

**P CLASS**

As of December 31, 2009

**PORTFOLIO MANAGER**

Mihir P. Worah

**FUND STATISTICS**

Effective Duration (yrs)	6.63
Effective Maturity (yrs)	8.97
Average Quality	AA+

**SECTOR DIVERSIFICATION (%)**

	Duration Weighted
<b>Inflation-Linked Bond Exposure</b>	
United States	81
United Kingdom	0
Europe	0
Canada	0
Other	0
<b>Non Inflation-Linked Bond Exposure</b>	
United States	11
United Kingdom	0
Europe	3
Canada	0
Other	1
Net Cash Equivalent	4

Ticker  
PRLPXCUSIP  
72201M636Inception of Fund  
01/29/1997Fund Assets  
\$16.8 BN

## PIMCO Real Return Fund

### FUND DESCRIPTION

The Real Return Fund is an actively managed intermediate duration portfolio that provides exposure to the universe of U.S. Treasury Inflation Protection Securities (TIPS). TIPS are government bonds that provide a return linked to the rate of U.S. inflation as measured by the Consumer Price Index. If held to maturity, TIPS provide a government guaranteed return of principal tied to inflation, which represents an investor's real purchasing power. The Fund's benchmark is the Barclays Capital U.S. TIPS Index.

### INVESTOR BENEFITS

This Fund is designed to help investors protect and enhance the purchasing power of their investment. TIPS can help provide a hedge against rising inflation and can also improve portfolio diversification because other financial assets, such as stocks or bonds, may underperform in periods of higher inflation.

Potential benefits of this Fund include:

- Aims to provide real return (return above inflation)
- Low volatility
- Diversification relative to other financial assets

### THE FUND ADVANTAGE

This Fund combines the benefits of TIPS as an asset class with PIMCO's active management expertise. The Fund seeks to capture the returns of the TIPS universe and consistently outperform the benchmark by leveraging PIMCO's disciplined investment process, global investment team and focus on risk management.

### VALUE OF INFLATION PROTECTION STRATEGIES

An allocation to PIMCO inflation-protection strategies may be beneficial as part of a diversified portfolio. Real assets, which include inflation-linked bonds, commodities and real estate, tend to exhibit a positive correlation to inflation. By contrast, traditional assets such as stocks and bonds have historically underperformed when inflation has surprised to the upside. The benefit of this positive correlation to inflation is that real assets can improve portfolio diversification, help hedge inflation risk, and help enhance and preserve the future purchasing power of investments.

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

### Inflation Protection Strategies

All Asset

CommodityRealReturn<sup>®</sup>

Real Return

Real Return Asset

RealEstateRealReturn  
Strategy

RealRetirement

**P CLASS**

As of December 31, 2009

**BASIC FACTS**

Total Annual Operating Expenses	0.86%
Total Annual Expenses Ex-Interest	0.55%
Dividend Frequency	Daily Accrual

**PERFORMANCE CHARACTERISTICS**

SEC 30-Day Yield (%)	2.93
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**ABOUT THE BENCHMARK**

Benchmark Duration (yrs) 6.15

Barclays Capital U.S. TIPS Index is an unmanaged market index comprised 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. Performance data for this index prior to October 1997 represents returns of the Barclays Capital Inflation Notes Index. It is not possible to invest directly in an unmanaged index.

**PERFORMANCE (net of fees)**

	10 yrs	5 yrs	3 yrs	1 yr	6 mos	3 mos
<b>PIMCO Fund (%)</b>	8.04	4.93	7.39	18.85	7.72	2.18
<b>Benchmark (%)</b>	7.70	4.63	6.69	11.41	4.90	1.76

*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](http://www.pimco-funds.com) or by calling (800) 927-4648.*

The P Class inception on 04/30/2008, which may be different than the inception date of the Fund. Performance returns for a share class prior to its inception date are calculated by reducing the actual monthly dividend distributions (fixed income) or monthly total return (equity) of the Fund's Institutional Shares (Administrative Class by 0.25% and P Class by 0.10%).

**LIPPER CLASSIFICATION**

Treasury Inflation Protected Securities

**LIPPER RANKINGS\***

	1 yr
<b>Fund Rank</b>	4
<b>No. of Funds</b>	130
<b>Quartile</b>	1st

\* 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 high performance of this portfolio is due to exceptional performance in the sector. This level of performance is not guaranteed and should not be expected in the future. 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.

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. 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).

Inflation-linked bonds (ILBs) issued by a government are fixed-income securities whose principal value is periodically adjusted according to the rate of inflation; ILBs decline in value when real interest rates rise. Treasury Inflation-Protected Securities (TIPS) are ILBs issued by the U.S. Government. 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. High-yield, lower-rated, securities involve greater risk than higher-rated securities; portfolios that invest in them may be subject to greater levels of credit and liquidity risk than portfolios that do not. 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. The Fund is non-diversified, which means that it may concentrate its assets in a smaller number of issuers than a diversified fund.

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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