

International Bond Fund (U.S. Dollar-Hedged)

CLASS:	INSTITUTIONAL
FUND INCEPTION DATE:	2 DECEMBER 1992
TICKER:	PFORX
CUSIP:	693390882
TOTAL NET ASSETS (IN MILLIONS):	\$10,832.0

PORTFOLIO MANAGERS

Andrew Balls, Sachin Gupta, Lorenzo Pagani

FUND STATISTICS

Effective duration (yrs)	7.55
Effective maturity (yrs)	9.32

SECTOR DIVERSIFICATION (%)

	Duration weighted
Government Related	71.3
Inflation Linked	6.5
Securitized	8.4
Covered Bonds and Pfandbriefe	3.3
Investment Grade Credit	4.6
High Yield Credit	0.4
Municipals	0.0
EM External	3.2
EM Local	2.7
Other	-1.0
Net Other Short Duration Instruments ¹	0.6

REGIONAL DIVERSIFICATION (%)

	Duration weighted
United States	0
Japan	32
Eurozone	40
United Kingdom	9
Europe non-EMU ²	3
Dollar Block ³	10
Other Industrialized Countries ⁴	0
Emerging Markets	6
EM - Asia	3
EM - Latin America	0
EM - CEEMEA ⁵	3
EM - Other	0

Fund description

The International Bond Fund (U.S. Dollar-Hedged) is a portfolio consisting primarily of intermediate duration non-U.S. fixed income securities from investment grade issuers in developed countries, with limited currency exposure. The fund is actively managed to maximize total return potential while minimizing any increase in risk relative to the market benchmark.

INVESTOR BENEFITS

This fund offers institutional and individual investors efficient exposure to international bond markets, a sector that is difficult for most investors to access directly.

Potential benefits of this fund include:

- Increased return diversification relative to domestic bonds
- Limited return volatility due to currency hedges
- Alpha due to increased opportunity set

THE FUND ADVANTAGE

The fund seeks to capture the returns of non-U.S. bonds but generally hedges out most currency exposure in order to limit the volatility of returns. The changing dynamics of international fixed income markets represent a rich opportunity for tangible diversification and potential for better risk-adjusted returns over time. The fund seeks to outperform the Barclays Global Aggregate ex-USD (USD Hedged) Index, by taking both strategic and tactical interest rate, currency and sector exposures relative to the benchmark.

VALUE OF GLOBAL STRATEGIES

An allocation to PIMCO's global bond strategies may be beneficial as part of a diversified portfolio. Portfolios invested across many global bond markets may have lower volatility relative to portfolios consisting only of domestic bonds, and can provide a hedge against risks in other asset classes, such as equities, particularly in times of economic uncertainty. An allocation to a PIMCO global bond strategy can also be used in an effort to help to preserve investor's capital, provide a steady source of income and, due to the increased opportunity set afforded by the global markets, potential for capital gains.

Performance (net of fees)	20 yrs.	15 yrs.	10 yrs.	5 yrs.	3 yrs.	1 yr.	6 mos.	3 mos.
PIMCO Fund (%)	5.98	5.85	7.29	4.97	4.44	4.25	3.69	2.97
Benchmark (%)	4.57	4.33	4.29	4.27	3.33	5.23	4.91	2.96

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.

Lipper rankings* (International Income Funds)	10 yrs.	5 yrs.	3 yrs.	1 yr.
Fund rank	1	4	8	17
Number of funds	49	82	86	108
Quartile	1	1	1	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.

¹ 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. ¹ 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. ² Europe Non-EMU: Denmark, Greenland, Iceland, Jersey Channel Islands, Liechtenstein, Norway, Sweden and Switzerland ³ Dollar Block includes Australia, New Zealand, and Canada ⁴ OIC includes Australia, Canada, Denmark, New Zealand, Norway, Sweden, Switzerland, U.K., Supranationals, and any other country with a GNI of \$12,275 / per capita ⁵ CEEMEA includes EM countries in Central and Eastern Europe, the Middle East, and Africa Interest expense results from the Fund's use of certain investments such as tender option bond floating rate certificates. Such expense is required to be treated as a Fund expense for accounting purposes and is not payable to Pacific Investment Management Company LLC ("PIMCO"). Any interest expense amount will vary based on the Fund's use of those investments as an investment strategy best suited to seek the objective of the Fund.

MV% may not equal 100 due to rounding.

Performance reflects changes in share price, reinvestment of dividends and capital gains distributions. All periods longer than one year are annualized.

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.

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 **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. **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. The Fund is **non-diversified**, which means that it may concentrate its assets in a smaller number of issuers than a diversified fund.

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. 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.

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	Daily accrual
Total Expense Ratio	0.56%

The Net Expense Ratio excluding interest expense is 0.50%. Interest expense can result from portfolio investment transactions and is not paid to PIMCO.

PERFORMANCE CHARACTERISTICS

SEC 30-day yield (%)	2.04%
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ABOUT THE BENCHMARK

Bloomberg Barclays Global Aggregate ex-USD (USD Hedged) Index provides a broad-based measure of the global investment-grade fixed income markets. The major components of this index are the Pan-European Aggregate and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds and Canadian Government securities. The index launched on 1/1/1998. The index performance shown prior to that date is calculated using the JPMorgan GBI Global ex-US Index Hedged in USD, which was the Fund's primary benchmark index from the Fund's inception until 12/1/2015. It is not possible to invest directly in an unmanaged 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 14 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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