

Allianz RCM Strategic Growth Fund

Seeking to capture the long-term potential of growth stocks by exploiting market inefficiencies.



Because of their historically strong capital appreciation potential, growth stocks are an important part of a diversified portfolio for many investors. Currently, a number of indicators suggest that after years of trailing value stocks, growth stocks may be poised for a comeback. Allianz RCM Strategic Growth Fund looks to take advantage of this opportunity, targeting high-growth companies with long-term potential that have been overlooked by the market.

What is Allianz RCM Strategic Growth Fund?

Allianz RCM Strategic Growth Fund is an aggressive growth fund that focuses on the best growth investment opportunities identified by RCM's research analysts and portfolio managers. Specifically, the Fund targets stocks of all market capitalizations as well as industries that have substantial capital appreciation potential over the next 6–24 months, but appear inefficiently priced. These stocks and industries with high and/or increasing growth rates are likely to be concentrated in areas such as technology and healthcare. While the Fund's performance should mainly be driven by its stock holdings, it also expects to invest in derivatives, with a particular emphasis on options.

What led RCM to develop this strategy?

The strategy is the result of a gathering of all the senior investment professionals at RCM. These individuals specifically identified the inefficiencies that exist in the equity markets today. Two of their main conclusions were: (1) growth stocks are historically inexpensive relative to non-growth stocks; and (2) the market has become increasingly dominated by short-term investors such as hedge funds. These investors tend to over react to company news and disregard stocks' longer-term growth prospects, resulting in mispricing opportunities. RCM developed the Strategic Growth strategy to seek to exploit these inefficiencies while leveraging over 35 years of growth investing experience.

How does this Fund differ from other RCM growth funds?

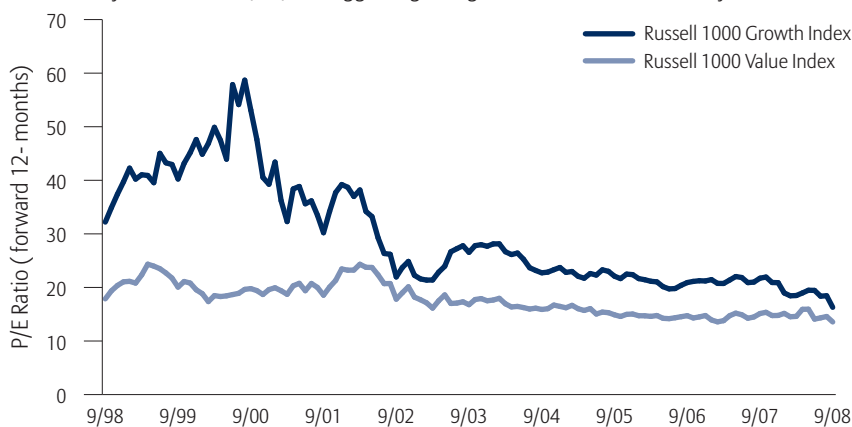
Generally, it targets higher returns. The managers will look for investments that they believe have significant upside potential within a 24-month time frame and will also seek to exploit short-term opportunities. In addition, the Fund provides the portfolio managers with a wider variety of tools—via derivative strategies—to take advantage of market inefficiencies. Because of its aggressive strategy, Allianz RCM Strategic Growth Fund has a higher risk profile than other RCM growth funds, which may result in greater price volatility, and greater potential for loss of principal.

How does the Fund use derivatives?

The Fund ordinarily uses derivatives to attempt to enhance investment returns, hedge against portfolio risks and/or obtain market exposure with reduced transaction costs. Investors should keep in mind that derivative strategies may have the effect of either magnifying or limiting the Fund's gains and losses, depending on the particular strategies used.

Growth Stock Valuations Have Compressed

The P/E difference between the Russell 1000 Growth Index and Russell 1000 Value Index was near its 10-year low as of 9/30/08, suggesting that growth stocks are attractively valued.



Source: Bloomberg as of 9/30/08. Past performance is no guarantee of future results.

Who manages the Fund?

The Fund is managed by Raphael Edelman and Todd G. Hawthorne. Mr. Edelman, co-chief investment officer of the U.S. Large-Cap Core Equity Portfolio Management Team, brings over 20 years of investment experience to his position. Mr. Hawthorne has been vice president of Equity Derivative Strategy since joining RCM in 2006. Prior to this, he spent four years with RS Investments as head of Equity Derivative Strategy for the Paisley hedge fund family.

What is the Fund's investment process?

The Fund adheres to RCM's research-driven investment process, which takes a bottom-up approach to portfolio construction. The management team uses proprietary fundamental research to help identify companies with strong growth, quality and valuation attributes. In addition, RCM's extensive market research network, GrassrootsSM Research, with over 50,000 contacts worldwide, helps affirm company analysis, identify new market trends and uncover pricing inefficiencies.

Once a company is identified for inclusion, the Strategic Growth Team determines how it will seek to maximize the company's risk-adjusted return potential—by purchasing the stock, by employing a derivative strategy or by a combination of the two. Top-down analysis is used to check industry weightings and ensure the portfolio is appropriately positioned for the current market climate.

How does the Fund manage risk?

First and foremost, RCM's research process helps to manage risk by scrutinizing the fundamental strength of each company prior to investment. The portfolio is then monitored on an ongoing basis across a wide range of risk measures. Also, the Fund will usually keep 40–150 positions, which can help enhance portfolio diversification. Finally, the Fund can use protective derivative strategies, when appropriate, to help reduce portfolio risk.

To learn more, contact your financial advisor, call **1-888-877-4626** or visit www.allianzinvestors.com.

Allianz RCM Strategic Growth Fund Quick Facts

Objective: Capital appreciation

Fund Inception: March 31, 2006

Approximate Number of Holdings: 40–150

Investment Firm: RCM Capital Management (RCM), over \$16.0 billion in assets under management as of 9/30/08.

Symbol/CUSIP:

A Shares: ARCA / 018920769

C Shares: ARCC / 018920751

D Shares: ARCD / 018920744

P Share: AMSP / 018922682

Inst. Shares: ANRX / 018920736

Role in an Investor's Portfolio:

- Vehicle for high capital appreciation potential
- Higher-risk/return complement to core growth stock holdings

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 or by calling 1-888-877-4626. Please read this prospectus carefully before you invest or send money.

Diversification does not ensure against loss. P/E is a ratio of security price to earnings per share. Typically, an undervalued security is characterized by a low P/E ratio, while an overvalued security is characterized by a high P/E ratio. The Russell 1000 Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. It is not possible to invest in an index.

The Fund will normally invest primarily in equity and equity-related securities of companies with market capitalizations of at least \$500 million. The Fund expects to engage in derivative transactions, which may have the effect of either magnifying or limiting the Fund's gains and losses. The Fund may invest in companies located outside the United States, including emerging markets countries. Investing in foreign securities entails additional risks, including political and economic risk and the risk of currency fluctuations; these risks may be enhanced in emerging markets. The Fund is "non-diversified," which means that it may invest a significant portion of its assets in a relatively small number of issuers. The Fund ordinarily expects to have substantial exposure to companies in high-growth areas, such as technology or health care. Concentrating investments in individual sectors may add additional risk and additional volatility compared to a diversified portfolio. The Fund may purchase securities in smaller companies and in initial public offerings (IPOs), which may be more volatile than investments in larger companies. The portfolio managers expect a high portfolio turnover rate.

The Fund ordinarily expects to use derivative instruments. In particular, the Fund intends to purchase call options on securities whose prices the portfolio management team believes will increase, and purchase and sell combinations of put and call options in an attempt to take advantage of stock price movements. Use of derivatives 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 Fund's use of derivative instruments will often give rise to forms of leverage, which could have the effect of magnifying the Fund's gains and losses. Although it has no current intention to do so, the Fund also reserves the flexibility to borrow money for investment purposes. To the extent that the Fund uses or incurs leverage, an investment in the Fund will be more volatile and riskier than an investment in funds that do not use leverage.

GrassrootsSM Research is a division of RCM. Research data used to generate GrassrootsSM Research recommendations are received from reporters and field force investigators who work as independent contractors for broker-dealers. Those broker-dealers supply research to RCM and certain of its affiliates that is paid for by commissions generated by orders executed on behalf of RCM's clients. The information and opinions have been compiled in good faith from sources believed to be reliable, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness. Allianz Global Investors Distributors LLC, www.allianzinvestors.com, 1-888-877-4626. AB573_23892

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