

# OpCap Mid Cap Portfolio

## Portfolio Manager



Mr. Parker is a Portfolio Manager at Oppenheimer Capital and a CFA charterholder. Mr. Parker is a three time (2000, 2006 and 2008) recipient of Barron's Top 100 Fund Managers award. He holds an MBA from Vanderbilt University and a BBA from the University of Miami.

## Investment Objective

The investment objective of the OpCap Mid Cap Portfolio is long term capital appreciation through investment in securities of companies that the manager considers undervalued in the marketplace in relation to factors such as a company's earnings or long-term business prospects.

## Inception Date

February 9, 1998

## Total Net Assets (in millions)

\$68.3

## Investment Style / Market Cap

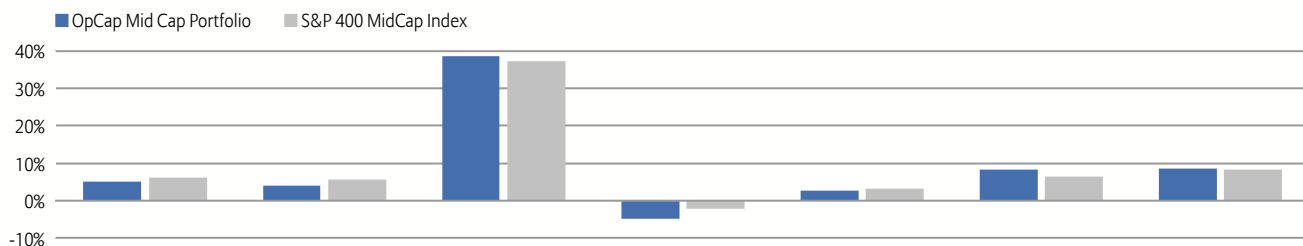


Investment Style:  
Blend  
Market Capitalization:  
Medium

## Portfolio Analysis

Top Ten Holdings as of 11/30/09		Asset Allocation		Sector Breakdown (excludes cash)	
LORILLARD INC (LO)	2.8%	Common Stocks	96.7%	<ul style="list-style-type: none"> <li>Information Tech. 18%</li> <li>Industrials 15%</li> <li>Financials 14%</li> <li>Consumer Disc. 12%</li> <li>Health Care 10%</li> <li>Materials 9%</li> <li>Energy 8%</li> <li>Consumer Staples 5%</li> <li>Utilities 4%</li> <li>Telecomm. Services 3%</li> </ul>	
NALCO HOLDING COMPAN (NLC)	2.4%	Cash	3.3%		
ENERGY TRANSFER PRTN (ETP)	2.3%	<b>Equity Characteristics</b>			
ASMLD HOLDINGS NV (Nethrl.)	2.3%	P/E Ratio (forward)	16.2		
AMPHENOL CORP NEW (APH)	2.3%	P/B Ratio	2.1		
UNION PAC CORP (UNP)	2.2%	Historical Beta (1 year)	1.17		
AMERIPRISE FINL INC (AMP)	2.2%	Wtd. Avg. Mkt. Cap (millions)	\$8.3		
CONTINENTAL AIRLS IN (CAL)	2.2%	Median Mkt. Cap (millions)	\$5.6		
UNITED THERAPEUTICS (UTHR)	2.1%	EPS Growth (5 years historical, %)	12.6		
COGNIZANT TECHNOLOGY (CTSH)	2.1%	ROE (%)	16.6		
<b>Total</b>	<b>22.9%</b>				

## Performance Analysis



## Total Return Performance

	1 Month	3 Month	1 Year	3 Year	5 Year	10 Year	Inception*
Portfolio	5.20%	4.10%	38.74%	-4.62%	2.65%	8.42%	8.66%
S&P 400 MidCap Index	6.28%	5.56%	37.38%	-1.83%	3.27%	6.36%	8.28%

Performance quoted represents past performance. Past performance is no guarantee of future results. Current performance may be lower or higher than performance shown. Investment return and the principal value of an investment will fluctuate. Shares may be worth more or less than original cost when redeemed. Performance data current to the most recent monthend is available at [www.allianzinvestors.com/premiervit](http://www.allianzinvestors.com/premiervit). Average total returns do not include fees and charges of any variable product through which this portfolio is available. If these fees and charges were reflected performance would be lower. Returns reflect portfolio-level fees and expenses, and assume reinvestment of dividends and capital gains. Returns do not reflect any variable product contract level fees or expenses, which would markedly reduce the performance shown. Returns for periods longer than one year are annualized.

\* Average Annualized Performance Since Inception.

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## Portfolio Management

### Oppenheimer Capital

Oppenheimer Capital LLC (OpCap), is an investment advisory firm founded in 1969. OpCap has built a reputation as one of the leading value managers for many of America's largest corporations, public funds, insurance companies, union funds and endowments. OpCap is an indirect wholly-owned subsidiary of Allianz Global Investors of America L.P., one of the largest investment management organizations in the United States with over \$865 billion under management (as of June 30, 2009).

### Investment Strategy

The portfolio manager uses a fundamental, bottom-up process of value investing. The security selection process focuses on well-positioned companies which generate high returns on capital and cash flow, have strong barriers to competition, have managements oriented to shareholder interests and sell at reasonable valuation levels. The manager seeks companies that enjoy some distinct business advantages by virtue of their size and yet are undervalued in the marketplace in relation to factors such as the company's discretionary cash flow generation, earnings or assets.

### Portfolio Construction

- Minimum initial position for any security is 1%, while the total of the top five positions will typically not exceed 25% of the portfolio.
- Oppenheimer Capital's strong belief in the companies added to the portfolio tends to result in lower levels of portfolio turnover.

### Principal Risks

Investments in smaller companies may be more volatile than investments in larger companies and the market for their securities may be less liquid which could lead to difficulty in exiting positions. Derivative instruments are subject to risks that are different from, and potentially greater than, the assets that underlie them, in part as a result of the complexity and limited liquidity associated with such instruments.

*Investors should consider the investment objectives, risks, charges and expenses of the Premier VIT portfolios carefully before investing. This and other information is contained in the product prospectus, which may be obtained elsewhere at [www.allianzinvestors.com](http://www.allianzinvestors.com). Investors should read the prospectus carefully before investing.*

**Past performance is no guarantee of future results.** All data is as of 12/31/09 unless otherwise indicated. Holdings are subject to change. It is not possible to invest directly in Premier VIT. The Portfolios are available only as funding vehicles for variable insurance products.

The S&P Mid-Cap 400 Stock Index is an unmanaged index generally representative of the market for the stocks of mid-sized U.S. companies.

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.

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. Price/Book is a ratio of the current stock price to the book value. This is used to identify undervalued stocks. Earnings Per Share (EPS) is a company's profit divided by its number of outstanding shares. Return on Equity (ROE) is a measure of a corporation's profitability, calculated as net income divided by shareholder equity. It is an indication of how well the firm used reinvested earnings to generate additional earnings.

Beta measures the market-related volatility of a portfolio, where the overall market is represented by the S&P 500 for equity portfolios and the Barclays Capital Aggregate Bond Index for fixed-income portfolios. The beta of the market is 1 by definition. A beta greater than 1 indicates that a portfolio's market risk is greater than the overall market's, while a beta less than 1 indicates a lower market risk. Low market risk does not necessarily imply low volatility. A portfolio may have a low beta while experiencing volatility due to factors independent of the market.

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