P I M C O

CommodityRealReturn Strategy Fund®

SHARE CLASS: **A** | AS OF: **30 JUNE 2020** | **Monthly Commentary**

Fund information	
Fund inception date	28 June 2002
Strategy	Alternative
Total Net Assets (in millions)	$2,497.4
Portfolio manager(s)	Nicholas Johnson Greg Sharenow Stephen Rodosky
Effective duration (yrs)	3.43
Benchmark duration (yrs)	0.23
Effective maturity (yrs)	2.60
A share 30-day SEC yield	-6.42%

Class	CUSIP	Ticker
A	722005584	PCRAX
C	722005568	PCRCX
I2	72201M842	PCRPX
I3	72202E476	PCRNX
R	72201P225	PCSRX
Institutional	722005667	PCRIX
Administrative	722005659	PCRRX

Expenses	
Gross Expense Ratio (%)	2.05
Net Expense Ratio (%)	1.91

The Net Expense Ratio reflects a contractual fee waiver related to the Fund's subsidiary that will not terminate so long as PIMCO's advisory contract with the Fund's subsidiary is in place.

Adjusted Expense Ratio (%)	1.19

The Adjusted Expense Ratio is the same as the Net Expense Ratio, but also 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.

* The A Class incepted on 29 November 2002, which may be different than the inception date of the Fund. For the period prior to the inception date of the A Class shares, performance information is based on the performance of the Fund's Institutional Class shares, adjusted to reflect the actual distribution and/or service (12b-1) fees and other expenses paid by A class shares.

Performance summary

The PIMCO CommodityRealReturn Strategy Fund® returned 3.72% at NAV in June, outperforming the Bloomberg Commodity Index Total Return by 1.44%. Year-to-date the Fund has returned –19.97% at NAV, while the benchmark returned –19.40%.

Broad commodities, as represented by the Bloomberg Commodity Total Return Index, returned 2.28% for June.

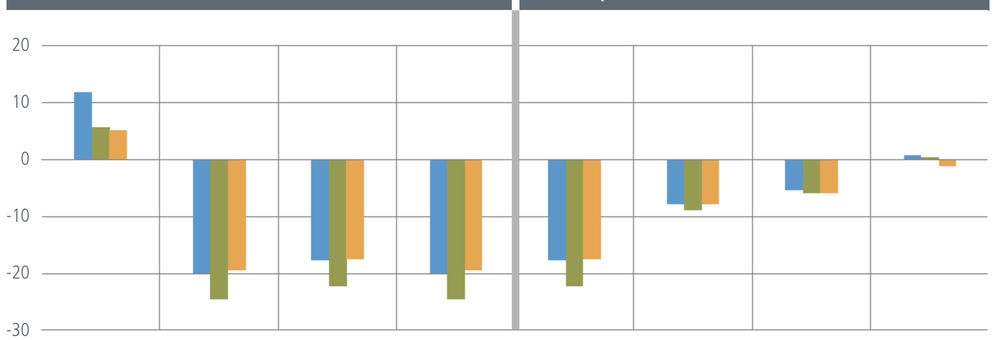
Contributors

- Structural allocation to TIPS as collateral
- Active commodity strategies
- Exposure to non-agency mortgage backed securities (MBS) and investment grade corporate credit

Detractors

- No notable detractors

Month End Performance 30 June 2020 | Quarter End Performance 30 June 2020



	3 Mos.	6 Mos.	1 Yr.	YTD	1 Yr.	5 Yr.	10 Yr.	Since Inception*
PIMCO Com.RealRet. Stgy Fund® at NAV (%)	11.71	-19.97	-17.66	-19.97	-17.66	-7.74	-5.25	0.69
PIMCO Com.RealRet. Stgy Fund® at MOP (%)	5.61	-24.40	-22.25	-24.40	-22.25	-8.77	-5.78	0.38
Bloomberg Commodity Index Total Return (%)	5.08	-19.40	-17.38	-19.40	-17.38	-7.69	-5.82	-1.05

If this material is used after 30 September 2020, it must be accompanied by the most recent Performance Supplement.

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 maximum offering price (MOP) returns take into account the 5.5% maximum initial sales charge.

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.

Commodity sector weights as of 30 June 2020		
	% Market Value	
	Fund	Index
Energy	22.66	23.35
Livestock	5.29	4.99
Industrial Metals	19.45	18.70
Precious Metals	22.75	22.45
Agriculture	30.09	30.50

Portfolio characteristics as of 30 June 2020

Inflation-linked bonds	% Market Value	Duration (years)
United States	81.5	3.94
United Kingdom	6.7	0.50
Europe	4.1	0.17
Canada	0.7	0.04
Other	7.6	0.48
Other Short Duration Instruments	-13.0	0.22
Non inflation-linked bonds	**% Market Value**	**Duration (years)**
US Government Related	-5.8	-1.52
Mortgage	13.7	0.30
Invest. Grade Credit	5.1	0.12
High Yield Credit	-2.1	0.00
Non-U.S. Developed	-26.0	-0.98
Emerging Markets	0.3	0.02
EM Short Duration Instruments	0.0	0.00
Municipal	0.0	0.00
Other	0.4	0.02
Net Other Short Duration Instruments [1]	26.7	0.12

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] 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

The Fund maintains full exposure to the Bloomberg Commodity Total Return Index, collateralized by a portfolio of TIPS and other high-quality fixed income securities. The Fund's active commodity trades are focused on relative value opportunities in commodity markets.

Within energy, we favor refinery margins given our view that while near-term demand weakness for refined products may persist, margins reflect a depressed world and offer value; we will continue reacting to relative economics amid the uneven recovery in product markets. In agriculture, we are trading relative value in wheat given our view that concerns over global food supplies combined with competitive pricing should support high protein wheat. In metals, we are tactically trading relative value between gold, which we view as a long duration real asset, and rates.

Month in review

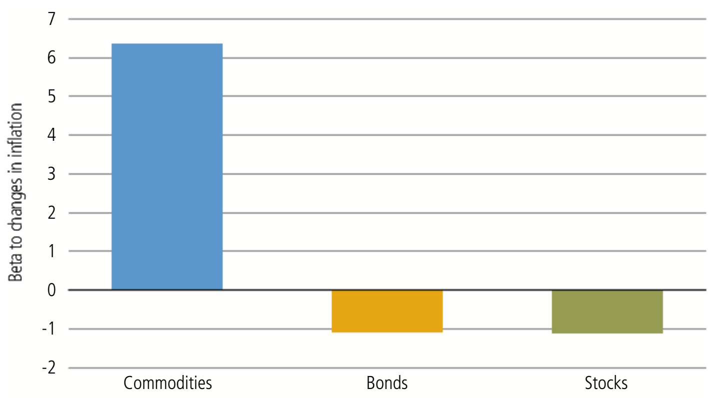
Commodities extended their rebound in June on growing optimism surrounding the pace of economic recovery. Oil prices continued to recover and prompt Brent oil futures surpassed $40/barrel for the first time since the coronavirus pandemic took hold, more than double the lows seen in late April. OPEC and its allies began the month with an agreement to maintain record output cuts of 9.6 million b/d through July, down 100 thousand b/d from the April target as it excludes Mexico, which refused to continue the effort. The monitoring committee will continue meeting monthly to recommend any adjustments, thus starting the process of unwinding output restraint.

Natural gas prices in the U.S. fell to levels last seen in 1995 amid still poor demand; according to the EIA, deliveries of LNG feedgas to U.S. export facilities declined by over 50% after peaking earlier this year.

The agricultural sector rallied into month end after the USDA's annual acreage report came in below expectations, particularly for corn. Soybeans also benefitted from strong export sales to China over the period, while wheat declined on expectations for higher supply.

Base metals continued to recover on rising Chinese demand combined with supply disruptions. Copper led the sector higher on the back of a rebound in manufacturing activity as well as mining suspensions in Latin America due to coronavirus outbreaks. Precious metals posted positive returns, and prices for front-month gold futures reached their highest level since 2011 amid ongoing uncertainty over the virus and lower real yields.

Betas to changes in the rate of inflation (1973 - June 2020)



Outlook and strategy

PIMCO's commodity portfolio managers continue to focus on attractive relative value opportunities while balancing PIMCO's macroeconomic outlook with commodity-specific supply trends. The Fund plans to continue to implement tactical strategies at the intersection of fundamental and structural opportunities in commodity markets.

In the collateral portfolio, we continue to favor U.S. breakeven inflation rates, given cheap valuations versus long-term fair value. We plan to tactically respond to anticipated short-term inflation mispricing due to changes in commodity prices and seasonal trends. We also plan to hold inflation-linked bonds linked to stronger sovereign balance sheets and higher real yields that leave flexibility for rates to respond to continued global economic pressures.

Management profile

Nicholas Johnson
Managing Director

Greg Sharenow
Executive Vice President

Stephen Rodosky
Managing Director

2002
28 JUN
INCEPTION DATE

10
PORTFOLIO MANAGERS

- Average years of experience **12**
- Resources in **3 global offices**

Bolster inflation-fighting potential

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: The fund will seek exposure to commodities through commodity-linked derivatives and through a wholly-owned subsidiary of the Fund organized under the laws of the Cayman Islands (the "Subsidiary"). The Subsidiary is advised by PIMCO, and has the same investment objective as the Fund. The Subsidiary (unlike the Fund) may invest without limitation in commodity-linked swap agreements and other commodity-linked derivative instruments. **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. **Inflation-linked bonds (ILBs)** issued by a government are fixed-income securities whose principal value is periodically adjusted according to the rate of inflation; ILBs decline in value when real interest rates rise. Treasury Inflation-Protected Securities (TIPS) are ILBs issued by the U.S. Government. 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. **Derivatives and commodity-linked 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. Commodity-linked derivative instruments may involve additional costs and risks such as changes in commodity index volatility or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. 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.

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 Commodity Index Total Return is an unmanaged index composed of futures contracts on a number of physical commodities. The index is designed to be a highly liquid and diversified benchmark for commodities as an asset class. The futures exposures of the benchmark are collateralized by US T-bills 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.

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Inflation-linked bonds (ILBs) issued by a government are fixed income securities whose principal value is periodically adjusted according to the rate of inflation; ILBs decline in value when real interest rates rise. **Treasury Inflation-Protected Securities (TIPS)** are ILBs issued by the U.S. government.

Mortgage-and asset-backed securities (MBS) may be sensitive to changes in interest rates, subject to early repayment risk, and while generally supported by a government, government-agency or private guarantor, there is no assurance that the guarantor will meet its obligations.

Breakeven inflation rate (or expectation) is a market-based measure of expected inflation or the difference between the yield of a nominal and an inflation-linked bond of the same maturity.

The terms "cheap" and "rich" as used herein generally refer to a security or asset class that is deemed to be substantially under- or overpriced compared to both its historical average as well as to the investment manager's future expectations. There is no guarantee of future results or that a security's valuation will ensure a profit or protect against a loss.

PIMCO