PIMCO

STRATEGY SPOTLIGHT

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Preferred and Capital Securities Fund: Bank Fundamentals Haven't Been This Strong in Decades

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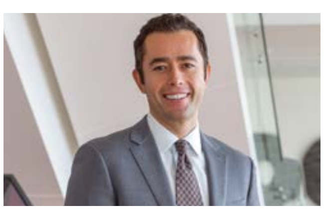

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With strong bank fundamentals – in the U.S., they are the strongest they've been in 50 years – preferred securities are among PIMCO's highest-conviction corporate credit investments today.

Preferred securities issued by U.S. banks have generally performed very well over the last year, and U.K. and European bank securities have performed even better given the cyclical recovery in European growth and improvement in business and consumer confidence. Over the next year, preferreds and similar securities issued by non-U.S. banks will likely continue to offer opportunities to generate higher yield and potentially higher return than traditional fixed income.

PIMCO's Preferred and Capital Securities Fund focuses on the most attractive ideas we're finding around the world, diversified across issuers, currencies and structures. In this discussion, Philippe Bodereau and Yuri Garbuzov, portfolio managers for Preferred and Capital Securities Fund, and Jeff Helsing, product strategist, review PIMCO's approach and outlook for investing in global bank securities.

Q: Bank fundamentals are strong, and the strongest they've been in the U.S. in the past 50 years – what is driving this?

Bodereau: Following the global financial crisis in 2008, when governments and taxpayers bailed out several major banks while others failed, politicians and regulators around the world sought ways to prevent future crises. As a result of regulatory changes enacted over the years that followed, global banks now have two to eight times as much equity capital as they did in 2007, hold substantially more liquid assets on their balance sheets, and have reduced business volatility.

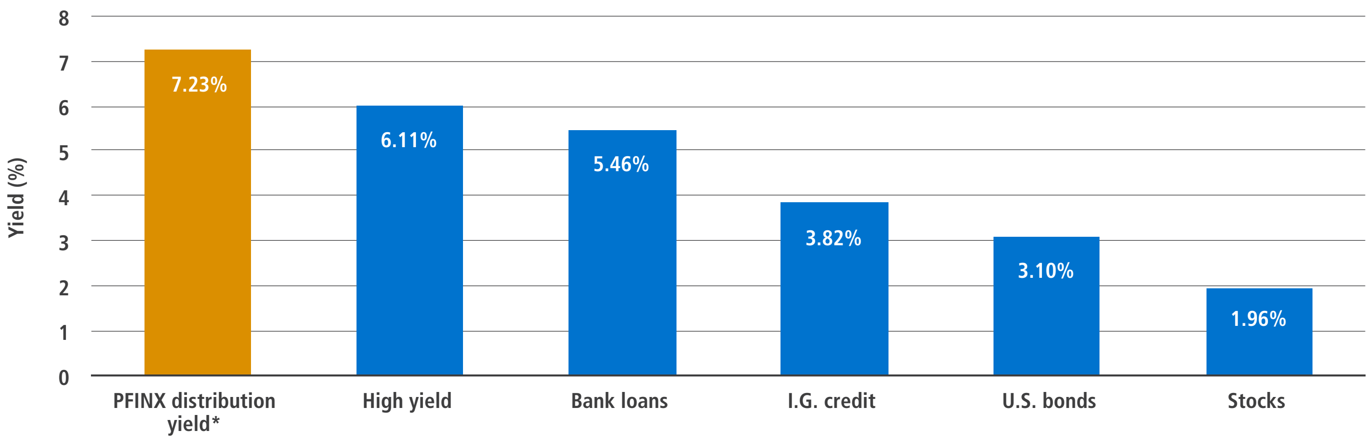
While regulation continues to evolve, one thing is clear: Relatively large banks are more fundamentally stable and resilient than they have been in decades. In our view, bank preferred securities, which benefit from these fundamental strengths across the financial sector, are an overlooked segment of the credit market. We seek to harness those strengths in Preferred and Capital Securities Fund (ticker PFINX for institutional class shares), in our efforts to offer investors attractive yield and return potential.

Q: What yield is PFINX offering investors today, and do you expect it will continue at that level?

Garbuzov: The fund's distribution yield as of 31 March is 6.87% for the institutional share class (see Figure 1). Our base case estimate over the next 12 months is for similar market conditions.

As a reminder, the distribution yield tracks the average annualized distribution the portfolio has delivered over the past four quarters; it is calculated by dividing the annualized cash flows (dividends) by the price per share (net asset value or NAV) as of the latest distribution date. While we take income (distribution) into consideration, we manage the fund with a

Figure 1: Preferred and Capital Securities Fund (PFINX) offers an attractive yield



Source: PIMCO, Bloomberg as of 30 April 2018. Index current yields shown. High Yield represented by ICE Bank of America Merrill Lynch BB-B US High Yield Constrained Index, Bank Loans represented by J.P. Morgan BB/B Leveraged Loan Index, Stocks represented by S&P 500 Index, Investment Grade Credit represented by Bloomberg Barclays US Credit Index, U.S. bonds represented by Bloomberg Barclays US Aggregate Index.

* 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.

PFINX unsubsidized 30-day SEC yield as of 30 April 2018: 3.91%.

The 30-Day SEC yield is an annualized yield based on the most recent 30-day period. The unsubsidized SEC yield does not include fee waivers and/or reimbursements.

Figure 2: PIMCO Preferred and Capital Securities Fund and benchmark returns

	Through 31 March 2018					Through 30 April 2018	
Average annualized total returns (%), Institutional share class, net of fees	**Year to date**	**6 months**	**1 year**	**2 years**	**Since inception (13 Apr 2015)**	**Year to date**	**3 years**
PIMCO Preferred and Capital Securities Fund (PFINX)	**-0.50**	**1.35**	**8.28**	**11.70**	**7.08**	**-0.30**	**7.17**
70% ICE BofAML 8% Constrained Core West Preferred & Jr Subordinated Securities Index (P8JC) and 30% ICE BofAML Contingent Capital Index (COCO)	-0.84	0.43	6.14	8.21	5.99	-1.06	5.93

Total annual operating expense ratio for PIMCO Preferred and Capital Securities Fund, Institutional share class, is 0.87%.

Prior to 16 January 2018, PIMCO Preferred and Capital Securities Fund was named PIMCO Capital Securities and Financials Fund.

If this material is used after 30 June 2018, it must be accompanied by the most recent Performance Supplement. For performance to the most recent quarter-end, please visit PIMCO Preferred and Capital Securities Fund.

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.

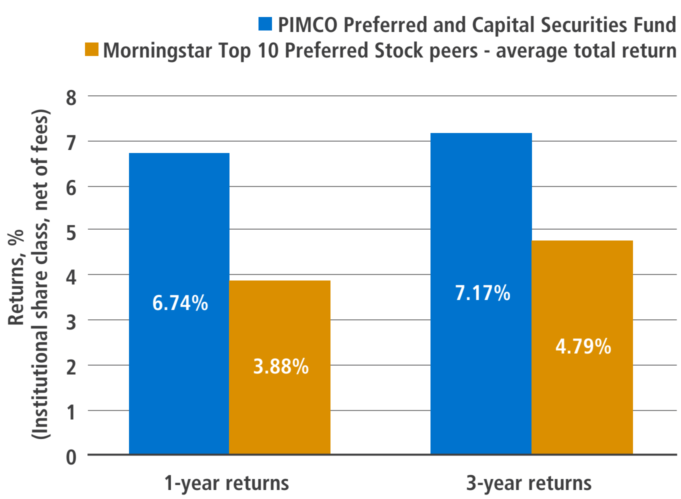
Source: PIMCO, Bloomberg

total return objective. In other words, we do anticipate turnover in the fund to generate attractive risk-adjusted return potential, which could boost the overall income to investors, but also create some fluctuations in the distribution.

Q: PIMCO Preferred and Capital Securities Fund – PFINX – recently reached its three-year anniversary. How has it performed over time?

Helsing: From its inception on 13 April 2015 through 30 April 2018, PIMCO Preferred and Capital Securities Fund returned 6.95% annualized (institutional shares, after fees – see Figure 2 for further performance information). The fund's since-inception volatility of 5.01% as of 30 April 2018 is in line with the high yield market (proxied by the Bank of America Merrill Lynch High Yield BB/B Index) and about half the volatility of the S&P 500 over the same time period.

Figure 3: PIMCO Preferred and Capital Securities Fund outperforms top ten peers in the Morningstar Preferred Stock category



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.

Source: PIMCO, Morningstar, Bloomberg as of 30 April 2018. Performance shown is for Institutional share class, annualized net of fees. Please see Figure 2 for important additional information on performance data.

Over the three-year period through 30 April 2018, PFINX ranked #1 in the Morningstar Preferred Stock Category and outperformed the top 10 peers by 2.38 percentage points (see Figure 3). Importantly, after fees, PFINX has outperformed the largest five passive peers by 2.98 percentage points over the three-year period and by 5.50 percentage points over the one-year period, driven in our view by its active management approach and broader investable universe. At the end, we believe total return after fees, not just fees, is what counts.

Q: What matters most to taxable investors is after-tax income. Does PFINX offer potential tax advantages for U.S. investors?

Garbuzov: Yes, some of the fund's distributions will be taxed at qualified dividend income (QDI) rates which, at roughly 20%, are considerably less than ordinary income tax rates (top federal rate of 37%). It's worth noting that preferred stocks issued by U.S. companies and similar securities issued by non-U.S. institutions, like the Additional Tier 1 (AT1) (commonly referred to as contingent capital/contingent convertible/"coco") securities issued by European and U.K. banks, all pay dividends. Essentially, for tax purposes, the payments individual investors receive on either non-U.S. AT1 or U.S. preferred securities are treated the same as a common stock dividend and taxed at dividend income rates, as long as holding period requirements are met. This means that for U.S. investors, preferred stocks may provide a compelling after-tax yield relative to other asset classes.

Q: Many investors are concerned about rising interest rates. How is PFINX positioned for a rising rate environment?

Garbuzov: The fund was resilient during interest rates spikes in late 2016 and in January 2018. One reason is that more attractive valuations helped us to cushion yields. But a key factor in the fund's resilience to interest rate (i.e., duration) risk is that most of the portfolio holdings are structured as securities with fixed coupons for the first few years that later switch to floating rate coupons if not called. As a result, the fund doesn't have much duration. This structure is typical in our experience for deals at the institutional level; most retail preferreds have much more interest rate sensitivity, with their coupons fixed for life.

Unlike a traditional fixed income security, preferred securities don't have a maturity date when principal is due. If preferred securities weren't callable by the issuer, they would likely be much more sensitive to interest rates. That said, preferred securities issued to institutions typically become floating rate securities if they are not called by the issuer after five or so years. These securities are often referred to as "fixed-to-float" or "institutional preferreds." We believe PFINX is positioned to perform well should rates continue to rise, given strong bank fundamentals and the fund's relatively low concentrations in fixed-for-life securities.

Q: How does PFINX fit into an investor's broader portfolio?

Helsing: The Fund provides diversification from both core bonds and equities, along with a relatively high source of income, some of which may be U.S. tax-advantaged. Investors seeking a credit allocation with a lower sensitivity to interest rates than traditional corporate sectors, or investors looking to lower the risk in their equity market exposure without sacrificing potential return, may want to consider PFINX.

Investors have typically used the fund in three ways: as a substitute for high yield bonds or bank loans, given both relatively higher yields and low duration; as a substitute for convertible bonds, given equity-like return potential with historically lower volatility; or as a diversifier to core bonds, as the Fund's correlation to U.S. Treasuries as of 30 April is negative.

Q: What strengths and capabilities should investors look for when choosing a preferred securities manager?

Bodereau: We believe global scope and scale are key in today's preferred markets. U.S. bank fundamentals are near the peak and valuations on U.S. preferreds are close to fair on average (rich for many retail deals and more attractively priced for many institutional deals). We see more opportunity for total return in banks overseas. In Europe, for example, where economic recovery and the strengthening of the banking sector are a couple of years behind the U.S., we are seeing higher total return opportunities.

At PIMCO we have 16 investment professionals around the world, with decades of experience, all dedicated to analyzing and investing in global financial companies. PIMCO manages the largest actively managed bank capital mutual fund available in Europe or the U.S. I have been managing a dedicated Capital Securities strategy since 2011, and along with Yuri Garbuzov I have co-managed PFINX since its 2015 launch.

We believe PIMCO's size and global resources confer several investment advantages: negotiating leverage with issuers, access to management of global banks, private and securitized specialists who provide insight on bank asset quality (including analysis of long-term sustainability factors), sovereign and political analysts, a deep bench of credit research analysts providing insights at the issuer and security level, legal expertise to help determine the balance of risk versus opportunity, and strong relationships with over 30 global counterparties.

With bank fundamentals at their strongest point in decades in some cases, now may be the time to partner with PIMCO in a preferred securities investment.

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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 for Institutional Class shares (after fees) and reflect changes in share price and reinvestment of dividend and capital gain distributions. All periods longer than one year are annualized. 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.

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.

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.

A word about risk:
Contingent Convertible ("Coco") Bonds are bonds that are converted into equity of the issuing company if a pre-specified trigger occurs. Co-cos are subject to a different type of risk from traditional bonds and may result in a partial or total loss of value or may be converted into shares of the issuing company which may also have suffered a loss in value. 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. **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. **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. Investments in illiquid securities may reduce the returns of a portfolio because it may be not be able to sell the securities at an advantageous time or price. **Equities** may decline in value due to both real and perceived general market, economic and industry conditions. **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. Fund rankings: 1Yr. 2 out of 56; 3Yrs. 1 out of 46. Morningstar Ranking for the Preferred Stock category as of 4/30/2018 for the Institutional Class Shares; other classes may have different performance characteristics. The Morningstar Rankings are calculated by Morningstar and are based on the total return performance, with distributions reinvested and operating expenses deducted. Morningstar does not take into account sales charges.

The **benchmark** is a blend of 70% ICE BofAML 8% Constrained Core West Preferred & Jr Subordinated Securities Index (P8JC) and 30% ICE BofAML Contingent Capital Index (COCO). The ICE BofAML 8% Constrained Core West Preferred & Jr Subordinated Securities Index tracks the performance of US dollar denominated high grade and high yield preferred securities and deeply subordinated corporate debt issued in the US domestic market. Qualifying securities must be rated at least B3, based on an average of Moody's, S&P and Fitch and have a country of risk of either the U.S. or a Western European country. Qualifying preferred securities must be issued as public securities or through a 144a filing, must have a fixed or floating dividend schedule and must have a minimum amount outstanding of $100 million. The ICE BofAML Contingent Capital Index tracks the performance of investment grade and below investment grade contingent capital debt publicly issued in the major domestic and eurobond markets. Qualifying securities must have a capital-dependent conversion feature and must be rated by either Moody's, S&P or Fitch. In addition, qualifying securities must have at least one month remaining term to final maturity and at least 18 months to maturity at point of issuance. For investment grade debt, qualifying currencies and their respective minimum size requirements (in local currency terms) are: AUD 100 million; CAD 100 million; EUR 250 million; JPY 20 billion; GBP 100 million; and USD 250 million. For below investment grade debt, minimum size requirements are CAD 100 million, EUR 100 million, GBP 50 million, or USD 100 million. 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. The discussion herein is general in nature and is provided for informational purposes only. There is no guarantee as to its accuracy or completeness. Any tax statements contained herein are not intended or written to be used, and cannot be relied upon or used for the purpose of avoiding penalties imposed by the Internal Revenue Service or state and local tax authorities. Individuals should consult their own legal and tax counsel as to matters discussed herein and before entering into any estate planning, trust, investment, retirement, or insurance arrangement.

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CMR2018-0516-333317

PIMCO Funds

**Supplement dated November 17, 2017 to the Credit Bond Funds
Prospectus dated July 28, 2017,
as supplemented from time to time (the "Prospectus"),
and to the Statement of Additional Information dated July 28, 2017,
as supplemented from time to time (the "SAI")**

Disclosure Related to Class C Shares of the PIMCO Capital Securities and Financials Fund (the "Fund")

The Board of Trustees of PIMCO Funds (the "Trust") has approved a Plan of Liquidation for Class C shares of the Fund pursuant to which Class C shares of the Fund will be liquidated (the "Liquidation") on or about January 31, 2018 ("Liquidation Date"). This date may be changed without notice at the discretion of the Trust's officers.

Suspension of Sales. Effective January 2, 2018, the Fund will no longer sell Class C shares to new investors or existing shareholders (except through reinvested dividends), including through exchanges into Class C shares of the Fund from other funds of the Trust or funds of PIMCO Equity Series.

Mechanics. In connection with the Liquidation, any Class C share of the Fund outstanding on the Liquidation Date will be automatically redeemed as of the close of business on the Liquidation Date. The proceeds of any such redemption will be equal to the net asset value of such shares after the Fund has paid or provided for all of its charges, taxes, expenses and liabilities attributable to its Class C shares. The distribution to shareholders of these liquidation proceeds will occur as soon as practicable, and will be made to all Class C shareholders of record of the Fund at the time of the Liquidation. PIMCO will bear all operational expenses in connection with the Liquidation pursuant to the Second Amended and Restated Supervision and Administration Agreement between the Trust and PIMCO.

Other Alternatives. At any time prior to the Liquidation Date, Class C shareholders of the Fund may redeem their Class C shares of the Fund and receive the net asset value thereof, pursuant to the procedures set forth under "Purchases, Redemptions and Exchanges—Redeeming Shares" in the Prospectus. At any time prior to the Liquidation Date, shareholders may also exchange their Class C Fund shares for Class C shares of any other fund of the Trust or any fund of PIMCO Equity Series that offers that class, or for another share class of the Fund, if eligible, without the payment of any applicable contingent deferred sales charge or front-end sales charge. These exchange privileges are described in and subject to any restrictions set forth under "Purchases, Redemptions and Exchanges—Exchanging Shares" in the Prospectus and "Distribution of Trust Shares—Purchases, Exchanges and Redemptions" in the SAI.

U.S. Federal Income Tax Matters. For taxable Class C shareholders, the automatic redemption of Class C shares of the Fund on the Liquidation Date will generally be treated as any other redemption of shares, *i.e.*, as a sale that may result in a gain or loss for federal income tax purposes. Instead of waiting until the Liquidation Date, a Class C shareholder may voluntarily redeem his or her Class C shares prior to the Liquidation Date to the extent that the shareholder wishes to realize any such gains or losses prior thereto. See "Tax Consequences" in the Prospectus. Shareholders should consult their tax advisers regarding the tax treatment of the Liquidation.

If you have any questions regarding the Liquidation, please contact the Trust at 1-888-877-4626.

Investors Should Retain This Supplement For Future Reference

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PIMCO Preferred and Capital Securities Fund

SUMMARY PROSPECTUS

July 28, 2017 (as supplemented April 27, 2018)

Share Class:	Inst	I-2	I-3	A	C
Ticker:	PFINX	PFPNX	PFNNX	PFANX	PFCNX

Before you invest, you may want to review the Fund's prospectus, which, as supplemented, contains more information about the Fund and its risks. You can find the Fund's prospectus and other information about the Fund online at http://investments.pimco.com/prospectuses. You can also get this information at no cost by calling 888.87.PIMCO or by sending an email request to piprocess@dstsystems.com. The Fund's prospectus and Statement of Additional Information, both dated July 28, 2017, as supplemented, along with the financial statements included in the Fund's most recent annual report to shareholders dated March 31, 2017, are incorporated by reference into this Summary Prospectus.

Investment Objective

The Fund seeks maximum total return, consistent with prudent investment management.

Fees and Expenses of the Fund

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund. You may qualify for sales charge discounts if you and your family invest, or agree to invest in the future, at least $100,000 in Class A shares of eligible funds offered by PIMCO Equity Series and PIMCO Funds. More information about these and other discounts is available in the "Classes of Shares" section on page 50 of the Fund's prospectus, Appendix B to the Fund's prospectus (Financial Firm-Specific Sales Charge Waivers and Discounts) or from your financial advisor.

Shareholder Fees (fees paid directly from your investment):

	Inst Class	I-2	I-3	Class A	Class C
Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)	None	None	None	3.75%	None
Maximum Deferred Sales Charge (Load) (as a percentage of the lower of the original purchase price or redemption price)	None	None	None	1.00%	1.00%

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment):

	Inst Class	I-2	I-3	Class A	Class C
Management Fees	0.79%	0.89%	0.99%	0.89%	0.89%
Distribution and/or Service (12b-1) Fees	N/A	N/A	N/A	0.25%	1.00%
Other Expenses	0.01%	0.01%	0.01%	0.01%	0.01%
Acquired Fund Fees and Expenses	0.07%	0.07%	0.07%	0.07%	0.07%
Total Annual Fund Operating Expenses	**0.87%**	**0.97%**	**1.07%**	**1.22%**	**1.97%**
Fee Waiver and/or Expense Reimbursement[1][2]	(0.07%)	(0.07%)	(0.12%)	(0.07%)	(0.07%)
Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement	**0.80%**	**0.90%**	**0.95%**	**1.15%**	**1.90%**

1 Pacific Investment Management Company LLC ("PIMCO") has contractually agreed to waive the Fund's advisory fee and the supervisory and administrative fee in an amount equal to the management fee and administrative services fee, respectively, paid by the PIMCO Capital Securities Fund (Cayman) Ltd. (the "Subsidiary") to PIMCO. The Subsidiary pays PIMCO a management fee and an administrative services fee at the annual rates of 0.49% and 0.20%, respectively, of its net assets. This waiver may not be terminated by PIMCO and will remain in effect for as long as PIMCO's contract with the Subsidiary is in place.

2 PIMCO has contractually agreed, through July 31, 2019, to reduce its supervisory and administrative fee for the Fund's I-3 shares by 0.05% of the average daily net assets attributable to I-3 shares of the Fund. This Fee Waiver Agreement renews annually unless terminated by PIMCO upon at least 30 days' prior notice to the end of the contract term.

Example. The Example is intended to help you compare the cost of investing in Institutional Class, I-2, I-3, Class A or Class C shares of the Fund with the costs of investing in other mutual funds. The Example assumes that you invest $10,000 in the noted class of shares for the time periods indicated, and then redeem all your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Investors may pay brokerage commissions on their purchases and sales of Institutional Class, I-2 or I-3 shares of the Fund, which are not reflected in the Example. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

If you redeem your shares at the end of each period:

	1 Year	3 Years	5 Years	10 Years
Institutional Class	$82	$271	$475	$1,066
I-2	$92	$302	$529	$1,183
I-3	$97	$328	$578	$1,295
Class A	$488	$741	$1,014	$1,791
Class C	$293	$612	$1,056	$2,290

If you do not redeem your shares:

	1 Year	3 Years	5 Years	10 Years
Class A	$488	$741	$1,014	$1,791
Class C	$193	$612	$1,056	$2,290

Portfolio Turnover

The Fund pays transaction costs when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in the Annual Fund Operating Expenses or in the Example tables, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 123% of the average value of its portfolio.

Principal Investment Strategies

The Fund seeks to achieve its investment objective by investing under normal circumstances at least 80% of its assets in a diversified portfolio of preferred securities and Capital Securities. "Capital Securities" include securities issued by U.S. and non-U.S. financial institutions (including, but not limited to, banks and insurance companies) that can be used to satisfy their regulatory capital requirements. Capital Securities may be represented by forwards or derivatives such as options, futures contracts or swap agreements. The Fund will invest under normal circumstances at least 25% of its net assets in preferred securities. Assets not invested in preferred securities or Capital Securities may be invested in other types of Fixed Income Instruments, including derivative Fixed Income Instruments. "Fixed Income Instruments" include bonds, debt securities and other similar instruments issued by various U.S. and non-U.S. public- or private-sector entities. By concentrating its investments in preferred securities and Capital Securities, the Fund will be subject to Preferred Securities Risk and Capital Securities Risk. The average portfolio duration of the Fund normally varies within two years (plus or minus) of the portfolio duration of the securities comprising the BofA Merrill Lynch 70% Constrained Preferred & Jr Subordinated Securities and 30% Contingent Capital Index, as calculated by Pacific Investment Management Company LLC ("PIMCO"), which as of May 31, 2017 was 4.06 years. Duration is a measure used to determine the sensitivity of a security's price to changes in interest rates. The longer a security's duration, the more sensitive it will be to changes in interest rates.

The Fund will seek to gain exposure to certain newly-issued Regulation S securities through investments in the PIMCO Capital Securities Fund (Cayman) Ltd., a wholly-owned subsidiary of the Fund organized under the laws of the Cayman Islands (the "Subsidiary"). Regulation S securities are securities of U.S. and non-U.S. issuers that are issued through private offerings without registration with the SEC pursuant to Regulation S under the Securities Act of 1933. The Subsidiary is advised by PIMCO, and has the same investment objective as the Fund. As discussed in greater detail elsewhere in the prospectus, the Subsidiary (unlike the Fund) may invest without limitation in Regulation S securities.

The Fund may invest, without limitation, in derivative instruments, such as options, futures contracts or swap agreements, subject to applicable law and any other restrictions described in the Fund's prospectus or Statement of Additional Information. The Fund may purchase or sell securities on a when-issued, delayed delivery or forward commitment basis and may engage in short sales. The Fund may invest, without limitation, in high yield securities ("junk bonds") rated below investment grade by Moody's Investors Services, Inc. ("Moody's"), or equivalently rated by Standard & Poor's Rating Services ("S&P") or Fitch, Inc. ("Fitch"), or if, unrated, determined by PIMCO to be of comparable quality. The Fund may invest, without limitation, in securities denominated in foreign (non-U.S.) currencies and in U.S. dollar-denominated securities of foreign (non-U.S.) issuers. The Fund will normally limit its foreign currency exposure (from non-U.S. dollar-denominated securities or currencies) to 10% of its total assets. The Fund may invest, without limitation, in securities and instruments that are economically tied to emerging market countries. The Fund may invest up to 20% of its total assets in common stock. The Fund may also invest in contingent convertible securities.

Principal Risks

It is possible to lose money on an investment in the Fund. The principal risks of investing in the Fund, which could adversely affect its net asset value, yield and total return are listed below.

New/Small Fund Risk: the risk that a new or smaller Fund's performance may not represent how the Fund is expected to or may perform in the long term. In addition, 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

Interest Rate Risk: the risk that fixed income securities will decline in value because of an increase in interest rates; a fund with a longer average portfolio duration will be more sensitive to changes in interest rates than a fund with a shorter average portfolio duration

Call Risk: the risk that an issuer may exercise its right to redeem a fixed income security earlier than expected (a call). Issuers may call outstanding securities prior to their maturity for a number of reasons (e.g., declining interest rates, changes in credit spreads and improvements in the issuer's credit quality). If an issuer calls a security that the Fund has invested in, the Fund may not recoup the full amount of its initial investment and may be forced to reinvest in lower-yielding securities, securities with greater credit risks or securities with other, less favorable features

Credit Risk: the risk that the Fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivative contract, is unable or unwilling to meet its financial obligations

Capital Securities Risk: the risk that the value of securities issued by U.S. and non-U.S. financial institutions that can be used to satisfy their regulatory capital requirements may decline in response to changes in legislation and regulations applicable to financial institutions and financial markets, increased competition, adverse changes in general or industry-specific economic conditions, or unfavorable interest rates. By investing under normal circumstances at least 80% of its assets in a combination of preferred securities and Capital Securities, the Fund will be more susceptible to these risks than a fund that does not invest in Capital Securities to the same extent as the Fund.

Preferred Securities Risk: the risk that preferred securities may be subject to greater credit or other risks than senior debt instruments. In addition, preferred securities are subject to other risks, such as risks related to deferred and omitted distributions, limited voting rights, liquidity, interest rate, regulatory changes and special redemption rights

Concentration in Banking Industries Risk: the risk of concentrating in industries related to banking, including interest rate risk, market risk, the risk of heightened competition and the risk that legislation and other government actions could adversely affect such industries

Contingent Convertible Securities Risk: the risks of investing in contingent convertible securities, including the risk that interest payments will be cancelled by the issuer or a regulatory authority, the risk of ranking junior to other creditors in the event of a liquidation or other bankruptcy-related event as a result of holding subordinated debt, the risk of the Fund's investment becoming further subordinated as a result of conversion from debt to equity, the risk that principal amount due can be written down to a lesser amount, and the general risks applicable to fixed income investments, including interest rate risk, credit risk, market risk and liquidity risk, any of which could result in losses to the Fund

High Yield Risk: the risk that high yield securities and unrated securities of similar credit quality (commonly known as "junk bonds") are subject to greater levels of credit, call and liquidity risks. High yield securities are considered primarily speculative with respect to the issuer's continuing ability to make principal and interest payments, and may be more volatile than higher-rated securities of similar maturity

Market Risk: the risk that the value of securities owned by the Fund may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries

Issuer Risk: the risk that the value of a security may decline for a reason directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services

Liquidity Risk: the risk that a particular investment may be difficult to purchase or sell and that the Fund may be unable to sell illiquid securities at an advantageous time or price or achieve its desired level of exposure to a certain sector. Liquidity risk may result from the lack of an active market, reduced number and capacity of traditional market participants to make a market in fixed income securities, and may be magnified in a rising interest rate environment or other circumstances where investor redemptions from fixed income mutual funds may be higher than normal, causing increased supply in the market due to selling activity

Derivatives Risk: the risk of investing in derivative instruments (such as futures, swaps and structured securities), including leverage, liquidity, interest rate, market, credit and management risks, mispricing or valuation complexity. Changes in the value of the derivative may not correlate perfectly with, and may be more sensitive to market events than, the underlying asset, rate or index, and the Fund could lose more than the initial amount invested. The Fund's use of derivatives may result in losses to the Fund, a reduction in the Fund's returns and/or increased volatility. Over-the-counter ("OTC") derivatives are also subject to the risk that a counterparty to the transaction will not fulfill its contractual obligations to the other party, as many of the protections afforded to centrally-cleared derivative transactions might not be available for OTC derivatives. For derivatives traded on an exchange or through a central counterparty, credit risk resides with the Fund's clearing broker, or the clearinghouse itself, rather than with a counterparty in an OTC derivative transaction. Changes in regulation relating to a mutual fund's use of derivatives and related instruments could potentially limit or impact the Fund's ability to invest in derivatives, limit the Fund's ability to employ certain strategies that use derivatives and/or adversely affect the value of derivatives and the Fund's performance

Equity Risk: the risk that the value of equity securities, such as common stocks and preferred securities, may decline due to general market conditions which are not specifically related to a particular company or to factors affecting a particular industry or industries. Equity securities generally have greater price volatility than fixed income securities

Foreign (Non-U.S.) Investment Risk: the risk that investing in foreign (non-U.S.) securities may result in the Fund experiencing more rapid and extreme changes in value than a fund that invests exclusively in securities of U.S. companies, due to smaller markets, differing reporting, accounting and auditing standards, increased risk of delayed settlement of portfolio transactions or loss of certificates of portfolio securities, and the risk of unfavorable foreign government actions, including nationalization, expropriation or confiscatory taxation, currency blockage, or political changes or diplomatic developments. Foreign securities may also be less liquid and more difficult to value than securities of U.S. issuers

Emerging Markets Risk: the risk of investing in emerging market securities, primarily increased foreign (non-U.S.) investment risk

Sovereign Debt Risk: the risk that investments in fixed income instruments issued by sovereign entities may decline in value as a result of default or other adverse credit event resulting from an issuer's inability or unwillingness to make principal or interest payments in a timely fashion

Currency Risk: the risk that foreign (non-U.S.) currencies will decline in value relative to the U.S. dollar and affect the Fund's investments in foreign (non-U.S.) currencies or in securities that trade in, and receive revenues in, or in derivatives that provide exposure to, foreign (non-U.S.) currencies

Leveraging Risk: the risk that certain transactions of the Fund, such as reverse repurchase agreements, loans of portfolio securities, and the use of when-issued, delayed delivery or forward commitment transactions, or derivative instruments, may give rise to leverage, magnifying gains and losses and causing the Fund to be more volatile than if it had not been leveraged. This means that leverage entails a heightened risk of loss

Management Risk: the risk that the investment techniques and risk analyses applied by PIMCO will not produce the desired results and that legislative, regulatory, or tax restrictions, policies or developments may affect the investment techniques available to PIMCO and the individual portfolio managers in connection with managing the Fund. There is no guarantee that the investment objective of the Fund will be achieved

Subsidiary Risk: the risk that, by investing in the Subsidiary, the Fund is indirectly exposed to the risks associated with the Subsidiary's investments. The Subsidiary is not registered under the 1940 Act and may not be subject to all the investor protections of the 1940 Act. There is no guarantee that the investment objective of the Subsidiary will be achieved

Regulation S Securities Risk: the risk that Regulation S securities may be less liquid than publicly traded securities and may not be subject to the disclosure and other investor protection requirements that would be applicable if they were publicly traded. Accordingly, Regulation S Securities may involve a high degree of business and financial risk and may result in substantial losses

Short Exposure Risk: the risk of entering into short sales, including the potential loss of more money than the actual cost of the investment, and the risk that the third party to the short sale will not fulfill its contractual obligations, causing a loss to the Fund

Please see "Description of Principal Risks" in the Fund's prospectus for a more detailed description of the risks of investing in the Fund. An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Performance Information

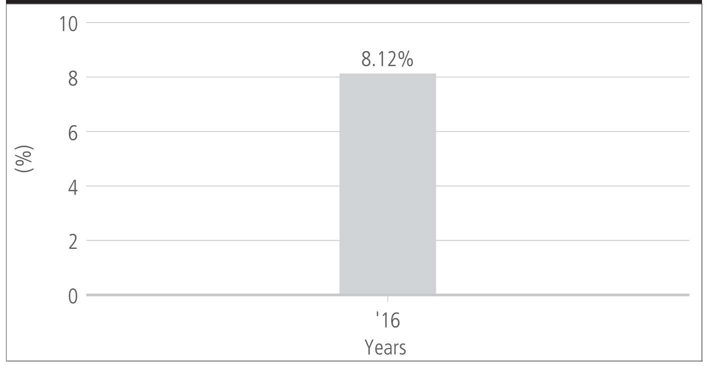
The performance information shows summary performance information for the Fund in a bar chart and an Average Annual Total Returns table. The information provides some indication of the risks of investing in the Fund by showing changes in its performance from year to year and by showing how the Fund's average annual returns compare with the returns of a broad-based securities market index and an index of similar funds. Absent any applicable fee waivers and/or expense limitations, performance would have been lower. The bar chart shows performance of the Fund's Institutional Class shares. Performance for Class A and Class C shares in the Average Annual Total Returns table reflects the impact of sales charges.The I-3 shares of the Fund have not commenced operations as of the date of this prospectus. *The Fund's past performance, before and after taxes, is not necessarily an indication of how the Fund will perform in the future.*

The Fund's benchmark index is a blend of 70% BofA Merrill Lynch 8% Constrained Core West Preferred & Jr Subordinated Securities Index and 30% BofA Merrill Lynch Contingent Capital Index. The BofA Merrill Lynch 8% Constrained Core West Preferred & Jr Subordinated Securities Index tracks the performance of US dollar denominated high grade and high yield preferred securities and deeply subordinated corporate debt issued in the US domestic market. Qualifying securities must be rated at least B3, based on an average of Moody's, S&P and Fitch and have a country of risk of either the U.S. or a Western European country. Qualifying preferred securities must be issued as public securities or through a Rule 144A filing, must have a fixed or floating dividend schedule and must have a minimum amount outstanding of $100 million. The BofA Merrill Lynch Contingent Capital Index tracks the performance of investment grade and below investment grade contingent capital debt publicly issued in the major domestic and eurobond markets. Qualifying securities must have a capital-dependent conversion feature and must be rated by either Moody's, S&P or Fitch. In addition, qualifying securities must have at least one month remaining term to final maturity and at least 18 months to maturity at point of issuance. For investment grade debt, qualifying currencies and their respective minimum size requirements (in local currency terms) are: AUD 100 million; CAD 100 million; EUR 250 million; JPY 20 billion; GBP 100 million; and USD 250 million. For below investment grade debt, minimum size requirements are CAD 100 million, EUR 100 million, GBP 50 million, or USD 100 million.

The Lipper Financial Services Funds Average is a total return performance average of funds tracked by Lipper, Inc. that invest primarily in equity securities of domestic companies engaged in providing financial services, including but not limited to banks, finance companies, insurance companies and securities/brokerage firms.

Performance for the Fund is updated daily and quarterly and may be obtained as follows: daily updates on the net asset value and performance page at http://investments.pimco.com/DailyPerformance and quarterly updates at http://investments.pimco.com/QuarterlyPerformance.

Calendar Year Total Returns — Institutional Class*



*The year-to-date return as of June 30, 2017 is 7.89%. For the periods shown in the bar chart, the highest quarterly return was 5.52% in the Q3 2016, and the lowest quarterly return was -2.32% in the Q1 2016.

Average Annual Total Returns (for periods ended 12/31/16)

	1 Year	Since Inception (04/13/2015)
Institutional Class Return Before Taxes	8.12%	4.96%
Institutional Class Return After Taxes on Distributions(1)	5.76%	3.07%
Institutional Class Return After Taxes on Distributions and Sales of Fund Shares(1)	5.05%	3.10%
I-2 Return Before Taxes	8.01%	4.88%
Class A Return Before Taxes	3.80%	2.30%
Class C Return Before Taxes	6.01%	3.83%
70% BofA Merrill Lynch 8% Constrained Core West Preferred & Jr Subordinated Securities Index and 30% BofA Merrill Lynch Contingent Capital Index (reflects no deductions for fees, expenses or taxes)	4.98%	3.95%
Lipper Financial Services Funds Average (reflects no deductions for taxes)	21.38%	12.17%

(1) After-tax returns are calculated using the highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and the after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. In some cases the return after taxes may exceed the return before taxes due to an assumed tax benefit from any losses on a sale of Fund shares at the end of the measurement period. After-tax returns are for Institutional Class shares only. After-tax returns for other classes will vary.

Investment Adviser/Portfolio Managers

PIMCO serves as the investment adviser for the Fund. The Fund's portfolio is jointly managed by Philippe Bodereau and Yuri Garbuzov. Mr. Bodereau is a Managing Director of PIMCO. Mr. Garbuzov is an Executive Vice President of PIMCO. Messrs. Bodereau and Garbuzov will jointly manage the Fund as of its inception.

Purchase and Sale of Fund Shares

Fund shares may be purchased or sold (redeemed) on any business day (normally any day when the New York Stock Exchange is open). Generally, purchase and redemption orders for Fund shares are processed at the net asset value next calculated after an order is received by the Fund.

Institutional Class, I-2 and I-3

The minimum initial investment for Institutional Class, I-2 and I-3 shares of the Fund is $1 million, except that the minimum initial investment may be modified for certain financial firms that submit orders on behalf of their customers.

You may sell (redeem) all or part of your Institutional Class, I-2 and I-3 shares of the Fund on any business day. If you are the registered owner of the shares on the books of the Fund, depending on the elections made on the Account Application, you may sell by:

- Sending a written request by mail to:
  PIMCO Funds c/o DST Asset Manager Solutions
  330 W. 9th Street, Kansas City, MO 64105
- Calling us at 888.87.PIMCO and a Shareholder Services associate will assist you
- Sending a fax to our Shareholder Services department at 816.421.2861
- Sending an e-mail to piprocess@dstsystems.com

Class A and Class C

The minimum initial investment for Class A and Class C shares of the Fund is $1,000. The minimum subsequent investment for Class A and Class C shares is $50. The minimum initial investment may be modified for certain financial firms that submit orders on behalf of their customers. Class C shares of the Fund will automatically convert into Class A shares of the Fund after they have been held for ten years, as described in the "Classes of Shares" section of the Fund's prospectus. You may purchase or sell (redeem) all or part of your Class A and Class C shares through a broker-dealer, or other financial firm, or, if you are the registered owner of the shares on the books of the Fund, by regular mail to PIMCO Funds, P.O. Box 55060, Boston, MA 02205-5060 or overnight mail to PIMCO Funds, c/o DST Asset Manager Solutions, Inc., 30 Dan Road, Canton, MA 02021-2809. The Fund reserves the right to require payment by wire or U.S. Bank check in connection with accounts opened directly with the Fund by Account Application.

Tax Information

The Fund's distributions are generally taxable to you as ordinary income, capital gains, or a combination of the two, unless you are investing through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement account, in which case distributions may be taxable upon withdrawal.

Payments to Broker-Dealers and Other Financial Firms

If you purchase shares of the Fund through a broker-dealer or other financial firm (such as a bank), the Fund and/or its related companies (including PIMCO) may pay the financial firm for the sale of those shares of the Fund and/or related services. These payments may create a conflict of interest by influencing the broker-dealer or other financial firm and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial firm's Web site for more information.

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