

## Market Commentary

June 30, 2010

Dear Fellow Shareholder,

US Equity markets dropped sharply during the second quarter of 2010, turning year to date performance negative. The widely followed S&P 500 Index returned -11.43, bringing YTD return to -6.65%, while the Russell 2000 Growth Index and the Russell Mid Cap Growth Index each reached or exceeded double digit losses. Micro cap stocks fared slightly better, with the Russell Microcap Growth index returning -7.85 for the quarter.

The positive sentiment in the first quarter of 2010 was crushed during the second quarter amidst worries about a slowdown in global growth and the fallout of the debt crisis in Greece. Volatility, as measured by the VIX, was up 96%. Investors shifted capital away from riskier, growth-focused companies towards those with a more stable, albeit limited, future trajectory.

We witnessed a shift in asset allocation away from cyclical stocks to lower-growth, stable companies as the market appeared to develop a lower appetite for risk. Specifically, the forecast for anemic growth in the Eurozone countries caused investors to re-think exposure to anything in Western Europe.

During the quarter, value stocks outperformed growth shares across all market capitalization ranges, and smaller capitalization stocks outperformed their mid-and large-capitalization peers.

In terms of sector performance, Utilities, Telecom and Consumer Staples generally led the market, while Materials, Financials and Energy lagged, based on the S&P 500.

The PineBridge Funds all lost value in the quarter, with only the US Focus Equity Fund beating its benchmark. Overall sector selection detracted from performance, with allocation to Financials generally helping performance and Consumer Staples generally hurting. Stock selection was generally mixed, with no consistency of the effect of selection in certain sectors across the funds. Please read our Fund Commentaries for detailed information on holdings that meaningfully affected each Fund's performance for the quarter, as well as new additions and investment themes.

## Market Outlook

We continue to expect sustainable revenue growth, driven by factors other than a recovery in inventory, to be rewarded more appropriately versus the initial early cyclical factors that have impacted the market. The Funds should continue to find attractive investment opportunities in what we consider a more normal economic recovery.

We thank you for the opportunity to manage your money and for your continued loyalty.

Sincerely,

Jamie Cuellar, CFA  
Portfolio Manager



Dan Neuger  
Portfolio Manager



Craig Swann  
Portfolio Manager



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*Investors shifted capital away from riskier, growth-focused companies...*

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### For Further Information

PineBridge Investments  
(800) 426-9157  
[www.pinebridge.com/usmutualfunds](http://www.pinebridge.com/usmutualfunds)

## PineBridge US Micro Cap Growth Fund Quarterly Review

**Jamie Cuellar, CFA**  
Portfolio Manager

Despite the fact that the lower end of the market cap spectrum typically underperforms when investors shift away from risky assets, the fund outperformed its benchmark during the quarter. This was driven by stock selection in the Consumer Discretionary sector. Gains in consumer electronics, apparel and advertising agencies offset declines in retailers. Financials were also a significant outperformer. Technology struggled during the quarter as our software names were weak.

The best performer for the quarter was **Thomas Weisel Partners (TWPG)**, which gained over 80%, due to a cash buyout offer from Stifel Financial at a substantial premium. We originally bought the position in the first quarter of 2010, as we believed an improvement in the IPO and M&A markets would help the company realize substantial operating leverage and earnings growth. Fortunately, the buyout accelerated our timetable for success.

**Thermadyne (THMD)** was another solid performer. A welding tools company, Thermadyne was another victim of illiquidity during the downturn, which kept a lot of potential investors out of the stock. Seeing an improving market for its products, reaccelerating revenue growth and an attractive valuation, we made the stock a meaningful position in the portfolio, but have since realized some of these gains.

**True Religion (TRLG)** was an underperformer. As a designer and retailer of premium denim jeans and sportswear, the company's shares declined on fears of a weakening US consumer environment and continued slowness in their women's wholesale division. We still believe the company is not being rewarded for the exceptional growth and performance in their retail division, and the position remains in the portfolio though, at a smaller weighting.

The outlook for Micro cap stocks is currently mixed. Due to global macroeconomic uncertainty and continued volatility in the equity markets, many market participants, especially hedge funds, have chosen to de-risk their portfolios, and have been net sellers of risky assets, particularly smaller company stocks. Add to that the lack of volumes that are typically seen in the summer months, and it makes for a tough market like we witnessed in the second quarter. Ultimately, this will bring oversold opportunities in many good companies, but until we get some stability and conviction in the economy and ultimately the market, it can make for a very choppy and directionless market.

### Portfolio Returns – Net of Fees as of June 30, 2010

	2Q10	YTD	1 Yr	3 Yr*	5 Yr *	Inception to Date *
PineBridge US Micro Cap Growth Fund – Class R <sup>1</sup>	-8.18%	-3.35%	20.71%	-11.95%	0.16%	0.09%
Russell 2000 Growth Index	-9.22%	-2.31%	17.96%	-7.54%	1.14%	1.43%

\*Annualized. Inception date: 05/01/2001.

### Portfolio Characteristics

	PineBridge US Micro Cap Growth Fund	Russell 2000 Growth Index
Gross Expense Ratio	2.36	N/A
<sup>1</sup> Net Expense Ratio - Capped	1.91	N/A
Number of Stocks	63	1291
Average Market Cap	\$355 mil	\$572 mil
Median Market Cap	\$281 mil	\$425 mil
Net Sales (12 Months)	\$471 mil	\$838 mil
5 Year Return on Equity (ROE)	-3.2%	9.6%
Debt to Capitalization	14.4%	17.9%
Price to Earnings Ratio (PE)	13.4x	17.0x

Source:Wilshire Atlas. The above information, excluding expenses, represents the averages of the Fund's holdings. These will vary over time.

<sup>1</sup> Class R Shares have an expense ratio which is contractually capped at 1.90 through 3/30/11.

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling (800) 426-9157 or visiting [www.PineBridge.com/USMutualFunds](http://www.PineBridge.com/USMutualFunds). Performance assumes reinvestment of all distributions at net asset value. The performance reflects expense limitations in effect for the Fund for certain years. If expense limitations were not in place, the Fund's performance during those years would have been reduced.

**Stocks of micro cap companies are more volatile than stocks of larger cap companies. Micro cap companies are subject to additional risk including, but not limited to, limited liquidity and greater volatility compared to investments in larger more-established equity securities.**

### Top 10 Holdings (%)\*

Shoe Carnival Inc.	2.63
Entropic Communications	2.41
Ixia	2.32
Kraton Performance Poly	2.20
Madden Steven Ltd.	2.17
Questcor Pharmaceutical	2.16
Cardtronics Inc.	2.15
World Accep Corp.	2.14
Perficient Inc.	2.14
America Svc Group Inc.	2.08

### Sector Allocation (%)\*

Consumer Discretionary	22.13
Consumer Staples	0.00
Energy	4.24
Financials	10.33
Health Care	15.03
Industrials	13.24
Information Technology	30.00
Materials	5.04
Telecom Services	0.00
Utilities	0.00

\*As of June 30, 2010. Fund holdings and portfolio allocations are subject to change and are not recommendations to buy or sell any security.

## PineBridge US Small Cap Growth Fund Quarterly Review

**Jamie Cuellar, CFA**  
Portfolio Manager

The PineBridge US Small Cap Growth Fund lost value with the downdraft in the market and slightly lagged the benchmark for the second quarter. Sector allocation was detrimental to performance, as Consumer Discretionary and Energy underperformed. Healthcare and Energy outperformed on a relative basis while Technology and Producer Durables underperformed. Stock selection in pharma and an underweight in biotech were the best calls at the industry level while weak returns in truckers, communications, technology and software detracted.

**Questcor Pharmaceuticals (QCOR)** was the best performer for the quarter. This relatively unknown company has recently started to get more Wall Street attention. The company significantly raised the price of its drugs last year, has experienced improving script trends since the beginning of the year and is in front of the FDA trying to expand its drug Acthar to include an indication for Infantile Spasm. The company is also growing its salesforce.

**Blue Coat Systems (BCSI)** was the worst performer. The maker of wide area network acceleration and security products had been performing nicely as cost cutting, combined with decent revenue growth, had been producing attractive EPS growth, but weakness in Europe and lowered expectations for its July-ending quarter, caused the stock to drop. It is still uncertain if this is related to tech spending weakness in Europe or company specific. The stock was sold during the quarter.

**Quality Distribution (QDI)** also underperformed. We believe most of the weakness was due to its lower market capitalization and our entry point into the stock just prior to meaningful market losses late in the quarter. The provider of trucking and logistics services remains in the early stages of market recovery and is still in the fund.

The outlook for Small cap stocks is currently mixed. Many market participants have chosen to de-risk their portfolios, selling off smaller company stocks. Combined with the typical summer volume slowdown this makes for a tough market. Ultimately, this will bring oversold opportunities in good companies, but until then, it can make for a very choppy and directionless market. We favor larger, more liquid, small cap names as these are likely to hold up better in a weak market and eventually get more attention from investors once the appetite for more risky assets returns.

### Portfolio Returns – Net of Fees as of June 30, 2010

	2Q10	YTD	1 Yr	3 Yr*	5 Yr*	10 Yr*	Inception to Date*
PineBridge US Small Cap Growth Fund– Class R <sup>1</sup>	-9.24%	-5.60%	17.75%	-11.29%	0.50%	-1.31%	1.41%
Russell 2000 Growth Index	-9.22%	-2.31%	17.96%	-7.54%	1.14%	-1.72%	1.10%

\*Annualized. Inception date: 09/08/1999.

### Portfolio Characteristics

	PineBridge US Small Cap Growth Fund	Russell 2000 Growth Index
Gross Expense Ratio	2.89	N/A
<sup>1</sup> Net Expense Ratio - Capped	1.66	N/A
Number of Stocks	58	1291
Average Market Cap	\$807 mil	\$572 mil
Median Market Cap	\$631 mil	\$425 mil
Net Sales (12 Month)	\$494 mil	\$838 mil
5 Year Return on Equity (ROE)	11.2%	9.6%
Debt to Capitalization	15.7%	17.9%
Price to Earnings Ratio (PE)	18.0x	17.0x

Source: Wilshire Atlas. The above information, excluding expenses, represents the averages of the Fund's holdings. These will vary over time.

#### Top 10 Holdings (%)\*

HMS Holdings Corp.	2.88
Impax Laboratories	2.73
Graftech International Ltd.	2.68
Shoe Carnival Inc.	2.66
Madden Steven Ltd.	2.57
Coinstar Inc.	2.46
Entropic Communications	2.43
Ixia	2.35
Netezza Corp.	2.31
Veeco Investors Inc.	2.24

#### Sector Allocation (%)\*

Consumer Discretionary	19.97
Consumer Staples	2.14
Energy	2.53
Financials	12.80
Health Care	21.81
Industrials	9.21
Information Technology	29.19
Materials	2.35
Telecom Services	0.00
Utilities	0.00

\*As of June 30, 2010. Fund holdings and portfolio allocations are subject to change and are not recommendations to buy or sell any security.

<sup>1</sup> Class R Shares have an expense ratio which is contractually capped at 1.65 through 3/30/11.

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling (800) 426-9157 or visiting [www.PineBridge.com/usmutualfunds](http://www.PineBridge.com/usmutualfunds). Performance assumes reinvestment of all distributions at net asset value. The performance reflects expense limitations in effect for the Fund for certain years. If expense limitations were not in place, the Fund's performance during those years would have been reduced.

**Stocks of smaller cap companies are more volatile than stocks of larger cap companies. Smaller cap companies are subject to additional risk including, but not limited to, limited liquidity and greater volatility compared to investments in larger more-established equity securities.**

## PineBridge US Mid Cap Growth Fund Quarterly Review

**Craig Swann**

Portfolio Manager

**Jamie Cuellar, CFA**

Portfolio Manager

The PineBridge US Mid Cap Growth Fund underperformed its benchmark for the quarter. Holdings in the Healthcare and Materials sectors were the main detractors from performance during the quarter. The strongest contributor to performance was the Producer Durable sector, which benefited from successful stock selection.

**Mariner Energy (ME)** contributed the most to performance during the quarter, as Apache (APA) agreed to acquire the company and its offshore, oil drilling inventory. We originally purchased Mariner believing the company's stock price was not reflective of its value and assets. Mariner was sold after the acquisition was announced.

Producer Durable company **Stericycle (SRCL)** also added to returns. We purchased Stericycle, which provides medical waste disposal and services globally, due to its strong, predictable, cash flows, international growth opportunities and sound acquisition strategy. We continue to own the name.

Healthcare was the worst performing sector for the fund and **Dendreon (DNDN)** was the worst performing stock. Dendreon fell by more than 30% since we first purchased it, due to concerns over the amount of reimbursement recommended by CMS for its prostrate treating drug Provenge. We have since added to the position, as we believe the market's reaction was overdone and the true value of Provenge is not being recognized by the market.

The outlook for Mid cap stocks is currently mixed. Due to global macroeconomic uncertainty and continued volatility in the equity markets, many market participants have chosen to de-risk their portfolios and have been net sellers of risky assets. Add to that the lack of volumes that are typically seen in the summer months, and it makes for a tough market. Ultimately, this will bring oversold opportunities in many good companies, but until we get some stability and conviction in the economy and eventually the market, it can make for a very choppy and directionless market. We believe second quarter earnings will be better than expectations, which should allow for a sustained rally in the second half. We have been favoring larger, more liquid names with the belief that these are likely to hold up better in a weak market and eventually get more attention from investors once they return to more risky assets.

### Portfolio Returns – Net of Fees as of June 30, 2010

	2Q10	YTD	1 Yr	3 Yr*	5 Yr*	10 Yr*	Inception to Date*
PineBridge US Mid Cap Growth Fund – Class R <sup>1</sup>	-13.63%	-9.67%	7.74%	-11.52%	-2.00%	-1.19%	-0.80%
Russell Midcap Growth Index	-10.20%	-3.31%	21.30%	-7.53%	1.37%	-1.99%	-2.67%

\*Annualized. Inception date: 03/31/2000.

### Portfolio Characteristics

	PineBridge US Mid Cap Growth Fund	Russell Mid Cap Growth Index
Gross Expense Ratio	1.93	N/A
<sup>1</sup> Net Expense Ratio - Capped	1.56	N/A
Number of Stocks	52	497
Average Market Cap	\$4.8 bil	\$4.4 bil
Median Market Cap	\$4.0 bil	\$3.5 bil
Net Sales (12 Months)	\$2.4 bil	\$4.4 bil
5 Year Return on Equity (ROE)	12.2%	24.8%
Debt to Capitalization	20.4%	28.2%
Price to Earnings Ratio (PE)	30.0x	22.5x

Source: Wilshire Atlas. The above information, excluding expenses, represents the averages of the Fund's holdings. These will vary over time.

#### Top 10 Holdings (%)\*

Rovi Corp.	4.47
Lennox Intl Inc.	3.62
Republic Svcs Inc.	3.59
Ametek Inc.	3.34
Dolby Laboratories	2.99
Salesforce Com Inc.	2.97
Informatica Corp.	2.82
Illumina Inc.	2.75
Stericycle Inc.	2.73
Chipotle Mexican Grill	2.57

#### Sector Allocation (%)\*

Consumer Discretionary	20.68
Consumer Staples	2.45
Energy	4.38
Financials	7.45
Health Care	13.89
Industrials	23.91
Information Technology	22.20
Materials	5.04
Telecom Services	0.00
Utilities	0.00

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<sup>1</sup> Class R Shares have an expense ratio which is contractually capped at 1.55 through 3/30/11.

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## PineBridge US Focus Equity Fund Quarterly Review

**Dan Neuger**

**Portfolio Manager**

The US Focus Equity Fund lost value in the second quarter, but meaningfully outperformed its benchmark. The fund's outperformance was driven by stock selection, particularly in the Industrials sector. Consumer Discretionary and Technology stock selection also contributed to performance. Stock selection in Financials was the biggest drag on the fund. Overall sector selection detracted from performance, with our overweight in Industrials and underweight in Telecom being leading the biggest negatives. Our underweight in Financials added to performance.

Our top 10 holdings, including **Stericycle**, **O'Reilly Automotive** and **Whirlpool Corp.**, drove much of the quarter's outperformance. O'Reilly benefited from improved guidance following their first quarter earnings release: Street sentiment turned positive on their outlook coinciding with a shift towards defensive stocks. Whirlpool is the beneficiary of a government push to stimulate the economy through greater consumer spending, including lower taxes for the middle class. Stericycle pursues a stable, growth business, which was attractive to investors during the volatility the past three months.

There was a shift in the bias of our portfolio as we added a mix of cyclical and stable names. Notably, we initiated positions in construction/engineering focused **Foster Wheeler**, hospital waste manager Stericycle, food processor **Kraft Foods**, and gaming machine manufacturer **WMS Industries**. Even in the face of a difficult investing environment, we have found attractive opportunities across a myriad of sectors.

We continue to expect sustainable revenue growth, driven by factors other than a recovery in inventory, to be rewarded more appropriately versus the initial early cyclical factors that have impacted the market. The fund should continue to find attractive investments opportunities in what we consider a more normal economic recovery.

### Portfolio Returns – Net of Fees as of June 30, 2010

	2Q10	YTD	1 Yr	3 Yr*	5 Yr*	10 Yr*	Inception to Date*
PineBridge US Focus Equity Fund– Class R <sup>1</sup>	-9.30%	-6.56%	12.29%	-12.37%	-2.01%	-2.28%	-2.17%
S&P 500 Index	-11.43%	-6.65%	14.43%	-9.81%	-0.79%	-1.59%	-1.81%

\*Annualized. Inception date: 03/31/2000.

### Portfolio Characteristics

	PineBridge US Focus Equity Fund	S&P 500 Total Return Index
Gross Expense Ratio	1.89	N/A
<sup>1</sup> Net Expense Ratio - Capped	1.56	N/A
Number of Stocks	23	500
Average Market Cap	\$43.0 bil	\$19.6 bil
Median Market Cap	\$23.7 bil	\$8.9 bil
Net Sales	\$30.3 bil	\$54.2 bil
5 Year Return on Equity (ROE)	25.9%	20.8%
Debt to Capitalization	37.8%	31.1%
Price to Earnings Ratio (PE)	18.1x	16.4x

1 Class R Shares have an expense ratio which is contractually capped at 1.55 through 3/30/11.

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**Mutual fund investing involves risk principal loss is possible.**

Source: Wilshire Atlas. The above information, excluding expenses, represents the averages of the Fund's holdings. These will vary over time.

#### Top 10 Holdings (%)\*

Deere & Co.	8.67
Apple Computer Inc.	8.61
O'Reilly Automotive	4.68
Stericycle Inc.	4.58
Coca Cola Enterprise	4.58
Amgen	4.56
American Express Co.	4.51
Kraft Foods Inc.	4.50
Pepsico Inc.	4.49
Laboratory Corp. America	4.47

#### Sector Allocation (%)\*

Consumer Discretionary	10.72
Consumer Staples	13.57
Energy	10.01
Financials	8.60
Health Care	15.35
Industrials	21.36
Information Technology	12.55
Materials	4.03
Telecom Services	0.00
Utilities	3.82

\*As of June 30, 2010. Fund holdings and portfolio allocations are subject to change and are not recommendations to buy or sell any security.

Opinions expressed are those of PineBridge Investments and are subject to change, are not guaranteed and should not be considered investment advice.

Growth stocks typically are more volatile than value stocks; however, value stocks have a lower expected growth rate in earnings and sales. Small- and Medium-capitalization companies tend to have limited liquidity and greater price volatility than large-capitalization companies.

The Russell Microcap Growth Index measures the performance of the microcap growth segment of the U.S. Equity market. It includes those Russell Microcap Index companies with higher price-to-book ratios and higher forecasted growth values.

The Russell 2000 Growth Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

The Russell Midcap Growth Index measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values.

The S&P 500 Index is an index consisting of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large-cap universe.

You cannot invest directly in an index.

The Debt to Capital Ratio (D/C ratio) shows the proportion of a company's debt to its total capital, which consists of the sum of its debt and equity combined.

Price-to-Earnings (P/E) - A valuation ratio of a company's current share price compared to its per-share earnings on the trailing twelve months.

Return on Equity (ROE) - Net Income / Shareholder's Equity Price-to-Earnings Growth ratio

Cash Flow - The excess of cash revenues over cash outlays.

EPS Growth is not a measure of future performance.

There is no guarantee that a fund will meet its objectives.

The daily net asset value is not guaranteed and shares are not insured by the FDIC or any other agency.

***The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company, and it may be obtained by calling (800) 426-9157, or visiting [www.PineBridge.com/USMutualFunds](http://www.PineBridge.com/USMutualFunds). Read it carefully before investing.***

The PineBridge Mutual Funds are distributed by Quasar Distributors LLC.