PIMCO

All Asset Fund

SHARE CLASS: **INSTITUTIONAL** | AS OF: **30 JUNE 2021** | **Monthly Commentary**

Fund information	
Fund inception date	31 July 2002
Strategy	Asset Allocation – Real Return
Total Net Assets (in millions)	$17,147.7
Portfolio manager(s)	Robert Arnott Christopher Brightman
Effective duration (yrs)	3.98
Inst. share 30-day SEC yield	
Subsidized:	7.39%
Unsubsidized:	7.29%

Class	CUSIP	Ticker
Institutional	722005626	PAAIX

The 30 day SEC Yield is computed under an SEC standardized formula based on net income earned over the past 30 days. The Subsidized yield includes contractual expense reimbursements and it would be lower without those reimbursements. The Unsubsidized 30 Day SEC yield excludes contractual expense reimbursements.

Expenses	
Gross Expense Ratio (%)	1.335
Net Expense Ratio (%)	1.185

The Net Expense Ratio reflects a contractual fee waiver and/or expense reduction, which is in place through 31 July 2021 and renews automatically for a full year unless terminated by PIMCO in accordance with the terms of the agreement.

Adjusted Expense Ratio (%)	0.865

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.

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.

Performance summary

The PIMCO All Asset Fund returned 0.73% after fees in June, outperforming the Bloomberg Barclays U.S. TIPS: 1-10 Year Index by 0.65%. Year-to-date the Fund has returned 12.66% after fees, outperforming the benchmark by 10.30%.

Strong momentum in economic data continued to support risk sentiment, although inflation concerns continued to linger in June. Global equities rallied, credit spreads tightened, commodity prices rose, and the dollar strengthened. Developed sovereign yields broadly fell and curves flattened, though front end yields rose as the Fed indicated rate hikes may occur sooner than previously expected. Meanwhile, President Biden and a bipartisan group of senators announced an agreement on a $1.2 trillion infrastructure plan.

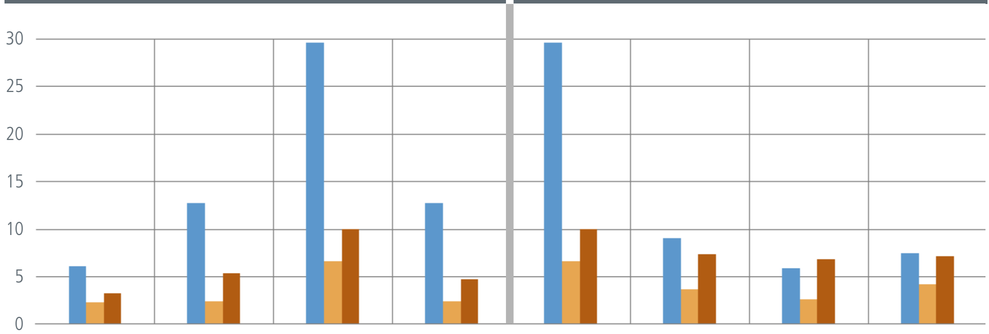
Contributors

- Allocations to commodities and REITs
- Exposure to U.S. long maturity bonds
- Positions in U.S. large and small-cap value equities

Detractors

- Exposure to alternative strategies
- Positions in developed ex-U.S. equities
- Allocations to emerging markets bonds

Month End Performance 30 June 2021 | Quarter End Performance 30 June 2021



	Month End: 3 Mos.	6 Mos.	1 Yr.	YTD	Quarter End: 1 Yr.	5 Yr.	10 Yr.	Since Inception
PIMCO All Asset Fund net of fees (%)	6.09	12.66	29.55	12.66	29.55	8.97	5.81	7.40
Bloomberg Barclays U.S. TIPS: 1-10 Year Index (%)	2.30	2.36	6.60	2.36	6.60	3.61	2.58	4.21
Consumer Price Index + 500 Basis Points (%)	3.20	5.32	9.93	4.66	9.93	7.31	6.79	7.15

CPI data is as of 31 May 2021.

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.

Past performance is not a guarantee or a reliable indicator of future results. The performance figures presented reflect the average annual return performance for Institutional Class shares (after fees) and reflect changes in share price and reinvestment of dividend and capital gain distributions. All periods longer than one year are annualized. Periods less than one year are cumulative. 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. 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. 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. Investment Products Not FDIC Insured | May Lose Value | Not Bank Guaranteed

Market Value Allocation (%)	30/06/2021	31/03/2021	31/12/2020
Third Pillar	**68.2**	**69.0**	**68.9**
Emerging Markets Equities	14.5	14.4	15.8
Commodities and REITs	15.4	15.9	15.0
Emerging Markets Bonds	4.8	5.7	6.1
Credit Strategies	9.4	7.8	7.1
Global Bonds	0.0	0.6	1.2
Inflation Linked Bonds	5.4	5.2	6.2
Alternative Strategies	18.7	19.4	17.5
Second Pillar	**13.6**	**10.4**	**10.0**
US Core Bonds	6.9	4.0	3.1
US Long Maturity Bonds	4.4	4.3	3.7
Short-Term Bonds	2.3	2.2	3.1
First Pillar	**18.2**	**20.5**	**21.2**
US Equities	5.6	7.0	6.8
Developed Ex-US Equities	12.6	13.5	14.4

Fund Attribution (bps)	MTD	QTD	YTD
Third Pillar	**37**	**425**	**884**
Emerging Markets Equities	5	119	285
Commodities and REITs	36	197	370
Emerging Markets Bonds	-3	24	4
Credit Strategies	6	26	39
Global Bonds	0	1	1
Inflation-Linked Bonds	6	29	18
Alternative Strategies	-13	30	168
Second Pillar	**30**	**63**	**1**
US Core Bonds	6	18	11
US Long Maturity Bonds	24	42	-17
Short-Term Bonds	0	3	7
First Pillar	**6**	**122**	**382**
US Equities	17	68	222
Developed Ex-US Equities	-11	54	160
Total Performance	**73**	**609**	**1266**

The "net" attribution analysis contained herein is calculated by PIMCO and is intended to provide an estimate as to which elements of a strategy contributed (positively or negatively) to a portfolio's performance. The attribution results contain certain assumptions that require elements of subjective judgment and analysis. Attribution analysis is not a precise measure and should generally be considered within a range (e.g., +/- 5 bps). Further, attribution analysis should not be relied upon for investment decisions.
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.
Past performance is not a guarantee or a reliable indicator of future results.

Portfolio positioning

The Fund invests across all major global markets but strategically emphasizes "third pillar" asset classes in seeking maximum long term-real return in a manner that is designed to diversify fully-valued U.S. stocks and bonds and provides responsiveness to changes in inflation.

In June, All Asset maintained its portfolio-level risk tolerance and equity beta at an above average risk posture. This move was informed by a host of factors, including declining probabilities of economic slowdowns across the globe, a continuing of the historic valuation gap between growth and value stocks, and pro-cyclical positioning shifts as recommended by our tactical models.

With the Fund's risk posture, its areas of tactical emphasis are from developed ex-U.S. equities, alternative strategies, REITs, and U.S. small-cap and value equities.

We have been gradual in our trading, balancing near-term negative momentum signals with positive longer-horizon value signals. As we come out on the other side of the health crisis, we will adjust our positioning over the coming weeks to potentially exploit multiple supportive return factors, while weighing the considered risks that remain in a post-vaccine world.

Month in review

In June, "third pillar" asset classes on average posted positive gains due to ongoing inflation concerns. Commodities and REITs, with their inflation-sensitive characteristics, were natural beneficiaries and were the top performers this month. Within commodities, oil prices climbed $5/barrel and closed just over $75/barrel. Continued recovery in demand globally along with expectations for strong fuel consumption in the U.S. during the summer driving season supported prices. Optimism over reopening and vaccination progress allowed markets to largely look past risks of rising COVID-19 cases and the newly emerging Delta variant.

In the U.S., front-end yields rose as the Fed announced plans for sooner than-expected rate hikes while the 10-year Treasury yield fell 13 basis points (bps) to 1.47% - its lowest level since early March.

U.S. large-cap equities rose 2.33% as investors continued to focus on the Federal Reserve and additional U.S. stimulus. During the June Federal Open Market Committee meeting, the Fed started to discuss options to end its asset purchase program and the majority of participants predicted two rate hikes in 2023, compared to previous forecasts of no rate hikes until 2024. In Europe, the EU Recovery Fund disbursements will start next month and the ECB reassured investors that it will not discuss tapering asset purchases amid low inflation. As a result, European equities ended the month 1.70% higher. In Asia, the highly contagious COVID-19 Delta variant continued to spread, pushing Japanese equities 0.15% lower.

Market Returns (%)	MTD	QTD	YTD
First Pillar Average Return	**1.0**	**6.0**	**13.9**
US Stocks (S&P 500 Index)	2.3	8.5	15.3
US Small Cap (Russell 2000 Index)	1.9	4.3	17.5
Developed ex-US Equities (MSCI EAFE Net Dividend Index (USD Unhedged))	-1.1	5.2	8.8
Second Pillar Average Return	**1.4**	**2.9**	**-2.7**
US Core Bonds (Barclays U.S. Aggregate Index)	0.7	1.8	-1.6
US Long Maturity Treasury Bonds (Barclays Long-Term Treasury Index)	3.6	6.5	-7.9
US IG Credit (Barclays U.S. Credit Index)	1.5	3.3	-1.3
US 1-3 Year Treasury Bonds (BofA Merrill Lynch 1-3 Yr Treasury Index)	-0.2	0.0	-0.1
Third Pillar Average Return	**0.8**	**6.6**	**8.8**
US TIPS (Bloomberg Barclays U.S. TIPS Index)	0.6	3.2	1.7
Commodities (Bloomberg Commodity Index Total Return)	1.9	13.3	21.1
US REITs (Dow Jones U.S. Select REIT Index)	2.3	11.8	22.9
US High Yield (BofAML US HY BB-B Rated, Constrained Index)	1.3	2.6	2.9
Local EM Bonds (JPM Gov't Bond Index-EM Global Diversified (Unhedged))	-1.2	3.5	-3.4
EM Equities (MSCI Emerging Markets Index)	0.2	5.0	7.4

Management profile

Robert Arnott
Founder and Chairman of Research Affiliates

Christopher Brightman
Chief Investment Officer

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

49 ANALYSTS
Analysts/Researchers at Research Affiliates.

A differentiated approach to asset allocation targeting strong after-inflation returns

Outlook and strategy

The Fund strategically emphasizes "third pillar" asset classes, aiming to provide a diversified return stream versus traditional stock/bond-centric approaches.

Tactical shifts in positioning are largely driven by assessing asset class valuations in the context of the business cycle stage. In general, by rotating into assets with low valuations and higher yields and selling richer, lower yielding assets, the Fund seeks to asymmetrically participate in price appreciation, mitigate market declines, and capture a valuation rebalancing premium over a multi-year horizon.

Based on current positioning, we see three potential performance tailwinds. First, periods of stable to rising inflation expectations have historically benefitted performance due to the Fund's strategic emphasis on "third pillar" assets with high correlations to changes in inflation. Second, the weakening of the U.S. dollar. Current valuations favour emerging market and developed market currencies vs USD. Third, the reversal of value vs growth stocks. Value stocks have underperformed and recently fell to historically cheap levels; historically value has often rebounded strongly following such periods.

We will continue to take advantage of this environment through allocation shifts in response to market volatility. We expect current positioning and future allocations to benefit from return opportunities arising from higher yields and a globally diversified opportunity set. We will continue to maintain our disciplined value-oriented contra-trading process, which has historically enabled us to come through large market downturns and subsequent rebounds with cumulative positive results.

A word about risk: The fund invests in other PIMCO funds and performance is subject to underlying investment weightings which will vary. 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. **Commodities** contain heightened risk including market, political, regulatory, and natural conditions, and may not be suitable for all investors. **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. Investing in securities of smaller companies tends to be more volatile and less liquid than securities of larger companies. **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. **Equities** may decline in value due to both real and perceived general market, economic, and industry conditions. **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 cost of investing in the Fund will generally be higher than the cost of investing in a fund that invests directly in individual stocks and bonds. The Fund is **non-diversified**, which means that it may invest its assets in a smaller number of issuers than a diversified fund.

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. TIPS: 1-10 Year Index is an unmanaged market index comprised of U.S. Treasury Inflation-Protected Securities having a maturity of at least 1 year and less than 10 years. CPI + 500 Basis Points benchmark is created by adding 5% to the annual percentage change in the Consumer Price Index ("CPI"). This index reflects seasonally adjusted returns. The Consumer Price Index is an unmanaged index representing the rate of inflation of the U.S. consumer prices as determined by the U.S. Bureau of Labor Statistics. There can be no guarantee that the CPI or other indexes will reflect the exact level of inflation at any given time. 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.

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Currency rates may fluctuate significantly over short periods of time and may reduce the returns of a portfolio.

Beta is a measure of price sensitivity to market movements. Market beta is 1.

European equities represented by MSCI Europe Index (MSDEE15N Index) , Japanese equities represented by Nikkei 225 Index (NKY Index), U.S. large-cap equities represented by S&P 500 Index, Third Pillar asset classes represented by equal weighted index of BofA ML U.S. High Yield, BB-B Rated Constrained Index, Bloomberg Barclays U.S. TIPS Index, JPM Gov't Bond Index-Em Global Diversified (Unhedged), MSCI Emerging Markets Index, Dow Jones U.S. Select REIT Total Return Index and Bloomberg Commodity Index Total Return.

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.

Real Estate Investment Trust (REIT); ; European Central Bank (ECB)

PIMCO