PIMCO

PIMCO Low Duration Fund

PERFORMANCE SUMMARY

The PIMCO Low Duration Fund returned 0.36% after fees in March, outperforming the ICE BofAML 1-3 Year U.S. Treasury Index by 0.03%. Year-to-date the Fund has returned 0.56% at NAV, while the benchmark returned 0.30%.

A perceived "last mile" problem in the Fed's battle against inflation led bond markets to retrace their Q4'23 rally and bring expectations for 2024 cuts in line with the Fed's dot plot. Risk sentiment remained robust despite the possibility of "higher-for-longer" rates, with the MSCI World finishing the quarter up 9.01% and credit spreads broadly tightening. The Fed paused once again and maintained its forecast for three 25-basis-point rate cuts in 2024. Global developed central banks largely followed suit, with both the ECB and BoE leaving rates on hold. Meanwhile, in Japan, the BoJ raised its policy rate for the first time since 2007, marking the end of negative interest rate policies.

Contributors

- Select holdings of securitized credit
- Holdings of Agency MBS
- Holdings of investment grade corporate credit

Detractors

- US duration positioning
- Long currency exposure to the Japanese yen

	Month end performance 31 March 2024				Quarter end performance 31 March 2024			
	3 mos.	6 mos.	1 yr.	YTD	1 yr.	5 yrs.	10 yrs.	Since inception
PIMCO Low Duration Fund share class INST at NAV (%)	0.56	3.52	4.27	0.56	4.27	1.21	1.28	4.79
Benchmark (%)	0.30	2.80	2.97	0.30	2.97	1.16	1.07	3.99

Benchmark: ICE BofAML 1-3 Year U.S. Treasury 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	PTLAX	INST Shares	PTLDX
ADMIN Shares	PLDAX	I-2 Shares	PLDPX
C Shares	PTLCX	I-3 Shares	PTLNX
C-2 Shares	PLCCX	R Shares	PLDRX

Fund Inception Date	11 May 1987
Shareclass INST Inception Date	11 May 1987
Total Net Assets (in millions)	$5,965.8

Performance Characteristics

INST 30-day SEC yield[1]	5.01%

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

Basic Facts

Dividend frequency	Monthly with Daily Accrual

Fund Expenses

INST share Gross Expense Ratio	0.48%
INST share Adjusted Expense Ratio	0.46%

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

Marc Seidner, Daniel Hyman, Jerome Schneider, Jelle Brons

Fund Statistics

Effective Duration (yrs)	1.60
Effective Maturity (yrs)	1.87
Sharpe Ratio (10 year)	-0.05
Volatility (10 year)	1.79%

PORTFOLIO POSITIONING

The Fund is underweight duration relative to the benchmark, though we are modestly overweight U.S. duration as the market prices in multiple interest rates cuts from the Fed through 2024.

The Fund aims to position the portfolio for resiliency as economic fundamentals evolve and central banks weigh further monetary policy.

We favor high-quality corporate credit, maintaining a defensive stance and avoiding generic credit beta. Given less attractive risk/reward dynamics, our corporate credit exposure remains limited. We continue to hold financials, aiming to maintain liquidity and preserve capital. We favor select high-quality securitized credit, such as consumer ABS, CMBS, and Agency MBS, and have increased Agency MBS exposure due to its fundamental strength. We prefer defensive, senior CLOs with smaller reinvestment windows and shorter average life, which can provide an attractive, diversifying yield source. This overweight adds yield from a source with a better risk-reward profile and less correlation to traditional corporate and other credit risk.

Currency positioning is modest and tactical to avoid adding excess volatility to the portfolio. The Fund maintains long exposure to the Brazilian real and the Great British pound given cheap valuations and its diversifying nature.

Sector Allocation (% Market Value)	Fund	Benchmark
US Government - Treasury[ч]	71.4	100.0
US Government - Agency[ϴ]	2.8	0.0
Swaps and Liquid Rates[◊]	-1.2	0.0
Securitized[ɸ]	19.4	0.0
Invest. Grade Credit	14.0	0.0
High Yield Credit	0.0	0.0
Non-USD Developed	-0.7	0.0
Emerging Markets[Ω]	4.2	0.0
Municipal	0.0	0.0
Other[Δ]	0.1	0.0
Net Other Short Duration Instruments[ᴦ‡]	-9.9	0.0

QUARTER IN REVIEW

The Fund outperformed its benchmark in Q1 2024 (after fees), as spread strategies contributed to relative performance, while duration and currency strategies detracted from relative performance.

Spread strategies contributed to relative performance in Q1 2024, driven by the Fund's select holdings of securitized credit and holdings of investment grade corporate credit.

Duration strategies detracted from relative performance in Q1 2024, as the Fund's US duration positioning underperformed.

Currency strategies detracted from relative performance in Q1 2024, as the Fund's long exposure to Japanese yen underperformed.

OUTLOOK AND STRATEGY

We will continue to manage the strategy for investors who seek maximum total return, consistent with preservation of capital and prudent investment management. The fund is underweight headline duration, though we favor U.S. interest rate exposure and maintain international hedges in regions where yields look rich. We aim to position the portfolio for resiliency as economic fundamentals evolve and central banks weigh further monetary action in 2024.

We continue to have a bias towards high quality corporate credit and seek compelling, liquid names. We selectively invest in companies with resilient balance sheets, favoring relative value over generic beta exposures. We continue to favor select high quality securitized credit, as these securities typically provide an attractive, diversifying source of yield in the portfolio. We have a preference for senior positions in non-Agency mortgages given the inherent fundamental strength and de-leveraging nature of the asset.

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.

[ч]Includes U.S. Treasury notes, bonds, futures, and inflation-protected securities [Θ]Includes U.S. agencies, FDIC-guaranteed and government-guaranteed corporate securities, and supranationals [◊]Includes U.S. dollar denominated interest rate swaps, swaptions, options, and other rate related derivatives. Other portfolio derivatives, where applicable, may be included as part of other sectors based upon their underlying risk characteristics. [Φ]The Securitized bucket will include Agency MBS, nonAgency MBS, CMBS, ABS, CDO, CLO, and Pooled Funds. [r⫪]Net 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. [Ω]Short 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.
[Δ]Other 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. 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.

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 recordkeeping 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 and/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. Although the Fund may seek to maintain stable distributions, the Fund's distribution rates may be affected by numerous factors, including but not limited to changes in realized and projected market returns, fluctuations in market interest rates, 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's distribution rate or that the rate will be sustainable in the future. For instance, during periods of low or declining interest rates, the Fund's distributable income and dividend levels may decline for many reasons. For example, the Fund may have to deploy uninvested assets (whether from purchases of Fund shares, proceeds from matured, traded or called debt obligations or other sources) in new, lower yielding instruments. Additionally, payments from certain instruments that may be held by the Fund (such as variable and floating rate securities) may be negatively impacted by declining interest rates, which may also lead to a decline in the Fund's distributable income and dividend levels.

Morningstar ratings are only shown for those funds that have achieved a 4 or 5 star rating. Ratings for other share classes are either lower or not available.

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.

The ICE BofAML 1-3 Year U.S. Treasury Index is an unmanaged index comprised of U.S. Treasury securities, other than inflation-protection securities and STRIPS, with at least $1 billion in outstanding face value and a remaining term to final maturity of at least one year and less than three years. It is not possible to invest directly in an unmanaged index.

U.S. interest rate strategies encompass the Fund's duration, yield curve, and convexity strategies

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

The terms "cheap" and "rich" as used herein generally refer to a security or asset class that is deemed to be substantially under- or overpriced compared to both its historical average as well as to the investment manager's future expectations. There is no guarantee of future results or that a security's valuation will ensure a profit or protect against a loss.

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.

Dot Plot, issued by the policy-setting Federal Open Market Committee (FOMC) through Summary of Economic Projections (SEP) four times a year, maps out each members' projections for where interest rates will be in up to three years (and over the longer-run).

"Safe Spread' is defined as sectors that we believe are most likely to withstand the vicissitudes of a wide range of possible economic scenarios. All investments contain risk and may lose value.

Asset Backed Securities (ABS); Bank of England (BoE); Collateralized Loan Obligation (CLO); Commercial Mortgage-Backed Securities (CMBS); European Central Bank (ECB); Great Financial Crisis (GFC); Mortgage-Backed Securities (MBS).