



GIS Total Return Bond Fund



Quarterly Investment Report | 2Q21

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Refer to Appendix 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

Portfolio Performance

The Fund's spread sector and currency strategies contributed to performance, while interest rate strategies detracted

CONTRIBUTORS

- An underweight to and selection within Agency MBS
- Selection within investment-grade corporate credit, particularly a preference for financials
- Positions in high yield credit
- Long exposure in select EM currencies

DETRACTORS

- Short exposure to duration in the U.K.
- Local rate exposure in select EM countries

Performance periods ended 30 Jun '21	3 mos.	6 mos.	1 yr.	3 yrs.	5 yrs.	10 yrs.	SI
Fund before fees	2.41	-0.91	1.97	6.39	4.41	4.05	5.94
Fund after fees	2.28	-1.16	1.46	5.86	3.89	3.53	5.38
Benchmark*	1.83	-1.60	-0.33	5.34	3.03	3.39	4.81

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.

Unit value can go up as well as down and any capital invested in the fund may be at risk. The fund may invest in non-U.S. and non-eurozone securities which involve potentially higher risks including currency fluctuations and political or economic developments. These may be enhanced when investing in emerging markets. Funds that invest in high-yield, lower-rated securities, will generally involve greater volatility and risk to principal than investments in higher-rated securities. The fund may use derivatives for hedging or as part of its investment strategy which may involve certain costs and risks. Portfolios investing in derivatives could lose more than the principal amount invested. For more details on the fund's potential risks, please read the Prospectus and Key Investor Information Document.

Portfolio strategy

Underweight overall duration: Still favor U.S. rate exposure with hedges in select regions

Selective credit holdings: Underweight generic corporate credit with bias toward high quality. Prefer senior mortgage credit

Underweight Agency MBS: While we are underweight Agency MBS, we find value in selection along the coupon stack (lower coupons) as well as instruments

Class:	INST
Inception date:	31 Jan '98
Fund assets (in millions):	\$5,394.96
Unified management fee	0.500%

Summary information	30 Jun '21
Estimated yield to maturity (Gross of fee)	2.35%
Effective duration (yrs)	5.56
Benchmark duration - provider (yrs)	6.58
Benchmark duration - PIMCO (yrs)	6.28
Effective maturity (yrs)	7.46
Average coupon	2.26%
Tracking error (10 yrs)	1.83
Information ratio (10 yrs)	0.08

Sector allocation	Dur. (yrs)	MV
US Government Related	4.19	41.62%
Securitized	0.82	23.88%
Invest. Grade Credit	1.01	22.54%
High Yield Credit	0.02	1.47%
Non-USD Developed	-0.85	11.96%
Emerging Markets	0.18	14.07%
Other	0.14	1.74%
Net Other Short Duration Instruments	0.05	-17.28%
Total	5.56	100%

*Bloomberg Barclays U.S. Aggregate Index

Quarter in Review

Developed market yields diverged and Agency MBS underperformed

Global economic data continued to improve, though recoveries have been uneven across regions. Risk sentiment remained robust despite inflation concerns; global equities rallied – the S&P 500 closed at an all-time high – and credit spreads tightened. Developed market yields, however, were more mixed with US and UK rates falling while German rates rose. Meanwhile, developed market central banks maintained accommodative stances, though the extent of support started to be scaled back. The BoE and BoC began tapering their bond purchases, while the Fed anticipated earlier rate hikes than its prior forecast.



Developed market yields were mixed over the quarter. Despite higher realized inflation data, 10yr yields in the U.S. and U.K. fell, while those in Germany rose. In the U.S., the curve flattened as front-end yields grinded higher in response to the Fed's revised policy forecast.



Agency MBS spreads widened in Q2, though remained below pre-pandemic levels. Non-agency MBS, on the other hand, performed well alongside the broader rally in risk assets.

Source: Bloomberg
Bank of England (BoE); Bank of Canada (BoC)

Source: Bloomberg. "Agency MBS Spreads" are represented by Bloomberg Barclays Global Agg US MBS Avg OAS index.

Market Summary

Q2'21: Risk sentiment remained robust

The Fund's spread sector and currency strategies contributed to performance, while interest rate strategies detracted

Developed market debt

Developed market yields were mixed over the quarter. In the U.S., front end yields rose as the Fed announced plans for sooner-than-expected rate hikes, while longer-dated yields fell meaningfully. In Germany, rates rose modestly across the curve, while the U.K. yield curve bull flattened and rates in Japan remained largely range-bound.



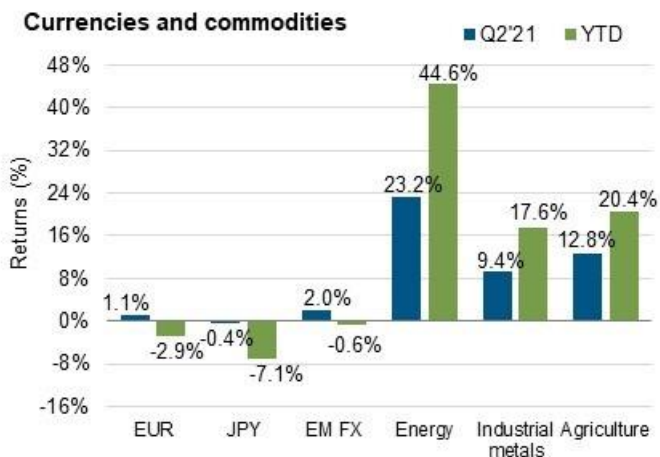
Mortgage-backed securities

U.S. agency mortgage-backed securities (MBS) returned 0.33% for the quarter, underperforming like-duration Treasuries by 61 bps. The sector was initially supported by rates stabilizing, but there was divergence in performance within the coupon stack as higher coupons more considerably underperformed relative to U.S. Treasuries towards the end of the quarter. Non-Agency MBS spreads tightened and non-agency commercial MBS returned 1.88%.



Credit

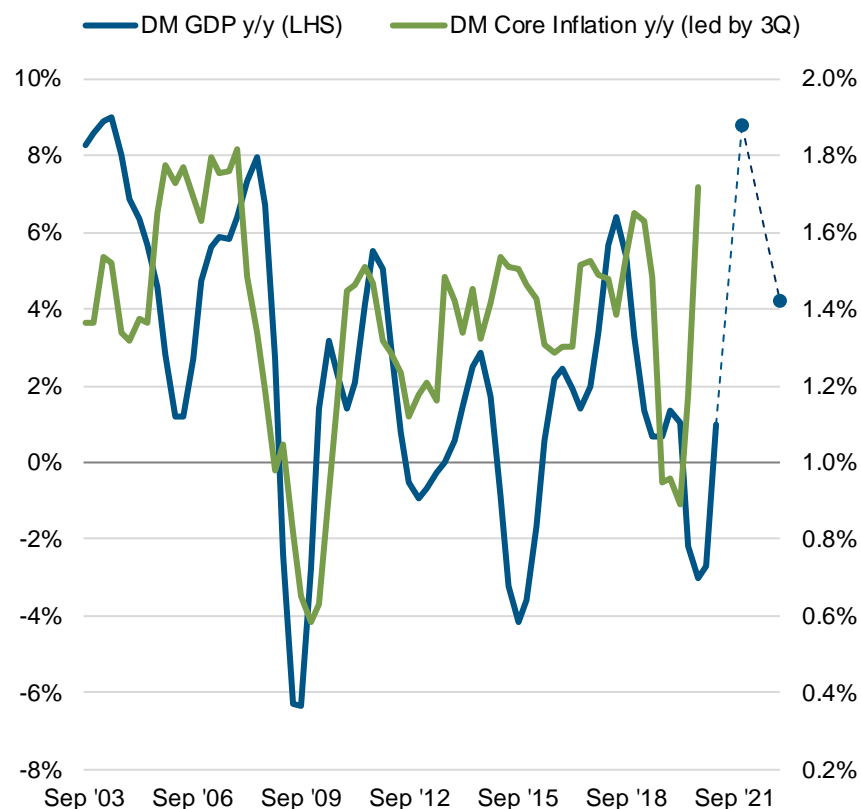
U.S. investment grade credit spreads tightened 9 bps, ending the quarter at 77 bps. The sector returned 3.32%, outperforming like-duration treasuries by 1.00%. Credit spreads tightened amid optimism surrounding vaccine distribution, strong consumer sentiment, and President Biden's infrastructure bill as well as strong investment grade technicals despite the significant issuance over the quarter.



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 Barclays U.S. Aggregate Credit Average OAS Index); U.S. high yield credit (Bloomberg Barclays U.S. Corporate High Yield Average OAS Index); EM external (JPMorgan Emerging Bond Index Global Sovereign Spread); EUR (EUR/USD Spot Exchange Rate - Price of 1 EUR in USD); JPY (USD/JPY Spot Exchange Rate - Price of 1 USD in JPY); EM currencies (JPMorgan ELMI Plus Composite); Energy (Bloomberg Energy Subindex Total Return Index); Industrial metals (Bloomberg Industrial Metals Subindex Total Return Index); Agriculture (Bloomberg Agriculture Total Return Index); Agency MBS (Bloomberg US Agency Fixed Rate Index); Non-Agency MBS (Bloomberg Barclays Investment Grade Non-Agency CMBS Index); Like-duration treasuries or global government bonds are calculated by the index provider by comparing the index return to a hypothetical matched position of treasuries or global government bond, respectively.

Cyclical Outlook: Inflation Inflection

Peak growth, peak inflation to follow



Key Highlights

- **Global growth recovery to continue in 2021**, though unevenly across regions and sectors
- **Growth rebound in 2021 to give way to a synchronized moderation in 2022**, albeit to a still above-trend pace
- **DM inflation likely to peak in coming months**, but timing and magnitude uncertain
- DM central banks likely to gradually scale back support, **though no policy rate hikes expected over the next year**

Portfolio Outlook

Strategic outlook

PIMCO's baseline outlook has the global economy continuing its uneven recovery in 2021 before shifting to a more moderate pace of above-trend growth in 2022. Since inflation follows growth with a lag, we project inflation in developed markets will peak in the coming months. However, the exact timing and magnitude is more uncertain due to supply constraints. These constraints are expected to ease in 2022, while peaking goods demand will likely moderate inflation in the second half of 2021. Meanwhile, several central banks have already begun tapering asset purchase programs. And while others are likely to follow, we do not expect any to begin hiking policy rates over our cyclical horizon.

Key strategies

Duration

We are underweight duration, reflecting a neutral position in the U.S. along with hedges in select regions such as the U.K. and Japan.

Curve

We still favor a curve steepening bias, though have moderated the positioning recently given market moves.

Credit selection

We remain underweight to corporate credit – though continue to have a bias toward shorter-maturity and high quality names – and instead favor a more diversified mix of spread exposures: this includes a preference for senior positions in mortgage credit.

Currency positioning

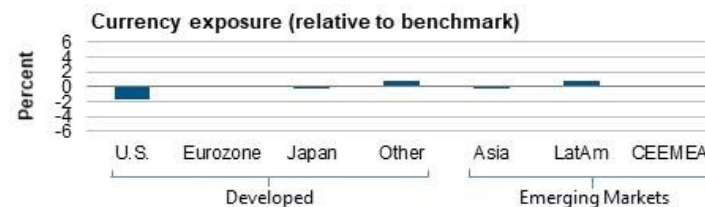
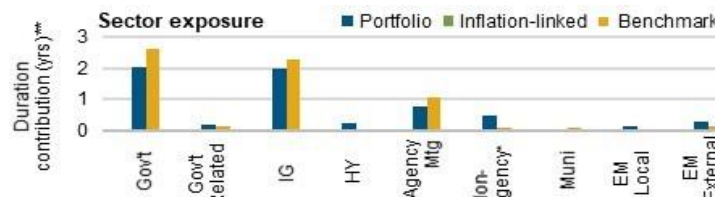
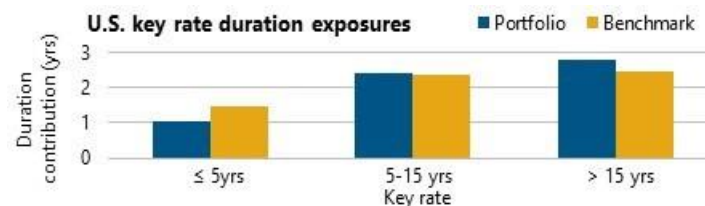
We currently have low exposure to currencies, mainly a basket of EM currencies (in modest sizing). We will remain tactical overall and will continue to seek opportunities from overshoots and undershoots that provide attractive risk-reward profiles and the ability to diversify sources of return.

Source: PIMCO

*Non-agency may include non-agency mortgage backed securities, asset backed securities, and commercial mortgage backed securities

**For spread sectors, the relevant spread duration contribution is used

Position



Sector exposure

	Portfolio				Benchmark	
	% of Market value		Duration in years		% of Market value	Duration in years
	31 Mar '21	30 Jun '21	31 Mar '21	30 Jun '21	30 Jun '21	30 Jun '21
US Government Related	38.56	41.62	3.83	4.19	39.93	2.79
Government - Treasury	34.47	37.44	3.72	4.15	38.48	2.73
US Agency	1.65	1.78	0.06	0.05	1.45	0.06
Swaps and Liquid Rates	2.44	2.40	0.05	-0.01	0.00	0.00
Securitized*	25.11	23.88	1.12	0.82	29.76	1.25
Invest. Grade Credit	22.33	22.54	0.94	1.01	26.13	2.28
High Yield Credit	1.39	1.47	0.03	0.02	0.00	0.00
Non-USD Developed	11.40	11.96	-0.72	-0.85	0.00	0.00
Emerging Markets	12.89	14.07	0.20	0.18	1.27	0.13
Bonds and Other Long Duration Instruments	12.69	13.79	0.21	0.19	1.27	0.13
EM Short Duration Instruments	0.19	0.28	0.00	0.00	0.00	0.00
Other	1.92	1.74	0.15	0.14	2.91	0.13
Net Other Short Duration Instruments**	-13.58	-17.28	0.07	0.05	0.00	0.00
Commingled Cash Vehicles	1.63	1.73	0.01	0.00	0.00	0.00
Certificate Of Deposit/Commerical Paper/STIF	1.15	1.14	0.00	0.00	0.00	0.00
Government Related	3.72	2.63	0.02	0.01	0.00	0.00
MBS/ABS	6.62	6.32	0.00	0.00	0.00	0.00
Credit	0.13	0.38	0.00	0.00	0.00	0.00
Bankers Acceptance	0.00	0.00	0.00	0.00	0.00	0.00
Other***	4.77	0.75	0.00	0.00	0.00	0.00
Short Duration Derivatives and Derivative Offsets	-16.17	-17.35	0.04	0.03	0.00	0.00
Net Unsettled Trades	-15.43	-12.87	0.00	0.00	0.00	0.00
Total	100	100	5.62	5.56	100	6.58

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

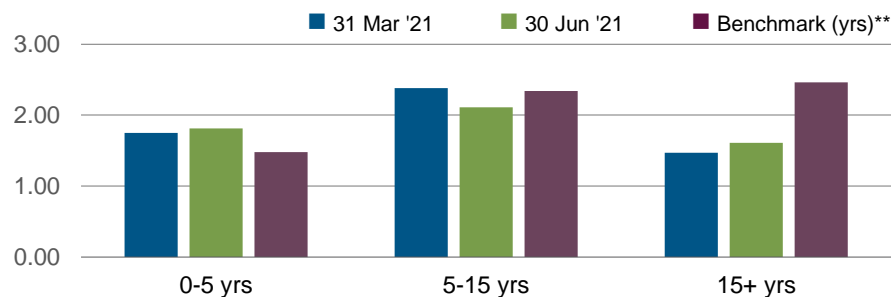
**Net Other Short Duration Instruments includes securities and other instruments (except instruments tied to emerging markets by country of risk) with an effective duration less than one year and rated investment grade or higher or, if unrated, determined by PIMCO to be of comparable quality, commingled 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.

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

Benchmark: Bloomberg Barclays U.S. Aggregate Index

Portfolio characteristics

Key rate duration exposure



	Portfolio (yrs)		Benchmark (yrs)**
	31 Mar '21	30 Jun '21	30 Jun '21
0-5 yrs	1.75	1.81	1.48
5-15 yrs	2.38	2.11	2.34
15+ yrs	1.47	1.61	2.46
Total	5.60	5.53	6.28

Interest rate exposure

	Portfolio (yrs)		Benchmark (yrs)**
	31 Mar '21	30 Jun '21	30 Jun '21
Effective duration	5.63	5.56	6.28
Bull market duration	5.27	5.18	5.96
Bear market duration	5.74	5.91	6.35
Spread duration			
Mortgage spread duration	1.59	1.26	1.17
Corporate spread duration	2.13	2.24	2.37
Emerging markets spread duration	0.40	0.39	0.15
Swap spread duration	-0.69	-0.84	0.00
Covered bond spread duration	0.00	0.00	0.00
Sovereign related spread duration	0.20	0.18	0.15

Derivative exposure (% of duration)

	31 Mar '21	30 Jun '21
Government futures	2.22	2.11
Interest rate swaps	-11.37	-13.77
Credit default swaps*	2.41	2.42
Purchased swaps	-0.29	-0.30
Written swaps	2.70	2.72
Options	1.75	-0.63
Purchased Options	-2.49	-2.50
Written Options	4.24	1.87
Mortgage Derivatives	0.38	0.30
Money Market Derivatives	0.00	0.00
Futures	0.00	0.00
Interest rate swaps	0.00	0.00
Other Derivatives	0.00	0.00

* Shown as a percentage of market value

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

Country and currency exposure

Country exposure by currency of settlement

	31 Mar '21		30 Jun '21	
	Duration (yrs)	FX (%)	Duration (yrs)	FX (%)
United States	6.17	98.01	6.25	98.24
Japan	-0.25	0.01	-0.28	-0.01
Eurozone	0.01	0.30	-0.03	0.07
Austria	0.01	0.00	0.01	0.00
Belgium	0.05	0.00	0.05	0.00
Euro Currency	0.00	0.30	0.00	0.07
European Union	0.40	0.00	0.42	0.00
Finland	0.04	0.00	0.04	0.00
France	0.12	0.00	0.11	0.00
Germany	-0.87	0.00	-0.95	0.00
Ireland	0.02	0.00	0.02	0.00
Italy	0.13	0.00	0.14	0.00
Luxembourg	0.06	0.00	0.06	0.00
Netherlands	0.02	0.00	0.02	0.00
Spain	0.03	0.00	0.05	0.00
United Kingdom	-0.48	0.02	-0.55	-0.01
Europe non-EMU	0.00	0.01	0.00	0.01
Czech Republic	0.00	-0.01	0.00	-0.01
Denmark	0.00	0.01	0.00	0.01
Sweden	0.00	0.01	0.00	0.01
Dollar Block	0.05	0.00	0.05	0.02
Australia	0.03	0.01	0.03	0.03
Canada	0.02	-0.01	0.02	-0.01
Other Industrialized Countries	0.00	0.82	0.00	0.87
Chile	0.00	0.37	0.00	0.39
Hong Kong	0.00	-0.04	0.00	-0.04
South Korea	0.00	0.50	0.00	0.53
EM - Asia	0.00	0.00	0.00	0.00
EM - Latin America	0.14	0.84	0.12	0.82
Brazil	0.08	0.63	0.06	0.63
Mexico	0.00	0.22	0.00	0.24
Peru	0.06	-0.01	0.06	-0.05
EM - CEEMEA	0.00	0.00	0.00	0.00
Total	5.62	100	5.56	100

Emerging markets exposure by country of risk

	31 Mar '21			30 Jun '21		
	% of MV short duration Instruments	% of MV bonds	Duration (yrs)	% of MV short duration Instruments	% of MV bonds	Duration (yrs)
Brazil	-0.03	10.48	0.08	0.04	11.68	0.06
Colombia	0.00	0.30	0.00	0.00	0.32	0.00
Hungary	0.00	0.21	0.03	0.00	0.23	0.03
India	0.00	0.06	0.00	0.00	0.07	0.00
Mexico	0.01	0.00	0.00	0.02	0.00	0.00
Peru	0.03	0.88	0.06	0.02	0.88	0.06
Romania	0.00	0.56	0.03	0.00	0.62	0.03
Russia	0.19	0.00	0.00	0.20	0.00	0.00
South Africa	0.00	0.20	0.00	0.00	0.00	0.00
Total	0.19	12.69	0.20	0.28	13.79	0.18

Additional share class performance

Total Return Bond Fund (net of fees performance)

Performance periods ended: 30 Jun '21	Unified Management Fee	NAV currency	Class Inception 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	2.16	-1.39	0.94	5.34	3.38	3.02	4.09
Total Return Bond Fund E Class Income	1.400	USD	10 Oct '05	2.05	-1.59	0.57	4.93	2.97	2.61	3.92
Total Return Bond Fund E Class Accumulation	1.400	USD	31 Mar '06	2.06	-1.59	0.54	4.92	2.96	2.60	4.06
Total Return Bond Fund H Institutional Accumulation	0.670	USD	15 Oct '02	2.25	-1.22	1.28	5.68	3.72	3.35	4.72
Total Return Bond Fund H Institutional Income	0.670	USD	25 May '18	2.30	-1.20	1.29	5.72	-	-	5.56
Total Return Bond Fund Institutional Accumulation	0.500	USD	31 Jan '98	2.28	-1.16	1.46	5.86	3.89	3.53	5.38
Total Return Bond Fund Institutional Income	0.500	USD	25 Apr '00	2.31	-1.14	1.48	5.87	3.90	3.54	5.46
Total Return Bond Fund Investor Accumulation	0.850	USD	28 Jan '99	2.21	-1.32	1.12	5.50	3.53	3.17	4.85
Total Return Bond Fund Investor Income	0.850	USD	23 Oct '00	2.19	-1.34	1.07	5.50	3.53	3.17	4.89
Total Return Bond Fund T Class Accumulation	1.700	USD	16 Oct '14	1.99	-1.67	0.26	4.62	2.66	-	2.46
Bloomberg Barclays U.S. Aggregate Index	-	-	-	1.83	-1.60	-0.33	5.34	3.03	3.39	4.81
Total Return Bond Fund Institutional CAD (Hedged) Income	0.500	CAD	02 May '13	2.24	-1.22	1.25	5.34	3.38	-	2.93
Bloomberg Barclays U.S. Aggregate Index (CAD Hedged)	-	-	-	1.82	-1.62	-0.46	4.89	2.56	-	2.85
Total Return Bond Fund E Class CHF (Hedged) Accumulation	1.400	CHF	19 Sep '12	1.77	-2.09	-0.58	2.33	0.41	-	0.37
Total Return Bond Fund Institutional CHF (Hedged) Accumulation	0.500	CHF	24 Jun '11	2.05	-1.64	0.34	3.24	1.30	1.81	1.80
Total Return Bond Fund Investor CHF (Hedged) Accumulation	0.850	CHF	24 Jun '11	2.03	-1.78	-	2.90	0.96	1.46	1.46
Bloomberg Barclays U.S. Aggregate (CHF Hedged) Index	-	-	-	1.58	-2.20	-1.58	2.76	0.44	1.68	1.59
Total Return Bond Fund Administrative EUR (Hedged) Accumulation	1.000	EUR	14 Oct '09	1.92	-1.85	-	3.10	1.20	1.80	2.44
Total Return Bond Fund E Class EUR (Hedged) Income	1.400	EUR	07 Mar '12	1.92	-1.99	-0.30	2.72	0.81	-	1.20
Total Return Bond Fund E Class EUR (Hedged) Accumulation	1.400	EUR	31 Mar '06	1.89	-2.01	-0.34	2.71	0.81	1.40	3.14
Total Return Bond Fund Institutional EUR (Hedged) Accumulation	0.500	EUR	30 Dec '03	2.09	-1.55	0.56	3.64	1.72	2.32	3.86
Total Return Bond Fund Institutional EUR (Hedged) Income	0.500	EUR	30 Dec '05	2.15	-1.50	0.57	3.64	1.72	2.32	3.94
Total Return Bond Fund Investor EUR (Hedged) Accumulation	0.850	EUR	30 Dec '04	2.02	-1.73	0.23	3.28	1.37	1.96	3.44
Total Return Bond Fund R Class EUR (Hedged) Accumulation	0.770	EUR	30 Nov '12	2.09	-1.66	0.27	3.36	1.45	-	1.37
Total Return Bond Fund T Class EUR (Hedged) Accumulation	1.700	EUR	30 Sep '14	1.74	-2.22	-0.75	2.38	0.50	-	0.80
Bloomberg Barclays U.S. Aggregate (Euro Hedged) Index	-	-	-	1.65	-2.05	-1.32	3.18	0.90	2.21	3.25
Total Return Bond Fund E Class EUR (Unhedged) Accumulation	1.400	EUR	03 Mar '21	1.18	-	-	-	-	-	2.70
Total Return Bond Fund Institutional EUR (Unhedged) Accumulation	0.500	EUR	13 Jun '02	1.37	2.02	-3.88	5.33	2.56	5.65	3.63
Total Return Bond Fund Institutional GBP (Hedged) Income	0.500	GBP	30 Dec '05	2.29	-1.19	1.23	4.66	2.69	3.05	4.72
Total Return Bond Fund Institutional GBP (Hedged) Accumulation	0.500	GBP	26 Mar '10	2.31	-1.22	1.18	4.64	2.69	3.06	3.43

The 12 months rolling performance can be provided upon request.

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.

Additional share class performance

Total Return Bond Fund (net of fees performance)

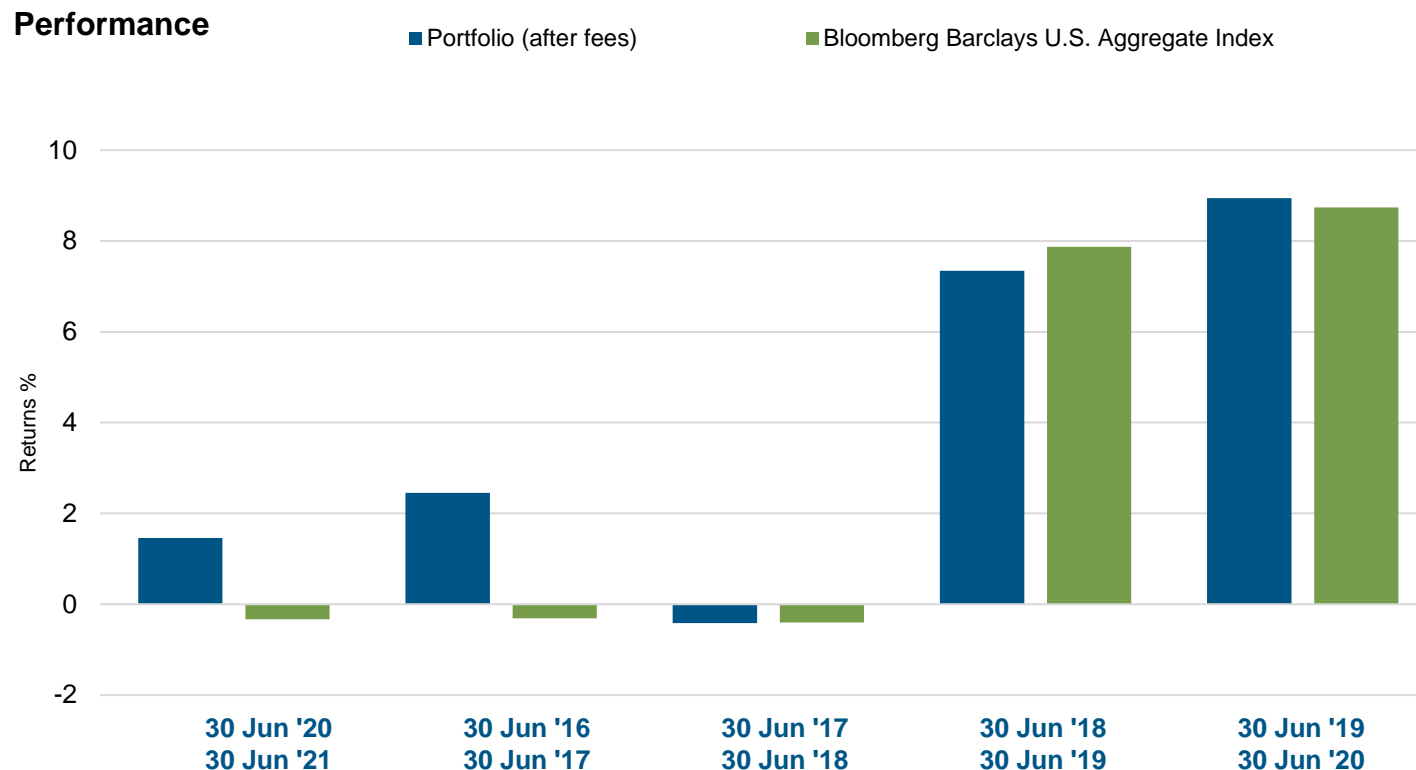
Performance periods ended: 30 Jun '21	Unified Management Fee	NAV currency	Class Inception date	3 mos.	6 mos.	1 yr.	3 yrs.	5 yrs.	10 yrs.	SI
Bloomberg Barclays U.S. Aggregate (GBP Hedged) Index	-	-	-	1.82	-1.66	-0.65	4.23	1.91	2.97	4.11
Total Return Bond Fund E Class HKD (Unhedged) Accumulation	1.400	HKD	20 Feb '13	1.94	-1.47	0.75	4.55	3.00	-	2.29
Total Return Bond Fund M Retail HKD (Unhedged) Income	1.400	HKD	20 Feb '13	1.96	-1.42	0.74	4.56	2.99	-	2.25
Total Return Bond Fund Institutional ILS (Hedged) Accumulation	0.500	ILS	13 May '10	2.19	-1.43	0.77	4.20	2.37	3.00	3.37
Bloomberg Barclays U.S. Aggregate (ILS Hedged) Index	-	-	-	1.74	-1.88	-0.89	3.66	1.50	2.98	3.31
Total Return Bond Fund E Class SGD (Hedged) Accumulation	1.400	SGD	15 Feb '07	2.09	-1.56	0.53	4.47	2.56	2.49	3.61
Total Return Bond Fund Institutional SGD (Hedged) Accumulation	0.500	SGD	11 Jan '11	2.27	-1.17	1.41	5.39	3.47	3.42	3.55
Bloomberg Barclays U.S. Aggregate (SGD Hedged) Index	-	-	-	1.87	-1.58	-0.36	4.99	2.66	3.35	3.90

The 12 months rolling performance can be provided upon request.

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Additional share class performance

12-month rolling performance (Institutional class, Accumulation Shares)



As of 30 June 2021. SOURCE: PIMCO.

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

*The benchmark is shown for performance comparison purpose only. Benchmark: Bloomberg Barclays 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 Appendix and the relevant sections of the Fund prospectus for additional performance and fee, chart, GIS funds, index, and risk information

Appendix

Past performance is not a guarantee or a reliable indicator of future results. The “gross of fees” performance figures 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.

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.

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

The following defined terms are used throughout the report. **Emerging market 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. **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. **Short duration derivatives and derivatives offsets** include: 1) derivatives with an effective duration less than one year and where the country of risk is not an emerging market country (for example, Eurodollar futures) and 2) offsets associated with investments in futures, swaps and other derivatives. Such offsets may be taken at the notional value of the derivative position which in certain instances may exceed the actual amount owed on such positions. **Municipals/Other** may include convertibles, preferred and yankee bonds.

The average distribution yield is the average of the last four quarterly distribution yields. The quarterly distribution yield is calculated by annualizing the quarter's distribution and dividing by the NAV on the last business day of the period. It does not include long- or short-term capital gains distributions. Average coupon is the average of the coupon payments of the underlying bonds within the portfolio. 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. 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. PIMCO uses an internal model for calculating effective duration, which may result in a different value for the duration of an index compared to the duration calculated by the index provider or another third party. Information ratio is a ratio of portfolio returns above the returns of a benchmark to the volatility of those returns. Tracking error measures the dispersion or volatility of excess returns relative to a benchmark. Tracking error measures the dispersion or volatility of excess returns relative to a benchmark.

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.

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.

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.

Appendix

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.

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. © 2021.

Benchmark

Unless referenced in the prospectus and relevant key investor 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 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, 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 Barclays U.S. Aggregate Index as further outlined in the prospectus and key investor information document.

Correlation

As outlined under "Benchmark", where [disclosed herein] and referenced in the prospectus and relevant key investor 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. 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.

Investment restrictions — In accordance with the UCITS regulations and subject to any investment restrictions outlined in the Fund's prospectus, the Fund may invest over 35% of 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.

Appendix

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Additional Information/Documentation

A Prospectus is available for PIMCO Funds and Key Investor Information Documents (KIIDs) 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 and is available in English, French, German, Italian, Portuguese and Spanish.

The KIIDs can be obtained from 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. 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.

Appendix

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.

Distribution yield is the measurement of cash flow paid by an exchange-traded fund (ETF), real estate investment trust, or another type of income-paying vehicle.

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.

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.

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.

"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.

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

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.

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)