

# RAE PLUS International Fund

CLASS: INSTITUTIONAL  
FUND INCEPTION DATE: 30 SEPTEMBER 2011  
TICKER: PTSIX  
CUSIP: 72201W667  
TOTAL NET ASSETS (IN MILLIONS): \$1,060.8

## PORTFOLIO MANAGERS

Bryan Tsu, Jing Yang, Marc Seidner

## BENCHMARK INDEX

MSCI EAFE Value Index

## RAE EQUITY PORTFOLIO

### SUMMARY CHARACTERISTICS

	RAE	Index
Number of securities	498	488
Weighted Avg. Market Cap (\$mm)	37,410	51,406
Trailing P/E Ratio	14.0	14.9
Forward P/E Ratio	10.7	12.2

### REGIONAL DIV. (MV %)

	RAE	Index
Americas	8	1
EMEA	51	62
Asia Pacific	38	34
Emerging Markets	3	4

### TOP 5 SECTOR DIVERSIFICATION (MV %)

	RAE	Index
Materials	18.1	9.5
Industrials	17.8	11.8
Consumer Discretionary	17.1	9.3
Financials	13.1	26.9
Consumer Staples	6.0	6.7

Index equity statistics are for the MSCI EAFE Value Index, the Fund's benchmark.

## Fund description

PIMCO RAE PLUS International Fund is a systematic international value strategy designed to outperform the MSCI EAFE Value Index. Unlike traditional active equity approaches, the fund seeks to select undervalued stocks using valuation metrics designed by Research Affiliates, while also incorporating quality and momentum signals to improve performance. Selected stocks are weighted based on fundamental measures of company size such as sales, cash flows, dividends and book value. This weighting methodology allows the fund to capitalize on market inefficiencies by systematically buying low and selling high and benefit from long-term mean reversion in stock prices.

## INVESTOR BENEFITS

The fund is designed to offer the benefits of a systematic equity strategy, including a consistent investment process and a contrarian portfolio that seeks to deliver market outperformance. The fund's process results in a dynamic value orientation, as the portfolio will tilt deeper value when value is cheap and reduce value exposure when it is more expensive.

Potential benefits of this fund include:

- Aim of capitalizing on market inefficiencies, contra-trading the market to systematically buy low and sell high
- An active investment process that incorporates the latest equity insights from Research Affiliates
- Time-tested, rules-based approach seeks to provide opportunities for long-term outperformance

## THE FUND ADVANTAGE

The fund selects stocks using value, quality and momentum signals designed by Research Affiliates. These signals combine several well-researched measures that have the potential to better capture returns over time. In addition, the fund's approach to weighting stocks based on fundamental measures of company size results in an overweight to lower priced stocks and an underweight to higher priced stocks, providing the potential to profit from mean reversion in valuations.

## VALUE OF RAE PLUS STRATEGIES

PIMCO's RAE PLUS strategies are broadly diversified equity portfolios designed to outperform cap-weighted indexes. These strategies are intended to serve as value-oriented equity allocations and offer the potential to improve overall portfolio risk-adjusted returns. Of course, diversification does not ensure against loss.

Performance (net of fees)	S. incept.	5 yrs.	3 yrs.	1 yr.	6 mos.	3 mos.
PIMCO Fund (%)	8.66	10.73	5.92	45.61	14.28	4.36
Benchmark 1 (%)	6.24	7.81	3.78	33.50	10.68	3.01
Benchmark 2 (%)	8.36	10.28	8.27	32.35	8.83	5.17

Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator 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 [PIMCO.com](http://PIMCO.com) or by calling 888.87.PIMCO.

For the periods prior to the inception date of a share class, performance information is based on the performance of the Fund's oldest class shares, adjusted to reflect the fees and expenses paid by that class of shares. Differences in the Fund's performance versus the index and related attribution information with respect to particular categories of securities or individual positions may be attributable, in part, to differences in the pricing methodologies used by the Fund and the index. There is no assurance that any fund, including any fund that has experienced **high or unusual performance** for one or more periods, will experience similar levels of performance in the future. High performance is defined as a significant increase in either 1) a fund's total return in excess of that of the fund's benchmark between reporting periods or 2) a fund's total return in excess of the fund's historical returns between reporting periods. Unusual performance is defined as a significant change in a fund's performance as compared to one or more previous reporting periods.

Lipper rankings* (International Multi-Cap Value Funds)	5 yrs.	3 yrs.	1 yr.
Fund rank	7	66	28
Number of funds	159	190	219
Quartile	1	2	1

\* Based on total return performance, with distributions reinvested, and operating expenses deducted.

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.

MV% may not equal 100 due to rounding.

Holdings are subject to change without notice and may not be representative of current or future allocations.

Performance reflects changes in share price, reinvestment of dividends and capital gains distributions. All periods longer than one year are annualized. Gross expenses reflect the accounting treatment of certain investments (e.g., reverse repurchase agreements) but do not reflect actual expenses paid to PIMCO. The high performance of this portfolio is due to exceptional performance in the sector. This level of performance is not guaranteed and should not be expected in the future.

Futures adjusted duration is the measure of the Fund's price sensitivity to interest rates expressed in years and adjusted to reflect the negative interest rate sensitivity of equity futures prices. Gov't Related may include nominal and inflation-protected Treasuries, agencies, interest rate swaps, Treasury futures and options, and FDIC-guaranteed corporate securities.

Investments made by a Fund and the results achieved by a Fund are not expected to be the same as those made by any other PIMCO-advised Fund, including those with a similar name, investment objective or policies. A new or smaller Fund's performance may not represent how the Fund is expected to or may perform in the long-term. New Funds have limited operating histories for investors to evaluate and new and smaller Funds may not attract sufficient assets to achieve investment and trading efficiencies. A Fund may be forced to sell a comparatively large portion of its portfolio to meet significant shareholder redemptions for cash, or hold a comparatively large portion of its portfolio in cash due to significant share purchases for cash, in each case when the Fund otherwise would not seek to do so, which may adversely affect performance.

**A word about risk:** In managing the strategy's investments in Fixed Income Instruments, PIMCO utilizes an absolute return approach; the absolute return approach does not apply to the equity index replicating component of the strategy. Absolute return portfolios may not fully participate in strong positive market rallies. 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. Investing in the **bond market** is subject to certain risks including market, interest-rate, issuer, credit, and inflation risk; investments may be worth more or less than the original cost when redeemed. **Mortgage and asset-backed securities** may be sensitive to **changes in interest rates**, subject to early repayment risk, and their value may fluctuate in response to the market's perception of issuer creditworthiness; while generally supported by some form of government or private guarantee there is no assurance that private guarantors will meet their 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. **Equities** may decline in value due to both real and perceived general market, economic, and industry conditions. **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. **Diversification** does not ensure against loss. Past rankings are no guarantee of future rankings. Rankings begin with the inception of the actual share class. Lipper does not take into account sales charges.

In managing the strategy's investments in Fixed Income Instruments, PIMCO utilizes an absolute return approach; the absolute return approach does not apply to the equity index replicating component of the strategy. The RAE Fundamental International Large portfolio contains large Developed Markets ex-U.S. companies weighted by the Fundamental Index® methodology with additional factors (e.g., quality of earnings, economic profitability, momentum etc.).

The minimum initial investment for institutional class shares is \$1 million; however, it may be modified for certain financial intermediaries who submit trades on behalf of eligible investors.

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### BASIC FACTS

Dividend frequency	Quarterly
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### FUND EXPENSES

Gross Expense Ratio	0.87%
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Adjusted Expense Ratio	0.82%
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The Adjusted Expense Ratio excludes certain investment expenses, such as interest expense from borrowings and repurchase agreements and dividend expense from investments on short sales, incurred directly by the Fund or indirectly through the Fund's investments in underlying PIMCO Funds (if applicable), none of which are paid to PIMCO.

### PERFORMANCE CHARACTERISTICS

SEC 30-day yield (%)	0.82%
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### BOND ALPHA STRATEGY

#### BOND SECTOR ALLOCATION (Dur. in Yrs.)

Fund	
US Government Related	0.36
Securitized <sup>1</sup>	0.31
Invest. Grade Credit	0.45
High Yield Credit	0.03
Non-USD Developed	0.45
Emerging Markets	0.20
Other <sup>2</sup>	0.09
Net Other Short Duration Instruments <sup>3</sup>	0.04
Total	1.93

<sup>1</sup> The Securitized bucket will include Agency MBS, non-Agency MBS, CMBS, ABS, CDO, CLO, and Pooled Funds. <sup>2</sup> Other may include convertibles, preferreds, and yankee bonds. <sup>3</sup> Net Other Short Duration Instruments includes securities and other instruments (except those instruments tied to emerging markets by country of risk) with an effective duration less than one year and rated investment grade or higher or, if unrated, determined by PIMCO to be of comparable quality, commingled liquidity funds, uninvested cash, interest receivables, net unsettled trades, broker money, short duration derivatives and derivatives offsets. With respect to certain categories of short duration securities, the Adviser reserves the discretion to require a minimum credit rating higher than investment grade for inclusion in this category. Derivatives Offsets includes offsets associated with investments in futures, swaps and other derivatives. Such offsets may be taken at the notional value of the derivative position.

### ABOUT THE BENCHMARK

The MSCI EAFE Value Index captures large and mid-cap securities exhibiting overall value style characteristics across developed markets countries around the world, excluding the US and Canada. The value investment style characteristics for index construction of the MSCI EAFE Value Index are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield.

MSCI EAFE Index is an unmanaged index designed to represent the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the U.S. and Canada. It is not possible to invest directly in the index.

### ABOUT PIMCO

PIMCO is one of the world's premier fixed income investment managers. Since our founding in 1971 in Newport Beach, California, we have continued to bring innovation and expertise to our partnership with clients seeking the best investment solutions. Today our professionals work in 17 offices across the globe, united by a single purpose: creating opportunities for investors in every environment.

**FOR MORE INFORMATION, CALL YOUR PIMCO REPRESENTATIVE AT 888.87.PIMCO.**

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