

Fund information

Fund inception date	30 October 2003	
Strategy	Alternative	
Total Net Assets (in millions)	\$1,398.7	
Portfolio manager(s)	Nicholas Johnson	
Effective duration (yrs)	3.69	
Effective maturity (yrs)	7.53	
A share 30-day SEC yield	5.46%	
Class	CUSIP	Ticker
A	72200Q299	PETAX
C	72200Q273	PETCX
I2	72201M628	PETPX
I3	72202E294	PNRNX
Institutional	72200Q257	PRRSX

Summary characteristics

	Fund
Number of stocks	190
Weighted avg market cap (in millions)	28,978
Trailing P/E ratio	41.8
Forward P/E ratio	54.8
Price/Sales	7.9
Price/Book	2.8
Price/Cash Flow	15.7

Expenses

Gross Expense Ratio (%)	2.50
-------------------------	------

Adjusted Expense Ratio (%)	1.14
----------------------------	------

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 RealEstateRealReturn Strategy Fund returned 1.13% at NAV in August, outperforming the Dow Jones U.S. Select REIT Total Return Index by 0.43%. Year-to-date the Fund has returned -11.60% at NAV, outperforming the benchmark by 7.24%.

Real estate investment trusts (REITs) saw modest gains of 0.70% in August, lagging the move in the broader U.S. equity market.

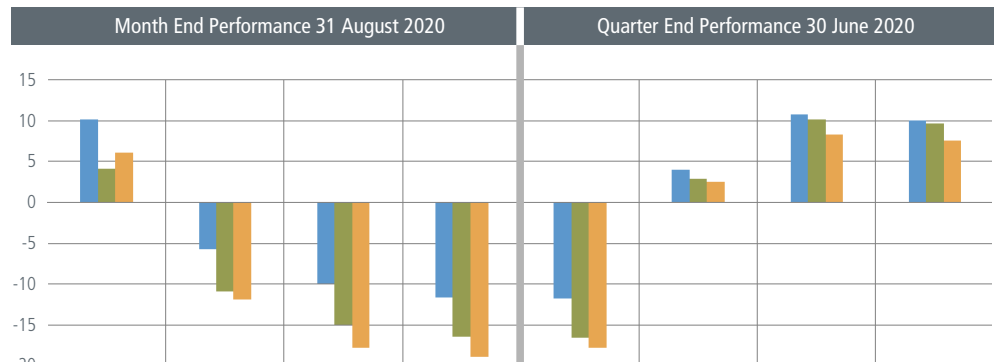
Short-Term U.S. Treasury Inflation Protected Securities (TIPS) returned 1.24%, as represented by the Bloomberg Barclays U.S. TIPS 1-5 Year Index, and outperformed comparable nominal Treasuries.

Contributors

- U.S. breakeven inflation positioning
- Positions in agency and non-agency mortgage-backed securities (MBS)

Detractors

- Active REIT strategies
- U.K. breakeven inflation positioning



3 Mos.	6 Mos.	1 Yr.	YTD	1 Yr.	5 Yr.	10 Yr.	Since Inception
10.11	-5.70	-9.86	-11.60	-11.73	3.97	10.74	9.97
4.03	-10.85	-14.86	-16.42	-16.55	2.78	10.10	9.60
5.96	-11.76	-17.67	-18.84	-17.71	2.45	8.27	7.46

- PIMCO RealEstateRealReturn Strategy Fund at NAV (%)
- Dow Jones U.S. Select REIT Total Return Index (%)
- PIMCO RealEstateRealReturn Strategy Fund at MOP (%)

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.

Top 5 Real Estate sectors (MV%)

	Fund
Apartments	20.1
Diversified	17.6
Warehouse/Industry	16.5
Office Property	9.7
Health Care	7.9

Collateral portfolio as of 31 August 2020

Inflation-linked bonds	% Market Value	Duration (years)
United States	104.0	3.95
United Kingdom	0.0	0.00
Europe	2.5	0.11
Canada	0.4	0.02
Other	3.6	0.22
Other Short Duration Instruments	-51.6	-0.05
Non inflation-linked bonds	% Market Value	Duration (years)
US Government Related	-14.2	-0.89
Mortgage	15.0	0.42
Invest. Grade Credit	2.8	0.05
High Yield Credit	-1.7	0.00
Non-U.S. Developed	-15.5	-0.19
Emerging Markets	0.2	0.01
EM Short Duration Instruments	0.0	0.00
Municipal	0.0	0.00
Other	30.5	0.02
Net Other Short Duration Instruments ¹	24.0	0.02

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

Within REITs, we currently see several compelling relative value opportunities. We see value in Manufactured Housing and Single-Family Rental, as we believe housing affordability and demographics should continue to benefit the rental market. We also continue to favor secular growth stories such as Data Centers, Towers, and Industrial given trends in e-commerce and data consumption.

Within the Fund's collateral portfolio, we are targeting an overweight duration position overall. We maintain long U.S. TIPS breakeven inflation (BEI) exposure as we believe U.S. breakeven valuations remain cheap and far below the central bank target. We remain tactical in our TIPS curve positioning based on relative value and roll-down opportunities.

Month in review

Broad REITs lagged the broader rally in U.S. equities, returning 0.70% as represented by the Dow Jones U.S. Select REIT Index compared to the S&P 500 index return of 7.19%. REIT performance dispersion across sectors continued, with those most heavily impacted by the COVID crisis strongly rebounding and driving overall positive index performance. In particular, malls, hotels, and strip malls were among the best performers over the month. Towers, data centers, and office were the laggards within the asset class, posting losses at a sector level over the month.

In terms of collateral, short-term Treasury Inflation Protected Securities (TIPS) posted positive absolute returns and outperformed nominal Treasuries. Breakevens were firmer over the month given continued Fed support, resilient risk sentiment, and a better-than-expected CPI reading.

Outlook and strategy

The Fund maintains full exposure to the Dow Jones U.S. Select REIT Total Return Index, collateralized by a portfolio of TIPS and other fixed income securities. Additionally, the Fund seeks to add value through incremental tilts to select REIT sectors and through individual security selection. We currently see value in Manufactured Housing, and Single-Family Rentals as we believe housing affordability and demographics should continue to benefit the rental market. We also continue to favor Data Centers, Towers, and Industrial REITs due to secular demand trends related to e-commerce and data consumption. We also hold positions in Healthcare and Gaming REITs.

Within the collateral portfolio, the Fund seeks to tactically manage its real duration position, looking to capitalize on yield curve relative value opportunities. We remain long U.S. breakeven inflation, as we believe markets are inaccurately pricing longer-term inflation risk. We plan to tactically respond to anticipated short-term inflation mispricing due to changes in commodity prices and seasonal trends.

Management profile



Nicholas Johnson
Managing Director

2003
30 OCT
INCEPTION DATE

10
PORTFOLIO
MANAGERS

- Average years of experience **11**
- Resources in **3 global offices**

Capture the return and inflation-hedging potential of real estate

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: REITs are subject to risk, such as poor performance by the manager, adverse changes to tax laws or failure to qualify for tax-free pass-through of income.

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. **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.

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.

The Dow Jones U.S. Select Real Estate Investment Trust (REIT) Total Return Index is a subset of the Dow Jones Americas Select Real Estate Securities Index (RESI) and includes only REITs and REIT-like securities. The objective of the index is to measure the performance of publicly traded real estate securities. The indexes are designed to serve as proxies for direct real estate investment, in part by excluding companies whose performance may be driven by factors other than the value of real estate. Prior to April 1st, 2009, this index was named Dow Jones Wilshire REIT Total Return Index. 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. ©2020, PIMCO.

PIMCO Investments LLC, distributor, 1633 Broadway, New York, NY, 10019 is a company of PIMCO.

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.

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.

U.S. Federal Reserve (Fed); The Consumer Price Index (CPI)