

## Fund information

Total net assets (in millions)	\$14,660.9	
Fund type	UCITS	
Portfolio manager(s)	Andrew Balls Sachin Gupta Lorenzo Pagani	
Effective duration (yrs)	6.53	
Benchmark duration (yrs)	7.55	
Average maturity (yrs)	8.55	
Class	CUSIP	ISIN
Accumulation	G7096V443	IE0002461055
Income	G7096V450	IE0002460198

## Unified management fee

Institutional class, Accumulation shares	0.49% p.a.
Institutional class, Income shares	0.49% p.a.

## Performance summary

The PIMCO GIS Global Bond Fund returned -0.14% (Institutional Class, Accumulation shares net of fees) and -0.15% (Institutional Class, Income shares net of fees) in August, outperforming the Bloomberg Barclays Global Aggregate (USD Hedged) Index by 0.06% and 0.05% respectively. Year-to-date the Fund has returned -0.39% (Institutional Class, Accumulation shares net of fees) and -0.41% (Institutional Class, Income shares net of fees), outperforming the benchmark by 0.10% and 0.08% respectively.

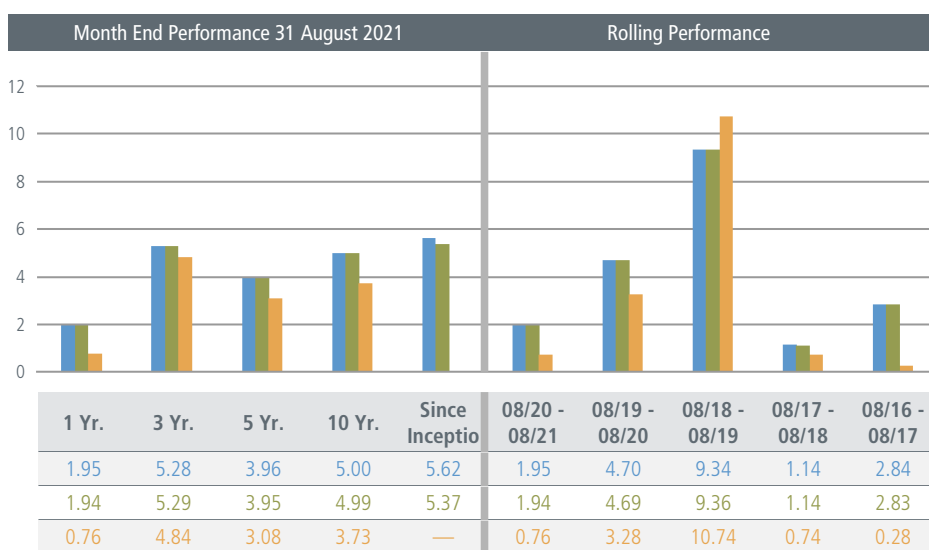
Risk assets broadly gained in August, though concerns about the COVID-19 Delta variant and the US's withdrawal from Afghanistan contributed to more volatility. Global equities rose - with the S&P rising 3.0% in August, the 7th consecutive month with positive returns - while credit spreads were mostly unchanged. Developed sovereign yields broadly rose in August with the U.S. 10-year yield moving 10 bps higher to 1.31%. Meanwhile, the Fed signaled it could begin reducing the pace of its large scale asset purchases later this year, though it continued to maintain its policy rate near zero.

## Contributors

- Duration and curve positioning in the Eurozone
- An overweight to higher coupon Agency mortgages, which outperformed US Treasuries
- Exposure to high-quality non-Agency RMBS as spreads tightened

## Detractors

- An allocation to Danish Mortgages as spreads widened
- Modest overweight to Peruvian duration as yields rose
- An overweight to European peripherals, notably Italy, as spreads widened



■ PIMCO GIS Global Bond Fund Institutional-Acc, net of fees (%)<sup>1</sup>

■ Bloomberg Barclays Global Aggregate (USD Hedged) Index (%)<sup>\*</sup>

■ PIMCO GIS Global Bond Fund Institutional-Inc, net of fees (%)<sup>2</sup>

## 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.

**This is for professional investor use only and not for public distributions.**

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. The benchmark is the Bloomberg Barclays Global Aggregate (USD Hedged) Index. All periods longer than one year are annualised. SI is the performance since inception.

<sup>1</sup> Accumulation class inception date: 12 March 1998

<sup>2</sup> Income class inception date: 18 April 2001

<sup>\*</sup> Benchmark is shown for performance comparison purposes only.

## Portfolio positioning

The Fund is moderately underweight to duration overall, and recently pivoted to a modest underweight to duration in the U.S. given the recent drop in yields. We expect that factors such as increased growth and inflation expectations could place upward pressure on yields over time. In the Eurozone, the Fund is underweight duration in aggregate with an overweight in the peripherals and an underweight in the core/semi-core regions. The Fund remains underweight to duration in the U.K. and neutral in Japan and Australia.

The Fund continues to take a cautious approach to investment-grade corporate credit given tight valuations. Instead, the Fund favors senior securitized assets, like non-Agency mortgages as well as U.K. residential mortgages and Danish covered bonds. The Fund also continues to hold positions in U.S. TIPS and high-quality EM external debt.

In currencies, the Fund is modestly underweight the U.S. dollar against a diversified basket of DM currencies as well as select EM currencies.

## Month in review

Risk assets broadly gained in August, though concerns about the COVID-19 Delta variant and the US's withdrawal from Afghanistan contributed to more volatility. Global equities rose - with the S&P rising 3.0% in August, the 7th consecutive month with positive returns - while credit spreads were mostly unchanged. Developed sovereign yields broadly rose in August with the U.S. 10-year yield moving 10 bps higher to 1.31%. Meanwhile, the Fed signaled it could begin reducing the pace of its large scale asset purchases later this year, though it continued to maintain its policy rate near zero.

Sovereign rate strategies were about neutral for performance over the month. Detractions from an overweight to duration in Denmark and local rate exposure in Peru were offset by contributions from underweights to duration in the U.K. and Eurozone.

Spread sector strategies contributed to relative performance over the month. Positions in Agency and non-Agency MBS as well as an underweight to non-financial investment grade corporate credit contributed to performance, while a preference for duration in Eurozone peripherals detracted.

Currency strategies were about neutral for performance over the month. Detractions from long exposure to British pound and select Dollar Block currencies were offset by contributions from exposure to the Norwegian krone and select EM currencies.

## Outlook and strategy

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 synchronized growth moderation, albeit to a still above-trend pace. While valuations seemed to have priced in a return to normality, we remain focused on careful portfolio positioning, capital preservation, and liquidity management.

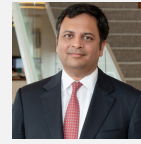
By positioning cautiously and emphasizing liquidity, we believe we will be better prepared to respond to a variety of shocks. We are modestly underweight duration in the Fund as markets may remain focused on inflation risks in the near term, contributing to elevated volatility. In Europe, accommodative ECB action suggests a more favorable view on peripheral Eurozone rates relative to those of core and semi-core. We continue to hold a moderate allocation to TIPS in the portfolio based on attractive valuations and as a hedge against a potential inflation overshoot. We are moderately underweight the U.S. dollar against select developed and emerging market currencies. In general, we have stronger conviction in pro-cyclical currencies based on commodity beta and valuations.

In spread sectors, we continue to be selective within corporate credit, favoring banks and other financial issuers. We remain focused on securitized assets, including U.S. non-agency mortgages, U.K. residential mortgages, and Danish mortgages, which offer defensive qualities in addition to reasonable risk premia for liquidity, complexity, and uncertainty over the timing of cash flows. We also continue to hold high quality EM external debt of sovereign and quasi-sovereign issuers in the Middle East.

### Management profile



**Andrew Balls**  
Managing Director and  
CIO Global Fixed Income



**Sachin Gupta**  
Managing Director



**Lorenzo Pagani**  
Managing Director

**\$14.6BN**

ASSETS UNDER  
MANAGEMENT

**36**

PORTFOLIO  
MANAGERS

- Average years of experience **19**
- Resources in **8 global offices**

Access high-quality fixed income worldwide

**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.** Performance data shown is the after the effect of fees. All periods longer than one year are annualised.

Share 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 Key Investor Information Document.

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 suitable 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.

Bloomberg Barclays Global Aggregate (USD Hedged) Index provides a broad-based measure of the global investment-grade fixed income markets. The three major components of this index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian Government securities, and USD investment grade 144A securities. It is not possible to invest directly in an unmanaged index.

Morningstar ratings are only shown for those funds that have achieved a 4 or 5 star rating. Ratings for other share classes are either lower or not available.

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.

**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. 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.

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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.

**Additional Information** — This material may contain additional information, not explicit in the prospectus, on how the Fund or strategy is currently managed. Such information is current as at the date of the presentation and may be subject to change without notice.

**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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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](http://www.fundinfo.com) and is available in English, French, German, Italian, Portuguese and Spanish.

The KIIDs can be obtained from [www.fundinfo.com](http://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](http://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.

Duration is the measure of a bond's price sensitivity to interest rates and is expressed in years.

Dollar Block refers to a group of countries that all use the same money.

**Mortgage and asset-backed securities (MBS)** 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.

**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. **Treasury Inflation-Protected Securities (TIPS)** are ILBs issued by the U.S. government.

European Central Bank (ECB); Emerging Markets (EM); Developed Markets (DM); US Federal Reserve (The Fed).