MARKETS

Pimco Sees $48 Billion in Outflows After Gross Departure

October Withdrawals Include $27.5 Billion From Fund Previously Managed By ‘Bond King’

Former Total Return fund manager and a founder of the firm Bill Gross left Pimco on Sept. 26. BLOOMBERG NEWS

By KIRSTEN GRIND
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Investors pulled a net $48 billion from Pacific Investment Management Co.’s mutual funds in October following the departure of star manager Bill Gross, the fund research firm Morningstar said Wednesday.

The amount includes the $27.5 billion that investors pulled from Pimco’s flagship Total Return fund, previously managed by Mr. Gross. That number was reported by Pimco on Tuesday.

In September and October, Pimco’s mutual funds saw net withdrawals of $73.8 billion, according to Morningstar. The total amount investors have pulled from Pimco is likely higher, as flows aren’t publicly reported in the firm’s separately managed accounts for institutional investors.

Pimco executives have prepared for up to $100 billion in outflows across the firm, with some anticipating more, the Journal has reported.

Pimco, a unit of Allianz SE, manages $1.87 trillion in assets.

Morningstar also on Wednesday reported an outflow of $32.3 billion from Pimco’s
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Total Return in October, an amount that is higher than Pimco’s figure because of the way Pimco accounted for assets leaving the fund after Mr. Gross’s departure Sept. 26. Both Morningstar and Pimco say about $50 billion has been pulled by investors from the fund over the last two months.

A Pimco spokesman didn’t immediately return a request for comment. In a statement on Tuesday, the company said most of the outflows in its Total Return fund occurred in the days immediately after Mr. Gross’s exit.

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