

PIMCO Real Return Fund

PERFORMANCE SUMMARY

The PIMCO Real Return Fund returned -1.67% after fees in April, outperforming the Bloomberg U.S. TIPS Index by 0.02%. Year-to-date the Fund has returned -1.34% at NAV, while the benchmark returned -1.77%.

U.S. Treasury Inflation Protected Securities (TIPS) returned -1.69%, as represented by the Bloomberg U.S. TIPS Index, but outperformed comparable nominal Treasuries in April as represented by the Bloomberg US Comparator Inflation Linked Bonds All Maturities Index.

Contributors

- Overweight exposure to U.S. breakeven inflation
- Exposure to non-agency mortgages

Detractors

- Overweight exposure to U.S. interest rates
- Exposure to U.S. agency mortgages
- Long exposure to Australian interest rates
- Short exposure to Eurozone interest rates

Month end performance 30 April 2024				Quarter end performance 31 March 2024				
	3 mos.	6 mos.	1 yr.	YTD	1 yr.	5 yrs.	10 yrs.	Since inception
■ PIMCO Real Return Fund share class INST at NAV (%)	-1.80	4.00	-0.80	-1.34	1.05	2.63	2.19	5.08
■ Benchmark (%)	-1.94	3.61	-1.35	-1.77	0.45	2.49	2.21	4.65

Benchmark: Bloomberg U.S. TIPS Index

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 www.pimco.com or call (888) 87-PIMCO.

Certain Funds may offer a share class with an inception date which is different than the inception date of the Fund. For the periods prior to the inception date of a share class, performance information is based on the performance of the Fund's oldest class shares, adjusted to reflect the fees and expenses paid by that class of shares. The performance figures presented reflect the total return performance, unless otherwise noted, for institutional class shares and reflect changes in share price and reinvestment of dividend and capital gain distributions. All periods longer than one year are annualized. Periods less than one year are cumulative. 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.

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.

IMPORTANT NOTICE Please note that this material contains the opinions of the manager as of the date noted, and may not have been updated to reflect real time market developments. All opinions are subject to change without notice.

A Shares	PRTNX	I-2 Shares	PRLPX
ADMIN Shares	PARRX	I-3 Shares	PRNPX
C Shares	PRTCX	R Shares	PRRRX
INST Shares	PRRIX		

Fund Inception Date **29 January 1997**

Shareclass INST Inception Date **29 January 1997**

Total Net Assets (in millions) **\$7,811.3**

Performance Characteristics

INST 30-day SEC yield¹ **9.15%**

¹The 30 day SEC Yield is computed under an SEC standardized formula based on net income earned over the past 30 days.

[‡]The SEC yield is an annualized yield based on the most recent 30 day period. The fund's yield quotation includes an adjustment to the principal value of the TIPS securities to reflect changes in the government's official inflation rate, if any; changes in the government's official inflation rate can cause the fund's yield to vary substantially from one month to the next. At times, including during periods of deflation, the SEC yield calculation may result in a negative number. If the current 30-day SEC yield is denoted with a "+", we believe it is attributable to a rise in the inflation rate, and might not be repeated. Due to the consolidation of operations and permanence of the fund's fee waivers, such waivers do not materially affect the fund's SEC yield. The SEC yield will differ (at times, significantly) from the fund's actual experience and any inflation adjustment to principal is treated as income; as a result, income distributions from the fund may be higher or lower than implied by the SEC yield.

Basic Facts

Dividend frequency **Monthly with Daily Accrual**

Fund Expenses

INST share Gross Expense Ratio **0.67%**

INST share Adjusted Expense Ratio **0.45%**

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.

Portfolio Managers

Steve Rodosky, Daniel He

Fund Statistics

Effective Duration (yrs) **6.79**

Effective Maturity (yrs) **5.73**

Sharpe Ratio (10 year) **0.11**

Volatility (10 year) **5.29%**

PORTFOLIO POSITIONING

The Fund expresses a slightly overweight duration position overall. Regionally, an overweight to U.S. duration (given attractive yield levels and the recent back-up in rates) is partially offset by a modest short to Eurozone duration. We maintain a 10s/30s curve steepener; one of our highest conviction ideas. The Fund maintains a long exposure to Australian duration given attractive yields, global diversification, and the view that rate hikes have had a stronger impact on the real economy. We maintain an overweight to U.S. breakevens as long-term inflation expectations are still well anchored despite inflation staying above the Fed's target, and perhaps even accelerating a bit in the near term. The Fund maintains an underweight/short position in Eurozone breakevens given EUR HICP is still rich and less attractive than U.S. breakevens (relative value view). We still prefer to have a positive percent market value exposure.

We remain cautious overall within generic corporate credit, while we remain constructive on U.S. mortgages. Within currencies, we seek alpha opportunities via an FX relative value carry strategy in DM and liquid EM FX.

MONTH IN REVIEW

U.S. Treasury Inflation-Protected Securities (TIPS) delivered negative returns but outperformed comparable nominal Treasuries. U.S. breakevens were mixed across the curve as the Fed's tone turned more hawkish, with officials emphasizing patience in rate cuts given the strength in labor market. Headline CPI rose to 3.5% year-over-year (YoY) in March, while core was unchanged at 3.8% YoY.

Sector Diversification (Duration in Years)	Fund
Inflation Linked Bonds	7.3
United States	7.1
United Kingdom	0.0
Europe	0.1
Canada	0.0
Other ^Δ	0.1
Other Short Duration Instruments	0.0
Non Inflation Linked Bonds	-0.5
US Government Related [†]	-1.2
Mortgage	0.9
Invest. Grade Credit	0.0
High Yield Credit	0.0
Non-U.S. Developed	0.0
Emerging Markets ^Ω	0.0
EM Short Duration Instruments	0.0
Municipal	0.0
Other ^Δ	0.0
Net Other Short Duration Instruments ^{††}	-0.2

OUTLOOK AND STRATEGY

Given PIMCO's outlook for a sustained low real-rate environment, the Fund seeks opportunities to capture incremental yield through country, curve, and security positioning. We look to emphasize countries offering better relative value, concentrate on curve positioning to incorporate elements of our economic outlook and pricing, and to respond to divergence in the policies being pursued by central banks.

The Fund seeks to tactically manage its real duration position relative to benchmark, looking to capitalize on yield curve relative value opportunities. We remain overweight U.S. breakeven inflation, as we believe markets are inaccurately pricing longer-term inflation risk. We plan to tactically respond to anticipated short-term inflation mispricing due to changes in commodity prices and seasonal trends. The Fund continues to express a bias towards high-quality spread sectors as a potential source of attractive risk-adjusted alpha.

INST SHARE MORNINGSTAR RATING™

★★★★

OVERALL MORNINGSTAR RATING™ as of 04/30/2024

Category	Inflation-Protected Bond
Number of funds in category	141
Criteria	Risk-Adjusted Return

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

¹Net Other Short Duration Instruments includes securities and other instruments (except instruments tied to emerging markets by country of risk) with an effective duration less than one year and rated investment grade or higher or, if unrated, determined by PIMCO to be of comparable quality, commingled liquidity funds, uninvested cash, interest receivables, net unsettled trades, broker money, short duration derivatives and derivatives offsets. With respect to certain categories of short duration securities, the Adviser reserves the discretion to require a minimum credit rating higher than investment grade for inclusion in this category. Derivatives Offsets includes offsets associated with investments in futures, swaps and other derivatives. Such offsets may be taken at the notional value of the derivative position. ²May include nominal and inflation-protected Treasuries, Treasury futures and options, agencies, FDIC-guaranteed and government-guaranteed corporate securities, and interest rate swaps. ³Short duration emerging markets instruments includes an emerging market security or other instrument economically tied to an emerging market country by country of risk with an effective duration less than one year and rated investment grade or higher or if unrated, determined to be similar quality by PIMCO. Emerging Markets includes the value of short duration emerging markets instruments previously reported in another category.

⁴Other may include convertibles, preferreds, and yankee bonds.

Investments made by a Fund and the results achieved by a Fund are not expected to be the same as those made by any other PIMCO-advised Fund, including those with a similar name, investment objective or policies. A new or smaller Fund's performance may not represent how the Fund is expected to or may perform in the long-term. New Funds have limited operating histories for investors to evaluate and new and smaller Funds may not attract sufficient assets to achieve investment and trading efficiencies. A Fund may be forced to sell a comparatively large portion of its portfolio to meet significant shareholder redemptions for cash, or hold a comparatively large portion of its portfolio in cash due to significant share purchases for cash, in each case when the Fund otherwise would not seek to do so, which may adversely affect performance.

A word about risk: Investing in the **bond market** is subject to risks, including market, interest rate, issuer, credit, inflation risk, and liquidity risk. The value of most bonds and bond strategies are impacted by changes in interest rates. Bonds and bond strategies with longer durations tend to be more sensitive and volatile than those with shorter durations; bond prices generally fall as interest rates rise, and low interest rate environments increase this risk. Reductions in bond counterparty capacity may contribute to decreased market liquidity and increased price volatility. Bond investments may be worth more or less than the original cost when redeemed. **Inflation-linked bonds (ILBs)** issued by a government are fixed-income securities whose principal value is periodically adjusted according to the rate of inflation; ILBs decline in value when real interest rates rise. **Sovereign securities** are generally backed by the issuing government, obligations of U.S. Government agencies and authorities are supported by varying degrees but are generally not backed by the full faith of the U.S. Government; portfolios that invest in such securities are not guaranteed and will fluctuate in value. Investing in **foreign denominated and/or domiciled securities** may involve heightened risk due to currency fluctuations, and economic and political risks, which may be enhanced in emerging markets. **Mortgage and asset-backed securities** may be sensitive to changes in interest rates, subject to early repayment risk, and their value may fluctuate in response to the market's perception of issuer creditworthiness; while generally supported by some form of government or private guarantee there is no assurance that private guarantors will meet their obligations. **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. **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.

Effective duration is a measure of a portfolio's price sensitivity to interest rate changes, including expected changes in cash flows caused by embedded options. The **Sharpe Ratio** measures the risk-adjusted performance. The risk-free rate is subtracted from the rate of return for a portfolio and the result is divided by the standard deviation of the risk-free rate subtracted from the portfolio returns. **Volatility** is measured by the standard deviation, or dispersion of a set of data from its mean, based on historical portfolio returns. A larger spread of data indicates higher standard deviation and higher volatility. **Effective maturity** is a weighted average of all the maturities of the bonds in a portfolio, computed by weighting each bond's effective maturity by the market value of the security.

Monthly Morningstar Rating™ as of 30 April 2024 for the INST Shares; other classes may have different performance characteristics. The PIMCO Real Return Fund was rated against the following numbers of Fixed Income, Inflation Linked, Real Asset over the following time periods: Overall 4 Stars (141 funds rated); 3 Yrs. 3 Stars (141 funds rated); 5 Yrs. 4 Stars (136 funds rated); 10 Yrs. 4 stars (99 funds rated). Past performance is no guarantee of future results. A rating is not a recommendation to buy, sell or hold a fund. ©2024 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

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

Statements concerning financial market trends or portfolio strategies are based on current market conditions, which will fluctuate. 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 the long term, especially during periods of downturn in the market. Outlook and strategies are subject to change without notice.

Bloomberg U.S. TIPS Index is an unmanaged market index comprised of all U.S. Treasury Inflation-Protected Securities rated investment grade (Baa3 or better), have at least one year to final maturity, and at least \$500 million par amount outstanding. It is not possible to invest directly in an unmanaged index.

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The Bloomberg U.S. Comparator Inflation Linked Bonds All Maturities Index is an unmanaged market index comprised of all U.S. Treasury Securities. The construction of this index is driven by the construct of the Bloomberg U.S. TIPS Index, with all Treasury Inflation-Protected Securities matched with the most comparable nominal U.S. Treasury to gauge relative performance of the two asset classes.

¹The Harmonised Indices of Consumer Prices (HICP) is an economic indicator that measures the changes over time in the prices of consumer goods and services acquired by households. The HICP gives a comparable measure of inflation in the euro-zone, the EU, the European Economic Area and for other countries including accession and candidate countries. It is calculated according to a harmonised approach and a single set of definitions. It also provides the official measure of consumer price inflation in the euro-zone for the purposes of monetary policy in the euro area and assessing inflation convergence as required under the Maastricht criteria.

Commodities contain heightened risk including market, political, regulatory, and natural conditions, and may not be appropriate for all investors.

Break-even inflation rate (or expectation) is a market-based measure of expected inflation or the difference between the yield of a nominal and an inflation-linked bond of the same maturity.

Alpha is a measure of performance on a risk-adjusted basis calculated by comparing the volatility (price risk) of a portfolio vs. its risk-adjusted performance to a benchmark index; the excess return relative to the benchmark is alpha.

Currency rates may fluctuate significantly over short periods of time and may reduce the returns of a portfolio.

U.S. Federal Reserve (Fed); Consumer Price Index (CPI); Year over Year (YoY); Foreign Exchange (FX); Emerging Markets (EM); Developed Markets (DM).