PIMCO

PIMCO Flexible Credit Income Fund (PFLEX)

A diversified, flexible, opportunistic credit interval fund, PFLEX seeks attractive risk-adjusted returns and current income from investments across an expansive opportunity set.

Key Terms

Distribution rate[1]:
8.95%

Dividend frequency:
Quarterly with Daily Accrual

Underlying Fund AUM:
$2,979mm

Inception Date:
22 February 2017

Liquidity:
Quarterly repurchases, expected to be 5% of outstanding shares

Duration[3]:
3.39 years

% Private Exposure: 28%

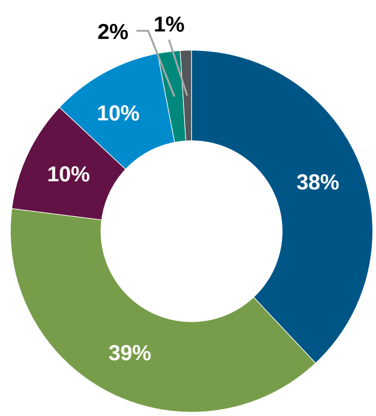
Portfolio holdings have been categorized, in PIMCO's discretion, as either "Private" or "Public" based on various factors including, among others, the investment's structure, method of origination and offering, trading frequency and history, and liquidity profile, and not strictly based on whether a holding is registered or publicly offered/traded for securities law purposes. These categorizations are made post-trade and do not factor into security selection or other portfolio management decisions made for the Fund.

Expanding the opportunity set yields benefits

Why invest in PFLEX?

- **Potential current income and attractive risk-adjusted returns:** Flexibility to seek value from multiple return sources across global public and private credit markets
- **Interval fund structure:** Allows for access to less-liquid, potentially higher-returning opportunities
- **Broad Opportunity Set:** A multi-sector approach enables PIMCO to evaluate a broad set of potential return opportunities while aiming to withstand shocks to individual sectors or industries

Figure 1: Portfolio Exposure by Credit Vertical % Portfolio[2]



Mortgage	38%
U.S. Residential Mortgage	16%
U.S. Commercial Mortgage	19%
Non-U.S. Residential Mortgage	2%
Mortgage Mixed	2%
Corporate	39%
Investment Grade Credit	1%
Bank Loans	19%
High Yield	17%
Bank Capital	2%
Emerging Markets	10%
Specialty Finance	10%
Equities	2%
Other	1%

Figure 2: Monthly net returns (%) for the Flexible Credit Income Fund (after fees)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017		0.20**	0.63	1.21	1.70	0.56	1.20	0.80	1.37	1.34	0.20	0.23	9.81
2018	1.06	0.73	-0.05	0.56	-0.17	-0.46	1.76	0.56	0.91	-0.26	-1.02	-0.95	2.67
2019	2.04	1.37	0.61	0.89	0.55	1.85	0.07	-1.96	1.15	0.90	0.47	2.17	10.42
2020	0.91	-0.31	-20.00	1.88	3.17	3.96	3.91	3.22	0.74	0.79	5.46	2.90	4.07
2021	1.62	1.67	0.34	1.87	1.47	1.37	0.70	0.97	0.24	-0.56	-0.91	1.89	11.08
2022	-1.38	-1.86	-0.95	-1.91	-1.75	-5.83	2.46	0.33	-	-	-	-	-10.46

Avg. annual total return (net, %)

As of June 30, 2022	
Since Inception*	4.31%
1-yr.	-10.88%
3-yr.	1.14%
5-yr.	3.73%
As of August 31, 2022	
Since Inception*	4.70%
1-yr.	-9.90%
3-yr.	2.73%
5-yr.	3.90%

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 repurchased. 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.

* PFLEX incepted on 22 February 2017. Performance figures presented reflect the total return performance after management fees and other expenses, and reflect changes in share price and reinvestment of dividends and capital gains distributions on the payable date. The Institutional class common shares have no sales charge.

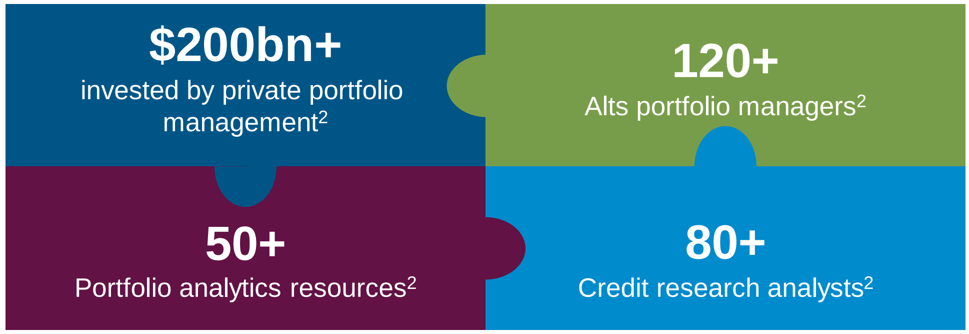
As of 30 August 2022 unless otherwise noted. Source: PIMCO. Data shown for Institutional class shares. Historical performance may have been positively impacted by fee waivers or expense limitations in place during some or all of the periods shown, if applicable. Future performance (including total return or yield) and distributions may be negatively impacted by the expiration or reduction of any such fee waivers or expense limitations. **Partial month performance.

Source: PIMCO. [1] As of 30 June 2022. PFLEX distributions are declared daily and paid quarterly and the distribution rate is calculated by annualizing the most recent distribution per share and dividing by the NAV as of the reported date. Distribution rate information is current as of the latest quarter end. Distributions may include ordinary income, net capital gains and/or a return of capital. The distribution rate is not estimated to include, and is not estimated to result in, a return of capital ("ROC"). Because a distribution may at times include a ROC, the distribution rate should not be confused with yield or performance. Please see disclosures for additional information. [2] Portfolio structure is subject to change without notice and may not be representative of current or future allocations. **Diversification does not ensure against loss.** [3] Duration is a measure of sensitivity to changes in interest rates.

Expertise across complex opportunities

PFLEX is managed by a **veteran team of portfolio managers** – including three Morningstar portfolio managers of the year – with an average of 25 years of investment experience. A notable addition to the team in 2020 was Jamie Weinstein, Head of Corporate Special Situations, demonstrating PIMCO's commitment to seek nuanced distressed and private credit opportunities within the Fund.

PFLEX leverages PIMCO's **extensive global resources** to identify relative value across public and private credit markets. PIMCO's time-tested macroeconomic framework and proprietary analytics bolster the investment process.



Offense in dislocated markets

Because of its interval fund structure, PFLEX may avoid indiscriminate selling during periods of volatility, and can make opportunistic purchases during these times without needing to reserve cash to meet daily redemption requests. This has helped the Fund historically offer **current income and attractive risk-adjusted returns** through a variety of market environments.

Figure 3: PFLEX Distribution History[1]

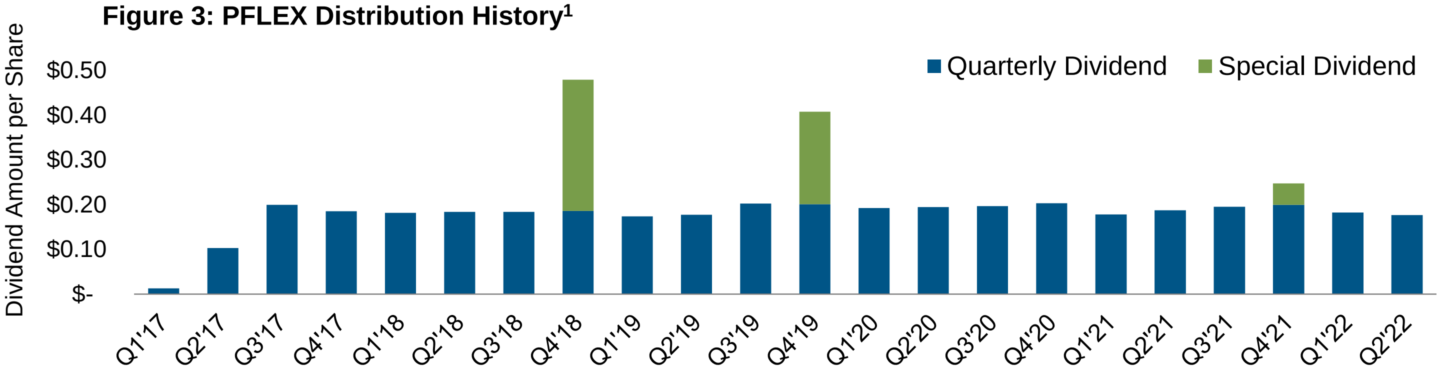
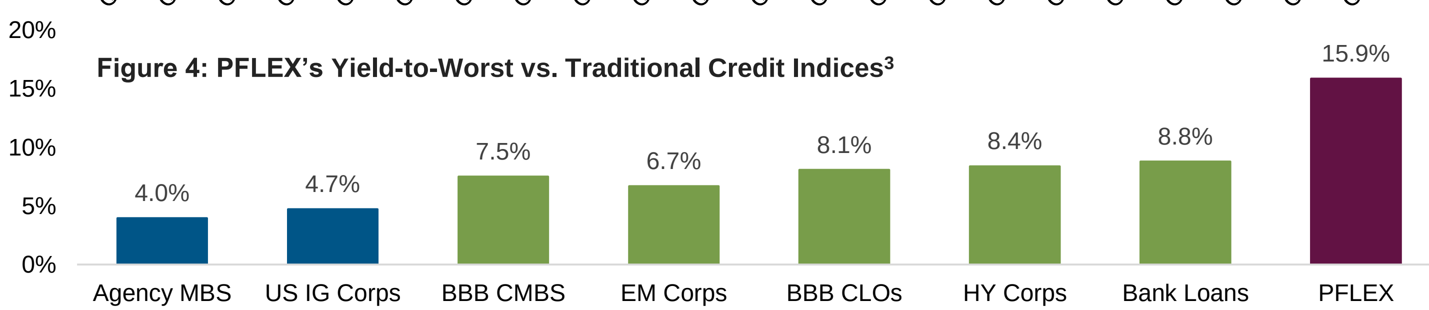


Figure 4: PFLEX's Yield-to-Worst vs. Traditional Credit Indices[3]



Data as of 30 June 2022 unless otherwise noted. Historical performance may have been positively impacted by fee waivers or expense limitations in place during some or all of the periods shown, if applicable. Future performance (including total return or yield) and distributions may be negatively impacted by the expiration or reduction of any such fee waivers or expense limitations.

[1] PFLEX distribution data as of 30 June 2022. SOURCE: Bloomberg, PIMCO.

[2.] Data as of 30 June 2022.

[3.] As of August 31, 2022. Source: PIMCO; Bloomberg. Agency MBS: Bloomberg U.S. Fixed Rate MBS Index, US IG Corps: Bloomberg U.S. Corporate Investment Grade Credit Index, EM Corps: JPMorgan CEMBI Index, BBB CLOs: JPMorgan CLO BBB Index, BBB CMBS: Bloomberg Non-Agency CMBS BBB index, HY Corps: Bloomberg U.S. Corporate High Yield Index, Bank Loans: JPMorgan Leveraged Loan Index. It is not possible to invest directly in an unmanaged index. **Yield to Worst (YTW)** is the estimated lowest potential yield that can be received on a bond without the issuer actually defaulting. The YTW is calculated by making worst-case scenario assumptions by calculating the returns that would be received if provisions, including prepayment, call, or sinking fund, are used by the bond's issuer. PIMCO calculates a portfolio's Estimated YTW by averaging the YTW of each security held in the portfolio on a market-weighted basis. In general, the calculation will incorporate the yield based on the notional value of all derivative instruments held by a Fund. **The measure does not reflect the deduction of fees and expenses and is not necessarily indicative of the portfolio's worst possible performance. A portfolio's actual yield or distribution rate may be significantly lower than its estimated YTW in practice.**

The Fund's distribution may be affected by numerous factors, including, but not limited to, changes in realized and projected market returns, Fund performance, and other factors. There can be no assurance that a change in market conditions or other factors will not result in a change in the Fund distribution at a future time.

Expenses

- Gross Expense Ratio..3.06%
- Adjusted Expense Ratio...2.30%

The Adjusted Expense Ratio excludes certain investment expenses, such as expense from borrowings and repurchase agreements, any dividend and other costs paid on preferred shares issued by the Fund, 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.

Investors should consider the investment objectives, risks, charges and expenses of the fund carefully before investing. This and other information are contained in the fund's prospectus, which may be obtained by contacting your investment professional or PIMCO representative or by visiting www.pimco.com. Please read the prospectus carefully before you invest or send money.

The fund is an unlisted closed-end "interval fund." Limited liquidity is provided to shareholders only through the fund's quarterly offers to repurchase between 5% to 25% of its outstanding shares at net asset value (subject to applicable law and approval of the Board of Trustees, the Fund currently expects to offer to repurchase 5% of outstanding shares per quarter). Although interval funds provide limited liquidity to investors by offering to repurchase a limited amount of shares on a periodic basis, investors should consider shares of the Fund to be an illiquid investment.

Past performance is not a guarantee or a reliable indicator of future results. The performance figures presented reflect changes in share price and reinvestment of dividend and capital gain distributions. Investments made by the Fund and the results achieved by the 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.

It is important to note that differences exist between the Fund's daily internal accounting records, the fund's financial statements prepared in accordance with U.S. GAAP, and reporting practices under income tax regulations. It is possible that the Fund may not issue a Section 19 Notice in situations where the Fund's financial statements prepared later and in accordance with U.S. GAAP or the final tax character of those distributions might later report that the sources of those distributions included capital gains and/or a return of capital. Please see the fund's most recent shareholder report for more details.

Distribution rates are not performance. The distribution rate is calculated by annualizing the most recent distribution per share and dividing by the NAV as of the reported date. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the fund. Because a distribution may include a ROC, the distribution rate should not be confused with yield. Please refer to the most recent Section 19 Notice, if applicable, for additional information regarding the estimated composition of distributions. Final determination of a distribution's tax character will be provided to shareholders when such information is available.

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.

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 the current low interest rate environment increases this risk. Current 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-related assets and other asset-backed instruments** 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. **Equities** may decline in value due to both real and perceived general market, economic, and industry conditions. **Bank loans** are often less liquid than other types of debt instruments and general market and financial conditions may affect the prepayment of bank loans, as such the prepayments cannot be predicted with accuracy. There is no assurance that the liquidation of any collateral from a secured bank loan would satisfy the borrower's obligation, or that such collateral could be liquidated.

Investments in **distressed loans and bankrupt companies** are speculative and the repayment of default obligations contains significant uncertainties. The value of **real estate** and portfolios that invest in real estate may fluctuate due to: losses from casualty or condemnation, changes in local and general economic conditions, supply and demand, interest rates, property tax rates, regulatory limitations on rents, zoning laws, and operating expenses. **Structured products** such as collateralized debt obligations are also highly complex instruments, typically involving a high degree of risk; use of these instruments may involve derivative instruments that could lose more than the principal amount invested. **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 use of **leverage** may cause a portfolio to liquidate positions when it may not be advantageous to do so to satisfy its obligations or to meet segregation requirements. Leverage, including borrowing, may cause a portfolio to be more volatile than if the portfolio had not been leveraged.

An investment in an **interval fund** is not appropriate for all investors. Unlike typical closed-end funds an interval fund's shares are not typically listed on a stock exchange. Although interval funds provide limited liquidity to investors by offering to repurchase a limited amount of shares on a periodic basis, investors should consider shares of the Fund to be an illiquid investment. Investments in interval funds are therefore subject to **liquidity risk** as an investor may not be able to sell the shares at an advantageous time or price. There is also **no secondary market** for the Fund's shares and none is expected to develop. There is no guarantee that an investor will be able to tender all or any of their requested Fund shares in a periodic repurchase offer.

Yield to Worst (YTW) is the estimated lowest potential yield that can be received on a bond without the issuer actually defaulting. The YTW is calculated by making worst-case scenario assumptions by calculating the returns that would be received if provisions, including prepayment, call, or sinking fund, are used by the bond's issuer. PIMCO calculates a portfolio's Estimated YTW by averaging the YTW of each security held in the portfolio on a market-weighted basis. PIMCO pulls each security's YTW from PIMCO's Portfolio Analytics database. In general, the calculation will incorporate the yield based on the notional value of all derivative instruments held by a Fund. The measure does not reflect the deduction of fees and expenses and is not necessarily indicative of the portfolio's worst possible performance. A portfolio's actual yield or distribution rate may be significantly lower than its estimated YTW in practice. Estimated YTW is not a projection or prediction of the actual yield or return that a portfolio may achieve or any other future performance results. There can be no assurance that a portfolio will achieve any particular level of yield or return and actual results may vary significantly from estimated YTW.

PIMCO does not provide legal or tax advice. Please consult your tax and/or legal counsel for specific tax or legal questions and concerns. The discussion herein is general in nature and is provided for informational purposes only. 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 a long-term especially during periods of downturn in the market. Investors should consult their investment professional prior to making an investment decision. An investment in the Fund is speculative involving a high degree of risk, including the risk of a substantial loss of investment.

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.

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