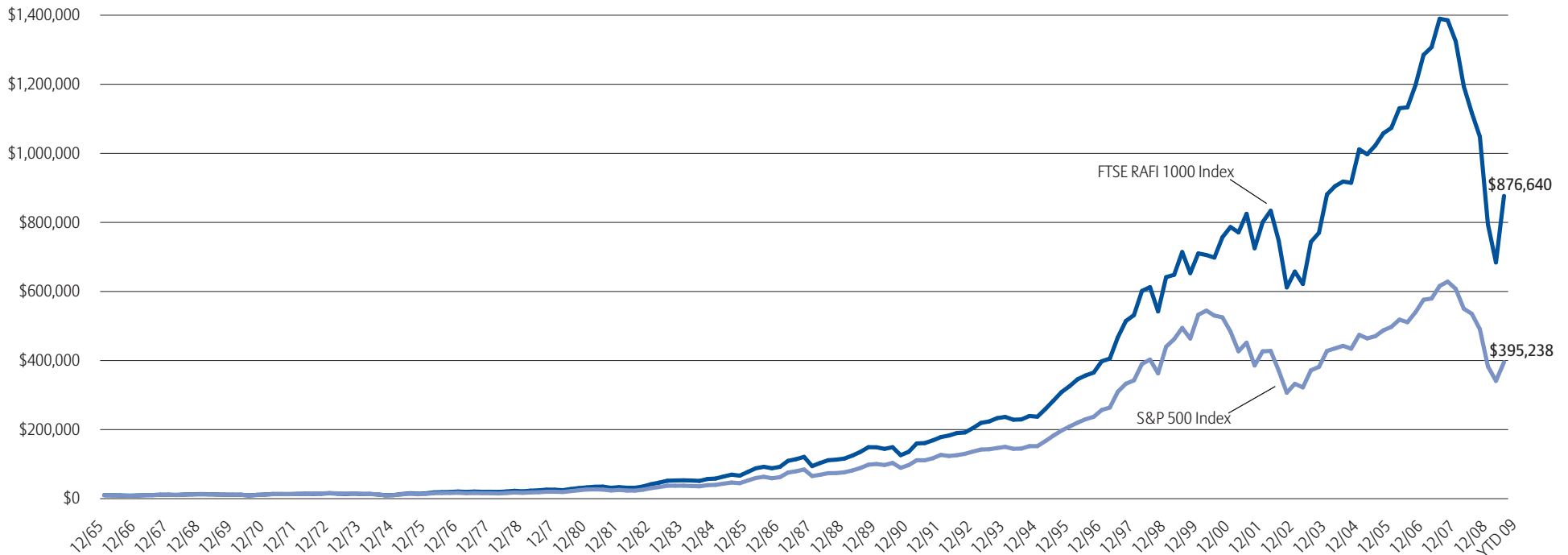


# Going Beyond Market Capitalization

The FTSE RAFI 1000 Index weights stocks by four fundamental factors: sales, cash flow, book value and, if applicable, dividends. In doing so, the Index aims to avoid a potential pitfall of market capitalization weighting—to overweight overvalued stocks and underweight undervalued stocks. This chart shows how the FTSE RAFI 1000 would have fared against the S&P 500, a market-capitalization-weighted index, since 1965.



Source: FTSE; Research Affiliates, based on data from Bloomberg. Data as of 6/30/09.

**Past performance is no guarantee of future results.** This chart is not representative of the performance of any Allianz Global Investors. The FTSE RAFI 1000 Index was launched on 11/28/05. The performance of the FTSE RAFI 1000 Index before 11/28/05 is the result of a backtest or simulation conducted by Research Associates and reflect the results which might have been achieved by investing \$10,000 according to the index on 12/31/1965. Backtests have limitations. Potential limitations regarding the FTSE RAFI 1000 Index are that accounting databases can contain errors; accounting numbers regarding the four fundamental RAFI accounting measures can be restated; and the universe of stocks from which the index compiles its sample includes firms which may eventually delist. The model is not necessarily indicative of how the index would have been composed in real time during the economic conditions reflected in this historical period.

The results assume that no cash was added to or assets withdrawn from the hypothetical investment and that all dividends, gains and other earnings in the account were reinvested in accordance with the Index's rules

The FTSE RAFI 1000 Index is composed of the 1,000 largest publicly-traded U.S. companies, selected from the constituents of the FTSE US All Cap Index. The Standard & Poor's 500 Composite Index (S&P 500) is an unmanaged index that is generally representative of the U.S. stock market. 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. ©2009 Allianz Global Investors Distributors LLC, 1345 Avenue of the Americas, New York, NY, 10105, www.allianzinvestors.com, 1-888-877-4626. AC695\_26365

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