

# PIMCO Access Income Fund (PAXS)

## PERFORMANCE SUMMARY

Risk assets gained over the quarter amid a boom in technology stocks, and credit spreads broadly tightened. Bond yields sold off as the Fed officially moved the possibility of rate hikes to mid-year and inflation continued to prove sticky.

Despite this backdrop, the MSCI World Index returned 9.01% over the quarter. The Global Aggregate Bond Index (USD-Hedged) was flat over the quarter, posting a return of 0.01%, while the 10-year U.S. Treasury yield ended 32 bps higher at 4.20%.

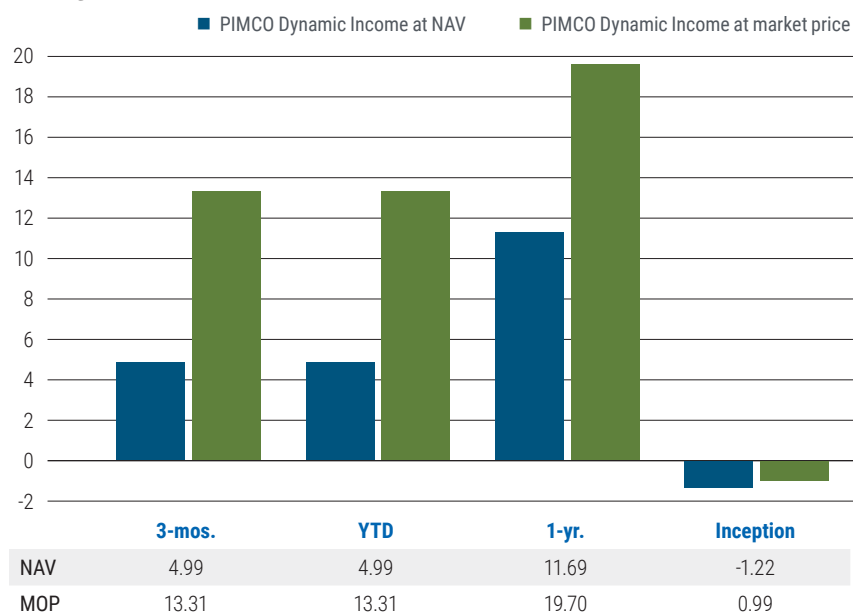
### CONTRIBUTORS

- Holdings related to corporate special situation investments
- Exposure to U.S. commercial mortgage credit
- Exposure to residential mortgage credit

### DETRACTORS

- Long interest rate positioning
- Exposure to high yield corporate credit
- Holdings related to emerging market special situation investments

### Average annual total returns (%) as of 31 March 2024



**Past performance is not a guarantee or a reliable indicator of future results.** An investment in the fund involves risk, including loss of principal. Investment return and the value of shares will fluctuate. Returns are calculated by determining the percentage change in net asset value (NAV) or market price (as applicable) in the specific period. The calculation assumes that all dividends and distributions, if any, have been reinvested. NAV and market price returns reflect performance net of fees, do not reflect broker sales charges or commissions in connection with the purchase or sales of fund shares and include the effect of any expense reductions. Returns for a period of less than one year are not annualized. Returns for a period of more than one year represent the average annual return.

Performance at market price will differ from results at NAV. Although market price returns typically reflect investment results over time, during shorter periods, returns at market price can also be influenced by factors such as changing views about the fund, market conditions, supply and demand for the fund's shares or changes in fund dividends and distributions.

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## FUND INFORMATION

Inception Date	31 January 2022
Symbol	PAXS
CUSIP	72203T100
<b>Assets (in millions):<sup>1</sup></b>	
Common Net Assets	\$664.71
Outstanding Preferred Shares	\$0
Total Managed Assets	\$1,155.72
Portfolio manager(s)	Dan Ivascyn Alfred Murata Joshua Anderson Sonali Pier Jing Yang Jamie Weinstein
Total Effective Leverage	42.48%
Total Leveraged-Adjusted Effective Duration (yrs.)	3.76
Market Price Distribution Rate <sup>2</sup>	11.40%
NAV Distribution Rate <sup>2</sup>	11.88%
Undistributed Net Investment Income <sup>2</sup>	-\$0.17
Total expense ratio	5.92%

Net expense ratio excluding interest expense is 2.24%. Interest expense can result from portfolio investment transactions and is not paid to PIMCO.

Gross expenses reflect the accounting treatment of certain investments (e.g., reverse repurchase agreements) but do not reflect actual expenses paid to PIMCO.

1 Total Managed Assets include net assets applicable to common shareholders (total common assets) + preferred assets + reverse repurchase agreements + credit default swaps + floating rate notes issued in Tender Option Bond (TOB) transactions, as applicable. In TOB transactions, a fund may sell a fixed rate municipal bond to a broker who places that bond in a special purpose trust from which floating rate notes and Inverse Floaters are issued.

2 As of 31 March 2024. Distribution rate is calculated by annualizing the most recent distribution per share and dividing by the NAV or Market Price as of the reported date. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. A negative value for Undistributed Net Investment Income represents the potential for a ROC on an estimated tax basis. Please refer to the most recent Section 19 Notice, if applicable, for additional information regarding the composition of distributions. Final determination of a distribution's tax character will be made when such information is available.

## PORTFOLIO POSITIONING

With a flexible multisector approach across public and private markets, we seek relative value by investing in opportunities where spreads have widened and yields are high, yet we believe credit risk hasn't increased meaningfully.

We continue to be focused on residential mortgage-backed securities (MBS), which provide a potential source of income and capital appreciation. Residential mortgage credit valuations remain attractive, and fundamentals look resilient today as strong equity cushions continue to provide downside support. We are taking a selective approach to risk taking in commercial mortgage-backed securities (CMBS), focusing on high conviction opportunities at attractive valuations and most importantly, deals with strong underwriting fundamentals.

We have also been investing in corporate credit, notably in special situation rather than generic opportunities, by leveraging the size and scale of the PIMCO platform to obtain control of credit documentation and maintain seniority in the capital structure.

Within emerging markets (EM), we have relatively limited exposure, and have a bias towards higher-quality sovereign and quasi-sovereign names.

Overall, we seek to find the most attractive income-generating opportunities, capture a complexity and liquidity premia and maintain a resilient portfolio across economic scenarios.

## QUARTER IN REVIEW

Holdings related to corporate special situation investments contributed as the securities posted positive returns. Exposure to U.S. commercial mortgage credit and residential mortgage credit contributed as the sectors posted positive returns.

## SECTOR ALLOCATION %<sup>3</sup>

	Market value weighted %	Duration weighted %
US Government Related <sup>4</sup>	1.50	2.39
Mortgage	28.61	68.70
Non-Agency Mortgage	28.61	68.70
Agency MBS	0.00	0.00
CMBS	19.82	6.42
High Yield Credit	20.56	13.31
Non-USD Developed	14.52	-0.94
Emerging Markets <sup>5</sup>	4.88	3.50
Invest. Grade Credit	1.23	0.18
Municipal	1.80	5.65
Other <sup>6</sup>	5.65	1.38
Net Other Short Duration Instruments <sup>7</sup>	1.42	0.59

Long interest rate positioning detracted to performance as rates rose over the quarter. Exposure to high yield corporate credit and holdings related to emerging market special situation investments detracted from performance as the securities posted negative returns.

Global high yield bond spreads tightened 28 bps for Q1 '24, ending the quarter at 327 bps. Altogether, the asset class returned 1.64% amid a supportive earnings season and improved capital market access.

Legacy non-Agency residential MBS spreads tightened during the quarter while non-Agency CMBS returned 1.97%<sup>8</sup>, outperforming like-duration Treasuries by 240 bps.

The EM asset class posted mixed returns as dovish comments from the Fed removed a large event risk for EM assets, and as monetary policy and inflation differentiation become increasingly relevant for EM rates.

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

<sup>3</sup> The Sector Allocation MV% shown reflects exposures gained through the use of interest rate swaps at the market value of the swaps.

<sup>4</sup> May include nominal and inflation-protected Treasuries, Treasury futures and options, agencies, FDIC-guaranteed and government-guaranteed corporate securities, and interest rate swaps.

<sup>5</sup> 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.

<sup>6</sup> May include convertibles, preferreds, and yankee bonds.

<sup>7</sup> 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 (for example Eurodollar futures) 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 which in certain instances may exceed the actual amount owed on such positions.

<sup>8</sup> Bloomberg Investment Grade Non-Agency CMBS Index

Duration is a measure of the fund's price sensitivity to changes in interest rates expressed in years.

Total Leverage -Adjusted Duration represents the Fund's effective portfolio duration taking into account its use of leverage, including both portfolio leverage (e.g., reverse repos, credit default swaps, and tender option bonds), and any structural leverage, such as auction-rate preferred shares, if any, issued by the Fund. Effective duration is the duration for a bond with an embedded option when the value is calculated to include the expected change in cash flow caused by the option as interest rates change.

## OUTLOOK AND STRATEGY

The global investment landscape is set to be transformed in the months ahead as the trajectories of major economies diverge more noticeably. Central banks, which tightened policy in unison to curb the pandemic inflationary spike, will likely follow varied paths when cutting interest rates. Today's environment underscores the importance of global diversification, prudent risk mitigation, and constructing resilient portfolios through active management.

Structured credit remains a key focus for us, particularly non-agency MBS, where credit support is robust and valuations remain attractive. Within CMBS, our approach is selective, favoring sectors that are benefiting from macroeconomic tailwinds and possess strong underlying tenant profiles.

In the realm of corporate credit, we prefer idiosyncratic risk, where we can secure positions senior in the capital structure, backed by strong asset support. Elevated concerns persist for corporate borrowers with floating rate debt, given the potential for rates to remain high. We are especially focused on corporate special situations opportunities, where PIMCO can act as a liquidity provider or offer rescue financing. These opportunities are appealing due to their limited downside risk and significant upside potential.

We believe that our disciplined relative value approach and "Bend-but-not-break"<sup>9</sup> portfolio philosophy will continue to reward clients across various macroeconomic scenarios.

## MANAGEMENT PROFILE

The expert portfolio management team draws on PIMCO's time-tested investment process: our rigorously developed global macro outlook, bottom-up credit analysis and research teams' deep reservoir of specialized investment expertise.



**Dan J. Ivascyn**  
Group Chief Investment Officer  
and Managing Director



**Alfred T. Murata**  
Managing Director  
and Portfolio Manager



**Joshua Anderson**  
Managing Director  
and Portfolio Manager



**Sonali Pier**  
Managing Director  
and Portfolio Manager



**Jing Yang**  
Portfolio Manager,  
Structured Credit



**Jamie Weinstein**  
Portfolio Manager, Head of  
Corporate Special Situations

<sup>9</sup> "Bend-but-not-break" refers to credits that PIMCO would not expect to default in a credit-stressed environment.

A closed-end fund is not continuously offered. After the initial public offering, shares are sold on the open market through a stock exchange. Additional information regarding the fund can be found in the fund's most recent shareholder report. This material is presented only to provide information and is not intended for trading purposes.

Preferred shares consists of preferred assets divided by total net assets. Total effective leverage consists of preferred assets + reverse repurchase agreements + credit default swaps + floating rate notes Issued, as applicable, divided by Total net assets. Total leverage-adjusted effective duration represents the fund's effective portfolio duration taking into account its use of leverage, including both portfolio leverage (i.e., reverse repos, credit default swaps and tender option bonds), and any structural leverage, such as auction-rate preferred shares, if any, issued by the fund. Duration is the measure of a bond's price sensitivity to interest rates and is expressed in years. Effective duration is the duration for a bond with an embedded option when the value is calculated to include the expected change in cash flow caused by the option as interest rates change.

**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. **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. **Privately-Issued Mortgage-Related Securities Risk.** There are no direct or indirect government or agency guarantees of payments in pools created by non-governmental issuers. Privately-issued mortgage-related securities are also not subject to the same underwriting requirements for the underlying mortgages that are applicable to those mortgage-related securities that have a government or government-sponsored entity guarantee. **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. **REITs** are subject to risk, such as poor performance by the manager, adverse changes to tax laws or failure to qualify for tax-free pass-through of income. The value of **real estate** and portfolios that invest in real estate may fluctuate due to: losses from casualty or condemnation, changes in local and general economic conditions, supply and demand, interest rates, property tax rates, regulatory limitations on rents, zoning laws, and operating expenses. Leveraging transactions, including borrowing, typically will cause a portfolio to be more volatile than if the portfolio had not been leveraged. Leveraging transactions typically involve expenses, which could exceed the rate of return on investments purchased by a fund with such leverage and reduce fund returns. The use of **leverage** may cause a portfolio to liquidate positions when it may not be advantageous to do so. Leveraging transactions may increase a fund's duration and sensitivity to interest rate movements. The fund typically uses leverage by borrowing for investment purposes to purchase additional shares of other PIMCO funds in an effort to increase portfolio returns. Leveraging transactions, including borrowing, may cause a portfolio to be more volatile than if the portfolio had not been leveraged. Leveraging transactions typically involve expenses. When these interest expenses exceed the rate of return on investments purchased by the fund, with such leverage can reduce fund returns. The use of leverage may cause a portfolio to liquidate positions when it may not be advantageous to do so. Leveraging transactions may increase the fund's sensitivity to interest rate movements. **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. **Non-Diversification Risk.** The Fund is "non-diversified," which means that the Fund may invest a significant portion of its assets in the securities of a smaller number of issuers than a diversified fund. A fund that invests in a relatively smaller number of issuers is more susceptible to risks associated with a single economic, political or regulatory occurrence than a diversified fund might be.

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.

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 reporting 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 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.

The Fund's distribution rate may be affected by numerous factors, including, but not limited to, changes in realized and projected market returns, 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 distribution rate at a future time. Distribution rates are not performance. Distribution rate is calculated by annualizing the most recent distribution per share and dividing by the NAV or Market Price as of the reported date. Because a distribution may at times include a ROC, the distribution rate should not be confused with yield or performance. Please refer to the most recent Section 19 Notice, if applicable, for additional information regarding the estimated composition of distributions. Final determination of a distribution's tax character will be sent to shareholders when such information is available.

As with any stock, the price of the fund's common shares will fluctuate with market conditions and other factors. Shares of closed-end management investment companies frequently trade at a price that is less than (a "discount") or more than (a "premium") from their net asset value. If the fund's shares trade at a premium to net asset value, there is no assurance that any such premium will be sustained for any period of time and will not decrease, or that the shares will not trade at a discount to net asset value thereafter. Additionally, the fund's distribution rate may be affected by numerous factors, including changes in realized and projected market returns, 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 distribution rate at a future time.

Beta is a measure of price sensitivity to market movements. Market beta is 1.

References to specific securities and their issuers are not intended and should not be interpreted as recommendations to purchase, sell or hold such securities. PIMCO products and strategies may or may not include the securities referenced and, if such securities are included, no representation is being made that such securities will continue to be included.

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.

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.

PIMCO as a general matter provides services to qualified institutions, financial intermediaries and institutional investors. Individual investors should contact their own financial professional to determine the most appropriate investment options for their financial situation. This material contains the current opinions of the manager and such opinions are subject to change without notice. This material has been distributed for informational purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed.

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