

High Yield Bond

Fourth Quarter 2011 Profile

Objective

High Yield Bond seeks to deliver outperformance over time by investing in U.S. corporate high yield bonds benefiting from change that is not yet fully reflected in the market.

Philosophy

The team invests in companies poised to benefit from change.

- Investors react inefficiently to changing information
- Market inefficiency presents mispricing opportunities
- We strive to capitalize on those opportunities to earn excess return

Investment Process

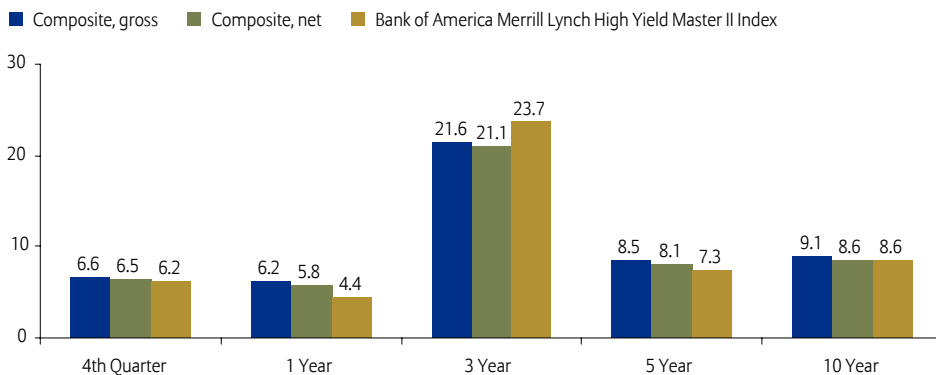
The team follows a disciplined, fundamental bottom-up research process, which facilitates the early identification of high yield issuers demonstrating their ability to improve their fundamental characteristics. The companies/issues selected for the portfolio exceed minimum credit statistics and exhibit the highest visibility of future expected operating performance.

The team looks for the following in its high yield investment candidates:

- Ability to exceed market expectations of operating earnings
- The potential for bond rating upgrades
- Debt reduction capabilities
- The ability to secure other sources of capital
- The potential to be recognized as an acquisition candidate

The High Yield Bond strategy has proven successful because it takes traditional high yield bond management and combines it with expertise in bottom-up company selection, superior information management and levers all fundamental research of the various components of the capital structure. The process includes the team's ability to identify and minimize credit risk through the use of its proprietary Upgrade Alert Model, and the early recognition and avoidance of companies that are likely to default on their obligations.

Performance (%)



All data as of December 31, 2011. Composite performance inception date April 1, 1994; Performance of less than one year has not been annualized. Past performance is not indicative of future results. Source: Allianz Global Investors Capital

Benchmark

Bank of America Merrill Lynch High Yield Master II Index

Research Universe

U.S. corporate bonds with below investment grade ratings from one or more of the three major rating agencies.

Typical Number of Holdings

80-120

Investment Team

Douglas G. Forsyth, CFA

William (Brit) L. Stickney

Justin Kass, CFA

Michael E. Yee

Joanna Willars

David A. Foster, CFA

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David Oberto

Allianz Global Investors Capital

We provide investment solutions across a variety of equity, fixed income and alternative asset classes. With best-in-class support functions to complement investment innovation and discipline, we seek to deliver insight, clarity and reliability.

High Yield Bond

Product Data

All data as of December 31, 2011, unless otherwise noted. Performance data reflect High Yield Bond Composite returns; all other information reflects representative account data. Composite inception: April 1, 1994.

Characteristics	High Yield	Bank of America Merrill Lynch HY Master II Index
Number of Holdings	98	2,003
Average Quality	B1	B1
Yield to Maturity (%)	8.8	8.5
Coupon (%)	8.7	8.2
Duration (Yrs.)	4.0	4.3
Average Maturity (Yrs.)	6.5	6.8

Credit Quality Breakdown (%)

BBB and above	2.2	0.0
BB	16.1	45.0
B	71.5	39.6
CCC and lower	6.2	15.4

Source: Allianz Global Investors Capital

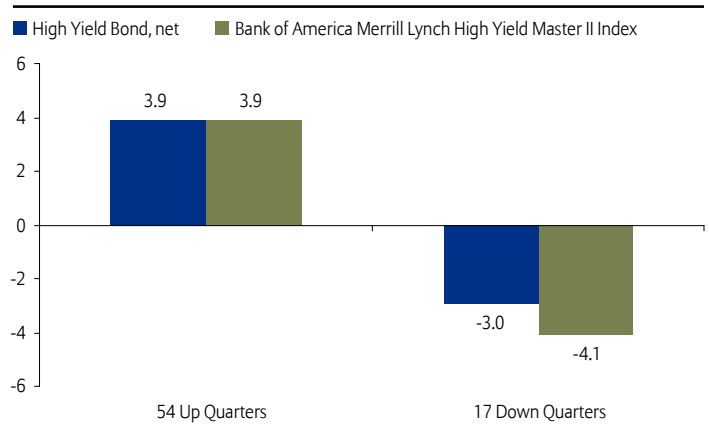
Top Ten Holdings (%)

Portfolio	Percentage
National Money Mart Co	1.6
MGM Resorts Intl	1.6
Swift Services Hldgs Inc	1.6
Neiman Marcus Group Inc	1.5
Aircastle Ltd	1.5
DineEquity Inc	1.5
Quality Distribution Inc.	1.5
Energy XXI Gulf Coast Inc	1.5
American Axle & Mfg Inc	1.4
Breitbart Energy	1.4

Top ten holdings are determined by portfolio weight.

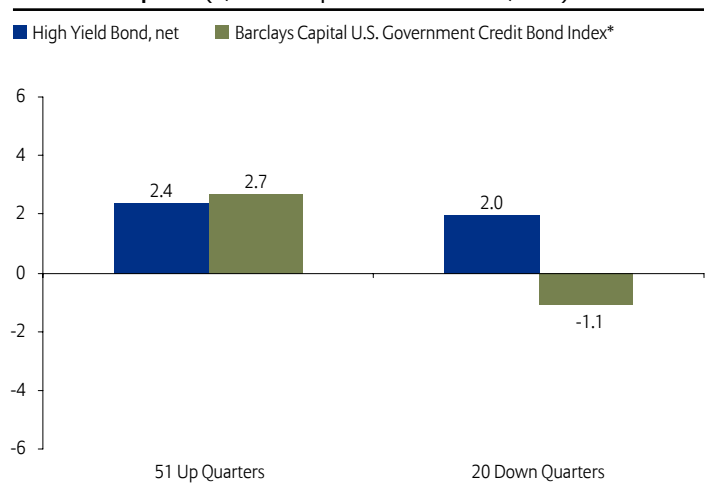
Source: Allianz Global Investors Capital

Market Participation (% From Inception to December 31, 2011)



Source: Allianz Global Investors Capital

Market Participation (% From Inception to December 31, 2011)



* The Barclays Capital U.S. Government Credit Bond Index is a composite made up of U.S. government Treasury and agency securities as well as high grade corporate bonds.

Source: Allianz Global Investors Capital

Allianz Global Investors Capital ("AGIC") was formed from the combination of three affiliates: NFI Investment Group ("NFI"), Nicholas-Applegate ("NACM"), and Oppenheimer Capital ("OpCap"). In July 2010, all employees of NACM and OpCap became employees of AGIC, and the transition of management of client assets from NACM and OpCap to AGIC was initiated. AGIC provides oversight with respect to the investment management services provided by NFI, as well as non-investment functions including marketing, operations, technology, legal/compliance, and client service. AGIC and NFI are SEC registered investment advisers. AGIC claims compliance with the Global Investment Performance Standards (GIPS). AGIC is an SEC registered investment adviser that provides investment management and advisory services primarily to separate accounts of institutional clients, and registered and unregistered investment funds. For GIPS purposes, the Firm is defined and held out to the public as the investment management and advisory services provided by AGIC and its SEC registered investment adviser subsidiary NFI Investment Group LLC, excluding (i) administrative and/or sub adviser oversight services, and (ii) separately managed account (wrap) services. The firm's list of composite descriptions, as well as information regarding the firm's policies for valuing investments, calculating performance, and preparing compliant presentations, are available upon request by contacting (619) 687-2800. Past performance is not indicative of future results. The strategy may not achieve its desired results. Gross returns do not give effect to investment advisory fees, which would reduce such returns. All returns presented are calculated using U.S. dollars unless otherwise noted. Advisory fees are deducted periodically from the account and have an impact on performance. As an example, the effect of investment advisory fees on the total value of a portfolio assuming (a) \$1,000,000 investment, (b) portfolio return of 5% per year, and (c) 1.00% annual investment advisory fee would be \$10,268.81 in the first year, \$56,741.68 over five years, and \$129,160.05 over ten years. Actual fees charged may vary by portfolio due to various conditions, including account size. Investment advisory fees are described further in Form ADV Part 2A Brochure. Where "net of fee" performance is indicated, actual fees charged were used for performance calculations. The asset and industry reports contained herein are unaudited. The summation of dollar values and percentages reported may not equal the total values, due to rounding discrepancies. Portfolio characteristics are derived using currently available data from independent research resources that are believed to be accurate. Estimates (est.) are preliminary and unaudited. 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Indexes do not utilize leverage. Index calculations do not reflect fees, brokerage commissions or other expenses of investing. Investors may not make direct investments into any index. Index data contained herein (and all trademarks related thereto) are owned by the indicated index provider, and may not be redistributed. The information herein has not been approved by the index provider. Currency conversions are provided by Russell Performance Universe and are based on monthly linked performance converted from U.S. dollar. Exchange rates are provided by the Federal Reserve Statistical Release as of month end. Market participation is based on the average of quarterly returns in up and down markets as determined by the benchmark's performance. "Representative Holdings" are as of the date indicated and are subject to change without notice. Holdings are selected based on size of positions, from a representative account. Representative account characteristics and partial lists of past recommendations do not reflect composite performance, which may be different. Additional information regarding account characteristics, and a complete list of all representative buys and sells for the last 12 months is available upon request. Portfolio and benchmark characteristics for this strategy are provided by FactSet, and calculated according to FactSet methodology.

The High Yield Composite (the "Composite") consists of accounts that invest primarily in below investment grade corporate securities as rated by Standard & Poor's or Moody's credit rating services. The Bank of America Merrill Lynch High Yield Master II index represents a broad set of High Yield issues. The Bank of America Merrill Lynch High Yield Master II Index captures the performance of below investment-grade debt issued by corporations domiciled in the United States or Canada. Merrill Lynch uses a composite of Fitch Ratings, Moody's and Standard & Poor's credit ratings in selecting bonds for this index. The index is market weighted, and the representation of any single bond issuer is restricted to a maximum of 2% of the total index. Average quality is computed using weighted S&P or Moody's ratings (higher if split), excludes unrated securities, if any, and assigns the highest rating to cash in the portfolio. Investment Risks: High yield bonds are either rated in the lowest category of investment grade or below-investment-grade. Below-investment-grade bonds have a higher default risk than investment-grade bonds, are generally uncollateralized and subordinated to other outstanding debt of the issuer, and are considered predominantly speculative.