



GIS PIMCO Capital Securities 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 portfolio returned positively during the second quarter as the allocation to subordinated bank capital debt, and in particular Additional Tier 1 bonds, contributed to performance benefitting from a constructive macro backdrop and risk-on sentiment.

CONTRIBUTORS

- Exposure to Additional Tier 1 bonds, in particular from UK, Dutch and Spanish issuers, as spreads tightened alongside constructive risk sentiment and an improving macro outlook
- Tactical allocation to bank stocks, and in particular to large US banks, which outperformed alongside earnings ahead of expectations and prospects for economies reopening
- Exposure to senior bank debt, in particular from Swiss and UK issuers, which outperformed alongside positive quarterly results from a credit standpoint and spread tightening

DETRACTORS

- Select interest rate swap positions detracted during the quarter

Performance periods ended 30 Jun '21	3 mos.	6 mos.	1 yr.	3 yrs.	5 yrs.	10 yrs.	SI
Fund before fees	3.11	4.54	16.59	9.43	9.12	--	8.01
Fund after fees	2.91	4.13	15.68	8.57	8.26	--	7.16
Benchmark*	0.05	0.11	0.25	1.59	1.47	--	1.04

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

PIMCO favors investments in Additional Tier 1 ("AT1") bonds from large systemic banks which benefit from high capital levels, years of balance sheet de-risking and positive regulatory developments. The Fund is well diversified across both geographies and capital structure, with exposure also to senior bank debt which provides a more defensive source of spread.

The Fund favors AT1s from systemic banks with ample capital buffers and diversified revenue streams, while remaining cautious on smaller European issuers. Geographically, the Fund is well diversified and favors countries such as the UK where banks have the highest levels of capital. In senior and Tier 2 debt, the exposure is mostly centered on select idiosyncratic opportunities in UK and European banks offering upside through improving fundamentals and potential consolidation.

Class:	INST
Inception date:	31 Jul '13
Fund assets (in millions):	\$9,168.40
Unified management fee	0.790%

Summary information	30 Jun '21
Estimated yield to maturity (Gross of fee)	4.56%
Effective duration (yrs)	3.67
Benchmark duration - provider (yrs)	0.25
Benchmark duration - PIMCO (yrs)	0.25
Effective maturity (yrs)	4.39
Average coupon	4.57%
Information ratio (5 yrs)	0.76

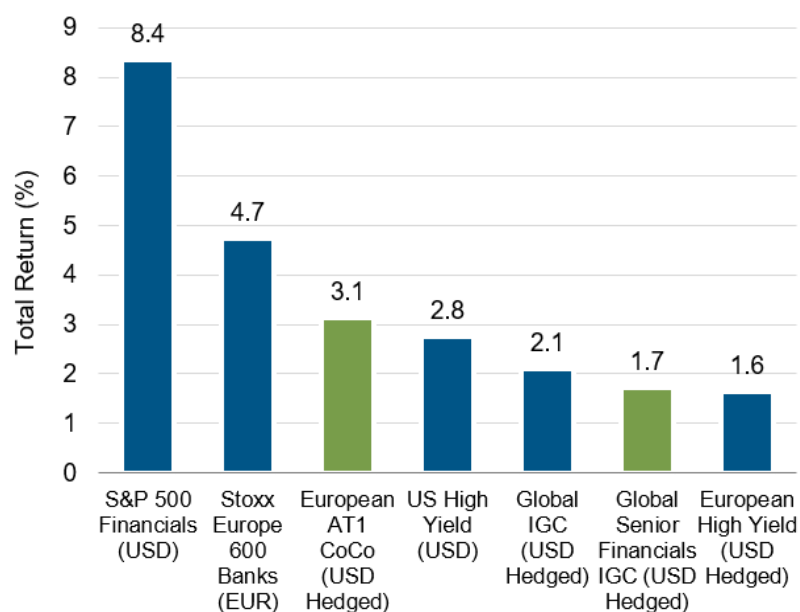
*3 Month USD LIBOR

Quarter in Review

Spreads in subordinated financials tightened amid quarterly results ahead of consensus and constructive risk-sentiment

Spreads in financials tightened over the second quarter, as vaccination campaigns continued to accelerate in most developed economies, contributing to strong economic data and a rebound in activity. Strong first-quarter bank earnings also contributed to the positive market sentiment, with consensus beats driven by strong capital markets revenues and lower loan loss provisions. In the US, the Federal Reserve released the results of its annual stress test, providing additional evidence of how well-capitalized the banking sector is. All the 23 participating banks comfortably met the minimum requirements in the stress scenario, paving the way for a lift of restrictions on capital distributions.

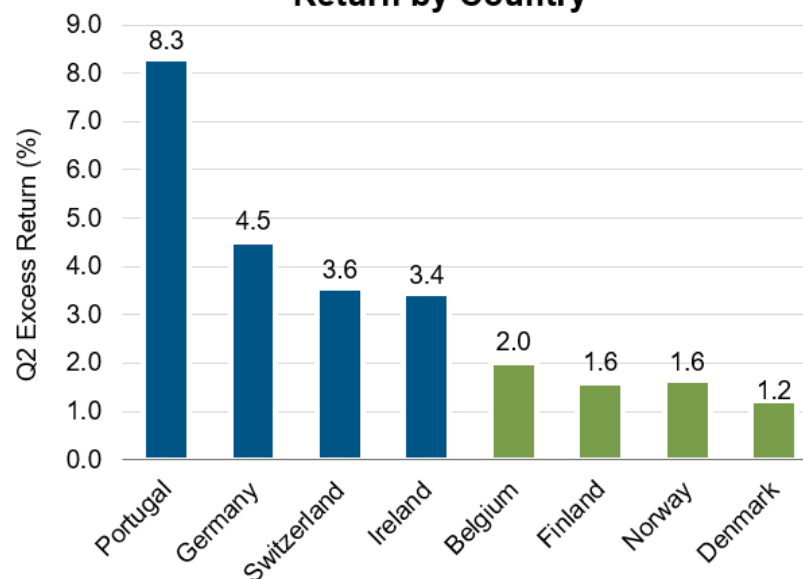
Returns by Asset Class- Q2 '21



In the second quarter, the European AT1 market returned 3.13%, and Global senior financials returned 1.73% (USD hedged). Spreads tightened, amid constructive risk sentiment and investors searching for yield, with subordinated bonds outperforming during the quarter.

Euro Stoxx Banking EUR (EURO STOXX Banks Index); European AT1 CoCo USD Hedged (Barclays European Tier 1 CoCo Index); US High Yield (The BofA Merrill Lynch U.S. High Yield Constrained Index); European High Yield USD Hedged (Merrill Lynch European Currency High Yield Constrained Index); Global IGC USD Hedged (Barclays Global Agg Credit Index); Global Senior Financials IGC USD Hedged (Barclays Global Agg Corp Senior Financial Institutions).

Barclays European AT1 Index - Excess Return by Country



On an excess return basis, AT1s from German and peripheral issuers outperformed amid strong quarterly results and constructive risk sentiment. Meanwhile, Nordic banks lagged given lower initial spread levels.

Market Summary

Subordinated financials posted positive returns during the quarter

The portfolio returned positively during the second quarter as the allocation to subordinated debt and in particular AT1 CoCos contributed to performance alongside tighter spreads and risk-on market sentiment.

Long exposure to Additional Tier 1 bonds

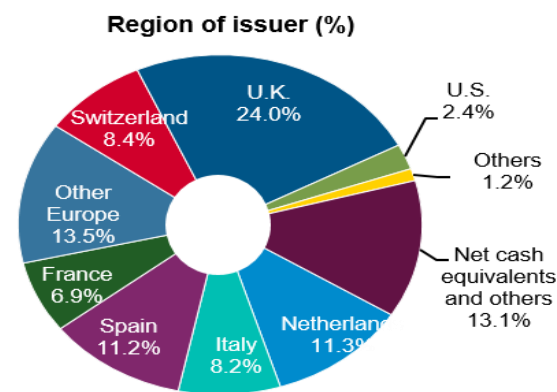
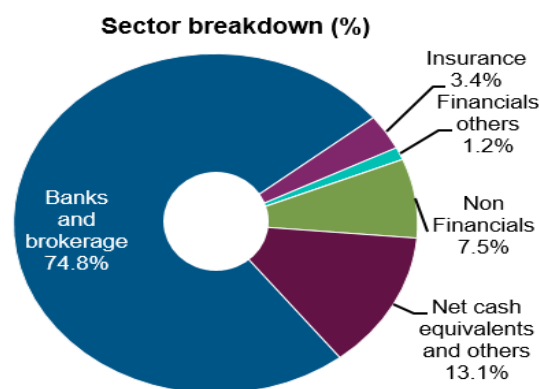
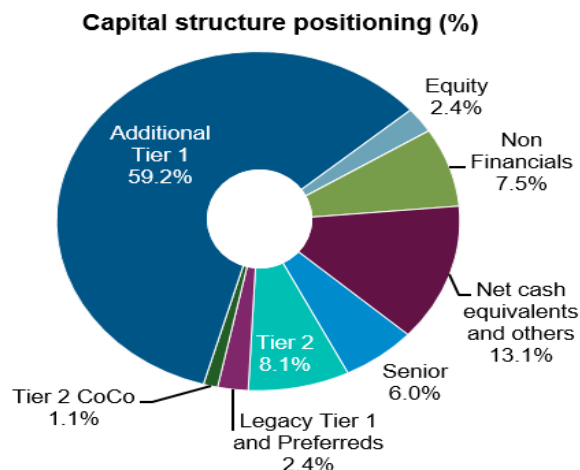
The exposure to Additional Tier 1 bonds was the largest contributor for performance during the second quarter. Major contributors within our allocation to AT1s and subordinated instruments included the exposure to UK, Dutch and Spanish issuers. The AT1 market posted positive returns, as spreads continued to tighten amid strong fundamentals and risk-on sentiment, driven by a supportive macro outlook. Quarterly results were also constructive for the asset class, with stable asset quality trends and capital levels, leaving European banks with very robust capital, far in excess of trigger levels.

Allocation to bank equity and senior bonds

The tactical allocation to bank stocks, particularly from large US banks, contributed to performance as bank stocks ended the quarter at higher levels amid expectations of economies reopening and interest rates normalizing over time, the latter benefitting bank fundamentals. The Fund's exposure and security selection within senior debt also contributed to performance, driven by an allocation to select Swiss and UK issuers, which outperformed alongside spread tightening and positive quarterly results from a credit standpoint.

Interest rate swap positions

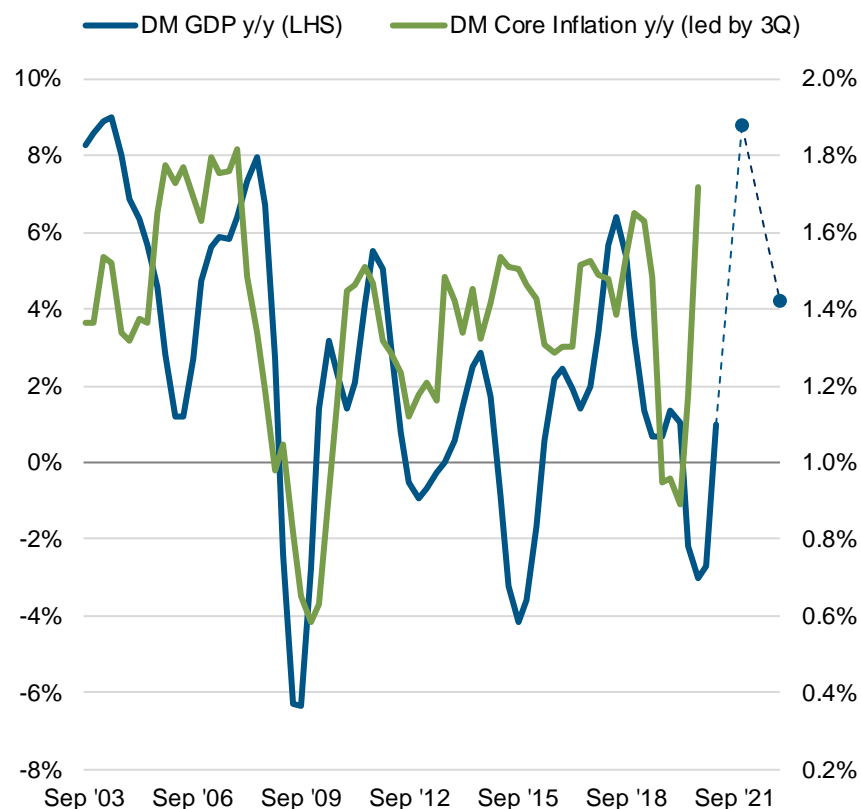
Select interest rate hedges through interest rate swap positions detracted during the quarter.



'Additional Tier 1' also includes positions in Core Capital Deferred Shares (CCDS) and Member Certificates.

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

Bank capital provides attractive yield

PIMCO's outlook for Bank Capital remains favorable, given resilient bank fundamentals and attractive yields in Additional Tier 1 bonds. The Fund offers an attractive combination of yield (yield to maturity at 4.6% and yield to next call at 3.2%, USD hedged) and duration (3.7 years) while maintaining an average investment grade rating. The core of the strategy remains centered around national champions in each country, all of them benefiting from strong capital positions, as highlighted by their solid performance across various central bank stress tests.

Key strategies

Fundamental concerns remain subdued

Banks are well-positioned to favor from a reflationary and positive growth environment, with policies remaining accommodative and prospects for a recovery in economic growth. Banks are not only supported by a decade of unabated balance sheet de-risking, but also benefitted from unprecedented policy interventions and regulatory relief measures. Current asset quality trends point to a relatively moderate increase in aggregated nonperforming loans during 2021 – very manageable in the context of banks operating at historically high capital levels and with buffers to coupon-skip now at over 450 bps, on average, across major European banks.

Improving technicals

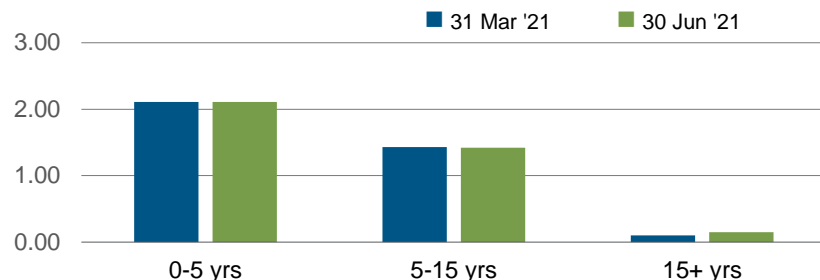
Most of the issuance from European banks is in TLAC debt (Holco senior/senior non-preferred), partly offset by maturing legacy Opco debt. AT1 CoCos benefit today from a more diversified investor base and supply risk is subdued. As most banks have filled up their AT1 regulatory allowance, future issuance is likely to be driven by refinancing.

Attractive Valuations

European AT1s are amongst the highest yielding asset classes within credit markets and senior debt provides a more defensive source of spread. Despite an extreme macro shock, banks' equity cushions have increased in 2020, no bank has gone into resolution, no bank has suspended their AT1 coupons, and only two AT1 bonds have been extended. This should change the market's perceived riskiness of the asset class and help close the gap relative to High Yield bonds which currently trade at tighter spreads despite their lower average credit rating.

Portfolio characteristics

Key rate duration exposure



	Portfolio (yrs)	
	31 Mar '21	30 Jun '21
0-5 yrs	2.11	2.11
5-15 yrs	1.43	1.42
15+ yrs	0.10	0.15
Total	3.64	3.67

Interest rate exposure

	Portfolio (yrs)	
	31 Mar '21	30 Jun '21
Effective duration	3.65	3.67
Bull market duration	3.75	3.68
Bear market duration	3.57	3.61
Spread duration		
Mortgage spread duration	0.03	0.04
Corporate spread duration	6.56	6.32
Emerging markets spread duration	0.07	0.07
Swap spread duration	-1.31	-1.12
Covered bond spread duration	0.00	0.00
Sovereign related spread duration	0.03	0.02

Derivative exposure (% of duration)

	31 Mar '21	30 Jun '21
Equity futures*	0.94	0.55
Total return swap*	0.04	0.04
Government futures	8.77	8.14
Interest rate swaps	-35.90	-30.50
Credit default swaps*	0.18	2.40
Purchased swaps	0.00	0.00
Written swaps	0.18	2.40
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

Country and currency exposure

Country exposure by currency of settlement

	31 Mar '21		30 Jun '21	
	Duration (yrs)	FX (%)	Duration (yrs)	FX (%)
United States	2.29	100.01	2.29	100.07
Japan	0.00	0.00	0.00	0.00
Eurozone	1.20	-0.04	1.22	-0.07
Austria	0.04	0.00	0.05	0.00
Belgium	0.05	0.00	0.04	0.00
Euro Currency	0.00	-0.04	0.00	-0.07
European Union	-0.45	0.00	-0.44	0.00
Finland	0.02	0.00	0.03	0.00
France	-0.17	0.00	-0.18	0.00
Germany	0.00	0.00	-0.01	0.00
Ireland	0.09	0.00	0.09	0.00
Italy	0.25	0.00	0.25	0.00
Luxembourg	0.01	0.00	0.01	0.00
Netherlands	1.00	0.00	1.02	0.00
Slovenia	0.02	0.00	0.02	0.00
Spain	0.35	0.00	0.36	0.00
United Kingdom	0.15	0.03	0.14	-0.03
Europe non-EMU	0.00	0.02	0.00	0.04
Sweden	0.00	-0.01	0.00	-0.01
Switzerland	0.00	0.03	0.00	0.05
Dollar Block	0.00	-0.03	0.02	-0.02
Australia	0.00	-0.02	0.00	-0.01
Canada	0.00	-0.01	0.02	-0.01
Other Industrialized Countries	0.00	0.00	0.00	0.00
Hong Kong	0.00	0.01	0.00	0.01
Singapore	0.00	-0.01	0.00	-0.01
EM - Asia	0.00	0.00	0.00	0.00
Total	3.65	100	3.67	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)
Mexico	0.00	0.26	0.02	0.00	0.27	0.02
Russia	0.00	0.08	0.00	0.00	0.19	0.01
Total	0.00	0.34	0.02	0.00	0.46	0.02

Additional share class performance

PIMCO Capital Securities 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
PIMCO Capital Securities Fund Administrative Accumulation	1.290	USD	09 Aug '13	2.74	3.86	15.08	8.03	7.71	-	6.54
PIMCO Capital Securities Fund Administrative Income	1.290	USD	09 Aug '13	2.78	3.90	15.08	8.03	7.72	-	6.53
PIMCO Capital Securities Fund E Class Accumulation	1.690	USD	28 Oct '13	2.71	3.67	14.71	7.62	7.30	-	5.90
PIMCO Capital Securities Fund E Class Income	1.690	USD	19 May '14	2.63	3.64	14.63	7.60	7.28	-	5.28
PIMCO Capital Securities Fund Institutional Income	0.790	USD	23 Sep '14	2.94	4.18	15.71	8.59	8.25	-	6.41
PIMCO Capital Securities Fund Institutional Accumulation	0.790	USD	31 Jul '13	2.91	4.13	15.68	8.57	8.26	-	7.16
PIMCO Capital Securities Fund Investor Income	1.140	USD	19 May '14	2.86	4.02	15.27	8.20	7.88	-	5.85
PIMCO Capital Securities Fund Investor Accumulation	1.140	USD	19 May '14	2.81	4.03	15.32	8.22	7.88	-	5.84
PIMCO Capital Securities Fund M Retail Income II	1.690	USD	23 Dec '13	2.67	3.72	14.66	7.62	7.29	-	5.66
PIMCO Capital Securities Fund R Class Income	0.930	USD	18 Mar '14	2.89	4.10	15.48	8.41	8.12	-	6.17
PIMCO Capital Securities Fund T Class Income	2.090	USD	16 Oct '14	2.55	3.53	14.20	7.18	6.85	-	5.46
PIMCO Capital Securities Fund Z Class Income	0.000	USD	31 Oct '13	3.10	4.51	16.58	9.42	9.12	-	7.64
3 Month USD LIBOR	-	-	-	0.05	0.11	0.25	1.59	1.47	-	1.04
PIMCO Capital Securities Fund Institutional BRL (Hedged) Accumulation	0.790	USD	02 Jan '18	16.26	8.67	27.96	1.10	-	-	-4.07
ICE BofAML 3 Month USD Libor Index Hedged BRL Denominated in USD	-	-	-	13.30	4.60	11.40	-4.76	-	-	-7.81
PIMCO Capital Securities Fund Investor RMB (Hedged) Income	1.140	CNH	25 Jun '18	3.44	5.23	17.94	9.46	-	-	9.31
3 Month USD LIBOR (CNH Hedged) Index	-	-	-	0.64	1.33	2.75	2.95	-	-	2.95
PIMCO Capital Securities Fund Investor AUD (Hedged) Income	1.140	AUD	23 May '18	2.85	3.83	14.72	6.95	-	-	6.15
PIMCO Capital Securities Fund Z Class AUD (Hedged) Income	0.000	AUD	11 Aug '15	3.12	4.47	16.02	8.16	8.54	-	7.19
Bloomberg AusBond Bank Bills Index	-	-	-	0.01	0.01	0.06	0.96	1.29	-	1.44
PIMCO Capital Securities Fund Investor CAD (Hedged) Income	1.140	CAD	25 Jun '18	2.79	3.84	14.86	7.31	-	-	7.14
3 Month USD LIBOR (CAD Hedged) Index	-	-	-	0.05	0.08	0.14	1.22	-	-	1.22
PIMCO Capital Securities Fund E Class CHF (Hedged) Accumulation	1.690	CHF	18 Jun '14	2.44	3.13	13.30	4.81	4.55	-	2.84
PIMCO Capital Securities Fund Institutional CHF (Hedged) Accumulation	0.790	CHF	09 Aug '13	2.65	3.63	14.30	5.77	5.51	-	5.01
PIMCO Capital Securities Fund Administrative EUR (Hedged) Accumulation	1.290	EUR	09 Aug '13	2.61	3.47	13.92	5.56	5.35	-	4.90
PIMCO Capital Securities Fund E Class EUR (Hedged) Accumulation	1.690	EUR	28 Oct '13	2.54	3.31	13.46	5.15	4.93	-	4.23
PIMCO Capital Securities Fund E Class EUR (Hedged) Income	1.690	EUR	30 Oct '15	2.50	3.36	13.54	5.13	4.93	-	3.74
PIMCO Capital Securities Fund Institutional EUR (Hedged) Accumulation	0.790	EUR	09 Aug '13	2.69	3.72	14.51	6.09	5.87	-	5.43
PIMCO Capital Securities Fund Institutional EUR (Hedged) Income II	0.790	EUR	29 Jul '14	2.75	3.74	14.50	6.06	5.87	-	4.38
PIMCO Capital Securities Fund Institutional EUR (Hedged) Income	0.790	EUR	09 Aug '13	2.70	3.75	14.50	6.09	5.87	-	5.43

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

PIMCO Capital Securities Fund (net of fees performance)

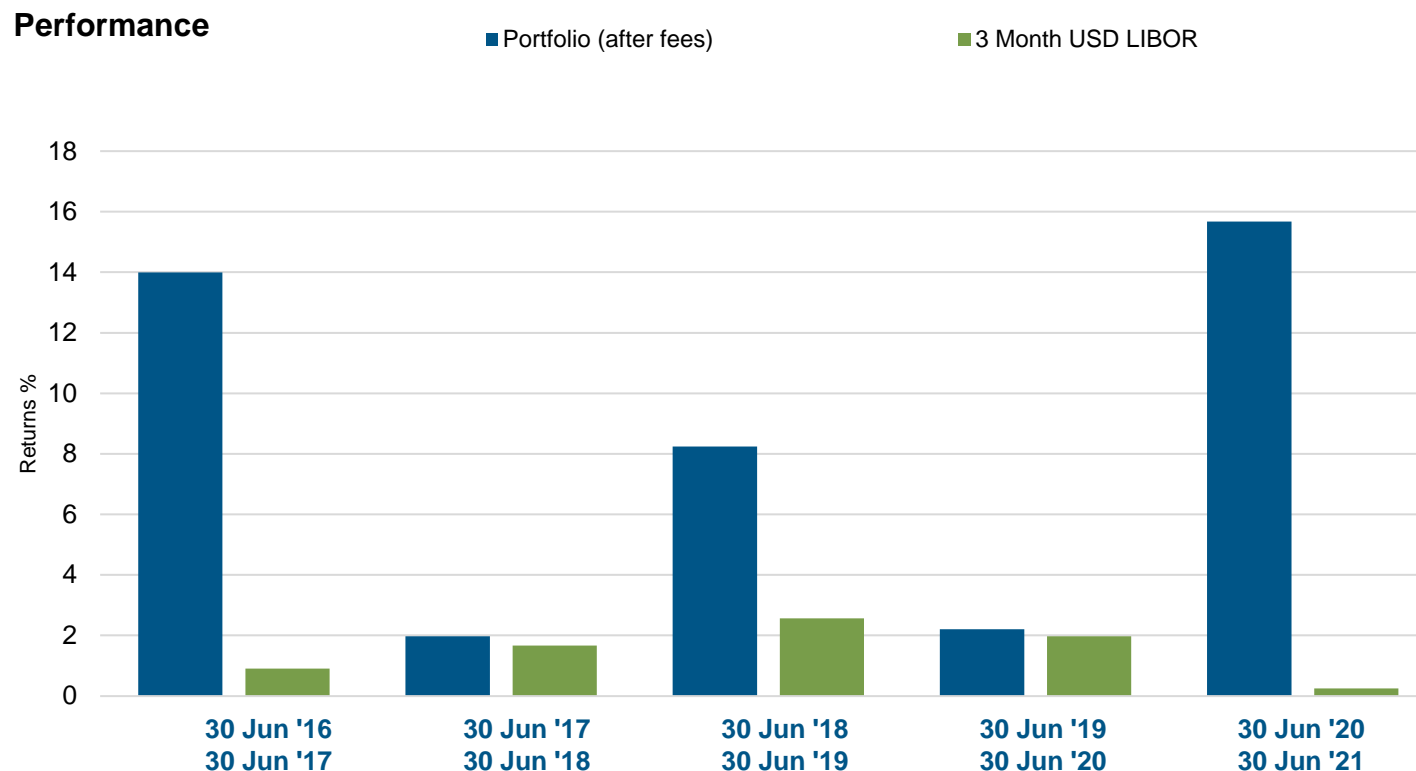
Performance periods ended: 30 Jun '21	Unified Management Fee	NAV currency	Class Inception date	3 mos.	6 mos.	1 yr.	3 yrs.	5 yrs.	10 yrs.	SI
PIMCO Capital Securities Fund Investor EUR (Hedged) Accumulation	1.140	EUR	26 Feb '16	2.63	3.56	14.12	5.72	5.52	-	6.01
PIMCO Capital Securities Fund R Class EUR (Hedged) Income	0.930	EUR	18 Jun '14	2.64	3.61	14.24	5.94	5.73	-	4.05
PIMCO Capital Securities Fund T Class EUR (Hedged) Accumulation	2.090	EUR	30 Sep '14	2.38	3.05	13.02	4.70	4.50	-	3.36
Euro Short-Term Rate (ESTER)	-	-	-	-0.14	-0.28	-0.57	-	-	-	-0.20
PIMCO Capital Securities Fund Institutional GBP (Hedged) Accumulation	0.790	GBP	09 Aug '13	2.91	4.05	15.17	6.79	6.69	-	6.09
PIMCO Capital Securities Fund Institutional GBP (Hedged) Income	0.790	GBP	31 Jul '13	2.85	4.01	15.12	6.77	6.69	-	6.17
PIMCO Capital Securities Fund Investor GBP (Hedged) Income	1.140	GBP	29 Jan '20	2.79	3.79	14.64	-	-	-	4.28
PIMCO Capital Securities Fund R Class GBP (Hedged) Income	0.930	GBP	18 Jun '14	2.84	3.97	14.89	6.63	6.53	-	4.73
SONIA ICE BofA SONIA Overnight Rate Index	-	-	-	-	-	-	-	-	-	0.52
PIMCO Capital Securities Fund M Retail HKD (Unhedged) Income	1.690	HKD	28 Jul '17	2.56	3.85	14.94	7.27	-	-	5.49
PIMCO Capital Securities Fund Investor SGD (Hedged) Income	1.140	SGD	23 May '18	2.81	3.98	15.10	7.51	-	-	6.69
PIMCO Capital Securities Fund M Retail SGD (Hedged) Income II	1.690	SGD	23 Dec '13	2.70	3.75	14.58	6.97	6.79	-	5.46
3 Month SGD LIBOR Index	-	-	-	0.08	0.14	0.25	1.18	1.12	-	1.06

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 3 Month USD LIBOR Index as further outlined in the prospectus and key investor information document

*The benchmark is shown for performance comparison purpose only. Benchmark: 3 Month USD LIBOR 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 —The 3 Month USD LIBOR (London Interbank Offered Rate) is an average interest rate, determined by the ICE Benchmark Administration, that banks charge one another for the use of short-term money (3 months) in England's Eurodollar market. It is not possible to invest 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 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. 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. Currency rates may fluctuate significantly over short periods of time and may reduce the returns of a portfolio. Sovereign securities are generally backed by the issuing government, obligations of U.S. Government agencies and authorities are supported by varying degrees but are generally not backed by the full faith of the U.S. Government; portfolios that invest in such securities are not guaranteed and will fluctuate in value. Inflation-linked bonds (ILBs) issued by a government are fixed-income securities whose principal value is periodically adjusted according to the rate of inflation; ILBs decline in value when real interest rates rise. **Mortgage and asset-backed securities** may be sensitive to changes in interest rates, subject to early repayment risk, and while generally supported by a government, government-agency or private guarantor there is no assurance that the guarantor will meet its 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 3 Month USD LIBOR 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)