

Diversified Income Fund

CLASS:	INSTITUTIONAL
FUND INCEPTION DATE:	31 JULY 2003
TICKER:	PDIIX
CUSIP:	693391880
TOTAL NET ASSETS (IN MILLIONS):	\$5,210.4

PORTFOLIO MANAGERS

Dan Ivascyn, Alfred Murata, Eve Tournier, Sonali Pier

FUND STATISTICS

Effective duration (yrs)	6.05
Effective maturity (yrs)	9.55

SECTOR DIVERSIFICATION (%)

	Market value weighted
US Government Related	13.5
Securitized ¹	10.5
Invest. Grade Credit	21.6
High Yield Credit	26.9
Non-USD Developed	12.7
Emerging Markets	27.1
Other ²	4.9
Net Other Short Duration Instruments ³	-17.2

TOP 5 INDUSTRY DIVERSIFICATION (%)

	Market value weighted
Banks	9.2
Technology	3.5
Media Cable	2.9
Integrated Oil	2.8
Independent E&P	2.6

Fund description

The Diversified Income Fund is an actively managed portfolio that invests across a broad universe of fixed income instruments in the global credit markets. The investment universe spans a range of sectors, including global investment grade and high yield corporates, emerging market debt, and other global credit and spread sectors. The fund aims to maintain a high degree of diversification, an intermediate duration overall, and makes limited tactical use of currency exposures outside of the U.S. dollar.

INVESTOR BENEFITS

This fund offers investors efficient exposure to global investment grade, high yield corporate credit and emerging markets debt.

Potential benefits of this fund include:

- A single access point to the broad spectrum of global credit sectors
- A potentially higher yielding alternative to core fixed income
- A dynamic, flexible investment approach guided by PIMCO's top-down macroeconomic outlook and bottom-up credit research
- Seeks attractive risk-adjusted returns through a diversified, risk-conscious investment approach

THE FUND ADVANTAGE

The fund is an efficient way to gain exposure to a broad range of sectors in the global credit markets in a co-mingled vehicle. The fund takes a diversified approach which looks to benefit from PIMCO's macroeconomic views on credit trends, global interest rates, duration, currencies, and curve positioning. This diversified approach aims to provide the potential for consistent outperformance over the long-term through relative value trades, especially compared to approaches that focus on a single asset class.

VALUE OF CREDIT STRATEGIES

An allocation to PIMCO's credit strategies may be beneficial as part of a diversified portfolio. Corporate bonds and other credit assets tend to appreciate during periods of improving economic conditions, when government bonds may experience below average gains. Credit products should provide for the repayment of principal at maturity, and with a probable steady income stream contributing to the return, can be used as a more defensive corporate investment than equities. PIMCO credit strategies offer many options for diversification within the sector, from investment grade to high yield, in domestic, global developed and emerging markets.



The Lipper Fund Awards recognized the Diversified Income Fund, Institutional for the 5 year performance period out of 69 funds under the Multi-Sector Income Funds Classification.

Performance (net of fees)	15 yrs.	10 yrs.	5 yrs.	3 yrs.	1 yr.	6 mos.	3 mos.
PIMCO Fund (%)	6.54	5.89	7.41	5.91	6.39	7.34	4.50
Benchmark 1 (%)	5.48	5.48	6.32	6.13	7.53	5.14	3.11
Benchmark 2 (%)	6.44	6.09	6.90	5.82	6.60	7.24	4.50

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* (Multi-Sector Income Funds)	10 yrs.	5 yrs.	3 yrs.	1 yr.
Fund rank	17	17	55	179
Number of funds	125	264	306	351
Quartile	1	1	1	3

* 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 The Securitized bucket will include Agency MBS, non-Agency MBS, CMBS, ABS, CDO, CLO, and Pooled Funds. ² Other may include convertibles, preferreds, and yankee bonds. ³ 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. 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 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. The strategy may invest all of its assets in high-yield, lower-rated, securities which 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. 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. **Equities** may decline in value due to both real and perceived general market, economic, and industry conditions. **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.

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 Lipper Fund Awards are based on the Lipper Leader for Consistent Return rating, which is a risk-adjusted performance measure calculated over 36, 60 and 120 months. The fund with the highest Lipper Leader for Consistent Return (Effective Return) value in each eligible classification wins the Lipper Fund Award. For more information, see lipperfundawards.com. Although Lipper makes reasonable efforts to ensure the accuracy and reliability of the data contained herein, the accuracy is not guaranteed by Lipper. Lipper Fund Awards from Refinitiv, © 2020 Refinitiv. All rights reserved. Used under license. Used by permission and protected by the Copyright Laws of the United States. The printing, copying, redistribution, or retransmission of this Content without express written permission is prohibited.

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**

FUND EXPENSES

Gross Expense Ratio **0.79%**

Adjusted Expense Ratio **0.75%**

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 CHARACTERISTICS

SEC 30-day yield (%) **2.02%**

ABOUT THE BENCHMARK

Benchmark 1

Bloomberg Barclays Global Credit Hedged USD contains investment grade and high yield credit securities from the Multiverse represented in US Dollars on a hedged basis. (Multiverse is the merger of two groups: the Global Aggregate and the Global High Yield).

Benchmark 2

The Fund's secondary benchmark is an equally weighted blend of the following three indices: Bloomberg Barclays Global Aggregate Credit Component ex Emerging Markets, USD Hedged; BofA Merrill Lynch Global High Yield, BB-B Rated Constrained Developed Markets Index, USD Hedged; and JPMorgan EMBI Global, USD Hedged. The Bloomberg Barclays Global Aggregate Credit Component ex Emerging Markets (USD Hedged) provides a broad-based measure of the global developed markets investment-grade fixed income markets. The BofA Merrill Lynch Global High Yield, BB-B Rated Constrained Developed Markets Index (USD Hedged) tracks the performance of below investment grade bonds of corporate issuers domiciled in developed market countries rated BB1 through B3, based on an average of Moody's, S&P and Fitch. Qualifying bonds are capitalization-weighted provided the total allocation to an individual issuer (defined by Bloomberg tickers) does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro-rata basis. Similarly, the face value of bonds of all other issuers that fall below the 2% cap are increased on a pro-rata basis. The index is rebalanced on the last calendar day of the month. The JPMorgan EMBI Global (USD Hedged) tracks total returns for U.S. dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities, Brady bonds, loans, Eurobonds and local market instruments. It is not possible to invest 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 17 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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