

# PIMCO Total Return Fund



Financial Solutions from A – Z

### Description

Seeks maximum total return, consistent with preservation of capital and prudent investment management, by investing in high quality, intermediate-term bonds.

### Fund Inception Date\*

May 11, 1987

### Total Fund Assets (in millions)

\$125,086.6

### Management Firm

Pacific Investment Management Company (PIMCO)

### Portfolio Manager

Bill Gross

### Dividend Frequency

Monthly

### Symbol / CUSIP

	Symbol	CUSIP Number
A Shares	PTTAX	693390445
B Shares	PTTBX	693390437
C Shares	PTTCX	693390429
R Shares	PTRRX	72200Q851

### Maturity / Quality

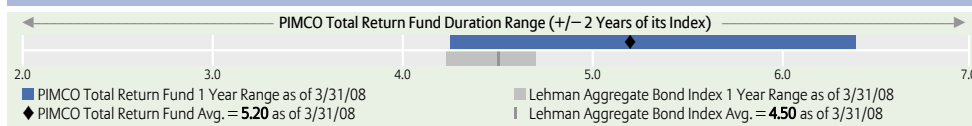
S	I	L	H	Maturity:
■	■	■	■	Intermediate
■	■	■	■	Quality:
■	■	■	■	High

### Fund Highlights

- Managed by Bill Gross, a PIMCO founder and Chief Investment Officer, who is widely regarded as one of the country's premier bond managers.
- The Fund can be an important core bond holding, offering a blend of potential total return as well as reduced volatility.
- The largest bond fund in the country and the only bond fund among the country's five largest mutual funds.<sup>1</sup>
- Employs a variety of value-added strategies to increase the opportunity for total return potential and help reduce portfolio risk.

## Portfolio Analysis

### Duration



### Top Sectors<sup>2</sup>

Mortgage	68%
Invest. Grade Credit	12%
Emerging Markets	5%
Non-U.S. Developed	4%
High Yield Credit	3%
Municipal / Other	1%
Net Cash & Equivalents	23%

### Maturity

1–3 Years	29%
3–5 Years	62%
5–10 Years	-1%
10–20 Years	8%
20+ Years	2%
Average Maturity	6.01 Years
Average Duration	4.25 Years

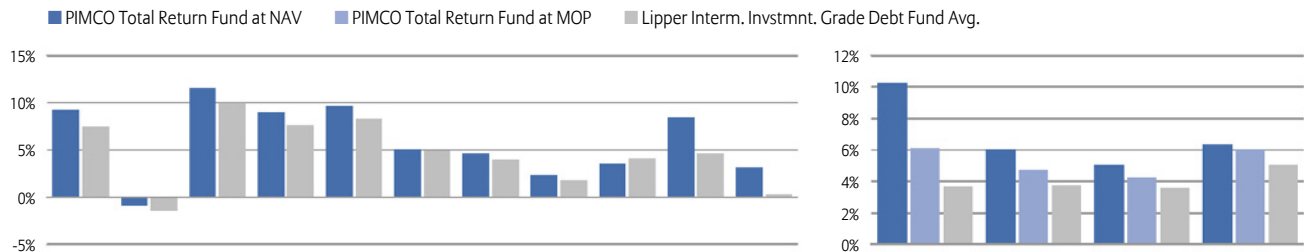
### Quality

AAA	66%
AA	14%
A	8%
BBB	5%
BB	5%
B	2%
Average Quality	AA

### Statistics

Standard Deviation <sup>3</sup>	3.56
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## Performance Analysis



### Calendar Year Returns

	'98	'99	'00	'01	'02	'03	'04	'05	'06	'07	YTD
PIMCO Fund at NAV	9.3%	-0.8%	11.6%	9.0%	9.7%	5.1%	4.7%	2.4%	3.5%	8.6%	3.2%
PIMCO Fund at MOP											
Lipper Intern. Invstmnt. Grade Debt Fund Avg.	7.5%	-1.4%	10.0%	7.7%	8.3%	4.9%	4.0%	1.8%	4.2%	4.7%	0.4%
Lehman Aggregate Bond Index	8.7%	-0.8%	11.6%	8.4%	10.3%	4.1%	4.3%	2.4%	4.3%	7.0%	2.2%

### Average Annual Returns

	1-yr	3-yr	5-yr	10-yr
PIMCO Fund at NAV	10.29%	6.04%	5.07%	6.41%
PIMCO Fund at MOP	6.16%	4.70%	4.27%	6.00%
Lipper Intern. Invstmnt. Grade Debt Fund Avg.	3.73%	3.77%	3.58%	5.08%
Lehman Aggregate Bond Index	7.67%	5.48%	4.58%	6.04%

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](http://www.allianzinvestors.com). The MOP returns take into account the 3.75% maximum initial sales charge. The Fund's expense ratio is 0.9%.

### Best / Worst Return

	Best	Worst
3-month (ended)	7.79% (6/30/89)	-5.27% (4/30/94)
1-yr (ended)	19.54% (9/30/91)	-4.08% (10/31/94)
3-yr (ended)	15.29% (9/30/93)	2.09% (6/30/06)

\* The inception date for the oldest class of shares (the Institutional share class). The returns represent Class A shares, first offered in 1/97. Returns prior to this date apply the returns of the oldest class of shares but the charges and expenses of Class A shares. 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. The classes of a fund share the same portfolio but have different investment minimums and different fees and expenses.

1. Source: SIMFUNDS 2/29/08. 2. The total amount shown for sector or country holdings may be greater than 100% because of the inclusion of derivatives and the collateral securities supporting those instruments. 3. Standard Deviation is calculated by IDS GmbH-Analysis and Reporting Services, an investment analysis and reporting service which is a subsidiary of Allianz SE.

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## Portfolio Management

### Pacific Investment Management Company (PIMCO)

Founded in 1971 and based in Newport Beach, California, PIMCO is a leading institutional investment firm with a client list that includes many of the largest companies in the United States. PIMCO is one of the most respected names in fixed-income management, due in large part to its total return approach to bond investing and strong long-term performance record. While 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. In recent years, the firm has expanded its global operations and today has offices in cities such as London, Munich, Singapore, Sydney and Tokyo.

### Portfolio Manager



Bill Gross

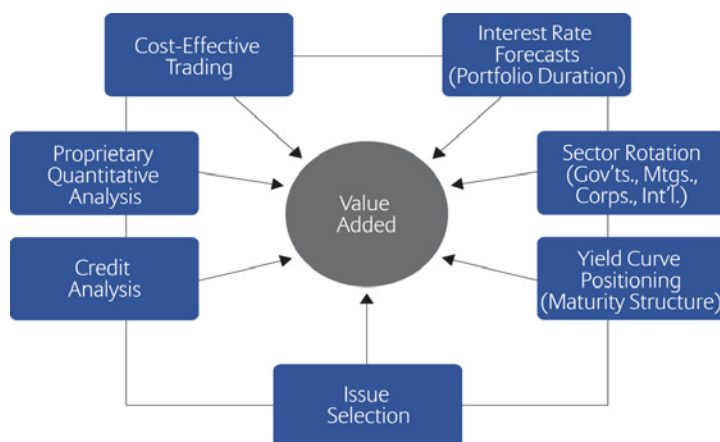
Mr. Gross is a founder and managing director of Pacific Investment Management Company (PIMCO) and has been associated with PIMCO for more than 37 years. As co-chief investment officer of PIMCO he oversees the management of more than \$720 billion in fixed income securities. Morningstar named Mr. Gross and his investment team Fixed Income Manager of the Year for 1998, 2000 and 2007. In 2000, Mr. Gross received the Bond Market Association's Distinguished Service Award. In 1996, he was the first portfolio manager inducted into the FIASI's Hall of Fame, for his advances in fixed-income analysis and portfolio management. He holds a B.A. from Duke University and an M.B.A. from the UCLA Graduate School of Business.

## Investment Process

The top-down investment process begins with PIMCO's annual Secular Forum where the manager develops a 3- to 5-year outlook for the global economy and interest rates. Quarterly meetings are then held to discuss how the outlook applies to upcoming 3- to 12-month periods and to forecast specific influencing factors, including interest rate volatility, yield curve movements and credit trends. Taken together, these sessions set the basic portfolio parameters, including duration, yield-curve positioning, sector weighting and credit quality. Bottom-up strategies, including credit analysis, quantitative research and individual issue selection, are then meshed with the top-down strategies to add value. The manager may, at times, use derivatives to replicate bond positions. This strategy can offer the opportunity to outperform physical bond securities due to the relative pricing of the derivatives contracts and PIMCO's active management of the collateral backing the derivatives.

### Value-Added Approach

PIMCO seeks to add value through a variety of techniques that attempt to maximize return without adding significantly to overall portfolio volatility.



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.** All data is as of 3/31/08 unless otherwise indicated. Holdings are subject to change. This Fund will normally invest its assets in a diversified portfolio of fixed-income securities. The Fund may invest in non-U.S. securities and may invest a portion of its assets in high-yield securities. Investing in non-U.S. securities may entail risk due to foreign economic and political developments; this risk may be enhanced when investing in emerging markets. High-yield bonds typically have a lower credit rating than other bonds. Lower rated bonds generally involve a greater risk to principal than higher rated bonds. The Fund may use derivative instruments for hedging purposes or as part of its investment strategy. Use of these 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. Mortgage-backed securities are subject to prepayment risk and may be sensitive to changes in prevailing interest rates. The value of some mortgage-related or asset-backed securities may be particularly sensitive to interest rate changes, and there is no assurance that private insurers of the underlying mortgages or assets will meet their obligations.

The Morningstar Fund Manager of the Year Award winners are chosen based upon Morningstar's own research and in-depth evaluation by its senior editorial staff.

The Lehman Brothers Aggregate Bond Index is an unmanaged index of investment grade, U.S. dollar-denominated fixed-income securities of domestic issuers having a maturity greater than one year.

Standard deviation is an absolute measure of volatility measuring dispersion about an average which, for a mutual fund, depicts how widely the returns varied over a certain period of time. The credit quality of the investment in the portfolio does not apply to the stability or safety of the portfolio. Duration is a measure of a portfolio's price sensitivity expressed in years. When interest rates rise, bond prices generally fall; bonds of longer duration tend to be more sensitive to changes in interest rates, usually making them more volatile than fixed-income securities of shorter duration.

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Investment Products

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