

# PIMCO GNMA Fund

### Description

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

### Fund Inception Date\*

July 31, 1997

### Total Fund Assets (in millions)

\$1,359.6

### Management Firm

PIMCO (Pacific Investment Management Company)

### Portfolio Manager

Scott Simon

### Dividend Frequency

Monthly

### Symbol / CUSIP

	Symbol	CUSIP Number
A Shares	PAGNX	693391476
B Shares	PBGNX	693391484
C Shares	PCGNX	693391492

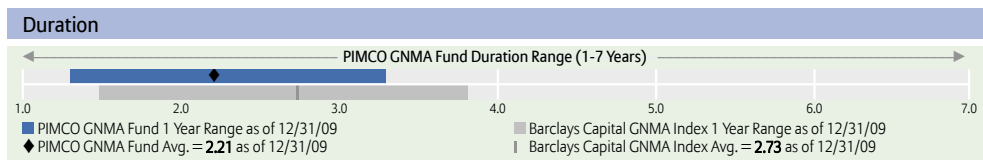
### Maturity / Quality

	Maturity:
S I L	Intermediate
S I L	Quality:
S I L	High

### Fund Highlights

- Invests primarily in government-guaranteed GNMA securities, a unique sector of the mortgage-backed securities market that offers a blend of low risk and the potential for solid returns.
- Managed by Scott Simon, a mortgage debt specialist with longtime investment experience.

## Portfolio Analysis



### Top Sectors

Mortgage	75%
Government-Related	6%
Net Cash & Equivalents	19%

### Maturity

<1 Year	14%
1-3 Years	33%
3-5 Years	10%
5-10 Years	40%
10-20 Years	3%
Average Maturity	3.98 Years
Average Duration	3.29 Years

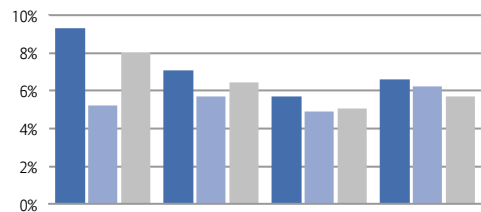
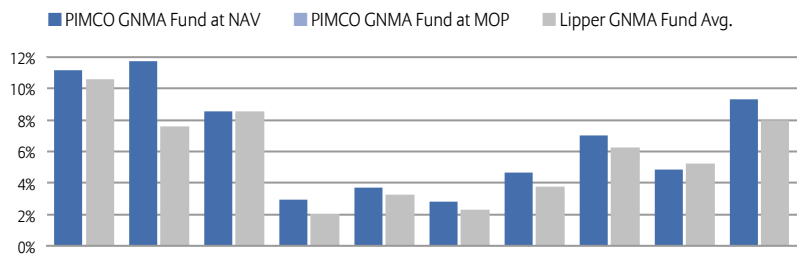
### Quality<sup>1</sup>

AAA	99%
AA	1%
Average Quality	AAA

### Statistics

Standard Deviation <sup>2</sup>	3.10
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## Performance Analysis



### Calendar Year Returns

	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09
PIMCO Fund at NAV	11.2%	11.7%	8.5%	2.9%	3.7%	2.8%	4.6%	7.0%	4.9%	9.3%
PIMCO Fund at MOP										
Lipper GNMA Fund Avg.	10.6%	7.6%	8.5%	2.1%	3.3%	2.3%	3.8%	6.3%	5.2%	8.0%
Barclays Capital GNMA Index	11.1%	8.2%	8.7%	2.9%	4.4%	3.2%	4.6%	7.0%	7.9%	5.4%

### Average Annual Returns

	1-yr	3-yr	5-yr	10-yr
PIMCO Fund at NAV	9.32%	7.06%	5.71%	6.63%
PIMCO Fund at MOP	5.24%	5.70%	4.90%	6.22%
Lipper GNMA Fund Avg.	8.01%	6.46%	5.07%	5.70%
Barclays Capital GNMA Index	5.37%	6.74%	5.59%	6.30%

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 1.06%. 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)	4.99% (1/31/01)	-1.44% (7/31/03)
1-yr (ended)	16.51% (10/31/01)	0.34% (6/30/06)
3-yr (ended)	10.47% (12/31/02)	2.40% (6/30/06)

\* The inception date for the oldest class of shares (the Institutional share class). The returns represent Class A shares, first offered in 11/00. 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.

# PIMCO GNMA 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



Scott Simon

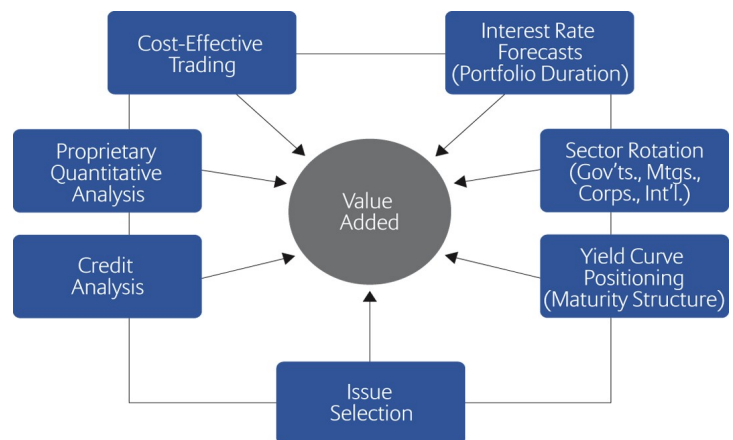
Mr. Simon is a Managing Director and a senior member of PIMCO's Portfolio management and strategy groups, and head of the mortgage and ABS teams. He joined the firm in 2000 from Bear Stearns & Co. in New York, where he was a senior Managing Director and co-head of MBS pass-through trading. He also authored *The Daily MBS Commentary*. Mr. Simon has been named to positions on the Institutional Investor All-America Fixed-Income Research Team seven times, including first place in MBS pass-throughs and overall MBS strategies. His investment career began in 1983. He holds a B.A. and an M.S. in Industrial Engineering from Stanford University.

## 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. Quarterly meetings are then held to discuss how the outlook applies to upcoming 3- to 12-month periods and to forecast specific influencing factors, including interest rate volatility, yield curve movements and credit trends. Taken together, these sessions set the basic portfolio parameters, including duration, yield-curve positioning, sector weightings and credit quality. Bottom-up strategies, including credit analysis, quantitative research and individual issue selection, are then meshed with the top-down strategies to create value. PIMCO 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 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. This Fund may invest its assets in GNMA securities. The Fund can invest a portion of its assets in non-U.S. securities, which can entail special risks due to foreign economic and political developments. 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 those instruments. GNMA's are a type of mortgage-backed security that may be sensitive to changes in prevailing interest rates and, therefore, may entail risk. 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. The government guarantee is to timely repayment of interest and does not eliminate market risk. The government does not guarantee the Fund's shares, which will fluctuate in value.

Effective November 1, 2009, Class B shares of Allianz Funds and PIMCO Funds are no longer available for purchase, except through exchanges and dividend reinvestments.

The Barclays Capital GNMA Index is an unmanaged index of mortgage-backed pass-through securities of the Government National Mortgage Association (GNMA). 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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