



GIS US High Yield Bond Fund



Quarterly Investment Report | 1Q21

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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

During Q1, the GIS U.S. High Yield Fund underperformed its benchmark by 32 bps after fees (institutional share class).

CONTRIBUTORS

- Security selection in healthcare
- Security selection in energy
- Underweight exposure to the utilities sector

DETRACTORS

- Security selection in media, entertainment, and publishing
- Underweight exposure to the energy sector
- Security selection in telecommunications

Performance periods ended 31 Mar '21	3 mos.	6 mos.	1 yr.	3 yrs.	5 yrs.	10 yrs.	SI
Fund before fees	0.73	7.09	21.10	6.82	7.79	6.72	6.79
Fund after fees	0.59	6.79	20.44	6.23	7.20	6.14	6.18
Benchmark*	0.91	7.44	23.22	6.50	7.92	6.35	6.32

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

- We continue to emphasize sectors that are asset-rich and defensive in nature, favoring industries that we expect to benefit from secular trends, have the opportunity to de-lever and may benefit from merger activity.
- We remain broadly underweight cyclical sectors but are finding select opportunities where fundamental-adjusted valuations are compelling.
- We like industries with favorable cyclical and secular trends, and favor companies with stable cash flows and strong barriers to entry.
- We are cautious on sectors that are highly levered, asset-lite, and facing secular headwinds.

Class:	INST
Inception date:	28 May '98
Fund assets (in millions):	\$4,157.30
Unified management fee	0.550%

Summary information	31 Mar '21
Estimated yield to maturity (Gross of fee)	4.83%
Effective duration (yrs)	3.58
Benchmark duration - provider (yrs)	4.04
Benchmark duration - PIMCO (yrs)	3.75
Effective maturity (yrs)	5.52
Average coupon	5.12%
Tracking error (10 yrs)	1.26
Information ratio (10 yrs)	-0.16

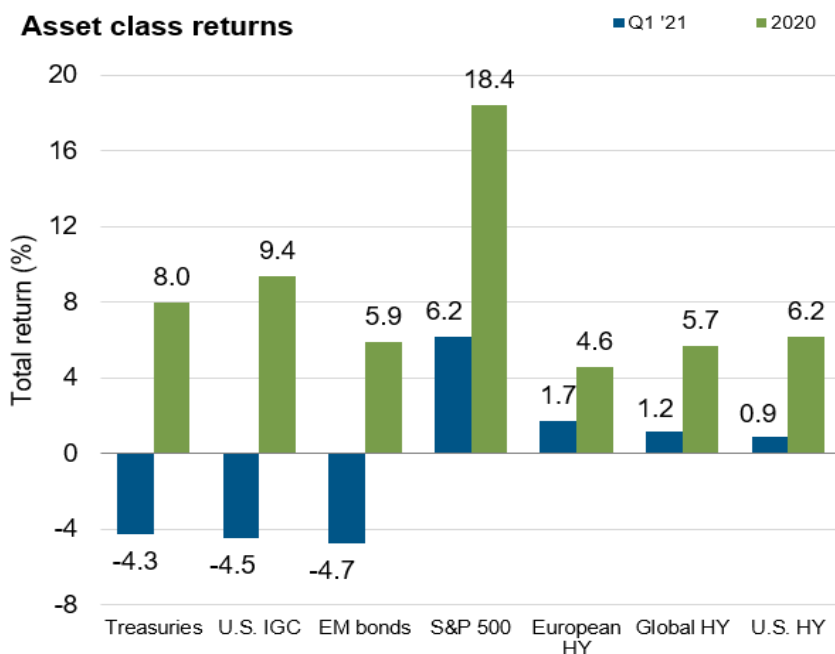
Top 10 industry diversification (market value)	Portfolio	Benchmark
Healthcare	8.29%	6.42%
Technology	6.03%	6.87%
Media Cable	5.52%	5.60%
Independent E&P	5.42%	6.26%
Building Materials	5.07%	1.61%
Food & Beverage	4.29%	3.18%
Pipelines	4.13%	4.82%
Pharmaceuticals	3.22%	2.22%
Gaming	2.94%	3.10%
Packaging	2.81%	2.57%

*ICE BofAML US High Yield Constrained Index

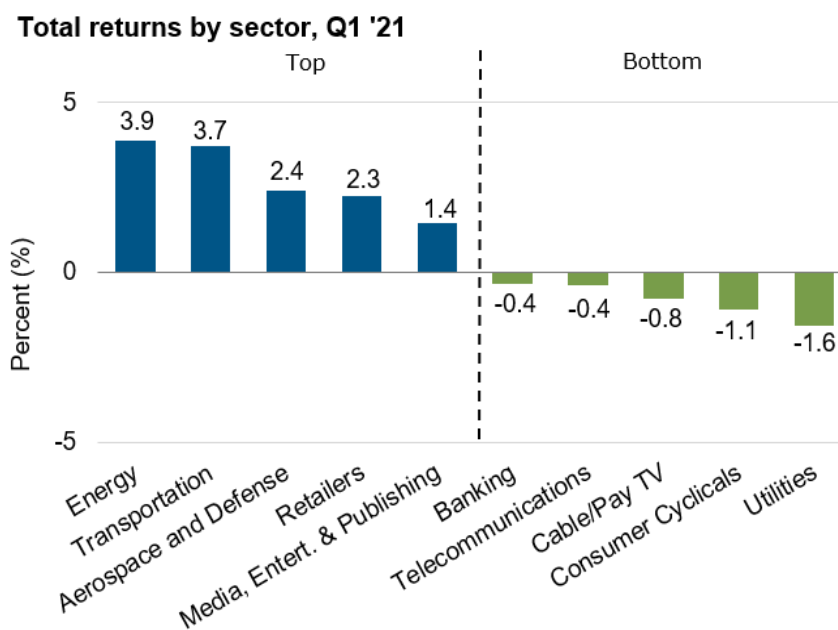
Quarter in Review

High yield market continued its rally in Q1

U.S. high yield spreads tightened by 54 bps to end Q1 at 329 bps. Following improving macro data and the deployment of COVID-19 vaccines, optimism surrounding the reopening of the economy resulted in a rally in risk assets. We expect defaults to moderate over the year, although demand for high yield could be volatile as strong fundamentals are offset by concerns of rising rates for some investors. Within high yield, the lower-rated CCC cohort outperformed higher-rated credits in the quarter.



High yield continued its rally in Q1, with high yield spreads retracing back to 2020 tights.



Dispersion within the high yield market has narrowed as industries previously caught in the crosshairs of the crisis have rallied.

Source: Treasuries: Bloomberg; U.S. IGC: Bloomberg Barclays U.S. Credit Index; EM Bonds: JPMorgan EM Bond Index (EMBI) Global; European HY: ICE BofA Merrill Lynch Euro High Yield Index; Global HY: ICE BofA Merrill Lynch Developed Market High Yield Index; U.S. HY: ICE BofA Merrill Lynch U.S. High Yield Index

Source: ICE BofA Merrill Lynch U.S. High Yield Index

Market Summary

The Fund's underperformance in the first quarter was primarily driven by bottom up sector and security selection

During Q1, the GIS U.S. High Yield Fund underperformed its benchmark by 32 bps after fees (institutional share class).

Energy Sector

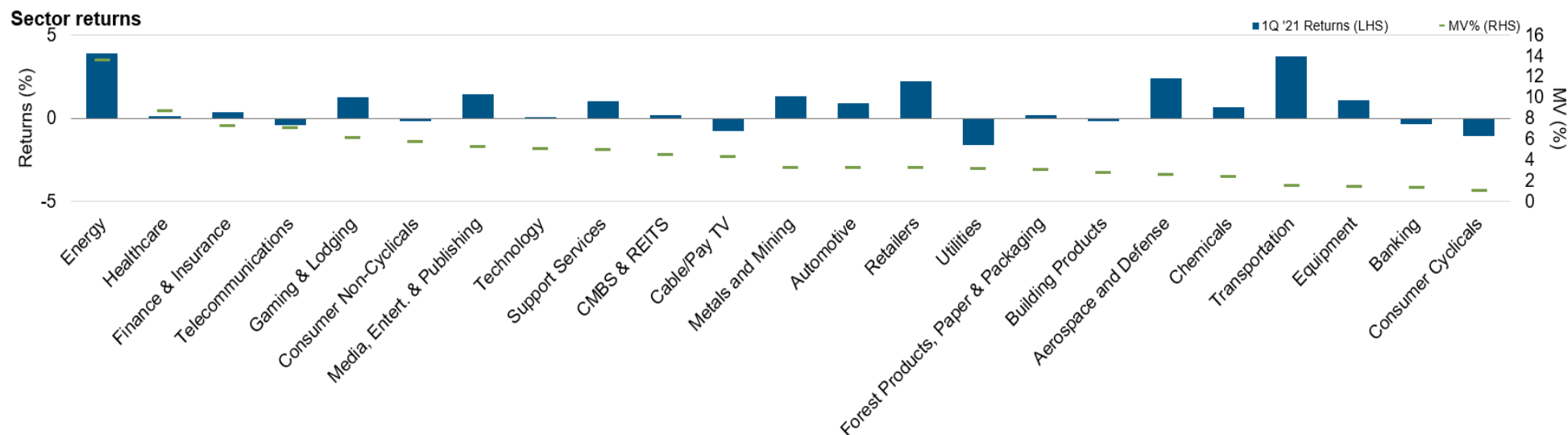
The energy sector continued to rally alongside increasing commodity prices as global demand has improved.

Healthcare Sector

Security selection within the healthcare sector was a large relative contributor to performance. We favor the sector due to its defensive profile and strong barriers to entry.

High Yield Bond Returns by Quality

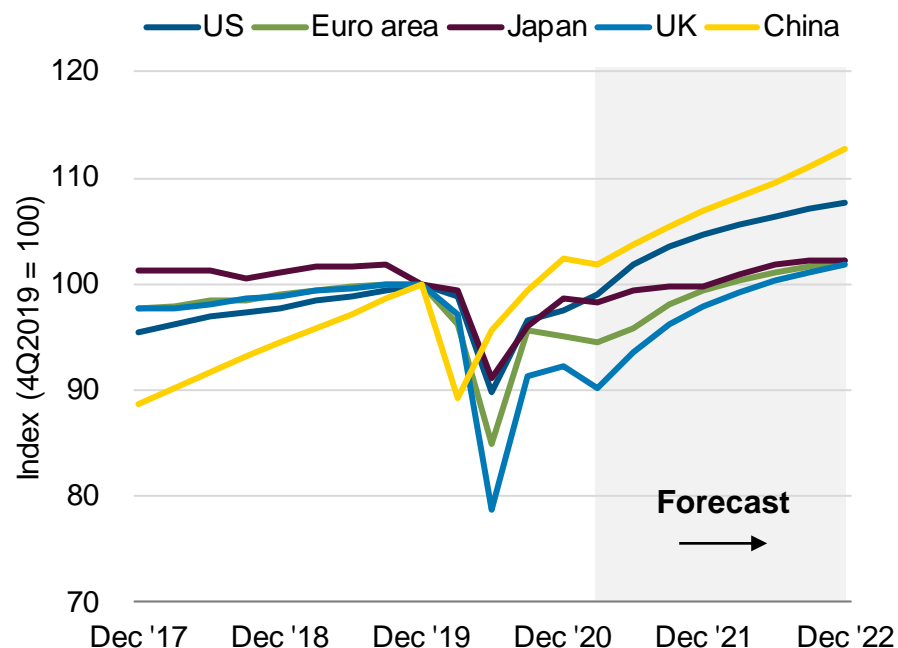
During the quarter, BBs underperformed the lower rated CCC cohort. CCCs remain broadly exposed to commodity and equity prices, which rebounded further with the change to more risk-on sentiment.



Source: ICE BofA Merrill Lynch U.S. High Yield Index

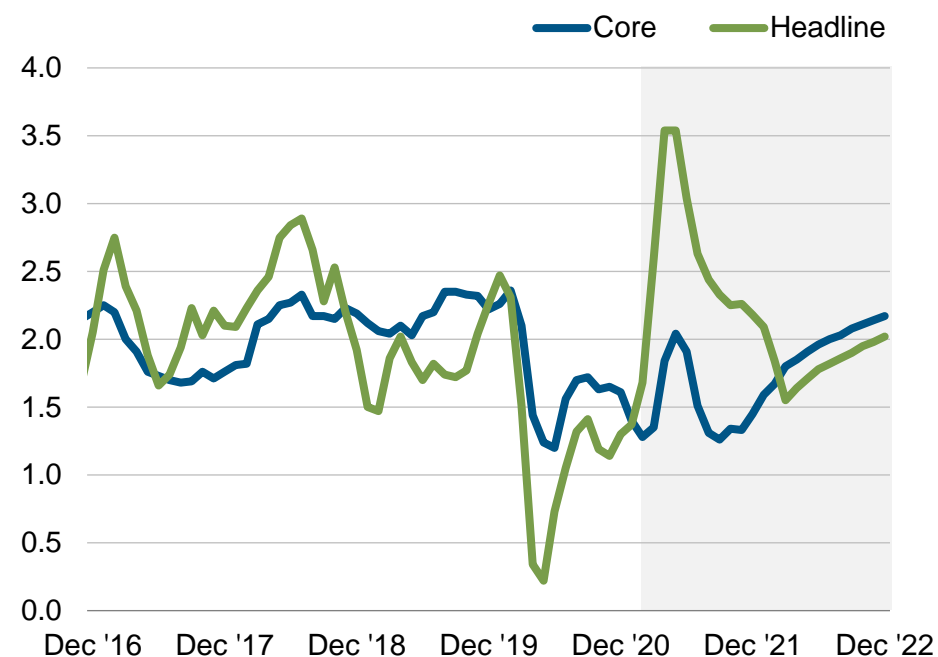
Cyclical Outlook: Dealing with an Inflation Head Fake

Real GDP growth (4Q 2019 = 100)



Strong global recovery forecast in 2021 amid significant fiscal support, accommodative monetary policy, diminishing lockdowns, and accelerating vaccinations

A bumpy near-term path for U.S. CPI inflation



Inflation likely to rise temporarily, but expected to remain below target over the next one to two years

Portfolio Outlook

Strategic Outlook

Fundamentals are improving and we expect the deployment of COVID-19 vaccines, easier financial conditions, and the reopening of the economy to support the market. After focusing on building up sufficient liquidity reserves to weather the turbulence, high yield companies are now focused on balance sheet repair and debt management, although high yield remains sensitive to negative macro headlines, political risk and equity market volatility. Technicals are fair, as supply of fallen angels has slowed and extensive and pro-active refinancing has reduced near-term liquidity risks, but demand for high yield may experience some volatility as strong fundamentals are offset by fears of rising rates for some investors. Valuations are fair, with spreads at pre-pandemic levels as vaccine news and positive macro data have contributed to significant tightening.

Key strategies

Defensive Positioning

Although we are adding exposure to select cyclical sectors, we expect to maintain a generally defensive approach given continued uncertainties. We are maintaining sufficient liquidity in the portfolio by allocating to shorter-dated and liquid credits.

Regional Exposure

We favor U.S. high yield as we believe that the European market may be more susceptible to geopolitical risks. The U.S. market also offers greater liquidity, higher yields on an absolute level, and a broader and more diverse buyer base.

Industry Weightings

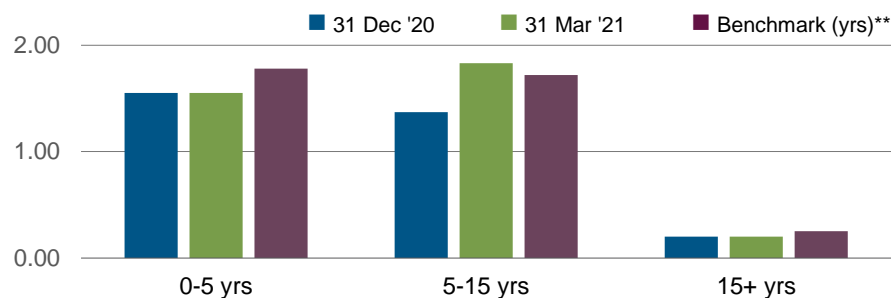
We continue to focus on industries with strong asset coverage, manageable leverage levels, and favorable secular and cyclical trends, such as building materials and healthcare. We are cautious on industries that are facing meaningful secular challenges.

Credit Opportunities

We continue to look for credits that may be acquisition targets, those that have resilient operating trends, and those whose valuations are relatively attractive.

Portfolio characteristics

Key rate duration exposure



	Portfolio (yrs)		Benchmark (yrs)**
	31 Dec '20	31 Mar '21	31 Mar '21
0-5 yrs	1.55	1.55	1.78
5-15 yrs	1.37	1.83	1.72
15+ yrs	0.20	0.20	0.25
Total	3.12	3.58	3.75

Interest rate exposure

	Portfolio (yrs)		Benchmark (yrs)**
	31 Dec '20	31 Mar '21	31 Mar '21
Effective duration	3.12	3.58	3.75
Bull market duration	2.97	3.42	3.59
Bear market duration	3.28	3.72	3.90
Spread duration			
Mortgage spread duration	0.00	0.00	0.00
Corporate spread duration	3.49	3.86	3.86
Emerging markets spread duration	0.01	0.01	0.02
Swap spread duration	0.00	0.00	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 Dec '20	31 Mar '21
Government futures	0.00	0.00
Interest rate swaps	0.00	0.00
Credit default swaps*	6.50	7.17
Purchased swaps	0.00	0.00
Written swaps	6.50	7.17
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	5.47	3.58

* Shown as a percentage of market value

**Benchmark duration is calculated by PIMCO
Benchmark: ICE BofAML US High Yield Constrained Index

Country and currency exposure

Country exposure by currency of settlement

	31 Dec '20		31 Mar '21	
	Duration (yrs)	FX (%)	Duration (yrs)	FX (%)
United States	3.06	99.95	3.49	99.92
Japan	0.00	0.00	0.00	0.00
Eurozone	0.05	0.00	0.08	0.03
Euro Currency	0.00	0.00	0.00	0.03
European Union	0.03	0.00	0.03	0.00
France	0.00	0.00	0.01	0.00
Germany	0.01	0.00	0.01	0.00
Italy	0.00	0.00	0.02	0.00
Luxembourg	0.01	0.00	0.01	0.00
Netherlands	0.01	0.00	0.01	0.00
United Kingdom	0.01	0.05	0.01	0.05
Europe non-EMU	0.00	0.00	0.00	0.00
Dollar Block	0.00	0.00	0.00	0.00
Other Industrialized Countries	0.00	0.00	0.00	0.00
EM - Asia	0.00	0.00	0.00	0.00
EM - Latin America	0.00	0.00	0.00	0.00
EM - CEEMEA	0.00	0.00	0.00	0.00
Total	3.12	100	3.58	100

Emerging markets exposure by country of risk

	31 Dec '20			31 Mar '21		
	% of MV short duration Instruments	% of MV bonds	Duration (yrs)	% of MV short duration Instruments	% of MV bonds	Duration (yrs)
Jamaica	0.00	0.01	0.00	0.00	0.00	0.00
Total	0.00	0.01	0.00	0.00	0.00	0.00

Additional share class performance

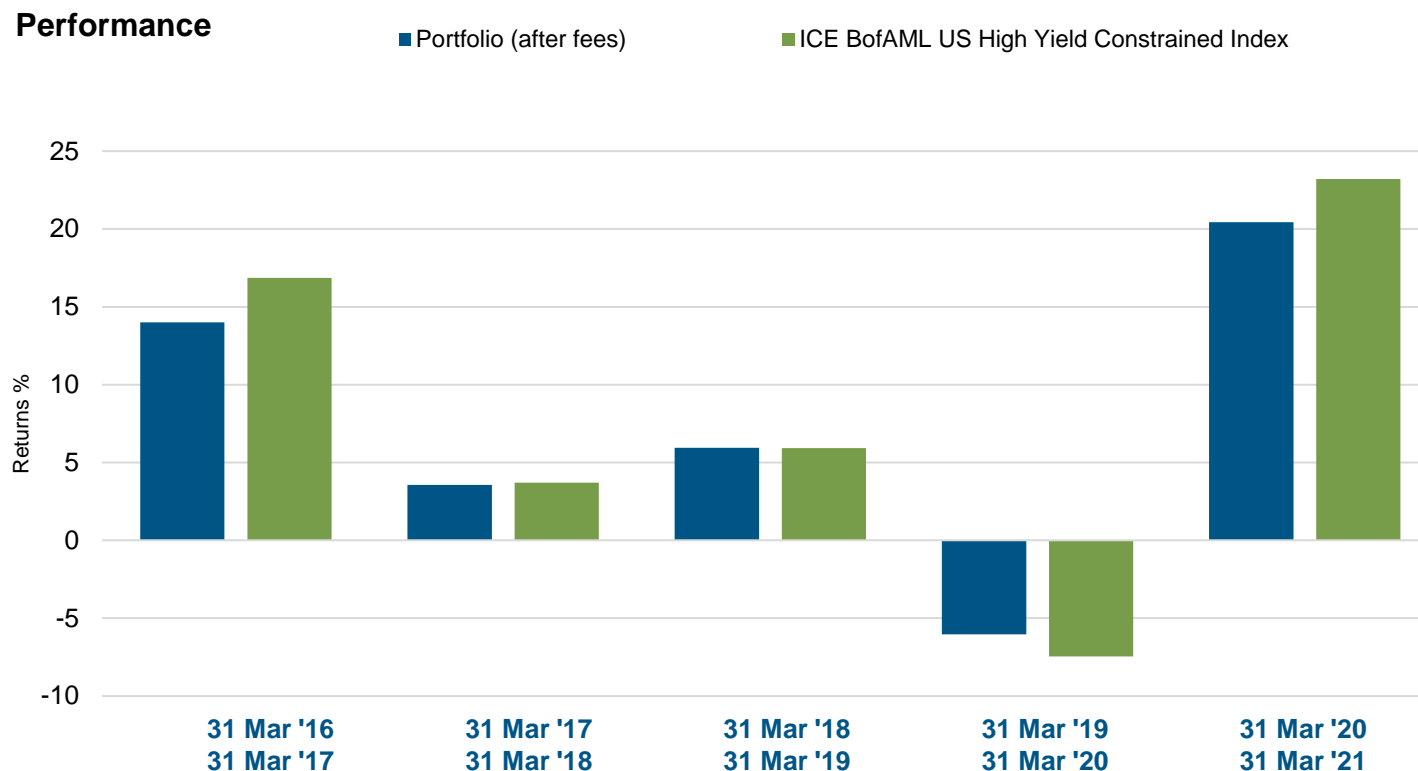
US High Yield Bond Fund (net of fees performance)

Performance periods ended: 31 Mar '21	Unified Management Fee	NAV currency	Class Inception date	3 mos.	6 mos.	1 yr.	3 yrs.	5 yrs.	10 yrs.	SI
US High Yield Bond Fund E Class Accumulation	1.450	USD	31 Mar '06	0.38	6.34	19.38	5.28	6.24	5.19	5.23
US High Yield Bond Fund E Class Income	1.450	USD	31 Jul '06	0.44	6.37	19.49	5.31	6.26	5.18	5.35
US High Yield Bond Fund H Institutional Accumulation	0.720	USD	15 Oct '02	0.55	6.72	20.28	6.06	7.03	5.96	7.52
US High Yield Bond Fund H Institutional Income	0.720	USD	14 Feb '20	0.58	6.68	20.27	-	-	-	4.28
US High Yield Bond Fund Institutional Income	0.550	USD	23 Jan '01	0.53	6.72	20.41	6.22	7.20	6.14	6.62
US High Yield Bond Fund Institutional Accumulation	0.550	USD	28 May '98	0.59	6.79	20.44	6.23	7.20	6.14	6.18
US High Yield Bond Fund Investor Accumulation	0.900	USD	18 Mar '99	0.48	6.61	20.03	5.86	6.83	5.77	5.84
US High Yield Bond Fund Investor Income	0.900	USD	14 Jan '99	0.55	6.67	20.16	5.88	6.84	5.78	5.82
US High Yield Bond Fund M Retail Income	1.450	USD	11 Jan '12	0.36	6.22	19.30	5.23	6.19	-	5.48
US High Yield Bond Fund R Class Accumulation	0.800	USD	30 Nov '12	0.51	6.69	20.15	5.99	6.94	-	5.50
US High Yield Bond Fund Z Class Accumulation	0.000	USD	29 Jun '16	0.72	7.10	21.05	6.79	-	-	7.38
ICE BofAML US High Yield Constrained Index	-	-	-	0.91	7.44	23.22	6.50	7.92	6.30	6.32
US High Yield Bond Fund Institutional CHF (Hedged) Accumulation	0.550	CHF	07 Apr '20	0.34	6.12	-	-	-	-	19.70
ICE BofAML US High Yield Constrained Index (CHF Hedged)	-	-	-	0.65	6.74	-	-	-	-	22.40
US High Yield Bond Fund E Class EUR (Hedged) Accumulation	1.450	EUR	31 Mar '06	0.11	5.70	17.78	2.71	3.90	3.88	4.18
US High Yield Bond Fund Institutional EUR (Hedged) Income	0.550	EUR	30 Dec '05	0.30	6.20	18.84	3.63	4.84	4.83	5.17
US High Yield Bond Fund Institutional EUR (Hedged) Accumulation	0.550	EUR	10 Apr '03	0.36	6.21	18.87	3.64	4.85	4.82	5.86
US High Yield Bond Fund Investor EUR (Hedged) Accumulation	0.900	EUR	12 Feb '03	0.25	6.03	18.42	3.28	4.48	4.46	5.82
ICE BofAML US High Yield Constrained Index (EUR Hedged)	-	-	-	0.70	6.81	21.56	3.99	5.59	-	6.28
US High Yield Bond Fund Institutional GBP (Hedged) Accumulation	0.550	GBP	30 Sep '03	0.47	6.49	19.48	4.37	5.66	5.39	6.44
US High Yield Bond Fund Institutional GBP (Hedged) Income	0.550	GBP	22 Jun '16	0.51	6.48	19.54	4.37	-	-	5.11
ICE BofAML US High Yield Constrained Index (GBP Hedged)	-	-	-	0.85	7.10	22.28	4.81	6.49	-	6.91

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)



	31 Mar '16 31 Mar '17	31 Mar '17 31 Mar '18	31 Mar '18 31 Mar '19	31 Mar '19 31 Mar '20	31 Mar '20 31 Mar '21
After fees (%)	14.01	3.57	5.95	-6.05	20.44
ICE BofAML US High Yield Constrained Index (%)	16.87	3.70	5.93	-7.46	23.22

As of 31 March 2021. SOURCE: PIMCO.

The fund is actively managed in reference to the ICE BofAML US High Yield Constrained Index Index as further outlined in the prospectus and key investor information document

*The benchmark is shown for performance comparison purpose only. Benchmark: ICE BofAML US High Yield Constrained 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 —ICE BofAML US High Yield Constrained Index tracks the performance of US dollar denominated below investment grade rated corporate debt publicly issued in the US domestic market. To qualify for inclusion in the index, securities must have a below investment grade rating (based on an average of Moody's, S&P, and Fitch) and an investment grade rated country of risk (based on an average of Moody's, S&P, and Fitch foreign currency long term sovereign debt ratings).

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

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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 ICE BofAML US High Yield Constrained Index as further outlined in the prospectus and key investor information document.

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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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)

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