

The background of the entire page is a photograph of the Allianz Arena stadium in Munich, Germany. The stadium's exterior is a complex, white, inflated structure made of many small, rounded panels. The Allianz Arena logo, consisting of the word "Allianz" in blue, a blue circle with three vertical bars, and the word "Arena" in blue, is mounted on the facade. The sky is a clear, bright blue.

Allianz Arena

Interim Report and Accounts for the six months ended 31st October 2008 (Unaudited)

Allianz RCM BRIC Stars Fund

Allianz International Investment Funds

Allianz 
Global Investors

Contents

| | |
|--|----|
| Company Information* | 3 |
| General Information* | 5 |
| Investment Objective and Policy* | 5 |
| Fund Details | 6 |
| Investment Performance | 7 |
| Investment Review* | 9 |
| Financial Risk Management | 11 |
| Statement of the Authorised Corporate Director's Responsibilities | 12 |
| Statement of Total Return | 13 |
| Statement of Change in Shareholders' Net Assets | 13 |
| Portfolio Statement | 14 |
| Balance Sheet | 18 |
| Summary of Material Portfolio Changes | 19 |
| Notes to the Financial Statements | 20 |
| Authorised Corporate Director's Report to the Shareholders* | 29 |
| Additional Information* | 30 |

*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 is incorporated in England and Wales under registered number IC 119 and authorised and regulated by the Financial Services Authority with effect from 20th August 2001. The Company has been certified by the Financial Services 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.

It is the intention of the ACD that the Allianz RCM BRIC Stars Fund (the “Fund”) will be managed so as to meet the requirements necessary for it to be included in a Personal Equity Plan and Individual Savings Account.

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 Services Authority’s Collective Investment Scheme sourcebook (“COLL”).

A sub-fund is not a legal entity. If the assets attributable to any sub-fund are insufficient to meet the liabilities attributable to it, the shortfall might have to be met out of the assets attributable to one or more other sub-funds of the Company. Equally, a shortfall in one or more other sub-funds of the Company may have to be met out of the assets attributable to the sub-fund to which this report relates. The shareholders of the Company are not liable for the debts of the Company.

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

| Sub-fund | Launch date |
|--|--------------------|
| Allianz RCM Customised Global Equity Fund | 11th October 2001 |
| Allianz RCM Global Equity Fund | 11th October 2001 |
| Allianz RCM Japan Fund | 16th May 2002 |
| Allianz RCM US Equity Fund | 20th June 2002 |
| Allianz RCM Total Return Asian Equity Fund | 20th June 2002 |
| Allianz RCM BRIC Stars Fund | 25th March 2004 |
| Allianz RCM Global EcoTrends Fund | 14th February 2008 |

The interim accounts for the Company as a whole for the six months ended 31st October 2008 are available from the ACD upon request.

Classes of Share within the sub-funds

Each sub-fund can issue several classes of share. Each class is distinguished by its criteria for subscription and fee structure.

There are two classes of share available on the Allianz RCM BRIC Stars Fund, being ‘A’ and ‘C’ class.

Further details on these share classes can be found on page 6.

Company Information

Authorised Corporate Director (“ACD”)

Allianz Global Investors (UK) Limited
155 Bishopsgate
London EC2M 3AD

Authorised and regulated by the Financial Services Authority

A member of the Allianz Global Investors Marketing Group and the Allianz Group

A member of the Investment Management Association

Independent Auditors

PricewaterhouseCoopers LLP
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

Authorised and regulated by the Financial Services Authority

Depository

J.P. Morgan Trustee and Depository Company Limited
Chaseside
Bournemouth BH7 7DA

Authorised and regulated by the Financial Services Authority

Investment Adviser

RCM (UK) Limited
155 Bishopsgate
London EC2M 3AD

Authorised and regulated by the Financial Services Authority

A member of the Allianz Global Investors Marketing Group and the Allianz Group

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, who manage the underlying investments of the Fund on a day to day basis.

A sub-fund within an OEIC is divided into equal portions and 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.

Stamp Duty Reserve Tax (“SDRT”)

In accordance with the Stamp Duty and Stamp Duty Reserve Tax (Open-Ended Investment Companies) Regulations 1997 as amended by the Stamp Duty and Stamp Duty Reserve Tax (Open-Ended Investment Companies) (Amendment No. 2) Regulations 1999, SDRT is chargeable on the surrender and on certain transfers of shares in the sub-funds. The current rate of SDRT is 0.5% and will be met by the assets of the relevant sub-funds.

The ACD is allowed (under Financial Services Authority regulations) to make a SDRT provision as part of an entry or exit fee but has chosen not to do so.

Dilution Levy

The ACD is allowed (under Financial Services 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 Services Authority regulations, to pay this levy into the individual sub-funds. Generally, 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.

Investment Objective and 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; warrants, 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.

Fund Details

| | |
|--|---|
| Fund Manager: | Michael Konstantinov |
| Benchmark: | 25% MSCI Brazil, 25% MSCI Russia, 25% MSCI India and 25% MSCI China (total return net) rebasing annually to 1st January |
| Income allocation date: | 30th April |
| Income pay date: | 30th June |
| Launch date of the Allianz RCM BRIC Stars Fund: | 25th March 2004 |
| A Shares | 22nd February 2006 |
| C Shares | 25th March 2004 |
| PEP status: | Yes (A Shares only) |
| ISA status: | Yes (A Shares only) |
| Share Classes and type of Shares: | A (Accumulation Shares) C (Accumulation Shares) |
| Minimum investment: | |
| A Shares | Lump sum £500 Monthly saving £50 |
| C Shares | Lump sum £100,000 Available only at the discretion of the ACD |
| Initial charge: | |
| A Shares | 4% |
| C Shares | Nil |
| Annual ACD fee: | |
| A Shares | 1.75% |
| C Shares | 1% |

Investment Performance

Net Asset Value

| Share Class | Period Ended | Net Asset Value £000s | Number of Shares in Issue | Net Asset Value per Share (p) |
|-------------|-------------------|--------------------------|------------------------------|-------------------------------------|
| A Shares | 30th April 2006 | 17,434 | 16,090,880 | 108.4 |
| | 30th April 2007 | 83,109 | 61,437,547 | 135.3 |
| | 30th April 2008 | 434,981 | 242,027,546 | 179.7 |
| | 31st October 2008 | 243,294 | 274,868,115 | 88.5 |
| C Shares | 30th April 2006 | 5,197 | 4,790,675 | 108.5 |
| | 30th April 2007 | 7,582 | 5,570,012 | 136.1 |
| | 30th April 2008 | 20,847 | 11,459,755 | 181.9 |
| | 31st October 2008 | 14,340 | 15,960,863 | 89.8 |

Highest and Lowest Prices

| Share Class | Calendar Year | Highest Price (p) | Lowest Price (p) |
|-------------|---------------|----------------------|---------------------|
| A Shares | 2006** | 125.9 | 83.4 |
| | 2007 | 199.0 | 119.6 |
| | 2008*** | 202.7 | 72.9 |
| C Shares | 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

Distribution History

| Share Class | Calendar Year | Net Distribution per Share (p) |
|-------------|---------------|--------------------------------------|
| A Shares | 2006** | 0.0000 |
| | 2007 | 0.0000 |
| | 2008*** | 0.0000 |
| C Shares | 2004* | 0.0000 |
| | 2005 | 0.3149 |
| | 2006 | 0.0000 |
| | 2007 | 0.0000 |
| | 2008*** | 0.0000 |

* 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

Total Expense Ratio

| Share Class | Year Ended | TER (%) |
|-------------|-----------------|------------|
| A Shares | 30th April 2007 | 2.01 |
| | 30th April 2008 | 1.92 |
| C Shares | 30th April 2007 | 1.28 |
| | 30th April 2008 | 1.19 |

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 \$140 per barrel. In this environment India, which is a commodity importer underperformed, while Brazil and Russia, major commodity exporters, outperformed.

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.

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.

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

Outlook

Global recession, de-leveraging 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

Financial Risk Management

The Fund is exposed to financial risk through its financial assets and financial liabilities.

The main risks arising from the Fund's financial instruments are market price risk, liquidity risk and foreign currency risk. The risk profile and the policies adopted to manage risk did not change materially during the current and preceding period.

The narrative below explains the different types of risks the Fund may face. Numerical disclosures are listed in Note 15.

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 Fund.

The Fund's financial instruments, excluding short-term debtors and creditors, comprise investments and bank balances. The purpose for holding the financial instruments is to meet the Fund's investment objective.

Short-term debtors and creditors are not considered to be financial instruments. They have been included at the bottom of the numerical disclosure in Note 15(b) merely to enable users of the accounts to reconcile the summary provided to total net assets per the balance sheet.

Market price risk

Market price risk arises mainly from the uncertainty about future prices of financial instruments held. It represents the potential loss the Fund 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 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 Fund's assets 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 movements in the values of overseas financial instruments as a result of fluctuations in exchange rates.

The majority of the Fund's investments are denominated in currencies other than Sterling (see Note 15(a)), therefore both the value of the investments and the income from them can be affected by currency movements. No hedge transactions were entered into during the period.

Credit risk

All fixed income securities are subject to credit risk, the risk that the issuer will default. The Fund only buys and sells investments through brokers which are considered to be approved counterparties, thus minimising the risk of default during settlement.

The Fund mainly holds equities and so has 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 Fund invests predominantly in equities, the values of which are not directly affected by changes in prevailing market interest rates. The Fund therefore has minimal exposure to interest rate risk.

Statement of the Authorised Corporate Director's responsibilities in relation to the Report and Accounts

The financial statements are prepared in accordance with 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 FSA regulations and the Investment Management Association Statement of Recommended Practice ("IMA SORP").

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

Additionally, under the requirements of the Collective Investment Schemes sourcebook ("COLL") the ACD has to prepare a short report and a long report for each annual accounting period and 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 accounts for the annual accounting period 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 tables in accordance with the COLL requirements.
- (ii) the aggregation of the accounts for each sub-fund of the Company;

- (iii) the report of the Depositary in accordance with the COLL requirements;

- (iv) the report of the Auditor in accordance with the COLL requirements.

The ACD is required to ensure that the accounts in the annual long report give a true and fair view of the net income/expense and the net gains and losses on the property of the Company for the annual accounting period in question and the financial position of the Company as at the end of that period.

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

- (i) For each sub-fund:
 - the full accounts 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.
- (ii) the aggregation of the accounts for each sub-fund of the Company.

The Investment Objective and Policy of the Fund are set out on page 5.

Statement of Total Return

For the six months ended 31st October 2008

| | Notes | 2008 | | 2007 | |
|--|-------|---------|------------------|---------|---------------|
| | | £000s | £000s | £000s | £000s |
| Net (losses) gains on investments during the period | 2 | | (261,416) | | 64,396 |
| Other losses | 3 | | (144) | | (243) |
| Income | 4 | 4,920 | | 926 | |
| Expenses | 5 | (4,042) | | (1,450) | |
| Finance costs: Interest | 8 | (54) | | (22) | |
| Net income (expense) before taxation | | 824 | | (546) | |
| Taxation | 6 | (273) | | (28) | |
| Net income (expense) after taxation | | | 551 | | (574) |
| Total return before distributions | | | (261,009) | | 63,579 |
| Finance costs: Distributions | 8 | | 76 | | 0 |
| Change in net assets attributable to shareholders | | | (260,933) | | 63,579 |

Statement of Change in Shareholders' Net Assets

For the six months ended 31st October 2008

| | 2008 | | 2007 | |
|--|----------|----------------|---------|----------------|
| | £000s | £000s | £000s | £000s |
| Net assets at the start of the period | | 455,828 | | 90,691 |
| Movement due to sales and repurchases of shares: | | | | |
| Amounts receivable on issue of shares | 84,456 | | 122,596 | |
| Less: Amounts payable on cancellation of shares | (21,715) | | (4,191) | |
| | | 62,741 | | 118,405 |
| Stamp duty reserve tax | | (2) | | 0 |
| Change in net assets attributable to shareholders (see Statement of Total Return above) | | (260,933) | | 63,579 |
| Net assets at the end of the period | | 257,634 | | 272,675 |

Notes to the financial statements are from pages 20 to 28 .

Section 2.8 of the IMA SORP requires comparative figures for the above statement. For interim financial statements this will result in the closing comparative net assets not being equal to net assets at the start of the current period.

Portfolio Statement

As at 31st October 2008

| Holding | Market Value £000s | % of Net Assets |
|---|-----------------------|--------------------|
| EQUITIES 99.29% (30th April 2008 - 96.89%) | | |
| Argentina 0.04% (30th April 2008 - 0.06%) | | |
| 11,500 MercadoLibre | 97 | 0.04 |
| Brazil 23.67% (30th April 2008 - 27.21%) | | |
| 681,900 All America Latina | 2,004 | 0.78 |
| 812,900 Anhanguera Educacional | 3,783 | 1.47 |
| 851,000 Banco Itau Financeira ADR (Representing 50 ordinary shares)** | 5,820 | 2.26 |
| 684,900 Cia Vale Rio Doce ADR** | 4,960 | 1.93 |
| 993,200 Cremer | 2,601 | 1.01 |
| 884,400 Equatorial Energia | 3,125 | 1.21 |
| 582,100 Gafisa | 2,585 | 1.00 |
| 477,000 GVT | 3,264 | 1.27 |
| 2,290,600 LAEP BDR | 267 | 0.10 |
| 1,184,200 Localiza Rent a Car | 2,981 | 1.16 |
| 623,696 Lopes Consultoria | 1,479 | 0.57 |
| 335,700 M Dias Branco | 1,583 | 0.61 |
| 678,279 Metalfrio Solution | 1,688 | 0.66 |
| 521,200 OdontoPrev | 4,232 | 1.64 |
| 1,635,500 Parana Banco S/A | 1,237 | 0.48 |
| 370,200 Petroleo Brasileiro Petrobas Sponsored ADR** | 5,006 | 1.94 |
| 1,499,000 Randon | 3,272 | 1.27 |
| 84,014 SLC Agricola | 274 | 0.11 |
| 850,000 Tele Norte Leste ADR** | 7,091 | 2.75 |
| 458,650 Usinas Siderúrgicas de Minas Gerais Preference 'A' | 3,737 | 1.45 |
| | 60,989 | 23.67 |
| China 20.63% (30th April 2008 - 10.15%) | | |
| 26,000,000 China CITIC Bank | 4,775 | 1.85 |
| 3,510,000 China Life Insurance | 5,690 | 2.21 |
| 6,844,000 China Overseas Land | 4,525 | 1.76 |
| 897,200 China Security and Surveillance Technology | 5,792 | 2.25 |
| 9,050,000 China Shipping Development | 5,182 | 2.01 |
| 11,790,000 CNOOC | 5,884 | 2.28 |
| 18,873,000 Industry & Commerce Bank | 5,320 | 2.06 |

Portfolio Statement as at 31st October 2008

| Holding | Market Value £000s | % of Net Assets |
|--|-----------------------|--------------------|
| 240,000 Shanda Interactive Entertainment ADR (Representing 2 ordinary shares)*** | 4,086 | 1.59 |
| 11,620,000 Sinochem | 3,916 | 1.52 |
| 33,492,000 Soho China | 5,991 | 2.33 |
| 1,400,000 Weichai Power | 1,979 | 0.77 |
| | 53,140 | 20.63 |
| Hong Kong 9.79% (30th April 2008 - 7.81%) | | |
| 10,810,000 Chaoda Modern | 4,515 | 1.75 |
| 982,000 China Mobile | 5,313 | 2.06 |
| 4,815,000 China Shenhua Energy | 5,375 | 2.09 |
| 16,944,000 Harbin Power Equipment | 5,547 | 2.15 |
| 26,278,000 Xinyi Glass | 4,491 | 1.74 |
| | 25,241 | 9.79 |
| India 19.20% (30th April 2008 - 20.01%) | | |
| 177,765 Aban Offshore | 1,777 | 0.69 |
| 691,720 Bharti Airtel | 5,660 | 2.20 |
| 282,603 Grasim Industries | 3,628 | 1.41 |
| 294,874 Housing Development Finance | 6,513 | 2.53 |
| 378,333 Infosys Technologies | 6,577 | 2.55 |
| 519,164 Piramal Healthcare | 1,449 | 0.56 |
| 1,540,784 Reliance Communications | 4,242 | 1.65 |
| 276,300 Reliance Industries | 4,720 | 1.83 |
| 4,890,580 Sesa Goa | 4,912 | 1.91 |
| 866,835 Tata Consultancy | 5,831 | 2.26 |
| 600,000 Tata Steel | 1,575 | 0.61 |
| 2,795,180 Voltas | 2,573 | 1.00 |
| | 49,457 | 19.20 |
| Israel 0.20% (30th April 2008 - 0.25%) | | |
| 520,588 AFI Development GDR*** | 515 | 0.20 |
| Kazakhstan 1.79% (30th April 2008 - 2.08%) | | |
| 535,150 KazMunaiGaz | 4,614 | 1.79 |
| Luxembourg 0.51% (30th April 2008 - 0.00%) | | |
| 538,800 MHP GDR | 1,307 | 0.51 |

Portfolio Statement as at 31st October 2008

| Holding | Market Value £000s | % of Net Assets |
|---|--------------------------|--------------------|
| Malaysia 0.00% (30th April 2008 - 0.20%) | | |
| Russia 20.78% (30th April 2008 - 23.98%) | | |
| 143,850 Evraz GDR*** | 1,362 | 0.53 |
| 11,500 Gazprom ADR (Representing 10 ordinary - Reg 'S' shares)** | 145 | 0.06 |
| 347,200 Gazprom ADR (Representing 4 ordinary shares)*** | 4,255 | 1.65 |
| 9,961 JSC Armada | 99 | 0.04 |
| 529,600 JSC MMC Norilsk Nickel ADR (Representing 1 ordinary share)** | 3,278 | 1.27 |
| 15,000 Kuban Energy | 14 | 0.01 |
| 105,000 Lukoil Oil Company ADR** | 2,463 | 0.96 |
| 356,855 Magnit | 3,534 | 1.37 |
| 163,900 Mobile Telesystems ADR** | 3,962 | 1.54 |
| 230,450 Novatek Oao GDR*** | 5,562 | 2.16 |
| 354,200 Novolipetsk Steel GDR*** | 1,973 | 0.77 |
| 528,577 OAO TMK GDR (Representing 4 ordinary shares) | 3,481 | 1.35 |
| 50,800 Pharmstandard | 786 | 0.30 |
| 259,000 Pharmstandard GDR (Representing 0.25 ordinary shares)*** | 2,525 | 0.98 |
| 752,800 RBC Info Systems | 699 | 0.27 |
| 1,980,300 Rosneft | 5,576 | 2.16 |
| 7,966,600 Sberbank of Russia | 5,128 | 1.99 |
| 382,850 Uralkaliy GDR*** | 4,857 | 1.88 |
| 427,700 Vimpel Communications Sponsored ADR (Representing 4 Convertible shares)** | 3,838 | 1.49 |
| | <u>53,537</u> | <u>20.78</u> |
| South Africa 0.00% (30th April 2008 - 1.35%) | | |
| Taiwan 0.00% (30th April 2008 - 1.43%) | | |
| United Kingdom 0.18% (30th April 2008 - 0.68) | | |
| 571,000 Volga Gas | <u>462</u> | <u>0.18</u> |
| United States 2.50% (30th April 2008 - 1.68%) | | |
| 7,087,300 Unified Energy Systems* | 1,075 | 0.42 |
| 499,100 Suntech Power | 5,375 | 2.08 |
| | <u>6,450</u> | <u>2.50</u> |

Portfolio Statement as at 31st October 2008

| Holding | Market Value £000s | % of Net Assets |
|--------------------------|-----------------------|--------------------|
| Portfolio of investments | 255,809 | 99.29 |
| Net other assets | 1,825 | 0.71 |
| Net assets | 257,634 | 100.00 |

* Held in the form of Warrants.

** Indicates US listed.

*** Indicates UK International Order Book listed.

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.

Balance Sheet

As at 31st October 2008

| | Notes | 31st October 2008 | | 30th April 2008 | |
|--|-------|-------------------|-----------------|-----------------|-----------------|
| | | £000s | £000s | £000s | £000s |
| Assets | | | | | |
| Portfolio of investments | | | 255,809 | | 441,643 |
| Debtors | 9 | 4,847 | | 9,295 | |
| Cash and bank balances | | 9,543 | | 19,284 | |
| Total other assets | | | 14,390 | | 28,579 |
| Total assets | | | 270,199 | | 470,222 |
| Liabilities | | | | | |
| Creditors | 10 | (5,974) | | (8,143) | |
| Bank overdraft | | (6,591) | | (6,251) | |
| Total other liabilities | | | (12,565) | | (14,394) |
| Total liabilities | | | (12,565) | | (14,394) |
| Net assets attributable to shareholders | | | 257,634 | | 455,828 |

Notes to the financial statements are from pages 20 to 28.

Summary of Material Portfolio Changes

For the six months ended 31st October 2008

The summaries below identify those purchases and sales exceeding 2% of the net assets of the Fund at the start of the period, subject to a minimum disclosure of the twenty largest purchases and sales.

| Purchases | Cost £000s | Sales | Proceeds £000s |
|---|----------------|--|-------------------|
| MSCI Daily Trust | 11,790 | MSCI Daily Trust | 10,810 |
| CNOOC | 10,279 | China Coal Energy | 8,712 |
| Lukoil Oil Company ADR | 10,156 | Perdigao | 7,744 |
| Lenovo | 9,284 | State Bank Of India GDR | 6,131 |
| China CITIC Bank | 8,489 | Lenovo | 6,083 |
| Tele Norte Leste ADR | 8,085 | China COSCO | 5,763 |
| China Life Insurance | 7,194 | B2W-Cia Global do Varejo | 5,550 |
| Harbin Power Equipment | 6,728 | Power Finance | 4,812 |
| Soho China | 6,210 | Gold Fields | 4,606 |
| Xinyi Glass | 6,024 | All America Latina | 4,523 |
| Sberbank of Russia | 5,662 | High Tech Computer | 4,379 |
| State Bank Of India GDR | 5,437 | Far East Textile | 3,887 |
| Piramal Healthcare | 5,009 | Bharat Heavy Electrics | 3,226 |
| Suntech Power | 4,861 | Glenmark Pharmaceuticals | 3,139 |
| China Overseas Land | 4,816 | Lukoil Oil Company ADR | 3,045 |
| Glenmark Pharmaceuticals | 4,784 | Unitech | 2,982 |
| Tata Consultancy | 4,531 | Thermax | 2,749 |
| Tata Steel | 4,408 | Usinas Siderúrgicas de Minas Gerais Preference 'A' | 2,445 |
| China Security and Surveillance Technology | 4,390 | Mobile Telesystems ADR | 2,328 |
| MHP GDR | 4,143 | Shimao Property | 2,288 |
| Other Purchases | 62,660 | Other Sales | 24,133 |
| Total purchases for the period (Note 16) | 194,940 | Total sales for the period (Note 16) | 119,335 |

Notes to the Financial Statements

As at 31st October 2008

1. Accounting Policies

The Financial Statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the requirements of the Statement of Recommended Practice for Authorised Funds issued by the IMA in December 2005, and the Collective Investment Schemes sourcebook.

- a. Income: 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 stock lending income are accounted for on an accruals basis. Underwriting commission is recognised when the issue underwritten closes.
- b. Stock dividends: Ordinary stock dividends are recognised wholly as income 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 the 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 income or capital in nature. Special dividends recognised as income will form part of the distribution. Any tax treatment will follow the accounting treatment of the principal amount.
- d. Valuation: The investments of the Fund have been valued as at close of business on the last working day of the accounting period 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 period. Revenue items 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 likely to be considered irrecoverable.
- h. Expenses: Expenses are recognised on an accruals basis and charged against income, except handling charges which are treated as capital (see Note 5), and are added back for the purpose of determining the amount available for distribution (see Note 8).
- i. Allocation of income and expenses to multiple share classes: With the exception of the ACD's annual fee, distribution costs, FT publication fees, printing costs and registration fees, which are directly attributable to individual share classes, all income 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 income or expense is incurred.
- j. Distribution policy: Net income is accumulated in the Fund throughout the year and distributed at the year end. Where income exceeds expenses, a distribution will be made. Should expenses exceed income there will be no distribution and the shortfall will be transferred from capital. The ordinary element of a stock dividend is treated as income but does not form part of the distribution.

2. Net (losses) gains on investments

| | 2008 £000s | 2007 £000s |
|---|------------------|---------------|
| The net (losses) gains on investments during the period comprise: | | |
| (Losses) gains on non-derivative securities | (261,416) | 64,396 |
| Net (losses) gains on investments | (261,416) | 64,396 |

3. Other losses

| | 2008 £000s | 2007 £000s |
|-----------------|---------------|---------------|
| Currency losses | (144) | (243) |

4. Income

| | 2008 £000s | 2007 £000s |
|---------------------|---------------|---------------|
| Bank interest | 37 | 119 |
| Overseas dividends | 4,883 | 807 |
| Total income | 4,920 | 926 |

5. Expenses

| | 2008 €000s | 2007 €000s |
|--|---------------|---------------|
| Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them: | | |
| ACD's annual fee | 3,617 | 1,272 |
| | 3,617 | 1,272 |
| Payable to the Depositary, associates of the Depositary and agents of either of them: | | |
| Depositary's fees | 32 | 16 |
| Handling charges* | 56 | 27 |
| Safe custody fees | 296 | 114 |
| | 384 | 157 |
| Other expenses: | | |
| Audit fee | 6 | 5 |
| Commission costs | 15 | 0 |
| Distribution costs | (3) | 1 |
| FT publication fees | 2 | 2 |
| Printing costs | 4 | 3 |
| Registration fees | 19 | 11 |
| Taxation advice | 1 | 1 |
| VAT recovered | (2) | (3) |
| Other expenses | (1) | 1 |
| | 41 | 21 |
| Total expenses | 4,042 | 1,450 |

All expenditure stated above is inclusive of irrecoverable VAT where applicable.

*For the purpose of the distribution, this expense is ultimately borne by the capital account (see Note 8).

6. Taxation

| | 2008 £000s | 2007 £000s |
|---|---------------|---------------|
| a. Analysis of tax charge for the period: | | |
| Overseas tax suffered | 273 | 28 |
| Total current tax for the period (see Note 6(b)) | 273 | 28 |

b. Factors affecting current tax charge for the period:

The taxation assessed for the period is higher than the standard rate of corporation tax in the UK for a sub-fund of an Open Ended Investment Company (20%) (2007 - 20%).

The differences are explained below:

| | | |
|--------------------------------------|-----|-------|
| Net income (expense) before taxation | 824 | (546) |
| Corporation tax at 20% | 165 | (109) |

Effects of:

| | | |
|--|------------|-----------|
| Expenses not deductible for tax purposes | 11 | 5 |
| Movement on income accruals not taxable | 9 | (4) |
| Overseas tax suffered | 273 | 28 |
| Surplus allowable expenses in the period | (185) | 108 |
| Current tax charge for the period (see Note 6(a)) | 273 | 28 |

As OEICs are exempt from tax on capital gains, capital returns are not included in the above reconciliation.

The Fund has not recognised a deferred tax asset of £51,000 (30th April 2008 - £227,000) arising as a result of having unutilised management expenses, and £448,000 (30th April 2008 - £175,000) arising as a result of having eligible unrelieved foreign tax. Accordingly, the total unrecognised deferred tax asset is £499,000 (30th April 2008 - £402,000). We do not expect this asset to be utilised in the foreseeable future.

7. Stocklending Activities

As at 31st October 2008 no investments were subject to stocklending (30th April 2008 - £Nil).

8. Finance costs

Distributions and interest

The distributions take account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:

| | 2008 £000s | 2007 £000s |
|---|---------------|---------------|
| Income deducted on cancellation of shares | 44 | 0 |
| Less: Income received on issue of shares | (120) | 0 |
| Net distribution for the period | (76) | 0 |
| Overdraft interest | 54 | 22 |
| Total finance costs | (22) | 22 |

Reconciliation of net income (expense) after taxation to net distributions for the period:

| | | |
|--|-------------|----------|
| Net income (expense) after taxation | 551 | (574) |
| Add: Capitalised expenses | 56 | 27 |
| Net income carried forward | (683) | 547 |
| Net distribution for the period | (76) | 0 |

9. Debtors

| | 31st October 2008 £000s | 30th April 2008 £000s |
|---------------------------------------|----------------------------|--------------------------|
| Accrued income | 1,155 | 1,311 |
| Amounts receivable on issue of shares | 1,455 | 6,371 |
| Bank interest | 0 | 27 |
| Foreign currency receivable | 2,237 | 0 |
| Sales awaiting settlement | 0 | 1,586 |
| | 4,847 | 9,295 |

10. Creditors

| | 31st October 2008 £000s | 30th April 2008 £000s |
|---|----------------------------|--------------------------|
| Accrued ACD's annual fee | 383 | 585 |
| Accrued bank interest payable | 19 | 0 |
| Amounts payable on cancellation of shares | 452 | 0 |
| Foreign currency payable | 2,191 | 0 |
| Other accrued expenses | 69 | 77 |
| Purchases awaiting settlement | 2,860 | 7,481 |
| | 5,974 | 8,143 |

11. Related party transactions

The ACD is deemed to be a related party under the definition of Financial Reporting Standard 8, which requires the disclosure of details of material transactions between the 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 Shareholders' Net Assets and Notes 5, 9 and 10 to the financial statements. All issues and cancellations of shares were transacted with the ACD.

During the period, the aggregate value of commissions paid on transactions in the Fund's investments with the related parties and associates thereof was £Nil (30th April 2008 - £1,000).

12. Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares. In the case of Accumulation shares, it is automatically reinvested in the Fund at the first income pay 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 Fund currently has two share classes; A and C. The ACD's annual fee on the share classes is as follows:

Class A: 1.75%

Class C: 1.00%

The net asset value per share and the number of shares in issue are given in the Net Asset Value table on page 7.

14. Contingent liabilities and commitments

As at 31st October 2008 there were no contingent liabilities (30th April 2008 - £Nil).

15. Derivatives and other financial instruments

a. Currency exposure

The majority of the net assets and liabilities of the 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 | Investments | Other | Other | Net | Investments | Other | Other | Net |
|------------------------------------|----------------|---------------|-----------------|----------------|----------------|---------------|-----------------|----------------|
| | 31st October | Assets | Liabilities | currency | 30th April | Assets | Liabilities | currency |
| | 2008 | 2008 | 2008 | exposure | 2008 | 2008 | 2008 | exposure |
| | £000s | £000s | £000s | 2008 | £000s | £000s | £000s | 2008 |
| | | | | £000s | | | | £000s |
| Sterling | 462 | 1,454 | (9,706) | (7,790) | 3,078 | 6,398 | (5,151) | 4,325 |
| Brazilian Cruzeiro | 38,111 | 37 | (241) | 37,907 | 97,312 | 679 | 0 | 97,991 |
| Hong Kong Dollar | 68,503 | 827 | (1,208) | 68,122 | 75,721 | 183 | 0 | 75,904 |
| Indian Rupee | 49,457 | 1,849 | 0 | 51,306 | 88,490 | 8,591 | (7,482) | 89,599 |
| Malaysian Ringgit | 0 | 0 | 0 | 0 | 895 | 0 | 0 | 895 |
| Taiwan Dollar | 0 | 6,710 | 0 | 6,710 | 6,502 | 10,693 | 0 | 17,195 |
| US Dollar | 99,276 | 3,513 | (1,410) | 101,379 | 169,645 | 2,035 | (1,761) | 169,919 |
| Total per the balance sheet | 255,809 | 14,390 | (12,565) | 257,634 | 441,643 | 28,579 | (14,394) | 455,828 |

b. Interest rate risk profile

The table below summarises in Sterling terms the financial assets and financial liabilities whose values are affected by changes in interest rates. The narrative on page 11 explains the different types of risks the Fund may face.

| Currency | Floating rate interest 31st October 2008 £000s | Nil interest 31st October 2008 £000s | Total 31st October 2008 £000s | Floating rate interest 30th April 2008 £000s | Nil interest 30th April 2008 £000s | Total 30th April 2008 £000s |
|---|--|--|--|--|--|--------------------------------------|
| Financial assets | | | | | | |
| Sterling | 0 | 462 | 462 | 0 | 3,078 | 3,078 |
| Brazilian Cruzeiro | 0 | 38,111 | 38,111 | 0 | 97,312 | 97,312 |
| Hong Kong Dollar | 0 | 68,503 | 68,503 | 0 | 75,721 | 75,721 |
| Indian Rupee | 1,817 | 49,457 | 51,274 | 8,591 | 88,490 | 97,081 |
| Malaysian Ringgit | 0 | 0 | 0 | 0 | 895 | 895 |
| Taiwan Dollar | 6,710 | 0 | 6,710 | 10,693 | 6,502 | 17,195 |
| US Dollar | 1,016 | 99,276 | 100,292 | 0 | 169,645 | 169,645 |
| Total financial assets | 9,543 | 255,809 | 265,352 | 19,284 | 441,643 | 460,927 |
| Financial liabilities | | | | | | |
| Sterling | (6,591) | 0 | (6,591) | (4,490) | 0 | (4,490) |
| US Dollar | 0 | 0 | 0 | (1,761) | 0 | (1,761) |
| Total financial liabilities | (6,591) | 0 | (6,591) | (6,251) | 0 | (6,251) |
| Total financial instruments | 2,952 | 255,809 | 258,761 | 13,033 | 441,643 | 454,676 |
| Add: Short term debtors and creditors | | | (1,127) | | | 1,152 |
| Net assets per the balance sheet | | | 257,634 | | | 455,828 |

Cash is deposited and overdraft facilities utilised on normal commercial terms and earns/bears interest calculated on a variable rate with reference to LIBOR or its overseas equivalent.

c. Maturity of financial liabilities

All liabilities are due in one year or less or on demand (30th April 2008 - same).

d. 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. Portfolio transaction costs

| | 2008 | | 2007 | |
|--|-------|----------------|-------|----------------|
| | £000s | £000s | £000s | £000s |
| Analysis of total purchase costs | | | | |
| Purchases in the period before transaction costs | | 194,437 | | 138,016 |
| Commissions | 364 | | 285 | |
| Taxes | 139 | | 60 | |
| Total purchase costs | | 503 | | 345 |
| Gross purchase total | | 194,940 | | 138,361 |
| Analysis of total sale costs | | | | |
| Gross sales in the period before transaction costs | | 119,675 | | 35,262 |
| Commissions | (255) | | (53) | |
| Taxes | (85) | | (19) | |
| Total sales costs | | (340) | | (72) |
| Total sales net of transaction costs | | 119,335 | | 35,190 |

Authorised Corporate Director's Report to the Shareholders

REPORT OF THE AUTHORISED CORPORATE DIRECTOR TO
THE SHAREHOLDERS OF THE ALLIANZ RCM BRIC STARS
FUND, A SUB-FUND OF THE ALLIANZ INTERNATIONAL
INVESTMENT FUNDS FOR THE SIX MONTHS ENDED
31ST OCTOBER 2008

In accordance with the requirements of the Regulations, we
hereby certify the report on behalf of the Directors of Allianz
Global Investors (UK) Limited.

J. Doran

22nd December 2008

G. Hardy

Additional Information

How will I be kept informed of my investment?

You will receive interim and annual short form reports as at 31st October and 30th April, respectively. You will also receive a full statement of your investments as at 5th April and 5th 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 in The Financial Times and on our website at www.allianzgi.co.uk.

Interim and audited annual long form reports as at 31st October and 30th April can be obtained from our website or by calling the number above.

Taxation

Capital gains tax

If your realised gains from all investments do not exceed the capital gains tax exemption (£9,200 for 2007/2008 tax year and £9,600 for 2008/2009 tax year), you will not pay any capital gains tax. For the 2007/2008 tax year, any realised gains over this exemption will be taxed at your marginal rate of income tax. For the 2008/2009 tax year, this will be taxed at a single CGT rate of 18%.

Income tax

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

Dividend distributions (Equity Funds)

These carry a tax credit of 10%. Non-taxpayers can no longer reclaim this credit. If you are a basic rate taxpayer, you will not pay any further tax. Higher rate taxpayers will be liable to income tax on their grossed up dividend income at the rate of 32.5% but may offset the 10% tax credit against this. Higher rate taxpayers will therefore be liable to pay income tax equivalent to a rate of 25% of their net receipt. It is not possible for investors to reclaim any amount in respect of the tax credit.

Risk warning

Investors are reminded that the value of shares of a Fund 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.allianzgi.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 in writing of the details of the complaint. This will then be investigated and a reply provided as soon as possible and any appropriate remedial action taken. In addition, eligible complainants will have a right of complaint directly to the Financial Ombudsman Service if he/she is not satisfied with the outcome of the investigation into the complaint. Details of the Financial Services Compensation Scheme established under the Financial Services and Market Act 2000, under which an investor may be entitled to receive compensation if the ACD is unable to meet any of its liabilities to the investor are available on written request from the ACD.

Telephones

For our mutual protection, calls are recorded and may be used for quality control and training purposes, however, Allianz Global Investors (UK) Limited reserves the right to use such recordings in the event of a dispute.

