PIMCO

PIMCO High Yield Fund

PERFORMANCE SUMMARY

The PIMCO High Yield Fund returned 1.12% at NAV in March versus the ICE BofAML U.S. High Yield, BB-B Rated, Constrained Index, which returned 1.18% for the month. Year-to-date the Fund has returned 1.04% at NAV, while the benchmark returned 1.30%.

The ICE BofA BB-B US High Yield Constrained Index had a total return of 1.2% and an excess return of 0.7% vs. Govts in March '24. US high yield spreads tightened 14 bps to 315 bps while BB-B high yield spreads tightened 16 bps to 240 bps. Spreads tightened amid a supportive earnings season and improved capital market access.

Contributors

- Security selection in Paper & Packaging
- Security selection in Cable & Satellite
- Security selection in Transportation

Detractors

- Security selection in Wireless
- Allocation to Wireless
- Security selection in Technology

	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
■ (A at NAV)	1.04	8.46	9.27	1.04	9.27	3.22	3.69	6.57
■ (A at MOP)	-2.75	4.39	5.18	-2.75	5.18	2.44	3.29	6.41
■ (Benchmark)	1.30	8.51	10.13	1.30	10.13	3.98	4.36	6.76

■ PIMCO High Yield Fund share class A at NAV (%)
■ PIMCO High Yield Fund A at MOP
■ Benchmark (%)

Benchmark: ICE BofAML U.S. High Yield, BB-B Rated, Constrained 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.The maximum offering price (MOP) returns take into account the 3.75% maximum initial sales charge.

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 A 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.

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	PHDAX	I-2 Shares	PHLPX
ADMIN Shares	PHYAX	I-3 Shares	PHNNX
C Shares	PHDCX	R Shares	PHYRX
INST Shares	PHIYX		

Fund Inception Date	15 December 1992
Shareclass A Inception Date	13 January 1997
Total Net Assets (in millions)	$8,529.0
Performance Characteristics	
A 30-day SEC yield[1]	5.74%

[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

Maximum Sales Charge (Load)	3.75%
Maximum Deferred Sales Charge (Load)	1.00%
A share Gross Expense Ratio	0.92%
A share Adjusted Expense Ratio	0.90%

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

David Forgash, Sonali Pier, Jason Duko

Fund Statistics

Effective Duration (yrs)	3.06
Effective Maturity (yrs)	4.69
Sharpe Ratio (10 year)	0.34
Volatility (10 year)	7.13%

PORTFOLIO POSITIONING

The Fund continues to favor defensive, non-cyclical sectors with relatively stable cash flows, and remains broadly underweight to more cyclical sectors and/or those which we perceive to be in secular decline as a result of changing market or customer dynamics, although we are finding opportunities where fundamental-adjusted valuations are compelling.

We favor U.S. high yield as we believe that the U.S. market benefits from a broader and more diverse buyer base and offers greater liquidity and higher yields on an absolute level. We continue to focus on industries perceived to have strong asset coverage, manageable leverage levels, and favorable secular and cyclical trends, such as lodging, building materials and healthcare. We are cautious on industries that we believe are facing meaningful secular challenges, such as wirelines and retail. We continue to look for credits that may be acquisition targets and those that may benefit from early refinancing situations.

Overall, we are cautiously optimistic and are focused on maintaining sufficient liquidity in the portfolio.

Top overweights (% Market Value)

Airlines	1.2
Lodging	1.0
Media Cable	0.9
Pipelines	0.7
Aerospace/Defense	0.7
Gaming	0.7
Restaurants	0.6
Packaging	0.5
Food & Beverage	0.4
REITS: Office	0.2

MONTH IN REVIEW

BB-B spreads tightened 16 bps to 240 bps this month. In March, the top-performing industries within BB-B U.S. high yield were Retail (1.6%), Insurance (1.5%), and Basic Industry (1.5%). The worst performing sectors were Leisure (1.0%), Capital Goods (0.9%), and Telecommunications (-1.2%).*

Contributors to relative performance were led by security selection in Paper & Packaging, Cable & Satellite, and Transportation. Detractors from relative performance were led by an allocation to Wireless and security selection in Wireless and Technology.

Top underweights (% Market Value)

Retailers	-1.9
Metals & Mining	-1.3
Wireless	-1.2
Automotive	-1.2
Home Construction	-1.1
Electric Utility	-0.9
Industrial Other	-0.9
Wirelines	-0.9
Consumer Products	-0.8
Diversified Manufacturing	-0.7

OUTLOOK AND STRATEGY

While broad fundamentals remain resilient, dispersion is picking up as some issuers face margin pressure from rising costs and pullback in demand. New issuance has been strong in 2024 as companies continue to refinance upcoming maturities. Defaults have remained benign thus far, but we expect defaults to pick up modestly from here and for the default rate to increase closer the long-term averages of 3-3.5%. As a risk asset, high yield may be volatile due to fears of slowdown in economic growth or persistent high levels of inflation.

Overall, we are cautiously constructive on high yield given elevated all-in yields, improved credit quality profile, and strong corporate balance sheets. However, risks surrounding persistent inflation, a potential slowdown in economic growth, and geopolitical uncertainty lead us to emphasize resilience in the construction of the portfolio.

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.

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: 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. 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. **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.

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.

ICE BofAML U.S. High Yield, BB-B Rated, Constrained Index tracks the performance of BB-B Rated U.S. Dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Qualifying bonds are capitalization-weighted provided the total allocation to an individual issuer (defined by Bloomberg tickers) does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro-rata basis. Similarly, the face value of bonds of all other issuers that fall below the 2% cap are increased on a pro-rata basis. It is not possible to invest directly in an unmanaged index.

*The ICE BofA Merrill Lynch U.S. High Yield Constrained Index tracks the performance of U.S. dollar denominated below investment grade corporate debt publicly issued in the U.S. domestic market. The BB and CCC sector returns are subsets of the index.

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.

Energy & Exploration (E&P)