

# RAE Fundamental Advantage PLUS Fund

A Shares: **PTFAX** 12 Shares: **PFAPX**  
INST Shares: **PFATX**

## FUND DATA

A share Inception date*:	<b>29 February 2008</b>
Total Net Assets (in millions):	<b>\$1,368.4</b>
A share 30-day SEC yield:	<b>-0.29%</b>
A share Gross Expense Ratio:	<b>1.36%</b>

A share Adjusted Expense Ratio: **1.29%**

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

Robert Arnott  
Christopher Brightman  
Mohsen Fahmi  
Jing Yang  
Bryan Tsu

## FUND STATISTICS

Sharpe ratio (10 year):	<b>-0.26</b>
Volatility (10 year):	<b>4.72%</b>
Beta to S&P 500 (10 year)	<b>0.18</b>

## Time-tested systematic approach to U.S. value investing

The fund invests in a diversified portfolio of U.S. stocks using the Research Affiliates Equity (RAE) strategy, an innovative value approach designed to outperform the 3 Month USD LIBOR Index.

### • Captures robust sources of excess returns

RAE is a systematic strategy that selects undervalued stocks using valuation metrics designed by Research Affiliates, while also incorporating quality and momentum signals to improve performance. The RAE strategy combines several well-researched measures of each signal to achieve higher returns over time.

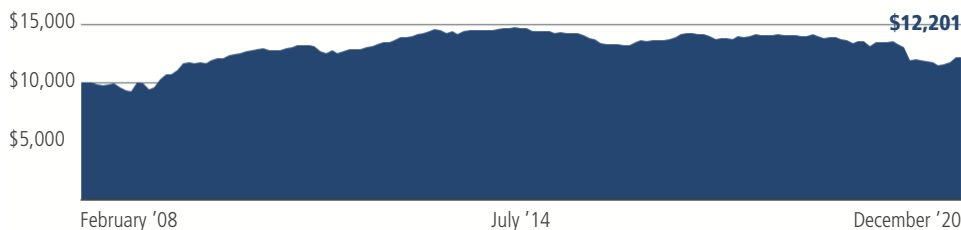
### • Capitalizes on market inefficiencies

Selected stocks are weighted based on fundamental measures of company size such as sales, cash flows, dividends and book value. This weighting methodology allows the fund to capitalize on market inefficiencies by systematically buying low and selling high and benefit from long-term mean reversion in stock prices.

### • Offers the benefits of investing systematic equity strategy

The fund's unique rules-based approach seeks a consistent investment process and a contrarian portfolio designed to deliver market outperformance.

### Growth of \$10,000



Growth of \$10,000 is calculated at NAV and assumes that all dividend and capital gain distributions were reinvested. It does not take into account sales charges or the effect of taxes. Results are not indicative of future performance.

Average annual total returns (%) as of 31 Dec '20	1-yr.	3-yr.	5-yr.	10-yr.	Inception
PIMCO RAE Fundamental Advantage PLUS Fund A at NAV	-10.06	-4.70	-1.64	-0.48	1.56
PIMCO RAE Fundamental Advantage PLUS Fund A at MOP	-13.42	-5.92	-2.40	-0.87	1.26
3 Month USD LIBOR Index	0.98	1.89	1.51	0.91	1.02
Lipper Alternative Equity Market Neutral Funds Average	-5.32	-3.77	-2.74	2.20	2.14

Calendar year returns (%)	'11	'12	'13	'14	'15	'16	'17	'18	'19	'20
PIMCO RAE Fundamental Advantage PLUS Fund A at NAV	-0.90	10.38	3.11	-0.40	-7.87	7.55	-1.09	-2.26	-1.55	-10.06
3 Month USD LIBOR Index	0.31	0.47	0.28	0.24	0.29	0.68	1.20	2.20	2.49	0.98
Lipper Alternative Equity Market Neutral Funds Average	0.63	3.72	3.53	2.09	-0.24	-0.20	-0.63	0.15	-4.44	-5.32

### If this material is used after 31 March 2021, it must be accompanied by the most recent Performance Supplement.

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](http://PIMCO.com) or by calling 888.87.PIMCO. The maximum offering price (MOP) returns take into account the 3.75% maximum initial sales charge.

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.

## 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 17 offices across the globe, united by a single purpose: creating opportunities for investors in every environment.

Visit our website for a full menu of products and services at [pimco.com](http://pimco.com).

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\* The inception date for the oldest class of shares (the Inst. share class). The returns represent class A shares, first offered in July 2008. Returns prior to that date apply the returns of the oldest class of shares but the charges and expenses of class A shares. Performance reflects changes in share price, reinvestment of dividends and capital gains distributions. All periods longer than one year are annualized. The Lipper, Inc. Lipper Average is based on total return, with distributions reinvested and operating expenses deducted, though not reflecting sales charges. Fund classes share the same portfolio, but have different investment minimums and different fees and expenses.

### PORTFOLIO MANAGERS



**Robert Arnott**  
Years of experience: 43



**Christopher Brightman**  
Years of experience: 35



**Mohsen Fahmi**  
Years of experience: 37



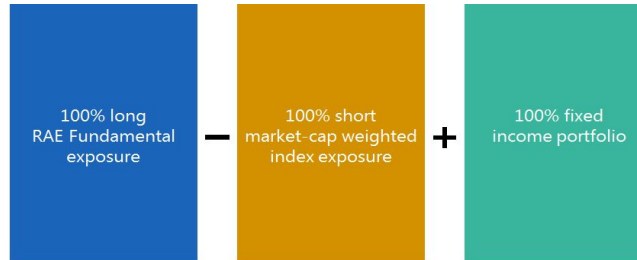
**Jing Yang**  
Years of experience: 16



**Bryan Tsu**  
Years of experience: 15

PIMCO introduced the groundbreaking StocksPLUS strategy in 1986 - the same award-winning approach used across our "PLUS" portfolios - which capitalizes on the depth and breadth of PIMCO's global resources. PIMCO has partnered with Research Affiliates to deliver systematic equity strategies since 2005. Today, we manage RAE "PLUS" portfolios across a range of objectives and market exposures.

### Innovative fundamental-based approach



Summary characteristics	Long	Short
Number of securities	370	500
Weighted Avg. Market Cap (\$mm)	227,578	440,564
Trailing P/E Ratio	18.9	28.3
Forward P/E Ratio	15.7	24.9
Dividend Yield	2.3	1.5

Top 5 overweights (MV%)	Long
AMGEN INC	2.7
PFIZER INC	2.6
GILEAD SCIENCES INC	2.5
KROGER CO	2.2
ABBVIE INC	1.6

Top 5 underweights (MV%)	Long
ALPHABET INC	3.2
MICROSOFT CORPORATION	3.0
APPLE INC	2.2
BERKSHIRE HATHAWAY INC	1.3
VISA INC	1.2

Top 5 holdings (MV%)	Long	Short
Apple Inc	4.5	6.7
Pfizer Inc	3.3	0.6
Amgen Inc	3.2	0.4
Gilead Sciences Inc	2.7	0.2
Microsoft Corporation	2.3	5.3

Long equity statistics are for the RAE US Large model portfolio, which the Fund replicates via total return swaps. Short equity statistics are for the S&P 500 Index.

Top 5 GICS sectors (MV%)	Long	Short
Information Technology	21.2	27.6
Health Care	20.7	13.5
Consumer Discretionary	11.9	12.7
Consumer Staples	11.5	6.5
Financials	10.7	10.4

Bond sector allocation (Duration in years)	Fund
US Government Related	-0.15
Securitized <sup>1</sup>	0.43
Invest. Grade Credit	0.43
High Yield Credit	0.01
Non-USD Developed	0.63
Emerging Markets	0.07
Other <sup>2</sup>	0.04
Net Other Short Duration Instruments <sup>3</sup>	0.09

<sup>1</sup> The Securitized bucket will include Agency MBS, non-Agency MBS, CMBS, ABS, CDO, CLO, and Pooled Funds. <sup>2</sup> Other may include convertibles, preferreds, and yankee bonds. <sup>3</sup> 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.

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.

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:** 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. MV% may not equal 100

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due to rounding. The SEC yield is an annualized yield based on the most recent 30 day period. Duration is a measure of a portfolio's price sensitivity expressed in years. 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 portfolio returns. The 3 Month USD LIBOR (London Interbank Offered Rate) Index is an average interest rate, determined by the ICE Benchmark Administration, that banks charge one another for the use of short-term money (3 months) in England's Eurodollar market. It is not possible to invest in an unmanaged index. S&P 500 Index is an unmanaged market index generally considered representative of the stock market as a whole. The Index focuses on the large-cap segment of the U.S. equities market. It is not possible to invest directly in an unmanaged index. 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 L.P. in the United States and throughout the world. ©2021, PIMCO. **PIMCO Investments LLC**, distributor, 1633 Broadway, New York, NY, 10019 is a company of PIMCO.

### Investment Products

Not FDIC Insured	May Lose Value	Not Bank Guaranteed
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