PIMCO

SHARE CLASS: **INSTITUTIONAL** | AS OF: **30 NOVEMBER 2020** | **Monthly Commentary**

Fund information		
Fund inception date		11 May 1987
Strategy		Core
Total Net Assets (in millions)		$70,038.2
Portfolio manager(s)		Scott Mather Mark Kiesel Mohit Mittal
Effective duration (yrs)		5.39
Benchmark duration (yrs)		6.23
Effective maturity (yrs)		7.78
Inst. share 30-day SEC yield		1.44%
Class	CUSIP	Ticker
Institutional	693390700	PTTRX

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 1.19% after fees in November, outperforming the Bloomberg Barclays U.S. Aggregate Index by 0.21%. Year-to-date the Fund has returned 8.55% after fees, outperforming the benchmark by 1.19%.

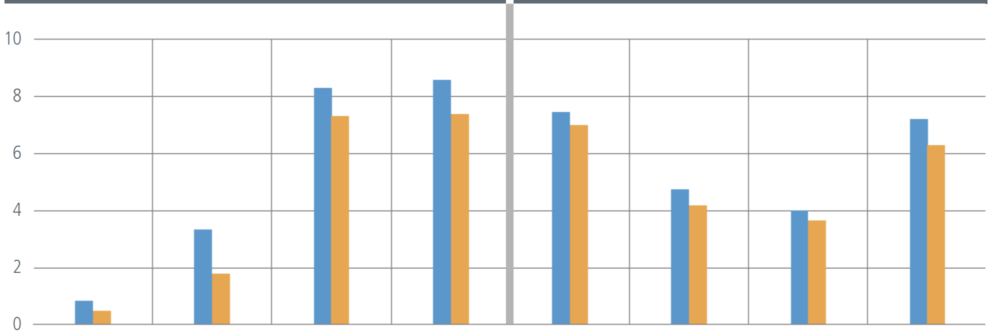
Risk assets broadly gained in November as positive vaccine developments and the US election outcomes - a Biden victory alongside a potentially divided congress - bolstered market optimism. Global equities rallied with the S&P 500 hitting record highs, credit spreads tightened, the dollar weakened, and oil prices rose. Developed sovereign yields were broadly mixed -curves flattened in the U.S. and Canada, while yields in the U.K. and Germany ended the month higher.

Contributors

- Positions in Agency and non-Agency MBS
- Positions in high yield credit
- Local rate exposure in select EM countries

Detractors

- An underweight to investment-grade corporate credit



	Month End Performance 30 November 2020				Quarter End Performance 30 September 2020			
	3 Mos.	6 Mos.	1 Yr.	YTD	1 Yr.	5 Yr.	10 Yr.	Since Inception
PIMCO Total Return Fund net of fees (%)	0.84	3.32	8.28	8.55	7.42	4.74	3.98	7.19
Bloomberg Barclays U.S. Aggregate Index (%)	0.48	1.79	7.28	7.36	6.98	4.18	3.64	6.29

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 30 November 2020	% Market Value	Duration (years)	
	Fund	Fund	Index
Government-Related	**25.4**	**3.01**	**2.96**
U.S. Treasury [1]	22.7	2.94	2.86
U.S. Agency [2]	0.0	0.00	0.10
Swaps and Liquid Rates [3]	2.8	0.07	0.00
Securitized [4]	**32.0**	**1.04**	**0.72**
Agency MBS	19.0	0.53	0.66
Non-Agency MBS	11.2	0.43	0.00
CMBS	1.3	0.08	0.06
Asset Backed Securities	0.5	0.01	0.01
Other	0.1	0.00	0.00
Investment Grade Credit	**29.3**	**1.30**	**2.42**
High Yield Credit	**2.1**	**0.05**	**0.00**
Non-U.S. Developed	**0.4**	**-0.62**	**0.00**
Emerging Markets	**13.4**	**0.20**	**0.13**
Bonds and Other Long Duration Instruments	15.0	0.22	0.13
Short Duration Instruments [5]	-1.6	-0.02	0.00
Other	**3.4**	**0.25**	**0.00**
Net Other Short Duration Instruments [6]	**-6.0**	**0.15**	**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. In general, we expect factors like massive deficit financing to pressure long-end yields over time - though are mindful that near-term volatility could keep the long-end relatively anchored.

We remain underweight to investment-grade corporate credit - mindful that a true credit cycle could unfold. Our bias is still towards high quality holdings and 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 an overweight to Agency MBS and positions in select non-investment-grade credits as well as mortgage credit. We maintain our Agency MBS overweight as we believe these assets provide attractive, high-quality and diversifying sources of carry, especially as the risk profile differs from that of traditional credit.

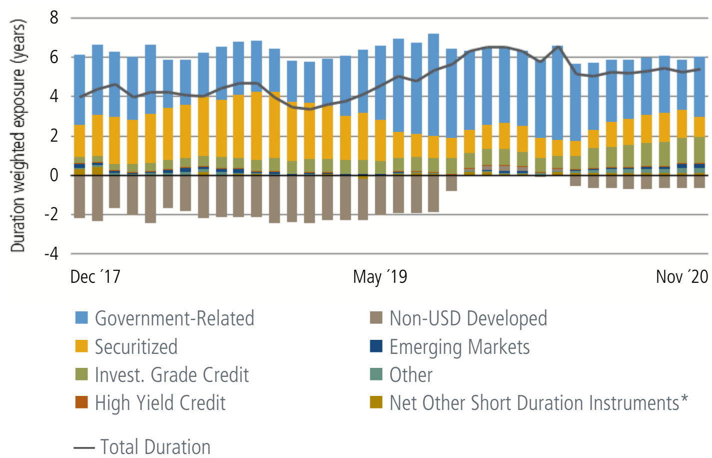
We currently have minimal exposure to currencies, though continue to seek overshoots and undershoots in select currencies that provide attractive risk-reward opportunities.

Month in review

Interest rate strategies added to relative performance over the month. Local rate exposure in select EM countries, as well as U.S. and U.K. rate strategies (including duration, curve positioning, and instrument selection) contributed to relative performance.

Spread sector strategies also added to relative performance over the month. The Fund's overweight to Agency MBS as well as positions in non-Agency MBS and select high yield credit holdings contributed to relative performance and more than offset detractions from an underweight to investment grade corporate credit.

Currency strategies were also about neutral for performance as we had limited exposure over the month.



*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

We are underweight headline duration, and modestly underweight U.S. duration. Even though U.S. yields have fallen, we think U.S. duration is still attractive given (i) the potential for capital appreciation (i.e., U.S. rates have more room to fall) if downside risks materialize, (ii) an easing bias from the Fed, and (iii) relatively range-bound rates given little likelihood of the Fed moving off the zero bound in the near term. Meanwhile, we employ hedges internationally in regions where yields look rich like Japan and the U.K. To the extent rates rise, we would expect international rates to move at least as much, if not more, than those in the U.S.

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 prefer Agency MBS exposure given that the sector is essentially government guaranteed, has better liquidity, and offers the potential for more resiliency in downturns. We also 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 due to the challenged growth outlook. Over the longer-term, we still expect inflation to shift back toward the Fed's target with potential for overshoots given a supportive Fed -- but we have adjusted our position lower for now due to near-term headwinds.

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

$70.0BN
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 certain risks including market, interest-rate, issuer, credit, and inflation risk; 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.

The value of most bond funds and fixed income securities are impacted by **changes in interest rates**. Bonds and bond funds with longer durations tend to be more sensitive and more volatile than securities with shorter durations; bond prices generally fall as interest rates rise.

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.

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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); Mortgage-and asset-backed securities (MBS); U.S. Federal Reserve (Fed).

PIMCO