PIMCO

PIMCO Interval Funds
December 2022

Flexible Municipal Income Fund

PIMCO Flexible Municipal Income Fund ("Fund") is an interval fund that seeks to provide high current income that is tax-efficient and a secondary objective of capital appreciation. The fund is designed to exploit the inherent illiquidity in the municipal market and utilizes a flexible, tax-efficient investment approach across the municipal credit spectrum.

Symbol: PMAAX
Inception Date: May 26, 2020
Total Net Assets: $1,218M
Repurchase Frequency: Quarterly share repurchases expected to equal 10% of outstanding shares
Subscriptions / NAV: Daily
Dividend frequency: Monthly
Registered: 1940-Act / 1933-Act
Tax treatment: 1099
Gross Expense Ratio: 2.07%
Adjusted Expense Ratio: 1.58%
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.
Management Fee[3]: 1.05% on net assets or equivalent to 0.75% on total managed assets.
See prospectus for additional information regarding fees and expenses.
Expected repurchase dates: February, May, August, November

FUND HIGHLIGHTS

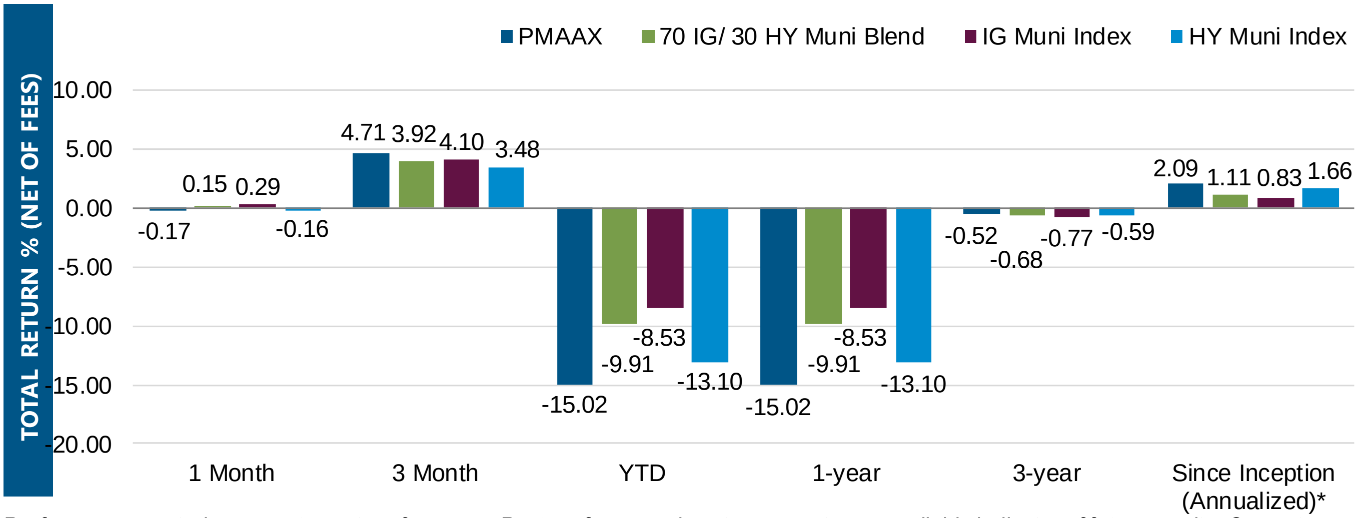
- Seeks to capitalize during periods of muni market outflow cycles, when forced selling within traditional muni strategies may drive yields up
- Interval fund structure potentially allows for larger allocations to less-liquid muni private placement bonds which may benefit from complexity/liquidity premia
- The limited liquidity profile of the Fund matches the liquidity of the marketplace in our view
- Interval fund structure:
  - Is available to non-qualified purchasers and non-accredited investors
  - Has lower minimums than Limited Partnerships (LPs)
  - Has simpler 1099 tax reporting, vs. K-1 for LPs
- Flexibility to invest in taxable munis and QDI-eligible bank preferreds when more attractive on an after-tax basis than munis; also able to invest in muni closed-end funds

MONTHLY COMMENTARY

In December, municipal yields were mixed with AAA tax-exempts increasing 7bps in the 2-year spot and 6bps in 30-year maturities while moving 11bps lower in the 5-year spot and 8bps lower in 10-year maturities. Posting its fourth positive month of the year, the Bloomberg Municipal Bond Index produced a total return of +0.29% in December, outperforming the US Treasury Index which returned -0.52%. The Bloomberg High Yield Municipal Bond Index underperformed its investment grade counterpart over the month, posting total returns of -0.16%. For the calendar year of 2022, the IG and HY muni indices returned -8.53% and -13.10% respectively, marking the worst annual return since 1981 for the IG index and 2008 for the high yield index. Outflows persisted in December, contributing to an annual record outflow of -$121.6bn in 2022.

The Fund recorded returns of -0.17% after fees for the month of December, underperforming the 70IG/30HY blended benchmark by 32bps. Since inception, returns for the Fund remain positive at 2.09% net of fees on an annualized basis, outperforming the blended benchmark by 98bps.

As the municipal market starts the year, the technical environment should present a more supportive backdrop barring further volatility in the taxable space. The tax-exempt market tends to experience the "January Effect" where coupon payments and maturities, which are estimated at ~$30bn, historically outstrip supply.



Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and principal value will fluctuate, so that fund shares may be worth more or less than their original cost when redeemed. Performance data current to the most recent month-end is available at www.pimco.com or by calling 888.87.PIMCO.

*Class A-1 common shares launched on 26 May 2020, which is later than the 15 March 2019 inception date of the fund. For all periods prior to the launch of the Class A-1 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-1 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.

ATTRIBUTION

Top Contributors:

- Exposure to municipal private placements
- Exposure to revenue backed municipal bonds
- Exposure to bank capital and corporates

Top Detractors:

- Duration exposure detracted from performance
- Exposure to taxable municipals
- Exposure to general obligation bonds

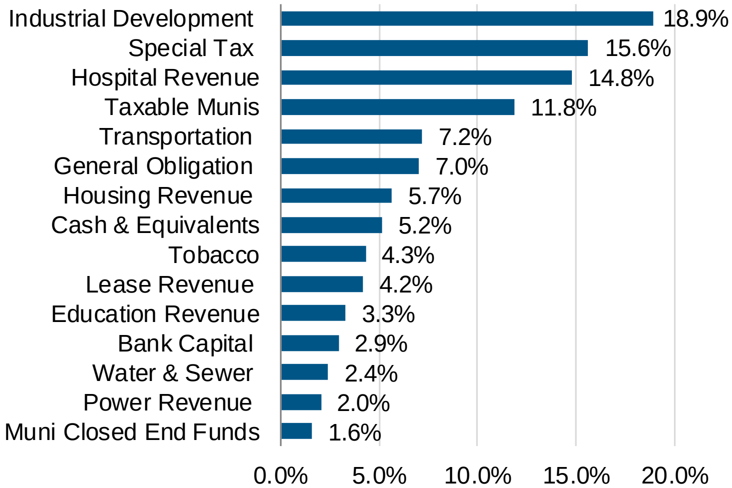
INVESTMENT THEMES	December 2022	YTD 2022
Revenue Munis	+	---
State/Local GO	-	-
Private Placements	+	---
Taxable Munis	-	+
Bank Capital & Corporates	+	--
Muni CEF	-	-
Total	-	---

Attribution Legend

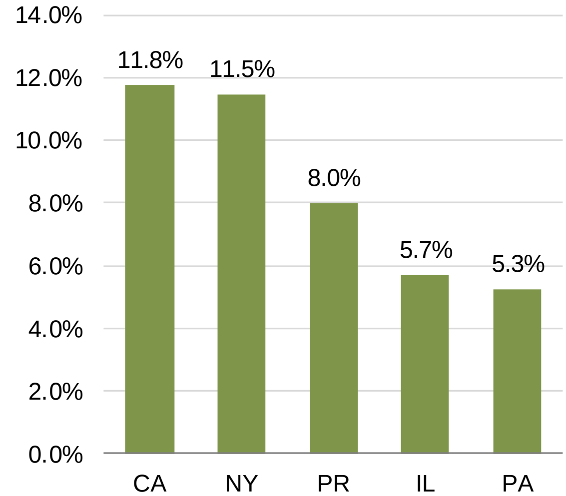
0	Neutral
+/-	1 - 50 bps
++/--	51 - 100 bps
+++/---	101 + bps

As of 31 December 2022 Source: PIMCO, Bloomberg
IG Muni is represented by the Bloomberg Municipal Bond Index. HY Muni is represented by the Bloomberg High Yield Municipal Bond Index.
Index returns are shown for comparison purposes to reflect a representative allocation matching the asset classes in which the fund seeks to invest. The PIMCO Flexible Municipal Income Fund is not managed to a benchmark. If the investment parameters of the fund changes, the comparison may be less meaningful. It is not possible to invest directly in an unmanaged index.
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.

SECTOR DISTRIBUTION (MV%)



TOP 5 STATES (MV%)



As of 31 December 2022
Source: PIMCO

POSITIONING & OUTLOOK

PIMCO continues to believe that municipals offer an attractive value proposition given elevated risks of an economic recession within the next 12 months. Tax-exempts provide diversification benefits with lower correlations to risk assets historically while experiencing lower default rates relative to similarly rated corporate bonds. As the Federal Reserve continues to increase their benchmark rate in order to fight inflation, tax-exempts may present an attractive opportunity set given historical outperformance relative to taxable fixed income over the full course of rate hike cycles. Absolute yields now sit at levels not seen in years while the credit environment within the asset class remain historically strong. This allows investors to lock in attractive , providing an opportunity for active managers who are able to go on offense in the current environment.

The Fund is active in putting capital to work given the attractiveness of the asset class and persistent outflows. The opportunity set within the lower quality space has become more favorable on a relative basis, supported by attractive yields and strong fundamentals. Given the uncertain outlook moving forward, we continue to leverage our robust credit team in order to uncover value. Investment grade municipals remain attractive on an absolute basis as yields sit at levels not seen in years after 2022’s sell off. Relative value has richened as supply has slowed, however, for tax-aware investors the asset class continues to offer ample opportunities. Within the investment grade universe, currently finding attractive areas in the transportation sector such as airports and toll roads along with select exposure within the special tax sector. In the high yield space, seeking select exposure within multifamily housing (affordable and workforce) and tobacco bonds which benefit from persisting inflation.

We believe the increase in unrated and private municipal issues, along with what we believe are mispriced callable structures offer ample opportunities for active managers. Unrated and qualified institutional buyer only (*QIB-only)* bonds have risen as a percentage of the HY muni index and the QIB-only distinction often has higher yield potential given the restricted base of investors. Many of these deals have unique characteristics that may require broad credit resources that go beyond traditional muni analysis. We believe the Fund is well positioned to take advantage of these opportunities. The limited liquidity profile and interval fund structure supports the ability to purchase these less liquid opportunities that may benefit from liquidity and complexity premia.

We continue to favor revenue-backed bonds, which benefit from dedicated revenue streams and in many cases are less subject to the political gridlock or pension challenges that many state and local governments face. We remain selective with respect to general obligation (GO) debt but have exposure to certain issuers with attractive valuation relative to fundamentals, and issuers that generally benefit from stronger economic and population trends along with more robust pension systems.

Summary Portfolio Statistics	
Market Value ($M)	$1,218
Effective Duration	7.51
Average Effective Maturity	11.64
Current Distribution Rate (%)	4.52%
Current Taxable Equivalent Distribution Rate (%) [2]	7.64%
12M Average Distribution Rate (%) [1]	3.12%
AMT Eligible	13%
Quality Allocation: Investment Grade vs. High Yield Rated	63% IG / 37% HY
Quality Allocation: Not Rated	38%
Private Placement Allocation	23%
Total Effective Leverage Ratio:	24.73%
Tender Option Bonds	0.0%
Preferred Shares	24.7%

As of 31 December 2022. Source: PIMCO

[1]The 12-month average distribution rate is a simple average of the monthly distributions for the 12-months prior.

[2]Assumes a maximum tax rate of 40.8%

Distributions are declared daily and paid monthly, 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 month end. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC). The distribution rate 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.

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

PIMCO'S MUNICIPAL CAPABILITIES

David Hammer
Managing Director
Head of Municipal Bond Portfolio Management

Rachel Betton
Executive Vice President
Municipal Bond Portfolio Manager

Amit Arora
Executive Vice President
Credit Portfolio Manager

PIMCO's municipal team, backed by the full power of one of the world's premier bond managers, uses active management in seeking to provide municipal bond investors with three distinct benefits:

- Uncovering risks often overlooked in the marketplace by a team dedicated to forward-looking and ongoing municipal credit selection
- Identifying economic trends through our time-tested macro process that inform our municipal bond investment decisions
- Reducing transaction costs for clients by leveraging economies of scale

20+ years Managing municipal assets

$67 Bn Muni AUM*

$1.69 Tn Firm wide AUM

25+ Dedicated muni team members

80+ Firm-wide credit analysts

As of 31 December 2022. Source: PIMCO

* Represents the combined dedicated ($50bn) and non-dedicated ($17bn) municipal assets managed by 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.

[3]PIMCO is paid a management fee of 0.75% on total managed assets for advisory, supervisory, administrative and other services, which is equivalent to 1.12% on the Fund's common share net assets. The Fund remains responsible for certain fees and expenses that are not covered by the management fee. Other fund operating expenses include, but are not limited to, interest payment on borrowed funds of 0.04%, dividend and other costs on preferred shares of 0.69%; other expenses of 0.11%; acquired fund fees and expenses of 0.05%. Please see "Management of the Fund - Management Fee" in the prospectus for an explanation of the management fee and definition of "total managed assets."

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% and 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 10% 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. No assurance can be given that the Fund's investment objectives will be achieved, and you could lose all of your investment in the Fund. Performance reflects changes in share price, reinvestment of dividends and capital gains distributions. All periods longer than one year are annualized. Periods less than one year are cumulative.

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. The 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.

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 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 sent to shareholders when such information is available.

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.

A word about risk: Investing in **municipal bonds** involves the risks of investing in debt securities generally and certain other risks. Income from municipal bonds is exempt from federal income tax and may be subject to state and local taxes and at times the alternative minimum tax. 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. **Equities** may decline in value due to both real and perceived general market, economic, and industry conditions. **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. **Concentration** of assets in one or a few states, territories (or a particular area) and projects will subject a portfolio to greater risk than if the assets were not concentrated. **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. The Fund anticipates that **no secondary market** will develop for its shares. There is no guarantee that an investor will be able to tender all of their requested Fund shares in a periodic repurchase offer.

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.

Bloomberg Municipal Bond Index consists of a broad selection of investment-grade general obligation and revenue bonds of maturities ranging from one year to 30 years. It is an unmanaged index representative of the tax-exempt bond market. The index is made up of all investment grade municipal bonds issued after 12/31/90 having a remaining maturity of at least one year.

The Bloomberg High Yield Municipal Bond Index measures the non-investment grade and non-rated U.S. tax-exempt bond market. It is an unmanaged index made up of dollar-denominated, fixed-rate municipal securities that are rated Ba1/BB+/BB+ or below or non-rated and that meet specified maturity, liquidity, and quality requirements. It is not possible to invest directly in an unmanaged index.

PIMCO does not provide legal or tax advice. Please consult your tax and/or legal counsel for specific tax or legal questions and concerns. 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. An investment in the Fund is speculative involving a high degree of risk, including the risk of a substantial loss of investment. Investors should consulttheir investment professional prior to making an investment decision.

PIMCO Investments LLC, distributor, 1633 Broadway, New York, NY 10019, is a company of PIMCO.

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