to further ensure effective risk mitigation.

Company Information continued

Provided at the group level: Allianz Global Investors GmbH, Compensation 2023 (All numbers are in EUR) (unaudited)

Number of employees 1,503						
		thereof Risk Taker	thereof Board Member	thereof Other Risk Taker	thereof Employees with Control Function	thereof Employees with Comparable Compensation
Fixed remuneration	170,425,230	5,479,329	1,052,327	2,230,184	383,313	1,813,505
Variable remuneration	106,522,863	13,791,926	1,192,217	5,567,262	353,388	6,679,060
Total remuneration	276,948,093	19,271,255	2,244,544	7,797,446	736,701	8,492,565

Classes of share within the subfunds

Each subfund can issue several classes of shares. Each class is distinguished by its criteria for subscription and fee structure. Further details on the share classes can be found in the Financial Statements for each subfund.

Securities Financing Transactions Regulation

The Securities Financing Transactions Regulation, as published by the European Securities and Markets Authority, aims to improve the transparency of the securities financing markets. Disclosures regarding exposure to Securities Financing Transactions (SFTs) or total return swaps will be required in all reports & accounts published after 13 January 2017. The Allianz UK & European Investment Funds were not invested in any securities financing transactions pursuant to Regulation (EU) 2015/2365 during the reporting period, therefore the following Report & Financial Statements contains no information on this type of transaction.

The Task Force on Climate Related Financial Disclosures (TCFD)

From June 2023 the FCA has introduced requirements for Managers of UK UCITS to report annually on a broad set of climate related disclosures that can promote more informed investment decisions. The reporting includes data relating to greenhouse gas emissions, carbon emissions, carbon footprint, and weighted carbon intensity. You can find a copy of the latest TCFD report for AllianzGI Funds here:

<https://www.allianzgi.com/en/sustainability/policies-and-reporting>

Company Information continued

Authorised Corporate Director ("ACD") Allianz Global Investors UK Ltd.

199 Bishopsgate
London EC2M 3TY

Allianz Global Investors UK Ltd., a wholly owned subsidiary of Allianz Global Investors Holdings GmbH, is authorised and regulated in the UK by the FCA (with firm reference number: 959195)

A member of The Investment Association

Management Board of Directors

Kirstene Baillie (ext.)
Neil Brown
Beat Bucher (ext.)
Simon Gergel
Petra Trautschold
Marie-Louise Bryce (appointed as of 12 February 2024)
Deborah Zurkow (appointed as of 3 April 2024)
Dr. Verena Jäeger (appointed as of 21 June 2024)

Independent Auditors PricewaterhouseCoopers LLP

141 Bothwell St,
Glasgow G2 7EQ

Registrar of Shareholders SS&C Financial Services Europe Limited

SS&C House
St. Nicholas Lane
Basildon
Essex SS15 5FS

Authorised and regulated by the Financial Conduct Authority

Depository State Street Trustees Limited

20 Churchill Place
London E14 5HJ

Authorised and regulated by the Financial Conduct Authority

Investment Advisers

Allianz Global Investors UK Ltd.

199 Bishopsgate,
London EC2M 3TY

a wholly owned subsidiary of Allianz Global Investors Holdings GmbH, is authorised and regulated in the UK by the FCA (with firm reference number: 959195)

A member of The Investment Association

For the following:

Allianz UK Listed Equity Income Fund,
Allianz Index-Linked Gilt Fund,
Allianz UK Listed Opportunities Fund,
Allianz Strategic Bond Fund,
Allianz Gilt Yield Fund

Investment Advisers

Allianz Global Investors GmbH

Allianz Global Investors GmbH has its registered office at Bockenheimer Landstrasse 42-44, 60323 Frankfurt am Main, Germany. As with the ACD, Allianz Global Investors GmbH is a member of the Allianz Group and is authorised by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and subject to limited regulation by the Financial Conduct Authority

For the following:

Allianz Continental European Fund

General Information

Investing in Open-Ended Investment Companies ("OEICs")

An OEIC is a collective investment vehicle that allows investors to pool their money to obtain a spread of investments and thus reduce their risk in the financial markets of the world without incurring the costs associated with investing individually. It allows investors access to the expertise of professional investment managers (the ACD, the Investment Advisers and other companies within the Allianz group may from time to time, act as investment managers), who manage the underlying investments of the subfunds on a day to day basis.

Investors are allocated shares in proportion to the size of their investment. The price of these shares is calculated by reference to the value of the underlying investments held by the subfund, and can fluctuate according to the movements within the portfolio of investments.

Subfunds have one price per share class which applies regardless of whether investors are buying or selling the shares. The charges for investing are shown separately on the contract note, which makes it easier to see the exact cost of investment.

Shareholders of the company are not liable for the debts of the company.

Dilution levy

The ACD is allowed (under Financial Conduct Authority regulations) to make a dilution levy provision as part of an entry or exit fee but does not expect to charge this levy frequently.

The policy is to charge a dilution levy on large deals and in accordance with the Prospectus and the Financial Conduct Authority regulations, to pay this levy into the individual subfunds. The ACD will charge a dilution levy where a subfund is experiencing large levels of net purchases relevant to its size, large levels of net redemptions relevant to its size or on any large deals. Historically, the ACD has not charged a dilution levy frequently.

Statement of the Authorised Corporate Director's Responsibilities

The Financial Statements are prepared in accordance with UK generally accepted accounting principles and applicable accounting standards. The ACD is responsible for keeping such accounting records as are necessary to enable it to ensure that the Financial Statements comply with the Financial Conduct Authority ("FCA") regulations and The Statement of Recommended Practice 'Financial Statements of UK Authorised Funds 2014' issued by the Investment Management Association (now The Investment Association) "IMA SORP" and Amendments to the SORP issued in June 2017.

The Open-Ended Investment Companies Regulations 2001 require the ACD to prepare an annual report for each annual accounting year and a half-yearly report for each half-yearly accounting period of the Company.

The annual long report for the Company is required to contain:

- i) For each subfund:
 - the full Financial Statements for the annual accounting year which must be prepared in accordance with the requirements of the IMA SORP;
 - the report of the ACD in accordance with the COLL requirements; and
 - the comparative table in accordance with the COLL requirements.
- ii) the report of the Depository in accordance with the COLL requirements;
- iii) the report of the Auditors in accordance with the COLL requirements.

In preparing the Financial Statements the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The ACD is required to ensure that the Financial Statements in the annual long report give a true and fair view of the net revenue (expense) and the net capital gains (losses) on the property of the Company for the annual accounting period in question and the financial position of the Company as at the end of that year.

The half-yearly long report for the Company is required to contain:

- i) For each subfund:
 - the full Financial Statements for the half-yearly accounting period which must be prepared in accordance with the requirements of the IMA SORP; and
 - the report of the ACD in accordance with the COLL requirements.

The Investment Objective and Policy for each subfund are set out within the individual Financial Statements for that subfund.

Collective Notes to the Final Report and Financial Statements

1. Accounting policies

The Financial Statements have been prepared on a going concern basis in accordance with FRS 102 and the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Management Association in May 2014 ('IMA SORP') and Amendments to the SORP issued in June 2017.

- a. Revenue: Dividends and withholding tax recoverable from overseas authorities are treated as receivable on the date on which the security is quoted ex-dividend where the amounts can be reasonably determined. Foreign dividends are grossed up at the appropriate rate of tax. Bank interest is accounted for on an accruals basis. Underwriting commission is recognised when the issue underwritten closes. Option premiums received by the Company are amortised to revenue or capital over the period to maturity depending on the motive and circumstance of the Option and whether it is written in or out of the money. Gains and losses arising on derivative securities are treated as revenue or capital, reflecting the underlying intent and circumstances of the transaction.
- Interest on debt securities is recognised on an accruals basis, taking into account the effective yield on the investment and is treated as revenue. The effective yield basis amortises any discount or premium on the debt element of the purchase or an investment over its remaining life based on contractual cash flows. Accrued interest purchased and sold on interest bearing securities is excluded from the capital cost of these securities and dealt with as part of the revenue of each subfund.
- Returns from bond futures, equity futures and credit default swaps are apportioned into revenue and capital components in order to reflect the nature of the financial instrument.
- b. Stock dividends: Ordinary stock dividends are recognised wholly as revenue and are based on the market value of the shares on the dates they are quoted ex-dividend. Where an enhancement is offered, the amount by which market value of the shares (on the day they are quoted ex-dividend) exceeds the cash dividend is taken to capital.
- c. Special dividends: The underlying circumstances behind special dividends are reviewed in determining whether the receipt is revenue or capital in nature. Special

dividends recognised as revenue will form part of the distribution. Any tax treatment will follow the accounting treatment of the principal amount.

- d. Valuation: The investments of a subfund have been valued as at midday on the last working day of the accounting year at the bid market price net of any accrued interest. Unlisted, suspended and unapproved investments are shown at the ACD's valuation. All prices being stale for more than a predefined amount of days must be investigated. A price for a specific asset may be stale over a certain time span as it has not been adjusted by the respective pricing source or an updated price is no longer available. To achieve an adequate and reasonable price, these assets need to be reviewed with regard to the underlying reason for the stale prices (e.g. unquoted/unlisted/delisted/suspended securities, corporate actions, illiquid securities with low trading levels or simply securities that have (by chance) traded at the same price for a period of time). If necessary and where available, a new price source has to be defined. In case no price source is available, the asset's price needs to be verified through other procedures, e.g. by mark-to-model valuation or to be discussed in the Executive Valuations Committee (EVC).
- e. Foreign currencies: Assets and liabilities have been translated into sterling at the exchange rates prevailing at close of business on the last working day of the accounting year. Transactions denominated in foreign currencies are translated into sterling at the exchange rates ruling at the date of the transactions. The resulting exchange differences are included in the Statement of Total Return.
- f. Taxation: The standard rate of corporation tax for a subfund of an OEIC is 20%, with relief for double taxation taken where applicable. The tax accounting treatment follows the principal amounts involved.
- g. Deferred tax: Full provision is made for deferred taxation except to the extent that deferred tax assets are considered to be irrecoverable.
- h. Expenses: Expenses are recognised on an accruals basis and charged against revenue. The ACD's annual fee for Allianz Gilt Yield Fund, Allianz Index-Linked Gilt Fund and the Allianz UK Listed Equity Income Fund is deducted from the capital account for the purpose of the distribution.

Collective Notes to the Final Report and Financial Statements continued

- i. Allocation of revenue and expenses to multiple share classes: With the exception of the ACD's annual fee, distribution costs, printing costs, and the registration fees, which are directly attributable to individual share classes, all revenue and expenses are allocated to share classes pro rata to the value of the net assets of the relevant share class on the day that the revenue or expense is incurred.
- j. The Outperformance Fee is calculated and accrued as follows: The first Performance Period commences on the date that Class O Shares are first issued, and ends on the immediately following accounting year end of the relevant Fund.
Thereafter, each subsequent Performance Period commences on the day immediately following the end of the previous Performance Period and ends on the immediately following accounting year end of the relevant Fund, or on the date that the final investor in Class O Shares fully redeems their holding if earlier.

2. Distribution policies

- a. For the Allianz Gilt Yield Fund, Allianz Strategic Bond Fund, Allianz Index-Linked Fund and Allianz UK Listed Equity Income Fund, the ACD pays an interim distribution at its discretion. Otherwise, for all subfunds, net revenue is accumulated in the subfund throughout the year and distributed at the year end. Should expenses exceed revenue there will be no distribution and the shortfall will be transferred from capital.
- b. The ordinary element of a stock dividend is treated as revenue but does not form part of the distribution, with the exception of the Allianz UK Listed Equity Income Fund where the ordinary element of a stock dividend is treated as revenue and forms part of the distribution.
- c. The Allianz Gilt Yield Fund, Allianz Index-Linked Gilt Fund and the Allianz Strategic Bond Fund distribute revenue on debt securities on an effective yield basis. Indexation is recognised on UK Government index-linked securities therefore for the purposes of calculating the distribution on Allianz Index-Linked Gilt Fund, revenue is computed on an effective yield basis utilising the exemption set out in the Financial Conduct Authority's COLL 6.8.3 (for funds whose policy is to invest

predominantly in index-linked securities) to treat capital indexation as non-distributable.

- d. The ACD's annual fee for the Allianz Gilt Yield Fund, Allianz Index-Linked Gilt Fund and the Allianz UK Listed Equity Income Fund is deducted from the capital account for the purpose of the distribution. All other funds have the ACD's annual fee deducted from the income account.

3. Financial Risk Management

The subfunds are exposed to financial risk through their financial assets and financial liabilities.

The main risks arising from these are market price risk, liquidity risk, foreign currency risk, credit risk, interest rate risk, derivatives risk and counterparty risk. The risk profile and the policies adopted to manage risk did not change materially during the current and preceding year.

The narrative below explains the different types of risks the subfunds may face.

This information is given so that investors can decide for themselves whether their investment is high or low risk. It also allows them to assess what kind of impact the use of financial instruments (investments, cash/overdraft and borrowings) will have on the performance of the subfund.

The subfunds financial instruments, excluding short-term debtors and creditors, comprise investments and bank balances. The purpose for holding the financial instruments is to meet the individual investment objective. Short-term debtors and creditors are not considered to be financial instruments.

Market price risk

Market price risk arises mainly from the uncertainty about future prices of financial instruments held. It represents the potential loss the subfunds might suffer through holding market positions in the face of price movements.

A dedicated fund manager has the responsibility for monitoring the existing portfolio selection in accordance with the subfund's investment objective and seeks to ensure that individual stocks meet an acceptable risk reward profile.

Collective Notes to the Final Report and Financial Statements continued

Liquidity risk

Liquidity risk relates to the capacity to meet liabilities.

The assets of each subfund mainly comprise of realisable securities, which can be sold to meet funding requirements if necessary. Short-term flexibility can be achieved through the use of overdraft facilities where necessary.

Foreign currency risk

Foreign currency risk is the risk of movement in the value of overseas financial instruments as a result of fluctuations in exchange rates.

All or part of a subfund's investments may be denominated in currencies other than sterling, therefore both the value of the investments and the revenue from them can be affected by currency movements.

For the Allianz Strategic Bond Fund, Allianz Index-Linked Gilt Fund and the Allianz Gilt Yield Fund, the fund manager seeks to minimise this risk by hedging using forward currency contracts as and when deemed appropriate (See 'Derivatives and other financial instruments' note in each fund). For the other subfunds, no hedge transactions were entered into during the period.

Credit risk

Credit risk is the risk of default by a counterparty in discharging its obligations under transactions that could result in a subfund suffering a loss.

Outstanding settlements are subject to credit risk. Credit risk is mitigated by a subfund through its decision to transact with counterparties of high credit quality. The subfund only buys and sells investments through brokers which are approved counterparties, thus minimising the risk of default during settlement.

The Allianz Strategic Bond Fund may invest in what are considered to be riskier bonds (below investment grade). This increases the risk of default and could affect both the revenue and capital value of the subfund. The subfund therefore has significant exposure to credit risk. The subfund invests in credit default swaps, which will reduce credit risk.

The Allianz Gilt Yield Fund and Allianz Index-Linked Gilt Fund, which predominantly holds UK fixed rate government bonds, and the remaining subfunds which predominantly hold equities, have minimal exposure to credit risk (See 'Financial Risk Disclosure' note in each fund).

Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The Allianz Gilt Yield Fund, Allianz Index-Linked Gilt Fund and Allianz Strategic Bond Fund all invest predominantly in fixed and variable interest securities, the values of which are directly affected by changes in prevailing market interest rates. These subfunds therefore have significant exposure to interest rate risk.

The remaining subfunds invest predominantly in equities, the values of which are not directly affected by changes in prevailing market interest rates. Therefore these subfunds have minimal exposure to interest rate risk.

Collective Notes to the Final Report and Financial Statements continued

Derivative risk

Derivatives may be used for the purposes of Efficient Portfolio Management (EPM). EPM restricts the use of derivatives to the reduction of risk, the reduction of cost and the generation of additional capital or revenue with an acceptably low level of risk. EPM transactions must be economically appropriate and the exposure fully covered. The Allianz UK Listed Equity Income Fund may write covered call options up to 20% of the Net Asset Value of the subfund (at the time of writing) as part of its EPM strategy.

Where the investment objective risk profile permits, derivative transactions may be used for the purposes of meeting the investment objective of the relevant subfund as well as for EPM. For the purpose of clarity, the use of derivatives for EPM purposes should not lead to an increase in risk to the subfund. However, derivatives when used to implement investment policies, may increase volatility of the subfund's share price. The Allianz Gilt Yield Fund, Allianz Index-Linked Gilt Fund and Allianz Strategic Bond Fund utilise derivatives to implement the investment policy.

Collective Notes to the Final Report and Financial Statements continued

The underlying exposure to open futures, forwards, options and swap contracts as at the balance sheet date is as listed below:

Underlying exposure for derivatives as at 31 August 2024

Fund	Counterparty	Future contracts £000s	FX Forward contracts £000s	Written Call Options £000s	Written Put Options £000s	Swaps £000s	Total £000s
Allianz Gilt Yield Fund	Societe Generale	-	9	-	-	-	9
	Toronto Dominion	-	648	-	-	-	648
		-	657	-	-	-	657
Allianz Index Linked Gilt Fund	Barclays	-	65	-	-	-	65
	Morgan Stanley	37	16	-	-	-	53
	State Street	-	95	-	-	-	95
	Toronto Dominion	-	27	-	-	-	27
		37	203	-	-	-	240
Allianz Strategic Bond Fund	Bank of America	-	513	-	-	-	513
	Goldman Sachs	-	89	-	-	-	89
	JP Morgan	-	597	-	-	4,743	5,340
	Morgan Stanley	2,679	3,479	81	162	-	6,401
	Nomura	-	1,100	-	-	-	1,100
	Toronto Dominion	-	987	-	-	-	987
	UBS	-	1,188	-	-	-	1,188
		2,679	7,953	81	162	4,743	15,618
		2,716	8,813	81	162	4,743	16,515

Underlying exposure for derivatives as at 31 August 2023

Fund	Counterparty	Future contracts £000s	FX Forward contracts £000s	Written Call Options £000s	Written Put Options £000s	Swaps £000s	Total £000s
Allianz Gilt Yield Fund	JP Morgan	-	1,573	-	-	-	1,573
	Morgan Stanley	592	10	-	-	-	602
		592	1,583	-	-	-	2,175
Allianz Index Linked Gilt Fund	JP Morgan	-	57	-	-	-	57
	Morgan Stanley	99	-	-	-	-	99
		99	57	-	-	-	156
Allianz Strategic Bond Fund	Barclays	-	494	116	151	-	761
	BNP Paribas	-	16	-	-	-	16
	Goldman Sachs	-	1,015	-	349	7,838	9,202
	JP Morgan	-	19,462	-	135	39,552	59,149
	Morgan Stanley	7,681	2,208	269	357	9,811	20,326
	Societe Generale	-	3,566	-	-	-	3,566
	State Street	-	814	-	-	-	814
	Toronto Dominion	-	80	-	-	-	80
	UBS	-	-	-	1	-	1
		7,681	27,655	385	993	57,201	93,915
		8,372	29,295	385	993	57,201	96,246

Allianz Gilt Yield Fund received £630,000 of collateral in the form of cash from counterparties in respect of derivative securities (2023 - £1,410,000 in the form of cash).

Allianz Index Linked Gilt Fund received £110,000 of collateral in the form of cash from counterparties in respect of derivative securities (2023 - £20,000 in the form of cash).

Allianz Strategic Bond Fund received £7,840,000 of collateral in the form of cash from counterparties in respect of derivative securities (2023 - £36,470,000 in the form of cash).

Collective Notes to the Final Report and Financial Statements continued

Counterparty risk

A subfund conducts transactions through or with brokers, clearing houses, market counterparties and other agents. A subfund will therefore be subject to the risk of the inability of any such counterparty to perform its obligations, whether due to insolvency, bankruptcy or other causes.

A subfund may invest into instruments such as notes, swaps or warrants, the performance of which is linked to a market or investment to which the subfund seeks to be exposed. Such instruments are issued by a range of counterparties and through its investment the subfund will be subject to the counterparty risk of the issuer, in addition to the investment exposure it seeks.

The subfunds will only enter into Over the Counter (OTC) derivatives transactions and efficient portfolio management techniques with reputable institutions which are subject to prudential supervision and specialising in these types of transactions. In principle, the counterparty risk for such transactions and techniques should not exceed 10% of the relevant subfund's net assets when the counterparty is an approved bank or 5% of its net assets in other cases. However, if a counterparty defaults, the actual losses may exceed these limits. If a counterparty were to default on its obligations this may have an adverse impact on the performance of the relevant subfund causing loss to investors. The subfunds exposure to its counterparty will be mitigated by the fact that the counterparty will forfeit its collateral if it defaults on the transaction.

The counterparties for open derivative contracts are shown in the table on page 12.

Collective Notes to the Final Report and Financial Statements continued

Risk and Reward Profile

Subfund	Typically lower rewards Typically lower risk					Typically higher rewards Typically higher risk	
	1	2	3	4	5	6	7
Allianz Gilt Yield Fund					5		
Allianz Strategic Bond Fund				4			
Allianz Continental European Fund						6	
Allianz UK Listed Equity Income Fund						6	
Allianz UK Listed Opportunities Fund						6	
Allianz Index-Linked Gilt Fund						6	

Please note, the category stated above is the same for each class of share within the relevant subfund.

This risk and reward indicator is based on past performance data and calculated in accordance with European legislation. It may not be a reliable indication of the future risk profile of the subfund. The categorisation of the subfund is not guaranteed and may change in the future. Even the lowest category 1 does not mean a risk-free investment.

Why is the subfund in this category?

Subfunds of category 4 have shown in the past a medium volatility. The volatility describes how much the value of the subfund went up and down in the past. The shares of a subfund of category 4 might be subject to medium price fluctuations based on the historical volatilities observed.

Subfunds of category 5 have shown in the past a medium to high volatility. The volatility describes how much the value of the subfund went up and down in the past. The shares of a subfund of category 5 might be subject to medium to high price fluctuations based on historical volatilities observed.

Subfunds of category 6 have shown in the past a high volatility. The volatility describes how much the value of the subfund went up and down in the past. The shares of a subfund of category 6 might be subject to high price fluctuations based on the historical volatilities observed.

Collective Notes to the Final Report and Financial Statements continued

Value at Risk (VaR)

VaR is a measure of the potential portfolio loss over a specific time horizon at a given confidence level under normal market conditions. It is a measure of market risk. Relative VaR is defined as the VaR of the subfund divided by the VaR of a benchmark or a reference portfolio (i.e. a similar portfolio with no derivatives). This can be an actual benchmark portfolio (such as an index) or a fictitious benchmark portfolio. The VaR on the subfund should not exceed twice the VaR on a comparable benchmark portfolio.

The table below, details the VaR approach for the Allianz Gilt Yield Fund, Allianz Index-Linked Gilt Fund, Allianz Strategic Bond Fund and the Reference Portfolio. The table also details minimum, maximum and average monthly VaR utilisation that occurred.

Global Exposure										Leverage
VaR limits										
Fund Name	Method used to calculate global exposure	Time period	Type of Model	Parameters (Confidence Interval, holding period, observation period)	Reference Portfolio	Lowest	Highest	Average	Maximum limits	Leverage average
						%	%	%	%	%
Allianz Gilt Yield Fund	Relative VaR	01.09.2023 - 31.08.2024	Historical	99% Confidence, 10 days, 3 years	FTSE Actuaries UK Conventional Gilts All Stocks Index	3.92	7.27	4.67	FTSE ACTUARIES GOVT SECURITIES UK GILTS RETURN IN GBP	0.10
Allianz Strategic Bond Fund	Absolute VaR	01.09.2023 - 31.08.2024	Historical	99% Confidence, 10 days, 3 years	N/A	2.94	5.23	4.18	14.14	8.27
Allianz Index-Linked Gilt Fund	Relative VaR	01.09.2023 - 31.08.2024	Historical	99% Confidence, 10 days, 3 years	FTSE Actuaries UK Government Index-Linked All Stocks Total Return GB Midday Index	6.65	17.15	8.57	FTSE ACTUARIES UK GOVERNMENT INDEX LINKED GILTS ALL STOCKS TOTAL RETURN GBP (MIDDAY) INDEX RETURN IN GBP	0.16

Post Balance Sheet Events

Allianz Continental European Fund

As at 16 December 2024, the Net Asset value of the Fund was £100,613,035 which is a drop of 26.77% from the balance sheet date. The fall in NAV is mostly related to net outflows from the Fund. The movements are considered to be a non-adjusting post balance sheet event and therefore no adjustments to the financial statements were required as a result.

Allianz Gilt Yield Fund

As at 16 December 2024, the Net Asset value of the Fund was £870,981,698 which is a drop of 19.30% from the balance sheet date. The fall in NAV is mostly related to net outflows from the Fund. The movements are considered to be a non-adjusting post balance sheet event and therefore no adjustments to the financial statements were required as a result.

Allianz Index-Linked Gilt Fund

As at 16 December 2024, the Net Asset value of the Fund was £118,192,208 which is a drop of 10.45% from the balance sheet date. The fall in NAV is mostly related to net outflows from the Fund. The movements are considered to be a non-adjusting post balance sheet event and therefore no adjustments to the financial statements were required as a result.

Allianz Strategic Bond Fund

As at 16 December 2024, the Net Asset value of the Fund was £259,120,913 which is a drop of 29.87% from the balance sheet date. The fall in NAV is mostly related to net outflows from the Fund. The movements are considered to be a non-adjusting post balance sheet event and therefore no adjustments to the financial statements were required as a result.

Fund Information

Investment Objective and Policy

The investment objective of the Allianz Continental European Fund is to provide investors with capital growth aiming to outperform (net of fees), the target benchmark, the S&P Europe Excl UK Large Mid Cap Growth Return Net (in GBP) over a rolling five year period.

Investors should be aware that the Fund's capital is at risk and there is no guarantee that the Fund will achieve its investment objective over any particular period or at all.

The ACD aims to achieve the investment objective by investing in a diversified portfolio of investments in European companies (excluding the United Kingdom). At least 70% of Fund's assets will be invested in Continental Europe.

The Fund's policy is to invest in shares listed on a European stock exchange. The Fund invests predominantly in larger companies.

The ACD may also utilize deposits and money market instruments in the management of the portfolio.

The Fund may also invest up to a maximum of 10% of the Fund's assets in other Funds managed by Allianz Global Investors and its group of companies and other collective investment schemes managed by third parties.

Fund Details

Fund Manager	Trombello, Giovanni Bishop, Julian	
Benchmark	S&P Europe Ex-UK LargeMidCap Growth Index Net Total Return GBP ⁵⁾	
Income allocation date	Interim	28 February*
	Final	31 August
Income pay date	Interim	30 April
	Final	31 December (normally 31 October)
Launch dates	Fund	16 May 2002
	A Shares	16 May 2002
	C Shares	18 April 2012
	S Shares (Accumulation Shares)	26 January 2016
	S Shares (Income Shares)	27 July 2020
	S Shares (EUR) (Income Shares)	15 March 2021
ISA status	Yes ²⁾	
Share Classes and types of Shares	A (Accumulation Shares) ³⁾	
	C (Accumulation Shares)	
	S (Accumulation Shares) ³⁾	
	S (Income Shares) ³⁾	
	S (EUR) (Income Shares) ³⁾	
Minimum investment¹⁾	A Shares	Lump sum £500 Monthly saving £50
	C Shares	Lump sum £500 Monthly saving £50
	S Shares	Lump sum £10,000,000
	S (EUR) Shares	Lump sum £10,000,000
Initial charge	A Shares	Nil
	C Shares	Nil
	S Shares	Nil
	S (EUR) Shares	Nil
Annual ACD fee⁴⁾	A Shares	1.50%
	C Shares	0.75%
	S Shares	0.45%
	S (EUR) Shares	0.45%

*29 February in a leap year

¹⁾May be reduced or waived by the ACD; different investment minima may apply in respect of Shares held through an ISA. If an investor is dealing in a currency other than Pounds Sterling, these minimum amounts will be the equivalent in that currency.

²⁾This Share Class may be invested by way of the Allianz Global Investors ISA wrapper.

³⁾Available to Approved Investors only.

⁴⁾The C Share Class may decrease at the discretion of the ACD.

⁵⁾For the S (EUR) (Inc) Share Class launched on 15/03/2021, the benchmark used will be the S&P Europe Ex-UK LargeMidCap Growth Index Net Total Return EUR.

Comparative Tables

For the year ended 31 August 2024

	A Shares Accumulation			C Shares Accumulation		
	2024 (p)	2023 (p)	2022 (p)	2024 (p)	2023 (p)	2022 (p)
Opening net asset value per share	1,735.78	1,553.74	2,223.60	298.96	265.72	377.44
Return before operating charges	271.97	206.79	(641.27)	47.11	35.52	(109.20)
Operating charges	(28.84)	(24.75)	(28.59)	(2.61)	(2.28)	(2.52)
Return after operating charges	243.13	182.04	(669.86)	44.50	33.24	(111.72)
Distributions	-	-	-	(1.40)	(1.30)	(1.02)
Retained distributions on accumulation shares	-	-	-	1.40	1.30	1.02
Closing net asset value per share	1,978.91	1,735.78	1,553.74	343.46	298.96	265.72
After direct transaction costs of ¹	(0.33)	(0.15)	(0.69)	(0.06)	(0.03)	(0.12)
Performance						
Return after operating charges	14.01%	11.72%	(30.13)%	14.88%	12.51%	(29.60)%
Other information						
Closing net asset value (£'000)	272	1,015	1,633	92,351	130,995	161,029
Closing number of shares	13,762	58,475	105,145	26,888,141	43,817,160	60,601,107
Operating charges	1.56%	1.48%	1.54%	0.80%	0.79%	0.79%
Direct transaction costs	0.02%	0.01%	0.04%	0.02%	0.01%	0.04%
Prices						
Highest share price	2,072.99	1,846.07	2,267.89	359.17	317.67	385.55
Lowest share price	1,564.26	1,391.14	1,452.75	269.77	238.07	248.10

¹ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the subfund and share class returns before operating charges.

Operating charges 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 subfund.

Comparative Tables continued

For the year ended 31 August 2024

	S Shares Income			S Shares Accumulation		
	2024 (p)	2023 (p)	2022 (p)	2024 (p)	2023 (p)	2022 (p)
Opening net asset value per share	107.25	95.74	136.61	206.38	182.87	258.96
Return before operating charges	16.92	12.82	(39.60)	32.55	24.47	(75.04)
Operating charges	(0.58)	(0.51)	(0.55)	(1.10)	(0.96)	(1.05)
Return after operating charges	16.34	12.31	(40.15)	31.45	23.51	(76.09)
Distributions	(0.87)	(0.80)	(0.72)	(1.68)	(1.54)	(1.36)
Retained distributions on accumulation shares	-	-	-	1.68	1.54	1.36
Closing net asset value per share	122.72	107.25	95.74	237.83	206.38	182.87
After direct transaction costs of ¹	(0.02)	(0.01)	(0.04)	(0.04)	(0.02)	(0.08)
Performance						
Return after operating charges	15.24%	12.86%	(29.39)%	15.24%	12.86%	(29.38)%
Other information						
Closing net asset value (£'000)	4,740	5,691	5,342	39,822	73,477	110,959
Closing number of shares	3,862,443	5,306,492	5,579,500	16,744,010	35,603,439	60,675,942
Operating charges	0.50%	0.49%	0.49%	0.50%	0.49%	0.48%
Direct transaction costs	0.02%	0.01%	0.04%	0.02%	0.01%	0.04%
Prices						
Highest share price	129.06	114.72	139.63	248.52	219.22	264.70
Lowest share price	96.82	85.81	90.01	186.31	163.89	170.64

¹ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the subfund and share class returns before operating charges.

Operating charges 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 subfund.

Comparative Tables continued

For the year ended 31 August 2024

	S EUR Shares Income		
	2024	2023	2022
	(c)	(c)	(c)
Opening net asset value per share	97.17	86.57	124.11
Return before operating charges	17.44	11.70	(35.92)
Operating charges	(0.46)	(0.38)	(0.42)
Return after operating charges	16.98	11.32	(36.34)
Distributions	(0.79)	(0.72)	(1.20)
Closing net asset value per share	113.36	97.17	86.57
After direct transaction costs of ¹	(0.02)	(0.01)	(0.03)
Performance			
Return after operating charges	17.47%	13.08%	(29.28)%
Other information			
Closing net asset value (€'000)	237	666	2,308
Closing number of shares	208,723	685,858	2,665,892
Operating charges	0.50%	0.49%	0.48%
Direct transaction costs	0.02%	0.01%	0.04%
Prices			
Highest share price	118.08	103.54	129.74
Lowest share price	86.41	75.88	81.44

¹ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the subfund and share class returns before operating charges.

Operating charges 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 subfund.

Distribution Tables

For the year ended 31 August 2024

Interim Distribution in pence per share

Group 1	Shares purchased prior to 1 September 2023
Group 2	Shares purchased on or after 1 September 2023 to 29 February 2024

	Net revenue (p)	Equalisation (p)	Distribution paid 30/04/24 (p)	Distribution paid 30/04/23 (p)
A Shares Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
C Shares Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
S Shares Income				
Group 1	0.0806	-	0.0806	0.0496
Group 2	0.0530	0.0276	0.0806	0.0496
S Shares Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
	(c)	(c)	(c)	(c)
S EUR Shares Income				
Group 1	0.0723	-	0.0723	0.0402
Group 2	0.0723	-	0.0723	0.0402

Final Distribution in pence per share

Group 1	Shares purchased prior to 1 March 2024
Group 2	Shares purchased on or after 1 March 2024 to 31 August 2024

	Net revenue (p)	Equalisation (p)	Distribution payable 31/10/24 (p)	Distribution paid 31/10/23 (p)
A Shares Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
C Shares Accumulation				
Group 1	1.4049	-	1.4049	1.3023
Group 2	1.1272	0.2777	1.4049	1.3023
S Shares Income				
Group 1	0.7910	-	0.7910	0.7551
Group 2	0.3470	0.4440	0.7910	0.7551
S Shares Accumulation				
Group 1	1.6835	-	1.6835	1.5397
Group 2	1.3573	0.3262	1.6835	1.5397
	(c)	(c)	(c)	(c)
S EUR Shares Income				
Group 1	0.7218	-	0.7218	0.6821
Group 2	0.7218	-	0.7218	0.6821

Investors are reminded that distribution is not guaranteed.

Investment Review

Performance Summary

Over the one-year period under review, from 1st September 2023 to 31st August 2024, the Fund's 'A' class produced a total return of 14.0% and 'C' shares produced a total return of 14.9% (closing prices net of fees in GBP). The Fund's benchmark, S&P Europe ex UK Growth Total Return, produced a total return of 14.1% over the period.

Allianz Continental European Fund delivered excellent returns in line with its style benchmark, despite the market's preference for Value over Growth (19.4% versus 17.0% based on MSCI Europe Value vs. MSCI Europe Growth) during a volatile year.

Our high-Quality Industrial companies, including Assa Abloy (door entry solutions) and Trelleborg (high-performance polymer), reported well in the earnings seasons, contributing strongly to the relative performance. AI trends had a positive impact on some of our local enablers of leading-edge chips and datacentres, and therefore our highest conviction position ASML Holding (semiconductor equipment) was a top owned contributor too. On the other hand, our largest overweight DSV (logistics) had been the top active detractor, however is set to surge after winning the prized acquisition DB Schenker for an attractive c. EUR 14bn at the time of writing. The combined entity will form the world's largest freight forwarder, an M&A journey we have followed since first investing in 2006.

Medtech names continued to show weakness and lower market expectations, namely Sartorius Stedim Biotec (lab equipment), Carl Zeiss Meditec (ophthalmology equipment), Eurofins (lab testing), Coloplast (intimate hygiene), and similarly the Medidata business of Dassault Systemes (software for engineering). Rather transient issues affecting these names include the post-Pandemic inventory build-up that slowed demand, weakness in China, and higher interest rates reducing new drug funding. Having spoken to each of these companies, inventories appear to have normalised now, while full year guidance has been reset. They all anticipate a better H2 ahead, offering potential upside.

Market Background

Continental European equities delivered double-digit gains (in GBP terms) over the one-year period, despite heightened volatility governed interest rates and shifting

market sentiment, including fluctuating concerns over recession and varying attitudes toward AI. The Financials sector was the strongest performer, with banks leading the gains within the MSCI Europe index. There was also notable volatility in style performance, with significant swings between Value and Growth, though Value ultimately outperformed Growth overall.

In the economic news, Eurozone GDP grew 0.3% in both the first and second quarters, recovering from a 0.1% contraction in each of the previous two quarters. The HCOB Eurozone Composite Purchasing Managers' Index (PMI) rose to 51.2 in August, compared with a five-month low of 50.2 in July, as the Paris Olympics boosted the French economy. The Eurozone services sector expanded at the strongest pace since April, although manufacturing dropped to an eight-month low of 45.6. Eurozone inflation slowed to 2.2% in July, its slowest pace in three years, opening the door for the European Central Bank (ECB) to follow its July cut with another reduction in September. Minutes of the ECB's July meeting showed policymakers had an "open mind" regarding September's meeting, despite concerns over wage growth.

During the Q2 earnings season, European firms collectively achieved the first quarter of positive year-on-year earnings growth since early 2023 (+4%), though results were down sequentially. Banks contributed strongly given higher rates and volumes, while unusually IT disappointed most. The main fragilities represented the consumer space (rather than B2B where the portfolio is more oriented), selected cyclical end markets like construction and automotive, and companies with significant exposure to China given current spending weakness there. Analysts have cut Q3 expectations. Our companies' fundamentals are still generally robust and valuations have reduced slightly, but we also acknowledge some misalignment between the macro situation and company optimism.

Portfolio Review

Trading Activity

In terms of key buy and sell trades, our investment journey with Simcorp (investment management software) ended after Deutsche Börse acquired the firm. Zalando (online fashion) was exited in December, due to our Quality and structural Growth concerns, as the original investment case for a higher margin business had not unfolded. We also exited Chr Hansen (natural ingredients) due to the merger

Investment Review continued

with Novozymes, and closed a few tail positions with lower growth potentials: Daetwyler (niche leader in sealing solutions), Elekta (radiation-treatment equipment), Kerry Group (ingredients and flavor) and Netcompany (IT services), to strengthen the portfolio by concentrating conviction holdings.

New positions included Hermes (luxury), holding a uniquely strong position in the global luxury market, with its French brand heritage dating almost 200 years. Since 2006 the company has grown at a double-digit percentage CAGR organically. We also initiated on BE Semiconductor (BESI), a leading Dutch producer of machinery used in semiconductor assembly and packaging, with a focus on 'die attach' processes, holding a commanding 74% share in more advanced machines. The revenue forecast of \$1.5bn by 2027 is supported by the surge in advanced packaging, driven by the rise of chiplet architectures in semiconductor.

Outlook

August built upon July's volatility, adding the collapse of the Japanese Yen, heightened recession fears and associated sector rotations, on low market liquidity. The Euro area and the UK, which had appeared to be recovering over the last few months, now seem to be heading towards weaker growth. This is perhaps in connection and sympathy with the US, which has clearly seen its expansion slow. Overall, we witnessed a stunning surge in volatility that even rivalled the 2020 Pandemic and 2008 Global Financial Crisis.

The stage is surely set for the US Federal Reserve ("Fed") to loosen the monetary reins later in September. An interest rate cut may be on the cards in both the US and Europe. Overall, our equity market outlook is still optimistic even though the risks to a "soft landing" of the global economy have increased slightly and inflation continues to weigh on consumer demand, particularly in Europe. Corporate earnings look set to remain healthy for now and support equities. Nevertheless, we might expect more volatility if investors' expectations are disappointed or political risks come to the foreground. In this environment, an active investment approach appears useful, as market participants will clearly differentiate between "winners" and "losers", both at the regional and at the single-stock level.

Our Q2 earnings results were generally robust, although with low reward at this time. Key headwinds represented the Consumer space (rather than B2B which we tend to

favour), selected cyclical end markets like construction and automotive, and especially China, being a major market for our global leaders. Investors seem to view Q2 as the trough however, with stocks in more cyclical sectors rebounding to enjoy some of the best performance in July. Smaller cap companies, and Value names, were also beneficiaries of this rotation that preempts the first interest rate cuts in the US. Funding this was profits taken from crowded large tech and semiconductor linked names, following the incredible run of some AI leaders. Most recently, investors have been querying how long it will take for the major AI infrastructure investments to pay off. This change in optimism affected semiconductor linked companies also in Europe.

As we look ahead to the remainder of 2024, we look forward to the positive sentiment effects of rate cuts, as well as their technical effect on valuations. They are also valuable to unlock capex, with our companies across various industries relaying that customers are waiting for lower rates seemingly just around the corner. This could support our numerous Industrial names, while our semiconductor leaders should enter a cyclical upswing, and our fallen medtech stars appear to have troughed with upside from here. Meanwhile, M&A seems to be increasing with our cashed-up firms not beholden to interest rates noting there are great opportunities at the current time.

Fundamentals look robust in general, though we have seen some companies temper their guidance with caution recently. By owning high-quality market leaders actively navigating these challenges, we believe we are well-positioned. Valuations have helpfully reduced slightly.

Portfolio Statement

As at 31 August 2024

Holding		Market Value £'000	% of Net Assets
	OVERSEAS EQUITIES - 99.08% (2023 - 99.86%)		
	Denmark - 16.31% (2023 - 19.82%)		
103,184	Ambu	1,527	1.11
36,405	Coloplast	3,787	2.76
38,900	DSV	5,341	3.89
111,600	Novo Nordisk	11,746	8.55
		22,401	16.31
	France - 14.74% (2023 - 15.03%)		
108,301	Dassault Systemes	3,238	2.36
1,277	Hermes International	2,346	1.71
27,202	Legrand	2,311	1.68
13,274	L'Oréal	4,462	3.25
9,895	LVMH Moët Hennessy Louis Vuitton	5,661	4.12
14,423	Sartorius Stedim Biotech	2,232	1.62
		20,250	14.74
	Germany - 18.38% (2023 - 15.71%)		
13,245	adidas	2,627	1.91
35,339	Bechtle	1,160	0.84
24,052	Carl Zeiss Meditec	1,344	0.98
147,857	Infineon Technologies	4,092	2.98
23,283	Knorr-Bremse	1,452	1.06
31,059	Nemetschek	2,462	1.79
1,397	Rational	1,061	0.77
33,337	SAP	5,539	4.03
70,811	Scout24	4,110	2.99
14,114	Symrise	1,410	1.03
		25,257	18.38
	Ireland - 3.11% (2023 - 4.74%)		
45,154	Kingspan Dublin Quoted	2,997	2.18
19,238	Kingspan London Quoted	1,277	0.93
		4,274	3.11
	Italy - 2.04% (2023 - 2.36%)		
82,811	Amplifon	2,044	1.49
31,110	De' Longhi	753	0.55
		2,797	2.04
	Luxembourg - 0.86% (2023 - 0.44%)		
26,918	Eurofins Scientific	1,175	0.86
		1,175	0.86
	Netherlands - 19.39% (2023 - 10.12%)		
3,144	Adyen	3,544	2.58
18,234	ASML	12,448	9.06
207,102	Assa Abloy	5,078	3.70
295,554	Atlas Copco	4,091	2.98
14,774	BE Semiconductor Industries	1,476	1.07
		26,637	19.39
	Spain - 1.43% (2023 - 1.22%)		
47,433	Industria de Diseno Textil	1,970	1.43
		1,970	1.43
	Sweden - 9.12% (2023 - 15.08%)		
90,510	AddTech	2,190	1.59
253,022	Epiroc	3,718	2.71
213,018	Hexagon	1,661	1.21
240,794	Hexpol	2,052	1.49
98,369	Trelleborg	2,918	2.12
		12,539	9.12

Portfolio Statement continued

As at 31 August 2024

Holding		Market Value £'000	% of Net Assets
Switzerland - 13.70% (2023 - 15.34%)			
185	Chocoladefabriken Lindt & Sprüngli	1,847	1.34
8,859	Kardex	2,166	1.58
862	Lonza	427	0.31
3,988	Partners	4,380	3.19
22,793	Sika	5,563	4.05
8,069	Straumann	905	0.66
9,041	VAT	3,529	2.57
		18,817	13.70
Investment assets		136,117	99.08
Net other assets		1,268	0.92
Net assets		137,385	100.00

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

Note: Comparative figures show percentages for each category of holding at 31 August 2023.

Statement of Total Return

For the year ended 31 August 2024

	Notes	2024 £000s	2024 £000s	2023 £000s	2023 £000s
Income:					
Net capital gains	2		23,871		32,552
Revenue	3	2,347		3,212	
Expenses	4	(1,204)		(1,647)	
Net revenue before taxation		1,143		1,565	
Taxation	5	(251)		(310)	
Net revenue after taxation			892		1,255
Total return before distributions			24,763		33,807
Distributions	6		(894)		(1,259)
Change in net assets attributable to shareholders from investment activities			23,869		32,548

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 August 2024

	2024 £000s	2024 £000s	2023 £000s	2023 £000s
Opening net assets attributable to shareholders		211,750		280,946
Amounts receivable on issue of shares	3,149		9,372	
Amounts payable on cancellation of shares	(102,043)		(112,245)	
		(98,894)		(102,873)
Dilution adjustment		-		10
Change in net assets attributable to shareholders from investment activities (see above)		23,869		32,548
Retained distributions on accumulation shares		660		1,119
Closing net assets attributable to shareholders		137,385		211,750

Notes to the final report and Financial Statements are from page 27 to 33.

Balance Sheet

As at 31 August 2024

	Notes	2024 £000s	2024 £000s	2023 £000s	2023 £000s
Assets:					
Fixed assets:					
Investments			136,117		211,451
Current assets:					
Debtors	7	1,772		527	
Cash and bank balances	8	762		254	
Total assets			138,651		212,232
Liabilities:					
Creditors:					
Other creditors	9	(1,234)		(438)	
Distribution payable		(32)		(44)	
Total liabilities			(1,266)		(482)
Net assets attributable to shareholders			137,385		211,750

Notes to the final report and Financial Statements are from page 27 to 33.

Notes to the Final Report and Financial Statements

1. Accounting Basis and Policies

The applicable accounting policies adopted by the Allianz Continental European Fund are included on pages 8 and 9 of the Collective Notes to the Final Report and Financial Statements.

2. Net capital gains

	2024 £000s	2023 £000s
Gains on non-derivative securities	23,959	32,470
(Losses)/gains on currency	(72)	94
Handling charges	(17)	(12)
Class Action	1	-
Net capital gains	23,871	32,552

3. Revenue

	2024 £000s	2023 £000s
Bank interest	44	7
Overseas dividends - non-taxable	2,301	3,218
Overseas dividends - taxable	2	(13)
Total revenue	2,347	3,212

4. Expenses

	2024 £000s	2023 £000s
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
ACD's annual fee	1,130	1,561
	1,130	1,561
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	31	43
Safe custody fees	12	15
	43	58
Other expenses:		
Audit fees	13	12
Distribution costs	6	4
Printing costs	2	1
Registration fees	10	10
Other expenses	-	1
	31	28
Total expenses	1,204	1,647

All expenditure stated above is inclusive of VAT where applicable.

The Audit fee for the year, excluding VAT, was £10,700 (2023 - £9,800).

Notes to the Final Report and Financial Statements continued

5. Taxation

	2024 £000s	2023 £000s
a. Analysis of the taxation charge for the year:		
Overseas tax suffered	251	310
Total taxation for the year (see Note 5(b))	251	310
b. Factors affecting taxation charge for the year:		
The taxation assessed for the year is higher than the standard rate of corporation tax in the UK for a subfund of an Open-Ended Investment Company (20%) (2023 - 20%).		
The differences are explained below:		
Net revenue before taxation	1,143	1,565
Corporation tax at 20%	229	313
Effects of:		
Overseas dividends - non-taxable	(460)	(644)
Overseas tax suffered	251	310
Surplus allowable expenses arising in the year	231	331
Total taxation charge for the year (see Note 5(a))	251	310
OEICs are exempt from tax on capital gains in the UK, therefore capital returns are not included within the reconciliation.		
c. Provision for deferred tax		
There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.		
d. Factors that may affect future tax charges		
At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,777,800 (2023 : £2,546,000) in relation to surplus management expenses.		
It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.		

6. Distributions

The distributions take account of revenue received on the creation of Shares and revenue deducted on the cancellation of Shares and comprise:

	2024 £000s	2023 £000s
Interim	4	3
Final	692	1,163
Add: Revenue deducted on cancellation of shares	202	118
Deduct: Revenue received on creation of shares	(4)	(25)
Net distributions for the year	894	1,259
Reconciliation of net revenue after taxation to net distributions for the year		
Net revenue after taxation	892	1,255
Net revenue shortfall taken to capital	2	4
Net distributions for the year	894	1,259

Notes to the Final Report and Financial Statements continued

7. Debtors

	2024 £000s	2023 £000s
Amounts receivable on creation of shares	-	18
Overseas tax recoverable	328	507
Sales awaiting settlement	1,444	2
	1,772	527

8. Cash and bank balances

	2024 £000s	2023 £000s
Cash and bank balances	762	254
	762	254

9. Other creditors

	2024 £000s	2023 £000s
Accrued ACD's annual fee	73	117
Amounts payable on cancellation of shares	1,124	287
Other accrued expenses	37	34
	1,234	438

10. Related party transactions

The ACD is deemed to be a related party under the definition of Financial Reporting Standard 102, which requires the disclosure of details of material transactions between the subfund and any related party.

Details of any related party transactions occurring during the year including commissions paid and any balances due at the year end are disclosed in the Balance Sheet, the Statement of Change in Net Assets Attributable to Shareholders and Notes 4, 7 and 9 to the financial statements. All creations and cancellations were transacted with the ACD.

Notes to the Final Report and Financial Statements continued

11. Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of net revenue included in the purchase price of all Group 2 shares. In the case of Accumulation shares, it is automatically reinvested in the subfund at the first distribution payment date after the shares were purchased. Being a capital repayment it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

12. Shareholders' funds

The subfund currently has three share classes: A, C and S. The ACD's annual fee on these share classes are as follows:

Class A :	1.50%
Class C :	0.75%
Class S :	0.45%
Class S EUR :	0.45%

The net asset value per share and the number of shares in issue are given in the Comparative Tables on page 17, 18 and 19.

The distribution per share is given in the Distribution Table on page 20.

Revenue available for allocation will be allocated between the share classes based on the respective proportionate interests represented by those share classes on a daily basis and taxation is computed by reference to the net revenue after expenses attributable to each class. All share classes have the same rights on winding up.

For the year ended 31 August 2024:

	Class A Shares Accumulation	Class C Shares Accumulation	Class S Shares Income	Class S Shares Accumulation	Class S EUR Shares Income
Opening shares	58,475	43,817,160	5,306,492	35,603,439	685,858
Shares created	2,344	767,986	240,030	176,691	-
Shares cancelled	(41,858)	(17,679,467)	(1,684,079)	(19,105,034)	(477,135)
Shares converted	(5,199)	(17,538)	-	68,914	-
Closing shares	13,762	26,888,141	3,862,443	16,744,010	208,723

13. Contingent liabilities and commitments

As at 31 August 2024 there were no contingent liabilities (2023: £Nil).

Notes to the Final Report and Financial Statements continued

14. Derivatives and other financial instruments

a. Currency exposure

The majority of the net assets and liabilities of the subfund are denominated in currencies other than Sterling, with the effect that the total net assets and total return can be affected by currency movements.

	Monetary Exposure 31 August 2024 £000s	Non-Monetary Exposure 31 August 2024 £000s	Total Exposure 31 August 2024 £000s	Monetary Exposure 31 August 2023 £000s	Non-Monetary Exposure 31 August 2023 £000s	Total Exposure 31 August 2023 £000s
Currency						
Danish Krone	348	22,401	22,749	149	41,985	42,134
Euro	827	73,191	74,018	84	105,062	105,146
Swedish Krona	241	21,707	21,948	23	31,918	31,941
Swiss Franc	391	18,818	19,209	304	32,486	32,790
US Dollar	8	-	8	7	-	7

b. Interest rate risk profile

The subfund did not hold any interest bearing financial instruments other than its cash and bank balances as at the balance sheet date (2023 - same).

c. Sensitivity analysis

Market price sensitivity

The value of the subfund's listed investments, which were exposed to market price risk as at 31 August was as follows:

	2024 £000s	2023 £000s
Listed equity investments held at fair value through profit or loss	136,117	211,451

The following illustrates the sensitivity of the net return and the net assets to an increase or decrease of 20% (2023 - 20%) in the fair values of the subfund's investments. This level of change is considered to be reasonably possible based on observation of market conditions in the year. The sensitivity analysis is based on the impact of a change to the value of the subfund's investments at each balance sheet date.

	2024 20% Increase in fair value £000s	2024 20% Decrease in fair value £000s	2023 20% Increase in fair value £000s	2023 20% Decrease in fair value £000s
Capital Return				
Net gains/(losses) on investments at fair value	27,223	(27,223)	42,290	(42,290)

Foreign currency risk sensitivity

The following table details the subfund's sensitivity to a 20% increase and decrease in sterling against the relevant foreign currencies and the resultant impact that any such increase or decrease would have on the net return and net assets. The sensitivity analysis includes all foreign currency denominated items and adjusts their translation at the year end for a 20% change in foreign currency rates.

	2024 20% Increase in Sterling against foreign currencies £000s	2024 20% Decrease in Sterling against foreign currencies £000s	2023 20% Increase in Sterling against foreign currencies £000s	2023 20% Decrease in Sterling against foreign currencies £000s
Danish Krone	(3,791)	5,687	(7,022)	10,534
Euro	(12,336)	18,505	(17,524)	26,286
Swedish Krona	(3,658)	5,487	(5,324)	7,985
Swiss Franc	(3,201)	4,802	(5,465)	8,197
US Dollar	(1)	2	(1)	2
Change in net return and net assets	(22,987)	34,483	(35,336)	53,004

d. Leverage

The subfund did not employ significant leverage during the year (2023 - same).

Notes to the Final Report and Financial Statements continued

e. Fair value hierarchy

An analysis of the portfolio in accordance with the fair value hierarchy is shown below:

	Assets 31 August 2024 £000s	Liabilities 31 August 2024 £000s	Assets 31 August 2023 £000s	Liabilities 31 August 2023 £000s
Level 1: Quoted	136,117	-	211,451	-
Level 2: Observable	-	-	-	-
Level 3: Unobservable	-	-	-	-
	136,117	-	211,451	-

The fair value as at the reporting date has been estimated using the following fair value hierarchy:

Level (1) Quoted prices for identical instruments in active markets

The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level (2) Valuation techniques that use:

Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level (3) Valuation techniques that use:

Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

When the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate, the fair value is estimated by using an alternative valuation technique. Such valuation techniques will, where possible, maximise the use of observable market data inputs as opposed to non-observable entity determined data inputs. The Investment Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

f. Maturity of financial liabilities

All liabilities are due in one year or less or on demand (2023 - same).

g. Fair value disclosure

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

Notes to the Final Report and Financial Statements continued

15. Portfolio transaction costs

For the year ended 31 August 2024:

	Transaction Value 2024 £000s	Commissions 2024 £000s	Commissions 2024 %	Taxes 2024 £000s	Taxes 2024 %
Purchases					
Equity instruments (direct)	16,580	2	0.01	16	0.10
Total purchases	16,580	2	0.01	16	0.10
Total purchases including transaction costs	16,598				
	Transaction Value 2024 £000s	Commissions 2024 £000s	Commissions 2024 %	Taxes 2024 £000s	Taxes 2024 %
Sales					
Equity instruments (direct)	115,864	14	0.01	-	-
Total sales	115,864	14	0.01	-	-
Total sales including transaction costs	115,850				
Total transaction costs as a % of average net assets		0.01%		0.01%	

For the year ended 31 August 2023:

	Transaction Value 2023 £000s	Commissions 2023 £000s	Commissions 2023 %	Taxes 2023 £000s	Taxes 2023 %
Purchases					
Equity instruments (direct)	13,753	4	0.03	5	0.04
Total purchases	13,753	4	0.03	5	0.04
Total purchases including transaction costs	13,762				
	Transaction Value 2023 £000s	Commissions 2023 £000s	Commissions 2023 %	Taxes 2023 £000s	Taxes 2023 %
Sales					
Equity instruments (direct)	115,115	14	0.01	-	-
Total sales	115,115	14	0.01	-	-
Total sales including transaction costs	115,101				
Total transaction costs as a % of average net assets		0.01%		0.00%	

The above analysis covers any direct transaction costs suffered by the subfund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions & taxes etc) are attributable to the subfund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

Dealing spread costs suffered by the subfund vary considerably for the different asset / instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.07% (2023 : 0.12%).

Fund Information

Investment Objective and Policy

The investment objective of the Allianz Gilt Yield Fund is to maximise total return, consistent with preservation of capital and prudent investment management, by aiming to outperform (net of fees) the Target Benchmark, the FTSE Actuaries UK Conventional Gilts All Stocks Index Midday Total Return (in GBP), over a rolling three year period.

Investors should be aware that the Fund's capital is at risk and there is no guarantee that the Fund will achieve its investment objective over any particular period or at all.

The Annual Management Charge for Allianz Gilt Yield Fund is charged to capital. This could increase the amount of income available for distribution to Shareholders but may constrain capital growth.

The ACD aims to achieve the investment objective by investing in gilts (bonds issued by the United Kingdom Government), overseas government bonds, government guaranteed bonds, bonds issued by government owned or government sponsored entities and supranational bonds.

At least 80% of the value of the Fund will be invested in gilts issued by the United Kingdom Government.

Up to 20% of the value of the Fund may be invested in Sterling denominated (or hedged back to Sterling) debt securities, which are not issued by the United Kingdom Government (including the overseas government and supranational bonds described above), and which have a rating the same or higher than bonds issued by the United Kingdom Government.

The ACD may utilise deposits and money market instruments in the management of the Fund and their value, together with any investment in money market funds, may make up to 10% of the Fund's assets.

The Fund may invest up to 10% of its assets in other funds managed by Allianz Global Investors and its group of companies and other collective investment schemes managed by third parties.

The Fund may use derivative instruments such as futures, options, options on swaps and swap agreements (e.g. interest rate swaps).

Fund Details

Fund Manager	Le Beron, Julian Mann, Ranjiv Copley, Luke Novembri, Filippo	
Benchmark	FTSE Actuaries UK Conventional Gilts All Stocks Index Midday Total Return GBP	
Underlying Yield to 31 August 2024	I Shares	3.63%
	Y Shares	3.61%
	Z Shares	-
Distribution Yield to 31 August 2024	I Shares	3.63%
	Y Shares	3.61%
	Z Shares	-
Income allocation dates	Interim	28 February*
	Final	31 August
Income pay dates	Interim	30 April
	Final	31 December (normally 31 October)
Launch dates	Fund	16 May 2002
	I Shares	16 May 2002
	Y Shares	20 February 2017
	Z Shares	27 August 2024
ISA status	Yes	
Share Classes and types of Shares	I (Income Shares) ¹⁾ Y (Accumulation Shares) ⁴⁾⁶⁾ Z Shares (Income Shares) ⁴⁾	
Minimum investment³⁾	I Shares	Lump sum £10,000,000
	Y Shares	Lump sum £100,000,000
	Z Shares	Lump sum £100,000,000
Initial charge	I Shares	Nil
	Y Shares	Nil
	Z Shares	Nil
Annual ACD fee²⁾⁵⁾	I Shares	0.30%
	Y Shares	0.30%
	Z Shares	0.18%

*29 February in a leap year

¹⁾Denominated as Class C Shares prior to 3 July 2020.

²⁾The ACD and the Depositary have agreed that the Annual Management Charge for Allianz Gilt Yield Fund is charged to capital. This could increase the amount of income available for distribution to Shareholders but may constrain capital growth.

³⁾May be reduced or waived by the ACD; different investment minima may apply in respect of Shares held through an ISA.

⁴⁾Available to Approved Investors only.

⁵⁾This may decrease at the discretion of the ACD.

⁶⁾The Share Class will be mandatorily converted into the I (Inc) share class on 25 September 2024.

Comparative Tables

For the year ended 31 August 2024

	I Shares Income			Y Shares Accumulation		
	2024 (p)	2023 (p)	2022 (p)	2024 (p)	2023 (p)	2022 (p)
Opening net asset value per share	140.07	159.69	202.87	4,172.65	4,621.72	5,812.95
Return before operating charges	10.45	(14.96)	(40.82)	314.07	(433.99)	(1,172.63)
Operating charges	(0.47)	(0.48)	(0.61)	(15.12)	(15.08)	(18.60)
Return after operating charges	9.98	(15.44)	(41.43)	298.95	(449.07)	(1,191.23)
Distributions	(5.71)	(4.18)	(1.75)	(159.56)	(118.82)	(46.49)
Retained distributions on accumulation shares	-	-	-	159.56	118.82	46.49
Closing net asset value per share	144.34	140.07	159.69	4,471.60	4,172.65	4,621.72
After direct transaction costs of ¹	-	-	-	(0.01)	(0.04)	(0.13)
Performance						
Return after operating charges	7.13%	(9.67)%	(20.42)%	7.16%	(9.72)%	(20.49)%
Other information						
Closing net asset value (£'000)	1,079,219	1,116,493	1,841,422	1	54	44
Closing number of shares	747,713,833	797,075,359	1,153,087,971	30	1,302	954
Operating charges ²	0.32%	0.32%	0.32%	0.35%	0.35%	0.35%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price	152.70	159.14	207.59	4,548.24	4,605.73	5,947.56
Lowest share price	135.33	135.32	160.91	4,031.04	3,916.30	4,623.74

¹ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the subfund and share class returns before operating charges.

² Operating charges on "Y" Class Accumulation have been capped at 0.35%.

Operating charges 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 subfund.

Comparative Tables continued

For the year ended 31 August 2024

Z Shares Income	
	2024 (p)
Opening net asset value per share	100.00
Return before operating charges	0.19
Operating charges	-
Return after operating charges	0.19
Distributions	-
Retained distributions on accumulation shares	-
Closing net asset value per share	100.19
After direct transaction costs of ¹	-
Performance	
Return after operating charges	0.19%
Other information	
Closing net asset value (£'000)	1
Closing number of shares	1,000
Operating charges	0.24%
Direct transaction costs	0.00%
Prices	
Highest share price	100.29
Lowest share price	100.00

Share Class Z Income was launched on 27 August 2024.

¹ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the subfund and share class returns before operating charges.

Operating charges 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 subfund.

Distribution Tables

For the year ended 31 August 2024

Interim Distribution in pence per share

Group 1	Shares purchased prior to 1 September 2023
Group 2	Shares purchased on or after 1 September 2023 to 29 February 2024

	Net revenue (p)	Equalisation (p)	Distribution paid 30/04/24 (p)	Distribution paid 30/04/23 (p)
I Shares Income				
Group 1	2.8576	-	2.8576	1.6819
Group 2	1.4095	1.4481	2.8576	1.6819
Y Shares Accumulation				
Group 1	83.7207	-	83.7207	46.9497
Group 2	83.7207	-	83.7207	46.9497
Z Shares Income				
Group 1	-	-	-	-
Group 2	-	-	-	-

Final Distribution in pence per share

Group 1	Shares purchased prior to 1 March 2024
Group 2	Shares purchased on or after 1 March 2024 to 31 August 2024

	Net revenue (p)	Equalisation (p)	Distribution payable 31/10/24 (p)	Distribution paid 31/10/23 (p)
I Shares Income				
Group 1	2.8476	-	2.8476	2.4997
Group 2	1.806	1.0416	2.8476	2.4997
Y Shares Accumulation				
Group 1	75.8366	-	75.8366	71.8744
Group 2	75.8366	-	75.8366	71.8744
Z Shares Income				
Group 1	-	-	-	-
Group 2	-	-	-	-

Share Class Z Income was launched on 27 August 2024.

Investors are reminded that distribution is not guaranteed.

Investment Review

Performance Summary

Over the period under review, from 1st September 2023 to 31st August 2024, the Allianz Gilt Yield Fund's 'I Inc' class produced a total return of 7.17%*. The Fund's benchmark, the FTSE Actuaries UK Conventional Gilts All Stocks (Midday) Index, produced a total return of 7.20% over the period.

Trading Activity

Below are the top five Purchases and Sales made during the period:

Purchases:

CUSIP/ISIN	Description
GB00BPSNB460	UK Treasury 3.75% 07/03/2027
GB0032452392	UK Treasury 4.25% 07/03/2036
GB00BPSNBB36	UK Treasury 4.375% 31/07/2054
GB00B84Z9V04	UK Treasury 3.25% 22/01/2044
GB00B52WS153	UK Treasury 4.5% 07/09/2034

Sales:

CUSIP/ISIN	Description
GB00B52WS153	UK Treasury 4.5% 07/09/2034
GB00BPCJD880	UK Treasury 3.5% 22/10/2025
GB00BL6C7720	UK Treasury 4.125% 29/01/2027
GB00BLPK7227	UK Treasury 0.5% 31/01/2029
GB00BQC4R999	UK Treasury 3.75% 29/01/2038

* Source: Allianz Global Investors/Datastream. Fund performance based on midday prices using the mid market price portfolio valuation, net of fees and expenses, with net revenue re-invested in Sterling. Performance per comparative table based on bid market price portfolio valuation at midday on the last day of the accounting period and with related accounting adjustments. Benchmark performance based on midday prices.

Market Background

The review period began with a sell-off in global bonds (September to mid-October 2023) as central banks in developed markets reinforced their message of "higher, for longer" policy rates. However, global inflationary pressures continued to ease into year-end - with UK inflation slowing to a more than two-year low - boosting hopes of rate cuts from G10 central banks in 2024, including from the Bank of

England (BOE). UK economic growth also remained weak and consequently UK gilt prices surged into year-end; the 10-year gilt yield closed 2023 at an almost nine-month low of around 3.5%, while 10-year index-linked gilt real yields dropped from 0.59% to 0.05% over the quarter. In the US, the 10-year US Treasury bond yield breached 5.0% in mid-October 2023, for the first time since 2007, but yields subsequently tumbled as inflation data came in weaker than expected and the US Federal Reserve signalled that policy rates had peaked; 10-year US-Treasury yields closed the fourth quarter of 2023 at 3.9%.

In the first few months of 2024, however, markets pared back hopes of an aggressive monetary policy easing cycle in 2024 as US economic activity data continued to surprise to the upside, resulting in a renewed sell off in global bonds. In the UK, the BOE met market expectations by holding rates at 5.25%, even as the door remained open for rate cuts by mid-year given still anaemic UK economic growth and growing expectations that headline UK CPI inflation would approach the 2% target by mid-year; nonetheless, 10-year Gilt yields still rose to 3.93% by the end of the Q1 (up 40bp).

Moving into the summer months, G10 central banks finally began to shift to a rate cutting cycle, with the European Central Bank cutting rates by 25bp in June, taking the deposit rate to 3.75%. On the political front, the results of the European parliamentary elections were broadly in line with expectations, with the centrist coalition holding a majority. However, in France, President Macron decided to call a snap parliamentary election for end-June and early July following the resurgence of the far right in the French part of the European elections. Euro area bond market volatility spiked, with French bond spreads widening dramatically and raising fears of bond market fragmentation risks in the region; 10-year French/Bund spreads ended the quarter at 80bp, their highest levels since 2012.

In the UK, the BOE kept the policy rate on hold in June at 5.25%, but BOE Governor Bailey sent a clear signal that the path to lower interest rates was approaching, helped by headline CPI inflation which slowed to a three year low of 2% y/y. On the political front, the UK Prime Minister called a surprise general election for 4th July, even though polls strongly suggests that the governing Conservative party was likely to lose after 14 years in power. 10-year Gilt yields

Investment Review continued

ended June at 4.17%, while the election produced a large Labour majority government in July.

July and particularly August saw the return of some significant market volatility as a weaker than expected US labour market report raised fears of a material US growth slowdown during the remainder of 2024. Alongside a surging Japanese yen and the consequent unwinding of global carry trades, the deterioration in risk sentiment resulted in a sharp fall in equity markets, especially in Japan. However, risk sentiment quickly recovered as the soft-landing narrative for the US economy regained some momentum on the back of a string of better-than-expected US activity data and was also helped by dovish comments from Fed Chair Powell signalling the Fed's willingness to begin a US rate cutting cycle in September. At the end of the period, interest rate markets were pricing around 100bp of Fed rate cuts by the end of 2024. Meanwhile, in the UK, the BOE finally began to cut rates in August (by 25bp to 5%) as the UK disinflation narrative remained intact, even though the economy was outperforming some of the more pessimistic forecasts at the start of the year; 10-year Gilt yields ended August at 4.02%.

The rebound in risk sentiment through August 2024 saw the US dollar weaken versus other G10 currencies, with the trade weighted US dollar ending the review period at its lowest levels since the start of the year.

Portfolio Review

The fund's central strategies to generating returns are duration, curve positioning, relative value, inflation, cross market and spread.

Duration

We maintained an overweight stance on headline duration over the period. Despite the rally in global government bonds over Q4 of 2023, we continued to have a high conviction view that developed market interest rates will likely be far lower than markets are pricing in. Whilst the journey was a little bumpy through the year, the fund's overweight positioning on duration was a positive contributor to both absolute and relative returns over the period.

Curve positioning

At the start of the review period, the fund held a slight flattening bias on the yield curve. Our curve positioning was negative for the fund's performance relative to benchmark

as conventional gilt yields with maturities up to 10-years, where we held an underweight position, decreased the most (i.e. outperforming longer-dated bonds). We have remained convicted in this view as the year has progressed, and retain our underweight in the 10y part of the curve vs. 20y and 30y gilts, given the attractive relative value dynamics. We also maintain overweight the very front-end of the gilt curve (2-year), as the BOE kick off their rate cutting cycle.

Relative Value

We engaged in several relative value trades, opting to add duration exposure in the cheapest gilts on the curve and conducting several gilt switches throughout the period. As an example, in March we switched out of the gilt maturing in January 2027 and rotated into the newly issued gilt maturing in March 2027 to benefit from the yield pickup.

Inflation

We reduced our long UK inflation duration position from 0.4y to 0.2y in September and October 2023, and maintained a ca. 0.2y inflation duration exposure coming from two UK index-linked gilts (2045s and 2073s) for the remainder of the period. With real yields in positive territory, index-linked gilts continue to look attractive to us.

Cross Market

We kept our cross-markets exposure broadly unchanged over the period, holding circa 0.25y of duration contribution in Australian government bonds, and 0.1y in Norway. We also held 0.1y in US-Treasuries until early in 2024. Overall, our cross market strategy was a drag on relative performance as gilts outperformed Australian government bonds, however some of these losses were offset by gains in our Norwegian bond exposure. In June, the fund added a 30y short German bund exposure via bond futures – the position added value at the margin, and we took profits in July.

Spread

We held 0.4y of duration contribution in SSAs until May, where we reduced the exposure by around half, to 0.2 years duration contribution. Our SSA exposure was positive for returns versus benchmark, as spreads tightened versus UK gilts on balance.

Investment Review continued

Outlook

Given the current global macro and policy backdrop, the outlook for sovereign bond returns looks constructive. Questions about the ability of the US economy to achieve a soft landing remain, while European and Chinese growth are still lacklustre. In terms of what is being discounted in interest rate markets, we believe that asset prices could be over-pricing a US soft landing and under-pricing a harder landing scenario. For global fixed income investors, we think that the path of least resistance over the coming months is for lower global sovereign bond yields.

We favour a long interest rate duration stance in several sovereign bond markets and have a preference to be positioned for steeper yield curves, especially in the US and Euro area.

We continue to favour owning UK Gilts on a relative value, cross-market basis against German Bunds. In the UK, we think that interest rate markets have now sufficiently priced the improvement in the UK growth outlook, while inflationary pressures in the economy are also set to moderate further. In addition, the UK fiscal stance is likely to become a drag for UK growth prospects. We believe that interest rate markets are insufficiently pricing BOE rate cuts over the next six to nine months in comparison to the European Central Bank and US Federal Reserve, and Gilt valuations increasingly look attractive versus other G4 markets.

Portfolio Statement

As at 31 August 2024

Nominal		Market Value £'000	% of Net Assets
Australian Dollar Denominated Fixed Rate Government Bonds - 2.45% (2023 - 2.29%)			
31,900,000	Australia Government Bond 1.75% 21/11/2032	13,987	1.30
16,955,000	Australia Government Bond 2.75% 21/05/2041	7,132	0.66
12,865,000	Australia Government Bond 3% 21/03/2047	5,265	0.49
		26,384	2.45
Norwegian Krone Denominated Fixed Rate Government Bonds - 1.36% (2023 - 0.71%)			
121,850,000	Norway Government Bond 2.125% 18/05/2032	8,137	0.75
89,550,000	Norway Government Bond 3.625% 13/04/2034	6,628	0.61
		14,765	1.36
Sterling Denominated Fixed Rate Corporate Bonds - 5.73% (2023 - 12.61%)			
10,709,000	European Bank for Reconstruction & Development 5.625% 07/12/2028	11,342	1.05
31,000,000	Kreditanstalt fuer Wiederaufbau 3.75% 30/07/2027	30,644	2.84
11,988,000	LCR Finance 4.5% 07/12/2028	12,135	1.12
8,565,000	PRS Finance 2% 23/01/2029	7,793	0.72
		61,914	5.73
Sterling Denominated Fixed Rate Government Bonds - 88.38% (2023 - 84.41%)			
22,459,700	UK Treasury 0.5% 31/01/2029	19,513	1.81
23,531,000	UK Treasury 0.5% 22/10/2061	7,363	0.68
57,049,000	UK Treasury 1.25% 31/07/2051	28,625	2.65
40,206,000	UK Treasury 1.625% 22/10/2054	21,505	1.99
29,537,000	UK Treasury 1.75% 07/09/2037	22,569	2.09
40,860,000	UK Treasury 1.75% 22/07/2057	22,162	2.05
30,022,000	UK Treasury 2.5% 22/07/2065	19,347	1.79
52,330,000	UK Treasury 3.25% 22/01/2044	44,474	4.12
65,747,000	UK Treasury 3.5% 22/10/2025	65,079	6.03
47,201,000	UK Treasury 3.5% 22/01/2045	41,354	3.83
157,000,000	UK Treasury 3.75% 07/03/2027	155,782	14.43
108,020,000	UK Treasury 3.75% 29/01/2038	103,669	9.61
19,200,000	UK Treasury 3.75% 22/07/2052	16,995	1.57
22,350,000	UK Treasury 3.75% 22/10/2053	19,674	1.82
45,350,000	UK Treasury 4% 22/10/2063	41,613	3.86
65,573,000	UK Treasury 4.125% 29/01/2027	65,641	6.08
101,650,000	UK Treasury 4.25% 07/03/2036	103,523	9.59
48,200,000	UK Treasury 4.25% 07/12/2046	46,815	4.34
47,900,000	UK Treasury 4.375% 31/07/2054	46,906	4.35
29,537,000	UK Treasury 4.5% 07/06/2028	30,124	2.79
17,350,000	UK Treasury 4.5% 07/12/2042	17,646	1.64
3,550,000	UK Treasury Inflation Linked 0.125% 22/03/2073	2,923	0.27
5,258,000	UK Treasury Inflation Linked 0.625% 22/03/2045	4,968	0.46
5,708,000	UK Treasury Inflation Linked 1.25% 22/11/2054	5,720	0.53
		953,990	88.38
DERIVATIVES - 0.08% (2023 - 0.20%)			
Australian Dollar Open Forward Exchange Contracts - 0.04% (2023 - 0.13%)			
	Sold AUD51,252,744 for GBP26,767,867 Settlement 18/09/2024	306	0.04
		306	0.04
Euro Open Forward Exchange Contracts - 0.01% (2023 - 0.00%)			
	Sold EUR1,400,000 for GBP1,186,821 Settlement 18/09/2024	8	0.01
		8	0.01
Norwegian Krone Open Forward Exchange Contracts - 0.03% (2023 - 0.01%)			
	Sold NOK195,957,349 for GBP14,408,705 Settlement 18/09/2024	274	0.03
		274	0.03

Portfolio Statement continued

As at 31 August 2024

Nominal	Market Value £'000	% of Net Assets
Sterling Open Futures Contracts - 0.00% (2023 - 0.04%)		
Swedish Krona Open Forward Exchange Contracts - 0.00% (2023 - 0.00%)		
US Dollar Open Forward Exchange Contracts - 0.00% (2023 - 0.00%)		
US Dollar Open Futures Contracts - 0.00% (2023 - 0.02%)		
Investment assets	1,057,641	98.00
Net other assets	21,580	2.00
Net assets	1,079,221	100.00

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

Note: Comparative figures show percentages for each category of holding at 31 August 2023.

Please refer to page 10 for details on the credit quality of the portfolio.

Statement of Total Return

For the year ended 31 August 2024

	Notes	2024 £000s	2024 £000s	2023 £000s	2023 £000s
Income:					
Net capital gains/(losses)	2		36,709		(207,085)
Revenue	3	46,604		36,487	
Expenses	4	(3,768)		(4,236)	
Interest payable and similar charges		(19)		(126)	
Net revenue before taxation		42,817		32,125	
Taxation	5	-		-	
Net revenue after taxation			42,817		32,125
Total return before distributions			79,526		(174,960)
Distributions	6		(46,302)		(36,049)
Change in net assets attributable to shareholders from investment activities			33,224		(211,009)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 August 2024

	2024 £000s	2024 £000s	2023 £000s	2023 £000s
Opening net assets attributable to shareholders		1,116,547		1,841,466
Amounts receivable on issue of shares	186,514		179,443	
Amounts payable on cancellation of shares	(257,067)		(693,356)	
		(70,553)		(513,913)
Change in net assets attributable to shareholders from investment activities (see above)		33,224		(211,009)
Retained distributions on accumulation shares		1		1
Unclaimed distributions		2		2
Closing net assets attributable to shareholders		1,079,221		1,116,547

Notes to the final report and Financial Statements are from page 45 to 52.

Balance Sheet

As at 31 August 2024

	Notes	2024 £000s	2024 £000s	2023 £000s	2023 £000s
Assets:					
Fixed assets:					
Investments			1,057,641		1,119,100
Current assets:					
Debtors	7	20,915		9,869	
Cash and bank balances	8	26,365		10,633	
Total assets			1,104,921		1,139,602
Liabilities:					
Investment liabilities			-		(58)
Creditors:					
Other creditors	9	(4,408)		(3,072)	
Distribution payable		(21,292)		(19,925)	
Total liabilities			(25,700)		(23,055)
Net assets attributable to shareholders			1,079,221		1,116,547

Notes to the final report and Financial Statements are from page 45 to 52.

Notes to the Final Report and Financial Statements

1. Accounting Basis and Policies

The applicable accounting policies adopted by the Allianz Gilt Yield Fund are included on pages 8 and 9 of the Collective Notes to the Final Report and Financial Statements.

2. Net capital gains/(losses)

	2024 £000s	2023 £000s
Gains/(losses) on non-derivative securities	37,402	(194,465)
Losses on derivative securities	(921)	(22,147)
Gains/(losses) on currency	334	(2,745)
(Losses)/gains on forward currency contracts	(99)	12,280
Handling charges	(7)	(8)
Net capital gains/(losses)	36,709	(207,085)

3. Revenue

	2024 £000s	2023 £000s
Bank interest	325	194
Futures interest	39	55
Interest on fixed income securities	44,429	30,844
Overseas dividends - taxable	-	43
Futures Income Bifurcation	1,811	5,351
Total revenue	46,604	36,487

4. Expenses

	2024 £000s	2023 £000s
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
ACD's annual fee ¹	3,485	3,925
	3,485	3,925
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	206	232
Safe custody fees	48	55
	254	287
Other expenses:		
Audit fees	13	12
Distribution costs	4	2
Printing costs	4	3
Registration fees	7	7
Other expenses	1	-
	29	24
Total expenses	3,768	4,236

¹For the purpose of the distribution, the ACD's annual fee is borne by the capital account (see Note 6).

All expenditure stated above is inclusive of VAT where applicable.

The Audit fee for the year, excluding VAT, was £10,918 (2023 - £10,000).

Notes to the Final Report and Financial Statements continued

5. Taxation

	2024 £000s	2023 £000s
a. Analysis of the taxation charge for the year:		
Total taxation for the year (see Note 5(b))	-	-
b. Factors affecting taxation charge for the year:		
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for a subfund of an Open-Ended Investment Company (20%) (2023 - 20%).		
The differences are explained below:		
Net revenue before taxation	42,817	32,125
Corporation tax at 20%	8,563	6,425
Effects of:		
Tax deductible interest distributions	(8,446)	(6,273)
Relief for indexation on UK Gilts	(117)	(152)
Total taxation charge for the year (see Note 5(a))	-	-
OEICs are exempt from tax on capital gains in the UK, therefore capital returns are not included within the reconciliation.		
c. Provision for deferred tax		
There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.		

6. Distributions

The distributions take account of revenue received on the creation of Shares and revenue deducted on the cancellation of Shares and comprise:

	2024 £000s	2023 £000s
Interim	23,391	14,524
Final	21,292	19,925
Add: Revenue deducted on cancellation of shares	3,032	3,197
Deduct: Revenue received on creation of shares	(1,413)	(1,597)
Net distributions for the year	46,302	36,049
Reconciliation of net revenue after taxation to net distributions for the year		
Net revenue after taxation	42,817	32,125
Add: Capitalised expenses	3,485	3,924
Net distributions for the year	46,302	36,049

Notes to the Final Report and Financial Statements continued

7. Debtors

	2024 £000s	2023 £000s
Accrued revenue	11,647	9,869
Amounts receivable on creation of shares	9,268	-
	20,915	9,869

8. Cash and bank balances

	2024 £000s	2023 £000s
Cash and bank balances	26,255	7,136
Amount held at futures clearing houses and brokers	110	3,497
	26,365	10,633

9. Other creditors

	2024 £000s	2023 £000s
Accrued ACD's annual fee	274	288
Amounts payable on cancellation of shares	596	2,682
Other accrued expenses	102	102
Purchases awaiting settlement	3,436	-
	4,408	3,072

10. Related party transactions

The ACD is deemed to be a related party under the definition of Financial Reporting Standard 102, which requires the disclosure of details of material transactions between the subfund and any related party.

Details of any related party transactions occurring during the year including commissions paid and any balances due at the year end are disclosed in the Balance Sheet, the Statement of Change in Net Assets Attributable to Shareholders and Notes 4, 7 and 9 to the financial statements. All creations and cancellations were transacted with the ACD.

Notes to the Final Report and Financial Statements continued

11. Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of net revenue included in the purchase price of all Group 2 shares. In the case of Accumulation shares, it is automatically reinvested in the subfund at the first distribution payment date after the shares were purchased. Being a capital repayment it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

12. Shareholders' funds

The subfund currently has three share classes: I, Y and Z. The ACD's annual fee on these share classes are as follows:

Class I :	0.30%
Class Y :	0.30%
Class Z :	0.24%

The net asset value per share and the number of shares in issue are given in the Comparative Tables on page 35 and 36.

The distribution per share is given in the Distribution Table on page 37.

Revenue available for allocation will be allocated between the share classes based on the respective proportionate interests represented by those share classes on a daily basis and taxation is computed by reference to the net revenue after expenses attributable to each class. All share classes have the same rights on winding up.

For the year ended 31 August 2024:

	Class I Shares Income	Class Y Shares Accumulation	Class Z Shares Income
Opening shares	797,075,359	1,302	-
Shares created	130,905,700	-	1,000
Shares cancelled	(180,267,226)	(1,272)	-
Shares converted	-	-	-
Closing shares	747,713,833	30	1,000

13. Contingent liabilities and commitments

As at 31 August 2024 there were no contingent liabilities (2023: £Nil).

Notes to the Final Report and Financial Statements continued

14. Derivatives and other financial instruments

The narrative on pages 9 to 13 explains the different types of risks the subfund may face.

For this subfund, the ACD measures and manages risk using the value-at-risk approach. Please see page 15 for further details.

a. Currency exposure

The majority of the net assets and liabilities of the subfund are denominated in currencies other than Sterling, with the effect that the total net assets and total return can be affected by currency movements.

	Monetary Exposure 31 August 2024 £000s	Non-Monetary Exposure 31 August 2024 £000s	Total Exposure 31 August 2024 £000s	Monetary Exposure 31 August 2023 £000s	Non-Monetary Exposure 31 August 2023 £000s	Total Exposure 31 August 2023 £000s
Currency						
Australian Dollar	(25,962)	26,384	422	(25,538)	25,591	53
Canadian Dollar	-	-	-	(3)	-	(3)
Euro	489	-	489	35	-	35
Norwegian Krone	(13,755)	14,765	1,010	(7,547)	7,904	357
Swedish Krona	1	-	1	(313)	-	(313)
US Dollar	286	-	286	20	-	20

b. Interest rate risk profile

The interest rate profile of the subfund's portfolio of investments at the balance sheet date was:

	Floating Rate 31 August 2024 £000s	Fixed Rate 31 August 2024 £000s	Non-Interest 31 August 2024 £000s	Total 31 August 2024 £000s	Floating Rate 31 August 2023 £000s	Fixed Rate 31 August 2023 £000s	Non-Interest 31 August 2023 £000s	Total 31 August 2023 £000s
Currency								
Assets	-	1,057,053	588	1,057,641	-	1,116,868	2,232	1,119,100
Liabilities	-	-	-	-	-	-	(58)	(58)

c. Sensitivity analysis

Market price sensitivity

The value of the subfund's listed investments, which were exposed to market price risk as at 31 August was as follows:

	2024 £000s	2023 £000s
Bonds	1,057,053	1,116,868
Open future contracts	-	592

The following illustrates the sensitivity of the net return and the net assets to an increase or decrease of 20% (2023 - 20%) in the fair values of the subfund's investments. This level of change is considered to be reasonably possible based on observation of market conditions in the year. The sensitivity analysis is based on the impact of a change to the value of the subfund's investments at each balance sheet date.

	2024 20% Increase in fair value £000s	2024 20% Decrease in fair value £000s	2023 20% Increase in fair value £000s	2023 20% Decrease in fair value £000s
Capital Return				
Net gains/(losses) on investments at fair value	211,411	(211,411)	223,492	(223,492)

Notes to the Final Report and Financial Statements continued

Foreign currency risk sensitivity

The following table details the subfund's sensitivity to a 20% increase and decrease in sterling against the relevant foreign currencies and the resultant impact that any such increase or decrease would have on the net return and net assets. The sensitivity analysis includes all foreign currency denominated items and adjusts their translation at the year end for a 20% change in foreign currency rates.

	2024 20% Increase in Sterling against foreign currencies £000s	2024 20% Decrease in Sterling against foreign currencies £000s	2023 20% Increase in Sterling against foreign currencies £000s	2023 20% Decrease in Sterling against foreign currencies £000s
Australian Dollar	(70)	106	(9)	13
Canadian Dollar	-	-	1	(1)
Euro	(82)	122	(6)	9
Norwegian Krone	(168)	253	(60)	89
Swedish Krona	-	-	52	(78)
US Dollar	(48)	72	(3)	5
Change in net return and net assets	(368)	553	(25)	37

Interest rate risk sensitivity

Duration measures the sensitivity of a portfolio's price to change in interest rates. The calculation of duration incorporates yield, coupon, final maturity and other relevant factors. Duration is considered to be an accurate predictor of price changes for small, parallel shifts of the yield curve. For every 0.01% movement in interest rates, a portfolio with a duration of one year will move in price by 0.01% in the opposite direction.

As at the 31 August 2024, the net asset value was £1,101.5m (2023 - £1,138.1m) (before the deduction of the interest distribution) with a duration of 9.46 years (2023 - 9.73 years).

Thus, for example, an increase of 0.25% in the interest rates would result in a fall of 2.37% or £26.05m (2023 - 2.43% or £27.65m) in the value of the portfolio.

d. Leverage

The use of derivatives may expose the subfund to a higher degree of risk. In particular, derivative contracts can be highly volatile and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard bonds or equities. Leveraged derivative positions can therefore increase a subfund's volatility. The leverage is calculated on a commitment basis, by taking the sum of the net asset value and the incremental exposure generated through the use of derivatives and is expressed as a percentage of the net asset value. The average level of leverage employed by the subfund during the year was 0.10% (2023 - 1.27%).

e. Fair value hierarchy

An analysis of the portfolio in accordance with the fair value hierarchy is shown below:

	Assets 31 August 2024 £000s	Liabilities 31 August 2024 £000s	Assets 31 August 2023 £000s	Liabilities 31 August 2023 £000s
Level 1: Quoted	953,990	-	943,061	-
Level 2: Observable	103,651	-	176,039	(58)
Level 3: Unobservable	-	-	-	-
	1,057,641	-	1,119,100	(58)

The fair value as at the reporting date has been estimated using the following fair value hierarchy:

Level (1) Quoted prices for identical instruments in active markets

The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level (2) Valuation techniques that use:

Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level (3) Valuation techniques that use:

Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

When the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate, the fair value is estimated by using an alternative valuation technique. Such valuation techniques will, where possible, maximise the use of observable market data inputs as opposed to non-observable entity determined data inputs. The Investment Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

f. Maturity of financial liabilities

All liabilities are due in one year or less or on demand (2023 - same).

g. Fair value disclosure

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

Notes to the Final Report and Financial Statements continued

h. Derivatives

Derivatives are used in the subfund for hedging purposes and/or investment purposes. The main instruments used are money market futures, forward exchange contracts and credit default swaps. For more details please refer to page 11 and 12.

i. Credit rating

	2024 Market Value £000s	2024 % of Net Assets	2023 Market Value £000s	2023 % of Net Assets
Investment Grade	1,057,053	97.92	1,116,868	100.02
Derivatives	588	0.08	2,174	0.20
Other assets/(liabilities)	21,580	2.00	(2,495)	(0.22)
Total net assets	1,079,221	100.00	1,116,547	100.00

A fixed income security is deemed to be of investment grade, if it is rated BBB- or above. Sub-investment grade are those securities that are rated below investment grade. As at 31 August 2024, all fixed income investments were investment grade (2023 - same).

Notes to the Final Report and Financial Statements continued

15. Portfolio transaction costs

For the year ended 31 August 2024:

	Transaction Value 2024 £000s	Commissions 2024 £000s	Commissions 2024 %	Taxes 2024 £000s	Taxes 2024 %
Purchases					
Debt instruments (direct)	733,292	-	-	-	-
Total purchases	733,292	-	-	-	-
Total purchases including transaction costs	733,292				
	Transaction Value 2024 £000s	Commissions 2024 £000s	Commissions 2024 %	Taxes 2024 £000s	Taxes 2024 %
Sales					
Debt instruments (direct)	832,067	-	-	-	-
Total sales	832,067	-	-	-	-
Total sales including transaction costs	832,067				
Derivative Transaction costs		4		-	
Total transaction costs as a % of average net assets		0.00%		0.00%	

For the year ended 31 August 2023:

	Transaction Value 2023 £000s	Commissions 2023 £000s	Commissions 2023 %	Taxes 2023 £000s	Taxes 2023 %
Purchases					
Debt instruments (direct)	1,129,338	-	-	-	-
Total purchases	1,129,338	-	-	-	-
Total purchases including transaction costs	1,129,338				
	Transaction Value 2023 £000s	Commissions 2023 £000s	Commissions 2023 %	Taxes 2023 £000s	Taxes 2023 %
Sales					
Debt instruments (direct)	1,622,345	-	-	-	-
Total sales	1,622,345	-	-	-	-
Total sales including transaction costs	1,622,345				
Derivative Transaction costs		11		-	
Total transaction costs as a % of average net assets		0.00%		0.00%	

The above analysis covers any direct transaction costs suffered by the subfund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

For the subfund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments.

Transactions in money market instruments to manage the subfund's daily liquidity position are excluded from the analysis.

During the period the subfund utilised futures contracts as derivative instruments covering different underlying asset classes. The settlement values for opening and closing derivative positions are not comparable to principal values for transactions in direct holding investments and therefore purchase and sale amounts for derivative transactions are not quantified in the analysis above. Transaction costs for derivatives positions will be either suffered as direct costs or form part of the dealing spread for the instruments. Any direct costs are identified in the analysis above.

Separately identifiable direct transaction costs (commissions & taxes etc) are attributable to the subfund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

Dealing spread costs suffered by the subfund vary considerably for the different asset / instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.09% (2023 : 0.11%).

Fund Information

Investment Objective and Policy

The investment objective of the Allianz Index-Linked Gilt Fund is to achieve income and capital growth, by aiming to outperform (net of fees) the Target Benchmark, the FTSE Actuaries UK Index-Linked Gilts All Stocks Index Midday Total Return (in GBP), over a rolling three year period.

Investors should be aware that the Fund's capital is at risk and there is no guarantee that the Fund will achieve its investment objective over the above period or at all.

The Annual Management Charge for Allianz Index-Linked Gilt Fund is charged to capital. This could increase the amount of income available for distribution to Shareholders but may constrain capital growth.

The ACD aims to achieve the investment objective by investing in index-linked gilts (bonds issued by the United Kingdom Government), overseas index-linked government bonds, index-linked government guaranteed bonds, conventional gilts, conventional government bonds, bonds issued by government owned or government sponsored entities, and corporate and supranational bonds. The ACD may gain exposure indirectly through the use of derivative instruments including but not limited to futures, options, options on swaps and swap agreements (e.g. interest rate swaps, inflation linked swaps).

At least 80% of the Fund's assets will be invested in index-linked gilts issued by the United Kingdom Government.

Up to 20% of the Fund's assets may be invested in: conventional (i.e. not index-linked) gilts; and / or Sterling denominated (or hedged back to Sterling) debt securities which are not issued by the United Kingdom Government (including the overseas government and supranational bonds described above), and which have a rating the same or higher than bonds issued by the United Kingdom Government.

Up to 5% of the Fund's assets may be invested in investment grade debt securities, which are rated lower than that of the United Kingdom Government, including but not limited to, conventional government bonds, conventional and inflation linked corporate bonds and supranational bonds.

The ACD may utilise deposits and money market instruments in the management of the Fund and their

value, together with any investment in money market funds, may make up to 10% of the Fund's assets.

The Fund may invest up to 10% of its assets in other funds managed by Allianz Global Investors and its group of companies and other collective investment schemes managed by third parties.

The Fund may from time to time hold a concentrated portfolio because of its investments in a limited number of debt securities.

Fund Information continued

Fund Details

Fund Manager	Le Beron, Julian Mann, Ranjiv Copley, Luke Novembri, Filippo	
Benchmark	FTSE Actuaries UK Index-Linked Gilts All Stocks Index Midday Total Return (in GBP)	
Income allocation dates	Interim	28 February*
	Final	31 August
Income pay dates	Interim	30 April
	Final	31 December (normally 31 October)
Launch dates	Fund	1 February 2018
	E Shares	1 February 2018
	W Shares	1 February 2018
ISA status	Yes	
Share Classes and types of Shares	E (Accumulation Shares) ⁴⁾	
	E (Income Shares) ⁴⁾	
	W (Accumulation Shares) ²⁾	
	W (Income Shares) ²⁾	
Minimum investment¹⁾	E Shares	Lump sum £25,000,000
	W Shares	Lump sum £10,000,000
Initial charge	E Shares	Nil
	W Shares	Nil
Annual ACD fee³⁾	E Shares	0.20%**
	W Shares	0.30%***

* 29 February in a leap year

** 0.20% p.a. minus those Additional Expenses which form part of the Ongoing Charge and are payable in respect of the E shares.

*** 0.30% p.a. minus those Additional Expenses which form part of the Ongoing Charge and are payable in respect of the W shares.

¹⁾ May be reduced or waived by the ACD.

²⁾ Available to Approved Investors only.

³⁾ The ACD and the Depositary have agreed that the Annual Management Charge is charged to capital. This could increase the amount of income available for distribution to Shareholders but may constrain capital growth.

⁴⁾ Available to Approved Investors only. The Share Classes E (Acc) and E (Inc) are intended to assist in growing the Fund over its early life and, as such (but subject to the exception below), will only be available for subscription until the total Net Asset Value of the two E Share Classes combined reaches GBP 205,000,000. Once the Net Asset Value of the E Share Classes combined reaches GBP 205,000,000 they will be closed to all new investors save that existing Approved Investors with holdings in the E Share Classes will be able to subscribe for additional Shares in the E Share Classes even if this causes the Net Asset Value of the two E Share Classes combined to exceed GBP 205,000,000.

⁵⁾ This may decrease at the discretion of the ACD.

Comparative Tables

For the year ended 31 August 2024

	E Shares Income			E Shares Accumulation		
	2024 (p)	2023 (p)	2022 (p)	2024 (p)	2023 (p)	2022 (p)
Opening net asset value per share	75.00	90.29	125.52	79.39	95.55	129.16
Return before operating charges	2.79	(15.13)	(31.67)	2.95	(15.99)	(33.37)
Operating charges	(0.15)	(0.16)	(0.23)	(0.16)	(0.17)	(0.24)
Return after operating charges	2.64	(15.29)	(31.90)	2.79	(16.16)	(33.61)
Distributions	-	-	(3.33)	-	-	(3.42)
Retained distributions on accumulation shares	-	-	-	-	-	3.42
Closing net asset value per share	77.64	75.00	90.29	82.18	79.39	95.55
After direct transaction costs of ¹	-	-	-	-	-	-
Performance						
Return after operating charges	3.52%	(16.93)%	(25.41)%	3.51%	(16.91)%	(26.02)%
Other information						
Closing net asset value (£'000)	129,888	143,762	114,800	1,212	3,151	9,856
Closing number of shares	167,305,584	191,686,737	127,139,624	1,474,465	3,969,467	10,315,419
Operating charges ²	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price	81.42	87.53	133.54	86.19	94.76	137.41
Lowest share price	69.03	59.48	90.84	73.08	68.10	96.12

¹ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the subfund and share class returns before operating charges.

² Operating charges on E classes have been capped at 0.20%.

Operating charges 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 subfund.

Comparative Tables continued

For the year ended 31 August 2024

	W Shares Income			W Shares Accumulation		
	2024 (p)	2023 (p)	2022 (p)	2024 (p)	2023 (p)	2022 (p)
Opening net asset value per share	74.56	89.84	125.02	78.95	95.11	128.70
Return before operating charges	2.78	(15.05)	(31.52)	2.93	(15.91)	(33.23)
Operating charges	(0.23)	(0.23)	(0.35)	(0.24)	(0.25)	(0.36)
Return after operating charges	2.55	(15.28)	(31.87)	2.69	(16.16)	(33.59)
Distributions	-	-	(3.31)	-	-	(3.41)
Retained distributions on accumulation shares	-	-	-	-	-	3.41
Closing net asset value per share	77.11	74.56	89.84	81.64	78.95	95.11
After direct transaction costs of ¹	-	-	-	-	-	-
Performance						
Return after operating charges	3.42%	(17.01)%	(25.49)%	3.41%	(16.99)%	(26.10)%
Other information						
Closing net asset value (£'000)	567	703	770	314	380	1,101
Closing number of shares	735,596	942,571	857,490	384,141	481,665	1,158,034
Operating charges ²	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price	80.92	87.10	132.97	85.68	94.33	136.89
Lowest share price	68.62	59.20	90.40	72.66	67.78	95.71

¹ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the subfund and share class returns before operating charges.

² Operating charges on W classes have been capped at 0.30%.

Operating charges 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 subfund.

Distribution Tables

For the year ended 31 August 2024

Interim Distribution in pence per share

Group 1	Shares purchased prior to 1 September 2023
Group 2	Shares purchased on or after 1 September 2023 to 29 February 2024

	Net revenue (p)	Equalisation (p)	Distribution paid 30/04/24 (p)	Distribution paid 30/04/23 (p)
E Shares Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
E Shares Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
W Shares Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
W Shares Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-

Final Distribution in pence per share

Group 1	Shares purchased prior to 1 March 2024
Group 2	Shares purchased on or after 1 March 2024 to 31 August 2024

	Net revenue (p)	Equalisation (p)	Distribution payable 31/10/24 (p)	Distribution paid 31/10/23 (p)
E Shares Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
E Shares Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
W Shares Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
W Shares Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-

Investors are reminded that distribution is not guaranteed.

Investment Review

Performance Summary

Over the period under review, from 1st September 2023 to 31st August 2024, the Fund's 'W Inc' class produced a total return of 3.40%*. The Fund's benchmark, the FTSE Actuaries UK Government Index-Linked All Stocks Total Return GBP (Middy) Index, produced a total return of 3.16% over the period.

Trading Activity

Below are the top five Purchases and Sales made during the period:

Purchases:

CUSIP/ISIN	Description
GB00BLH38265	UK Treasury Inflation Linked 0.125% 22/03/2039
GB00B421JZ66	UK Treasury Inflation Linked 0.5% 22/03/2050
GB00B7RN0G65	UK Treasury Inflation Linked 0.125% 22/03/2044
GB00BMF9LJ15	UK Treasury Inflation Linked 0.75% 22/11/2033
GB00B4PTCY75	UK Treasury Inflation Linked 0.375% 22/03/2062

Sales:

CUSIP/ISIN	Description
GB00B3Y1JG82	UK Treasury Inflation Linked 0.125% 22/03/2029
GB00B3MYD345	UK Treasury Inflation Linked 0.625% 22/11/2042
GB00BMF9LH90	UK Treasury Inflation Linked 0.625% 22/03/2045
GB00BZ1NTB69	UK Treasury Inflation Linked 0.125% 10/08/2028
GB00B46CGH68	UK Treasury Inflation Linked 0.75% 22/03/2034

* Source: Allianz Global Investors/Datastream. Fund performance based on midday prices, net of fees and expenses, with net revenue re-invested in Sterling. Benchmark performance based on midday prices.

Market Background

The review period began with a sell-off in global bonds (September to mid-October 2023) as central banks in developed markets reinforced their message of "higher, for longer" policy rates. However, global inflationary pressures continued to ease into year-end - with UK inflation slowing to a more than two-year low - boosting hopes of rate cuts from G10 central banks in 2024, including from the Bank of England (BOE). UK economic growth also remained weak and consequently UK gilt prices surged into year-end; the 10-year gilt yield closed 2023 at an almost nine-month low of around 3.5%, while 10-year index-linked gilt real yields dropped from 0.59% to 0.05% over the quarter. In the US, the 10-year US Treasury bond yield breached 5.0% in mid-October 2023, for the first time since 2007, but yields subsequently tumbled as inflation data came in weaker than expected and the US Federal Reserve signalled that policy rates had peaked; 10-year US-Treasury yields closed the fourth quarter of 2023 at 3.9%.

In the first few months of 2024, however, markets pared back hopes of an aggressive monetary policy easing cycle in 2024 as US economic activity data continued to surprise to the upside, resulting in a renewed sell off in global bonds. In the UK, the BOE met market expectations by holding rates at 5.25%, even as the door remained open for rate cuts by mid-year given still anaemic UK economic growth and growing expectations that headline UK CPI inflation would approach the 2% target by mid-year; nonetheless, 10-year Gilt yields still rose to 3.93% by the end of the Q1 (up 40bp).

Moving into the summer months, G10 central banks finally began to shift to a rate cutting cycle, with the European Central Bank cutting rates by 25bp in June, taking the deposit rate to 3.75%. On the political front, the results of the European parliamentary elections were broadly in line with expectations, with the centrist coalition holding a majority. However, in France, President Macron decided to call a snap parliamentary election for end-June and early July following the resurgence of the far right in the French part of the European elections. Euro area bond market volatility spiked, with French bond spreads widening dramatically and raising fears of bond market fragmentation risks in the region; 10-year French/Bund spreads ended the quarter at 80bp, their highest levels since 2012.

Investment Review continued

In the UK, the BOE kept the policy rate on hold in June at 5.25%, but BOE Governor Bailey sent a clear signal that the path to lower interest rates was approaching, helped by headline CPI inflation which slowed to a three year low of 2% y/y. On the political front, the UK Prime Minister called a surprise general election for 4th July, even though polls strongly suggests that the governing Conservative party was likely to lose after 14 years in power. 10-year Gilt yields ended June at 4.17%, while the election produced a large Labour majority government in July.

July and particularly August saw the return of some significant market volatility as a weaker than expected US labour market report raised fears of a material US growth slowdown during the remainder of 2024. Alongside a surging Japanese yen and the consequent unwinding of global carry trades, the deterioration in risk sentiment resulted in a sharp fall in equity markets, especially in Japan. However, risk sentiment quickly recovered as the soft-landing narrative for the US economy regained some momentum on the back of a string of better-than-expected US activity data and was also helped by dovish comments from Fed Chair Powell signalling the Fed's willingness to begin a US rate cutting cycle in September. At the end of the period, interest rate markets were pricing around 100bp of Fed rate cuts by the end of 2024. Meanwhile, in the UK, the BOE finally began to cut rates in August (by 25bp to 5%) as the UK disinflation narrative remained intact, even though the economy was outperforming some of the more pessimistic forecasts at the start of the year; 10-year Gilt yields ended August at 4.02%.

The rebound in risk sentiment through August 2024 saw the US dollar weaken versus other G10 currencies, with the trade weighted US dollar ending the review period at its lowest levels since the start of the year.

Portfolio Review

The fund's central five strategies to generating returns are duration, curve positioning, relative value, breakevens, and cross market.

Duration

We held an overweight position on duration in the portfolio over the period, which we increased in January 2024 before gradually reducing between April and August. Despite the rally in global government bonds over Q4 of 2023, we continued to have a high conviction view that developed

market interest rates will likely be far lower than markets are pricing in.

Through the volatile year for rates markets, this positioning was broadly neutral for returns.

Curve Positioning

Over the course of the review period, we held a flattening bias on the yield curve. This detracted from relative returns as the front-end, where we held an underweight position, outperformed the medium-term part of the curve where our overweight positions were concentrated. We continue to hold this slight curve flattening bias in the portfolio versus our benchmark.

Relative Value

We did not engage in any relative value trades over the review period.

Breakevens

We had an underweight breakeven position, holding around 0.8y duration contribution in conventional gilts. We closed most of this position in January 2024, selling 10-year conventional gilt futures. We remain slightly underweight breakevens, holding conventional gilts in the 15 and 20-year parts of the curve.

Our underweight breakeven position was an overall positive for relative returns as longer end breakeven inflation rates fell over the period.

Cross Market

Besides index-linked gilts, we also like holding duration via our cross-market strategy with exposures in the US via conventional instruments and US Treasury Inflation-Protected Securities (TIPS), as well as in Canada, and later Australia.

Our cross market positions were slightly negative for relative returns, underperforming index-linked UK gilts in the maturity segments where our positions were concentrated.

Outlook

Given the current global macro and policy backdrop, the outlook for sovereign bond returns looks constructive. Questions about the ability of the US economy to achieve a soft landing remain, while European and Chinese growth are still lacklustre. In terms of what is being discounted in

Investment Review continued

interest rate markets, we believe that asset prices could be over-pricing a US soft landing and under-pricing a harder landing scenario. For global fixed income investors, we think that the path of least resistance over the coming months is for lower global sovereign bond yields.

We favour a long interest rate duration stance in several sovereign bond markets and have a preference to be positioned for steeper yield curves, especially in the US and Euro area.

We continue to favour owning UK Gilts on a relative value, cross-market basis against German Bunds. In the UK, we think that interest rate markets have now sufficiently priced the improvement in the UK growth outlook, while inflationary pressures in the economy are also set to moderate further. In addition, the UK fiscal stance is likely to become a drag for UK growth prospects. We believe that interest rate markets are insufficiently pricing BOE rate cuts over the next six to nine months in comparison to the European Central Bank and US Federal Reserve, and Gilt valuations increasingly look attractive versus other G4 markets.

Portfolio Statement

As at 31 August 2024

Nominal		Market Value £'000	% of Net Assets
	Australian Dollar Denominated Fixed Rate Government Bonds - 2.64% (2023 - 0.00%)		
6,450,000	Australia Government Bond 0.25% 21/11/2032	3,478	2.64
		3,478	2.64
	Canadian Dollar Denominated Fixed Rate Government Bonds - 2.30% (2023 - 2.04%)		
690,000	Canadian Government Real Return Bond 3% 01/12/2036	711	0.54
1,970,000	Canadian Government Real Return Bond 4% 01/12/2031	2,318	1.76
		3,029	2.30
	Sterling Denominated Fixed Rate Government Bonds - 86.51% (2023 - 94.71%)		
495,000	UK Treasury 3.75% 29/01/2038	475	0.36
1,100,000	UK Treasury 4.375% 31/07/2054	1,077	0.82
2,000,000	UK Treasury 4.625% 31/01/2034	2,104	1.59
1,000,000	UK Treasury Inflation Linked 0.125% 22/11/2036	1,385	1.05
15,295,000	UK Treasury Inflation Linked 0.125% 22/03/2039	17,670	13.39
8,392,000	UK Treasury Inflation Linked 0.125% 22/03/2044	10,888	8.25
6,391,000	UK Treasury Inflation Linked 0.125% 22/03/2046	7,541	5.71
2,400,000	UK Treasury Inflation Linked 0.125% 22/03/2051	2,308	1.75
1,444,000	UK Treasury Inflation Linked 0.125% 22/03/2058	1,501	1.14
1,450,000	UK Treasury Inflation Linked 0.125% 22/11/2065	1,390	1.05
1,479,000	UK Treasury Inflation Linked 0.125% 22/03/2068	1,453	1.10
1,383,000	UK Treasury Inflation Linked 0.125% 22/03/2073	1,139	0.86
4,350,000	UK Treasury Inflation Linked 0.25% 22/03/2052	5,232	3.96
6,190,000	UK Treasury Inflation Linked 0.375% 22/03/2062	7,501	5.68
5,280,000	UK Treasury Inflation Linked 0.5% 22/03/2050	7,882	5.97
2,850,000	UK Treasury Inflation Linked 0.625% 22/11/2042	4,800	3.64
12,234,000	UK Treasury Inflation Linked 0.625% 22/03/2045	11,561	8.76
7,792,000	UK Treasury Inflation Linked 0.75% 22/11/2033	8,279	6.27
2,929,000	UK Treasury Inflation Linked 0.75% 22/03/2034	4,964	3.76
4,011,000	UK Treasury Inflation Linked 1.125% 22/11/2037	7,985	6.05
1,542,000	UK Treasury Inflation Linked 1.25% 22/11/2032	2,939	2.23
2,485,000	UK Treasury Inflation Linked 1.25% 22/11/2054	2,490	1.89
650,000	UK Treasury Inflation Linked 2% 26/01/2035	1,619	1.23
		114,183	86.51
	US Dollar Denominated Fixed Rate Government Bonds - 3.59% (2023 - 2.16%)		
4,054,000	US Treasury Inflation Indexed Bonds 1.125% 15/01/2033	3,103	2.35
2,100,000	US Treasury Inflation Indexed Bonds 1.75% 15/01/2034	1,633	1.24
		4,736	3.59
	Australian Dollar Open Forward Exchange Contracts - 0.01% (2023 - 0.00%)		
	Bought AUD680,000 for GBP358,265 Settlement 18/09/2024	(7)	(0.01)
	Sold AUD7,520,000 for GBP3,907,557 Settlement 18/09/2024	25	0.02
	Bought AUD131,774 for CAD120,000 Settlement 18/09/2024	-	-
		18	0.01
	Canadian Dollar Open Forward Exchange Contracts - 0.03% (2023 - 0.04%)		
	Sold CAD5,505,314 for GBP3,141,825 Settlement 18/09/2024	39	0.03
		39	0.03
	Canadian Dollar Open Futures Contracts - 0.01% (2023 - 0.00%)		
(45)	Canadian Government Bond 10 Year Futures December 2024	16	0.01
		16	0.01
	Sterling Open Futures Contracts - 0.00% (2023 - 0.03%)		
8	UK Long Gilt Futures December 2024	(3)	-
		(3)	-
	US Dollar Open Forward Exchange Contracts - 0.10% (2023 - 0.00%)		
	Sold USD6,497,917 for GBP5,070,261 Settlement 18/09/2024	138	0.10
		138	0.10
	US Dollar Open Futures Contracts - 0.02% (2023 - 0.04%)		
(56)	US Treasury Note 10 Year Futures December 2024	21	0.02
		21	0.02

Portfolio Statement continued

As at 31 August 2024

Nominal		Market Value £'000	% of Net Assets
	Investment assets ¹	125,655	95.21
	Net other assets	6,326	4.79
	Net assets	131,981	100.00

¹ Includes investment liabilities.
Unless otherwise stated, the holdings shown without market value are below £500 and rounded down.
Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.
Note: Comparative figures show percentages for each category of holding at 31 August 2023.
Please refer to page 10 for details on the credit quality of the portfolio.

Statement of Total Return

For the year ended 31 August 2024

	Notes	2024 £000s	2024 £000s	2023 £000s	2023 £000s
Income:					
Net capital gains/(losses)	2		4,426		(16,806)
Revenue	3	979		(3,834)	
Expenses	4	(289)		(250)	
Interest payable and similar charges		-		(11)	
Net revenue/(expense) before taxation		690		(4,095)	
Taxation	5	-		-	
Net revenue/(expense) after taxation			690		(4,095)
Total return before equalisation			5,116		(20,901)
Equalisation	6		(8)		123
Change in net assets attributable to shareholders from investment activities			5,108		(20,778)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 August 2024

	2024 £000s	2024 £000s	2023 £000s	2023 £000s
Opening net assets attributable to shareholders		147,996		126,527
Amounts receivable on issue of shares	19,046		64,782	
Amounts payable on cancellation of shares	(40,169)		(23,762)	
		(21,123)		41,020
Dilution adjustment		-		23
Change in net assets attributable to shareholders from investment activities (see above)		5,108		(20,778)
Retained distributions on accumulation shares		-		1,204
Closing net assets attributable to shareholders		131,981		147,996

Notes to the final report and Financial Statements are from page 65 to 72.

Balance Sheet

As at 31 August 2024

	Notes	2024 £000s	2024 £000s	2023 £000s	2023 £000s
Assets:					
Fixed assets:					
Investments			125,665		146,551
Current assets:					
Debtors	7	362		261	
Cash and bank balances	8	6,217		1,522	
Total assets			132,244		148,334
Liabilities:					
Investment liabilities			(10)		(1)
Creditors:					
Other creditors	9	(253)		(337)	
Total liabilities			(263)		(338)
Net assets attributable to shareholders			131,981		147,996

Notes to the final report and Financial Statements are from page 65 to 72.

Notes to the Final Report and Financial Statements

1. Accounting Basis and Policies

The applicable accounting policies adopted by the Allianz Index-Linked Gilt Fund are included on pages 8 and 9 of the Collective Notes to the Final Report and Financial Statements.

2. Net capital gains/(losses)

	2024 £000s	2023 £000s
Gains/(losses) on non-derivative securities	4,312	(15,379)
Losses on derivative securities	(161)	(1,370)
Gains on currency	58	13
Gains/(losses) on forward currency contracts	221	(67)
Handling charges	(4)	(3)
Net capital gains/(losses)	4,426	(16,806)

3. Revenue

	2024 £000s	2023 £000s
Bank interest	30	33
Futures interest	24	12
Interest on fixed income securities	625	(4,426)
Premiums on swaps	27	-
Futures Income Bifurcation	273	547
Total revenue	979	(3,834)

4. Expenses

	2024 £000s	2023 £000s
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
ACD's annual fee ¹	292	253
ACD rebate*	(57)	(47)
	235	206
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	26	22
Safe custody fees	7	5
	33	27
Other expenses:		
Audit fees	15	13
Distribution costs	4	2
Printing costs	1	1
Registration fees	1	1
	21	17
Total expenses	289	250

¹For the purpose of the distribution, the ACD's annual fee is borne by the capital account (see Note 6).

*Operating charges for each subfund are capped. E Shares are capped at 0.20%, W Shares are capped at 0.30%. Any charges in excess of this amount are borne by the Manager. This is operated by way of a fee rebate from the ACD.

All expenditure stated above is inclusive of VAT where applicable.

The Audit fee for the year, excluding VAT, was £12,119 (2023 - £11,100).

Notes to the Final Report and Financial Statements continued

5. Taxation

	2024 £000s	2023 £000s
a. Analysis of the taxation charge for the year:		
Total taxation for the year (see Note 5(b))	-	-
b. Factors affecting taxation charge for the year:		
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for a subfund of an Open-Ended Investment Company (20%) (2023 - 20%).		
The differences are explained below:		
Net revenue/(expense) before taxation	690	(4,095)
Corporation tax at 20%	138	(819)
Effects of:		
Indexation relief on index linked gilts	(1,104)	(2,486)
Surplus allowable expenses arising in the year	966	3,305
Total taxation charge for the year (see Note 5(a))	-	-
OEICs are exempt from tax on capital gains in the UK, therefore capital returns are not included within the reconciliation.		
c. Provision for deferred tax		
There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.		
d. Factors that may affect future tax charges		
At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £7,670,011 (2023 : £6,703,923) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.		

6. Equalisation

The equalisation take account of revenue received on the creation of Shares and revenue deducted on the cancellation of Shares and comprise:

	2024 £000s	2023 £000s
Add: Revenue deducted on cancellation of shares	14	1,521
Deduct: Revenue received on creation of shares	(6)	(1,644)
Net equalisation for the year	8	(123)
Reconciliation of net revenue/(expense) after taxation to net equalisation for the year		
Net revenue/(expense) after taxation	690	(4,095)
Add: Capitalised ACD fee rebate	(48)	(40)
Add: Capitalised expenses	292	253
Indexation Adjustment - not distributable	(4,746)	(10,596)
Net revenue shortfall taken to capital	3,820	14,355
Net equalisation for the year	8	(123)

The indexation adjustment absorbs the net revenue amount in 2024 leaving no distributable income. In 2023 the Fund registered a net expense.

Notes to the Final Report and Financial Statements continued

7. Debtors

	2024 £000s	2023 £000s
Accrued ACD's fee rebate	4	4
Accrued revenue	243	257
Amounts receivable on creation of shares	115	-
	362	261

8. Cash and bank balances

	2024 £000s	2023 £000s
Amount held at futures clearing houses and brokers	258	626
Cash and bank balances	5,959	896
	6,217	1,522

9. Other creditors

	2024 £000s	2023 £000s
Accrued ACD's annual fee	22	25
Amounts payable on cancellation of shares	187	262
Other accrued expenses	44	50
	253	337

10. Related party transactions

The ACD is deemed to be a related party under the definition of Financial Reporting Standard 102, which requires the disclosure of details of material transactions between the subfund and any related party.

Details of any related party transactions occurring during the year including commissions paid and any balances due at the year end are disclosed in the Balance Sheet, the Statement of Change in Net Assets Attributable to Shareholders and Notes 4, 7 and 9 to the financial statements. All creations and cancellations were transacted with the ACD.

Notes to the Final Report and Financial Statements continued

11. Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of net revenue included in the purchase price of all Group 2 shares. In the case of Accumulation shares, it is automatically reinvested in the subfund at the first distribution payment date after the shares were purchased. Being a capital repayment it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

12. Shareholders' funds

The subfund currently has two share classes: E and W. The ACD's annual fee on these share classes are as follows:

Class E :	0.20%
Class W :	0.30%

The net asset value per share and the number of shares in issue are given in the Comparative Tables on page 55 and 56.

The distribution per share is given in the Distribution Table on page 57.

Revenue available for allocation will be allocated between the share classes based on the respective proportionate interests represented by those share classes on a daily basis and taxation is computed by reference to the net revenue after expenses attributable to each class. All share classes have the same rights on winding up.

For the year ended 31 August 2024:

	Class E Shares Income	Class E Shares Accumulation	Class W Shares Income	Class W Shares Accumulation
Opening shares	191,686,737	3,969,467	942,571	481,665
Shares created	25,111,677	226,483	237,663	185,510
Shares cancelled	(49,433,105)	(2,721,485)	(502,682)	(284,982)
Shares converted	(59,725)	-	58,044	1,948
Closing shares	167,305,584	1,474,465	735,596	384,141

13. Contingent liabilities and commitments

As at 31 August 2024 there were no contingent liabilities (2023: £Nil).

Notes to the Final Report and Financial Statements continued

14. Derivatives and other financial instruments

a. Currency exposure

The majority of the net assets and liabilities of the subfund are denominated in currencies other than Sterling, with the effect that the total net assets and total return can be affected by currency movements.

	Monetary Exposure 31 August 2024 £000s	Non-Monetary Exposure 31 August 2024 £000s	Total Exposure 31 August 2024 £000s	Monetary Exposure 31 August 2023 £000s	Non-Monetary Exposure 31 August 2023 £000s	Total Exposure 31 August 2023 £000s
Currency						
Australian Dollar	(3,384)	3,478	94	-	-	-
Canadian Dollar	(3,002)	3,029	27	(3,064)	3,026	(38)
Euro	9	-	9	10	-	10
US Dollar	(4,724)	4,735	11	(3,045)	3,202	157

The following table details the subfund's sensitivity to a 20% increase and decrease in sterling against the relevant foreign currencies and the resultant impact that any such increase or decrease would have on the net return and net assets. The sensitivity analysis includes all foreign currency denominated items and adjusts their translation at the year end for a 20% change in foreign currency rates.

b. Interest rate risk profile

	Floating Rate 31 August 2024 £000s	Fixed Rate 31 August 2024 £000s	Non-Interest 31 August 2024 £000s	Total 31 August 2024 £000s	Floating Rate 31 August 2023 £000s	Fixed Rate 31 August 2023 £000s	Non-Interest 31 August 2023 £000s	Total 31 August 2023 £000s
Currency								
Assets	-	125,426	239	125,665	-	146,395	156	146,551
Liabilities	-	-	(10)	(10)	-	-	(1)	(1)

c. Sensitivity analysis

Market price sensitivity

	2024 £000s	2023 £000s
Bonds	125,426	146,395
Open future contracts	34	99

The following illustrates the sensitivity of the net return and the net assets to an increase or decrease of 20% (2023 - 20%) in the fair values of the subfund's investments. This level of change is considered to be reasonably possible based on observation of market conditions in the year. The sensitivity analysis is based on the impact of a change to the value of the subfund's investments at each balance sheet date.

	2024 20% Increase in fair value £000s	2024 20% Decrease in fair value £000s	2023 20% Increase in fair value £000s	2023 20% Decrease in fair value £000s
Capital Return				
Net gains/(losses) on investments at fair value	25,092	(25,092)	29,299	(29,299)

Notes to the Final Report and Financial Statements continued

Foreign currency risk sensitivity

The following table details the subfund's sensitivity to a 20% increase and decrease in sterling against the relevant foreign currencies and the resultant impact that any such increase or decrease would have on the net return and net assets. The sensitivity analysis includes all foreign currency denominated items and adjusts their translation at the year end for a 20% change in foreign currency rates.

	2024 20% Increase in Sterling against foreign currencies £000s	2024 20% Decrease in Sterling against foreign currencies £000s	2023 20% Increase in Sterling against foreign currencies £000s	2023 20% Decrease in Sterling against foreign currencies £000s
Australian Dollar	(16)	23	-	-
Canadian Dollar	(5)	7	6	(9)
Euro	(2)	2	(2)	3
US Dollar	(2)	3	(26)	39
Change in net return and net assets	(25)	35	(22)	33

Interest rate risk sensitivity

Duration measures the sensitivity of a portfolio's price to change in interest rates. The calculation of duration incorporates yield, coupon, final maturity and other relevant factors. Duration is considered to be an accurate predictor of price changes for small, parallel shifts of the yield curve. For every 0.01% movement in interest rates, a portfolio with a duration of one year will move in price by 0.01% in the opposite direction.

As at the 31 August 2024, the net asset value was £132.2m (2023 - £148.1m) (before the deduction of the interest distribution) with a duration of 13.25 years (2023 - 13.96 years).

Thus, for example, an increase of 0.25% in the interest rates would result in a fall of 3.31% or £4.38m (2023 - 3.49% or £5.16m) in the value of the portfolio.

d. Leverage

The subfund did not employ significant leverage during the year (2023 - same).

The use of derivatives may expose the subfund to a higher degree of risk. In particular, derivative contracts can be highly volatile and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard bonds or equities. Leveraged derivative positions can therefore increase a subfund's volatility. The leverage is calculated on a commitment basis, by taking the sum of the net asset value and the incremental exposure generated through the use of derivatives and is expressed as a percentage of the net asset value. The average level of leverage employed by the subfund during the year was 0.16% (2023 - 1.21%).

e. Fair value hierarchy

An analysis of the portfolio in accordance with the fair value hierarchy is shown below:

	Assets 31 August 2024 £000s	Liabilities 31 August 2024 £000s	Assets 31 August 2023 £000s	Liabilities 31 August 2023 £000s
Level 1: Quoted	121,985	(3)	146,494	-
Level 2: Observable	3,680	(7)	57	(1)
Level 3: Unobservable	-	-	-	-
	125,665	(10)	146,551	(1)

The fair value as at the reporting date has been estimated using the following fair value hierarchy:

Level (1) Quoted prices for identical instruments in active markets

The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level (2) Valuation techniques that use:

Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level (3) Valuation techniques that use:

Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

When the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate, the fair value is estimated by using an alternative valuation technique. Such valuation techniques will, where possible, maximise the use of observable market data inputs as opposed to non-observable entity determined data inputs. The Investment Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

f. Maturity of financial liabilities

All liabilities are due in one year or less or on demand (2023 - same).

g. Fair value disclosure

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

Notes to the Final Report and Financial Statements continued

h. Derivatives

Derivatives are used in the subfund for hedging purposes and/or investment purposes. The main instruments used are money market futures, forward exchange contracts and credit default swaps. For more details please refer to page 11 and 12.

i. Credit rating

	2024 Market Value £000s	2024 % of Net Assets	2023 Market Value £000s	2023 % of Net Assets
Investment Grade	125,426	95.04	146,395	98.91
Derivatives	229	0.17	155	0.11
Other assets	6,326	4.79	1,446	0.98
Total net assets	131,981	100.00	147,996	100.00

A fixed income security is deemed to be of investment grade, if it is rated BBB- or above. Sub-investment grade are those securities that are rated below investment grade.

As at 31 August 2024, all fixed income investments were investment grade (2023 - same).

Notes to the Final Report and Financial Statements continued

15. Portfolio transaction costs

For the year ended 31 August 2024:

	Transaction Value 2024 £000s	Commissions 2024 £000s	Commissions 2024 %	Taxes 2024 £000s	Taxes 2024 %
Purchases					
Debt instruments (direct)	96,460	-	-	-	-
Total purchases	96,460	-	-	-	-
Total purchases including transaction costs	96,460				
	Transaction Value 2024 £000s	Commissions 2024 £000s	Commissions 2024 %	Taxes 2024 £000s	Taxes 2024 %
Sales					
Debt instruments (direct)	121,382	-	-	-	-
Total sales	121,382	-	-	-	-
Total sales including transaction costs	121,382				
Derivative Transaction costs		1		-	
Total transaction costs as a % of average net assets		0.00%		0.00%	

	Transaction Value 2023 £000s	Commissions 2023 £000s	Commissions 2023 %	Taxes 2023 £000s	Taxes 2023 %
Purchases					
Debt instruments (direct)	144,874	-	-	-	-
Total purchases	144,874	-	-	-	-
Total purchases including transaction costs	144,874				

For the year ended 31 August 2023:

	Transaction Value 2023 £000s	Commissions 2023 £000s	Commissions 2023 %	Taxes 2023 £000s	Taxes 2023 %
Sales					
Debt instruments (direct)	102,826	-	-	-	-
Total sales	102,826	-	-	-	-
Total sales including transaction costs	102,826				
Derivative Transaction costs		2		-	
Total transaction costs as a % of average net assets		0.00%		0.00%	

The above analysis covers any direct transaction costs suffered by the subfund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

For the subfund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments.

Transactions in money market instruments to manage the subfund's daily liquidity position are excluded from the analysis.

During the period the subfund utilised futures contracts as derivative instruments covering different underlying asset classes. The settlement values for opening and closing derivative positions are not comparable to principal values for transactions in direct holding investments and therefore purchase and sale amounts for derivative transactions are not quantified in the analysis above. Transaction costs for derivatives positions will be either suffered as direct costs or form part of the dealing spread for the instruments. Any direct costs are identified in the analysis above.

Separately identifiable direct transaction costs (commissions & taxes etc) are attributable to the subfund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

Dealing spread costs suffered by the subfund vary considerably for the different asset / instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.15% (2023: 0.16%).

Due to the nature of the assets held by Allianz Index-Linked Gilt Fund, the portfolio dealing spread at the balance sheet date may not be representative of the portfolio dealing spread throughout the year. The portfolio dealing spread at the fund's interim reporting date of 29 February 2024 was 0.22% (2023: 0.18%).

Fund Information

Investment Objective and Policy

The investment objective of the Allianz Strategic Bond Fund is to maximise total return, consistent with preservation of capital and prudent investment management, by aiming to outperform (net of fees) the Target Benchmark, the Bloomberg Global Aggregate Total Return (hedged into GBP) over a rolling three year period.

Investors should be aware that the Fund's capital is at risk and there is no guarantee that the Fund will achieve its investment objective over any particular period or at all.

The ACD aims to achieve the investment objective by investing directly in debt securities issued by corporate, government, supranational institutions and local regional agencies or by gaining exposure indirectly through the use of derivatives, as well as any other security. The ACD may invest (directly or indirectly) in treasury bills, certificates of deposit, medium term notes, private placements, structured notes, preference shares, convertible bonds, government bonds, investment grade and below investment grade bonds, bonds of emerging markets issuers, agency bonds and asset or mortgage backed securities or floating rate notes. As part of the ACD's investment strategy the Fund will aim to have a low correlation with global equity markets measured over a rolling three year period.* The ACD will have this correlation in mind when making investment decisions but will not be constrained by it (particularly, but not only, in scenarios where there is an increased correlation between bond and equity markets e.g. inflation or illiquid stress scenarios).

* Correlation is used as a statistical measure to calculate the degree to which two types of securities (or groups of assets like equities and fixed income) move in relation to each other. In aiming to have a low correlation with global equity markets, the Fund will aim to generate a return profile with a low dependency on the broader equity markets so, e.g., if the broader equity market were to go down over any given period, the ACD would not expect (but does not guarantee) the performance of the Fund to be driven up or down by this as well.

The Fund will invest internationally although at least 80% of its assets shall be invested in Sterling denominated (or hedged back to Sterling) debt securities.

More than 35% of the value of the property of the Fund may be invested in Government and public securities issued

or guaranteed by any of the following states; the United Kingdom (including the Scottish Administration, the Executive Committee of the Northern Ireland Assembly, the National Assembly of Wales), Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Liechtenstein, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United States of America.

Up to 30% of the Fund's assets may be invested into Chinese bonds denominated in RMB either directly via CIBM Direct/Bond Connect or through all eligible instruments, as set out in the Fund's investment policy.

The Fund will typically invest in investment grade debt securities (with fixed, variable or floating rates of interest and may vary inversely with respect to a reference rate), but will have the flexibility to on occasion invest up to 50% of the Fund's assets in debt securities that are rated below investment grade and unrated securities of similar credit quality.

The Fund will make extensive use of derivative instruments such as futures, options, options on swaps, swap agreements (e.g. interest rate swaps, credit default swaps and index swaps) and currency forward contracts.

The ACD may also utilise deposits and money market instruments in the management of the portfolio and their value together with money market funds, may make up to a maximum of 20% of the Fund's assets.

The Fund may also invest up to a maximum of 10% of the Fund's assets in other collective investment schemes including those managed by Allianz Global Investors and its group of companies.

Fund Information continued

Fund Details

Fund Manager	Le Beron, Julian Mann, Ranjiv Copley, Luke Novembri, Filippo	
Benchmark	Bloomberg Global Aggregate Index hedged to GBP	
Underlying Yield to 31 August 2024	A Shares	7.96%
	C Shares	8.61%
	I Shares	8.82%
Distribution Yield to 31 August 2024	A Shares	7.96%
	C Shares	8.61%
	I Shares	8.82%
Income allocation dates	Interim	28 February*
	Final	31 August
Income pay dates	Interim	30 April
	Final	31 December (normally 31 October)
Launch dates	Fund	16 May 2002
	A Shares	16 May 2002
	C Shares	1 April 2005
	I Shares (Income Shares)	28 July 2016
	I Shares (Accumulation Shares)	10 April 2019
ISA status	Yes ³⁾	
Share Classes and types of Shares	A (Income Shares) ²⁾	
	C (Income Shares)	
	I (Income Shares) ²⁾	
	I (Accumulation Shares)	
Minimum investment¹⁾	A Shares	Lump sum £500 Monthly saving £50
	C Shares	Lump sum £500 Monthly saving £50
	I Shares	Lump sum £10,000,000
Initial charge	A Shares	Nil
	C Shares	Nil
	I Shares	Nil
Annual ACD fee⁴⁾	A Shares	1.25%
	C Shares	0.60%
	I Shares	0.39%

*29 February in a leap year

¹⁾May be reduced or waived by the ACD; different investment minima may apply in respect of Shares held through an ISA.

²⁾Available to Approved Investors only.

³⁾The C Share Class may be invested by way of the Allianz Global Investors ISA wrapper.

⁴⁾This may decrease at the discretion of the ACD.

Comparative Tables

For the year ended 31 August 2024

	A Shares Income			C Shares Income		
	2024 (p)	2023 (p)	2022 (p)	2024 (p)	2023 (p)	2022 (p)
Opening net asset value per share	137.17	162.53	199.44	137.29	162.74	200.11
Return before operating charges	2.17	(18.35)	(30.40)	2.17	(18.42)	(30.66)
Operating charges	(1.75)	(1.94)	(2.40)	(0.89)	(0.98)	(1.22)
Return after operating charges	0.42	(20.29)	(32.80)	1.28	(19.40)	(31.88)
Distributions	(3.23)	(5.07)	(4.11)	(4.10)	(6.05)	(5.49)
Closing net asset value per share	134.36	137.17	162.53	134.47	137.29	162.74
After direct transaction costs of ¹	(0.01)	(0.01)	(0.02)	(0.01)	(0.01)	(0.02)
Performance						
Return after operating charges	0.31%	(12.48)%	(16.45)%	0.93%	(11.92)%	(15.93)%
Other information						
Closing net asset value (£'000)	6,012	8,179	12,172	85,237	227,309	343,868
Closing number of shares	4,474,356	5,963,096	7,489,564	63,385,234	165,569,893	211,294,089
Operating charges	1.29%	1.28%	1.31%	0.65%	0.65%	0.66%
Direct transaction costs	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
Prices						
Highest share price	142.45	163.94	199.87	142.87	164.32	200.74
Lowest share price	129.58	137.95	165.70	129.89	138.53	166.67

¹ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the subfund and share class returns before operating charges.

Operating charges 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 subfund.

Comparative Tables continued

For the year ended 31 August 2024

	I Shares Income			I Shares Accumulation		
	2024 (p)	2023 (p)	2022 (p)	2024 (p)	2023 (p)	2022 (p)
Opening net asset value per share	88.42	104.82	128.71	99.61	112.96	134.03
Return before operating charges	1.41	(11.85)	(19.69)	1.62	(12.89)	(20.52)
Operating charges	(0.38)	(0.42)	(0.53)	(0.43)	(0.46)	(0.55)
Return after operating charges	1.03	(12.27)	(20.22)	1.19	(13.35)	(21.07)
Distributions	(2.84)	(4.13)	(3.67)	(3.21)	(4.48)	(3.83)
Retained distributions on accumulation shares	-	-	-	3.21	4.48	3.83
Closing net asset value per share	86.61	88.42	104.82	100.80	99.61	112.96
After direct transaction costs of ¹	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Performance						
Return after operating charges	1.16%	(11.71)%	(15.71)%	1.19%	(11.82)%	(15.72)%
Other information						
Closing net asset value (£'000)	107,792	697,678	997,768	170,444	833,801	1,132,090
Closing number of shares	124,452,410	789,019,053	951,861,270	169,093,092	837,068,861	1,002,212,280
Operating charges	0.43%	0.43%	0.44%	0.43%	0.43%	0.44%
Direct transaction costs	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
Prices						
Highest share price	92.09	105.75	129.11	103.74	113.96	134.31
Lowest share price	83.71	89.34	107.35	95.69	98.70	112.45

¹ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the subfund and share class returns before operating charges.

Operating charges 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 subfund.

Distribution Tables

For the year ended 31 August 2024

Interim Distribution in pence per share

Group 1	Shares purchased prior to 1 September 2023
Group 2	Shares purchased on or after 1 September 2023 to 29 February 2024

	Net revenue (p)	Equalisation (p)	Distribution paid 30/04/24 (p)	Distribution paid 30/04/23 (p)
A Shares Income				
Group 1	1.3957	-	1.3957	3.0540
Group 2	0.8490	0.5467	1.3957	3.0540
C Shares Income				
Group 1	1.8312	-	1.8312	3.5487
Group 2	1.2619	0.5693	1.8312	3.5487
I Shares Income				
Group 1	1.2803	-	1.2803	2.3943
Group 2	0.8957	0.3846	1.2803	2.3943
I Shares Accumulation				
Group 1	1.4292	-	1.4292	2.5811
Group 2	0.9113	0.5179	1.4292	2.5811

Final Distribution in pence per share

Group 1	Shares purchased prior to 1 March 2024
Group 2	Shares purchased on or after 1 March 2024 to 31 August 2024

	Net revenue (p)	Equalisation (p)	Distribution payable 31/10/24 (p)	Distribution paid 31/10/23 (p)
A Shares Income				
Group 1	1.8391	-	1.8391	2.0181
Group 2	1.1271	0.7120	1.8391	2.0181
C Shares Income				
Group 1	2.2685	-	2.2685	2.5032
Group 2	1.7184	0.5501	2.2685	2.5032
I Shares Income				
Group 1	1.5580	-	1.5580	1.7340
Group 2	1.1344	0.4236	1.5580	1.7340
I Shares Accumulation				
Group 1	1.7817	-	1.7817	1.8958
Group 2	1.1515	0.6302	1.7817	1.8958

Investors are reminded that distribution is not guaranteed.

Investment Review

Performance Summary

Over the period under review, from 1st September 2023 to 31st August 2024, the Fund's 'C Inc' class produced a total return of 0.95%. The Fund's benchmark, the Bloomberg Global Aggregate Total Return GBP Hedged, produced a total return of 6.91%.

The key reason for this underperformance were our short positions in credit, particularly during the sharp tightening of credit spreads in November and December 2023. Inflation exposure was a positive contributor, thanks to our long position in 2y USD inflation swaps, which benefitted from rising market-implied inflation expectations, particularly in February 2024.

Our rates positioning created a volatile performance story through the year; adding value through the global rates rally in November & December 2023, but leaking performance early in 2024. Our curve positioning added value overall, but driven by markets moves towards the end of the period which saw US-Treasury yield curves steepen (bonds with shorter maturities outperformed their longer-term counterparts). Currencies detracted from performance, mainly due to the depreciation of the US-Dollar and the Japanese Yen that occurred over the course of the year.

Trading Activity

Below are the top five Purchases and Sales made during the period:

Purchases:

CUSIP/ISIN	Description
GB00BPCJD880	UK Treasury 3.5% 22/10/2025
GB00BPSNBB36	UK Treasury 4.375% 31/07/2054
GB00BL6C7720	UK Treasury 4.125% 29/01/2027
GB00BPSNB460	UK Treasury 3.75% 07/03/2027
CA135087N423	Canadian Government Bond 1.5% 01/05/2024

Sales:

CUSIP/ISIN	Description
GB00BPCJD880	UK Treasury 3.5% 22/10/2025
AU0000075681	Australia Government Bond 1.25% 21/05/2032
GB00BPSNBB36	UK Treasury 4.375% 31/07/2054
GB00BL6C7720	UK Treasury 4.125% 29/01/2027
US912810SR05	US Treasury Note 1.125% 15/05/2040

* Source: Allianz Global Investors/Datastream. Fund performance based on midday prices using the mid market price portfolio valuation, net of fees and expenses, with net revenue re-invested in Sterling. Performance for the 'I' class has not been included as it has been in existence for less than twelve months. Performance per comparative table based on bid market price portfolio valuation at midday on the last day of the accounting period and with related accounting adjustments. Benchmark performance based on midday prices.

Market Background

In September 2023, global bonds sold off sharply as policymakers in developed markets reinforced the message that, while they may be near peak rates, borrowing costs will be held at this level for a considerable time. Then in Q4, yields initially moved sharply higher as investors came to terms with rates staying higher for longer. In mid-October, the 10-year US Treasury bond yield breached 5.0% for the first time since July 2007 while the 10-year German Bund yield touched a 12-year high of 3.0%. But yields subsequently tumbled as inflation data was weaker than forecast. 10-year yields in the US and Germany closed the quarter around 70 basis points (bps) and 85 bps lower at 3.9% and 2.0%, respectively. Japanese government bonds were notable laggards amid rising speculation that the Bank of Japan (BoJ) would soon end its below-zero interest rate policy. Major central banks kept rates on hold throughout the quarter, but decelerating inflation lifted hopes that they would pivot to a more dovish stance. In December, US policymakers suggested that rates had now peaked and forecast 75 bps of cuts in 2024, with more in 2025. In Europe, the weak growth outlook also boosted hopes that rates would be lowered in 2024, although the European Central Bank and BOE stressed that the battle against inflation was far from over and that there was more work to do. Speculation grew that the BoJ would soon end its ultra-accommodative stance. The euro and British pound strengthened against the US dollar after US policymakers pivoted to a more dovish stance while European central banks sounded more cautious about the

Investment Review continued

possibility of rate cuts in the foreseeable future. Having initially weakened, the Japanese yen later rebounded against other major currencies, boosted by a growing belief that the BoJ would soon tighten monetary policy. Corporate credit spreads widened initially, followed by a strong tightening rally from the end of October into year-end.

In the first two months of 2024, global bonds sold off as hopes of rate cuts in the first quarter of 2024 seemed overly optimistic given a modest reacceleration in inflation and stronger economic data. The yield on the 10-year US Treasury moved back above 4.3%, a level last seen in early December 2023, while the yield on the 10-year German Bund retested 2.45%. Credit spreads tightened further, albeit at a slower pace than in Q4 2023. Headline inflation rates slowed modestly but policymakers continued to be vigilant for signs that inflationary pressures, such as wage growth, might be accelerating again. The Japanese yen weakened against other major currencies as the Bank of Japan maintained its ultra-accommodative stance.

Moving into the summer months, G10 central banks finally began to shift to a rate cutting cycle, with the European Central Bank cutting rates by 25bp in June, taking the deposit rate to 3.75%. On the political front, the results of the European parliamentary elections were broadly in line with expectations, with the centrist coalition holding a majority. However, in France, President Macron decided to call a snap parliamentary election for end-June and early July following the resurgence of the far right in the French part of the European elections. Euro area bond market volatility spiked, with French bond spreads widening dramatically and raising fears of bond market fragmentation risks in the region; 10-year French/Bund spreads ended the quarter at 80bp, their highest levels since 2012.

In the UK, the BOE kept the policy rate on hold in June at 5.25%, but BOE Governor Bailey sent a clear signal that the path to lower interest rates was approaching, helped by headline CPI inflation which slowed to a three year low of 2% y/y. On the political front, the UK Prime Minister called a surprise general election for 4th July, even though polls strongly suggests that the governing Conservative party was likely to lose after 14 years in power. 10-year Gilt yields ended June at 4.17%, while the election produced a large Labour majority government in July.

July and particularly August saw the return of some significant market volatility as a weaker than expected US labour market report raised fears of a material US growth slowdown during the remainder of 2024. Alongside a surging Japanese yen and the consequent unwinding of global carry trades, the deterioration in risk sentiment resulted in a sharp fall in equity markets, especially in Japan. However, risk sentiment quickly recovered as the soft-landing narrative for the US economy regained some momentum on the back of a string of better-than-expected US activity data and was also helped by dovish comments from Fed Chair Powell signalling the Fed's willingness to begin a US rate cutting cycle in September. At the end of the period, interest rate markets were pricing around 100bp of Fed rate cuts by the end of 2024.

The rebound in risk sentiment through August 2024 saw the US dollar weaken versus other G10 currencies, with the trade weighted US dollar ending the review period at its lowest levels since the start of the year.

Portfolio Review

Following the departure of the Fund's previous lead portfolio manager Mike Riddell, from the 3rd June 2024 responsibility for the portfolio management of the Fund was assumed by AllianzGI's Global Markets portfolio management team, led by Julian Le Beron, CIO Core Fixed Income. Julian Le Beron, Luke Copley, Ranjiv Mann and Filippo Novembri were appointed co-lead portfolio managers for the Fund. They manage the Fund in accordance with their team-based approach.

Adopting a team-based approach brings the Fund in line with the rest of Allianz Global Investors wider Fixed Income platform. This will be beneficial in expanding the inputs into strategies and implementation of important process enhancements related to the Fund, while still allowing the Fund to be managed in line with its investment objective, policy and guidelines.

There have been some significant redemptions from the Fund during the accounting period. However, the asset base of the Fund has since stabilised.

The fund's primary drivers of returns are government bonds, credit, inflation, and currencies.

Investment Review continued

Government bonds

We continued to have high conviction in being positioned for a recession: Overweight duration with curve steepeners and underweights or outright short positions in risky assets.

Headline portfolio duration was kept close to the highest level since inception for the first half of the period, then moderated slightly from May onwards. We held around 4 years of duration contribution exposure in yield curve steepeners (i.e. overweight positions in bonds with shorter maturities against underweights in longer-term bonds); and added a 7s30s curve flattener expression in May 24, converting our outright short position in JGBs.

Our rates positioning was positive for return, US-Treasury, and European yield curve steepened, particularly through June – August 2024, and yields of other core government bond markets, where we held our overweights (e.g. GBP, SEK), decreased over the review period.

Credit

We thought the spike in longer dated bond yields in Q3 2023 could end up becoming a huge headwind for the global economy and riskier assets. We expected that a deterioration in corporate fundamentals over the coming 3-6 months would spill over to the labour market, as companies would reduce hiring intentions and as job cuts would begin to rise. Against this backdrop, risk assets were wrongly pricing in barely any recession risk in our view.

We maintained short positions in credit, where the portfolio was short of EUR and USD high yield credit, short Turkey via a credit default swap, and outright short in semi core and peripheral Eurozone government bond futures.

Our short positions in credit were the main detractors from performance over the period, particularly during the sharp tightening rally of credit spreads in November and December 2023. Whilst there has been some volatility in credit spreads since, most notably around the summer volatility in July and August 2024, spreads have remained remarkably resilient since the start of the year.

Inflation

Having held almost no inflation exposure in the months before, we added US break-even exposure via 2y US inflation swaps in September 2023 to partially turn our nominal duration into a real rates exposure.

Inflation was a positive contributor over the period, thanks to rising market-implied inflation expectations, particularly in February 2024. After taking profits on the 2 year swap position, we added a long exposure to 10y US TIPS in June. Whilst creating a slight drag through the summer months, we find the hedging effect a useful counterbalance in the fund – and on the risks of an uptick in inflation ahead (especially with the outcome of the US presidential election still highly uncertain) TIPS remain one of our favoured structural allocations.

Currencies

Currencies detracted from performance, mainly due to the depreciation of the US-Dollar and the Japanese Yen where we held our largest long positions throughout the period.

Outlook

Given the current global macro and policy backdrop, the outlook for sovereign bond returns looks constructive. Questions about the ability of the US economy to achieve a soft landing remain, while European and Chinese growth are still lacklustre. In terms of what is being discounted in interest rate markets, we believe that asset prices could be over-pricing a US soft landing and under-pricing a harder landing scenario. For global fixed income investors, we think that the path of least resistance over the coming months is for lower global sovereign bond yields.

We favour a long interest rate duration stance in several sovereign bond markets and have a preference to be positioned for steeper yield curves, especially in the US and Euro area.

We continue to favour owning UK Gilts on a relative value, cross-market basis against German Bunds. In the UK, we think that interest rate markets have now sufficiently priced the improvement in the UK growth outlook, while inflationary pressures in the economy are also set to moderate further. In addition, the UK fiscal stance is likely to become a drag for UK growth prospects. We believe that interest rate markets are insufficiently pricing BOE rate cuts over the next six to nine months in comparison to the European Central Bank and US Federal Reserve, and Gilt valuations increasingly look attractive versus other G4 markets.

Portfolio Statement

As at 31 August 2024

Holding/Nominal		Market Value £'000	% of Net Assets
	Open-Ended Funds - 0.69% (2023 - 0.16%)		
3,541	Allianz Global Aggregate Bond	2,546	0.69
		2,546	0.69
	Australian Dollar Denominated Fixed Rate Corporate Debt Securities - 1.44% (2023 - 0.00%)		
5,300,000	Nederlandse Waterschapsbank 3.45% 17/07/2028	2,671	0.72
5,050,000	PSP Capital 4.6% 06/02/2029	2,648	0.72
		5,319	1.44
	Australian Dollar Denominated Fixed Rate Government Bonds - 14.32% (2023 - 14.62%)		
16,738,000	Australia Government Bond 1% 21/11/2031	7,109	1.92
2,000,000	Australia Government Bond 1.5% 21/06/2031	892	0.24
28,830,000	Australia Government Bond 1.75% 21/11/2032	12,641	3.42
15,191,000	Australia Government Bond 2.75% 21/05/2041	6,390	1.73
19,183,000	Australia Government Bond 3% 21/11/2033	9,177	2.48
5,600,000	Australia Government Bond 3% 21/03/2047	2,292	0.62
4,255,000	Australia Government Bond 3.25% 21/06/2039 (Australian listing)	1,964	0.53
17,725,000	Australia Government Bond 3.25% 21/06/2039 (Frankfurt listing)	8,183	2.21
4,050,000	Queensland Treasury 5.25% 21/07/2036	2,157	0.58
4,300,000	Treasury Corp of Victoria 4.75% 15/09/2036	2,170	0.59
		52,975	14.32
	Brazilian Real Denominated Fixed Rate Government Bonds - 3.20% (2023 - 0.00%)		
97,900,000	Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2035	11,819	3.20
		11,819	3.20
	Canadian Dollar Denominated Fixed Rate Government Bonds - 0.49% (2023 - 5.43%)		
3,222,000	Canadian Government Bond 2.75% 01/09/2027	1,799	0.49
		1,799	0.49
	Chilean Peso Denominated Fixed Rate Government Bonds - 0.00% (2023 - 0.32%)		
	Chinese Yuan Denominated Fixed Rate Government Bonds - 4.19% (2023 - 0.00%)		
75,680,000	China Government Bond 2.35% 25/02/2034	8,235	2.23
26,940,000	China Government Bond 3% 15/10/2053	3,273	0.89
31,390,000	China Government Bond 3.19% 15/04/2053	3,939	1.07
		15,447	4.19
	Colombian Peso Denominated Fixed Rate Government Bonds - 0.00% (2023 - 0.24%)		
	Euro Denominated Fixed Rate Corporate Debt Securities - 3.62% (2023 - 0.00%)		
4,700,000	Corporaci Andina de Fomento 3.625% 13/02/2030	4,006	1.08
3,750,000	Deutsche Bahn Finance 1.375% 03/03/2034	2,713	0.73
3,500,000	Ontario Teachers' Finance Trust 1.85% 03/05/2032	2,705	0.73
5,000,000	Royal Schiphol 2% 06/04/2029	4,003	1.08
		13,427	3.62
	Euro Denominated Fixed Rate Government Bonds - 11.11% (2023 - 15.74%)		
3,437,000	Bundesrepublik Deutschland Bundesanleihe 0% 15/08/2029	2,608	0.71
7,500,000	Bundesrepublik Deutschland Bundesanleihe 0% 15/05/2035	4,944	1.34
12,009,000	Bundesrepublik Deutschland Bundesanleihe 0% 15/05/2036	7,689	2.08
5,949,000	Bundesrepublik Deutschland Bundesanleihe 0% 15/08/2050	2,648	0.72
5,365,000	Bundesrepublik Deutschland Bundesanleihe 2.1% 15/11/2029	4,499	1.22
1,393,000	Bundesrepublik Deutschland Bundesanleihe 3.25% 04/07/2042	1,293	0.35
7,400,000	Bundesrepublik Deutschland Bundesanleihe 4.75% 04/07/2034	7,581	2.05
4,850,000	French Republic Government Bond OAT 3.25% 25/05/2055	3,860	1.04
6,750,000	Spain Government Bond 4% 31/10/2054	5,902	1.60
		41,024	11.11
	Japanese Yen Denominated Fixed Rate Government Bonds - 11.02% (2023 - 5.12%)		
694,750,000	Japan Government Five Year Bond 0.1% 20/06/2025	3,626	0.98
3,677,750,000	Japan Government Thirty Year Bond 1.6% 20/12/2053	17,129	4.63
3,382,900,000	Japan Government Thirty Year Bond 1.8% 20/03/2054	16,495	4.45
793,500,000	Japan Government Twenty Year Bond 0.4% 20/03/2040	3,539	0.96
		40,789	11.02

Portfolio Statement continued

As at 31 August 2024

Nominal		Market Value £'000	% of Net Assets
	Mexican Peso Denominated Fixed Rate Government Bonds - 3.91% (2023 - 5.78%)		
277,360,000	Mexican Bonos 7.75% 29/05/2031	9,695	2.62
141,530,000	Mexican Bonos 7.75% 23/11/2034	4,770	1.29
		14,465	3.91
	New Russian Ruble Denominated Fixed Rate Government Bonds - 0.00% (2023 - 0.00%)		
6,580,000,000	Russian Federal Bond - OFZ 7.65% 10/04/2030*	-	-
		-	-
	New Zealand Dollar Denominated Fixed Rate Government Bonds - 1.85% (2023 - 2.83%)		
8,121,000	New Zealand Government Bond 3.5% 14/04/2033	3,651	0.99
6,518,000	New Zealand Government Bond 4.5% 15/05/2030	3,178	0.86
		6,829	1.85
	Norwegian Krone Denominated Fixed Rate Government Bonds - 4.99% (2023 - 3.18%)		
97,420,000	Norway Government Bond 1.375% 19/08/2030	6,350	1.72
50,834,000	Norway Government Bond 1.75% 06/09/2029	3,428	0.93
102,717,000	Norway Government Bond 2.125% 18/05/2032	6,860	1.86
23,851,000	Norway Government Bond 3.625% 13/04/2034	1,765	0.48
		18,403	4.99
	South Korean Denominated Fixed Rate Government Bonds - 0.00% (2023 - 2.23%)		
	Sterling Denominated Fixed Rate Government Bonds - 7.94% (2023 - 7.34%)		
2,606,000	UK Treasury 1.625% 22/10/2054	1,394	0.38
1,950,000	UK Treasury 3.75% 07/03/2027	1,935	0.52
1,032,000	UK Treasury 3.75% 29/01/2038	990	0.27
8,856,000	UK Treasury 4% 22/10/2063	8,126	2.20
3,020,000	UK Treasury 4.25% 07/03/2036	3,076	0.83
10,660,000	UK Treasury 4.375% 31/07/2054	10,439	2.83
3,546,000	UK Treasury Inflation Linked 0.625% 22/03/2045	3,351	0.91
		29,311	7.94
	Swedish Krona Denominated Fixed Rate Government Bonds - 0.00% (2023 - 8.03%)		
	US Dollar Denominated Fixed Rate Corporate Debt Securities - 1.07% (2023 - 0.00%)		
5,000,000	Cassa Depositi e Prestiti 5.875% 30/04/2029	3,961	1.07
		3,961	1.07
	US Dollar Denominated Fixed Rate Government Bonds - 20.47% (2023 - 18.97%)		
12,700,000	US Treasury 0% 20/02/2025	9,426	2.55
13,700,000	US Treasury Inflation Indexed Bonds 1.75% 15/01/2034	10,652	2.88
10,105,000	US Treasury Note 0.625% 15/05/2030	6,458	1.75
9,711,000	US Treasury Note 0.625% 15/08/2030	6,157	1.67
13,055,000	US Treasury Note 1.125% 15/05/2040	6,479	1.75
12,211,000	US Treasury Note 1.125% 15/08/2040	6,010	1.63
11,542,000	US Treasury Note 1.375% 15/11/2031	7,442	2.01
8,557,000	US Treasury Note 1.75% 15/08/2041	4,560	1.23
25,174,000	US Treasury Note 2.875% 15/08/2028	18,508	5.00
		75,692	20.47
	DERIVATIVES - 0.16% (2023 - (2.70)%)		
	Australian Dollar Open Forward Exchange Contracts - 0.46% (2023 - 0.92%)		
	Bought AUD53,113,838 for GBP27,416,015 Settlement 18/09/2024	7	-
	Bought AUD44,050,000 for NZD47,931,087 Settlement 18/09/2024	(29)	(0.01)
	Bought AUD38,951,094 for USD25,752,458 Settlement 18/09/2024	564	0.15
	Sold AUD205,709,737 for GBP107,398,776 Settlement 18/09/2024	1,189	0.32
		1,731	0.46
	Australian Dollar Open Futures Contracts - (0.02)% (2023 - 0.00%)		
(123)	Australian Government Bond 10 Year September 2024 Futures	(85)	(0.02)
		(85)	(0.02)
	Brazilian Real Open Forward Exchange Contracts - (0.01)% (2023 - 0.00%)		
	Bought BRL23,000,000 for USD4,106,835 Settlement 22/10/2024	(32)	(0.01)
		(32)	(0.01)

Portfolio Statement continued

As at 31 August 2024

Nominal		Market Value £'000	% of Net Assets
	Canadian Dollar Open Forward Exchange Contracts - 0.05% (2023 - 0.20%)		
	Bought CAD6,500,000 for GBP3,663,677 Settlement 18/09/2024	(1)	-
	Bought CAD6,700,000 for USD4,881,500 Settlement 18/09/2024	70	0.02
	Sold CAD17,149,082 for GBP9,776,406 Settlement 18/09/2024	113	0.03
		182	0.05
	Canadian Dollar Open Futures Contracts - (0.01)% (2023 - 0.02%)		
	Canadian Government Bond 10 Year Futures December 2024	(51)	(0.01)
		(51)	(0.01)
	Canadian Dollar Written Put Options - 0.00% (2023 - 0.02%)		
	Chilean Peso Open Forward Exchange Contracts - 0.00% (2023 - 0.00%)		
	Chinese Yuan Open Forward Exchange Contracts - 0.01% (2023 - 0.00%)		
	Bought CNY21,000,000 for USD2,946,782 Settlement 22/10/2024	23	0.01
	Bought CNH13,500,000 for USD1,905,847 Settlement 22/10/2024	7	-
		30	0.01
	Colombian Peso Open Forward Exchange Contracts - 0.00% - (2023 - 0.01%)		
	Euro Credit Default Swaps - (1.03)% (2023 - (0.56)%)		
	Pay 5% Receivable Variable 20/06/2029	(3,819)	(1.03)
		(3,819)	(1.03)
	Euro Interest Rate Swaps - 0.00% (2023 - 0.36%)		
	Euro Open Forward Exchange Contracts - (0.06)% (2023 - 0.01%)		
	Bought EUR27,742,239 for JPY4,800,000,000 Settlement 18/09/2024	(1,785)	(0.48)
	Bought EUR56,165,949 for GBP47,747,345 Settlement 18/09/2024	(479)	(0.13)
	Bought EUR30,250,000 for USD32,599,637 Settlement 18/09/2024	714	0.19
	Sold EUR184,806,564 for GBP156,844,102 Settlement 18/09/2024	1,313	0.36
		(237)	(0.06)
	Euro Open Futures Contracts - 0.20% (2023 - (0.10)%)		
	Euro Bobl September 2024 Futures	1,811	0.49
	Euro Bund September 2024 Futures	(444)	(0.12)
	Euro Schatz September 2024 Futures	211	0.06
	Euro-BTP September 2024 Futures	403	0.11
	Euro-Buzl 30 Year Bond September 2024 Futures	(1,252)	(0.34)
		729	0.20
	Euro Written Call Options - 0.00% (2023 - 0.01%)		
	Euro Written Put Options - 0.00% (2023 - 0.01%)		
	Indian Rupee Open Forward Exchange Contracts - (0.01)% (2023 - 0.03%)		
	Bought INR2,046,048,994 for USD24,427,227 Settlement 22/10/2024	(54)	(0.01)
		(54)	(0.01)
	Japanese Yen Interest Rate Swaps - 0.00% (2023 - 0.00%)		
	Japanese Yen Open Forward Exchange Contracts - (0.25)% (2023 - (0.45)%)		
	Bought JPY1,921,000,000 for GBP10,158,754 Settlement 18/09/2024	(101)	(0.03)
	Bought JPY381,733,536 for USD2,548,466 Settlement 18/09/2024	64	0.02
	Sold JPY5,289,307,554 for GBP26,810,671 Settlement 18/09/2024	(883)	(0.24)
		(920)	(0.25)
	Japanese Yen Open Futures Contracts - (0.27)% (2023 - 0.00%)		
	Japanese Government Bond 10 Year Mini September 2024 Futures	(983)	(0.27)
		(983)	(0.27)
	Mexican Peso Open Forward Exchange Contracts - 0.00% (2023 - 0.13%)		
	Bought MXN54,000,000 for USD2,812,754 Settlement 22/10/2024	(71)	(0.02)
	Sold MXN20,000,000 for GBP822,550 Settlement 22/10/2024	58	0.02
		(13)	-
	New Taiwan Dollar Open Forward Exchange Contracts - 0.00% (2023 - 0.00%)		
	New Zealand Dollar Interest Rate Swaps - 0.00% (2023 - 0.01%)		
	New Zealand Dollar Open Forward Exchange Contracts - 0.09% (2023 - 0.11%)		
	Bought NZD7,204,902 for USD4,332,547 Settlement 18/09/2024	134	0.04
	Sold NZD21,200,377 for GBP10,257,446 Settlement 18/09/2024	185	0.05
		319	0.09

Portfolio Statement continued

As at 31 August 2024

Nominal		Market Value £'000	% of Net Assets
	Norwegian Krone Open Forward Exchange Contracts - 0.15% (2023 - 0.03%)		
	Bought NOK58,700,000 for GBP4,179,710 Settlement 18/09/2024	54	0.01
	Bought NOK47,500,000 for USD4,463,889 Settlement 18/09/2024	38	0.01
	Sold NOK249,865,466 for GBP18,492,490 Settlement 18/09/2024	469	0.13
		561	0.15
	Peruvian Nouveau Sol Open Forward Exchange Contracts - 0.00% (2023 - 0.00%)		
	Singapore Dollar Open Forward Exchange Contracts - 0.00% (2023 - 0.00%)		
	South Korean Won Open Futures Contracts - 0.03% (2023 - (0.13)%)		
253	Korea 3 Year Bond September 2024 Futures	112	0.03
		112	0.03
	Sterling Interest Rate Swaps - 0.00% (2023 - (2.31)%)		
	Sterling Open Futures Contracts - 0.00% (2023 - 0.02%)		
	Swedish Krona Open Forward Exchange Contracts - 0.09% (2023 - 0.16%)		
	Bought SEK24,700,000 for USD2,317,800 Settlement 18/09/2024	73	0.02
	Sold SEK144,025,928 for GBP10,927,304 Settlement 18/09/2024	246	0.07
		319	0.09
	Swiss Franc Open Forward Exchange Contracts - 0.00% (2023 - 0.11%)		
	Thailand Baht Open Forward Exchange Contracts - 0.00% (2023 - 0.00%)		
	US Dollar Credit Default Swaps - (0.31)% (2023 - 0.23%)		
(33,630,000)	Pay 1% Receivable Variable 20/06/2029	1,799	0.49
(55,111,000)	Pay 5% Receivable Variable 20/06/2029	(2,945)	(0.80)
		(1,146)	(0.31)
	US Dollar Interest Rate Swaps - 0.33% (2023 - (1.92)%)		
(36,700,000)	Pay 3.6847% Receivable Variable 5/06/2054	(1,722)	(0.47)
109,550,000	Rec 3.964% Pay Variable 6/06/2031	2,944	0.80
		1,222	0.33
	US Dollar Open Forward Exchange Contracts - 0.68% (2023 - 0.22%)		
	Bought USD761,240 for AUD1,150,000 Settlement 18/09/2024	(16)	-
	Bought USD5,597,472 for BRL31,004,792 Settlement 22/10/2024	89	0.02
	Bought USD24,819,061 for CNH179,732,717 Settlement 22/10/2024	(517)	(0.14)
	Bought USD30,200,000 for EUR27,981,021 Settlement 18/09/2024	(625)	(0.17)
	Bought USD74,435,152 for GBP57,772,256 Settlement 18/09/2024	(1,273)	(0.34)
	Bought USD3,610,907 for INR303,300,000 Settlement 22/10/2024	-	-
	Bought USD3,719,006 for JPY558,000,000 Settlement 18/09/2024	(99)	(0.03)
	Bought USD5,147,018 for KRW7,078,693,722 Settlement 22/10/2024	(128)	(0.03)
	Bought USD13,623,273 for MXN248,027,695 Settlement 22/10/2024	859	0.23
	Sold USD190,578,858 for GBP148,857,882 Settlement 18/09/2024	4,200	1.14
		2,490	0.68
	US Dollar Open Futures Contracts - 0.01% (2023 - 0.14%)		
703	US Treasury Note 10 Year December 2024 Futures	(42)	(0.01)
93	US Treasury Note 10 Year Futures December 2024	(7)	-
298	US Treasury Note 2 Year December 2024 Futures	(3)	-
928	US Treasury Note 5 Year December 2024 Futures	(82)	(0.02)
(190)	US Treasury Ultra Bond December 2024 Futures	141	0.04
		7	0.01
	US Dollar Written Call Options - 0.01% (2023 - 0.00%)		
2,500,000	3 MONTH SOFR 98 Call Option March 2025	81	0.02
(3,750,000)	3 MONTH SOFR 99 Call Option March 2025	(36)	(0.01)
		45	0.01
	US Dollar Written Put Options - 0.02% (2023 - 0.01%)		
(1,010,000)	US 2 Year FUTR 102.5 Put Option December 2024	(48)	(0.01)
(504,000)	US 2 Year FUTR 102.75 Put Option December 2024	(36)	(0.01)
1,010,000	US 2 Year FUTR 103.25 Put Option December 2024	162	0.04
		78	0.02

Portfolio Statement continued

As at 31 August 2024

Nominal		Market Value £'000	% of Net Assets
	Investment assets ¹	334,291	90.47
	Net other assets	35,194	9.53
	Net assets	369,485	100.00

¹ Includes investment liabilities.

* Manually priced securities.

Unless otherwise stated, the holdings shown without market value are below £500 and rounded down.

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

Note: Comparative figures show percentages for each category of holding at 31 August 2023.

Please refer to page 10 for details on the credit quality of the portfolio.

Statement of Total Return

For the year ended 31 August 2024

	Notes	2024 £000s	2024 £000s	2023 £000s	2023 £000s
Income:					
Net capital losses	2		(39,345)		(373,210)
Revenue	3	39,580		103,557	
Expenses	4	(9,961)		(10,006)	
Interest payable and similar charges		(884)		(1,879)	
Net revenue before taxation		28,735		91,672	
Taxation	5	(7)		(298)	
Net revenue after taxation			28,728		91,374
Total return before distributions			(10,617)		(281,836)
Distributions	6		(28,728)		(91,390)
Change in net assets attributable to shareholders from investment activities			(39,345)		(373,226)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 August 2024

	2024 £000s	2024 £000s	2023 £000s	2023 £000s
Opening net assets attributable to shareholders		1,766,967		2,485,899
Amounts receivable on issue of shares	79,641		363,029	
Amounts payable on cancellation of shares	(1,448,817)		(748,421)	
		(1,369,176)		(385,392)
Dilution adjustment		715		181
Change in net assets attributable to shareholders from investment activities (see above)		(39,345)		(373,226)
Retained distributions on accumulation shares		10,322		39,502
Unclaimed distributions		2		3
Closing net assets attributable to shareholders		369,485		1,766,967

Notes to the final report and Financial Statements are from page 88 to 96.

Balance Sheet

As at 31 August 2024

	Notes	2024 £000s	2024 £000s	2023 £000s	2023 £000s
Assets:					
Fixed assets:					
Investments			351,939		1,704,681
Current assets:					
Debtors	7	4,630		6,274	
Cash and bank balances	8	39,526		241,811	
Total assets			396,095		1,952,766
Liabilities:					
Investment liabilities			(17,648)		(160,482)
Creditors:					
Other creditors	9	(5,503)		(7,302)	
Bank overdrafts	10	-		(69)	
Distribution payable		(3,459)		(17,946)	
Total liabilities			(26,610)		(185,799)
Net assets attributable to shareholders			369,485		1,766,967

Notes to the final report and Financial Statements are from page 88 to 96.

Notes to the Final Report and Financial Statements

1. Accounting Basis and Policies

The applicable accounting policies adopted by the Allianz Strategic Bond Fund are included on pages 8 and 9 of the Collective Notes to the Final Report and Financial Statements.

2. Net capital losses

	2024 £000s	2023 £000s
Gains/(losses) on non-derivative securities	6,269	(268,113)
Losses on derivative securities	(54,515)	(195,943)
Gains/(losses) on currency	13,382	(7,446)
(Losses)/gains on forward currency contracts	(4,435)	98,330
Handling charges	(47)	(48)
CSDR Penalties	1	10
Net capital losses	(39,345)	(373,210)

3. Revenue

	2024 £000s	2023 £000s
Bank interest	2,970	3,519
Interest on fixed income securities	25,157	57,823
Overseas dividends - taxable	-	666
Returns from bond futures	22,565	53,344
Option Income	8,523	10,162
Premiums on swaps	(19,635)	(21,957)
Total revenue	39,580	103,557

4. Expenses

	2024 £000s	2023 £000s
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
ACD's annual fee	4,578	9,215
ACD rebate	(8)	(14)
	4,570	9,201
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	189	388
Safe custody fees	150	372
	339	760
Other expenses:		
Audit fees	15	14
Printing costs	4	4
Registration fees	20	21
Russian ruble income provision write-off	5,005	-
Other expenses	8	6
	5,052	45
Total expenses	9,961	10,006

All expenditure stated above is inclusive of VAT where applicable.

The Audit fee for the year, excluding VAT, was £12,447 (2023 - £11,400).

Notes to the Final Report and Financial Statements continued

5. Taxation

	2024 £000s	2023 £000s
a. Analysis of the taxation charge for the year:		
Corporation tax	1	31
Double tax relief	(1)	(31)
Overseas tax suffered	7	298
Total taxation for the year (see Note 5(b))	7	298
b. Factors affecting taxation charge for the year:		
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for a subfund of an Open-Ended Investment Company (20%) (2023 - 20%).		
The differences are explained below:		
Net revenue before taxation	28,735	91,672
Corporation tax at 20%	5,747	18,334
Effects of:		
Indexation relief on index linked gilts	(50)	(239)
Tax deductible interest distributions	(5,696)	(18,064)
Double taxation relief	(1)	(31)
Overseas tax suffered	7	298
Total taxation charge for the year (see Note 5(a))	7	298
OEICs are exempt from tax on capital gains in the UK, therefore capital returns are not included within the reconciliation.		
c. Provision for deferred tax		
There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.		

6. Distributions

The distributions take account of revenue received on the creation of Shares and revenue deducted on the cancellation of Shares and comprise:

	2024 £000s	2023 £000s
Interim	14,831	52,278
Final	6,472	33,815
Add: Revenue deducted on cancellation of shares	7,768	8,426
Deduct: Revenue received on creation of shares	(343)	(3,129)
Net distributions for the year	28,728	91,390
Reconciliation of net revenue after taxation to net distributions for the year		
Net revenue after taxation	28,728	91,374
Net equalisation on conversions	-	16
Net distributions for the year	28,728	91,390

Notes to the Final Report and Financial Statements continued

7. Debtors

	2024 £000s	2023 £000s
Accrued ACD's fee rebate	3	12
Accrued revenue	2,380	6,065
Amounts receivable on creation of shares	-	14
Sales awaiting settlement	2,247	183
	4,630	6,274

8. Cash and bank balances

	2024 £000s	2023 £000s
Cash and bank balances	15,669	148,452
Amount held at futures clearing houses and brokers	23,857	93,359
	39,526	241,811

9. Other creditors

	2024 £000s	2023 £000s
Accrued ACD's annual fee	148	662
Amounts payable on cancellation of shares	4,098	5,960
Other accrued expenses	1,257	212
Purchases awaiting settlement	-	468
	5,503	7,302

10. Bank overdrafts

	2024 £000s	2023 £000s
Bank overdrafts	-	1
Amounts overdrawn at futures clearing houses and brokers	-	68
Total bank overdrafts	-	69

11. Related party transactions

The ACD is deemed to be a related party under the definition of Financial Reporting Standard 102, which requires the disclosure of details of material transactions between the subfund and any related party.

Details of any related party transactions occurring during the year including commissions paid and any balances due at the year end are disclosed in the Balance Sheet, the Statement of Change in Net Assets Attributable to Shareholders and Notes 4, 7 and 9 to the financial statements. All creations and cancellations were transacted with the ACD.

Notes to the Final Report and Financial Statements continued

12. Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of net revenue included in the purchase price of all Group 2 shares. In the case of Accumulation shares, it is automatically reinvested in the subfund at the first distribution payment date after the shares were purchased. Being a capital repayment it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

13. Shareholders' funds

The subfund currently has three share classes: A, C and I. The ACD's annual fee on these share classes are as follows:

Class A :	1.25%
Class C :	0.60%
Class I :	0.39%

The net asset value per share and the number of shares in issue are given in the Comparative Tables on page 75 and 76.

The distribution per share is given in the Distribution Table on page 77.

Revenue available for allocation will be allocated between the share classes based on the respective proportionate interests represented by those share classes on a daily basis and taxation is computed by reference to the net revenue after expenses attributable to each class. All share classes have the same rights on winding up.

For the year ended 31 August 2024:

	Class A Shares Income	Class C Shares Income	Class I Shares Income	Class I Shares Accumulation
Opening shares	5,963,096	165,569,893	789,019,053	837,068,861
Shares created	253,726	8,724,146	40,671,722	32,520,856
Shares cancelled	(1,742,466)	(110,382,765)	(705,433,577)	(701,045,418)
Shares converted	-	(526,040)	195,212	548,793
Closing shares	4,474,356	63,385,234	124,452,410	169,093,092

14. Contingent liabilities and commitments

As at 31 August 2024 there were no contingent liabilities (2023: £Nil).

Notes to the Final Report and Financial Statements continued

15. Derivatives and other financial instruments

The narrative on pages 9 to 13 explains the different types of risks the subfund may face.

For this subfund, the ACD measures and manages risk using the value-at-risk approach. Please see page 15 for further details.

a. Currency exposure

The majority of the net assets and liabilities of the subfund are denominated in currencies other than Sterling, with the effect that the total net assets and total return can be affected by currency movements.

	Monetary Exposure 31 August 2024 £000s	Non-Monetary Exposure 31 August 2024 £000s	Total Exposure 31 August 2024 £000s	Monetary Exposure 31 August 2023 £000s	Non-Monetary Exposure 31 August 2023 £000s	Total Exposure 31 August 2023 £000s
Currency						
Australian Dollar	(35,336)	58,294	22,958	(275,215)	258,281	(16,934)
Brazilian Real	(776)	11,819	11,043	(79,126)	-	(79,126)
Canadian Dollar	(1,595)	1,799	204	(98,459)	96,033	(2,426)
Chilean Peso	-	-	-	(81,439)	5,632	(75,807)
Chinese Yuan	(15,352)	15,448	96	(134,569)	-	(134,569)
Colombian Peso	-	-	-	(4,618)	4,275	(343)
Euro	(78,498)	54,449	(24,049)	(207,743)	278,185	70,442
Hungarian Forint	6	-	6	6	-	6
Indian Rupee	15,743	-	15,743	67,760	-	67,760
Indonesian Rupiah	22	-	22	23	-	23
Japanese Yen	(41,046)	40,789	(257)	(42,717)	90,543	47,826
Mexican Peso	(7,335)	14,465	7,130	(107,822)	102,181	(5,641)
New Israeli Sheqel	12	-	12	179	-	179
New Russian Ruble	-	-	-	4,549	-	4,549
New Taiwan Dollar	-	-	-	(9)	-	(9)
New Zealand Dollar	(29,232)	6,830	(22,402)	(52,093)	49,924	(2,169)
Norwegian Krone	(10,128)	18,403	8,275	(56,114)	56,112	(2)
Peruvian Nouveau Sol	6	-	6	-	-	-
Philippine Peso	-	-	-	(77,829)	-	(77,829)
Polish Zloty	53	-	53	436	-	436
Singapore Dollar	23	-	23	782	-	782
South African Rand	142	-	142	(39,358)	-	(39,358)
South Korean Won	11	-	11	(97,478)	41,117	(56,361)
Swedish Krona	(8,717)	-	(8,717)	(146,941)	141,847	(5,094)
Swiss Franc	-	-	-	63,974	-	63,974
Thailand Baht	-	-	-	982	-	982
US Dollar	(100,881)	82,199	(18,682)	(38,918)	338,105	299,187

b. Interest rate risk profile

The interest rate profile of the subfund's portfolio of investments at the balance sheet date was:

	Floating Rate 31 August 2024 £000s	Fixed Rate 31 August 2024 £000s	Non-Interest 31 August 2024 £000s	Total 31 August 2024 £000s	Floating Rate 31 August 2023 £000s	Fixed Rate 31 August 2023 £000s	Non-Interest 31 August 2023 £000s	Total 31 August 2023 £000s
Currency								
Assets	-	334,204	17,735	351,939	-	1,591,894	112,787	1,704,681
Liabilities	-	(1,722)	(15,926)	(17,648)	-	-	(160,482)	(160,482)

Notes to the Final Report and Financial Statements continued

c. Sensitivity analysis

Market price sensitivity

The value of the subfund's listed investments, which were exposed to market price risk as at 31 August was as follows:

	2024 £000s	2023 £000s
Bonds	331,260	1,591,894
Credit Default Swaps	(4,965)	(5,931)
Interest Rate Swaps	1,222	(68,361)
Open-Ended Funds	2,546	-
Open future contracts	(271)	(607)
Option contracts	123	989
	329,915	1,517,984

The following illustrates the sensitivity of the net return and the net assets to an increase or decrease of 20% (2023 - 20%) in the fair values of the subfund's investments. This level of change is considered to be reasonably possible based on observation of market conditions in the year. The sensitivity analysis is based on the impact of a change to the value of the subfund's investments at each balance sheet date.

	2024 20% Increase in fair value £000s	2024 20% Decrease in fair value £000s	2023 20% Increase in fair value £000s	2023 20% Decrease in fair value £000s
Capital Return				
Net gains/(losses) on investments at fair value	65,983	(65,983)	303,597	(303,597)

Notes to the Final Report and Financial Statements continued

Foreign currency risk sensitivity

The following table details the subfund's sensitivity to a 20% increase and decrease in sterling against the relevant foreign currencies and the resultant impact that any such increase or decrease would have on the net return and net assets. The sensitivity analysis includes all foreign currency denominated items and adjusts their translation at the year end for a 20% change in foreign currency rates.

	2024 20% Increase in Sterling against foreign currencies £000s	2024 20% Decrease in Sterling against foreign currencies £000s	2023 20% Increase in Sterling against foreign currencies £000s	2023 20% Decrease in Sterling against foreign currencies £000s
Australian Dollar	(3,826)	5,740	2,822	(4,234)
Brazilian Real	(1,841)	2,761	13,188	(19,782)
Canadian Dollar	(34)	51	404	(607)
Chilean Peso	-	-	12,635	(18,952)
Chinese Yuan	(16)	24	22,428	(33,642)
Colombian Peso	-	-	57	(86)
Euro	4,008	(6,012)	(11,740)	17,611
Hungarian Forint	(1)	2	(1)	2
Indian Rupee	(2,624)	3,936	(11,293)	16,940
Indonesian Rupiah	(4)	6	(4)	6
Japanese Yen	43	(64)	(7,971)	11,956
Mexican Peso	(1,188)	1,782	940	(1,410)
New Israeli Sheqel	(2)	3	(30)	45
New Russian Ruble	-	-	(758)	1,137
New Taiwan Dollar	-	-	2	(2)
New Zealand Dollar	3,734	(5,601)	362	(542)
Norwegian Krone	(1,379)	2,069	-	(1)
Philippine Peso	-	-	12,972	(19,457)
Polish Zloty	(9)	13	(73)	109
Singapore Dollar	(4)	6	(130)	195
South African Rand	(24)	35	6,560	(9,840)
South Korean Won	(2)	3	9,393	(14,090)
Swedish Krona	1,453	(2,179)	849	(1,274)
Swiss Franc	-	-	(10,663)	15,994
Thailand Baht	-	-	(164)	245
US Dollar	3,114	(4,670)	(49,865)	74,797
Change in net return and net assets	1,398	(2,095)	(10,080)	15,118

Interest rate risk sensitivity

Duration measures the sensitivity of a portfolio's price to change in interest rates. The calculation of duration incorporates yield, coupon, final maturity and other relevant factors.

Duration is considered to be an accurate predictor of price changes for small, parallel shifts of the yield curve. For every 0.01% movement in interest rates, a portfolio with a duration of one year will move in price by 0.01% in the opposite direction.

As at the 31 August 2024, the net asset value was £373.7m (2023 - £1,786.9m) (before the deduction of the interest distribution) with a duration of 8.94 years (2023 - 10.51 years).

Thus, for example, an increase of 0.25% in the interest rates would result in a fall of 2.24% or £8.35m (2023 - 2.62% or £46.81m) in the value of the portfolio.

d. Leverage

The use of derivatives may expose the subfund to a higher degree of risk. In particular, derivative contracts can be highly volatile and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard bonds or equities. Leveraged derivative positions can therefore increase a subfund's volatility. The leverage is calculated on a commitment basis, by taking the sum of the net asset value and the incremental exposure generated through the use of derivatives and is expressed as a percentage of the net asset value. The average level of leverage employed by the subfund during the year was 8.27% (2023 - 7.25%).

e. Fair value hierarchy

An analysis of the portfolio in accordance with the fair value hierarchy is shown below:

	Assets 31 August 2024 £000s	Liabilities 31 August 2024 £000s	Assets 31 August 2023 £000s	Liabilities 31 August 2023 £000s
Level 1: Quoted	185,633	(3,069)	980,311	(28,746)
Level 2: Observable	166,306	(14,579)	724,370	(131,736)
Level 3: Unobservable	-	-	-	-
	351,939	(17,648)	1,704,681	(160,482)

Notes to the Final Report and Financial Statements continued

The fair value as at the reporting date has been estimated using the following fair value hierarchy:

Level (1) Quoted prices for identical instruments in active markets

The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level (2) Valuation techniques that use:

Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level (3) Valuation techniques that use:

Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

When the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate, the fair value is estimated by using an alternative valuation technique. Such valuation techniques will, where possible, maximise the use of observable market data inputs as opposed to non-observable entity determined data inputs. The Investment Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

f. Maturity of financial liabilities

All liabilities are due in one year or less or on demand (2023 - same).

g. Fair value disclosure

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

h. Derivatives

Derivatives are used in the subfund for hedging purposes and/or investment purposes. The main instruments used are money market futures, forward exchange contracts and credit default swaps. For more details please refer to page 11 and 12.

i. Credit rating

	2024 Market Value £000s	2024 % of Net Assets	2023 Market Value £000s	2023 % of Net Assets
Investment Grade	319,441	86.46	1,308,502	74.05
Sub-investment Grade	11,819	3.20	1,404	0.08
Non-rated	2,546	0.69	281,988	15.96
Derivatives	485	0.13	(47,695)	(2.70)
Other assets	35,194	9.53	222,768	12.61
Total net assets	369,485	100.00	1,766,967	100.00

A fixed income security is deemed to be of investment grade, if it is rated BBB- or above. Sub-investment grade are those securities that are rated below investment grade.

Notes to the Final Report and Financial Statements continued

16. Portfolio transaction costs

For the year ended 31 August 2024:

	Transaction Value 2024 £000s	Commissions 2024 £000s	Commissions 2024 %	Taxes 2024 £000s	Taxes 2024 %
Purchases					
Debt instruments (direct)	571,857	-	-	-	-
Total purchases	571,857	-	-	-	-
Total purchases including transaction costs	571,857				
	Transaction Value 2024 £000s	Commissions 2024 £000s	Commissions 2024 %	Taxes 2024 £000s	Taxes 2024 %
Sales					
Debt instruments (direct)	1,842,361	2	-	17	-
Collective Investment Schemes	388	-	-	-	-
Total sales	1,842,749	2	-	17	-
Total sales including transaction costs	1,842,730				
Derivative Transaction costs		97		-	
Total transaction costs as a % of average net assets		0.01%		0.00%	

For the year ended 31 August 2023:

	Transaction Value 2023 £000s	Commissions 2023 £000s	Commissions 2023 %	Taxes 2023 £000s	Taxes 2023 %
Purchases					
Debt instruments (direct)	1,244,738	-	-	-	-
Total purchases	1,244,738	-	-	-	-
Total purchases including transaction costs	1,244,738				
	Transaction Value 2023 £000s	Commissions 2023 £000s	Commissions 2023 %	Taxes 2023 £000s	Taxes 2023 %
Sales					
Debt instruments (direct)	1,741,472	-	-	-	-
Total sales	1,741,472	-	-	-	-
Total sales including transaction costs	1,741,472				
Derivative Transaction costs		164		-	
Total transaction costs as a % of average net assets		0.01%		0.00%	

The above analysis covers any direct transaction costs suffered by the subfund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

For the subfund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments.

During the period the subfund utilised futures contracts as derivative instruments covering different underlying asset classes. The settlement values for opening and closing derivative positions are not comparable to principal values for transactions in direct holding investments and therefore purchase and sale amounts for derivative transactions are not quantified in the analysis above. Transaction costs for derivatives positions will be either suffered as direct costs or form part of the dealing spread for the instruments. Any direct costs are identified in the analysis above.

Separately identifiable direct transaction costs (commissions & taxes etc) are attributable to the subfund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

Dealing spread costs suffered by the subfund vary considerably for the different asset / instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.15% (2023 : 0.17%).

Fund Information

Investment Objective and Policy

The primary investment objective of the Allianz UK Listed Equity Income Fund is to generate a total return (income together with capital growth) net of fees greater than that of the FTSE All-Share Total Return (in GBP), over a rolling five year period.

The Fund also has a secondary objective to deliver an annual income yield greater than the FTSE All-Share Index.

Investors should be aware that the Fund's capital is at risk and there is no guarantee that the Fund will achieve its investment objective over the above period or at all.

The Annual Management Charge for Allianz UK Listed Equity Income Fund is charged to capital. This could increase the amount of income available for distribution to Shareholders but may constrain capital growth.

The ACD will invest at least 80% of the Fund's assets in securities listed on the London Stock Exchange as represented in the FTSE All-Share Index.

Up to 20% of the Fund's assets may be invested outside of this index, either in the UK or internationally and in all economic sectors. It is the general intention of the ACD to invest in shares which offer above average current dividend income yield or, if not, the prospect of superior long term dividend growth. Therefore, it is not intended that the Fund will have similar weightings to the FTSE All-Share Index. Up to 10% of the Fund's investments may be held in convertibles and investment trust income shares in order to enhance the income yield.

The ACD may also utilise deposits and money market instruments in the management of the portfolio, and together with money market funds, these may make up to a maximum of 10% of the Fund's assets. In addition, up to 5% of the Fund's assets may be invested in warrants.

The Fund may also invest up to a maximum of 10% of the Fund's assets in other collective investment schemes, including those managed by Allianz Global Investors and its group of companies.

It must be noted that from time to time the Fund will also invest in securities and money market instruments that are offered within the scope of Initial Public Offerings on a recognised stock exchange or in another regulated market as set out in the Prospectus.

The ACD may use derivatives for efficient portfolio management for the purposes of generating additional income (for example by writing covered call options up to 20% of the Net Asset Value of the Fund) and for hedging purposes.

Fund Information continued

Fund Details

⁶⁾This may decrease at the discretion of the ACD.

Fund Manager	Simon Gergel Richard Knight	
Benchmark	FTSE All-Share Index	
Income allocation dates	Interim	28 February*
	Final	31 August
Income pay dates	Interim	30 April
	Final	31 December (normally 31 October)
Launch dates	Fund	20 June 2002
	A Shares	20 June 2002
	C Shares (Income Shares)	23 April 2014
	C Shares (Accumulation Shares)	16 September 2021
	E Shares	8 January 2021
	W Shares	8 January 2021
	W Shares (EUR) (Income Shares)	28 October 2021
ISA status	Yes ³⁾	
Share Classes and types of Shares	A (Income Shares) ⁵⁾	
	C (Income Shares)	
	C (Accumulation Shares)	
	E (Income Shares) ⁴⁾	
	W (Income Shares) ⁵⁾	
	W (EUR) (Income Shares) ⁵⁾	
Minimum investment²⁾	A Shares	Lump sum £500
		Monthly saving £50
	C Shares	Lump sum £500
		Monthly saving £50
	E Shares	Lump sum £25,000,000
	W Shares	Lump sum £10,000,000
	W (EUR) Shares	Lump sum £10,000,000
Initial charge	A Shares	Nil
	C Shares	Nil
	E Shares	Nil
	W Shares	Nil
	W (EUR) Shares	Nil
Annual ACD fee¹⁾	A Shares	1.25%
	C Shares	0.60%
	E Shares	0.28%
	W Shares	0.38%
	W (EUR) Shares	0.38%

*29 February in a leap year

¹⁾The ACD and the Depositary have agreed that the Annual Management Charge for Allianz UK Listed Equity Income Fund is charged to capital. This could increase the amount of income available for distribution to Shareholders but may constrain capital growth.

²⁾May be reduced or waived by the ACD; different investment minima may apply in respect of Shares held through an ISA. If an investor is dealing in a currency other than Pounds Sterling, these minimum amounts will be the equivalent in that currency.

³⁾The C Share Class may be invested by way of the Allianz Global Investors ISA wrapper.

⁴⁾Available to approved investors only. This Share Class is intended to assist in growing the Fund and, as such (but subject to the exception below), will only be available for subscription until the total Net Asset Value of the Share Class reaches GBP 100,000,000. Once the Net Asset Value of the Share Class reaches GBP 100,000,000 it will be closed to all new investors save that existing Approved Investors with holdings in the Share Class will be able to subscribe for additional Shares in the E Share Class even if this causes the Net Asset Value of the Share Class to exceed GBP 100,000,000.

⁵⁾Available to approved investors only.

Comparative Tables

For the year ended 31 August 2024

	A Shares Income			C Shares Income		
	2024 (p)	2023 (p)	2022 (p)	2024 (p)	2023 (p)	2022 (p)
Opening net asset value per share	299.88	307.35	322.77	112.72	114.77	119.71
Return before operating charges	53.29	12.75	3.73	20.12	4.73	1.35
Operating charges	(4.01)	(3.92)	(4.29)	(0.77)	(0.77)	(0.80)
Return after operating charges	49.28	8.83	(0.56)	19.35	3.96	0.55
Distributions	(16.21)	(16.30)	(14.86)	(6.08)	(6.01)	(5.49)
Closing net asset value per share	332.95	299.88	307.35	125.99	112.72	114.77
After direct transaction costs of ¹	(0.39)	(0.60)	(1.42)	(0.15)	(0.23)	(0.53)
Performance						
Return after operating charges	16.43%	2.87%	(0.17)%	17.17%	3.45%	0.46%
Other information						
Closing net asset value (£'000)	17,564	18,628	4,204	137,582	139,361	162,688
Closing number of shares	5,275,240	6,211,851	1,367,807	109,204,826	123,639,781	141,755,581
Operating charges ²	1.28%	1.25%	1.30%	0.65%	0.65%	0.65%
Direct transaction costs	0.13%	0.19%	0.43%	0.13%	0.19%	0.43%
Prices						
Highest share price	344.39	346.40	351.29	130.22	129.64	130.66
Lowest share price	277.51	281.81	305.22	104.41	105.31	113.60

¹ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the subfund and share class returns before operating charges.

² Operating charge on 'C' Class Income are capped at 0.65%.

Operating charges 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 subfund.

Comparative Tables continued

For the year ended 31 August 2024

	E Shares Income			W Shares Income		
	2024 (p)	2023 (p)	2022 (p)	2024 (p)	2023 (p)	2022 (p)
Opening net asset value per share	106.67	108.24	112.51	106.72	108.40	112.78
Return before operating charges	19.09	4.46	1.27	19.08	4.47	1.28
Operating charges	(0.35)	(0.35)	(0.38)	(0.47)	(0.46)	(0.49)
Return after operating charges	18.74	4.11	0.89	18.61	4.01	0.79
Distributions	(5.76)	(5.68)	(5.16)	(5.75)	(5.69)	(5.17)
Closing net asset value per share	119.65	106.67	108.24	119.58	106.72	108.40
After direct transaction costs of ¹	(0.14)	(0.22)	(0.50)	(0.14)	(0.22)	(0.50)
Performance						
Return after operating charges	17.57%	3.80%	0.79%	17.44%	3.70%	0.70%
Other information						
Closing net asset value (£'000)	76,048	98,153	122,111	997	936	3,138
Closing number of shares	63,561,516	92,018,630	112,819,338	833,423	876,974	2,895,048
Operating charges ²	0.31%	0.31%	0.33%	0.42%	0.41%	0.42%
Direct transaction costs	0.13%	0.19%	0.43%	0.13%	0.19%	0.43%
Prices						
Highest share price	123.61	122.45	122.99	123.55	122.57	123.24
Lowest share price	98.85	99.36	106.95	98.89	99.50	107.16

Share Classes E Income and W Income were launched on 8 January 2021.

¹ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the subfund and share class returns before operating charges.

² Operating charges on 'E' Class Income have been capped at 0.38%. Operating charges on 'W' Class Income are capped at 0.48%, however these are subject to quarterly review and so are periodically less than this.

Operating charges 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 subfund.

Comparative Tables continued

For the year ended 31 August 2024

	C Shares Accumulation			W Shares EUR Income		
	2024 (p)	2023 (p)	2022 (p)	2024 (c)	2023 (c)	2022 (c)
Opening net asset value per share	103.26	99.96	100.00	91.41	96.94	100.00
Return before operating charges	18.74	3.98	0.60	18.35	9.64	(2.74)
Operating charges	(0.71)	(0.68)	(0.64)	(0.37)	(0.36)	(0.32)
Return after operating charges	18.03	3.30	(0.04)	17.98	9.28	(3.06)
Distributions	(5.54)	(5.21)	(4.42)	(5.02)	(14.81)	-
Retained distributions on accumulation shares	5.54	5.21	4.42	-	-	-
Closing net asset value per share	121.29	103.26	99.96	104.37	91.41	96.94
After direct transaction costs of ¹	(0.14)	(0.20)	(0.45)	(0.10)	(0.17)	(0.37)
Performance						
Return after operating charges	17.46%	3.30%	(0.04)%	19.67%	9.57%	(3.06)%
Other information						
Closing net asset value (£'000)/(€'000)	44,776	43,463	49,284	1	1	1
Closing number of shares	36,914,714	42,092,714	49,305,290	1,000	1,000	1,000
Operating charges ²	0.65%	0.65%	0.65%	0.44%	0.42%	0.43%
Direct transaction costs	0.13%	0.19%	0.43%	0.13%	0.19%	0.43%
Prices						
Highest share price	121.75	112.90	108.69	107.66	106.52	108.30
Lowest share price	95.63	91.72	96.24	83.27	86.43	96.02

Share Class C Accumulation was launched on 16 September 2021 and Share Class W EUR Income was launched on 28 October 2021.

¹ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the subfund and share class returns before operating charges.

² Operating charges on 'C' Class Accumulation have been capped at 0.65%. Operating charges on 'W' Class EUR Income are capped at 0.48%, however these are subject to quarterly review and so are periodically less than this.

Operating charges 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 subfund.

Distribution Tables

For the year ended 31 August 2024

Interim Distribution in pence per share

Group 1	Shares purchased prior to 1 September 2023
Group 2	Shares purchased on or after 1 September 2023 to 29 February 2024

	Net revenue (p)	Equalisation (p)	Distribution paid 30/04/24 (p)	Distribution paid 30/04/23 (p)
A Shares Income				
Group 1	6.2563	-	6.2563	6.0529
Group 2	2.5386	3.7177	6.2563	6.0529
C Shares Income				
Group 1	2.3390	-	2.3390	2.1835
Group 2	1.0420	1.2970	2.3390	2.1835
E Shares Income				
Group 1	2.2160	-	2.2160	2.0617
Group 2	1.1903	1.0257	2.2160	2.0617
W Shares Income				
Group 1	2.2144	-	2.2144	2.0643
Group 2	1.2080	1.0064	2.2144	2.0643
C Shares Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
	(c)	(c)	(c)	(c)
W Shares EUR Income				
Group 1	1.9130	-	1.9130	5.6780
Group 2	1.9130	-	1.9130	5.6780

Final Distribution in pence per share

Group 1	Shares purchased prior to 1 March 2024
Group 2	Shares purchased on or after 1 March 2024 to 31 August 2024

	Net revenue (p)	Equalisation (p)	Distribution payable 31/10/24 (p)	Distribution paid 31/10/23 (p)
A Shares Income				
Group 1	9.9582	-	9.9582	10.2470
Group 2	4.1058	5.8524	9.9582	10.2470
C Shares Income				
Group 1	3.7439	-	3.7439	3.8295
Group 2	1.8667	1.8772	3.7439	3.8295
E Shares Income				
Group 1	3.5390	-	3.5390	3.6222
Group 2	1.6288	1.9102	3.5390	3.6222
W Shares Income				
Group 1	3.5360	-	3.5360	3.6252
Group 2	1.5675	1.9685	3.5360	3.6252
C Shares Accumulation				
Group 1	5.5428	-	5.5428	5.2089
Group 2	3.0625	2.4803	5.5428	5.2089
	(c)	(c)	(c)	(c)
W Shares EUR Income				
Group 1	3.1040	-	3.1040	9.1280
Group 2	3.1040	-	3.1040	9.1280

Investors are reminded that distribution is not guaranteed.

Investment Review

Performance Summary

Over the 12-month period under review ending 31st August 2024, the fund's 'C' class shares produced a total return net of fees of 17.37%. The fund's benchmark, the FTSE All Share Total Return Index, produced a total return of 16.98%. The fund thus outperformed its benchmark by 0.39%. The relative outperformance was driven by favourable sector and stock allocation.

Market Background

After a period of underperformance last year, the UK market staged a remarkable comeback, with the FTSE All-Share index rallying approximately 17% over the period and outpacing major global indices. This impressive turnaround can be attributed to several intertwining factors. The defensive nature of many UK companies, combined with the market's value tilt, proved particularly rewarding in the prevailing higher interest rate environment. Concurrently, UK inflation decelerated, eventually reaching the Bank of England's target, which bolstered confidence in the economy's stability and monetary policy effectiveness. The Bank of England's decision to maintain steady interest rates, avoiding premature declarations of victory over inflation, played a crucial role.

Moreover, improving economic indicators, particularly PMIs, consumer confidence, and wage growth, created a favourable environment for domestically tilted and cyclically-oriented companies. This was particularly evident in the strong performance of the FTSE 250 at the start of the calendar year. Anticipation of rate cuts and a cyclical upswing also drove the index higher. This confluence of factors—a value-oriented market, improving economic indicators, and prudent monetary policy—created fertile ground for the UK market's outperformance. This marked a notable shift from the previous year's challenges and demonstrated the market's resilience and adaptability in the face of changing economic conditions.

Politics came to the fore in May when Prime Minister Rishi Sunak called a UK general election. The keys to No. 10 Downing Street were exchanged in July as Keir Starmer won a commanding majority in the general election, bringing in the first Labour government since 2010. This outcome was widely expected and had limited impact on financial markets.

Portfolio Review

Several holdings made significant positive contributions to the fund's performance. Keller, a global ground engineering firm, is reaping the benefits of its strategy to optimize contract mix to boost profitability. The company reported record-breaking underlying operating profit, operating margin, and free cash flow, marking substantial improvements over the previous period. Shares rallied in Pan African Resources, a high margin producer of gold, as the three main levers of the business were turned the right way; a growth in production volumes, a strengthening gold price and a lower cost per unit mined amid inflationary pressures. The fund also benefited from the large uptick in UK M&A as corporate predators looked to take advantage of the low valuations in the market. A takeover of the UK housebuilder, Redrow, at a premium by Barratt Developments delivered strong share price growth. Ten Entertainment Group, a premier bowling and family entertainment centre operator based in the United Kingdom, was taken over by overseas private equity at a significant premium - a small position in the fund but a notable contributor. IG Group, the financial trading company, delivered a resilient set of results in softer market conditions amid a leadership change in the business. The company also increased its capital returns to shareholders over the year, both from dividends and share buybacks. Norcross, primarily a producer of bathroom and kitchen products, reported organic market share growth and announced the sale of Johnson tiles UK, one of its portfolio businesses – this is expected to improve margins and returns on capital for the group. Not owning Diageo and Reckitt Benckiser helped with relative performance. Diageo shares fell on weaker industry fundamentals and investor sentiment. Reckitt Benckiser shares declined meaningfully, on the news of litigation around its infant milk products.

On the negative side of the ledger, the fund's underweight exposure to Rolls Royce hurt relative performance as shares were strong over the period. PZ Cussons, an international consumer goods business, delivered weaker results. The group's material revenue exposure in Nigeria impacted the shares due to continued weakness in the Naira. Close Brothers, a stalwart in the UK's financial landscape, has seen its shares plummet since the FCA's review announcement on commission arrangements for the motor finance business. We believe the market has overreacted and is heavily discounting a binary risk thus we remain invested. Diversified Energy shares, despite its

Investment Review continued

attractive asset base, were dragged lower on concerns around lower US gas prices and a broader capital allocation issues amid higher rates. An underweight position in AstraZeneca hurt relative performance as shares performed well after the company announced a stronger pipeline than expected earlier in the year. At a recent investor day, AstraZeneca reaffirmed its commitment to long-term revenue growth, outlining aspirations for high single-digit percentage increases. This growth strategy is underpinned by ongoing investments and a focus on developing a therapeutically and geographically diversified business portfolio. Shares in XP Power were weak as the company announced a profit warning and suspended its dividends as softer end markets hurt its order book. Regulatory scrutiny of St James's Place, particularly around consumer duty, has resulted in new proposals for its fee structures – this has changed the fundamental of the business and we exited our position. The rising interest rate environment and a strengthening sterling in the recent past has hurt valuations for the geographically diversified commercial property business CLS. We maintain conviction in CLS as the shares were trading at a material discount to net asset value – even after the lower revaluations.

Portfolio Activity

Portfolio activity was in line with our expected annual turnover. Some sales were triggered as our holdings were subject to a takeover. Examples include bowling alley operator Ten Entertainment, building products company Tyman and UK housebuilder Redrow. Other divestments stemmed from our investment thesis playing out. Retailer Next performed well and we reduced our position, it has a strong operating model within its sector that may find a place in the portfolio again, if and when, valuations become attractive. A general trend has been to add significant weight to the “value” end of the market, where we expect recovery both in fundamentals and valuation as interest rates come down. Over the period, we increased our real estate exposure as the rising interest rates had impacted property values and brought the sector down to attractive valuations. We added to Whitbread, owner of the UK's largest hotel chain, Premier Inn, we also bought shares in Unite Group, the largest owner and operator of student accommodation in the UK and Assura that is a developer and owner of healthcare property. We also increased exposure to housing related stocks through housebuilder such as Barratt Developments and heating radiator manufacturer, Stelrad. Within Financials we added

to Barclays and Bank of Ireland whilst selling out of St James's Place. At the time of purchase, Barclays was trading at less than half of book value for a growing business, we believed the shares had limited downside risk in a broader sector that offers good value in the UK market. Bank of Ireland benefits from a particularly consolidated Irish banking market. Our investment thesis in St James's Place was undermined when the company announced a major change to their pricing strategy and product structure in response primarily to regulatory pressure - this materially changed the fundamentals of the business, and we exercised our investment discipline to sell out of the positions where we have lost conviction.

Portfolio Activity LEI :

A large part of our sales was based on us finding better opportunities, particularly where we had higher conviction, whilst a few of our sales were instances where the company was acquired - most notably, Ten Entertainment - UK bowling alley operator, Tyman - building products company and Redrow - a UK housebuilder. One of the sales was Next, a fashion and beauty retailer, as strong share price performance raised valuations close to our assessment of fair value - nevertheless, we view Next as a high quality and cash generative business with a strong operating model within its sector that may find a place in the portfolio again if and when valuations become attractive. We have recycled proceeds from sales into better opportunities amid a fast-changing opportunity set. A general trend has been to add significant weight to the “value” end of the market, where we expect recovery both in fundamentals and valuation as interest rates come down.

Over the period, we increased our real estate exposure, rising interest rates have impacted property values and brought the shares down to attractive valuations. We added to Whitbread, owner of the UK's largest hotel chain, Premier Inn as an example. We also bought shares in Unite Group, the largest owner and operator of student accommodation in the UK and Assura that is a developer and owner of healthcare property. We also increased exposure to housing related stocks through housebuilder such as Barratt Developments and heating radiator manufacturer, Stelrad.

Within Financials we added to Barclays and Bank of Ireland and sold out of St James's Place. At the time of purchase, Barclays was trading at less than half of book

Investment Review continued

value for a growing business, we believed the shares had limited downside risk in a broader sector that offers good value in the UK market whilst Bank of Ireland benefits from a particularly consolidated Irish banking market. At the time of purchase, the business was very modestly priced compared to the return on capital it generates, and paid a dividend yield of over 7%, from strong underlying cash generation. We sold out of St James's Place, as our investment thesis broke down and we lost conviction, the company announced a major change to their pricing strategy and product structure in response primarily to regulatory pressure.

Portfolio LEO :

A large part of our sales was based on us finding better opportunities, particularly where we had higher conviction, whilst a few of our sales were instances where the company was acquired - most notably, Ten Entertainment - UK bowling alley operator, Tyman - building products company and Redrow - a UK housebuilder.

We have recycled proceeds from sales into better opportunities amid a fast-changing opportunity set. A general trend has been to add significant weight to the "value" end of the market, where we expect recovery both in fundamentals and valuation as interest rates come down.

Over the period, we increased our real estate exposure, rising interest rates have impacted property values and brought the shares down to attractive valuations. We added to Whitbread, owner of the UK's largest hotel chain, Premier Inn as an example. We also bought shares in Unite Group, the largest owner and operator of student accommodation in the UK and Assura that is a developer and owner of healthcare property. We also increased exposure to housing related stocks through housebuilder such as Barratt Developments and heating radiator manufacturer, Stelrad.

Within Financials we added to Barclays whilst selling out of St James's Place and Paragon Banking Group. At the time of purchase, Barclays was trading at less than half of book value for a growing business, we believed the shares had limited downside risk in a broader sector that offers good value in the UK. We sold out of St James's Place as our investment thesis broke down when the company announced a major change to their pricing strategy and product structure in response primarily to regulatory

pressure - this is an example of us exercising discipline in our investment process, where we objectively reassess our positions within the portfolio. We sold out of Paragon Group, a specialist UK bank with a focus on buy-to-let mortgages, we saw a more compelling risk to reward structure in one of its peers at lower valuations.

Outlook

Although the UK stock market has performed well over the past year, there are still reasons to be optimistic about the future. The UK is now entering a period of political stability, inflation has returned close to the Bank of England's target, and economic growth has picked up, even if it is not robust. Additionally, interest rates have started to come down, which will eventually moderate mortgage bills and corporate debt costs.

The UK stock market remains lowly priced, especially compared to other leading markets. We see this in an increasing number of takeover bids being launched for UK listed companies. This dispersion of valuations is reflective of a global trend, which has seen a narrow investor focus on specific themes in the stock market, such as Artificial Intelligence, high growth technology and parts of healthcare. But it is often in neglected areas of markets that value arises, and we continue to be excited by the investment opportunities available in many sectors of the out-of-favour UK stock market.

Portfolio Statement

As at 31 August 2024

Holding		Market Value £'000	% of Net Assets
	UNITED KINGDOM EQUITIES - 79.41% (2023 - 80.95%)		
	Automobiles & Parts - 1.59% (2023 - 0.00%)		
6,750,000	Dowlais	4,408	1.59
		4,408	1.59
	Banks - 6.75% (2023 - 4.38%)		
3,227,670	Barclays	7,359	2.66
715,287	Close Brothers	3,888	1.40
12,708,496	Lloyds Banking	7,437	2.69
		18,684	6.75
	Construction & Materials - 6.78% (2023 - 6.74%)		
2,520,645	Eurocell	3,579	1.29
192,000	Keller	3,168	1.14
1,426,644	Marshalls	4,922	1.78
2,035,216	Norcros	4,457	1.61
1,857,536	Stelrad	2,656	0.96
		18,782	6.78
	Electricity - 4.85% (2023 - 4.46%)		
946,863	Drax	6,103	2.20
386,473	SSE	7,333	2.65
		13,436	4.85
	Electronic & Electrical Equipment - 1.76% (2023 - 2.00%)		
1,571,782	Morgan Advanced Materials	4,880	1.76
		4,880	1.76
	Finance & Credit Services - 1.34% (2023 - 1.60%)		
1,001,864	OSB	3,713	1.34
		3,713	1.34
	Food Producers - 3.00% (2023 - 2.78%)		
1,227,353	Tate & Lyle	8,303	3.00
		8,303	3.00
	Gas, Water & Multi-Utilities - 1.29% (2023 - 1.08%)		
356,943	National Grid	3,578	1.29
		3,578	1.29
	Household Goods & Home Construction - 3.85% (2023 - 3.43%)		
1,313,424	Barratt Developments	6,662	2.41
130,956	Bellway	3,999	1.44
		10,661	3.85
	Industrial Metals and Mining - 1.57% (2023 - 2.32%)		
90,595	Rio Tinto	4,356	1.57
		4,356	1.57
	Industrial Support Services - 4.38% (2023 - 4.03%)		
965,000	Inchcape	8,231	2.97
948,946	SThree	3,905	1.41
		12,136	4.38
	Investment Banking & Brokerage - 2.68% (2023 - 5.60%)		
762,000	IG	7,410	2.68
		7,410	2.68
	Leisure Goods - 1.12% (2023 - 0.79%)		
29,890	Games Workshop	3,103	1.12
		3,103	1.12
	Life Insurance - 1.78% (2023 - 1.44%)		
2,189,345	Legal & General	4,917	1.78
		4,917	1.78

Portfolio Statement continued

As at 31 August 2024

Holding		Market Value £'000	% of Net Assets
	Non-life Insurance - 0.00% (2023 - 1.52%)		
	Oil, Gas & Coal - 9.74% (2023 - 11.13%)		
1,798,982	BP	7,820	2.82
20,988	Diversified Energy	195	0.08
598,500	Energiean	5,937	2.14
1,112,000	Harbour Energy	3,317	1.20
357,612	Shell	9,707	3.50
		26,976	9.74
	Personal Care, Drug & Grocery Stores - 2.60% (2023 - 3.51%)		
3,652,889	PZ Cussons	3,755	1.36
69,747	Unilever	3,432	1.24
		7,187	2.60
	Personal Goods - 1.00% (2023 - 0.00%)		
420,000	Burberry	2,780	1.00
		2,780	1.00
	Pharmaceuticals & Biotechnology - 5.98% (2023 - 5.14%)		
760,000	GSK	12,586	4.54
1,043,010	Haleon	3,991	1.44
		16,577	5.98
	Precious Metals & Mining - 1.54% (2023 - 1.12%)		
13,509,504	Pan African Resources ¹	4,269	1.54
		4,269	1.54
	Real Estate Investment & Services - 1.24% (2023 - 1.52%)		
3,688,900	CLS	3,427	1.24
		3,427	1.24
	Real Estate Investment Trusts - 4.23% (2023 - 1.63%)		
10,141,860	Assura	4,233	1.53
649,559	Land Securities	4,063	1.47
356,087	UNITE	3,415	1.23
		11,711	4.23
	Retailers - 3.25% (2023 - 4.94%)		
2,705,765	DFS Furniture	3,252	1.17
1,895,592	Pets at Home	5,759	2.08
		9,011	3.25
	Software & Computer Services - 0.00% (2023 - 1.07%)		
	Tobacco - 5.53% (2023 - 5.41%)		
410,466	British American Tobacco	11,678	4.22
167,000	Imperial Brands	3,636	1.31
		15,314	5.53
	Travel & Leisure - 1.56% (2023 - 3.31%)		
148,000	Whitbread	4,326	1.56
		4,326	1.56
		219,945	79.41
	OVERSEAS EQUITIES - 21.42% (2023 - 20.72%)		
	Bermuda Equities - 4.85% (2023 - 4.75%)		
5,548,061	Capital	4,738	1.71
827,111	Conduit	4,351	1.57
648,561	Lancashire	4,345	1.57
		13,434	4.85
	Cyprus Equities - 1.79% (2023 - 1.96%)		
1,275,638	Atalaya Mining ¹	4,969	1.79
		4,969	1.79
	France Equities - 0.53% (2023 - 1.98%)		
92,387	SCOR	1,476	0.53
		1,476	0.53
	Guernsey Equities - 0.85% (2023 - 0.71%)		
7,205,000	Duke Capital ¹	2,342	0.85
		2,342	0.85

Portfolio Statement continued

As at 31 August 2024

Holding		Market Value £'000	% of Net Assets
Ireland Equities - 5.47% (2023 - 5.31%)			
400,000	Bank of Ireland	3,469	1.25
137,422	DCC	7,373	2.66
401,718	Grafton	4,325	1.56
		15,167	5.47
Isle of Man Equities - 1.01% (2023 - 0.77%)			
437,000	Entain	2,785	1.01
		2,785	1.01
Jersey Equities - 4.06% (2023 - 3.70%)			
1,789,912	Man	4,013	1.45
1,000,442	WPP	7,241	2.61
		11,254	4.06
Singapore Equities - 1.39% (2023 - 1.54%)			
269,406	XP Power	3,852	1.39
		3,852	1.39
Spain Equities - 1.04% (2023 - 0.00%)			
18,661	Aena	2,869	1.04
		2,869	1.04
United States Equities - 0.43% (2023 - 0.00%)			
57,041	Quanex Building Products	1,180	0.43
		1,180	0.43
Investment assets		279,273	100.83
Net other liabilities		(2,305)	(0.83)
Net assets		276,968	100.00

¹ Securities Listed on Alternative Investment Market.

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

Note: Comparative figures show percentages for each category of holding at 31 August 2023.

Statement of Total Return

For the year ended 31 August 2024

	Notes	2024 £000s	2024 £000s	2023 £000s	2023 £000s
Income:					
Net capital gains/(losses)	2		31,953		(5,044)
Revenue	3	14,639		17,111	
Expenses	4	(1,646)		(1,810)	
Interest payable and similar charges		-		(6)	
Net revenue before taxation		12,993		15,295	
Taxation	5	(85)		(163)	
Net revenue after taxation			12,908		15,132
Total return before distributions			44,861		10,088
Distributions	6		(14,347)		(16,739)
Change in net assets attributable to shareholders from investment activities			30,514		(6,651)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 August 2024

	2024 £000s	2024 £000s	2023 £000s	2023 £000s
Opening net assets attributable to shareholders		300,542		341,426
Amounts receivable on issue of shares	18,453		62,557	
Amounts payable on cancellation of shares	(74,651)		(99,155)	
		(56,198)		(36,598)
Dilution adjustment		-		117
Change in net assets attributable to shareholders from investment activities (see above)		30,514		(6,651)
Retained distributions on accumulation shares		2,046		2,193
Unclaimed distributions		64		55
Closing net assets attributable to shareholders		276,968		300,542

Notes to the final report and Financial Statements are from page 111 to 117.

Balance Sheet

As at 31 August 2024

	Notes	2024 £000s	2024 £000s	2023 £000s	2023 £000s
Assets:					
Fixed assets:					
Investments			279,273		305,554
Current assets:					
Debtors	7	3,043		2,982	
Cash and bank balances	8	4,689		1,583	
Total assets			287,005		310,119
Liabilities:					
Creditors:					
Other creditors	9	(3,144)		(841)	
Distribution payable		(6,893)		(8,736)	
Total liabilities			(10,037)		(9,577)
Net assets attributable to shareholders			276,968		300,542

Notes to the final report and Financial Statements are from page 111 to 117.

Notes to the Final Report and Financial Statements

1. Accounting Basis and Policies

The applicable accounting policies adopted by the Allianz UK Listed Equity Income Fund are included on pages 8 and 9 of the Collective Notes to the Final Report and Financial Statements.

2. Net capital gains/(losses)

	2024 £000s	2023 £000s
Gains/(losses) on non-derivative securities	31,960	(5,010)
Losses on currency	(8)	(30)
Handling charges	(4)	(4)
Class Action	5	-
Net capital gains/(losses)	31,953	(5,044)

3. Revenue

	2024 £000s	2023 £000s
Bank interest	85	18
Franked UK dividends	11,004	13,278
Overseas dividends - non-taxable	2,996	3,346
Overseas dividends - taxable	-	(8)
Unfranked UK dividends	554	477
Total revenue	14,639	17,111

4. Expenses

	2024 £000s	2023 £000s
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
ACD's annual fee ¹	1,529	1,679
ACD rebate*	(60)	(54)
	1,469	1,625
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	50	59
Safe custody fees	18	14
	68	73
Other expenses:		
Audit fees	13	12
Distribution costs	4	2
Printing costs	11	8
Registration fees	81	90
	109	112
Total expenses	1,646	1,810

¹For the purpose of the distribution, the ACD's annual fee is borne by the capital account (see Note 6).

*Operating charges for each subfund are capped. C Shares are capped at 0.65%, E Shares are capped at 0.38%, W Shares are capped at 0.48%. Any charges in excess of this amount are borne by the Manager. This is operated by way of a fee rebate from the ACD.

All expenditure stated above is inclusive of VAT where applicable.

The Audit fee for the year, excluding VAT, was £10,700 (2023 - £9,800).

Notes to the Final Report and Financial Statements continued

5. Taxation

	2024 £000s	2023 £000s
a. Analysis of the taxation charge for the year:		
Overseas tax suffered	85	163
Total taxation for the year (see Note 5(b))	85	163
b. Factors affecting taxation charge for the year:		
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for a subfund of an Open-Ended Investment Company (20%) (2023 - 20%).		
The differences are explained below:		
Net revenue before taxation	12,993	15,295
Corporation tax at 20%	2,599	3,059
Effects of:		
Expenses utilised against offshore gains	(602)	(669)
Overseas dividends - non-taxable	(35)	(35)
Overseas tax suffered	85	163
UK dividends not subject to corporation tax	(2,166)	(2,620)
Surplus allowable expenses utilised in the year	204	265
Total taxation charge for the year (see Note 5(a))	85	163

OEICs are exempt from tax on capital gains in the UK, therefore capital returns are not included within the reconciliation.

c. Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

d. Factors that may affect future tax charges

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £7,060,234 (2023 : £6,856,328) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

6. Distributions

The distributions take account of revenue received on the creation of Shares and revenue deducted on the cancellation of Shares and comprise:

	2024 £000s	2023 £000s
Interim	4,715	5,192
Final	8,939	10,929
Add: Revenue deducted on cancellation of shares	974	1,475
Deduct: Revenue received on creation of shares	(281)	(857)
Net distributions for the year	14,347	16,739
Reconciliation of net revenue after taxation to net distributions for the year		
Net revenue after taxation	12,908	15,132
Add: Capitalised expenses	1,480	1,636
Tax on capital items	(41)	(29)
Net distributions for the year	14,347	16,739

Notes to the Final Report and Financial Statements continued

7. Debtors

	2024	2023
	£000s	£000s
Accrued ACD's fee rebate	2	(13)
Accrued revenue	1,796	2,584
Amounts receivable on creation of shares	318	170
Overseas tax recoverable	53	123
Sales awaiting settlement	868	66
Income tax recoverable	6	6
Amounts receivable due to merger	-	46
	3,043	2,982

8. Cash and bank balances

	2024	2023
	£000s	£000s
Cash and bank balances	4,689	1,583
	4,689	1,583

9. Other creditors

	2024	2023
	£000s	£000s
Accrued ACD's annual fee	126	141
Amounts payable on cancellation of shares	229	622
Other accrued expenses	64	54
Purchases awaiting settlement	2,725	24
	3,144	841

10. Related party transactions

The ACD is deemed to be a related party under the definition of Financial Reporting Standard 102, which requires the disclosure of details of material transactions between the subfund and any related party.

Details of any related party transactions occurring during the year including commissions paid and any balances due at the year end are disclosed in the Balance Sheet, the Statement of Change in Net Assets Attributable to Shareholders and Notes 4, 7 and 9 to the financial statements. All creations and cancellations were transacted with the ACD.

Notes to the Final Report and Financial Statements continued

11. Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of net revenue included in the purchase price of all Group 2 shares. In the case of Accumulation shares, it is automatically reinvested in the subfund at the first distribution payment date after the shares were purchased. Being a capital repayment it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

12. Shareholders' funds

The subfund currently has four share classes: A, C, E and W. The ACD's annual fee on these share classes are as follows:

Class A :	1.25%
Class C :	0.60%
Class E :	0.28%
Class W :	0.38%
Class C :	0.60%
Class W EUR :	0.44%

The net asset value per share and the number of shares in issue are given in the Comparative Tables on page 99, 100 and 101.

The distribution per share is given in the Distribution Table on page 102.

Revenue available for allocation will be allocated between the share classes based on the respective proportionate interests represented by those share classes on a daily basis and taxation is computed by reference to the net revenue after expenses attributable to each class. All share classes have the same rights on winding up.

For the year ended 31 August 2024:

	Class A Shares Income	Class C Shares Income	Class E Shares Income	Class W Shares Income	Class C Shares Accumulation	Class W Shares EUR Income
Opening shares	6,211,851	123,639,781	92,018,630	876,974	42,092,714	1,000
Shares created	716,142	3,799,324	8,566,132	160,894	2,113,713	-
Shares cancelled	(1,650,748)	(18,224,697)	(37,023,246)	(220,159)	(7,291,713)	-
Shares converted	(2,005)	(9,582)	-	15,714	-	-
Closing shares	5,275,240	109,204,826	63,561,516	833,423	36,914,714	1,000

13. Contingent liabilities and commitments

As at 31 August 2024 there were no contingent liabilities (2023: £Nil).

Notes to the Final Report and Financial Statements continued

14. Derivatives and other financial instruments

a. Currency exposure

The majority of the net assets and liabilities of the subfund are denominated in currencies other than Sterling, with the effect that the total net assets and total return can be affected by currency movements.

	Monetary Exposure 31 August 2024 £000s	Non-Monetary Exposure 31 August 2024 £000s	Total Exposure 31 August 2024 £000s	Monetary Exposure 31 August 2023 £000s	Non-Monetary Exposure 31 August 2023 £000s	Total Exposure 31 August 2023 £000s
Currency						
Euro	177	8,994	9,171	124	5,952	6,076
Norwegian Krone	4	-	4	5	-	5
Swiss Franc	34	-	34	70	-	70
US Dollar	650	-	650	785	-	785

The following table details the subfund's sensitivity to a 20% increase and decrease in sterling against the relevant foreign currencies and the resultant impact that any such increase or decrease would have on the net return and net assets. The sensitivity analysis includes all foreign currency denominated items and adjusts their translation at the year end for a 20% change in foreign currency rates.

b. Interest rate risk profile

The subfund did not hold any interest bearing financial instruments other than its cash and bank balances as at the balance sheet date (2023 - same).

c. Sensitivity analysis

Market price sensitivity

The value of the subfund's listed investments, which were exposed to market price risk as at 31 August was as follows:

	2024 £000s	2023 £000s
Listed equity investments held at fair value through profit or loss	279,273	305,554

The following illustrates the sensitivity of the net return and the net assets to an increase or decrease of 20% (2023 - 20%) in the fair values of the subfund's investments. This level of change is considered to be reasonably possible based on observation of market conditions in the year. The sensitivity analysis is based on the impact of a change to the value of the subfund's investments at each balance sheet date.

	2024 20% Increase in fair value £000s	2024 20% Decrease in fair value £000s	2023 20% Increase in fair value £000s	2023 20% Decrease in fair value £000s
Capital Return				
Net gains/(losses) on investments at fair value	55,855	(55,855)	61,111	(61,111)

Foreign currency risk sensitivity

The following table details the subfund's sensitivity to a 20% increase and decrease in sterling against the relevant foreign currencies and the resultant impact that any such increase or decrease would have on the net return and net assets. The sensitivity analysis includes all foreign currency denominated items and adjusts their translation at the year end for a 20% change in foreign currency rates.

	2024 20% Increase in Sterling against foreign currencies £000s	2024 20% Decrease in Sterling against foreign currencies £000s	2023 20% Increase in Sterling against foreign currencies £000s	2023 20% Decrease in Sterling against foreign currencies £000s
Euro	(1,528)	2,293	(1,013)	1,519
Norwegian Krone	(1)	1	(1)	1
Swiss Franc	(6)	9	(12)	18
US Dollar	(108)	162	(131)	196
Change in net return and net assets	(1,643)	2,465	(1,157)	1,734

d. Leverage

The subfund did not employ significant leverage during the year (2023 - same).

Notes to the Final Report and Financial Statements continued

e. Fair value hierarchy

An analysis of the portfolio in accordance with the fair value hierarchy is shown below:

	Assets 31 August 2024 £000s	Liabilities 31 August 2024 £000s	Assets 31 August 2023 £000s	Liabilities 31 August 2023 £000s
Level 1: Quoted	279,273	-	305,554	-
Level 2: Observable	-	-	-	-
Level 3: Unobservable	-	-	-	-
	279,273	-	305,554	-

The fair value as at the reporting date has been estimated using the following fair value hierarchy:

Level (1) Quoted prices for identical instruments in active markets

The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level (2) Valuation techniques that use:

Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level (3) Valuation techniques that use:

Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

When the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate, the fair value is estimated by using an alternative valuation technique. Such valuation techniques will, where possible, maximise the use of observable market data inputs as opposed to non-observable entity determined data inputs. The Investment Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

f. Maturity of financial liabilities

All liabilities are due in one year or less or on demand (2023 - same).

g. Fair value disclosure

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

Notes to the Final Report and Financial Statements continued

15. Portfolio transaction costs

For the year ended 31 August 2024:

	Transaction Value 2024 £000s	Commissions 2024 £000s	Commissions 2024 %	Taxes 2024 £000s	Taxes 2024 %
Purchases					
Equity instruments (direct)	68,323	17	0.02	307	0.45
Total purchases	68,323	17	0.02	307	0.45
Total purchases including transaction costs	68,647				
	Transaction Value 2024 £000s	Commissions 2024 £000s	Commissions 2024 %	Taxes 2024 £000s	Taxes 2024 %
Sales					
Equity instruments (direct)	126,907	32	0.03	-	-
Total sales	126,907	32	0.03	-	-
Total sales including transaction costs	126,875				
Total transaction costs as a % of average net assets		0.02%		0.11%	

For the year ended 31 August 2023:

	Transaction Value 2023 £000s	Commissions 2023 £000s	Commissions 2023 %	Taxes 2023 £000s	Taxes 2023 %
Purchases					
Equity instruments (direct)	116,149	40	0.03	558	0.48
Total purchases	116,149	40	0.03	558	0.48
Total purchases including transaction costs	116,747				
	Transaction Value 2023 £000s	Commissions 2023 £000s	Commissions 2023 %	Taxes 2023 £000s	Taxes 2023 %
Sales					
Equity instruments (direct)	140,030	39	0.03	-	-
Total sales	140,030	39	0.03	-	-
Total sales including transaction costs	139,991				
Total transaction costs as a % of average net assets		0.02%		0.17%	

The above analysis covers any direct transaction costs suffered by the subfund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions & taxes etc) are attributable to the subfund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

Dealing spread costs suffered by the subfund vary considerably for the different asset / instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.35% (2023 : 0.48%).

Fund Information

Investment Objective and Policy

The investment objective of the Allianz UK Listed Opportunities Fund is to achieve capital growth, aiming to outperform (net of fees) the Target Benchmark, the FTSE All-Share Index Total Return GBP over a rolling five year period.

The ACD will invest at least 60% of the Fund's assets in stocks listed on the London Stock Exchange as represented on the FTSE All-Share Index.

Up to 40% of the Fund's assets may be invested outside of this index (for example, in stocks represented on the FTSE AIM Indices) either in the UK or internationally and in all economic sectors. The ACD will seek to take advantage of opportunities across the UK and other international markets to achieve capital growth.

The ACD may also utilise deposits and money market instruments in the management of the portfolio, and together with money market funds, these may make up to 10% of the Fund's assets.

The Fund may also invest up to a maximum of 10% of the Fund's assets in other collective investment schemes including those managed by Allianz Global Investors and its group of companies.

It must be noted from time to time that the Fund will also invest in securities and money market instruments that are offered within the scope of Initial Public Offerings on a recognised stock exchange or in another regulated market as set out in the Prospectus.

Fund Details

Fund Manager	Richard Knight	
Benchmark	FTSE All-Share Index Total Return GBP**	
Income allocation date	31 August	
Income pay date	31 December (normally 31 October)	
Launch dates	Fund	20 June 2002
	A Shares	20 June 2002
	C Shares	27 March 2014
	E Shares (Accumulation Shares)	28 October 2021
	E Shares (Income Shares)	5 May 2023
	I Shares (Accumulation Shares)	1 June 2017
	I Shares (EUR) (Accumulation Shares)	28 October 2021
	O Shares	3 May 2018
	Y Shares	20 February 2017
ISA status	Yes ⁴⁾	
Share Classes and types of Shares	A (Accumulation Shares) ²⁾	
	C (Accumulation Shares)	
	E (Accumulation Shares) ⁵⁾	
	E (Income Shares) ⁵⁾	
	I (Accumulation Shares) ²⁾	
	I (EUR) (Accumulation Shares) ²⁾	
	O (Accumulation Shares) ²⁾	
	Y (Accumulation Shares) ²⁾	
Minimum investment¹⁾	A Shares	Lump sum £500 Monthly saving £50
	C Shares	Lump sum £500 Monthly saving £50
	E Shares	Lump sum £25,000,000
	I Shares	Lump sum £10,000,000
	I (EUR) Shares	Lump sum £10,000,000
	O Shares	Lump sum £10,000,000
	Y Shares	Lump sum £100,000,000
Initial charge	A Shares	Nil
	C Shares	Nil
	E Shares	Nil
	I Shares	Nil
	I (EUR) Shares	Nil
	O Shares	Nil
	Y Shares	Nil
Annual ACD fee³⁾	A Shares	1.25%
	C Shares	0.75%
	E Shares	0.33%
	I Shares	0.50%
	I (EUR) Shares	0.50 %
	O Shares	0.20%*
	Y Shares	0.30%

* 0.20% p.a. minus those Additional Expenses which form part of the Ongoing Charge and are payable in respect of the O shares.

** For the I (EUR) (Inc) Share Class launched on 28/10/2021, the benchmark used will be the FTSE All-Share Index Total Return EUR.

¹⁾ May be reduced or waived by the ACD; different investment minima may apply in respect of Shares held through an ISA. If an investor is dealing in a currency other than Pounds Sterling, these minimum amounts will be the equivalent in that currency.

²⁾ Available to Approved Investors only.

³⁾ This may decrease at the discretion of the ACD.

Fund Information continued

⁴⁾ The C Share Class may be invested by way of the Allianz Global Investors ISA wrapper.

⁵⁾ Available to approved investors only. The Share Classes E (Acc) and E (Inc) are intended to assist in growing the Fund and, as such (but subject to the exception below), will only be available for subscription until the total Net Asset Value of the two E Share Classes combined reaches GBP 100,000,000. Once the Net Asset Value of the Share Classes combined reaches GBP 100,000,000 they will be closed to all new investors save that existing Approved Investors with holdings in the E Share Classes will be able to subscribe for additional Shares in the E Share Classes even if this causes the Net Asset Value of the two E Share Classes combined to exceed GBP 100,000,000.

Comparative Tables

For the year ended 31 August 2024

	A Shares Accumulation			C Shares Accumulation		
	2024 (p)	2023 (p)	2022 (p)	2024 (p)	2023 (p)	2022 (p)
Opening net asset value per share	7,624.28	7,631.88	7,701.71	183.27	182.59	183.37
Return before operating charges	1,142.63	77.27	33.98	27.56	2.22	0.78
Operating charges	(102.02)	(84.87)	(103.81)	(1.57)	(1.54)	(1.56)
Return after operating charges	1,040.61	(7.60)	(69.83)	25.99	0.68	(0.78)
Distributions	(246.26)	(269.80)	(184.37)	(6.83)	(6.94)	(5.32)
Retained distributions on accumulation shares	246.26	269.80	184.37	6.83	6.94	5.32
Closing net asset value per share	8,664.89	7,624.28	7,631.88	209.26	183.27	182.59
After direct transaction costs of ¹	(13.86)	(15.20)	(32.73)	(0.33)	(0.36)	(0.78)
Performance						
Return after operating charges	13.65%	(0.10)%	(0.91)%	14.18%	0.37%	(0.43)%
Other information						
Closing net asset value (£'000)	644	791	688	99,129	114,902	152,026
Closing number of shares	7,436	10,376	9,019	47,371,034	62,694,225	83,262,971
Operating charges	1.29%	1.08%	1.29%	0.83%	0.81%	0.81%
Direct transaction costs	0.18%	0.19%	0.41%	0.18%	0.19%	0.41%
Prices						
Highest share price	8,752.84	8,572.30	8,433.54	211.31	205.52	201.17
Lowest share price	6,938.67	6,987.24	7,510.14	166.92	167.27	179.26

¹ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the subfund and share class returns before operating charges.

Operating charges 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 subfund.

Comparative Tables continued

For the year ended 31 August 2024

	I Shares Accumulation			Y Shares Accumulation		
	2024 (p)	2023 (p)	2022 (p)	2024 (p)	2023 (p)	2022 (p)
Opening net asset value per share	142.80	141.86	142.07	7,806.38	7,745.21	7,746.18
Return before operating charges	21.52	1.72	0.59	1,177.44	93.37	31.53
Operating charges	(0.80)	(0.78)	(0.80)	(32.62)	(32.20)	(32.50)
Return after operating charges	20.72	0.94	(0.21)	1,144.82	61.17	(0.97)
Distributions	(5.76)	(5.81)	(4.54)	(325.67)	(327.83)	(258.57)
Retained distributions on accumulation shares	5.76	5.81	4.54	325.67	327.83	258.57
Closing net asset value per share	163.52	142.80	141.86	8,951.20	7,806.38	7,745.21
After direct transaction costs of ¹	(0.26)	(0.28)	(0.61)	(14.32)	(15.51)	(33.08)
Performance						
Return after operating charges	14.51%	0.66%	(0.15)%	14.67%	0.79%	(0.01)%
Other information						
Closing net asset value (£'000)	38,932	43,481	53,908	3	2	2
Closing number of shares	23,809,065	30,449,870	38,001,325	30	30	30
Operating charges ²	0.54%	0.53%	0.53%	0.40%	0.40%	0.40%
Direct transaction costs	0.18%	0.19%	0.41%	0.18%	0.19%	0.41%
Prices						
Highest share price	165.08	159.88	156.04	9,035.97	8,733.80	8,513.47
Lowest share price	130.11	130.00	139.09	7,114.13	7,098.63	7,589.03

¹ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the subfund and share class returns before operating charges.

² Operating charges on 'I' Class Accumulation have been capped at 0.54%. Operating charges on 'Y' Class Accumulation are capped at a maximum of 0.40%, however these are subject to quarterly review and so are periodically less than this.

Operating charges 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 subfund.

Comparative Tables continued

For the year ended 31 August 2024

	O Shares Accumulation			E Shares Accumulation		
	2024 (p)	2023 (p)	2022 (p)	2024 (p)	2023 (p)	2022 (p)
Opening net asset value per share	126.27	125.03	124.86	97.01	96.21	100.00
Return before operating charges	19.07	1.50	0.43	14.63	1.16	(3.49)
Operating charges	(0.26)	(0.26)	(0.26)	(0.37)	(0.36)	(0.30)
Return after operating charges	18.81	1.24	0.17	14.26	0.80	(3.79)
Distributions	(5.54)	(5.56)	(4.26)	(4.09)	(4.12)	(2.85)
Retained distributions on accumulation shares	5.54	5.56	4.26	4.09	4.12	2.85
Closing net asset value per share	145.08	126.27	125.03	111.27	97.01	96.21
After direct transaction costs of ¹	(0.23)	(0.25)	(0.53)	(0.18)	(0.19)	(0.41)
Performance						
Return after operating charges	14.90%	0.99%	0.14%	14.70%	0.83%	(3.79)%
Other information						
Closing net asset value (£'000)	3,642	3,407	3,720	28,603	33,691	53,463
Closing number of shares	2,510,613	2,698,085	2,975,080	25,705,835	34,730,204	55,571,204
Operating charges ²	0.20%	0.20%	0.20%	0.37%	0.36%	0.36%
Performance fee	-	-	0.30%	-	-	-
Direct transaction costs	0.18%	0.19%	0.41%	0.18%	0.19%	0.41%
Prices						
Highest share price	146.43	140.75	136.40	112.32	108.51	105.72
Lowest share price	115.11	114.62	121.71	88.41	88.18	94.25

¹ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the subfund and share class returns before operating charges.

² Operating charges on 'O' Class Accumulation have been capped at 0.20%. Operating charges on 'E' Class Accumulation are capped at 0.38%, however these are subject to quarterly review and so are periodically less than this.

Operating charges 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 subfund.

Comparative Tables continued

For the year ended 31 August 2024

	I EUR Shares Accumulation			E Shares Income	
	2024 (c)	2023 (c)	2022 (c)	2024 (p)	2023 (p)
Opening net asset value per share	95.29	94.39	100.00	92.51	100.00
Return before operating charges	16.42	1.26	(5.30)	13.97	(5.84)
Operating charges	(0.37)	(0.36)	(0.31)	(0.37)	(0.33)
Return after operating charges	16.05	0.90	(5.61)	13.60	(6.17)
Distributions	(4.02)	(3.97)	(2.74)	(3.88)	(1.32)
Retained distributions on accumulation shares	4.02	3.97	2.74		
Closing net asset value per share	111.34	95.29	94.39	102.23	92.51
After direct transaction costs of ¹	(0.15)	(0.16)	(0.35)	(0.17)	(0.18)
Performance					
Return after operating charges	16.84%	0.95%	(5.61)%	14.70%	(6.17)%
Other information					
Closing net asset value (€'000)/(£'000)	1	1	1	20	19
Closing number of shares	1,000	1,000	1,000	20,000	21,000
Operating charges ²	0.43%	0.43%	0.42%	0.38%	0.35%
Direct transaction costs	0.18%	0.19%	0.41%	0.18%	0.19%
Prices					
Highest share price	112.06	103.33	107.05	107.12	100.01
Lowest share price	85.36	84.07	94.15	84.31	92.08

Share Class I EUR Accumulation was launched on 28 October 2021.

Share Class E Income was launched on 5 May 2023.

¹ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the subfund and share class returns before operating charges.

² Operating charges on 'I' EUR Class Accumulation have been capped at 0.54%. Operating charges on 'E' Class Income are capped at 0.38%, however these are subject to quarterly review and so are periodically less than this.

Operating charges 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 subfund.

Distribution Tables

For the year ended 31 August 2024

Final Distribution in pence per share

Group 1 Shares purchased prior to 1 September 2023

Group 2 Shares purchased on or after 1 September 2023 to 31 August 2024

	Net revenue (p)	Equalisation (p)	Distribution payable 31/10/24 (p)	Distribution paid 31/10/23 (p)
A Shares Accumulation				
Group 1	246.2620	-	246.2620	269.8014
Group 2	134.1717	112.0903	246.2620	269.8014
C Shares Accumulation				
Group 1	6.8253	-	6.8253	6.9400
Group 2	4.2879	2.5374	6.8253	6.9400
I Shares Accumulation				
Group 1	5.7585	-	5.7585	5.8148
Group 2	0.8204	4.9381	5.7585	5.8148
Y Shares Accumulation				
Group 1	325.6666	-	325.6666	327.8333
Group 2	325.6666	-	325.6666	327.8333
O Shares Accumulation				
Group 1	5.5382	-	5.5382	5.5606
Group 2	2.7782	2.7600	5.5382	5.5606
E Shares Accumulation				
Group 1	4.0867	-	4.0867	4.1161
Group 2	2.4291	1.6576	4.0867	4.1161
	(c)	(c)	(c)	(c)
I EUR Shares Accumulation				
Group 1	4.0240	-	4.0240	3.9650
Group 2	4.0240	-	4.0240	3.9650
	(p)	(p)	(p)	(p)
E Shares Income				
Group 1	3.8804	-	3.8804	1.3170
Group 2	3.8804	-	3.8804	1.3170

Investors are reminded that distribution is not guaranteed.

Investment Review

Performance Summary

Over the 12-month period under review ending 31st August 2024, the fund's 'C' class shares produced a total return net of fees of 14.09%. The fund's benchmark, the FTSE All Share Total Return Index, produced a total return of 16.98%. The fund thus lagged its benchmark by 2.89%. Despite positive sector allocation and a continued overweight to the high performing FTSE 250, relative underperformance was driven by a slightly more than normal number of stock specific challenges in the tail end of the portfolio.

Market Background

After a period of underperformance last year, the UK market staged a remarkable comeback, with the FTSE All-Share index rallying approximately 17% over the period and outpacing major global indices. This impressive turnaround can be attributed to several intertwining factors. The defensive nature of many UK companies, combined with the market's value tilt, proved particularly rewarding in the prevailing higher interest rate environment. Concurrently, UK inflation decelerated, eventually reaching the Bank of England's target, which bolstered confidence in the economy's stability and monetary policy effectiveness. The Bank of England's decision to maintain steady interest rates, avoiding premature declarations of victory over inflation, played a crucial role.

Moreover, improving economic indicators, particularly PMIs, consumer confidence, and wage growth, created a favourable environment for domestically tilted and cyclically-oriented companies. This was particularly evident in the strong performance of the FTSE 250 at the start of the calendar year. Anticipation of rate cuts and a cyclical upswing also drove the index higher. This confluence of factors—a value-oriented market, improving economic indicators, and prudent monetary policy—created fertile ground for the UK market's outperformance. This marked a notable shift from the previous year's challenges and demonstrated the market's resilience and adaptability in the face of changing economic conditions.

Politics came to the fore in May when Prime Minister Rishi Sunak called a UK general election. The keys to No. 10 Downing Street were exchanged in July as Keir Starmer won a commanding majority in the general election, bringing in the first Labour government since 2010. This

outcome was widely expected and had limited impact on financial markets.

Portfolio Review

During the period under review, the FTSE 250, which is more domestically focused and cyclical in nature, marginally outperformed the FTSE 100 index. This provided a modest benefit, due to the fund's tilt towards the FTSE 250. Sector allocation was also modestly helpful. However, stock selection held back performance, especially in the tail end of the portfolio, where disappointing news flow affected certain stock returns.

Several holdings made significant positive contributions to the fund's performance. Shares rallied in Pan African Resources, a high margin producer of gold, as the three main levers of the business were turned the right way; a growth in production volumes, a strengthening gold price and a lower cost per unit mined amid inflationary pressures. Keller, a global ground engineering firm, is reaping the benefits of its strategy to optimize contract mix to boost profitability. The company reported record-breaking underlying operating profit, operating margin, and free cash flow, marking substantial improvements over the previous period.

The fund also benefited from the large uptick in UK M&A as corporate predators looked to take advantage of the low valuations in the market. A takeover of the UK housebuilder, Redrow, at a premium by Barratt Developments delivered strong share price growth. Ten Entertainment Group, a premier bowling and family entertainment centre operator based in the United Kingdom, was taken over by overseas private equity at a significant premium - a small position in the fund but a notable contributor. IG Group, the financial trading company, delivered a resilient set of results in softer market conditions amid a leadership change in the business. The company also increased its capital returns to shareholders over the year, both from dividends and share buybacks. Norcross, primarily a producer of bathroom and kitchen products, reported organic market share growth and announced the sale of Johnson tiles UK, one of its portfolio businesses – this is expected to improve margins and returns on capital for the group. Not owning Diageo and Reckitt Benckiser helped with relative performance. Diageo shares fell on weaker industry fundamentals and investor sentiment. Reckitt Benckiser shares declined meaningfully, on the news of litigation around its infant milk products.

Investment Review continued

On the negative side of the ledger. Serica, a British independent upstream oil and gas company with operations in the UK North Sea, has been subject to a tighter tax regime - we maintain our position as the market has discounted more than a reasonable worst-case scenario. SSP, a global food outlet operator disrupted by the pandemic, has largely seen its revenues recover and grow above pre-covid levels, however, margins have been a laggard. As the market is focused on the transient low margins, we remain invested, we expect an improved margin profile over time as its new business wins mature. PZ Cussons, an international consumer goods business, delivered weaker results. The group's material revenue exposure in Nigeria impacted the shares, due to the continued weakness in the Naira – we have reduced our position size.

Diversified Energy shares, despite its attractive asset base, were dragged lower on concerns around lower US gas prices and broader capital allocation issues amid higher rates. Close Brothers, a stalwart in the UK's financial landscape, has seen its shares plummet since the FCA's review announcement on commission arrangements for the motor finance business. We believe the market has overreacted and is heavily discounting a binary risk, and so remain invested. An underweight position in AstraZeneca hurt relative performance as shares performed well after the company announced a stronger pipeline than expected earlier in the year. At a recent investor day, AstraZeneca reaffirmed its commitment to long-term revenue growth, outlining aspirations for high single-digit increases. This growth strategy is underpinned by ongoing investments and a focus on developing a therapeutically and geographically diversified business portfolio. The rising interest rate environment and a strengthening sterling in the recent past has hurt valuations for geographically diversified commercial property business, CLS. We maintain conviction in CLS as the shares are trading at a material discount to net asset value – even after the lower revaluations. Shares in XP Power were weak as the company announced a profit warning and suspended its dividends, after softer end market hurt its order book.

Portfolio Activity

Portfolio activity was in line with our expected annual turnover. Some sales were triggered as our holdings were subject to a takeover. Examples include bowling alley

operator Ten Entertainment, building products company Tyman and UK housebuilder Redrow. Other divestments stemmed from our investment thesis playing out. A general trend has been to add significant weight to the “value” end of the market, where we expect recovery both in fundamentals and valuation as interest rates come down. Over the period, we increased our real estate exposure as the rising interest rates had impacted property values and brought the sector down to attractive valuations. We added to Whitbread, owner of the UK's largest hotel chain, Premier Inn. We also bought shares in Unite Group, the largest owner and operator of student accommodation in the UK and Assura that is a developer and owner of healthcare property. We also increased exposure to housing related stocks through housebuilder such as Barratt Developments and heating radiator manufacturer, Stelrad. Within Financials we added to Barclays whilst selling out of Paragon Banking Group and St James's Place. At the time of purchase, Barclays was trading at less than half of book value for a growing business, we believed the shares had limited downside risk in a broader sector that offers good value in the UK market. We sold out of Paragon Group, a specialist UK bank with a focus on buy-to-let mortgages, we saw a more compelling risk to reward structure in one of its peers at lower valuations. Our investment thesis in St James's Place was undermined when the company announced a major change to their pricing strategy and product structure in response primarily to regulatory pressure - this materially changed the fundamentals of the business, and we exercised our investment discipline to sell out of the positions where we have lost conviction.

Outlook

Although the UK stock market has performed well over the past year, there are still reasons to be optimistic about the future. The UK is now entering a period of political stability, inflation has returned close to the Bank of England's target, and economic growth has picked up, even if it is not robust. Additionally, interest rates have started to come down, which will eventually moderate mortgage bills and corporate debt costs.

The UK stock market remains lowly priced, especially compared to other leading markets. We see this in an increasing number of takeover bids being launched for UK listed companies. This dispersion of valuations is reflective of a global trend, which has seen a narrow investor focus

Investment Review continued

on specific themes in the stock market, such as Artificial Intelligence, high growth technology and parts of healthcare. But it is often in neglected areas of markets that value arises, and we continue to be excited by the investment opportunities available in many sectors of the out-of-favour UK stock market.

Portfolio Statement

As at 31 August 2024

Holding		Market Value £'000	% of Net Assets
	UNITED KINGDOM EQUITIES - 83.77% (2023 - 83.65%)		
	Automobiles & Parts - 1.70% (2023 - 0.00%)		
4,450,000	Dowlais	2,906	1.70
		2,906	1.70
	Banks - 5.33% (2023 - 4.58%)		
1,500,000	Barclays	3,420	2.00
418,001	Close Brothers	2,272	1.33
5,840,000	Lloyds Banking	3,418	2.00
		9,110	5.33
	Construction & Materials - 6.46% (2023 - 7.00%)		
1,558,333	Eurocell	2,213	1.29
52,287	Keller	863	0.50
949,406	Marshalls	3,275	1.92
1,368,465	Norcros	2,997	1.75
1,191,826	Stelrad	1,704	1.00
		11,052	6.46
	Electricity - 1.94% (2023 - 2.23%)		
513,553	Drax	3,310	1.94
		3,310	1.94
	Finance & Credit Services - 2.54% (2023 - 2.91%)		
6,266,736	Distribution Finance Capital ¹	1,817	1.06
684,633	OSB	2,537	1.48
		4,354	2.54
	Food Producers - 2.48% (2023 - 2.20%)		
626,000	Tate & Lyle	4,235	2.48
		4,235	2.48
	Health Care Providers - 1.95% (2023 - 2.35%)		
1,315,960	Spire Healthcare	3,343	1.95
		3,343	1.95
	Household Goods & Home Construction - 3.95% (2023 - 4.79%)		
639,999	Barratt Developments	3,246	1.90
877,627	Crest Nicholson	1,818	1.06
2,005,000	Sanderson Design ¹	1,684	0.99
		6,748	3.95
	Industrial Support Services - 7.35% (2023 - 6.61%)		
3,745,000	Diales ¹	936	0.55
2,423,224	Essentra	4,294	2.51
580,000	Inchcape	4,947	2.89
581,321	SThree	2,392	1.40
		12,569	7.35
	Investment Banking & Brokerage - 3.83% (2023 - 6.91%)		
430,000	IG	4,182	2.45
6,756,588	Mercia Asset Management ¹	2,365	1.38
		6,547	3.83
	Leisure Goods - 1.12% (2023 - 0.77%)		
18,416	Games Workshop	1,912	1.12
		1,912	1.12
	Oil, Gas & Coal - 8.93% (2023 - 12.70%)		
982,920	BP	4,273	2.50
366,968	Energiean	3,640	2.13
6,000,000	Enteq Technologies ¹	390	0.23
688,000	Harbour Energy	2,052	1.20
1,971,974	Serica Energy ¹	2,540	1.49
87,086	Shell	2,364	1.38
		15,259	8.93

Portfolio Statement continued

As at 31 August 2024

Holding		Market Value £'000	% of Net Assets
2,155,337	Personal Care, Drug & Grocery Stores - 1.30% (2023 - 1.73%) PZ Cussons	2,216	1.30
		2,216	1.30
255,000	Personal Goods - 0.99% (2023 - 0.00%) Burberry	1,688	0.99
		1,688	0.99
170,000	Pharmaceuticals & Biotechnology - 7.44% (2023 - 1.81%) Genus	3,002	1.76
384,500	GSK	6,367	3.71
455,019	Haleon	1,741	1.02
174,000	Indivior	1,618	0.95
		12,728	7.44
10,413,925	Precious Metals & Mining - 1.92% (2023 - 1.67%) Pan African Resources ¹	3,291	1.92
		3,291	1.92
2,867,971	Real Estate Investment & Services - 1.56% (2023 - 2.09%) CLS	2,664	1.56
		2,664	1.56
6,250,000	Real Estate Investment Trusts - 4.01% (2023 - 1.71%) Assura	2,609	1.53
981,681	Helical	2,135	1.25
220,000	UNITE	2,110	1.23
		6,854	4.01
1,822,820	Retailers - 7.10% (2023 - 6.34%) DFS Furniture	2,191	1.28
2,300,000	JD Sports Fashion	3,177	1.86
1,565,704	Moonpig	3,296	1.93
1,144,581	Pets at Home	3,477	2.03
		12,141	7.10
420,000	Software & Computer Services - 0.70% (2023 - 2.25%) Baltic Classifieds	1,195	0.70
		1,195	0.70
194,010	Tobacco - 3.23% (2023 - 4.68%) British American Tobacco	5,520	3.23
		5,520	3.23
351,536	Travel & Leisure - 7.94% (2023 - 8.32%) JET21	5,125	3.00
2,726,600	SSP	4,613	2.70
90,000	Whitbread	2,631	1.54
9,250,000	XP Factory ¹	1,203	0.70
		13,572	7.94
4,350,558	OVERSEAS EQUITIES - 15.24% (2023 - 14.24%) Bermuda Equities - 4.12% (2023 - 4.39%) Capital	3,715	2.17
632,550	Conduit	3,327	1.95
		7,042	4.12
932,613	Cyprus Equities - 2.12% (2023 - 2.15%) Atalaya Mining	3,633	2.12
		3,633	2.12
4,532,458	Guernsey Equities - 0.86% (2023 - 0.68%) Duke Capital ¹	1,473	0.86
		1,473	0.86
79,719	Ireland Equities - 4.04% (2023 - 5.32%) DCC	4,277	2.50
244,404	Grafton	2,631	1.54
		6,908	4.04
482,000	Jersey Equities - 2.04% (2023 - 0.20%) WPP	3,489	2.04
		3,489	2.04

Portfolio Statement continued

As at 31 August 2024

Holding		Market Value £'000	% of Net Assets
Singapore Equities - 1.50% (2023 - 1.50%)			
179,786	XP Power	2,571	1.50
		2,571	1.50
United States Equities - 0.56% (2023 - 0.00%)			
45,920	Quanex Building Products	950	0.56
		950	0.56
OPEN-ENDED FUNDS - 0.00% (2023 - 0.00%)			
7,256,654	Better Capital PCC 2012*	-	-
Investment assets		169,280	99.01
Net other assets		1,694	0.99
Net assets		170,974	100.00

¹ Securities Listed on Alternative Investment Market.

* Suspended securities.

Unless otherwise stated, the holdings shown without market value are below £500 and rounded down.

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

Note: Comparative figures show percentages for each category of holding at 31 August 2023.

Statement of Total Return

For the year ended 31 August 2024

	Notes	2024 £000s	2024 £000s	2023 £000s	2023 £000s
Income:					
Net capital gains/(losses)	2		16,021		(6,279)
Revenue	3	7,645		10,383	
Expenses	4	(1,164)		(1,538)	
Interest payable and similar charges		-		-	
Net revenue before taxation		6,481		8,845	
Taxation	5	(65)		(68)	
Net revenue after taxation			6,416		8,777
Total return before distributions			22,437		2,498
Distributions	6		(6,415)		(8,777)
Change in net assets attributable to shareholders from investment activities			16,022		(6,279)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 August 2024

	2024 £000s	2024 £000s	2023 £000s	2023 £000s
Opening net assets attributable to shareholders		196,294		263,808
Amounts receivable on issue of shares	11,197		28,048	
Amounts payable on cancellation of shares	(58,351)		(97,012)	
		(47,154)		(68,964)
Change in net assets attributable to shareholders from investment activities (see above)		16,022		(6,279)
Retained distributions on accumulation shares		5,812		7,729
Closing net assets attributable to shareholders		170,974		196,294

Notes to the final report and Financial Statements are from page 133 to 139.

Balance Sheet

As at 31 August 2024

	Notes	2024 £000s	2024 £000s	2023 £000s	2023 £000s
Assets:					
Fixed assets:					
Investments			169,280		192,144
Current assets:					
Debtors	7	2,366		4,120	
Cash and bank balances	8	1,760		1,079	
Total assets			173,406		197,343
Liabilities:					
Creditors:					
Other creditors	9	(2,431)		(1,049)	
Distribution payable		(1)		-	
Total liabilities			(2,432)		(1,049)
Net assets attributable to shareholders			170,974		196,294

Notes to the final report and Financial Statements are from page 133 to 139.

Notes to the Final Report and Financial Statements

1. Accounting Basis and Policies

The applicable accounting policies adopted by the Allianz UK Listed Opportunities Fund are included on pages 8 and 9 of the Collective Notes to the Final Report and Financial Statements.

2. Net capital gains/(losses)

	2024 £000s	2023 £000s
Gains/(losses) on non-derivative securities	16,028	(6,275)
Losses on currency	(1)	-
Handling charges	(6)	(4)
Net capital gains/(losses)	16,021	(6,279)

3. Revenue

	2024 £000s	2023 £000s
Bank interest	44	14
Franked UK dividends	6,372	8,446
Overseas dividends - non-taxable	1,073	1,775
Overseas dividends - taxable	(11)	(14)
Unfranked UK dividends	167	162
Total revenue	7,645	10,383

4. Expenses

	2024 £000s	2023 £000s
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
ACD's annual fee	1,068	1,431
ACD rebate*	(1)	(1)
	1,067	1,430
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	31	41
Safe custody fees	7	9
	38	50
Other expenses:		
Audit fees	13	12
Distribution costs	2	2
Printing costs	4	4
Registration fees	40	40
	59	58
Total expenses	1,164	1,538

*Operating charges for each subfund are capped. I Shares are capped at 0.54%, Y Shares are capped at a maximum of 0.40%, O Shares are capped at 0.20%, E shares are capped at 0.38%. Any charges in excess of this amount are borne by the Manager. This is operated by way of a fee rebate from the ACD.

All expenditure stated above is inclusive of VAT where applicable.

The Audit fee for the year, excluding VAT, was £10,918 (2023 - £10,000).

Notes to the Final Report and Financial Statements continued

5. Taxation

	2024 £000s	2023 £000s
a. Analysis of the taxation charge for the year:		
Overseas tax suffered	65	68
Total taxation for the year (see Note 5(b))	65	68
b. Factors affecting taxation charge for the year:		
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for a subfund of an Open-Ended Investment Company (20%) (2023 - 20%).		
The differences are explained below:		
Net revenue before taxation	6,481	8,845
Corporation tax at 20%	1,296	1,769
Effects of:		
Overseas dividends - non-taxable	(215)	(355)
Overseas tax suffered	65	68
Surplus allowable expenses arising in the year	193	275
UK dividends not subject to corporation tax	(1,235)	(1,642)
Non taxable property revenue from UK REITS- non PID	(39)	(47)
Total taxation charge for the year (see Note 5(a))	65	68

OEICs are exempt from tax on capital gains in the UK, therefore capital returns are not included within the reconciliation.

c. Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

d. Factors that may affect future tax charges

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £6,335,000 (2023 : £6,142,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

6. Distributions

The distributions take account of revenue received on the creation of Shares and revenue deducted on the cancellation of Shares and comprise:

	2024 £000s	2023 £000s
Final	5,813	7,730
Add: Revenue deducted on cancellation of shares	841	1,517
Deduct: Revenue received on creation of shares	(239)	(470)
Net distributions for the year	6,415	8,777
Reconciliation of net revenue after taxation to net distributions for the year		
Net revenue after taxation	6,415	8,777
Net distributions for the year	6,415	8,777

Notes to the Final Report and Financial Statements continued

7. Debtors

	2024 £000s	2023 £000s
Accrued revenue	636	1,209
Amounts receivable on creation of shares	85	179
Overseas tax recoverable	-	16
Sales awaiting settlement	1,640	2,711
Income tax recoverable	5	5
	2,366	4,120

8. Cash and bank balances

	2024 £000s	2023 £000s
Cash and bank balances	1,760	1,079
	1,760	1,079

9. Other creditors

	2024 £000s	2023 £000s
Accrued ACD's annual fee	85	106
Amounts payable on cancellation of shares	354	868
Other accrued expenses	60	63
Purchases awaiting settlement	1,932	12
	2,431	1,049

10. Related party transactions

The ACD is deemed to be a related party under the definition of Financial Reporting Standard 102, which requires the disclosure of details of material transactions between the subfund and any related party.

Details of any related party transactions occurring during the year including commissions paid and any balances due at the year end are disclosed in the Balance Sheet, the Statement of Change in Net Assets Attributable to Shareholders and Notes 4, 7 and 9 to the financial statements. All creations and cancellations were transacted with the ACD.

Notes to the Final Report and Financial Statements continued

11. Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of net revenue included in the purchase price of all Group 2 shares. In the case of Accumulation shares, it is automatically reinvested in the subfund at the first distribution payment date after the shares were purchased. Being a capital repayment it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

12. Shareholders' funds

The subfund currently has six share classes: A, C, I, Y, O and E. The ACD's annual fee on these share classes are as follows:

Class A :	1.29%
Class C :	0.83%
Class I :	0.54%
Class Y :	0.40%
Class O :	0.20%
Class E :	0.37%
Class I EUR :	0.43%
Class E Inc :	0.38%

The net asset value per share and the number of shares in issue are given in the Comparative Tables on page 120, 121, 122 and 123.

The distribution per share is given in the Distribution Table on page 124.

Revenue available for allocation will be allocated between the share classes based on the respective proportionate interests represented by those share classes on a daily basis and taxation is computed by reference to the net revenue after expenses attributable to each class. All share classes have the same rights on winding up.

For the year ended 31 August 2024:

	Class A Shares Accumulation	Class C Shares Accumulation	Class I Shares Accumulation	Class Y Shares Accumulation	Class O Shares Accumulation	Class E Shares Accumulation	Class I EUR Shares Accumulation	Class E Shares Income
Opening shares	10,376	62,694,225	30,449,870	30	2,698,085	34,730,204	1,000	21,000
Shares created	303	453,737	1,981,007	-	162,161	7,242,915	-	80,000
Shares cancelled	(3,243)	(15,596,052)	(8,700,619)	-	(349,633)	(16,492,462)	-	(81,000)
Shares converted	-	(180,876)	78,807	-	-	225,178	-	-
Closing shares	7,436	47,371,034	23,809,065	30	2,510,613	25,705,835	1,000	20,000

13. Contingent liabilities and commitments

As at 31 August 2024 there were no contingent liabilities (2023: £Nil).

Notes to the Final Report and Financial Statements continued

14. Derivatives and other financial instruments

a. Currency exposure

The majority of the net assets and liabilities of the subfund are denominated in currencies other than Sterling, with the effect that the total net assets and total return can be affected by currency movements.

	Monetary Exposure 31 August 2024 £000s	Non-Monetary Exposure 31 August 2024 £000s	Total Exposure 31 August 2024 £000s	Monetary Exposure 31 August 2023 £000s	Non-Monetary Exposure 31 August 2023 £000s	Total Exposure 31 August 2023 £000s
Currency						
Euro	1	950	951	1	-	1
US Dollar	234	-	234	513	-	513

The following table details the subfund's sensitivity to a 20% increase and decrease in sterling against the relevant foreign currencies and the resultant impact that any such increase or decrease would have on the net return and net assets. The sensitivity analysis includes all foreign currency denominated items and adjusts their translation at the year end for a 20% change in foreign currency rates.

b. Interest rate risk profile

The subfund did not hold any interest bearing financial instruments other than its cash and bank balances as at the balance sheet date (2023 - same).

c. Sensitivity analysis

Market price sensitivity

The value of the subfund's listed investments, which were exposed to market price risk as at 31 August was as follows:

	2024 £000s	2023 £000s
Listed equity investments held at fair value through profit or loss	169,280	192,144

The following illustrates the sensitivity of the net return and the net assets to an increase or decrease of 20% (2023 - 20%) in the fair values of the subfund's investments. This level of change is considered to be reasonably possible based on observation of market conditions in the year. The sensitivity analysis is based on the impact of a change to the value of the subfund's investments at each balance sheet date.

	2024 20% Increase in fair value £000s	2024 20% Decrease in fair value £000s	2023 20% Increase in fair value £000s	2023 20% Decrease in fair value £000s
Capital Return				
Net gains/(losses) on investments at fair value	33,856	(33,856)	38,429	(38,429)

Foreign currency risk sensitivity

The following table details the subfund's sensitivity to a 20% increase and decrease in sterling against the relevant foreign currencies and the resultant impact that any such increase or decrease would have on the net return and net assets. The sensitivity analysis includes all foreign currency denominated items and adjusts their translation at the year end for a 20% change in foreign currency rates.

	2024 20% Increase in Sterling against foreign currencies £000s	2024 20% Decrease in Sterling against foreign currencies £000s	2023 20% Increase in Sterling against foreign currencies £000s	2023 20% Decrease in Sterling against foreign currencies £000s
US Dollar	(39)	59	(86)	128
Change in net return and net assets	(39)	59	(86)	128

d. Leverage

The subfund did not employ significant leverage during the year (2023 - same).

Notes to the Final Report and Financial Statements continued

e. Fair value hierarchy

An analysis of the portfolio in accordance with the fair value hierarchy is shown below:

	Assets 31 August 2024 £000s	Liabilities 31 August 2024 £000s	Assets 31 August 2023 £000s	Liabilities 31 August 2023 £000s
Level 1: Quoted	169,280	-	192,144	-
Level 2: Observable	-	-	-	-
Level 3: Unobservable*	-	-	-	-
	169,280	-	192,144	-

*Level 3 Includes a zero amount for the valuation of Better Capital PCC Ltd. Please see the Fund's Portfolio statement for further details.

The fair value as at the reporting date has been estimated using the following fair value hierarchy:

Level (1) Quoted prices for identical instruments in active markets

The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level (2) Valuation techniques that use:

Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level (3) Valuation techniques that use:

Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

When the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate, the fair value is estimated by using an alternative valuation technique. Such valuation techniques will, where possible, maximise the use of observable market data inputs as opposed to non-observable entity determined data inputs. The Investment Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

f. Maturity of financial liabilities

All liabilities are due in one year or less or on demand (2023 - same).

g. Fair value disclosure

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

Notes to the Final Report and Financial Statements continued

15. Portfolio transaction costs

For the year ended 31 August 2024:

	Transaction Value 2024 £000s	Commissions 2024 £000s	Commissions 2024 %	Taxes 2024 £000s	Taxes 2024 %
Purchases					
Equity instruments (direct)	62,514	17	0.03	255	0.41
Total purchases	62,514	17	0.03	255	0.41
Total purchases including transaction costs	62,786				
	Transaction Value 2024 £000s	Commissions 2024 £000s	Commissions 2024 %	Taxes 2024 £000s	Taxes 2024 %
Sales					
Equity instruments (direct)	101,709	31	0.03	1	-
Total sales	101,709	31	0.03	1	-
Total sales including transaction costs	101,677				
Total transaction costs as a % of average net assets		0.03%		0.15%	

For the year ended 31 August 2023:

	Transaction Value 2023 £000s	Commissions 2023 £000s	Commissions 2023 %	Taxes 2023 £000s	Taxes 2023 %
Purchases					
Equity instruments (direct)	73,398	28	0.04	376	0.51
Total purchases	73,398	28	0.04	376	0.51
Total purchases including transaction costs	73,802				
	Transaction Value 2023 £000s	Commissions 2023 £000s	Commissions 2023 %	Taxes 2023 £000s	Taxes 2023 %
Sales					
Equity instruments (direct)	132,848	41	0.03	1	-
Total sales	132,848	41	0.03	1	-
Total sales including transaction costs	132,806				
Total transaction costs as a % of average net assets		0.04%		0.19%	

The above analysis covers any direct transaction costs suffered by the subfund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions & taxes etc) are attributable to the subfund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

Dealing spread costs suffered by the subfund vary considerably for the different asset / instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.73% (2023 : 0.89%).

Due to the nature of the assets held by Allianz UK Listed Opportunities Fund, the portfolio dealing spread at the balance sheet date may not be representative of the portfolio dealing spread throughout the year. The portfolio dealing spread at the fund's interim reporting date of 29 February 2024 was 0.63% (2023: 0.88%).

Authorised Corporate Director's Report to the Shareholders

REPORT OF THE AUTHORISED CORPORATE DIRECTOR
TO THE SHAREHOLDERS OF THE Allianz UK & European
Investment Funds FOR THE YEAR ENDED 31 August 2024.

In accordance with the requirements of the Regulations, we
hereby certify the report on behalf of Allianz Global
Investors UK Ltd.

Simon Gergel

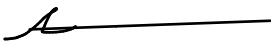
Marie-Louise Bryce

Authorised signatory

Authorised signatory

17 December 2024


Simon Gergel (Dec 17, 2024 16:28 GMT)


Marie-Louise Bryce (Dec 17, 2024 16:21 GMT)

Depository's Report to the Shareholders

Statement of the Depository's Responsibilities in Respect of the Scheme and Report of the Depository to the Shareholders of the Allianz UK & European Investment Funds ("the Company") for the Year Ended 31/08/2024.

The Depository must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depository must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors. The Depository is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depository must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM") which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depository also has a duty to take reasonable care to ensure that Company is managed in accordance with the Regulations and Scheme documents in relation to the

investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depository of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

- i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and
- ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

State Street Trustees Limited

Depository

17 December 2024

Independent auditors' report to the Shareholders of Allianz UK & European Investment Funds

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Allianz UK & European Investment Funds (the “Company”):

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 31 August 2024 and of the net revenue and the net capital gains/losses on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Allianz UK & European Investment Funds is an Open Ended Investment Company (‘OEIC’) with six sub-funds. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Final Report and Financial Statements (the “Annual Report”), which comprise: the Balance Sheets as at 31 August 2024; the Statements of Total Return, the Statements of Changes in Net Assets Attributable to Shareholders for the year then ended; the Distribution Tables; the Collective Notes to the Final Report and Financial Statements, which include a description of the significant accounting policies, and the Notes to the Final Report and Financial Statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors’ responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company’s or any sub-funds’ ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Authorised Corporate Director’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company’s or any sub-funds’ ability to continue as a going concern.

Our responsibilities and the responsibilities of the Authorised Corporate Director with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors’ report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Collective Investment Schemes sourcebook requires us also to report certain opinions as described below.

Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of the Authorised Corporate Director's Responsibilities, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Company's and each of the sub-funds ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the Company or individual sub-fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Company or the sub-funds. Audit procedures performed included:

- Discussions with the Authorised Corporate Director, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Authorised Corporate Director's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
17 December 2024

Additional Information

How will I be kept informed of my investment?

You will receive interim and annual short form reports as at 28 February and 31 August, respectively. You will also receive a full statement of your investments as at 5 April and 5 October sent to you at the end of April and end of October respectively. You can also request a valuation at any time by calling 0800 073 2001.

In addition, the share prices are published on our website at <https://uk.allianzgi.com>

Interim and audited annual long form reports as at 28 February and 31 August can be obtained from our website or by calling the number above.

Taxation

Capital gains tax

Investors are only liable to capital gains tax if their total chargeable gains (net of allowable losses) in the year exceed the annual exemption (£3,000 for 2024/2025 year, £6,000 2023/2024 year). If gains in excess of this exemption are realised the excess is taxable at the rate of UK capital gains tax applicable to the investor, being either 18% (2023/2024 18%) or (for higher & additional rate taxpayers) 24% (2023/2024 28%).

Income tax

Distributions, whether they are paid out or accumulated, are treated as income for tax purposes.

Dividend distributions (Equity Funds)

An individual Shareholder who is resident for tax purposes in the United Kingdom will receive an annual Dividend Allowance which will exempt from tax the first £500 (2023/2024 £2,000) of dividend income, including dividend distributions received or deemed to be received from a Fund. Dividend income in excess of the Dividend Allowance is taxed at 8.75%, 33.75% or 39.35%, to the extent that income falls within the basic rate income tax band, the higher rate income tax band or the additional rate income tax band, respectively. Individual Shareholders should note that dividend income forms the top slice of an individual's income and that all dividend income (including that income exempted from tax by virtue of the Dividend Allowance) is counted when determining which income tax rate band is applicable.

Interest distributions (Bond Funds)

From 6 April 2016, an interest tax-free allowance was introduced. The allowance is dependent on the Income Tax band of the investor, £1,000 (basic rate), £500 (higher rate) and £0 (additional rate).

Risk warning

Investors are reminded that the value of shares of a subfund and the income from the shares may go down as well as up and is not guaranteed. An investor may not get back the amount he/she has invested. The past is no guide to future performance. Details of the risk factors are published in the full prospectus which may be accessed at www.allianzglobalinvestors.co.uk. Alternatively, call our Investor Services team on 0800 317 573 to request a copy free of charge.

Complaints

A copy of our leaflet, "Allianz Global Investors Complaints Process", is available on request. Any eligible complainant having any complaint in respect of the Fund should inform Allianz Global Investors UK Ltd. in writing of the details of the complaint. This will then be investigated and a reply provided as soon as possible and any appropriate remedial action taken. In addition, eligible complainants will have a right of complaint directly to the Financial Ombudsman Service if he/she is not satisfied with the outcome of the investigation into the complaint. Details of the Financial Services Compensation Scheme established under the Financial Services and Market Act 2000, under which an investor may be entitled to receive compensation if the ACD is unable to meet any of its liabilities to the investor are available on written request from the ACD.

Telephones

For our mutual protection, calls are recorded and may be used for quality control and training purposes, however, Allianz Global Investors UK Ltd. reserves the right to use such recordings in the event of a dispute.

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