

PIMCO Developing Local Markets Fund

Description

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

Fund Inception Date

May 31, 2005

Total Fund Assets (in millions)

\$1,767.9

Management Firm

PIMCO (Pacific Investment Management Company)

Portfolio Manager

Michael Gomez

Dividend Frequency

Monthly

Symbol / CUSIP

| | Symbol | CUSIP Number |
|----------|--------|--------------|
| A Shares | PLMAX | 72201F102 |
| C Shares | PLMCX | 72201F201 |

Maturity / Quality

| Maturity | Quality |
|----------|---------|
| Short | High |
| Medium | Medium |
| Long | Low |

Fund Highlights

- Offers attractive capital appreciation potential by focusing on investments in countries exhibiting improving economic and financial fundamentals.
- Strategy involves investment in currencies of, or in fixed income instruments denominated in the currencies of, developing markets.
- Provides investors willing to accept the additional risks associated with developing market securities and currencies with the opportunity to reduce portfolio exposure to U.S. interest rates.
- The Developing Local Markets strategy benefits from the team's considerable experience, market presence, and expertise.

Portfolio Analysis

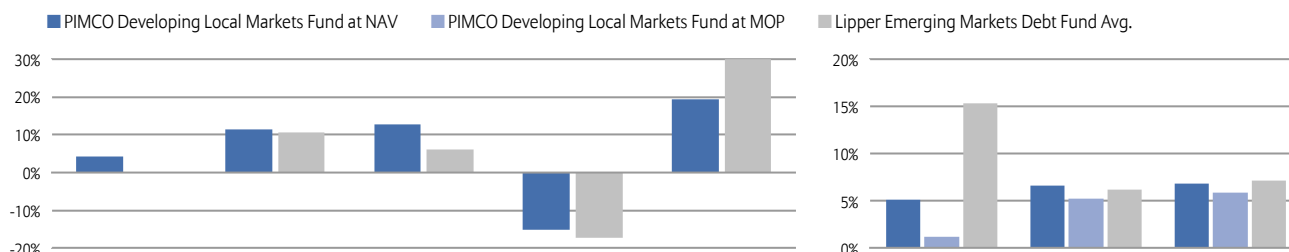
| Top Currency Exposure | | Maturity | | Quality ² | |
|-----------------------|-----|-------------------------------|------------|------------------------------|-----|
| Poland | 13% | <1 Year | 72% | AAA | 24% |
| Mexico | 11% | 1-3 Years | 15% | AA | 14% |
| Singapore | 11% | 3-5 Years | 2% | A | 27% |
| Hong Kong | 9% | 5-10 Years | 10% | BBB | 28% |
| Czech Republic | 8% | 10-20 Years | 1% | BB | 4% |
| Turkey | 7% | Average Maturity ¹ | 1.57 Years | B | 1% |
| South Africa | 5% | Average Duration | 1.18 Years | <B | 2% |
| | | | | Average Quality ¹ | A |

1. The quality and duration above reflect the high-quality shorter-term U.S. fixed-income securities held by the Fund that are used to collateralize the Fund's derivative exposure to emerging market currencies; this exposure is not reflected in the ratings. The Fund's performance will be derived primarily from its non dollar currency exposure to developing local economies. These currencies may present different credit and interest rate risks than a portfolio of high quality shorter term U.S. fixed-income securities.

Statistics

| | |
|---------------------------------|-------|
| Standard Deviation ³ | 12.13 |
|---------------------------------|-------|

Performance Analysis



Calendar Year Returns

| | '05 ⁴ | '06 | '07 | '08 | YTD |
|----------------------------------------|------------------|-------|-------|--------|-------|
| PIMCO Fund at NAV | 4.1% | 11.5% | 12.8% | -14.9% | 19.2% |
| PIMCO Fund at MOP | — | 10.6% | 6.0% | -17.1% | 29.9% |
| Lipper Emerging Markets Debt Fund Avg. | — | 12.3% | 16.0% | -3.8% | 10.5% |
| JPMorgan ELMH+ Index | — | — | — | — | — |

Average Annual Returns

| | 1-yr | 3-yr | Inception |
|----------------------------------------|--------|-------|-----------|
| PIMCO Fund at NAV | 5.12% | 6.60% | 6.77% |
| PIMCO Fund at MOP | 1.18% | 5.25% | 5.84% |
| Lipper Emerging Markets Debt Fund Avg. | 15.30% | 6.18% | 7.15% |
| JPMorgan ELMH+ Index | 3.00% | 9.58% | 8.89% |

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. The MOP returns take into account the 3.75% maximum initial sales charge. The Fund's expense ratio is 1.25%. Visit www.allianzinvestors.com to find out if this Fund's expenses are being subsidized.

Best / Worst Return

| | Best | Worst |
|-----------------|-------------------|--------------------|
| 3-month (ended) | 18.63% (5/31/09) | -20.68% (11/30/08) |
| 1-yr (ended) | 17.47% (10/31/07) | -23.75% (2/28/09) |
| 3-yr (ended) | 11.68% (7/31/08) | -1.44% (2/28/09) |

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.

2. 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. 3. Standard Deviation is calculated by IDS GmbH-Analysis and Reporting Services, an investment analysis and reporting service which is a subsidiary of Allianz SE. 4. Cumulative return over a partial year.

PIMCO Developing Local Markets Fund

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



Michael Gomez

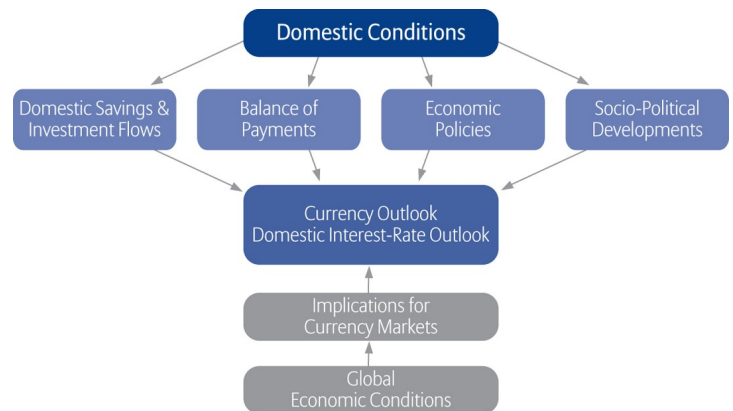
Mr. Gomez is an Executive Vice President, Portfolio Manager and Co-Head of the Emerging Markets portfolio management team. He joined PIMCO in 2003, previously having been associated with Goldman Sachs where he was responsible for market making and proprietary trading of Emerging Market bonds. Prior to that, he spent a year in Colombia serving as a financial consultant to the Ministry of Finance and Public Credit. Mr. Gomez began his investment career in 1994 and holds a bachelor's degree from the University of Pennsylvania and an MBA from The Wharton School of Business.

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, credit quality breakdown and individual issue selection. The Fund identifies countries with strong underlying credit fundamentals, and then considers the potential impact of PIMCO's global economic outlook. Finally, PIMCO evaluates technical conditions within the country to identify both the upside and the imbalances that could potentially lead to market dislocations. Currency decisions are determined by examining factors such as the country's domestic savings and investment flows, the balance of payments, the outlook for inflation, as well as technical factors specific to the local markets.

An Exhaustive Research Process

PIMCO's approach to country selection takes into account a wide variety of variables.



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 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 PIMCO Developing Local Markets Fund will invest its assets in currencies of, or in Fixed-Income Instruments denominated in the currencies of, developing and emerging market countries. The Fund will likely concentrate its investments in Asia, Africa, the Middle East, Latin America and the developing countries of Europe. Currency rates in foreign countries may fluctuate significantly over short periods of time. As a result, the Fund's investments in foreign currency-denominated securities may reduce the returns of the Fund. Investing in non-U.S. securities may entail risk due to foreign economic and political developments; this risk may be enhanced when investing in emerging markets. The Fund is subject to interest rate risk; when interest rates rise, bond prices generally fall. The Fund may use derivative instruments for hedging purposes, to gain exposure to foreign currencies or as part of its investment strategy. Use of these 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 Fund may invest all of its assets in high yield securities which generally involve a greater risk to principal than higher rated bonds, including greater price volatility and default risk. The Fund is "non-diversified", which means that it may concentrate its assets in a smaller number of issuers than a diversified Fund.

The JPMorgan Emerging Local Markets Index Plus (ELMI+) tracks total returns for local-currency-denominated money market instruments in 22 emerging markets. 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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