

PIMCO Mortgage-Backed Securities 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)

\$724.2

Management Firm

PIMCO (Pacific Investment Management Company)

Portfolio Manager

Scott Simon

Dividend Frequency

Monthly

Symbol / CUSIP

	Symbol	CUSIP Number
A Shares	PMRAX	693391526
B Shares	PMRBX	693391534
C Shares	PMRCX	693391542

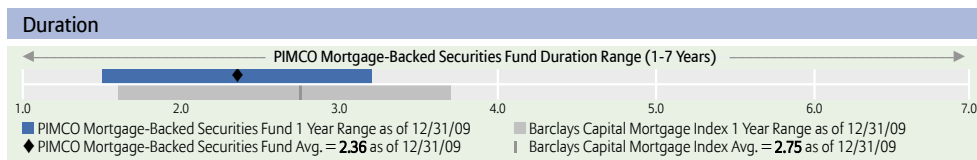
Maturity / Quality

	Maturity:
	Intermediate
	Quality:
	High

Fund Highlights

- Mortgage-related securities have the potential to offer investors higher yields than equal-maturity Treasuries.
- Managed by Scott Simon, a mortgage debt specialist with longtime investment experience.

Portfolio Analysis



Top Sectors

Mortgage	84%
Government-Related	4%
Net Cash & Equivalents	12%

Maturity

<1 Year	15%
1-3 Years	34%
3-5 Years	12%
5-10 Years	35%
10-20 Years	4%
Average Maturity	3.89 Years
Average Duration	3.20 Years

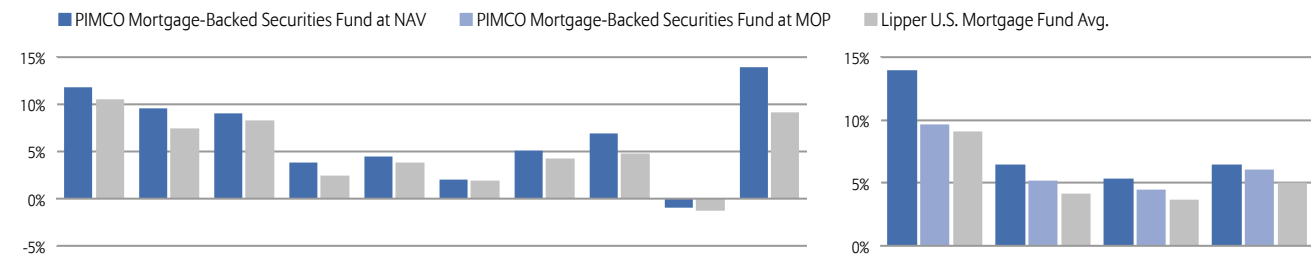
Quality¹

AAA	89%
AA	3%
A	1%
BB	1%
<B	6%
Average Quality	AA+

Statistics

Standard Deviation ²	3.83
---------------------------------	------

Performance Analysis



Calendar Year Returns

	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09
PIMCO Fund at NAV	11.8%	9.6%	9.0%	3.8%	4.5%	2.1%	5.1%	6.9%	-0.8%	13.9%
PIMCO Fund at MOP										
Lipper U.S. Mortgage Fund Avg.	10.5%	7.5%	8.3%	2.5%	3.8%	1.9%	4.3%	4.8%	-1.1%	9.1%
Barclays Capital Mortgage Index	11.2%	8.2%	8.8%	3.1%	4.7%	2.6%	5.2%	7.0%	8.5%	5.8%

Average Annual Returns

	1-yr	3-yr	5-yr	10-yr
PIMCO Fund at NAV	13.94%	6.50%	5.33%	6.50%
PIMCO Fund at MOP	9.69%	5.17%	4.52%	6.09%
Lipper U.S. Mortgage Fund Avg.	9.10%	4.19%	3.67%	5.02%
Barclays Capital Mortgage Index	5.75%	7.07%	5.80%	6.47%

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 3.75% maximum initial sales charge. The Fund's expense ratio is 2.04%. Visit www.allianzinvestors.com to find out if this Fund's expenses are being subsidized.

Best / Worst Return

	Best	Worst
3-month (ended)	5.21% (9/30/09)	-2.60% (11/30/08)
1-yr (ended)	17.07% (11/30/09)	-2.35% (11/30/08)
3-yr (ended)	10.45% (1/31/03)	2.68% (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 7/00. 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 Mortgage-Backed Securities 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

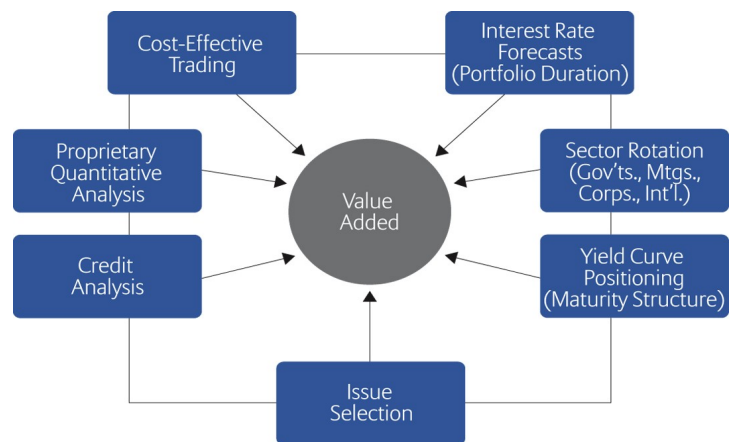
Mr. Simon is a Managing Director and a senior member of PIMCO's Portfolio management and strategy groups, and head of the mortgage and ABS teams. He joined the firm in 2000 from Bear Stearns & Co. in New York, where he was a senior Managing Director and co-head of MBS pass-through trading. He also authored *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. This helps set the basic portfolio parameters, including duration, yield-curve positioning, sector weightings, credit quality breakdown and finally, individual issue selection. The manager seeks to add value in a number of ways. First, interest rate strategies are employed to take advantage of the changing shape of the mortgage yield curve and overall level of volatility in the marketplace. Next, many areas of the mortgage market are exploited to add diversification and spread risk. Lastly, PIMCO's advanced proprietary analytics are critical to uncovering undervalued securities and managing portfolio risk under a variety of interest rate and prepayment scenarios.

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 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 a diversified portfolio of mortgage-related fixed-income instruments. Mortgage-related securities are subject to prepayment risk and may be sensitive to changes in prevailing interest rates. 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. When interest rates rise, the value of fixed-income securities generally declines. The Fund may also invest in non-U.S. securities, and a portion of assets in high yield securities. Non-U.S. securities may entail greater risk due to foreign economic and political developments. 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. 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.

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 Mortgage Index is an unmanaged index market representing fixed rate mortgages issued by GNMA, FNMA and FHLMC. 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.