May 2010

Fund Commentary –
PIMCO Global Bond Fund

Allianz Global Investors

- The Fund invests at least two-thirds of its assets in a diversified portfolio of fixed income instruments denominated in major world currencies.
- The Fund may invest wholly through financial derivative instruments collateralized debt obligations, credit default swaps and asset-backed securities in order to meet its investment objective and such investment policies or portfolio management techniques may as a result lead to a higher volatility to the net asset value of the Fund. Please refer to the "General Risk Factors" of the respective prospectus for details.
- Financial derivative instruments may be used to reduce risk but may involve risks different from, or possibly greater than, the risks associated with investing in bonds. Therefore the Fund may not be suitable for investors who wish to invest in funds that invest solely in bonds, which are commonly perceived as low-risk products.
- Investing in any of the instruments mentioned above may involve substantial credit/counterparty, market and liquidity risks. Given the nature of this Fund, an investment in the Fund may not be suitable to hold as a substantial part of an investor's assets and the entire value of your investment may be lost.
- The investment decision is yours, but unless the intermediary and/or investment adviser who sells it to you has explained why and how investing in it would be consistent with your investment objective, risk profile, and unique situation, and has thereupon advised you that it is suitable for you, you should not enter into this investment.
- In making investment decisions, investors should not solely rely on the information contained in this material.

Investment Objective

The Fund invests at least two-thirds of its assets in a diversified portfolio of fixed income instruments denominated in major world currencies.

What happened in the market

Financial markets were marred by elevated sovereign concerns and potential cooling in China. Equities and risk assets sold off across markets while government yields declined. Most central banks maintained low rates to facilitate economic recovery; Reserve Bank of Australia, following the six rate hikes since last October, raised rates by 25 basis points to 4.50% in May 2010. Risk aversion led most currencies to underperform the USD and the JPY, while the EUR and CHF were among the worst-performing currencies.

Outlook and strategy

Positive trends fueled by fiscal and monetary stimulus as well as inventory rebuilding in developed economies over the cyclical timeframe are likely to face structural or secular headwinds. Pace of global recovery will likely continue to differentiate across countries due to varying degrees of initial conditions entering into the financial crisis of 2008. Private sector deleveraging and weak demand for credit from both business and household sectors remain hurdles for a self-sustained recovery.

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Past performance, or any prediction, projection or forecast, is not indicative of future performance.

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Unit value and income therefrom may fall or rise. Investment involves risks, in particular, risks associated with investment in emerging and less developed markets. Investors should read the fund prospectus, available from the local representative or any of its appointed distributors, for further details including the risk factors, before investing.

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