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PIMCO CommoditiesPLUS® Strategy Fund

Quarterly Investment Report | 4Q23

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.

A company of Allianz

Executive summary

Portfolio Performance

The Fund's collateral portfolio and active commodity strategies contributed to relative performance.

CONTRIBUTORS

- Overweight exposure to U.S. interest rates
- Active strategies in Emissions and Energy
- Exposure to Agency mortgage-backed securities (MBS) and other securitized assets

DETRACTORS

- Active strategies in Agriculture and Metals
- Exposure to U.S. breakeven inflation

Performance periods ended 31 Dec '23	3 mos.	6 mos.	1 yr.	3 yrs.	5 yrs.	10 yrs.	SI
Fund before fees	-6.14	5.27	-0.02	21.69	14.68	2.57	4.11
Fund after fees	-6.31	4.88	-0.75	20.80	13.83	1.82	3.34
Benchmark*	-7.11	4.28	-3.14	20.32	13.74	0.91	2.17

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 call 888.87.PIMCO.

Portfolio strategy

Active commodity strategies: Look to take advantage of mispricings across commodity markets at the intersection of fundamental insights and structural opportunities.

Collateral: Overweight headline duration and look to take advantage of attractive opportunities in spread sectors.

Favor U.S. Treasury Inflation Protected Securities (TIPS) as long-term inflation expectations remain anchored despite inflation continuing to run above the Fed's target.

Class:	**INST**
Inception date:	**28 May '10**
Fund assets (in millions):	**$3,871.46**
Gross expense ratio:	**0.98%**
Net expense ratio:	**0.81%**

The Net Expense Ratio reflects a contractual fee waiver and/or expense reduction, which is in place through 31 July 2024 and renews automatically for a full year unless terminated by PIMCO in accordance with the terms of the agreement. See the Fund's prospectus for more information. 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: **0.74%**

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.

Summary information	31 Dec '23
30 Day SEC Yield	
Subsidized	4.12%
Unsubsidized	3.98%
Commodity index exposure	98.97%
Effective duration (yrs)	0.41
Benchmark duration - provider (yrs)	0.23
Benchmark duration - PIMCO (yrs)	0.23
Effective maturity (yrs)	0.36
Average coupon	4.37%
Net currency exposure	0.04%
Tracking error (10 yrs)	2.21
Information ratio (10 yrs)	0.50

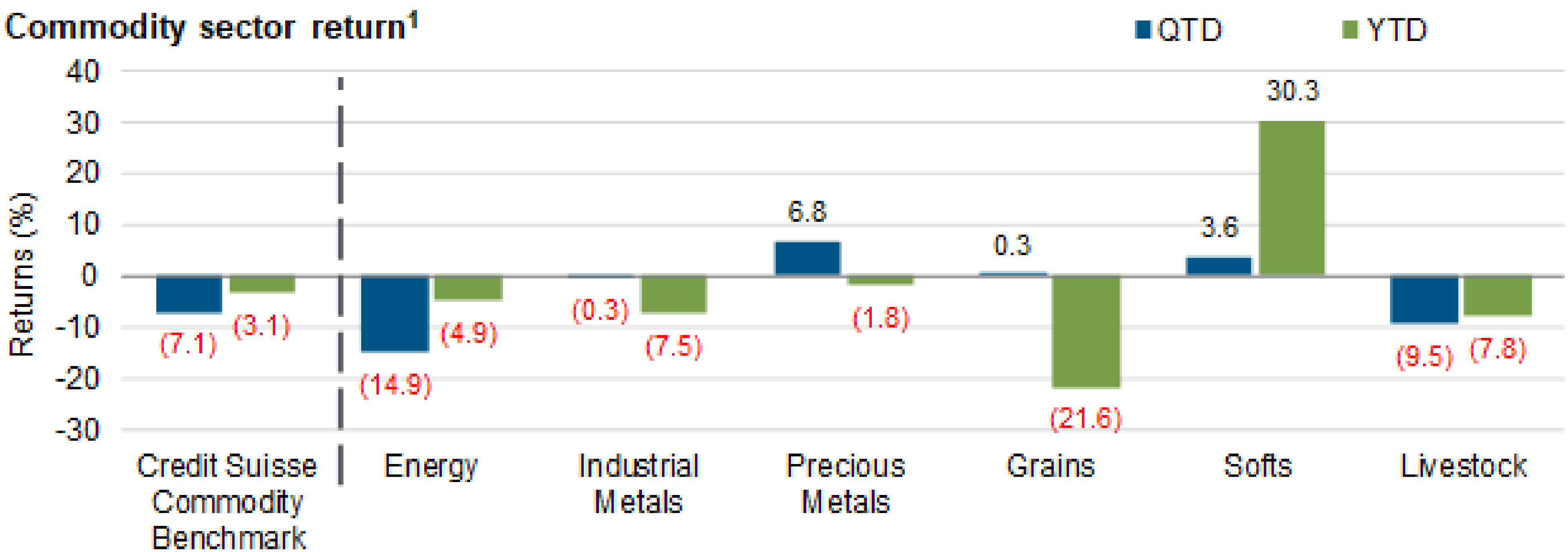
Commodity exposure (MV%)	Fund	Index*
Energy	47.26	0
Agriculture	21.41	0
Industrial Metals	13.20	0
Precious Metals	9.63	0
Livestock	4.12	0
Emission	3.35	0

*Credit Suisse Commodity Benchmark Total Return Index;

Quarter in Review

4Q23: Commodity prices fell over the quarter

Oil prices fell in Q4 on demand concerns amid weak economic data in the U.S. and lackluster Chinese buying. On the supply side, production uptick and inventory builds in the U.S. created further headwinds. These factors outweighed any price support from the extended and expanded OPEC+ production cuts, as well as from fears of supply disruptions from the Middle East/Red Sea. Natural gas prices were lower at the end of Q4 due to elevated supply and as mild weather weighed on demand. Base metals prices were mixed in Q4 as Chinese demand uncertainties drove volatility in prices; however, the Fed ending its rate hike cycle created a general tailwind for metals. Precious metals prices rose in Q4 as U.S. real yields rallied amid cooling inflation data and a more dovish Fed. Wheat prices rose amid concerns over weather adversely impacting crops in Australia, renewed concerns around Ukrainian supply and an unexpected uptick in Chinese import orders. Soybean prices were slightly higher over Q4 as hot weather in South America raised supply concerns; however, that premium abated by the end of Q4 as weather prospects improved.



[1]Sector returns reflect total return, which includes T-Bill returns. Source: Bloomberg.

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Market Summary

4Q23: Commodity prices fell over the quarter

The Fund's collateral portfolio and active commodity strategies contributed to relative performance.

Energy

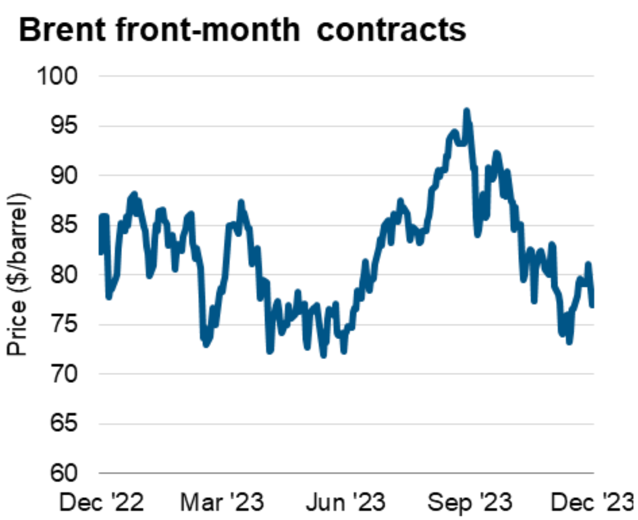
Oil prices fell in Q4 on demand concerns amid weak economic data in the U.S. and lackluster Chinese buying. On the supply side, production uptick and inventory builds in the U.S. created further headwinds. These factors outweighed any price support from the extended and expanded OPEC+ production cuts, as well as from fears of supply disruptions from the Middle East/Red Sea. Natural gas prices were lower at the end of Q4 due to elevated supply and as mild weather weighed on demand.

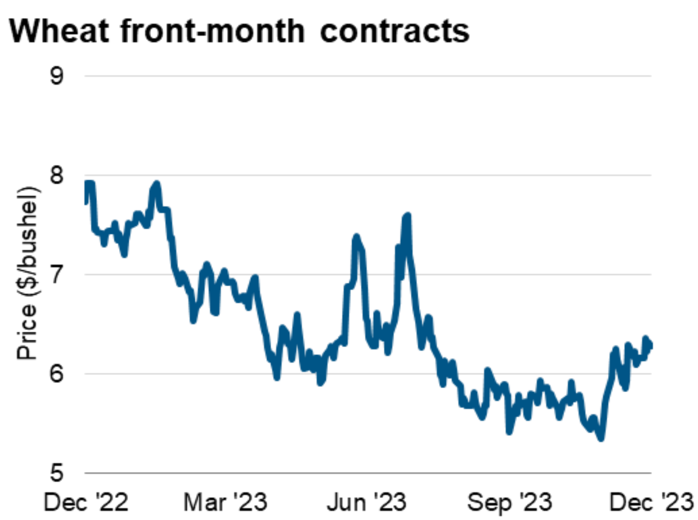
Agriculture

Wheat prices rose amid concerns over weather adversely impacting crops in Australia, renewed concerns around Ukrainian supply and an unexpected uptick in Chinese import orders. Soybean prices were slightly higher over Q4 as hot weather in South America raised supply concerns; however, that premium abated by the end of Q4 as weather prospects improved.

Metals

Base metals prices were mixed in Q4 as Chinese demand uncertainties drove volatility in prices; however, the Fed ending its rate hike cycle created a general tailwind for metals. Precious metals prices rose in Q4 as U.S. real yields rallied amid cooling inflation data and a more dovish Fed.





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Navigating the Descent: Four economic themes

Peak inflation and rising unemployment consistent with rate cuts

Soft landings are possible, but risks remain

Markets already price a substantial cutting cycle

Global divergence in monetary policy

As of 31 December 2023. Source: PIMCO

Portfolio Outlook

Outlook and Strategic Positioning

PIMCO has a positive outlook for commodities based on supply constraints, the transition to a net-zero economy, and their historical correlation with inflation.

In energy, persistent capex underinvestment and OPEC cutting production in support of prices has created tightness in the oil market. On the demand side, we expect China to accelerate purchases back to trend, which should provide a tailwind to an already constructive developed market demand. Metals are also facing an environment of capex underinvestment and it remains to be seen how green transition demand is met. Agricultural markets have endured several years of weather disruptions, which left lean inventories across much of the supply chain. We remain constructive on wheat prices given our view that supplies are not likely to recover in 2024. More broadly in agriculture, weather will continue being a risk to future supply across the complex as El Nino conditions continue to strengthen this year.

Key strategies

Energy strategies

Calendar spreads in natural gas: Plentiful inventories have driven longer-dated winter premiums to historic lows.

Overweight back-end oil: Overweight longer-dated oil due to constructive fundamentals and an attractive carry profile.

Refined products: Opportunities to trade refinery margins as well as relative value between refined products amid dislocations.

Metals and other strategies

Underweight metals: Weak relative carry, momentum, and risk aversion drives underweight to base and precious metals.

Exposure to carbon allowances: Compelling opportunity given tight forward balances, robust program design, and attractive valuations.

Agriculture strategies

Wheat vs. corn: Poor crop yields and disruptions in exports should support relative pricing for wheat.

Overweight oilseeds vs grains: Relative carry advantage driving overweight to oilseeds relative to grains.

Collateral portfolio positioning

Overweight headline duration and look to take advantage of attractive opportunities in spread sectors.

Favor U.S. Treasury Inflation Protected Securities (TIPS) as long-term inflation expectations remain anchored despite inflation continuing to run above the Fed’s target.

Roll yield is the yield that a futures investor captures as their long position in a futures contract converges to the spot price.

Sector exposure

	Portfolio			
	% of Market value		Duration in years	
	30 Sep '23	31 Dec '23	30 Sep '23	31 Dec '23
US Government Related	4.71	0.31	0.24	-0.15
Government - Treasury	4.92	0.54	0.25	-0.14
US Agency	0.13	0.14	0.00	0.00
Swaps and Liquid Rates	-0.34	-0.38	-0.01	-0.01
Securitized*	7.70	9.63	0.38	0.45
Invest. Grade Credit	2.71	4.38	0.03	0.06
High Yield Credit	0.00	0.00	0.00	0.00
Non-USD Developed	0.14	0.15	0.00	0.00
Emerging Markets**	0.01	1.23	-0.00	-0.00
Bonds and Other Long Duration Instruments	0.00	1.24	0.00	0.00
EM Short Duration Instruments	0.01	-0.01	-0.00	-0.00
Other***	0.00	0.00	0.00	0.00
Net Other Short Duration Instruments****	84.73	84.30	0.05	0.04
Commingled Cash Vehicles	0.00	0.00	0.00	0.00
Certificate of Deposit/Commercial Paper/STIF	5.84	1.92	0.00	0.00
Government Related	6.32	11.07	0.01	0.01
MBS/ABS	8.76	8.71	0.03	0.03
Credit	2.74	3.01	0.01	0.01
Bankers Acceptance	0.01	1.13	0.00	0.00
Other***	74.89	67.43	0.00	0.00
Short Duration Derivatives and Derivative Offsets	18.26	23.59	-0.00	-0.01
Net Unsettled Trades	-32.10	-32.57	0.00	0.00
Total	**100**	**100**	**0.70**	**0.40**

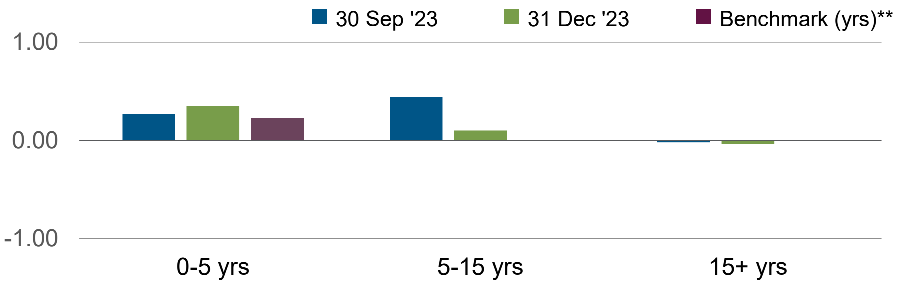
*Securitized includes Agency MBS, non-Agency MBS, CMBS, ABS, CDO, CLO, and Pooled Funds.

**Emerging markets 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. Emerging Markets includes the value of short duration emerging markets instruments previously reported in another category.
***Investment vehicles not listed, allowed by prospectus.

****Net Other Short Duration Instruments includes securities and other instruments (except 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 and derivatives offset. 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.

Portfolio characteristics

Key rate duration exposure



	Portfolio (yrs)		Benchmark (yrs)**
	30 Sep '23	31 Dec '23	31 Dec '23
0-5 yrs	0.27	0.35	0.23
5-15 yrs	0.44	0.10	0.00
15+ yrs	-0.02	-0.04	0.00
Total	**0.69**	**0.41**	**0.23**

Interest rate exposure

	Portfolio (yrs)		Benchmark (yrs)**
	30 Sep '23	31 Dec '23	31 Dec '23
Effective duration	0.70	0.41	0.23
Bull market duration	0.67	0.37	0.23
Bear market duration	0.69	0.46	0.23
Spread duration			
Mortgage spread duration	0.73	0.81	0.00
Corporate spread duration	0.09	0.11	0.00
Emerging markets spread duration	0.00	0.00	0.00
Swap spread duration	-0.02	-0.02	0.00
Covered bond spread duration	0.00	0.00	0.00
Sovereign related spread duration	0.01	0.00	0.00

Derivative exposure (duration in yrs)

	30 Sep '23	31 Dec '23
Commodity exposure*	99.17	98.97
Government futures	-0.16	-0.27
Interest rate swaps	0.00	0.00
Credit default swaps*	0.07	0.10
Purchased swaps	0.00	0.00
Written swaps	0.07	0.10
Options	0.00	0.00
Purchased options	0.00	0.00
Written options	0.00	0.00
Mortgage derivatives	0.00	0.00
Money market derivatives	0.00	0.00
Mmkt Fut US	0.00	0.00
Futures	0.00	0.00
Futures	0.00	0.00
Interest rate swaps	0.00	0.00
Other Derivatives	0.05	0.05

* Shown as a percentage of market value

**Benchmark duration is calculated by PIMCO
Benchmark: Credit Suisse Commodity Benchmark Total Return Index

Country and currency exposure

Country exposure by currency of settlement

	30 Sep '23		31 Dec '23	
	Duration (yrs)	FX (%)	Duration (yrs)	FX (%)
United States	**0.71**	**99.98**	**0.41**	**99.96**
Japan	**-0.00**	**0.00**	**-0.00**	**0.01**
Eurozone	**-0.01**	**0.02**	**-0.00**	**0.00**
Euro Currency	0.00	0.02	0.00	0.00
European Union	-0.01	0.00	0.00	0.00
United Kingdom	**-0.00**	**-0.01**	**0.00**	**0.03**
Europe non-EMU	**0.00**	**0.00**	**0.00**	**0.00**
Dollar Block	**0.00**	**-0.00**	**0.00**	**-0.00**
Canada	0.00	-0.01	-0.00	-0.01
New Zealand	0.00	0.00	0.00	0.01
Other Industrialized Countries	**0.00**	**0.00**	**0.00**	**0.00**
EM - Asia	**0.00**	**0.00**	**0.00**	**0.00**
EM - Latin America	**-0.00**	**0.01**	**-0.00**	**0.00**
Brazil	0.00	0.01	0.00	0.00
EM - CEEMEA	**0.00**	**0.00**	**-0.00**	**0.00**
Total	**0.70**	**100**	**0.41**	**100**

Emerging markets exposure by country of risk

	30 Sep '23			31 Dec '23		
	% of MV short duration Instruments	% of MV bonds	Duration (yrs)	% of MV short duration Instruments	% of MV bonds	Duration (yrs)
Brazil	0.01	0.00	0.00	-0.01	1.02	0.00
Hungary	0.00	0.00	0.00	0.00	0.22	0.00
Total	**0.01**	**0.00**	**0.00**	**-0.01**	**1.24**	**0.00**

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Additional share class performance

PIMCO CommoditiesPLUS® Strategy Fund (net of fees performance)

Performance periods ended: 31 Dec '23	Gross expense ratio	Net expense ratio	Adjusted expense ratio	NAV currency	Class Inception date	3 mos.	6 mos.	1 yr.	3 yrs.	5 yrs.	10 yrs.	SI
Class A (at NAV)	1.43	1.26	1.19	USD	28 May '10	-6.48	4.63	-1.36	20.18	13.32	1.34	2.84
Class A (at MOP)	1.43	1.26	1.19	USD	28 May '10	-11.67	-1.05	-6.77	17.95	12.05	0.77	2.42
Class C (at NAV)	2.18	2.01	1.94	USD	28 May '10	-6.60	4.22	-1.97	19.34	12.48	0.59	2.09
Class C (at MOP)	2.18	2.01	1.94	USD	28 May '10	-7.51	3.22	-2.92	19.34	12.48	0.59	2.09
Class I-2	1.08	0.91	0.84	USD	28 May '10	-6.44	4.90	-0.85	20.59	13.74	1.71	3.23
Class I-3	1.18	0.96	0.89	USD	27 Apr '18	-6.45	4.90	-0.88	20.57	13.70	1.66	3.18
Class INST	0.98	0.81	0.74	USD	28 May '10	-6.31	4.88	-0.75	20.80	13.83	1.82	3.34
Credit Suisse Commodity Benchmark Total Return Index						-7.11	4.28	-3.14	20.32	13.74	0.91	2.17

The Net Expense Ratio reflects a contractual fee waiver and/or expense reduction, which is in place through 31 July 2024 and renews automatically for a full year unless terminated by PIMCO in accordance with the terms of the agreement. See the Fund's prospectus for more information. The Net Expense Ratio for the I-3 Class reflects a contractual supervisory and administrative fee waiver and/or expense reduction in place through 31 July 2024 and renews automatically for a full year unless terminated by PIMCO in accordance with the terms of the agreement. See the Fund's prospectus for more information.

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 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 call 888.87.PIMCO. The maximum offering price (MOP) returns take into account the Class A maximum initial sales charge of 5.50%.The maximum offering price (MOP) returns take into account the contingent deferred sales charge (CDSC) for Class C shares, which for this fund is 1.00%.

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.

Important Disclosures

This material is authorized for use only when preceded or accompanied by the current PIMCO funds prospectus or summary prospectus, if available.

Past performance is not a guarantee or a reliable indicator of future results. The performance figures presented reflect the total return performance, unless otherwise noted, 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, I-2, I-3 and Administrative class shares is $1 million; however, it may be modified for certain financial intermediaries who submit trades on behalf of eligible investors.

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.

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.

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 fund will seek exposure to commodities through **commodity-linked derivatives** and through the PIMCO Cayman Commodity Fund III Ltd., 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. 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. **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. **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 Fund is **non-diversified**, which means that it may concentrate its assets in a smaller number of issuers than a diversified fund.

Portfolio allocations and other information in the charts in this Quarterly Investment Report 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. All funds are separately monitored for compliance with prospectus and regulatory requirements.

Important Disclosures

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.

Forecasts, estimates and certain information contained herein are based upon proprietary research and should not be interpreted as investment advice, as an offer or solicitation, nor as the purchase or sale of any financial instrument. Forecasts and estimates have certain inherent limitations, and unlike an actual performance record, do not reflect actual trading, liquidity constraints, fees, and/or other costs. In addition, references to future results should not be construed as an estimate or promise of results that a client portfolio may achieve.

The Credit Suisse Commodity Benchmark Total Return Index is an unmanaged index composed of futures contracts on a number of physical commodities. The objective of the benchmark is to gain exposure to the broad commodity universe while maintaining sufficient liquidity. Commodities were chosen based on world production levels, sufficient open interest, and volume of trading. The index is designed to be a highly liquid and diversified benchmark for commodities as an asset class. It is not possible to directly invest into an unmanaged index.

The following defined terms are used throughout the report. Emerging market 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. Net other short duration instruments includes securities and other instruments (except 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 and derivatives offset. 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. Short duration derivatives and derivatives offsets include: 1) derivatives with an effective duration less than one year and where the country of risk is not an emerging market country (for example, Eurodollar futures) and 2) offsets associated with investments in futures, swaps and other derivatives. Such offsets may be taken at the notional value of the derivative position which in certain instances may exceed the actual amount owed on such positions. Municipals/Other may include convertibles, preferred and yankee bonds.

The performance figures presented reflect the performance for the institutional class unless otherwise noted.

A note about Sector exposure: Other indicates swaps and securities issued in euros.

A note about Emerging markets exposure by country of risk: country of risk reflects the country of incorporation of the ultimate parent company.

PIMCO uses an internal model for calculating effective duration, which may result in a different value for the duration of an index compared to the duration calculated by the index provider or another third party.

PIMCO as a general matter provides services to qualified institutions, financial intermediaries and institutional investors. Individual investors should contact their own financial professional to determine the most appropriate investment options for their financial situation. This material contains the current opinions of the manager 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 LLC in the United States and throughout the world. **PIMCO Investments LLC, distributor**, 1633 Broadway, New York, NY, 10019 is a company of PIMCO ©2024 PIMCO.

Important Disclosures

Acronyms and definitions of investment terms used throughout the report:

Alpha is a measure of performance on a risk-adjusted basis calculated by comparing the volatility (price risk) of a portfolio vs. its risk-adjusted performance to a benchmark index; the excess return relative to the benchmark is alpha.

Average coupon is the average of the coupon payments of the underlying bonds within the portfolio.

Average effective maturity is a weighted average of all the maturities of the bonds in a portfolio, computed by weighting each bond's effective maturity by the market value of the security.

"Bend-but-not-break" refers to credits that PIMCO would not expect to default in a credit-stressed environment.

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

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.

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

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.

CPI is the Consumer Price Index.

The **credit quality** of a particular security or group of securities does not ensure the stability or safety of an overall portfolio. The quality ratings of individual issues/issuers are provided to indicate the credit-worthiness of such issues/issuer and generally range from AAA, Aaa, or AAA (highest) to D, C, or D (lowest) for S&P, Moody's, and Fitch respectively.

Dividend yield is represented by the weighted average coupon divided by the weighted average price.

Duration is the measure of a bond's price sensitivity to interest rates and is 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.

Forward curve is a function graph that defines the prices at which a contract for future delivery or payment can be concluded today.

Fallen angel is a bond that was initially given an investment grade rating but has since been reduced to below investment grade status.

GFC is the Global Financial Crisis.

Information ratio is a ratio of portfolio returns above the returns of a benchmark to the volatility of those returns.

Like-duration Securities are calculated by the index provider by comparing the index return to a hypothetical matched position in the security.

LNG is Liquefied Natural Gas.

The **Option Adjusted Spread (OAS)** measures the spread over a variety of possible interest rate paths. A security's OAS is the average return an investor will earn over Treasury returns, taking all possible future interest rate scenarios into account. The OAS is the net spread over the swap curve that will on average be earned if the security is held to maturity.

Rising star is the term given to a bond that was rated high yield but has since been upgraded to investment grade.

"Risk assets" are any financial security or instrument that are likely to fluctuate in price.

Risk premia is the return in excess of the risk-free rate of return an investment is expected to yield.

Roll yield is the yield that a futures investor captures as their long position in a futures contract converges to the spot price.

"Safe haven" is an investment that is expected to retain or increase in value during times of market turbulence.

The **SEC yield** is an annualized yield based on the most recent 30 day period. 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.

Tracking error measures the dispersion or volatility of excess returns relative to a benchmark.

To relate the price sensitivity of ILBs to changes in nominal yields, yield beta is applied to nominal changes to arrive at a price sensitivity of ILBs to changes in nominal rates. A **yield beta** of 0.90 implies that if nominal yields move 100 basis points, real yields will move 90 basis points. ILBs with long maturity may respond differently to changes in nominal rates than shorter maturity ILBs.

The distribution yield for monthly paying Funds is calculated by annualizing actual dividends distributed for the monthly period ended on the date shown and dividing by the net asset value on the last business day for the same period. The distribution yield for quarterly paying Funds is calculated by taking the average of the prior four quarterly distribution yields. The quarterly distribution yields are calculated by annualizing actual dividends distributed for the quarterly period ended on the most recent quarterly distribution date and dividing by the net asset value for the same date. The yield does not include long- or short-term capital gains distributions.

Asset-Backed Security (ABS); Bank of England (BOE); Bank of Japan (BOJ); Breakeven Inflation (BEI); Collateralized Debt Obligation (CDO); Collateralized Loan Obligation (CLO); Commercial Mortgage-Backed Security (CMBS); Developed Markets (DM); Emerging Markets (EM); Federal Reserve Board (The Fed); Europe Central Bank (ECB); Federal Open Market Committee (FOMC); Foreign Exchange (FX); Gross Domestic Product (GDP); Gulf Cooperation Council (GCC); High Yield (HY); Inflation-Linked Bond (ILS); Investment Grade (IG); Leveraged-buyout (LBO); Loan-to-Value (LTV); Master Limited Partnership (MLP); Mortgage-Backed Security (MBS); Market Weighted Spread (MWS); Real Estate Investment Trust (REIT); Residential Mortgage-Backed Security (RMBS); Treasury Inflation-Protected Security (TIPS); Year-over-Year (YoY)

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