

# PIMCO Emerging Local Bond Fund

## Description

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

## Fund Inception Date\*

December 29, 2006

## Total Fund Assets (in millions)

\$1,893.0

## Management Firm

PIMCO (Pacific Investment Management Company)

## Portfolio Manager

Michael Gomez

## Dividend Frequency

Monthly

## Symbol / CUSIP

	Symbol	CUSIP Number
A Shares	PELAX	72201F425
C Shares	PELCX	72201F391

## Maturity / Quality

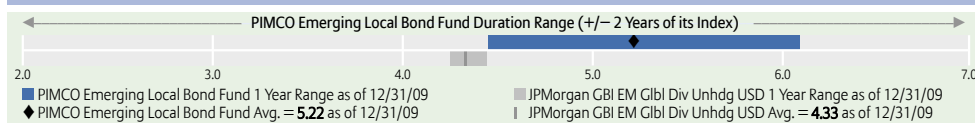
S	I	L	H	Maturity:
■	■	■	■	Intermediate
■	■	■	■	Quality:
■	■	■	■	Medium

## Fund Highlights

- Provides attractive return potential for investors willing to accept the additional risks associated with emerging market securities.
- Focuses on fixed-income securities denominated in the local currencies of developing countries.
- Can help enhance portfolio diversification in conjunction with traditional stock and bond investments.
- Taps into the PIMCO emerging market team's considerable experience, market presence, and expertise.

## Portfolio Analysis

### Duration



### Top Currency Exposure

Mexico	12%
Poland	12%
Brazil	10%
South Africa	10%
Thailand	9%
Turkey	7%
Malaysia	7%

### Maturity

1-3 Years	27%
3-5 Years	20%
5-10 Years	46%
10-20 Years	7%
Average Maturity	5.98 Years
Average Duration	4.45 Years

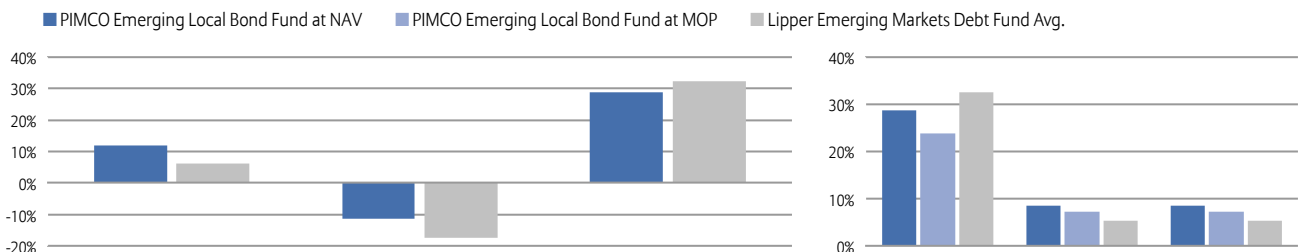
### Quality<sup>1</sup>

AAA	10%
AA	3%
A	36%
BBB	34%
BB	16%
B	1%
Average Quality	BBB-

### Statistics

Standard Deviation <sup>2</sup>	16.85
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## Performance Analysis



### Calendar Year Returns

	'07	'08	'09
PIMCO Fund at NAV	11.9%	-11.1%	28.7%
PIMCO Fund at MOP			
Lipper Emerging Markets Debt Fund Avg.	6.0%	-17.1%	32.5%
JPMorgan GBI EM Gbl Div Unhdg USD	18.1%	-5.2%	22.0%

### Average Annual Returns

	1-yr	3-yr	Inception
PIMCO Fund at NAV	28.69%	8.59%	8.57%
PIMCO Fund at MOP	23.87%	7.21%	7.20%
Lipper Emerging Markets Debt Fund Avg.	32.49%	5.37%	5.37%
JPMorgan GBI EM Gbl Div Unhdg USD	21.98%	10.94%	10.94%

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 3.75% maximum initial sales charge. The Fund's expense ratio is 1.35%. Visit [www.allianzinvestors.com](http://www.allianzinvestors.com) to find out if this Fund's expenses are being subsidized.

\* The inception date for the oldest class of shares (the Institutional share class). The returns represent Class A shares, first offered in 7/07. Returns prior to this date apply the returns of the oldest class of shares but the charges and expenses of Class A shares. Index and Lipper performance comparisons begin on 12/31/06.

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.

### Best / Worst Return

	Best	Worst
3-month (ended)	23.92% (5/31/09)	-24.51% (10/31/08)
1-yr (ended)	43.31% (11/30/09)	-22.60% (2/28/09)
3-yr (ended)	8.59% (12/31/09)	8.59% (12/31/09)

# PIMCO Emerging Local Bond 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

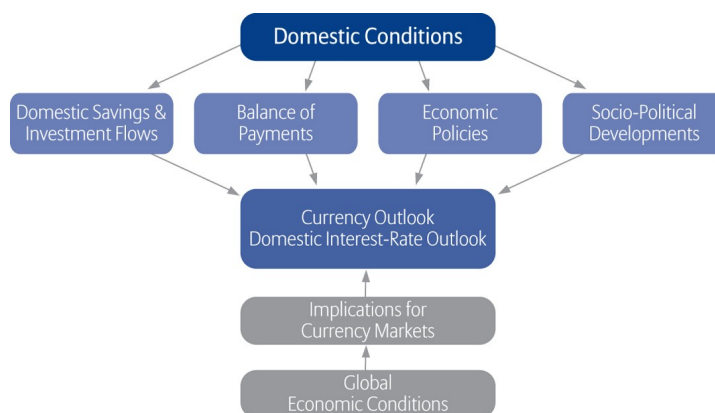
Mr. Gomez is an Executive Vice President, Portfolio Manager and Co-Head of the Emerging Markets portfolio management team. He joined PIMCO in 2003, previously having been associated with Goldman Sachs where he was responsible for market making and proprietary trading of Emerging Market bonds. Prior to 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 Fund's 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 finally, individual issue selection. PIMCO then employs its well-tested country selection process with respect to emerging economies. This process requires that each country PIMCO invests in satisfy three independent criteria: 1) strong underlying credit fundamentals; 2) limited risk from the external environment and global economy; and 3) lack of susceptibility to a de-facto deterioration of credit quality or financial contagion due to imbalanced market technicals. In managing local currency exposures, PIMCO will pay particular attention to the country's domestic savings and investment flows, the balance of payments, the outlook for inflation, technical factors specific to the local markets, and other factors likely to drive local currency and interest rate moves.

### 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](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 12/31/09 unless otherwise indicated. Holdings are subject to change. The Fund will invest under normal circumstances primarily in Fixed-Income Instruments denominated in currencies of countries with emerging securities markets. The Fund's investments in Fixed-Income Instruments may be represented by forwards or derivatives. Investing in non-U.S. securities entails additional risks, including political and economic risk and the risk of currency fluctuations; these risks are generally enhanced in emerging markets. The Fund may, but is not required to, hedge its exposure to non-U.S. currencies.

The Fund may invest all of its assets in derivative instruments, such as options, futures contracts or swap agreements, or in mortgage- or asset-backed securities. Use of derivative instruments involves certain costs and risks such as liquidity risk, interest rate risk, market risk, credit risk, and management risk. Portfolios investing in derivatives could lose more than the principal amount invested in those instruments. The Fund may invest all of its assets in high yield securities subject to a maximum of 15% of its total assets in securities rated below B by Moody's or by S&P, or, if unrated, determined by PIMCO to be of comparable quality. High-yield securities generally involve greater risk to principal than higher-rated securities. 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 Government Bond Index-Emerging Markets Global Diversified (Unhedged) is a comprehensive global local emerging markets index, and consists of regularly traded, liquid fixed-rate, domestic currency government bonds. 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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