Allianz RCM BRIC Stars Fund

Interim Short Form Report (Unaudited)
For the six months ended 31st October 2008

Allianz Global Investors

Dear Investor,

The report below, as prescribed by the Financial Services Authority (FSA), aims to provide clear and concise information enabling you to make an informed judgement on your investment, during the period covered. We continually strive to enhance the information we send to you and we would welcome any comments you may have. A long-form version of the interim report and accounts can be viewed at www.allianzgi.co.uk. Alternatively, call our Investor Services team on 0800 317 573 to request a copy. Thank you for your continued investment with Allianz Global Investors.

Fund Information		
Fund Manager	Michael Konstantinov	
Launch date	25th March 2004	
Fund benchmark	25% MSCI Brazil, 25% MSCI Russia, 25% MSCI India, 25% MSCI China (total return net) rebasing annually to 1st January	
Annual charge	1.75%	
	ISA	Direct
Initial charge	3%	4%
Minimum investment	£1,000	£500
Additional investment	£1,000	£500
Regular savings plan	£200	£50
Ex dividend date	1st May	
Payment date	30th June	
Share classes and type	A (Accumulation Shares) C (Accumulation Shares)	

Please note: The information shown above is for the 'A' share class of the Fund.

Total Expense Ratio	
	30th April 2008
TER Share Class 'A'	1.92%
TER Share Class 'C'	1.19%

Total Expense Ratio is a figure representing all operating charges and expenses as a percentage of a Fund's value. It includes the annual management fee as well as all the administrative costs incurred by the Fund.

Investment Objective & Policy

The Allianz RCM BRIC Stars Fund aims to achieve capital growth in the long term by investing mainly in the equity markets of Brazil, Russia, India and China.

The ACD will invest at least two thirds of the Fund's assets in equities and securities equivalent to equities (e.g. American Depositary Receipts, Global Depositary Receipts) issued by companies that have their registered office in the Federal Republic of Brazil, the Russian Federation, the Republic of India or the People's Republic of China ("BRIC countries"), or which generate a significant proportion of their sales and/or earnings in BRIC countries. The following may also be acquired and counted towards the two third limit; warrents, index certificates, certificates on adequately diversified equity baskets that apply to at least 10 equities and other transferable securities. Up to one third of the Fund's assets may be invested outside the BRIC countries 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. Subject to any constraints imposed by the regulations of the Financial Services Authority, exceeding the above limits or failing to reach them is permitted if the overall market risk remains within the limits set out above.

Risk Profile

Equity Risk – Equities are generally more risky than fixed interest securities. Considerable fluctuations in equity prices may mean that you do not get all your money back.

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

Emerging Markets and Liquidity – Emerging markets tend to be more volatile and therefore your money may be at greater risk. Risk factors such as political and economic conditions should be considered. Securities of many companies in emerging markets are less liquid and their prices more volatile than securities of comparable companies in more sizeable markets. Issuers of Russian securities may not be subject to the same stringent controls as in other more developed countries.

Investment Review

Performance Summary: Over the period under review, 1st May 2008 to 31st October 2008, the Fund's 'A' class produced a total return of -50.98% and the Fund's 'C' class produced a total return of -50.85%. The Fund's benchmark, 25% MSCI Brazil, 25% MSCI China, 25% MSCI India and 25% MSCI Russia, produced a total return of -46.69% over the period.*

The reason for the underperformance was stock-specific. Throughout May and June the underperformance was largely caused by our structural underweight positions in large cap oil and gas producers such as Petrobras and Gazprom. This underweight then worked in our favour as the oil prices reversed. However, tight liquidity in the markets meant that small and mid caps continued to underperform large caps which resulted in the Fund's underperformance.

Market Background: The last six months can be divided in three categories:

In May and June commodity-related markets and stocks outperformed while credit and domestic-demand-related markets and stocks fell sharply. The focus was on inflation driven by rising energy as well as food prices. Oil prices peaked in early July, reaching highs above US$140 per barrel. In this environment India, which is a commodity importer, underperformed, while Brazil and Russia, major commodity exporters, outperformed.

*Source: Allianz Global Investors/Datastream. Fund performance based on end of day prices, net of fees and expenses, with income re-invested. Benchmark performance based on end of day prices.

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Performance Record		
'A' Class	Highest Price (p)	Lowest Price (p)
2006**	125.9	83.4
2007	199.0	119.6
2008***	202.7	72.9

'C' Class		
2004*	103.9	90.6
2005	127.6	98.1
2006	126.5	83.6
2007	200.9	120.1
2008***	204.8	74.0

* For the period 25th March 2004 to 31st December 2004

** For the period 22nd February 2006 to 31st December 2006

*** For the period to 31st October 2008

Investors are reminded that the value of shares within an OEIC fund, and the income from them, may go down as well as up and is not guaranteed. An investor may not get back the amount invested. The past is no guide to future performance.

The opinions expressed here are believed to be accurate and reliable, however these opinions may change without notice. Although the information is believed to be reliable, Allianz Global Investors does not guarantee the timeliness, accuracy or suitability of such information in any way and anyone who acts on the information does so at their own risk. Allianz Global Investors only provides information on our own products and does not give advice based on personal circumstances.

From July onwards a major correction in the oil price sets in, causing a complete reversal in equity market trends. India and China became the relative outperformers whereas Brazil and Russia started underperforming. Escalating political tensions also put pressure on the Russian market. Overall, the focus of investors shifted from inflationary concerns to concerns over a slowdown in the global economy.

In September, we experienced a further escalation of the global credit crisis, the snowball effect of Lehman bankruptcy altogether driving up risk spreads and volatility to unprecedented levels. Banks found themselves suddenly unable to get funding from their usual counterparties. A strengthening dollar leads to a devaluation of emerging market currencies.

Portfolio Review: We started the reporting period with an overweight position in Russia and Brazil as these markets were being driven by strong commodity prices. Over time, we have cut back our allocation to Brazil and Russia, taking those countries to an underweight, while building up an overweight position in China. We believe the potential for a strong policy from the Chinese authorities should help to limit the downside risks for that market. Overall, we continue to favour domestic demand and infrastructure-related investment themes. Recent additions to the portfolio are:

Shanda – an online gaming company. It targets increasing wealth, demand driven young consumers. They have a strong pipeline of new games. We think this company is in a favourable position as it is less dependent on economic cycles.

Sinofert – a potash producer and distributor, a play on agriculture. It will be a main beneficiary of the government stimulus package. The government acknowledges the fact that rising wealth and rising consumption of agricultural products go hand in hand. Also there are existing inefficiencies in agricultural production in China which need addressing. Sinofert, as the largest potash producer and distributor is set to benefit from these changes.

China Life – a typical example of middle class driving domestic demand for health and life insurance products as income and living standards improve. It is the largest life insurer in China with annual premium growths above 20%. It has strong government support with the government holding 72% of the company. Its market share is expected to grow further in the coming years as it has a good reputation and an excellent sales network.

Outlook: Global recession, deleveraging and the strong US dollar are clearly putting pressure on equity performance in emerging markets and positive factors such as valuation, the ability of the governments to implement policies and the BRIC domestic demand are being overlooked.

In the past, we have pointed out the factors (and themes) which will drive the outperformance of emerging markets versus developed markets. These themes are still valid:

- Integration of emerging market labour into the global economy via adoption of the market economy, technological transfer and opening to trade.
- Domestic demand – both consumption and infrastructure investment – as a long-run driver of economic growth and global commodity prices.
- Urbanisation – lower household debt leverage and improved government fiscal positions to underpin these sources of growth.
- Reduced reliance on exports to the developed world as a source of GDP growth.
- Increased emerging market corporate leadership in the context of global and industrial consolidation.

We expect the volatility to stay high and the market uncertainty to continue until we get some more visibility about company expectations.

14th November 2008

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

Summary of Fund Performance

Share Class	Net Asset Value (£000s) 31st October 2008	Net Asset Value (£000s) 30th April 2008	Net Asset Value per share (p) 31st October 2008	Net Asset Value per share (p) 30th April 2008	Change %
'A' Shares	243,294	434,981	88.5	179.7	(50.8)
'C' Shares	14,340	20,847	89.8	181.9	(50.6)

Summary of Distribution		
Share Class	Payment date	Net distribution per share (p)
'A' Shares	30th June 2008	0.00
'C' Shares	30th June 2008	0.00

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

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Further Information

The information in this report is designed to enable shareholders to make an informed judgement on the activities of the Fund during the period covered by the report and the results of those activities at the end of the period. For more information about the performance of the Fund during this and the previous period, please contact us at the following address:

Authorised Corporate Director (ACD)

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Depositary

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Bournemouth
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Hay's Galleria
1 Hay's Lane
London
SE1 2RD

Registrar of Shareholders

International Financial Data Services (UK) Limited
IFDS House
St. Nicholas Lane
Basildon
Essex
SS15 5FS

Classification of Investments

Ten largest holdings (as at 31st October 2008)	
Name	%
Tele Norte Leste ADR	2.75
Infosys Technologies	2.55
Housing Development Finance	2.53
Soho China	2.33
CNOOC	2.28
Banco Itau Financeira ADR (Representing 50 ordinary shares)	2.26
Tata Consultancy	2.26
China Security and Surveillance Technology	2.25
China Life Insurance	2.21
Bharti Airtel	2.20
Total	**23.62**

Ten largest holdings (as at 30th April 2008)	
Name	%
Usinas Siderúrgicas de Minas Gerais Preference 'A'	2.46
Gazprom ADR (Representing 4 ordinary shares)	2.23
Rosneft	2.15
China Shipping Development	2.14
Sesa Goa	2.10
KazMunaiGaz	2.08
JSC Armada	2.05
Banco Itau Financeira ADR (Representing 50 ordinary shares)	2.04
Uralkaliy GDR	2.00
Housing Development Finance	1.95
Total	**21.20**

Geographical Breakdown (as at 31st October 2008)	
Country	%
Argentina	0.04
Brazil	23.67
China	20.63
Hong Kong	9.79
India	19.20
Israel	0.20
Kazakhstan	1.79
Luxembourg	0.51
Malaysia	0.00
Russia	20.78
South Africa	0.00
Taiwan	0.00
United Kingdom	0.18
United States	2.50
Net current assets	0.71
Net Assets	**100.00**

Geographical Breakdown (as at 30th April 2008)	
Country	%
Argentina	0.06
Brazil	27.21
China	10.15
Hong Kong	7.81
India	20.01
Israel	0.25
Kazakhstan	2.08
Luxembourg	0.00
Malaysia	0.20
Russia	23.98
South Africa	1.35
Taiwan	1.43
United Kingdom	0.68
United States	1.68
Net current assets	3.11
Net Assets	**100.00**

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