

INSTITUTIONAL CLASS

As of December 31, 2009

PORTFOLIO MANAGER

William H. Gross

FUND STATISTICS

Effective Duration (yrs)	4.74
Effective Maturity (yrs)	5.97
Average Quality	AA

SECTOR DIVERSIFICATION (%)

	Market Value Weighted
Gov't Related	32
Mortgage	17
Invest. Grade Credit	18
High Yield Credit	2
Non-U.S. Developed	16
Emerging Markets	4
Municipal	2
Other	1
Net Cash Equivalents	8

Ticker
PTTRXCUSIP
693390700Inception of Fund
05/11/1987Fund Assets
\$201.7 BN

PIMCO Total Return Fund

FUND DESCRIPTION

The Total Return Fund is a diversified portfolio of high quality bonds that is actively managed to maximize return in a risk-controlled framework.

INVESTOR BENEFITS

This Fund offers investors an actively managed core bond portfolio that can capitalize on opportunities within multiple sectors of the fixed income market.

Potential benefits of this Fund include:

- Aims to provide excess return in a risk-controlled framework
- Portfolio diversification, income and the opportunity for capital gains through active management
- An investment strategy managed for all market environments, emphasizing both top-down macroeconomic analysis and bottom-up issue selection

THE FUND ADVANTAGE

As a pioneer in fixed income total return investing, the Fund takes a diversified approach to adding value in its effort to provide consistent performance by employing multiple concurrent strategies and taking modest risk in each, thereby reducing the risk of poor performance arising from any single source. PIMCO has a substantial and experienced team specializing in all sectors of the global bond market, and a record of actively pursuing an extensive global fixed income opportunity set and identifying innovative solutions in our effort to maximize returns.

VALUE OF CORE STRATEGIES

An allocation to PIMCO fixed-income strategies may be beneficial as a core part of a balanced portfolio. Bonds can provide a steady source of income and, as part of a total-return strategy, potentially produce capital gains as well. An allocation to a PIMCO fixed-income strategy in a portfolio also can offer diversification and serve as a hedge against volatility and risks in other asset classes, particularly in times of economic uncertainty or deflation. Long-duration bonds can be used to diversify a broader core allocation to fixed income and help an overall portfolio's match to longer-term liabilities.

For more information,
call your PIMCO
representative
800-927-4648

Visit our web site for
a full menu of products
and services at
www.pimco-funds.com

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Global Investors

Core Strategies

Extended Duration	Global Advantage	GNMA	Government Money Market	Income	Long Duration Total Return	Long-Term U.S. Government
Low Duration	Moderate Duration	Money Market	Mortgage-Backed Securities	Short-Term	Total Return	Unconstrained Bond

INSTITUTIONAL CLASS

As of December 31, 2009

BASIC FACTS

Total Annual Operating Expenses	0.64%
Total Annual Expenses Ex-Interest	%
Dividend Frequency	Daily Accrual

PERFORMANCE CHARACTERISTICS

Tracking Error (10 yrs)	1.66
Information Ratio (10 yrs)	0.75
SEC 30-Day Yield (%)	2.93

ABOUT THE BENCHMARK

Benchmark Duration (yrs)	4.57
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Barclays Capital U.S. Aggregate Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis. It is not possible to invest directly in an unmanaged index. Prior to November 1st, 2008, this index was published by Lehman Brothers.

PERFORMANCE (net of fees)

	20 yrs	10 yrs	5 yrs	3 yrs	1 yr	6 mos	3 mos
PIMCO Fund (%)	8.23	7.65	6.84	9.18	13.83	7.09	0.99
Benchmark (%)	7.01	6.33	4.97	6.04	5.93	3.95	0.20

Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and principal value will fluctuate, so that Fund shares may be worth more or less than their original cost when redeemed. Performance data current to the most recent month-end is available at www.pimco-funds.com or by calling (800) 927-4648.

LIPPER CLASSIFICATION

Intermediate Investment Grade Debt Funds

LIPPER RANKINGS*

	10 yrs	5 yrs	3 yrs	1 yr
Fund Rank	2	2	2	232
No. of Funds	219	395	458	549
Quartile	1st	1st	1st	2nd

* Based on total return performance, with distributions reinvested, and operating expenses deducted.

ABOUT PIMCO

PIMCO, founded in 1971, is a global asset management firm serving a full range of institutional and retail investors worldwide. Our reputation as one of the world's top asset managers rests on our combination of a long-term investment approach, superior client servicing and cutting edge technology. With offices in nine countries in North America, Europe and Asia, we manage investments across a full spectrum of global financial markets. Our success is built on our ability to consistently provide attractive returns while maintaining a strong culture of risk management and long-term discipline.

Investors should consider the investment objectives, risks, charges and expenses of the funds carefully before investing. This and other information are contained in the fund's prospectus and summary prospectus, if available, which may be obtained by contacting your PIMCO representative. Please read them carefully before you invest or send money.

The performance figures presented reflect total return performance, changes in share price, and reinvestment of dividend and capital gain distributions. All periods longer than one year are annualized. Interest expenses netted from the Total Expenses are based on the amounts incurred during the Fund's most recent fiscal year as a result of entering into certain investments; the amount of interest expense (if any) will vary.

Tracking error measures the dispersion or volatility of excess returns relative to a benchmark. Information Ratio is a ratio of portfolio returns above the returns of a benchmark to the volatility of those returns. Effective duration is the duration for a bond with an embedded option when the value is calculated to include the expected change in cash flow caused by the option as interest rates change. Gov't Related may include nominal and inflation-protected Treasuries, agencies, interest rate swaps, Treasury futures and options, and FDIC-guaranteed corporate securities. The Average Credit Quality ratings are provided to indicate the credit worthiness of the underlying bonds in the portfolio and generally range from Aaa (highest) to B (lowest).

Investing in foreign denominated and/or domiciled securities may involve heightened risk due to currency fluctuations, and economic and political risks, which may be enhanced in emerging markets. Mortgage and asset-backed securities may be sensitive to changes in interest rates, subject to early repayment risk, and their value may fluctuate in response to the market's perception of issuer creditworthiness; while generally supported by some form of government or private guarantee there is no assurance that private guarantors will meet their obligations. Derivatives may involve certain costs and risks such as liquidity, interest rate, market, credit, management and the risk that a position could not be closed when most advantageous. Investing in derivatives could lose more than the amount invested. Diversification does not ensure against loss.

The value of most bond funds and fixed income securities are impacted by changes in interest rates. Bonds and bond funds with longer durations tend to be more sensitive and more volatile than securities with shorter durations; bond prices generally fall as interest rates rise.

Past rankings are no guarantee of future rankings. Rankings begin with the inception of the actual share class. Lipper does not take into account sales charges.

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Total Return Fund

Oakmark Equity and Income Fund

Advised by Harris Associates L.P.

Fourth Quarter 2009

About the Fund

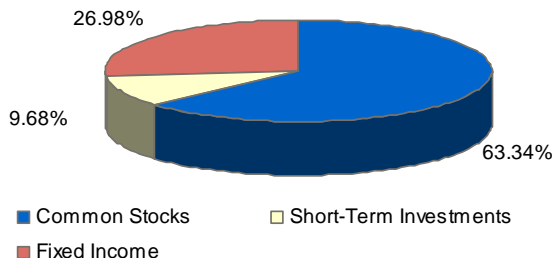
The Oakmark Equity and Income Fund seeks income, and preservation and growth of capital. The Fund is primarily composed of U.S. equity and fixed income securities.

At Oakmark, we are long-term investors. We attempt to identify growing businesses that are managed to benefit their shareholders. We will purchase stock in those businesses only when priced substantially below our estimate of intrinsic value. After purchase, we patiently wait for the gap between stock price and intrinsic value to close.

Top Ten Equity Holdings	% of Fund
XTO Energy	3.8
General Dynamics	3.3
Wal-Mart Stores	3.2
Avon Products	2.9
Covidien	2.7
Nestle ADR	2.6
Apache	2.5
ConAgra Foods	2.4
Diageo	2.4
Hospira	2.4

Top Ten Industries	% of Fund
U.S. Government Notes	21.5
Aerospace & Defense	11.1
Oil & Gas Exploration & Production	9.0
Health Care Equipment	8.3
Packaged Foods & Meats	7.2
Hypermarkets & Super Centers	6.0
U.S. Government Agencies	3.8
Personal Products	3.2
Distillers & Vintners	2.6
Integrated Oil & Gas	2.6

Asset Allocation



Fund Statistics

Number of Equity Holdings	48
Total Net Assets	\$16.8B
Wtd. Avg. Market Cap (\$MM)	34,528
Median Market Cap (\$MM)	7,980
Price-to-Earnings ¹	14.8
Price-to-Cash Flow ¹	9.4
Price-to-Book ¹	2.7
ROE	23.7%
Dividend Yield	1.67%
Cash	9.7%

Fixed Income (Weighted Averages)

Duration	3.4
Yield to Maturity	1.9
Maturity (years)	3.7

Portfolio Managers

Clyde S. McGregor, CFA
Edward A. Studzinski, CFA

Fund Facts

Category	Domestic Hybrid
Expense Ratio	0.85% (Class I - OAKBX)
Expense Ratio	1.18% (Class II - OARBX)
Inception	11/1/95 (Class I)
Inception	7/12/00 (Class II)



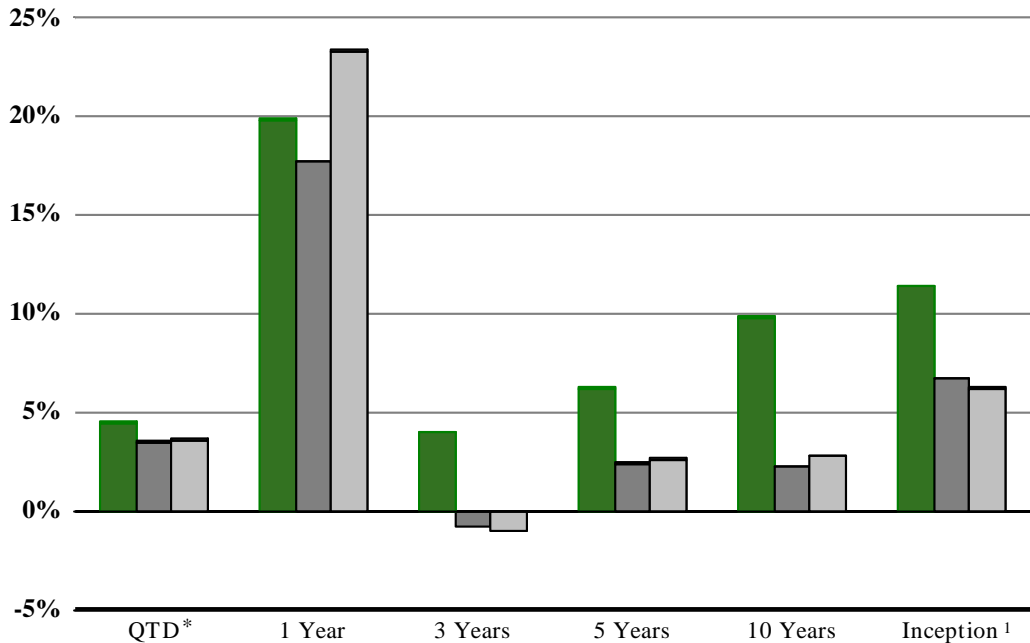
¹Projected

Portfolio holdings are not intended as recommendations of individual stocks and are subject to change. The Fund disclaims any obligation to advise shareholders of such changes.

Visit oakmark.com

Performance History

Oakmark Equity and Income Fund vs. S&P 500/LB Government/Credit Bond Index vs. Lipper Balanced Fund Index - Period ending 12/31/09



	QTD*	1 Year	3 Years	5 Years	10 Years	Inception ¹
Fund	4.52%	19.84%	3.99%	6.24%	9.81%	11.40%
Blended Balanced Index	3.54%	17.74%	-0.75%	2.43%	2.27%	6.71%
Lipper Balanced Fund Index	3.65%	23.35%	-1.01%	2.64%	2.79%	6.23%

As of 9/30/09, the Oakmark Equity and Income Fund's Expense Ratio was 0.85%

*Not annualized

¹Inception Date: November 1, 1995

The performance data quoted represents past performance. **Past performance does not guarantee future results.** The investment return and principal value will fluctuate so that an investor's shares, when redeemed may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Total return includes change in share prices and, in each case, includes reinvestment of dividends and capital gain distributions. To obtain most recent month-end performance data visit oakmark.com. For a prospectus and more complete information, including management fees and expenses and the special risks of investing, please call 1-800-OAKMARK or visit oakmark.com. Read it carefully before investing. An investor should consider a fund's investment objectives, risks, and charges and expenses carefully before investing. This and other information about the Funds are contained in the Funds' prospectus.

Investing in value stocks presents the risk that value stocks may fall out of favor with investors and underperform growth stocks during given periods. The Fund invests in medium- and lower-quality debt securities that have higher yield potential but present greater investment and credit risk than higher-quality securities. These risks may result in greater share price volatility.

Harris Associates L.P., the Fund's adviser, contractually agreed to limit the Oakmark Equity and Income Fund's annual expenses to 1% of its average net assets through January 31, 2002. Absent this expense limitation, the Fund's total return would have been lower.

Market Cap is the market price of an entire company. The Price-to-Earnings (P/E) Ratio is the most common measure of how expensive a stock is. Price-to-Cash Flow (P/C) is defined as a stock's capitalization divided by its cash flow. The Price-to-Book (P/B) Ratio is a stock's capitalization divided by its book value. P/E, P/C, and P/B are projected calculations based on our analysts' estimates. Standard deviation is an indicator of the fund's total return volatility. Yield represents a fund's income return on capital investment for the past 12 months, expressed as a percentage.

The Blended Balanced Index is an index comprised with 60% weight given to the S&P 500 Total Return Index and 40% weight given to the Barclays Capital U.S. Government/Credit Bond Index and is rebalanced monthly. The Barclays Capital U.S. Government/Credit Bond Index comprises all public obligations of the U.S. Treasury and government agencies and all SEC registered public corporate debt with at least one year to maturity. This index is unmanaged and investors cannot invest directly in this index.

Harris Associates Securities L.P., Member FINRA. 01/10



Vanguard 500 Index Fund

Signal® Shares

Domestic stock fund

Investment objective

Vanguard 500 Index Fund seeks to track the performance of a benchmark index that measures the investment return of large-capitalization stocks.

Investment strategy

The fund employs a "passive management"—or indexing—investment approach designed to track the performance of the Standard & Poor's 500 Index, a widely recognized benchmark of U.S. stock market performance that is dominated by the stocks of large U.S. companies. The fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

See reverse side for Fund Profile.

Who should invest

- Investors seeking low-cost participation in the stock market through a broadly diversified portfolio.
- Investors with a long-term investment horizon (more than five years).

Who should not invest

- Investors unwilling to accept significant fluctuations in share price.
- Investors seeking to beat the market return on large-capitalization stocks, which dominate the S&P 500 Index.

Total net assets: \$16,590 million

Expense ratio: 0.09%
as of April 29, 2009

Ticker symbol: VIFSX

Newspaper listing: 500Sgl

Inception date: September 29, 2006

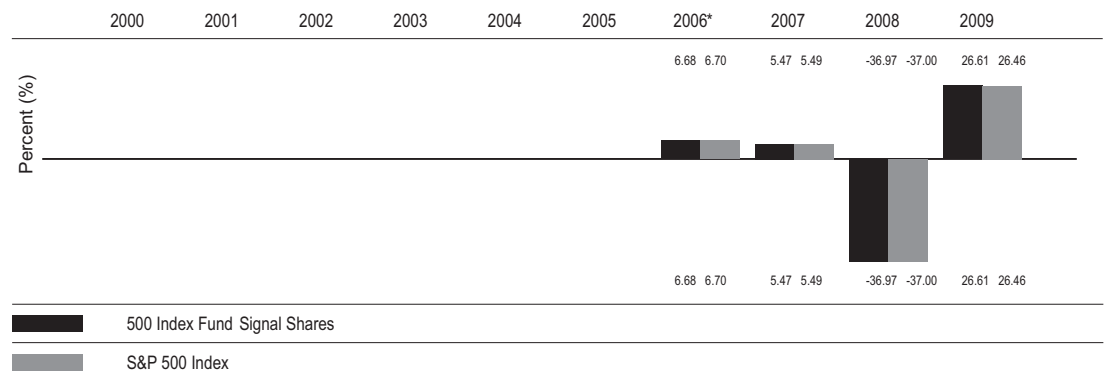
Fund number: 1340

Overall risk level:



Performance

Annual returns 2006–2009



Total returns

	Periods Ended December 31, 2009				
	Quarter	Year to Date	One Year	Three Years	Since Inception
500 Index Fund Signal Shares	6.06%	26.61%	26.61%	-5.58%	-3.25%
S&P 500 Index	6.04%	26.46%	26.46%	-5.63%	-3.29%

The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at www.vanguard.com/performance.

Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. All returns are net of expenses.

S&P 500 Index: A widely used barometer of U.S. stock market performance; as a market-weighted index of leading companies in leading industries, it is dominated by large-capitalization companies.

*Partial return since fund started, September 29, 2006.

Vanguard 500 Index Fund

Signal Shares

Plain talk about risk

An investment in the fund could lose money over short or even long periods. You should expect the fund's share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market. The fund's performance could be hurt by:

Stock market risk: The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices. The fund's target index may, at times, become focused in stocks of a particular sector, category, or group of companies. Because the fund seeks to track its target index, the fund may underperform the overall stock market.

Investment style risk: The chance that returns from large-capitalization stocks will trail returns from the overall stock market. Specific types of stocks tend to go through cycles of doing better—or worse—than the stock market in general. These periods have, in the past, lasted for as long as several years.

Investment terms

Dividends: A payment of cash or stock from a company's earnings to each stockholder as declared by the company's board of directors.

Expenses: The costs of running a fund, expressed as a percentage of the fund's assets. For example, a fund may have expenses that total 0.30% (less than half of 1%) of its assets.

Mutual fund: An investment company that pools the money of many shareholders and invests it in a variety of securities in an effort to achieve a specific objective over time.

Total return: The change in the net asset value of an investment, assuming reinvestment of all dividend and capital gain distributions.

Fund profile

as of December 31, 2009

Top sector holdings—Stocks

Consumer Discretionary	9.6%
Consumer Staples	11.4
Energy	11.5
Financials	14.4
Health Care	12.6
Industrials	10.2
Information Technology	19.8
Materials	3.6
Telecommunication Services	3.2
Utilities	3.7

Ten largest holdings*

1. Exxon Mobil Corp.	
2. Microsoft Corp.	
3. Apple Inc.	
4. Johnson & Johnson	
5. Procter & Gamble Co.	
6. International Business Machines Corp.	
7. AT&T Inc.	
8. JPMorgan Chase & Co.	
9. General Electric Co.	
10. Chevron Corp.	

Top 10 as % of Total Net Assets **19.5%**

*The holdings listed exclude any temporary cash investments and equity index products.

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For more information about Vanguard funds, visit www.vanguard.com, or call 800-523-1188, to obtain a prospectus. Investment objectives, risks, charges, expenses, and other important information about a fund are contained in the prospectus; read and consider it carefully before investing.

Financial advisor clients: For more information about Vanguard funds, contact your financial advisor to obtain a prospectus.

Investment Products: <ul style="list-style-type: none">• Not FDIC Insured• No Bank Guarantee• May Lose Value
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PIMCO All Asset Fund



Focusing on strong after-inflation returns

With its dynamic asset allocation approach, PIMCO All Asset Fund targets solid real (after-inflation) returns from a global opportunity set of traditional and alternative asset classes. The resulting portfolio may help you protect purchasing power and offer broader diversification than a traditional portfolio of just stocks, bonds and cash.

Why invest in this fund?

Seeks strong after-inflation returns

For long-term investors, the Fund targets solid real returns; its secondary benchmark is CPI +5%. It invests in inflation-hedging assets such as Treasury Inflation-Protected Securities (TIPS) and commodities, as well as U.S. and international stocks and bonds.

A broad opportunity set

By actively allocating assets across such a wide variety of asset classes and strategies, the Fund may enhance diversification, which helps manage risk.

Proven investment expertise

This "fund of funds" is sub-advised by Research Affiliates, L.L.C, a leading tactical asset allocation firm founded by Robert Arnott. The underlying funds are managed by PIMCO, a global leader in fixed-income investing. The Fund will involve many of the same risks as its underlying funds, and there is no guarantee that its allocation will be ideal in a given market.

The benefits of a diversified portfolio

PIMCO All Asset Fund dynamically allocates assets across a range of different asset classes, which can shift in and out of favor over time. The chart at right makes a strong case for holding a broadly diversified portfolio. Of course, diversification does not guarantee a profit or protect against loss.

For more detailed information about this fund, please visit our Web site at www.allianzinvestors.com.

Dynamic allocation across asset classes can be beneficial

2005	2006	2007	2008	2009
Commodities 21.36%	Large-Cap Stocks 15.79%	Emerging Local Mkts. 18.11%	U.S. Inv. Grade Bonds 5.24%	Large-Cap Stocks 26.46%
Emerging Local Mkts. 6.27%	Emerging Local Mkts. 15.22%	Commodities 16.23%	U.S. TIPS -2.35%	Emerging Local Mkts. 21.98%
Large-Cap Stocks 4.91%	U.S. Inv. Grade Bonds 4.33%	U.S. TIPS 11.63%	Emerging Local Mkts. -5.22%	Commodities 18.91%
U.S. TIPS 2.84%	Commodities 2.07%	U.S. Inv. Grade Bonds 6.97%	Commodities -35.65%	U.S. TIPS 11.41%
U.S. Inv. Grade Bonds 2.43%	U.S. TIPS 0.41%	Large-Cap Stocks 5.49%	Large-Cap Stocks -37.00%	U.S. Inv. Grade Bonds 5.93%

Data as of 12/31/09. Source: PIMCO Index Report. See back for index definitions.

Average Annual Total Returns as of 12/31/09	1-yr.	3-yr.	5-yr.	Inception
PIMCO All Asset Fund Institutional at NAV	22.99%	4.15%	4.84%	8.56%
Lipper Flexible Portfolio Fund Avg.	22.16%	-0.12%	3.72%	7.00%
Barclays Capital U.S. TIPS 1-10 Year Index	12.02%	6.80%	4.74%	5.86%
CPI + 5%	7.94%	7.50%	7.79%	7.70%

If this material is used after 3/31/10, it must be accompanied by the most recent Performance Supplement. Performance quoted represents past performance. Past performance is no guarantee of future results. Investment return and the principal value of an investment will fluctuate. Shares may be worth more or less than original cost when redeemed. Current performance may be lower or higher than performance shown. For performance current to the most recent month-end, visit our Web site at www.allianzinvestors.com. The net expense ratio cited above is the result of a contractual agreement guaranteed through at least 7/31/10.

Fund Data

Fund Inception Date July 31, 2002

Total Fund Assets (in millions) \$13,959.9

Institutional Share Gross Expense Ratio 1.065%

Institutional Share Net Expense Ratio 1.045%

Management Firm PIMCO (Pacific Investment Management Company)

Portfolio Manager Robert Arnott

Calendar Year Returns	'02	'03	'04	'05	'06	'07	'08	'09
PIMCO All Asset Fund Institutional at NAV	11.9%	16.0%	11.8%	6.5%	5.3%	8.7%	-15.5%	23.0%
Lipper Flexible Portfolio Fund Avg.	—	23.7%	10.9%	7.5%	11.2%	9.4%	-23.8%	22.2%
Barclays Capital U.S. TIPS 1-10 Year Index	—	7.1%	7.1%	1.9%	1.6%	11.4%	-2.4%	12.0%
CPI + 5%	—	7.1%	8.5%	8.7%	7.8%	9.4%	5.2%	7.9%

Performance assumes reinvestment of dividends and capital gains distributions. Taxes on distributions or redemptions have not been deducted. The Lipper, Inc. Lipper Average is based on total return, with distributions reinvested and operating expenses deducted, though not reflecting sales charges. Fund classes share the same portfolio, but have different investment minimums and different fees and expenses. 1. Cumulative return over a partial year.

PIMCO All Asset Fund

Portfolio Manager



Robert Arnott

Mr. Arnott established Research Affiliates, L.L.C in 2002. He joined forces with PIMCO as a subadvisor to offer a global asset allocation product to make active use of liquid alternative markets.

PIMCO (Pacific Investment Management Company)

Founded in 1971, PIMCO is a leading global investment management firm, with a client list that includes many of the largest companies in the United States. Renowned for its bond management expertise, PIMCO has also developed a range of innovative investment strategies to offer investors access to other asset classes, including stocks, commodities and real estate.

Portfolio Analysis

Top Strategies	
Inflation Related Strategies	36.8%
US Bond Strategies	27.4%
Alternative Bond Strategies	24.9%
Short-Term Strategies	6.0%
Equity Strategies	5.0%

Guidelines

- Exposure to Inflation Related Strategies can not exceed 75%.
- Exposure to Equity Strategies can not exceed 50%.
- Exposure to any single fund can not exceed 50%.
- Exposures are long-only, non leveraged.

Allianz Global Investors has more than \$1 trillion in assets under management for our clients worldwide. Our U.S. investment managers each offers its own distinctive philosophy and culture, providing clients with a comprehensive and constantly evolving range of investment styles and products.¹



P I M C O	NEF INVESTMENT GROUP	<small>informed</small> RCM	NICHOLAS APPLGATE®	Oppenheimer Capital	CADENCE CAPITAL MANAGEMENT
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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 1-800-498-5413. Please read this prospectus carefully before you invest or send money.

¹ Allianz Global Investors AG assets under management as of 6/30/09. Cadence Capital Management is an independently owned investment firm.

Past performance is no guarantee of future results. All data is as of 12/31/09 unless otherwise indicated. Holdings are subject to change. The Fund's performance will depend on how its assets are allocated and reallocated among constituent Funds. The allocation among the underlying Funds will vary, and the Fund may be subject to any and all of the following risks at different times and to different degrees. Investing in smaller companies may entail greater risk than investing in larger companies, including higher volatility. Investing in non-U.S. securities may entail greater risk due to foreign economic and political developments; this risk may be enhanced when investing in emerging markets. The underlying funds may at times invest in mortgage-related securities and may use derivative instruments for hedging purposes or as part of an investment strategy. Mortgage-backed securities are subject to prepayment risk and may be sensitive to changes in prevailing interest rates. When interest rates rise, the value of fixed-income securities generally declines. Use of derivative instruments 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. High-yield bonds generally involve a greater risk to principal than higher rated bonds.

Inflation-indexed bonds issued by the U.S. Government, known as TIPS, are fixed-income securities whose principal value is periodically adjusted according to the rate of inflation, which will affect the interest payable on them. Repayment upon maturity of the adjusted principal value is guaranteed by the U.S. Government. Neither the current market value of inflation-indexed bonds nor the share value of a fund that invests in them is guaranteed, and either or both may fluctuate. The Fund's NAV will fluctuate in response to changes in the NAV of the underlying Funds. The cost of investing in the Fund will generally be higher than the cost of investing in a mutual fund that invests directly in individual stocks and bonds.

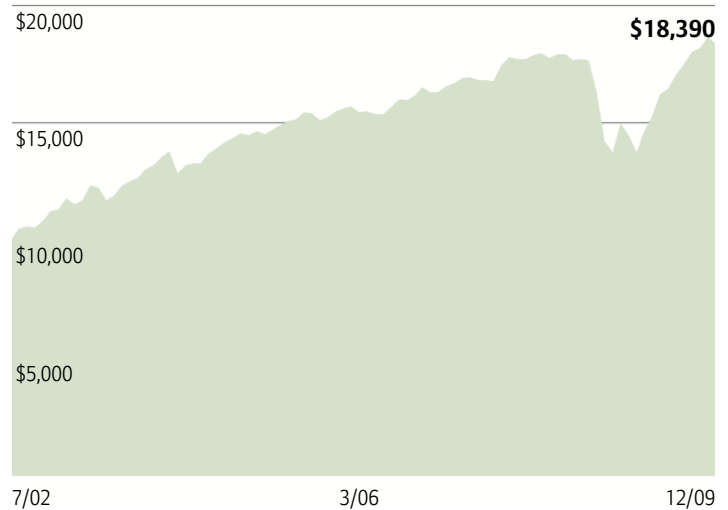
Index definitions: Emerging Local Bonds are represented by JP Morgan Government Bond Index-Emerging Markets Global Diversified Index (Unhedged) which is a comprehensive global local emerging markets index, and consists of regularly traded, liquid fixed-rate, domestic currency government bonds. Large-Cap Stocks are represented by The Standard & Poor's 500 Stock Price Index which is an unmanaged market index generally considered representative of the stock market as a whole. Commodities are represented by Dow Jones-UBS Commodity Total Return Index which is an unmanaged index composed of futures contracts on 20 physical commodities. U.S. TIPS are represented by Barclays Capital U.S. TIPS Index which is an unmanaged index composed of all U.S. Treasury Inflation Protected Securities rated investment grade (Baa3 or better), have at least one year to final maturity, and at least \$250 million par amount outstanding. Results prior to 10/97 were those of the Lehman Inflation Notes Index. Investment Grade Bonds are represented by Barclays Capital U.S. Aggregate Index which is an unmanaged index of domestically issued investment grade, U.S. dollar-denominated fixed income securities having a maturity greater than one year. Barclays Capital U.S. TIPS 1-10 Year Index is an unmanaged market index comprised of U.S. Treasury Inflation Linked Indexed securities having a maturity of at least 1 year and less than 10 years. The CPI + 5% benchmark is created by adding 5% to the annual percentage change in the Consumer Price Index (CPI). The Consumer Price Index is an unmanaged index representing the rate of inflation of the U.S. consumer prices as determined by the U.S. Department of Labor Statistics. 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.

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Growth of \$10,000



Past performance is not indicative of future results. Performance shown is for Institutional shares at net asset value (NAV).