

Allianz RCM BRIC Stars Fund

Aim of the Fund

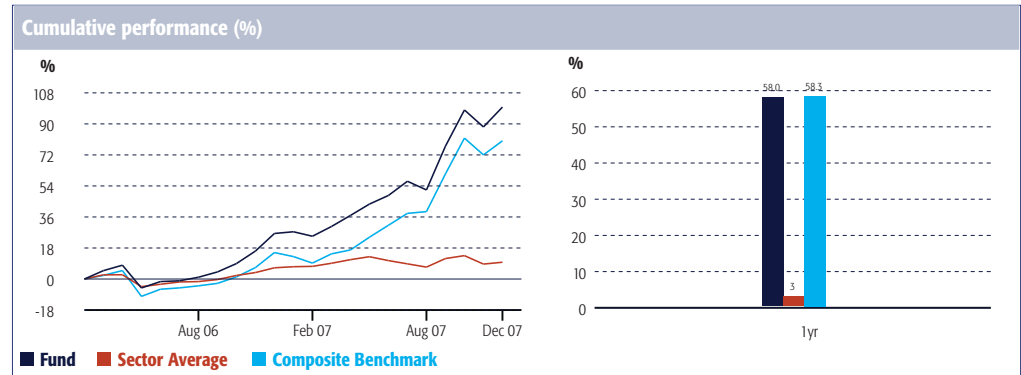
The Fund aims to achieve capital growth in the long term by investing mainly in the equity markets of Brazil, Russia, India and China. Up to one third of the Fund's assets may be invested outside the BRIC countries including developed economies and/or other emerging markets.

Fund manager comment

During the last quarter of the year emerging markets proved resilient in the face of continuing global market volatility and we expect this to continue. Our BRIC Stars Fund delivered strong performance in the quarter, significantly outperforming the benchmark. From a top down perspective our portfolio performance was helped by the decision to underweight China and by our investments outside the BRIC markets. In December, Russian shares started to catch up with their peers in the region as the uncertainty regarding the elections was lifted. Sentiment towards Russian shares were further supported by the rising oil and gas prices. On a stock level, Uralkali (Russia), Laep Investments (Brazil), Unitech Limited (India) were the largest contributors to the portfolio's performance. In accordance with our portfolio construction process, we have rebalanced the portfolio as of end of December.



Fund performance



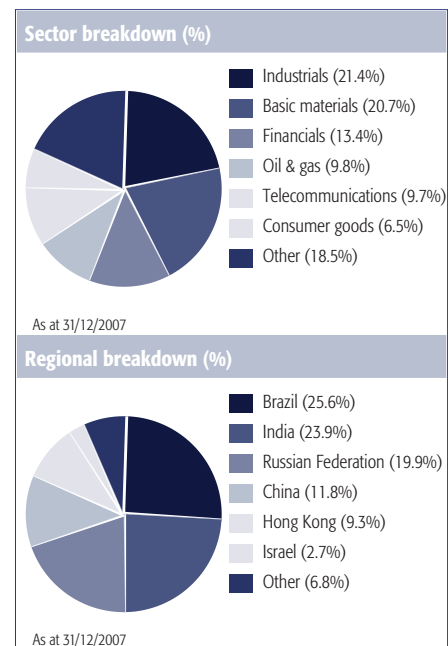
Source: Lipper. Mid to mid, basic rate tax, net income reinvested as at 31/12/07. Past performance is not a reliable indicator to future performance and you should not make any assumptions on the future on the basis of this information. The value of shares and the income from them can fall as well as rise as a result of market and currency fluctuations and you may not get back as much as you originally invested. In October 2007 the Investment Management Association resolved to reclassify the Allianz RCM BRIC Stars Fund from the IMA Global Emerging Markets into the IMA Specialist Sector. The IMA Specialist Sector includes a wide range of funds with very different investment objectives (e.g. themed funds, property funds, etc.) and hence their performances can be significantly disparate as reflected in the average performance for the sector.

Standardised performance (%)	31.12.02 - 31.12.03	31.12.03 - 31.12.04	31.12.04 - 30.12.05	30.12.05 - 29.12.06	29.12.06 - 31.12.07
Fund	N/A	N/A	N/A	N/A	58.0

Source: Lipper. Mid to mid, basic rate tax, net income reinvested. Complies with the FSA's regulations to compare products from providers.

Portfolio analysis

Top ten holdings		
Name	Industry	%
Unitech Ltd	Construction	2.2
KazMunaiGas Explorat	Oil & Gas	2.2
Vimpel Communication	I.T. Hardware	2.0
OAO Gazprom ADS	Oil & Gas	2.0
Voltas Ltd	Diversified-Mega	2.0
Petrol Brasileiros	Oil & Gas	2.0
Mobile Telesystems	Telecommunication	2.0
Power Finance Corp	Financial Services	1.9
JSC MMC Norilsk Nick	Mining	1.9
Perdigao SA	Agriculture	1.9
Total		20.1



Factfile	
Fund Manager	Michael Konstantinov
Launch date	22.2.06
Category/Structure	Subfund of the Allianz International Investment Funds
Fund Size	344.0m GBP
No. of stocks	84
Running Yield	0%
XD dates	1 May
Minimum lump sum	Fund: £500, ISA: £1000
Initial charge	Fund: 4%, ISA: 3%
Annual charge	1.75% p.a
S&P's Rating	A
Benchmark	25% MSCI Brazil, 25% MSCI Russia, 25% MSCI India, 25% MSCI China, Total return net rebased annually on 1st January
IMA Sector	IMA Specialist
MEXID	THXRBA

Fund features and risks

Investors are reminded that the Fund is associated with overseas markets, smaller companies, concentrated portfolios, higher volatility, emerging markets and liquidity. For full details on the risk profile of this Fund, please read the simplified prospectus and prospectus which can be requested by contacting Investor Services on 0800 317 573.

Positive stock selection can result in greater than average investment in individual countries, companies or market sectors. Such concentration can give rise to more risk than where investments are spread over a larger number of countries, companies or market sectors. Whilst this may increase the potential gains, this concentration of exposure and lack of diversification may also substantially increase the risk of loss in the Fund.

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