

# PIMCO California Short Duration Municipal Income Fund

## Description

Seeks maximum total return, consistent with preservation of capital and prudent investment management

## Fund Inception Date

August 31, 2006

## Total Fund Assets (in millions)

\$180.1

## Management Firm

PIMCO (Pacific Investment Management Company)

## Portfolio Manager

John Cummings

## Dividend Frequency

Monthly

## Symbol / CUSIP

	Symbol	CUSIP Number
A Shares	PCDAX	72201F649
C Shares	PCSCX	72201P381

## Maturity / Quality

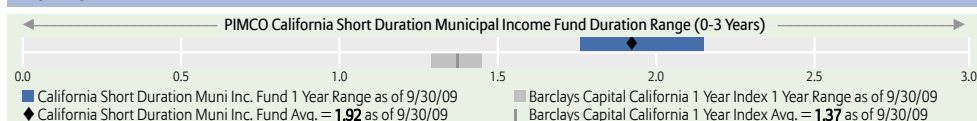
S	I	L	H	Maturity:
■	■	■	■	Short
■	■	■	■	Quality:
■	■	■	■	High

## Fund Highlights

- Invests primarily in short- to intermediate-term bonds, which tend to be less volatile than higher yielding, longer-term bonds.
- Invests in securities exempt from Federal and California income tax.
- Seeks to avoid investments in securities whose interest are subject to the federal alternative minimum tax.
- Managed by John Cummings, a municipal bond expert.

## Portfolio Analysis

### Duration



### Top Sectors

Pre-Funded	24%
State/Local Government	18%
Hospital Revenue	12%
Cash Muni	11%
Power Revenue	10%
Lease Revenue	9%
Water & Sewer	7%

### Maturity

<1 Year	28%
1-3 Years	34%
3-5 Years	34%
5-10 Years	4%
Average Maturity	2.36 Years
Average Duration	2.09 Years

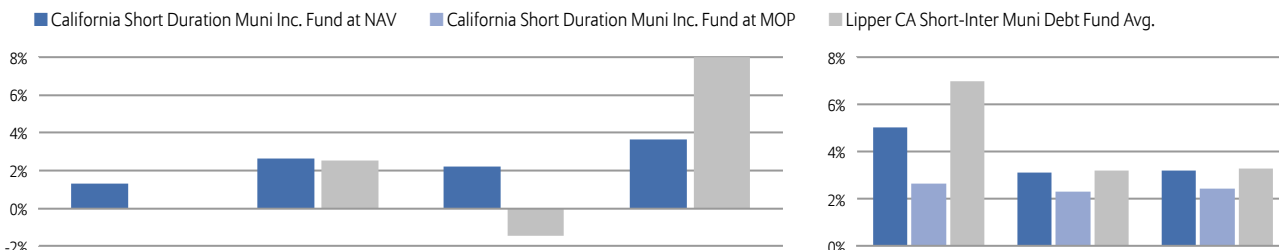
### Quality<sup>1</sup>

AAA	31%
AA	36%
A	28%
BBB	5%
Average Quality	AA-

### Statistics

Standard Deviation <sup>2</sup>	1.50
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## Performance Analysis



### Calendar Year Returns

	'06 <sup>3</sup>	'07	'08	YTD
PIMCO Fund at NAV	1.3%	2.7%	2.2%	3.6%
PIMCO Fund at MOP	-	2.5%	-1.4%	8.0%
Lipper CA Short-Inter Muni Debt Fund Avg.	-	2.5%	-1.4%	8.0%
Barclays Capital California 1 Year Index	-	4.2%	4.3%	3.1%

### Average Annual Returns

	1-yr	3-yr	Inception
California Short Duration Muni Inc. Fund at NAV	5.02%	3.10%	3.20%
California Short Duration Muni Inc. Fund at MOP	2.66%	2.32%	2.44%
Lipper CA Short-Inter Muni Debt Fund Avg.	6.97%	3.19%	3.26%
Barclays Capital California 1 Year Index	4.51%	4.10%	4.13%

If this material is used after 12/31/09, 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 2.25% maximum initial sales charge. The Fund's expense ratio is 0.75%. Visit [www.allianzinvestors.com](http://www.allianzinvestors.com) to find out if this Fund's expenses are being subsidized.

### Best / Worst Return

	Best	Worst
3-month (ended)	2.55% (1/31/09)	-0.14% (10/31/08)
1-yr (ended)	5.02% (9/30/09)	1.55% (10/31/08)
3-yr (ended)	3.10% (9/30/09)	2.99% (8/31/09)

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. The letter ratings are provided to indicate the creditworthiness of the underlying bonds in the portfolio and generally range from AAA (highest) to D (lowest). Ratings do not apply to the fund. 2. Standard Deviation is calculated by IDS GmbH-Analysis and Reporting Services, an investment analysis and reporting service which is a subsidiary of Allianz SE. 3. Cumulative return over a partial year.

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## Portfolio Management

### PIMCO (Pacific Investment Management Company)

Founded in 1971 and based in Newport Beach, California, PIMCO is a leading institutional investment firm with a client list that includes many of the largest companies in the United States. PIMCO is one of the most respected names in fixed-income management, due in large part to its total return approach to bond investing and strong long-term performance record. While renowned for its bond management expertise, PIMCO has also developed a range of innovative investment strategies to offer investors access to other asset classes, including stocks, commodities and real estate. In recent years, the firm has expanded its global operations and today has offices in cities such as London, Munich, Singapore, Sydney and Tokyo.

### Portfolio Manager



John Cummings

Mr. Cummings is an executive vice president and a municipal bond portfolio manager in the Newport Beach office. Prior to joining PIMCO in 2002, he was vice president, municipal trading at Goldman Sachs, responsible for a number of municipal sectors, including industrials, airlines, utilities, healthcare and high-yield. He has over 21 years of investment experience and holds an MBA, as well as his undergraduate degree, from Rutgers University.

## Investment Process

The top-down investment process begins with PIMCO's annual Secular Forum at which the firm develops a 3- to 5-year outlook for the global economy and interest rates. This helps set the basic portfolio parameters, including duration, yield-curve positioning, sector weightings and credit quality. The municipal bond team seeks to add value in a number of ways. They believe that investments should be made from the point of view of maximizing after-tax total return as opposed to simply reaching for maximum yield. So the portfolio is scrutinized using a process that models the potential changes in yield and price as the underlying variables of the marketplace change. Yield-to-worst measures are carefully examined, as are the impact of a shifting municipal yield curve and the influence of yield volatility and credit shifts on the portfolio. The manager may at times use derivatives to replicate bond positions. This strategy can offer the opportunity to outperform physical bond securities due to the relative pricing of the derivatives contracts and PIMCO's active management of the collateral backing the derivatives.

### Proven Expertise

PIMCO has developed considerable investment expertise in municipal bond management.

Municipal bond team includes senior portfolio managers and analysts with extensive experience investing in the sector.

Utilizes state-of-the-art analytical systems customized for municipal bond management.

Active approach to municipal bond management seeks to add value by employing a broad range of top-down and bottom-up investment strategies.

*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.*

**Past performance is no guarantee of future results.** All data is as of 9/30/09 unless otherwise indicated. Holdings are subject to change. The Fund will invest in debt securities exempt from federal and California income tax ("California Municipal Bonds"). Shareholders of a municipal bond fund will, at times, incur a tax liability, as income from these funds may be subject to state and local taxes and, where applicable, the alternative minimum tax. The Fund may invest in other types of Fixed Income Instruments. The Fund will invest primarily in investment grade debt securities, but may invest up to 10% of its total assets in high yield securities. High-yield bonds typically have a lower credit rating than other bonds. Lower rated bonds generally involve a greater risk to principal than higher rated bonds. The Fund is non-diversified, which means that it may concentrate its assets in a smaller number of issuers than a diversified fund.

The Fund may invest in derivative instruments, such as options, futures contracts or swap agreements, or in mortgage- or asset-backed securities. 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 those instruments. The Fund may also invest in securities issued by entities, such as trusts, whose underlying assets are California Municipal Bonds, including, without limitation, residual interest bonds.

Barclays Capital California 1 Year Municipal Bond Index is an unmanaged index comprised of California Municipal Bond Issues having a maturity of at least one year and less than two years. 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.

Standard deviation is an absolute measure of volatility measuring dispersion about an average which, for a mutual fund, depicts how widely the returns varied over a certain period of time. The credit quality of the investment in the portfolio does not apply to the stability or safety of the portfolio. Duration is a measure of a portfolio's price sensitivity expressed in years. When interest rates rise, bond prices generally fall; bonds of longer duration tend to be more sensitive to changes in interest rates, usually making them more volatile than fixed-income securities of shorter duration.

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