

# Allianz NACM Income & Growth Fund



## A diversified way to target the total return potential of equity securities

The Fund is a core holding that invests in equities, high yield and convertible bonds and typically writes call options on approximately 70% of the value of each stock position. As a result, the Fund aims to capture multiple sources of income while participating in the upside potential of equities, with potentially less volatility than a pure stock investment.

## Why invest in this fund?

### Multiple opportunities for income plus the growth potential of equities

High-quality, large-cap stocks provide capital appreciation and income. Covered calls can provide additional income from option premiums. High yield bonds may provide high income with potentially less volatility than stocks, though at greater credit risk than high-grade bonds. Convertible bonds provide income and capital appreciation, but with bond-like volatility.

### The potential to be less volatile than a pure stock investment

The Fund provides most of the upside potential in equity markets while offering income which can cushion against declines. Covered calls can reduce exposure to equity market volatility. Convertible bonds can help investors participate in equity price appreciation, but with risk characteristics reflecting the bond component. High yield bonds have low correlation with other asset classes, and can improve the risk reward profile of a portfolio.

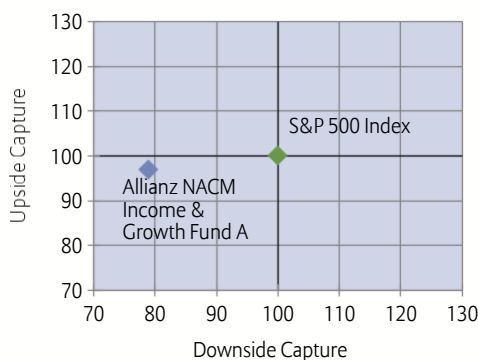
### Access to Nicholas-Applegate's disciplined investment process

The managers employ bottom-up company specific analysis with extensive credit research to identify companies exhibiting signs of sustainable positive change. Equity and bond issues of "buy" candidates are evaluated for an optimal balance of income generation and capital appreciation potential. The best total return candidates are ultimately included in the portfolio.

## Keeps Pace with Equity Upside and Moderates Volatility

Because of the Allianz NACM Income & Growth Fund's unique asset mix, the Fund has been able to offer exposure to 96% of the upside participation in the underlying equity with 79% of the downside risk, producing a very attractive risk/reward profile. This is based on an analysis of since inception returns as of December 31, 2009. While the fund may have captured less of the market's downside, it may still have negative returns under current market conditions.

## Positive Upside/Downside Capture



This chart displays the percentage of benchmark movement captured by a manager in both up and down markets. The "capture ratio" is the manager's return divided by the benchmark's return, or the percentage of the benchmark's return that was "captured" by the manager. The upside capture ratio is computed for periods when the market has a positive return. The downside capture ratio is computed for periods when the market has a negative return. The crosshairs, which provide a basis for comparison, are centered at 100%, which is where the benchmark itself will always fall. Bear in mind that the options component and convertibles may inhibit the fund from participating fully in positive equity markets. Options strategies also involve special risks.

Average Annual Total Returns as of 12/31/09	1-yr.	Inception
Allianz NACM Income & Growth Fund A at NAV	48.29%	2.44%
Allianz NACM Income & Growth Fund A at MOP	40.14%	0.42%
Lipper Flexible Portfolio Fund Avg.	22.16%	-0.30%
Barclays Capital U.S. Aggregate Index	5.93%	5.85%
S&P 500 Index	26.46%	-5.79%

If this material is used after 3/31/10, it must be accompanied by the most recent Performance Supplement. Performance quoted represents past performance. Past performance is no guarantee of future results. Investment return and the principal value of an investment will fluctuate. Shares may be worth more or less than original cost when redeemed. Current performance may be lower or higher than performance shown. For performance current to the most recent month-end, visit our Web site at [www.allianzinvestors.com](http://www.allianzinvestors.com). The MOP returns take into account the 5.5% maximum initial sales charge.

Calendar Year Returns	'07 <sup>1</sup>	'08	'09
Allianz NACM Income & Growth Fund A at NAV	9.3%	-33.9%	48.3%
Lipper Flexible Portfolio Fund Avg.	—	-23.8%	22.2%
Barclays Capital U.S. Aggregate Index	—	5.2%	5.9%
S&P 500 Index	—	-37.0%	26.5%

Performance assumes reinvestment of dividends and capital gains distributions. Taxes on distributions or redemptions have not been deducted. The Lipper, Inc. Lipper Average is based on total return, with distributions reinvested and operating expenses deducted, though not reflecting sales charges. Fund classes share the same portfolio, but have different investment minimums and different fees and expenses. 1. Cumulative return over a partial year.

## Fund Data

Fund Inception Date February 28, 2007

Total Fund Assets (in millions) \$77.9

A Share Expense Ratio 1.31%

Management Firm Nicholas-Applegate Capital Management (NACM)

Portfolio Managers Forsyth, Yee, Kass

For more detailed information about this fund, please visit our Web site at [www.allianzinvestors.com](http://www.allianzinvestors.com).

# Allianz NACM Income & Growth Fund

## Portfolio Managers

**Douglas Forsyth**, a CFA, is a Managing Director, Senior Portfolio Manager and a member of NACM's Executive Committee. He oversees the firm's Income and Growth Strategies team. Prior to joining the firm in 1994, he worked for AEGON USA. He has a B.B.A. from the University of Iowa.

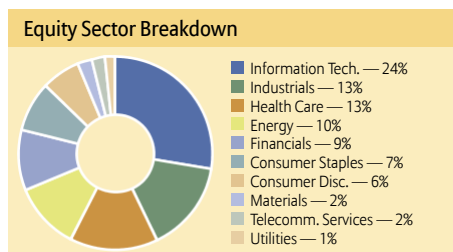
**Michael E. Yee** Senior Vice President and Portfolio Manager, joined NACM in 1995, with responsibilities for portfolio management and research on the firm's Income and Growth Strategies team. Mr. Yee earned his M.B.A. from San Diego State University and his B.S. from the University of California, San Diego.

**Justin Kass**, Managing Director, joined NACM in 2000 with responsibilities for portfolio management and research on the firm's Income and Growth Strategies team. Mr. Kass earned his M.B.A. in finance from The UCLA Anderson School of Management and his B.S. from the University of California, Davis.

## Nicholas-Applegate Capital Management (NACM)

Nicholas-Applegate Capital Management applies the same disciplined investment process across all of its products—an approach grounded in fundamental research and risk management.

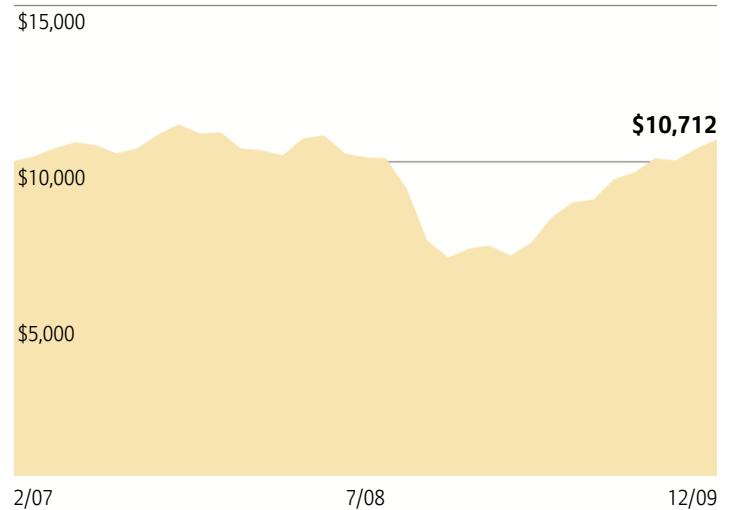
## Portfolio Analysis



## Top Ten Holdings (as of 11/30/09)

NATIONAL OILWELL VARCO INC (NOV)	1.90%	MICROSOFT CORP (MSFT)	0.92%
TEXTRON INC (TXT)	1.79%	MEDCO HEALTH SOLUTIONS INC (MHS)	0.89%
FREEMPORT-MCMORAN COPPER & GOLD (FCX)	1.02%	JOHNSON CONTROLS INC (JCI)	0.89%
JOY GLOBAL INC (JOYG)	1.00%	PROCTER & GAMBLE CO (PG)	0.89%
HARRIS CORP (HRS)	0.93%	PEABODY ENERGY CORP (BTU)	0.89%

## Growth of \$10,000



Past performance is not indicative of future results. Performance shown is for A shares at net asset value (NAV).

Allianz Global Investors has more than \$1 trillion in assets under management for our clients worldwide. Our U.S. investment managers each offers its own distinctive philosophy and culture, providing clients with a comprehensive and constantly evolving range of investment styles and products.<sup>1</sup>



P I M C O

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CADENCE CAPITAL MANAGEMENT

*Investors should consider the investment objectives, risks, charges and expenses of this Fund carefully before investing. This and other information are contained in the Fund's prospectus, which may be obtained by contacting your financial advisor, by visiting [www.allianzinvestors.com](http://www.allianzinvestors.com) or by calling 1-888-877-4626. Please read this prospectus carefully before you invest or send money.*

1. Allianz Global Investors AG assets under management as of 6/30/09. Cadence Capital Management is an independently owned investment firm.

**Past performance is no guarantee of future results.** All data is as of 12/31/09 unless otherwise indicated. Holdings are subject to change. The Fund will normally invest in equity, debt and convertible securities. It is expected that substantially all of the Fund's debt securities and a substantial portion of its convertible securities will consist of securities rated below investment grade. Below investment grade securities generally involve a greater risk to principal than investment grade securities. The Fund may invest a portion of its assets in non-U.S. securities, including emerging markets securities. Investing in non-U.S. securities entails additional risks, including political and economic risk and the risk of currency fluctuations; these risks may be enhanced in emerging markets. Investing in convertible securities may entail risk. Funds that invest in convertibles may have to convert the securities before they would otherwise, which may have an adverse effect on the Fund's ability to achieve its investment objective.

The Fund also expects to employ a strategy of writing (selling) call options on the stocks held in its portfolio up to approximately 70% of the value of each position (the "Option Strategy"). The Option Strategy is designed to generate gains from options premiums in an attempt to enhance the Fund's distributions payable to the Fund's shareholders and to reduce overall portfolio risk. The Fund may invest a significant portion of its assets in securities that have not been registered for public sale, but that are eligible for purchase and sale by qualified institutional buyers. The Fund may utilize foreign currency exchange contracts, options, stock index futures contracts and other derivative instruments. Use of derivative instruments may involve certain costs and risks such as liquidity risk, interest rate risk, market risk, credit risk, management risk and the risk that a fund could not close out a position when it would be most advantageous to do so. Portfolios investing in derivatives could lose more than the principal amount invested in these instruments.

The Barclays Capital U.S. Aggregate Index is an unmanaged index of investment-grade, U.S. dollar-denominated fixed-income securities of domestic issuers having a maturity greater than one year. The Standard & Poor's 500 Index is an unmanaged market index of large capitalization common stocks. Unless otherwise noted, index returns reflect the reinvestment of income dividends and capital gains, if any, but do not reflect fees, brokerage commissions or other expenses of investing. It is not possible to invest directly in an index.

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## Investment Products

Not FDIC Insured | May Lose Value | Not Bank Guaranteed

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