

**Fund information**

Fund inception date	11 May 1987	
Strategy	Core	
Total Net Assets (in millions)	\$72,052.9	
Portfolio manager(s)	Scott Mather Mark Kiesel Mohit Mittal	
Effective duration (yrs)	5.55	
Benchmark duration (yrs)	6.74	
Effective maturity (yrs)	7.83	
A share 30-day SEC yield	1.15%	
Class	CUSIP	Ticker
A	693390445	PTTAX
C	693390429	PTTCX
I2	72201M552	PTTPX
I3	72202E195	PTTNX
R	72200Q851	PTRRX
Institutional	693390700	PTTRX
Administrative	693390726	PTRAX

**Expenses**

Gross Expense Ratio (%)	0.81
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Adjusted Expense Ratio (%)	0.80
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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.

\* The A Class inception on 13 January 1997, which may be different than the inception date of the Fund. For the periods prior to the inception date of a share class, performance information is based on the performance of the Fund's oldest class shares, adjusted to reflect the fees and expenses paid by that class of shares.

**Performance summary**

The PIMCO Total Return Fund returned -0.33% at NAV in October versus the Bloomberg U.S. Aggregate Index, which returned -0.03% for the month. Year-to-date the Fund has returned -1.34% at NAV, outperforming the benchmark by 0.24%.

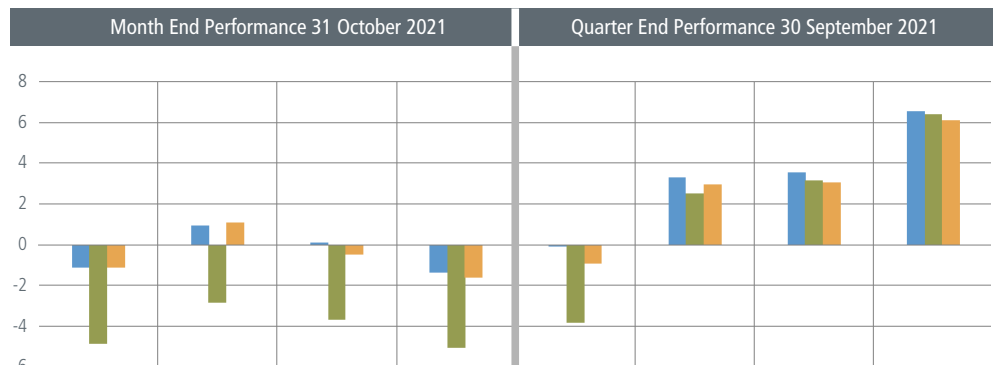
Strong corporate earnings supported equity gains in October, though concerns over sustained inflation and labor shortage contributed to more mixed performance in other markets. Global equities rallied - with the S&P rising 7% - while credit spreads widened modestly and the dollar weakened slightly. Oil prices continued to gain, driven by constrained energy supply and strong demand. Meanwhile, developed sovereign yields rose broadly with the U.S. 10-year yield rising 6 bps to 1.55%, as the Fed indicated it may begin tapering its asset purchases as early as November.

**Contributors**

- Positions in non-Agency MBS and other securitized credit
- Long exposure to Australian dollar

**Detractors**

- Short exposure to duration in the U.K.
- U.S. rate strategies, including duration, curve positioning, and instrument selection
- Country selection in the Eurozone



	3 Mos.	6 Mos.	1 Yr.	YTD	1 Yr.	5 Yr.	10 Yr.	Since Inception*
PIMCO Total Return Fund at NAV (%)	-1.12	0.94	0.08	-1.34	-0.06	3.29	3.53	6.52
PIMCO Total Return Fund at MOP (%)	-4.82	-2.85	-3.67	-5.04	-3.81	2.50	3.14	6.37
Bloomberg U.S. Aggregate Index (%)	-1.08	1.06	-0.48	-1.58	-0.90	2.94	3.01	6.08

- PIMCO Total Return Fund at NAV (%)
- Bloomberg U.S. Aggregate Index (%)
- PIMCO Total Return Fund at MOP (%)

If this material is used after 31 December 2021, 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. For the periods prior to the inception date of a share class, performance information is based on the performance of the Fund's oldest class shares, adjusted to reflect the fees and expenses paid by that class of shares.

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 3.75% 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.

## Portfolio characteristics as of 31 October 2021

	% Market Value		Duration (years)	
	Fund		Fund	Index
<b>Government-Related</b>	<b>42.1</b>		<b>3.84</b>	<b>2.88</b>
U.S. Treasury <sup>1</sup>	40.9		3.99	2.82
U.S. Agency <sup>2</sup>	0.0		0.00	0.05
Swaps and Liquid Rates <sup>3</sup>	1.2		-0.15	0.00
<b>Securitized <sup>4</sup></b>	<b>20.9</b>		<b>0.82</b>	<b>1.38</b>
Agency MBS	9.9		0.48	1.32
Non-Agency MBS	9.3		0.26	0.00
CMBS	1.3		0.07	0.05
Asset Backed Securities	0.3		0.01	0.01
Other	0.1		0.00	0.00
<b>Investment Grade Credit</b>	<b>24.8</b>		<b>1.25</b>	<b>2.24</b>
<b>High Yield Credit</b>	<b>1.4</b>		<b>0.04</b>	<b>0.00</b>
<b>Non-U.S. Developed</b>	<b>5.8</b>		<b>-0.72</b>	<b>0.00</b>
<b>Emerging Markets</b>	<b>16.3</b>		<b>0.10</b>	<b>0.11</b>
Bonds and Other Long Duration Instruments	15.8		0.13	0.11
Short Duration Instruments <sup>5</sup>	0.4		-0.03	0.00
<b>Other</b>	<b>2.5</b>		<b>0.14</b>	<b>0.13</b>
<b>Net Other Short Duration Instruments <sup>6</sup></b>	<b>-13.8</b>		<b>0.09</b>	<b>0.00</b>

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.

<sup>1</sup> Includes U.S. Treasury notes, bonds, futures, and inflation-protected securities

<sup>2</sup> Includes U.S. agencies, FDIC-guaranteed and government-guaranteed corporate securities, and supranationals

<sup>3</sup> Includes U.S. dollar denominated interest rate swaps, swaptions, options, and other rate related derivatives. Other portfolio derivatives, where applicable, may be included as part of other sectors based upon their underlying risk characteristics.

<sup>4</sup> The Securitized bucket will include Agency MBS, non-Agency MBS, CMBS, ABS, CDO, CLO, and Pooled Funds.

<sup>5</sup> Short Duration Instruments includes an emerging market security or other instrument economically tied to an emerging market country by country of risk with an effective duration less than one year and rated investment grade or higher or if unrated, determined to be similar quality by PIMCO. Includes the value of short duration emerging markets instruments previously reported in "Cash Equivalents".

<sup>6</sup> 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

We are underweight headline duration, though maintain a preference for US duration against rate exposure in other developed regions - particularly the U.K. and Japan. We still favor a curve steepening bias and have an underweight at the very long end of the yield curve.

We remain opportunistic in corporate credit. We are still underweight overall - mindful of the less attractive risk/reward dynamics - though we continue to have a bias toward shorter-maturity and high quality names, while de-emphasizing generic corporate credit exposure. We are actively seeking compelling name- and sector- exposure given the dispersion within

the credit market. The underweight is offset by diversified spread exposures, including positions in select non-investment-grade credits as well as mortgage credit. While we have an underweight to Agency MBS, we find value in selection along the coupon stack as well as instruments.

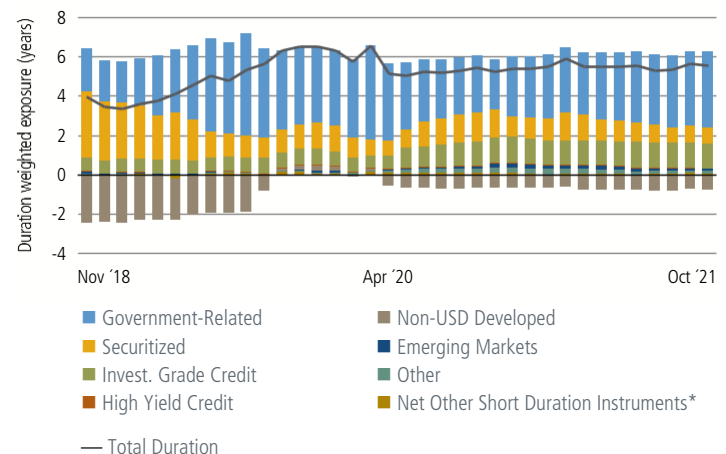
We currently have relatively low FX exposure, mainly modest longs in select EM and DM currencies against the USD.

## Month in review

Interest rate strategies detracted from relative performance over the month, primarily driven by short exposure to duration in the U.K and U.S. rate strategies, including duration, curve positioning, and instrument selection.

Spread sector strategies contributed to relative performance over the month. The Fund's positions in non-Agency MBS contributed and more than offset deductions from selection within investment-grade corporate credit.

Currency strategies contributed to relative performance over the month, primarily driven by long exposure in select EM currencies.



\*Prior to 31 December 2014 these categories were reported separately. Portfolio allocations and other information in the charts are based on the fund's net assets. These percentages may differ from those used for the fund's compliance calculations, including the fund's prospectus, regulatory, and other investment limitations and policies, which may be based on total assets of the fund or other measurements, may include or exclude various categories of investments from those covered in the portfolio allocation categories shown in this report, and may be based on different classifications and measurements of the fund's investments and other criteria.

## Outlook and strategy

The Fund's headline duration is underweight, reflecting a modest underweight in the U.S. along with hedges in select regions such as the U.K. and Japan. While rates may drift somewhat higher, a generally steeper yield curve still makes the belly of the curve attractive from a yield and carry perspective.

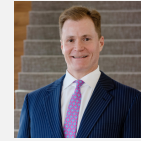
We think U.S. duration remains relatively attractive given (i) the potential for capital appreciation if downside growth risks materialize, (ii) better carry / total return dynamics at the belly of the curve, and (iii) an expectation for relatively range-bound rates over time.

We continue to have a bias towards high quality corporate credit and actively seek compelling names and sectors. We have a preference for senior positions in non-Agency mortgages given the inherent fundamental strength and the de-leveraging nature of the asset. We are neutral TIPS currently given the level of breakevens and potential for near-term volatility. We still see value in the long-term, though better entry points may materialize and we have similar themes expressed elsewhere in the portfolio (e.g., curve positioning).

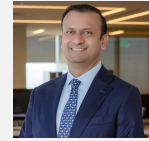
### Management profile



**Scott Mather**  
Managing Director and  
CIO U.S. Core Strategies



**Mark Kiesel**  
Managing Director and  
CIO Global Credit



**Mohit Mittal**  
Managing Director

**1987**  
**11 MAY**  
INCEPTION DATE

**\$72.0BN**  
ASSETS UNDER  
MANAGEMENT

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

30+ years delivering the key benefits of core bonds

*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](http://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:** 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. **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. **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.

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 U.S. Aggregate Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis. 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 appropriate 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. ©2021, PIMCO.

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U.S. interest rate strategies encompass the Fund's duration, yield curve, convexity strategies and instrument selection.

Carry is the rate of interest earned by holding the respective securities.

**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.

**Break-even** inflation is the difference between the nominal yield on a fixed-rate investment and the real yield on an inflation-linked investment of similar maturity and credit quality.

The **breakeven** is said to be achieved when the market price of an asset is the same as its original cost.

Emerging Markets (EM); U.S. Federal Reserve (Fed); Foreign Exchange (FX); Developed Markets (DM)