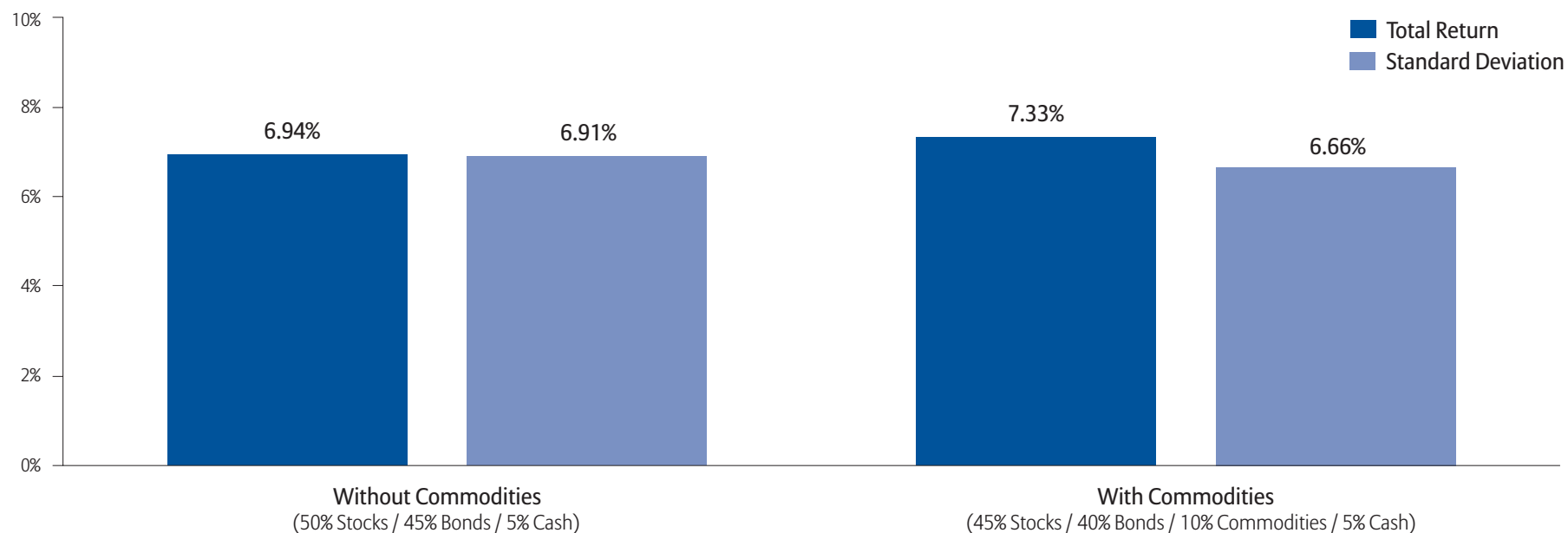


The Diversification Potential of Commodities

While commodities on their own are volatile investments, adding some commodity exposure to a diversified portfolio may help reduce overall volatility while improving return potential, as evidenced by these portfolios (12/31/97–12/31/07).



This chart is not indicative of the past or future performance of any Allianz Global Investors product.

A note about risk: Commodities are volatile investments and should only form a small part of a diversified portfolio. Commodities may not be suitable for all investors. Consult your financial advisor to help you determine whether a commodity investment is right for you.

Past performance is no guarantee of future results. This chart is not intended as a recommendation of specific percentage allocations to any particular asset classes or Allianz Global Investors product. Commodities are assets that have tangible properties, such as oil, metals, and agricultural products. Commodities may be affected by overall market movements and other factors that affect the value of a particular industry or commodity, such as weather, disease, embargoes, or political and regulatory developments.

Source: Compiled with data from Standard and Poor's, Russell Mellon, Morgan Stanley, Lehman Brothers, Citigroup and Dow Jones. All data through December 31, 2007. The hypothetical portfolio without commodities consists of 25% S&P 500 Index (large-cap stocks), 10% Russell 2000 Index (small-cap stocks), 15% MSCI EAFE Index (foreign stocks), 45% Lehman Brothers Aggregate Bond Index (investment-grade domestic bonds) and 5% Citigroup 3-month T-Bill (cash equivalents). The hypothetical portfolio with commodities consists of 22.5% S&P 500 Index, 9% Russell 2000 Index, 13.5% MSCI EAFE Index, 40% Lehman Brothers Aggregate Bond Index, 5% Citigroup 3-month T-Bill and 10% Dow Jones-AIG Commodity Total Return Index (commodities). Each Index represents a group of unmanaged securities. It is not possible to invest directly in an unmanaged index.

Diversification does not ensure against loss. Standard deviation is a statistical measure of dispersion about an average which depicts how widely the returns varied over a certain period of time. The greater the degree of dispersion, the greater the risk. ©2008 Allianz Global Investors Distributors LLC, 1345 Avenue of the Americas, New York, NY 10105, www.allianzinvestors.com, 1-888-877-4626

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