



GIS PIMCO Asia High Yield Bond Fund



Quarterly Investment Report | 2Q21

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

During Q2, the GIS Asia High Yield Fund underperformed its benchmark by 21 bps after fees (institutional share class)

CONTRIBUTORS

- Holdings of select developed market corporate bonds within the financials and industrials sectors
- Credit selection in India metals & mining sector

DETRACTORS

- Security selection within Hong Kong corporate issuers, notably within the insurance and financial services sectors
- Underweight exposure to the China local government financing vehicle (LGFV) sector, as select names rebounded from distressed levels
- Underweight positioning at the long-end of the U.S. curve detracted from relative performance as rates declined during the reporting period

Performance periods ended 30 Jun '21	3 mos.	6 mos.	1 yr.	3 yrs.	5 yrs.	10 yrs.	SI
Fund before fees	0.77	1.37	10.19	--	--	--	7.38
Fund after fees	0.60	1.04	9.48	--	--	--	6.69
Benchmark*	0.81	1.29	8.02	--	--	--	6.06

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 expect performance in Asia high yield to be uneven with differentiation in fundamentals likely to continue, highlighting the importance of active credit selection.
- The Fund focuses on sectors with stronger long-term growth prospects and more attractive relative value, such as technology, diversified financials, utilities.
- Besides core holding in sectors such as technology and utilities, we are also opportunistically increasing select cyclical exposure via mining and consumer discretionary given cheaper valuations in those sectors. We are also constructive in foreign exchange exposure in Indonesia and India. We remain cautious within China local government financing vehicle (LGFV) sector.

Class:	INST
Inception date:	14 Feb '19
Fund assets (in millions):	\$2,079.22
Unified management fee	0.650%

Summary information	30 Jun '21
Estimated yield to maturity (Gross of fee)	6.75%
Effective duration (yrs)	2.15
Benchmark duration - provider (yrs)	2.96
Benchmark duration - PIMCO (yrs)	2.45
Effective maturity (yrs)	2.85
Average coupon	5.56%

Top 5 overweights (MV%)	Portfolio	BM*
Automotive	2.16	0.83
Integrated Oil	0.87	0.00
Chemicals	1.04	0.50
Financial Other	4.08	3.60
Media Cable	0.43	0.00

Top 5 underweights (MV%)	Portfolio	BM*
Real Estate	37.94	41.56
Banks	4.54	7.13
Transportation Services	0.53	1.46
Electric Utility	4.75	5.60
Refining	0.00	0.54

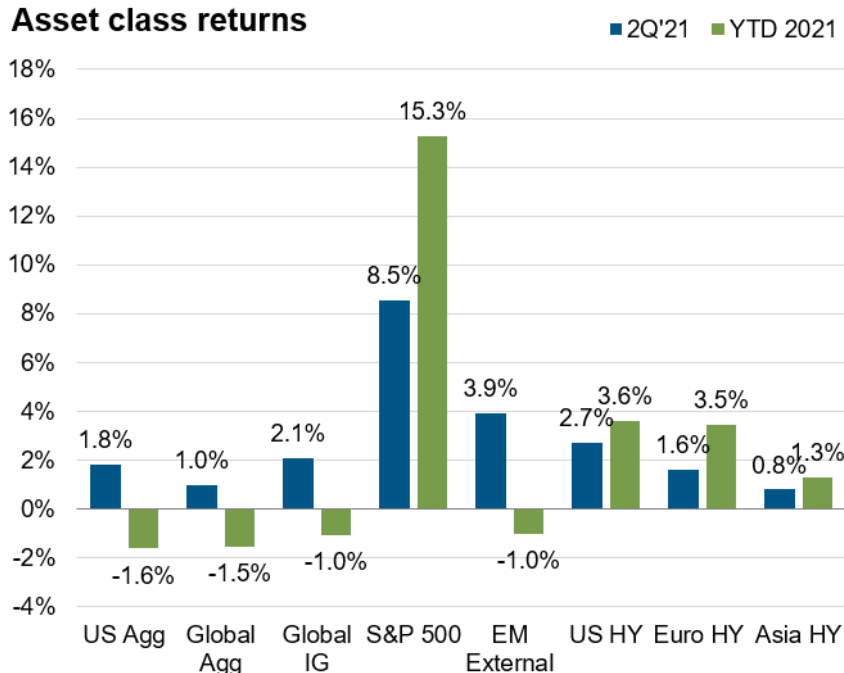
*J.P. Morgan JACI Non-Investment Grade Index;

Quarter in Review

Asia high yield returned 0.8% in Q2 2021

Asia high yield credit posted positive performance over the quarter, despite increases in COVID-19 cases in several countries, idiosyncratic company-specific developments, and inflationary concerns. Many Asian countries are currently experiencing the worst of the virus, and many governments have imposed tighter lockdown rules and continue to provide fiscal support. In addition, idiosyncratic company-specific developments surrounding large names such as Evergrande and Huarong posed as headwinds to Asia high yield performance. Asia credit supply and issuance continue to outpace last year's levels. Asia high yield continues to trade relatively cheaper than U.S. and global high yield.

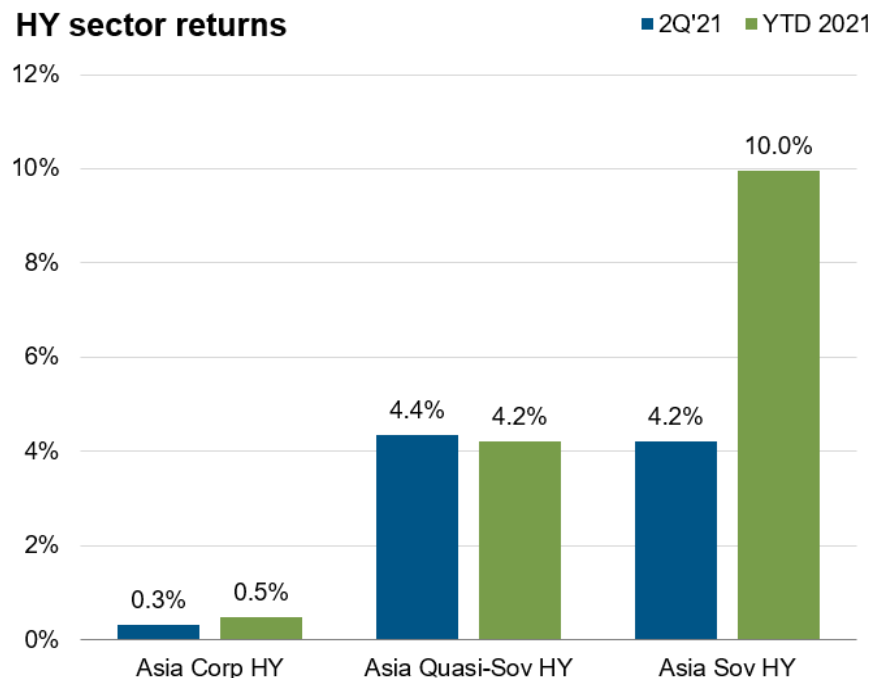
Asset class returns



Developed market yields rose dramatically over the quarter and curves steepened alongside expectations for recovering growth and inflation, as well as some repricing of expectations for central bank policy. Credit spreads tightened, global equities rallied, and oil prices rose over the quarter.

Source: US Agg: Bloomberg Barclays US Agg Index, Global Agg: Bloomberg Barclays Global Agg Index, Global IG: Bloomberg Barclays Global Agg Credit Index, S&P 500: SPXT Index, EM External: JPMorgan EMBI Global, US HY: Bloomberg Barclays US Corporate HY Index, Euro HY: Bloomberg Barclays Pan-European HY (Euro) Index, Asia HY: JPMorgan JACI non-IG Index. All indices hedged to USD.

HY sector returns



Over the quarter, Asia high yield sovereigns outperformed the corporate and quasi-sovereign sectors, as well as the broader Asia high yield market. C-rated bonds returned 5.8% and outperformed other quality cohorts, while B-rated bonds returned -1.8% and underperformed other quality cohorts over the quarter.

Source: JPMorgan Asia Credit Non-IG Index

Market Summary

The Fund underperformed its benchmark in Q2 due to country, industry and security selection

During Q2, the GIS Asia High Yield Fund underperformed its benchmark by 21 bps after fees (institutional share class)

China Real Estate

We are cautiously constructive on China real estate, which is supported by a strong domestic recovery, healthy demand for housing, and policy that aims to ensure long-term prudent debt usage, but bottom-up security selection is critical. Demand will likely be partially offset by the government's recent credit tightening, but the physical property market should remain relatively stable.

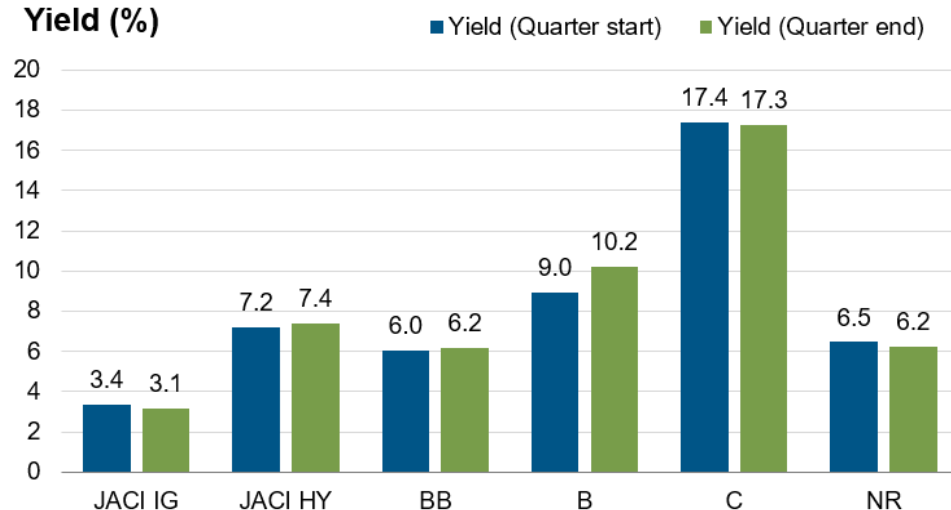
China Technology Sector

We expect China technology to outperform in a variety of economic scenarios, given its resiliency and sensitivity to strong domestic consumption trends, highlighting its non-cyclical nature. The sector continues to benefit from China's strong economy and improving domestic consumption.

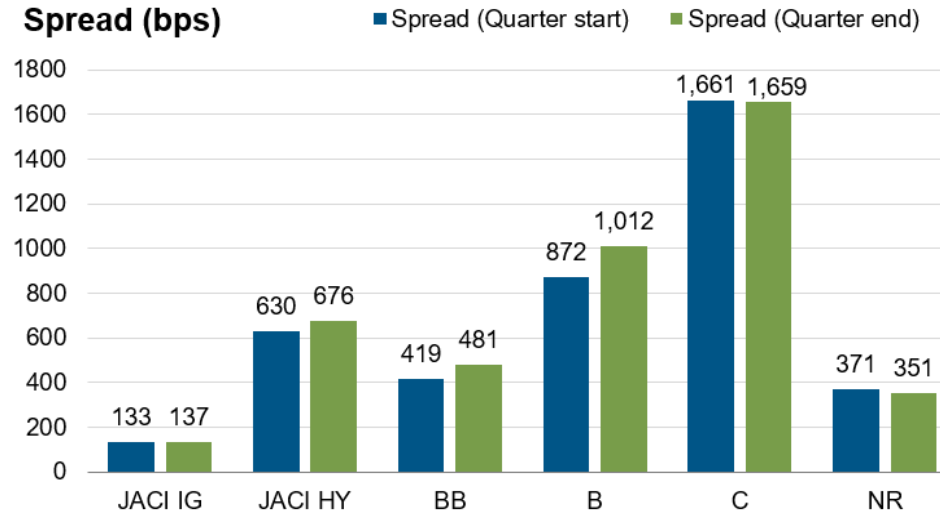
India Renewable Energy

We favor the India renewable energy and utility sector due to regulatory support from the government, resilient cash flows, and the strong demand due to secular ESG trends.

Yield (%)



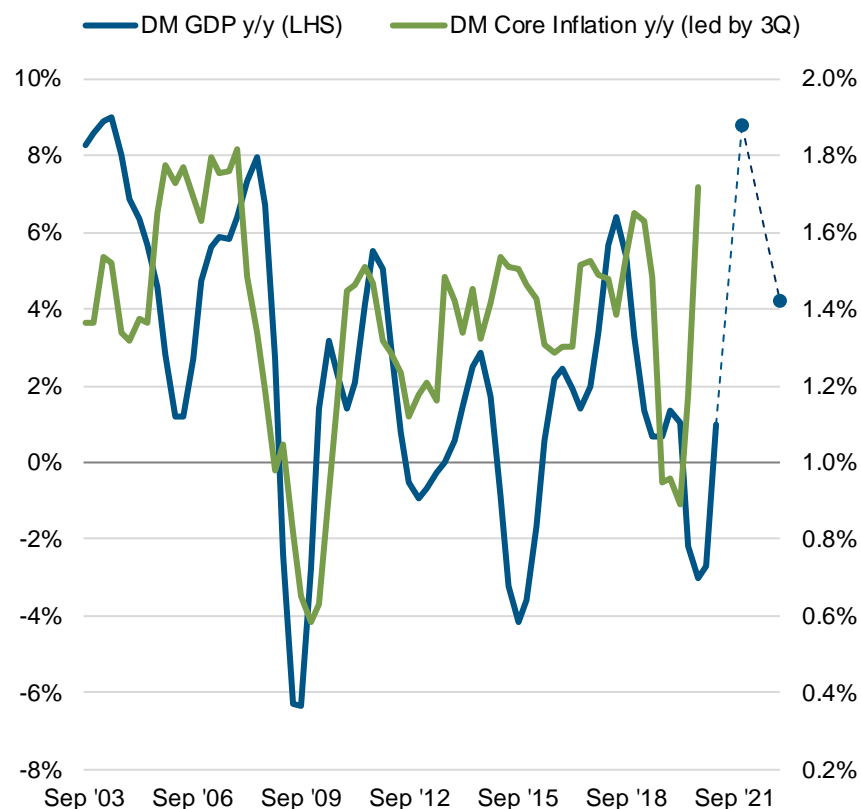
Spread (bps)



Source: JPMorgan Asia Credit Index

Cyclical Outlook: Inflation Inflection

Peak growth, peak inflation to follow



Key Highlights

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

Portfolio Outlook

Strategic Outlook

In 2021, we expect the global growth recovery will be uneven across sectors and regions. In 2022, the rebound will likely give way to a more synchronized growth moderation, albeit to a still above-trend pace. Meanwhile, slower vaccination rates in emerging market countries will likely delay a fuller recovery relative to developed markets. Our macro outlook for emerging markets is constructive, with market differentiation in convergence speed driven by the pace of vaccinations, services and tourism recovery, the domestic policy stance, and the impact from higher commodity prices. As the cyclical recovery takes place, we expect credit metrics of Asia high yield companies to improve.

Key strategies

Domestic Consumption Driven Sectors

Our exposure in China focuses on industries that are supported by strong domestic consumption and less sensitive to slower global growth, such as China high-quality real estate and internet. We will continue to monitor and focus on opportunities emerging in these sectors. As economic recovery continues across the region, we also actively take opportunities in cyclical companies with recovering liquidity profiles.

Fund Positioning

The Fund focuses on areas with stronger long-term growth prospects and more attractive relative value, such as technology, diversified financials, utilities, and COVID-19 recovery trades. Single name selection will continue to be an important alpha driver for the Fund.

Supportive Policy

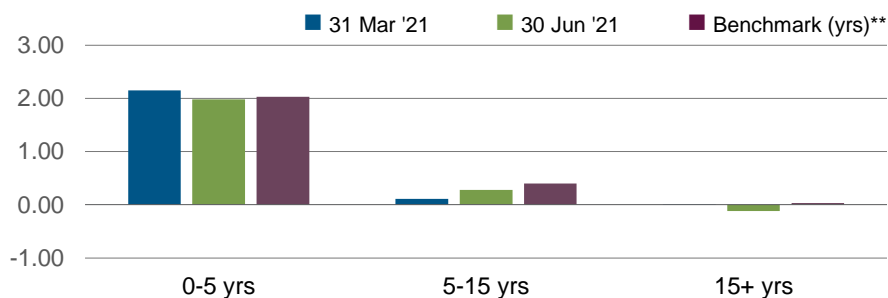
Supportive policy in Asia (ex-China) should help foster a strong economic recovery driven by improving domestic consumption, infrastructure spending, business reopening, and vaccine deployment. Although tensions between the U.S. and China will likely continue, they should be less unpredictable under the Biden administration.

Credit Opportunities

We continue to look for credits that may be acquisition targets and those that have resilient operating trends despite economic uncertainty, in addition to those where valuations and fundamentals are disconnected. We also actively take opportunities in the new issue and reverse inquiry deals.

Portfolio characteristics

Key rate duration exposure



	Portfolio (yrs)		Benchmark (yrs)**
	31 Mar '21	30 Jun '21	30 Jun '21
0-5 yrs	2.15	1.98	2.03
5-15 yrs	0.11	0.28	0.40
15+ yrs	0.01	-0.12	0.03
Total	2.26	2.14	2.45

Interest rate exposure

	Portfolio (yrs)		Benchmark (yrs)**
	31 Mar '21	30 Jun '21	30 Jun '21
Effective duration	2.31	2.15	2.45
Bull market duration	2.25	2.10	2.36
Bear market duration	2.37	2.21	2.53
Spread duration			
Mortgage spread duration	0.00	0.00	0.00
Corporate spread duration	0.28	0.30	0.00
Emerging markets spread duration	3.51	3.35	2.88
Swap spread duration	-0.41	-0.28	0.00
Covered bond spread duration	0.00	0.00	0.00
Sovereign related spread duration	0.01	0.01	0.00

Derivative exposure (% of duration)

	31 Mar '21	30 Jun '21
Government futures	-18.57	-36.56
Interest rate swaps	-16.08	-12.51
Credit default swaps*	9.92	5.83
Purchased swaps	-1.88	-1.32
Written swaps	11.80	7.15
Options	-0.20	-0.09
Purchased Options	-0.20	-0.05
Written Options	0.00	-0.05
Mortgage Derivatives	0.00	0.00
Money Market Derivatives	1.48	2.31
Futures	0.00	0.00
Interest rate swaps	1.48	2.31
Other Derivatives	0.76	0.55

* Shown as a percentage of market value

**Benchmark duration is calculated by PIMCO
Benchmark: J.P. Morgan JACI Non-Investment Grade Index

Country and currency exposure

Country exposure by currency of settlement

	31 Mar '21		30 Jun '21	
	Duration (yrs)	FX (%)	Duration (yrs)	FX (%)
United States	2.18	98.55	1.99	97.85
Japan	0.00	0.00	0.00	0.00
Eurozone	-0.04	0.06	0.00	0.00
Euro Currency	0.00	0.06	0.00	0.00
European Union	0.02	0.00	0.06	0.00
Germany	-0.06	0.00	-0.06	0.00
Italy	0.01	0.00	0.01	0.00
United Kingdom	0.01	0.01	0.01	0.01
Europe non-EMU	0.00	0.00	0.00	0.00
Dollar Block	0.00	0.00	0.00	0.00
Australia	0.00	0.00	0.00	0.00
Other Industrialized Countries	0.02	0.58	0.02	-0.01
Hong Kong	0.01	-0.82	0.02	-0.94
Singapore	0.00	0.01	0.00	0.00
South Korea	0.00	1.39	0.00	0.92
EM - Asia	0.14	0.80	0.12	2.15
China	0.08	0.04	0.06	0.04
India	0.01	1.19	0.00	0.68
Indonesia	0.06	1.33	0.06	1.39
Malaysia	0.00	0.00	0.00	0.96
Philippines	0.00	-0.88	0.00	-0.91
Thailand	0.00	-0.88	0.00	0.00
EM - CEEMEA	0.00	-0.01	0.00	0.00
Russia	0.00	-0.01	0.00	0.00
Total	2.31	100	2.15	100

Emerging markets exposure by country of risk

	31 Mar '21			30 Jun '21		
	% of MV short duration Instruments	% of MV bonds	Duration (yrs)	% of MV short duration Instruments	% of MV bonds	Duration (yrs)
Brazil	0.00	0.41	0.05	0.00	0.93	0.09
China	7.71	40.91	1.09	8.75	41.98	1.01
Egypt	0.00	0.46	0.04	0.00	0.31	0.03
EM Index Product	-0.42	0.00	0.00	-0.42	0.00	0.00
India	0.50	13.57	0.38	0.55	11.04	0.26
Indonesia	2.93	6.84	0.27	0.00	6.09	0.22
Malaysia	0.00	1.73	0.03	0.00	2.58	0.18
Mongolia	0.00	0.76	0.01	0.00	0.90	0.03
Pakistan	0.00	2.32	0.09	0.00	2.81	0.13
Philippines	0.00	2.97	0.17	0.02	3.77	0.28
South Africa	0.00	0.00	0.00	0.00	0.23	0.01
Sri Lanka	0.00	2.94	0.11	0.00	2.61	0.09
Thailand	0.02	1.26	0.05	0.00	1.07	0.04
Vietnam	0.00	0.38	0.02	0.00	1.23	0.02
Total	10.74	74.55	2.32	8.89	75.53	2.38

Additional share class performance

PIMCO Asia High Yield Bond Fund (net of fees performance)

Performance periods ended: 30 Jun '21	Unified Management Fee	NAV currency	Class Inception date	3 mos.	6 mos.	1 yr.	3 yrs.	5 yrs.	10 yrs.	SI
PIMCO Asia High Yield Bond Fund Administrative Income	1.150	USD	14 Feb '19	0.44	0.74	8.91	-	-	-	6.16
PIMCO Asia High Yield Bond Fund E Class Income	1.550	USD	14 Feb '19	0.24	0.54	8.47	-	-	-	5.73
PIMCO Asia High Yield Bond Fund E Class USD Accumulation	1.550	USD	01 Jul '20	0.37	0.56	-	-	-	-	8.50
PIMCO Asia High Yield Bond Fund H Institutional USD Accumulation	0.820	USD	12 Mar '21	0.50	-	-	-	-	-	1.00
PIMCO Asia High Yield Bond Fund H Institutional USD Income	0.820	USD	12 Mar '21	0.53	-	-	-	-	-	1.04
PIMCO Asia High Yield Bond Fund Institutional Accumulation	0.650	USD	14 Feb '19	0.60	1.04	9.48	-	-	-	6.69
PIMCO Asia High Yield Bond Fund Institutional Income	0.650	USD	14 Feb '19	0.56	0.99	9.45	-	-	-	6.69
PIMCO Asia High Yield Bond Fund Investor Accumulation	1.000	USD	25 May '21	-	-	-	-	-	-	-1.20
PIMCO Asia High Yield Bond Fund Investor USD Income	1.000	USD	20 Aug '20	0.46	0.88	-	-	-	-	4.74
PIMCO Asia High Yield Bond Fund M Retail Income II	1.550	USD	14 Feb '19	0.29	0.55	8.49	-	-	-	5.73
PIMCO Asia High Yield Bond Fund Z Class Accumulation	0.000	USD	14 Feb '19	0.77	1.37	10.23	-	-	-	7.42
J.P. Morgan JACI Non-Investment Grade Index	-	-	-	0.81	1.29	8.02	-	-	-	6.06
PIMCO Asia High Yield Bond Fund Investor RMB (Hedged) Income	1.000	CNH	09 Oct '20	1.07	2.09	-	-	-	-	6.92
JP Morgan JACI Non-IG HdgCNH	-	-	-	1.39	2.47	-	-	-	-	6.48
PIMCO Asia High Yield Bond Fund Investor AUD (Hedged) Income	1.000	AUD	30 Sep '20	0.37	0.80	-	-	-	-	5.44
JP Morgan JACI Non-IG HdgAUD	-	-	-	0.71	1.12	-	-	-	-	4.79
PIMCO Asia High Yield Bond Fund E Class CHF (Hedged) Income	1.550	CHF	23 Oct '20	0.03	0.04	-	-	-	-	4.17
PIMCO Asia High Yield Bond Fund E Class CHF (Hedged) Accumulation	1.550	CHF	23 Oct '20	0.10	0.10	-	-	-	-	4.20
PIMCO Asia High Yield Bond Fund Institutional CHF (Hedged) Income	0.650	CHF	23 Oct '20	0.36	0.59	-	-	-	-	4.81
PIMCO Asia High Yield Bond Fund Institutional CHF (Hedged) Accumulation	0.650	CHF	23 Oct '20	0.29	0.58	-	-	-	-	4.80
JP Morgan JACI Non-IG Hdg CHF	-	-	-	0.50	0.69	-	-	-	-	4.43
PIMCO Asia High Yield Bond Fund E Class EUR (Hedged) Accumulation	1.550	EUR	25 Sep '20	0.19	0.19	-	-	-	-	4.70
PIMCO Asia High Yield Bond Fund E Class EUR (Hedged) Income	1.550	EUR	25 Sep '20	0.13	0.23	-	-	-	-	4.65
PIMCO Asia High Yield Bond Fund Institutional EUR (Hedged) Income	0.650	EUR	25 Sep '20	0.36	0.68	-	-	-	-	5.36
PIMCO Asia High Yield Bond Fund Institutional EUR (Hedged) Accumulation	0.650	EUR	25 Sep '20	0.38	0.57	-	-	-	-	5.30
PIMCO Asia High Yield Bond Fund Investor EUR (Hedged) Income	1.000	EUR	10 Sep '20	0.25	0.46	-	-	-	-	3.17
JP Morgan JACI Non-Investment Grade Index (EUR Hedged)	-	-	-	0.56	0.81	-	-	-	-	2.66
PIMCO Asia High Yield Bond Fund Institutional GBP (Hedged) Income	0.650	GBP	06 May '21	-	-	-	-	-	-	-0.90
JP Morgan JACI Non-IG Hdg GBP	-	-	-	-	-	-	-	-	-	-0.92
PIMCO Asia High Yield Bond Fund E Class HKD (Unhedged) Income	1.550	HKD	14 Feb '19	0.23	0.71	8.73	-	-	-	5.29

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 Asia High Yield Bond Fund (net of fees performance)

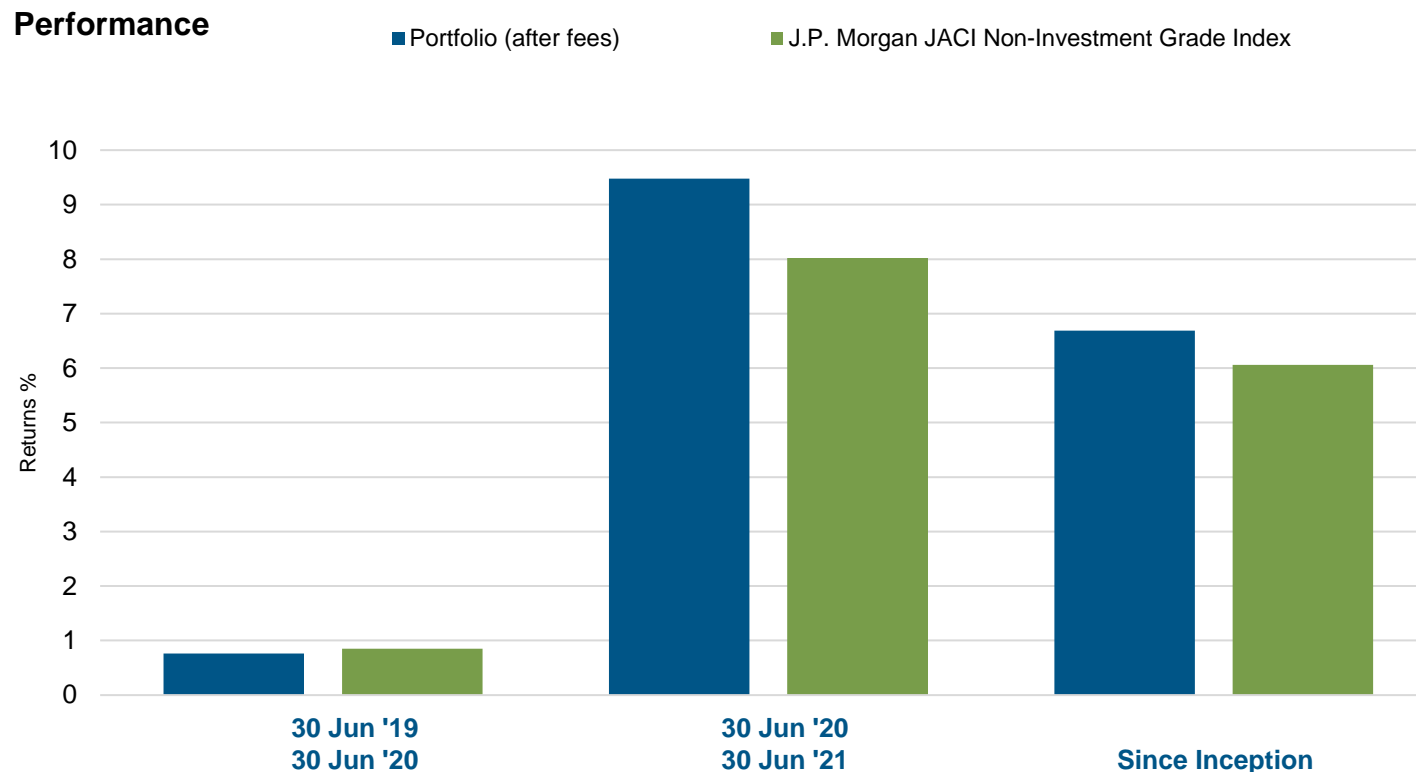
Performance periods ended: 30 Jun '21	Unified Management Fee	NAV currency	Class Inception date	3 mos.	6 mos.	1 yr.	3 yrs.	5 yrs.	10 yrs.	SI
PIMCO Asia High Yield Bond Fund M Retail HKD (Unhedged) Income II	1.550	HKD	14 Feb '19	0.28	0.83	8.85	-	-	-	5.32
PIMCO Asia High Yield Bond Fund E Class SGD (Hedged) Income	1.550	SGD	14 Feb '19	0.33	0.61	8.40	-	-	-	5.29
PIMCO Asia High Yield Bond Fund Investor SGD (Hedged) Income	1.000	SGD	20 Aug '20	0.46	0.87	-	-	-	-	4.74
PIMCO Asia High Yield Bond Fund M Retail SGD (Hedged) Income II	1.550	SGD	14 Feb '19	0.38	0.62	8.50	-	-	-	5.32
JP Morgan JACI Non-Investment Grade (SGD Hedged)	-	-	-	0.80	1.28	7.88	-	-	-	5.55

The 12 months rolling performance can be provided upon request.

Past Performance is not a guarantee or reliable indicator of future results and no guarantee is being made that similar returns will be achieved in the future.

Additional share class performance

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



As of 30 June 2021. SOURCE: PIMCO.

The fund is actively managed in reference to the J.P. Morgan JACI Non-Investment Grade Index Index as further outlined in the prospectus and key investor information document

*The benchmark is shown for performance comparison purpose only. Benchmark: J.P. Morgan JACI Non-Investment Grade 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 —The J.P. Morgan JACI Non-Investment Grade Index comprises fixed rate US Dollar-denominated high yield bonds issued by Asia sovereigns, quasi-sovereigns, banks and corporates. The existing JACI Non-IG contains both fixed and floating rate bonds issued by Asia-domiciled entities having a nominal outstanding of at least US\$150 million and more than one year to maturity.

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. 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.

GIS Funds

PIMCO Funds: Global Investors Series plc is an umbrella type open-ended investment company with variable capital and is incorporated with limited liability under the laws of Ireland with registered number 276928. The information is not for use within any country or with respect to any person(s) where such use could constitute a violation of the applicable law. The information contained in this communication is intended to supplement information contained in the prospectus for this Fund and must be read in conjunction therewith. Investors should consider the investment objectives, risks, charges and expenses of these Funds carefully before investing. This and other information is contained in the Fund's prospectus. Please read the prospectus carefully before you invest or send money. Past performance is not a guarantee or a reliable indicator of future results and no guarantee is being made that similar returns will be achieved in the future. Returns are net of fees and other expenses and include reinvestment of dividends. The performance data represents past performance and investment return and principal value will fluctuate so that the PIMCO **GIS Funds** shares, when redeemed, may be worth more or less than the original cost. Potential differences in performance figures are due to rounding. The Fund may invest in non- U.S. or non-Eurozone securities which involves potentially higher risks including non-U.S. or non-Euro currency fluctuations and political or economic uncertainty. For informational purposes only. Please note that not all Funds are registered for sale in every jurisdiction. Please contact PIMCO Europe Ltd for more information. For additional information and/or a copy of the Fund's prospectus, please contact the Administrator: State Street Fund Services (Ireland) Limited, Telephone +353-1-776-0142, Fax +353-1-562-5517. © 2021.

Benchmark

Unless referenced in the prospectus and relevant key investor information document, a benchmark or index in this material is not used in the active management of the Fund, in particular for performance comparison purposes.

Where referenced in the prospectus and relevant key investor information document a benchmark may be used as part of the active management of the Fund including, but not limited to, for duration measurement, as a benchmark which the Fund seeks to outperform, performance comparison purposes and/or relative VaR measurement. Any reference to an index or benchmark in this material, and which is not referenced in the prospectus and relevant key investor information document, is purely for illustrative or informational purposes (such as to provide general financial information or market context) and is not for performance comparison purposes. Please contact your PIMCO representative for further details.

The fund is actively managed in reference to the J.P. Morgan JACI Non-Investment Grade Index as further outlined in the prospectus and key investor information document.

Correlation

As outlined under "Benchmark", where [disclosed herein] and referenced in the prospectus and relevant key investor information document, a benchmark may be used as part of the active management of the Fund. In such instances, certain of the Fund's securities may be components of and may have similar weightings to the benchmark and the Fund may from time to time show a high degree of correlation with the performance of any such benchmark. However the benchmark is not used to define the portfolio composition of the Fund and the Fund may be wholly invested in securities which are not constituents of the benchmark.

Investors should note that a Fund may from time to time show a high degree of correlation with the performance of one or more financial indices not referenced in the prospectus and relevant key investor information document. Such correlation may be coincidental or may arise because any such financial index may be representative of the asset class, market sector or geographic location in which the Fund is invested or uses a similar investment methodology to that used in managing the Fund.

Investment restrictions — In accordance with the UCITS regulations and subject to any investment restrictions outlined in the Fund's prospectus, the Fund may invest over 35% of net assets in different transferable securities and money market instruments issued or guaranteed by any of the following: OECD Governments (provided the relevant issues are investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC.

Appendix

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 retail 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: (1) Italian Branch: the Commissione Nazionale per le Società e la Borsa (CONSOB) in accordance with Article 27 of the Italian Consolidated Financial Act; (2) Irish Branch: the Central Bank of Ireland in accordance with Regulation 43 of the European Union (Markets in Financial Instruments) Regulations 2017, as amended; and (3) Spanish Branch: 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 retail 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.

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)