

# PIMCO Fundamental Advantage Total Return Fund

## Description

Seeks maximum total return, consistent with prudent investment management

## Fund Inception Date\*

February 29, 2008

## Total Fund Assets (in millions)

\$233.7

## Management Firm

Pacific Investment Management Company (PIMCO)

## Portfolio Manager

Bill Gross

## Dividend Frequency

Quarterly

## Symbol / CUSIP

	Symbol	CUSIP Number
A Shares	PTFAX	72201M164
C Shares	PTRCX	72201M255

## Fund Highlights

- For investors seeking consistent returns in a variety of market cycles with more moderate volatility than would be characteristic of an all-equity portfolio.
- Long-short stock strategy isolates the potential outperformance of Enhanced RAFI—a fundamentals-based stock index.
- Actively managed core bond portfolio offers additional diversification and total return opportunities.
- Managed by renowned PIMCO co-founder and co-CIO Bill Gross.

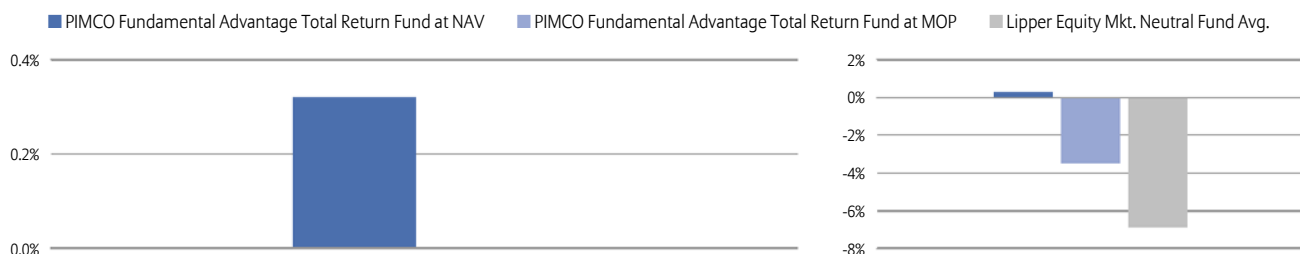
## Portfolio Analysis

Top Sectors <sup>1</sup>		Maturity		Quality	
Mortgage	46%	<1 Year	-6%	AAA	-31%
Invest. Grade Credit	30%	1–3 Years	60%	AA	42%
Non-U.S. Developed	16%	3–5 Years	18%	A	56%
Municipal / Other	15%	5–10 Years	42%	BBB	31%
Emerging Markets	1%	10–20 Years	-2%	BB	1%
High Yield Credit	1%	20+ Years	-12%	<B	1%
Net Cash & Equivalents	121%	Average Maturity	1.94 Years	Average Quality	A-
		Average Duration	3.38 Years		

Statistics	
Standard Deviation <sup>2</sup>	–

## Performance Analysis



## Calendar Year Returns

	'08 <sup>3</sup>
PIMCO Fund at NAV	0.3%
PIMCO Fund at MOP	–
Lipper Equity Mkt. Neutral Fund Avg.	–
3 Mo. LIBOR Index	–

## Cumulative Returns

	Inception
PIMCO Fund at NAV	0.32%
PIMCO Fund at MOP	-3.44%
Lipper Equity Mkt. Neutral Fund Avg.	-6.82%
3 Mo. LIBOR Index	2.75%

If this material is used after 3/31/09, 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 3.75% maximum initial sales charge. A redemption fee of 2% may apply to shares that are redeemed or exchanged within 7 days of acquisition. Performance shown does not reflect any applicable redemption fees and would be lower if it did. Redemption fees are paid to and retained by the Fund and are not sales charges. The Fund's expense ratio is 1.29%. 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)	4.31% (12/31/08)	-6.28% (11/30/08)

\* The inception date for the oldest class of shares (the Institutional share class). The returns represent Class A shares, first offered in 7/08. 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. The classes of a fund share the same portfolio but have different investment minimums and different fees and expenses.

1. The total amount shown for sector or country holdings may be greater than 100% because of the inclusion of derivatives and the collateral securities supporting those instruments. 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

### Pacific Investment Management Company (PIMCO)

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



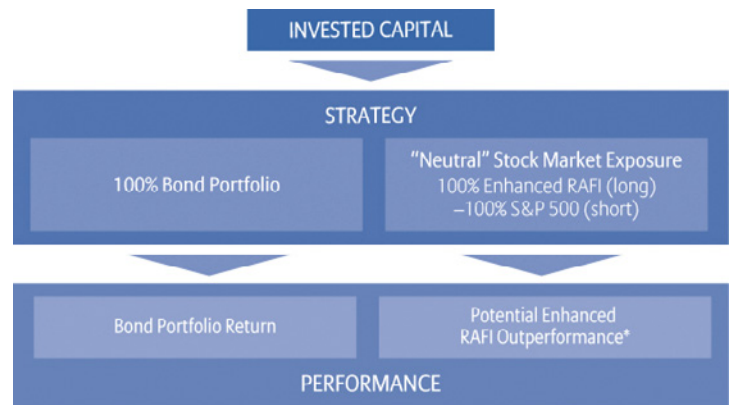
Bill Gross

Mr. Gross is a founder and Co-Chief Investment Officer of Pacific Investment Management Company (PIMCO). He has been associated with PIMCO since its inception. Morningstar named Mr. Gross and his investment team Fixed Income Manager of the Year for 1998, 2000 and 2007. In 2000, Mr. Gross received the Bond Market Association's Distinguished Service Award. In 1996, he was the first portfolio manager inducted into the FIASI's Hall of Fame, for his advances in fixed-income analysis and portfolio management. He holds a B.A. from Duke University and an M.B.A. from the UCLA Graduate School of Business.

## Investment Process

PIMCO's Fundamental Advantage Strategy draws on PIMCO's established expertise in bond management, as well as the firm's 20 years of enhanced index strategy experience through its StockPLUS strategy. In managing the fixed-income portfolio, PIMCO employs a Total Return approach, which focuses both on income and capital appreciation. The process begins with the firm's three- to five-year outlook for the global economy and interest rates, formulated at the firm's annual Secular Forum. This long-term outlook helps set basic portfolio parameters, including duration, yield curve positioning, sector weightings and credit quality. These top-down strategies are then combined with a bottom-up focus on issue selection, credit analysis and quantitative research.

Enhanced RAFI is a proprietary basket of stocks selected by strategy sub-advisor Research Affiliates LLC.



\*Less modest derivatives costs, typically 0.25% – 0.35%

Investors should consider the investment objectives, risks, charges and expenses of this Fund carefully before investing. This and other information is 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 12/31/08 unless otherwise indicated. Holdings are subject to change. The Fund's investments in derivatives may involve certain costs and risks such as liquidity risk, interest rate risk, market risk, management risk and the risk that the fund could not close out a position when it would be advantageous to do so. In particular the Fund may use swap agreements to engage in short sales related to the S&P 500. If the price of a security in a short sale has increased during the agreement, then the Fund may incur a loss equal to the increase in price from the time the short sale was entered into plus any premiums and interest paid. The Fund's investments in non-U.S. securities may be subject to more rapid and extreme changes in value. Non-U.S. markets may be subject to greater political risks of instability and currency fluctuations. Emerging markets securities may involve these risks to a higher degree, and they may also be more speculative. The Fund's investments in high-yield securities may involve greater risk of default.

The Morningstar Fund Manager of the Year Award winners are chosen based upon Morningstar's own research and in-depth evaluation by its senior editorial staff.

The 3-Month LIBOR (London Intra-bank Offered Rate) Index is an average interest rate, determined by the British Bankers Association, that banks charge one another for the use of short-term money (3 months) in England's Eurodollar market. 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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