

PIMCO High Yield Municipal Bond Fund

Description

Seeks high current income exempt from federal income tax. Total return is a secondary objective

Fund Inception Date

July 31, 2006

Total Fund Assets (in millions)

\$248.6

Management Firm

PIMCO (Pacific Investment Management Company)

Portfolio Manager

John Cummings

Dividend Frequency

Monthly

Symbol / CUSIP

	Symbol	CUSIP Number
A Shares	PYMAX	72201F730
C Shares	PYMCX	72201F524

Maturity / Quality

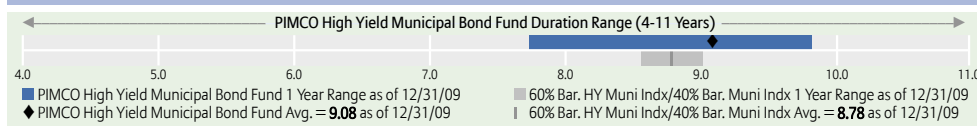
S	I	L	H	Maturity:	Intermediate
■	■	■	■	Quality:	Low

Fund Highlights

- Offers higher current income potential through investments in high yield municipal bonds that are exempt from federal income tax.
- Can complement other income-producing investments for investors willing to accept the greater risks associated with high yield bonds.
- May enhance overall portfolio diversification and total return potential.
- Provides access to PIMCO's considerable municipal bond management expertise.

Portfolio Analysis

Duration



Quality¹

AAA	7%
AA	13%
A	19%
BBB	28%
BB	25%
B	6%
<B	2%
Average Quality	BBB

Top Sectors

Hospital Revenue	28%
Education Revenue	15%
Ind Dev/Pollution Ctrl	15%
Special Tax	10%
Power Revenue	5%
Tobacco	5%
Cash Muni	4%

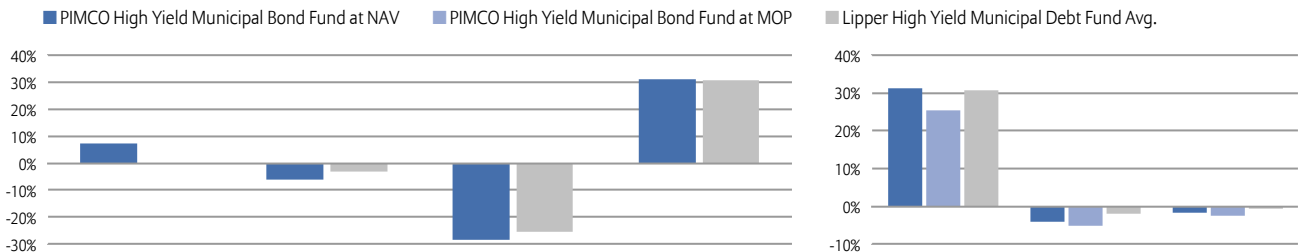
Maturity

<1 Year	3%
1-3 Years	7%
3-5 Years	4%
5-10 Years	10%
10-20 Years	32%
20+ Years	44%
Average Maturity	17.81 Years
Average Duration	9.42 Years

Statistics

Standard Deviation ²	12.63
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Performance Analysis



Calendar Year Returns

	'06 ³	'07	'08	'09
PIMCO Fund at NAV	7.3%	-5.9%	-28.0%	31.2%
PIMCO Fund at MOP				
Lipper High Yield Municipal Debt Fund Avg.	-	-2.9%	-25.0%	30.8%
60% Bar. HY Muni Indx/40% Bar. Muni Indx	-	0.0%	-17.8%	24.5%

Average Annual Returns

	1-yr	3-yr	Inception
PIMCO Fund at NAV	31.23%	-3.85%	-1.37%
PIMCO Fund at MOP	25.32%	-4.83%	-2.25%
Lipper High Yield Municipal Debt Fund Avg.	30.80%	-1.84%	-0.43%
60% Bar. HY Muni Indx/40% Bar. Muni Indx	24.53%	0.76%	1.83%

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. The MOP returns take into account the 4.5% maximum initial sales charge. Effective 1/1/10, the maximum initial sales charge is 3.75%. Performance presented does not reflect the new charge and would be higher if it did. The Fund's gross expense ratio is 0.85%, which does not include an expense reduction, contractually guaranteed through at least 7/31/10. The Fund's expense ratio net of this reduction is 0.79%.

Best / Worst Return

	Best	Worst
3-month (ended)	13.09% (9/30/09)	-21.10% (12/31/08)
1-yr (ended)	31.23% (12/31/09)	-28.02% (12/31/08)
3-yr (ended)	-2.36% (9/30/09)	-4.73% (7/31/09)

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.

PIMCO High Yield Municipal 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



John Cummings

Mr. Cummings is an executive vice president and a municipal bond portfolio manager in the Newport Beach office. Prior to joining PIMCO in 2002, he was vice president, municipal trading at Goldman Sachs, responsible for a number of municipal sectors, including industrials, airlines, utilities, healthcare and high-yield. He has over 21 years of investment experience and holds an MBA, as well as his undergraduate degree, from Rutgers 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. This helps set basic portfolio parameters, including duration, yield-curve positioning, sector weightings and credit quality. PIMCO portfolios all utilize multiple top-down and bottom-up strategies to seek to enhance returns and reduce portfolio risk. Within the high yield municipal bond sector, PIMCO's credit analysis focuses on specific projects, rather than broad industry groups or sectors. The Fund assesses credit worthiness based on the specific financial characteristics of each project, such as the quality of the collateral, call structures and the ability to meet interest payments. Overall, the Fund focuses on bonds that provide attractive yield with price appreciation potential.

Proven Expertise

PIMCO has developed considerable investment expertise in municipal bond management.

Municipal bond team includes senior portfolio managers and analysts with extensive experience investing in the sector.

Utilizes state-of-the-art analytical systems customized for municipal bond management.

Active approach to municipal bond management seeks to add value by employing a broad range of top-down and bottom-up investment 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 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 at least 80% of its assets in debt securities whose interest is, in the opinion of bond counsel for the issuer at the time of issuance, exempt from federal income tax ("Municipal Bonds"). The Fund intends to invest a substantial portion of its assets in high yield Municipal Bonds and "private activity" bonds that are rated (at the time of purchase) below investment grade. Lower rated bonds generally involve a greater risk to principal than higher rated bonds. Shareholders of a municipal bond fund will, at times, incur a tax liability, as income from these funds may be subject to state and local taxes. The Fund may invest up to 30% of its assets in "private activity" bonds whose interest is a tax-preference item for purposes of the federal alternative minimum tax ("AMT"). For shareholders subject to the AMT, distributions derived from "private activity" bonds must be included in their AMT calculations, and as such a portion of the Fund's distribution may be subject to federal income tax.

The Fund may invest more than 25% of its total assets in bonds of issuers in California and New York. A fund concentrating in a single state is subject to greater risk of adverse economic conditions and regulatory changes than a fund with broader geographical diversification. The Fund is non-diversified, which means that it may concentrate its assets in a smaller number of issuers than a diversified fund. In addition, the Fund may also invest in securities issued by entities, such as trusts, whose underlying assets are Municipal Bonds, including, without limitation, residual interest bonds. 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).

The Fund may invest in derivative instruments and certain transactions which may give rise to a form of leverage. The use of leverage may cause the Fund to liquidate portfolio positions to satisfy its obligations or to meet segregation requirements when it may not be advantageous to do so. Leverage, including borrowing, may create the potential for greater gains during favorable market conditions and the risk of magnified losses during adverse market conditions. 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 benchmark is a blend of 60% Barclays Capital High Yield Municipal Bond Index and 40% Barclays Capital General Municipal Bond Index. The Barclays Capital High Yield Municipal Bond Index is an unmanaged index made up of bonds that are non-investment grade, unrated, or rated below Ba1 by Moody's Investors Service with a remaining maturity of at least one year. Barclays Capital General Municipal Bond Index consists of a broad selection of investment-grade general obligation and revenue bonds of maturities ranging from one year to 30 years. It is an unmanaged index representative of the tax-exempt bond market. The index is made up of all investment-grade municipal bonds issued after 12/31/90 having a remaining maturity of at least one year. 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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Investment Products

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