PIMCO

PIMCO Credit Opportunities Bond Fund

PERFORMANCE SUMMARY

The PIMCO Credit Opportunities Bond Fund returned 0.99% after fees in March, outperforming the ICE BofA SOFR Overnight Rate Index by 0.53%. Year-to-date the Fund has returned 1.42% at NAV, while the benchmark returned 1.35%.

In the first quarter, global investment grade credit spreads tightened 13 bps, ending the quarter at 92 bps. The sector returned 0.05%, outperforming like-duration treasuries by 1.01%. Credit spreads tightened amid continued strong earnings results and heavy issuance to start the year. Global high yield bond spreads tightened 28 bps and the asset class returned 1.64% for the quarter. Spreads tightened amid resilient growth and dovish sentiment from the Federal Reserve.[1]

Contributors

- Long exposure to financials
- Long exposure to US housing
- Long exposure to gaming/entertainment
- Long exposure to energy

Detractors

- Long exposure to duration

	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
■	1.42	6.59	7.25	1.42	7.25	3.14	3.15	3.42
■	1.35	2.74	5.44	1.35	5.44	2.24	1.64	1.38

■ PIMCO Credit Opportunities Bond Fund share class INST at NAV (%) ■ Benchmark (%)

Benchmark: ICE BofA SOFR Overnight Rate 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	PZCRX	INST Shares	PCARX
C Shares	PCCRX	I-2 Shares	PPCRX

Fund Inception Date	31 August 2011
Shareclass INST Inception Date	31 August 2011
Total Net Assets (in millions)	$358.8
Performance Characteristics	
INST 30-day SEC yield[1]	
Subsidized	5.91%
Unsubsidized	5.89%

[1]The 30 day SEC Yield is computed under an SEC standardized formula based on net income earned over the past 30 days. The Subsidized yield includes contractual expense reimbursements and it would be lower without those reimbursements. The Unsubsidized 30 Day SEC yield excludes contractual expense reimbursements.

Basic Facts

Dividend frequency	Quarterly

Fund Expenses

INST share Gross Expense Ratio	0.61%
INST share Adjusted Expense Ratio	0.60%

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

Mark Kiesel, Alfred Murata, Sonali Pier, Jason Duko

Fund Statistics

Effective Duration (yrs)	1.57
Effective Maturity (yrs)	1.15
Sharpe Ratio (10 year)	0.38
Volatility (10 year)	4.71%

PORTFOLIO POSITIONING

The Fund maintains exposure to industries tied to housing, specifically building materials and residential MBS, where fundamentals remain strong with higher homeowner equity. Financials are a key allocation, particularly banks with solid balance sheets and higher equity capital ratios, while focusing on senior bonds issued by strong banks given attractive risk-adjusted valuations due to repricing in the sector across the capital structure. We favor healthcare issuers supported by favorable margin profiles and recurring revenue business models. Additionally, we are finding value in companies benefiting from the strong demand for broadband and connected devices, particularly tower companies and select wireless providers. Within emerging markets, we maintain exposure to select corporates and quasi-sovereigns, particularly credits with relatively strong fundamentals. We remain cautious on generic non-financial corporate credit, and sectors with weaker outlooks such as retail.

Top Industries (% Market Value)	Fund
Banks	9.0
Financial Other	6.2
Technology	5.8
Pipelines	5.8
Gaming	5.4
Lodging	3.9
Electric Utility	3.0
Aerospace/Defense	2.8
Real Estate	2.4
Independent E&P	2.3

QUARTER IN REVIEW

The Fund's bottom-up sector and security selection drove positive performance, while macro positioning detracted. Long exposure to financials contributed to performance as banks' fundamentals and profitability generally remained strong. Long exposure to US housing contributed to performance as non-Agency RMBS spreads tightened during the quarter. Long exposure to gaming/entertainment contributed to performance as gaming spend per player continued to be robust relative to 2019 levels. Long exposure to energy contributed to performance as prices remained supported by low inventory levels. Conversely, the Fund's long exposure to duration detracted from performance as rates rose.

OUTLOOK AND STRATEGY

Higher savings balances and a slower pass-through of monetary policy in the U.S. relative to other developed markets could, in our view, keep inflation above the Fed's 2% target over the cyclical horizon. We still expect the Fed to start normalizing policy at midyear, similar to other DM central banks; however, the Fed's subsequent rate-cutting path could be more gradual. Additionally, we believe that an economic soft landing is achievable, but both recessionary and inflationary risks remain elevated in the aftermath of unprecedented global shocks to supply and demand.

Credit market technicals are mixed as demand continues to be supported by higher yields, although net new supply has risen due to receding recession fears and growing expectation amongst issuers for yields to stay higher for longer. Valuations are below long term median levels which warrants a patient approach and focus on maintaining liquidity and flexibility in portfolios, capitalizing on opportunities as they present themselves.We continue to seek out high conviction opportunities, with a preference from sectors that have historically been more resilient to higher rates and non-cyclical sectors that may be better anchored in an economic slowdown. Our bottom-up positioning emphasizes companies with high barriers to entry, pricing power, asset coverage, and management teams that favor bondholders in the capital structure.

INST SHARE MORNINGSTAR RATING™

★★★★

OVERALL MORNINGSTAR RATING™ as of 03/31/2024

Category	**Nontraditional Bond**
Number of funds in category	**278**
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.

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. **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 **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. **Equities** may decline in value due to both real and perceived general market, economic, and industry conditions. **Convertible securities** may be called before intended, which may have an adverse effect on investment objectives. **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 31 March 2024 for the INST Shares; other classes may have different performance characteristics. The PIMCO Credit Opportunities Bond Fund was rated against the following numbers of Fixed Income, Corporate, Alternatives over the following time periods: Overall 4 Stars (278 funds rated); 3 Yrs. 4 Stars (278 funds rated); 5 Yrs. 4 Stars (250 funds rated); 10 Yrs. 4 stars (161 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 RatingTM 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.

ICE BofA SOFR Overnight Rate Index tracks the performance of a synthetic asset paying SOFR to a stated maturity. The index is based on the assumed purchase at par of a synthetic instrument having exactly its stated maturity and with a coupon equal to that days fixing rate. That issue is assumed to be sold the following business day (priced at a yield equal to the current day fixing rate) and rolled into a new instrument. It is not possible to invest directly in an unmanaged index.

[1]Bloomberg Global Aggregate Credit USD Hedged Index and BofA Merrill Lynch Developed Markets High Yield Constrained USD Hedged Index, respectively

Credit spreads are the difference in yield between any type of bond, and a U.S. treasury of the same maturity. **Mortgage-and asset-backed securities (MBS)** may be sensitive to changes in interest rates, subject to early repayment risk, and while generally supported by a government, government-agency or private guarantor, there is no assurance that the guarantor will meet its obligations.

Real Estate Investment Trust (REIT); Technology, Media and, Telecom (TMT).