

Final Report & Financial Statements 30 April 2018

# Allianz International Investment Funds

# Contents

Company Information* .....	3
General Information* .....	6
Financial Risk Management .....	7
Statement of the Authorised Corporate Director's Responsibilities. ....	12
Collective Notes to the Final Report and Financial Statements .....	13
Investment Review* & Report and Financial Statements for:	
Allianz Best Styles Global AC Equity Fund .....	15
Allianz Emerging Markets Equity Fund .....	43
Allianz Global AC Equity Insights Fund .....	61
Allianz RiskMaster Conservative Multi Asset Fund .....	78
Allianz RiskMaster Growth Multi Asset Fund .....	97
Allianz RiskMaster Moderate Multi Asset Fund .....	116
Allianz Total Return Asian Equity Fund .....	135
Allianz US Equity Fund .....	153
Authorised Corporate Director's Report to the Shareholders* .....	170
Depository's Report to the Shareholders .....	171
Independent Auditors' Report to Shareholders of	
Allianz International Investment Funds .....	172
Additional Information* .....	175

\* Collectively, these comprise the ACD's Report.

# Company Information

## Status of the Allianz International Investment Funds

Allianz International 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.

The Company is an umbrella company comprising various sub-funds, each of which is operated as a distinct fund, with its own portfolio of investments. Each sub-fund 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 sub-fund represents a segregated portfolio of assets and accordingly, the assets of a sub-fund belong exclusively to that sub-fund 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 sub-funds and shall not be available for such purpose.

The sub-funds of the Allianz International Investment Funds are:

Sub-fund	Launch date
Allianz Best Styles Global AC Equity Fund	14 December 2015
Allianz Emerging Markets Equity Fund	25 March 2004
Allianz Global AC Equity Insights Fund	14 August 2017
Allianz RiskMaster Conservative Multi Asset Fund	15 May 2012
Allianz RiskMaster Growth Multi Asset Fund	15 May 2012
Allianz RiskMaster Moderate Multi Asset Fund	15 May 2012
Allianz Total Return Asian Equity Fund	20 June 2002
Allianz US Equity Fund	20 June 2002

## Remuneration Policy

In accordance with the UCITS Remuneration Code and corresponding changes to the FCA Handbook for Collective Investment Schemes (COLL), the Allianz International 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 AllianzGI GmbH 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 the Functional, Regional and Global Compensation Committees on both, aggregate and individual basis, to further ensure effective risk mitigation.

# Company Information continued

## AllianzGI GmbH, Compensation 2017 (All numbers are in EUR)

Number of employees 1,744

		thereof Risk Taker	thereof Board Member	thereof Other Risk Taker	thereof Employees with Control Function	thereof Employees with Comparable Compensation
Fixed remuneration	153,835,884	8,967,874	2,928,279	1,483,435	691,151	3,865,009
Variable remuneration	120,722,786	30,359,156	12,025,974	5,150,455	635,594	12,547,133
Total remuneration	274,558,670	39,327,030	14,954,253	6,633,890	1,326,745	16,412,142

## Classes of share within the sub-funds

Each sub-fund 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 sub-fund.

## 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 International 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.

# Company Information continued

## Authorised Corporate Director ("ACD") Allianz Global Investors GmbH, UK Branch

199 Bishopsgate  
London EC2M 3TY

Authorised by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and subject to limited regulation by the Financial Conduct Authority

A member of The Investment Association

## Independent Auditors PricewaterhouseCoopers LLP

144 Morrison St  
Edinburgh EH3 8EB

## Registrar of Shareholders DST Financial Services Europe Limited

DST 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 RiskMaster Multi Asset Funds &  
Allianz Best Styles Global AC Equity Fund  
Allianz Global Investors GmbH, UK Branch

199 Bishopsgate, London EC2M 3TY

Authorised by the BaFin and subject to limited regulation by the Financial Conduct Authority

A member of The Investment Association

## Allianz US Equity Fund & Allianz Emerging Markets Equity Fund

### Allianz Global Investors US LLC

1633 Broadway, 43rd Floor, New York, NY 10019, USA

Regulated by the Securities and Exchange Commission in the USA

## Allianz Total Return Asian Equity Fund

### Allianz Global Investors Asia Pacific Limited

27th Floor, ICBC Tower, 3 Garden Road, Central,  
Hong Kong, Republic of China

Authorised and regulated by the Hong Kong Securities and Futures Commission

# 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 sub-funds 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 sub-fund, and can fluctuate according to the movements within the portfolio of investments.

Sub-funds 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 your 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 sub-funds. The ACD will charge a dilution levy where a sub-fund 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.

# Financial Risk Management

The sub-funds 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 sub-funds 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 sub-fund.

The sub-funds 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 sub-funds 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 sub-fund's investment objective and seeks to ensure that individual stocks meet an acceptable risk reward profile.

## Liquidity risk

Liquidity risk relates to the capacity to meet liabilities.

The assets of each sub-fund 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 sub-fund'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.

## 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 sub-fund through its decision to transact with counterparties of high credit quality. The sub-fund only buys and sells investments through brokers which are approved counterparties, thus minimising the risk of default during settlement.

The Allianz RiskMaster Multi Asset Fund range invest significantly, both in fixed interest securities and in funds which hold fixed interest securities. The remaining sub-funds, which predominantly hold equities, have minimal exposure to credit risk.

## 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 RiskMaster Multi Asset Fund range invest significantly, both in fixed interest securities and in funds which hold fixed interest securities, the value of which are directly affected by changes in prevailing market interest rates. These sub-funds therefore have significant exposure to interest rate risk.

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

# Financial Risk Management continued

## Emerging market risk

Emerging markets tend to be more volatile than more established stock markets and therefore your money is at greater risk. Other risk factors such as political and economic conditions should also be considered. Restrictive dealing, custody and settlement practices may be prevalent. A counterparty may not pay or deliver on time or as expected. As a result, settlement may be delayed and the cash or securities could be disadvantaged. Securities of many companies in emerging markets are less liquid and their prices more volatile than securities of comparable companies in more sizeable markets.

The Allianz Best Styles Global AC Equity Fund, the Allianz Emerging Markets Equity Fund and the Allianz RiskMaster Multi Asset Fund range all have considerable exposure to emerging markets.

## Industry risk

If a sub-fund focuses its investments on certain industries, this reduces risk diversification. Consequently, the sub-fund is particularly dependent both on the general development and the development of corporate profits of individual industries, or industries that influence each other.

The Allianz Total Return Asian Equity Fund has significant exposure to industry risk.

## Derivative risk

As part of the investment strategy the Allianz RiskMaster Multi Asset Fund range and the Allianz Best Styles Global AC Equity Fund may utilise investment techniques involving the use of financial instruments known as derivatives which further enhances the diversification of the sub-funds. These allow an investment manager to invest artificially in financial securities, such as shares or bonds, or other investments, without owning the physical assets. The use of derivatives can involve a greater element of risk. A positive or negative movement in the value of the underlying asset can have a larger effect on the value of derivatives as these are more sensitive to changes.

If a sub-fund uses derivatives for investment purposes the level of investment can increase above the level of investment of a sub-fund that is fully invested in securities. As a result a sub-fund's risk

profile offers potentially greater market risk than that of a sub-fund with a similar profile that does not invest in derivatives. Although it is intended that the use of derivatives for investment purposes will, over the long term, reduce the risk profile of such a sub-fund, it may introduce counterparty risk that otherwise would not be present. Investment in derivatives may therefore, to some extent, alter the risk profile of such a sub-fund.

The underlying exposure to open futures contracts as at the balance sheet date is as listed below:

Sub-fund	Exposure £'000s
Allianz RiskMaster Conservative Multi Asset Fund	24,401
Allianz RiskMaster Growth Multi Asset Fund	63,096
Allianz RiskMaster Moderate Multi Asset Fund	80,024

The underlying exposure in respect to forward currency contracts is shown in the portfolio statements of the relevant sub-funds.

## Exchange traded funds ("ETFs") risk

Constant attention is given to seeking the most competitively priced solutions to gain market exposure. For this reason, the team manages its exposure to the various asset classes for instance through investment in exchange traded funds (ETFs). These are index replicating funds that reflect the performance of an asset class and have a lower fee structure than other mutual funds.

The risk and cost of investing directly in indices can be reduced by gaining indirect exposure through investing in ETFs. A sub-fund may be exposed to market fluctuations in the relevant indices (upward or downward) and counterparty risk where over the counter derivatives are utilised by the ETF.

The Allianz RiskMaster Multi Asset Fund range all have considerable exposure to ETFs.

## Counterparty risk

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



# Financial Risk Management continued

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

The sub-funds will only enter into Over-the-counter 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 sub-fund'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 sub-fund causing loss to investors.

The counterparty for the open forward exchange contracts is JP Morgan and Morgan Stanley for futures contracts.

# Financial Risk Management continued

## Risk and Reward Profile

Sub-fund	Typically lower rewards Typically lower risk					Typically higher rewards Typically higher risk	
	1	2	3	4	5	6	7
Allianz Best Styles Global AC Equity Fund					5		
Allianz Emerging Markets Equity Fund						6	
Allianz Global AC Equity Insights Fund					5		
Allianz RiskMaster Conservative Multi Asset Fund				4			
Allianz RiskMaster Growth Multi Asset Fund					5		
Allianz RiskMaster Moderate Multi Asset Fund				4			
Allianz Total Return Asian Equity Fund						6	
Allianz US Equity Fund					5		

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

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 sub-fund. The categorisation of the sub-fund is not guaranteed and may change in the future. Even the lowest category 1 does not mean a risk-free investment.

## Why is the sub-fund in this category?

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

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

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

# Financial Risk Management continued

## Value at Risk (VaR)

VaR is a measure of the potential maximum portfolio loss over a specific time horizon at a given confidence level under normal market conditions. It is a measure of market risk.

In the relative VaR approach the risk budget utilisation is defined as the VaR of the sub-fund divided by the VaR of a benchmark or a reference portfolio (i.e. a portfolio reflecting the sub-fund's investment strategy, but free of derivatives). This can be an actual benchmark portfolio (such as an index) or a fictitious benchmark portfolio. The VaR of the sub-fund should not exceed twice the VaR of a comparable benchmark portfolio. In the absolute VaR approach, the maximum VaR that a subfund can have is limited relative to its Net Asset Value.

The table below, details the VaR approach for the Allianz RiskMaster Multi Asset Fund range, the Allianz Best Styles Global AC Equity Fund and for those sub-funds utilising the relative VaR, it details 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 RiskMaster										
Conservative Multi Asset Fund	Absolute VaR	01.05.2017 - 30.04.2018	Delta Normal	99% Confidence, 10 days, 260 days	N/A	2.10	3.55	2.63	14.14	85
Allianz RiskMaster										
Moderate Multi Asset Fund	Absolute VaR	01.05.2017 - 30.04.2018	Delta Normal	99% Confidence, 10 days, 260 days	N/A	2.45	3.98	3.07	14.14	99
Allianz RiskMaster										
Growth Multi Asset Fund	Absolute VaR	01.05.2017 - 30.04.2018	Delta Normal	99% Confidence, 10 days, 260 days	N/A	3.15	5.13	3.72	14.14	111
Risk Budget Utilisation										
					MSCI All Country					
					World Index					
Global AC Equity Fund	Absolute VaR	01.05.2017 - 30.04.2018	Delta Normal	99% Confidence, 10 days, 260 days	Net Total Return GBP	99	103	100	200	1

# 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 Investment Association) "IMA SORP".

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 sub-fund:
  - 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 Depositary 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 year in question and the financial positions of the sub-funds as at the end of that year.

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

- (i) For each sub-fund:
  - 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 sub-fund are set out within the individual Financial Statements for that sub-fund.

# Collective Notes to the Final Report and Financial Statements

## 1. Accounting policies

The financial statements of the sub-funds 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 (now the Investment Association) in May 2014 ('IMA SORP').

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 and ACD fee rebates are accounted for on an accruals basis. Underwriting commission is recognised when the issue underwritten closes. 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 sub-fund.

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.

Any reported revenue from an offshore fund, in excess of any distribution received in the reporting year, is recognised as revenue no later than the date on which the reporting fund makes this information available. The equalisation element is treated as capital.

Returns from bond & equity futures 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 sub-fund have been valued as at close of business 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.

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 sub-fund 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 is charged to capital for Allianz Total Return Asian Equity Fund.

i. Allocation of revenue and expenses to multiple share classes: With the exception of the ACD's annual fee, distribution costs, FT publication fees, 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.

# Collective Notes to the Final Report and Financial Statements continued

## 2. Distribution policies

- a. For Allianz Total Return Asian Equity Fund the ACD pays an interim distribution at its discretion. For all other sub-funds, net revenue is accumulated throughout the year and distributed at the year end. Where revenue exceeds expenses for a share class, a distribution will be made. 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.
- c. The Allianz RiskMaster Multi Asset Fund range distribute revenue on debt securities on an effective yield basis.
- d. The ACD's annual fee for Allianz Total Return Asian Equity Fund is added back for the purpose of determining the amount available for distribution.

# Fund Information

## Investment Objective and Policy

The Allianz Best Styles Global AC Equity Fund aims to achieve long-term capital growth through investment in global equity markets.

The ACD will invest at least 70% of Fund's assets in equities and securities equivalent to equities (e.g. American Depositary Receipts, Global Depositary Receipts) worldwide. In addition, index certificates and other certificates on equities, adequately diversified equity baskets, participation certificates and warrants may also be acquired. Their value together with the value of the assets defined in the first sentence must be at least 85 % of Fund assets.

The ACD may also utilise deposits in the management of the portfolio. The Fund may also invest up to a maximum of 10% in collective investment schemes. Money market instruments may be acquired and their value, together with money market funds, may make up to a maximum of 15% of the Fund's assets.

Subject to any constraints imposed by the regulations of the Financial Conduct Authority, exceeding the above limits or failing to reach them is permitted as a short term measure if the overall market risk remains within the limits set out above.

The Fund may also invest in derivative instruments such as futures, options, options on swaps, swap agreements (including equity and/or index based total return swaps and interest rate swaps) and currency forward contracts. The Fund may use options in order to generate synthetic cash positions.

Derivatives may also be used for the purposes of efficient portfolio management.

## Fund Details

<b>Fund Manager</b>	Rainer Tafelmayer	
<b>Benchmark</b>	MSCI All Country World Index Net Total Return GBP	
<b>Income allocation date</b>	30 April	
<b>Income pay date</b>	30 June	
<b>Launch dates</b>	Fund	14 December 2015
	C Shares	14 December 2015
	I Shares	14 December 2015
<b>ISA status</b>	Yes	
<b>Share Classes and</b>	C (Accumulation Shares)	
<b>types of Shares</b>	I (Accumulation Shares)	
<b>Minimum investment</b>	C Shares	Lump sum £500
		Monthly saving £50
	I Shares	Lump sum £10,000,000
<b>Initial charge</b>	C Shares	Nil
	I Shares	Nil
<b>Annual ACD fee</b>	C Shares	0.37%
	I Shares	0.30%

# Comparative Tables

## For the year ended 30 April 2018

	C Shares Accumulation			I Shares Accumulation		
	2018 (p)	2017 (p)	2016 <sup>1</sup> (p)	2018 (p)	2017 (p)	2016 <sup>1</sup> (p)
Opening net asset value per share	132.02	101.79	100	132.25	101.85	100
Return before operating charges	11.14	30.87	2.08	11.16	30.91	2.06
Operating charges	(0.72)	(0.64)	(0.29)	(0.57)	(0.51)	(0.21)
Return after operating charges	10.42	30.23	1.79	10.59	30.40	1.85
Distributions	(2.55)	(2.26)	(0.65)	(2.71)	(2.41)	(0.69)
Retained distributions on accumulation shares	2.55	2.26	0.65	2.71	2.41	0.69
Closing net asset value per share	142.44	132.02	101.79	142.84	132.25	101.85
After direct transaction costs of <sup>2</sup>	(0.06)	(0.14)	(0.12)	(0.06)	(0.14)	(0.12)
<b>Performance</b>						
Return after operating charges	7.89%	29.70%	1.79%	8.01%	29.85%	1.85%
<b>Other information</b>						
Closing net asset value (£'000)	7,459	6,964	6,317	101,624	94,151	29,384
Closing number of shares	5,236,267	5,274,763	6,205,669	71,144,680	71,193,641	28,851,319
Operating charges	0.52%	0.53%	0.75%	0.41%	0.42%	0.54%
Direct transaction costs	0.04%	0.11%	0.32%	0.04%	0.11%	0.32%
<b>Prices</b>						
Highest share price	148.99	137.88	106.23	149.36	138.10	106.25
Lowest share price	131.06	99.63	92.12	131.29	99.68	92.13

<sup>1</sup> Sub-fund launched on 14 December 2015, therefore the operating charges figure was annualised for 2016.

<sup>2</sup> 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 sub-fund and share class returns before operating charges.



# Distribution Tables

## For the year ended 30 April 2018

Final Distribution in pence per share

Group 1 Shares purchased prior to 1 May 2017

Group 2 Shares purchased on or after 1 May 2017 to 30 April 2018

	Net revenue (p)	Equalisation (p)	Distribution payable 30/06/18 (p)	Distribution paid 30/06/17 (p)
<b>C Shares Accumulation</b>				
Group 1	2.5477	-	2.5477	2.2615
Group 2	1.7375	0.8102	2.5477	2.2615
<b>I Shares Accumulation</b>				
Group 1	2.7059	-	2.7059	2.4094
Group 2	1.4249	1.2810	2.7059	2.4094

Investors are reminded that distribution is not guaranteed.

# Investment Review

## Performance Summary

Over the 12-month period under review, 1 May 2017 to 30 April 2018, the Allianz Best Styles Global AC Equity Fund's I share class produced a total return of 7.72% in GBP. The fund's benchmark, the MSCI AC World Total Return (Net) Index in GBP, produced a total return of 7.23% over the period. Thus, the fund outperformed its benchmark by 49bps.

The key reason for this outperformance was the strength of four of our five key investment styles – Momentum, Earnings Revisions, Growth and Quality. Only Value was lagging behind the broad market over the period. The strong relative performance contributions of the trend-following investment styles and Quality overcompensated for this weakness.

\* 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. Returns for the Fund and the MSCI AC World Total Return (Net) Index are stated in GBP.

## Market Background

Global equities rose steadily over the period to January boosted by optimism over the health of the global economy and by expectations that tax reforms would help to lift US company profits. However, signs of rising inflationary pressures and higher bond yields led to a sharp correction in February. While stocks later recovered some of these losses, the Trump administration's decision to impose tariffs on a raft of imports led to escalating fears of a global trade war, causing stocks to retreat once more in March. US equities rallied strongly through the first months of the period under review as sentiment was buoyed by better-than-expected corporate earnings and optimism that USD 1.5 trillion of tax cuts would provide a further uplift to profits. However, rising bond yields and signs of a pick-up in wage growth led to a sharp correction in February. While stocks subsequently recovered some of these losses, escalating fears of a global trade war following the Trump administration's decision to impose tariffs on key imports caused a further sell-off in late March. Euro-zone equities lagged many other regions, ending the period with negative returns (in EUR terms) as they joined in the global equity sell-off during February and March. In general, company earnings were supportive, but the strength of the euro tempered investors' appetite. Politics also weighed on sentiment, with Catalonia voting for independence from Spain and Angela Merkel struggling to establish a coalition government in Germany. Italy's elections in March also resulted in no outright winner, with populist parties gathering the largest votes. Equity markets in the Pacific ex Japan

advanced to the end of January, boosted by growing optimism over the health of the global economy and signs of a pick up in Asian trade. Sentiment was also lifted by news of a new trade deal to replace the Trans-Pacific Partnership following President Trump's decision to withdraw the US from the previous agreement. However, stocks lost some of these gains during February and March as well. Japanese equities surged for the first months of the review period. Shares were boosted by Prime Minister Shinzo Abe's decisive victory in October's snap election in which he won over two-thirds of available seats. The victory was seen to reinforce his mandate to continue with "Abenomics". Emerging market equities rallied sharply, buoyed by optimism over the global economy and the prospects for global trade. A weak tone to the US dollar also boosted sentiment. However, emerging markets joined in the global stock market correction in February and March.

## Portfolio Review

The Best Styles strategies implement a well-diversified blend of the five long-term successful investment styles Value, Momentum, Earnings Revisions, Growth and Quality.

Thus, the relative performance of the strategy is primarily driven by the performance of these key investment styles.

Value stocks along with small caps, came under pressure due to the sluggish implementation of the Trump-agenda in 2017, e.g. regarding the tax reform, promised infrastructure expenditures or the deregulation of the Financial sector. The result was a profound weakness of Value strategies at the beginning of 2017 year, which continued until the end of the reporting period along with a weakness in other cyclical investment styles like High Risk or Small Caps. On the other hand, more risk-off, non-cyclical factor strategies outperformed.

Relative returns from our preferred investment styles Value, Price Momentum, Earnings Revisions, Quality and Growth are broadly consistent with average top-of-the-cycle readings from previous economic cycles. In such an environment, Growth, Quality and trend-following investment styles are typically doing well, while contributions from Value remained weak once PMIs saw top quintile readings.

Overall for the period from 1 May 2017 to 30 April 2018, the weakness in the more cyclical style Value was overcompensated by the strength in Momentum, Earnings Revisions, Stable Growth and

# Investment Review continued

Quality over the period leading to a positive relative performance of the fund.

## Outlook

Even though global economic data have improved slightly, the figures for key industrial regions such as the US, the euro area and Japan have recently weakened. The global economy appears to be moving towards the next stage of the current cycle. During this late-cycle reflation phase, the global economy will probably continue to grow, but the momentum is unlikely to accelerate further. US growth and inflation forecasts for 2018 have been raised again. However, with the expectations already ambitious, any future upward surprises to GDP growth have become considerably less likely. The planned tax cut might give corporate earnings a boost and push them up by a middle single-digit percentage. Wages are slowly but steadily putting pressure on margins. Low double-digit earnings growth seems achievable. The economic environment in the euro area is robust, but while growth rates are still healthy, the cycle might have passed its peak already. In China, indicators, such as money supply growth, point to a slow-down. Nevertheless, emerging markets equities should rise further as long as Chinese growth is sufficiently strong, global trade picks up, the dollar is weak and commodity prices rise. While global political risks have abated during the last few months, they have not vanished by any means.

Best Styles will continue to be overweight in stocks with attractive valuation and stocks with positive momentum and positive revisions, in line with the longer term strategic investment style mix of Best Styles Global.

The analysis of the performance of such an investment style mix showed a very stable outperformance over the last 25 years.

The outperformance proved to be largely independent from the general economic environment and market conditions.

The investment style mix has also historically done well in the macro economic environment expected going forward - recovering of leading indicators.

## Risks

- For US and global markets, potential risks are coming from the unclear path of the US economy under Trump's presidency.
- At a European level, the Brexit vote might further fuel the rise in anti-EU sentiment across the region and reignites doubts over the future of the currency union. There are political risks from elections and antiestablishment forces gaining further popularity among voters. There is uncertainty emanating from the ECB being forced to taper its sovereign bond purchases later in 2017.

## Opportunities

In our base scenario, we expect equities to grind higher on the back of an ongoing economic recovery, still accommodative monetary policy and reasonable valuations. Global equities currently trade on a trailing Price/Earnings-Ratio of 22x, slightly above the long-run median. Historically, there is little evidence that current valuation levels may hinder risky assets from appreciating any further. On the contrary, history clearly shows that as long as monetary policy is highly accommodative and rates remain below "neutral" levels, i.e. a level at which the economy is running at around trend growth, risky assets tend to do well and outperform bonds.

Best Styles will continue to be overweight in stocks with attractive valuation and stocks with positive momentum and positive revisions, in line with the longer term strategic investment style mix of Best Styles Global.

29 June 2018

The contents of this Investment Review are based on the views of the manager at the time of writing, which may be subject to change.

# Portfolio Statement

As at 30 April 2018

Holding/Nominal		Market Value £'000	% of Net Assets
<b>EQUITIES - 99.68% (2017 - 100.32%)</b>			
<b>UNITED KINGDOM - 4.52% (2017 - 4.90*)</b>			
<b>United Kingdom Equities - 4.52% (2017 - 4.90*)</b>			
12,055	3i	114	0.10
14,797	Anglo American	256	0.23
30,139	Aviva	160	0.15
2,452	Bellway	82	0.08
1,333	Berkeley	55	0.05
23,084	Biffa	48	0.04
83,306	BP	442	0.41
9,704	British American Tobacco	393	0.36
4,089	British American Tobacco ADR	165	0.15
48,775	BT	122	0.11
9,728	Central Asia Metals	28	0.03
6,370	Costain	29	0.03
3,846	easylet	62	0.06
40,466	Enterprise Inns	52	0.05
10,486	Equiniti	30	0.03
10,345	Ferrexpo	25	0.02
60,847	Firstgroup	70	0.06
31,858	HSBC	232	0.21
8,880	Jackpotjoy	73	0.07
4,249	Janus Henderson	99	0.09
12,488	John Laing	35	0.03
10,480	Keller	109	0.10
56,196	Legal & General	152	0.14
376,017	Lloyds Banking	244	0.22
4,149	Morgan Sindall	52	0.05
33,473	National Express	132	0.12
2,726	Nomad Foods	33	0.03
7,509	Rio Tinto	300	0.28
3,407	Robert Walters	25	0.02
4,431	Royal Dutch Shell 'A' Shares	112	0.10
24,730	Royal Dutch Shell 'B' Shares	639	0.59
6,217	Safestore REIT	34	0.03
34,645	Sainsbury (I)	109	0.10
1,389	Schroders	33	0.03
23,645	SIG	34	0.03
5,054	Softcat	35	0.03
11,293	Stock Spirits	29	0.03
26,460	Tate & Lyle	154	0.14
33,023	Taylor Wimpey	64	0.06
2,377	Venator Materials	32	0.03
17,459	Watkin Jones	35	0.03
		<b>4,929</b>	<b>4.52</b>
<b>EUROPE - 16.16% (2017 - 18.94*)</b>			
<b>Austria Equities - 0.60% (2017 - 0.40%)</b>			
1,589	AT&S Austria Technologie & Systemtechnik	29	0.03
7,489	Erste Group Bank	269	0.24
5,226	EVN	77	0.07
3,360	OMV	152	0.14
2,245	POLYTEC	29	0.03
2,529	Raiffeisen Bank International	63	0.06
2,322	S IMMO	34	0.03
		<b>653</b>	<b>0.60</b>
<b>Belgium Equities - 0.03% (2017 - 0.41%)</b>			
3,640	Recticel	33	0.03
		<b>33</b>	<b>0.03</b>

# Portfolio Statement continued

As at 30 April 2018

Holding/Nominal		Market Value £'000	% of Net Assets
	<b>Cyprus Equities - 0.00% (2017 - 0.13%)</b>		
		-	-
	<b>Czech Republic Equities - 0.06% (2017 - 0.05%)</b>		
120	Philip Morris	67	0.06
		67	0.06
	<b>Denmark Equities - 0.13% (2017 - 0.62%)</b>		
3,000	Orsted	146	0.13
		146	0.13
	<b>Faroe Islands Equities - 0.00% (2017 - 0.08%)</b>		
		-	-
	<b>Finland Equities - 0.37% (2017 - 0.35%)</b>		
2,507	Cramo	43	0.04
3,001	Finnair	30	0.03
11,589	Stora Enso	167	0.15
6,167	UPM-Kymmene	161	0.15
		401	0.37
	<b>France Equities - 4.18% (2017 - 4.84%)</b>		
4,757	Air France-KLM	34	0.03
1,407	Atos	139	0.13
15,335	AXA	320	0.29
1,984	Beneteau	33	0.03
6,816	Bouygues	254	0.23
1,098	Capgemini	110	0.10
2,422	Cie Generale des Etablissements Michelin	248	0.23
7,205	CNP Assurances	136	0.13
3,730	Coface	35	0.03
4,893	Derichebourg	31	0.03
3,385	Eiffage	294	0.27
20,779	Engie	265	0.24
2,489	Faurecia	150	0.14
1,011	Interparfums	34	0.03
4,289	Klepierre REIT	127	0.12
1,133	L'Oréal	198	0.18
1,137	LVMH Moët Hennessy Louis Vuitton	286	0.26
5,751	Metropole Television	103	0.09
2,087	MGI Coutier	52	0.05
21,252	Orange	282	0.26
9,325	Peugeot	168	0.15
1,559	Renault	124	0.11
5,776	Sanofi	333	0.31
9,927	TOTAL	453	0.42
4,780	Vinci	349	0.32
		4,558	4.18
	<b>Germany Equities - 1.96% (2017 - 3.58%)</b>		
3,092	Allianz	536	0.49
1,480	Bayer	128	0.12
1,701	Bayerische Motoren Werke	138	0.13
2,125	Covestro	142	0.13
8,980	Deutsche Lufthansa	192	0.18
7,365	Deutsche Post	235	0.22
1,567	Fraport Frankfurt Airport Services Worldwide	111	0.10
671	Hella	30	0.03
1,114	Henkel preference shares	104	0.09
731	Rheinmetall	70	0.06
1,498	Siemens	139	0.13
637	Stroer SE	34	0.03
3,470	Talanx	114	0.10
7,909	TUI	132	0.12
1,708	Wuestenrot & Wuernttembergische	30	0.03
		2,135	1.96

# Portfolio Statement continued

As at 30 April 2018

Holding/Nominal		Market Value £'000	% of Net Assets
	<b>Greece Equities - 0.29% (2017 - 0.24%)</b>		
6,346	FF	88	0.08
4,674	Hellenic Petroleum	34	0.03
6,600	JUMBO	88	0.08
4,295	Motor Oil Hellas Corinth Refineries	73	0.07
3,662	Mytilineos	32	0.03
		<b>315</b>	<b>0.29</b>
	<b>Guernsey Equities - 0.03% (2017 - 0.00%)</b>		
30,997	Renewables Infrastructure	33	0.03
		<b>33</b>	<b>0.03</b>
	<b>Hungary Equities - 0.22% (2017 - 0.00%)</b>		
81,014	Magyar Telekom Telecommunications	102	0.09
4,357	OTP Bank	139	0.13
		<b>241</b>	<b>0.22</b>
	<b>Ireland Equities - 0.00% (2017 - 0.70**%)</b>		
		-	-
	<b>Italy Equities - 1.21% (2017 - 1.06%)</b>		
4,746	Amplifon	65	0.06
1,712	ASTM	35	0.03
4,973	Cementir Holding	31	0.03
78,074	Enel	360	0.33
9,348	Immobiliare Grande Distribuzione SIQ REIT	65	0.06
72,535	Intesa Sanpaolo	202	0.18
26,526	Iren	59	0.05
2,727	La Doria	29	0.03
8,782	Maire Tecnimont	33	0.03
7,689	Mediobanca	68	0.06
913	Prima Industrie	33	0.03
3,968	Societa Iniziative Autostradali e Servizi	62	0.06
313,362	Telecom Italia	226	0.21
12,867	Unipol Gruppo	51	0.05
		<b>1,319</b>	<b>1.21</b>
	<b>Jersey Equities - 0.00% (2017 - 0.07%)</b>		
		-	-
	<b>Luxembourg Equities - 0.65% (2017 - 0.15%)</b>		
710	Allianz India Equity	544	0.50
6,717	ArcelorMittal	167	0.15
		<b>711</b>	<b>0.65</b>
	<b>Netherlands Equities - 1.71% (2017 - 1.84**%)</b>		
6,164	ABN AMRO	140	0.13
16,436	Aegon	88	0.08
3,386	AerCap	130	0.12
969	AMG Advanced Metallurgical Group	33	0.03
1,466	ASML	204	0.19
5,269	ASR Nederland	181	0.17
839	BE Semiconductor Industries	43	0.04
21,630	ING	265	0.24
17,233	Koninklijke Ahold Delhaize	304	0.28
1,363	Koninklijke DSM	104	0.09
3,000	Koninklijke Volkerwessels	62	0.06
5,116	NN	179	0.16
2,391	Philips Lighting	53	0.05
4,926	STMicroelectronics	78	0.07
		<b>1,864</b>	<b>1.71</b>
	<b>Norway Equities - 0.61% (2017 - 0.55%)</b>		
6,417	Austevoll Seafood	56	0.05
16,714	B2	31	0.03

# Portfolio Statement continued

As at 30 April 2018

Holding/Nominal		Market Value £'000	% of Net Assets
11,926	Evry	31	0.03
8,010	Leroy Seafood	42	0.04
21,572	Norsk Hydro	99	0.09
6,701	Norwegian Finance	60	0.05
3,460	Salmar	117	0.11
7,041	SpareBank 1	52	0.05
6,476	SpareBank 1 Nord Norge	35	0.03
8,466	Telenor	137	0.13
		<b>660</b>	<b>0.61</b>
	<b>Poland Equities - 0.05% (2017 - 0.00%)</b>		
2,949	Jastrzebska Spolka Weglowa	52	0.05
		<b>52</b>	<b>0.05</b>
	<b>Romania Equities - 0.11% (2017 - 0.00%)</b>		
7,573	BRD-Groupe Societe Generale	22	0.02
1,168,721	OMV Petrom	76	0.07
3,045	Societatea Nationala De Gaze	21	0.02
		<b>119</b>	<b>0.11</b>
	<b>Russia Equities - 0.06% (2017 - 0.15%)</b>		
9,060	Magnitogorsk Iron & Steel Works GDR	65	0.06
		<b>65</b>	<b>0.06</b>
	<b>Spain Equities - 1.34% (2017 - 1.01*)</b>		
3,945	ACS Actividades de Construcion y Servicios	121	0.11
4,432	Amadeus IT	235	0.22
66,295	Banco Santander	313	0.29
30,000	CaixaBank	107	0.1
13,090	Ercros	49	0.04
20,430	International Consolidated Airlines	130	0.12
4,352	Papeles y Cartones de Europa	60	0.05
20,191	Repsol	281	0.26
21,577	Telefonica	161	0.15
		<b>1,457</b>	<b>1.34</b>
	<b>Sweden Equities - 0.87% (2017 - 1.05%)</b>		
10,000	Ahlsell	44	0.04
10,256	Bravida Holding	54	0.05
10,940	Dios Fastigheter	51	0.04
5,889	Hemfosa Fastigheter	53	0.05
4,416	Holmen	80	0.07
56,521	Klovern	52	0.05
2,405	Pandox	30	0.03
11,510	Sandvik	144	0.13
7,465	Scandic Hotels	54	0.05
8,682	Swedbank	139	0.13
20,088	Volvo	252	0.23
		<b>953</b>	<b>0.87</b>
	<b>Switzerland Equities - 1.09% (2017 - 1.12%)</b>		
1,071	Bobst Group	84	0.08
956	Landis+Gyr	53	0.05
800	Lonza	145	0.13
9,180	Novartis	516	0.47
30	Sika	161	0.15
150	Straumann	76	0.07
601	Swiss Life	154	0.14
		<b>1,189</b>	<b>1.09</b>
	<b>Turkey Equities - 0.59% (2017 - 0.54%)</b>		
60,785	Akbank	96	0.09
124,879	Emlak Konut Gayrimenkul Yatirim Ortakligi REIT	55	0.05
43,254	Eregli Demir ve Celik	82	0.07
104,300	Soda Sanayii	96	0.09
12,043	TAV Havalimanlari	50	0.05

# Portfolio Statement continued

As at 30 April 2018

Holding/Nominal		Market Value £'000	% of Net Assets
24,336	Tekfen	70	0.06
17,939	Tofas Turk Otomobil Fabrikasi	83	0.08
34,469	Türkiye Halk Bankasi	54	0.05
37,470	Türkiye Vakıflar Bankasi	42	0.04
3,213	Yatas Yatak ve Yorgan Sanayi ve Ticaret	16	0.01
		<b>644</b>	<b>0.59</b>
<b>ASIA PACIFIC (EXCLUDING JAPAN) - 13.99% (2017 - 14.42**%)</b>			
<b>Australia Equities - 0.51% (2017 - 1.41**%)</b>			
27,745	Abacus Property REIT	56	0.05
10,351	BlueScope Steel	94	0.09
8,779	Elders	38	0.04
77,624	Metcash	153	0.14
31,825	Qantas Airways	101	0.09
2,582	Rio Tinto	113	0.10
		<b>555</b>	<b>0.51</b>
<b>China Equities - 4.34% (2017 - 3.46**%)</b>			
5,000	AAC Technologies	53	0.05
40,000	Agile	58	0.05
223,000	Agricultural Bank of China	92	0.08
4,207	Alibaba ADR	543	0.50
17,000	Anhui Conch Cement	78	0.07
661,000	Bank of China	263	0.24
115,000	Bank of Communications	69	0.06
232,000	China CITIC Bank	122	0.11
464,000	China Construction Bank	358	0.33
620,000	China Huarong Asset Management	156	0.14
236,000	China Petroleum & Chemical	168	0.16
60,000	China Southern Airlines	47	0.04
148,000	China Zhongwang	61	0.06
49,000	Country Garden	74	0.07
91,400	Daqin Railway	87	0.08
18,200	Fangda Carbon New Material	54	0.05
68,000	Guangzhou Automobile	92	0.08
447,000	Industrial and Commercial Bank of China 'H' Shares	289	0.26
54,000	Jiangsu Expressway	54	0.05
1,300	Kweichow Moutai	99	0.09
18,200	Midea	108	0.10
8,000	Minth	28	0.03
30,000	Ping An Insurance Group Company of China	216	0.20
107,600	Shanghai International Port	86	0.08
54,000	Shenzhen Expressway	40	0.04
48,500	Sichuan Languang Development	54	0.05
124,000	Sinopec Shanghai Petrochemical	60	0.06
28,400	Sinopharm	87	0.08
50,000	Sinotrans	21	0.02
21,200	Tencent	769	0.70
66,000	Tianneng Power International	70	0.06
62,900	Tongwei	85	0.08
108,000	Want Want China	70	0.06
73,000	Weichai Power	62	0.06
108,000	Yuzhou Properties	58	0.05
794	YY ADR	54	0.05
14,000	Zhejiang NHU	53	0.05
		<b>4,738</b>	<b>4.34</b>
<b>Hong Kong Equities - 1.58% (2017 - 1.03**%)</b>			
53,400	AIA	350	0.32
27,000	Beijing Enterprises	99	0.09
42,500	BYD Electronic International	48	0.04
28,500	China Mobile	199	0.18
74,000	China Water Affairs	51	0.05
70,000	CITIC	78	0.07
42,000	CSPC Pharmaceutical	79	0.07
34,500	Fosun International	54	0.05
652,000	Global Brands	24	0.02



# Portfolio Statement continued

As at 30 April 2018

Holding/Nominal		Market Value £'000	% of Net Assets
55,000	Haier Electronics	139	0.13
56,000	Hua Hong Semiconductor	93	0.09
76,000	IT	27	0.03
36,000	Johnson Electric	91	0.08
18,000	Kerry Properties	63	0.06
15,000	Kingboard Chemical	45	0.04
26,000	Lee & Man Paper Manufacturing	21	0.02
42,000	Regal Hotels International	20	0.02
46,000	Shanghai Industrial	88	0.08
50,000	Sinotruk Hong Kong	43	0.04
52,000	VSTECs	20	0.02
62,500	WH	47	0.04
46,000	Xinyi Glass	49	0.04
		<b>1,728</b>	<b>1.58</b>
	<b>India Equities - 0.00% (2017 - 0.73%)</b>		
		-	-
	<b>Indonesia Equities - 0.52% (2017 - 0.65%)</b>		
274,000	Bank Negara Indonesia	116	0.11
364,900	Bank Tabungan Negara Persero	60	0.06
15,500	Gudang Garam	56	0.05
161,300	Indika Energy	29	0.03
38,800	Indo Tambangraya Megah	48	0.04
102,700	Indofood Sukses Makmur	37	0.03
418,100	Media Nusantara Citra	28	0.02
655,600	Telekomunikasi Indonesia	131	0.12
26,100	Unilever Indonesia	63	0.06
		<b>568</b>	<b>0.52</b>
	<b>Malaysia Equities - 0.45% (2017 - 0.44%)</b>		
72,000	AirAsia	51	0.05
35,200	Ann Joo Resources	19	0.02
127,900	CIMB	171	0.16
42,000	Genting	70	0.06
73,900	Genting Malaysia	70	0.06
71,700	George Kent Malaysia	53	0.05
16,000	Hong Leong Financial	58	0.05
		<b>492</b>	<b>0.45</b>
	<b>New Zealand Equities - 0.30% (2017 - 0.27%)</b>		
88,998	Air New Zealand	149	0.14
32,868	Metlifecare	97	0.09
41,776	Oceania Healthcare	21	0.02
17,321	Summerset	61	0.05
		<b>328</b>	<b>0.3</b>
	<b>Philippines Equities - 0.28% (2017 - 0.24%)</b>		
104,900	Bloomerry Resorts	18	0.02
30,480	Cebu Air	38	0.03
473,400	DMCI	74	0.07
901,000	Filinvest Land	21	0.02
2,365	Globe Telecom	51	0.05
448,400	Metro Pacific Investments	32	0.03
11,090	San Miguel	22	0.02
548,500	Vista Land & Lifescapes	50	0.04
		<b>306</b>	<b>0.28</b>
	<b>Singapore Equities - 0.81% (2017 - 0.80%)</b>		
181,300	Asian Pay Television Trust	48	0.04
25,700	BOC Aviation	110	0.10
122,700	Burnitama Agri	48	0.05
3,206	China Yuchai International	49	0.05
13,700	DBS	232	0.21
97,300	Genting Singapore	63	0.06
18,800	Oversea-Chinese Banking	143	0.13
46,000	QAF	26	0.02
7,500	United Overseas Bank	124	0.11

# Portfolio Statement continued

As at 30 April 2018

Holding/Nominal		Market Value £'000	% of Net Assets
51,600	Yanlord Land	48	0.04
		<b>891</b>	<b>0.81</b>
	<b>South Korea Equities - 3.10% (2017 - 3.07%)</b>		
13,107	DGB Financial	107	0.10
1,369	GS	57	0.05
2,712	Hana Financial	88	0.08
5,345	Hanwha Chemical	105	0.10
887	Hyundai Department Store	62	0.06
2,039	Hyundai Development Engineering & Construction	65	0.06
2,556	Hyundai Steel	106	0.10
5,677	Industrial Bank of Korea	65	0.06
4,556	ING Life Insurance Korea	127	0.11
3,118	KB Financial	130	0.12
1,330	LG	74	0.07
2,464	LG Electronics	172	0.16
6,079	LG Uplus	51	0.04
189	Lotte Chemical	53	0.05
1,095	LS	58	0.05
594	OCI	63	0.06
1,333	POSCO	339	0.31
395	Samsung Electronics	714	0.65
282	Samsung Electronics preference shares	409	0.37
4,616	Shinhan Financial	150	0.14
960	SK Innovation	128	0.12
639	SK Telecom	99	0.09
1,178	S-Oil	88	0.08
6,874	Woori Bank	75	0.07
		<b>3,385</b>	<b>3.10</b>
	<b>Taiwan Equities - 1.48% (2017 - 1.51%)</b>		
161,000	AU Optronics	49	0.04
15,000	Chailease	40	0.04
47,000	E Ink	38	0.03
98,000	Grand Pacific Petrochemical	80	0.07
62,000	Great Wall Enterprise	59	0.05
122,000	Hon Hai Precision Industry	249	0.23
33,000	Huaku Development	56	0.05
65,000	King's Town Bank	57	0.05
31,000	LCY Chemical	34	0.03
57,000	Lien Hwa Industrial	53	0.05
52,000	Nanya Technology	119	0.11
112,000	Pou Chen	102	0.09
14,000	Powertech Technology	29	0.03
89,000	Qisda	45	0.04
19,000	Syncmold Enterprise	30	0.03
48,000	Synnex Technology International	50	0.05
43,000	Taiwan Semiconductor Manufacturing	240	0.22
23,000	Tripod Technology	51	0.05
25,000	United Integrated Services	39	0.03
115,000	Winbond Electronics	52	0.05
49,000	Wistron	29	0.03
333,000	Yuanta Financial	116	0.11
		<b>1,617</b>	<b>1.48</b>
	<b>Thailand Equities - 0.62% (2017 - 0.81%)</b>		
66,800	Bangchak	56	0.05
169,500	Banpu	76	0.07
20,400	Electricity Generating	105	0.10
72,400	Kiatnakin Bank	123	0.11
46,600	PTT Global Chemical (Alien Market)	105	0.10
10,300	Siam Cement	111	0.10
36,800	Thanachart Capital	46	0.04
29,100	Tisco Financial	59	0.05
		<b>681</b>	<b>0.62</b>
	<b>JAPAN - 7.61% (2017 - 6.08%)</b>		

# Portfolio Statement continued

As at 30 April 2018

Holding/Nominal		Market Value £'000	% of Net Assets
<b>Japan Equities - 7.61% (2017 - 6.08%)</b>			
3,400	Aisin Seiki	134	0.12
2,500	Asahi Glass	76	0.07
7,000	Brother Industries	110	0.10
11,100	Canon	281	0.26
12,900	Chubu Electric Power	147	0.13
17,400	Concordia Financial	74	0.07
3,700	Daiwa House Industry	99	0.09
2,900	Denso	111	0.10
1,600	Eizo	55	0.05
10,300	Electric Power Development	204	0.19
1,000	Exedy	25	0.02
900	FANUC	141	0.13
16,000	Fukuoka Financial	63	0.06
1,300	Furukawa Electric	47	0.04
6,400	Gecoss	47	0.04
3,500	Goldcrest	54	0.05
34,000	Hitachi	182	0.17
17,700	Honda Motor	444	0.41
12,500	Iida	178	0.16
25,000	ITOCHU	366	0.34
3,600	Japan Airlines	103	0.09
5,600	JFE	84	0.08
22,800	JXTG	109	0.10
3,200	Kamei	32	0.03
400	Keyence	179	0.16
5,500	Komatsu	138	0.13
9,900	Konica Minolta	62	0.06
2,900	Kyokuto Kaihatsu Kogyo	34	0.03
25,500	Marubeni	140	0.13
15,800	Mazda Motor	160	0.15
15,800	Mitsubishi	319	0.29
15,100	Mitsubishi Chemical	105	0.10
53,100	Mitsubishi UFJ Financial	260	0.24
22,400	Mitsui	295	0.27
3,800	Mitsui Sugar	111	0.10
1,200	Nidec	137	0.12
500	Nintendo	154	0.14
800	Nippon Road	29	0.03
10,800	Nippon Telegraph & Telephone	375	0.34
39,800	Nissan Motor	305	0.28
4,200	Nomura Real Estate	76	0.07
2,200	NS United Kaiun Kaisha	33	0.03
12,200	ORIX	156	0.14
13,000	Prima Meat Packers	58	0.05
1,700	Rohm	116	0.11
3,600	Shin-Etsu Chemical	264	0.24
5,700	SoftBank	323	0.30
20,500	Sojitz	49	0.04
6,900	Sony	248	0.23
19,600	Sumitomo Electric Industries	219	0.20
4,500	Teijin	62	0.06
11,100	Toyota Motor	531	0.49
2,800	Toyota Tsusho	73	0.07
3,700	Yamaha Motor	86	0.08
1,100	Yomiuri Land	35	0.03
		<b>8,298</b>	<b>7.61</b>
<b>NORTH AMERICA - 54.64% (2017 - 53.48**%)</b>			
<b>Bermuda Equities - 0.03% (2017 - 0.00%)</b>			
1,452	Triton International	33	0.03
		<b>33</b>	<b>0.03</b>
<b>Canada Equities - 4.25% (2017 - 4.54%)</b>			
8,780	AGF Management	35	0.03
4,113	BRP ( CA voting)	124	0.11

# Portfolio Statement continued

As at 30 April 2018

Holding/Nominal		Market Value £'000	% of Net Assets
2,791	Canadian Apartment Properties REIT	59	0.05
4,174	Canadian Imperial Bank of Commerce	265	0.24
13,124	Canadian Natural Resources	343	0.32
783	Canadian Tire	78	0.07
6,580	Chorus Aviation	30	0.03
3,166	Cogeco Communications	124	0.11
1,128	Colliers International	56	0.05
15,124	Corus Entertainment	54	0.05
8,582	Dream Global REIT	67	0.06
6,252	Dream Industrial REIT	36	0.03
4,196	Exchange Income	74	0.07
403	Fairfax Financial	164	0.15
3,875	Fortis	95	0.09
2,931	Genworth MI Canada	68	0.06
3,592	George Weston	216	0.20
6,921	Husky Energy	69	0.06
3,406	Industrial Alliance Insurance & Financial Services	106	0.10
7,110	Killam Apartment REIT	57	0.05
3,053	Laurentian Bank of Canada	86	0.08
2,488	Linamar	102	0.09
5,459	Loblaw	204	0.19
2,577	Magna International	112	0.10
14,028	Manulife Financial	194	0.18
3,751	Martinrea International	33	0.03
1,618	Methanex	72	0.07
4,192	National Bank of Canada	146	0.13
3,771	Northview Apartment REIT	54	0.05
8,723	NorthWest Healthcare Properties REIT	55	0.05
4,454	Power Corp of Canada	77	0.07
13,118	Pure Industrial REIT	60	0.06
5,816	Royal Bank of Canada	323	0.30
4,746	Teck Resources	86	0.08
4,923	TMX	221	0.20
7,163	Toronto-Dominion Bank	293	0.27
4,198	TransCanada	130	0.12
13,381	Transcontinental	206	0.19
1,334	West Fraser Timber	66	0.06
		<b>4,640</b>	<b>4.25</b>
<b>United States of America Equities - 50.36% (2017 - 48.94*)</b>			
1,567	Aaron's	48	0.04
10,140	Abbott Laboratories	440	0.40
8,178	AbbVie	588	0.54
6,240	ACCO Brands	56	0.05
1,802	Adobe Systems	291	0.27
1,498	Advanced Energy Industries	67	0.06
7,955	Aflac	266	0.24
7,202	AG Mortgage REIT	93	0.09
5,790	Agilent Technologies	280	0.26
5,507	AGNC Investment REIT	76	0.07
2,920	Air Lease	90	0.08
4,023	Alcoa	151	0.14
1,808	Align Technology	340	0.31
6,508	Allison Transmission	186	0.17
4,231	Allstate	303	0.28
3,496	Ally Financial	68	0.06
492	Alphabet 'A' Shares	370	0.34
531	Alphabet 'C' Shares	399	0.37
8,677	Altria	355	0.33
932	Amazon.com	1,067	0.98
2,210	Amdocs	108	0.10
4,637	American Equity Investment Life Holding	104	0.10
1,458	Ameriprise Financial	151	0.14
3,363	AmerisourceBergen	228	0.21
2,086	Andeavor	186	0.17
29,240	Annaly Capital Management REIT	222	0.20
1,821	Anthem	317	0.29
11,817	Apple	1,398	1.28
5,757	Applied Materials	207	0.19

# Portfolio Statement continued

As at 30 April 2018

Holding/Nominal		Market Value £'000	% of Net Assets
1,723	Arrow Electronics	94	0.09
38,030	AT&T	916	0.84
5,619	Athene Holding	203	0.19
4,006	Automatic Data Processing	350	0.32
40,214	Bank of America	883	0.81
6,128	Bank of New York Mellon	247	0.23
5,090	Baxter International	260	0.24
1,563	Becton Dickinson	267	0.24
1,340	Berry Global	55	0.05
3,392	Best Buy	190	0.17
11,474	BGC Partners	113	0.10
1,023	Bio-Techne	113	0.10
510	BlackRock	195	0.18
6,582	Blucora	124	0.11
2,378	Boeing	591	0.54
2,190	BorgWarner	79	0.07
1,497	Broadcom	254	0.23
3,151	Broadridge Financial Solutions	246	0.23
5,213	CA	132	0.12
2,070	Camping World	42	0.04
2,407	Caterpillar	254	0.23
1,135	Celanese	90	0.08
823	Centene	66	0.06
12,485	CenterPoint Energy	232	0.21
2,331	Central Garden & Pet	61	0.06
1,171	Charles River Laboratories International	90	0.08
3,539	Chatham Lodging REIT	49	0.04
7,842	Chevron	723	0.66
1,311	Children's Place	123	0.11
3,411	Chimera REIT	44	0.04
1,139	Cigna	144	0.13
20,125	Cisco Systems	656	0.60
10,904	Citigroup	548	0.50
5,352	Citizens Financial	166	0.15
862	CNA Financial	31	0.03
16,835	Coca-Cola	531	0.49
7,617	Cognizant Technology Solutions	453	0.42
20,795	Comcast	482	0.44
1,508	Consol Energy	34	0.03
490	Cooper	82	0.08
667	Cooper Standard	62	0.06
4,000	Crawford & Co	22	0.02
1,461	Cummins	171	0.16
14,143	CVS Health	721	0.66
4,153	Danaher	308	0.28
1,636	Darden Restaurants	113	0.10
1,934	Deere	194	0.18
2,252	Delta Air Lines	88	0.08
1,673	Dollar Tree	119	0.11
2,014	Donegal	20	0.02
20,249	Dynex Capital REIT	97	0.09
2,482	E*TRADE Financial	111	0.10
3,549	Eastman Chemical	270	0.25
6,686	eBay	186	0.17
2,824	Edison International	135	0.12
4,431	Entergy	265	0.24
3,512	Essent	87	0.08
1,749	Estee Lauder	190	0.17
9,916	Exelon	288	0.26
11,829	Exxon Mobil	670	0.61
8,119	Facebook	1,027	0.94
2,105	FedEx	384	0.35
2,609	Fidelity National Information Services	180	0.17
1,280	First American Financial	48	0.04
33,922	Ford Motor	284	0.26
3,158	Gap	70	0.06
16,160	General Motors	443	0.41
1,741	Global Brass & Copper	39	0.04
1,469	Goldman Sachs	257	0.24
3,212	Hamilton Beach Brand A	50	0.05

# Portfolio Statement continued

As at 30 April 2018

Holding/Nominal		Market Value £'000	% of Net Assets
2,735	Hawkins	66	0.06
13,441	Hewlett Packard Enterprise	170	0.16
869	Hill-Rom	55	0.05
7,644	Home Depot	1,038	0.95
1,166	Hooker Furniture	32	0.03
26,719	HP	421	0.39
1,013	Humana	219	0.20
1,025	Illumina	183	0.17
3,580	Ingredion	325	0.30
25,277	Intel	971	0.89
1,044	Intuitive Surgical	340	0.31
4,249	Invesco Mortgage Capital REIT	50	0.05
1,468	IQVIA	103	0.09
1,652	Jacobs Engineering	71	0.07
3,286	JetBlue Airways	46	0.04
10,612	Johnson & Johnson	992	0.91
999	Jones Lang LaSalle	123	0.11
13,906	JPMorgan Chase	1,108	1.02
1,765	Kansas City Southern	140	0.13
1,805	Kohl's	82	0.08
899	Korn-Ferry International	35	0.03
2,098	Laboratory Corporation of America	267	0.24
2,718	Lam Research	371	0.34
2,697	Lamb Weston	131	0.12
3,291	Las Vegas Sands	173	0.16
1,036	Lear	142	0.13
3,674	Legg Mason	106	0.10
2,648	Leidos	127	0.12
2,216	Lennar	89	0.08
4,118	Leucadia National	72	0.07
1,184	LHC	64	0.06
2,743	Lincoln National	143	0.13
7,367	Macy's	173	0.16
1,341	ManpowerGroup	95	0.09
4,358	Marathon Petroleum	259	0.24
1,412	Masimo	94	0.09
3,772	MasterCard	483	0.44
2,092	Maxim Integrated Products	83	0.08
2,928	MCBC	51	0.05
4,425	McDonald's	510	0.47
2,611	McKesson	301	0.28
2,647	MDC	57	0.05
7,292	Mercer International	71	0.07
13,059	Merck	566	0.52
1,615	Merit Medical Systems	56	0.05
592	Mettler-Toledo International	243	0.22
9,659	Micron Technology	334	0.31
26,159	Microsoft	1,826	1.67
767	MKS Instruments	58	0.05
401	Mohawk Industries	64	0.06
3,235	Molson Coors Brewing	170	0.16
8,465	Mondelez International	246	0.23
7,443	Morgan Stanley	281	0.26
1,199	Motorola Solutions	96	0.09
3,972	New Residential REIT	50	0.05
18,970	Nexeo Solutions	144	0.13
50,000	Nexter Automotive	57	0.05
2,416	NVIDIA	398	0.36
7,812	ON Semiconductor	131	0.12
23,994	Oracle	796	0.73
1,500	Orthofix International	67	0.06
576	Oshkosh	30	0.03
2,418	Owens Corning	116	0.11
3,413	PACCAR	160	0.15
2,429	Park Hotels + Resorts REIT	51	0.05
849	Parker-Hannifin	102	0.09
1,439	PBF Energy	39	0.04
3,616	Penn Virginia	121	0.11
9,788	PepsiCo	725	0.66
599	PerkinElmer	32	0.03

# Portfolio Statement continued

As at 30 April 2018

Holding/Nominal		Market Value £'000	% of Net Assets
24,702	Pfizer	666	0.61
3,438	PG&E	117	0.11
1,126	Phibro Animal Health	35	0.03
2,160	Phillips 66	175	0.16
4,280	PNC Financial Services	460	0.42
2,976	Principal Financial	131	0.12
10,509	Procter & Gamble	557	0.51
4,166	Progressive	185	0.17
2,635	Prudential Financial	207	0.19
1,318	PVH	154	0.14
1,913	Quest Diagnostics	143	0.13
1,981	Raymond James Financial	132	0.12
636	Regeneron Pharmaceuticals	145	0.13
2,211	Reinsurance Group of America	251	0.23
677	Reliance Steel & Aluminum	44	0.04
2,620	Rudolph Technologies	49	0.04
1,108	Sanderson Farms	93	0.09
1,754	Schweitzer-Mauduit International	50	0.05
16	Seaboard	46	0.04
1,211	SMART Global	34	0.03
1,417	Southwest Airlines	55	0.05
3,786	Speedway Motorsports	49	0.04
2,137	Spirit AeroSystems	125	0.11
3,102	Stanley Black & Decker	327	0.30
2,607	State Street	190	0.17
4,156	Stoneridge	80	0.07
6,981	Superior Industries International	67	0.06
2,981	Sutherland Asset Management REIT	31	0.03
1,977	Sykes Enterprises	42	0.04
364	SYNNEX	26	0.02
4,144	Sysco	191	0.18
8,884	Target	472	0.43
825	Teleflex	163	0.15
1,116	Tenneco	37	0.03
916	Teradyne	22	0.02
10,242	Texas Instruments	765	0.70
2,463	Thermo Fisher Scientific	382	0.35
898	Thor Industries	70	0.06
4,754	Time Warner	328	0.30
2,258	Toll Brothers	72	0.07
2,189	Total System Services	133	0.12
1,639	Tower International	35	0.03
3,044	TransUnion	144	0.13
5,881	Tyson Foods	306	0.28
2,830	United Parcel Service	235	0.22
4,271	UnitedHealth	747	0.68
6,747	Unum	240	0.22
3,532	Valero Energy	283	0.26
19,823	Verizon Communications	745	0.68
1,147	Versum Materials	30	0.03
4,670	Vishay Intertechnology	60	0.06
6,666	Walmart	424	0.39
4,870	Waste Management	292	0.27
1,158	Weight Watchers International	59	0.05
1,031	Weis Markets	35	0.03
434	WellCare Health Plans	66	0.06
8,257	Wells Fargo	315	0.29
1,946	Werner Enterprises	50	0.05
4,630	Western Asset Mortgage Capital REIT	34	0.03
1,277	Western Digital	75	0.07
636	Wynn Resorts	86	0.08
6,604	Xcerra	59	0.05
2,242	Xenia Hotels + Resorts REIT	34	0.03
3,092	Xerox	70	0.06
519	Zebra Technologies	51	0.05
3,242	Zoetis	200	0.18
		<b>54,934</b>	<b>50.36</b>

# Portfolio Statement continued

As at 30 April 2018

Holding/Nominal		Market Value £'000	% of Net Assets
	<b>SOUTH AMERICA - 1.71% (2017 - 1.58%)</b>		
	<b>Argentina Equities - 0.00% (2017 - 0.11%)</b>		
		-	-
	<b>Brazil Equities - 0.64% (2017 - 0.69%)</b>		
7,600	Cia de Saneamento Basico do Estado de Sao Paulo	57	0.05
5,900	Cia Paranaense de Energia preference shares	34	0.03
7,600	Fibria Celulose	109	0.10
16,800	MRV Engenharia e Participacoes	53	0.05
11,800	Qualicorp	60	0.05
1,300	Smiles Fidelidade	19	0.02
15,900	Suzano Papel e Celulose	134	0.12
23,060	Vale	235	0.22
		<b>701</b>	<b>0.64</b>
	<b>Chile Equities - 0.24% (2017 - 0.29%)</b>		
2,424	CAP	21	0.02
338,416	Colbun	62	0.06
16,382	Embotelladora Andina preference shares	60	0.06
1,245,296	Enel Chile	114	0.10
		<b>257</b>	<b>0.24</b>
	<b>Colombia Equities - 0.24% (2017 - 0.15%)</b>		
7,064	Banco Davivienda preference shares	61	0.06
14,168	Bancolombia	125	0.11
20,032	Interconexion Electrica	75	0.07
		<b>261</b>	<b>0.24</b>
	<b>Mexico Equities - 0.49% (2017 - 0.08%)</b>		
72,100	Alfa	67	0.06
13,900	Banco del Bajio	22	0.02
11,200	El Puerto de Liverpool	55	0.05
20,600	Financiero Banorte	94	0.09
2,074	Industrias Bachoco ADR	93	0.08
69,200	Macquarie Mexico Real Estate Management REIT	54	0.05
76,000	Wal-Mart de Mexico	154	0.14
		<b>539</b>	<b>0.49</b>
	<b>Panama Equities - 0.06% (2017 - 0.03%)</b>		
39,798	Avianca preference shares	30	0.03
379	Copa class 'A' Shares	32	0.03
		<b>62</b>	<b>0.06</b>
	<b>Peru Equities - 0.04% (2017 - 0.23%)</b>		
38,390	Ferreycorp	23	0.02
83,670	Volcan Cia Minera	21	0.02
		<b>44</b>	<b>0.04</b>
	<b>AFRICA - 0.50% (2017 - 0.39*)</b>		
	<b>Liberia Equities - 0.07% (2017 - 0.08**)</b>		
928	Royal Caribbean Cruises	76	0.07
		<b>76</b>	<b>0.07</b>
	<b>Morocco Equities - 0.00% (2017 - 0.05%)</b>		
		-	-
	<b>South Africa Equities - 0.43% (2017 - 0.26%)</b>		
3,315	African Rainbow Minerals	19	0.02
55,787	Fortress REIT 'A' Shares	56	0.05
1,637	Naspers	291	0.27
28,722	Telkom	96	0.09
		<b>462</b>	<b>0.43</b>



# Portfolio Statement continued

As at 30 April 2018

Holding/Nominal		Market Value £'000	% of Net Assets
	<b>MIDDLE EAST - 0.55% (2017 - 0.53%)</b>		
	<b>Israel Equities - 0.39% (2017 - 0.53%)</b>		
1,850	B Communications	17	0.02
17,500	Bank Leumi Le-Israel	77	0.07
3,651	First International Bank Of Israel	56	0.05
5,678	Harel Insurance Investments & Financial Services	30	0.03
3,339	Hilan	54	0.05
2,123	Ituran Location and Control	49	0.04
981	Jerusalem Oil Exploration	40	0.04
2,723	Nova Measuring Instruments	53	0.05
3,105	Plus500	44	0.04
		<b>420</b>	<b>0.39</b>
	<b>Qatar Equities - 0.10% (2017 - 0.00%)</b>		
10,209	Doha Bank	55	0.05
3,333	Ooredoo Telecom	53	0.05
		<b>108</b>	<b>0.10</b>
	<b>United Arab Emirates Equities - 0.06% (2017 - 0.00%)</b>		
3,879	DP World	63	0.06
		<b>63</b>	<b>0.06</b>
	Investment assets	108,731	99.68
	Net other assets	352	0.32
	<b>Net assets</b>	<b>109,083</b>	<b>100.00</b>

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.

# Statement of Total Return

For the year ended 30 April 2018

	Notes	2018 £000s	2018 £000s	2017 £000s	2017 £000s
Income:					
Net capital gains	2		6,048		18,580
Revenue	3	2,633		2,122	
Expenses	4	(400)		(311)	
Interest payable and similar charges	6	(1)		(6)	
Net revenue before taxation		2,232		1,805	
Taxation	5	(172)		(285)	
Net revenue after taxation			2,060		1,520
<b>Total return before distributions</b>			<b>8,108</b>		<b>20,100</b>
Distributions	7		(2,060)		(1,520)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>6,048</b>		<b>18,580</b>

# Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 April 2018

	2018 £000s	2018 £000s	2017 £000s	2017 £000s
Opening net assets attributable to shareholders		101,115		35,701
Amounts receivable on issue of shares	611		46,485	
Amounts payable on cancellation of shares	(750)		(1,486)	
		(139)		44,999
Change in net assets attributable to shareholders from investment activities (see above)		6,048		18,580
Retained distributions on accumulation shares		2,059		1,835
<b>Closing net assets attributable to shareholders</b>		<b>109,083</b>		<b>101,115</b>

Notes to the final report and financial statements are from page 36 to 42.

# Balance Sheet

## As at 30 April 2018

	Notes	2018 £000s	2018 £000s	2017 £000s	2017 £000s
<b>Assets:</b>					
Fixed assets:					
Investments			108,731		101,442
Current assets:					
Debtors	8	663		415	
Cash and bank balances	9	455		1,642	
<b>Total assets</b>			<b>109,849</b>		<b>103,499</b>
<b>Liabilities:</b>					
Creditors:					
Bank overdrafts		(11)		(1,383)	
Other creditors	10	(755)		(1,001)	
<b>Total liabilities</b>			<b>(766)</b>		<b>(2,384)</b>
<b>Net assets attributable to shareholders</b>			<b>109,083</b>		<b>101,115</b>

Notes to the final report and financial statements are from page 36 to 42.

# Notes to the Final Report and Financial Statements

## 1. Accounting Basis and Policies

The applicable accounting policies adopted by the Allianz Best Styles Global AC Equity Fund are included on pages 13 and 14 of the Collective Notes to the Final Report and Financial Statements.

## 2. Net capital gains

	2018 £000s	2017 £000s
Gains on non-derivative securities	6,074	19,027
Gains/(losses) on derivative securities	39	(331)
Losses on currency	(16)	(77)
(Losses)/gains on forward currency contracts	(1)	1
Handling charges	(48)	(40)
<b>Net capital gains</b>	<b>6,048</b>	<b>18,580</b>

## 3. Revenue

	2018 £000s	2017 £000s
ACD's fee rebates from underlying investments	4	-
Franked UK dividends	246	163
Overseas dividends - non-taxable	2,297	1,879
Overseas dividends - taxable	74	79
Bank interest	-	1
Interest on capital	11	-
Futures margin interest	1	-
<b>Total revenue</b>	<b>2,633</b>	<b>2,122</b>

## 4. Expenses

	2018 £000s	2017 £000s
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:</b>		
ACD's annual fee	321	250
Company secretarial costs	1	-
	<b>322</b>	<b>250</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	24	24
Safe custody fees	27	18
	<b>51</b>	<b>42</b>

# Notes to the Final Report and Financial Statements

## continued

### Other expenses:

Audit fees	13	15
Distribution costs	3	4
Printing costs	2	2
Professional fees	-	1
Taxation advice	1	3
VAT recovered	(3)	(6)
Other expenses	11	-
	27	19
<b>Total expenses</b>	<b>400</b>	<b>311</b>

All expenditure stated above is inclusive of VAT where applicable.

The Audit fee for the year, excluding VAT, was £9,540 (2017 - £10,600).

## 5. Taxation

	2018	2017
	£000s	£000s
<b>a. Analysis of the taxation charge for the year:</b>		
Overseas tax suffered	172	285
<b>Total taxation for the year (see Note 5(b))</b>	<b>172</b>	<b>285</b>
<b>b. Factors affecting taxation charge for the year:</b>		
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for a sub-fund of an Open-Ended Investment Company (20%) (2017 - 20%).		
The differences are explained below:		
Net revenue before taxation	2,232	1,805
Corporation tax at 20%	446	361
<b>Effects of:</b>		
Overseas dividends - non-taxable	(459)	(376)
Overseas tax suffered	172	285
Relief for overseas tax treated as an expense	(2)	(3)
Surplus allowable expenses arising in the year	64	51
UK dividends not subject to corporation tax	(49)	(33)
<b>Total taxation charge for the year (see Note 5(a))</b>	<b>172</b>	<b>285</b>

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 £124,000 (2017 : £60,000) 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. Interest payable and similar charges

	2018	2017
	£000s	£000s
<b>Interest</b>	<b>1</b>	<b>6</b>

# Notes to the Final Report and Financial Statements

## continued

### 7. Distributions

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

	2018	2017
	£000s	£000s
Final	2,059	1,835
Add: Revenue deducted on cancellation of shares	6	10
Deduct: Revenue received on creation of shares	(5)	(325)
<b>Net distributions for the year</b>	<b>2,060</b>	<b>1,520</b>
<b>Reconciliation of net revenue after taxation to net distributions for the year</b>		
Net revenue after taxation	2,060	1,520
<b>Net distributions for the year</b>	<b>2,060</b>	<b>1,520</b>

### 8. Debtors

	2018	2017
	£000s	£000s
Accrued revenue	248	232
Amounts receivable on creation of shares	-	63
Overseas tax recoverable	71	26
Sales awaiting settlement	344	93
VAT recoverable	-	1
	<b>663</b>	<b>415</b>

Spot FX's have been reclassified to be shown within cash.

### 9. Cash and bank balances

	2018	2017
	£000s	£000s
Cash and bank balances	393	1,634
Amount held at futures clearing houses and brokers	62	8
	<b>455</b>	<b>1,642</b>

### 10. Other creditors

	2018	2017
	£000s	£000s
Accrued ACD's annual fee	21	26
Other accrued expenses	67	41
Purchases awaiting settlement	667	934
	<b>755</b>	<b>1,001</b>

Spot FX's have been reclassified to be shown within cash.

# Notes to the Final Report and Financial Statements

## continued

### 11. Related party transactions

Management fees paid to the ACD are disclosed in note 4 and amounts due at the period end are disclosed in note 10.

Monies received and paid by the ACD through the creation and cancellation of Shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the period end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no Shareholdings in the Company at the period end.

#### Significant Shareholdings

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 sub-fund 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, 8 and 10 to the financial statements. All creations and cancellations were transacted with the ACD.

In addition, assets managed by related parties of the ACD and held by the sub-fund as at the Balance Sheet date are detailed below:

	2018	2017
	£000s	£000s
Allianz India Equity Fund	544	591
<b>The value of purchases during the year were:</b>		
Allianz India Equity Fund	553	593
<b>The value of sales during the year were:</b>		
Allianz India Equity Fund	615	-

### 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 sub-fund 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.

# Notes to the Final Report and Financial Statements

## continued

### 13. Shareholders' funds

The sub-fund currently has two share classes: C and I. The ACD's annual fee on the share classes are as follows:

Class C:	0.37%
Class I:	0.30%

The net asset value per share and the number of shares in issue are given in the Comparative Tables on page 16.

The distribution per share is given in the Distribution Table on page 17.

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.

### 14. Contingent liabilities and commitments

As at 30 April 2018 there were no contingent liabilities (2017: £Nil).

### 15. Derivatives and other financial instruments

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

#### a. Fair value hierarchy

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

	Assets	Liabilities	Assets	Liabilities
	30 April 2018	30 April 2018	30 April 2017	30 April 2017
	£000s	£000s	£000s	£000s
Level 1: Quoted	108,187	-	100,851	-
Level 2: Observable	544	-	591	-
Level 3: Unobservable	-	-	-	-
	108,731	-	101,442	-

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.

#### b. Maturity of financial liabilities

All liabilities are due in one year or less or on demand (2017 - same).

#### c. 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

### 16. Share movement

For the year ended 30 April 2018:

	Class C Shares	Class I Shares
Opening shares	5,274,763	71,193,641
Shares created	242,063	201,993
Shares cancelled	(280,559)	(250,954)
Shares converted	-	-
Closing shares	5,236,267	71,144,680

### 17. Portfolio transaction costs

For the year ended 30 April 2018:

	Transaction Value 2018 £000s	Commissions 2018 £000s	2018 %	Taxes 2018 £000s	Taxes 2018 %
<b>Purchases</b>					
Equity instruments (direct)	57,926	15	0.03	18	0.03
Collective investment schemes	553		0.00		0.00
Total purchases	58,479	15		18	
Total purchases including transaction costs	58,512				
	Transaction Value 2018 £000s	Commissions 2018 £000s	2018 %	Taxes 2018 £000s	Taxes 2018 %
<b>Sales</b>					
Equity instruments (direct)	56,610	10	0.02	12	0.02
Collective investment schemes	614		0.00		0.00
Total sales	57,224	10		12	
Total sales including transaction costs	57,202				
<b>Total transaction costs as a % of average net assets</b>		0.02%		0.02%	
	Transaction Value 2017 £000s	Commissions 2017 £000s	2017 %	Taxes 2017 £000s	Taxes 2017 %
<b>Purchases</b>					
Equity instruments (direct)	113,327	25	0.02	53	0.05
Collective investment schemes	1,062		0.00		0.00
Total purchases	114,389	25		53	
Total purchases including transaction costs	114,467				

# Notes to the Final Report and Financial Statements

## continued

	Transaction Value	Commissions		Taxes	Taxes
	2017	2017	2017	2017	2017
	£000s	£000s	%	£000s	%
<b>Sales</b>					
Equity instruments (direct)	66,529	9	0.01	5	0.01
Collective investment schemes	483		0.00		0.00
Total sales	67,012	9		5	
Total sales including transaction costs	66,998				
<b>Total transaction costs as a % of average net assets</b>		<b>0.04%</b>		<b>0.07%</b>	

The above analysis covers any direct transaction costs suffered by the sub-fund 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 sub-fund'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.

For the fund'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 fund's daily liquidity position are excluded from the analysis.

For the fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

During the year the sub-fund 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.

Dealing spread costs suffered by the sub-fund 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 0.08% (2017 : 0.11%).

# Fund Information

## Investment Objective and Policy

The Fund aims to achieve capital growth in the long term by investing mainly in the equity markets of countries which are represented in the MSCI Emerging Markets Index (each an “Emerging Market Country” and together “Emerging Market Countries”).

The ACD will invest at least 80% of the Fund’s assets in equities and securities equivalent to equities (e.g. American Depositary Receipts, Global Depositary Receipts, equity linked notes etc.) in the equity markets of Emerging Market Countries. The following may also be acquired and counted towards the 80% limit; warrants, index certificates, certificates on adequately diversified equity baskets that apply to at least 10 equities and other transferable securities.

Up to 20% of the Fund’s assets may be invested outside Emerging Market Countries (as defined above) including developed economies and / or other emerging markets.

The ACD may also utilise deposits in the management of the portfolio. The Fund may also invest in collective investment schemes. Money market instruments may be acquired and their value, together with money market funds, may make up to a maximum of 20% of the Fund’s assets.

<sup>1</sup> With effect from 26 May 2016, the Allianz BRIC Stars Fund changed its name to the Allianz Emerging Markets Equity Fund. In addition to this the Fund’s Objective and Policy changed and the Fund’s benchmark changed to the MSCI Emerging Markets Index.

## Fund Details

<b>Fund Manager</b>	Kunal Ghosh	
<b>Benchmark</b>	MSCI Emerging Markets Index	
<b>Income allocation date</b>	30 April	
<b>Income pay date</b>	30 June	
<b>Launch dates</b>	A Shares	22 February 2006
	C Shares	22 February 2006
	SP Shares	13 February 2017
<b>ISA status</b>	Yes	
<b>Share Classes and types of Shares</b>	A (Accumulation Shares) C (Accumulation Shares) I (Accumulation Shares) SP (Accumulation Shares)	
<b>Minimum investment</b>	A Shares	Lump sum £500 Monthly saving £50
	C Shares	Lump sum £500 Monthly saving £50
	I Shares	Lump sum £50,000,000 Available only at the discretion of the ACD
	SP Shares	Lump sum £10,000,000
<b>Initial charge</b>	A Shares	4.00%
	C Shares	Nil
	I Shares	Nil
	SP Shares	Nil
<b>Annual ACD fee</b>	A Shares	1.75%
	C Shares	0.88%
	I Shares	0.80%
	SP Shares	0.73%*

I Shares are available but are not currently in issue.

\*This may decrease at the discretion of the ACD.

# Comparative Tables

For the year ended 30 April 2018

	A Shares Accumulation			C Shares Accumulation		
	2018 (p)	2017 (p)	2016 (p)	2018 (p)	2017 (p)	2016 (p)
Opening net asset value per share	193.18	149	166.05	210.02	160.57	177.37
Return before operating charges	36.85	47.65	(14.24)	40.18	51.51	(15.12)
Operating charges	(4.20)	(3.47)	(2.81)	(2.51)	(2.06)	(1.680)
Return after operating charges	32.65	44.18	(17.05)	37.67	49.45	(16.80)
Distributions	(1.33)	(2.16)	(1.83)	(3.53)	(4.02)	(3.30)
Retained distributions on accumulation shares	1.33	2.16	1.83	3.53	4.02	3.30
Closing net asset value per share	225.83	193.18	149	247.69	210.02	160.57
After direct transaction costs of <sup>1</sup>	(0.30)	(0.66)	(0.39)	(0.33)	(0.71)	(0.42)
<b>Performance</b>						
Return after operating charges	16.90%	29.65%	(10.27)%	17.4%	30.80%	(9.47)%
<b>Other information</b>						
Closing net asset value (£'000)	83,873	88,231	88,314	122,256	108,297	97,569
Closing number of shares	37,139,422	45,673,728	59,272,470	49,357,691	51,565,559	60,764,286
Operating charges	1.93%	1.95%	2.00%	1.06%	1.07%	1.11%
Direct transaction costs	0.14%	0.37%	0.28%	0.14%	0.37%	0.28%
<b>Prices</b>						
Highest share price	237.56	201.65	168.17	259.94	219	179.65
Lowest share price	192.67	141.57	120.11	209.49	152.66	129.20

<sup>1</sup> 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 sub-fund and share class returns before operating charges.

# Comparative Tables continued

For the year ended 30 April 2018

	SP Shares Accumulation	
	2018 (p)	2017 (p)
Opening net asset value per share	101.32	100.00
Return before operating charges	5.79	1.52
Operating charges	-	(0.20)
Return after operating charges	5.79	1.32
Distributions	-	-
Retained distributions on accumulation shares	-	-
Return to shareholder as a result of class closure	107.11	
Closing net asset value per share	-	101.32
After direct transaction costs of <sup>1</sup>	(0.15)	(0.08)
<b>Performance</b>		
Return after operating charges	5.71%	1.32%
<b>Other information</b>		
Closing net asset value (£'000)	-	5
Closing number of shares	-	4,933
Operating charges	-	0.01
Direct transaction costs	0.14%	0.37%
<b>Prices</b>		
Highest share price	119.58	105.66
Lowest share price	101.07	99.89

<sup>1</sup> 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 sub-fund and share class returns before operating charges. Class 'SP' accumulation shares were launched on 13 February 2017 and closed effective 7 November 2017.

# Distribution Tables

## For the year ended 30 April 2018

Final Distribution in pence per share

Group 1 Shares purchased prior to 1 May 2017

Group 2 Shares purchased on or after 1 May 2017 to 30 April 2018

	Net revenue (p)	Equalisation (p)	Distribution payable 30/06/18 (p)	Distribution paid 30/06/17 (p)
<b>A Shares Accumulation</b>				
Group 1	1.3322	-	1.3322	2.1619
Group 2	-	1.3322	1.3322	2.1619
<b>C Shares Accumulation</b>				
Group 1	3.5349	-	3.5349	4.0243
Group 2	0.5278	3.0071	3.5349	4.0243
<b>SP Shares Accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-

Class SP Accumulation shares closed effective 7 November 2017.

Investors are reminded that distribution is not guaranteed.

# Investment Review

## Performance Summary

Over the 12 months under review, 1 May 2017 to 30 April 2018, the Fund's 'C' class produced a total return of 18.02%. The Fund's benchmark, the MSCI Emerging Markets Index, produced a total return of 14.32% over the period. The Fund outperformed the benchmark due to positive bottom-up stock selection alongside a modest reduction in risk which helped protect capital during periods of market volatility.

## Market Background

Emerging market equities broadly advanced thanks to positive sentiment and a more favorable growth and valuation mix relative to developed market equities. The benchmark rose in three of the four initial months during the reporting period, buoyed by a double-digit earnings growth. In particular, real estate and technology names in Asia were among the top performers. Results moderated in September as modestly positive local market returns were negatively impacted by the strong rally in the pound. Three of the next four months saw currency-adjusted advances amid optimism over the health of the economy and higher global demand expectations, with pro-cyclical segments of the market outperforming their consumer-related peers. Performance moderated in February and March, as volatility spiked amid apprehension over a global trade war as well as concerns that rising inflation expectations could lead the US Fed to accelerate rate hikes. Positive results were back on track in April thanks to earnings optimism and sentiment surrounding the upcoming Korean summit.

During the reporting period, sector performance results were broad-based, with ten out of 11 sectors posting gains. Real Estate, Information Technology and Health Care were among the leaders with greater than 20% returns in each sector. Meanwhile, Telecommunication Services posted a modest decline. Country results were led by Peru, which advanced due to a rebound in hard asset prices coupled with favorable political sentiment surrounding the appointment of the country's new president. China and Thailand benefitted from higher than expected growth results. Conversely, Pakistan led results to the downside after being promoted from frontier to emerging markets status, while Turkey and Qatar were impacted by rising geopolitical concerns.

## Portfolio Review

The Allianz Emerging Markets Equity Fund seeks to invest in emerging markets equities benefiting from change not yet fully reflected in the market. At its core, the Team believes investor behavioral biases contribute to market inefficiencies, which may be captured via their combined investment process which combines quantitative and fundamental inputs. Results outpaced the benchmark thanks to positive bottom-up stock selection at both a country and sector level.

Sector results were led by stockpicking in Consumer Discretionary, primarily via gains in specialty retail and hotels, restaurants & leisure industries. Bottom-up stock selection in Industrials, Materials and Energy also topped the benchmark. Meanwhile, an underweight to Health Care and stock selection in Utilities offset results modestly during the reporting period. Turkey and South Africa were the two top performers thanks to bottom-up stockpicking. The avoidance of Mexico also positively impacted results given the performance headwinds in the country. Conversely, stockpicking in Colombia offset results, as selections in India and an overweight allocation to China.

## Outlook

While uncertainty regarding the trade and political climate may cloud short-term visibility, in light of a potential tariff dispute with China and rising tensions with Russia, our viewpoint for emerging markets equities remains constructive. Emerging markets are more stable than the past and are increasingly driven by favorable demographics and growth within emerging countries; as such, the direct impact from a trade war and geopolitical impacts may be limited. Emerging market calendar year earnings expectations have increased from the onset of the calendar year to the end of the reporting period, a signal in the confidence in emerging markets. Many investors are gradually increasing their exposure to the asset class, after emerging markets have outperformed developed markets in the last two calendar years. This is consistent with past market cycles as sentiment oscillates from fear to optimism, suggesting the potential for future upside should allocations meaningfully increase.

We continue to construct the Fund on a bottom-up basis with conviction at the stock level. In addition, we apply a dual risk-budget, targeting a tracking error of 4-5% and lower forecast risk than the benchmark, which may help protect capital during inevitable down market periods and provide our clients with a

## Investment Review continued

greater level of return consistency. We believe investment results will be supported by earnings growth and our behavioral finance-focused investment process and focus on higher quality securities with attractive company fundamentals will be a driver of returns for the coming periods.

29 June 2018

The contents of this Investment Review are based on the views of the manager at the time of writing, which may be subject to change.



# Portfolio Statement

As at 30 April 2018

Holding/Nominal		Market Value £'000	% of Net Assets
<b>EQUITIES - 97.91% (2017 - 97.67%)</b>			
<b>Brazil - 4.45% (2017 - 4.67%)</b>			
520,800	AmBev	2,544	1.24
211,100	Estacio Participacoes	1,429	0.69
195,100	Fibria Celulose	2,794	1.36
138,300	Porto Seguro	1,303	0.63
175,900	Via Varejo	1,101	0.53
		<b>9,171</b>	<b>4.45</b>
<b>China - 28.21% (2017 - 24.66%)</b>			
4,661,000	Agricultural Bank of China	1,930	0.94
1,212,000	Air China	1,179	0.57
23,015	Alibaba ADR	2,971	1.44
2,073,000	China Merchants Bank 'H' Shares	6,658	3.23
2,037,000	China Shenhua Energy	3,680	1.79
828,700	China Vanke	2,516	1.22
5,401,000	CNOOC	6,598	3.20
404,000	Hengan International	2,623	1.27
16,055,000	Industrial and Commercial Bank of China 'H' Shares	10,388	5.04
371,500	Ping An Insurance Group Company of China	2,674	1.30
403,200	Tencent	14,635	7.10
2,701,000	Weichai Power	2,297	1.11
		<b>58,149</b>	<b>28.21</b>
<b>Hong Kong - 5.64% (2017 - 5.83%)</b>			
487,500	CK Asset	2,987	1.45
214,000	Hang Seng Bank	3,965	1.92
265,000	Link Real Estate Investment Trust	1,712	0.83
132,995	Melco Resorts and Entertainment ADR	2,957	1.44
		<b>11,621</b>	<b>5.64</b>
<b>India - 6.02% (2017 - 5.37%)</b>			
110,019	HCL Technologies	1,264	0.61
26,775	HDFC Bank ADR	1,856	0.90
101,850	Hindustan Unilever	1,674	0.81
146,654	Indraprastha Gas	460	0.22
631,427	Oil & Natural Gas	1,245	0.61
58,239	Tata Consultancy Services	2,243	1.09
501,444	Tech Mahindra	3,664	1.78
		<b>12,406</b>	<b>6.02</b>
<b>Indonesia - 2.48% (2017 - 0.89%)</b>			
1,703,300	Bank Central Asia	1,972	0.96
18,715,200	Bank Rakyat Indonesia	3,146	1.52
		<b>5,118</b>	<b>2.48</b>
<b>Luxembourg - 3.25% (2017 - 2.93%)</b>			
5,739,939	Allianz Emerging Markets Equity Opportunities Fund	6,701	3.25
		<b>6,701</b>	<b>3.25</b>
<b>Malaysia - 1.63% (2017 - 0.00%)</b>			
600,000	Malayan Banking	1,199	0.58
488,100	Public Bank	2,157	1.05
		<b>3,356</b>	<b>1.63</b>
<b>Panama - 2.52% (2017 - 2.34%)</b>			
60,975	Copa 'A' Shares	5,192	2.52
		<b>5,192</b>	<b>2.52</b>
<b>Peru - 3.42% (2017 - 0.00%)</b>			
41,200	Credicorp	7,045	3.42
		<b>7,045</b>	<b>3.42</b>

# Portfolio Statement continued

As at 30 April 2018

Holding/Nominal		Market Value £'000	% of Net Assets
	<b>Poland - 0.85% (2017 - 0.00%)</b>		
195,534	Powszechny Zakład Ubezpieczeń	1,749	0.85
		<b>1,749</b>	<b>0.85</b>
	<b>Russia - 6.75% (2017 - 4.27%)</b>		
175,860	LUKOIL ADR	8,571	4.16
238,655	Mobile TeleSystems ADR	1,834	0.89
1,350,248	Sberbank of Russia	3,516	1.70
		<b>13,921</b>	<b>6.75</b>
	<b>South Africa - 3.78% (2017 - 3.69%)</b>		
52,467	Astral Foods	937	0.45
80,428	AVI	530	0.26
88,057	Exxaro Resources	573	0.28
361,452	Mr Price	5,756	2.79
		<b>7,796</b>	<b>3.78</b>
	<b>South Korea - 11.58% (2017 - 18.61%)</b>		
32,310	Hotel Shilla	2,546	1.23
38,002	KB Financial	1,584	0.77
23,953	LG Electronics	1,667	0.81
6,409	Lotte Chemical	1,810	0.88
12,856	POSCO	3,267	1.58
2,218	Samsung Electronics	4,010	1.94
132,886	SK Hynix	7,660	3.72
8,587	SK Telecom	1,335	0.65
		<b>23,879</b>	<b>11.58</b>
	<b>Taiwan - 5.98% (2017 - 17.10%)</b>		
2,549,000	Cathay Financial	3,358	1.63
1,815,000	CTBC Financial	950	0.46
1,296,000	Grand Pacific Petrochemical	1,053	0.51
452,000	Powertech Technology	949	0.46
1,080,000	Taiwan Semiconductor Manufacturing	6,024	2.92
		<b>12,334</b>	<b>5.98</b>
	<b>Thailand - 6.33% (2017 - 3.04%)</b>		
995,200	CP ALL	1,993	0.97
2,556,000	PTT	3,334	1.62
550,800	PTT Exploration & Production	1,704	0.83
2,658,100	PTT Global Chemical	5,998	2.91
		<b>13,029</b>	<b>6.33</b>
	<b>Turkey - 4.48% (2017 - 3.81%)</b>		
1,332,839	Eregli Demir ve Celik Fabrikalari	2,531	1.23
58,994	Tupras-Turkiye Petrol Rafinerileri	1,141	0.55
1,772,746	Turk Hava Yollari	5,565	2.70
		<b>9,237</b>	<b>4.48</b>
	United Kingdom - 0.00% (2017 - 0.46%)		
	United States - 0.54% (2017 - 0.00%)		
8,105	Lear	1,111	0.54
		<b>1,111</b>	<b>0.54</b>
	Investment assets	201,815	97.91
	Net other assets	4,314	2.09
	<b>Net assets</b>	<b>206,129</b>	<b>100.00</b>

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 30 April 2017.

# Statement of Total Return

For the year ended 30 April 2018

	Notes	2018 £000s	2018 £000s	2017 £000s	2017 £000s
Income:					
Net capital gains	2		30,854		48,478
Revenue	3	5,596		7,189	
Expenses	4	(2,929)		(2,845)	
Interest payable and similar charges	6	(2)		(26)	
Net revenue before taxation		2,665		4,318	
Taxation	5	(247)		(877)	
Net revenue after taxation			2,418		3,441
<b>Total return before distributions</b>			<b>33,272</b>		<b>51,919</b>
Distributions	7		(2,434)		(3,519)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>30,838</b>		<b>48,400</b>

# Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 April 2018

	2018 £000s	2018 £000s	2017 £000s	2017 £000s
Opening net assets attributable to shareholders		196,533		185,883
Amounts receivable on issue of shares	7,720		1,981	
Amounts payable on cancellation of shares	(31,202)		(42,794)	
		(23,482)		(40,813)
Change in net assets attributable to shareholders from investment activities (see above)		30,838		48,400
Retained distributions on accumulation shares		2,240		3,063
<b>Closing net assets attributable to shareholders</b>		<b>206,129</b>		<b>196,533</b>

Notes to the final report and financial statements are from page 53 to 60.

# Balance Sheet

## As at 30 April 2018

	Notes	2018 £000s	2018 £000s	2017 £000s	2017 £000s
<b>Assets:</b>					
Fixed assets:					
Investments			201,815		191,963
Current assets:					
Debtors	8	2,334		456	
Cash and bank balances	9	2,982		4,547	
<b>Total assets</b>			<b>207,131</b>		<b>196,966</b>
<b>Liabilities:</b>					
Creditors:					
Other creditors	10	(1,002)		(433)	
<b>Total liabilities</b>			<b>(1,002)</b>		<b>(433)</b>
<b>Net assets attributable to shareholders</b>			<b>206,129</b>		<b>196,533</b>

Notes to the final report and financial statements are from page 53 to 60.

# Notes to the Final Report and Financial Statements

## 1. Accounting Basis and Policies

The applicable accounting policies adopted by the Allianz Emerging Markets Equity Fund are included on pages 13 and 14 of the Collective Notes to the Final Report and Financial Statements.

## 2. Net capital gains

	2018 £000s	2017 £000s
Gains on non-derivative securities	30,843	48,111
Gains on currency	1	432
Gains/(losses) on forward currency contracts	53	(2)
Handling charges	(43)	(63)
<b>Net capital gains</b>	<b>30,854</b>	<b>48,478</b>

## 3. Revenue

	2018 £000s	2017 £000s
ACD's fee rebates from underlying investments	29	29
Overseas dividends - non-taxable	5,095	5,427
Overseas dividends - taxable	472	1,613
UK dividends	-	120
<b>Total revenue</b>	<b>5,596</b>	<b>7,189</b>

## 4. Expenses

	2018 £000s	2017 £000s
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:</b>		
ACD's annual fee	2,607	2,524
Company secretarial costs	1	1
	2,608	2,525
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	38	39
Safe custody fees	223	220
	261	259
<b>Other expenses:</b>		
Audit fees	13	15
Distribution costs	3	4
Printing costs	3	3

# Notes to the Final Report and Financial Statements

## continued

Professional fees	-	3
Registration fees	13	18
Taxation advice	1	2
Tax agent fees	20	25
VAT recovered	(5)	(9)
Other expenses	12	-
	60	61
<b>Total expenses</b>	<b>2,929</b>	<b>2,845</b>

All expenditure stated above is inclusive of VAT where applicable.

The Audit fee for the year, excluding VAT, was £9,540 (2017 - £10,600).

### 5. Taxation

	2018	2017
	£000s	£000s
<b>a. Analysis of the taxation charge for the year:</b>		
Overseas tax suffered	247	877
<b>Total taxation for the year (see Note 5(b))</b>	<b>247</b>	<b>877</b>
<b>b. Factors affecting taxation charge for the year:</b>		
The taxation assessed for the year is lower (2017 - higher) than the standard rate of corporation tax in the UK for a sub-fund of an Open-Ended Investment Company (20%) (2017 - 20%).		
The differences are explained below:		
Net revenue before taxation	2,665	4,318
Corporation tax at 20%	533	864
<b>Effects of:</b>		
Capitalised income subject to tax	-	71
Overseas dividends - non-taxable	(1,019)	(1,085)
Overseas tax suffered	247	877
Surplus allowable expenses arising in the year	492	217
UK dividends not subject to corporation tax	-	(24)
Overseas tax expensed	(6)	(43)
Movement in excess management expenses	-	-
<b>Total taxation charge for the year (see Note 5(a))</b>	<b>247</b>	<b>877</b>

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

The sub-fund has not recognised a deferred tax asset of £7,699,000 (2017 - £7,207,000) as a result of having unutilised management expenses. We do not expect this asset to be utilised in the foreseeable future.

#### 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 £7,698,906 (2017 : £7,207,135) 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.

# Notes to the Final Report and Financial Statements

## continued

### 6. Interest payable and similar charges

	2018 £000s	2017 £000s
Interest	2	26

### 7. Distributions

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

	2018 £000s	2017 £000s
Final	2,240	3,063
Add: Revenue deducted on cancellation of shares	283	483
Deduct: Revenue received on creation of shares	(89)	(27)
<b>Net distributions for the year</b>	<b>2,434</b>	<b>3,519</b>
<b>Reconciliation of net revenue after taxation to net distributions for the year</b>		
Net revenue after taxation	2,418	3,441
Corporation tax (offshore)	-	71
Expenses taken to capital	-	3
Net equalisation on conversions	16	4
<b>Net distributions for the year</b>	<b>2,434</b>	<b>3,519</b>

### 8. Debtors

	2018 £000s	2017 £000s
Accrued ACD's fee rebate	3	9
Accrued revenue	192	265
Amounts receivable on creation of shares	280	179
Prepaid expenses	-	2
Sales awaiting settlement	1,859	-
VAT recoverable	-	1
	<b>2,334</b>	<b>456</b>

### 9. Cash and bank balances

	2018 £000s	2017 £000s
Cash and bank balances	2,982	4,547

# Notes to the Final Report and Financial Statements

## continued

### 10. Other creditors

	2018	2017
	£000s	£000s
Accrued ACD's annual fee	205	208
Amounts payable on cancellation of shares	191	146
Other accrued expenses	192	79
Purchases awaiting settlement	414	-
	<b>1,002</b>	<b>433</b>

### 11. Related party transactions

Management fees paid to the ACD are disclosed in note 4 and amounts due at the year end are disclosed in note 10.

Monies received and paid by the ACD through the creation and cancellation of Shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the year end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no Shareholdings in the Company at the year end.

#### Significant Shareholdings

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 sub-fund 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, 8 and 10 to the financial statements. All creations and cancellations were transacted with the ACD.

In addition, assets managed by related parties of the ACD and held by the sub-fund as at the Balance Sheet date are detailed below:

	2018	2017
	£000s	£000s
Allianz Emerging Markets Equity Opportunities Fund	6,701	5,749
<b>The value of purchases during the year were:</b>		
Allianz Emerging Markets Equity Opportunities Fund	-	-
<b>The value of sales during the year were:</b>		
Allianz Emerging Markets Equity Opportunities Fund	-	3,856

### 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 sub-fund 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.



# Notes to the Final Report and Financial Statements

## continued

### 13. Shareholders' funds

The sub-fund currently has two share classes: A and C. The ACD's annual fee on the share classes are as follows:

Class A:	1.75%
Class C:	0.88%

The net asset value per share and the number of shares in issue are given in the Comparative Tables on page 44 to 45.

The distribution per share is given in the Distribution Table on page 46.

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.

### 14. Contingent liabilities and commitments

As at 30 April 2018 there were no contingent liabilities (2017: £Nil).

### 15. Derivatives and other financial instruments

#### a. Currency exposure

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

Currency	Monetary Exposure	Non-Monetary Exposure	Total Exposure	Monetary Exposure	Non-Monetary Exposure	Total Exposure
	30 April 2018 £000s	30 April 2018 £000s	30 April 2018 £000s	30 April 2017 £000s	30 April 2017 £000s	30 April 2017 £000s
Brazilian Real	16	9,171	9,187	-	6,917	6,917
Euro	-	6,701	6,701	-	5,788	5,788
Hong Kong Dollar	-	60,855	60,855	-	54,076	54,076
Indian Rupee	1,022	10,550	11,572	-	10,532	10,532
Indonesian Rupiah	598	5,118	5,716	-	1,765	1,765
Korean Won	20	23,879	23,899	-	36,622	36,622
Malaysian Ringgit	-	3,356	3,356	-	-	-
Polish Zloty	-	1,749	1,749	-	-	-
South African Rand	-	7,796	7,796	-	5,758	5,758
Taiwan Dollar	1,136	12,334	13,470	495	33,596	34,091
Thai Baht	23	13,029	13,052	-	6,101	6,101
Turkish Lira	-	9,237	9,237	2	7,482	7,484
US Dollar	131	38,040	38,171	75	21,159	21,234

#### b. Interest rate risk profile

The sub-fund did not hold any interest bearing financial instruments other than its cash and bank balances as at the balance sheet date (2017 - same).

#### c. Sensitivity analysis

##### Market price sensitivity

The value of the sub-fund's listed equities, which were exposed to market price risk as at 30 April was as follows:

	2018 £000s	2017 £000s
Listed equity investments held at fair value through profit or loss	201,815	191,963

# Notes to the Final Report and Financial Statements

## continued

The following illustrates the sensitivity of the net return and the net assets to an increase or decrease of 20% (2017 - 20%) in the fair values of the sub-fund's listed 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 sub-fund's listed equity investments at each balance sheet date.

	2018	2018	2017	2017
	20% Increase in fair value £000s	20% Decrease in fair value £000s	20% Increase in fair value £000s	20% Decrease in fair value £000s
<b>Capital Return</b>				
Net gains (losses) on investments at fair value	40,363	(40,363)	38,393	(38,393)

### Foreign currency risk sensitivity

The following table details the sub-fund'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.

	2018	2018	2017	2017
	20% Increase in Sterling against foreign currencies £000s	20% Decrease in Sterling against foreign currencies £000s	20% Increase in Sterling against foreign currencies £000s	20% Decrease in Sterling against foreign currencies £000s
Brazilian Real	2,296.75	(1,531)	1,729	(1,153)
Euro	1,675.25	(1,117)	1,447	(965)
Hong Kong Dollar	15,213.75	(10,143)	13,519	(9,013)
Indian Rupee	2,893	(1,929)	2,633	(1,755)
Indonesian Rupiah	1,429	(952)	441	(294)
Korean Won	5,974.75	(3,984)	9,156	(6,104)
Malaysian Ringgit	839	(559)	-	-
Polish Zloty	437.25	(291.5)	-	-
South African Rand	1,949	(1,299)	1,440	(960)
Taiwan Dollar	3,367.5	(2,245)	8,523	(5,682)
Thai Baht	3,263	(2,175)	1,525	(1,017)
Turkish Lira	2,309.25	(1,540)	1,871	(1,247)
US Dollar	9,542.75	(6,362)	5,309	(3,539)
<b>Change in net return and net assets</b>	<b>51,190.25</b>	<b>(34,127)</b>	<b>47,593</b>	<b>(31,729)</b>

### d. Leverage

The sub-fund did not employ significant leverage during the year (2017 - same).

### e. Fair value hierarchy

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

	Assets	Liabilities	Assets	Liabilities
	30 April 2018 £000s	30 April 2018 £000s	30 April 2017 £000s	30 April 2017 £000s
Level 1: Quoted	195,114	-	186,214	-
Level 2: Observable	6,701	-	5,749	-
Level 3: Unobservable	-	-	-	-
	<b>201,815</b>	<b>-</b>	<b>191,963</b>	<b>-</b>

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.

# Notes to the Final Report and Financial Statements

## continued

### 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 (2017 - 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.

## 16. Share movement

	Class A Shares	Class C Shares	Class SP Shares
Opening shares	45,673,728	51,565,559	4,933
Shares created	1,543,906	2,016,007	1,463.94
Shares cancelled	(9,056,960)	(5,156,381)	(6,397)
Shares converted	(1,021,252)	932,506	
Closing shares	37,139,422	49,357,691	-

## 17. Portfolio transaction costs

For the year ended 30 April 2018:

	Transaction Value 2018 £000s	Commissions 2018 £000s	2018 %	Taxes 2018 £000s	Taxes 2018 %
<b>Purchases</b>					
Equity instruments (direct)	165,521	109	0.07	87	0.05
Total purchases	165,521	109	0.07	87	0.05
Total purchases including transaction costs	165,717				
	Transaction Value 2018 £000s	Commissions 2018 £000s	2018 %	Taxes 2018 £000s	Taxes 2018 %
<b>Sales</b>					
Equity instruments (direct)	187,343	126	0.07	281	0.15
Total sales	187,343	126	0.07	281	0.15
Total sales including transaction costs	186,936				
<b>Total transaction costs as a % of average net assets</b>		<b>0.05%</b>		<b>0.09%</b>	
	Transaction Value 2017 £000s	Commissions 2017 £000s	2017 %	Taxes 2017 £000s	Taxes 2017 %
<b>Purchases</b>					
Equity instruments (direct)	227,786	149	0.07	111	0.05
Total purchases	227,786	149	0.07	111	0.05
Total purchases including transaction costs	228,046				

# Notes to the Final Report and Financial Statements

## continued

	Transaction Value	Commissions		Taxes	Taxes
	2017	2017	2017	2017	2017
	£000s	£000s	%	£000s	%
<b>Sales</b>					
Equity instruments (direct)	265,218	229	0.09	240	0.09
Collective Investment Schemes	3,856	-	0.00	-	0.00
Total sales	269,074	229	0.09	240	0.09
Total sales including transaction costs	268,605				
<b>Total transaction costs as a % of average net assets</b>		<b>0.19%</b>		<b>0.18%</b>	

The above analysis covers any direct transaction costs suffered by the sub-fund 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 sub-fund'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.

For the sub-fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying Funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the sub-fund 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 0.20% (2017 - 0.16%).

# Fund Information

## Investment Objective and Policy

The Allianz Global AC Equity Insights Fund aims to generate long-term capital growth by investing in global equity markets to achieve an equity portfolio with a focus on stock selection.

The ACD will invest at least 70% of the Fund's assets in equities and securities equivalent to equities (e.g. American Depositary Receipts, Global Depositary Receipts and P-Notes) worldwide. In addition, index certificates and other certificates on equities, adequately diversified equity baskets and warrants may also be acquired.

Up to 49% of the Fund's assets may be invested in securities/instruments where the issuers or the issuers of the underlying securities have their registered offices in Non-Developed Countries (as defined in the prospectus) of which up to 10% of the Fund's assets may be invested in Chinese A-Shares either directly via Stock Connect or indirectly through all eligible instruments as set out in the investment policy.

The ACD may also utilise deposits and money market instruments in the management of the portfolio. Deposits together with money market instruments may make up to a maximum of 30% of the Fund's assets.

The Fund may also invest up to a maximum of 10% in collective investment schemes.

GITA Restriction (Alternative 1) applies, however at least 70% of Fund's assets are invested in Equity Participation according to Art. 2 Section 8 GITA.

## Fund Details

<b>Fund Manager</b>	Steve Berexa	
<b>Benchmark</b>	MSCI All Country World Index Net Total Return GBP	
<b>Income allocation date</b>	30 April	
<b>Income pay date</b>	30 June	
<b>Launch dates</b>	E Shares	14 August 2017
	W Shares	14 August 2017
<b>ISA status</b>	Yes	
<b>Share Classes and types of Shares</b>	E (Accumulation Shares) W (Accumulation Shares)	
<b>Minimum investment</b>	E Shares	Lump sum £10,000,000 Available to Approved Investors only
	W Shares	Lump sum £10,000,000 Available to Approved Investors only
<b>Initial charge</b>	E Shares	Nil
	W Shares	2.00%
<b>Annual ACD fee</b>	E Shares	0.45%*
	W Shares	0.73%**

\*0.45 % p.a. minus the Additional Expenses payable in respect of the E shares.

\*\*0.45 % p.a. minus the Additional Expenses payable in respect of the W shares.

# Comparative Tables

## For the period ended 30 April 2018

	E Shares Accumulation
	2018 (p)
Opening net asset value per share	100.00
Return before operating charges	5.87
Operating charges	(0.47)
Return after operating charges	5.40
Distributions	(0.53)
Retained distributions on accumulation shares	0.53
Closing net asset value per share	105.40
After direct transaction costs of <sup>1</sup>	(0.08)
<b>Performance</b>	
Return after operating charges	5.40%
<b>Other information</b>	
Closing net asset value (£'000)	3,794
Closing number of shares	3,600,000
Operating charges <sup>2</sup>	0.45%
Direct transaction costs	0.07%
<b>Prices</b>	
Highest share price	110.91
Lowest share price	97.57

<sup>1</sup> 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 sub-fund and share class returns before operating charges.

<sup>2</sup> Operating charges have been capped at 0.45%.

Share Class E Accumulation was launched on 14th August 2017.

# Comparative Tables continued

For the period ended 30 April 2018

	W Shares Accumulation
	2018 (p)
Opening net asset value per share	100
Return before operating charges	6.09
Operating charges	(0.91)
Return after operating charges	5.18
Distributions	-
Retained distributions on accumulation shares	-
Closing net asset value per share	105.18
After direct transaction costs of <sup>1</sup>	(0.09)
<b>Performance</b>	
Return after operating charges	5.18%
<b>Other information</b>	
Closing net asset value (£'000)	43
Closing number of shares	40,629
Operating charges <sup>2</sup>	0.73%
Direct transaction costs	0.07%
<b>Prices</b>	
Highest share price	110.77
Lowest share price	97.54

<sup>1</sup> 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 sub-fund and share class returns before operating charges.

<sup>2</sup> Operating charges have been capped at 0.73%.

Sub-fund launched on 14 August 2017, therefore there are no comparative figures shown.

# Distribution Tables

## For the period ended 30 April 2018

Final Distribution in pence per share

Group 1 Shares purchased prior to 14 August 2017

Group 2 Shares purchased on or after 14 August 2017

	Net revenue (p)	Equalisation (p)	Distribution payable 30/06/18 (p)
<b>E Shares Accumulation</b>			
Group 1	0.5298	-	0.5298
Group 2	0.5298	-	0.5298
<b>W Shares Accumulation</b>			
Group 1	-	-	-
Group 2	-	-	-

Sub-fund launched on 14 August 2017, therefore there are no comparative figures shown.

Investors are reminded that distribution is not guaranteed.



# Investment Review

## Performance Summary

Over the partial period under review, 14 August 2017 to 30 April 2018, the Fund's 'W' class (Acc) produced a total return of 7.65% and 'E' class (Acc) produced a total return of 7.88%. The Fund's benchmark, the MSCI All Country World Index, produced a total return of 7.23% over the period. The Fund outperformed the benchmark over the reporting period due to strong bottom-up stock selection.

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

## Market Background

Global equities were the beneficiaries of rising earnings results, advancing in six of the nine months during the reporting period. The asset class initially advanced in the partial August period thanks to positive global sentiment. Global equities rose steadily over the four months to January boosted by optimism over the health of the global economy and by expectations that tax reforms would help to lift US company profits. Performance reversed course in February and March, as volatility increased amid apprehension over a global trade war, the impact from mounting geopolitical tensions in Russia, as well as concerns of rising inflation expectations which could lead the US Fed to accelerate rate hikes. Global equities returned to positive results in April amid easing of trade tensions between the US and China, as well as news of an historic meeting between the leaders of North and South Korea. Throughout the period, record levels of merger & acquisition activity helped boost equity optimism globally.

During the partial reporting period, sector performance results were broad-based, with seven out of 11 sectors posting gains. Energy was the top benchmark performer with a double-digit return, thanks to a strong rally in the price of oil. Information technology, consumer discretionary and materials sectors were also among the winners. Conversely, telecommunication services and consumer staples were the primary laggards, with high-single-digit declines in each sector. From a country perspective, Thailand was the top benchmark performer due to robust growth figures, followed by results in Peru and Colombia. Meanwhile, Turkey was the primary laggard due to heightened geopolitical concerns, while Mexico was hampered by a rising US dollar and concerns of the future of NAFTA.

## Portfolio Review

The Allianz Global AC Equity Fund is predicated on the belief that the global equity universe remains inefficient, and lends itself to favorable stock selection opportunities despite competition along with fair and instant information dissemination. The Fund seeks to identify misunderstood or mispriced opportunities at the company level via a research driven process. Results outpaced the benchmark during the partial reporting period thanks to strong bottom-up stock selection.

From a sector perspective, industrials, health care and financials were the top performers due to positive stock selection. A relative underweight allocation to consumer staples also proved advantageous given the performance headwinds in the sector. Meanwhile, more conservative stock selection in materials and utilities offset results only modestly. From a country standpoint, the United States was the chief source of outperformance during the reporting period due to idiosyncratic opportunities, followed by selections in Israel and Germany. Conversely, stockpicking in Japan and France detracted from performance. The top performer during the partial reporting period was Axon Enterprise Inc. The company began as the Taser stun gun company, and is now leveraging its position to sell records management solutions and artificial intelligence for police departments, allowing them to reduce paperwork as well as avoiding the need for humans to watch hundreds of hours of body camera video. This became a high conviction stock after the portfolio management team visited the company's headquarters, and separately, seeing field demos with the Los Angeles Police Department. In addition, the team conducted a grassroots that validated their investment hypothesis. Cloud-based software provider Mindbody Inc. and luxury hotel and casino operator Wynn Resorts Ltd. were also among the outperformers during the period.

The largest detractor to performance was Tesla Motors Inc. Results were impacted amid concerns of both the quality and product of the company's Model 3. In addition, the Street was apprehensive about the short-term impact to the stock following a fatal accident at the end of March. Media and television broadcasting services provider Comcast Corporation and water treatment systems provider Beijing Enterprises Water Group Limited were also among the laggards during the period.

# Investment Review continued

## Outlook

Our investment outlook is cautiously optimistic, with concerns about the slowing rate of change in the global economy counterbalancing strong corporate earnings and positive economic data. We continue to trim our exposure to cyclicality, such as by reducing our US bank holdings, and while taking profits on some of our outperformers. We remain focused on idiosyncratic opportunities that can grow in any market environment via high conviction holdings in the portfolio.

We continue to construct the Fund on a bottom-up basis via a conviction, high active share portfolio given our belief that the global equity universe remains inefficient. Fundamentals can often be misunderstood and assumptions supporting financial statement projections can turn out to be substantially wrong over time, due in large part to the dynamic global economy. We seek to take advantage of these mispricings on behalf of our investor clients by developing a superior understanding of the fundamental drivers and then by confirming our hypotheses with proprietary market research. We believe that an information advantage can be developed, given the proper resources.

29 June 2018

The contents of this Investment Review are based on the views of the manager at the time of writing, which may be subject to change.

# Portfolio Statement

As at 30 April 2018

Holding		Market Value £'000	% of Net Assets
<b>EQUITIES - 95.49%</b>			
<b>United Kingdom - 7.22%</b>			
20,150	Auto Trader	71	1.85
5,335	BHP Billiton	83	2.16
49,695	FirstGroup	57	1.49
2,610	Royal Dutch Shell 'A' Shares	66	1.72
		<b>277</b>	<b>7.22</b>
<b>EUROPE - 16.22%</b>			
<b>France - 5.81%</b>			
1,490	SOITEC	88	2.29
780	Valeo	38	0.99
2,660	Worldline	97	2.53
		<b>223</b>	<b>5.81</b>
<b>Germany - 5.27%</b>			
1,125	Bechtle	69	1.80
1,265	Covestro	85	2.22
1,710	SLM Solutions	48	1.25
		<b>202</b>	<b>5.27</b>
<b>Ireland - 0.97%</b>			
2,715	Ryanair	37	0.97
		<b>37</b>	<b>0.97</b>
<b>Luxembourg - 1.80%</b>			
3,525	Novocure	69	1.80
		<b>69</b>	<b>1.80</b>
<b>Switzerland - 2.37%</b>			
510	Chubb	51	1.33
250	Roche	40	1.04
		<b>91</b>	<b>2.37</b>
		<b>622</b>	<b>16.22</b>
<b>ASIA PACIFIC (EXCLUDING JAPAN) - 9.75%</b>			
<b>China - 6.08%</b>			
60,000	China Oilfield Services	44	1.15
137,000	Industrial and Commercial Bank of China 'H' Shares	89	2.32
10,000	Midea	59	1.54
1,100	Noah ADR	41	1.07
		<b>233</b>	<b>6.08</b>
<b>India - 3.28%</b>			
164	Allianz India Equity Fund	126	3.28
		<b>126</b>	<b>3.28</b>
<b>Philippines - 0.39%</b>			
5,270	Security Bank	15	0.39
		<b>15</b>	<b>0.39</b>
		<b>374</b>	<b>9.75</b>
<b>JAPAN - 8.65%</b>			
<b>Japan - 8.65%</b>			
600	FANUC	94	2.45
4,000	MINEBEA MITSUMI	59	1.54

# Portfolio Statement continued

As at 30 April 2018

Holding		Market Value £'000	% of Net Assets
700	SoftBank	40	1.04
2,100	Sony	76	1.98
1,600	Suzuki Motor	63	1.64
		<b>332</b>	<b>8.65</b>
		<b>332</b>	<b>8.65</b>
	<b>NORTH AMERICA - 50.50%</b>		
	<b>Canada - 3.10%</b>		
1,497	Nutrien	50	1.30
2,510	Suncor Energy	69	1.80
		<b>119</b>	<b>3.10</b>
	<b>United States of America - 47.40%</b>		
2,275	Aerovironment	90	2.35
3,255	Axon Enterprise	99	2.58
6,160	Bank of America	135	3.52
345	Bio-Rad Laboratories	65	1.69
170	BlackRock	65	1.69
1,035	Calavo Growers	73	1.90
2,440	Citigroup	123	3.21
2,160	Comcast 'A' Shares	50	1.30
2,970	Flexion Therapeutics	56	1.46
5,050	Freeport-McMoRan	56	1.46
705	Ingredion	64	1.67
660	International Business Machines	70	1.82
1,450	JPMorgan Chase	116	3.02
2,775	Live Nation Entertainment	80	2.08
3,640	MINDBODY	104	2.71
1,720	Neurocrine Biosciences	102	2.66
355	Pioneer Natural Resources	52	1.36
1,995	Six Flags Entertainment	93	2.42
545	Skyworks Solutions	35	0.91
3,045	Tenet Healthcare	54	1.41
245	Tesla	52	1.36
655	Vulcan Materials	54	1.41
825	Wynn Resorts	111	2.89
665	Yum China	20	0.52
		<b>1,819</b>	<b>47.40</b>
		<b>1,938</b>	<b>50.50</b>
	<b>MIDDLE EAST - 3.15%</b>		
	<b>Israel - 3.15%</b>		
2,870	Orbotech	121	3.15
		<b>121</b>	<b>3.15</b>
		<b>121</b>	<b>3.15</b>
	Investment assets	3,664	95.49
	Net other assets	173	4.51
	<b>Net assets</b>	<b>3,837</b>	<b>100.00</b>

Stocks shown as ADRs represent American Depositary Receipts.

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.

# Statement of Total Return

For the period ended 30 April 2018

	Notes	2018 £000s	2018 £000s
Income:			
Net capital gains			173
Revenue	3	34	
Expenses	4	(7)	
Net revenue before taxation		27	
Taxation	5	(5)	
Net revenue after taxation			22
<b>Total return before distributions</b>			<b>195</b>
Distributions	6		(19)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>176</b>

# Statement of Change in Net Assets Attributable to Shareholders

For the period ended 30 April 2018

	2018 £000s
Opening net assets attributable to shareholders	-
Amounts receivable on issue of shares	3,642
Amounts payable on cancellation of shares	-
	3,642
Change in net assets attributable to shareholders from investment activities (see above)	176
Retained distributions on accumulation shares	19
<b>Closing net assets attributable to shareholders</b>	<b>3,837</b>

Sub-fund launched on 14 August 2017, therefore there are no comparative figures shown.

Notes to the final report and financial statements are from page 71 to 77.

# Balance Sheet

As at 30 April 2018

	Notes	2018 £000s	2018 £000s
<b>Assets:</b>			
Fixed assets:			
Investments			3,664
Current assets:			
Debtors	7	47	
Cash and bank balances	8	169	
<b>Total assets</b>			<b>3,880</b>
<b>Liabilities:</b>			
Creditors:			
Bank overdrafts		(14)	
Other creditors	9	(29)	
<b>Total liabilities</b>			<b>(43)</b>
<b>Net assets attributable to shareholders</b>			<b>3,837</b>

Notes to the final report and financial statements are from page 71 to 77.

# Notes to the Final Report and Financial Statements

## 1. Accounting Basis and Policies

The applicable accounting policies adopted by the Allianz Global AC Equity Insights Fund are included on pages 13 and 14 of the Collective Notes to the Final Report and Financial Statements.

## 2. Net capital gains

	2018 £000s
Gains on non-derivative securities	186
Losses on currency	(7)
Losses on forward currency contracts	(1)
Handling charges	(5)
<b>Net capital gains</b>	<b>173</b>

## 3. Revenue

	2018 £000s
Franked UK dividends	5
Overseas dividends - non-taxable	29
<b>Total revenue</b>	<b>34</b>

## 4. Expenses

	2018 £000s
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:</b>	
ACD's annual fee	12
ACD rebate*	(25)
	(13)
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>	
Depositary's fees	1
	1
<b>Other expenses:</b>	
Audit fees	13
Distribution costs	1
Printing costs	1
Taxation advice	1
Other expenses	3
	19
<b>Total expenses</b>	<b>7</b>

All expenditure stated above is inclusive of VAT where applicable.

# Notes to the Final Report and Financial Statements

## continued

The Audit fee for the period, excluding VAT, was £8,820.

\*Operating charges for each sub-fund are capped. E Shares are capped at 0.45%, W Shares are capped at 0.73%. Any charges in excess of this amount are borne by the Manager. This is operated by way of a fee rebate from the ACD.

### 5. Taxation

	2018
	£000s
<b>a. Analysis of the taxation charge for the period:</b>	
Overseas tax suffered	5
<b>Total taxation for the period (see Note 5(b))</b>	<b>5</b>
<b>b. Factors affecting taxation charge for the period:</b>	
The taxation assessed for the period is higher than the standard rate of corporation tax in the UK for a sub-fund of an an Open-Ended Investment Company (20%).	
The differences are explained below:	
Net revenue before taxation	27
Corporation tax at 20%	5
<b>Effects of:</b>	
Overseas dividends - non-taxable	(6)
UK dividends not subject to corporation tax	(1)
Movement in excess management expenses	2
Irrecoverable overseas tax	5
<b>Total taxation charge for the period (see Note 5(a))</b>	<b>5</b>

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 period.

#### 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 £2,036 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 period.



# Notes to the Final Report and Financial Statements

## continued

### 6. Distributions

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

	2018
	£000s
Final	19
Net distributions for the period	19
Reconciliation of net revenue after taxation to net distributions for the period	
Net revenue after taxation	22
Add: Capitalised OCF fee rebate	(3)
Net distributions for the period	19

### 7. Debtors

	2018
	£000s
Accrued revenue	2
Overseas tax recoverable	1
Sales awaiting settlement	19
Accrued Capped's fee rebates	25
	47

### 8. Cash and bank balances

	2018
	£000s
Cash and bank balances	169

### 9. Other creditors

	2018
	£000s
Accrued ACD's annual fee	9
Other accrued expenses	20
	29

# Notes to the Final Report and Financial Statements

## continued

### 10. Related party transactions

Management fees paid to the ACD are disclosed in note 4 and amounts due at the period end are disclosed in note 10.

Monies received and paid by the ACD through the creation and cancellation of Shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the period end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no Shareholdings in the Company at the period end.

#### Significant Shareholdings

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 sub-fund and any related party.

Details of any related party transactions occurring during the period including commissions paid and any balances due at the period end are disclosed in the Balance Sheet, the Statement of Change in Net Assets Attributable to Shareholders and Notes 4, 8 and 10 to the financial statements. All creations and cancellations were transacted with the ACD.

In addition, assets managed by related parties of the ACD and held by the sub-fund as at the Balance Sheet date are detailed below:

	2018
	£000s
Allianz India Equity Fund	126
<b>The value of purchases during the year were:</b>	
Allianz India Equity Fund	126
<b>The value of sales during the year were:</b>	
Allianz India Equity Fund	-

### 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 sub-fund 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 sub-fund currently has two share classes in issue; E and W. The ACD's annual fee on the share classes are as follows:

Class E:	0.45%
Class W:	0.73%

The net asset value per share and the number of shares in issue are given in the Comparative Tables on page 62 to 63.

The distribution per share is given in the Distribution Table on page 64.

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.

# Notes to the Final Report and Financial Statements

## continued

### 13. Contingent liabilities and commitments

As at 30 April 2018 there were no contingent liabilities (2017: £Nil).

### 14. Derivatives and other financial instruments

#### a. Currency exposure

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

The table below shows the foreign currency risk profile at the balance sheet date:

Currency	Monetary Exposure	Non-Monetary Exposure	Total Exposure
	30 April 2018 £000s	30 April 2018 £000s	30 April 2018 £000s
Canadian Dollar	-	50	50
Swiss Franc	1	40	41
Chinese Yuan	9	59	68
Euro	1	462	463
Hong Kong Dollar	(1)	133	132
Japanese Yen	1	332	333
Philippine Peso	20	15	35
US Dollar	160	2,296	2,456

#### b. Interest rate risk profile

The sub-fund did not hold any interest bearing financial instruments other than its cash and bank balances as at the balance sheet date.

#### c. Sensitivity analysis

##### Market price sensitivity

The value of the sub-fund's listed equities, which were exposed to market price risk as at 30 April was as follows:

	2018 £000s
Listed equity investments held at fair value through profit or loss	3,664

The following illustrates the sensitivity of the net return and the net assets to an increase or decrease of 20% (2016 - 20%) in the fair values of the sub-fund's listed 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 sub-fund's listed equity investments at each balance sheet date.

	2018 20% Increase in Sterling against foreign currencies £000s	2018 20% Decrease in Sterling against foreign currencies £000s
<b>Capital Return</b>		
Net gains (losses) on investments at fair value	733	(733)

##### Foreign currency risk sensitivity

The following table details the sub-fund'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.

# Notes to the Final Report and Financial Statements

## continued

	2018	2018
	20% Increase in Sterling against foreign currencies £000s	20% Decrease in Sterling against foreign currencies £000s
Canadian Dollar	13	(8)
Swiss Franc	10	(7)
Chinese Yuan	17	(11)
Euro	116	(77)
Hong Kong Dollar	33	(22)
Japanese Yen	83	(56)
Philippine Peso	9	(6)
US Dollar	614	(409)
<b>Change in net return and net assets</b>	<b>895</b>	<b>(596)</b>

### d. Leverage

The sub-fund did not employ significant leverage during the period.

### e. Fair value hierarchy

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

	Assets	Liabilities
	30 April 2018 £000s	30 April 2018 £000s
Level 1: Quoted	3,538	-
Level 2: Observable	126	-
Level 3: Unobservable	-	-
	<b>3,664</b>	<b>-</b>

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.

### 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. Share movement

For the period ended 30 April 2018:

	Class E Shares	Class W Shares
Opening shares	-	-
Shares created	3,600,000	40,772
Shares cancelled	-	(143)
Shares converted		
<b>Closing shares</b>	<b>3,600,000</b>	<b>40,629</b>

### 16. Portfolio transaction costs

For the period ended 30 April 2018:

	Transaction Value 2018 £000s	Commissions 2018 £000s	2018 %	Taxes 2018 £000s	Taxes 2018 %
<b>Purchases</b>					
Equity instruments (direct)	8,255	1	0.01	1	0.01
Collective Investment Schemes	127	-	0.00	-	0.00
<b>Total purchase</b>	<b>8,382</b>	<b>1</b>		<b>1</b>	
Total purchases including transaction costs	8,384				
	Transaction Value 2018 £000s	Commissions 2018 £000s	2018 %	Taxes 2018 £000s	Taxes 2018 %
<b>Sales</b>					
Equity instruments (direct)	1,509	1	0.07	-	0.00
Collective Investment Schemes		-	0.00	-	0.00
<b>Total sales</b>	<b>1,509</b>	<b>1</b>		<b>-</b>	
Total sales including transaction costs	1,508				
<b>Total transaction costs as a % of average net assets</b>		<b>0.01%</b>		<b>0.00%</b>	

The above analysis covers any direct transaction costs suffered by the sub-fund 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 sub-fund'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.

For the sub-fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying subfunds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the sub-fund 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%.

# Fund Information

## Investment Objective and Policy

The Allianz RiskMaster Conservative Multi Asset Fund aims to achieve long term capital growth by maintaining a balance between investments which are considered lower to medium risk and those which are considered higher risk.

The Fund seeks to achieve this objective by (1) actively investing in a broad range of asset classes across all economic sectors worldwide and (2) managing the risks associated with investing in these assets by utilising a broad range of risk management techniques.

The Fund will maintain a balance between investments which are considered lower to medium risk such as fixed income securities (issued by corporate, government and/or supranational institutions), collective investment schemes (including those with exposure to the property market), cash, near cash and money market instruments and those which are considered higher risk, such as equity, equity related securities and (indirectly) alternative asset classes (including commodities indices and hedge fund indices).

The Fund may gain exposure to the above mentioned securities either through direct investment or indirectly by investing in collective investment schemes, including exchange traded funds.

In particularly adverse market conditions the Fund may hold cash deposits up to 100% of the portfolio.

The Fund may also invest in derivative instruments such as futures, options, options on swaps, swap agreements (including equity and/or index based total return swaps, interest rate swaps and credit default swaps) and currency forward contracts. The Fund may use options in order to generate synthetic cash positions.

Derivatives may also be used for the purpose of efficient portfolio management.

## Fund Details

<b>Fund Manager</b>	Allianz RiskMaster	
	Multi Asset team	
<b>Benchmark</b>	n/a	
<b>Income allocation date</b>	30 April	
<b>Income pay date</b>	30 June	
<b>Launch dates</b>	Fund	15 May 2012
	A Shares	15 May 2012*
	C Shares	15 May 2012
	T Shares	15 March 2013
	F Shares	19 May 2016
	Y Shares	20 February 2017
<b>ISA status</b>	Yes	
<b>Share Classes and types of Shares</b>	C (Accumulation Shares)	
	T (Accumulation Shares)	
	F (Accumulation Shares)	
	Y (Accumulation Shares)	
<b>Minimum investment</b>	C Shares	Lump sum £500 Monthly saving £50
	T Shares	Available only to discretionary management or advisory clients of the Investment Advisor or members of its group or others at the discretion of the ACD
	F Shares	Available only to a feeder UCITS which has been approved to invest at least 85% of its assets in units of another UCITS and which has been approved by the ACD
	Y Shares	Lump sum £100,000,000 Available to Approved Investors only
<b>Initial charge</b>	C Shares	Nil
	T Shares	Nil
	F Shares	Nil
	Y Shares	Nil
<b>Annual ACD fee</b>	C Shares	0.75%
	T Shares	Nil
	F Shares	0.50%**
	Y Shares	0.50%***

For the T Share class a fund admin charge is applied at an amount or rate agreed with the investor.

\*The 'A' Class Accumulation Shares closed effective 16 February 2017.

The 'F' Class Accumulation Shares launched effective 19 May 2016.

The 'Y' Class Accumulation Shares launched effective 20 February 2017.

\*\*0.50 % p.a. minus the Additional Expenses payable in respect of the F shares.

\*\*\*0.50 % p.a. minus the Additional Expenses payable in respect of the Y shares.

# Comparative Tables

For the year ended 30 April 2018

	C Shares Accumulation		
	2018 (p)	2017 (p)	2016 (p)
Opening net asset value per share	137.78	119.02	121.89
Return before operating charges	3.94	20.07	(1.72)
Operating charges	(1.39)	(1.31)	(1.15)
Return after operating charges	2.55	18.76	(2.87)
Distributions	(1.60)	(1.51)	(1.18)
Retained distributions on accumulation shares	1.60	1.51	1.18
Closing net asset value per share	140.33	137.78	119.02
After direct transaction costs of <sup>1</sup>	-	(0.09)	(0.09)
<b>Performance</b>			
Return after operating charges	1.85%	15.76%	(2.35)%
<b>Other information</b>			
Closing net asset value (£'000)	6,148	5,566	3,142
Closing number of shares	4,381,411	4,039,483	2,639,835
Operating charges <sup>2</sup>	0.99%	0.99%	0.99%
Direct transaction costs	0.00%	0.07%	0.08%
<b>Prices</b>			
Highest share price	145.21	140.33	122.54
Lowest share price	136.45	117.41	110.12

<sup>1</sup> 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 sub-fund and share class returns before operating charges.

<sup>2</sup> Operating charges on 'C' Class Accumulation Shares have been capped at 0.99% from 1 May 2015.

# Comparative Tables continued

For the year ended 30 April 2018

	T Shares Accumulation			F Shares Accumulation	
	2018 (p)	2017 (p)	2016 (p)	2018 (p)	2017 (p)
Opening net asset value per share	123.70	106.77	109.25	124.03	100.00
Return before operating charges	3.48	18.01	(1.54)	3.43	24.60
Operating charges	(1.14)	(1.07)	(0.94)	(0.63)	(0.57)
Return after operating charges	2.34	16.94	(2.48)	2.80	24.03
Distributions	(1.37)	(1.43)	(1.13)	(1.98)	(1.70)
Retained distributions on accumulation shares	1.37	1.43	1.13	1.98	1.70
Closing net asset value per share	126.04	123.70	106.77	126.83	124.03
After direct transaction costs of <sup>1</sup>	-	(0.08)	(0.08)	-	(0.08)
<b>Performance</b>					
Return after operating charges	1.89%	15.87%	(2.27)%	2.26%	24.03%
<b>Other information</b>					
Closing net asset value (£'000)	5,935	8,963	22,652	95,628	57,104
Closing number of shares	4,709,063	7,245,755	21,215,384	75,396,780	46,038,541
Operating charges <sup>2</sup>	0.90%	0.90%	0.90%	0.50%	0.50%
Direct transaction costs	0.00%	0.07%	0.08%	0.00%	0.07%
<b>Prices</b>					
Highest share price	130.39	125.97	109.86	131.08	126.27
Lowest share price	122.55	105.32	98.76	123.28	100.00

<sup>1</sup> 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 sub-fund and share class returns before operating charges.

<sup>2</sup> Operating charges on 'F' Class Accumulation Shares have been capped at 0.50% and were capped at 0.54% prior to 1 December 2016. Operating charges on 'T' Class Accumulation Shares have been capped at 0.90%.

F Shares launched on 19 May 2016.



# Comparative Tables continued

For the year ended 30 April 2018

	Y Shares Accumulation	
	2018 (p)	2017 (p)
Opening net asset value per share	4,990.60	5,000
Return before operating charges	141.50	(4.57)
Operating charges	(25.53)	(4.83)
Return after operating charges	115.97	(9.40)
Distributions	-	-
Retained distributions on accumulation shares	-	-
Closing net asset value per share	5,106.57	4,990.60
After direct transaction costs of <sup>1</sup>	-	(0.65)
<b>Performance</b>		
Return after operating charges	2.32%	(0.19)%
<b>Other information</b>		
Closing net asset value (£'000)	15	6
Closing number of shares	291	127
Operating charges <sup>2</sup>	0.50%	0.50%
Direct transaction costs	0.00%	
<b>Prices</b>		
Highest share price	5,277.66	5,079.51
Lowest share price	4,963.47	4,964.87

<sup>1</sup> 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 sub-fund and share class returns before operating charges.

<sup>2</sup> Operating charges have been capped at 0.50%.

Y Shares launched on 20 February 2017

# Distribution Tables

## For the year ended 30 April 2018

Final Distribution in pence per share

Group 1 Shares purchased prior to 1 May 2017

Group 2 Shares purchased on or after 1 May to 30 April 2018

	Net revenue (p)	Equalisation (p)	Distribution payable 30/06/2018 (p)	Distribution paid 30/06/2017 (p)
<b>C Shares Accumulation</b>				
Group 1	1.6021	-	1.6021	1.5058
Group 2	1.0537	0.5484	1.6021	1.5058
<b>T Shares Accumulation</b>				
Group 1	1.3731	-	1.3731	1.4319
Group 2	0.7402	0.6329	1.3731	1.4319
<b>F Shares Accumulation</b>				
Group 1	1.9803	-	1.9803	1.7020
Group 2	1.2426	0.7377	1.9803	1.7020
<b>Y Shares Accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-

Investors are reminded that distribution is not guaranteed.

# Investment Review

## Performance Summary

Over the 12 months under review, 1 May 2017 to 30 April 2018, the Fund's 'T' class produced a total return of 1.80%, the Fund's 'C' class 1.73%.\*

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

## Market Background

### Global Equities

2017 was a very strong year for global equities, with most markets ending the period with double-digit returns. Sustained optimism over the health of the global economy and US tax reform helped stocks overcome heightened political tensions, helping the FTSE All-World Index to touch a fresh high in the closing days of the year. In the second half of 2017, emerging market equities were the strongest performers, with Japan delivering the best results among developed markets, followed by the US – all recorded double-digit gains. In contrast, while euro-zone equities rose, they lagged the broader rally. While all sectors rose, information technology companies led the advance, with materials and energy stocks also benefitting from rising commodity prices.

As we moved into 2018, we saw volatility return in style in February. Despite global equities starting the year strongly in January and continuing to be boosted by ongoing optimism over the global economy, we saw a correction in February. Inflationary pressures, the prospect of faster than expected rate hikes and rich valuations all caused a sharp revaluation in the equity space. This correction was exacerbated by a spike in volatility that led to the demise of many leveraged inverse volatility products – a solution that investors had leaned on for yield enhancement in a world of low interest rates. While stocks later recovered some of these losses, the Trump administration's decision to impose tariffs on a raft of imports led to escalating fears of a global trade war, causing stocks to retreat once more.

After finishing Q1 on a weak note, global equities recovered significantly in April. Investor sentiment was buoyed by the easing of trade tensions between the US and China, as well as a historic meeting between the leaders of North and South Korea. Developed equities as a whole outperformed EM over the period, with the strength of the US Dollar being a key factor. Energy companies were boosted by the oil price rise (Brent up to USD75 a barrel by month end), and along with the USD rally against GBP, the FTSE100 posted a 6.79% positive total return to investors over April alone.

Having been one of the weakest markets during the first quarter of 2018, UK equities rebounded over April (in GBP terms) as a sharp fall in sterling boosted multinational companies' overseas earnings. Economic data remained subdued, with UK GDP expanding just 0.1% in the first three months of 2018. Inflation also fell to 2.5% in March, lessening the pressure on the Bank of England to increase interest rates in May.

### Global Bonds

For global bonds, the final six months of 2017 were notable for rising short-dated yields and flatter yield curves. This effect was most pronounced in the US, with the 2yr note rising around 50 basis points, while the increase in longer dated yields was much more modest. Elsewhere, longer dated bond yields generally declined slightly. In general, corporate bonds outperformed government bonds throughout the second half of 2017.

As we came into 2018, global bonds delivered mixed returns. In most markets, yields moved upwards throughout January and February as signs of accelerating economic momentum and rising inflationary pressures raised speculation that central banks would become more hawkish. Sovereign bonds sold off as we approached the end of the period as rising oil prices heightened fears of a pickup in inflation. US bond yields increased the most, with the yield on the 10-year Treasury breaching 3.0% for the first time since 2014, while the yield on the two-year note approached 2.5%. On balance, US bonds ended the quarter with negative returns, while European and Japanese bonds posting slight gains up until April. Sovereign bonds in 2018 have outperformed corporate debt as investors favoured lower risk assets. With corporate spreads at such tight levels, consensus seems to not see a case for further tightening and as we approach the latter part of the economic cycle, we are likely to see some widening.

### Macro

Economic data indicated the global economy was in robust health, and surprised on the upside on average in the latter half of 2017, with momentum in the US and euro-zone economies accelerating throughout the year. Inflation remained subdued, apart from in the UK (imported inflation due to GBP weakening, which has subsided since). As widely expected, the US Federal Reserve raised interest rates three times and started to unwind the USD 4.5 trillion of Treasury bonds and mortgage-backed securities amassed as part of its quantitative easing programmes. The Bank of Canada also raised rates for the first time since 2010, while the

# Investment Review continued

Bank of England increased the Base Rate for the first since time since 2007. While the ECB kept interest rates on hold and extended its stimulus measures until September 2018, but halved the size of its monthly asset purchases starting in January 2018. The Bank of Japan maintained its policy measures.

In 2018, the Federal Reserve raised rates by a further 25 basis points in March but forecasts for rate rises in 2019 and 2020 were more hawkish. The ECB dropped its reference to committing to buy more bonds should growth disappoint but signalled that, when rates did rise, the pace of increases would be “measured”. The Bank of England kept rates on hold, and the probability of further rate hikes looks less and less likely with each subsequent data release. The governor of the Bank of Japan suggested that it could start to move away from its ultra-loose monetary policy as early as next year.

## Portfolio Review

### Strategic Asset Allocation

The fund's medium-term SAA (Strategic Asset Allocation) reflects expected asset returns and volatilities for the next 3-5 years. The SAA was commensurate with a volatility bandwidth of 8.4% to 10.5%.

Conservative	Jan 2016 to Oct 2016	Oct 2016 to 8 Feb 2017	9 Feb 2017 onwards
Cash	0.00%	0.00%	5.00%
Global Equities Ex-UK	30.00%	27.00%	23.16%
UK Equities	28.00%	26.00%	19.84%
<b>Global Equities</b>	<b>58.00%</b>	<b>53.00%</b>	<b>43.00%</b>
Equities EM	5.00%	5.00%	5.00%
Commodities	0.00%	0.00%	0.00%
Real Estate	7.00%	7.00%	0.00%
Absolute return Strategies	0.00%	0.00%	16.00%
Emerging Markets Bonds	0.00%	0.00%	0.00%
Global High Yield Bonds	6.00%	6.00%	6.00%
UK Bonds	5.00%	5.00%	5.00%
Corporate Bonds	24.00%	24.00%	20.00%
Inflation-Linked Bonds	0.00%	0.00%	0.00%
	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

In the short-term, the asset allocation is tactically varied around the SAA in order to add additional value and to avoid an “over-shooting” or “under-shooting” of the chosen risk tolerance level.

### Tactical Asset Allocation

Throughout 2017 we maintained an overweight exposure to global equities compared to the SAA, and the fund continued to increase this exposure as we moved into 2018. With volatility picking up in February and March 2018, we took some profit once equities recovered with the view that the probability of a boom/bust scenario had increased, and given that volatility looked set to be returning to average long-term levels.

Emerging market equity exposure has remained relatively flat versus the SAA throughout the period. EM markets still exhibit positive fundamentals, and potential growth in both EM and DM is tipped to accelerate further before levelling off in 2018, which should provide a buffer against headwinds such as rising US Treasuries, as long as the Fed hikes in line with expectations. EM growth is on course to achieve above 5% growth - double that of the projected DM GBP growth figures - and China's “higher quality growth” story, as well as the China A shares inclusion to the MSCI indices should be supportive for EM assets. In saying this, US Dollar strength is a strong headwind for the asset class, and the strong performance in 2017 is unlikely to be repeated, hence our TAA has remained flat in 2018.

Whilst strategically we allocated more to absolute return strategies from February 2017 - as both bond and equity markets were judged to be structurally overvalued - tactically we have remained underweight since the end of 2017, with more upside seen in certain bond and equity markets, particularly the US, that is still supported by both accommodative monetary policy and fiscal stimulus. We preferred UK gilt and GBP-denominated global corporate bond exposure this year, which has performed well as a diversifier to our UK and global equity allocation.

GBP-denominated corporate bond exposure was gradually increased throughout the latter stages of 2017 and the early part of 2018, which has performed strongly versus other asset classes held, on a risk-adjusted basis. In February 2018, we increased allocation to defensive core fixed income holdings with the rationale being that these securities should perform when the stock market is underperforming.

In April, we decreased our allocation to corporate bond holdings, with the rationale being to take some duration risk off the table, in favour of growth assets, given that we don't see a case for further credit spread tightening as we move forward in this cycle. IG spreads had widened in recent weeks and the reduction in

# Investment Review continued

allocation was both a momentum call as well as a fundamental one.

## Outlook

Following a long period of broad-based improvement, economic high-frequency data have retreated from lofty levels in almost all major countries and regions in the last one and three months. While near-term risks from elevated trade tensions and geopolitics have increased, the macro data flow is still commensurate with our expectations of ongoing above-potential growth of the world economy over the course of this year.

Analysts have started to respond to the weaker news flow, as upward revisions of consensus GDP forecasts came to a halt after nineteen consecutive months in April. The topping out of cyclical momentum is a strong indication that the current business cycle has entered its next stage. In this late-cycle reflation phase, we expect global growth to stay above potential and inflation to incrementally pick up against a backdrop of ever tighter labor markets and rising economy-wide capacity utilization. But as long as the jury remains out on the crucial question, whether the rollover of data will be more of a plateauing or finally gives way towards a more persistent slowdown, macroeconomic uncertainty and most likely financial market volatility are bound to remain elevated.

Central banks will most likely have to respond more forcefully than currently anticipated to this unfolding “fragile goldilocks” scenario. The Federal Reserve, in particular, may deliver more rate hikes than currently anticipated by financial markets against the backdrop of ongoing above-potential economic growth, labor market tightness and the consequential recovery in core inflation.

Persistent (geo-)political risks, increasing US protectionism leading to a potential trade war, a mishandled monetary policy normalization by major central banks and a major setback in financial markets rank high among potential downside risks for the global economy. Furthermore, ill-timed fiscal stimulus in the United States at a matured stage of the business cycle raises the medium-term risks of a boom/bust-scenario.

29 June 2018

The contents of this Investment Review are based on the views of the manager at the time of writing, which may be subject to change.

# Portfolio Statement

As at 30 April 2018

Holding/Nominal		Market Value £'000	% of Net Assets
<b>Open-Ended Funds - 76.55% (2017 - 76.80%)</b>			
<b>Equities - 30.70% (2017 - 36.56%)</b>			
6,206	Allianz Best Styles Emerging Markets Equity	5,509	5.11
15,719	Allianz Best Styles Global Equity	21,735	20.18
307,018	Allianz UK Opportunities Fund	328	0.30
6,292	Allianz Volatility Strategy Fund	5,508	5.11
		<b>33,080</b>	<b>30.7</b>
<b>Fixed Interest - 45.85% (2017 - 40.24%)</b>			
7,165,380	Allianz Gilt Yield Fund	13,162	12.22
7,268	Allianz Selective Global High Yield	5,569	5.17
2,250,131	Allianz Strategic Bond Fund	2,153	2.00
125,593	iShares Core Bond UCITS ETF GBP	17,970	16.68
176,050	SPDR Barclays Sterling Corporation Bond ETF	10,531	9.78
		<b>49,385</b>	<b>45.85</b>
<b>Sterling Denominated Fixed Rate Government Bonds - 14.22% (2017 - 5.08%)</b>			
£3,800,000	Treasury 1.25% Bonds 22/07/2018	3,806	3.53
£2,000,000	Treasury 1.75% Bonds 22/07/2019	2,026	1.88
£2,500,000	Treasury Bill 0% Bonds 21/05/2018	2,498	2.32
£2,000,000	Treasury Bill 0% Bonds 29/05/2018	1,999	1.86
£2,000,000	Treasury Bill 0% Bonds 18/06/2018	1,998	1.85
£2,500,000	Treasury Bill 0% Bonds 09/07/2018	2,497	2.32
£500,000	Treasury Bill 0% Bonds 01/10/2018	499	0.46
		<b>15,323</b>	<b>14.22</b>
<b>US Dollar Denominated Fixed Rate Government Bonds - 4.02% (2017 - 12.25%)</b>			
\$6,000,000	US Treasury 0% Bonds 08/11/2018	4,327	4.02
		<b>4,327</b>	<b>4.02</b>
<b>Derivatives - 0.51% (2017 - 0.34%)</b>			
<b>Open Forward Exchange Contracts* - (0.36)% (2017 - 0.47%)</b>			
	Bought JPY 217,850,000 Sold GBP 1,426,983	26	0.02
	Sold AUD 2,785,000 : Bought GBP 1,520,444	(10)	(0.01)
	Sold CAD2,180,000 : Bought GBP 1,214,293	(20)	(0.02)
	Sold EUR 10,076,000 : Sold GBP 8,772,855	(112)	(0.10)
	Sold USD 10,437,000 : Bought GBP 7,325,825	(272)	(0.25)
		<b>(388)</b>	<b>(0.36)</b>
<b>Open Futures Contracts - 0.87% (2017 - (0.13)%)</b>			
(58)	EURO STOXX 50 June 2018	(63)	(0.06)
289	FTSE 100 Index June 2018	1,127	1.05
(10)	S&P/TSX 60 Index June 2018	(8)	(0.01)
52	S&P500 EMINI June 2018	(161)	(0.15)
(15)	SPI 200 June 2018	(34)	(0.03)
15	TOPIX Index June 2018	75	0.07
		<b>936</b>	<b>0.87</b>
Investment assets <sup>1</sup>		102,663	95.30
Net other assets		5,063	4.70
<b>Net assets</b>		<b>107,726</b>	<b>100.00</b>

\* Forwards are not approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

<sup>1</sup> Includes derivative liabilities.

Stock shown as ADRs represent American Depositary Receipts.

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 30 April 2017.

# Statement of Total Return

For the year ended 30 April 2018

	Notes	2018 £000s	2018 £000s	2017 £000s	2017 £000s
Income:					
Net capital (losses)/gains	2		(122)		5,266
Revenue	3	2,322		1,246	
Expenses	4	(416)		(245)	
Interest payable and similar charges	6	(22)		(6)	
Net revenue before taxation		1,884		995	
Taxation	5	(275)		(181)	
Net revenue after taxation			1,609		814
<b>Total return before distributions</b>			<b>1,487</b>		<b>6,080</b>
Distributions	7		(1,558)		(808)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(71)</b>		<b>5,272</b>

# Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 April 2018

	2018 £000s	2018 £000s	2017 £000s	2017 £000s
Opening net assets attributable to shareholders		71,639		26,175
Amounts receivable on issue of shares	57,914		67,057	
Amounts payable on cancellation of shares	(23,384)		(27,821)	
		34,530		39,236
Dilution adjustment		-		7
Change in net assets attributable to shareholders from investment activities (see above)		(71)		5,272
Retained distributions on accumulation shares		1,628		949
<b>Closing net assets attributable to shareholders</b>		<b>107,726</b>		<b>71,639</b>

Notes to the final report and financial statements are from page 89 to 96.

# Balance Sheet

## As at 30 April 2018

	Notes	2018 £000s	2018 £000s	2017 £000s	2017 £000s
<b>Assets:</b>					
Fixed assets:					
Investments			103,343		68,169
Current assets:					
Debtors	8	305		1,004	
Cash and bank balances	9	5,438		3,798	
<b>Total assets</b>			<b>109,086</b>		<b>72,971</b>
<b>Liabilities:</b>					
Investment liabilities					
			(680)		(490)
Creditors:					
Bank overdrafts		-		(174)	
Other creditors	10	(680)		(668)	
<b>Total liabilities</b>			<b>(1,360)</b>		<b>(1,332)</b>
<b>Net assets attributable to shareholders</b>			<b>107,726</b>		<b>71,639</b>

Notes to the final report and financial statements are from page 89 to 96.



# Notes to the Final Report and Financial Statements

## 1. Accounting Basis and Policies

The applicable accounting policies adopted by the Allianz RiskMaster Conservative Multi Asset Fund are included on pages 13 and 14 of the Collective Notes to the Final Report and Financial Statements.

## 2. Net capital gains

	2018 £000s	2017 £000s
(Losses)/gains on non-derivative securities	(193)	2,234
Gains on derivative securities	634	2,913
Gains on currency	87	268
Losses on forward currency contracts	(639)	(139)
Handling charges	(11)	(10)
<b>Net capital (losses)/gains</b>	<b>(122)</b>	<b>5,266</b>

## 3. Revenue

	2018 £000s	2017 £000s
ACD's fee rebates from underlying investments	166	20
Bank interest	3	1
Interest on fixed income securities	210	59
Overseas dividends - non-taxable	468	89
Overseas dividends - taxable	597	443
Returns from equity index futures	878	634
<b>Total revenue</b>	<b>2,322</b>	<b>1,246</b>

## 4. Expenses

	2018 £000s	2017 £000s
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:</b>		
ACD's annual fee	415	257
ACD rebate*	(57)	(55)
Company secretarial costs	1	1
	359	203
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	23	17
Safe custody fees	13	3
	36	20

# Notes to the Final Report and Financial Statements

## continued

### Other expenses:

Audit fees	13	15
Distribution costs	4	5
Printing costs	2	1
Registration fees	1	1
Taxation advice	1	2
VAT recovered	(1)	(2)
Other expenses	1	-
	21	22
<b>Total expenses</b>	<b>416</b>	<b>245</b>

All expenditure stated above is inclusive of VAT where applicable.

The Audit fee for the year, excluding VAT, was £9,540 (2017 - £10,600).

\*Operating charges for each sub-fund are capped. F and Y Shares are capped at 0.50%, C Shares are capped at 0.99% and T Shares are capped at 0.90%. Any charges in excess of this amount are borne by the Manager. This is operated by way of a fee rebate from the ACD.

## 5. Taxation

	2018	2017
	£000s	£000s
<b>a. Analysis of the taxation charge for the year:</b>		
Corporation tax	273	181
Corporation tax adjustment	2	-
<b>Total taxation for the year (see Note 5(b))</b>	<b>275</b>	<b>181</b>
<b>b. Factors affecting taxation charge for the year:</b>		
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for a sub-fund of an Open-Ended Investment Company (20%) (2017 - 20%).		
The differences are explained below:		
Net revenue before taxation	1,835	995
Corporation tax at 20%	367	199
<b>Effects of:</b>		
Overseas dividends - non-taxable	(94)	-
Stock dividends - non-taxable	-	(18)
Corporation tax adjustment	2	-
<b>Total taxation charge for the year (see Note 5(a))</b>	<b>275</b>	<b>181</b>

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

The sub-fund has utilised its management expenses (2017 - same).

### c. Provision for deferred tax

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £0 (2017 : nil) 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.

# Notes to the Final Report and Financial Statements

## continued

### 6. Interest payable and similar charges

	2018 £000s	2017 £000s
Interest	22	6

### 7. Distributions

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

	2018 £000s	2017 £000s
Final	1,628	949
Add: Revenue deducted on cancellation of shares	264	64
Deduct: Revenue received on creation of shares	(334)	(205)
<b>Net distributions for the year</b>	<b>1,558</b>	<b>808</b>
<b>Reconciliation of net revenue after taxation to net distributions for the year</b>		
Net revenue after taxation	1,609	814
Add: Capitalised ACD fee rebate	(2)	(10)
Tax on capital items	-	2
Net revenue shortfall taken to capital	-	2
<b>Net distributions for the year</b>	<b>1,607</b>	<b>808</b>

### 8. Debtors

	2018 £000s	2017 £000s
Accrued ACD's fee rebate	13	20
Accrued revenue	35	38
Amounts receivable on creation of shares	257	946
	<b>305</b>	<b>1,004</b>

### 9. Cash and bank balances

	2018 £000s	2017 £000s
Cash and bank balances	3,711	1,684
Amount held at futures clearing houses and brokers	1,727	2,114
	<b>5,438</b>	<b>3,798</b>

# Notes to the Final Report and Financial Statements

## continued

### 10. Other creditors

	2018	2017
	£000s	£000s
Accrued ACD's annual fee	153	23
Amounts payable on cancellation of shares	212	35
Corporation tax	273	181
Other accrued expenses	42	30
Purchases awaiting settlement	-	399
	<b>680</b>	<b>668</b>

### 11. Related party transactions

Management fees paid to the ACD are disclosed in note 4 and amounts due at the year end are disclosed in note 10.

Monies received and paid by the ACD through the creation and cancellation of Shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the year end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no Shareholdings in the Company at the year end.

#### Significant Shareholdings

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 sub-fund 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, 8 and 10 to the financial statements. All creations and cancellations were transacted with the ACD.

In addition, assets managed by related parties of the ACD and held by the sub-fund as at the Balance Sheet date are detailed below:

	2018	2017
	£000s	£000s
Allianz Best Styles Emerging Markets Equity Fund	5,509	-
Allianz Best Styles Global Equity Fund	21,735	13,501
Allianz Gilt Yield Fund	13,162	-
Allianz Selective Global High Yield Fund	5,569	4,181
Allianz Strategic Bond Fund	2,153	-
Allianz Structured Alpha 250 Fund	-	1,291
Allianz Structured Return Fund	-	7,385
Allianz Volatility Strategy Fund	5,508	4,021
Allianz UK Opportunities Fund	328	-
<b>The value of purchases during the year were:</b>		
Allianz Best Styles Emerging Markets Equity Fund	5,832	8,336
Allianz Best Styles Global Equity Fund	9,516	13,952

# Notes to the Final Report and Financial Statements

## continued

Allianz Global High Yield-IT-USD Fund	2,777	2,777
Allianz Gilt Yield Fund	13,199	-
Allianz Selective Global High Yield Fund	3,387	5,022
Allianz Strategic Bond Fund	2,150	-
Allianz Structured Alpha 250 Fund	6,189	4,099
Allianz Structured Return Fund	7,365	7,350
Allianz Volatility Strategy Fund	25,001	8,848
Allianz UK Opportunities Fund	310	-
<b>The value of sales during the year were:</b>		
Allianz Best Styles Emerging Markets Equity Fund	552	8,627
Allianz Best Styles Global Equity Fund	2,291	-
Allianz Global High Yield-IT-USD Fund	-	2,829
Allianz Selective Global High Yield Fund	1,700	706
Allianz Structured Alpha 250 Fund	7,755	2,771
Allianz Structured Return Fund	14,742	-
Allianz Volatility Strategy Fund	820	-
Allianz Volatility Strategy I Eur Fund	22,878	4,838

## 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 sub-fund 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 sub-fund currently has four share classes: C, T, F and Y. The ACD's annual fee on the share classes are as follows:

Class C:	0.75%
Class T:	Nil
Class F:	0.50%
Class Y:	0.50%

The net asset value per share and the number of shares in issue are given in the Comparative Tables on page 79 to 81.

The distribution per share is given in the Distribution Table on page 82.

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.

## 14. Contingent liabilities and commitments

As at 30 April 2018 there were no contingent liabilities (2017: £Nil).

# Notes to the Final Report and Financial Statements

## continued

### 15. Derivatives and other financial instruments

For this sub-fund, the ACD measures and manages risk using the value-at-risk approach. Please see page 11 for further details.

#### a. Fair value hierarchy

	Assets	Liabilities	Assets	Liabilities
	30 April 2018 £000s	30 April 2018 £000s	30 April 2017 £000s	30 April 2017 £000s
Level 1: Quoted	49,353	(266)	24,986	(435)
Level 2: Observable	53,990	(414)	43,183	(55)
Level 3: Unobservable	-	-	-	-
	<b>103,343</b>	<b>(680)</b>	<b>68,169</b>	<b>(490)</b>

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.

#### b. Maturity of financial liabilities

All liabilities are due in one year or less or on demand (2017 - same).

#### c. 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.

	30 April 2018 % of Net assets	30 April 2017 % of Net assets
<b>d. Credit rating</b>		
Investment grade	18.24	16.78
Below investment grade	-	0.55
	<b>18.24</b>	<b>17.33</b>

### 16. Share movement

For the year ended 30 April 2018:

	Class C Shares	Class T Shares	Class F Shares	Class Y Shares
Opening shares	4,039,483	7,245,755	46,038,541	127
Shares created	1,338,973	209,419	44,193,626	337
Shares cancelled	(997,045)	(2,746,111)	(14,835,387)	(173)
Shares converted	-	-	-	-
<b>Closing shares</b>	<b>4,381,411</b>	<b>4,709,063</b>	<b>75,396,780</b>	<b>291</b>

# Notes to the Final Report and Financial Statements

## continued

### 17. Portfolio transaction costs

For the year ended 30 April 2018:

	Transaction Value 2018 £000s	Commissions 2018 £000s	2018 %	Taxes 2018 £000s	Taxes 2018 %
<b>Purchases</b>					
Equity instruments (direct)	1,430	-	0.00	-	0.00
Debt instruments (direct)	110,349	-	0.00	-	0.00
Collective Investment Schemes	125,243	-	0.00	-	0.00
Total purchases	237,022	-	-	-	-
Total purchases including transaction costs	237,022				
	Transaction Value 2018 £000s	Commissions 2018 £000s	2018 %	Taxes 2018 £000s	Taxes 2018 %
<b>Sales</b>					
Equity instruments (direct)	1,700	-	0.00	-	0.00
Debt instruments (direct)	102,728	-	0.00	-	0.00
Collective Investment Schemes	96,686	-	0.00	-	0.00
Total sales	201,114	-	-	-	-
Total sales including transaction costs	201,114				
<b>Total transaction costs as a % of average net assets</b>		<b>0.00%</b>		<b>0.00%</b>	
	Transaction Value 2017 £000s	Commissions 2017 £000s	2017 %	Taxes 2017 £000s	Taxes 2017 %
<b>Purchases</b>					
Debt instruments (direct)	121,939	-	0.00	-	0.00
Collective Investment Schemes	160,130	14	0.01	6	0.00
Total purchases	282,069	14	-	6	0.00
Total purchases including transaction costs	282,089				
	Transaction Value 2017 £000s	Commissions 2017 £000s	2017 %	Taxes 2017 £000s	Taxes 2017 %
<b>Sales</b>					
Debt instruments (direct)	121,074	-	0.00	-	0.00
Collective investment schemes	119,401	11	0.01	-	0.00
Total sales	240,475	11	-	-	-
Total sales including transaction costs	240,464				
<b>Derivative transaction costs</b>		<b>12</b>		<b>-</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.06%</b>		<b>0.01%</b>	

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

# Notes to the Final Report and Financial Statements continued

For the sub-fund'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 sub-fund's daily liquidity position are excluded from the analysis.

For the sub-fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying subfunds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

During the year the sub-fund utilised futures 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.

Dealing spread costs suffered by the sub-fund 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 0.06% (2017 : 0.10%).



# Fund Information

## Investment Objective and Policy

The Allianz RiskMaster Growth Multi Asset Fund aims to achieve long term capital growth by investing in investments which are considered higher risk but may, on an ancillary basis, invest in investment considered lower to medium risk.

The Fund seeks to achieve this objective by (1) actively investing in a broad range of asset classes across all economic sectors worldwide and (2) managing the risks associated with investing in these assets by utilising a broad range of risk management techniques.

The Fund will invest mainly in investments which are considered high risk, such as equity, equity related securities and (indirectly) alternative asset classes (including commodities indices and hedge fund indices) but may, on an ancillary basis invest in investments considered lower to medium risk such as fixed income securities (issued by corporate, government and/or supranational institutions), collective investment schemes (including those with exposure to the property market), cash, near cash and money market instruments.

The Fund may gain exposure to the above mentioned securities either through direct investment or indirectly by investing in collective investment schemes, including exchange traded funds.

In particularly adverse market conditions the Fund may hold cash deposits up to 100% of the portfolio.

The Fund may also invest in derivative instruments such as futures, options, options on swaps, swap agreements (including equity and/or index based total return swaps, interest rate swaps and credit default swaps) and currency forward contracts. The Fund may use options in order to generate synthetic cash positions.

Derivatives may also be used for the purpose of efficient portfolio management.

## Fund Details

<b>Fund Manager</b>	Allianz RiskMaster	
	Multi Asset team	
<b>Benchmark</b>	n/a	
<b>Income allocation date</b>	30 April	
<b>Income pay date</b>	30 June	
<b>Launch dates</b>	Fund	15 May 2012
	A Shares	15 May 2012*
	C Shares	15 May 2012
	T Shares	15 March 2013
	F Shares	19 May 2016
	Y Shares	20 February 2017
<b>ISA status</b>	Yes	
<b>Share Classes and types of Shares</b>	C (Accumulation Shares)	
	T (Accumulation Shares)	
	F (Accumulation Shares)	
	Y (Accumulation Shares)	
<b>Minimum investment</b>	C Shares	Lump sum £500 Monthly saving £50
	T Shares	Available only to discretionary management or advisory clients of the Investment Advisor or members of its group or others at the discretion of the ACD
	F Shares	Available only to a feeder UCITS which has been approved to invest at least 85% of its assets in units of another UCITS and which has been approved by the ACD
	Y Shares	Lump sum £100,000,000 Available to Approved Investors only
	C Shares	Nil
	T Shares	Nil
<b>Initial charge</b>	F Shares	Nil
	Y Shares	Nil
<b>Annual ACD fee</b>	C Shares	0.75%
	T Shares	Nil
	F Shares	0.50%**
	Y Shares	0.50%***

For the T Share class a fund admin charge is applied at an amount or rate agreed with the investor.

\*The 'A' Class Accumulation Shares closed effective 16 February 2017.

The 'F' Class Accumulation Shares launched effective 19 May 2016.

The 'Y' Class Accumulation Shares launched effective 20 February 2017.

\*\*0.50 % p.a. minus the Additional Expenses payable in respect of the F shares.

\*\*\*0.50 % p.a. minus the Additional Expenses payable in respect of the Y shares.

# Comparative Tables

For the year ended 30 April 2018

	C Shares Accumulation		
	2018 (p)	2017 (p)	2016 (p)
Opening net asset value per share	154.28	126.62	130.92
Return before operating charges	8.36	29.11	(3.09)
Operating charges	(1.59)	(1.45)	(1.21)
Return after operating charges	6.77	27.66	(4.30)
Distributions	(2.17)	(1.40)	(0.92)
Retained distributions on accumulation shares	2.17	1.40	0.92
Closing net asset value per share	161.05	154.28	126.62
After direct transaction costs of <sup>1</sup>	-	(0.07)	(0.09)
<b>Performance</b>			
Return after operating charges	4.39%	21.84%	(3.28)%
<b>Other information</b>			
Closing net asset value (£'000)	4,474	4,256	1,854
Closing number of shares	2,778,189	2,758,578	1,464,244
Operating charges <sup>2</sup>	0.99%	0.99%	0.99%
Direct transaction costs	0.00%	0.05%	0.08%
<b>Prices</b>			
Highest share price	168.18	159.20	132.44
Lowest share price	154.26	123.55	113.72

<sup>1</sup> 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 sub-fund and share class returns before operating charges.

<sup>2</sup> Operating charges have been capped at 0.99%

# Comparative Tables continued

For the year ended 30 April 2018

	T Shares Accumulation			F Shares Accumulation	
	2018 (p)	2017 (p)	2016 (p)	2018 (p)	2017 (p)
Opening net asset value per share	134.99	110.77	114.77	135.36	100.00
Return before operating charges	7.30	25.37	(3.04)	7.27	35.97
Operating charges	(1.26)	(1.15)	(0.96)	(0.71)	(0.61)
Return after operating charges	6.04	24.22	(4.00)	6.56	35.36
Distributions	(2.05)	(1.13)	(0.65)	(2.72)	(1.45)
Retained distributions on accumulation shares	2.05	1.13	0.65	2.72	1.45
Closing net asset value per share	141.03	134.99	110.77	141.92	135.36
After direct transaction costs of <sup>1</sup>	-	(0.06)	(0.08)	-	(0.06)
<b>Performance</b>					
Return after operating charges	4.47%	21.87%	(3.49)%	4.85%	35.36%
<b>Other information</b>					
Closing net asset value (£'000)	6,339	7,181	19,904	151,970	92,402
Closing number of shares	4,494,539	5,319,802	17,968,577	107,081,281	68,265,203
Operating charges <sup>2</sup>	0.90%	0.90%	0.90%	0.50%	0.50%
Direct transaction costs	0.00%	0.05%	0.08%	0.00%	0.05%
<b>Prices</b>					
Highest share price	147.24	139.43	116.07	148.02	139.82
Lowest share price	135.08	108.14	99.64	135.79	100.00

<sup>1</sup> 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 sub-fund and share class returns before operating charges.

<sup>2</sup> Operating charges have been capped at 0.90% (T Shares).

<sup>2</sup> Operating charges have been capped at 0.50% and were capped at 0.54% prior to 1 December 2016 (F Shares).

Class F Shares were launched on 19 May 2016.

# Comparative Tables continued

## For the year ended 30 April 2018

	Y Shares Accumulation	
	2018 (p)	2017 (p)
Opening net asset value per share	4,952.24	5,000
Return before operating charges	263.29	(42.93)
Operating charges	(25.83)	(4.83)
Return after operating charges	237.46	(47.76)
Distributions	-	-
Retained distributions on accumulation shares	-	-
Closing net asset value per share	5,189.70	4,952.24
After direct transaction costs of <sup>1</sup>	-	(0.48)
<b>Performance</b>		
Return after operating charges	4.80%	(0.96)%
<b>Other information</b>		
Closing net asset value (£'000)	53	15
Closing number of shares	1,013	312
Operating charges <sup>2</sup>	0.50%	0.50%
Direct transaction costs	0.00%	0.05%
<b>Prices</b>		
Highest share price	5,409.42	5,106.50
Lowest share price	4,958.02	4,905.86

<sup>1</sup> 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 sub-fund and share class returns before operating charges.

<sup>2</sup> Operating charges have been capped at 0.50%

Class Y Shares were launched on 20 February 2017

# Distribution Tables

## For the year ended 30 April 2018

Final Distribution in pence per share

Group 1 Shares purchased prior to 1 May 2017

Group 2 Shares purchased on or after 1 May 2017 to 30 April 2018

	Net revenue (p)	Equalisation (p)	Distribution payable 30/06/18 (p)	Distribution paid 30/06/17 (p)
<b>C Shares Accumulation</b>				
Group 1	2.1715	-	2.1715	1.4034
Group 2	1.2779	0.8936	2.1715	1.4034
<b>T Shares Accumulation</b>				
Group 1	2.0516	-	2.0516	1.1270
Group 2	0.9215	1.1301	2.0516	1.1270
<b>F Shares Accumulation</b>				
Group 1	2.7199	-	2.7199	1.4498
Group 2	1.4707	1.2492	2.7199	1.4498
<b>Y Shares Accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-

Investors are reminded that distribution is not guaranteed.

# Investment Review

## Performance Summary

Over the 12 months under review, 1 May 2017 to 30 April 2018, the Fund's 'T' class produced a total return of 4.73%, the Fund's 'C' class 4.72%.

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

## Market Background

### Global Equities

2017 was a very strong year for global equities, with most markets ending the period with double-digit returns. Sustained optimism over the health of the global economy and US tax reform helped stocks overcome heightened political tensions, helping the FTSE All-World Index to touch a fresh high in the closing days of the year. In the second half of 2017, emerging market equities were the strongest performers, with Japan delivering the best results among developed markets, followed by the US – all recorded double-digit gains. In contrast, while euro-zone equities rose, they lagged the broader rally. While all sectors rose, information technology companies led the advance, with materials and energy stocks also benefitting from rising commodity prices.

As we moved into 2018, we saw volatility return in style in February. Despite global equities starting the year strongly in January and continuing to be boosted by ongoing optimism over the global economy, we saw a correction in February. Inflationary pressures, the prospect of faster than expected rate hikes and rich valuations all caused a sharp revaluation in the equity space. This correction was exacerbated by a spike in volatility that led to the demise of many leveraged inverse volatility products – a solution that investors had leaned on for yield enhancement in a world of low interest rates. While stocks later recovered some of these losses, the Trump administration's decision to impose tariffs on a raft of imports led to escalating fears of a global trade war, causing stocks to retreat once more.

After finishing Q1 on a weak note, global equities recovered significantly in April. Investor sentiment was buoyed by the easing of trade tensions between the US and China, as well as a historic meeting between the leaders of North and South Korea. Developed equities as a whole outperformed EM over the period, with the strength of the US Dollar being a key factor. Energy companies were boosted by the oil price rise (Brent up to USD75 a barrel by month end), and along with the USD rally against GBP, the FTSE100 posted a 6.79% positive total return to investors over April alone.

Having been one of the weakest markets during the first quarter of 2018, UK equities rebounded over April (in GBP terms) as a sharp fall in sterling boosted multinational companies' overseas earnings. Economic data remained subdued, with UK GDP expanding just 0.1% in the first three months of 2018. Inflation also fell to 2.5% in March, lessening the pressure on the Bank of England to increase interest rates in May.

### Global Bonds

For global bonds, the final six months of 2017 were notable for rising short-dated yields and flatter yield curves. This effect was most pronounced in the US, with the 2yr note rising around 50 basis points, while the increase in longer dated yields was much more modest. Elsewhere, longer dated bond yields generally declined slightly. In general, corporate bonds outperformed government bonds throughout the second half of 2017.

As we came into 2018, global bonds delivered mixed returns. In most markets, yields moved upwards throughout January and February as signs of accelerating economic momentum and rising inflationary pressures raised speculation that central banks would become more hawkish. Sovereign bonds sold off as we approached the end of the period as rising oil prices heightened fears of a pickup in inflation. US bond yields increased the most, with the yield on the 10-year Treasury breaching 3.0% for the first time since 2014, while the yield on the two-year note approached 2.5%. On balance, US bonds ended the quarter with negative returns, while European and Japanese bonds posting slight gains up until April. Sovereign bonds in 2018 have outperformed corporate debt as investors favoured lower risk assets. With corporate spreads at such tight levels, consensus seems to not see a case for further tightening and as we approach the latter part of the economic cycle, we are likely to see some widening.

### Macro

Economic data indicated the global economy was in robust health, and surprised on the upside on average in the latter half of 2017, with momentum in the US and euro-zone economies accelerating throughout the year. Inflation remained subdued, apart from in the UK (imported inflation due to GBP weakening, which has subsided since). As widely expected, the US Federal Reserve raised interest rates three times and started to unwind the USD 4.5 trillion of Treasury bonds and mortgage-backed securities amassed as part of its quantitative easing programmes. The Bank of Canada also raised rates for the first time since 2010, while the

# Investment Review continued

Bank of England increased the Base Rate for the first since time since 2007. While the ECB kept interest rates on hold and extended its stimulus measures until September 2018, but halved the size of its monthly asset purchases starting in January 2018. The Bank of Japan maintained its policy measures.

In 2018, the Federal Reserve raised rates by a further 25 basis points in March but forecasts for rate rises in 2019 and 2020 were more hawkish. The ECB dropped its reference to committing to buy more bonds should growth disappoint but signalled that, when rates did rise, the pace of increases would be “measured”. The Bank of England kept rates on hold, and the probability of further rate hikes looks less and less likely with each subsequent data release. The governor of the Bank of Japan suggested that it could start to move away from its ultra-loose monetary policy as early as next year.

## Portfolio Review

### Strategic Asset Allocation

The fund's medium-term SAA (Strategic Asset Allocation) reflects expected asset returns and volatilities for the next 3-5 years. The SAA was commensurate with a volatility bandwidth of 12.6% to 14.7%, and allocations to equities and bonds were reduced in preference for absolute return strategies, in light of our expectation that volatility should increase in the medium term.

Conservative	Jan 2016 to 8 Feb 2017	9 Feb 2017 onwards
Cash	0.00%	0.00%
Global Equities Ex-UK	33.00%	31.83%
UK Equities	35.00%	31.17%
<b>Global Equities</b>	<b>68.00%</b>	<b>63.00%</b>
Equities EM	17.00%	17.00%
Commodities	0.00%	0.00%
Real Estate	5.00%	15.00%
Absolute return Strategies	0.00%	0.00%
Emerging Markets Bonds	0.00%	5.00%
Global High Yield Bonds	5.00%	0.00%
UK Bonds	0.00%	0.00%
Corporate Bonds	5.00%	0.00%
Inflation-Linked Bonds	0.00%	0.00%
	<b>100.00%</b>	<b>100.00%</b>

In the short-term, the asset allocation is tactically varied around the SAA in order to add additional value and to avoid an “over-shooting” or “under-shooting” of the chosen risk tolerance level.

### Tactical Asset Allocation

Throughout 2017 we maintained an overweight exposure to global equities compared to the SAA, and the fund continued to increase this exposure as we moved into 2018. With volatility picking up in February and March 2018, we took some profit once equities recovered with the view that the probability of a boom/bust scenario had increased, and given that volatility looked set to be returning to average long-term levels.

Emerging market equity exposure has remained relatively flat versus the SAA throughout the period. EM markets still exhibit positive fundamentals, and potential growth in both EM and DM is tipped to accelerate further before levelling off in 2018, which should provide a buffer against headwinds such as rising US Treasuries, as long as the Fed hikes in line with expectations. EM growth is on course to achieve above 5% growth - double that of the projected DM GBP growth figures - and China's “higher quality growth” story, as well as the China A shares inclusion to the MSCI indices should be supportive for EM assets. In saying this, US Dollar strength is a strong headwind for the asset class, and the strong performance in 2017 is unlikely to be repeated, hence our TAA has remained flat in 2018.

Whilst strategically we allocated more to absolute return strategies from February 2017 - as both bond and equity markets were judged to be structurally overvalued - tactically we have remained underweight since the end of 2017, with more upside seen in certain bond and equity markets, particularly the US, that is still supported by both accommodative monetary policy and fiscal stimulus. We preferred UK gilt and GBP-denominated global corporate bond exposure this year, which has performed well as a diversifier to our UK and global equity allocation.

GBP-denominated corporate bond exposure was gradually increased throughout the latter stages of 2017 and the early part of 2018, which has performed strongly versus other asset classes held, on a risk-adjusted basis. In February 2018, we increased allocation to defensive core fixed income holdings with the rationale being that these securities should perform when the stock market is underperforming.

# Investment Review continued

In April, we decreased our allocation to corporate bond holdings, with the rationale being to take some duration risk off the table, in favour of growth assets, given that we don't see a case for further credit spread tightening as we move forward in this cycle. IG spreads had widened in recent weeks and the reduction in allocation was both a momentum call as well as a fundamental one.

29 June 2018

The contents of this Investment Review are based on the views of the manager at the time of writing, which may be subject to change.

## Outlook

Following a long period of broad-based improvement, economic high-frequency data have retreated from lofty levels in almost all major countries and regions in the last one and three months. While near-term risks from elevated trade tensions and geopolitics have increased, the macro data flow is still commensurate with our expectations of ongoing above-potential growth of the world economy over the course of this year.

Analysts have started to respond to the weaker news flow, as upward revisions of consensus GDP forecasts came to a halt after nineteen consecutive months in April. The topping out of cyclical momentum is a strong indication that the current business cycle has entered its next stage. In this late-cycle reflation phase, we expect global growth to stay above potential and inflation to incrementally pick up against a backdrop of ever tighter labor markets and rising economy-wide capacity utilization. But as long as the jury remains out on the crucial question, whether the rollover of data will be more of a plateauing or finally gives way towards a more persistent slowdown, macroeconomic uncertainty and most likely financial market volatility are bound to remain elevated.

Central banks will most likely have to respond more forcefully than currently anticipated to this unfolding “fragile goldilocks” scenario. The Federal Reserve, in particular, may deliver more rate hikes than currently anticipated by financial markets against the backdrop of ongoing above-potential economic growth, labor market tightness and the consequential recovery in core inflation.

Persistent (geo-)political risks, increasing US protectionism leading to a potential trade war, a mishandled monetary policy normalization by major central banks and a major setback in financial markets rank high among potential downside risks for the global economy. Furthermore, ill-timed fiscal stimulus in the United States at a matured stage of the business cycle raises the medium-term risks of a boom/bust-scenario.



# Portfolio Statement

As at 30 April 2018

Holding/Nominal		Market Value £'000	% of Net Assets
	<b>Open-ended Funds - 61.40% (2017 - 59.02%)</b>		
	<b>Equities - 45.07% (2017 - 43.50%)</b>		
30,695	Allianz Best Styles Emerging Markets Equity Fund	27,248	16.73
22,500	Allianz Best Styles Global Equity Fund	31,111	19.11
4,660	Allianz Structured Return Fund	4,779	2.93
3,599,974	Allianz UK Opportunities Fund	3,844	2.36
7,335	Allianz Volatility Strategy I Eur Fund	6,420	3.94
		<b>73,402</b>	<b>45.07</b>
	<b>Fixed Interest - 16.33% (2017 - 15.52%)</b>		
4,273,617	Allianz Gilt Yield Fund	7,850	4.82
10,578	Allianz Selective Global High Yield Fund	8,105	4.98
1,883,830	Allianz Strategic Bond Fund	1,803	1.11
40,264	iShares Core Sterling Corporate Bond UCITS ETF	5,761	3.54
51,074	SPDR Barclays Sterling Corporation Bond ETF	3,056	1.88
		<b>26,575</b>	<b>16.33</b>
	<b>Euro Denominated Fixed Rate Government Bonds - 0.00% (2017 - 2.87%)</b>		
	<b>Sterling Denominated Fixed Rate Government Bonds - 21.50% (2017 - 12.73%)</b>		
£19,800,000	Treasury 1.25% Bonds 22/07/2018	19,833	12.18
£3,000,000	Treasury 0% Bonds 21/05/2018	2,998	1.84
£2,200,000	Treasury 0% Bonds 29/05/2018	2,198	1.35
£1,500,000	Treasury 0% Bonds 18/06/2018	1,499	0.92
£3,500,000	Treasury 0% Bonds 09/07/2018	3,495	2.15
£1,500,000	Treasury 0% Bonds 23/07/2018	1,498	0.92
£3,500,000	Treasury 0% Bonds 01/10/2018	3,491	2.14
		<b>35,012</b>	<b>21.50</b>
	<b>US Dollar Denominated Fixed Rate Government Bonds - 11.05% (2017 - 17.93%)</b>		
\$20,000,000	US Treasury 0% Bonds 08/11/2018	14,422	8.86
\$5,000,000	US Treasury 0% Bonds 28/02/2019	3,576	2.19
		<b>17,998</b>	<b>11.05</b>
	<b>Derivatives - 0.90% (2017 - 0.10%)</b>		
	<b>Open Forward Exchange Contracts* - (0.37)% (2017 - 0.33%)</b>		
	Bought JPY 556,340,000: Sold GBP 3,644,193	67	0.04
	Sold AUD 4,098,000: Bought GBP 2,237,263	(15)	(0.01)
	Sold CAD 2,913,000: Bought GBP 1,622,585	(27)	(0.02)
	Sold EUR 8,851,000: Bought GBP 7,706,286	(98)	(0.06)
	Sold USD 20,053,000: Bought GBP 14,075,382	(522)	(0.32)
		<b>(595)</b>	<b>(0.37)</b>
	<b>Open Futures Contracts - 1.27% (2017 - (0.23)%)</b>		
(22)	EURO STOXX 50 June 2018	(24)	(0.01)
622	FTSE 100 Index June 2018	2,420	1.49
(13)	S&P/TSX 60 IX June 2018	(9)	(0.01)
162	S&P500 EMINI June 2018	(490)	(0.30)
(21)	SPI 200 June 2018	(47)	(0.03)
39	TOPIX Index June 2018	210	0.13
		<b>2,060</b>	<b>1.27</b>
	Investment assets <sup>1</sup>	154,452	94.85
	Net other assets	8,384	5.15
	<b>Net assets</b>	<b>162,836</b>	<b>100.00</b>

\* Forwards are not approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

<sup>1</sup> Includes derivative liabilities.

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 30 April 2017.

# Statement of Total Return

For the year ended 30 April 2018

	Notes	2018 £000s	2018 £000s	2017 £000s	2017 £000s
Income:					
Net capital gains	2		2,923		7,960
Revenue	3	3,651		1,530	
Expenses	4	(539)		(279)	
Interest payable and similar charges	6	(25)		(16)	
Net revenue before taxation		3,087		1,235	
Taxation	5	(449)		(201)	
Net revenue after taxation			2,638		1,034
<b>Total return before distributions</b>			<b>5,561</b>		<b>8,994</b>
Distributions	7		(2,633)		(1,021)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>2,928</b>		<b>7,973</b>

# Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 April 2018

	2018 £000s	2018 £000s	2017 £000s	2017 £000s
Opening net assets attributable to shareholders		103,854		22,055
Amounts receivable on issue of shares	71,265		91,309	
Amounts payable on cancellation of shares	(18,277)		(18,571)	
		52,988		72,738
Dilution adjustment		1		-
Change in net assets attributable to shareholders from investment activities (see above)		2,928		7,973
Retained distributions on accumulation shares		3,065		1,088
<b>Closing net assets attributable to shareholders</b>		<b>162,836</b>		<b>103,854</b>

Notes to the final report and financial statements are from page 108 to 115.

# Balance Sheet

## As at 30 April 2018

	Notes	2018 £000s	2018 £000s	2017 £000s	2017 £000s
<b>Assets:</b>					
Fixed assets:					
Investments			155,684		97,192
Current assets:					
Debtors	8	1,110		1,848	
Cash and bank balances	9	9,661		8,581	
<b>Total assets</b>			<b>166,455</b>		<b>107,621</b>
<b>Liabilities:</b>					
Investment liabilities					
			(1,232)		(971)
Creditors:					
Bank overdrafts		(1,623)		(1,777)	
Other creditors	10	(764)		(1,019)	
<b>Total liabilities</b>			<b>(3,619)</b>		<b>(3,767)</b>
<b>Net assets attributable to shareholders</b>			<b>162,836</b>		<b>103,854</b>

Notes to the final report and financial statements are from page 108 to 115.

# Notes to the Final Report and Financial Statements

## 1. Accounting Basis and Policies

The applicable accounting policies adopted by the Allianz RiskMaster Growth Multi Asset Fund are included on pages 13 and 14 of the Collective Notes to the Final Report and Financial Statements.

## 2. Net capital gains

	2018 £000s	2017 £000s
Gains on non-derivative securities	2,673	2,993
Gains on derivative securities	1,033	5,097
(Losses)/gains on currency	(40)	315
Losses on forward currency contracts	(733)	(435)
Handling charges	(10)	(10)
<b>Net capital gains</b>	<b>2,923</b>	<b>7,960</b>

## 3. Revenue

	2018 £000s	2017 £000s
ACD's fee rebates from underlying investments	340	67
Interest on fixed income securities	428	74
Overseas dividends - non-taxable	854	196
Overseas dividends - taxable	210	95
Returns from equity index futures	1,819	1,098
<b>Total revenue</b>	<b>3,651</b>	<b>1,530</b>

## 4. Expenses

	2018 £000s	2017 £000s
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:</b>		
ACD's annual fee	541	291
ACD rebate*	(72)	(60)
Company secretarial costs	1	1
	<b>470</b>	<b>232</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	29	20
Safe custody fees	17	5
	<b>46</b>	<b>25</b>
<b>Other expenses:</b>		
Audit fees	13	15

# Notes to the Final Report and Financial Statements

## continued

Distribution costs	6	5
Printing costs	2	1
Registration fees	1	1
Taxation advice	1	2
VAT recovered	(1)	(2)
Other expenses	1	-
	23	22
<b>Total expenses</b>	<b>539</b>	<b>279</b>

All expenditure stated above is inclusive of VAT where applicable.

The Audit fee for the year, excluding VAT, was £9,540 (2017 - £10,600).

\*Operating charges for each sub-fund are capped. F and Y Shares are capped at 0.50%, C Shares are capped at 0.99% and T Shares are capped at 0.90%. Any charges in excess of this amount are borne by the Manager. This is operated by way of a fee rebate from the ACD.

## 5. Taxation

	2018	2017
	£000s	£000s
<b>a. Analysis of the taxation charge for the year:</b>		
Corporation tax	450	197
Deferred tax	(4)	4
Deferred tax adjustment	3	-
<b>Total taxation for the year (see Note 5(b))</b>	<b>449</b>	<b>201</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 sub-fund of an Open-Ended Investment Company (20%) (2017 - 20%).

The differences are explained below:

Net revenue before taxation	3,087	1,235
Corporation tax at 20%	617	247

### Effects of:

Excess expenses utilised in the year	-	(7)
Overseas dividends - non-taxable	(171)	(39)
Deferred tax adjustment	3	-
<b>Total taxation charge for the year (see Note 5(a))</b>	<b>449</b>	<b>201</b>

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

### c. Deferred tax

Movement in the year:

Provision at start of the year	4	-
Deferred tax charge	(4)	4
<b>Provision at the end of the year</b>	<b>-</b>	<b>4</b>

# Notes to the Final Report and Financial Statements

## continued

### 6. Interest payable and similar charges

	2018 £000s	2017 £000s
Interest	25	16

### 7. Distributions

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

	2018 £000s	2017 £000s
Final	3,065	1,088
Add: Revenue deducted on cancellation of shares	200	7
Deduct: Revenue received on creation of shares	(632)	(74)
<b>Net distributions for the year</b>	<b>2,633</b>	<b>1,021</b>
<b>Reconciliation of net revenue after taxation to net distributions for the year</b>		
Net revenue after taxation	2,638	1,034
Add: capitalised ACD fee rebate	(3)	(10)
Tax on capital items	-	(3)
Revenue carried forward	(2)	-
<b>Net distributions for the year</b>	<b>2,633</b>	<b>1,021</b>

### 8. Debtors

	2018 £000s	2017 £000s
Accrued ACD's fee rebate	(36)	42
Accrued revenue	101	53
Amounts receivable on creation of shares	1,045	1,753
	<b>1,110</b>	<b>1,848</b>

### 9. Cash and bank balances

	2018 £000s	2017 £000s
Cash and bank balances	4,651	3,783
Amount held at futures clearing houses and brokers	5,010	4,798
	<b>9,661</b>	<b>8,581</b>

# Notes to the Final Report and Financial Statements

## continued

### 10. Other creditors

	2018	2017
	£000s	£000s
Accrued ACD's annual fee	198	33
Amounts payable on cancellation of shares	61	198
Corporation tax	451	197
Deferred tax	-	4
Other accrued expenses	54	28
Purchases awaiting settlement	-	559
	<b>764</b>	<b>1,019</b>

### 11. Related party transactions

Management fees paid to the ACD are disclosed in note 4 and amounts due at the year end are disclosed in note 10.

Monies received and paid by the ACD through the creation and cancellation of Shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the year end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no Shareholdings in the Company at the year end.

#### Significant Shareholdings

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 sub-fund 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, 8 and 10 to the financial statements. All creations and cancellations were transacted with the ACD.

In addition, assets managed by related parties of the ACD and held by the sub-fund as at the Balance Sheet date are detailed below:

	2018	2017
	£000s	£000s
Allianz Best Styles Emerging Markets Equity Fund	27,248	12,103
Allianz Best Styles Global Equity Fund	31,111	18,302
Allianz Gilt Yield Fund	7,850	-
Allianz Selective Global High Yield Fund	8,105	4,946
Allianz Strategic Bond Fund	1,803	-
Allianz Structured Return Fund	4,779	4,737
Allianz UK Opportunities Fund	3,844	-
Allianz Volatility Strategy I Eur Fund	6,420	10,033
<b>The value of purchases during the year were:</b>		
Allianz Best Styles Emerging Markets Equity Fund	15,591	19,199
Allianz Best Styles Global Equity Fund	14,614	18,965

# Notes to the Final Report and Financial Statements

## continued

Allianz Gilt Yield Fund	7,868	-
Allianz Global High Yield Fund	-	1,357
Allianz Selective Global High Yield Fund	4,351	5,757
Allianz Strategic Bond Fund	1,800	-
Allianz Structured Alpha 250 Fund	7,656	2,879
Allianz Structured Return Fund	9,708	9,432
Allianz UK Opportunities Fund	3,650	-
Allianz Volatility Strategy Fund	25,994	-
Allianz Volatility Strategy I Eur Fund	1,137	25,437
<b>The value of sales during the year were:</b>		
Allianz Best Styles Emerging Markets Equity Fund	2,202	11,900
Allianz Best Styles Global Equity Fund	3,247	-
Allianz Gilt Yield Fund	-	-
Allianz Global High Yield Fund	-	1,369
Allianz Selective Global High Yield Fund	928	665
Allianz Strategic Bond Fund	-	-
Allianz Structured Alpha 250 Fund	7,916	2,932
Allianz Structured Return Fund	9,676	4,724
Allianz UK Opportunities Fund	-	-
Allianz Volatility Strategy Fund	29,636	-
Allianz Volatility Strategy I Eur Fund	567	15,415

## 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 sub-fund 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 sub-fund currently has four share classes: C, T, F and Y. The ACD's annual fee on the share classes are as follows:

Class C:	0.75%
Class T:	Nil
Class F:	0.50%
Class Y:	0.50%

The net asset value per share and the number of shares in issue are given in the Comparative Tables on page 98 to 100.

The distribution per share is given in the Distribution Table on page 101.

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.

## 14. Contingent liabilities and commitments

As at 30 April 2018 there were no contingent liabilities (2017: £Nil).



# Notes to the Final Report and Financial Statements

## continued

### 15. Derivatives and other financial instruments

For this sub-fund, the ACD measures and manages risk using the value-at-risk approach. Please see page 11 for further details.

#### a. Fair value hierarchy

	Assets	Liabilities	Assets	Liabilities
	30 April 2018 £000s	30 April 2018 £000s	30 April 2017 £000s	30 April 2017 £000s
Level 1: Quoted	64,457	(570)	11,751	(814)
Level 2: Observable	91,227	(662)	85,441	(157)
Level 3: Unobservable	-	-	-	-
	155,684	(1,232)	97,192	(971)

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.

#### b. Maturity of financial liabilities

All liabilities are due in one year or less or on demand (2017 - same).

#### c. 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.

#### d. Credit rating

	30 April 2017 % of Net assets	30 April 2017 % of Net assets
Investment grade	32.55	33
Below investment grade	-	0.53
	32.55	33.53

#### e. Collective Investment Schemes

The sub-fund invests a substantial proportion of its assets in other Collective Investment Schemes. Please refer to the portfolio statement for details of the Collective Investment Schemes that are held at the balance sheet date. The charges incurred by the sub-fund as a result of its investments in other Collective Investment Schemes as expressed as a percentage of net assets at the balance sheet date is 0.00% (2017 - 0.14%).

# Notes to the Final Report and Financial Statements

## continued

### 16. Share movement

For the year ended 30 April 2018:

	Class C Shares	Class T Shares	Class F Shares	Class Y Shares
Opening shares	2,758,578	5,319,802	68,265,203	312
Shares created	963,630	210,844	49,733,369	906
Shares cancelled	(944,019)	(1,036,107)	(10,917,291)	(205)
Shares converted	-	-	-	-
Closing shares	2,778,189	4,494,539	107,081,281	1,013

### 17. Portfolio transaction costs

For the year ended 30 April 2018:

	Transaction Value 2018 £000s	Commissions 2018 £000s	2018 %	Taxes 2018 £000s	Taxes 2018 %
<b>Purchases</b>					
Debt instruments (direct)	192,626	-	0.00	-	0.00
Collective investment schemes	137,920	-	0.00	-	0.00
Total purchases	330,546	-	-	-	-
Total purchases including transaction costs	330,546				

	Transaction Value 2018 £000s	Commissions 2018 £000s	2018 %	Taxes 2018 £000s	Taxes 2018 %
<b>Sales</b>					
Debt instruments (direct)	173,032	-	0.00	-	0.00
Collective investment schemes	102,579	-	0.00	-	0.00
Total sales	275,611	-	-	-	-
Total sales including transaction costs	275,611				

Total transaction costs as a % of average net assets

0.00%

0.00%

	Transaction Value 2017 £000s	Commissions 2017 £000s	2017 %	Taxes 2017 £000s	Taxes 2017 %
<b>Purchases</b>					
Debt instruments (direct)	187,978	-	0.00	-	0.00
Collective investment schemes	203,157	15	0.01	-	0.00
Total purchases	391,135	15	0.01	-	-
Total purchases including transaction costs	391,150				

# Notes to the Final Report and Financial Statements

## continued

	Transaction Value	Commissions		Taxes	Taxes
	2017	2017	2017	2017	2018
	£000s	£000s	%	£000s	%
<b>Sales</b>					
Debt instruments (direct)	164,798	-	0.00	-	0.00
Collective investment schemes	153,186	13	0.01	-	0.00
Total sales	317,984	13	0.01	-	-
Total sales including transaction costs	317,971				
<b>Derivative transaction costs</b>		<b>3</b>		<b>-</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.05%</b>		<b>0.00%</b>	

The above analysis covers any direct transaction costs suffered by the sub-fund 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 sub-fund'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 sub-fund's daily liquidity position are excluded from the analysis.

For the sub-fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying sub-funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

During the year the sub-fund 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.

Dealing spread costs suffered by the sub-fund 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 0.03% (2017 : 0.04%).

# Fund Information

## Investment Objective and Policy

The Allianz RiskMaster Moderate Multi Asset Fund aims to achieve long term capital growth by maintaining a bias towards investments which are considered higher risk but may invest, to a lesser degree, in investments considered lower to medium risk.

The Fund seeks to achieve this objective by (1) actively investing in a broad range of asset classes across all economic sectors worldwide and (2) managing the risks associated with investing in these assets by utilising a broad range of risk management techniques.

The Fund will maintain a bias towards investments which are considered higher risk, such as equity, equity related securities and (indirectly) alternative asset classes (including commodities indices and hedge fund indices) but may invest, to a lesser degree, in investments considered lower to medium risk such as fixed income securities (issued by corporate, government and/or supranational institutions), collective investment schemes (including those with exposure to the property market), cash, near cash and money market instruments.

The Fund may gain exposure to the above mentioned securities either through direct investment or indirectly by investing in collective investment schemes, including exchange traded funds.

In particularly adverse market conditions the Fund may hold cash deposits up to 100% of the portfolio.

The Fund may also invest in derivative instruments such as futures, options, options on swaps, swap agreements (including equity and/or index based total return swaps, interest rate swaps and credit default swaps) and currency forward contracts. The Fund may use options in order to generate synthetic cash positions.

Derivatives may also be used for the purpose of efficient portfolio management.

## Fund Details

<b>Fund Manager</b>	Allianz RiskMaster	
	Multi Asset team	
<b>Benchmark</b>	n/a	
<b>Income allocation date</b>	30 April	
<b>Income pay date</b>	30 June	
<b>Launch dates</b>	Fund	15 May 2012
	A Shares	15 May 2012*
	C Shares	15 May 2012
	T Shares	15 March 2013
	F Shares	19 May 2016
	Y Shares	20 February 2017
<b>ISA status</b>	Yes	
<b>Share Classes and types of Shares</b>	C (Accumulation Shares)	
	T (Accumulation Shares)	
	F (Accumulation Shares)	
	Y (Accumulation Shares)	
<b>Minimum investment</b>	C Shares	Lump sum £500 Monthly saving £50
	T Shares	Available only to discretionary management or advisory clients of the Investment Advisor or members of its group or others at the discretion of the ACD
	F Shares	Available only to a feeder UCITS which has been approved to invest at least 85% of its assets in units of another UCITS and which has been approved by the ACD
	Y Shares	Lump sum £100,000,000 Available to Approved Investors only
<b>Initial charge</b>	C Shares	Nil
	T Shares	Nil
	F Shares	Nil
	Y Shares	Nil
<b>Annual ACD fee</b>	C Shares	0.75%
	T Shares	Nil
	F Shares	0.50%**
	Y Shares	0.50%***

For the T Share class a fund admin charge is applied at an amount or rate agreed with the investor.

\*The 'A' Class Accumulation Shares closed effective 16 February 2017.

The 'F' Class Accumulation Shares launched effective 19 May 2016.

The 'Y' Class Accumulation Shares launched effective 20 February 2017.

\*\*0.50 % p.a. minus the Additional Expenses payable in respect of the F shares.

\*\*\*0.50 % p.a. minus the Additional Expenses payable in respect of the Y shares.

# Comparative Tables

For the year ended 30 April 2018

C Shares Accumulation			
	2018 (p)	2017 (p)	2016 (p)
Opening net asset value per share	145.70	123.74	127.91
Return before operating charges	6.47	23.34	(2.98)
Operating charges	(1.49)	(1.38)	(1.19)
Return after operating charges	4.98	21.96	(4.17)
Distributions	(2.00)	(1.34)	(1.16)
Retained distributions on accumulation shares	2.00	1.34	1.16
Closing net asset value per share	150.68	145.70	123.74
After direct transaction costs of	-	(0.08)	(0.10)
<b>Performance</b>			
Return after operating charges	3.42%	17.75%	(3.26)%
<b>Other information</b>			
Closing net asset value (£'000)	8,433	8,521	6,539
Closing number of shares	5,596,438	5,848,476	5,284,353
Operating charges <sup>2</sup>	0.99%	0.99%	0.99%
Direct transaction costs <sup>1</sup>	0.00%	0.05%	0.08%
<b>Prices</b>			
Highest share price	156.21	149.62	128.93
Lowest share price	145.26	121.36	112.90

<sup>1</sup> 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 sub-fund and share class returns before operating charges.

<sup>2</sup> Operating charges have been capped at 0.99% (C shares). Operating charges have been capped at 0.50% and were capped at 0.54% prior to 1 December 2016 (F shares).

# Comparative Tables continued

For the year ended 30 April 2018

	T Shares Accumulation			F Shares Accumulation	
	2018 (p)	2017 (p)	2016 (p)	2018 (p)	2017 (p)
Opening net asset value per share	128.72	109.24	112.85	129.10	100.00
Return before operating charges	5.68	20.59	(2.66)	5.64	29.69
Operating charges	(1.20)	(1.11)	(0.95)	(0.67)	(0.59)
Return after operating charges	4.48	19.48	(3.61)	4.97	29.10
Distributions	(1.79)	(1.27)	(1.1)	(2.45)	(1.58)
Retained distributions on accumulation shares	1.79	1.27	1.1	2.45	1.58
Closing net asset value per share	133.20	128.72	109.24	134.07	129.10
After direct transaction costs of	-	(0.07)	(0.09)	-	(0.06)
<b>Performance</b>					
Return after operating charges	3.48%	17.83%	(3.20)%	3.85%	29.10%
<b>Other information</b>					
Closing net asset value (£'000)	14,956	19,165	56,692	233,841	158,397
Closing number of shares	11,228,084	14,888,362	51,897,126	174,411,318	122,693,903
Operating charges <sup>2</sup>	0.90%	0.90%	0.90%	0.50%	0.50%
Direct transaction costs <sup>1</sup>	0.00%	0.05%	0.08%	0.00%	0.05%
<b>Prices</b>					
Highest share price	138.06	132.17	113.75	138.83	132.51
Lowest share price	128.40	107.15	99.65	129.20	100.00

<sup>1</sup> 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 sub-fund and share class returns before operating charges.

<sup>2</sup> Operating charges have been capped at 0.90% (T shares). Operating charges have been capped at 0.50% and were capped at 0.54% prior to 1 December 2016 (F shares).

Class 'F' accumulation shares were launched on 19 May 2016.

# Comparative Tables continued

For the year ended 30 April 2018

	Y Shares Accumulation	
	2018 (p)	2017 (p)
Opening net asset value per share	4,958.48	5,000
Return before operating charges	221.08	(36.69)
Operating charges	(25.73)	(4.83)
Return after operating charges	195.35	(41.52)
Distributions	(136.33)	-
Retained distributions on accumulation shares	136.33	-
Closing net asset value per share	5,153.83	4,958.48
After direct transaction costs of	-	(0.52)
<b>Performance</b>		
Return after operating charges	3.94%	(0.83)%
<b>Other information</b>		
Closing net asset value (£'000)	74	21
Closing number of shares	1,438	422
Operating charges <sup>2</sup>	0.50%	0.50%
Direct transaction costs <sup>1</sup>	0.00%	0.05%
<b>Prices</b>		
Highest share price	5,336.61	5,089.31
Lowest share price	4,966.54	4,932.65

<sup>1</sup> 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 sub-fund and share class returns before operating charges.

<sup>2</sup> Operating charges have been capped at 0.50% (Y shares).

Class 'Y' accumulation shares were launched on 20 February 2017.

# Distribution Tables

## For the year ended 30 April 2018

Final Distribution in pence per share

Group 1 Shares purchased prior to 1 May 2017

Group 2 Shares purchased on or after 1 May 2017 to 30 April 2018

	Net revenue (p)	Equalisation (p)	Distribution payable 30/06/18 (p)	Distribution paid 30/06/17 (p)
<b>C Shares Accumulation</b>				
Group 1	2.0035	-	2.0035	1.3355
Group 2	1.3060	0.6975	2.0035	1.3355
<b>T Shares Accumulation</b>				
Group 1	1.7890	-	1.789	1.2688
Group 2	1.0222	0.7668	1.789	1.2688
<b>F Shares Accumulation</b>				
Group 1	2.4531	-	2.4531	1.5830
Group 2	1.3372	1.1159	2.4531	1.5830
<b>Y Shares Accumulation</b>				
Group 1	136.3282	-	136.3282	-
Group 2	80.0121	56.3161	136.3282	-

Class 'Y' accumulation shares were launched on 20 February 2017.

Investors are reminded that distribution is not guaranteed.



# Investment Review

## Performance Summary

Over the 12 months under review, 1 May 2017 to 30 April 2018, the Fund's 'T' class produced a total return of 3.18%, the Fund's 'C' class 3.09%.\*

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

## Market Background

### Global Equities

2017 was a very strong year for global equities, with most markets ending the period with double-digit returns. Sustained optimism over the health of the global economy and US tax reform helped stocks overcome heightened political tensions, helping the FTSE All-World Index to touch a fresh high in the closing days of the year. In the second half of 2017, emerging market equities were the strongest performers, with Japan delivering the best results among developed markets, followed by the US – all recorded double-digit gains. In contrast, while euro-zone equities rose, they lagged the broader rally. While all sectors rose, information technology companies led the advance, with materials and energy stocks also benefitting from rising commodity prices.

As we moved into 2018, we saw volatility return in style in February. Despite global equities starting the year strongly in January and continuing to be boosted by ongoing optimism over the global economy, we saw a correction in February. Inflationary pressures, the prospect of faster than expected rate hikes and rich valuations all caused a sharp revaluation in the equity space. This correction was exacerbated by a spike in volatility that led to the demise of many leveraged inverse volatility products – a solution that investors had leaned on for yield enhancement in a world of low interest rates. While stocks later recovered some of these losses, the Trump administration's decision to impose tariffs on a raft of imports led to escalating fears of a global trade war, causing stocks to retreat once more.

After finishing Q1 on a weak note, global equities recovered significantly in April. Investor sentiment was buoyed by the easing of trade tensions between the US and China, as well as a historic meeting between the leaders of North and South Korea. Developed equities as a whole outperformed EM over the period, with the strength of the US Dollar being a key factor. Energy companies were boosted by the oil price rise (Brent up to USD75 a barrel by month end), and along with the USD rally against GBP, the FTSE100 posted a 6.79% positive total return to investors over April alone.

Having been one of the weakest markets during the first quarter of 2018, UK equities rebounded over April (in GBP terms) as a sharp fall in sterling boosted multinational companies' overseas earnings. Economic data remained subdued, with UK GDP expanding just 0.1% in the first three months of 2018. Inflation also fell to 2.5% in March, lessening the pressure on the Bank of England to increase interest rates in May.

### Global Bonds

For global bonds, the final six months of 2017 were notable for rising short-dated yields and flatter yield curves. This effect was most pronounced in the US, with the 2yr note rising around 50 basis points, while the increase in longer dated yields was much more modest. Elsewhere, longer dated bond yields generally declined slightly. In general, corporate bonds outperformed government bonds throughout the second half of 2017.

As we came into 2018, global bonds delivered mixed returns. In most markets, yields moved upwards throughout January and February as signs of accelerating economic momentum and rising inflationary pressures raised speculation that central banks would become more hawkish. Sovereign bonds sold off as we approached the end of the period as rising oil prices heightened fears of a pickup in inflation. US bond yields increased the most, with the yield on the 10-year Treasury breaching 3.0% for the first time since 2014, while the yield on the two-year note approached 2.5%. On balance, US bonds ended the quarter with negative returns, while European and Japanese bonds posting slight gains up until April. Sovereign bonds in 2018 have outperformed corporate debt as investors favoured lower risk assets. With corporate spreads at such tight levels, consensus seems to not see a case for further tightening and as we approach the latter part of the economic cycle, we are likely to see some widening.

### Macro

Economic data indicated the global economy was in robust health, and surprised on the upside on average in the latter half of 2017, with momentum in the US and euro-zone economies accelerating throughout the year. Inflation remained subdued, apart from in the UK (imported inflation due to GBP weakening, which has subsided since). As widely expected, the US Federal Reserve raised interest rates three times and started to unwind the USD 4.5 trillion of Treasury bonds and mortgage-backed securities amassed as part of its quantitative easing programmes. The Bank of Canada also raised rates for the first time since 2010, while the

# Investment Review continued

Bank of England increased the Base Rate for the first since time since 2007. While the ECB kept interest rates on hold and extended its stimulus measures until September 2018, but halved the size of its monthly asset purchases starting in January 2018. The Bank of Japan maintained its policy measures.

In 2018, the Federal Reserve raised rates by a further 25 basis points in March but forecasts for rate rises in 2019 and 2020 were more hawkish. The ECB dropped its reference to committing to buy more bonds should growth disappoint but signalled that, when rates did rise, the pace of increases would be “measured”. The Bank of England kept rates on hold, and the probability of further rate hikes looks less and less likely with each subsequent data release. The governor of the Bank of Japan suggested that it could start to move away from its ultra-loose monetary policy as early as next year.

## Portfolio Review

### Strategic Asset Allocation

The fund's medium-term SAA (Strategic Asset Allocation) reflects expected asset returns and volatilities for the next 3-5 years. The SAA was commensurate with a volatility bandwidth of 10.5% to 12.6%, and allocations to equities and bonds were reduced in preference for absolute return strategies, in light of our expectation that volatility should increase in the medium term.

Conservative	Jan 2016 to 8 Feb 2017	9 Feb 2017 onwards
Cash	0.00%	0.00%
Global Equities Ex-UK	29.00%	26.16%
UK Equities	31.00%	25.84%
<b>Global Equities</b>	<b>60.00%</b>	<b>52.00%</b>
Equities EM	11.00%	11.00%
Commodities	0.00%	0.00%
Real Estate	5.00%	0.00%
Absolute return Strategies	0.00%	18.00%
Emerging Markets Bonds	0.00%	0.00%
Global High Yield Bonds	5.00%	5.00%
UK Bonds	0.00%	0.00%
Corporate Bonds	19.00%	14.00%
Inflation-Linked Bonds	0.00%	0.00%
	<b>100.00%</b>	<b>100.00%</b>

In the short-term, the asset allocation is tactically varied around the SAA in order to add additional value and to avoid an “over-shooting” or “under-shooting” of the chosen risk tolerance level.

### Tactical Asset Allocation

Throughout 2017 we maintained an overweight exposure to global equities compared to the SAA, and the fund continued to increase this exposure as we moved into 2018. With volatility picking up in February and March 2018, we took some profit once equities recovered with the view that the probability of a boom/bust scenario had increased, and given that volatility looked set to be returning to average long-term levels.

Emerging market equity exposure has remained relatively flat versus the SAA throughout the period. EM markets still exhibit positive fundamentals, and potential growth in both EM and DM is tipped to accelerate further before levelling off in 2018, which should provide a buffer against headwinds such as rising US Treasuries, as long as the Fed hikes in line with expectations. EM growth is on course to achieve above 5% growth - double that of the projected DM GBP growth figures - and China's “higher quality growth” story, as well as the China A shares inclusion to the MSCI indices should be supportive for EM assets. In saying this, US Dollar strength is a strong headwind for the asset class, and the strong performance in 2017 is unlikely to be repeated, hence our TAA has remained flat in 2018.

Whilst strategically we allocated more to absolute return strategies from February 2017 - as both bond and equity markets were judged to be structurally overvalued - tactically we have remained underweight since the end of 2017, with more upside seen in certain bond and equity markets, particularly the US, that is still supported by both accommodative monetary policy and fiscal stimulus. We preferred UK gilt and GBP-denominated global corporate bond exposure this year, which has performed well as a diversifier to our UK and global equity allocation.

GBP-denominated corporate bond exposure was gradually increased throughout the latter stages of 2017 and the early part of 2018, which has performed strongly versus other asset classes held, on a risk-adjusted basis. In February 2018, we increased allocation to defensive core fixed income holdings with the rationale being that these securities should perform when the stock market is underperforming.

# Investment Review continued

In April, we decreased our allocation to corporate bond holdings, with the rationale being to take some duration risk off the table, in favour of growth assets, given that we don't see a case for further credit spread tightening as we move forward in this cycle. IG spreads had widened in recent weeks and the reduction in allocation was both a momentum call as well as a fundamental one.

29 June 2018

The contents of this Investment Review are based on the views of the manager at the time of writing, which may be subject to change.

## Outlook

Following a long period of broad-based improvement, economic high-frequency data have retreated from lofty levels in almost all major countries and regions in the last one and three months. While near-term risks from elevated trade tensions and geopolitics have increased, the macro data flow is still commensurate with our expectations of ongoing above-potential growth of the world economy over the course of this year.

Analysts have started to respond to the weaker news flow, as upward revisions of consensus GDP forecasts came to a halt after nineteen consecutive months in April. The topping out of cyclical momentum is a strong indication that the current business cycle has entered its next stage. In this late-cycle reflation phase, we expect global growth to stay above potential and inflation to incrementally pick up against a backdrop of ever tighter labor markets and rising economy-wide capacity utilization. But as long as the jury remains out on the crucial question, whether the rollover of data will be more of a plateauing or finally gives way towards a more persistent slowdown, macroeconomic uncertainty and most likely financial market volatility are bound to remain elevated.

Central banks will most likely have to respond more forcefully than currently anticipated to this unfolding “fragile goldilocks” scenario. The Federal Reserve, in particular, may deliver more rate hikes than currently anticipated by financial markets against the backdrop of ongoing above-potential economic growth, labor market tightness and the consequential recovery in core inflation.

Persistent (geo-)political risks, increasing US protectionism leading to a potential trade war, a mishandled monetary policy normalization by major central banks and a major setback in financial markets rank high among potential downside risks for the global economy. Furthermore, ill-timed fiscal stimulus in the United States at a matured stage of the business cycle raises the medium-term risks of a boom/bust-scenario.

# Portfolio Statement

As at 30 April 2018

Holding/Nominal		Market Value £'000	% of Net Assets
<b>Open-Ended Funds - 73.54% (2017 - 72.85%)</b>			
<b>Equities - 39.55% (2017 - 44.55%)</b>			
33,073	Allianz Best Styles Emerging Markets Equity Fund	29,360	11.41
37,877	Allianz Best Styles Global Equity Fund	52,371	20.36
3,729,227	Allianz UK Opportunities Fund	3,982	1.55
18,322	Allianz Volatility Strategy I Eur Fund	16,038	6.23
		<b>101,751</b>	<b>39.55</b>
<b>Fixed Interest - 33.99% (2017 - 28.30%)</b>			
7,116,506	Allianz Gilt Yield Fund	13,072	5.08
17,610	Allianz Selective Global High Yield Fund	13,493	5.25
4,500,262	Allianz Strategic Bond Fund	4,307	1.67
318,440	iShares Core Sterling Corporate Bond UCITS ETF	45,562	17.71
184,199	SPDR Barclays Sterling Corporation Bond ETF	11,019	4.28
		<b>87,453</b>	<b>33.99</b>
<b>Sterling Denominated Fixed Rate Government Bonds - 17.62% (2017 - 15.07%)</b>			
£9,500,000	Treasury 1.25% Bonds 22/07/2018	9,516	3.70
£7,500,000	Treasury 1.75% Bonds 22/07/2019	7,597	2.95
£8,000,000	Treasury 0% Bonds 14/05/2018	7,995	3.11
£6,000,000	Treasury 0% Bonds 21/05/2018	5,996	2.33
£3,250,000	Treasury 0% Bonds 29/05/2018	3,247	1.26
£2,000,000	Treasury 0% Bonds 18/06/2018	1,998	0.78
£6,000,000	Treasury 0% Bonds 09/07/2018	5,992	2.33
£3,000,000	Treasury 0% Bonds 01/10/2018	2,992	1.16
		<b>45,333</b>	<b>17.62</b>
<b>US Dollar Denominated Fixed Rate Government Bonds - 2.80% (2017 - 5.53%)</b>			
\$10,000,000	US Treasury 0% Bonds 08/11/2018	7,211	2.80
<b>Derivatives - 0.91% (2017 - (0.02)%)</b>			
<b>Open Forward Exchange Contracts* - (0.24)% (2017 - 0.20%)</b>			
	Bought GBP 8,940,918 : Sold USD 12,738,000	(332)	(0.13)
	Bought GBP 21,560,362 : Sold EUR 24,763,000	(274)	(0.11)
	Bought GBP 2,815,154 : Sold CAD 5,054,000	(47)	(0.02)
	Bought GBP 3,872,901 : Sold AUD 7,094,000	(26)	(0.01)
	Bought JPY 590,930,000 : Sold GBP 3,870,768	71	0.03
		<b>(608)</b>	<b>(0.24)</b>
<b>Open Futures Contracts - 1.15% (2017 - (0.22)%)</b>			
(82)	EURO STOXX 50 June 2018	(89)	(0.03)
881	FTSE 100 Index June 2018	3,432	1.34
(22)	S&P/TSX 60 IX Index June 2018	(17)	(0.01)
172	S&P500 EMINI June 2018	(528)	(0.21)
(35)	SPI 200 June 2018	(79)	(0.03)
43	TOPIX Index June 2018	239	0.09
		<b>2,958</b>	<b>1.15</b>
Investment assets <sup>1</sup>		244,098	94.87
Net other assets		13,206	5.13
<b>Net assets</b>		<b>257,304</b>	<b>100.00</b>

\* Forwards are not approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

<sup>1</sup> Includes derivative liabilities.

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 30 April 2017.

# Statement of Total Return

## For the year ended 30 April 2018

	Notes	2018 £000s	2018 £000s	2017 £000s	2017 £000s
Income:					
Net capital gains	2		2,741		14,406
Revenue	3	6,355		3,038	
Expenses	4	(968)		(612)	
Interest payable and similar charges	6	(58)		(20)	
Net revenue before taxation		5,329		2,406	
Taxation	5	(767)		(435)	
Net revenue after taxation			4,562		1,971
<b>Total return before distributions</b>			<b>7,303</b>		<b>16,377</b>
Distributions	7		(4,560)		(1,962)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>2,743</b>		<b>14,415</b>

# Statement of Change in Net Assets Attributable to Shareholders

## For the year ended 30 April 2018

	2018 £000s	2018 £000s	2017 £000s	2017 £000s
Opening net assets attributable to shareholders		186,104		64,507
Amounts receivable on issue of shares	142,567		174,148	
Amounts payable on cancellation of shares	(78,712)		(69,177)	
		63,855		104,971
Dilution adjustment		9		-
Change in net assets attributable to shareholders from investment activities (see above)		2,743		14,415
Retained distributions on accumulation shares		4,593		2,211
<b>Closing net assets attributable to shareholders</b>		<b>257,304</b>		<b>186,104</b>

Notes to the final report and financial statements are from page 127 to 134.

# Balance Sheet

## As at 30 April 2018

	Notes	2018 £000s	2018 £000s	2017 £000s	2017 £000s
<b>Assets:</b>					
Fixed assets:					
Investments			245,490		175,384
Current assets:					
Debtors	8	1,477		2,136	
Cash and bank balances	9	14,735		12,078	
<b>Total assets</b>			<b>261,702</b>		<b>189,598</b>
<b>Liabilities:</b>					
Investment liabilities					
			(1,392)		(1,515)
Creditors:					
Bank overdrafts		(1,130)		(84)	
Other creditors	10	(1,876)		(1,895)	
<b>Total liabilities</b>			<b>(4,398)</b>		<b>(3,494)</b>
<b>Net assets attributable to shareholders</b>			<b>257,304</b>		<b>186,104</b>

Notes to the final report and financial statements are from page 127 to 134.

# Notes to the Final Report and Financial Statements

## 1. Accounting Basis and Policies

The applicable accounting policies adopted by the Allianz RiskMaster Moderate Multi Asset Fund are included on pages 13 and 14 of the Collective Notes to the Final Report and Financial Statements.

## 2. Net capital gains

	2018 £000s	2017 £000s
Gains on non-derivative securities	2,029	6,598
Gains on derivative securities	1,482	8,542
Gains on currency	35	414
Losses on forward currency contracts	(794)	(1,137)
Handling charges	(11)	(11)
<b>Net capital gains</b>	<b>2,741</b>	<b>14,406</b>

## 3. Revenue

	2018 £000s	2017 £000s
ACD's fee rebates from underlying investments	564	95
Bank interest	9	-
Interest on fixed income securities	488	119
Overseas dividends - non-taxable	1,493	230
Overseas dividends - taxable	1,163	714
Returns from equity index futures	2,638	1,880
<b>Total revenue</b>	<b>6,355</b>	<b>3,038</b>

## 4. Expenses

	2018 £000s	2017 £000s
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:</b>		
ACD's annual fee	968	625
ACD rebate*	(110)	(79)
Company secretarial costs	1	1
	<b>859</b>	<b>547</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	46	30
Safe custody fees	37	8
	<b>83</b>	<b>38</b>

# Notes to the Final Report and Financial Statements

## continued

### Other expenses:

Audit fees	12	15
Distribution costs	6	5
Printing costs	2	2
Registration fees	4	5
Taxation advice	1	3
VAT recovered	(1)	(3)
Other expenses	2	-
	27	27
<b>Total expenses</b>	<b>969</b>	<b>612</b>

\*Operating charges for each sub-fund are capped. F and Y Shares are capped at 0.50%, C Shares are capped at 0.99% and T Shares are capped at 0.90%. 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 £9,540 (2017 - £10,600).

## 5. Taxation

	2018	2017
	£000s	£000s
<b>a. Analysis of the taxation charge for the year:</b>		
Corporation tax	774	427
Deferred tax	(8)	8
Corporation tax adjustment	1	-
<b>Total taxation for the year (see Note 5(b))</b>	<b>767</b>	<b>435</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 sub-fund of an Open-Ended Investment Company (20%) (2017 - 20%).

The differences are explained below:

Net revenue before taxation	5,329	2,406
Corporation tax at 20%	1,066	481
<b>Effects of:</b>		
Overseas dividends - non-taxable	(299)	(46)
Corporation tax adjustment	1	-
Expenses not deductible for tax purposes	(1)	-
<b>Total taxation charge for the year (see Note 5(a))</b>	<b>767</b>	<b>435</b>

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

### c. Deferred tax

Movement in the year:

<b>Provision at start of the year</b>	<b>8</b>	<b>-</b>
Deferred tax charge	(8)	8
<b>Provision at the end of the year</b>	<b>-</b>	<b>8</b>



# Notes to the Final Report and Financial Statements

## continued

### 6. Interest payable and similar charges

	2018 £000s	2017 £000s
Interest	58	20

### 7. Distributions

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

	2018 £000s	2017 £000s
Final	4,593	2,211
Add: Revenue deducted on cancellation of shares	1,164	92
Deduct: Revenue received on creation of shares	(1,197)	(341)
<b>Net distributions for the year</b>	<b>4,560</b>	<b>1,962</b>
<b>Reconciliation of net revenue after taxation to net distributions for the year</b>		
Net revenue after taxation	4,562	1,971
Add: Capitalised ACD fee rebate	(3)	(11)
Revenue carried forward	1	-
Tax on capital items	-	2
<b>Net distributions for the year</b>	<b>4,560</b>	<b>1,962</b>

### 8. Debtors

	2018 £000s	2017 £000s
Accrued ACD's fee rebate	42	61
Accrued revenue	115	87
Amounts receivable on creation of shares	1,320	1,988
	<b>1,477</b>	<b>2,136</b>

### 9. Cash and bank balances

	2018 £000s	2017 £000s
Cash and bank balances	9,659	5,433
Amount held at futures clearing houses and brokers	5,076	6,645
	<b>14,735</b>	<b>12,078</b>

# Notes to the Final Report and Financial Statements

## continued

### 10. Other creditors

	2018	2017
	£000s	£000s
Accrued ACD's annual fee	357	57
Amounts payable on cancellation of shares	670	330
Corporation tax	774	427
Deferred tax	-	8
Other accrued expenses	70	35
Purchases awaiting settlement	-	1,038
Dilution levy	5	-
	<b>1,876</b>	<b>1,895</b>

### 11. Related party transactions

Management fees paid to the ACD are disclosed in note 4 and amounts due at the year end are disclosed in note 10.

Monies received and paid by the ACD through the creation and cancellation of Shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the year end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no Shareholdings in the Company at the year end.

#### Significant Shareholdings

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 sub-fund 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, 8 and 10 to the financial statements. All creations and cancellations were transacted with the ACD.

In addition, assets managed by related parties of the ACD and held by the sub-fund as at the Balance Sheet date are detailed below:

	2018	2017
	£000s	£000s
Allianz Best Styles Emerging Markets Equity Fund	29,360	10,820
Allianz Best Styles Global Equity Fund	52,371	35,019
Allianz Gilt Yield Fund	13,072	-
Allianz Selective Global High Yield Fund	13,493	8,864
Allianz Strategic Bond Fund	4,307	-
Allianz Structured Alpha 250 Fund	-	10,453
Allianz Structured Return Fund	-	8,675
Allianz UK Opportunities Fund	3,982	-
Allianz Volatility Strategy I Eur Fund	16,038	17,939

The value of purchases during the year were:

# Notes to the Final Report and Financial Statements

## continued

Allianz Best Styles Emerging Markets Equity Fund	22,555	35,987
Allianz Best Styles Global Equity Fund	25,548	36,205
Allianz Gilt Yield Fund	13,033	-
Allianz Global High Yield Fund	-	2,506
Allianz Selective Global High Yield	7,388	10,039
Allianz Strategic Bond Fund	4,300	-
Allianz Structured Alpha 250 Fund	7,272	20,137
Allianz Structured Return Fund	7,932	14,462
Allianz UK Opportunities Fund	3,762	-
Allianz Volatility Strategy Fund	79,651	-
Allianz Volatility Strategy I Eur Fund	7,292	46,794
<b>The value of sales during the year were:</b>		
Allianz Best Styles Emerging Markets Equity Fund	6,047	30,305
Allianz Best Styles Global Equity Fund	10,763	-
Allianz Global High Yield Fund	-	2,530
Allianz Selective Global High Yield	2,221	951
Allianz Structured Alpha 250 Fund	18,220	9,393
Allianz Structured Return Fund	16,505	5,834
Allianz Volatility Strategy Fund	86,068	-
Allianz Volatility Strategy I Eur Fund	4,023	29,012

## 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 sub-fund 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 sub-fund currently has four share classes: C, T, F and Y. The ACD's annual fee on the share classes are as follows:

Class C:	0.75%
Class T:	Nil
Class F:	0.50%
Class Y:	0.50%

The net asset value per share and the number of shares in issue are given in the Comparative Tables on page 117 to 119.

The distribution per share is given in the Distribution Table on page 120.

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.

## 14. Contingent liabilities and commitments

As at 30 April 2018 there were no contingent liabilities (2017: £Nil).

# Notes to the Final Report and Financial Statements

## continued

### 15. Derivatives and other financial instruments

For this sub-fund, the ACD measures and manages risk using the value-at-risk approach. Please see page 11 for further details.

#### a. Fair value hierarchy

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

	Assets	Liabilities	Assets	Liabilities
	30 April 2018 £000s	30 April 2018 £000s	30 April 2017 £000s	30 April 2017 £000s
Level 1: Quoted	112,796	(713)	44,734	(1,333)
Level 2: Observable	132,694	(679)	130,650	(182)
Level 3: Unobservable	-	-	-	-
	245,490	(1,392)	175,384	(1,515)

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.

#### b. Maturity of financial liabilities

All liabilities are due in one year or less or on demand (2017 - same).

#### c. 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.

#### d. Credit rating

	30 April 2018 % of Net assets	30 April 2017 % of Net assets
Investment grade	20.42	20.05
Below investment grade	-	0.55
	20.42	20.60

#### e. Collective Investment Schemes

The sub-fund invests a substantial proportion of its assets in other Collective Investment Schemes. Please refer to the portfolio statement for details of the Collective Investment Schemes that are held at the balance sheet date. The charges incurred by the sub-fund as a result of its investments in other Collective Investment Schemes as expressed as a percentage of net assets at the balance sheet date is 0.15% (2017 - 0.14%).

# Notes to the Final Report and Financial Statements

## continued

### 16. Share movement

For the year ended 30 April 2018:

	Class C Shares	Class T Shares	Class F Shares	Class Y Shares
Opening shares	5,848,476	14,888,362	122,693,903	422
Shares created	630,114	471,156	106,548,277	1,271
Shares cancelled	(882,152)	(4,131,434)	(54,830,862)	(255)
Shares converted	-	-	-	-
Closing shares	5,596,438	11,228,084	174,411,318	1,438

### 17. Portfolio transaction costs

For the year ended 30 April 2018:

	Transaction Value 2018 £000s	Commissions 2018 £000s	2018 %	Taxes 2018 £000s	Taxes 2018 %
<b>Purchases</b>					
Debt instruments (direct)	522,033	-	0.00	-	0.00
Collective investment schemes	504,251	-	0.00	-	0.00
Total purchases	1,026,284	-	0.00	-	0.00
Total purchases including transaction costs	1,026,284				
	Transaction Value 2018 £000s	Commissions 2018 £000s	2018 %	Taxes 2018 £000s	Taxes 2018 %
<b>Sales</b>					
Debt instruments (direct)	479,158	-	0.00	-	0.00
Collective investment schemes	436,756	-	0.00	-	0.00
Total sales	915,914	-	0.00	-	0.00
Total sales including transaction costs	915,914				
<b>Derivative Transaction costs</b>					
Total transaction costs as a % of average net assets		-		-	
	Transaction Value 2017 £000s	Commissions 2017 £000s	2017 %	Taxes 2017 £000s	Taxes 2017 %
<b>Purchases</b>					
Debt instruments (direct)	358,444	-	0.00	-	0.00
Collective investment schemes	422,919	33	0.01	-	0.00
Total purchases	781,363	33	0.01	-	0.00
Total purchases including transaction costs	781,396				

# Notes to the Final Report and Financial Statements

## continued

	Transaction Value	Commissions		Taxes	Taxes
	2017	2017	2017	2017	2017
	£000s	£000s	%	£000s	%
<b>Sales</b>					
Debt instruments (direct)	349,274	-	0.00	-	0.00
Collective investment schemes	323,872	29	0.01	-	0.00
Total sales	673,146	29	0.01	-	0.00
Total sales including transaction costs	673,117				
<b>Derivative Transaction costs</b>		5			
<b>Total transaction costs as a % of average net assets</b>		0.05%		0.00%	

The above analysis covers any direct transaction costs suffered by the sub-fund 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 sub-fund'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 sub-fund 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 0.03% (2017 : 0.08%).

# Fund Information

## Investment Objective and Policy

The objective of the Fund is to maximise total return through dividend yield and capital appreciation.

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 objective by investing in high yielding or undervalued securities of companies in Asia, excluding Japan. The portfolio will consist of a concentrated range of securities from any sector in the MSCI AC Asia (ex Japan) Index and may include the securities of smaller companies.

The ACD may also utilise deposits and money market instruments in the management of the portfolio. The Fund may also invest in collective investment schemes.

## Fund Details

<b>Fund Manager</b>	Yuming Pan	
<b>Benchmark</b>	MSCI AC Asia (ex Japan) Index	
<b>Income allocation dates</b>	30 April	
	31 October	
<b>Income pay dates</b>	30 June	
	31 December	
<b>Launch dates</b>	A (Accumulation Shares)	20 June 2002
	C (Income Shares)	2 November 2006
	C (Accumulation Shares)	17 February 2016
<b>ISA status</b>	Yes	
<b>Share Classes and types of Shares</b>	A (Accumulation Shares) C (Income Shares) C (Accumulation Shares)	
<b>Minimum investment</b>	A Shares	Lump sum £500
		Monthly saving £50
	C Shares	Lump sum £500
		Monthly saving £50
<b>Initial charge</b>	A Shares	4.00%
	C Shares	Nil
<b>Annual ACD fee</b>	A Shares	1.75%
	C Shares	0.88%

# Comparative Tables

For the year ended 30 April 2018

	A Shares Accumulation			C Shares Income		
	2018 (p)	2017 (p)	2016 (p)	2018 (p)	2017 (p)	2016 (p)
Opening net asset value per share	797.14	617.02	732.46	727.39	564.24	674.46
Return before operating charges	120.56	195.63	(102.09)	110.19	179.24	(94.12)
Operating charges	(18.43)	(15.51)	(13.35)	(9.75)	(8.25)	(7.12)
Return after operating charges	102.13	180.12	(115.44)	100.44	170.99	(101.24)
Distributions	(10.50)	(8.52)	(9.65)	(9.49)	(7.84)	(8.98)
Retained distributions on accumulation shares	10.50	8.52	9.65	-	-	0
Closing net asset value per share	899.27	797.14	617.02	818.34	727.39	564.24
After direct transaction costs of <sup>1</sup>	(2.16)	(4.14)	(2.96)	(1.97)	(3.79)	(2.72)
<b>Performance</b>						
Return after operating charges	12.81%	29.19%	(15.76%)	13.81%	30.30%	(15.01%)
<b>Other information</b>						
Closing net asset value (£'000)	23,798	33,642	28,855	8,893	8,874	10,323
Closing number of shares	2,646,319	4,220,380	4,676,560	1,086,768	1,219,992	1,829,474
Operating charges	2.04%	2.10%	2.12%	1.19%	1.22%	1.23%
Direct transaction costs	0.24%	0.56%	0.47%	0.24%	0.56%	0.47%
<b>Prices</b>						
Highest share price	974.56	811.19	737.33	885.53	744.73	679.38
Lowest share price	797.79	593.18	549.97	730.76	542.67	507.84

<sup>1</sup> 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 sub-fund and share class returns before operating charges.



# Comparative Tables continued

For the year ended 30 April 2018

	C Shares Accumulation		
	2018 (p)	2017 (p)	2016 (p)
Opening net asset value per share	139.1	106.86	100.00
Return before operating charges	20.99	33.93	7.18
Operating charges	(1.85)	(1.69)	(0.32)
Return after operating charges	19.14	32.24	6.86
Distributions	(1.81)	(1.34)	(0.22)
Retained distributions on accumulation shares	1.81	1.34	0.22
Closing net asset value per share	158.24	139.10	106.86
After direct transaction costs of <sup>1</sup>	(0.38)	(0.72)	(0.10)
<b>Performance</b>			
Return after operating charges	13.76%	30.17%	6.86%
<b>Other information</b>			
Closing net asset value (£'000)	13,858	2,541	887
Closing number of shares	8,757,520	1,826,633	830,227
Operating charges	1.17%	1.32%	1.47%
Direct transaction costs	0.24%	0.56%	0.47%
<b>Prices</b>			
Highest share price	170.87	141.13	112.33
Lowest share price	139.21	102.76	100.00

<sup>1</sup> 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 sub-fund and share class returns before operating charges. 'C' Class Accumulation Shares launched on 17 February 2016.

# Distribution Tables

## For the year ended 30 April 2018

### Interim Distribution in pence per share

Group 1 Shares purchased prior to 1 May 2017

Group 2 Shares purchased on or after 1 May to 31 October 2017

	Net revenue (p)	Equalisation (p)	Distribution paid 31/12/17 (p)	Distribution paid 31/12/16 (p)
<b>A Shares Accumulation</b>				
Group 1	8.4828	-	8.4828	5.4196
Group 2	2.1117	6.3711	8.4828	5.4196
<b>C Shares Income</b>				
Group 1	7.7157	-	7.7157	5.0390
Group 2	1.9845	5.7312	7.7157	5.0390
<b>C Shares Accumulation</b>				
Group 1	1.4587	-	1.4587	0.8502
Group 2	0.3463	1.1124	1.4587	0.8502

### Final Distribution in pence per share

Group 1 Shares purchased prior to 1 November 2017

Group 2 Shares purchased on or after 1 November 2017 to 30 April 2018

	Net revenue (p)	Equalisation (p)	Distribution payable 30/06/18 (p)	Distribution paid 30/06/17 (p)
<b>A Shares Accumulation</b>				
Group 1	2.0156	-	2.0156	3.1033
Group 2	1.3574	0.6582	2.0156	3.1033
<b>C Shares Income</b>				
Group 1	1.7700	-	1.7700	2.8057
Group 2	1.2150	0.5550	1.7700	2.8057
<b>C Shares Accumulation</b>				
Group 1	0.3539	-	0.3539	0.4937
Group 2	0.2413	0.1126	0.3539	0.4937

Investors are reminded that distribution is not guaranteed.

# Investment Review

## Performance Summary

For the year 1 May 2017 to 30 April 2018, the Fund's A class shares produced a total return of 12.81%. The Fund's benchmark, the MSCI AC Asia ex Japan Total Return Index, produced a total return of 16.96%.

Stock selection in South Korea, particularly in the defence industry, detracted from performance. On the other hand, stock selection in China was the major contributor, led by financials and technology companies. On a sector level, stock selection in consumer discretionary and industrials hurt performance, while favourable stock selection in technology and financials offset some underperformance.

\* 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 majority of equity markets in the region rallied over the past year in GBP terms. Growing optimism over the health of the global economy and signs of a pick-up in Asian trade helped markets overcome heightened political tensions relating to North Korea. That said, some earlier gains have been erased since February 2018 on concerns of heightened volatility in US equity markets and potential escalation of the Sino-US trade conflict.

On a country level, China was the standout performer, not just in the region but also globally. Overall, economic growth exceeded expectations, despite the government's measures to cool the property market and tackle excessive levels of debt. The announcement from MSCI that it would include China A-Shares into its global indices from mid-2018 gave another boost to market sentiment. On the other hand, the Philippines equity market lagged broader Asia markets with weaker economic data and corporate earnings growth.

## Portfolio Review

The portfolio manager maintained a concentrated and unconstrained approach to investing with a range of 35 to 45 holdings in the portfolio. The level of active money, a measure of how different the portfolio structure is from the benchmark, remained at a high level above 80%. The "Two High One Low" principle remained the key stock selection criteria, resulting in a

combination of High Earnings Growth, High Quality Sustainable Growth and Low Valuation stocks.

At a stock level, the top detractor was a Taiwan-based smartphone camera lens producer called Largan Precision. The stock had been the best performer in the fund in the previous year, but more recently the share price saw some profit-taking amid concerns over a slowdown in demand for smartphones. While we still believe that Largan enjoys clear technology leadership compared to its peers, we have reduced the level of portfolio exposure due to the wider market slowdown which may persist for some time.

On a positive note, the leading stock contributor was China Merchants Bank. In our view this is one of the leading banks in China with a strong franchise in asset management and retail banking which are long-term growth areas. As a result, we expect China Merchants to sustain growth at a premium to the rest of the banking sector. In addition, the more stable economic environment in China is also leading to a stabilization in asset quality, which had been a key issue holding back the performance of the stock until last year.

## Outlook

Over the past few months, Asian equities have experienced a more choppy market environment. For most of Asia the story of the past few years has been the adjustment to economic and policy shifts in China. Indeed, we expect to see a continuation of the greater stability that has been a feature of China for the last couple of years. So far in 2018, however, it has been the US which has demonstrated more of an impact particularly as a result of rising US Treasury yields and increased geo-political risks. With the economic power of China increasingly challenging the US, this is likely to be an area of continued focus in the coming year.

Our focus remains on investing in companies and sectors which we believe represent the future growth potential of the Asian region. In particular as the region continues to transition away from its previous growth model which was reliant on capital investment, heavy industry and low cost exports to a new structure based on domestic consumption, technology and services, so these new areas are well represented in the portfolio.

## Investment Review continued

At a country level, the largest exposure is to China / Hong Kong. This is primarily an outcome of our bottom-up approach to stock selection but also reflects the improving economic outlook in this area. So far our investments have been focused on China stocks listed in Hong Kong, but in future we expect to invest into China's so-called 'A-Share' markets of Shanghai and Shenzhen. These markets provide a wider investment universe where we are better able to tap into long-term growth prospects represented in the consumer and healthcare sectors in particular.

Overall, we remain cautiously optimistic on the outlook. Our concentrated approach means that investment returns may deviate significantly from the benchmark over shorter time horizons, but we are confident that this approach should lead to stronger returns over the longer term.

29 June 2018

The contents of this Investment Review are based on the views of the manager at the time of writing, which may be subject to change.

# Portfolio Statement

As at 30 April 2018

Holding/Nominal		Market Value £'000	% of Net Assets
<b>EQUITIES - 96.13% (2017 - 96.10%)</b>			
<b>Asia Pacific Ex Japan - 2.01% (2017 - 2.40%)</b>			
1,000	Allianz Asian Small Cap Equity Fund	933	2.01
<b>Cayman Islands - 9.75% (2017 - 6.59%)</b>			
125,100	Tencent	4,541	9.75
<b>China - 29.94% (2017 - 22.00*%)</b>			
47,000	AAC Technologies	498	1.07
18,198	Alibaba ADR	2,349	5.05
7,391,000	Bank of China	2,943	6.32
726,000	Brilliance China Automotive	953	2.05
270,500	China Merchants Bank	869	1.87
864,000	MGM China	1,740	3.74
22,005	New Oriental Education & Technology ADR	1,444	3.10
3,272,000	PetroChina	1,756	3.77
96,000	Ping An Insurance	691	1.48
209,117	Tonghua Dongbao Pharmaceutical	692	1.49
		<b>13,935</b>	<b>29.94</b>
<b>Hong Kong - 12.78% (2017 - 9.56*%)</b>			
408,400	AIA	2,678	5.75
200,000	BOC Hong Kong	758	1.63
684,000	China Mengniu Dairy	1,619	3.48
1,179,000	WH	895	1.92
		<b>5,950</b>	<b>12.78</b>
<b>India - 8.08% (2017 - 5.99%)</b>			
575	Allianz India Equity Fund	574	1.23
75,036	Apollo Hospitals Enterprise	893	1.92
20,950	HDFC Bank ADR	1,452	3.12
23,771	Hindustan Unilever	390	0.84
4,709	Maruti Suzuki India	453	0.97
		<b>3,762</b>	<b>8.08</b>
<b>Indonesia - 1.59% (2017 - 5.65%)</b>			
1,556,900	Jasa Marga	357	0.77
1,920,600	Telekomunikasi Indonesia	384	0.82
		<b>741</b>	<b>1.59</b>
<b>Italy - 0.00% (2017 - 2.28%)</b>			
<b>Malaysia - 2.48% (2017 - 4.63%)</b>			
712,800	Genting Malaysia	679	1.46
286,900	Malaysia Airports	475	1.02
		<b>1,154</b>	<b>2.48</b>
<b>Philippines - 3.66% (2017 - 5.59%)</b>			
523,433	BDO Unibank	971	2.09
2,909,212	Robinsons Land	733	1.57
		<b>1,704</b>	<b>3.66</b>
<b>Singapore - 3.24% (2017 - 3.64%)</b>			
611,600	Singapore Technologies Engineering	1,171	2.52
29,100	Venture	335	0.72
		<b>1,506</b>	<b>3.24</b>
<b>South Korea - 9.23% (2017 - 14.39%)</b>			
8,336	BGF Retail	1,083	2.33
26,625	Hanwha Aerospace	438	0.94
999	Hugel	344	0.74
10,327	Samsung Electro-Mechanics	835	1.79
49,222	Shinhan Financial	1,598	3.43
		<b>4,298</b>	<b>9.23</b>

# Portfolio Statement continued

As at 30 April 2018

Holding/Nominal		Market Value £'000	% of Net Assets
<b>Taiwan - 11.04% (2017 - 10.73%)</b>			
77,000	Globalwafers	915	1.97
97,000	King Slide Works	997	2.14
77,000	LandMark Optoelectronics	527	1.13
3,000	Largan Precision	257	0.55
139,000	MediaTek	1,162	2.50
251,000	Nanya Technology	575	1.23
128,000	Win Semiconductors	706	1.52
		<b>5,139</b>	<b>11.04</b>
<b>Thailand - 2.33% (2017 - 2.65%)</b>			
446,800	Central Pattana	830	1.78
945,600	Sri Trang Agro-Industry	256	0.55
		<b>1,086</b>	<b>2.33</b>
Investment assets		44,749	96.13
Net other assets		1,800	3.87
<b>Net assets</b>		<b>46,549</b>	<b>100.00</b>

\*Since prior published accounts, country classification information has been updated by data providers. Prior year comparatives have been restated where appropriate.

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 30 April 2017.

# Statement of Total Return

## For the year ended 30 April 2018

	Notes	2018 £000s	2018 £000s	2017 £000s	2017 £000s
Income:					
Net capital gains	2		6,040		11,576
Revenue	3	718		760	
Expenses	4	(848)		(808)	
Net expense before taxation		(130)		(48)	
Taxation	5	(24)		(107)	
Net expense after taxation			(154)		(155)
<b>Total return before distributions</b>			<b>5,886</b>		<b>11,421</b>
Distributions	6		(579)		(526)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>5,307</b>		<b>10,895</b>

# Statement of Change in Net Assets Attributable to Shareholders

## For the year ended 30 April 2018

	2018 £000s	2018 £000s	2017 £000s	2017 £000s
Opening net assets attributable to shareholders		45,057		40,065
Amounts receivable on issue of shares	1,738		917	
Amounts payable on cancellation of shares	(6,006)		(7,213)	
		(4,268)		(6,296)
Change in net assets attributable to shareholders from investment activities (see above)		5,307		10,895
Retained distributions on accumulation shares		453		393
<b>Closing net assets attributable to shareholders</b>		<b>46,549</b>		<b>45,057</b>

Notes to the final report and financial statements are from page 145 to 152.

# Balance Sheet

## As at 30 April 2018

	Notes	2018 £000s	2018 £000s	2017 £000s	2017 £000s
<b>Assets:</b>					
Fixed assets:					
Investments			44,749		43,302
Current assets:					
Debtors	7	971		280	
Cash and bank balances	8	1,652		1,931	
<b>Total assets</b>			<b>47,372</b>		<b>45,513</b>
<b>Liabilities:</b>					
Creditors:					
Distribution payable		(19)		(34)	
Other creditors	9	(804)		(422)	
<b>Net assets attributable to shareholders</b>			<b>46,549</b>		<b>45,057</b>

Notes to the final report and financial statements are from page 145 to 152.



# Notes to the Final Report and Financial Statements

## 1. Accounting Basis and Policies

The applicable accounting policies adopted by the Allianz Total Return Asian Equity Fund are included on pages 13 and 14 of the Collective Notes to the Final Report and Financial Statements.

## 2. Net capital gains

	2018 £000s	2017 £000s
Gains on non-derivative securities	6,046	11,622
Gains on derivative securities	-	5
Gains/(losses) on currency	19	(22)
Handling charges	(25)	(29)
<b>Net capital gains</b>	<b>6,040</b>	<b>11,576</b>

## 3. Revenue

	2018 £000s	2017 £000s
ACD's fee rebates from underlying investments	23	22
Bank interest	3	-
Overseas dividends - non-taxable	692	731
Overseas dividends - taxable	-	7
<b>Total revenue</b>	<b>718</b>	<b>760</b>

## 4. Expenses

	2018 £000s	2017 £000s
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:</b>		
ACD's annual fee <sup>1</sup>	733	678
Company secretarial costs	1	1
	734	679
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	13	17
Safe custody fees	37	43
	50	60
<b>Other expenses:</b>		
Audit fees	13	15
Distribution costs	14	14
Printing costs	6	4

# Notes to the Final Report and Financial Statements

## continued

Registration fees	23	25
Taxation advice	1	2
Tax agent fees	9	11
VAT recovered	(4)	(5)
Other expenses	2	3
	64	69
<b>Total expenses</b>	<b>848</b>	<b>808</b>

<sup>1</sup> For the purpose of the distribution, the ACD's annual fee is borne by the capital account (see Note 7).

All expenditure stated above is inclusive of VAT where applicable.

The Audit fee for the year, excluding VAT, was £9,540 (2017 - £10,600).

## 5. Taxation

	2018	2017
	£000s	£000s
<b>a. Analysis of the taxation charge for the year:</b>		
Overseas tax suffered	24	107
<b>Total taxation for the year (see Note 5(b))</b>	<b>24</b>	<b>107</b>
<b>b. Factors affecting taxation charge for the year:</b>		
The taxation assessed for the year is higher than the standard rate of corporation tax in the UK for a sub-fund of an Open-Ended Investment Company (20%) (2017 - 20%).		
The differences are explained below:		
<b>Net expense before taxation</b>	<b>(130)</b>	<b>(48)</b>
Corporation tax at 20%	(26)	(10)
<b>Effects of:</b>		
Overseas dividends - non-taxable	(138)	(146)
Overseas tax suffered	24	107
Surplus allowable expenses arising in the year	164	156
<b>Total taxation charge for the year (see Note 5(a))</b>	<b>24</b>	<b>107</b>

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 £1,381,000 (2017 : £1,217,000) 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.

# Notes to the Final Report and Financial Statements

## continued

### 6. Distributions

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

	2018	2017
	£000s	£000s
Interim	455	329
Final	104	174
	559	503
Add: Revenue deducted on cancellation of shares	29	26
Deduct: Revenue received on creation of shares	(9)	(3)
<b>Net distributions for the year</b>	<b>579</b>	<b>526</b>
<b>Reconciliation of net expense after taxation to net distributions for the year</b>		
<b>Net expense after taxation</b>	<b>(154)</b>	<b>(155)</b>
Add: Capitalised expenses	733	681
<b>Net distributions for the year</b>	<b>579</b>	<b>526</b>

### 7. Debtors

	2018	2017
	£000s	£000s
Accrued ACD's fee rebate	2	8
Accrued revenue	63	53
Amounts receivable on creation of shares	18	8
Prepaid expenses	-	2
Sales awaiting settlement	888	209
	971	280

Spot FX's have been reclassified to be shown within cash.

### 8. Cash and bank balances

	2018	2017
	£000s	£000s
<b>Cash and bank balances</b>	<b>1,652</b>	<b>1,931</b>

Spot FX's have been reclassified to be shown within cash.

### 9. Other creditors

	2018	2017
	£000s	£000s
a. Distribution payable		
<b>Net distribution payable</b>	<b>19</b>	<b>34</b>

# Notes to the Final Report and Financial Statements

## continued

### b. Other creditors

Accrued ACD's annual fee	51	57
Amounts payable on cancellation of shares	129	26
Other accrued expenses	71	45
Purchases awaiting settlement	553	294
	<b>804</b>	<b>422</b>

Spot FX's have been reclassified to be shown within cash.

### 10. Related party transactions

Management fees paid to the ACD are disclosed in note 4 and amounts due at the year end are disclosed in note 10.

Monies received and paid by the ACD through the creation and cancellation of Shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the year end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no Shareholdings in the Company at the year end.

#### Significant Shareholdings

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 sub-fund 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, 8 and 10 to the financial statements. All creations and cancellations were transacted with the ACD.

In addition, assets managed by related parties of the ACD and held by the sub-fund as at the Balance Sheet date are detailed below:

	2018	2017
	£000s	£000s
Allianz Asian Small Cap Equity Fund	933	1,081
Allianz India Equity Fund	574	465
	<b>1,507</b>	<b>1,546</b>

The value of purchases during the year were:

Allianz India Equity Fund	-	464
---------------------------	---	-----

The value of sales during the year were:

Allianz Greater China Dynamic Fund	-	728
Allianz Asian Small Cap Equity Fund	98	-

### 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 sub-fund 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.

# Notes to the Final Report and Financial Statements

## continued

### 12. Shareholders' funds

The sub-fund currently has two share classes: A and C. The ACD's annual fee on the share classes are as follows:

Class A Accumulation:	1.75%
Class C Income:	0.88%

The net asset value per share and the number of shares in issue are given in the Comparative Tables on page 136 to 137.

The distribution per share is given in the Distribution Table on page 138.

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.

### 13. Contingent liabilities and commitments

As at 30 April 2018 there were no contingent liabilities (2017: £Nil).

### 14. Derivatives and other financial instruments

#### a. Currency exposure

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

Currency	Monetary Exposure	Non-Monetary Exposure	Total Exposure	Monetary Exposure	Non-Monetary Exposure	Total Exposure
	30 April 2018 £000s	30 April 2018 £000s	30 April 2018 £000s	30 April 2017 £000s	30 April 2017 £000s	30 April 2017 £000s
Chinese Yuan Renminbi	-	-	-	-	210	210
Hong Kong Dollar	131	19,941	20,072	-	13,828	13,828
Indian Rupee	6	1,736	1,742	7	2,234	2,241
Indonesia Rupiah	3	741	744	-	2,465	2,465
Korean Won	-	4,298	4,298	-	6,491	6,491
Malaysian Ringgit	-	1,154	1,154	-	2,087	2,087
Philippine Peso	34	1,704	1,738	-	2,529	2,529
Singapore Dollar	(301)	1,506	1,205	-	1,663	1,663
Taiwan Dollar	1,174	5,139	6,313	554	4,753	5,307
Thai Baht	14	1,086	1,100	-	1,207	1,207
US Dollar	-	6,752	6,752	10	5,723	5,733

#### b. Interest rate risk profile

The sub-fund did not hold any interest bearing financial instruments other than its cash and bank balances as at the balance sheet date (2017 - same).

#### c. Sensitivity analysis

##### Market price sensitivity

The value of the sub-fund's listed equities, which were exposed to market price risk as at 30 April was as follows:

	2018 £000s	2017 £000s
Listed equity investments held at fair value through profit or loss	44,749	43,302

The following illustrates the sensitivity of the net return and the net assets to an increase or decrease of 20% (2017 - 20%) in the fair values of the sub-fund's listed 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 sub-fund's listed equity investments at each balance sheet date.

# Notes to the Final Report and Financial Statements

## continued

	2018	2018	2017	2017
	20% Increase in fair value £000s	20% Decrease in fair value £000s	20% Increase in fair value £000s	20% Decrease in fair value £000s
<b>Capital Return</b>				
Net gains (losses) on investments at fair value	8,950	(8,950)	8,660	(8,660)

### Foreign currency risk sensitivity

The following table details the sub-fund'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.

	2018	2018	2017	2017
	20% Increase in Sterling against foreign currencies £000s	20% Decrease in Sterling against foreign currencies £000s	20% Increase in Sterling against foreign currencies £000s	20% Decrease in Sterling against foreign currencies £000s
Chinese Yuan Renminbi	-	-	53	(35)
Hong Kong Dollar	5,018	(3,346)	3,457	(2,305)
Indian Rupee	436	(290)	560	(374)
Indonesia Rupiah	186	(124)	616	(411)
Korean Won	1,075	(716)	1,623	(1,082)
Malaysian Ringgit	288	(192)	522	(348)
Philippine Peso	435	(290)	632	(422)
Singapore Dollar	301	(201)	416	(277)
Taiwan Dollar	1,578	(1,052)	1,327	(885)
Thai Baht	275	(183)	302	(201)
US Dollar	1,688	(1,125)	1,433	(956)
<b>Change in net return and net assets</b>	<b>11,280</b>	<b>(7,521)</b>	<b>10,941</b>	<b>(7,296)</b>

### d. Leverage

The sub-fund did not employ significant leverage during the year (2017 - same).

### e. Fair value hierarchy

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

	Assets	Liabilities	Assets	Liabilities
	30 April 2018 £000s	30 April 2018 £000s	30 April 2017 £000s	30 April 2017 £000s
Level 1: Quoted	43,242	-	41,756	-
Level 2: Observable	1,507	-	1,546	-
Level 3: Unobservable	-	-	-	-
	<b>44,749</b>	<b>-</b>	<b>43,302</b>	<b>-</b>

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.

# Notes to the Final Report and Financial Statements

## continued

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 (2017 - 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.

## 15. Share movement

For the year ended 30 April 2018:

	A Shares Accumulation	C Shares Income	C Shares Accumulation
Opening shares	4,220,380	1,219,992	1,826,633
Shares created	11,512	65,916	695,923
Shares cancelled	(367,358)	(217,768)	(600,813)
Shares converted	(1,218,215)	18,628	6,835,777
Closing shares	2,646,319	1,086,768	8,757,520

## 16. Portfolio transaction costs

For the year ended 30 April 2018:

	Transaction Value 2018 £000s	Commissions 2018 £000s	2018 %	Taxes 2018 £000s	Taxes 2018 %
<b>Purchases</b>					
Equity instruments (direct)	23,631	29	0.12	14	0.06
Collective investment schemes	-	-	0.00	-	0.00
Total purchases	23,631	29	0.12	14	0.06
Total purchases including transaction costs	23,674				
	Transaction Value 2018 £000s	Commissions 2018 £000s	2018 %	Taxes 2018 £000s	Taxes 2018 %
<b>Sales</b>					
Equity instruments (direct)	26,098	32	0.12	43	0.17
Collective investment schemes	98	-	0.00	-	0.00
Total sales	26,196	32	0.12	43	0.17
Total sales including transaction costs	26,121				
<b>Total transaction costs as a % of average net assets</b>		0.12%		0.12%	
	Transaction Value 2017 £000s	Commissions 2017 £000s	2017 %	Taxes 2017 £000s	Taxes 2017 %
<b>Purchases</b>					
Equity instruments (direct)	41,296	76	0.18	22	0.05
Collective investment schemes	465	-	0.00	-	0.00
Total purchases	41,761	76	0.18	22	0.05
Total purchases including transaction costs	41,859				

# Notes to the Final Report and Financial Statements

## continued

	Transaction Value	Commissions		Taxes	Taxes
	2017	2017	2017	2017	2017
	£000s	£000s	%	£000s	%
<b>Sales</b>					
Equity instruments (direct)	47,794	90	0.19	63	0.13
Collective investment schemes	729	-	0.00	-	0.00
Total sales	48,523	90	0.19	63	0.13
Total sales including transaction costs	48,370				
<b>Total transaction costs as a % of average net assets</b>		<b>0.37%</b>		<b>0.19%</b>	

The above analysis covers any direct transaction costs suffered by the sub-fund 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 sub-fund'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.

For the sub-fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying Funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the sub-fund 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 0.16% (2017: 0.24%).



# Fund Information

## Investment Objective and Policy

The Allianz US Equity Fund aims to achieve capital growth through investment in leading North American companies.

The Fund invests mainly in the larger companies of the United States of America considered to have good prospects for increasing profits and selling on attractive price/earnings ratios. Investments may also be made in Canadian companies and, if particular opportunities are presented, investments may be made in medium and occasionally smaller sized US companies. The Fund's portfolio is based on the sector weightings of the US stock market and emphasis is placed on sectors expected to out perform relative to the market.

## Fund Details

<b>Fund Manager</b>	Steve Berexa	
<b>Benchmark</b>	S&P 500 Index	
<b>Income allocation date</b>	30 April	
<b>Income pay date</b>	30 June	
<b>Launch dates</b>	A Shares	20 June 2002
	C Shares	26 October 2009
<b>ISA status</b>	Yes	
<b>Share Classes and types of Shares</b>	A (Accumulation Shares) C (Accumulation Shares) I (Accumulation Shares)	
<b>Minimum investment</b>	A Shares	Lump sum £500 Monthly saving £50
	C Shares	Lump sum £500 Monthly saving £50
	I Shares	Lump sum £1-,000 Available only at the discretion of the ACD
<b>Initial charge</b>	A Shares	4.00%
	C Shares	Nil
	I Shares	Nil
<b>Annual ACD fee</b>	A Shares	1.50%
	C Shares	0.75%
	I Shares	0.65%

I Shares are available but are not currently in issue.

# Comparative Tables

For the year ended 30 April 2018

	A Shares Accumulation			C Shares Accumulation		
	2018 (p)	2017 (p)	2016 (p)	2018 (p)	2017 (p)	2016 (p)
Opening net asset value per share	552.96	432.16	411.93	259.96	201.52	190.53
Return before operating charges	36.15	129.85	27.27	17.03	60.73	12.76
Operating charges	(9.82)	(9.05)	(7.04)	(2.48)	(2.29)	(1.77)
Return after operating charges	26.33	120.80	20.23	14.55	58.44	10.99
Distributions	-	-	-	(1.30)	(1.05)	(1.40)
Retained distributions on accumulation shares	-	-	-	1.30	1.05	1.40
Closing net asset value per share	579.29	552.96	432.16	274.51	259.96	201.52
After direct transaction costs of <sup>1</sup>	(0.18)	(0.49)	(0.37)	(8.56)	(0.23)	(0.17)
<b>Performance</b>						
Return after operating charges	4.76%	27.95%	4.91%	5.60%	29.00%	5.77%
<b>Other information</b>						
Closing net asset value (£'000)	12,595	13,079	11,869	15,538	16,571	12,576
Closing number of shares	2,174,279	2,365,198	2,746,415	5,659,949	6,374,463	6,240,564
Operating charges	1.70%	1.74%	1.72%	0.91%	0.94%	0.93%
Direct transaction costs	0.03%	0.09%	0.09%	0.03%	0.09%	0.09%
<b>Prices</b>						
Highest share price	606.67	589.56	447.11	286.83	276.9	208.46
Lowest share price	541.12	429.11	371.82	254.50	200.32	172.43

<sup>1</sup> 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 sub-fund and share class returns before operating charges.

# Distribution Tables

## Final Distribution in pence per share

Group 1 Shares purchased prior to 1 May 2017

Group 2 Shares purchased on or after 1 May 2017 to 30 April 2018

	Net revenue (p)	Equalisation (p)	Distribution payable 30/06/18 (p)	Distribution paid 30/06/17 (p)
<b>A Shares Accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>C Shares Accumulation</b>				
Group 1	1.2978	-	1.2978	1.0472
Group 2	0.5860	0.7118	1.2978	1.0472

Investors are reminded that distribution is not guaranteed.

# Investment Review

## Performance Summary

Over the 12 months under review from 1 May 2017 to 30 April 2018, the Fund's 'A' class (Acc) produced a total return of 4.38% and 'C' class (Acc) produced a total return of 5.22%. The Fund's benchmark, the S&P 500 Index, produced a total return of 6.29% over the period. Relative underperformance was due to negative stock selection, particularly within the health care sector, whereas sector allocation was positive.\*<sup>1</sup>

\* 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.

<sup>1</sup> Returns for the Fund and the S&P 500 Index are stated in GBP.

## Market Background

US equities rose sharply, with major indices touching a series of fresh peaks in 2017. Smaller cap companies also reached a record high in the closing days of the year. Share prices were buoyed by better-than-expected company earnings, renewed merger & acquisition activity, and optimism over the prospects for tax reform. In December, the Senate finally approved plans for USD 1.5 trillion of tax cuts, the most sweeping overhaul of the US tax system in more than three decades. In general, growth stocks outperformed their value counterparts.

2018 started off strong, with equity markets supported by better than expected corporate earnings and optimism that tax reform would further support profits. However, rising bond yields and signs of wage growth led to a sharp correction in February. Stocks recovered somewhat, although a significant increase in volatility has returned, following a generally complacent 2017, given a number of geopolitical risks and concerns that we are approaching the end of the economic cycle.

As widely expected, the US Federal Reserve raised interest rates three times in 2017. Janet Yellen's term as Fed chair ended in February of 2018, with Jay Powell chosen as her successor. Mr Powell fuelled speculation that the Fed may adopt a more aggressive policy stance when he noted that the US economy had strengthened and that he saw inflation advancing towards the Fed's 2% target. Economic data continues to indicate that the US economy is in robust health, with US consumers reacting positively to higher wages, job growth and recent tax reform.

## Portfolio Review

Stock selection held back relative returns, primarily within the healthcare, consumer discretionary and information technology sectors. Positive sector allocation decisions partially offset this via our underweights to the telecom services and utilities sectors.

**Estee Lauder** was a top contributor to both relative and absolute returns during the fiscal year. Estee Lauder Co. is a leader in beauty products, including cosmetics, skincare and fragrances. Most recently, the company delivered extremely strong earnings, which outpaced investor expectations. Strong results were driven by a higher than expected revenue, with particular strength in Asia Pacific, especially within China. Skincare was also an area of particular strength; however the company experienced double digit gains in all brands excluding designer fragrances.

The company's shift away from department stores into retail travel, online and specialty channels was positive and led to both revenue and margin growth. Estee was also a beneficiary of the recent tax reform. The company is one of the top overweights in the portfolio.

In contrast, **DexCom**, a leading developer of continuous glucose monitoring (CGM) systems, which are used in a hospital setting as well as by individuals via smart phones, was the top detractor during the year. Performance suffered after a competitor's CGM received favorable approval by the FDA earlier than anticipated. The competing CGM will not require routine finger sticks for calibration and will be priced at a discount to DexCom's.

While the market anticipated the competitor product's approval, the new dosing claim that enables patients to inject insulin directly through the system without routine finger sticks was a surprise to the market. This new technology disrupted the market, further increasing pricing competition and made us skeptical of the company's future market share and growth prospects going into 2018. We exited the stock in October as a result.

<sup>2</sup> Stock returns are stated in local currency (USD).

<sup>3</sup> This is no recommendation or solicitation to buy or sell any particular security.

## Outlook

While we continue to believe there is more room for growth, we believe we are getting closer to end of this expansionary cycle. We would expect to see higher levels of volatility remain in place during this time. Given the symmetrical risk around inflation language and the slight downgrade of near-term growth

# Investment Review continued

expectations in the recent FOMC minutes, we expect to see three Fed rate hikes for 2018.

Equity markets, by nature, encompass a number of risks, which currently include a more aggressive Fed, President Trump's decision to pull out of the Iran nuclear accord, ongoing geopolitical tensions and a potential trade war. We continue to monitor the potential risks, and as always, we continue to seek out individual company specific opportunities with attractive risk-reward profiles and strong fundamentals.

29 June 2018

The contents of this Investment Review are based on the views of the manager at the time of writing, which may be subject to change.

# Portfolio Statement

As at 30 April 2018

Holding/Nominal		Market Value £'000	% of Net Assets
	<b>IRELAND - 2.48% (2017 - 0.00%)</b>		
6,275	<b>Support Services - 2.48% (2017 - 0.00%)</b> Accenture	697	2.48
	<b>ISRAEL - 0.61% (2017 - 0.00%)</b>		
4,080	<b>Electronic &amp; Electrical Equipment - 0.61% (2017 - 0.00%)</b> Orbotech	172	0.61
	<b>SWITZERLAND - 2.19% (2017 - 0.00%)</b>		
6,170	<b>Nonlife Insurance - 2.19% (2017 - 0.00%)</b> Chubb	617	2.19
	<b>UNITED STATES OF AMERICA - 91.17% (2017 - 96.77%)</b>		
1,810	<b>Aerospace &amp; Defence - 3.72% (2017 - 0.00%)</b> Axon Enterprise	55	0.20
9,745	Hexcel	474	1.68
3,485	Raytheon	518	1.84
		<b>1,047</b>	<b>3.72</b>
54,240	<b>Banks - 8.14% (2017 - 8.27%)</b> Bank of America	1,191	4.23
13,784	JPMorgan Chase	1,099	3.91
		<b>2,290</b>	<b>8.14</b>
7,185	<b>Chemicals - 2.16% (2017 - 3.62%)</b> DowDuPont	337	1.20
12,395	Huntsman	269	0.96
		<b>606</b>	<b>2.16</b>
	<b>Construction &amp; Materials - 0.00% (2017 - 1.81%)</b>		
1,442	<b>Financial Services - 4.55% (2017 - 6.26%)</b> BlackRock	551	1.96
4,180	Goldman Sachs	730	2.59
		<b>1,281</b>	<b>4.55</b>
18,035	<b>Food Producers - 1.87% (2017 - 4.79%)</b> Mondelez International	525	1.87
9,070	<b>General Industrials - 1.67% (2017 - 3.00%)</b> Fortive	471	1.67
655	<b>General Retailers - 4.54% (2017 - 6.27%)</b> Amazon.com	750	2.66
3,685	Costco Wholesale	528	1.88
		<b>1,278</b>	<b>4.54</b>
3,640	<b>Health Care Equipment &amp; Services - 11.13% (2017 - 5.88%)</b> Anthem	634	2.26
1,704	Intuitive Surgical	555	1.97
7,710	Nevro	510	1.81
3,420	Thermo Fisher Scientific	531	1.89
5,152	UnitedHealth	901	3.20
		<b>3,131</b>	<b>11.13</b>
	<b>Household Goods &amp; Home Construction - 0.00% (2017 - 1.78%)</b>		

# Portfolio Statement continued

As at 30 April 2018

Holding/Nominal		Market Value £'000	% of Net Assets
6,305	<b>Industrial Engineering - 2.36% (2017 - 1.87%)</b> Caterpillar	665	2.36
7,030	<b>Industrial Transportation - 1.99% (2017 - 1.84%)</b> Kansas City Southern	560	1.99
	<b>Life Insurance - 0.00% (2017 - 2.30%)</b>		
27,667	<b>Media - 2.28% (2017 - 3.30%)</b> Comcast 'A' Shares	641	2.28
6,395	<b>Oil &amp; Gas Producers - 6.49% (2017 - 1.78%)</b> Chevron	589	2.09
9,145	ConocoPhillips	433	1.54
7,853	Continental Resources	373	1.33
5,055	EOG Resources	430	1.53
		<b>1,825</b>	<b>6.49</b>
	<b>Oil Equipment, Services &amp; Distribution - 0.00% (2017 - 3.40%)</b>		
4,795	<b>Personal Goods - 1.85% (2017 - 1.71%)</b> Estee Lauder 'A' Shares	520	1.85
11,465	<b>Pharmaceuticals &amp; Biotechnology - 3.26% (2017 - 10.37%)</b> Abbott Laboratories	498	1.77
6,815	BioMarin Pharmaceutical	418	1.49
		<b>916</b>	<b>3.26</b>
4,570	<b>Real Estate Investment Trusts - 4.55% (2017 - 1.51%)</b> American Tower	450	1.60
1,440	Equinix	442	1.57
8,010	Prologis	389	1.38
		<b>1,281</b>	<b>4.55</b>
1,185	<b>Software &amp; Computer Services - 10.29% (2017 - 11.34%)</b> Alphabet 'A' Shares	890	3.16
7,310	DXC Technology	551	1.96
12,558	Microsoft	877	3.12
6,570	salesforce.com	575	2.05
		<b>2,893</b>	<b>10.29</b>
10,655	<b>Support Services - 3.48% (2017 - 0.00%)</b> PayPal	575	2.04
3,575	United Rentals	404	1.44
		<b>979</b>	<b>3.48</b>
5,219	<b>Technology Hardware &amp; Equipment - 10.78% (2017 - 10.62%)</b> Apple	617	2.19
11,260	Applied Materials	405	1.44
15,140	Cisco Systems	493	1.75
16,450	Intel	632	2.25
2,290	Lam Research	313	1.11
7,140	Motorola Solutions	573	2.04
		<b>3,033</b>	<b>10.78</b>
10,020	<b>Tobacco - 2.14% (2017 - 0.00%)</b> Philip Morris International	603	2.14
3,715	<b>Travel &amp; Leisure - 3.92% (2017 - 5.05%)</b> Royal Caribbean Cruises	303	1.08
11,715	MGM Resorts International	267	0.95
8,400	Yum! Brands	532	1.89
		<b>1,102</b>	<b>3.92</b>

# Portfolio Statement continued

## As at 30 April 2018

Holding/Nominal		Market Value £'000	% of Net Assets
	Investment assets	27,133	96.45
	Net other assets	1,000	3.55
	<b>Net assets</b>	<b>28,133</b>	<b>100.00</b>

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 30 April 2017.



# Statement of Total Return

For the year ended 30 April 2018

	Notes	2018 £000s	2018 £000s	2017 £000s	2017 £000s
Income:					
Net capital gains	2		1,476		6,995
Revenue	3	420		436	
Expenses	4	(352)		(352)	
Net revenue before taxation		68		84	
Taxation	5	(32)		(62)	
Net revenue after taxation			36		22
<b>Total return before distributions</b>			<b>1,512</b>		<b>7,017</b>
Distributions	6		(78)		(70)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>1,434</b>		<b>6,947</b>

# Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 April 2018

	2018 £000s	2018 £000s	2017 £000s	2017 £000s
Opening net assets attributable to shareholders		29,650		24,445
Amounts receivable on issue of shares	5,666		8,010	
Amounts payable on cancellation of shares	(8,690)		(9,819)	
		(3,024)		(1,809)
Change in net assets attributable to shareholders from investment activities (see above)		1,434		6,947
Retained distributions on accumulation shares		73		67
<b>Closing net assets attributable to shareholders</b>		<b>28,133</b>		<b>29,650</b>

Notes to the final report and financial statements are from page 163 to 169.

# Balance Sheet

## As at 30 April 2018

	Notes	2018 £000s	2018 £000s	2017 £000s	2017 £000s
<b>Assets:</b>					
Fixed assets:					
Investments			27,133		28,693
Current assets:					
Debtors	7	682		421	
Cash and bank balances	8	1,050		917	
<b>Total assets</b>			<b>28,865</b>		<b>30,031</b>
<b>Liabilities:</b>					
Creditors:					
Bank overdrafts		(50)		-	
Other creditors	9	(682)		(381)	
<b>Total liabilities</b>			<b>(732)</b>		<b>(381)</b>
<b>Net assets attributable to shareholders</b>			<b>28,133</b>		<b>29,650</b>

Notes to the final report and financial statements are from page 163 to 169.

# Notes to the Final Report and Financial Statements

## 1. Accounting Basis and Policies

The applicable accounting policies adopted by the Allianz US Equity Fund are included on pages 13 and 14 of the Collective Notes to the Final Report and Financial Statements.

## 2. Net capital gains

	2018 £000s	2017 £000s
Gains on non-derivative securities	1,467	7,026
Gains/(losses) on currency	25	(7)
Handling charges	(16)	(24)
<b>Net capital gains</b>	<b>1,476</b>	<b>6,995</b>

## 3. Revenue

	2018 £000s	2017 £000s
Bank interest	-	1
Overseas dividends - non-taxable	375	435
Overseas dividends - taxable	21	-
Class action	24	-
<b>Total revenue</b>	<b>420</b>	<b>436</b>

## 4. Expenses

	2018 £000s	2017 £000s
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:</b>		
ACD's annual fee	317	313
Company secretarial costs	1	1
	318	314
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	8	11
Safe custody fees	2	3
	10	14
<b>Other expenses:</b>		
Audit fees	12	14
Distribution costs	1	2
Printing costs	2	2
Registration fees	8	8

# Notes to the Final Report and Financial Statements

## continued

Taxation advice	1	2
VAT recovered	(2)	(4)
Other expenses	2	-
	24	24
<b>Total expenses</b>	<b>352</b>	<b>352</b>

All expenditure stated above is inclusive of VAT where applicable.

The Audit fee for the year, excluding VAT, was £8,820 (2017 - £9,800).

### 5. Taxation

	2018	2017
	£000s	£000s
<b>a. Analysis of the taxation charge for the year:</b>		
Overseas tax suffered	32	62
<b>Total taxation for the year (see Note 5(b))</b>	<b>32</b>	<b>62</b>
<b>b. Factors affecting taxation charge for the year:</b>		
The taxation assessed for the year is higher than the standard rate of corporation tax in the UK for a sub-fund of an Open-Ended Investment Company (20%) (2017 - 20%).		
The differences are explained below:		
Net revenue before taxation	68	84
Corporation tax at 20%	14	17
<b>Effects of:</b>		
Overseas dividends - non-taxable	(76)	(87)
Overseas tax suffered	32	62
Surplus allowable expenses utilised in the year	62	70
<b>Total taxation charge for the year (see Note 5(a))</b>	<b>32</b>	<b>62</b>

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 £2,336,000 (2017 : £2,274,000) 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.

# Notes to the Final Report and Financial Statements

## continued

### 6. Distributions

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

	2018	2017
	£000s	£000s
Final	73	67
Add: Revenue deducted on cancellation of shares	13	18
Deduct: Revenue received on creation of shares	(8)	(15)
<b>Net distributions for the year</b>	<b>78</b>	<b>70</b>
<b>Reconciliation of net revenue after taxation to net distributions for the year</b>		
Net revenue after taxation	36	22
Net revenue shortfall taken to capital	41	1
Net equalisation on conversions	1	47
<b>Net distributions for the year</b>	<b>78</b>	<b>70</b>

### 7. Debtors

	2018	2017
	£000s	£000s
Accrued revenue	12	6
Amounts receivable on creation of shares	17	43
Overseas tax recoverable	1	-
Sales awaiting settlement	652	372
	<b>682</b>	<b>421</b>

Spot FX's have been reclassified to be shown within cash.

### 8. Cash and bank balances

	2018	2017
	£000s	£000s
Cash and bank balances	1,050	917

### 9. Other creditors

	2018	2017
	£000s	£000s
Accrued ACD's annual fee	24	26
Amounts payable on cancellation of shares	15	105
Other accrued expenses	33	27
Purchases awaiting settlement	610	223
	<b>682</b>	<b>381</b>

Spot FX's have been reclassified to be shown within cash.

# Notes to the Final Report and Financial Statements

## continued

### 10. Related party transactions

Management fees paid to the ACD are disclosed in note 4 and amounts due at the year end are disclosed in note 10.

Monies received and paid by the ACD through the creation and cancellation of Shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the year end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no Shareholdings in the Company at the year end.

#### Significant Shareholdings

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 sub-fund 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, 8 and 10 to the financial statements. All creations and cancellations were transacted with the ACD.

### 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 sub-fund 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 sub-fund currently has two share classes: A and C. The ACD's annual fee on the share classes are as follows:

Class A:	1.50%
Class C:	0.75%

The net asset value per share and the number of shares in issue are given in the Comparative Tables on page 154.

The distribution per share is given in the Distribution Table on page 155.

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.

### 13. Contingent liabilities and commitments

As at 30 April 2018 there were no contingent liabilities (2017: £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 sub-fund 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	Non-Monetary Exposure	Total Exposure	Monetary Exposure	Non-Monetary Exposure	Total Exposure
Currency	30 April 2018 £000s	30 April 2018 £000s	30 April 2018 £000s	30 April 2017 £000s	30 April 2017 £000s	30 April 2017 £000s
US Dollar	1,104	27,133	28,237	66	28,699	28,765

#### b. Interest rate risk profile

The sub-fund did not hold any interest bearing financial instruments other than its cash and bank balances as at the balance sheet date (2017 - same).

#### c. Sensitivity analysis

##### Market price sensitivity

The value of the sub-fund's listed equities, which were exposed to market price risk as at 30 April was as follows:

	2018 £000s	2017 £000s
Listed equity investments held at fair value through profit or loss	27,133	28,693

The following illustrates the sensitivity of the net return and the net assets to an increase or decrease of 20% (2017 - 20%) in the fair values of the sub-fund's listed 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 sub-fund's listed equity investments at each balance sheet date.

	2018 20% Increase in fair value £000s	2018 20% Decrease in fair value £000s	2017 20% Increase in fair value £000s	2017 20% Decrease in fair value £000s
<b>Capital Return</b>				
Net gains (losses) on investments at fair value	5,427	(5,427)	5,739	(5,739)

##### Foreign currency risk sensitivity

The following table details the sub-fund'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.

	2018 20% Increase in Sterling against foreign currencies £000s	2018 20% Decrease in Sterling against foreign currencies £000s	2017 20% Increase in Sterling against foreign currencies £000s	2017 20% Decrease in Sterling against foreign currencies £000s
US Dollar	7,059	(4,706)	7,191	(4,794)
<b>Change in net return and net assets</b>	<b>7,059</b>	<b>(4,706)</b>	<b>7,191</b>	<b>(4,794)</b>

#### d. Leverage

The sub-fund did not employ significant leverage during the year (2017 - same).

#### e. Fair value hierarchy

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

	Assets	Liabilities	Assets	Liabilities
	30 April 2018 £000s	30 April 2018 £000s	30 April 2017 £000s	30 April 2017 £000s
Level 1: Quoted	27,133	-	28,693	-
Level 2: Observable	-	-	-	-
Level 3: Unobservable	-	-	-	-
	<b>27,133</b>	<b>-</b>	<b>28,693</b>	<b>-</b>

# 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 (2017 - 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.

## 15. Share movement

For the year ended 30 April 2018:

	A Shares Accumulation	A Shares Accumulation
Opening shares	2,365,198	6,374,463
Shares created	446,167	1,140,265
Shares cancelled	(594,118)	(1,945,754)
Shares converted	(42,967)	90,974
Closing shares	2,174,280	5,659,948

## 16. Portfolio transaction costs

For the year ended 30 April 2018:

	Transaction Value 2018 £000s	Commissions 2018 £000s	2018 %	Taxes 2018 £000s	Taxes 2018 %
<b>Purchases</b>					
Equity instruments (direct)	28,412	4	0.00	-	0.00
Total purchases	28,412	4	0.00	-	0.00
Total purchases including transaction costs	28,416				
<b>Sales</b>					
Equity instruments (direct)	31,414	5	0.02	-	0.00
Total sales	31,414	5	0.02	-	0.00
Total sales including transaction costs	31,409				
<b>Total transaction costs as a % of average net assets</b>		<b>0.03%</b>		<b>-</b>	



# Notes to the Final Report and Financial Statements

## continued

	2017 £000s	2017 £000s	2017 %	2017 £000s	2017 %
<b>Purchases</b>					
Equity instruments (direct)	25,044	14	0.06	-	0.00
Total purchases	25,044	14	0.06	-	0.00
Total purchases including transaction costs	25,058				
<b>Sales</b>					
Equity instruments (direct)	27,197	12	0.04	1	0.00
Total sales	27,197	12	0.04	1	0.00
Total sales including transaction costs	27,184				
<b>Total transaction costs as a % of average net assets</b>		<b>0.09%</b>		<b>0.00%</b>	

The above analysis covers any direct transaction costs suffered by the sub-fund 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 sub-fund'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 sub-fund 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 0.02% (2017: 0.02%).

# Authorised Corporate Director's Report to the Shareholders

REPORT OF THE AUTHORISED CORPORATE DIRECTOR TO THE SHAREHOLDERS OF THE Allianz International Investment Funds FOR THE YEAR ENDED 30 April 2018.

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



Tobias Pross

Authorised signatory

13 July 2018



Michael Peters

Authorised signatory

# Depository's Report to the Shareholders

REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS OF THE Allianz International Investment Funds ("the Company") for the year ended 30/04/2018.

The Depository is responsible for the safekeeping of all of the property of the Company (other than tangible moveable property) which is entrusted to it and for the collection of revenue that arises from that property.

It is the duty of the Depository to take reasonable care to ensure that the Company is managed by the Authorised Corporate Director in accordance with the Financial Conduct Authority's Collective Investment Scheme Sourcebook ("the COLL Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) ("the OEIC Regulations") and the Company's Instrument of Incorporation and Prospectus, as appropriate, in relation to the pricing of, and dealings in, shares in the Company; the application of revenue of the Company; and the investment and borrowing powers of 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 Authorised Corporate Director:

- (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 revenue in accordance with the COLL Sourcebook and where applicable, the OEIC Regulations and the Company's Instrument of Incorporation and Prospectus; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

State Street Trustees Limited

Depository

# Independent Auditors' Report to Shareholders of Allianz International Investment Funds

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

In our opinion, Allianz International Investment Funds' financial statements:

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 30 April 2018 and of the net revenue and the net capital gains on the scheme property of the Company and each of the sub-funds for the respective periods then ended ("respective periods" is defined as the period 1 May 2017 to 30 April 2018 for all sub-funds except: Allianz Global AC Equity Insights Fund with a period 14 August 2017 to 30 April 2018); 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 International Investment Funds (the "Company") is an Open Ended Investment Company ('OEIC') with 8 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 & Financial Statements (the "Annual Report"), which comprise:

- the balance sheet as at 30 April 2018;
- the statement of total return and the statement of change in
- net assets attributable to shareholders for the respective periods then ended;
- the distribution tables;
- and the notes to the financial statements, which include a description of the significant accounting policies.

### 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Authorised Corporate Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Corporate Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's or any of the sub-funds' ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

### 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,

# Independent Auditors' Report to Shareholders of Allianz International Investment Funds continued

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.

## 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 Authorised Corporate Director's Responsibilities set out on page 13, 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.

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](http://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.

# Independent Auditors' Report to Shareholders of Allianz International Investment Funds continued

## 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

Edinburgh

13 July 2018

# Additional Information

## How will I be kept informed of my investment?

You will 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 daily on our website at <https://uk.allianzgi.com>

Interim and audited annual long form reports as at 31 October and 30 April 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 (£11,300 for the 2017/2018 year, £11,100 for the 2016/2017 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 10% (18% prior to April 2016) or (for higher & additional rate taxpayers) 20% (28% prior to April 2016).

### Income tax

Distributions, whether they are paid out or accumulated, are treated as income for tax purposes.

### Dividend distributions (Equity Funds)

From 6 April 2016, the 10% tax credit was abolished and a £5,000 tax free dividend allowance was introduced. Dividends above this level will be taxed at 7.5% (basic rate), 32.5% (higher rate) and 38.1% (additional rate). Dividend income will be treated as the top band of income. Dividends received by Pensions and ISAs will be unaffected.

### 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).

The Finance Act 2017 has abolished the requirement for OEICs to deduct income tax from interest distributions to Shareholders with effect from 6 April 2017.

All interest distributions after 6 April 2017 will be paid gross, i.e. without the deduction of income tax. Investors are advised to consult with their independent tax advisor to determine the effects to them, if any as a result of this change in UK legislation.

## 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](http://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 GmbH, UK Branch, 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 GmbH, UK Branch, reserves the right to use such recordings in the event of a dispute.

Allianz Global Investors GmbH, UK Branch  
199 Bishopsgate  
London EC2M 3TY

Phone: 0800 317 573  
Fax: 020 7638 3508  
[www.allianzglobalinvestors.co.uk](http://www.allianzglobalinvestors.co.uk)