

# PIMCO Fundamental IndexPLUS™ TR Fund

## Description

Seeks total return which exceeds that of the FTSE RAFI 1000

## Fund Inception Date

June 30, 2005

## Total Fund Assets (in millions)

\$228.0

## Management Firm

PIMCO (Pacific Investment Management Company)

## Portfolio Manager

Bill Gross

## Dividend Frequency

Quarterly

## Symbol / CUSIP

	Symbol	CUSIP Number
A Shares	PIXAX	72201F888
C Shares	PIXCX	72201F870

## Equity Exposure

Enhanced RAFI 1000 Index

## Collateral Portfolio Duration Range

Min. of 1 yr. to max. of 2 yrs. above duration of BCAG.<sup>1</sup>

## Fund Highlights

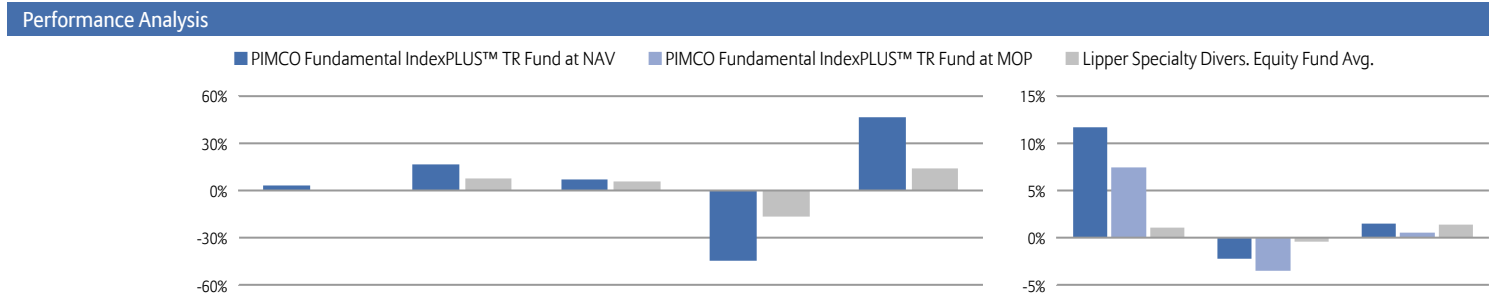
- Offers access to a unique fundamentals-based strategy.
- Employs two independent sources of excess return potential: (1) model-driven enhancement of the FTSE RAFI Index and (2) PIMCO's active management of the fixed-income collateral.
- Designed as an alternative to passive stock investing strategies that are based on performance of a market-capitalization weighted index.
- Managed by renowned PIMCO founder and Co-CIO Bill Gross.

Equity Analysis	
Top Sectors	
Financials	29%
Consumer Discretionary	12%
Energy	11%
Industrials	10%
Information Technology	10%
Health Care	9%
Consumer Staples	8%

Fixed-Income Collateral Analysis	
Top Sectors <sup>2</sup>	
Mortgage	59%
Invest. Grade Credit	39%
Government-Related	20%
Non-U.S. Developed	11%
Emerging Markets	9%
Other	4%
High Yield Credit	3%

Quality <sup>3</sup>	
Average Quality	AA-
Average Maturity	7.99 Years
Average Duration	5.03 Years

Portfolio Analysis	
Statistics	
Standard Deviation <sup>4</sup>	27.52
Beta <sup>4</sup>	1.09
R <sup>2</sup> <sup>4</sup>	0.93



## Calendar Year Returns

	'05 <sup>5</sup>	'06	'07	'08	YTD
PIMCO Fund at NAV	3.3%	16.7%	7.4%	-43.9%	46.7%
PIMCO Fund at MOP	3.3%	16.7%	7.4%	-43.9%	46.7%
Lipper Specialty Divers. Equity Fund Avg.	—	7.8%	5.7%	-16.1%	14.4%
FTSE RAFI 1000 Index	—	19.7%	3.0%	-40.0%	40.3%
S&P 500 Index	—	15.8%	5.5%	-37.0%	19.3%

## Average Annual Returns

	1-yr	3-yr	Inception
PIMCO Fund at NAV	11.67%	-2.15%	1.49%
PIMCO Fund at MOP	7.48%	-3.38%	0.58%
Lipper Specialty Divers. Equity Fund Avg.	1.04%	-0.33%	1.42%
FTSE RAFI 1000 Index	6.32%	-2.37%	2.04%
S&P 500 Index	-6.91%	-5.43%	-0.70%

## 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 3.75% maximum initial sales charge. The Fund's expense ratio is 2.07%. Visit [www.allianzinvestors.com](http://www.allianzinvestors.com) to find out if this Fund's expenses are being subsidized.

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. Barclays Capital U.S. Aggregate Index (BCAG) is generally representative of the domestic, investment-grade, fixed-rate, taxable bond market. Index duration as of 9/30/09: 4.43 yrs. 2. 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. 3. 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. 4. Standard Deviation, Beta and R<sup>2</sup> are calculated by IDS GmbH-Analysis and Reporting Services, an investment analysis and reporting service which is a subsidiary of Allianz SE. 5. Cumulative return over a partial year.

## Best / Worst Return

	Best	Worst
3-month (ended)	46.95% (5/31/09)	-39.66% (11/30/08)
1-yr (ended)	24.02% (5/31/07)	-54.65% (2/28/09)
3-yr (ended)	3.54% (6/30/08)	-19.89% (2/28/09)

# PIMCO Fundamental IndexPLUS™ TR 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



Bill Gross

Mr. Gross is founder and co-chief investment officer of Pacific Investment Management Company (PIMCO) and has won Morningstar's coveted "Fixed-Income Manager of the Year Award" three times (1998, 2000 and 2007) for managing the PIMCO Total Return Fund. In 2000, Mr. Gross received the Bond Market Association's Distinguished Service Award. He holds a BA from Duke University and an MBA from the UCLA Graduate School of Business.

## Investment Process

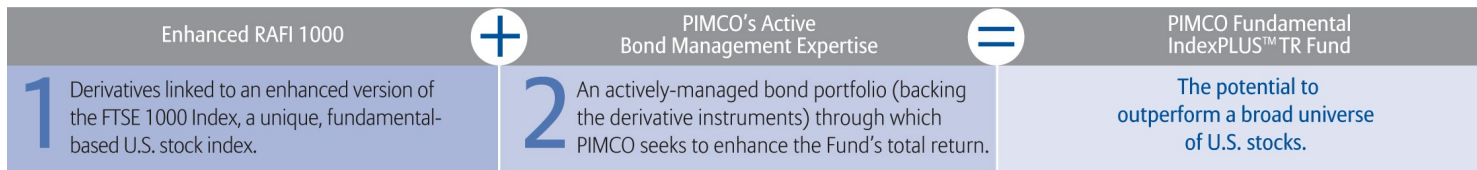
The fund's investment process involves two components: the construction of Enhanced RAFI 1000, which serves as the basis for the equity derivatives, and the management of the underlying bond collateral.

The Index is composed of the 1,000 largest publicly-traded U.S. companies by fundamental accounting value, weighted by a combination of fundamental factors, including sales, cash flow, book values and, if applicable, dividends. To construct Enhanced RAFI 1000, Research Affiliates LLC, the Fund's subadviser, starts by recalibrating the four factors in the FTSE RAFI Index to place more weight on those that tend to have a greater impact on valuation. Research Affiliates then applies additional factors, such as the quality of earnings and the risk of financial distress, in seeking to further optimize the Enhanced RAFI 1000 weightings.

PIMCO manages the Fundamental IndexPLUS™ TR strategy by typically combining a non-leveraged position in total return swaps on the Enhanced RAFI 1000 with an actively managed fixed-income portfolio. The fixed-income portfolio, which serves as a collateral for the Enhanced RAFI 1000 exposure, consists of high quality, short to intermediate term bonds. In managing the bond collateral, PIMCO employs a Total Return strategy. This begins with the firm's 3- to 5-year outlook for the global economy and interest rates, which is formulated at the firm's annual Secular Forum. PIMCO's long term outlook helps set the 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 strategies such as issue selection, credit analysis and quantitative research in an effort to add value.

## Two Sources of Potential Excess Returns

PIMCO Fundamental IndexPLUS™ TR Fund seeks to meet its investment objective—to outperform a broad universe of U.S. stocks—through two unique 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. Fundamental IndexPLUS™ TR seeks to exceed the total return of the FTSE RAFI™ 1000 Index (the "Index") by investing under normal circumstances substantially all of its assets in derivatives based on Enhanced RAFI™ 1000, an enhanced, performance recalibrated version of the Index, backed by a portfolio of short and intermediate maturity Fixed-Income Instruments. (Prior to 10/15/06, the Fund sought to achieve this investment objective by investing primarily in FTSE RAFI™ 1000 Index derivatives, backed by a portfolio of backed by a portfolio of short and intermediate maturity Fixed-Income Instruments.) The Fund may invest in common stocks, options, futures, options on futures and swaps, including derivatives based on the Index. 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 value of some mortgage-related or asset-backed securities may be particularly sensitive to interest rate changes, and there is no assurance that private insurers of the underlying mortgages or assets will meet their obligations.

Assets not invested in equity securities or derivatives may be invested in Fixed-Income Instruments. The Fund may invest up to 10% of its total assets in high yield securities, which generally involve greater risk to principal than higher rated bonds. The Fund may invest up to 30% of its total assets in securities denominated in foreign currencies and may invest beyond this limit in U.S. dollar denominated securities of foreign issuers. The Fund will normally limit its foreign currency exposure to 20% of its total assets. Investing in non-U.S. securities entails additional risks, including political and economic risk and the risk of currency fluctuations; these risks may be enhanced in emerging markets.

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 FTSE RAFI 1000 Index is composed of the 1,000 largest publicly-traded U.S. companies, selected from the constituents of the FTSE U.S. All Cap Index. The Index is weighted by a combination of fundamental factors, including sales, cash flow, book values and, if applicable, dividends (sales, cash flow and dividends are averaged over the prior five years). The Enhanced RAFI™ 1000 incorporates additional factors, such as quality of corporate earnings and risk of financial distress, and recalibrates existing factors utilized in the Index that affect a company's fundamental drivers of value. Enhanced RAFI™ 1000 may be rebalanced more frequently than the Index. The Standard & Poor's 500 Index is an unmanaged market index of large capitalization common stocks. 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.

Beta measures the market-related volatility of a portfolio, where the overall market is represented by the unmanaged index which is the fund's official benchmark in its prospectus. The beta of the market is 1 by definition. A beta greater than 1 indicates that a portfolio's market risk is greater than the overall market's, while a beta less than 1 indicates a lower market risk. Low market risk does not necessarily imply low volatility. A portfolio may have a low beta while experiencing volatility due to factors independent of the market.

R-Squared measures the degree to which portfolio returns are attributable to returns from the market generally, as measured by the unmanaged index which is the fund's official benchmark in its prospectus. The lower the R-Squared, the lower the correlation between the portfolio and the index, and the less reliable beta is as a measure of volatility. An R-Squared of 1.0 represents perfect correlation in returns between the portfolio and the market; an R-Squared of 0 represents no correlation.

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