

# PIMCO Foreign Bond Fund (Unhedged)

## Description

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

## Fund Inception Date\*

April 30, 2004

## Total Fund Assets (in millions)

\$2,360.7

## Management Firm

PIMCO (Pacific Investment Management Company)

## Portfolio Manager

Scott Mather

## Dividend Frequency

Monthly

## Symbol / CUSIP

	Symbol	CUSIP Number
A Shares	PFUAX	722005196
C Shares	PFRCX	722005188

## Maturity / Quality

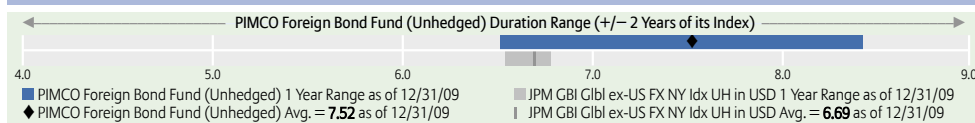
	Maturity:
S	High
I	Intermediate
L	High

## Fund Highlights

- The Fund invests primarily in high-quality, non-U.S. intermediate-term bonds. As over half of the world's fixed-income securities are issued outside of the U.S., the Fund adds diversification to any bond portfolio.
- Emphasizes bonds issued by the government of developed foreign countries, which can help temper the risks associated with investing in foreign securities.
- As economic and business cycles around the world may not move in the same pattern, the best bond opportunities can sometimes lie outside the United States.
- Separates country and currency decisions to actively manage currency exposure.

## Portfolio Analysis

### Duration



### Top Countries

Japan	27%
Germany	22%
United States	14%
France	13%
United Kingdom	9%
Netherlands	6%
Europe	3%

### Maturity

1-3 Years	29%
3-5 Years	12%
5-10 Years	30%
10-20 Years	16%
20+ Years	13%
Average Maturity	7.87 Years
Average Duration	7.06 Years

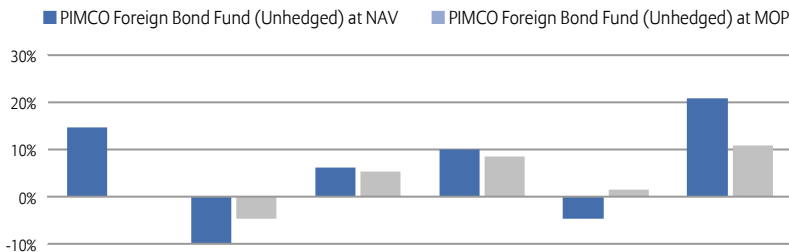
### Quality<sup>1</sup>

AAA	79%
AA	10%
A	8%
BBB	-4%
BB	2%
B	2%
<B	3%
Average Quality	AA

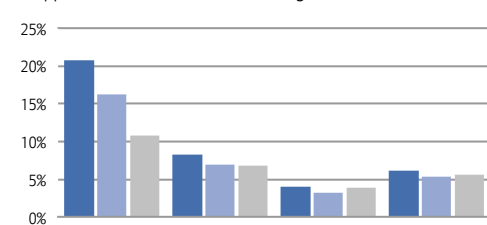
### Statistics

Standard Deviation <sup>2</sup>	12.71
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## Performance Analysis



### Average Annual Returns



### Calendar Year Returns

	'04 <sup>3</sup>	'05	'06	'07	'08	'09
PIMCO Fund at NAV	14.7%	-9.5%	6.2%	10.0%	-4.5%	20.8%
PIMCO Fund at MOP						
Lipper International Income Fund Avg.	—	-4.5%	5.4%	8.5%	1.5%	10.8%
JPM GBI Gbl ex-US FX NY Idx UH in USD	—	-9.0%	6.7%	11.2%	12.3%	3.3%

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 1.32%. 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 7/04. Returns prior to this date apply the returns of the oldest class of shares but the charges and expenses of Class A shares.

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.

### Best / Worst Return

	Best	Worst
3-month (ended)	16.20% (7/31/09)	-15.16% (10/31/08)
1-yr (ended)	39.78% (11/30/09)	-18.59% (3/31/09)
3-yr (ended)	9.58% (11/30/09)	0.97% (10/31/08)

# PIMCO Foreign Bond Fund (Unhedged)

## 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



Scott Mather

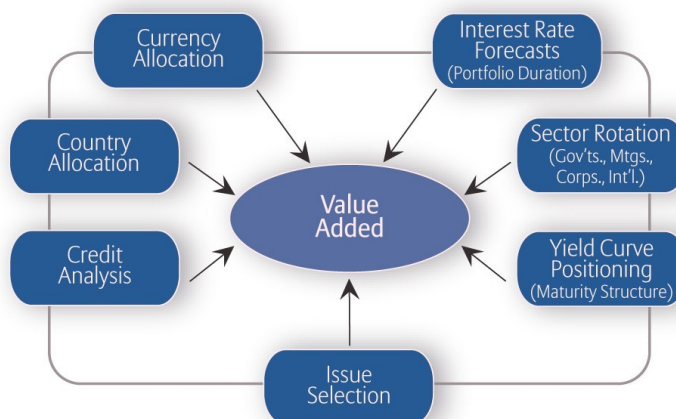
Mr. Mather is a Managing Director, a member of PIMCO's investment committee and head of global portfolio management. Previously, he led portfolio management in Europe. Prior to that role, Mr. Mather co-headed PIMCO's MBS and ABS team. Before joining PIMCO in 1998, he was a fixed-income trader specializing in MBS at Goldman Sachs in New York. He has over a decade of investment experience and holds a master's degree in engineering, as well as undergraduate degrees, from the University of Pennsylvania.

## 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 concentration, and credit quality. The Fund's top-down strategy begins with a country bond allocation model that helps determine which countries have the best risk-adjusted yield. Currency allocations are determined according to short-term yields, market trends, technical factors and fundamental analysis focused on measures of relative purchasing power. The bottom-up strategy of the Fund includes credit research, which stresses fundamental and in-depth analysis of all holdings. The Fund 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 of the derivatives.

### Value-Added Approach

PIMCO seeks to add value through a variety of techniques that attempt to maximize return without adding significantly to overall portfolio volatility.



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 normally invest its assets in Fixed-Income Instruments of issuers located outside the United States, representing at least three foreign countries, which may be represented by futures contracts (including related options). The Fund may invest a percentage of its assets in high yield securities and may invest in mortgage- or asset-backed securities. 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. 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. Mortgage-backed securities are subject to prepayment risk and may be sensitive to changes in prevailing interest rates. 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, without limitation, seek to obtain market exposure to the securities in which it primarily invests by entering into a series of purchase and sale contracts or by using other investment techniques (such as buy backs or dollar rolls). This Fund may use derivative instruments for hedging purposes 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 JPMorgan GBI Global ex-US FX NY Index Unhedged in USD is an unmanaged index market representative of the total return performance in U.S. dollars on an unhedged basis of major non-U.S. bond 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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