PIMCO Fund Overview

PIMCO Unconstrained Bond Fund
PIMCO Unconstrained Tax Managed Bond Fund

Absolute return-oriented bond funds that invest without benchmark constraints

Allianz Global Investors

Chris Dialynas
Portfolio Manager

PIMCO Unconstrained Bond and Unconstrained Tax Managed Bond Funds are not tethered to benchmark-specific guidelines, giving them a great deal of leeway to capitalize on PIMCO's four decades of active bond management experience and rigorous risk management. PIMCO believes this higher level of flexibility could be particularly beneficial in today's evolving global investment climate.

How are the Funds managed?

The Funds invest broadly across the global fixed-income markets. They are managed with an absolute-return focus, seeking to deliver positive returns, without being bound by benchmark-specific guidelines. Because of the unconstrained nature of this strategy, the manager is able to take on greater exposure in areas where PIMCO has a strong conviction and to reduce or even eliminate exposure where PIMCO sees less value or heightened downside risk.

How do these Funds compare to traditional core bond funds?

The Funds offer many of the benefits associated with core bond funds—capital preservation potential, liquidity and diversification—yet their flexible approach and broader diversification provide an opportunity to enhance returns. The unconstrained strategy also gives the Funds' manager greater latitude in risk management.

Why are there limitations if the strategy is meant to be "unconstrained"?

PIMCO established these limits, outlined in the table at right, to help ensure the average investment-grade quality of the portfolio and downside risk that is more bond-like than stock-like. The Tax Managed portfolio contains a minimum of 50% in municipal bonds to ensure an attractive level of tax-adjusted income. It is important to note that these limits are not an indication of the Funds' likely risk exposures over time.

In fact, the exposures and strategies employed by the Funds are likely to vary to a considerable degree, based on PIMCO's changing views of relative value and risk across the global bond market.

Investment Limitations	
High Yield	Up to 40%
Emerging Markets	Up to 50%
Foreign Currency	Up to 35%
Preferred Stocks	Up to 10%
Municipals*	Minimum 50%

*Tax Managed fund only.

How is the Tax Managed fund different?

PIMCO Unconstrained Tax Managed Bond Fund is designed for tax-sensitive investors looking to reduce their tax burdens. Typically, at least half of net assets are invested in municipals bonds, which are exempt from federal income taxes and, in some cases, state taxes as well. The Fund also generally avoids securities that trigger the federal alternative minimum tax.

What are the potential benefits of the Funds' more flexible investment policy?

PIMCO takes a long-term (secular) approach and augments that view with a cyclical (short-term) approach to investing. This approach may lead the managers to see potential pitfalls or opportunities that the general market doesn't recognize. The Funds' flexibility allows PIMCO to invest according to its own market view, rather than the benchmark. The manager believes this may provide the opportunity for higher risk-adjusted return potential over the long term, as well as greater potential to preserve capital. Of course, there will be periods when the Funds are more or less volatile than the overall bond market. That is why it is important for investors to evaluate the Funds' performance over a long-term time horizon.

What are some of the risks?

The Funds may involve concentrated exposure in areas of the bond market that entail greater risks. For example, high-yield, or below-investment-grade, securities carry a higher degree of credit risk, and may be speculative and more volatile. Investing in emerging markets may entail risk due to foreign economic and political developments. Also, foreign currency exposure can entail significant volatility—and this may be amplified with the currencies of developing countries. Other risks also apply, which are outlined in the Funds' prospectuses.

Quick Facts

PIMCO Unconstrained Bond Fund	PIMCO Unconstrained Tax Managed Bond Fund
Objective: Maximum long-term return, consistent with preservation of capital and prudent investment management.	**Objective:** Maximum long-term after-tax return, consistent with preservation of capital and prudent investment management.
Fund Inception: June 30, 2008	**Fund Inception:** January 30, 2009
Dividend Frequency: Monthly	**Dividend Frequency:** Monthly
Portfolio Manager: Chris Dialynas	**Portfolio Manager:** Chris Dialynas
Symbol/CUSIP: A Shares: PUBAX/72201M479 C Shares: PUBCX/72201M297 R Shares: PUBRX/72201M289	**Symbol/CUSIP:** A Shares: ATMAX/72201P738 C Shares: ATMCX/72201P720 D Shares: ATMDX/72201P712
Primary Portfolio: Broad range of fixed-income instruments	**Primary Portfolio:** Broad range of fixed-income instruments, with a minimum 50% in municipal bonds
Average Portfolio Duration: -3 to 8 years	**Average Portfolio Duration:** -3 to 10 years
Role in an Investor's Portfolio: ■ Absolute return-orientated investment consistent with preservation of capital ■ Offers the potential for enhanced risk-adjusted returns over a long-term time horizon ■ Has the potential to enhance portfolio diversification in conjunction with traditional stock and bond investments	**Role in an Investor's Portfolio:** ■ Absolute return-orientated investment consistent with preservation of capital ■ Offers the potential for enhanced risk-adjusted returns over a long-term time horizon ■ Has the potential to enhance portfolio diversification in conjunction with traditional stock and bond investments ■ Tax Managed portfolio provides advantages for tax-sensitive investors

What role can these Funds play in an investor's portfolio?

For many investors, the Funds can represent a portion of an overall fixed-income allocation, providing the potential to generate additional alpha, or risk-adjusted returns. The Unconstrained Tax Managed Bond portfolio may be appropriate for investors specifically seeking to reduce tax impacts. Importantly, because the Funds are not tied to benchmark restrictions, their performance is likely to differ from that of the overall bond market. As a result, they can complement more traditional bond holdings. The Funds should also help enhance diversification in conjunction with stock investments, since PIMCO expects the Funds to have a low correlation, or tendency to move in lockstep, with stocks.

Who is the manager of the Funds?

Both Funds are managed by Chris Dialynas. Mr. Dialynas joined PIMCO in 1980. He is a managing director, portfolio manager and senior member of the firm's investment committee. He has written extensively and lectured on the topic of fixed-income investing. Mr. Dialynas holds a B.A. in economics from Pomona College and an M.B.A. in finance from the University of Chicago Graduate School of Business.

How can I learn more?

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

Investors should consider the investment objectives, risks, charges and expenses of this 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 this prospectus carefully before you invest or send money.

The credit quality of the investment in the portfolio does not apply to the stability or safety of the Fund. Duration is a measure of the Fund's price sensitivity expressed in years. In an environment where interest rates may trend upward, rising rates will negatively impact most bond funds, and fixed-income securities held by a fund are likely to decrease in value. Bond funds and individual bonds with a longer duration (a measure of the expected life of a security) tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations.

Alpha measures a portfolio's risk-adjusted performance, which is the difference between a portfolio's actual and expected returns, given the level of market risk as measured by beta.

Diversification does not ensure a profit or eliminate the risks of investing. In addition to the risk factors identified in the text above, the Fund may use derivative instruments. 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.

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