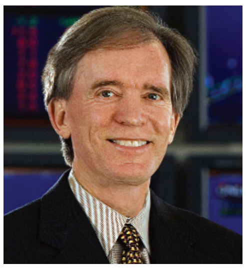
PIMCO Fund Overview

PIMCO Fundamental Advantage Total Return Strategy Fund

Allianz Global Investors



Bill Gross,
PIMCO
Portfolio Manager,
Founder and co-CIO

Offering diversification and the potential for stock market returns, but with the more moderate volatility typical of a bond portfolio.

Many investors are seeking to participate in potential stock market returns but are concerned about the volatility of an all-stock portfolio. PIMCO Fundamental Advantage Total Return Strategy Fund seeks positive performance in a variety of market environments but with the more moderate volatility characteristic of a bond portfolio. The Fund strives to provide strong diversification with some cushioning during bear markets.

How does the Fundamental Advantage strategy work?

The Fund is unique in that it is designed to capture return potential from two distinct sources:

1) *A long and short stock strategy:* Fundamental Advantage uses a market-neutral approach that seeks incremental return (positive alpha) while effectively neutralizing sensitivity to the general direction of the stock market. This potential return is captured using a simultaneous long position in derivatives linked to the Enhanced Research Affiliates Fundamental 1000 Index (Enhanced RAFI) and a passive short position in derivatives linked to the S&P 500 Index.

2) *An actively managed bond portfolio:* Derivatives can be purchased with a fraction of the assets needed to purchase the equity securities directly, so PIMCO invests the remainder of the Fund's assets in bond portfolios seeking to generate additional incremental return.

Why maintain exposure to two stock indices?

The S&P 500, the traditional benchmark for large-cap U.S. stocks, is weighted by market capitalization. Enhanced RAFI seeks to outperform the S&P 500 by eliminating the performance drag associated with market-cap weighted indices, which tend to overweight overpriced stocks and underweight underpriced stocks. Enhanced RAFI uses a basket of the 1,000 largest U.S. stocks ranked by economic size—using fundamentals such as sales, free cash flow, book value and dividends. Combining long exposure to Enhanced RAFI with short exposure to the S&P 500 isolates Enhanced RAFI's potential outperformance. Such an approach may be termed "market neutral," as it tends to generate returns that have little or no correlation with the stock market.

What are the benefits of this unique strategy?

PIMCO's Fundamental Advantage strategy seeks to provide some cushioning against the volatility of a stock-based portfolio, while allowing for participation in stock-like growth through its derivatives investments. During periods of market distress, overvalued stocks may experience the greatest price drops. Because Enhanced RAFI is based on fundamentals, the strongest outperformance may occur at times of stock market weakness, when Enhanced RAFI may benefit from having lower weightings of the hardest hit securities. These same market conditions may also prompt investors to seek the relative stability of bonds; increased demand for bonds may increase bond prices, creating additional opportunities for return.

The Fundamental Advantage strategy may also provide diversification benefits. The Fund's two independent sources of return are designed to adjust to many market cycles with more moderate volatility than funds that pursue long-only equity strategies. That's because the volatility inherent in both the bond and stock sources of return have not been highly correlated historically, which enhances the diversification potential of this strategy. Of course, diversification cannot ensure against loss or eliminate the risks of investing.

What is the Fundamental Advantage investment process?

The Fund draws on PIMCO's established expertise in bond portfolio management, as well as the firm's 20 years of enhanced index strategy experience through its StocksPLUS Funds. The bond portfolio is managed using PIMCO's rigorous investment process. The firm's long-term outlook, formulated at its annual Secular Forum, helps set basic portfolio parameters such as duration, yield curve positioning, sector weightings and credit quality. These strategies are then combined with a bottom-up focus on issue selection, credit analysis and quantitative research.

Enhanced RAFI is a proprietary basket of stocks selected by strategy sub-advisor Research Affiliates, based on their pioneering fundamental, economics-based stock selection process.

Does this Fund have similarities to other investments?

The Fund may be similar to some investments in the "alternative" category in that it seeks consistently positive, or absolute, returns, provides diversification benefits and uses derivatives and short-selling. However, as an open-end fund, it is highly liquid (although when redeemed, shares may be worth more or less than their original cost). The Fund also has a prospectus and disclosure policy that makes its objective and strategy transparent and straightforward. As an additional benefit, a portion of the two equity index exposures is through derivatives that result in long-term capital gains tax treatment.

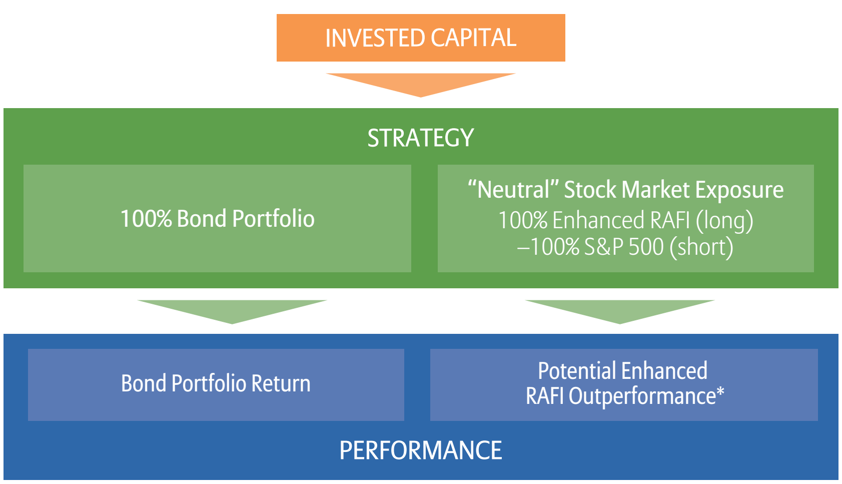
What are some of the risks?

In certain market environments, the Fund may deliver low or negative returns. It is also possible for Enhanced RAFI to underperform the S&P 500, which would also negatively affect returns. The Fund's investments in derivatives may involve certain costs and risks such as liquidity risk, interest rate risk, market risk, management risk, and the risk that the Fund could not close out a position when it would be advantageous to do so. In particular, the Fund may use swap agreements to gain short exposure related to the S&P 500. Because short exposure represents the sale of borrowed shares, they can generate significant, potentially unlimited losses if the stock dramatically outperforms between the date it is sold short and the date the short is covered.

Two Sources of Return Potential

A strategy involving long positions in the Enhanced RAFI and short positions in the S&P 500 isolates the potential outperformance of Enhanced RAFI, while canceling out sensitivity to the general direction of the stock market.

As the derivatives stock exposures require very little capital, the majority of the capital invested in the Fundamental Advantage strategy is available to be put to use in a bond portfolio that capitalizes on PIMCO's nearly four decades of active management experience.



*Less modest derivatives costs, typically 0.25%–0.35%.

Who is the Fund's portfolio manager?

Bill Gross, PIMCO's renowned founder and Chief Investment Officer, is the portfolio manager. He is widely recognized as one of the foremost bond investors in the country. Morningstar named Bill Gross and the PIMCO Bond Team as Manager of the Year for fixed income in 1998, 2000 and 2007. (Winners are chosen based upon Morningstar's own research and in-depth evaluation by its senior editorial staff.)

How can I learn more?

Ask your financial advisor for more information about this Fund, including a copy of the prospectus. Please read the prospectus carefully before you invest or send money. You may also contact Allianz Global Investors at 1-888-877-4626 or visit www.allianzinvestors.com.

PIMCO Fundamental Advantage Total Return Strategy Fund may be ideal for investors seeking:

- Return potential from market-neutral stock exposure layered on an actively managed bond portfolio
- Potentially lower volatility than an all-stock portfolio
- Asset classes that have demonstrated a low or negative correlation with the stock market historically

PIMCO Fundamental Advantage Total Return Strategy Fund

Objective
Seeks maximum total return, consistent with prudent investment management

Fund Inception
July 31, 2008

Primary Fixed-Income Portfolio
Broad universe of short- to intermediate-duration bonds

Dividend Frequency
Quarterly

Investment Firm
Pacific Investment Management Company (PIMCO)

Portfolio Manager
Bill Gross

Symbol / CUSIP
Class A: PFEAX/72201M164
Class C: PFACX/72201M255

Glossary of Terms

Alpha: a security or portfolio's incremental return over its benchmark.

Correlation: the degree to which two asset classes move in tandem with each other.

Long-short investing: a risk management strategy that involves gaining positive (long) exposure to assets expected to increase in value and negative (short) exposure to assets expected to decrease in value.

Market-neutral: an investment in which long and short positions match exactly to hedge out broad market risk.

Investors should consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. This and other information is 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 the prospectus carefully before you invest or send money.

The unmanaged Enhanced Research Affiliates Fundamental 1000 Index (Enhanced RAFI) tracks the 1,000 largest U.S. stocks using fundamental measures such as gross sales, free cash flow, book value and dividends and is further refined by a number of proprietary enhancements and selection screens. The Standard & Poor's (S&P) 500 Index is an unmanaged market index generally considered representative of the U.S. stock market as a whole.

The Fund's investments in derivatives may involve certain costs and risks such as liquidity risk, interest rate risk, market risk, management risk and the risk that the Fund could not close out a position when it would be advantageous to do so. In particular the Fund may use swap agreements to engage in short sales related to the S&P 500. If the price of a security in a short sale has increased during the agreement, then the Fund may incur a loss equal to the increase in price from the time the short sale was entered into plus any premiums and interest paid. The Fund's investments in non-U.S. securities may be subject to more rapid and extreme changes in value. Non-U.S. markets may be subject to greater political risks of instability and currency fluctuations. Emerging markets securities may involve these risks to a higher degree, and they may also be more speculative. The Fund's investments in high-yield securities may involve greater risk of default.

It is not possible to invest directly in an index.

Some products and services may not be offered at all broker/dealers. Please check with your individual firm for availability.