

Fund information

Fund inception date	11 May 1987	
Strategy	Core	
Total Net Assets (in millions)	\$68,817.1	
Portfolio manager(s)	Scott Mather Mark Kiesel Mohit Mittal	
Effective duration (yrs)	5.90	
Benchmark duration (yrs)	6.31	
Effective maturity (yrs)	7.98	
Inst. share 30-day SEC yield	1.30%	
Class	CUSIP	Ticker
Institutional	693390700	PTRX

Expenses

Gross Expense Ratio (%)	0.70
Adjusted Expense Ratio (%)	0.46

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 summary

The PIMCO Total Return Fund returned -1.35% after fees in February, outperforming the Bloomberg Barclays U.S. Aggregate Index by 0.09%. Year-to-date the Fund has returned -1.84% after fees, outperforming the benchmark by 0.31%.

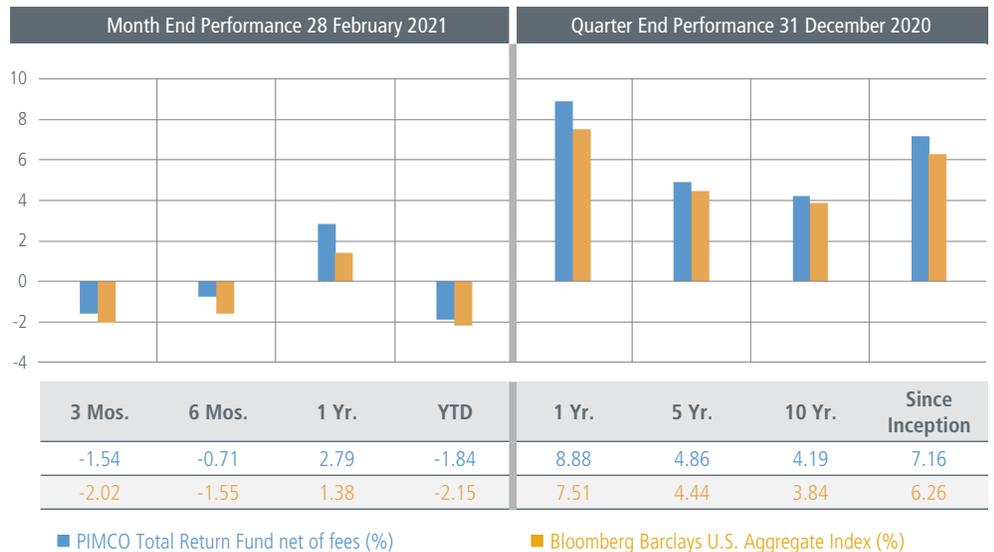
Developed rates rose dramatically in February, contributing to an uptick in market volatility. The broader trends in yields moving higher so far in 2021 have reflected expectations for higher growth and inflation, though February's moves also featured a re-pricing in timing expectations for central bank policy tightening and some technical pressures. In the U.S., the 10-year Treasury ended the month 34 bps higher at 1.40%. Meanwhile, equities experienced some volatility as concerns over rising rates weighed on sentiment, but still ended the month higher. Credit spreads also tightened.

Contributors

- Short exposure to duration in the U.K.
- Positions in non-Agency MBS
- Positions in high yield credit

Detractors

- U.S. rate strategies, including duration, curve positioning, and instrument selection
- Positions in Agency MBS
- Local rate and currency exposure in select EM countries



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 or by calling 888.87.PIMCO.

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.

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.

IMPORTANT NOTICE

Please note that this material contains the opinions of the manager as of the date noted, and may not have been updated to reflect real time market developments. All opinions are subject to change without notice.

Portfolio characteristics as of 28 February 2021

	% Market Value		Duration (years)	
	Fund		Fund	Index
Government-Related	30.7		3.26	2.87
U.S. Treasury ¹	27.9		3.20	2.77
U.S. Agency ²	0.0		0.00	0.10
Swaps and Liquid Rates ³	2.8		0.06	0.00
Securitized ⁴	30.6		1.41	1.05
Agency MBS	17.9		0.98	0.98
Non-Agency MBS	10.8		0.35	0.00
CMBS	1.3		0.08	0.06
Asset Backed Securities	0.4		0.01	0.01
Other	0.1		0.00	0.00
Investment Grade Credit	26.9		1.24	2.26
High Yield Credit	1.9		0.05	0.00
Non-U.S. Developed	3.2		-0.55	0.00
Emerging Markets	14.2		0.17	0.12
Bonds and Other Long Duration Instruments	13.9		0.18	0.12
Short Duration Instruments ⁵	0.3		-0.01	0.00
Other	3.4		0.25	0.00
Net Other Short Duration Instruments ⁶	-10.7		0.07	0.00

Portfolio structure is subject to change without notice and may not be representative of current or future allocations.

MV% may not equal 100 due to rounding.

¹ Includes U.S. Treasury notes, bonds, futures, and inflation-protected securities

² Includes U.S. agencies, FDIC-guaranteed and government-guaranteed corporate securities, and supranationals

³ Includes U.S. dollar denominated interest rate swaps, swaptions, options, and other rate related derivatives. Other portfolio derivatives, where applicable, may be included as part of other sectors based upon their underlying risk characteristics.

⁴ The Securitized bucket will include Agency MBS, non-Agency MBS, CMBS, ABS, CDO, CLO, and Pooled Funds.

⁵ Short Duration Instruments includes an emerging market security or other instrument economically tied to an emerging market country by country of risk with an effective duration less than one year and rated investment grade or higher or if unrated, determined to be similar quality by PIMCO. Includes the value of short duration emerging markets instruments previously reported in "Cash Equivalents".

⁶ 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.

Portfolio positioning

We are underweight headline duration, though maintain our preference for US duration against rate exposure in other developed regions - particularly the U.K. and Japan.

We still favor a curve steepening bias, though have moderated the positioning tactically given market moves. We remain underweight to investment-grade corporate credit - mindful of the less attractive risk and reward dynamics - though continue to have a bias toward liquid / high quality names while de-emphasizing generic corporate credit exposure. We are actively seeking compelling name- and sector- exposure given the dispersion within the credit market. The underweight is offset by diversified spread exposures, including

positions in select non-investment-grade credits as well as mortgage credit. While we have moderated our Agency MBS overweight, we find value in selection along the coupon stack (lower coupons) as well as instruments.

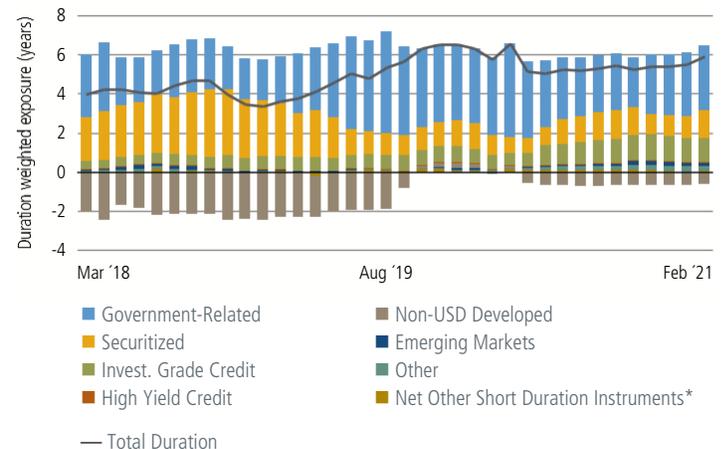
We recently added modest FX positions, including a basket of EM currencies, as we continue to seek overshoots and undershoots in select currencies that provide attractive risk-reward opportunities.

Month in review

Interest rate strategies were about neutral for performance over the month. Short exposure to duration in the U.K. and in Japan contributed to relative performance. However, these gains were about offset by detractions from U.S. rate strategies - including duration, curve positioning, and instrument selection - and local rate exposure in select EM countries.

Spread sector strategies added to relative performance over the month. The Fund's positions in non-Agency MBS and high yield credit contributed to relative performance and more than offset detractions from positions in Agency MBS.

Currency strategies modestly detracted from relative performance over the month, primarily driven by long exposure to the Brazilian real and the Mexican peso.



*Prior to 31 December 2014 these categories were reported separately.

Portfolio allocations and other information in the charts are based on the fund's net assets. These percentages may differ from those used for the fund's compliance calculations, including the fund's prospectus, regulatory, and other investment limitations and policies, which may be based on total assets of the fund or other measurements, may include or exclude various categories of investments from those covered in the portfolio allocation categories shown in this report, and may be based on different classifications and measurements of the fund's investments and other criteria.

Outlook and strategy

The Fund's headline duration is underweight, reflecting a modest overweight in the U.S. along with hedges in select regions such as the U.K. and Japan. While rates may still drift higher, much of the move is likely behind us and the extent of steepening makes the belly of the curve attractive from a yield and carry perspective.

We think U.S. duration remains relatively attractive given (i) the potential for capital appreciation, especially with higher yields today, if downside risks materialize, (ii) an easing bias from the Fed, and (iii) relatively range-bound rates given little likelihood of Fed moving off the zero bound anytime soon.

We continue to have a bias towards high quality corporate credit and actively seek compelling names and sectors, though remain mindful that a true credit cycle is unfolding. We still favor Agency MBS, balancing attractive carry in the lower coupon mortgages and solid Fed support versus valuations that we believe are now fair rather than cheap. We have a preference for senior positions in non-Agency mortgages given the inherent fundamental strength and the de-leveraging nature of the asset. We are neutral TIPS currently as TIPS may face some near-term volatility and the extent of the output gap that still exists as we recover from the deepest recession on record. Longer-term, we still see value in TIPS given still compelling valuations and potential for upside surprises in inflation in the medium-term.

Management profile



Scott Mather
Managing Director and
CIO U.S. Core Strategies



Mark Kiesel
Managing Director and
CIO Global Credit



Mohit Mittal
Managing Director

1987
11 MAY
INCEPTION DATE

\$68.8BN
ASSETS UNDER
MANAGEMENT

Seeks maximum total return,
consistent with preservation of capital
and prudent investment management

30+ years delivering the key benefits of core bonds

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 financial advisor or PIMCO representative or by visiting www.pimco.com. Please read them carefully before you invest or send money.

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: Investing in the **bond market** is subject to risks, including market, interest rate, issuer, credit, inflation risk, and liquidity risk. The value of most bonds and bond strategies are impacted by **changes in interest rates**. Bonds and bond strategies with longer durations tend to be more sensitive and volatile than those with shorter durations; bond prices generally fall as interest rates rise, and low interest rate environments increase this risk. Reductions in bond counterparty capacity may contribute to decreased market liquidity and increased price volatility. Bond investments may be worth more or less than the original cost when redeemed. 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. **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. **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.

Morningstar ratings are only shown for those funds that have achieved a 4 or 5 star rating. Ratings for other share classes are either lower or not available.

Duration is a measure of a portfolio's price sensitivity expressed in years. Effective duration is the duration for a bond with an embedded option when the value is calculated to include the expected change in cash flow caused by the option as interest rates change.

Bloomberg Barclays U.S. Aggregate Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis. It is not possible to invest directly in an unmanaged index.

Statements concerning financial market trends or portfolio strategies are based on current market conditions, which will fluctuate. There is no guarantee that these investment strategies will work under all market conditions or are suitable for all investors and each investor should evaluate their ability to invest for the long term, especially during periods of downturn in the market. Outlook and strategies are subject to change without notice. Performance reflects changes in share price, reinvestment of dividends and capital gains distributions. All periods longer than one year are annualized. This material contains the current opinions of the manager but not necessarily those of PIMCO and such opinions are subject to change without notice. This material has been distributed for informational purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. No part of this material may be reproduced in any form, or referred to in any other publication, without express written permission. PIMCO is a trademark of Allianz Asset Management of America L.P. in the United States and throughout the world. ©2021, PIMCO.

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U.S. interest rate strategies encompass the Fund's duration, yield curve, convexity strategies and instrument selection.

Carry is the rate of interest earned by holding the respective securities.

The credit quality of a particular security or group of securities does not ensure the stability or safety of an overall portfolio. The quality ratings of individual issues/issuers are provided to indicate the credit-worthiness of such issues/issuer and generally range from AAA, Aaa, or AAA (highest) to D, C, or D (lowest) for S&P, Moody's, and Fitch respectively.

Emerging Markets (EM); Federal Open Market Committee (FOMC); Mortgage-and asset-backed securities (MBS); Treasury Inflation-Protected Securities (TIPS); U.S. Federal Reserve (Fed).