

PIMCO RealEstateRealReturn Strategy Fund

Description

Seeks maximum real return consistent with prudent investment management

Fund Inception Date*

October 30, 2003

Total Fund Assets (in millions)

\$137.0

Management Firm

PIMCO (Pacific Investment Management Company)

Portfolio Manager

Mihir Worah

Dividend Frequency

Quarterly

Symbol / CUSIP

	Symbol	CUSIP Number
A Shares	PETAX	72200Q299
B Shares	PETBX	72200Q281
C Shares	PETCX	72200Q273

Index Exposure

DJ Wilshire REIT Index

Collateral Portfolio Duration Range

0–10 year duration range

Fund Highlights

- Takes an enhanced index approach to real estate investing, combining exposure to the broad real estate investment trust (REIT) market with active bond management.
- May enhance portfolio diversification, since real estate has shown a low correlation to stock and bond returns over time.
- Offers strong real (after inflation) return potential.
- Aims to capitalize on PIMCO's extensive experience managing both index-linked securities and inflation-indexed bonds.

REIT Index Analysis

Top Sectors	
Apartments	15%
Regional Malls	14%
Healthcare	14%
Office	14%
Strip Centers	9%
Industrial	8%
Diversified	7%

Fixed-Income Collateral Analysis

Top Sectors	
Government-Related	83%
Mortgage	3%
Non-U.S. Developed	3%
Emerging Markets	2%
High Yield Credit	1%
Net Cash & Equivalents	8%

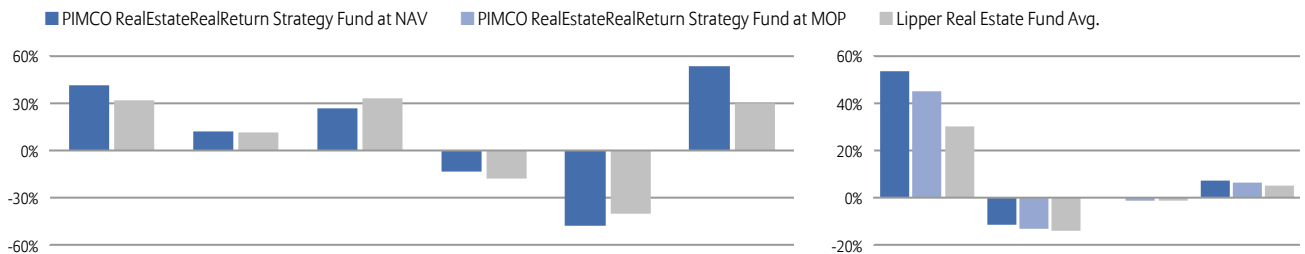
Quality¹

Average Quality	AA+
Average Maturity	11.16 Years
Average Duration	8.08 Years

Portfolio Analysis

Statistics	
Standard Deviation ²	46.11
Beta ²	1.10
R ² ²	0.95

Performance Analysis



Calendar Year Returns

	'04	'05	'06	'07	'08	'09
PIMCO Fund at NAV	41.3%	12.1%	26.8%	-12.4%	-47.3%	53.4%
PIMCO Fund at MOP	32.0%	11.7%	33.5%	-17.3%	-39.7%	30.4%
Lipper Real Estate Fund Avg.	32.0%	11.7%	33.5%	-17.3%	-39.7%	30.4%
Dow Jones Wilshire REIT Index	33.2%	14.0%	36.1%	-17.9%	-39.2%	28.5%

Average Annual Returns

	1-yr	3-yr	5-yr	Inception
PIMCO NAV	53.42%	-10.86%	0.14%	7.50%
PIMCO MOP	44.99%	-12.53%	-0.99%	6.52%
Lipper Avg.	30.35%	-13.43%	-0.74%	5.22%
Dow Jones Index	28.51%	-13.75%	-0.09%	5.94%

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 5.5% maximum initial sales charge. The Fund's expense ratio is 1.3%. Visit www.allianzinvestors.com to find out if this Fund's expenses are being subsidized.

Best / Worst Return

	Best	Worst
3-month (ended)	54.89% (5/31/09)	-60.48% (11/30/08)
1-yr (ended)	84.91% (11/30/09)	-67.26% (2/28/09)
3-yr (ended)	30.71% (4/30/07)	-30.38% (2/28/09)

* Index and Lipper performance comparisons begin on 10/31/03.

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, Beta and R² are calculated by IDS GmbH-Analysis and Reporting Services, an investment analysis and reporting service which is a subsidiary of Allianz SE.

PIMCO RealEstateRealReturn Strategy 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



Mihir Worah

Mr. Worah is a managing director and head of PIMCO's Real Return portfolio management team. As a member of the analytics team, he worked on real and nominal term structure modeling and options pricing. Prior to joining PIMCO in 2001, he was a postdoctoral research associate at the University of California, Berkeley, and the Stanford Linear Accelerator Center. He holds a Ph.D. in theoretical physics from the University of Chicago.

Investment Process

How does this Fund gain exposure?

Rather than invest directly in REITs, the Fund employs an "enhanced-index" strategy. Specifically, it uses REIT-index-linked derivative instruments, such as REIT swap agreements, to gain 100% exposure to the total investment return (income and capital appreciation) of the Dow Jones Wilshire REIT Index. The Fund fully collateralizes the derivative instruments by investing its assets in an actively managed portfolio of inflation-indexed bonds and other fixed-income securities. As a result, the Fund attempts to employ a Double Real® strategy, seeking to capitalize on the inflation-hedging properties of both REITs and inflation-indexed bonds. The Fund is subject to risks similar to those associated with direct real estate ownership, including losses from casualty or condemnation and changes in regulatory, economic and interest rate conditions. A fund investing in derivatives could lose more than the principal amount it invests in these instruments. There can be no assurance that the Fund's strategy will produce the desired results.

About the Fund's Index

The Dow Jones Wilshire REIT Index represents a universe of U.S. publicly-traded real estate investment trusts. The Index was designed to provide a measure of real estate securities that serve as proxies for direct real estate investing. It does so in part by excluding securities whose value is not always closely tied to the value of the underlying real estate, such as mortgage and healthcare REITs.

To be included in the index, companies must meet specific criteria, including:

- Both an equity owner and operator of commercial and/or residential real estate.
- Minimum total market capitalization of at least \$200 million at the time of inclusion.
- At least 75% of total revenue derived from the ownership and operation of real estate assets.

How PIMCO RealEstateRealReturn Strategy Fund Compares to Other Real Estate Investments

Investment	Points to Consider
Physical Real Estate	<ul style="list-style-type: none"> ■ Enables investors to select individual real estate properties ■ Requires ongoing management of the properties, which may be complex and time-consuming
Real Estate Investment Trusts (REITs)	<ul style="list-style-type: none"> ■ Represent a real estate portfolio and are typically structured to provide pass-through income ■ Often focus on a specific geographic area or type of real estate, making it necessary to own numerous REIT to achieve diversification
Real Estate Funds	<ul style="list-style-type: none"> ■ Provide access to an actively managed portfolio of real estate investments ■ Subject to security selection risk
PIMCO RealEstateRealReturn Strategy Fund	<ul style="list-style-type: none"> ■ Provides enhanced-index exposure to the total return potential (income and capital appreciation) of the broad REIT market ■ Offers a Double Real™ investment strategy, combining the inflation-hedging qualities of both real estate and inflation-indexed bonds

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 a portion of assets in high yield securities and may invest in non-U.S. securities with a portion of its assets in securities denominated in foreign currencies. Inflation-indexed bonds issued by the U.S. Government, known as TIPS, are fixed-income securities whose principal value is periodically adjusted according to the rate of inflation, which will affect the interest payable on them. Repayment upon maturity of the adjusted principal value is guaranteed by the U.S. Government. Neither the current market value of inflation-indexed bonds nor the share value of a fund that invests in them is guaranteed, and either or both may fluctuate. The 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 real estate and the funds that invest in real estate may fluctuate due to losses from casualty or condemnation, changes in local and general economic conditions, environmental conditions, supply and demand, interest rates, property tax rates, regulatory limitations on rents, zoning laws and operating expenses. The Fund may also invest directly in real estate investment trusts (REIT), common and preferred stocks, convertible securities of issuers in real estate-related industries, and in non-U.S. securities. REITs and the portfolios that invest in them are subject to risk, such as poor performance by the manager of the REIT, adverse changes to the tax laws or failure by the REIT to qualify for tax-free pass-through of income under the Code. In addition, some REITs have limited diversification because they invest in a limited number of properties, a narrow geographic area, or a single type of property. The Funds that invest in convertibles may have to convert before they would otherwise, which may have an adverse effect on the Fund's ability to achieve its investment objective. Investing in non-U.S. securities may entail risk due to foreign economic and political developments; this risk may be enhanced when investing in emerging markets.

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 Dow Jones Wilshire Real Estate Investment Trust Index, a subset of the Wilshire Real Estate Securities Index, is an unmanaged index composed of U.S. publicly traded Real Estate Investment Trusts. 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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Investment Products

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