

# Allianz CCM Focused Growth Fund

## Description

Seeks long-term growth of capital

## Fund Inception Date

August 31, 1999

## Total Fund Assets (in millions)

\$22.8

## Management Firm

Cadence Capital Management (CCM)

## Members of the Portfolio Management Team

William B. Bannick, Robert L. Fitzpatrick & Michael J. Skillman

## Dividend Frequency

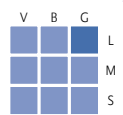
At Least Annually

## Symbol / CUSIP

Institutional Shares Symbol AFGIX CUSIP Number 018918193

## Investment Style / Market Cap

Investment Style: Growth  
Market Capitalization: Large



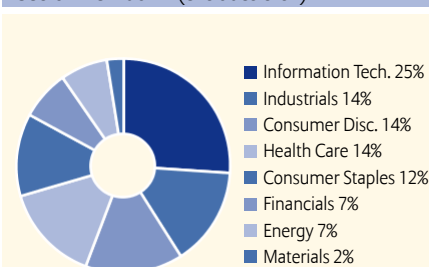
## Fund Highlights

- Employs a growth-at-a-reasonable-price philosophy, allowing it to invest in companies that exhibit both growth and value characteristics.
- The Fund managers adhere to a strict screening process that enables them to consistently pursue a favorable balance of growth and value characteristics.
- Historically, large-cap stocks have been less volatile than small-cap stocks, making them more attractive to many investors, particularly in times of market turbulence.

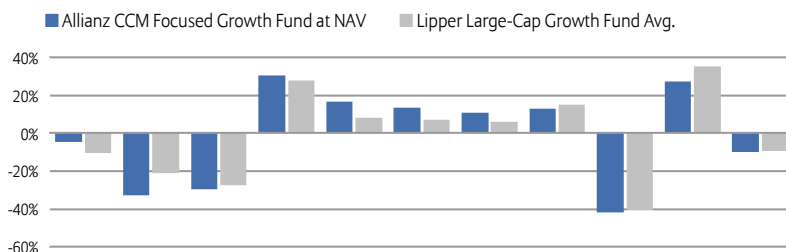
## Portfolio Analysis

Top Ten Holdings as of 6/30/10		Statistics	
APPLE INC (AAPL)	3.6%	P/E Ratio	13.5
MICROSOFT CORP (MSFT)	3.2%	P/B Ratio	2.8
HERSHEY CO (HSY)	2.8%	Median Market Cap (in billions)	35.3
MCDONALD'S CORP (MCD)	2.8%	Stocks in Portfolio	40
AMERICAN EXPRESS CO (AXP)	2.7%	Foreign Holdings (%)	0.0
EMC CORP, MASSACHUSETTS (EMC)	2.7%	Cash (%)	3.1
MCKESSON CORP (MCK)	2.7%	Standard Deviation <sup>1</sup>	19.90
3M CO (MMM)	2.7%	Beta <sup>1</sup>	0.94
COMCAST CORP (CMCSA)	2.6%	R <sup>2</sup> <sup>1</sup>	0.95
ALPHA NATURAL RESOURCES INC (ANR)	2.6%		
<b>Total</b>	<b>28.4%</b>		

## Sector Breakdown (excludes cash)



## Performance Analysis



## Calendar Year Returns

	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09	YTD
Allianz Fund at NAV	-4.3%	-32.1%	-29.3%	30.3%	16.7%	13.3%	10.6%	12.8%	-41.3%	27.2%	-9.6%
Lipper Large-Cap Growth Fund Avg.	-10.1%	-20.6%	-26.8%	27.9%	8.3%	7.3%	6.3%	15.2%	-40.3%	35.0%	-8.7%
Russell 1000 Growth Index	-22.4%	-20.4%	-27.9%	29.7%	6.3%	5.3%	9.1%	11.8%	-38.4%	37.2%	-7.6%

If this material is used after 9/30/10, 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 Fund's expense ratio is 0.76%. Visit [www.allianzinvestors.com](http://www.allianzinvestors.com) to find out if this Fund's expenses are being subsidized.

## Average Annual Returns

	1-yr	3-yr	5-yr	10-yr
Allianz Fund at NAV	7.50%	-11.97%	-1.30%	-4.66%
Lipper Large-Cap Growth Fund Avg.	11.30%	-7.89%	-0.53%	-4.08%
Russell 1000 Growth Index	13.62%	-6.91%	0.38%	-5.14%

## Best / Worst Return

	Best	Worst
3-month (ended)	28.96% (8/31/00)	-34.80% (11/30/08)
1-yr (ended)	53.25% (8/31/00)	-54.31% (9/30/01)
3-yr (ended)	24.26% (3/31/06)	-25.51% (3/31/03)

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.

<sup>1</sup> 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.

# Allianz CCM Focused Growth Fund

## Portfolio Management

### Cadence Capital Management (CCM)

A "growth-at-a-reasonable-price" equity manager, Cadence manages portfolios across capitalization segments of the U.S. equity market. Cadence uses a team-oriented approach based on the same investment philosophy it has applied successfully since Cadence's inception. Cadence's philosophy rests on four investment principles:

1. Improving company fundamentals signal price appreciation potential;
2. Reasonable valuations enhance potential rewards and reduce risk;
3. Stock selection remains the key to achieving above-average results; and
4. Adhering to a highly-disciplined process promotes repeatability.

### Members of the Portfolio Management Team

**William B. Bannick** is CIO and Managing Director at Cadence Capital Management.

**Robert L. Fitzpatrick** is a Portfolio Manager and Managing Director at Cadence Capital Management.

**Michael J. Skillman** is CEO and Managing Director at Cadence Capital Management.

## Investment Process

1. Apply quantitative screening—Apply a systematic selection screen to a universe of approximately 1,000 large-cap growth stocks. Each stock is ranked by growth and price considerations.
2. Apply qualitative research—Identify approximately 200 stocks with the most favorable profiles and subject these to in-depth research.
3. Make investment decisions—Select the securities that offer the best combination of sound value and promising growth potential. Continually monitor and analyze the list of opportunities for additional buy candidates.
4. Apply rigid discipline—Sell holdings when a security shows declining earnings expectations or announces a negative earnings surprise. Holdings may also be sold when a security reaches excessive relative valuations and/or when growth expectations for the security changes.

## Initial Universe: Russell 1000 Growth Index

Prioritize: Rank Stocks based on Growth and Value Characteristics using forward-looking metrics:

### Growth Characteristics:

- ✓ ROE Momentum—Rate of change in profitability.
- ✓ Margin Improvement—Improvement in the profitability of sales.
- ✓ Earnings Revision—Rate of change in mean analysts' earnings estimates for a blend of the next 2 fiscal years.
- ✓ Earnings Surprise—Confirmation that earnings are improving and company has further upside surprise potential.
- ✓ Price Momentum—Good long-term price momentum indicating a sustainable positive trend.
- ✓ Earnings Quality—Cash earnings (reported earnings less accruals) vs. GAAP earnings.

### Valuation Characteristics:

- ✓ Relative P/E—To help assure that all positive earnings news is not reflected in the stock price, the company's forecasted P/E ratio is compared to its respective industry or peer groups.
- ✓ Free Cash Flow—Cash flow generation relative to enterprise value

Qualify: Determine *pace and sustainability* of earnings trends for the top ranked stocks.

- duPont Formula
- Margin Trends
- Revenue Trends
- Balance Sheet Trends

Implement: Select from top ranked stocks to arrive at portfolio of 35–45 stocks

### Monitor:

Closely and continuously monitor portfolio

**A Word About Risk:** Equity funds are subject to the basic stock market risk that a particular security, or securities in general, may decrease in value. The Fund expects to invest in a relatively small number of issuers, which may increase volatility compared to a more broadly diversified fund.

*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 1-800-498-5413. Please read this prospectus carefully before you invest or send money.*

**Past performance is no guarantee of future results.** All data is as of 6/30/10 unless otherwise indicated. Holdings are subject to change.

The Russell 1000 Growth Index is an unmanaged index that measures the performance of companies in the Russell 1000 Index considered to have a greater than average growth orientation. The Russell 1000 Index is an unmanaged index that consists of the 1,000 largest companies in the Russell 3000 Index and represents approximately 90% of the total market capitalization of the Russell 3000 Index. 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.

P/E is a ratio of security price to earnings per share. P/B is a ratio of the current stock price to the book value. Typically, an undervalued security is characterized by a low P/E or P/B ratio, while an overvalued security is characterized by a high P/E or P/B ratio. 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.

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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