



# GIS Total Return Bond Fund



Quarterly Investment Report | 4Q23

**For professional use only**

Refer to Important Disclosures for additional information

**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.

# Executive summary

*Past performance does not predict future results.*

## Portfolio Performance

The Fund's interest rate strategies contributed to relative performance, while spread sector strategies detracted and currency strategies were neutral over the quarter.

### CONTRIBUTORS

- Long exposure to duration in the Dollar bloc, particularly Canada, as yields fell
- An overweight to U.S. duration, particularly in November, as yields fell
- An overweight to Agency MBS, as spreads tightened
- Interest rate strategies in the Eurozone, including instrument selection, as Euro swap spreads tightened

### DETRACTORS

- Long exposure to US Treasury Inflation-Protected Securities, as breakeven inflation fell
- Short exposure to duration in Japan, as yields fell

| Performance periods ended 31 Dec '23 | 3 mos. | 6 mos. | 1 yr. | 3 yrs. | 5 yrs. | 10 yrs. | SI   |
|--------------------------------------|--------|--------|-------|--------|--------|---------|------|
| Fund before fees                     | 7.03   | 4.30   | 6.80  | -3.35  | 1.64   | 2.25    | 4.97 |
| Fund after fees                      | 6.90   | 4.03   | 6.27  | -3.83  | 1.13   | 1.74    | 4.42 |
| Benchmark*                           | 6.82   | 3.37   | 5.53  | -3.31  | 1.10   | 1.81    | 3.99 |

*Past Performance is not a guarantee or reliable indicator of future results and no guarantee is being made that similar returns will be achieved in the future.*

*The following information should be read in conjunction with the 12-month rolling past performance information provided later in this presentation*

## Portfolio strategy

**Underweight overall duration:** The Fund is modestly underweight U.S. duration, with hedges in select regions.

**Selective credit holdings:** Underweight non-financial investment grade corporate credit; instead prefer to hold high-quality senior mortgages and other securitized credit.

**Overweight to Agency MBS:** Favoring higher coupons due to ongoing reduction in Fed's mortgage holdings.

**Relative value trades with currencies:** Exposure to select developed and emerging market currencies with attractive valuations, high real carry, and/or supportive fundamentals. The Fund uses a diversified basket of funding currencies from Developed markets and Asia.

|                                   |                     |
|-----------------------------------|---------------------|
| <b>Class:</b>                     | <b>INST</b>         |
| <b>Share Type:</b>                | <b>Accumulation</b> |
| <b>Inception date:</b>            | <b>31 Jan '98</b>   |
| <b>Fund assets (in millions):</b> | <b>\$4,420.61</b>   |
| <b>Unified management fee:</b>    | <b>0.500%</b>       |

| Summary information                        | 31 Dec '23  |             |
|--|-------------|-------------|
| Estimated yield to maturity (Gross of fee) | 5.14%       |             |
| Effective duration (yrs)                   | 5.77        |             |
| Benchmark duration - provider (yrs)        | 6.24        |             |
| Benchmark duration - PIMCO (yrs)           | 6.14        |             |
| Effective maturity (yrs)                   | 7.37        |             |
| Average coupon                             | 3.52%       |             |
| Tracking error (10 yrs)                    | 1.24        |             |
| Information ratio (10 yrs)                 | -0.05       |             |
| Sector allocation                          | Dur. (yrs)  | MV          |
| US Government Related                      | 2.16        | 15.32%      |
| Securitized                                | 2.87        | 53.36%      |
| Invest. Grade Credit                       | 0.77        | 23.69%      |
| High Yield Credit                          | 0.02        | -2.08%      |
| Non-USD Developed                          | -0.20       | 18.03%      |
| Emerging Markets                           | 0.10        | 2.88%       |
| Other                                      | 0.03        | 0.68%       |
| Net Other Short Duration Instruments       | 0.02        | -11.87%     |
| <b>Total</b>                               | <b>5.77</b> | <b>100%</b> |

\*The fund is actively managed in reference to the Bloomberg U.S. Aggregate Index as further outlined in the prospectus and key investor information document/key information document

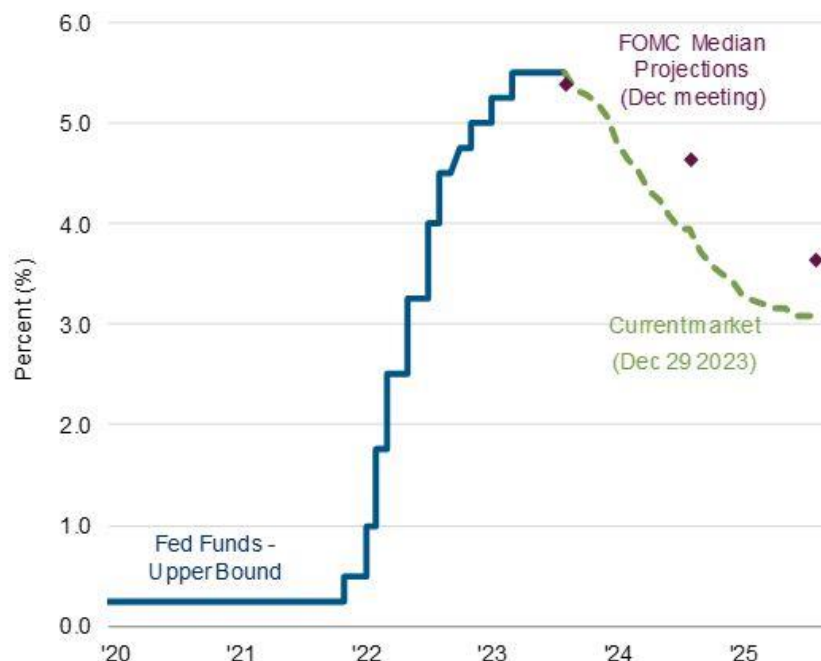
# Fund specific risks

| Risk  | Risk Description   |
|---|--|
| <b>Credit and Default Risk</b>                                  | A decline in the financial health of an issuer of a fixed income security can lead to an inability or unwillingness to repay a loan or meet a contractual obligation. This could cause the value of its bonds to fall or become worthless. Funds with high exposures to non-investment grade securities have a higher exposure to this risk. |
| <b>Currency Risk</b>  | Changes in exchange rates may cause the value of investments to decrease or increase.  |
| <b>Derivatives and Counterparty Risk</b>                        | The use of certain derivatives could result in the fund having a greater or more volatile exposure to the underlying assets and an increased exposure to counterparty risk. This may expose the fund to larger gains or losses associated with market movements or in relation to a trade counterparty being unable to meet its obligations. |
| <b>Emerging Markets Risk</b>                                    | Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk. Investments in these markets may expose the fund to larger gains or losses.  |
| <b>Liquidity Risk</b>   | Difficult market conditions could result in certain securities becoming hard to sell at a desired time and price.  |
| <b>Interest Rate Risk</b>                                       | Changes in interest rates will usually result in the values of bond and other debt instruments moving in the opposite direction (e.g. a rise in interest rates likely leads to fall in bond prices).   |
| <b>Mortgage Related and Other Asset Backed Securities Risks</b> | Mortgage or asset backed securities are subject to similar risks as other fixed income securities, and may also be subject to prepayment risk and higher levels of credit and liquidity risk.  |

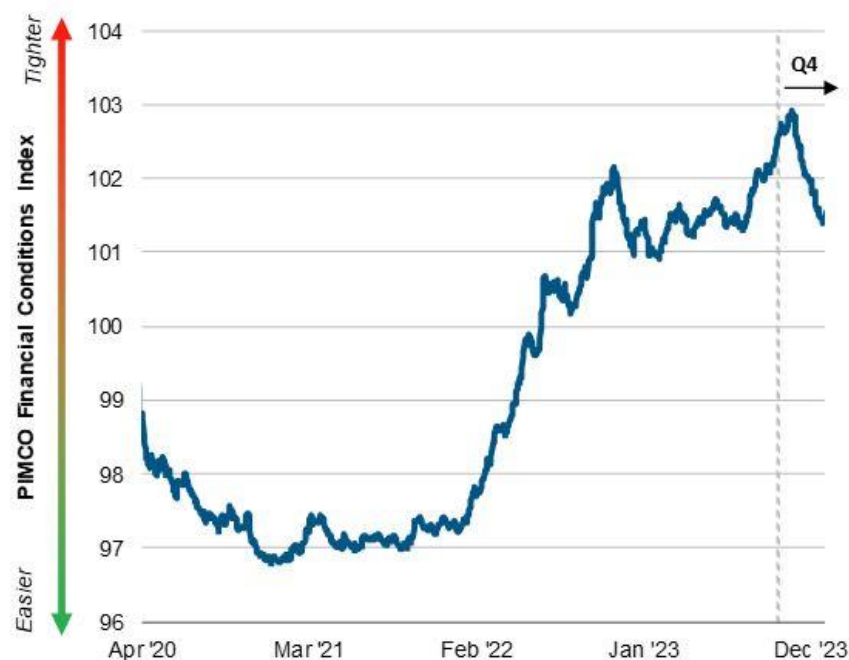
# Quarter in Review

## Early signs of economic weakening spark market optimism

Indications of slowing inflation and a cooling labor market led market participants to price in an accelerated path of rate cuts for 2024, prompting a broad rally across the global bond market. Risk sentiment rebounded, with the MSCI World rising 11.53%, while the dollar weakened. The Fed paused rate hikes for the third consecutive time, while the central bank's dot plot pointed to the potential for 75 bps of cuts in 2024. Global developed central banks broadly maintained hawkish stances, with both the ECB and BoE signaling that rates would remain restrictive for longer. Meanwhile, the BoJ maintained its negative interest rate policy and left its dovish guidance unchanged.



Weakening economic data has sparked optimism, with market participants pricing in roughly 6 cuts in 2024, for a total of more than 150 bps.



After rising for much of 2023, financial conditions notably eased over the quarter amid early signs of economic weakening.

Source: Bloomberg

The PIMCO Financial Conditions Index (FCI) is a proprietary index that summarizes the information about the future state of the economy contained in a wide range of financial variables. It includes variables such as the Fed funds rate, bond yields, credits, equity prices, oil prices, and the broad trade-weighted USD, all of which will impact the economy. The weights of these variables is determined by simulations with the Federal reserve's FRB/US model. An increase (decline) in the FCI implies a tightening (easing) of financial conditions.

Source: Bloomberg

# Market Summary

## Q4'23: Weakening economic data

The Fund's interest rate strategies contributed to relative performance, while spread sector strategies detracted and currency strategies were neutral over the quarter.

### Developed market debt

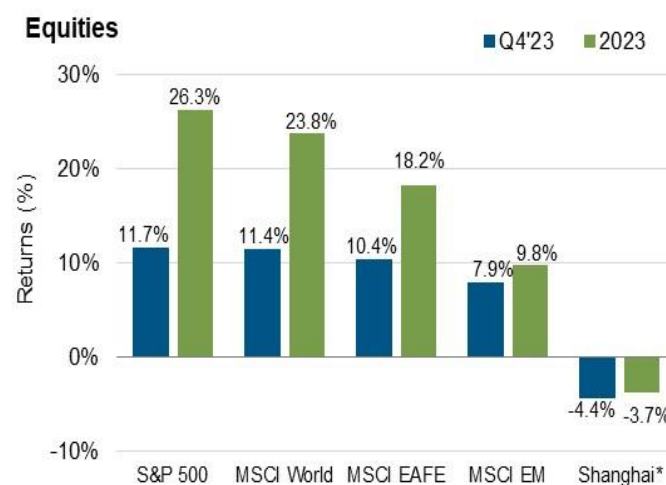
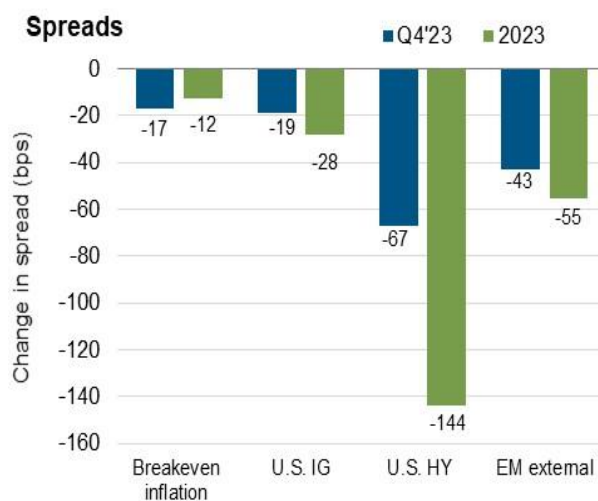
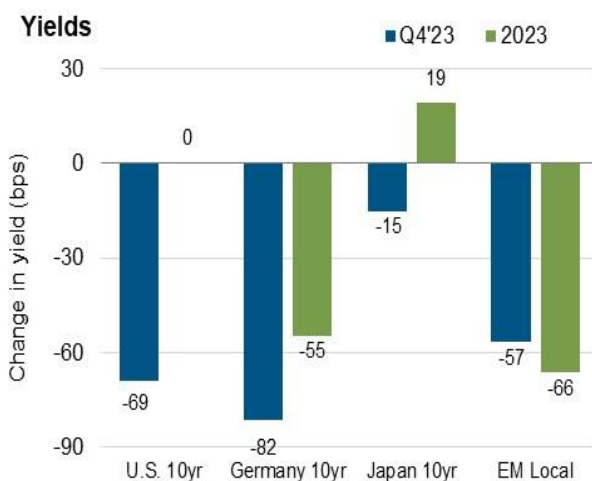
Indications of slowing inflation in the second half of the quarter prompted markets to price in accelerated expectations of rate cuts for next year. Yields fell broadly in developed markets as central banks held rates steady, including in the U.S., U.K., and Germany. In Japan, yields fell more modestly as the Bank of Japan weighed a potential exit to its accommodative monetary policy.

### Credit

U.S. investment grade credit<sup>1</sup> spreads tightened 19 bps, ending the quarter at 93 bps. The sector returned 8.15%, outperforming like-duration treasuries by 1.81%. High quality credit posted two strong months of returns to end the year amid the rate rally.

### Equities

Developed market equities<sup>2</sup> rose 11.4% in the fourth quarter of 2023 driven by optimism around interest rate cuts, easing inflationary pressures, and economic growth.



Source: U.S. 10yr, Germany 10yr, Japan 10yr, Breakeven inflation (Bloomberg); EM local (JPMorgan GBI-EM Global Diversified Composite Yield to Maturity Index); U.S. investment grade credit (Bloomberg U.S. Credit Index); U.S. high yield credit (ICE BofA High Yield Constrained Index); EM external (JPMorgan Emerging Bond Index Global Sovereign Spread); S&P 500 (S&P 500 Total Return Index); MSCI EAFE (MSCI EAFE Net Total Return USD Index); MSCI EM (MSCI Emerging Net Total Return USD Index); Shanghai (Shanghai Stock Exchange Composite Index).

1: Bloomberg US Credit Index

2: MSCI World Index

## Navigating the Descent: Four economic themes

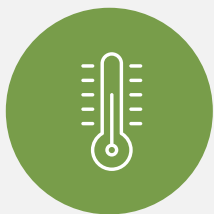
---



**Peak inflation and  
rising unemployment  
consistent with rate cuts**



**Soft landings are possible,  
but risks remain**



**Markets already price a  
substantial cutting cycle**



**Global divergence  
in monetary policy**

# Portfolio Outlook

---

## Strategic outlook

Further disinflation and the potential for a faster cutting cycle should, in our view, raise the prospects for a soft landing. However, this is not to say that we believe that the path toward a soft landing is the only possible path. It is our view that the tighter-for-longer strategy that central banks have been communicating along with the strong possibility of stagnation in developed market supply and demand growth leave recession risks elevated.

### Key strategies

#### Duration

The Fund is underweight overall duration with hedges in select regions. The Fund is underweight U.S. duration, maintains modest long exposure to duration in the Dollar Block (mainly Canada) and short exposure to duration in Japan.

#### Curve

The Fund has a curve-steepening bias with respect to the long-end of the curve. The Fund continues to be long TIPS as a hedge against the possibility of inflation being higher than markets have priced in.

#### Credit selection

The Fund maintains an underweight to non-financial investment grade corporate credit. The Fund instead prefers to hold exposure to high-quality securitized assets, such as U.S. non-Agency Residential MBS and AAA tranches of CLOs.

#### Currency positioning

The Fund remains tactical in currency exposure and maintains long exposure to select developed and emerging market currencies with attractive valuations, high real carry, and/or supportive fundamentals.

# Sector exposure

|   | Portfolio         |            |                   |             | Benchmark         |                   |
|---|-------------------|------------|-------------------|-------------|-------------------|-------------------|
|   | % of Market value |            | Duration in years |             | % of Market value | Duration in years |
|   | 30 Sep '23        | 31 Dec '23 | 30 Sep '23        | 31 Dec '23  | 31 Dec '23        | 31 Dec '23        |
| <b>US Government Related</b>                      | 16.72             | 15.32      | 2.14              | 2.16        | 43.17             | 2.66              |
| Government - Treasury                             | 19.71             | 18.48      | 2.03              | 2.18        | 42.24             | 2.63              |
| US Agency   | 2.11              | 2.05       | 0.05              | 0.04        | 0.92              | 0.03              |
| Swaps and Liquid Rates                            | -5.10             | -5.21      | 0.06              | -0.05       | -                 | -                 |
| <b>Securitized*</b>                               | 52.93             | 53.36      | 3.16              | 2.87        | 28.73             | 1.65              |
| <b>Invest. Grade Credit</b>                       | 23.44             | 23.69      | 0.77              | 0.77        | 24.63             | 1.75              |
| <b>High Yield Credit</b>                          | -2.18             | -2.08      | 0.02              | 0.02        | -                 | -                 |
| <b>Non-USD Developed</b>                          | 18.76             | 18.03      | -0.06             | -0.20       | -                 | -                 |
| <b>Emerging Markets**</b>                         | 1.62              | 2.88       | 0.06              | 0.10        | 0.89              | 0.08              |
| Bonds and Other Long Duration Instruments         | 1.65              | 2.88       | 0.06              | 0.10        | 0.89              | 0.08              |
| EM Short Duration Instruments                     | -0.02             | 0.00       | 0.00              | 0.00        | -                 | -                 |
| <b>Other***</b>                                   | 0.70              | 0.68       | 0.03              | 0.03        | 2.58              | 0.11              |
| <b>Net Other Short Duration Instruments****</b>   | -11.99            | -11.87     | 0.07              | 0.02        | -                 | -                 |
| Commingled Cash Vehicles                          | 2.42              | 3.17       | 0.00              | 0.00        | -                 | -                 |
| Certificate of Deposit/Commercial Paper/STIF      | 1.88              | 0.29       | 0.00              | -0.01       | -                 | -                 |
| Government Related                                | 2.98              | 2.04       | 0.02              | 0.01        | -                 | -                 |
| MBS/ABS   | 8.17              | 7.49       | 0.01              | 0.01        | -                 | -                 |
| Credit  | 0.92              | 0.93       | 0.00              | 0.00        | -                 | -                 |
| Bankers Acceptance                                | 0.00              | 0.00       | 0.00              | 0.00        | -                 | -                 |
| Other***  | 9.28              | 6.03       | -0.00             | 0.00        | -                 | -                 |
| Short Duration Derivatives and Derivative Offsets | 1.44              | 4.64       | 0.03              | -0.00       | -                 | -                 |
| Net Unsettled Trades                              | -39.08            | -36.46     | 0.00              | 0.00        | -                 | -                 |
| <b>Total</b>                                      | <b>100</b>        | <b>100</b> | <b>6.19</b>       | <b>5.77</b> | <b>100</b>        | <b>6.25</b>       |

\*Securitized includes Agency MBS, non-Agency MBS, CMBS, ABS, CDO, CLO, and Pooled Funds.

\*\*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.

\*\*\*Investment vehicles not listed, allowed by prospectus.

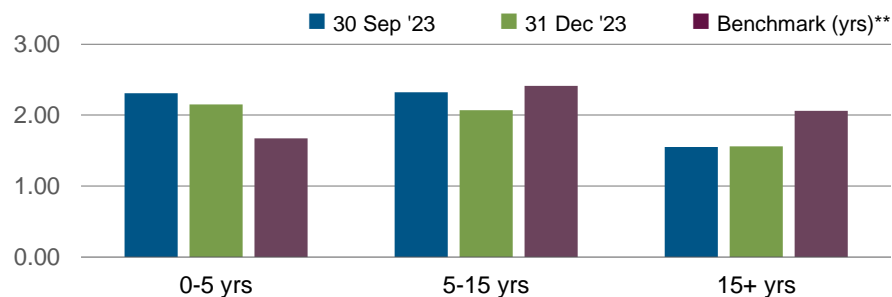
\*\*\*\*Net Other Short Duration Instruments includes securities and other instruments (except instruments tied to emerging markets by country of risk) with an effective duration less than one year and rated investment grade or higher or, if unrated, determined by PIMCO to be of comparable quality, commingled liquidity funds, uninvested cash, interest receivables, net unsettled trades, broker money and derivatives offset. 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.

Benchmark: Bloomberg U.S. Aggregate (Euro Unhedged) Index



# Portfolio characteristics

## Key rate duration exposure



|              | Portfolio (yrs) |             | Benchmark (yrs)** |
|--------------|-----------------|-------------|-------------------|
|              | 30 Sep '23      | 31 Dec '23  | 31 Dec '23        |
| 0-5 yrs      | 2.31            | 2.15        | 1.67              |
| 5-15 yrs     | 2.32            | 2.07        | 2.41              |
| 15+ yrs      | 1.55            | 1.56        | 2.06              |
| <b>Total</b> | <b>6.18</b>     | <b>5.78</b> | <b>6.14</b>       |

## Interest rate exposure

|                                   | Portfolio (yrs) |            | Benchmark (yrs)** |
|-----------------------------------|-----------------|------------|-------------------|
|                                   | 30 Sep '23      | 31 Dec '23 | 31 Dec '23        |
| Effective duration                | 6.18            | 5.77       | 6.14              |
| Bull market duration              | 5.82            | 5.47       | 6.13              |
| Bear market duration              | 6.24            | 6.18       | 6.14              |
| <b>Spread duration</b>            |                 |            |                   |
| Mortgage spread duration          | 3.54            | 3.27       | 1.63              |
| Corporate spread duration         | 1.31            | 1.34       | 1.81              |
| Emerging markets spread duration  | 0.15            | 0.19       | 0.12              |
| Swap spread duration              | 0.08            | -0.32      | 0.00              |
| Covered bond spread duration      | 0.00            | 0.00       | 0.00              |
| Sovereign related spread duration | 0.15            | 0.15       | 0.10              |

## Derivative exposure (% of duration)

|                                 | 30 Sep '23 | 31 Dec '23 |
|---------------------------------|------------|------------|
| <b>Government futures</b>       | -13.65     | -15.12     |
| <b>Interest rate swaps</b>      | -0.80      | -5.45      |
| <b>Credit default swaps*</b>    | -0.17      | -0.49      |
| Purchased swaps                 | -2.75      | -2.67      |
| Written swaps                   | 2.58       | 2.18       |
| <b>Options</b>                  | 1.28       | -0.56      |
| Purchased Options               | -0.02      | 1.27       |
| Written Options                 | 1.30       | -1.83      |
| <b>Mortgage Derivatives</b>     | 0.32       | 0.33       |
| <b>Money Market Derivatives</b> | 0.27       | 0.14       |
| Futures                         | -0.47      | 0.06       |
| Interest rate swaps             | 0.73       | 0.08       |
| <b>Other Derivatives</b>        | 0.00       | 0.00       |

\* Shown as a percentage of market value

\*\*Benchmark duration is calculated by PIMCO  
Benchmark: Bloomberg U.S. Aggregate Index

# Country and currency exposure

## Country exposure by currency of settlement

|                                       | 30 Sep '23     |              | 31 Dec '23     |              |
|---------------------------------------|----------------|--------------|----------------|--------------|
|                                       | Duration (yrs) | FX (%)       | Duration (yrs) | FX (%)       |
| <b>United States</b>                  | <b>6.19</b>    | <b>99.58</b> | <b>5.90</b>    | <b>99.43</b> |
| <b>Japan</b>                          | <b>-0.38</b>   | <b>0.98</b>  | <b>-0.39</b>   | <b>0.12</b>  |
| <b>Eurozone</b>                       | <b>0.09</b>    | <b>-0.42</b> | <b>-0.03</b>   | <b>-0.69</b> |
| Belgium                               | 0.03           | 0.00         | 0.03           | 0.00         |
| Euro Currency                         | 0.00           | -0.42        | 0.00           | -0.69        |
| European Union                        | 0.29           | 0.00         | 0.15           | 0.00         |
| Finland                               | 0.02           | 0.00         | 0.02           | 0.00         |
| France                                | 0.05           | 0.00         | 0.05           | 0.00         |
| Germany                               | -0.52          | 0.00         | -0.55          | 0.00         |
| Ireland                               | 0.02           | 0.00         | 0.01           | 0.00         |
| Italy                                 | 0.13           | 0.00         | 0.14           | 0.00         |
| Luxembourg                            | 0.05           | 0.00         | 0.06           | 0.00         |
| Netherlands                           | 0.02           | 0.00         | 0.06           | 0.00         |
| Spain                                 | 0.01           | 0.00         | 0.01           | 0.00         |
| <b>United Kingdom</b>                 | <b>-0.00</b>   | <b>-0.63</b> | <b>-0.01</b>   | <b>-0.72</b> |
| <b>Europe non-EMU</b>                 | <b>-0.00</b>   | <b>0.04</b>  | <b>-0.00</b>   | <b>0.04</b>  |
| Czech Republic                        | -0.00          | -0.00        | -0.00          | -0.00        |
| Denmark                               | -0.00          | 0.02         | 0.00           | 0.02         |
| Norway                                | 0.00           | 0.02         | 0.00           | 0.02         |
| Sweden                                | 0.00           | 0.01         | 0.00           | 0.01         |
| <b>Dollar Block</b>                   | <b>0.27</b>    | <b>0.16</b>  | <b>0.26</b>    | <b>0.45</b>  |
| Australia                             | 0.03           | 1.40         | 0.05           | 1.44         |
| Canada                                | 0.21           | -1.19        | 0.19           | -0.97        |
| New Zealand                           | 0.03           | -0.04        | 0.02           | -0.02        |
| <b>Other Industrialized Countries</b> | <b>-0.00</b>   | <b>-1.36</b> | <b>-0.00</b>   | <b>-1.41</b> |
| Chile                                 | 0.00           | 0.02         | 0.00           | 0.02         |
| Hong Kong                             | -0.00          | -0.05        | -0.00          | -0.05        |
| Israel                                | 0.00           | 0.01         | 0.00           | 0.01         |
| Singapore                             | -0.00          | -0.38        | -0.00          | -0.37        |
| South Korea                           | -0.00          | -0.35        | -0.00          | -0.42        |
| Taiwan                                | -0.00          | -0.61        | -0.00          | -0.60        |
| <b>EM - Asia</b>                      | <b>-0.00</b>   | <b>0.81</b>  | <b>0.00</b>    | <b>0.69</b>  |
| China                                 | -0.00          | -0.79        | -0.00          | -0.77        |
| India                                 | 0.00           | 0.79         | 0.00           | 0.74         |
| Indonesia                             | 0.00           | 0.36         | 0.00           | 0.27         |
| Thailand                              | 0.00           | 0.45         | 0.00           | 0.45         |
| <b>EM - Latin America</b>             | <b>0.01</b>    | <b>0.67</b>  | <b>0.05</b>    | <b>1.26</b>  |
| Brazil                                | 0.00           | 0.13         | 0.00           | 0.59         |
| Mexico                                | 0.01           | 0.60         | 0.05           | 0.74         |
| Peru                                  | 0.01           | -0.07        | -0.00          | -0.07        |
| <b>EM - CEEMEA</b>                    | <b>0.00</b>    | <b>0.17</b>  | <b>0.00</b>    | <b>0.82</b>  |
| South Africa                          | 0.00           | 0.17         | 0.00           | 0.35         |
| Turkey                                | 0.00           | 0.00         | 0.00           | 0.47         |
| <b>Total</b>                          | <b>6.18</b>    | <b>100</b>   | <b>5.77</b>    | <b>100</b>   |

## Emerging markets exposure by country of risk

|              | 30 Sep '23                         |               |                | 31 Dec '23                         |               |                |
|--------------|------------------------------------|---------------|----------------|------------------------------------|---------------|----------------|
|              | % of MV short duration Instruments | % of MV bonds | Duration (yrs) | % of MV short duration Instruments | % of MV bonds | Duration (yrs) |
| Brazil       | -0.01                              | 0.00          | 0.00           | 0.01                               | 0.00          | 0.00           |
| China        | 0.00                               | 0.00          | 0.00           | -0.02                              | 0.00          | 0.00           |
| Colombia     | 0.00                               | 0.43          | 0.00           | 0.00                               | 0.41          | 0.00           |
| Hungary      | 0.00                               | 0.17          | 0.02           | 0.00                               | 0.41          | 0.02           |
| India        | 0.00                               | 0.12          | 0.01           | 0.00                               | 0.11          | 0.01           |
| Mexico       | -0.01                              | 0.08          | 0.01           | 0.00                               | 1.00          | 0.05           |
| Paraguay     | 0.00                               | 0.05          | 0.00           | 0.00                               | 0.05          | 0.00           |
| Peru         | 0.01                               | 0.16          | 0.01           | 0.00                               | 0.00          | 0.00           |
| Romania      | 0.00                               | 0.64          | 0.02           | 0.00                               | 0.64          | 0.02           |
| South Africa | 0.00                               | 0.00          | 0.00           | 0.01                               | 0.00          | 0.00           |
| Thailand     | -0.01                              | 0.00          | 0.00           | 0.01                               | 0.00          | 0.00           |
| <b>Total</b> | <b>-0.02</b>                       | <b>1.65</b>   | <b>0.06</b>    | <b>0.00</b>                        | <b>2.63</b>   | <b>0.09</b>    |

# Additional share class performance

## Performance (Institutional class, Accumulation Shares)

Past performance does not predict future results

| Performance                         | 31 Dec '18<br>31 Dec '19 | 31 Dec '19<br>31 Dec '20 | 31 Dec '20<br>31 Dec '21 | 31 Dec '21<br>31 Dec '22 | 31 Dec '22<br>31 Dec '23 |
|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Before fees (%)                     | 9.51                     | 9.72                     | -0.75                    | -14.83                   | 6.80                     |
| After fees (%)                      | 8.96                     | 9.17                     | -1.25                    | -15.26                   | 6.27                     |
| Bloomberg U.S. Aggregate Index (%)* | 8.72                     | 7.51                     | -1.54                    | -13.01                   | 5.53                     |
| Before fees alpha (bps)             | 79                       | 221                      | 79                       | -182                     | 127                      |
| After fees alpha (bps)              | 25                       | 167                      | 30                       | -225                     | 74                       |

The following information is additional to, and should be read only in conjunction with, the calendar year performance data presented below.

Past performance does not predict future results

| Calendar Year (Net of Fees)         | 2014 | 2015 | 2016 | 2017 | 2018  | 2019 | 2020 | 2021  | 2022   | 2023 | YTD  |
|-------------------------------------|------|------|------|------|-------|------|------|-------|--------|------|------|
| After fees (%)                      | 4.14 | 0.71 | 3.14 | 4.94 | -1.06 | 8.96 | 9.17 | -1.25 | -15.26 | 6.27 | 6.27 |
| Bloomberg U.S. Aggregate Index (%)* | 5.97 | 0.55 | 2.65 | 3.54 | 0.01  | 8.72 | 7.51 | -1.54 | -13.01 | 5.53 | 5.53 |

As of 31 December 2023. SOURCE: PIMCO.

The fund is actively managed in reference to the Bloomberg U.S. Aggregate Index Index as further outlined in the prospectus and key investor information document/key information document

\*The benchmark is shown for performance comparison purpose only. Benchmark: Bloomberg U.S. Aggregate Index Index.

Past performance is not a guarantee or a reliable indicator of future results. All periods longer than one year are annualised

Refer to Important Disclosures and the relevant sections of the Fund prospectus for additional performance and fee, chart, GIS funds, index, and risk information

# Additional share class performance

*Past Performance is not a guarantee or reliable indicator of future results and no guarantee is being made that similar returns will be achieved in the future.*

| Performance (Net of Fees)                                       | 31 Dec '18<br>31 Dec '19 | 31 Dec '19<br>31 Dec '20 | 31 Dec '20<br>31 Dec '21 | 31 Dec '21<br>31 Dec '22 | 31 Dec '22<br>31 Dec '23 | SI    |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-------|
| Total Return Bond Fund Administrative Accumulation              | 8.42                     | 8.63                     | -1.71                    | -15.71                   | 5.77                     | 2.99  |
| Total Return Bond Fund Administrative Income                    | -                        | -                        | -                        | -                        | 5.74                     | 1.03  |
| Total Return Bond Fund E Class Accumulation                     | 8.00                     | 8.16                     | -2.12                    | -16.03                   | 5.36                     | 2.74  |
| Total Return Bond Fund E Class Income                           | 8.02                     | 8.20                     | -2.10                    | -16.07                   | 5.35                     | 2.65  |
| Total Return Bond Fund H Institutional Accumulation             | 8.76                     | 8.97                     | -1.40                    | -15.39                   | 6.11                     | 3.61  |
| Total Return Bond Fund H Institutional Income                   | 8.70                     | 9.02                     | -1.41                    | -15.40                   | 6.15                     | 1.04  |
| Total Return Bond Fund Institutional Accumulation               | 8.96                     | 9.17                     | -1.25                    | -15.26                   | 6.27                     | 4.42  |
| Total Return Bond Fund Institutional Income                     | 8.95                     | 9.17                     | -1.24                    | -15.27                   | 6.29                     | 4.40  |
| Total Return Bond Fund Investor Accumulation                    | 8.55                     | 8.80                     | -1.57                    | -15.57                   | 5.92                     | 3.87  |
| Total Return Bond Fund Investor Income                          | 8.55                     | 8.81                     | -1.60                    | -15.55                   | 5.94                     | 3.84  |
| Total Return Bond Fund T Class Accumulation                     | 7.66                     | 7.84                     | -2.34                    | -16.34                   | 5.01                     | 0.29  |
| Bloomberg U.S. Aggregate Index                                  | 8.72                     | 7.51                     | -1.54                    | -13.01                   | 5.53                     | -     |
| Total Return Bond Fund Institutional CAD (Hedged) Income        | 8.14                     | 8.83                     | -1.29                    | -15.52                   | 5.37                     | 1.12  |
| Bloomberg U.S. Aggregate Index (CAD Hedged)                     | 7.92                     | 7.30                     | -1.57                    | -13.39                   | 4.61                     | -     |
| Total Return Bond Fund E Class CHF (Hedged) Accumulation        | 4.31                     | 6.24                     | -3.22                    | -18.32                   | 0.84                     | -1.52 |
| Total Return Bond Fund Institutional CHF (Hedged) Accumulation  | 5.29                     | 7.14                     | -2.30                    | -17.59                   | 1.74                     | -0.03 |
| Total Return Bond Fund Investor CHF (Hedged) Accumulation       | 4.95                     | 6.81                     | -2.63                    | -17.89                   | 1.28                     | -0.38 |
| Bloomberg U.S. Aggregate (CHF Hedged) Index                     | 5.06                     | 5.76                     | -2.70                    | -15.62                   | 0.82                     | -     |
| Total Return Bond Fund Administrative EUR (Hedged) Accumulation | 5.25                     | 6.97                     | -2.59                    | -17.63                   | 3.32                     | 0.80  |
| Total Return Bond Fund E Class EUR (Hedged) Accumulation        | 4.86                     | 6.52                     | -3.01                    | -17.89                   | 2.88                     | 1.66  |
| Total Return Bond Fund E Class EUR (Hedged) Income              | 4.82                     | 6.56                     | -2.98                    | -17.90                   | 2.81                     | -0.58 |
| Total Return Bond Fund Institutional EUR (Hedged) Accumulation  | 5.81                     | 7.47                     | -2.09                    | -17.20                   | 3.82                     | 2.56  |
| Total Return Bond Fund Institutional EUR (Hedged) Income        | 5.80                     | 7.43                     | -2.08                    | -17.20                   | 3.78                     | 2.48  |
| Total Return Bond Fund Investor EUR (Hedged) Accumulation       | 5.45                     | 7.12                     | -2.48                    | -17.44                   | 3.47                     | 2.08  |
| Total Return Bond Fund R Class EUR (Hedged) Accumulation        | 5.44                     | 7.22                     | -2.36                    | -17.38                   | 3.47                     | -0.42 |

# Additional share class performance

*Past Performance is not a guarantee or reliable indicator of future results and no guarantee is being made that similar returns will be achieved in the future.*

| Performance (Net of Fees)  | 31 Dec '18<br>31 Dec '19 | 31 Dec '19<br>31 Dec '20 | 31 Dec '20<br>31 Dec '21 | 31 Dec '21<br>31 Dec '22 | 31 Dec '22<br>31 Dec '23 | SI    |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-------|
| Total Return Bond Fund T Class EUR (Hedged) Accumulation         | 4.53                     | 6.20                     | -3.34                    | -18.12                   | 2.58                     | -1.42 |
| Bloomberg U.S. Aggregate (Euro Hedged) Index                     | 5.56                     | 6.11                     | -2.43                    | -15.19                   | 3.01                     | -     |
| Total Return Bond Fund Institutional EUR (Unhedged) Accumulation | 10.96                    | 0.14                     | 6.28                     | -9.68                    | 2.66                     | 3.04  |
| Total Return Bond Fund Institutional GBP (Hedged) Accumulation   | 7.13                     | 8.19                     | -1.42                    | -16.11                   | 5.39                     | 1.87  |
| Total Return Bond Fund Institutional GBP (Hedged) Income         | 7.13                     | 8.16                     | -1.38                    | -16.15                   | 5.35                     | 3.32  |
| Bloomberg U.S. Aggregate (GBP Hedged) Index                      | 6.92                     | 6.88                     | -1.73                    | -14.06                   | 4.47                     | -     |
| Total Return Bond Fund M Retail HKD (Unhedged) Income            | 7.50                     | 7.68                     | -1.57                    | -15.97                   | 5.43                     | 0.59  |
| Total Return Bond Fund Administrative SGD (Hedged) Income        | -                        | -                        | -                        | -                        | -                        | 3.14  |
| Total Return Bond Fund E Class SGD (Hedged) Accumulation         | 7.36                     | 7.80                     | -2.06                    | -16.22                   | 3.64                     | 2.17  |
| Total Return Bond Fund Institutional SGD (Hedged) Accumulation   | 8.33                     | 8.81                     | -1.17                    | -15.49                   | 4.60                     | 1.88  |
| Bloomberg U.S. Aggregate (SGD Hedged) Index                      | 8.15                     | 7.35                     | -1.45                    | -13.32                   | 3.78                     | -     |

# Additional share class performance

*Past Performance is not a guarantee or reliable indicator of future results and no guarantee is being made that similar returns will be achieved in the future.*

Total Return Bond Fund (net of fees performance)

| Performance periods ended: 31 Dec '23                            | Unified<br>Management<br>Fee | NAV<br>currency | Class<br>Inception<br>date | 3 mos. | 6 mos. | 1 yr. | 3 yrs. | 5 yrs. | 10 yrs. | SI    |
|--|------------------------------|-----------------|----------------------------|--------|--------|-------|--------|--------|---------|-------|
| Total Return Bond Fund Administrative Accumulation               | 1.000                        | USD             | 16 May '03                 | 6.79   | 3.79   | 5.77  | -4.31  | 0.63   | 1.23    | 2.99  |
| Total Return Bond Fund Administrative Income                     | 1.000                        | USD             | 21 Jul '22                 | 6.80   | 3.78   | 5.74  | -      | -      | -       | 1.03  |
| Total Return Bond Fund E Class Accumulation                      | 1.400                        | USD             | 31 Mar '06                 | 6.69   | 3.60   | 5.36  | -4.68  | 0.23   | 0.83    | 2.74  |
| Total Return Bond Fund E Class Income                            | 1.400                        | USD             | 10 Oct '05                 | 6.62   | 3.58   | 5.35  | -4.69  | 0.23   | 0.83    | 2.65  |
| Total Return Bond Fund H Institutional Accumulation              | 0.670                        | USD             | 15 Oct '02                 | 6.88   | 3.96   | 6.11  | -3.98  | 0.96   | 1.57    | 3.61  |
| Total Return Bond Fund H Institutional Income                    | 0.670                        | USD             | 25 May '18                 | 6.88   | 3.97   | 6.15  | -3.98  | 0.96   | -       | 1.04  |
| Total Return Bond Fund Institutional Accumulation                | 0.500                        | USD             | 31 Jan '98                 | 6.90   | 4.03   | 6.27  | -3.83  | 1.13   | 1.74    | 4.42  |
| Total Return Bond Fund Institutional Income                      | 0.500                        | USD             | 25 Apr '00                 | 6.89   | 4.04   | 6.29  | -3.83  | 1.13   | 1.74    | 4.40  |
| Total Return Bond Fund Investor Accumulation                     | 0.850                        | USD             | 28 Jan '99                 | 6.85   | 3.88   | 5.92  | -4.16  | 0.78   | 1.39    | 3.87  |
| Total Return Bond Fund Investor Income                           | 0.850                        | USD             | 23 Oct '00                 | 6.86   | 3.89   | 5.94  | -4.16  | 0.79   | 1.39    | 3.84  |
| Total Return Bond Fund T Class Accumulation                      | 1.700                        | USD             | 16 Oct '14                 | 6.54   | 3.42   | 5.01  | -4.98  | -0.08  | -       | 0.29  |
| Bloomberg U.S. Aggregate Index                                   | -                            | -               | -                          | 6.82   | 3.37   | 5.53  | -3.31  | 1.10   | 1.81    | 3.99  |
| Total Return Bond Fund Institutional CAD (Hedged) Income         | 0.500                        | CAD             | 02 May '13                 | 6.53   | 3.49   | 5.37  | -4.22  | 0.67   | 1.50    | 1.12  |
| Bloomberg U.S. Aggregate Index (CAD Hedged)                      | -                            | -               | -                          | 6.43   | 2.83   | 4.61  | -3.75  | 0.64   | 1.59    | 1.24  |
| Total Return Bond Fund E Class CHF (Hedged) Accumulation         | 1.400                        | CHF             | 19 Sep '12                 | 5.39   | 1.33   | 0.84  | -7.28  | -2.45  | -1.46   | -1.52 |
| Total Return Bond Fund Institutional CHF (Hedged) Accumulation   | 0.500                        | CHF             | 24 Jun '11                 | 5.62   | 1.74   | 1.74  | -6.44  | -1.57  | -0.56   | -0.03 |
| Total Return Bond Fund Investor CHF (Hedged) Accumulation        | 0.850                        | CHF             | 24 Jun '11                 | 5.42   | 1.49   | 1.28  | -6.80  | -1.92  | -0.92   | -0.38 |
| Bloomberg U.S. Aggregate (CHF Hedged) Index                      | -                            | -               | -                          | 5.48   | 0.98   | 0.82  | -6.11  | -1.66  | -0.57   | -0.07 |
| Total Return Bond Fund Administrative EUR (Hedged) Accumulation  | 1.000                        | EUR             | 14 Oct '09                 | 6.16   | 2.66   | 3.32  | -6.06  | -1.37  | -0.45   | 0.80  |
| Total Return Bond Fund E Class EUR (Hedged) Accumulation         | 1.400                        | EUR             | 31 Mar '06                 | 6.13   | 2.51   | 2.88  | -6.43  | -1.76  | -0.85   | 1.66  |
| Total Return Bond Fund E Class EUR (Hedged) Income               | 1.400                        | EUR             | 07 Mar '12                 | 6.12   | 2.43   | 2.81  | -6.44  | -1.77  | -0.85   | -0.58 |
| Total Return Bond Fund Institutional EUR (Hedged) Accumulation   | 0.500                        | EUR             | 30 Dec '03                 | 6.35   | 2.97   | 3.82  | -5.58  | -0.87  | 0.05    | 2.56  |
| Total Return Bond Fund Institutional EUR (Hedged) Income         | 0.500                        | EUR             | 30 Dec '05                 | 6.30   | 2.92   | 3.78  | -5.59  | -0.89  | 0.04    | 2.48  |
| Total Return Bond Fund Investor EUR (Hedged) Accumulation        | 0.850                        | EUR             | 30 Dec '04                 | 6.27   | 2.79   | 3.47  | -5.91  | -1.21  | -0.30   | 2.08  |
| Total Return Bond Fund R Class EUR (Hedged) Accumulation         | 0.770                        | EUR             | 30 Nov '12                 | 6.24   | 2.80   | 3.47  | -5.85  | -1.15  | -0.22   | -0.42 |
| Total Return Bond Fund T Class EUR (Hedged) Accumulation         | 1.700                        | EUR             | 30 Sep '14                 | 6.05   | 2.34   | 2.58  | -6.71  | -2.06  | -       | -1.42 |
| Bloomberg U.S. Aggregate (Euro Hedged) Index                     | -                            | -               | -                          | 6.23   | 2.26   | 3.01  | -5.18  | -0.92  | 0.11    | 2.12  |
| Total Return Bond Fund Institutional EUR (Unhedged) Accumulation | 0.500                        | EUR             | 13 Jun '02                 | 2.47   | 2.74   | 2.66  | -0.49  | 1.83   | 4.02    | 3.04  |

# Additional share class performance

*Past Performance is not a guarantee or reliable indicator of future results and no guarantee is being made that similar returns will be achieved in the future.*

Total Return Bond Fund (net of fees performance)

| Performance periods ended: 31 Dec '23                          | Unified<br>Management<br>Fee | NAV<br>currency | Class<br>Inception<br>date | 3 mos. | 6 mos. | 1 yr. | 3 yrs. | 5 yrs. | 10 yrs. | SI   |
|--|------------------------------|-----------------|----------------------------|--------|--------|-------|--------|--------|---------|------|
| Total Return Bond Fund Institutional GBP (Hedged) Accumulation | 0.500                        | GBP             | 26 Mar '10                 | 6.70   | 3.70   | 5.39  | -4.48  | 0.20   | 1.02    | 1.87 |
| Total Return Bond Fund Institutional GBP (Hedged) Income       | 0.500                        | GBP             | 30 Dec '05                 | 6.65   | 3.58   | 5.35  | -4.49  | 0.19   | 1.01    | 3.32 |
| Bloomberg U.S. Aggregate (GBP Hedged) Index                    | -                            | -               | -                          | 6.54   | 2.91   | 4.47  | -4.09  | 0.16   | 1.10    | 2.91 |
| Total Return Bond Fund M Retail HKD (Unhedged) Income          | 1.400                        | HKD             | 20 Feb '13                 | 6.37   | 3.21   | 5.43  | -4.46  | 0.19   | 0.90    | 0.59 |
| Total Return Bond Fund Administrative SGD (Hedged) Income      | 1.000                        | SGD             | 23 Feb '23                 | 6.16   | 2.74   | -     | -      | -      | -       | 3.14 |
| Total Return Bond Fund E Class SGD (Hedged) Accumulation       | 1.400                        | SGD             | 15 Feb '07                 | 6.10   | 2.59   | 3.64  | -5.26  | -0.32  | 0.56    | 2.17 |
| Total Return Bond Fund Institutional SGD (Hedged) Accumulation | 0.500                        | SGD             | 11 Jan '11                 | 6.35   | 3.08   | 4.60  | -4.40  | 0.59   | 1.47    | 1.88 |
| Bloomberg U.S. Aggregate (SGD Hedged) Index                    | -                            | -               | -                          | 6.23   | 2.35   | 3.78  | -3.94  | 0.58   | 1.58    | 2.68 |

# Important Disclosures

---

## Marketing Communication

This is a marketing communication. This is not a contractually binding document and its issuance is not mandated under any law or regulation of the European Union or the United Kingdom. This marketing communication does not include sufficient detail to enable the recipient to make an informed investment decision. Please refer to the Prospectus of the UCITS and to the KIID/KID before making any final investment decisions.

## For professional use only

The services and products described in this communication are only available to professional clients as defined in the MiFiD II Directive 2014/65/EU Annex II Handbook and its implementation of local rules and as defined in the Financial Conduct Authority's Handbook. This communication is not a public offer and individual investors should not rely on this document. Opinion and estimates offered constitute our judgment and are subject to change without notice, as are statements of financial market trends, which are based on current market conditions. We believe the information provided here is reliable, but do not warrant its accuracy or completeness.

The information provided herein does not constitute an offer of the product incorporated in Ireland, in Switzerland pursuant to the Swiss Federal Law on Financial Services ("FinSA") and its implementing ordinance. This is solely an advertisement pursuant to FinSA and its implementing ordinance for the product. Swiss representative and paying agent : BNP PARIBAS, Paris, Zurich branch, Selnastrasse 16, 8002 Zurich, Switzerland. The prospectus, articles of association, Key Information Document(s) and annual and semi-annual financial reports of the product may be obtained free of charge from the Swiss representative.

## Additional Information/Documentation

A Prospectus is available for PIMCO Funds and UCITS Key Investor Information Documents (KIIDs) (for UK investors) and Packaged retail and insurance-based investment products (PRIIPS) key information document (KIDs) are available for each share class of each the sub-funds of the Company. The Company's Prospectus can be obtained from [www.fundinfo.com](http://www.fundinfo.com) and is available in English, French, German, Italian, Portuguese and Spanish. The KIIDs and KIDs can be obtained from [www.fundinfo.com](http://www.fundinfo.com) and are available in one of the official languages of each of the EU Member States into which each sub-fund has been notified for marketing under the Directive 2009/65/EC (the UCITS Directive). In addition, a summary of investor rights is available from [www.pimco.com](http://www.pimco.com). The summary is available in English. The sub-funds of the Company are currently notified for marketing into a number of EU Member States under the UCITS Directive. PIMCO Global Advisors (Ireland) Limited can terminate such notifications for any share class and/or sub-fund of the Company at any time using the process contained in Article 93a of the UCITS Directive.

## PERFORMANCE AND FEE

**Past performance is not a guarantee or a reliable indicator of future results.** The "gross of fees" performance figures, if included, are presented before management fees and custodial fees, but do reflect commissions, other expenses and reinvestment of earnings. The "net of fees" performance figures reflect the deduction of ongoing charges. All periods longer than one year are annualized.

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.

## Outlook

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.

**Portfolio structure** is subject to change without notice and may not be representative of current or future allocations.

Forecasts, estimates and certain information contained herein are based upon proprietary research and should not be interpreted as investment advice, as an offer or solicitation, nor as the purchase or sale of any financial instrument. Forecasts and estimates have certain inherent limitations, and unlike an actual performance record, do not reflect actual trading, liquidity constraints, fees, and/or other costs. In addition, references to future results should not be construed as an estimate or promise of results that a client portfolio may achieve.



# Important Disclosures

---

## Benchmark

Unless referenced in the prospectus and relevant key investor information document /Key Information Document, a benchmark or index in this material is not used in the active management of the Fund, in particular for performance comparison purposes.

Where referenced in the prospectus and relevant key investor information document /Key Information Document a benchmark may be used as part of the active management of the Fund including, but not limited to, for duration measurement, as a benchmark which the Fund seeks to outperform, performance comparison purposes and/or relative VaR measurement. Any reference to an index or benchmark in this material, and which is not referenced in the prospectus and relevant key investor information document /Key Information Document, is purely for illustrative or informational purposes (such as to provide general financial information or market context) and is not for performance comparison purposes. Please contact your PIMCO representative for further details.

The fund is actively managed in reference to the Bloomberg U.S. Aggregate (Euro Unhedged) Index as further outlined in the prospectus and key investor information document /Key Information Document.

## Correlation

As outlined under "Benchmark", where [disclosed herein] and referenced in the prospectus and relevant key investor information document /Key Information Document, a benchmark may be used as part of the active management of the Fund. In such instances, certain of the Fund's securities may be components of and may have similar weightings to the benchmark and the Fund may from time to time show a high degree of correlation with the performance of any such benchmark. However the benchmark is not used to define the portfolio composition of the Fund and the Fund may be wholly invested in securities which are not constituents of the benchmark.

Investors should note that a Fund may from time to time show a high degree of correlation with the performance of one or more financial indices not referenced in the prospectus and relevant key investor information document /Key Information Document. Such correlation may be coincidental or may arise because any such financial index may be representative of the asset class, market sector or geographic location in which the Fund is invested or uses a similar investment methodology to that used in managing the Fund.

**ESG Category Article 6 Funds:** Article 6 funds do not have sustainable investment as its objective, nor do they promote environmental and/or social characteristics.

While such funds integrate sustainability risks into its investment policy (as further outlined in the Prospectus) and this integration process forms part of the investment level due diligence of the fund, ESG information is not the sole or primary consideration for any investment decision with respect to the fund. As the Fund is actively managed and does not promote environmental or social characteristics, the climate related holdings are not static and may vary considerably overtime.

## GIS Funds

PIMCO Funds: Global Investors Series plc is an umbrella type open-ended investment company with variable capital and is incorporated with limited liability under the laws of Ireland with registered number 276928. The information is not for use within any country or with respect to any person(s) where such use could constitute a violation of the applicable law. The information contained in this communication is intended to supplement information contained in the prospectus for this Fund and must be read in conjunction therewith. Investors should consider the investment objectives, risks, charges and expenses of these Funds carefully before investing. This and other information is contained in the Fund's prospectus. Please read the prospectus carefully before you invest or send money. Past performance is not a guarantee or a reliable indicator of future results and no guarantee is being made that similar returns will be achieved in the future. Returns are net of fees and other expenses and include reinvestment of dividends. The performance data represents past performance and investment return and principal value will fluctuate so that the PIMCO **GIS Funds** shares, when redeemed, may be worth more or less than the original cost. Potential differences in performance figures are due to rounding. The Fund may invest in non- U.S. or non-Eurozone securities which involves potentially higher risks including non-U.S. or non-Euro currency fluctuations and political or economic uncertainty. For informational purposes only. Please note that not all Funds are registered for sale in every jurisdiction. Please contact PIMCO Europe Ltd for more information. For additional information and/or a copy of the Fund's prospectus, please contact the Administrator: State Street Fund Services (Ireland) Limited, Telephone +353-1-776-0142, Fax +353-1-562-5517. ©2024.

**Investment restrictions** —In accordance with the UCITS regulations and subject to any investment restrictions outlined in the Fund's prospectus, the Fund may invest up to 100% of its net assets in different transferable securities and money market instruments issued or guaranteed by any of the following: OECD Governments (provided the relevant issues are investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC, Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade).

# Important Disclosures

**A word about risk:** Investing in the **bond market** is subject to certain risks including market, interest-rate, issuer, credit, and inflation risk; 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.

**PIMCO Europe Ltd (Company No. 2604517, 11 Baker Street, London W1U 3AH, United Kingdom)** is authorised and regulated by the Financial Conduct Authority (FCA) (12 Endeavour Square, London E20 1JN) in the UK. The services provided by PIMCO Europe Ltd are not available to retail investors, who should not rely on this communication but contact their financial adviser. **PIMCO Europe GmbH (Company No. 192083, Seidlstr. 24-24a, 80335 Munich, Germany), PIMCO Europe GmbH Italian Branch (Company No. 10005170963, via Turati nn. 25/27 (angolo via Cavalieri n. 4), 20121 Milano, Italy), PIMCO Europe GmbH Irish Branch (Company No. 909462, 57B Harcourt Street Dublin D02 F721, Ireland), PIMCO Europe GmbH UK Branch (Company No. FC037712, 11 Baker Street, London W1U 3AH, UK), PIMCO Europe GmbH Spanish Branch (N.I.F. W2765338E, Paseo de la Castellana 43, Oficina 05-111, 28046 Madrid, Spain) and PIMCO Europe GmbH French Branch (Company No. 918745621 R.C.S. Paris, 50-52 Boulevard Haussmann, 75009 Paris, France)** are authorised and regulated by the German Federal Financial Supervisory Authority (BaFin) (Marie-Curie-Str. 24-28, 60439 Frankfurt am Main) in Germany in accordance with Section 15 of the German Securities Institutions Act (WpIG). The Italian Branch, Irish Branch, UK Branch, Spanish Branch and French Branch are additionally supervised by: (1) Italian Branch: the Commissione Nazionale per le Società e la Borsa (CONSOB) (Giovanni Battista Martini, 3 - 00198 Rome) in accordance with Article 27 of the Italian Consolidated Financial Act; (2) Irish Branch: the Central Bank of Ireland (New Wapping Street, North Wall Quay, Dublin 1 D01 F7X3) in accordance with Regulation 43 of the European Union (Markets in Financial Instruments) Regulations 2017, as amended; (3) UK Branch: the Financial Conduct Authority (FCA) (12 Endeavour Square, London E20 1JN); (4) Spanish Branch: the Comisión Nacional del Mercado de Valores (CNMV) (Edison, 4, 28006 Madrid) in accordance with obligations stipulated in articles 168 and 203 to 224, as well as obligations contained in Title V, Section I of the Law on the Securities Market (LSM) and in articles 111, 114 and 117 of Royal Decree 217/2008, respectively and (5) French Branch: ACPR/Banque de France (4 Place de Budapest, CS 92459, 75436 Paris Cedex 09) in accordance with Art. 35 of Directive 2014/65/EU on markets in financial instruments and under the surveillance of ACPR and AMF. The services provided by PIMCO Europe GmbH are available only to professional clients as defined in Section 67 para. 2 German Securities Trading Act (WpHG). They are not available to individual investors, who should not rely on this communication. **PIMCO (Schweiz) GmbH (registered in Switzerland, Company No. CH-020.4.038.582-2, Brandschenkestrasse 41 Zurich 8002, Switzerland).** The services provided by PIMCO (Schweiz) GmbH are not available to retail investors, who should not rely on this communication but contact their financial adviser.

This presentation contains the current opinions of the manager and such opinions are subject to change without notice. This presentation has been distributed for informational purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. No part of this presentation 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

# Important Disclosures

---

**For investors in Malaysia:** This material is to be used for one-on-one presentations to accredited or institutional investors and not for public distribution. No action has been, or will be, taken to comply with Malaysian laws for making available, offering for subscription or purchase, or issuing any invitation to subscribe for or purchase or sale of the shares in Malaysia or to persons in Malaysia as the shares are not intended by the issuer to be made available, or made the subject of any offer or invitation to subscribe or purchase, in Malaysia. Neither this document nor any document or other material in connection with the shares should be distributed, caused to be distributed or circulated in Malaysia. No person should make available or make any invitation or offer or invitation to sell or purchase the shares in Malaysia unless such person takes the necessary action to comply with Malaysian laws.

**For investors in Thailand:** This material is to be used for one-on-one presentations to institutional investors and not for public distribution. This material has not been approved by the Securities and Exchange Commission which takes no responsibility for its contents. No offer to the public to purchase the Shares will be made in Thailand and this material is intended to be read by the addressee only and must not be passed to, issued to, or shown to the public generally. Where applicable, this material is provided to facilitate the offering of a proposed or existing Thailand-domiciled "Foreign Investment Fund" issued by a locally licensed Thailand asset manager, which will or has invest into a fund under the umbrella of PIMCO Funds: Global Investors Series plc ("PIMCO GIS Fund"). This material has been distributed for informational purposes only and should not be considered as investment advice or a recommendation or solicitation to invest directly into any of the PIMCO GIS Fund.

**For investors in Philippines:** This material is to be used for one-on-one presentations to qualified buyer and not for public distribution. The Shares being offered or sold herein have not been registered with the Securities and Exchange Commission under the Securities Regulation Code of the Philippines. Any future offer or sale thereof is subject to registration requirements under the Code unless such offer or sale qualifies as an exempt transaction.

PIMCO Asia Pte Ltd is regulated by the Monetary Authority of Singapore as a holder of a capital markets services licence and an exempt financial adviser. The asset management services and investment products are not available to persons where provision of such services and products is unauthorised. This information is not for use within any country or with respect to any person(s) where such use could constitute a violation of the applicable law.

# Important Disclosures

Acronyms and definitions of investment terms used throughout the report:

**Alpha** is a measure of performance on a risk-adjusted basis calculated by comparing the volatility (price risk) of a portfolio vs. its risk-adjusted performance to a benchmark index; the excess return relative to the benchmark is alpha.

**Average coupon** is the average of the coupon payments of the underlying bonds within the portfolio.

**Average 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.

**"Bend-but-not-break"** refers to credits that PIMCO would not expect to default in a credit-stressed environment.

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

**Breakeven inflation rate** (or expectation) is a market-based measure of expected inflation or the difference between the yield of a nominal and an inflation-linked bond of the same maturity.

**Carry** is the rate of interest earned by holding the respective securities.

The terms **"cheap"** and **"rich"** as used herein generally refer to a security or asset class that is deemed to be substantially under- or overpriced compared to both its historical average as well as to the investment manager's future expectations. There is no guarantee of future results or that a security's valuation will ensure a profit or protect against a loss.

**CPI** is the Consumer Price Index.

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.

**Dividend yield** is represented by the weighted average coupon divided by the weighted average price.

**Duration** is the measure of a bond's price sensitivity to interest rates and is expressed in years.

**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.

**Forward curve** is a function graph that defines the prices at which a contract for future delivery or payment can be concluded today.

**Fallen angel** is a bond that was initially given an investment grade rating but has since been reduced to below investment grade status.

**GFC** is the Global Financial Crisis.

**Information ratio** is a ratio of portfolio returns above the returns of a benchmark to the volatility of those returns.

**Like-duration Securities** are calculated by the index provider by comparing the index return to a hypothetical matched position in the security.

**LNG** is Liquefied Natural Gas.

The **Option Adjusted Spread (OAS)** measures the spread over a variety of possible interest rate paths. A security's OAS is the average return an investor will earn over Treasury returns, taking all possible future interest rate scenarios into account. The OAS is the net spread over the swap curve that will on average be earned if the security is held to maturity.

**Rising star** is the term given to a bond that was rated high yield but has since been upgraded to investment grade.

**"Risk assets"** are any financial security or instrument that are likely to fluctuate in price.

**Risk premia** is the return in excess of the risk-free rate of return an investment is expected to yield.

**Roll yield** is the yield that a futures investor captures as their long position in a futures contract converges to the spot price.

**"Safe haven"** is an investment that is expected to retain or increase in value during times of market turbulence.

**"Safe Spread"** is defined as sectors that we believe are most likely to withstand the vicissitudes of a wide range of possible economic scenarios. All investments contain risk and may lose value.

The **SEC yield** is an annualized yield based on the most recent 30 day period. 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.

**Tracking error** measures the dispersion or volatility of excess returns relative to a benchmark.

To relate the price sensitivity of ILBs to changes in nominal yields, yield beta is applied to nominal changes to arrive at a price sensitivity of ILBs to changes in nominal rates. A **yield beta** of 0.90 implies that if nominal yields move 100 basis points, real yields will move 90 basis points. ILBs with long maturity may respond differently to changes in nominal rates than shorter maturity ILBs.

The distribution yield for monthly paying Funds is calculated by annualizing actual dividends distributed for the monthly period ended on the date shown and dividing by the net asset value on the last business day for the same period. The distribution yield for quarterly paying Funds is calculated by taking the average of the prior four quarterly distribution yields. The quarterly distribution yields are calculated by annualizing actual dividends distributed for the quarterly period ended on the most recent quarterly distribution date and dividing by the net asset value for the same date. The yield does not include long- or short-term capital gains distributions.

Asset-Backed Security (ABS); Bank of England (BOE); Bank of Japan (BOJ); Breakeven Inflation (BEI); Collateralized Debt Obligation (CDO); Collateralized Loan Obligation (CLO); Commercial Mortgage-Backed Security (CMBS); Developed Markets (DM); Emerging Markets (EM); Federal Reserve Board (The Fed); Europe Central Bank (ECB); Federal Open Market Committee (FOMC); Foreign Exchange (FX); Gross Domestic Product (GDP); Gulf Cooperation Council (GCC); High Yield (HY); Inflation-Linked Bond (ILS); Investment Grade (IG); Leveraged-buyout (LBO); Loan-to-Value (LTV); Master Limited Partnership (MLP); Mortgage-Backed Security (MBS); Market Weighted Spread (MWS); Real Estate Investment Trust (REIT); Residential Mortgage-Backed Security (RMBS); Treasury Inflation-Protected Security (TIPS); Year-over-Year (YoY)