

# PIMCO StocksPLUS® Fund

## Description

Seeks total return which exceeds that of the S&P 500

## Fund Inception Date\*

May 13, 1993

## Total Fund Assets (in millions)

\$517.6

## Management Firm

PIMCO (Pacific Investment Management Company)

## Portfolio Manager

Bill Gross

## Dividend Frequency

Quarterly

## Symbol / CUSIP

	Symbol	CUSIP Number
A Shares	PSPAX	693391393
B Shares	PSPBX	693391401
C Shares	PSPCX	693391419
R Shares	PSPRX	72200Q729

## Index Exposure

S&P 500 Index

## Collateral Portfolio Duration Range

0–1 year duration range

## Fund Highlights

- Takes an innovative approach to S&P 500 Index investing by combining active and passive management—it invests in S&P 500 derivatives such as futures and/or swaps collateralized by an actively managed short-term, diversified high-quality bond portfolio.
- Managed by renowned PIMCO founder and Co-CIO Bill Gross.
- Offers broad participation in the return of larger-cap stocks while harnessing PIMCO's expertise in seeking positive excess return.

## Equity Index Analysis

### Top Sectors

INFORMATION TECHNOLOGY	20%
FINANCIALS	14%
HEALTH CARE	13%
ENERGY	11%
CONSUMER STAPLES	11%
INDUSTRIALS	10%
CONSUMER DISCRETIONARY	10%

## Fixed-Income Collateral Analysis

### Top Sectors

Mortgage	33%
Invest. Grade Credit	23%
Government-Related	10%
Non-U.S. Developed	4%
Emerging Markets	3%
High Yield Credit	2%
Net Cash & Equivalents	23%

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

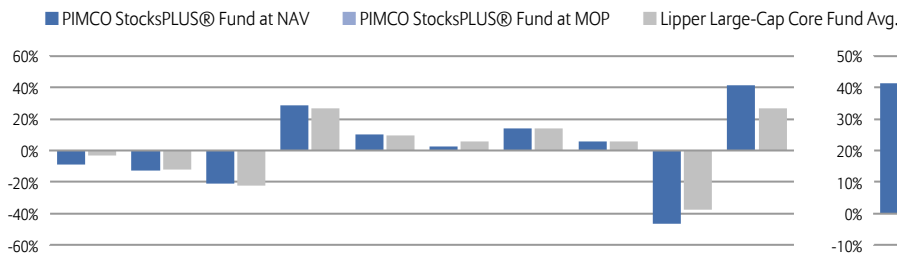
Average Quality	AA
Average Maturity	2.41 Years
Average Duration	0.99 Years

## Portfolio Analysis

### Statistics

Standard Deviation <sup>2</sup>	23.66
Beta <sup>2</sup>	1.15
R <sup>2</sup> <sup>2</sup>	0.91

## Performance Analysis



## Average Annual Returns

	1-yr	3-yr	5-yr	10-yr
PIMCO Fund at NAV	41.44%	-6.56%	-0.87%	-1.37%
PIMCO Fund at MOP	37.19%	-7.50%	-1.48%	-1.67%
Lipper Large-Cap Core Fund Avg.	27.14%	-5.30%	0.47%	-0.47%
S&P 500 Index	26.46%	-5.63%	0.42%	-0.95%

## Calendar Year Returns

	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09
PIMCO Fund at NAV	-8.5%	-12.2%	-20.2%	28.9%	10.2%	2.7%	14.2%	6.0%	-45.6%	41.4%
PIMCO Fund at MOP	-2.7%	-11.7%	-21.3%	27.0%	9.8%	5.7%	14.3%	5.9%	-36.7%	27.1%
Lipper Large-Cap Core Fund Avg.	-2.7%	-11.7%	-21.3%	27.0%	9.8%	5.7%	14.3%	5.9%	-36.7%	27.1%
S&P 500 Index	-9.1%	-11.9%	-22.1%	28.7%	10.9%	4.9%	15.8%	5.5%	-37.0%	26.5%

## 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 3.0% 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 1.52%. 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)	32.14% (5/31/09)	-39.73% (11/30/08)
1-yr (ended)	52.08% (7/31/97)	-51.17% (2/28/09)
3-yr (ended)	32.90% (3/31/98)	-19.14% (2/28/09)

\* The inception date for the oldest class of shares (the Institutional share class). The returns represent Class A shares, first offered in 1/97. 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, Beta and R<sup>2</sup> are calculated by IDS GmbH-Analysis and Reporting Services, an investment analysis and reporting service which is a subsidiary of Allianz SE.

# PIMCO StocksPLUS® 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



Bill Gross

Mr. Gross is founder and co-chief investment officer of Pacific Investment Management Company (PIMCO) and has won Morningstar's coveted "Fixed-Income Manager of the Year Award" three times (1998, 2000 and 2007) for managing the PIMCO Total Return Fund. In 2000, Mr. Gross received the Bond Market Association's Distinguished Service Award. He holds a BA from Duke University and an MBA from the UCLA Graduate School of Business.

## Investment Process

PIMCO StocksPLUS Fund employs an investment approach typically referred to as an "enhanced-index strategy" to attempt to outperform the S&P 500 Index, a widely used measure of the U.S. stock market. The Fund generally invests in S&P 500 Index-linked derivatives, which provide passive exposure to the return of the Index. It then fully collateralizes this exposure with an actively managed "total return" bond portfolio. While most of the Fund's performance is driven by the passive stock exposure, PIMCO's active management of the underlying bond collateral seeks to add incremental return above that of the Index.

The StocksPLUS strategies aim to capture additional yield and return afforded by certain structural bond market inefficiencies including the term premium, credit premium, liquidity premium and volatility premium. Investors with longer time horizon or higher risk tolerance may be rewarded for accepting the risk and return potential associated with each of these structural return sources. In addition to the capture of structural sources of return, active management across global fixed-income markets is also another source of potential excess return in the StocksPLUS strategies. These active management strategies include (but are not limited to) sector/issue selection, quantitative analysis, yield curve/duration management, relative value strategies, credit strategies and cost-effective trading.

## Understanding StocksPLUS® Fund

A traditional index fund attempts to match the returns of an index. PIMCO StocksPLUS Fund attempts to outperform the S&P 500 Index by employing an innovative strategy. As shown below, index-linked derivatives are normally priced so that when they are backed by short-term money market investments they produce a return equal to that of the index itself. This is because the cost of these derivatives is typically similar to money market rates—so the return earned on the money market investments covers the cost of the derivatives. PIMCO StocksPLUS Fund takes a different approach by using a high-quality, short duration bond portfolio as the collateral. By actively managing this bond portfolio, PIMCO has the potential to outperform money market investments, thereby generating a return above that of the Index. Of course, the bond portfolio is subject to investment risk and may detract from rather than enhance portfolio returns.

Two ways to match the S&P 500 Index		StocksPLUS® seeks to outperform the Index
With Stocks	With Index-Linked Instruments (backed by cash equivalents)	With Index-Linked Instruments (backed by a bond portfolio)
<ul style="list-style-type: none"> <li>Buy 500 Stocks (using 100% of assets)</li> </ul>	<ul style="list-style-type: none"> <li>Buy S&amp;P 500 index-linked instruments (generally using approximately 5–6% of assets as margin deposit)</li> <li>Buy cash equivalents and money market instruments (using remaining assets)</li> </ul>	<ul style="list-style-type: none"> <li>Buy S&amp;P 500 index-linked instruments (generally using approximately 5–6% of assets as margin deposit)</li> <li>Buy, and actively manage, a portfolio of short duration fixed-income instruments (using remaining assets)</li> </ul>

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 S&P 500 derivatives, backed by a portfolio of fixed-income instruments. The Fund may also invest in non-U.S. securities, with a percentage of assets in foreign currency-denominated securities, a portion in high-yield securities, and may at times invest in mortgage related securities. 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. 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. Mortgage-backed 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. 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 Morningstar Fund Manager of the Year Award winners are chosen based upon Morningstar's own research and in-depth evaluation by its senior editorial staff.

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 Standard & Poor's 500 Index is an unmanaged market index of large capitalization common stocks. 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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