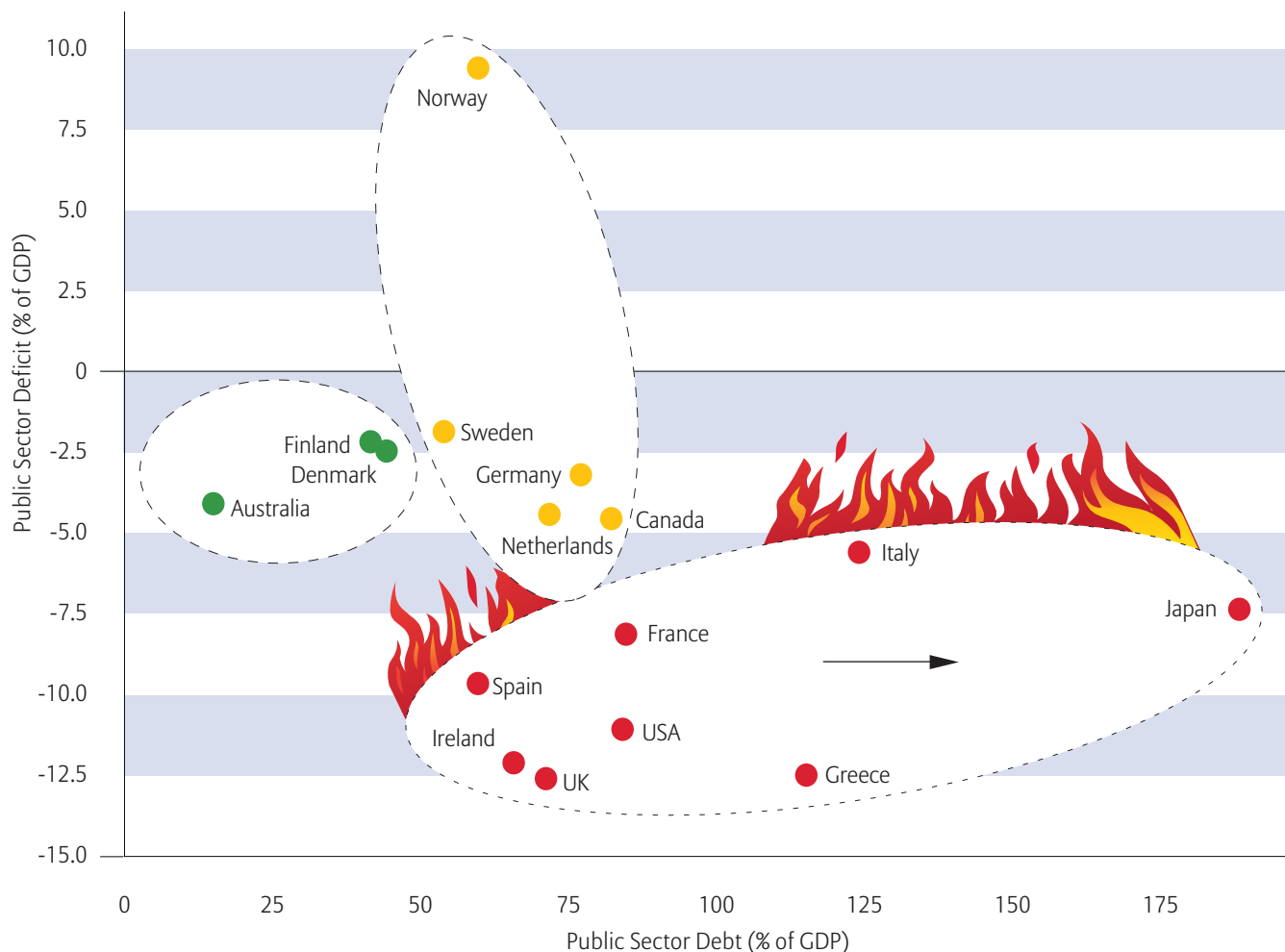


As seen in Bill Gross' *Investment Outlook* (2/10).

# PIMCO's "The Ring of Fire"



### What the Chart Shows

The vertical axis of the chart plots a country's overall deficit (or surplus in the case of Norway) as a percentage of GDP. Countries that fall below zero are spending more than they are taking in, meaning they will likely have to issue more debt to operate. The horizontal axis shows a country's overall debt as a percentage of GDP. A higher debt to GDP ratio can slow economic growth. The countries in the red zone, or the "ring of fire" have public debt that exceeds 90% of GDP or have the potential to pass this threshold within a few years' time (given their deficit). The countries in the yellow and green zones are potentially more solvent.

### What It Means for Investors

A higher deficit and escalating government debt can slow economic growth, which in turn can lower returns on investments. Investors may want to direct their growth-oriented assets toward less levered countries.

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Source: Reuters EcoWin

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](http://www.allianzinvestors.com) or by calling 1-888-877-4626. Please read this prospectus carefully before you invest or send money.

**Past performance is no guarantee of future results.** This chart is not representative of any Allianz Global Investors product. This material contains the current opinions of the author, which are subject to change without notice. Statements concerning financial market trends are based on current market conditions, which will fluctuate. Forecasts and estimates have certain inherent limitations, and are not intended to be relied upon as advice or interpreted as a recommendation.

Gross Domestic Product (GDP) is the value of all final goods and services produced in a specific country. It is the broadest measure of economic activity and the principal indicator of economic performance.

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