

# PIMCO Low Duration Fund

## A conservative core bond investment

Focused on shorter-term securities, PIMCO Low Duration Fund is a solid core bond investment that provides broad market exposure. Following PIMCO's signature total return philosophy and process, it employs a variety of strategies to enhance return potential and help reduce overall portfolio risk. Note that the Fund is not designed for short-term trading.

## Why invest in this fund?

### Greater return potential than shorter-term bond funds

Because of its 1- to 3-year duration range, the Fund typically offers a yield advantage over money market or short-term bond funds. The Fund also uses multiple value-added strategies—such as credit analysis and sector emphasis—in an effort to enhance returns and manage risk. This approach has helped the Fund deliver solid short- and long-term results.

### Impressive long-term track record

By employing various value-added strategies to boost potential return and manage overall risk, PIMCO Low Duration Fund has managed not only to produce solid short-term results but has delivered a consistent track record of positive returns for every two-year period for 20 years.

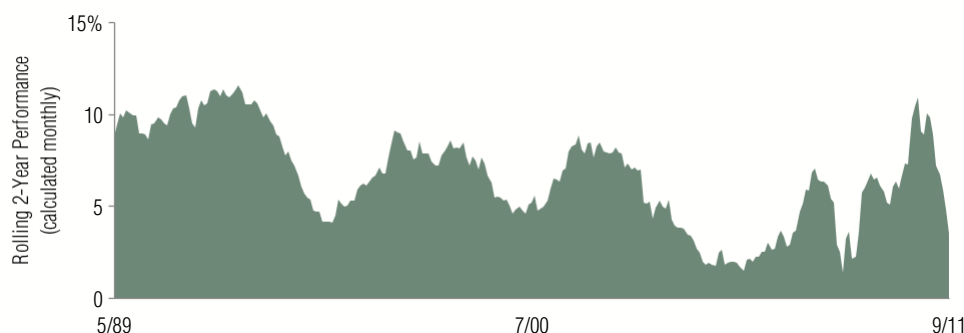
### Lower potential volatility than longer-term bond funds

Historically, PIMCO Low Duration Fund has been less volatile than intermediate- or long-term bond funds. In addition, the Fund has generated a positive return over every 2-year period in its history. Of course, the Fund may not generate the return potential of longer-term bonds and may also be more volatile than money market funds.

### Managed by one of the world's foremost fixed-income investors

The Fund is managed by Bill Gross, founder and co-CIO of PIMCO and widely acknowledged as one of the world's most successful fixed-income investors. He and his team were named Morningstar "Fixed-Income Manager of the Year (1998, 2000 and 2007), and Morningstar Fixed-Income Manager of the Decade for 2000-2009".

### Positive results over every two-year period since 1987



The initial date on the chart represents the 2-year period from 5/87 - 5/89. Month over Month rolling 2-year periods reflect performance from 5/31/87-9/30/11. The returns reflect a hypothetical investment in the PIMCO Low Duration Fund on 5/31/87, and no subsequent purchases. The performance information above represents the returns of Institutional shares.

Average Annual Total Returns as of 9/30/11	1-yr.	3-yr.	5-yr.	10-yr.	Inception*
PIMCO Low Duration Fund Institutional at NAV	0.78%	6.70%	5.15%	4.32%	6.45%
BofA Merrill Lynch 1-3 Year Treasury Index	1.20%	2.39%	3.84%	3.31%	5.58%
Lipper Short Invstmnt Grade Debt Fund Average	0.79%	4.10%	3.36%	3.19%	5.30%

If this material is used after 12/31/11, 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 [www.PIMCO.com/investments](http://www.PIMCO.com/investments).

### Fund Data

Fund Inception Date	May 11, 1987
Total Fund Assets (in millions)	\$21,342.4
Inst. Share Expense Ratio	0.46%
Inst. Share 30-day SEC Yield	1.36%
Portfolio Manager	Bill Gross

Calendar Year Returns	'01	'02	'03	'04	'05	'06	'07	'08	'09	'10	YTD
PIMCO Low Duration Fund Institutional at NAV	8.00%	7.65%	2.97%	2.39%	1.55%	3.75%	7.92%	-1.28%	13.36%	4.96%	0.57%
BofA Merrill Lynch 1-3 Year Treasury Index	8.30%	5.75%	1.90%	0.91%	1.67%	3.96%	7.32%	6.61%	0.78%	2.35%	1.36%
Lipper Short Invstmnt Grade Debt Fund Average	7.31%	4.88%	2.86%	1.58%	1.54%	4.15%	4.68%	-2.86%	9.42%	3.95%	0.89%

\* Index and Lipper performance comparisons begin on 4/30/87. 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.

# PIMCO Low Duration Fund

## Portfolio Manager



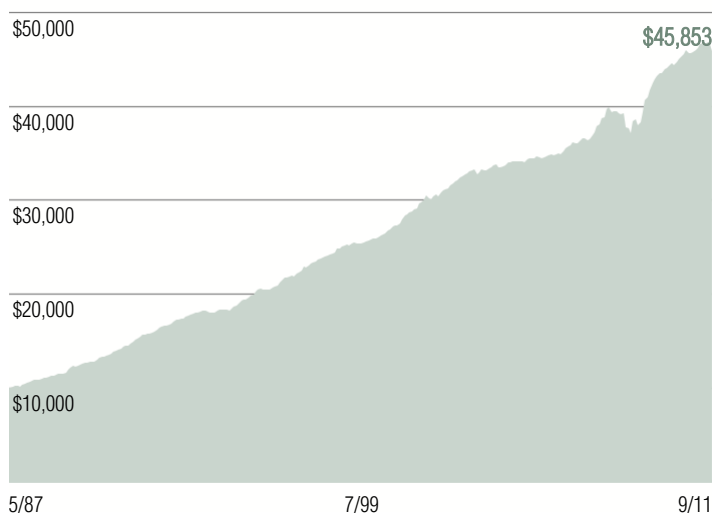
**Bill Gross**

Mr. Gross is a founder, managing director and co-CIO of PIMCO. Based in Newport Beach, he oversees the management of more than \$1 trillion of fixed income securities. He is the author of numerous articles on the bond market as well as the book, "Everything You've Heard About Investing is Wrong," published in 1997. Among the awards he has received, Morningstar named Mr. Gross and his investment team Fixed Income Manager of the Decade for 2000-2009 and Fixed Income Manager of the Year for 1998, 2000, and 2007 (the first three-time recipient of Manager of the Year). He was also the first portfolio manager inducted into the Fixed Income Analysts Society's hall of fame for his contributions to fixed income analysis and portfolio management. He has 41 years of investment experience and holds an MBA from the Anderson School of Management at the University of California, Los Angeles and a bachelor's degree from Duke University.

## PIMCO

PIMCO is a leading global investment management firm, with offices in 10 countries throughout North America, Europe and Asia. Founded in 1971, PIMCO offers a wide range of innovative solutions to help millions of investors worldwide meet their needs. Our goal is to provide attractive returns while maintaining a strong culture of risk management and long-term discipline.

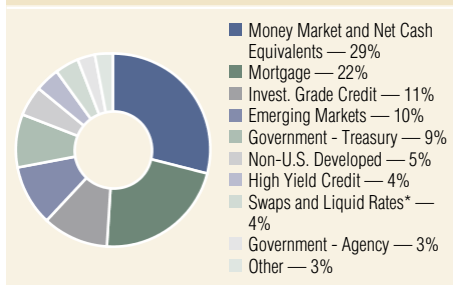
## Growth of \$10,000



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

## Portfolio Analysis

### Sector Breakdown



### Maturity

<1 Year	20%
1-3 Years	39%
3-5 Years	31%
5-10 Years	9%
10-20 Years	1%
<b>Average Maturity</b>	<b>3.83 Years</b>
<b>Average Duration</b>	<b>2.94 Years</b>

**A word about risk:** Fixed income investments are subject to interest rate risk; their value will normally decline as interest rates rise. The Fund may invest in non-U.S. securities, with a portion in foreign currency denominated securities, with a percentage in high-yield securities, and may at times invest in mortgage-related 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. 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. When interest rates rise, the value of fixed-income securities generally declines. This 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.

*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 financial advisor or by visiting [www.PIMCO.com/investments](http://www.PIMCO.com/investments). Please read them carefully before you invest or send money.*

**Past performance is no guarantee of future results.** All data is as of 9/30/11 unless otherwise indicated. Holdings are subject to change. The Morningstar Fund Manager of the Year and Decade Award winners are chosen based upon Morningstar's own research and in-depth evaluation by its senior editorial staff. The Morningstar Fund Manager of the Decade Award winners are chosen based upon Morningstar's own research and in-depth evaluation by its senior editorial staff. The award recognizes fund managers who achieved excellent risk-adjusted results over the past 10 years (2000-2009) and have an established record of serving shareholders well. Morningstar also takes into consideration other factors, including the fund manager's strategy, approach to risk, size of the fund and stewardship. Morningstar Inc. is an independent investment research firm that compiles and analyzes fund, stock and general market data. The BofA Merrill Lynch 1-3 Year Treasury Index is an unmanaged index that tracks the performance of the direct Sovereign debt of the U.S. Government having a maturity of at least 1 year and less than 3 years. 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. The SEC Yield is a standardized annual yield based on the most recent 30-day period. It is calculated in accordance with current Securities and Exchange Commission regulations and is subject to change. 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. \* Includes US dollar denominated interest rate swaps, swaptions, options, and other rate related derivatives. Other portfolio derivatives, where applicable, may be included as part of other sectors based upon their underlying risk characteristics. © 2011 PIMCO advised funds are distributed by PIMCO Investments LLC.

### Investment Products

Not FDIC Insured | May Lose Value | Not Bank Guaranteed