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Strategy Review

American Association of Port Authorities

November 18, 2008

Biographical Information

Robert Morena

Mr. Morena is a senior vice president and head of PIMCO's institutional development business in the New York office, working with corporate and hedge fund-of-fund clients and consultants. Prior to joining PIMCO in 2007, he was a managing director and head of the institutional broad market group at JPMorgan Asset Management for seven years. In that capacity, Mr. Morena managed portfolios for all Lehman Aggregate, Citigroup BIG and Lehman Universal market-based strategies and was a senior investment professional on the macro team that set investment policy and strategy for all fixed income assets under management. Prior to that, he was a managing director and portfolio manager for a hedge fund in Greenwich, Connecticut, managing global fixed income portfolios. He also spent 17 years as department head and senior portfolio manager in The Bank of New York's institutional fixed income division. He has 27 years of investment experience and holds an undergraduate degree from Rutgers. He is a member of the CFA Institute and the New York Society of Securities Analysts.

Paul Reisz, CFA

Mr. Reisz is a senior vice president in the Newport Beach office and a product manager covering Enhanced Cash, Stable Value, and Income strategies. Prior to joining PIMCO in 2000, he was with Transamerica Asset Management for more than 10 years, responsible for business development, client servicing and product development. He has 24 years of investment experience and holds an undergraduate degree from the University of California, Berkeley and an MBA from the Marshall School of Business at the University of Southern California. He is also a certified public accountant.

Adrian Schultes, CFA

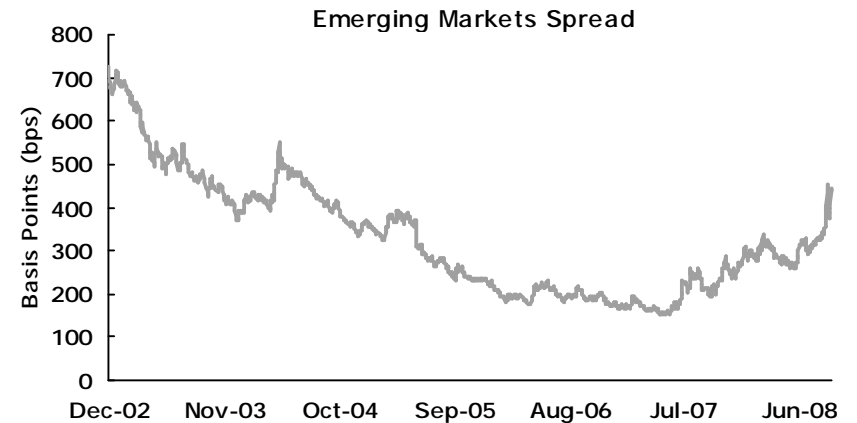
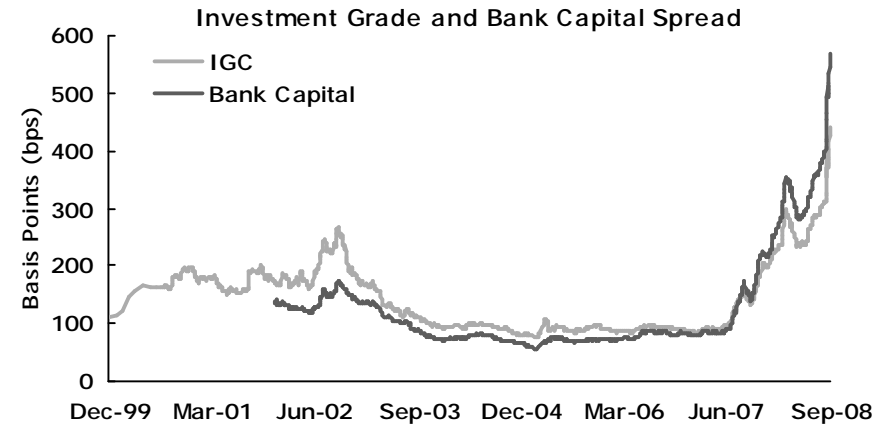
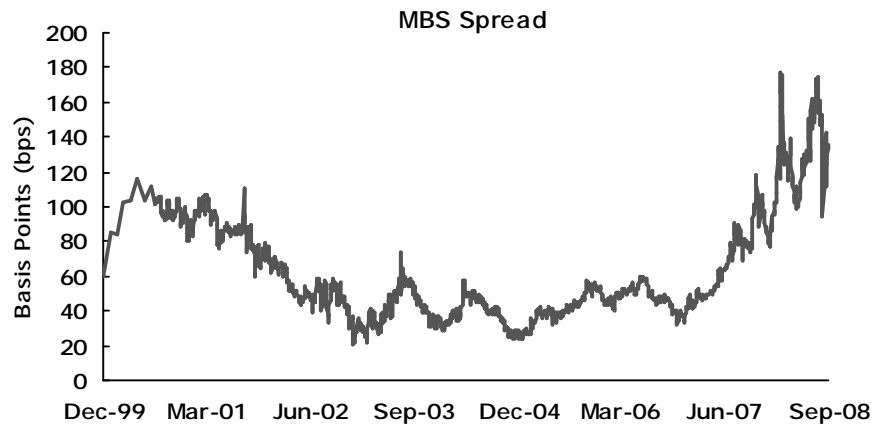
Mr. Schultes is a vice president and account manager in the New York office focusing on business development. Prior to joining PIMCO in 2005, he was a regional director at Ibbotson Associates, covering institutional clients in the northeast U.S. and Europe. Previously, he was at Swiss Bank Corporation in Zurich and Credit Suisse in New York. He has 15 years of investment experience and holds an undergraduate degree from Bucknell University.

Risk Premiums Widened to Historic Levels

As of September 30, 2008

[OPTIONAL]

Following an extended period of stability and low risk premiums, continued dislocation in the financial markets during the first quarter causes spreads to widen beyond the previous highs achieved in fourth quarter of 2007



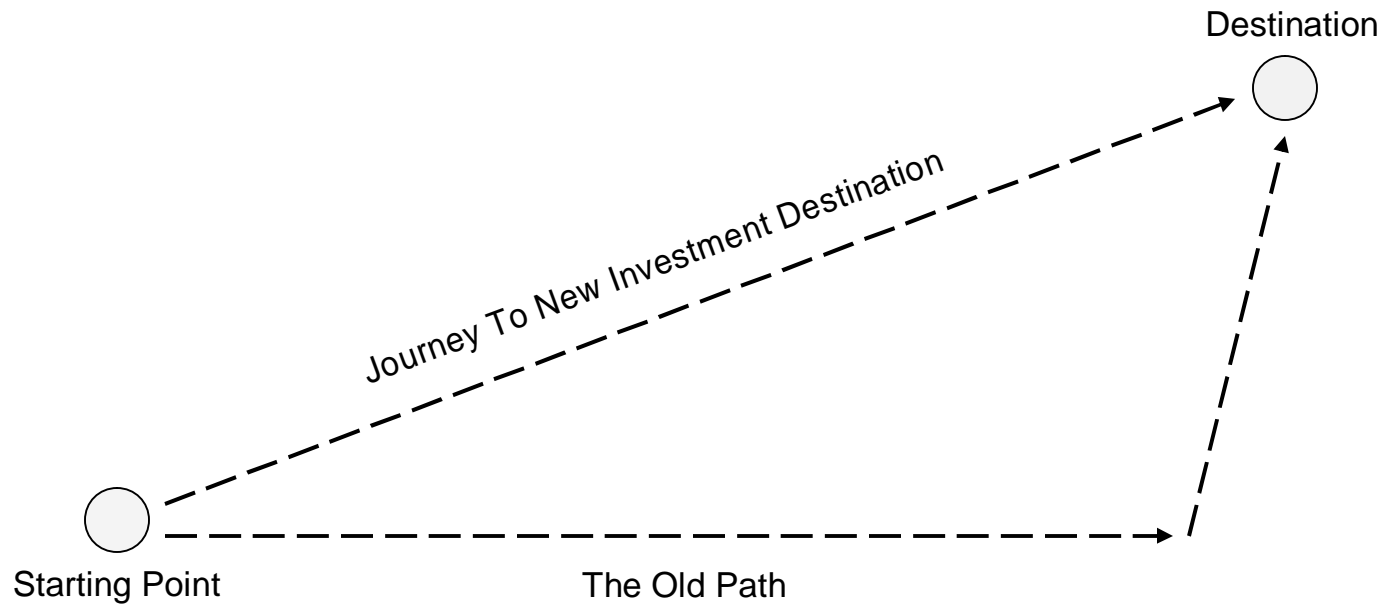
SOURCE: Lehman Brothers, J.P. Morgan

Spreads are the average option adjusted spread for the Lehman Brothers Mortgage Index, Lehman Brothers Corporate Investment Grade Index, Lehman Brothers Global Capital Securities Index, Lehman Brothers Corporate High Yield Index. Emerging Market spreads are the strip spreads for the J.P. Morgan EMBI Global Index.

The treasuries outperformed against the LB MBS index, LB Global Capital Securities index, and the LB High Yield index during the same time period. The JP EMBI Global index outperformed against the treasuries during the same time period.

Refer to Appendix for additional OAS and index information.

The Destination is Changing: Optimizing Investment Decisions Now



Destination	Journey	Old Path
<ul style="list-style-type: none"> § Understand future market realities § Position early for secular shifts 	<ul style="list-style-type: none"> § Identify, avoid, mitigate risks § Capitalize on tactical opportunities 	<ul style="list-style-type: none"> § Focus on backward looking data and historical investment process § Risk abrupt shifts in future to arrive at new destination


PIMCO's secular and cyclical views apply across asset classes

	2000-02	2003-05	2006-07	2008
Outlook	Economic Weakness	Reflationary Environment	Housing to Decline	Global Deleveraging
Expression	High Quality and Duration	Inflation-linked + High Yield	Yield Curve Positioning	High Quality Assets

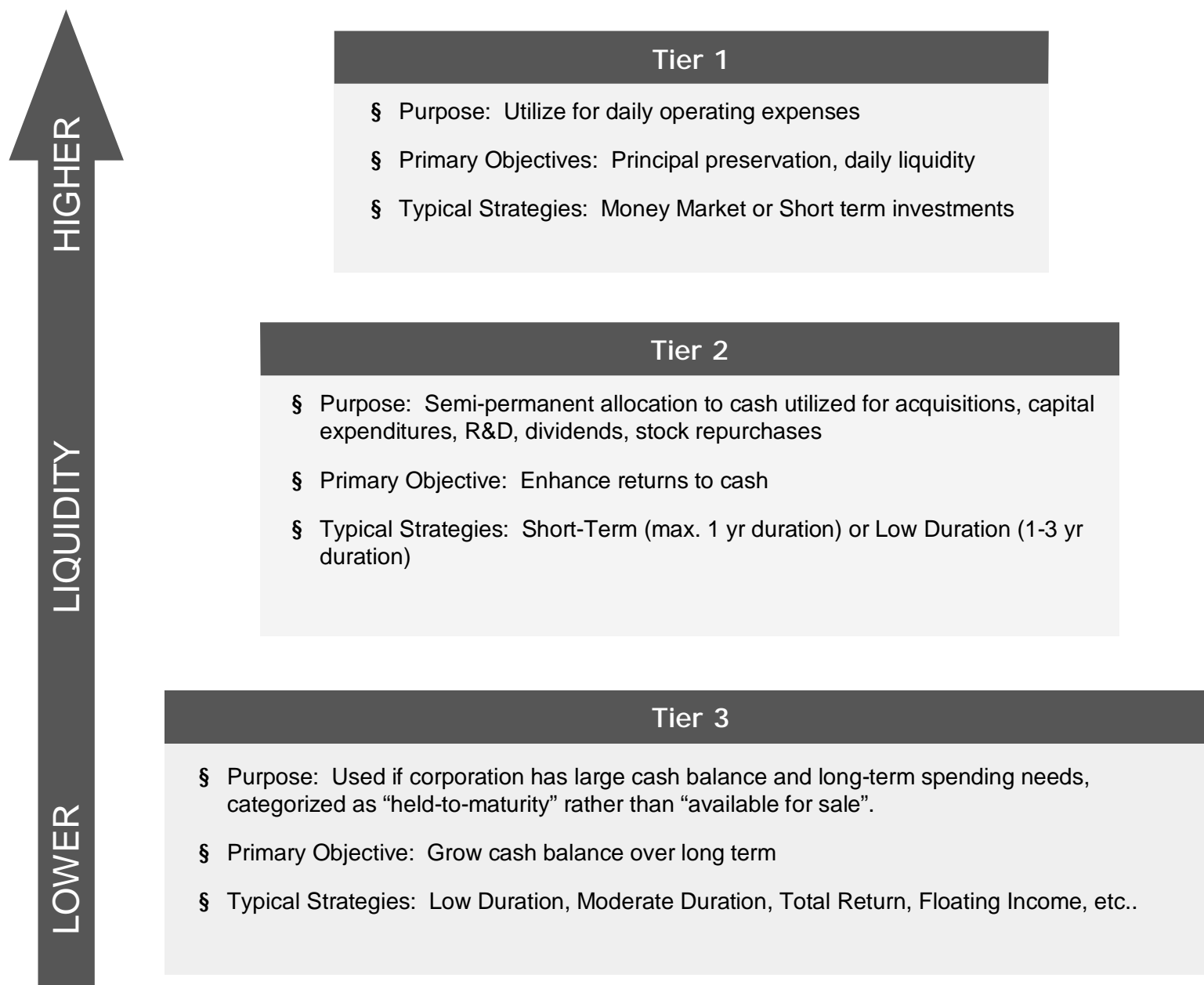
The PIMCO Secular Outlook

Long-Term Destination: Balanced Global Growth... But Danger Lurks Along the Journey

Secular Themes	Risk Factors
<ul style="list-style-type: none">§ Emerging economies power global growth§ Long-term global inflation trends upward on commodities demand, EM wages§ Corporate profits decline as deleveraging continues§ Regulatory changes drive institutional re-alignments	<ul style="list-style-type: none">§ U.S. consumer weakness§ Lack of systemic redundancies enhance financial shocks§ Difficult environment for global policy response
<ul style="list-style-type: none">§ EM countries recognize need for domestic consumption and flexible currencies	<ul style="list-style-type: none">§ Global capacity to recapitalize vulnerable sectors remains intact
<p style="text-align: center;">Secular Stabilizers</p>	

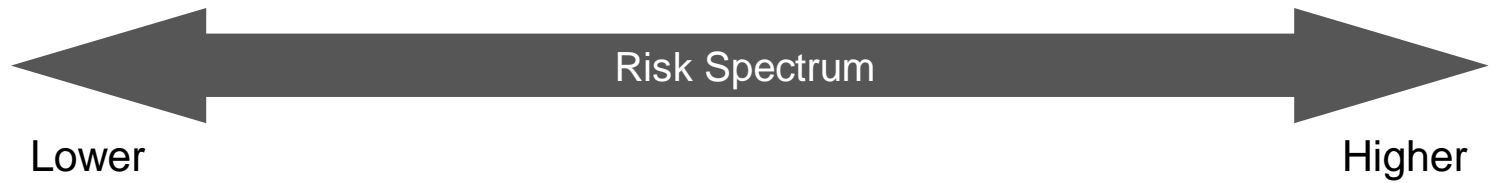


Various Approaches to Investing Corporate Cash



Refer to Appendix for additional investment strategy and risk information

A Spectrum of Cash Strategies and Alternatives



	Money Market	US\$ Short-Term	Low Duration
Objectives	<ul style="list-style-type: none"> § Capital preservation § Liquidity § Maintain \$ NAV 	<ul style="list-style-type: none"> § Capital preservation § Liquidity § Enhanced performance potential 	<ul style="list-style-type: none"> § Capital preservation § Liquidity § Enhanced performance potential
Benchmark	3 Month T-Bills	3 Month LIBOR	Merrill Lynch 1-3 Yr. Tsy.
Duration	90 days	0 to 1 year	1 to 3 years
Average Credit Quality	AAA	AA+	AAA-
Country Exposure	US	Predominantly US	Predominantly US

Refer to appendix for additional index, investment strategy, risk and strategy availability information