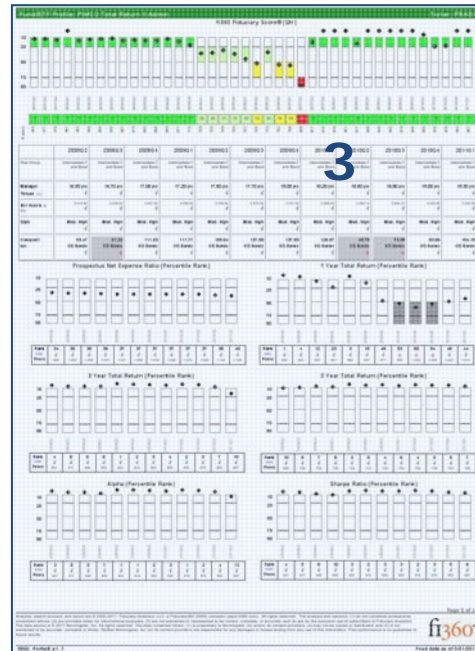
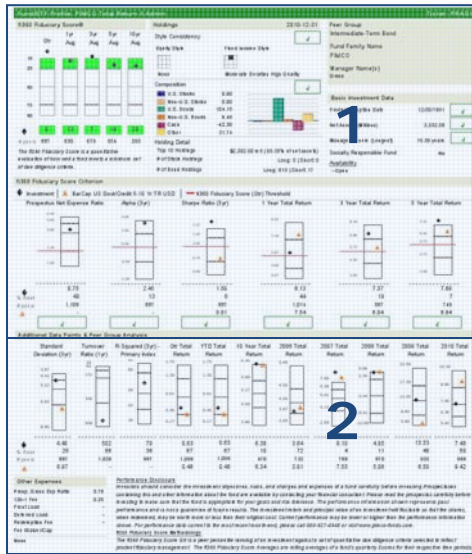


How to interpret the Investment Profile report

Overview

The Investment Profile report provides the user with the ability to quickly see how well an investment stacks up against its peers. The mutual fund, ETF and IGSA versions also review the fi360 Fiduciary Score[®] for each investment. There are three main components to the Investment Profile report:



1. Investment Basics and the fi360 Fiduciary Score (page 1 of each profile)
2. Additional Research, Performance History and Expense Information (page 1)
3. Historical fi360 Fiduciary Score (Quarter) and Historical Quartile Research (page 2)

We will look at these three sections in detail on the following pages. A fund profile will be used in this guide, but the other profiles follow a similar style. Please reference this page to understand what information is included in each section and how it can be useful to you.

As you will see, bar charts are used extensively in the reports to visually represent how an investment stacks up in relation to its peer group. To begin, let's review how we use bar charts before reading the report.

Bar Chart Basics

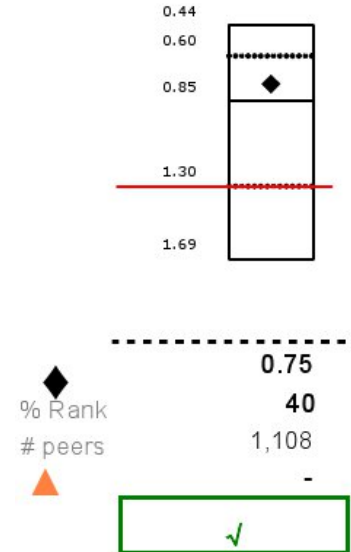
The fi360 bar chart illustrates a percentile breakdown of a peer group. A line is drawn at the 10th, 25th, 50th, 75th and 90th percentiles. The space between the different percentiles indicates the degree of dispersion (spread) and skewness in the data, and identifies outliers.

The investment is plotted using a diamond (◆) at its corresponding percentile (1-100) within the peer group. The closer the investment is to the top of the bar chart, the better it is compared to its peers. The percentile is displayed in the “% Rank” row for each chart. On select bar charts, an index is also plotted using a triangle (▲) for additional comparison.

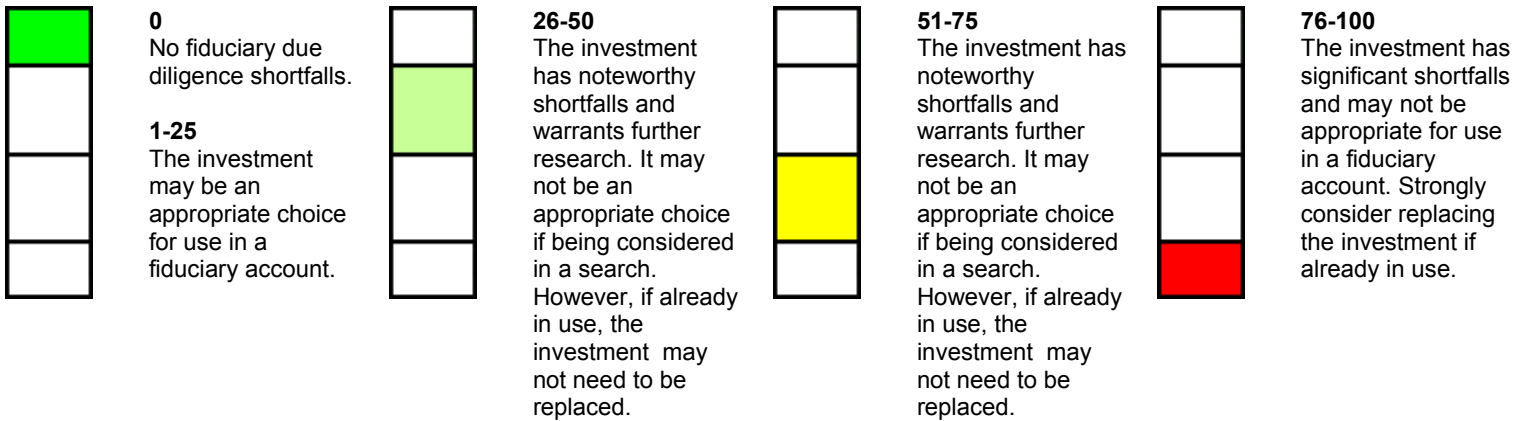
Lastly, for bar charts that represent a fi360 Fiduciary Score[®] factor, a red line (---) is drawn at the specified threshold. If the investment is above the red line, it meets the specified fi360 Fiduciary Score criterion and will show a (✓). If the investment falls below the red line, it does NOT meet the specified fi360 Fiduciary Score criterion and will therefore show a (X).

Bar Chart Example

Prospectus Net Expense Ratio



fi360 Fiduciary Score[®] Bar Charts



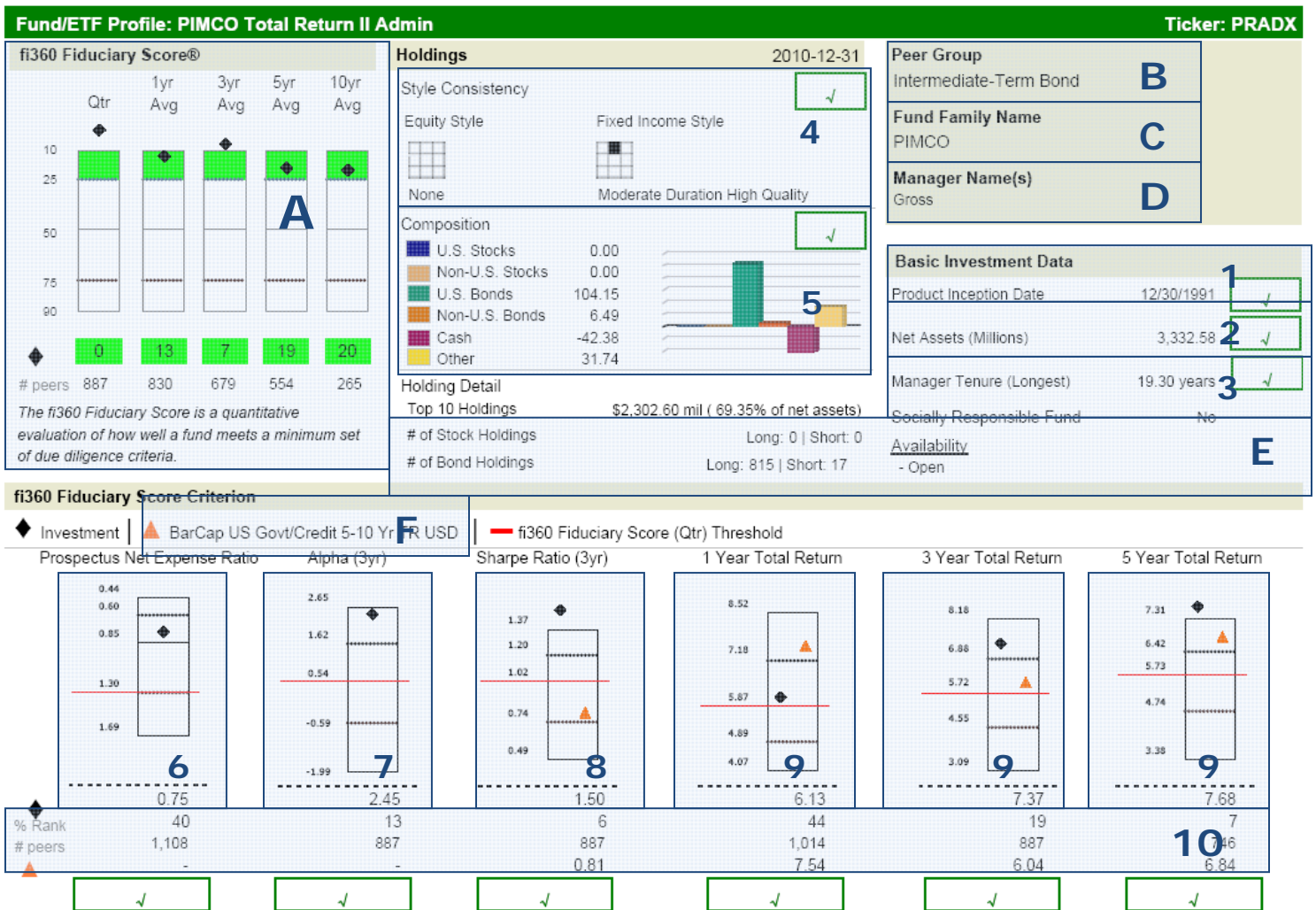
Calculation of fi360 Bar Charts/Rankings

All of the bar charts are created using the following process:

1. For fund profiles, we combine raw Morningstar mutual fund and ETF data for all share classes. The separate account and variable annuity profiles simply use raw Morningstar data. IGSA Profiles utilize the Fund database for their peer group data.
2. We use the Morningstar Categories as our peer groups.
3. We calculate the peer group percentiles (10th, 25th, median, 75th and 90th).
4. We then calculate a percentile ranking (1-100)* for the investment compared to its peer group and plot the investment (diamond) on the bar chart (peer group) at its corresponding location. If the investment does not have data available for a particular data point, 'N/A' is shown on the report.

*The fi360 Fiduciary Score bar charts can also have a value of 0 which indicates that the investment has passed all of the due diligence criteria and is at the top of its peer group. Visit fi360.com/fi360-Fiduciary-Score for the complete methodology.

Investment Basics and the fi360 Fiduciary Score



Investment Basics and the fi360 Fiduciary Score (continued)

- 1. Inception Date** – The date on which the investment began its operations. Investments with long track records offer more history by which investors can assess overall investment performance. However, another important factor to consider is the portfolio manager and his or her tenure with the investment.
- 2. Assets (\$Mil)** – The month-end net assets of the investment, recorded in millions of dollars. Assets are totaled across all share classes of a mutual fund. Net-asset figures are useful in gauging an investment's size, agility, and popularity. They help determine whether a small company investment, for example, can remain in its investment-objective category if its asset base reaches an ungainly size.
- 3. Manager Tenure (yr)** – The number of years that the current manager has been managing the investment. In the case of a team structure, the senior most managers' tenure is shown. A manager with a long tenure will be more directly attributable to the overall performance of the portfolio than a manager who was hired recently.
- 4. Style Consistency** – A comparison is made of the investment's peer group (3-year style average) and the current Morningstar style box (for the quarter). You can use this criterion to evaluate if the investment has "drifted" from its peer group and from the original intent of your purchase. This screen is not applied to all peer groups.
- 5. Composition** – The screened investment can have no more than 20% of the portfolio invested in "unrelated" asset class securities. For example, a Large-Cap Growth product should not hold more than 20% in cash, fixed income and/or international securities. This screen is not applied to all peer groups.
- 6. Prospectus Net Expense Ratio** – The percentage of investment assets used to pay for operating expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the investment, except brokerage costs. Fund expenses are reflected in the fund's Net Asset Value. Sales charges are not included in the expense ratio. The expense ratio for fund of funds is the aggregate expense ratio defined as the sum of the wrap or sponsor fees plus the estimated weighted average of the underlying fund fees. The management fee is used in the evaluation of IGSA's. It is the maximum percentage deducted from an investment's average net assets to pay an advisor or sub-advisor. An investment's higher expense ratio will "drag" on the overall performance of the investment compared to peers with a lower expense ratio.
- 7. Alpha (3 year)** – A measure of the difference between an investment's actual returns and its expected performance, given its level of risk as measured by beta. A positive alpha figure indicates the investment has performed better than its beta (or expected return) would predict. In contrast, a negative alpha indicates the investment underperformed, given the expectations established by the investment's beta. All MPT statistics (alpha, beta, and R-squared) are based on a least-squared regression of the investment's return over Treasury bills (called excess return) and the excess returns of the investment's benchmark index.*
- 8. Sharpe Ratio (3 year)** – A risk-adjusted measure developed by Nobel Laureate William Sharpe. It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the investment's historical risk-adjusted performance. The Sharpe ratio is calculated for the past 3 year period by dividing an investment's annualized excess return by the standard deviation of an investment's annualized excess return. Since this ratio uses standard deviation as its risk measure, it is most appropriately applied when analyzing an investment that is an investor's sole holding. The Sharpe Ratio can be used to compare two investments directly on how much risk an investment had to bear to earn excess return over the risk-free rate.

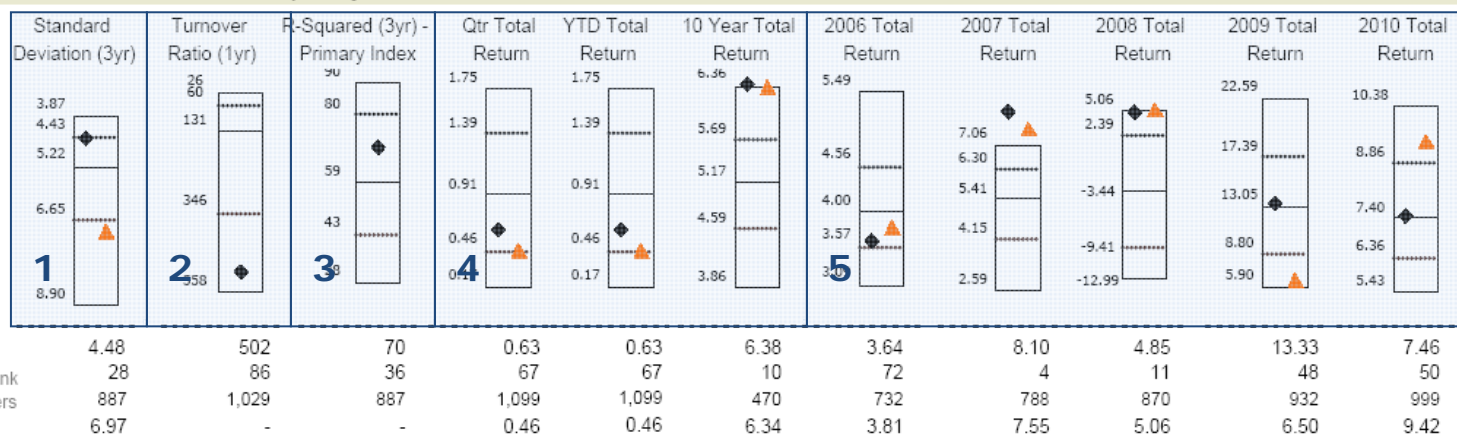
* See appendix.

Investment Basics and the fi360 Fiduciary Score (continued)

9. **1-, 3-, and 5- Year Total Returns** – Expressed in percentage terms, Morningstar's calculation of total return is determined each month by taking the change in monthly net asset value, reinvesting all income and capital-gains distributions during that month, and dividing by the starting NAV. Reinvestments are made using the actual reinvestment NAV, and daily payoffs are reinvested monthly. Unless otherwise noted, Morningstar does not adjust total returns for sales charges (such as front-end loads, deferred loads and redemption fees), preferring to give a clearer picture of an investments performance. The total returns do account for management, administrative, 12b-1 fees and other costs taken out of investment assets. Total returns for periods longer than one year are expressed in terms of compounded average annual returns (also known as geometric total returns), affording a more meaningful picture of investment performance than non-annualized figures.
10. **Number of Peers** – A count of the number of investments within a specific peer group for a particular data point such as 1-year return or Alpha. This number represents the total number of investments used to calculate the peer group rankings for each data point. The peer group sizes are helpful to determine if the investment research was created against a meaningful size of comparable peers.

Additional Research, Expense Information, and Performance History

Additional Data Points & Peer Group Analysis



Other Expenses	
Prop. Gross Exp Ratio	0.78
12b-1 Fee	0.25
Front Load	-
Deferred Load	-
Redemption Fee	-
Fee Waiver/Cap	-
None	10

Performance Disclosure

Investors should consider the investment objectives, risks, and charges and expenses of a fund carefully before investing. Prospectuses containing this and other information about the fund are available by contacting your financial consultant. Please read the prospectus carefully before investing to make sure that the fund is appropriate for your goals and risk tolerance. **The performance information shown represents past performance and is not a guarantee of future results.** The investment return and principal value of an investment will fluctuate so that the shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance information shown. For performance data current to the most recent month-end, please call 800-927-4648 or visit www.pimco-funds.com.

fi360 Fiduciary Score Methodology

The fi360 Fiduciary Score Qtr is a peer percentile ranking of an investment against a set of quantitative due diligence criteria selected to reflect prudent fiduciary management. The fi360 Fiduciary Score Averages are rolling averages of a fund's quarterly Scores for their respective time periods.

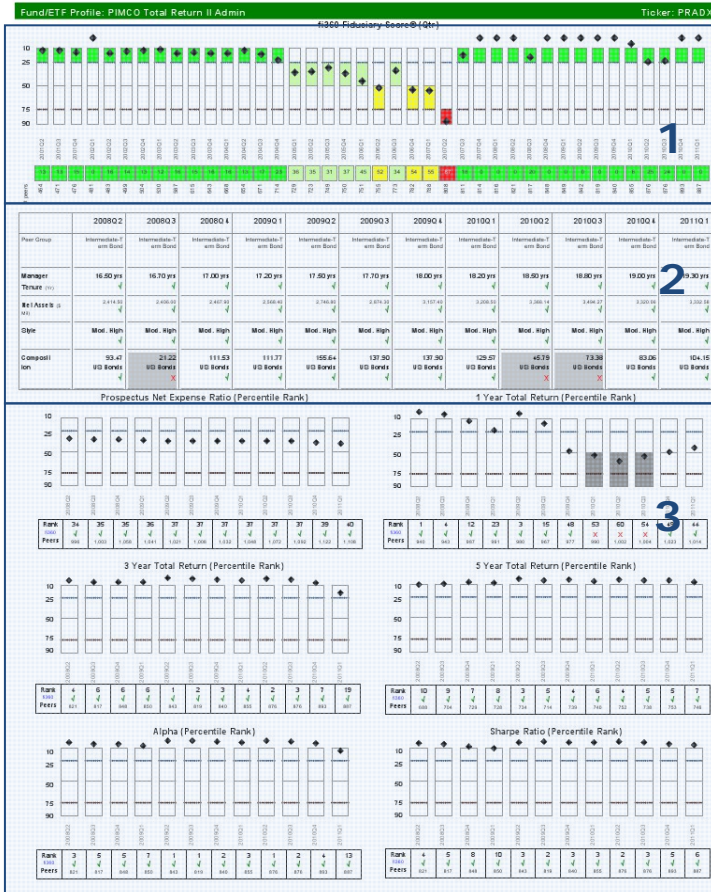
- 1. Standard Deviation (3 year)** – A statistical measurement of dispersion about an average, which, for an investment, depicts how widely the returns varied over a certain period of time. Investors use the standard deviation of historical performance to try to predict the range of returns that are most likely for a given investment. When an investment has a high standard deviation, the predicted range of performance is wide, implying greater volatility. If the investment is the only holding in an investor's portfolio, then it is an appropriate measure of risk. The figure cannot be easily calculated for more than one investment because the standard deviation for a portfolio of multiple investments is a function of not only the individual standard deviations, but also of the degree of correlation among the investments returns. If an investment's returns follow a normal distribution, then approximately 68 percent of the time they will fall within one standard deviation of the mean return for the investment, and 95 percent of the time within two standard deviations. Morningstar computes standard deviation using the trailing monthly total returns for the appropriate time period. All of the monthly standard deviations are then annualized.
- 2. Turnover Ratio (1 year)** – A measure of the investments trading activity computed by taking the lesser of purchases or sales (excluding all securities with maturities of less than one year) and dividing by average monthly net assets. A turnover ratio of 100% or more does not necessarily suggest that all securities in the portfolio have been traded. In practical terms, the resulting percentage loosely represents the percentage of the portfolio's holdings that have changed over the past year. A higher Turnover Ratio can indicate that higher trading costs may impact the performance of the investment.
- 3. R-Squared (3 year)** – Reflects the percentage of an investment's movements that can be explained by movements in its benchmark index.* An R-squared of 100 indicates that all movements of an investment can be explained by movements in the index. Thus, index funds that invest only in S&P 500 stocks will have an R-squared very close to 100. Conversely, a low R-squared indicates that very few of the investments movements can be explained by movements in its benchmark index. An R-squared measure of 35, for example, means that only 35% of the investments movements can be explained by movements in the benchmark index. R-squared can be used to ascertain the significance of a particular beta. Generally, a higher R-squared will indicate a more reliable beta figure. If the R-squared is lower, then the beta is less relevant to the investments performance.

Additional Research, Expense Information, and Performance History (continued)

4. **QTR, YTD, 10 Yr, and Total Return** – Expressed in percentage terms, Morningstar's calculation of total return is determined each month by taking the change in monthly net asset value, reinvesting all income and capital-gains distributions during that month, and dividing by the starting NAV. Reinvestments are made using the actual reinvestment NAV, and daily payoffs are reinvested monthly. Unless otherwise noted, Morningstar does not adjust total returns for sales charges (such as front-end loads, deferred loads and redemption fees), preferring to give a clearer picture of an investment's performance. The total returns do account for management, administrative, 12b-1 fees and other costs taken out of investment assets. Total returns for periods longer than one year are expressed in terms of compounded average annual returns (also known as geometric total returns), affording a more meaningful picture of investment performance than non-annualized figures.
5. **Calendar Year Returns** – Total returns calculated on a calendar-year basis. The annual return for an investment will be the same as its trailing 12-month total return, only at year-end.
6. **Prospectus Gross Expense Ratio** – Gross Expense Ratio represents the total gross expenses (net expenses with waivers added back in) divided by the investments average net assets. If it is not equal to the net expense ratio, the gross expense ratio portrays the investments expenses had the manager not waived a portion, or all, of its fees. Thus, to some degree, it is an indication of fee contracts. Some fee waivers have an expiration date; other waivers are in place indefinitely.
7. **12b-1 Fee** – Maximum annual charge deducted from investment assets to pay for distribution and marketing costs. Although usually shown as a percentage, this amount will occasionally be a flat figure. This information is taken directly from the investment prospectus, and includes distribution, service and other expenses incurred. Morningstar lists the maximum amount. Some 12b-1 fees are something of a hidden charge, because they are taken out of the NAV. Morningstar breaks the 12b-1 amount out of the expense ratio so investors know how much they are paying.
8. **Front Load/Deferred Load** – The front-end charge is a one-time deduction from a purchase made into the investment. The deferred load is a one-time charge paid at the time of the sale of the investment. The amount is relative to the amount of the investment, so that larger investments incur smaller rates of charge. The sales charge serves as a commission for the broker who sold the investment. Potential fees and sales charges are an important factor to consider before making an investment. The load compensates the broker or financial planner for the service of providing professional investment advice.
9. **Redemption Fees** – The redemption fee is an amount charged when money is withdrawn from the investment. This fee does not go back to the investment company, but rather into the investment itself and thus does not represent a net cost to shareholders. Also, unlike contingent deferred sales charges, redemption fees typically operate only in short, specific time clauses, commonly 30, 180, or 365 days. However, some redemption fees exist for up to five years. Charges are not imposed after the stated time has passed. These fees are typically imposed to discourage market timers, whose quick movements into and out of investment can be disruptive. The charge is normally imposed on the ending share value, appreciated or depreciated from the original value.
10. **Fee Waiver/ Cap** – The elimination of all or part of an investments expense or the cap or maximum fee charged by the portfolio manager. Some fee waivers and caps have an expiration date; others are in place indefinitely. Some investments adopt this practice at various times to make their returns more competitive.

* See appendix.

Historical fi360 Fiduciary Score® and Quartile Research (Page 2)



- 1. Historical fi360 Fiduciary Score (Qtr)** – The historical fi360 Fiduciary Score (Qtr) for the past ten years (if applicable). This gives you a great historical view of the investments fi360 Fiduciary Score.
- 2. Historical Quartile Research** –The first section of the Historical Quartile Research section provides specific historical data points for the corresponding data fields for the past three years. If the investment did not pass the fi360 Fiduciary Score criterion for a period, the data point will be shaded in gray.
- 3. Historical Quartile Research** – The second section displays the peer percentile placement and historical data points for the data fields for the past three years. If the investment did not pass the fi360 Fiduciary Score criterion for a period, the data point will be shaded in gray.

Analysis, research process, and report are © 2009-2011, Fiduciary Analytics, LLC, a Fiduciary360 (F360) company (www.f360.com). All rights reserved. The analysis and opinions (1) do not constitute professional investment advice; (2) are provided solely for informational purposes; (3) are not warranted or represented by the company, computer, or software used in the execution of our software or Fiduciary Analytics. The data sources is © 2011 Morningstar, Inc. All rights reserved. The data contained herein (1) is proprietary to Morningstar, Inc. and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted by the accuracy, complete or timely. Neither Morningstar, Inc. nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

Appendix

Morningstar uses a broad asset class index to calculate Alpha and R², not the Benchmark Index noted in the Investment Profile.

Broad Asset Class
U.S. Stock
International Stock
Municipal Bond
Balanced
Taxable Bond
Commodities
Alternative

Broad Asset Class Index
S&P 500 TR
MSCI EAFE NR USD
BarCap Municipal TR USD
Morningstar Moderate Target Risk
BarCap US Agg Bond TR USD
Morningstar Long-Only Commodity TR
ML USD LIBOR 3 Mon CM

For more information on the fi360 Fiduciary Score, please view the fi360 Fiduciary Score methodology document which can be found www.fi360.com/fi360-fiduciary-score.