

Short-Term Fund

CLASS:	INSTITUTIONAL
FUND INCEPTION DATE:	7 OCTOBER 1987
TICKER:	PTSHX
CUSIP:	693390601
TOTAL NET ASSETS (IN MILLIONS):	\$17,003.3

PORTFOLIO MANAGER

Jerome Schneider

FUND STATISTICS

Effective duration (yrs)	-0.02
Effective maturity (yrs)	0.21

SECTOR DIVERSIFICATION (%)

	Market value weighted
US Government - Treasury ¹	-38.1
US Government - Agency ²	0.0
Swaps and Liquid Rates ³	-2.7
Mortgage	15.8
Invest. Grade Credit	34.3
High Yield Credit	1.6
Non-USD Developed	-2.5
Emerging Markets	6.4
Bonds and Other Long Duration Instruments	6.3
Short Duration Instruments ⁴	0.1
Municipal	0.7
Other ⁵	32.1
Net Other Short Duration Instruments ⁶	52.4

Fund description

The Short-Term Fund is an alternative approach for money market investors who seek enhanced returns over money markets, capital preservation compared to longer duration bond funds and daily liquidity. The fund is an actively managed enhanced cash strategy that invests primarily in high quality money market instruments and short-term fixed income securities. The fund may also invest in a wide range of non-money market securities which tend to be less liquid, more volatile, and carry greater risk than money market securities including up to 10% of the total assets of the fund in junk bonds. The Short-Term Fund may lose value and will be more volatile than a money market fund and its net asset value (NAV) will fluctuate, as the fund is not managed to maintain a stable NAV.

INVESTOR BENEFITS

This fund offers investors a strategy that seeks to outperform money markets on a consistent basis while providing greater liquidity and principal stability than longer duration bond funds.

Potential benefits of this fund include:

- Actively managed across the global fixed income market in an effort to enhance returns over money markets
- May provide a source of income
- Prudently manage risk through diversified exposure to a broad opportunity set of short duration securities

THE FUND ADVANTAGE

The fund seeks to deliver consistent excess returns over money markets while aiming to provide greater protection against downside risk than longer duration bond funds. This diversified approach to enhancing returns over cash and money market strategies may provide greater potential for consistent outperformance over the long term, by expanding the fixed-income opportunity set beyond money markets.

VALUE OF ENHANCED CASH STRATEGIES

An allocation to PIMCO's enhanced cash strategies may be beneficial as a part of a balanced portfolio. Short duration bonds provide a potential source of current income in addition to capital preservation and liquidity. An allocation to a PIMCO enhanced cash strategy in an overall portfolio also offers potential diversification benefits and can serve as a hedge against volatility and risks in other asset classes. Short duration bonds can be used to diversify a broader core allocation to fixed income and help an overall portfolio reduce sensitivity to interest rate volatility.



The Lipper Awards 2018 recognized the PIMCO Short-Term Fund, Institutional, for the 3, 5 and 10 year performance periods out of 40, 35 and 22 funds, respectively, under the Ultra-Short Obligations Funds Classification.

Performance (net of fees)	20 yrs.	15 yrs.	10 yrs.	5 yrs.	3 yrs.	1 yr.	6 mos.	3 mos.
PIMCO Fund (%)	3.14	2.46	2.16	1.61	2.01	2.11	0.82	0.26
Benchmark (%)	1.92	1.21	0.31	0.31	0.49	1.07	0.63	0.35

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 PIMCO.com or by calling 888.87.PIMCO.

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.

Lipper rankings* (Ultra-Short Obligation Funds)	10 yrs.	5 yrs.	3 yrs.	1 yr.
Fund rank	2	2	2	3
Number of funds	43	86	106	136
Quartile	1	1	1	1

* Based on total return performance, with distributions reinvested, and operating expenses deducted.

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 PIMCO representative. Please read them carefully before you invest or send money.

¹ Includes U.S. Treasury notes, bonds, futures, and inflation-protected securities ² Includes U.S. agencies, FDIC-guaranteed and government-guaranteed corporate securities, and supranationals ³ Includes 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. ⁴ Short Duration 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. Includes the value of short duration emerging markets instruments previously reported in "Cash Equivalents". ⁵ Other may include convertibles, preferreds, and yankee bonds ⁶ Net Other Short Duration Instruments includes securities and other instruments (except those 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.

Interest expense results from the Fund's use of certain investments such as tender option bond floating rate certificates. Such expense is required to be treated as a Fund expense for accounting purposes and is not payable to Pacific Investment Management Company LLC ("PIMCO"). Any interest expense amount will vary based on the Fund's use of those investments as an investment strategy best suited to seek the objective of the Fund. Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement excluding interest expense is 0.45% Institutional Class.

MV% may not equal 100 due to rounding.

Performance reflects changes in share price, reinvestment of dividends and capital gains distributions. All periods longer than one year are annualized.

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. Gov't Related may include nominal and inflation-protected Treasuries, agencies, interest rate swaps, Treasury futures and options, and FDIC-guaranteed corporate securities.

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 **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. **Sovereign securities** are generally backed by the issuing government, obligations of U.S. Government agencies and authorities are supported by varying degrees but are generally not backed by the full faith of the U.S. Government; portfolios that invest in such securities are not guaranteed and will fluctuate in value. **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. **Portfolio turnover** may indicate higher transactions costs and may result in higher taxes when fund shares are held in a taxable account. **Diversification** does not ensure against loss.

The value of most bond funds and fixed income securities are impacted by **changes in interest rates**. Bonds and bond funds with longer durations tend to be more sensitive and more volatile than securities with shorter durations; bond prices generally fall as interest rates rise. Past rankings are no guarantee of future rankings. Rankings begin with the inception of the actual share class. Lipper does not take into account sales charges. The Lipper Awards 2018 recognized the PIMCO Short-Term Fund, Institutional, for the 3, 5 and 10 year performance periods out of 40, 35 and 22 funds, respectively, under the Ultra-Short Obligations Funds Classification. The calculation periods extend over 36, 60, and 120 months. The highest Lipper Leader for Consistent Return (Effective Return) value within each eligible classification determines the fund classification winner over three, five, or 10 years. For a detailed explanation, please review the Lipper Leaders methodology document on lipperalpha.financial.thomsonreuters.com/lipper. From Thomson Reuters Lipper Awards, ©2018 Thomson Reuters. All rights reserved. Used by permission and protected by the Copyright Laws of the United States. The printing, copying, redistribution, or retransmission of this Content without express written permission is prohibited.

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.

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BASIC FACTS

Total annual operating expenses	0.53%
Dividend frequency	Daily accrual

PERFORMANCE CHARACTERISTICS

SEC 30-day yield (%)	2.16%
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ABOUT THE BENCHMARK

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.

ABOUT PIMCO

PIMCO is one of the world's premier fixed income investment managers. Since our founding in 1971 in Newport Beach, California, we have continued to bring innovation and expertise to our partnership with clients seeking the best investment solutions. Today our professionals work in 12 offices across the globe, united by a single purpose: creating opportunities for investors in every environment.

FOR MORE INFORMATION, CALL YOUR PIMCO REPRESENTATIVE AT 888.87.PIMCO.

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