

PIMCO Total Return Fund

PERFORMANCE SUMMARY

The PIMCO Total Return Fund returned 1.49% after fees in September, outperforming the Bloomberg U.S. Aggregate Index by 0.15%. Year-to-date the Fund has returned 5.69% at NAV, while the benchmark returned 4.45%.

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

- Long exposure to non-agency RMBS, as spreads tightened.
- Curve positioning in the U.S.
- Long exposure to the Turkish lira due to the cash rate differential vs. the U.S. dollar.

Detractors

- Underweight exposure to non-financial investment-grade corporate credit, as spreads tightened.
- Short exposure to select emerging market currencies in Asia, particularly the New Taiwanese dollar and the South Korean won, as they appreciated relative to the U.S. dollar.

Month end performance 30 September 2024

	3 mos.	6 mos.	1 yr.	YTD	1 yr.	5 yrs.	10 yrs.	Since inception
■ PIMCO Total Return Fund share class INST at NAV (%)	5.30	5.70	13.01	5.69	13.01	0.77	2.16	6.30
■ Benchmark (%)	5.20	5.26	11.57	4.45	11.57	0.33	1.84	5.46

■ PIMCO Total Return Fund share class INST at NAV (%) ■ Benchmark (%)

Benchmark: Bloomberg U.S. Aggregate 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	PTTAX	I-2 Shares	PTTPX
ADMIN Shares	PTRAX	I-3 Shares	PTTNX
C Shares	PTTCX	R Shares	PTRRX
INST Shares	PTTRX		

Fund Inception Date **11 May 1987**

Shareclass INST Inception Date **11 May 1987**

Total Net Assets (in millions) **\$50,146.2**

Performance Characteristics

INST 30-day SEC yield¹

Subsidized **4.72%**

Unsubsidized **4.71%**

¹The 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 **Monthly with Daily Accrual**

Fund Expenses

INST share Gross Expense Ratio **0.51%**

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

Daniel J. Ivascyn, Mark Kiesel, Qi Wang, Mohit Mittal

Fund Statistics

Effective Duration (yrs) **5.71**

Effective Maturity (yrs) **7.89**

Sharpe Ratio (10 year) **0.12**

Volatility (10 year) **5.09%**

PORTFOLIO POSITIONING

The Fund is underweight headline duration, focusing on country selection and curve positioning. The Fund increased its underweight to U.S. duration but remains tactical given valuations, instead favoring duration in more rate-sensitive economies such as the dollar bloc and U.K. The Fund reduced its short exposure to duration in Japan, as significant central bank easing in other parts of the developed world potentially limits the scope of further monetary policy tightening in Japan.

The Fund is overweight agency MBS given attractive valuations, favoring higher coupons due to ongoing reduction in the Fed's mortgage holdings and pull-back in lending. Agency MBS are AAA-rated assets that offer relatively attractive spread, high levels of resiliency, and good liquidity.

The Fund remains selective within spread sector strategies, favoring senior positions in securitized credit (mainly non-agency mortgages and CLOs) given inherent fundamental strength. The Fund continues to be long TIPS given valuations as a hedge against the possibility of inflation being higher than currently priced in the market.

Currency positions continue to be modest. The Fund remains tactical, and is long a basket of EM currencies, while using a diversified basket of funding currencies consisting of CAD, EUR, and GBP, along with select Asian currencies.

MONTH IN REVIEW

Financial markets broadly gained in September as yields fell amid the start of quantitative easing by major banks. Over the month, the Fund returned 1.49% after fees, outperforming its benchmark, the Bloomberg U.S. Aggregate Index, which returned 1.34%.

Interest rate strategies contributed to relative performance over the month, primarily from curve positioning in the U.S. Spread sector strategies contributed to relative performance over the month, primarily from non-agency RMBS positioning. Currency strategies contributed to relative performance over the month, primarily from long exposure to the Turkish lira due to the cash rate differential vs. the U.S. dollar.

Sector Allocation (% Market Value)	Fund	Benchmark
US Government - Treasury [†]	36.2	44.1
US Government - Agency [‡]	0.0	0.8
Swaps and Liquid Rates [§]	-18.5	0.0
Securitized [¶]	74.4	27.3
Invest. Grade Credit	21.3	24.3
High Yield Credit	0.3	0.0
Non-USD Developed	6.3	0.0
Emerging Markets	5.2	0.9
Municipal	0.6	0.0
Other ^Δ	1.0	2.6
Net Other Short Duration Instruments ^{††}	-26.9	0.0

Sector Diversification (Duration in Years)	Fund	Benchmark
US Government - Treasury [†]	3.2	2.7
US Government - Agency [‡]	0.0	0.0
Swaps and Liquid Rates [§]	-1.8	0.0
Securitized [¶]	3.5	1.5
Invest. Grade Credit	0.7	1.7
High Yield Credit	0.0	0.0
Non-USD Developed	-0.1	0.0
Emerging Markets	0.1	0.1
Municipal	0.0	0.0
Other ^Δ	0.0	0.1
Net Other Short Duration Instruments ^{††}	0.0	0.0

OUTLOOK AND STRATEGY

In our view, inflation risks have diminished as supply/demand and labor market dynamics have come into better balance. However, we maintain that recession risks in the U.S. remain elevated, as the interplay between slower activity and labor market growth could potentially lead to a more pronounced downturn. Furthermore, we believe that while other developed markets appear to be more stable, their ongoing low growth, coupled with geopolitical challenges, makes them susceptible to negative shocks.

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. **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.

Bloomberg U.S. Aggregate Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis. It is not possible to invest directly in an unmanaged index.

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. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. No part of this material may be reproduced in any form, or referred to in any other publication, without express written permission. PIMCO is a trademark of Allianz Asset Management of America LLC in the United States and throughout the world. ©2024, PIMCO. **PIMCO Investments LLC, distributor**, 1633 Broadway, New York, NY, 10019 is a company of PIMCO.

Break-even inflation is the difference between the nominal yield on a fixed-rate investment and the real yield on an inflation-linked investment of similar maturity and credit quality.

National champions are banks that represent large and important shares of the lending that occurs in a country's economy.

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

Credit spreads are the difference in yield between any type of bond, and a U.S. treasury of the same maturity.

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.

Inflation-linked bonds (ILBs) issued by a government are fixed income securities whose principal value is periodically adjusted according to the rate of inflation; ILBs decline in value when real interest rates rise. Treasury Inflation-Protected Securities (TIPS) are ILBs issued by the U.S. government.

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

Collateralized Loan Obligations (CLOs) may involve a high degree of risk and are intended for sale to qualified investors only. Investors may lose some or all of the investment and there may be periods where no cash flow distributions are received. CLOs are exposed to risks such as credit, default, liquidity, management, volatility, interest rate and credit risk.

Collateralized Loan Obligation (CLO); Commercial Mortgage-Backed Securities (CMBS); Mortgage-Backed Securities (MBS); Silicon Valley Bank (SVB); Treasury Inflation-Protected Securities (TIPS).