



GIS Emerging Markets 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 PIMCO Emerging Markets (EM) Bond Fund outperformed its benchmark, JPMorgan EMBI Global, in the second quarter.

CONTRIBUTORS

- Overweight to Ecuadorian sovereign debt
- Exposure to Brazilian corporates
- Security selection in Ukraine

DETRACTORS

- U.S. duration positioning
- Underweight to EM spread duration
- Security selection within Chinese quasi-sovereign debt

Performance periods ended 30 Jun '21	3 mos.	6 mos.	1 yr.	3 yrs.	5 yrs.	10 yrs.	SI
Fund before fees	4.44	-0.29	9.41	8.14	6.64	6.13	9.81
Fund after fees	4.24	-0.68	8.55	7.30	5.81	5.30	8.97
Benchmark*	3.93	-1.00	6.81	6.48	4.44	5.34	8.07

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

- Despite DM fiscal impulses tapering off, loose global financial conditions, elevated commodity prices, a better vaccination outlook and improved current account balances continue to remain supportive for EM assets.
- Against this backdrop, we emphasized risk and liquidity management in anticipation for volatile markets and were selective in new issue participation.
- We are partial to select opportunities in the IG segment but also maintain an overweight to select BB names. We like countries with IMF programs and credible reforms and continue to take advantage of attractive off-benchmark opportunities. Conversely, we underweight fundamentally weak countries or those facing sanctions/trade/fiscal slippage risks.

*J.P. Morgan Emerging Markets Bond Index (EMBI) Global

Class:	INST
Inception date:	31 Jul '01
Fund assets (in millions):	\$5,166.51
Unified management fee	0.790%

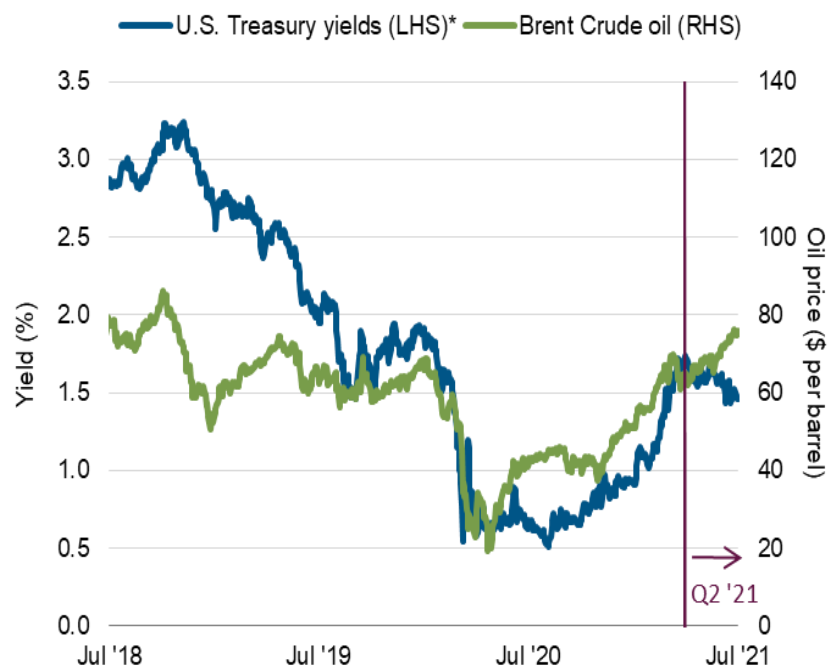
Summary information	30 Jun '21
Estimated yield to maturity (Gross of fee)	5.19%
Effective duration (yrs)	7.54
Benchmark duration - provider (yrs)	8.14
Benchmark duration - PIMCO (yrs)	7.70
Effective maturity (yrs)	13.79
Average coupon	4.85%
Tracking error (10 yrs)	1.93
Information ratio (10 yrs)	0.01

Top 5 country holdings – EM Spread Dur (yrs)	Portfolio	Benchmark
Mexico	0.94	0.92
Indonesia	0.75	0.78
Saudi Arabia	0.71	0.59
State of Qatar	0.34	0.43
Turkey	0.29	0.30

Quarter in Review

Subsiding of reflation fears led to EM external debt's positive performance

The reflation worries, which gripped debt markets in Q1, subsided in Q2 - leading to a general decline in yields as well as a weaker US dollar - as markets turned their attention back to the positive growth outlook, the re-opening of economies, and accommodative monetary and fiscal policies across the globe.



Continued growth momentum, advancing vaccination campaigns, and the reopening of some developed nations bolstered market optimism in the second quarter, and contributed to higher oil prices. Yields moved lower on the back of U.S. inflation hitting its highest level in decades, among other factors.



While some countries experienced the resurgence of idiosyncratic risks due to political and COVID developments, on aggregate Emerging Markets spreads remained essentially flat on the quarter.

SOURCE: JPMorgan, Bloomberg, PIMCO
* Represented by a generic 10 year U.S. government bond

SOURCE: Bloomberg, JPMorgan, PIMCO
* Represented by Bloomberg Barclays Global Aggregate Index
** Represented by JPMorgan EMBI Global Index

Market Summary

Country and security selection were the primary factors affecting alpha in Q2 2021

The Fund (Institutional share class) outperformed its benchmark (gross of fees) in Q2 with multiple positions affecting alpha:

Overweight to Ecuadorian sovereign debt

Our selective overweights to Latin American regions with positive reform stories such as Ecuador contributed to performance. The country's April presidential elections led to a strong rally, as market-friendly candidate Lasso won and is expected to quickly negotiate an IMF program involving tax reform, fiscal consolidation and labor market, and pension and education reforms.

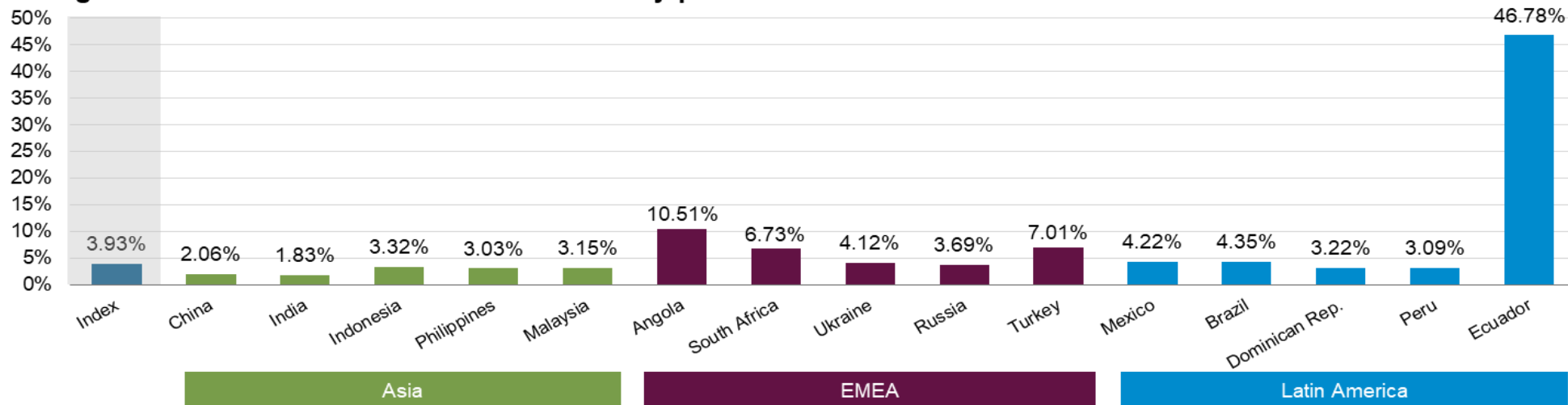
Exposure to Brazilian corporate debt

Brazilian energy corporate debt, which was originally predicated on the positive growth story and reform agenda in the nation, contributed to performance as it continued to retrace from its COVID lows and outperformed not least due to its lower duration profile. Despite a backdrop of some political volatility in the nation, it benefitted from increasing oil prices over the quarter.

Security selection in Ukraine

Security selection in Ukraine contributed to performance, as the country received a loan from the World Bank. While this was in the absence of further progress in discussions with the IMF, the country is taking small steps to pass IMF-required legislation.

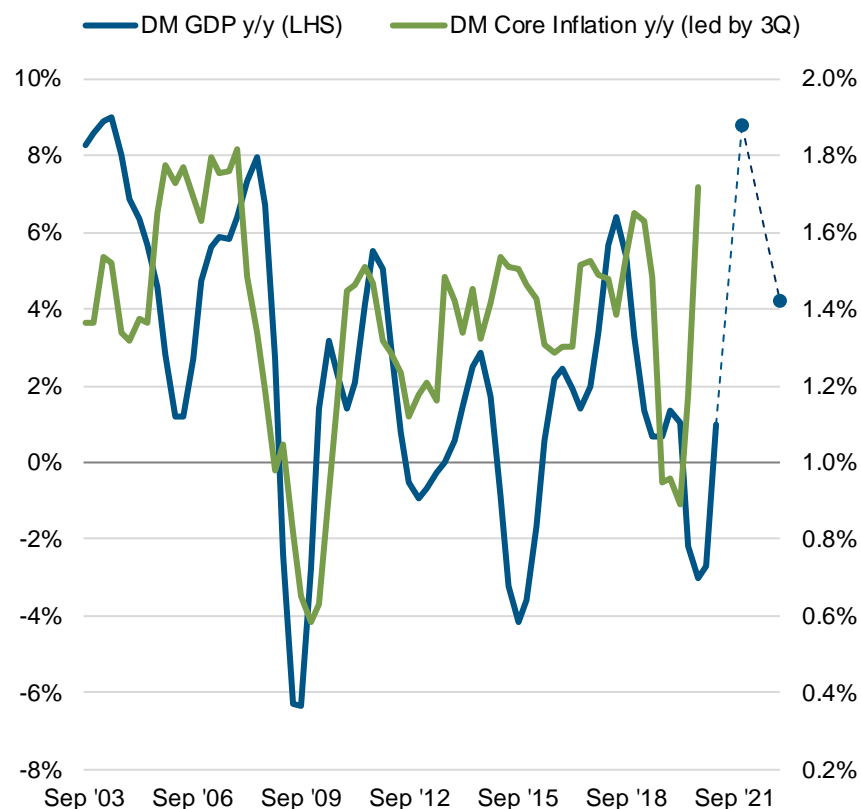
JPMorgan EMBI Global Index - Q2 '21 select country performance



SOURCE: JPMorgan, PIMCO

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**

As of 30 June 2021; Source: PIMCO, Haver
Developed Market (DM) = Canada, Japan, Euro area, UK and US.

Portfolio Outlook

Constructive on EM External beta

PIMCO expects that EM economies will follow the rest of the globe into a new expansion phase, and thus be supported by a variety of macro push factors (global liquidity, weaker dollar, higher commodity prices, vaccine deployment, and return of overseas tourism) as well as pull factors (attractive valuations and high real yield differentials between developing and developed economies). Additionally, EM external remains the natural destination for DM investors in search of yield and diversification with default rates expected to remain contained going forward. However, we believe that strong differentiation on country and credit remains crucial to navigating this period for the asset class.

Key strategies

Maintain exposure to select higher quality, investment grade countries

Valuations in the investment grade segment of the benchmark have recovered but still look reasonable. Consequently, the Fund has kept a preference for select high-quality names such as Israel.

Selective exposure to HY names

Given the greater room for spread compression in the HY segment of the asset class, we have taken modest exposure to some cross-over BB-rated names such as Dominican Republic, Guatemala, Morocco, and South Africa.

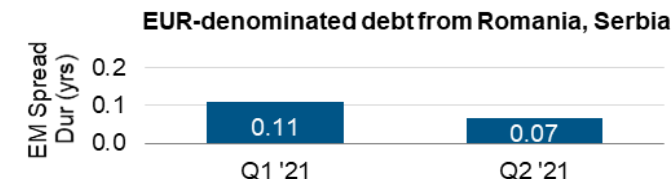
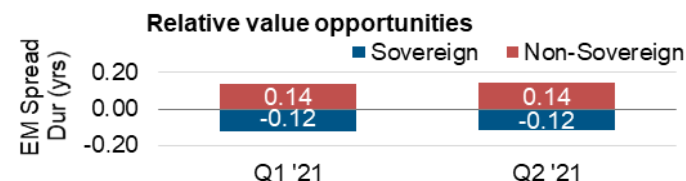
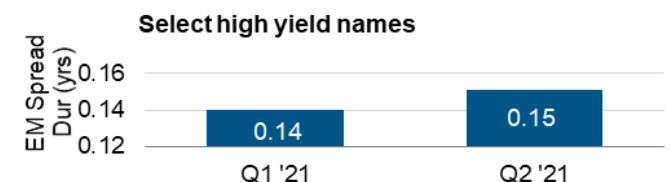
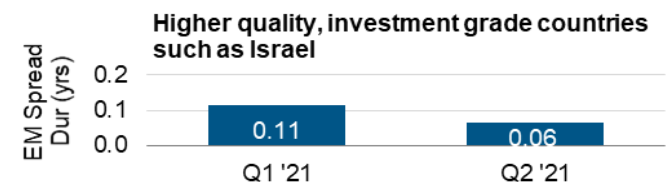
Focus on relative value opportunities

In countries with considerable risks of fiscal slippage like Brazil, we emphasize relative value opportunities by reducing exposure to sovereign debt and overweighting quasi-sovereign and corporate issuers that are less susceptible to such risks.

Harvest premia outside of the index universe

The Fund continues to take advantage of off-benchmark opportunities offering yield pick-up such as through EUR-denominated paper from Romania and Serbia.

Position



SOURCE: PIMCO

Country and currency exposure

Emerging markets risk measures

	Portfolio						Benchmark
	31 May '21			30 Jun '21			30 Jun '21
	External Rate Duration	Emerging Market Spread Duration	Emerging Market Local Rate Duration	External Rate Duration	Emerging Market Spread Duration	Emerging Market Local Rate Duration	Emerging Market Spread Duration
EM - Latin America	2.38	2.47	0.10	2.33	2.51	0.07	2.83
Argentina	0.08	0.06	0.00	0.08	0.06	0.00	0.04
Bahamas	0.01	0.01	0.00	0.01	0.01	0.00	0.00
Brazil	0.22	0.27	0.04	0.22	0.28	0.03	0.23
Chile	0.22	0.21	0.00	0.16	0.16	0.00	0.33
Colombia	0.17	0.18	0.00	0.21	0.21	0.00	0.25
Costa Rica	0.03	0.03	0.00	0.03	0.03	0.00	0.03
Dominican Republic	0.21	0.21	0.02	0.16	0.16	0.01	0.16
Ecuador	0.06	0.05	0.00	0.10	0.09	0.00	0.06
El Salvador	0.03	0.03	0.00	0.02	0.02	0.00	0.03
Guatemala	0.06	0.06	0.00	0.05	0.06	0.00	0.03
Jamaica	0.00	0.00	0.00	0.00	0.00	0.00	0.04
Mexico	0.89	0.91	0.00	0.91	0.94	0.00	0.92
Panama	0.16	0.16	0.00	0.17	0.19	0.00	0.25
Paraguay	0.06	0.06	0.00	0.05	0.05	0.00	0.05
Peru	0.09	0.13	0.04	0.09	0.20	0.03	0.23
Trinidad & Tobago	0.00	0.00	0.00	0.00	0.00	0.00	0.01
Uruguay	0.10	0.10	0.00	0.05	0.05	0.00	0.16
EM - Asia	1.51	1.64	0.00	1.43	1.57	0.00	1.80
China	0.22	0.23	0.00	0.20	0.21	0.00	0.41
Hong Kong	0.09	0.09	0.00	0.04	0.04	0.00	0.00
India	0.05	0.05	0.00	0.03	0.03	0.00	0.02
Indonesia	0.65	0.78	0.00	0.62	0.75	0.00	0.78
Kazakhstan	0.14	0.14	0.00	0.12	0.12	0.00	0.13
Macao	0.04	0.04	0.00	0.03	0.03	0.00	0.00
Malaysia	0.10	0.10	0.00	0.16	0.16	0.00	0.18
Mongolia	0.01	0.01	0.00	0.03	0.03	0.00	0.01
Pakistan	0.03	0.03	0.00	0.03	0.03	0.00	0.02
Philippines	0.15	0.14	0.00	0.12	0.12	0.00	0.23
Sri Lanka	0.03	0.03	0.00	0.03	0.03	0.00	0.02

Benchmark: J.P. Morgan Emerging Markets Bond Index (EMBI) Global

Country and currency exposure

Emerging markets risk measures

	Portfolio						Benchmark
	31 May '21			30 Jun '21			30 Jun '21
	External Rate Duration	Emerging Market Spread Duration	Emerging Market Local Rate Duration	External Rate Duration	Emerging Market Spread Duration	Emerging Market Local Rate Duration	Emerging Market Spread Duration
Thailand	0.02	0.02	0.00	0.02	0.02	0.00	0.00
EM - Europe	0.86	0.86	0.00	0.86	0.85	0.00	0.82
Armenia	0.02	0.02	0.00	0.02	0.02	0.00	0.01
Azerbaijan	0.04	0.04	0.00	0.04	0.04	0.00	0.02
Belarus	0.00	0.00	0.00	0.00	0.00	0.00	0.01
Hungary	0.03	0.04	0.00	0.02	0.02	0.00	0.03
Poland	0.00	0.00	0.00	0.00	0.00	0.00	0.01
Romania	0.14	0.14	0.00	0.12	0.12	0.00	0.07
Russia	0.20	0.22	0.00	0.18	0.20	0.00	0.28
Serbia & Montenegro	0.04	0.04	0.00	0.02	0.02	0.00	0.01
Turkey	0.29	0.26	0.00	0.34	0.29	0.00	0.30
Ukraine	0.09	0.09	0.00	0.12	0.13	0.00	0.07
EM - Middle East	1.44	1.52	0.00	1.54	1.62	0.00	1.88
Bahrain	0.03	0.03	0.00	0.03	0.03	0.00	0.10
Israel	0.11	0.11	0.00	0.06	0.06	0.00	0.00
Jordan	0.02	0.02	0.00	0.04	0.04	0.00	0.02
Kuwait	0.00	0.00	0.00	0.00	0.00	0.00	0.02
Oman	0.15	0.15	0.00	0.14	0.14	0.00	0.14
Saudi Arabia	0.56	0.63	0.00	0.64	0.71	0.00	0.59
State of Qatar	0.23	0.24	0.00	0.33	0.34	0.00	0.43
United Arab Emirates	0.34	0.33	0.00	0.29	0.29	0.00	0.57
EM - Africa	0.76	0.81	0.08	0.84	0.89	0.08	0.54
Angola	0.07	0.07	0.00	0.07	0.08	0.00	0.04
CAMEROON	0.00	0.00	0.00	0.01	0.01	0.00	0.00
Cote d'Ivoire	0.08	0.09	0.00	0.07	0.07	0.00	0.01
Egypt	0.14	0.15	0.01	0.13	0.14	0.01	0.13
Gabon	0.00	0.00	0.00	0.00	0.00	0.00	0.01
Ghana	0.09	0.09	0.00	0.09	0.09	0.00	0.06
Kenya	0.01	0.01	0.00	0.03	0.03	0.00	0.03
Morocco	0.04	0.04	0.00	0.08	0.08	0.00	0.03

Benchmark: J.P. Morgan Emerging Markets Bond Index (EMBI) Global

Country and currency exposure

Emerging markets risk measures

	Portfolio						Benchmark
	31 May '21			30 Jun '21			30 Jun '21
	External Rate Duration	Emerging Market Spread Duration	Emerging Market Local Rate Duration	External Rate Duration	Emerging Market Spread Duration	Emerging Market Local Rate Duration	Emerging Market Spread Duration
Nigeria	0.14	0.14	0.00	0.13	0.13	0.00	0.06
Senegal	0.01	0.01	0.00	0.03	0.03	0.00	0.01
South Africa	0.17	0.20	0.07	0.18	0.21	0.07	0.13
Tanzania	0.01	0.01	0.00	0.01	0.01	0.00	0.00
EM - Other	0.00	-0.05	0.00	0.00	-0.05	0.00	0.00
EM Index Product	0.00	-0.05	0.00	0.00	-0.05	0.00	0.00
Developed	0.55	0.04	0.00	0.39	0.03	0.00	0.00
Total	7.51	7.28	0.18	7.39	7.43	0.15	7.87

Benchmark: J.P. Morgan Emerging Markets Bond Index (EMBI) Global

Country exposure

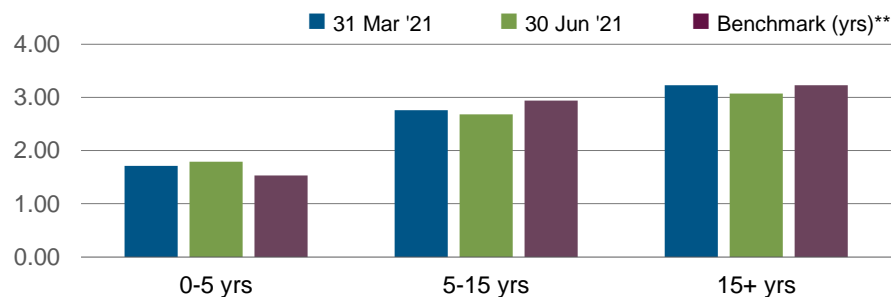
Country exposure by currency of settlement

	31 Mar '21	30 Jun '21	30 Jun '21
	Portfolio FX (%)	Portfolio FX (%)	Benchmark FX (%)
EM - Latin America	0.10	-0.06	0.00
Brazil	-0.03	-0.01	0.00
Dominican Republic	0.15	-0.04	0.00
Peru	-0.02	-0.01	0.00
EM - Asia	-0.18	-0.18	0.00
China	-0.18	-0.18	0.00
EM - Europe	0.39	0.89	0.00
Hungary	0.01	0.01	0.00
Russia	-0.01	0.49	0.00
Turkey	0.01	0.01	0.00
Ukraine	0.39	0.37	0.00
EM - Middle East	0.00	0.00	0.00
EM - Africa	0.97	1.14	0.00
Egypt	0.99	1.00	0.00
South Africa	-0.02	-0.01	0.00
Zambia	0.00	0.15	0.00
Developed	98.72	98.21	100.00
Total	100	100	100

Benchmark: J.P. Morgan Emerging Markets Bond Index (EMBI) Global

Portfolio characteristics

Key rate duration exposure



	Portfolio (yrs)		Benchmark (yrs)**
	31 Mar '21	30 Jun '21	30 Jun '21
0-5 yrs	1.71	1.79	1.53
5-15 yrs	2.76	2.68	2.94
15+ yrs	3.23	3.07	3.23
Total	7.70	7.54	7.70

Interest rate exposure

	Portfolio (yrs)		Benchmark (yrs)**
	31 Mar '21	30 Jun '21	30 Jun '21
Effective duration	7.69	7.54	7.70
Bull market duration	7.87	7.71	7.86
Bear market duration	7.53	7.37	7.54
Spread duration			
Mortgage spread duration	0.07	0.06	0.00
Corporate spread duration	0.02	0.02	0.00
Emerging markets spread duration	7.47	7.58	7.87
Swap spread duration	-0.11	-0.11	0.00
Covered bond spread duration	0.00	0.00	0.00
Sovereign related spread duration	0.01	0.01	0.00

Derivative exposure (% of duration)

	31 Mar '21	30 Jun '21
Government futures	7.02	5.29
Interest rate swaps	-0.88	-1.02
Credit default swaps*	7.82	8.45
Purchased swaps	-1.58	-2.13
Written swaps	9.40	10.58
Options	0.00	0.00
Purchased Options	0.00	0.00
Written Options	0.00	0.00
Mortgage Derivatives	0.00	0.00
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: J.P. Morgan Emerging Markets Bond Index (EMBI) Global

Additional share class performance

Emerging Markets Bond Fund (net of fees performance)

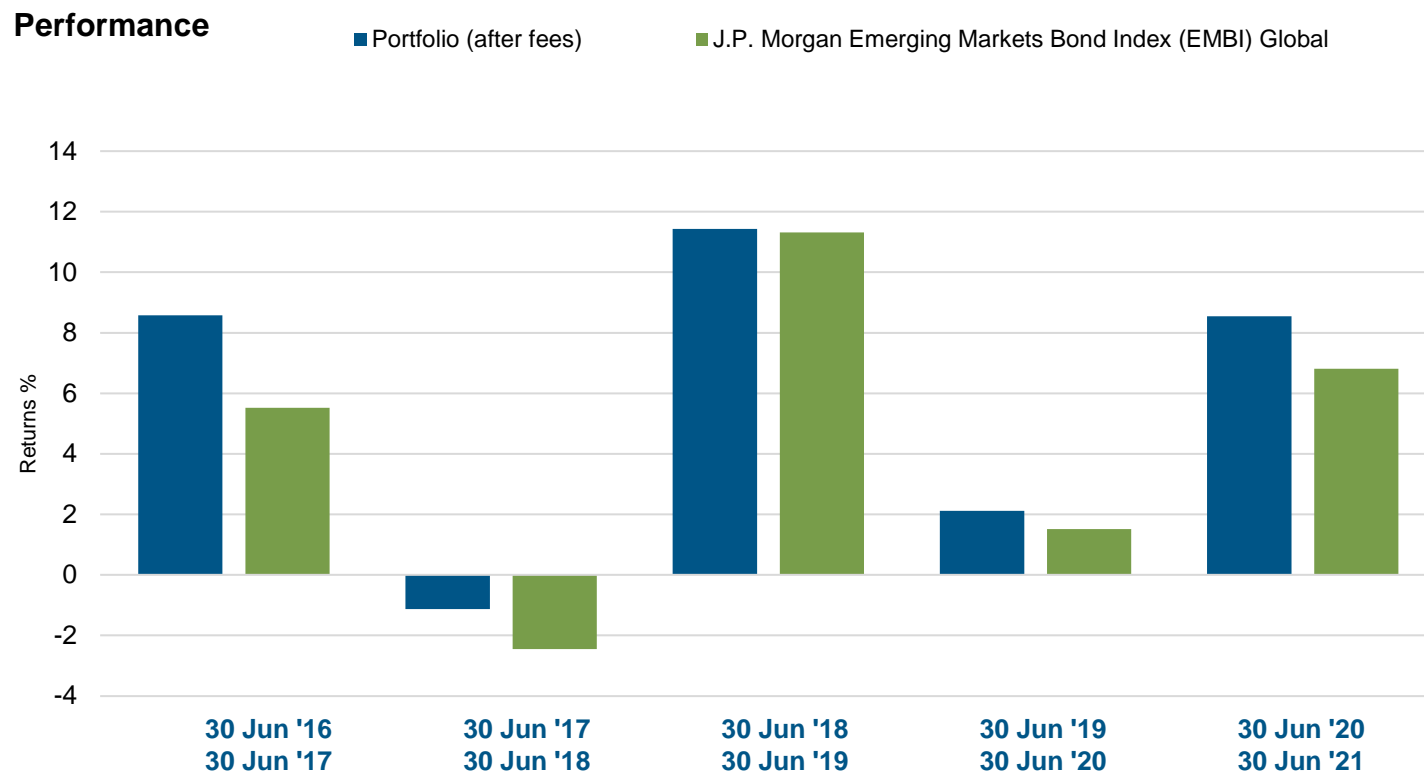
Performance periods ended: 30 Jun '21	Unified Management Fee	NAV currency	Class Inception date	3 mos.	6 mos.	1 yr.	3 yrs.	5 yrs.	10 yrs.	SI
Emerging Markets Bond Fund Administrative Accumulation	1.290	USD	29 May '03	4.11	-0.94	8.01	6.75	5.28	4.77	6.48
Emerging Markets Bond Fund E Class Accumulation	1.690	USD	31 Mar '06	4.00	-1.12	7.56	6.33	4.86	4.35	5.34
Emerging Markets Bond Fund E Class Income	1.690	USD	28 Oct '05	4.03	-1.06	7.71	6.36	4.86	4.35	5.47
Emerging Markets Bond Fund H Institutional Accumulation	0.960	USD	17 Oct '02	4.20	-0.77	8.36	7.11	5.63	5.11	8.57
Emerging Markets Bond Fund H Institutional USD Income	0.960	USD	03 Sep '20	4.25	-0.68	-	-	-	-	2.74
Emerging Markets Bond Fund Institutional Accumulation	0.790	USD	31 Jul '01	4.24	-0.68	8.55	7.30	5.81	5.30	8.97
Emerging Markets Bond Fund Institutional Income	0.790	USD	13 Dec '01	4.27	-0.65	8.55	7.30	5.81	5.29	8.31
Emerging Markets Bond Fund Investor Accumulation	1.140	USD	25 Apr '02	4.16	-0.84	8.19	6.92	5.44	4.93	7.56
Emerging Markets Bond Fund M Retail Income	1.690	USD	30 Nov '10	4.00	-1.17	7.59	6.34	4.86	4.35	4.46
Emerging Markets Bond Fund M Retail Income II	1.690	USD	23 Dec '13	4.00	-1.18	7.43	6.29	4.87	-	4.35
Emerging Markets Bond Fund Z Class Income	0.000	USD	18 Nov '08	4.49	-0.26	9.46	8.14	6.65	6.14	9.24
J.P. Morgan Emerging Markets Bond Index (EMBI) Global	-	-	-	3.93	-1.00	6.81	6.48	4.44	5.34	8.07
Emerging Markets Bond Fund M Retail AUD (Hedged) Income	1.690	AUD	19 Dec '12	3.96	-1.32	6.95	5.13	4.29	-	3.52
JPMorgan EMBI Global (AUD Hedged)	-	-	-	3.88	-1.11	6.16	5.32	3.91	-	4.31
Emerging Markets Bond Fund Institutional CHF (Hedged) Income	0.790	CHF	16 Dec '05	3.93	-1.27	7.07	4.41	3.03	3.42	4.37
JPMorgan EMBI Global (CHF Hedged)	-	-	-	3.65	-1.64	5.30	3.83	1.80	3.39	4.50
Emerging Markets Bond Fund E Class EUR (Hedged) Accumulation	1.690	EUR	31 Mar '06	3.81	-1.57	6.39	3.81	2.48	2.96	4.12
Emerging Markets Bond Fund Institutional EUR (Hedged) Accumulation	0.790	EUR	17 Dec '02	4.03	-1.13	7.36	4.75	3.40	3.89	7.05
Emerging Markets Bond Fund Institutional EUR (Hedged) Income	0.790	EUR	20 Dec '10	3.99	-1.17	7.28	4.74	3.40	3.89	4.20
Emerging Markets Bond Fund Investor EUR (Hedged) Accumulation	1.140	EUR	20 Dec '19	4.02	-1.24	7.03	-	-	-	2.28
JPMorgan EMBI Global (Euro Hedged)	-	-	-	3.72	-1.46	5.54	4.15	2.19	3.92	6.86
Emerging Markets Bond Fund Institutional EUR (Unhedged) Accumulation	0.790	EUR	09 Feb '18	3.33	2.48	2.82	6.72	-	-	6.58
Emerging Markets Bond Fund Institutional GBP (Hedged) Accumulation	0.790	GBP	05 Feb '04	4.21	-0.78	8.03	5.64	4.32	4.57	6.67
Emerging Markets Bond Fund Institutional GBP (Hedged) Income	0.790	GBP	30 Dec '05	4.17	-0.66	8.07	5.67	4.34	4.58	5.75
JPMorgan EMBI Global (GBP Hedged)	-	-	-	3.90	-1.04	6.20	5.04	3.11	4.66	6.86
Emerging Markets Bond Fund Institutional PLN (Hedged) Income	0.790	PLN	22 Jun '21	-	-	-	-	-	-	0.00
Emerging Markets Bond Fund E Class SGD (Hedged) Accumulation	1.690	SGD	15 Feb '07	4.04	-1.12	7.41	5.68	4.32	4.10	4.46
Emerging Markets Bond Fund Institutional SGD (Hedged) Accumulation	0.790	SGD	02 Jul '18	4.29	-0.65	8.39	-	-	-	6.72
JPMorgan EMBI Global (SGD Hedged)	-	-	-	3.96	-1.00	6.65	5.90	3.91	5.03	5.72

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

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



	30 Jun '16 30 Jun '17	30 Jun '17 30 Jun '18	30 Jun '18 30 Jun '19	30 Jun '19 30 Jun '20	30 Jun '20 30 Jun '21
Before fees (%)	9.43	-0.34	12.31	2.93	9.41
After fees (%)	8.58	-1.13	11.43	2.12	8.55
J.P. Morgan Emerging Markets Bond Index (EMBI) Global (%)*	5.52	-2.45	11.32	1.52	6.81
Before fees alpha (bps)	391	210	98	141	260
After fees alpha (bps)	305	132	10	60	174

As of 30 June 2021. SOURCE: PIMCO.

The fund is actively managed in reference to the J.P. Morgan Emerging Markets Bond Index (EMBI) Global Index as further outlined in the prospectus and key investor information document

*The benchmark is shown for performance comparison purpose only. Benchmark: J.P. Morgan Emerging Markets Bond Index (EMBI) Global 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 —J.P. Morgan Emerging Markets Bond Index (EMBI) Global tracks total returns for United States Dollar denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, and Eurobonds. 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 **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. Investing in the **bond market** is subject to risks, including market, interest rate, issuer, credit, inflation risk, and liquidity risk. The value of most bonds and bond strategies are impacted by changes in interest rates. Bonds and bond strategies with longer durations tend to be more sensitive and volatile than those with shorter durations; bond prices generally fall as interest rates rise, and low interest rate environments increase this risk. Reductions in bond counterparty capacity may contribute to decreased market liquidity and increased price volatility. Bond investments may be worth more or less than the original cost when redeemed. **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. Equities may decline in value due to both real and perceived general market, economic, and industry conditions. **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 J.P. Morgan Emerging Markets Bond Index (EMBI) Global 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.

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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)