

PIMCO Municipal Bond Fund

Description

Seeks high current income exempt from federal income tax, consistent with preservation of capital; capital appreciation is a secondary objective

Fund Inception Date*

December 31, 1997

Total Fund Assets (in millions)

\$421.4

Management Firm

PIMCO (Pacific Investment Management Company)

Portfolio Manager

John Cummings

Dividend Frequency

Monthly

Symbol / CUSIP

	Symbol	CUSIP Number
A Shares	PMLAX	693391617
B Shares	PMLBX	693391625
C Shares	PMLCX	693391633

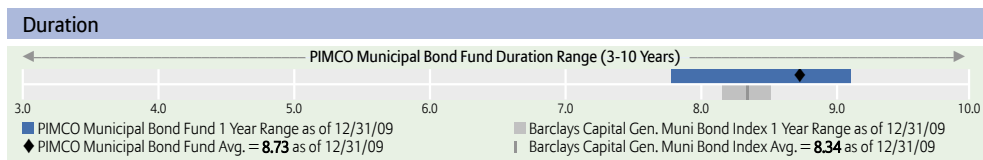
Maturity / Quality

S	I	L	H	Maturity:
■	■	■	■	Long
■	■	■	■	Quality:
■	■	■	■	High

Fund Highlights

- Federally tax-exempt municipal bonds may be an attractive alternative to taxable issues, particularly for investors in higher tax brackets.
- Focuses on high quality municipal debt; Fund is limited to no more than 10% in non-investment grade bonds.
- Provides access to PIMCO's considerable municipal bond management expertise.

Portfolio Analysis



Top Sectors

State/Local Government	21%
Ind Dev/Pollution Ctrl	14%
Hospital Revenue	13%
Special Tax	11%
Other Muni	8%
Tobacco	8%
Lease Revenue	7%

Maturity

1-3 Years	5%
3-5 Years	9%
5-10 Years	34%
10-20 Years	32%
20+ Years	20%
Average Maturity	13.17 Years
Average Duration	8.74 Years

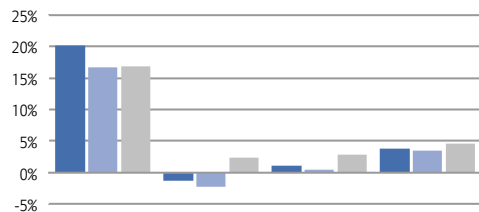
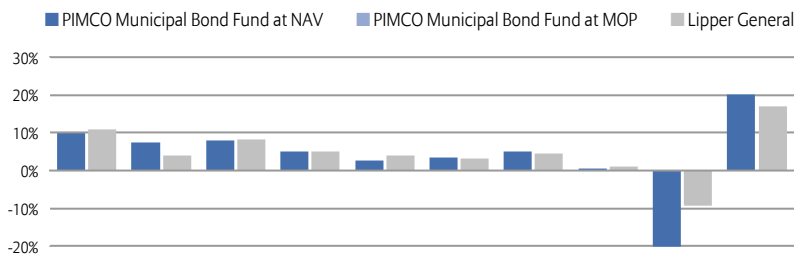
Quality¹

AAA	19%
AA	28%
A	34%
BBB	16%
BB	1%
B	2%
Average Quality	A+

Statistics

Standard Deviation ²	9.48
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Performance Analysis



Calendar Year Returns

	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09
PIMCO Fund at NAV	9.9%	7.4%	7.9%	4.9%	2.5%	3.5%	5.0%	0.5%	-19.9%	20.3%
PIMCO Fund at MOP										
Lipper General Municipal Debt Fund Avg.	10.9%	4.0%	8.2%	4.9%	3.9%	3.2%	4.6%	1.2%	-9.0%	16.9%
Barclays Capital Gen. Muni Bond Index	11.7%	5.1%	9.6%	5.3%	4.5%	3.5%	4.8%	3.4%	-2.5%	12.9%

Average Annual Returns

	1-yr	3-yr	5-yr	10-yr
PIMCO Fund at NAV	20.28%	-1.07%	1.03%	3.72%
PIMCO Fund at MOP	16.67%	-2.07%	0.42%	3.41%
Lipper General Municipal Debt Fund Avg.	16.86%	2.32%	2.91%	4.59%
Barclays Capital Gen. Muni Bond Index	12.91%	4.41%	4.32%	5.75%

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 3.0% 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 lower if it did. The Fund's expense ratio is 0.75%. Visit www.allianzinvestors.com to find out if this Fund's expenses are being subsidized.

Best / Worst Return

	Best	Worst
3-month (ended)	10.53% (9/30/09)	-16.58% (11/30/08)
1-yr (ended)	20.28% (12/31/09)	-19.88% (12/31/08)
3-yr (ended)	8.81% (5/31/03)	-5.44% (12/31/08)

* The inception date for the oldest class of shares (the Institutional share class). The returns represent Class A shares, first offered in 4/98. 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 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 the basic portfolio parameters, including duration, yield-curve positioning, sector weightings and credit quality. The municipal bond team seeks to add value in a number of ways. They believe that investments should be made from the point of view of maximizing total return as opposed to simply reaching for maximum yield. So the portfolio is scrutinized using a process that models the potential changes in yield and price as the underlying variables of the marketplace change. Yield-to-worst measures are carefully examined, as are the impact of a shifting municipal yield curve and the influence of yield volatility and credit shifts on the portfolio. The manager 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.

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 may invest its assets in debt securities exempt from federal income tax, with a portion of its assets in bond issuers of California and New York. The Fund may also invest a portion of its assets in high-yield securities, and may at times invest in mortgage-related securities. High-yield bonds generally involve a greater risk to principal than higher rated bonds. Mortgage-backed securities are subject to prepayment risk and may be sensitive to changes in prevailing interest rates. 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. 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 and, where applicable, the alternative minimum tax. 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.

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 General Municipal Bond Index is an unmanaged index of municipal bonds. 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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