A company of Allianz Global Investors

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.

An Introduction on PIMCO's Small Cap StocksPLUS® Total Return Fund to:

City of Alexandria

July 14, 2011

PIMCO

Biographical Information

Ignacio Galaz

Mr. Galaz is a vice president and account manager in the New York office, focusing on institutional client servicing. He joined PIMCO in 2000 and worked most recently as a senior associate in account management in New York and previously as a trading assistant on the short-term bond desk in Newport Beach. He has 10 years of investment experience and holds an MBA from the MIT Sloan School of Management and an undergraduate degree from Chapman University.

Steven L. Jones, CFA

Mr. Jones is a senior vice president and product manager for PIMCO's derivatives-based and active equity strategies in the Newport Beach office. He was previously on the short-term portfolio management team and also held positions in account management. Prior to joining PIMCO in 2000, he was an analyst at a hedge fund-of-funds investment management firm. He has 13 years of investment experience and holds an MBA from the Paul Merage School of Business at the University of California, Irvine. He received his undergraduate degree from the University of California, Riverside.

Rushant Sanathara

Mr. Sanathara is a vice president and account manager with the consultant relations team in the New York office. He joined PIMCO in 2001 and has held various roles within the organization, most recently as a senior associate within the consultant relations group. He holds an MBA in finance from the Paul Merage School of Business at the University of California, Irvine. He received an undergraduate degree from California State University, Fullerton.

StocksPLUS® Strategy Profile

As of March 31, 2011

Goal: Outperform the index consistently using a liquid and transparent risk-controlled process

- Inception date: July, 1986
- $27.1 billion under management
- 130 StocksPLUS® clients*
- Governed by PIMCO's overriding investment philosophy:
  - Capture diversified sources of incremental return
  - Focus on the long-term
  - Never lose sight of the risks

* Including investors in our StocksPLUS® commingled vehicles.

How Does Small Cap StocksPLUS® Total Return Work?

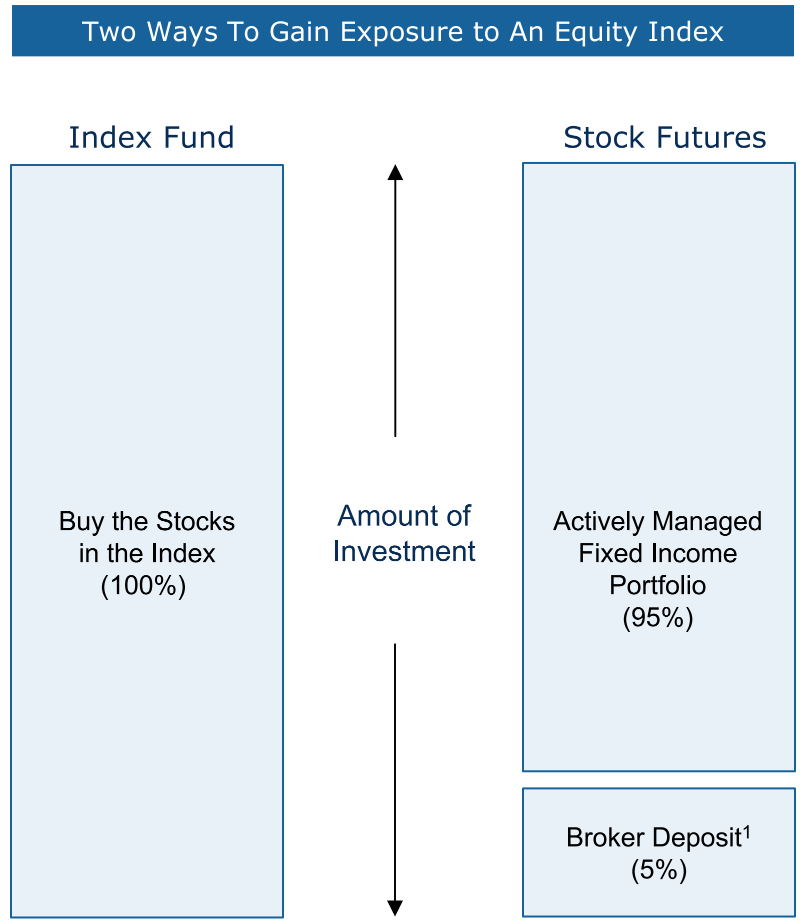
Small Cap StocksPLUS® Total Return = Non-Leveraged Russell 2000 Index Exposure + Total Return Fixed Income[1]

- Buy and hold stock index futures or swaps to provide stock market exposure
- Attempt to enhance returns with active management of fixed income portfolio backing the futures positions
- No risk of underperformance relative to the index due to adverse stock selection

[1] Duration range 1 year to [BCAG +2 years]
Refer to Appendix for additional index and risk information

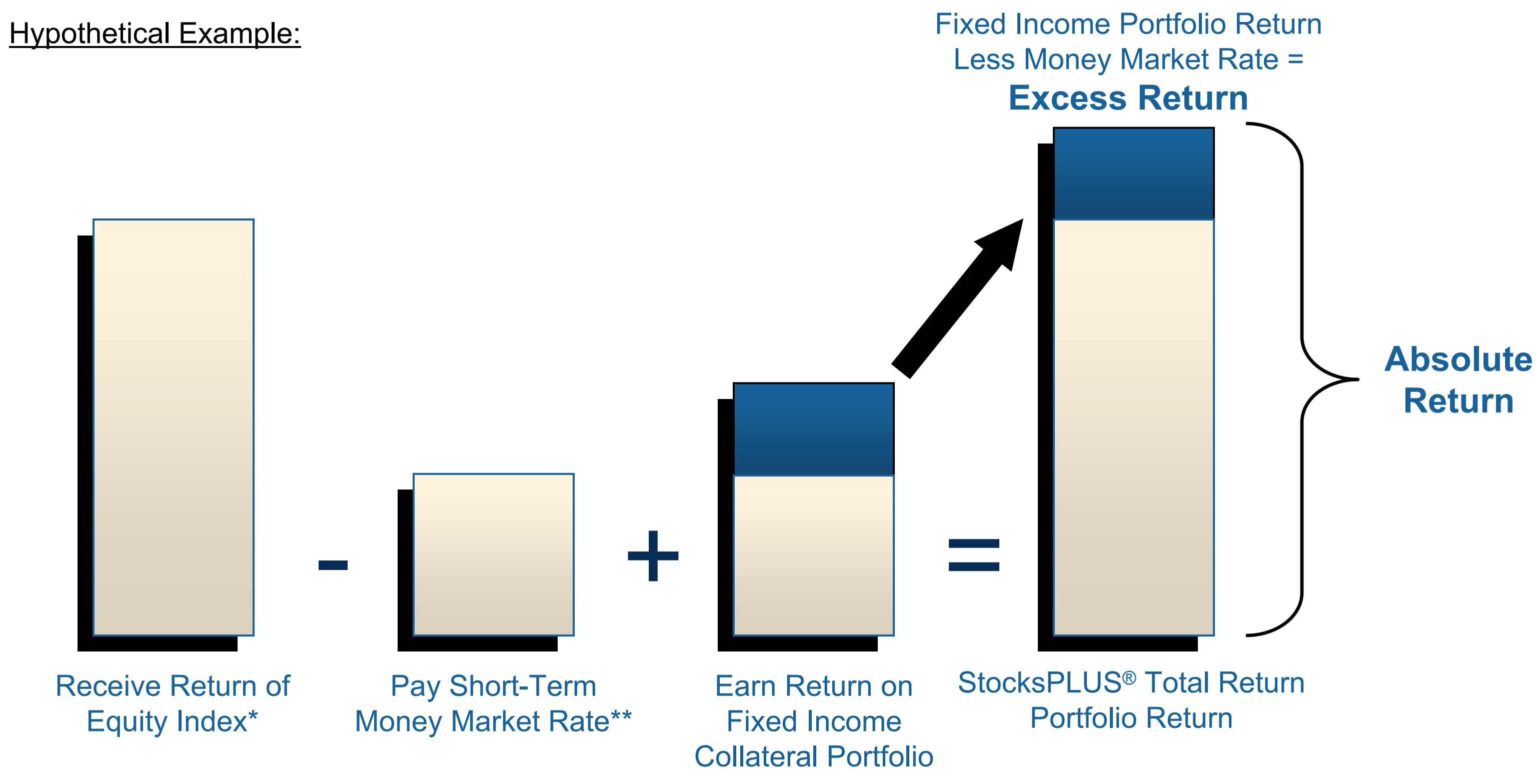
Why Obtain Equity Market Exposure Using Futures Instead of Buying Stocks?

- Physical stock purchases typically require cash outlay of 100% of total investment
- Futures provide underlying index exposure, but only require a small cash outlay[1]
- Cost of obtaining equity exposure using futures is low (short-term money market interest rate)
- Majority of cash available to be invested in high quality fixed income portfolio that may provide:
  - Modest price risk for long-term investors
  - Attractive yield premium relative to money-market rate



[1] Initial margin requirement will vary by equity index futures contract.
Refer to Appendix for additional investment strategy and risk information.

How Does the StocksPLUS® Total Return Strategy Attempt to Add Value?



- Goal: Achieve return on fixed income portfolio that exceeds short-term money market rate
- Non-leveraged equity exposure managed with focus on minimizing short-term money market rate paid

* Equity index as specified by the account mandate/investment guidelines.

** Short-term interest rate paid generally constrained to LIBOR by short, uncertain time horizon of majority of buyers of stock index futures; total return swaps generally specify a cost of LIBOR +/- a spread.

Hypothetical example for illustrative purposes only.

Refer to Appendix for additional hypothetical example and risk information.

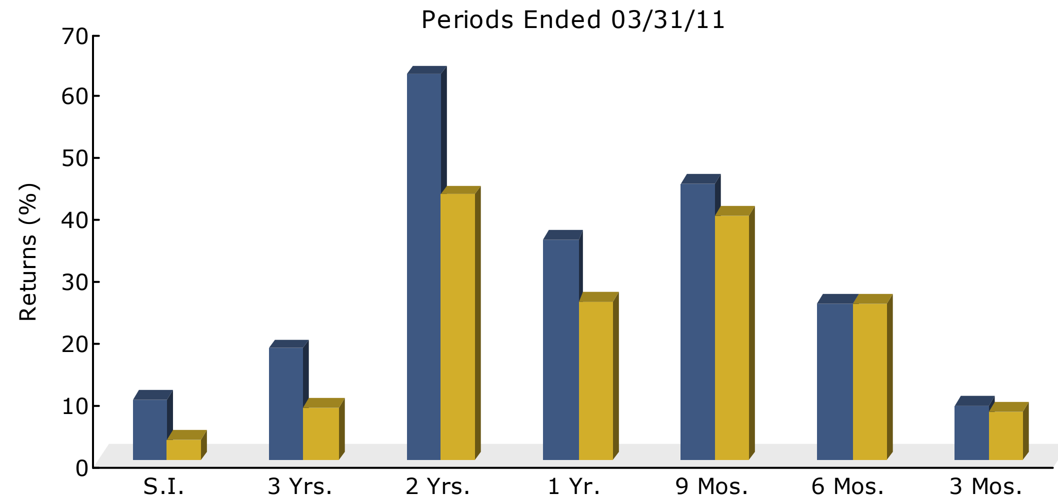
Why Use High Quality Fixed Income to Enhance Equity Returns?

- The bond market offers structural sources of incremental yield to long-term investors
- These four yield premiums can form the basis of an active fixed income strategy
- Importantly, in periods of equity market stress, fixed income may benefit from a flight to quality

Market Source	Method of Adding Value
Term Premium	▪ Extend and maintain broad exposure to the yield curve, capture additional value offered across the yield curve
Credit Premium	▪ Hold securities with lower credit quality than money markets across multiple sectors to capture diversification and yield benefits
Transactional Illiquidity Premium	▪ Own securities that are less liquid and higher yielding than money market instruments
Volatility Premium	▪ Employ strategies designed to benefit from implied volatility premiums (example: mortgages)

Structural, yield-based source of excess returns may be a compelling compliment to or substitute for traditional active management

How Has the PIMCO Small Cap StocksPLUS® Total Return Fund Performed?



PIMCO Small Cap StocksPLUS® TR Fund
(Inception:03/31/06)

	S.I.	3 Yrs.	2 Yrs.	1 Yr.	9 Mos.	6 Mos.	3 Mos.
Before Fees (%)	10.63	19.00	63.69	36.70	45.62	25.92	9.05
■ After Fees (%)	9.86	18.19	62.60	35.77	44.88	25.50	8.87
■ Russell 2000 Index (%)	3.35	8.56	43.08	25.79	39.65	25.48	7.94
Value Added After Fees (bps)	651	963	1952	998	523	2	93

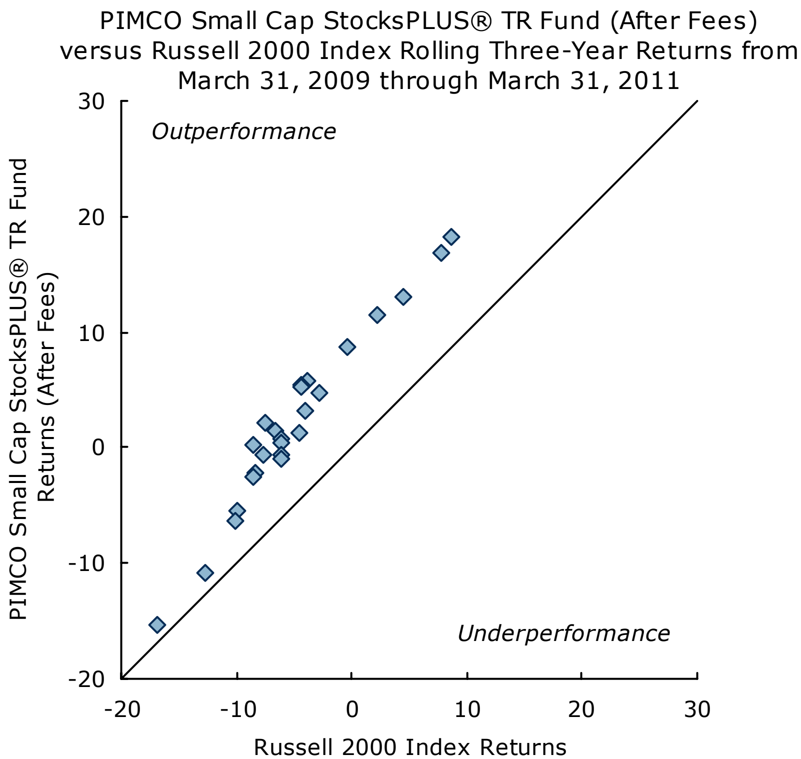
Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and principal value will fluctuate, so that fund shares may be worth more or less than their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

The high relative performance of this portfolio is partially due to exceptional performance of the fixed income markets. This level of outperformance is not guaranteed and should not be expected in the future.
Refer to Appendix for additional performance and fee, index, and risk information.

Performance Over Three Year Periods

As of March 31, 2011

- Fund outperformed market index 25 out of 25 annualized, monthly rolling three-year periods after fees



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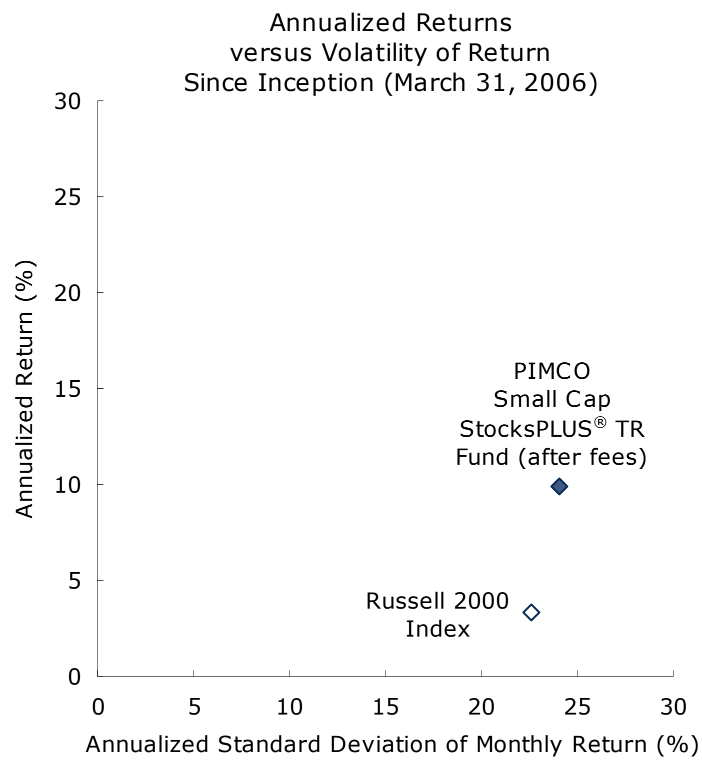
Refer to Appendix for additional performance and fee, chart, index, and risk information.

Performance vs. Volatility of Return

As of March 31, 2011

- No excess equity market/stock selection risk relative to the index
- Historical attractive structural alpha
- Limited downside risk relative to index



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Refer to Appendix for additional performance and fee, index, and risk information.

Additional Potential Advantages of PIMCO's Small Cap StocksPLUS® Strategies

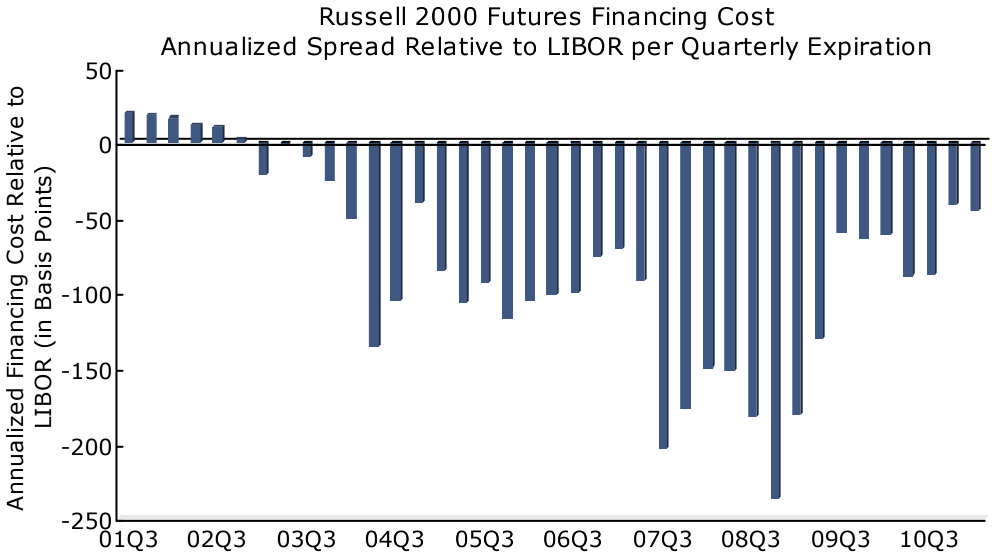
- Capacity
  - May be difficult to find successful small cap managers who are open to new business
  - StocksPLUS® generally does not face similar capacity constraints
- Potential Cost Savings
  - Russell 2000 futures tend to roll below "fair value"
  - StocksPLUS® does not require trading of less liquid, costly to trade small cap stocks

Refer to Appendix for additional index information

Russell 2000 Futures Financing Cost Tends to be Below LIBOR

As of March 31, 2011

- Russell 2000 futures tend to roll cheap because of the associated supply/demand imbalance



SOURCE: Goldman Sachs from 01Q3 through 05Q3 and PIMCO thereafter
Refer to Appendix for additional index information

Why Consider Small Cap StocksPLUS® Total Return?

- Diversification of risk in overall equity allocation
  - Alpha is likely not correlated with other active equity management strategies
  - Bonds may provide anchor against volatile equity markets
- Potential for consistent outperformance over most 3 - 5 year periods
  - Structural excess return (yield premium) relative to 3-month LIBOR
  - Harnesses PIMCO's proven fixed income capabilities
- Potential for continued cheapness in the Russell 2000 futures contract
- No capacity constraints

Refer to Appendix for additional index information.

Additional Information

PIMCO Equity Derivatives Trading and Execution Expertise

As of March 31, 2011

PIMCO Trading and Execution Platform

Market Trading

- We believe that our ability to dedicate the resources, expertise and risk management that we do to the management of our equity index derivatives-based strategies in particular is a key differentiating factor in our approach
- We have been managing equity index derivatives, including futures, total return swaps, and OTC and listed options, since the inception of our StocksPLUS strategy nearly 25 years ago
- Our size may also benefit our clients in terms of our ability to gain cost-efficient trade execution. All trades are executed on a best efforts basis and relationships are maintained with those dealers who are consistently able to provide the best prices.
- Another potential benefit of our size is that we typically deal directly with the heads of the dealer trading desks. This access and level of insight into what is going on in the market is a vital resource.
- We have trading relationships with many counterparties, over 20 of which we trade OTC derivatives

Operational / Infrastructure

- We have umbrella ISDA and CSA documentation in place with all OTC derivative counterparties
- PIMCO's size and market position helps it to negotiate tight ISDA and CSA terms, e.g. frequent collateral posting for exposures in excess of $250k
- This umbrella structure makes it straightforward to trade derivatives on behalf of clients as these can simply be added to the umbrella structure. Consequently, clients do not typically need to get involved in legal negotiations of derivative contracts
- PIMCO takes care of collateral management of derivative positions as part of the management of the portfolio
- This is part of PIMCO's standard offering.
- Ability to trade under client negotiated ISDA's

Refer to Appendix for additional investment strategy and risk information.

Team Approach Capitalizes on PIMCO's Broad, Deep Expertise

Global
Scott Mather
Mike Amey
Andrew Balls
Andreas Berndt
Felix Blomenkamp
Andrew Bosomworth
Richard Clarida
Anna Cortes Gonzalez
Kumaran Damodaran
Ed Devlin
Ben Emons
Julian Foxall
Sachin Gupta
Tadashi Kakuchi
Mike Kim
Thomas Kressin
Chia Liang Lian
Matthieu Louanges
Tomoya Masanao
Robert Mead
Roland Mieth
Kendall Miller
Matthew Mulcahy
Lorenzo Pagani
Saumil Parikh
Alex Potthof
Brendon Shvetz
Michael Sonner
Luke Spajic

Credit Research
Christian Stracke
Filip Adamec
Shantanu Agrawal*
David Andrews
David Behenna
Philippe Bodereau
Zeljka Bosner
Robert Boyd
Mark Chin
Tracy Chin
Steven Chuang
Juergen Dahlhoff
Ben Ehlert
Adam Grubner*
Richard Hofmann
Jiaying Huang
Terrence Ing
Sean Jutahkiti
Hojung Kang
Zubin Kapadia
Greg Kennedy*
Michael Levinson
Wen-Wen Lindroth
Matthieu Loriferne
Brad Marr
Sean McCarthy
Steve Moyer*
Raja Mukherji
Joseph Narens
Chris Neumeyer*
Josh Olazabal
Steve Pawliczek
Maren Proeve
Roland Ruebesam
Christian Schuetz
Maiko Tamura
Michael Watchorn*
Charles Watford
Christian Wild
Jonathan Yip
Jinhy Yoon
Tobias Zechbauer

Long Duration/LDI
Steve Rodosky
Mike Amey
Amit Chopra
Ed Devlin
Sachin Gupta
Mohit Mittal
Mark Kiesel
Vlad Putyatin

Risk Management
Bill De Leon
Chee Yang Lam
Arjun Madan
Juergen Martinschledde
Dan Peng
Matt Putnicki
Kristen Walters
Quizhu Yu

Emerging Markets
Michael Gomez
Ramin Toloui
Francesc Balcells
Novruz Bashirov
Kumaran Damodaran
Tim Haaf
Chia Liang Lian
Isaac Meng
Roland Mieth
Markus Mueller
Brigitte Posch
Lupin Rahman
Javier Romo

Commodities
Mihir Worah
Nic Johnson

Equities
Tim Bruenjes
Vlad Cara
Ewan Markson-Broiwn
Amit Mehta
Nate Velarde
Niall Hession
Eden Simmer

EM Equities
Masha Gordon
Melissa Tuttle

Portfolio Analytics
Ravi Mattu
Shefali Agarwal
Bhanu Arora
Warren Chou
Stefan De Wachter
Ran Duan
Hui Long
Peter Matheos
Rama Nambimadom
Sebastien Page
Niels Pedersen
Wendong Qu
Steve Schulist
Myck Schwetz
Vadim Yasnov

Inflation-linked
(TIPS/ILB, Commodities, RE)
Mihir Worah
Michael Althof
Michael Amey
Ed Devlin
Nic Johnson
Tadashi Kakuchi
Tomoya Masanao
Kendall Miller
Rahul Seksaria

StocksPLUS
William Gross
Chris Dialynas
Saumil Parikh
Marc Seidner

Generalists
Chris Dialynas
Mohamed El-Erian
William Gross
Mark Kiesel
Curtis Mewbourne
Saumil Parikh
Marc Seidner

High Yield
Andrew Jessop
Hozef Arif
Nagendra Jayanty
Thomas Lange
Richard Mak
Axel Potthof
Luke Spajic
Christian Stracke
Eve Tournier
Jason Williams

Pathfinder
Anne Gudefin
Charles Lahr
Rebecca Babin
Mark Cooper
Patrick Lawler

Govt/Fut/Opt/Swaps
Steve Rodosky
Andrew Bosomworth
Chris Kemp
Lorenzo Pagani
Rahul Seksaria
Ivan Skobtsov
Josh Thimons
Qi Wang
Mihir Worah

Quantitative Portfolios
Vineer Bhansali
Chris Caltagirone
Josh Davis
Matt Dorsten
Jason England
Mukund Kumar

Asset Allocation
Mohamed El-Erian
Vineer Bhansali
Josh Davis
Jason England
Gregg Hazlett
Andrew Hoffmann
Curtis Mewbourne
Mark Taborsky

Mortgages/ABS
Scott Simon
Josh Anderson
Sharad Bansal
Jesse Brettingen
Devin Chen
Bill Cumby
Shannon Erdmann
Haidi Gu
Dan Hyman
Dan Ivascyn
John Lawrence
Ji Li
Alfred Murata
John Murray
Jean-Sebastien Paley
Ying Qiu
Kent Smith
Marco van Akkeren

Short-Term
Jerome Schneider
Scott Berman
Tony Crescenzi
Saumil Parikh
Kane Shieh
Andrew Wittkop

Bank Loan
Jason Duko
Elizabeth MacLean

Convertibles
Jon Horne
Thomas Lange
Jason Williams

Municipals
John Cummings
Chris Brune
Steve Chuang
Vicken Kalaydjian
Joe Narens
Ryan Watkins

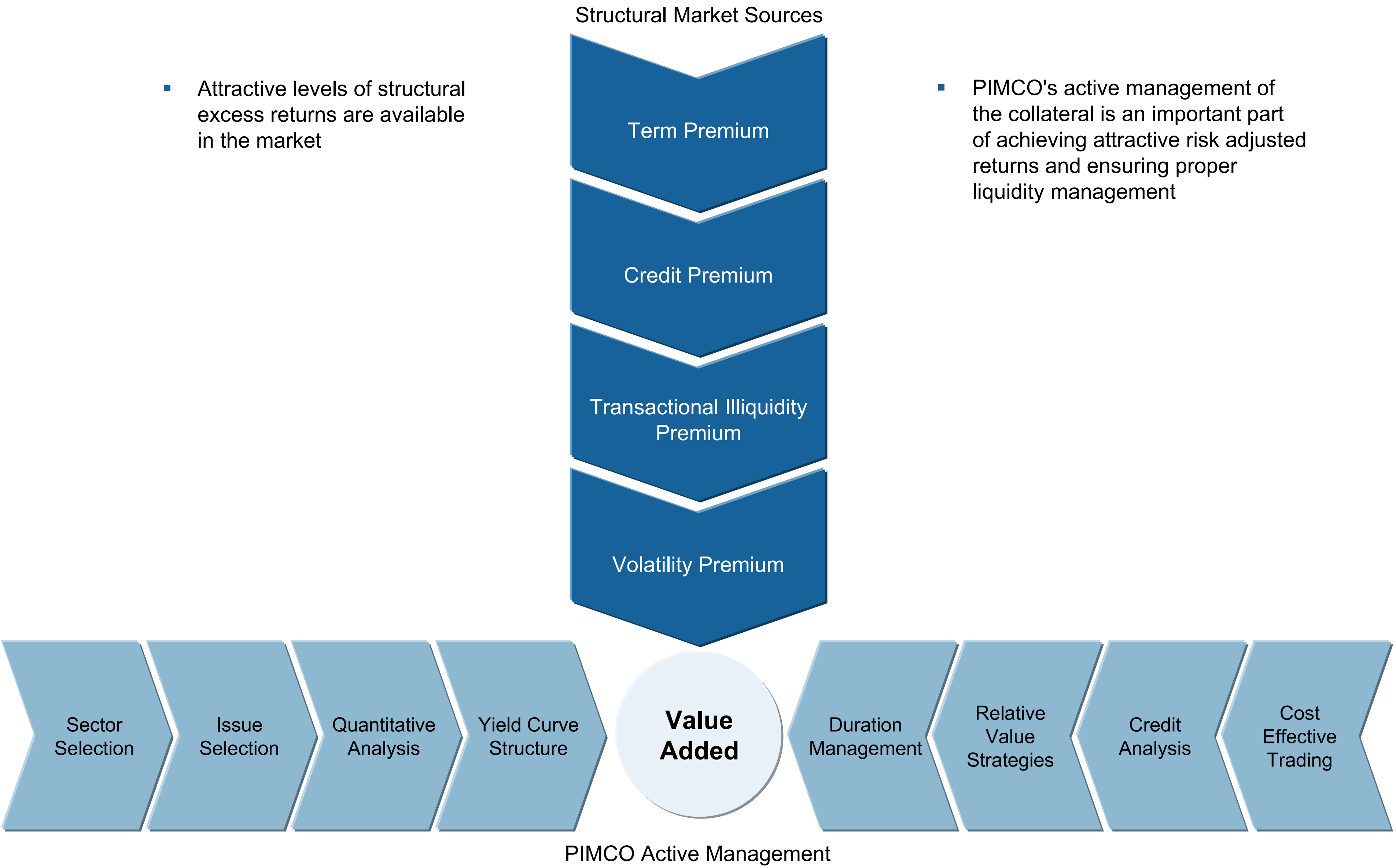
Investment Grade Credit
Mark Kiesel
Amit Arora
Andreas Berndt
Michael Brandl
Jelle Brons
Ed Devlin
Yuri Garbuzov
Jeff Helsing
Hans-Jöerg Herlan
Jon Horne
Thomas Lange
Tomoya Masanao
Robert Mead
Mohit Mittal
Ketish Pothalingam
Michael Sonner
Luke Spajic
Alex Struc
Eve Tournier
Natalie Trevithick

As of May 25, 2011
* Distressed Credit Research Specialists.

PIMCO

Outlook for StocksPLUS® Attractive Over Near and Longer Term

- Attractive levels of structural excess returns are available in the market
- PIMCO's active management of the collateral is an important part of achieving attractive risk adjusted returns and ensuring proper liquidity management



Refer to Appendix for additional investment strategy and risk information.

Appendix

Performance and Fee

Past performance is not a guarantee or a reliable indicator of future results. The performance figures presented reflect the total return performance for Institutional Class shares (after fees) and reflect changes in share price and reinvestment of dividend and capital gain distributions. All periods longer than one year are annualized

Chart

Performance results for certain charts and graphs may be limited by date ranges specified on those charts and graphs; different time periods may produce different results.

Investment Strategy

There is no guarantee that these investment strategies will work under all market conditions and each investor should evaluate their ability to invest for a long-term especially during periods of downturn in the market. No representation is being made that any account, product, or strategy will or is likely to achieve profits, losses, or results similar to those shown.

Risk

Investing in the bond market is subject to certain risks including market, interest-rate, issuer, credit, and inflation risk. 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 while generally backed by a government, government-agency or private guarantor there is no assurance that the guarantor will meet its 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. Investing in securities of smaller companies tends to be more volatile and less liquid than securities of larger companies. Equities may decline in value due to both real and perceived general market, economic, and industry conditions. Investing in securities of smaller companies tends to be more volatile and less liquid than securities of larger companies. 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. Swaps are a type of privately negotiated derivative; there is no central exchange or market for swap transactions and therefore they are less liquid than exchange-traded instruments.

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.

Strategy Availability

Strategy availability may be limited to certain investment vehicles; not all investment vehicles may be available to all investors. Please contact your PIMCO representative for more information.

Appendix

Appendix

Index Descriptions

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.

Barclays Capital Long Term Government/Credit Index is an unmanaged index of U.S. Government or Investment Grade Credit Securities having a maturity of 10 years or more.

The BofA Merrill Lynch U.S. Dollar 1 Month LIBOR (London Interbank Offered Rate) Index is an average interest rate, determined by the British Bankers Association, that banks charge one another for the use of short-term money (1 month) in England's Eurodollar market.

The Research Affiliates Fundamental (RAFI) 1000 Index is composed of the 1000 largest publicly-traded U.S. companies. Unlike other indexes, which are frequently comprised of stocks weighted according to their market capitalization, the RA Fundamental 1000 Index is weighted by a combination of normalized sales, normalized cash flow, book values and, if applicable, normalized dividends. PIMCO has entered into a licensing agreement with Research Affiliates to provide the composition and weighting of the stocks in the RA Fundamental 1000 Index to PIMCO.

The FTSE RAFI Emerging Markets Index is part of the FTSE RAFI Index Series, launched in association with Research Affiliates, LLC. As part of FTSE Group's range of non-market cap weighted indices, the FTSE RAFI Index Series weights index constituents using four fundamental factors, rather than market capitalization. These factors include dividends, cash flow, sales, and book value. The FTSE RAFI Emerging Markets Index is designed to provide investors with a tool to enable investment in emerging markets while using fundamental weightings methodology. The FTSE RAFI Emerging Markets Index consists of the 350 companies with the largest RAFI fundamental values, selected from the constituents of the FTSE Emerging Markets Index.

The MSCI EAFE (Morgan Stanley Capital International Europe, Australasia, Far East Index) is an unmanaged index of over 900 companies, and is a generally accepted benchmark for major overseas markets. Index weightings represent the relative capitalizations of the major overseas markets included in the index on a U.S. dollar adjusted basis.

The Morgan Stanley Capital International All Country World Index ("MSCI ACWI") is a market capitalization weighted index composed of over 2000 companies, and is representative of the market structure of 22 developed countries in North America, Europe, and the Pacific Rim. The index is calculated separately; without dividends, with gross dividends reinvested and estimated tax withheld, and with gross dividends reinvested, in both U.S. Dollars and local currency.

The Morgan Stanley Capital International All Country World ("MSCI ACWI") ex-USA Index is a free float-adjusted market capitalization composed of about 2,000 securities across 47 developed and emerging market country indices. The index measures equity market performance in the global developed and emerging markets.

The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. Since June 2007 the MSCI World Index consisted of the following 23 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States. The index represents the unhedged performance of the constituent stocks, in US dollars.

The S&P 500 Index is an unmanaged market index generally considered representative of the stock market as a whole. The index focuses on the Large-Cap segment of the U.S. equities market.

It is not possible to invest directly in an unmanaged index.