



GIS PIMCO Credit Opportunities Bond Fund



Quarterly Investment Report | 4Q20

For professional use only

Refer to Appendix for additional information

IMPORTANT NOTICE

Please note that this material contains the opinions of the manager as of the date noted, and may not have been updated to reflect real time market developments. All opinions are subject to change without notice.

Executive summary

Portfolio Performance

The Fund's bottom-up sector and security selection contributed to performance.

CONTRIBUTORS

- Long exposure to gaming
- Long exposure to financials
- Long exposure to transportation, including airlines

DETRACTORS

- Long exposure to duration
- Short exposure to construction

Performance periods ended 31 Dec '20	3 mos.	6 mos.	1 yr.	3 yrs.	5 yrs.	10 yrs.	SI
Fund before fees	3.50	6.99	4.20	4.12	5.81	--	4.58
Fund after fees	3.27	6.51	3.27	3.19	4.86	--	3.65
Benchmark*	0.06	0.13	0.98	1.89	1.51	--	0.96

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 are finding opportunities in actively managed credit, as dispersion in markets remains elevated.
- We are constructive on the strongest names within more impacted sectors such as gaming, lodging, and airlines, as they have built up significant liquidity.
- We see credit market opportunities in companies with high barriers to entry, growth, pricing power, and asset coverage.
- We have a preference for up in quality credits, telecom/cable/towers, financials, housing-related industries, REITs, and non-Agency mortgages. We remain cautious on industries facing greater headwinds, such as energy, retail, and autos.

*3 Month USD LIBOR

Class:	INST
Inception date:	14 Oct '11
Fund assets (in millions):	\$144.48
Unified management fee	0.900%

Summary information	31 Dec '20
Estimated yield to maturity (Gross of fee)	3.05%
Effective duration (yrs)	2.70
Benchmark duration - provider (yrs)	0.25
Benchmark duration - PIMCO (yrs)	0.25
Effective maturity (yrs)	3.14
Average coupon	3.74%
Tracking error (5 yrs)	5.55
Information ratio (5 yrs)	0.62

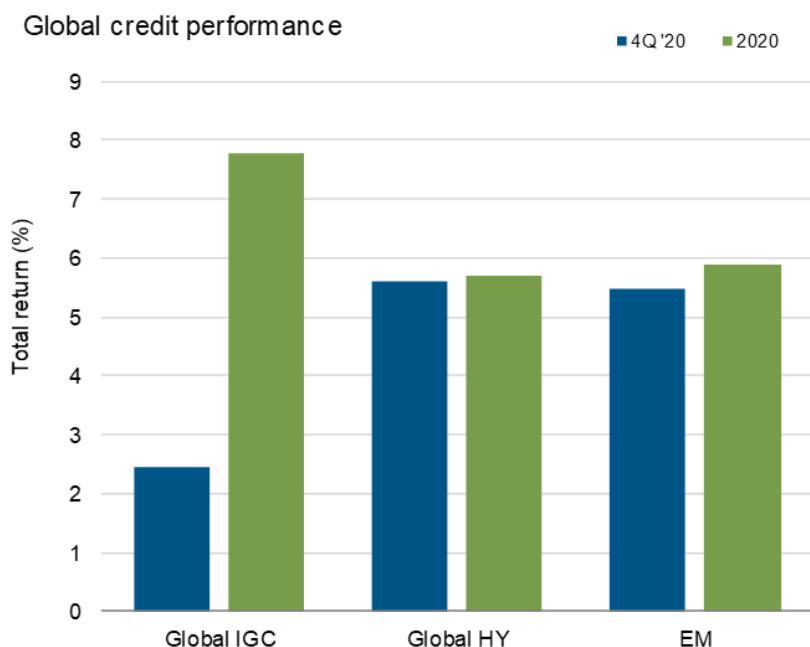
Top 5 long industries	Market value
Healthcare	5.57%
Gaming	5.02%
Banks	4.64%
Media Cable	4.46%
Building Materials	4.41%

Top 5 short industries	Market value
Food & Beverage	-1.39%
Retailers	-1.08%
Diversified Manufacturing	-0.42%
Independent E&P	0.02%
Integrated Oil	0.07%

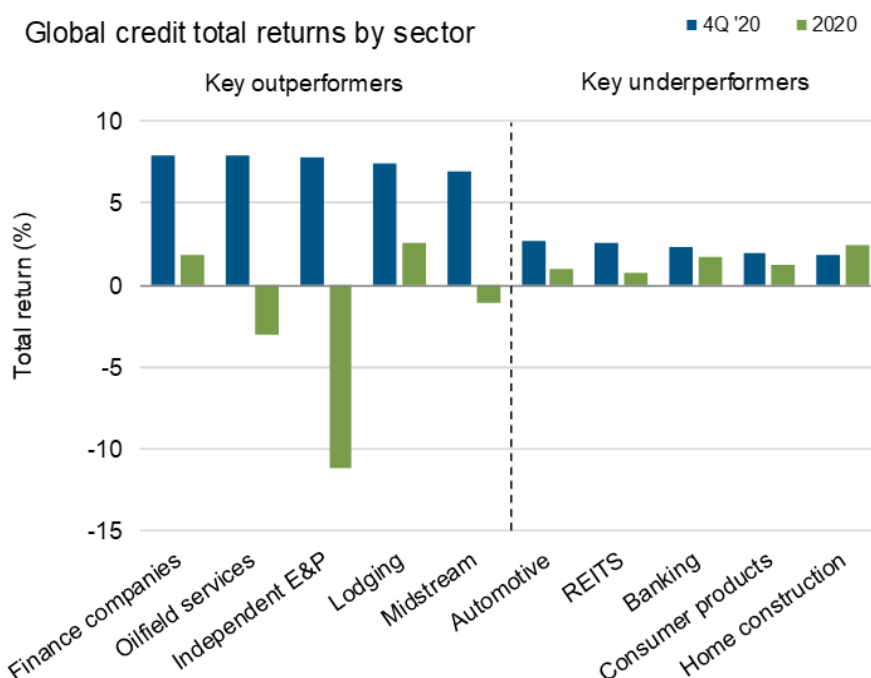
Quarter in Review

Credit spreads rallied amid positive vaccine developments

Global investment grade credit and high yield spreads ended the quarter 36 bps and 155 bps tighter, respectively. Growth momentum continued to start the quarter, though a surge in virus cases and renewed lockdown measures weighed on the pace of recovery. Still, risk assets posted strong performance in Q4, supported by vaccine developments, more policy stimulus, and clarity on the U.S. election outcome. Meanwhile, global central banks and fiscal policymakers broadly reaffirmed their commitment to supportive policy stances.



In Q4, global investment grade credit markets returned 2.46%, global high yield returned 5.60%, and emerging markets returned 5.49%.



All sectors posted positive returns in Q4 amid the expectation of an improving global economy and continued significant global monetary and fiscal support. Sectors more impacted by COVID and global social distancing measures including aircraft lessors and lodging outperformed over the quarter.

Source: Bloomberg Barclays Global Aggregate Credit Index (USD Hedged), ICE BofAML BB-B Developed Markets HY Index (USD Hedged), JPMorgan EMBI Global Index

Source: Bloomberg Barclays Global Aggregate Credit Index (USD Hedged)

Market Summary

Q4'20: Risk sentiment remained robust amid expectations of an improving global economy

The Fund's long exposure to gaming, financials, and airlines contributed to performance as risk assets broadly rallied over the quarter, and more impacted sectors outperformed. Conversely, detractors included short exposure to construction and long exposure to duration as U.S. Treasury yields rose.

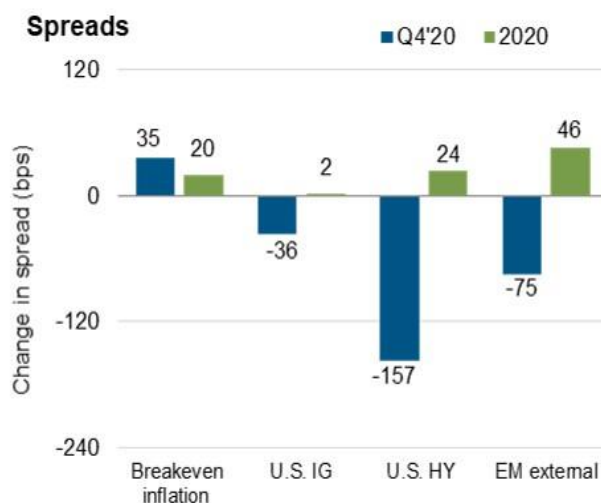
Developed market debt

Developed market yield moves were mixed over the quarter. In the U.S., longer-dated yields rose meaningfully given increased potential for additional fiscal stimulus and encouraging developments regarding COVID-19 vaccines. Rates generally fell modestly across the curve in Germany, while front-end yields in the U.K. rallied and rates in Japan remained broadly range-bound.



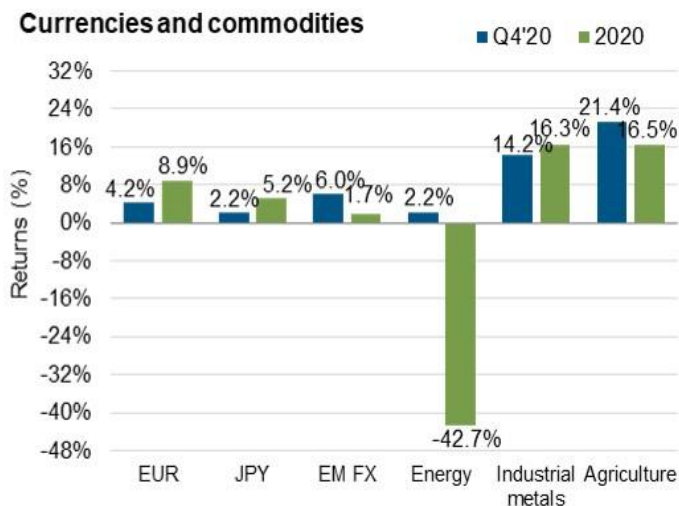
Gaming

Gaming outperformed over the fourth quarter amid expectations for a continued economic recovery. Asia gaming benefited from improving visitation trends following a reinstatement of tourism visas between Macau and mainland China. Further, gaming operators are supported by healthy balance sheets and ample liquidity.



Airlines

Airlines rallied strongly over the quarter as sectors tied to a reopening of the economy benefitted from improving risk sentiment. While US airlines entered 2020 with strong liquidity, they have had to undertake aggressive cost-cutting actions to offset the severe impact of COVID. These actions, paired with support from federal stimulus packages, have helped provide sufficient liquidity to bridge the gap until air traffic recovers in earnest.



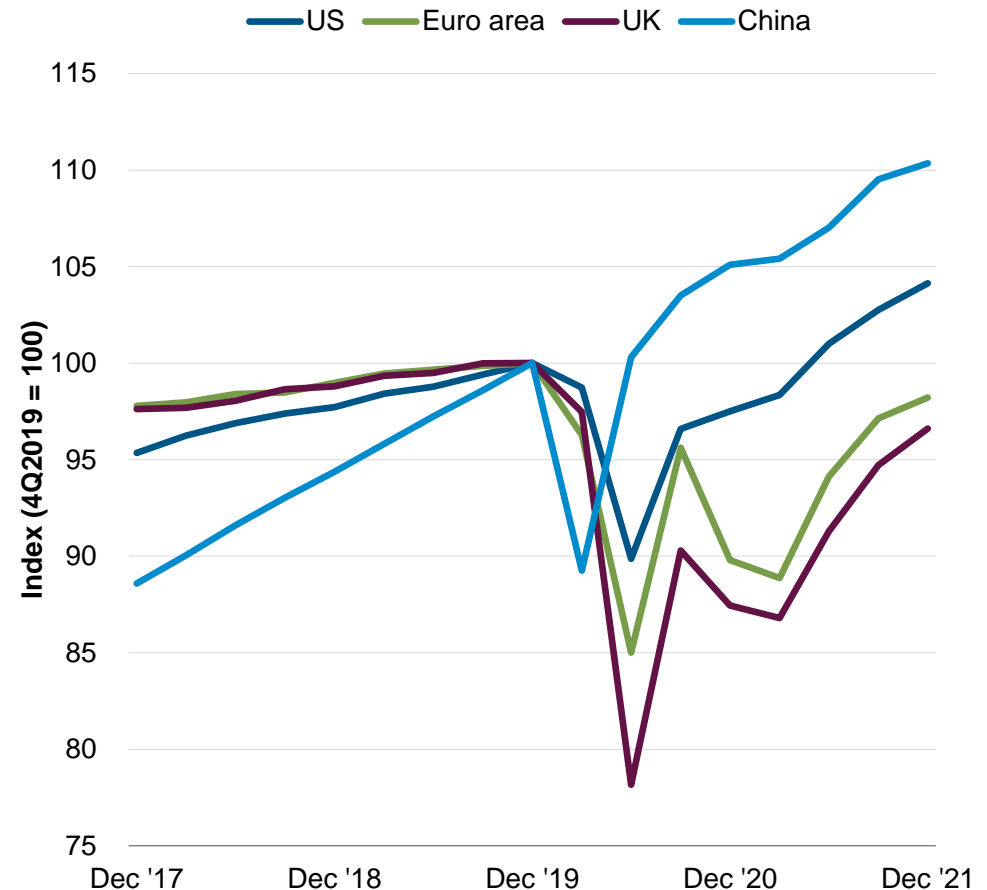
Source: U.S. 10yr, Germany 10yr, Japan 10yr, Breakeven inflation (Bloomberg); EM local (JPMorgan GBI-EM Global Diversified Composite Yield to Maturity Index); U.S. investment grade credit (Bloomberg Barclays U.S. Aggregate Credit Average OAS Index); U.S. high yield credit (Bloomberg Barclays U.S. Corporate High Yield Average OAS Index); EM external (JPMorgan Emerging Bond Index Global Sovereign Spread); EUR (EUR/USD Spot Exchange Rate - Price of 1 EUR in USD); JPY (USD/JPY Spot Exchange Rate - Price of 1 USD in JPY); EM currencies (JPMorgan ELMI Plus Composite); Energy (Bloomberg Energy Subindex Total Return Index); Industrial metals (Bloomberg Industrial Metals Subindex Total Return Index); Agriculture (Bloomberg Agriculture Total Return Index); Agency MBS (Bloomberg US Agency Fixed Rate Index); Non-Agency MBS (Bloomberg IG non-agency CMBX index); Like-duration treasuries or global government bonds are calculated by the index provider by comparing the index return to a hypothetical matched position of treasuries or global government bond, respectively.

Cyclical Outlook: Bounded Optimism on the Global Economy

Key Highlights

- **Global output and demand likely to rebound strongly in 2021**, driven by the rollout of vaccines and continued policy support
- **Inflation should creep up only moderately** in 2021
- **Central banks to remain supportive**, keeping policy rates low and continuing asset purchases continuing through the year
- Key risks to baseline outlook include:
 - Fiscal fatigue or gridlock
 - A negative credit impulse in China
 - Pandemic-related economic scarring

Real GDP levels (4Q 2019 = 100)



As of January 2021. SOURCE: PIMCO, Haver
Refer to Appendix for additional outlook information.
The Euro Area consists of the 19 European Union member countries who have adopted the Euro.

Portfolio Outlook

Strategic Positioning

Following an outsized contraction of economic activity in 2020, we expect global output and demand to rebound strongly in 2021, especially in the second half of the year, driven by the broadening rollout of vaccines and continued fiscal and monetary policy support. Credit markets are supported by strong technicals, as low global government yields drive demand for high quality income producing assets, paired with moderating supply expectations. Many companies, even in deeply impacted sectors, have built up significant liquidity and can withstand additional volatility. Further, valuations provide a compelling risk/return proposition for long term oriented investors, particularly in today's prolonged low rate environment.

Key strategies

Gaming/airlines/aerospace

We are favoring select companies with ample liquidity and stabilizing cash flow profiles in more COVID-impacted sectors, which are poised to offer additional upside going forward.

Telecom/cable/towers

We are finding value in consumer domestic businesses that benefit from the strong demand for broadband and connected devices, such as towers.

Housing-related sectors

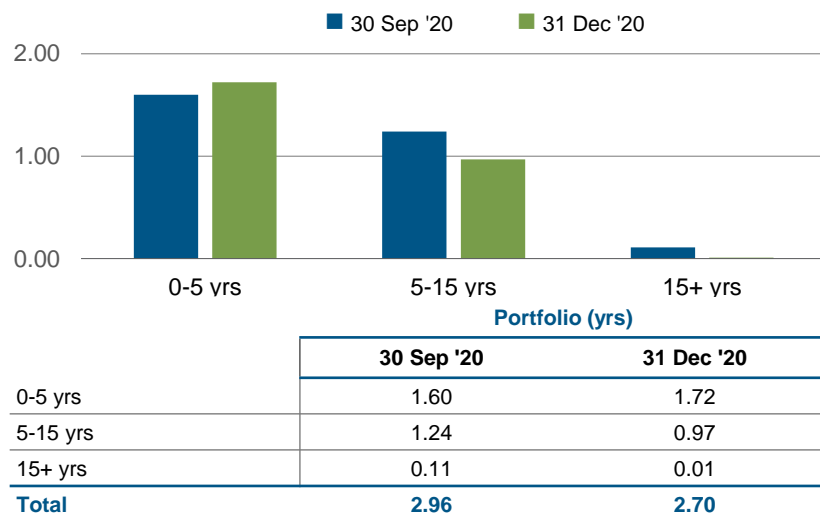
We remain constructive on the U.S. housing market and maintain exposure to industries with high operating leverage to housing, specifically building materials, mortgage originators, and non-Agency MBS, alongside constructive inventory levels, pricing, and repair/remodel activity.

Retail

We are less constructive on retail, which faces continued margin pressure from online competitors as well as increased input costs, weak cash flow projections, and high leverage.

Portfolio characteristics

Key rate duration exposure



Interest rate exposure

	Portfolio (yrs)	
	30 Sep '20	31 Dec '20
Effective duration	2.96	2.70
Bull market duration	2.38	2.06
Bear market duration	3.38	3.32
Spread duration		
Mortgage spread duration	1.06	0.93
Corporate spread duration	2.13	2.72
Emerging markets spread duration	0.37	0.56
Swap spread duration	-0.31	-0.34
Covered bond spread duration	0.00	0.00
Sovereign related spread duration	0.01	0.01

Derivative exposure (duration in yrs)

	30 Sep '20	31 Dec '20
Government futures	-0.66	-1.22
Interest rate swaps	-0.34	-0.29
Credit default swaps*	-8.55	-5.69
Purchased swaps	-16.82	-9.93
Written swaps	8.27	4.24
Options	0.04	0.07
Purchased options	0.00	-0.05
Written options	0.05	0.12
Mortgage derivatives	0.02	0.01
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

	30 Sep '20		31 Dec '20	
	Duration (yrs)	FX (%)	Duration (yrs)	FX (%)
United States	3.12	96.82	2.55	95.67
Japan	-0.04	0.95	-0.04	0.98
Eurozone	-0.11	1.01	-0.01	1.26
Euro Currency	0.00	1.01	0.00	1.26
European Union	-0.09	0.00	-0.06	0.00
France	0.01	0.00	0.01	0.00
Germany	-0.06	0.00	-0.05	0.00
Italy	0.00	0.00	0.04	0.00
Luxembourg	0.02	0.00	0.00	0.00
Netherlands	0.02	0.00	0.02	0.00
Spain	0.00	0.00	0.04	0.00
United Kingdom	-0.14	0.15	-0.10	0.28
Europe non-EMU	0.00	0.25	0.00	0.26
Poland	0.00	0.24	0.00	0.25
Switzerland	0.00	0.01	0.00	0.01
Dollar Block	0.04	0.07	0.04	0.07
Australia	0.00	0.02	0.00	0.03
Canada	0.04	0.04	0.04	0.04
Other Industrialized Countries	0.00	0.00	0.00	0.00
EM - Asia	0.02	0.03	0.06	0.23
China	0.02	-0.08	0.06	-0.09
India	0.00	0.00	0.00	0.20
Indonesia	0.00	0.11	0.00	0.12
EM - Latin America	0.00	0.49	0.08	0.84
Brazil	0.00	0.05	0.00	0.25
Colombia	0.00	0.20	0.00	0.23
Mexico	0.00	0.23	0.00	0.33
Peru	0.00	0.00	0.08	0.03
EM - CEEMEA	0.05	0.25	0.13	0.42
Russia	0.05	0.25	0.08	0.29
South Africa	0.00	0.00	0.05	0.12
Total	2.96	100	2.70	100

Emerging markets exposure by country of risk

	30 Sep '20			31 Dec '20		
	% of MV short duration Instruments	% of MV bonds	Duration (yrs)	% of MV short duration Instruments	% of MV bonds	Duration (yrs)
Argentina	0.00	0.23	0.01	0.00	0.22	0.01
Brazil	0.00	1.87	0.04	0.00	1.52	0.03
China	0.07	1.70	0.07	0.07	2.29	0.13
Colombia	-0.01	0.14	0.01	0.01	0.15	0.01
India	0.00	0.84	0.02	0.00	0.68	0.01
Indonesia	0.07	0.00	0.00	0.07	0.00	0.00
Mexico	-1.53	0.15	0.00	-1.57	0.15	0.00
Peru	0.00	0.00	0.00	0.01	1.13	0.08
Romania	0.00	0.49	0.02	0.00	0.54	0.02
Russia	0.04	1.04	0.06	-0.01	1.37	0.08
South Africa	0.00	0.78	0.03	0.02	2.03	0.07
Ukraine	0.00	0.07	0.00	0.00	0.07	0.00
Total	-1.37	7.31	0.25	-1.38	10.15	0.44

Additional share class performance

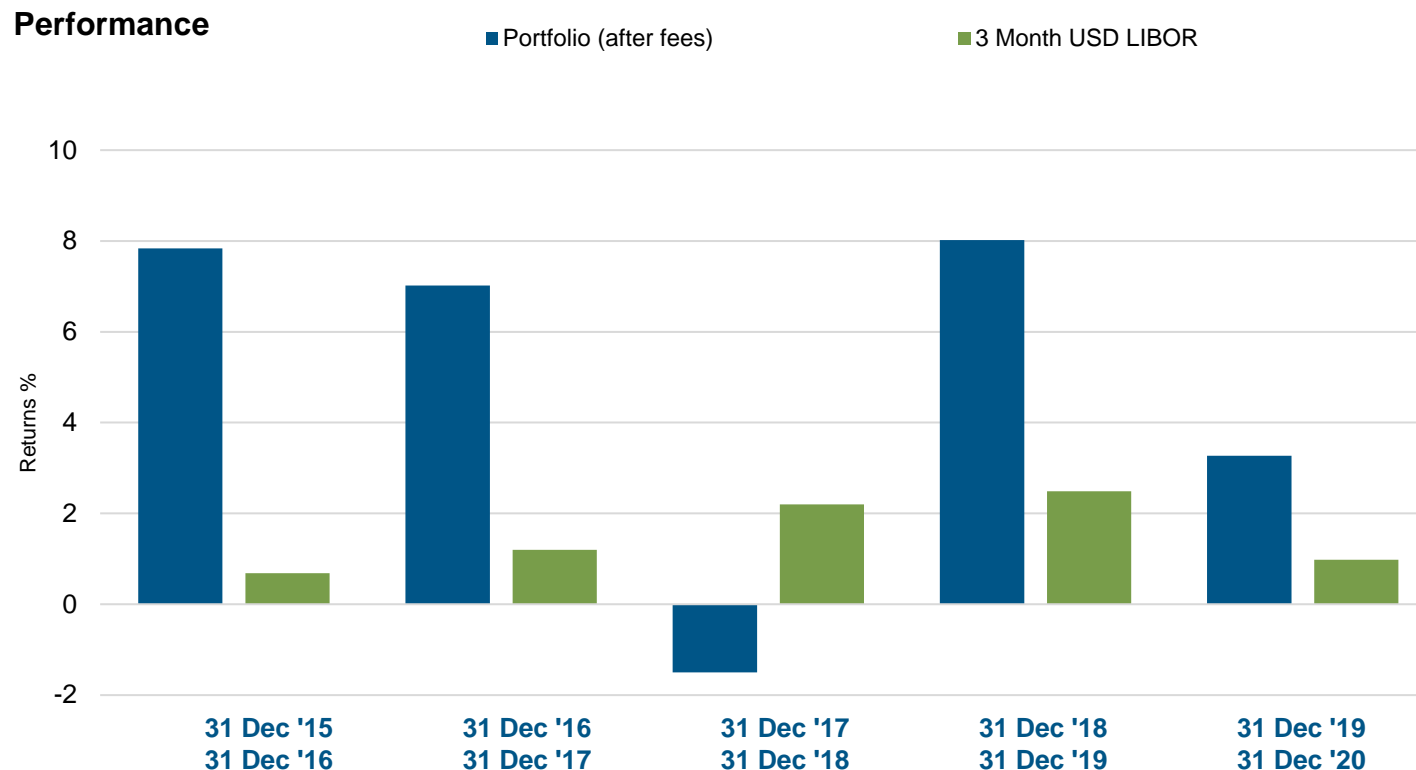
PIMCO Credit Opportunities Bond Fund (net of fees performance)

Performance periods ended: 31 Dec '20	Unified Management Fee	NAV currency	Class Inception date	3 mos.	6 mos.	1 yr.	3 yrs.	5 yrs.	10 yrs.	SI
PIMCO Credit Opportunities Bond Fund E Class Accumulation	1.800	USD	21 Dec '12	3.00	5.98	2.27	2.23	3.91	-	1.96
PIMCO Credit Opportunities Bond Fund Institutional Accumulation	0.900	USD	14 Oct '11	3.27	6.51	3.27	3.19	4.86	-	3.65
3 Month USD LIBOR	-	-	-	0.06	0.13	0.98	1.89	1.51	-	0.96
PIMCO Credit Opportunities Bond Fund Institutional CHF (Hedged) Accumulation	0.900	CHF	17 Dec '12	2.93	5.83	1.40	0.34	2.28	-	1.08
3 Month USD LIBOR (Hedged to CHF)	-	-	-	-0.26	-0.46	-0.82	-0.90	-1.03	-	-0.81
PIMCO Credit Opportunities Bond Fund E Class EUR (Hedged) Accumulation	1.800	EUR	21 Dec '12	2.75	5.43	0.77	-0.19	1.77	-	0.59
PIMCO Credit Opportunities Bond Fund Institutional EUR (Hedged) Accumulation	0.900	EUR	14 Oct '11	2.98	5.96	1.72	0.71	2.70	-	2.40
3 Month Euribor	-	-	-	-0.12	-0.22	-0.41	-0.36	-0.33	-	-0.01

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 Dec '15 31 Dec '16	31 Dec '16 31 Dec '17	31 Dec '17 31 Dec '18	31 Dec '18 31 Dec '19	31 Dec '19 31 Dec '20
After fees (%)	7.84	7.02	-1.50	8.02	3.27
3 Month USD LIBOR (%)	0.68	1.20	2.20	2.49	0.98

As of 31 December 2020. 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.

A word about risk: Absolute return funds may not necessarily fully participate in strong (positive) market rallies. 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. **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.

Appendix

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 [BenchmarkName] 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.

Forecast — Forecasts, estimates, and certain information contained herein are based upon proprietary research and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. There is no guarantee that results will be achieved.

PIMCO Europe Ltd (Company No. 2604517) is authorised and regulated by the Financial Conduct Authority (12 Endeavour Square, London E20 1JN) in the UK. The services provided by PIMCO Europe Ltd are not available to individual investors, who should not rely on this communication but contact their financial adviser. **PIMCO Europe GmbH (Company No. 192083, Seidlstr. 24-24a, 80335 Munich, Germany), PIMCO Europe GmbH Italian Branch (Company No. 10005170963), PIMCO Europe GmbH Spanish Branch (N.I.F. W2765338E) and PIMCO Europe GmbH Irish Branch (Company No. 909462)** are authorised and regulated by the German Federal Financial Supervisory Authority (BaFin) (Marie- Curie-Str. 24-28, 60439 Frankfurt am Main) in Germany in accordance with Section 32 of the German Banking Act (KWG). The Italian Branch, Irish Branch and Spanish Branch are additionally supervised by the Commissione Nazionale per le Società e la Borsa (CONSOB) in accordance with Article 27 of the Italian Consolidated Financial Act and the Comisión Nacional del Mercado de Valores (CNMV) in accordance with obligations stipulated in articles 168 and 203 to 224, as well as obligations contained in Title V, Section I of the Law on the Securities Market (LSM) and in articles 111, 114 and 117 of Royal Decree 217/2008, respectively. The services provided by PIMCO Europe GmbH are available only to professional clients as defined in Section 67 para. 2 German Securities Trading Act (WpHG). They are not available to individual investors, who should not rely on this communication.] **PIMCO (Schweiz) GmbH (registered in Switzerland, Company No. CH-020.4.038.582-2).** The services provided by PIMCO (Schweiz) GmbH are not available to individual investors, who should not rely on this communication but contact their financial adviser.

This presentation contains the current opinions of the manager and such opinions are subject to change without notice. This presentation has been distributed for informational purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. No part of this presentation may be reproduced in any form, or referred to in any other publication, without express written permission. PIMCO is a trademark of Allianz Asset Management of America L.P. in the United States and throughout the world. © 2021 PIMCO.

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.

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)

This material contains the current opinions of the manager and such opinions are subject to change without notice. This material has been distributed for informational purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. No part of this material may be reproduced in any form, or referred to in any other publication, without express written permission. PIMCO is a trademark of Allianz Asset Management of America L.P. in the United States and throughout the world. **PIMCO Investments LLC**, distributor, 1633 Broadway, New York, NY, 10019 is a company of PIMCO ©2021 PIMCO.

3639_QIR-4Q20