PIMCO

PIMCO Alternatives

30 November 2023

PIMCO Flexible Credit Income Fund (PFASX)

FUND DESCRIPTION

PFASX seeks to provide attractive risk-adjusted returns and current income. The Fund takes a flexible approach to investing across a broad opportunity set of credit sectors, including consumer, corporate and mortgages. PFASX can provide access to less liquid, and potentially higher yielding, opportunities given the interval fund structure.

KEY TERMS

Symbol: PFASX

Repurchase Frequency:

Quarterly share repurchases expected to equal 5% of outstanding shares

Subscriptions / NAV: Daily

Dividend frequency: Monthly[9]

Portfolio Management Team:

Alfred Murata, Dan Ivascyn, Christian Stracke, Mark Kiesel, Marc Seidner, Jamie Weinstein

Registered: 1940-Act / 1933-Act

Tax treatment: 1099

Management Fee (on Net Assets): 2.20%

Management Fee (on Total Managed Assets): 1.30%

Gross Expense Ratio: 6.11%

Adjusted Expense Ratio: 2.97%

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.

Expected repurchase dates:

February, May, August, November

MARKET COMMENTARY

Investors gained renewed confidence in November on the news of cooler than expected inflation data. The S&P 500[1], emerging market debt[2], high yield[3] indices, and bank loans[4] returned 9.1%, 5.8%, 4.6%, and 1.3% respectively.

Delinquencies were mixed across mortgage subsectors over the month. Legacy non-agency RMBS[5] were unchanged while CMBS[6] spreads rallied. Delinquency rates in conduit CMBS remained at 3.8%, while SASB[7] ticked higher m/m to 3.2% from 3.0%. Private-label CMBS issuance totaled $40.2bn year-to-date (including $18.3bn in conduit and $17.6 in SASB), down -63% compared to the same point in time last year[8].

In November, high yield bond yields and spreads decreased 103bps and 52bps to 8.5% and 413bps, respectively. Double B (+4.59%) marginally outperformed single B (+4.58%), and triple CCC (+4.51%). This was the second strongest monthly performance for HY since July 2020. November high yield capital market activity improved with monthly issuance increasing by $19.4bn. Year-to-date issuance totaled $165.5bn compared to $104.2bn this time last year. Institutional loan issuance during the month totaled $27.9bn, down slightly from October. Year-to-date issuance totaled $317.6bn, a 35% increase over the same period last year[8].

High yield funds reported inflows of $11.3bn in November, marking it the fifth inflow month over the past eleven months. Default activity totaled $6.4bn in November, as there were seven distressed transactions and one actual default. Year-to-date a total of 40 companies defaulted totaling $57.1bn in bonds and loans, while 45 companies completed a distressed exchange totaling $25.0bn in bonds. Including distressed exchanges, the par-weighted U.S. high-yield bond rate increased 28bps to 2.9% and the loan default rate remained flat at 3.1%, compared to the long-term averages of 3.2% for high-yield and 3.1% for loans[8].

PERFORMANCE

As of 30 September '23 returns (%)	1m	3m	YTD	1yr	3yr	5yr	S.I.*
PFASX, net (NAV)*	-0.73%	0.71%	1.77%	2.16%	1.65%	1.17%	2.82%
As of 30 November '23 returns (%)	**1m**	**3m**	**YTD**	**1yr**	**3yr**	**5yr**	**S.I.***
PFASX, net (NAV)*	4.06%	1.89%	4.45%	4.19%	0.54%	1.99%	3.14%

Performance quoted represents past performance, which is not a guarantee or a reliable indicator of future results. *Investment return and 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 www.pimco.com or call (888) 87-PIMCO.*

*Fund inception: February 22, 2017. Institutional class shares have no sales charge. 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.

*Class A-3 common shares launched on November 9, 2020 which is later than the inception date of the fund. For all periods prior to the launch of the Class A-3 shares, performance information shown is that of the Fund's Institutional Class shares, adjusted to reflect the distribution and/or servicing fees and other expenses paid by the Class A-3 shares. Class A-3 Shares have no sales charge.

[1]S&P 500 Index; ; [2]JPMorgan EMBI Global Total Return Index [3]ICE BofA Merrill Lynch U.S. High Yield Index; [4]JPMorgan Leveraged Loan Index; Securities; [5]**RMBS** = Residential Mortgage Backed Securities; [6]**CMBS** = Commercial Mortgage Backed Securities; [7]**SASB** = Single-Asset/Single-Borrower CMBS; [8]J.P. Morgan; [9]Effective April 2023. All data is as of 11/30/23 and source is PIMCO unless otherwise indicated. Outperformance does not necessarily mean positive returns.

PERFORMANCE ATTRIBUTION

Sector	MTD	YTD
Residential Mortgage	++	+++
U.S. Residential Mortgage	++	+++
Non-U.S. Residential Mortgage	-	++
Commercial Real Estate	+	++
CMBS / Other	+	++
Loans	0	+
Corporate	+++	+++
Leveraged Credit/Special Situations	+++	+++
Bank Capital	+	+
Specialty Finance	+	+++
Other	-	---
Emerging Markets	+	---
Other	--	---
Total	+++	+++

PORTFOLIO HIGHLIGHTS AND INVESTMENT THEMES

During November, the following were representative themes, investments and drivers of performance:

Residential Mortgage

- U.S. legacy non-Agency RMBS positions contributed as rates rallied

Commercial Real Estate

- CMBS positions contributed as spreads tightened modestly

Corporate Credit

- Diversified corporate credit exposure across high-yield, bank capital, and bank loans contributed to performance on the news of moderating inflation
- A special situations investment in a sports broadcasting network undergoing a restructuring contributed to performance given positive developments on the restructuring negotiation and the company looks to extend broadcasting rights with major sports leagues

Specialty Finance

- Allocation to specialty finance was modestly positive over the month, as negative performance from auto loan ABS was offset by resilient income from debentures linked to iron ore royalties

Other

- External emerging market debt positions contributed to performance as spreads tightened and U.S. Treasury yields fell

"+++/---" denotes magnitude of impact greater than 100bps, "++/--" denotes magnitude of impact greater than 50bps, "+/-" denotes magnitude of impact greater than 5bps and below 50bps, "0" denotes magnitude of impact of 0 – 5bps.

Portfolio structure is subject to change without notice and may not be representative of current or future allocations.

The attribution analysis is calculated by PIMCO and is intended to provide an estimate as to which elements of a strategy contributed (positively or negatively) to a portfolio's performance. Attribution analysis is not a precise measure and should not be relied upon for investment decisions. Portfolio structure is subject to change without notice and may not be representative of current or future allocations.

INVESTMENT OUTLOOK

Amid uncertainty around geopolitical turmoil, a slowdown in economic growth and tightening credit conditions, the Fund continues to emphasize a "bend-but-don't-break" philosophy, taking a patient and deliberate approach in deploying capital to assets with resilient cash flows across multiple economic scenarios. The Fund remains mindful of mark-to-market volatility and anticipates buying opportunities as the long term effects from geopolitical conflicts, hawkish central bank policies, persistent economic uncertainty, and bank retrenchment continue to impact markets.

Housing credit remains attractive, as strong equity cushions and a structural undersupply continue to provide downside support, even in highly adverse economic scenarios. In commercial real estate, PFASX remains focused on SASB CMBS, primarily backed by hotels where the fundamentals appear strong.

For corporate credit there is value in special situations and private financing to resilient borrowers, where downside risk is limited while strong upside potential remains. Ongoing market volatility, prolonged periods of higher interest rates and tighter lending conditions will continue to create pressure for companies with floating rate debt and fragile balance sheets. The private segment of the market can be a growing source of stress and consequently opportunities for flexible capital.

In specialty finance, the recent banking turmoil has curtailed bank lending activity, opening the door for more attractive opportunities within asset-based lending markets. While U.S. consumers exhibit healthy balance sheets, the Fund continues to cautiously approach risk in the space, with a preference for assets with higher-quality collateral, short weighted-average lives, low payment-to-income ratios and seniority in the capital structure. Within emerging markets, the Fund continues to have a bias towards higher-quality sovereign and quasi-sovereign names with attractive yield potential, though the Fund has been been reducing exposure to this space.

The Fund continues to closely monitor global geopolitical developments and potential left-tail economic scenarios. Cautiously approaching credit risk, with an emphasis on finding relative value and investing in assets that may demonstrate resiliency during periods of stress. PFASX maintains a high degree of flexibility and rigor in its investment approach, anticipating attractive buying opportunities across a variety of global credit sectors.

FUND PROFILE

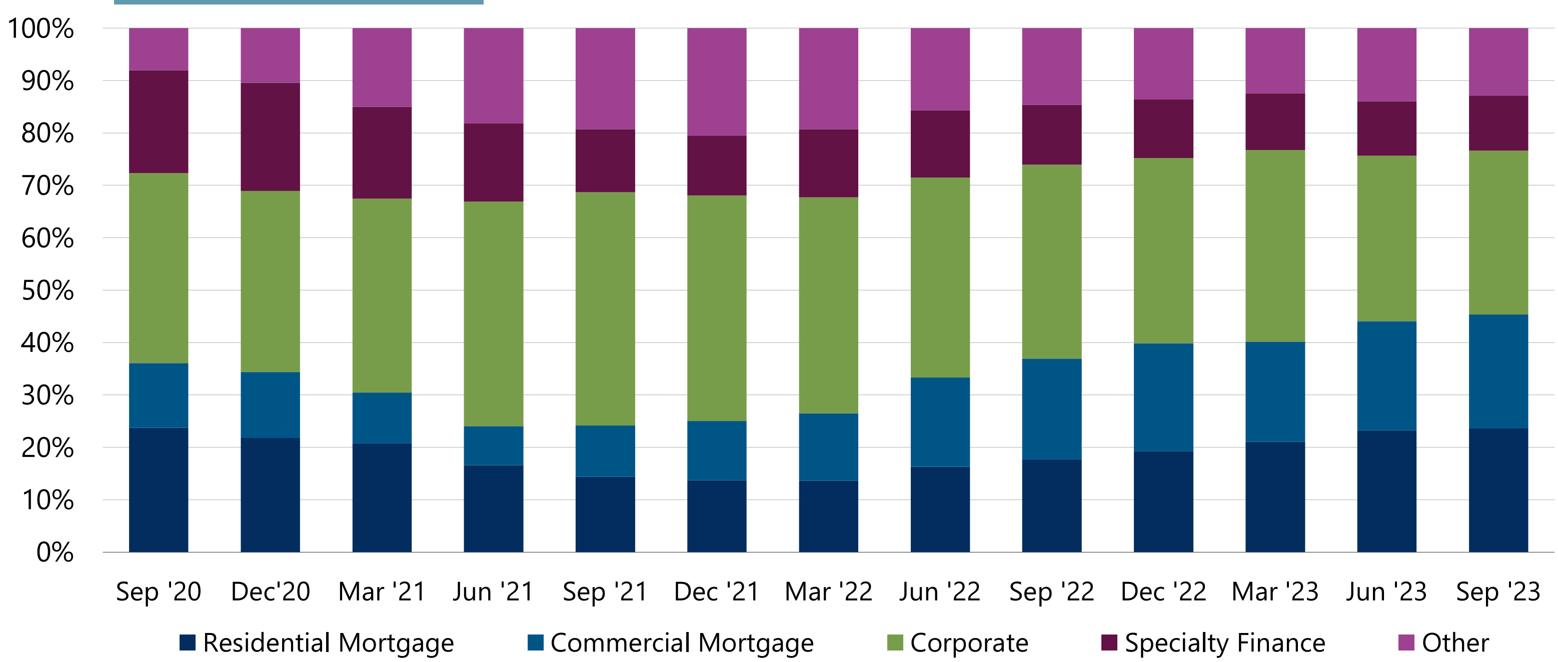
Fund AUM	$2,688 million
Incepton Date	22 February 2017
Distribution rate	8.43%[11]
Duration (years)	3.53
Total Effective Leverage	41.41%
Preferred Shares:	0.00%
Reverse Repurchase Agreements	40.78%
Floating Rate Notes Issued	0.00%
Credit Default Swaps	0.62%

PORTFOLIO CONCENTRATIONS

Credit Vertical	Total	Private^	Public
Residential Mortgage	22%	2%	20%
Commercial Real Estate	19%	0%	18%
Corporate	33%	15%	19%
Specialty Finance	9%	5%	4%
Other	16%	6%	10%
Total	100%	28%	72%

^For purposes of this table, portfolio holdings in this Fund 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.

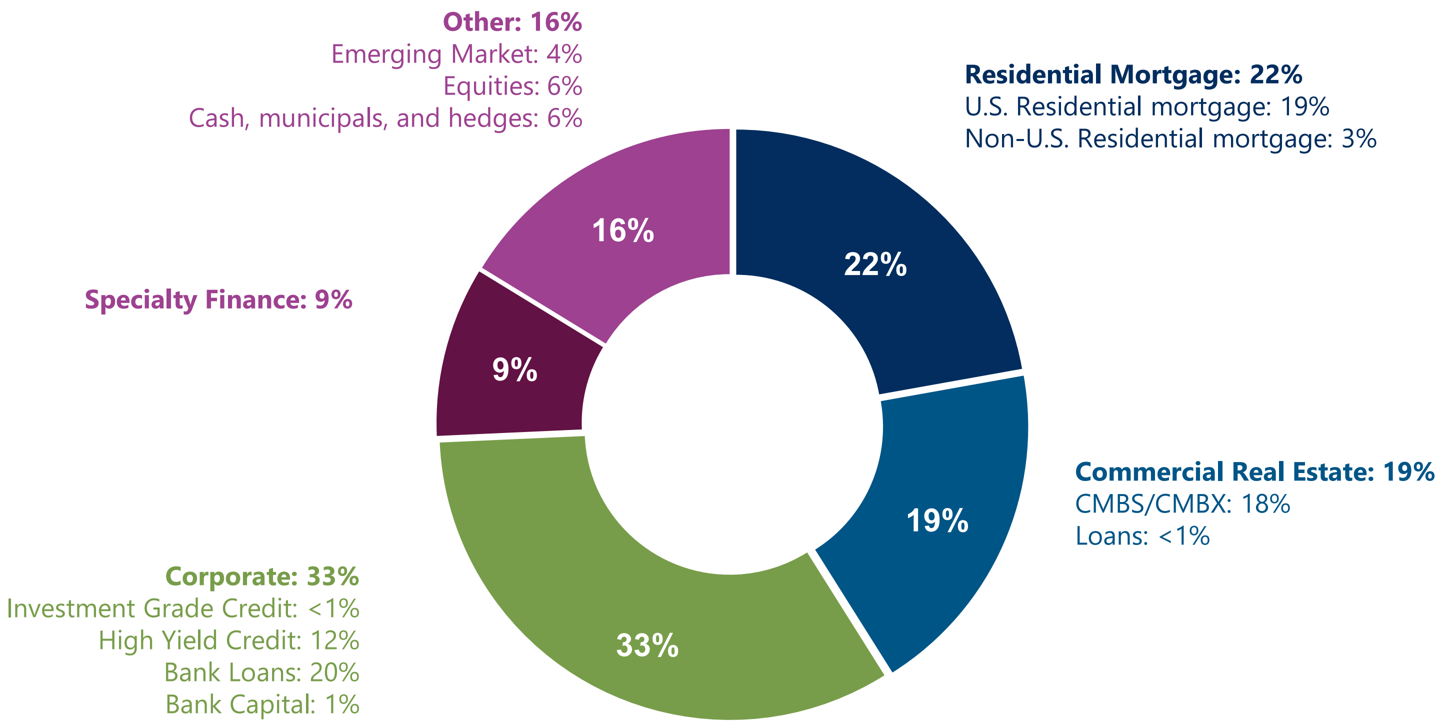
PORTFOLIO CONCENTRATIONS



[11]PFASX distributions are declared daily and paid monthly and the distribution rate is calculated by annualizing the most recent distribution per share (with such annualizing based on dividing the number of calendar days during the year by the number of calendar days over which the most recent distribution accumulated) and dividing it by the NAV as of the reported date. Distribution rate information is current as of the latest month 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 the disclosures for additional information regarding distributions and the distribution rate.

All data is as of 11/30/23 and source is PIMCO unless otherwise indicated.

PORTFOLIO CONCENTRATIONS



Portfolio structure is subject to change without notice and may not be representative of current or future allocations.
Performance in securitized investment strategies can be impacted from the benefits of purchasing odd lot positions. The impact of these investments can be particularly meaningful when funds have limited AUM, and may not be a sustainable source of performance as the fund grows in size.
Sources: Bloomberg; PIMCO.

All data is as of 11/30/23 unless otherwise indicated.

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).

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. Institutional Class Common Shares do not have a sales charge.

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.

The Fund's distribution rate 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 rate at a future time. Distribution rates are not performance. The distribution rate is calculated by annualizing the most recent distribution per share (with such annualizing based on dividing the number of calendar days during the year by the number of calendar days over which the most recent distribution accumulated) and dividing it 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 or performance. 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 sent 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 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-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. Leveraging transactions typically involve expenses, which could exceed the rate of return on investments purchased by a fund with such leverage and reduce fund returns. **The use of leverage** may cause a portfolio to liquidate positions when it may not be advantageous to do so. Leveraging transactions may increase a fund's duration and sensitivity to interest rate movements.

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.**

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.

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