

PIMCO

RECOMMENDED

Total Return (Core Fixed Income)

Firm Information:

Location: New York, NY
Year Founded: 1971
Total Employees: 1849

	Firm	Product
Assets (\$mil):	1,282,299	16,654
Accounts:	2,203	14,776

Key Personnel:

Bill Gross
 Chief Investment Officer
 Mohamed El-Erian
 Chief Executive Officer & Co-CIO
 Curtis Mewbourne
 Managing Director
 Mark Kiesel
 EVP
 Scott Simon
 Managing Director

Overview

Pacific Investment Management Company (PIMCO) is an institutional money manager specializing in fixed income management, headquartered in Newport Beach, CA. PIMCO was founded in 1971 as a subsidiary of Pacific Mutual (now known as Pacific Life) to expand the services of its parent to include separate account management of employee benefit plans, foundations and endowments.

Allianz Global Investors Managed Accounts, LLC, manages the PIMCO Total Return accounts using a model portfolio developed by PIMCO, an affiliated sub-advisor, as a guide. While Allianz Global Investors Managed Accounts generally intends to follow PIMCO's recommendations, as the account manager it has the discretion to accept or reject any investment recommendation and to deviate from the model portfolio. The remainder of the portfolio is managed by PIMCO in the form of commingled vehicles.

Process

The Total Return for Managed Accounts strategy has three to 15 taxable and tax-exempt bonds, that represent approximately 60% of the portfolio. The remaining 40% is invested in PIMCO's Fixed Income Shares ("FISH")*, which is comprised of 40-Act registered Mortgage-Backed Securities and investment-grade corporate sector funds. This product's design allows clients to participate in all sectors of the bond market, including governments, corporates, mortgages, asset-backed, emerging markets, and high yield.

In selecting securities, PIMCO considers the entire fixed income universe worldwide. The Investment Committee receives top-down input from its macro-economic forecasting process in which all PIMCO investment professionals participate. Bottom-up input on various fixed income sectors comes from teams of sector specialists with expertise and long experience in their particular sector. The sector specialists are supported by in-house analysis performed by a team of highly

seasoned analysts. PIMCO's Investment Committee operates on a team or consensus basis, so accounts with similar objectives and constraints will be structured similarly. Duration typically falls within +/- 2 years of the benchmark.

Securities are always sold when their credit analysis indicates that a company or a particular issue will become fundamentally flawed. A security is sold when it individually no longer represent good value, when superior risk/return potential exists in substitute positions, or when it no longer fits with the macroeconomic or structural strategies in the portfolio.

*The FISH Shares are registered under the Investment Company Act of 1940. As such, they are subject to Non-Resident Alien withholdings if purchased by Non-Resident Aliens. Please keep this in mind when offering the PIMCO Total Return strategy for Managed Accounts to overseas clients. FISH shares may not be purchased or held outside of the Masters program. When you terminate your investment in the portfolio, it will result in the automatic redemption of all FISH shares held by you or on your behalf. Please note that restrictions cannot be applied and PIMCO cannot harvest tax gain/loss requests from the pooled vehicle.

Summary

This strategy is good for investors looking to obtain broad, fixed income exposure for their asset allocation, and who are comfortable having some non-traditional securities in their portfolio. It is important that investors be aware of how PIMCO manages fixed income portfolios, so that investors can set appropriate expectations given this process.

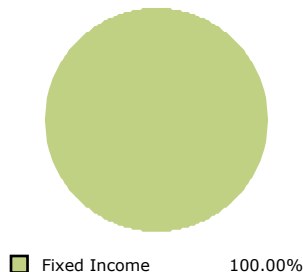
The performance data from Jan. 1, 2001, to the present represents a composite of all fully discretionary managed account portfolios with comparable investment objectives and risk managed by Allianz Global Investors Managed Accounts using PIMCO's Total Return model. From Dec. 1, 1989, to Dec. 31, 2000, the data represents a composite of fully discretionary PIMCO Total

Top 10 Holdings*

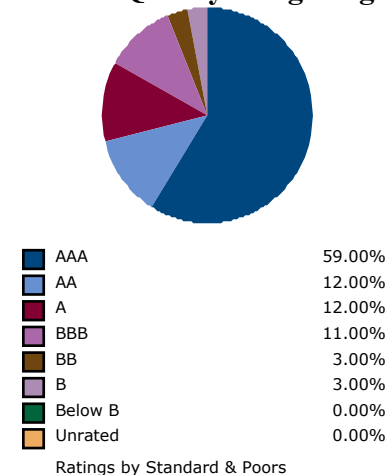
Security Name	Pct of Portfolio
ALLIANZ GLOBAL INV *	22.00%
ALLIANZ GLOBAL INV *	21.90%
US TREASURY	7.00%
US TREASURY	4.70%
US TREASURY	3.50%
US TREASURY	3.30%
FNMA PASS THRU	3.30%
FNMA PASS THRU	2.80%
FHLMC GOLD PASS THRU	2.80%

*The securities identified and described do not represent all of the securities purchased, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified were or will be profitable.

Asset Allocation



Credit Quality Weightings



Portfolio Characteristics

Avg Maturity: 5.29 Avg Duration: -- YTM: 3.92 Coupon Rate: 4.30

Return Fixed Income Full Authority institutional accounts managed by PIMCO. The performance of the Institutional Composite was restated in January 2003.

Although the portfolio characteristics of the resulting managed accounts will be similar to the institutional separate accounts, they will not be identical. It is important to note that PIMCO exercises discretion over the accounts included in the Institutional Composite, determining what and when to trade and executing those trades. While PIMCO exercises this discretion over the commingled vehicles, those securities constitute only a portion of a managed account portfolio. Because of the substantially higher asset level of institutional accounts, trading differences, and the fact that Allianz Global Investors Managed Accounts has discretion over a portion of the managed account portfolio, significant disparities may occur between the holdings, characteristics and performance of the managed accounts and the Institutional Composite. Despite these differences, Allianz Global Investors Managed Accounts believes the Institutional Composite is a reasonable representation of the Portfolio's management style and is sufficiently relevant for consideration by prospective investors.