

# PIMCO High Yield Fund

## Description

Seeks maximum total return, consistent with preservation of capital and prudent investment management

## Fund Inception Date

December 15, 1992

## Total Fund Assets (in millions)

\$8,541.5

## Management Firm

PIMCO (Pacific Investment Management Company)

## Portfolio Manager

Andrew Jessop

## Dividend Frequency

Monthly

## Symbol / CUSIP

Institutional Shares Symbol PH1YX CUSIP Number 693390841

## Maturity / Quality

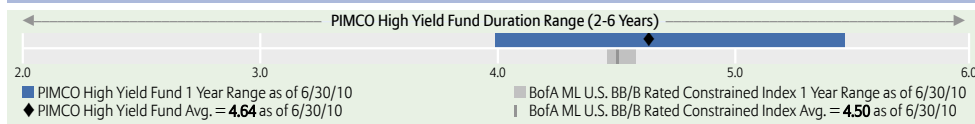
S	I	L	H	Maturity:
■	■	■	■	Intermediate
■	■	■	■	Quality:
■	■	■	■	Low

## Fund Highlights

- Takes a conservative approach to high-yield investing by concentrating on the upper credit quality tiers of the high-yield market and focusing on income as well as capital preservation.
- Avoids exposure to the more risky and speculative lower-tier of non-investment-grade bonds.
- Utilizes PIMCO's disciplined approach to credit research, accessing the full breadth and depth of PIMCO's in-house global credit team.

## Portfolio Analysis

### Duration



### Statistics

Standard Deviation <sup>1</sup>	14.99
Institutional Share 30-day SEC Yield	7.31%

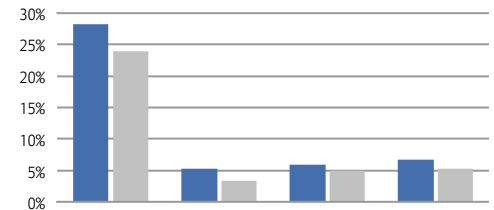
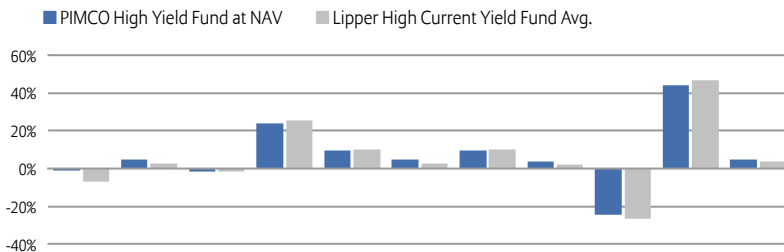
### Top Industry Exposure

Healthcare	8%
Electric Utility	8%
Non-Captive Consumer Finance	7%
Banks	7%
Wireless	5%
Wirelines	5%
Independent E&P	5%

### Maturity

<1 Year	10%
1-3 Years	9%
3-5 Years	32%
5-10 Years	38%
10-20 Years	6%
20+ Years	5%
Average Maturity	6.36 Years
Average Duration	4.05 Years

## Performance Analysis



### Calendar Year Returns

	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09	YTD
PIMCO Fund at NAV	-0.4%	5.0%	-0.9%	23.7%	9.4%	4.6%	9.4%	3.7%	-23.7%	44.1%	4.6%
Lipper High Current Yield Fund Avg.	-6.6%	2.7%	-1.2%	25.3%	10.1%	2.7%	10.2%	2.0%	-25.8%	46.5%	3.7%
BofA ML U.S. BB/B Rated Constrained Index	-3.9%	5.4%	1.1%	22.9%	9.9%	3.4%	9.3%	3.2%	-23.3%	46.1%	4.5%

### Average Annual Returns

	1-yr	3-yr	5-yr	10-yr
PIMCO Fund at NAV	28.22%	5.25%	5.98%	6.79%
Lipper High Current Yield Fund Avg.	23.96%	3.34%	5.01%	5.36%
BofA ML U.S. BB/B Rated Constrained Index	21.65%	5.60%	6.10%	6.65%

**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 0.56%. 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)	17.58% (5/31/09)	-26.67% (11/30/08)
1-yr (ended)	50.75% (3/31/10)	-28.69% (11/30/08)
3-yr (ended)	15.67% (7/31/05)	-6.55% (11/30/08)

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.

1. 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 High Yield 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



Andrew Jessop

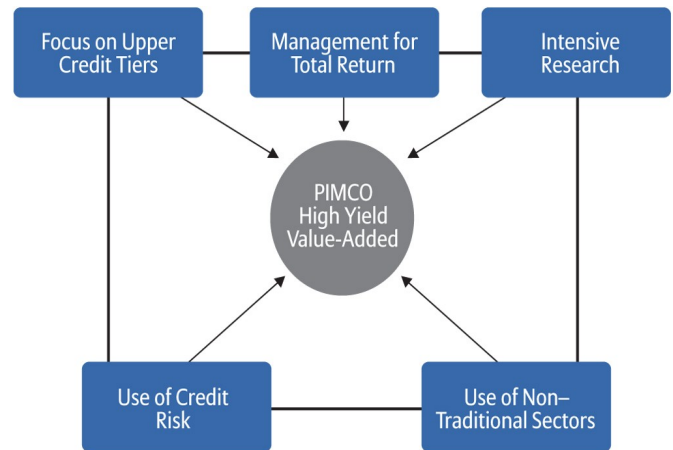
Mr. Jessop is an executive vice president and high yield portfolio manager in the Newport Beach office. Prior to joining PIMCO in 2009, he was a managing director, portfolio manager and co-head of the high yield group at Goldman Sachs Asset Management, where he spent 12 years. Mr. Jessop was previously a high yield portfolio manager at Saudi International Bank in London. He has over 20 years of investment experience and is a graduate of Queens' College, Cambridge 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. In addition, the firm holds quarterly outlook meetings, where the longer-term view is augmented by cyclical factors. This helps set the basic portfolio parameters, including duration, yield-curve positioning, sector weightings, credit quality breakdown and individual issue selection. The Fund focuses on the upper-tier credits within the below investment grade universe because historically they have delivered the best risk/return profile. Consideration of yield is only one component of PIMCO's approach. The manager also considers capital appreciation and principal preservation through intensive fundamental, macroeconomic, industry and company-specific research. Furthermore, intermediate maturity bonds are emphasized to ensure that Fund performance is driven by credit characteristics, not interest rate risk. Finally, non-traditional sectors are employed in small doses to enhance return potential and increase diversification.

### 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.



**A Word About Risk:** Fixed-income investments are subject to interest rate risk; their value will normally decline as interest rates rise.

This Fund invests a substantial portion of its assets in high-yield securities that are below investment grade. Lower rated bonds generally involve a greater risk to principal than higher rated bonds. The Fund may invest to a limited extent in investment-grade Fixed-Income Instruments and in securities denominated in foreign currencies, and may invest without limit in U.S. dollar-denominated non-U.S. securities. Non-U.S. securities may entail additional risks, including political and economic developments and currency fluctuations. The Fund may invest without limit in 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. 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.

*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 Fund has changed its primary benchmark from the BofA Merrill Lynch U.S. BB-B Rated Index (the "Unconstrained Index") to the BofA Merrill Lynch U.S. BB-B Rated "Constrained Index". This change was made because, as a result of downgrades of large issuers from the investment grade universe into high yield in May 2005, the Unconstrained Index was no longer an appropriate benchmark due to a lack of issuer and industry diversification within the Unconstrained Index. Merrill Lynch U.S. High Yield, BB-B Rated, Constrained Index tracks the performance of BB-B Rated U.S. Dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Qualifying bonds are capitalization-weighted provided the total allocation to an individual issuer (defined by Bloomberg tickers) does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro-rata basis. Performance of the Constrained Index is calculated using values reflecting the Constrained Index from December 31, 1996 (the date of inception of the Constrained Index). For periods prior to the inception date of the Constrained Index, values reflecting the Unconstrained Index are used, since the Unconstrained Index is the most similar index to the Constrained 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.

The SEC Yield is a standardized annual yield based on the most recent 30-day period. It is calculated in accordance with current Securities and Exchange Commission regulations and is subject to change.

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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