

PIMCO Short-Term Fund

PERFORMANCE SUMMARY

The PIMCO Short-Term Fund returned 0.40% after fees in September versus the FTSE 3-Month Treasury Bill Index, which returned 0.44% for the month. Year-to-date the Fund has returned 4.65% after fees, while the benchmark returned 4.17%.

Financial markets broadly gained in September as yields fell amid the start of quantitative easing by major banks. U.S. credit spreads tightened and developed sovereign bond yields fell while the dollar weakened. The U.S. 10-year Treasury yield ended 12 bps lower at 3.78% as the Fed cut its policy rate by 50 bps. The German 10-year Bund yield fell 18 bps to 2.12% amid cooling inflation, while the U.K. 10-year Gilt yield moved less markedly, falling 1 bp to 4.00% as the BoE held rates steady. In Japan, 10-year government bond yields fell 4 bps to 0.86% as reactions to the Fed cut were tempered by a mixed BoJ outlook.

Contributors

- Select holdings of securitized credit

Detractors

- US duration positioning

| Month end performance 30 September 2024 | | | | Quarter end performance 30 September 2024 | | | |
|---|--------|-------|------|---|--------|---------|-----------------|
| 3 mos. | 6 mos. | 1 yr. | YTD | 1 yr. | 5 yrs. | 10 yrs. | Since inception |
| ■ 1.33 | 2.79 | 6.14 | 4.65 | 6.14 | 2.73 | 2.34 | 4.03 |
| ■ 1.37 | 2.76 | 5.63 | 4.17 | 5.63 | 2.38 | 1.67 | 3.03 |
| ■ PIMCO Short-Term Fund share class INST at NAV (%) | | | | ■ Benchmark (%) | | | |

Benchmark: FTSE 3-Month Treasury Bill 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.



**LSEG Lipper
Fund Awards**
2024 Winner
United States

The Lipper Fund Awards recognized the PIMCO Short-Term Fund; Institutional for the 10 year performance period out of 29 funds under the Ultra-Short Obligations Funds Classification.

| | | | |
|--------------|-------|------------|-------|
| A Shares | PSHAX | I-2 Shares | PTSPX |
| ADMIN Shares | PSFAX | I-3 Shares | PTSNX |
| C Shares | PFTCX | R Shares | PTSRX |
| INST Shares | PTSHX | | |

| | |
|--------------------------------|-----------------|
| Fund Inception Date | 07 October 1987 |
| Shareclass INST Inception Date | 07 October 1987 |
| Total Net Assets (in millions) | \$9,767.9 |

Performance Characteristics

| | |
|---|-------|
| INST 30-day SEC yield ¹ | 5.06% |
| 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 | 0.45% |
| 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

Jerome Schneider, Andrew Wittkop, Nathan Chiaverini

Fund Statistics

| | |
|--------------------------|-------|
| Effective Duration (yrs) | 0.21 |
| Effective Maturity (yrs) | 0.16 |
| Sharpe Ratio (10 year) | 0.44 |
| Volatility (10 year) | 1.60% |

PORTFOLIO POSITIONING

The Fund is neutral duration relative to the benchmark, as market expectations on the size and timing of the Fed's rate cutting path continue to shift and absolute yields at the front-end remain attractive. The Fund has added duration through US TIPS exposure and through tactical overweight exposures in non-US developed markets, namely the UK.

Given the relatively less attractive risk/reward dynamics today and uncertain economic outlook, we remain measured on overall exposure to generic corporate beta. Within corporate credit, we continue to have a high-quality bias, favoring short-dated maturities of 0- to 18-months. We continue to favor high quality names in the financial sector.

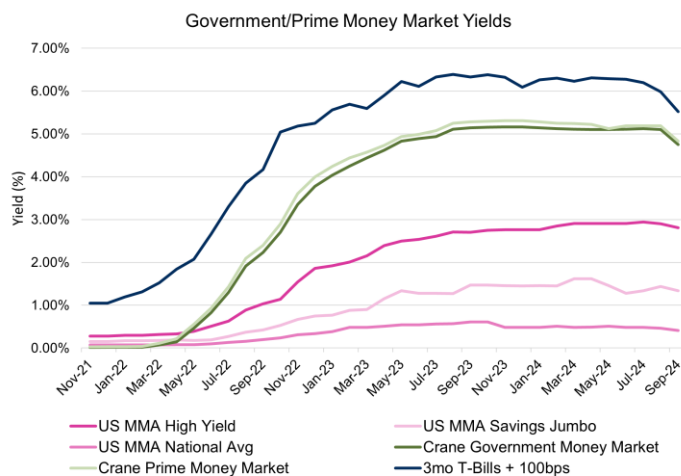
We continue to favor select high quality securitized credit, such as senior, AAA-rated ABS, CLO, CMBS, and select non-Agency MBS. We continue to prefer AAA CLO bonds, focusing on deals that have smaller reinvestment windows and shorter average life. The overweight adds yield from a source that offers a better risk-reward profile and has been less correlated to corporate beta.

Currency and non-USD positions remain modest to avoid introducing outsized volatility in the portfolio. We are tactical within our currency exposure, currently holding short exposure to the Swiss franc, as well as long exposure to the Australian dollar.

MONTH IN REVIEW

The Fund underperformed its benchmark in September (after fees), as duration strategies detracted from relative performance, while spread strategies contributed to relative performance. Currency strategies were neutral to relative performance. Duration strategies detracted from relative performance in September, driven by the Fund's underweight US duration positioning. Spread strategies contributed to relative performance in September, driven by the Fund's select holdings of securitized credit. Currency strategies were neutral to relative performance in September.

| Sector Allocation (% Market Value) | Fund | Benchmark |
|--|-------|-----------|
| US Government - Treasury [†] | -23.4 | 100.0 |
| US Government - Agency [‡] | 0.1 | 0.0 |
| Swaps and Liquid Rates [§] | -3.5 | 0.0 |
| Securitized [¶] | 36.8 | 0.0 |
| Invest. Grade Credit | 44.2 | 0.0 |
| High Yield Credit | 0.0 | 0.0 |
| Non-USD Developed | 14.9 | 0.0 |
| Emerging Markets | 0.6 | 0.0 |
| Municipal | 0.3 | 0.0 |
| Other [^] | 0.0 | 0.0 |
| Net Other Short Duration Instruments ^{††} | 29.9 | 0.0 |



As of 30 September 2024. Source: PIMCO, Bloomberg, Crane.

Chart provided for illustrative purposes and is not indicative of the past or future performance of any PIMCO product.

OUTLOOK AND STRATEGY

We will continue to manage the strategy for investors who seek capital preservation and liquidity, while aiming to provide attractive returns above traditional cash investments for a modest increase in risk. We aim to position the portfolio for resiliency as macro conditions evolve and central banks weigh further monetary action. We are emphasizing opportunities that we believe will offer ample liquidity, compelling yields, and capital preservation. We hold high quality corporate credit, with preference for short-dated maturities. Individual credit selection remains a key component in seeking to identify the most attractive issues. We believe high quality ABS provides a diversifying source of yield and complements unsecured corporate debt. Outside of the U.S., we find select opportunities in corporate bonds, U.S. dollar denominated foreign government bonds and agency debt. These typically offer modest spreads above comparable U.S. government securities. As opportunities emerge from market dislocations, we seek to provide liquidity, aiming for attractive risk adjusted returns consistent with the strategy’s capital preservation, liquidity and current income objectives.

INST SHARE MORNINGSTAR RATING™

★★★★

OVERALL MORNINGSTAR RATING™ as of 09/30/2024

| | |
|-----------------------------|----------------------|
| Category | Ultrashort Bond |
| Number of funds in category | 204 |
| 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.

¹Includes U.S. Treasury notes, bonds, futures, and inflation-protected securities. ²Includes U.S. agencies, FDIC-guaranteed and government-guaranteed corporate securities, and supranationals. ³Includes 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. ⁴The Securitized bucket will include Agency MBS, nonAgency MBS, CMBS, ABS, CDO, CLO, and Pooled Funds. ⁵Net 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. ⁶Short 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.

⁷Other 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.

Monthly Morningstar Rating™ as of 30 September 2024 for the INST Shares; other classes may have different performance characteristics. The PIMCO Short-Term Fund was rated against the following numbers of Fixed Income, Short Term over the following time periods: Overall 4 Stars (204 funds rated); 3 Yrs. 3 Stars (204 funds rated); 5 Yrs. 4 Stars (185 funds rated); 10 Yrs. 4 stars (113 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.

The LSEG Lipper Fund Awards, granted annually, highlight funds and fund companies that have excelled in delivering consistently strong risk-adjusted performance relative to their peers. The LSEG Lipper Fund Awards are based on the Lipper Leader for Consistent Return rating, which is a risk-adjusted performance measure calculated over 36, 60 and 120 months. The fund with the highest Lipper Leader for Consistent Return (Effective Return) value in each eligible classification wins the LSEG Lipper Fund Award. For more information, see lipperfundawards.com. Although LSEG makes reasonable efforts to ensure the accuracy and reliability of the data contained herein, the accuracy is not guaranteed by LSEG Lipper. ©2024 LSEG Lipper. All rights reserved. Used under license. Past rankings are no guarantee of future rankings.

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.

FTSE 3-Month Treasury Bill Index is an unmanaged index representing monthly return equivalents of yield averages of the last 3 month Treasury Bill issues. It is not possible to invest directly in an unmanaged index.

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

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

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.

Asset-Backed Security (ABS); Collateralized Loan Obligation (CLO); Collateralized Mortgage Obligation (CMO); Commercial Mortgage-Backed Security (CMBS); Credit Default Swap Index (CDX).