

Short Asset Investment Fund

CLASS:	INSTITUTIONAL
FUND INCEPTION DATE:	31 MAY 2012
TICKER:	PAIDX
CUSIP:	72201U828
TOTAL NET ASSETS (IN MILLIONS):	\$4,437.1

PORTFOLIO MANAGER

Jerome Schneider

FUND STATISTICS

Effective duration (yrs)	0.20
Effective maturity (yrs)	0.29

SECTOR DIVERSIFICATION (%)

	Market value weighted
US Government Related	10.3
Securitized ¹	20.4
Invest. Grade Credit	42.9
High Yield Credit	0.2
Non-USD Developed	0.0
Emerging Markets	0.0
Other ²	14.4
Net Other Short Duration Instruments ³	11.8

Fund description

The Short Asset Investment Fund is an alternative approach for money market investors who seek capital preservation compared to longer duration bond funds, daily liquidity, and enhanced returns over money markets. The fund is an actively managed enhanced cash strategy that invests in both high quality money market instruments and a wide range of non-money market securities. Non-money market securities may tend to be less liquid, more volatile, and carry greater risk than money market securities. The fund will also be more volatile than a money market fund and its net asset value (NAV) will fluctuate, as the fund is not managed to maintain a stable NAV.

INVESTOR BENEFITS

This fund offers investors a strategy that seeks to outperform money markets on a consistent basis while providing greater liquidity and principal stability than longer duration bond funds.

Potential benefits of this fund include:

- Prudent risk management through diversified exposure to a broad opportunity set of short duration securities
- A high credit quality portfolio comprising investment grade fixed income securities
- Constrained use of derivatives, limited to interest rate swaps (maximum 10%) and credit default swaps (maximum 5%)
- Actively managed across the fixed income markets in an effort to enhance returns over money markets

THE FUND ADVANTAGE

The fund seeks to deliver consistent excess returns over money markets and aims to provide greater protection against downside risk than longer duration bond funds. This diversified approach to enhancing returns over cash and money market strategies by expanding the fixed income opportunity set beyond money markets may provide greater potential for consistent outperformance over the long term.

VALUE OF ENHANCED CASH STRATEGIES

An allocation to PIMCO's enhanced cash strategies may be beneficial as a part of a balanced portfolio. Short duration bonds provide a potential source of current income in addition to capital preservation and liquidity. An allocation to a PIMCO enhanced cash strategy in an overall portfolio also offers potential diversification benefits and can serve as a hedge against volatility and risks in other asset classes. Short duration bonds can be used to diversify a broader core allocation to fixed income and help an overall portfolio reduce sensitivity to interest rate volatility.

Performance (net of fees)	S. incept.	5 yrs.	3 yrs.	1 yr.	6 mos.	3 mos.
PIMCO Fund (%)	1.52	1.90	1.94	1.21	0.60	0.22
Benchmark (%)	0.69	1.16	1.56	0.58	0.06	0.02

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.

Lipper rankings* (Ultra-Short Obligation Funds)	5 yrs.	3 yrs.	1 yr.
Fund rank	39	77	103
Number of funds	105	138	173
Quartile	2	3	3

* Based on total return performance, with distributions reinvested, and operating expenses deducted.

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 PIMCO representative. Please read them carefully before you invest or send money.

¹ The Securitized bucket will include Agency MBS, non-Agency MBS, CMBS, ABS, CDO, CLO, and Pooled Funds. ² Other may include convertibles, preferreds, and yankee bonds. ³ 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.

MV% may not equal 100 due to rounding.

Performance reflects changes in share price, reinvestment of dividends and capital gains distributions. All periods longer than one year are annualized.

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

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. Entering into **short sales** includes the potential for loss of more money than the actual cost of the investment, and the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to the portfolio. **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.

Past rankings are no guarantee of future rankings. Rankings begin with the inception of the actual share class. Lipper does not take into account sales charges.

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.

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BASIC FACTS

Dividend frequency **Daily accrual**

FUND EXPENSES

Gross Expense Ratio **0.36%**

Adjusted Expense Ratio **0.34%**

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 CHARACTERISTICS

SEC 30-day yield (%) **0.23%**

ABOUT THE BENCHMARK

FTSE 3-Month Treasury Bill Index is an unmanaged index representing monthly return equivalents of yield averages of the last 3 month Treasury Bill issues.

ABOUT PIMCO

PIMCO is one of the world's premier fixed income investment managers. Since our founding in 1971 in Newport Beach, California, we have continued to bring innovation and expertise to our partnership with clients seeking the best investment solutions. Today our professionals work in 17 offices across the globe, united by a single purpose: creating opportunities for investors in every environment.

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