



GIS Global 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

The Fund's spread sector and currency strategies contributed to performance, while interest rate strategies detracted

CONTRIBUTORS

- Overweight to senior and subordinated financials
- Positions in non-Agency MBS
- Modest exposure to a basket of EM currencies

DETRACTORS

- Duration and curve positioning in the U.S.
- Positions in Agency MBS
- Underweight to duration in the U.K.

| Performance periods ended 30 Jun '21 | 3 mos. | 6 mos. | 1 yr. | 3 yrs. | 5 yrs. | 10 yrs. | SI |
|--------------------------------------|--------|--------|-------|--------|--------|---------|------|
| Fund before fees | 0.91 | -1.03 | 3.17 | 5.61 | 4.58 | 5.66 | 6.20 |
| Fund after fees | 0.79 | -1.27 | 2.67 | 5.10 | 4.07 | 5.14 | 5.63 |
| Benchmark* | 0.98 | -1.52 | 0.08 | 4.59 | 2.98 | 3.87 | 4.81 |

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

- Duration and curve positioning: Moderately underweight headline duration, emphasizing underweights to the Eurozone and UK with overweights in Denmark and select EM countries
- European duration positioning: Underweight duration in aggregate with a preference for interest rate exposure in peripheral countries relative to core and semi-core countries
- Spread positioning: Prefer exposure to senior securitized assets, while de-emphasizing generic corporate credit given tight valuations
- Currency positioning: Modestly underweight the U.S. dollar against select DM and EM currencies

| | |
|-----------------------------------|--------------------|
| Class: | INST |
| Inception date: | 12 Mar '98 |
| Fund assets (in millions): | \$14,699.23 |
| Unified management fee | 0.490% |

| Summary information | 30 Jun '21 |
|--|------------|
| Estimated yield to maturity (Gross of fee) | 2.08% |
| Effective duration (yrs) | 6.67 |
| Benchmark duration - provider (yrs) | 7.49 |
| Effective maturity (yrs) | 9.03 |
| Tracking error (10 yrs) | 1.50 |
| Information ratio (10 yrs) | 0.82 |

| Regional allocation (% DWE by currency of settlement) | Portfolio | BM* |
|---|-------------|-------------|
| United States | 40.00% | 36.97% |
| Japan | 17.85% | 16.90% |
| Eurozone | 15.79% | 24.09% |
| United Kingdom | 3.44% | 7.60% |
| Europe non-EMU | 8.08% | 1.08% |
| Dollar Block | 5.92% | 4.47% |
| Other industrialized countries | 0.00% | 0.00% |
| Emerging markets | 8.92% | 8.90% |
| Total | 100% | 100% |

*Bloomberg Barclays Global Aggregate (USD Hedged) Index

Quarter in Review

Developed market yields diverged and Agency MBS underperformed

Global economic data continued to improve, though recoveries have been uneven across regions. Risk sentiment remained robust despite inflation concerns; global equities rallied – the S&P 500 closed at an all-time high – and credit spreads tightened. Developed market yields, however, were more mixed with US and UK rates falling while German rates rose. Meanwhile, developed market central banks maintained accommodative stances, though the extent of support started to be scaled back. The BoE and BoC began tapering their bond purchases, while the Fed anticipated earlier rate hikes than its prior forecast.



Developed market yields were mixed over the quarter. Despite higher realized inflation data, 10yr yields in the U.S. and U.K. fell, while those in Germany rose. In the U.S., the curve flattened as front-end yields grinded higher in response to the Fed's revised policy forecast.



Agency MBS spreads widened in Q2, though remained below pre-pandemic levels. Non-agency MBS, on the other hand, performed well alongside the broader rally in risk assets.

Market Summary

Q2'21: Risk sentiment remained robust

The Fund's spread sector and currency strategies contributed to performance, while interest rate strategies detracted

Developed market debt

Developed market yields were mixed over the quarter. In the U.S., front end yields rose as the Fed announced plans for sooner-than-expected rate hikes, while longer-dated yields fell meaningfully. In Germany, rates rose modestly across the curve, while the U.K. yield curve bull flattened and rates in Japan remained largely range-bound.



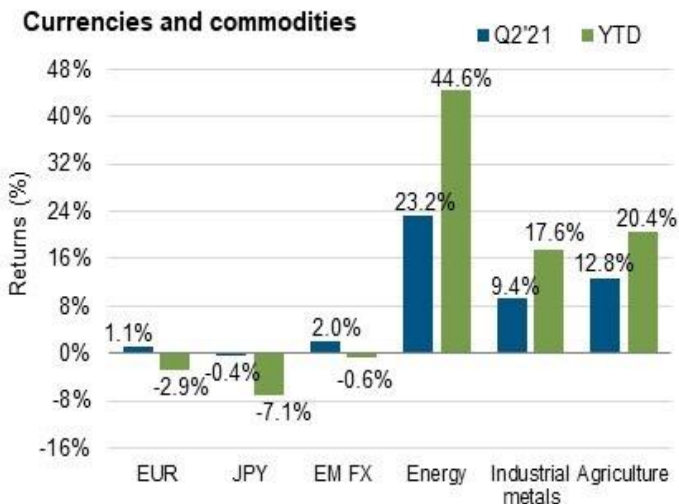
Mortgage-backed securities

U.S. agency mortgage-backed securities (MBS) returned 0.33% for the quarter, underperforming like-duration Treasuries by 61 bps. The sector was initially supported by rates stabilizing, but there was divergence in performance within the coupon stack as higher coupons more considerably underperformed relative to U.S. Treasuries towards the end of the quarter. Non-Agency MBS spreads tightened and non-agency commercial MBS returned 1.88%.



Credit

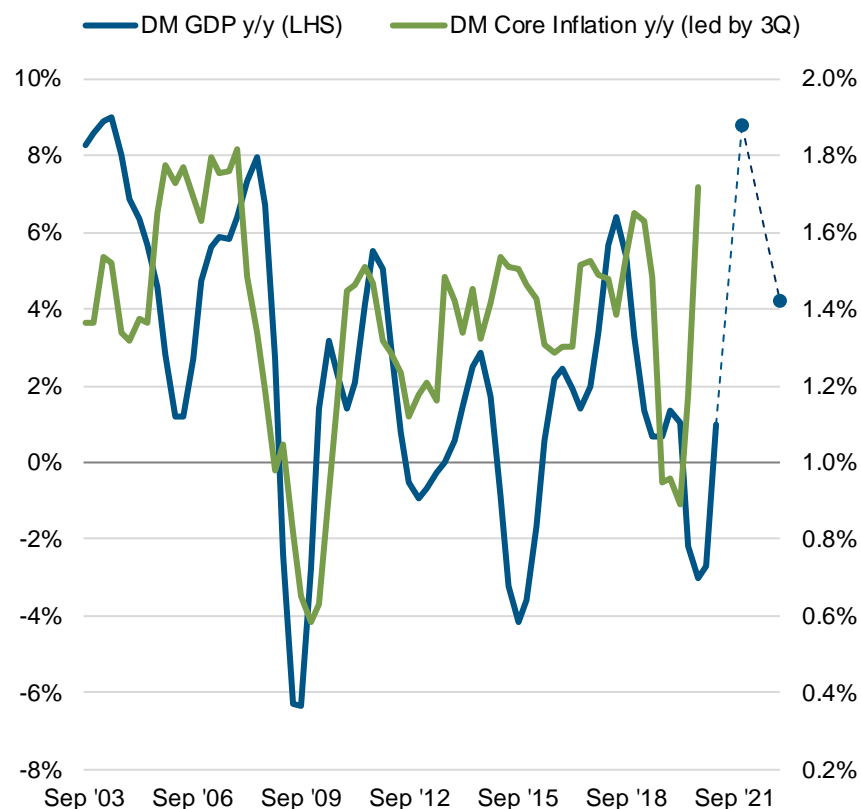
U.S. investment grade credit spreads tightened 9 bps, ending the quarter at 77 bps. The sector returned 3.32%, outperforming like-duration treasuries by 1.00%. Credit spreads tightened amid optimism surrounding vaccine distribution, strong consumer sentiment, and President Biden's infrastructure bill as well as strong investment grade technicals despite the significant issuance over the quarter.



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 Barclays Investment Grade Non-Agency CMBS 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: 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

PIMCO's baseline outlook has the global economy continuing its uneven recovery in 2021 before shifting to a more moderate pace of above-trend growth in 2022. Since inflation follows growth with a lag, we project inflation in developed markets will peak in the coming months. However, the exact timing and magnitude is more uncertain due to supply constraints. These constraints are expected to ease in 2022, while peaking goods demand will likely moderate inflation in the second half of 2021. Meanwhile, several central banks have already begun tapering asset purchase programs. And while others are likely to follow, we do not expect any to begin hiking policy rates over our cyclical horizon.

Key strategies

Interest Rate Strategies

The Fund is modestly underweight to overall duration, but has emphasized sourcing duration from high-quality countries that have the potential to provide diversification benefits in a risk-off scenario

Eurozone Country Positioning

The Fund is underweight duration in aggregate, preferring interest rate exposure in peripheral countries relative to core and semi-core countries due to heightened ECB support

Spread Positioning

We prefer exposure to senior securitized assets, particularly mortgage-related assets in the U.S. and Europe with strong fundamentals and compelling valuations. We maintain our broad underweight to corporate credit with a preference for financials and remain selective about our current exposures

Currencies

The Fund maintains its underweight to the U.S. dollar against a diversified basket of DM and EM currencies

Sector exposure

| | Portfolio | | | | Benchmark | |
|---|-------------------|------------|-------------------|-------------|-------------------|-------------------|
| | % of Market value | | Duration in years | | % of Market value | Duration in years |
| | 31 Mar '21 | 30 Jun '21 | 31 Mar '21 | 30 Jun '21 | 30 Jun '21 | 30 Jun '21 |
| Government Related | 42.67 | 43.82 | 3.78 | 3.64 | 54.91 | 4.65 |
| Inflation Linked | 3.28 | 2.54 | 0.26 | 0.18 | 0.00 | 0.00 |
| Securitized* | 12.06 | 11.52 | 0.36 | 0.22 | 11.40 | 0.48 |
| Covered Bonds and Pfandbriefe | 7.58 | 7.09 | 0.44 | 0.50 | 1.95 | 0.10 |
| Investment Grade Credit | 19.98 | 19.34 | 0.82 | 0.71 | 17.86 | 1.34 |
| High Yield Credit | 0.05 | 1.37 | 0.04 | 0.06 | 0.00 | 0.00 |
| Municipals | 0.09 | 0.10 | 0.01 | 0.01 | 0.27 | 0.03 |
| EM External | 5.72 | 5.51 | 0.39 | 0.42 | 3.11 | 0.23 |
| EM Local | 18.00 | 20.18 | 0.62 | 0.62 | 10.46 | 0.65 |
| Other | 0.89 | 0.95 | 0.07 | 0.07 | 0.04 | 0.00 |
| Net Other Short Duration Instruments** | -10.33 | -12.42 | 0.18 | 0.24 | 0.00 | 0.00 |
| Commingled Cash Vehicles | 0.02 | 0.03 | 0.00 | 0.00 | 0.00 | 0.00 |
| Commercial Paper/STIF | 1.45 | 1.31 | 0.02 | 0.02 | 0.00 | 0.00 |
| Govt Related | 4.06 | 3.83 | 0.02 | 0.02 | 0.00 | 0.00 |
| Securitized | 17.69 | 17.94 | 0.11 | 0.11 | 0.00 | 0.00 |
| Credit | 2.83 | 2.92 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other | -1.73 | -1.79 | 0.00 | 0.00 | 0.00 | 0.00 |
| Short Duration Derivatives and Derivative Offsets | -22.42 | -25.40 | 0.03 | 0.08 | 0.00 | 0.00 |
| Net Unsettled Trades | -12.22 | -11.26 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 100 | 100 | 6.99 | 6.67 | 100 | 7.49 |

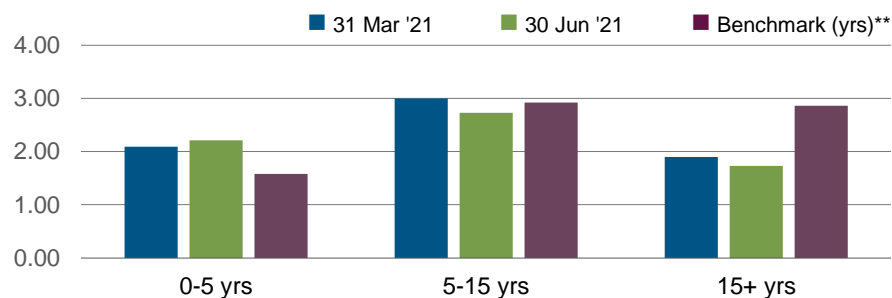
*Securitized includes Agency MBS, non-Agency MBS, CMBS, ABS, CDO, CLO, and Pooled Funds.

**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.

Benchmark: Bloomberg Barclays Global Aggregate (USD Hedged) Index

Portfolio characteristics

Key rate duration exposure



| | Portfolio (yrs) | | Benchmark (yrs)** |
|--------------|-----------------|-------------|-------------------|
| | 31 Mar '21 | 30 Jun '21 | 30 Jun '21 |
| 0-5 yrs | 2.09 | 2.21 | 1.58 |
| 5-15 yrs | 3.00 | 2.73 | 2.92 |
| 15+ yrs | 1.90 | 1.73 | 2.86 |
| Total | 7.00 | 6.67 | 7.37 |

Interest rate exposure

| | Portfolio (yrs) | | Benchmark (yrs)** |
|-----------------------------------|-----------------|------------|-------------------|
| | 31 Mar '21 | 30 Jun '21 | 30 Jun '21 |
| Effective duration | 6.99 | 6.67 | 7.37 |
| Bull market duration | 6.37 | 6.17 | 7.30 |
| Bear market duration | 7.34 | 6.72 | 7.35 |
| Spread duration | | | |
| Mortgage spread duration | 0.95 | 0.78 | 0.45 |
| Corporate spread duration | 0.92 | 0.94 | 1.44 |
| Emerging markets spread duration | 1.08 | 1.11 | 0.89 |
| Swap spread duration | 0.52 | 0.28 | 0.00 |
| Covered bond spread duration | 0.50 | 0.55 | 0.10 |
| Sovereign related spread duration | 0.26 | 0.19 | 0.55 |

Derivative exposure (% of duration)

| | 31 Mar '21 | 30 Jun '21 |
|---------------------------------|------------|------------|
| Government futures | 12.14 | 13.27 |
| Interest rate swaps | 6.70 | 3.84 |
| Credit default swaps* | -3.84 | -1.79 |
| Purchased swaps | -4.52 | -3.25 |
| Written swaps | 0.68 | 1.46 |
| Options | 1.34 | -0.50 |
| Purchased Options | -2.67 | -2.05 |
| Written Options | 4.02 | 1.55 |
| Mortgage Derivatives | 0.00 | 0.00 |
| Money Market Derivatives | -0.71 | -0.50 |
| Futures | 0.07 | 0.07 |
| Interest rate swaps | -0.78 | -0.58 |
| Other Derivatives | -2.11 | -1.92 |

* Shown as a percentage of market value

**Benchmark duration is calculated by PIMCO
Benchmark: Bloomberg Barclays Global Aggregate (USD Hedged) 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 | 2.86 | 94.70 | 2.67 | 94.81 |
| Japan | 1.20 | -0.01 | 1.19 | 0.04 |
| Eurozone | 1.28 | -0.02 | 1.05 | 0.06 |
| Austria | 0.00 | 0.00 | 0.00 | 0.00 |
| Euro Currency | 0.00 | -0.02 | 0.00 | 0.06 |
| European Union | 0.76 | 0.00 | 0.67 | 0.00 |
| France | 0.37 | 0.00 | 0.26 | 0.00 |
| Germany | -0.61 | 0.00 | -0.67 | 0.00 |
| Ireland | 0.02 | 0.00 | 0.02 | 0.00 |
| Italy | 0.51 | 0.00 | 0.55 | 0.00 |
| Luxembourg | 0.01 | 0.00 | 0.01 | 0.00 |
| Netherlands | 0.02 | 0.00 | 0.02 | 0.00 |
| Slovenia | 0.01 | 0.00 | 0.00 | 0.00 |
| Spain | 0.19 | 0.00 | 0.20 | 0.00 |
| United Kingdom | 0.19 | 0.98 | 0.23 | 1.00 |
| Europe non-EMU | 0.46 | 0.53 | 0.54 | 0.49 |
| Denmark | 0.32 | -0.04 | 0.39 | 0.03 |
| Norway | 0.01 | 0.51 | 0.01 | 0.48 |
| Sweden | 0.01 | 0.08 | 0.01 | 0.00 |
| Switzerland | 0.12 | -0.02 | 0.13 | -0.02 |
| Dollar Block | 0.41 | 1.51 | 0.40 | 1.49 |
| Australia | 0.13 | 0.98 | 0.10 | 0.99 |
| Canada | 0.26 | 0.05 | 0.29 | 0.50 |
| New Zealand | 0.01 | 0.49 | 0.01 | 0.00 |
| EM - Asia | 0.45 | 1.29 | 0.46 | 1.32 |
| China | 0.37 | 0.27 | 0.38 | 0.25 |
| Indonesia | 0.00 | 0.28 | 0.00 | 0.30 |
| Malaysia | 0.02 | -0.01 | 0.01 | 0.00 |
| South Korea | 0.06 | 0.74 | 0.06 | 0.78 |
| Taiwan | 0.00 | 0.00 | 0.00 | 0.01 |
| EM - Latin America | 0.13 | 0.22 | 0.12 | 0.26 |
| Argentina | 0.00 | 0.01 | 0.00 | 0.01 |
| Brazil | 0.05 | 0.00 | 0.04 | -0.01 |
| Colombia | 0.00 | -0.01 | 0.00 | -0.01 |
| Mexico | 0.01 | 0.27 | 0.01 | 0.29 |
| Peru | 0.07 | -0.05 | 0.07 | -0.02 |
| EM - CEEMEA | 0.02 | 0.81 | 0.02 | 0.52 |
| Israel | 0.01 | 0.28 | 0.01 | 0.01 |
| Poland | 0.01 | 0.01 | 0.00 | 0.01 |
| Russia | 0.01 | 0.52 | 0.01 | 0.50 |

Country and currency exposure

Country exposure by currency of settlement

| | 31 Mar '21 | | 30 Jun '21 | |
|-------|----------------|--------|----------------|--------|
| | Duration (yrs) | FX (%) | Duration (yrs) | FX (%) |
| Total | 6.99 | 100 | 6.67 | 100 |

Additional share class performance

Global 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 |
|---|------------------------------|-----------------|----------------------------|--------|--------|-------|--------|--------|---------|-------|
| Global Bond Fund W Class Income | 0.390 | USD | 12 Aug '20 | 0.75 | -1.22 | - | - | - | - | 1.14 |
| Global Bond Fund W Class Accumulation | 0.390 | USD | 12 Aug '20 | 0.80 | -1.27 | - | - | - | - | 1.20 |
| Global Bond Fund Administrative Accumulation | 0.990 | USD | 14 Jun '04 | 0.65 | -1.52 | 2.18 | 4.58 | 3.56 | 4.62 | 4.82 |
| Global Bond Fund E Class Income | 1.390 | USD | 28 Oct '05 | 0.54 | -1.72 | 1.78 | 4.16 | 3.13 | 4.19 | 4.32 |
| Global Bond Fund E Class Accumulation | 1.390 | USD | 31 Mar '06 | 0.55 | -1.70 | 1.76 | 4.15 | 3.15 | 4.20 | 4.40 |
| Global Bond Fund H Institutional Accumulation | 0.660 | USD | 15 Oct '02 | 0.75 | -1.34 | 2.54 | 4.92 | 3.90 | 4.97 | 5.10 |
| Global Bond Fund H Institutional Income | 0.660 | USD | 14 Feb '20 | 0.78 | -1.30 | 2.47 | - | - | - | 3.01 |
| Global Bond Fund Institutional Accumulation | 0.490 | USD | 12 Mar '98 | 0.79 | -1.27 | 2.67 | 5.10 | 4.07 | 5.14 | 5.63 |
| Global Bond Fund Institutional Income | 0.490 | USD | 18 Apr '01 | 0.77 | -1.28 | 2.66 | 5.09 | 4.07 | 5.14 | 5.37 |
| Global Bond Fund Investor Accumulation | 0.840 | USD | 01 Mar '99 | 0.70 | -1.43 | 2.35 | 4.74 | 3.72 | 4.78 | 5.13 |
| Global Bond Fund Investor Income | 0.840 | USD | 23 Jan '01 | 0.69 | -1.45 | 2.31 | 4.71 | 3.70 | 4.77 | 5.01 |
| Global Bond Fund M Retail Income II | 1.390 | USD | 26 Apr '17 | 0.53 | -1.66 | 1.83 | 4.17 | - | - | 3.50 |
| Global Bond Fund T Class Accumulation | 1.690 | USD | 16 Oct '14 | 0.49 | -1.85 | 1.49 | 3.85 | 2.84 | - | 3.05 |
| Global Bond Fund T Class Income | 1.690 | USD | 16 Oct '14 | 0.47 | -1.81 | 1.48 | 3.85 | 2.84 | - | 3.06 |
| Bloomberg Barclays Global Aggregate (USD Hedged) Index | - | - | - | 0.98 | -1.52 | 0.08 | 4.59 | 2.98 | 3.87 | 4.81 |
| Global Bond Fund E Class USD (Currency Exposure) Accumulation | 1.390 | USD | 19 May '10 | 0.92 | -3.39 | 4.32 | 3.80 | 2.51 | 2.37 | 3.24 |
| Global Bond Fund E Class USD (Currency Exposure) Income | 1.390 | USD | 19 May '10 | 0.86 | -3.41 | 4.30 | 3.78 | 2.50 | 2.36 | 3.23 |
| Global Bond Fund H Institutional USD (Currency Exposure) Accumulation | 0.660 | USD | 26 Feb '21 | 1.12 | - | - | - | - | - | -0.60 |
| Global Bond Fund Institutional USD (Currency Exposure) Income | 0.490 | USD | 23 Mar '06 | 1.13 | -2.98 | 5.27 | 4.71 | 3.42 | 3.30 | 4.85 |
| Global Bond Fund Institutional USD (Currency Exposure) Accumulation | 0.490 | USD | 13 Dec '02 | 1.12 | -2.95 | 5.26 | 4.72 | 3.43 | 3.29 | 5.06 |
| Global Bond Fund Investor USD (Currency Exposure) Accumulation | 0.840 | USD | 31 Mar '05 | 1.03 | -3.15 | 4.89 | 4.35 | 3.07 | 2.93 | 4.01 |
| Global Bond Fund W Class USD (Currency Exposure) Income | 0.390 | USD | 12 Aug '20 | 1.16 | -2.91 | - | - | - | - | 1.74 |
| Global Bond Fund W Class USD (Currency Exposure) Accumulation | 0.390 | USD | 12 Aug '20 | 1.19 | -2.86 | - | - | - | - | 1.80 |
| Bloomberg Barclays Global Aggregate (USD Unhedged) Index | - | - | - | 1.31 | -3.21 | 2.63 | 4.23 | 2.34 | 2.05 | 4.12 |
| Global Bond Fund Institutional CAD (Hedged) Accumulation | 0.490 | CAD | 21 Sep '18 | 0.79 | -1.29 | 2.51 | - | - | - | 5.00 |
| Bloomberg Barclays Global Aggregate (CAD Hedged) Index | - | - | - | 0.97 | -1.53 | -0.03 | - | - | - | 4.56 |
| Global Bond Fund E Class CHF (Hedged) Accumulation | 1.390 | CHF | 13 Jun '18 | 0.29 | -2.23 | 0.67 | 1.60 | - | - | 1.74 |
| Global Bond Fund Institutional CHF (Hedged) Income | 0.490 | CHF | 10 Apr '03 | 0.57 | -1.76 | 1.56 | 2.53 | 1.52 | 3.46 | 3.36 |
| Global Bond Fund Institutional CHF (Hedged) Accumulation | 0.490 | CHF | 08 May '03 | 0.55 | -1.77 | 1.54 | 2.54 | 1.53 | 3.45 | 3.32 |
| Global Bond Fund Investor CHF (Hedged) Accumulation | 0.840 | CHF | 28 Jun '11 | 0.52 | -1.89 | 1.20 | 2.19 | 1.18 | 3.10 | 3.06 |

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

Global 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 |
|---|------------------------------|-----------------|----------------------------|--------|--------|-------|--------|--------|---------|------|
| Global Bond Fund W Class CHF (Hedged) Income | 0.390 | CHF | 12 Aug '20 | 0.66 | -1.70 | - | - | - | - | 0.23 |
| Global Bond Fund W Class CHF (Hedged) Accumulation | 0.390 | CHF | 12 Aug '20 | 0.60 | -1.76 | - | - | - | - | 0.20 |
| Bloomberg Barclays Global Aggregate (CHF Hedged) Index | - | - | - | 0.74 | -2.07 | -1.11 | 2.08 | 0.44 | 2.18 | 2.42 |
| Global Bond Fund E Class EUR (Hedged) Accumulation | 1.390 | EUR | 31 Mar '06 | 0.39 | -2.08 | 0.87 | 1.99 | 1.01 | 3.01 | 3.54 |
| Global Bond Fund E Class EUR (Hedged) Income | 1.390 | EUR | 29 Jan '16 | 0.40 | -2.09 | 0.83 | 2.00 | 0.99 | - | 1.58 |
| Global Bond Fund G Retail EUR (Hedged) Income | 1.390 | EUR | 12 Dec '12 | 0.38 | -2.06 | 0.90 | 1.98 | 1.02 | - | 1.80 |
| Global Bond Fund Institutional EUR (Hedged) Income | 0.490 | EUR | 12 Apr '05 | 0.59 | -1.62 | 1.76 | 2.91 | 1.93 | 3.95 | 4.28 |
| Global Bond Fund Institutional EUR (Hedged) Accumulation | 0.490 | EUR | 04 Apr '03 | 0.58 | -1.68 | 1.78 | 2.90 | 1.93 | 3.95 | 4.33 |
| Global Bond Fund Investor EUR (Hedged) Accumulation | 0.840 | EUR | 02 Feb '05 | 0.51 | -1.85 | 1.40 | 2.54 | 1.56 | 3.58 | 3.90 |
| Global Bond Fund R Class EUR (Hedged) Accumulation | 0.760 | EUR | 30 Nov '12 | 0.49 | -1.84 | 1.49 | 2.63 | 1.64 | - | 2.42 |
| Global Bond Fund T Class EUR (Hedged) Accumulation | 1.690 | EUR | 30 Sep '14 | 0.37 | -2.23 | 0.55 | 1.70 | 0.71 | - | 1.38 |
| Global Bond Fund W Class EUR (Hedged) Income | 0.390 | EUR | 12 Aug '20 | 0.66 | -1.61 | - | - | - | - | 0.43 |
| Global Bond Fund W Class EUR (Hedged) Accumulation | 0.390 | EUR | 12 Aug '20 | 0.60 | -1.57 | - | - | - | - | 0.40 |
| Bloomberg Barclays Global Aggregate (Euro Hedged) Index | - | - | - | 0.80 | -1.93 | -0.84 | 2.48 | 0.89 | 2.71 | 3.36 |
| Global Bond Fund Institutional EUR (Currency Exposure) Accumulation | 0.490 | EUR | 20 Feb '13 | 0.21 | 0.07 | -0.35 | 4.17 | 2.07 | - | 4.14 |
| Global Bond Fund Institutional GBP (Hedged) Accumulation | 0.490 | GBP | 16 Apr '03 | 0.77 | -1.34 | 2.43 | 3.89 | 2.88 | 4.66 | 5.29 |
| Global Bond Fund Institutional GBP (Hedged) Income | 0.490 | GBP | 01 Jun '04 | 0.78 | -1.33 | 2.43 | 3.90 | 2.89 | 4.68 | 5.37 |
| Global Bond Fund Investor GBP (Hedged) Accumulation | 0.840 | GBP | 14 Apr '05 | 0.68 | -1.50 | 2.06 | 3.53 | 2.53 | 4.31 | 4.74 |
| Global Bond Fund W Class GBP (Hedged) Accumulation | 0.390 | GBP | 12 Aug '20 | 0.80 | -1.27 | - | - | - | - | 1.00 |
| Global Bond Fund W Class GBP (Hedged) Income | 0.390 | GBP | 12 Aug '20 | 0.85 | -1.23 | - | - | - | - | 1.03 |
| Bloomberg Barclays Global Aggregate (GBP Hedged) Index | - | - | - | 0.96 | -1.57 | -0.19 | 3.51 | 1.88 | 3.45 | 4.40 |
| Global Bond Fund Institutional GBP (Currency Exposure) Accumulation | 0.490 | GBP | 09 Mar '18 | 0.98 | -4.00 | -5.84 | 3.14 | - | - | 3.71 |
| Global Bond Fund M Retail HKD (Unhedged) Income II | 1.390 | HKD | 26 Apr '17 | 0.44 | -1.58 | 1.93 | 3.79 | - | - | 3.43 |
| Global Bond Fund Institutional ILS (Hedged) Accumulation | 0.490 | ILS | 13 May '10 | 0.72 | -1.52 | 2.19 | 3.54 | 2.59 | 4.68 | 4.79 |
| Bloomberg Barclays Global Aggregate (ILS Hedged) Index | - | - | - | 0.90 | -1.77 | -0.45 | 2.93 | 1.47 | 3.46 | 3.50 |
| Global Bond Fund E Class NOK (Hedged) Accumulation | 1.390 | NOK | 13 Apr '21 | - | - | - | - | - | - | 0.29 |
| Global Bond Fund Institutional NOK (Hedged) Accumulation | 0.490 | NOK | 30 Jun '05 | 0.77 | -1.32 | 2.52 | 4.16 | 3.22 | 5.36 | 5.45 |
| Global Bond Fund Investor NOK (Hedged) Accumulation | 0.840 | NOK | 26 Jul '06 | 0.68 | -1.49 | 2.17 | 3.79 | 2.86 | 4.99 | 5.55 |
| Global Bond Fund W Class NOK (Hedged) Accumulation | 0.390 | NOK | 13 Apr '21 | - | - | - | - | - | - | 0.51 |
| Bloomberg Barclays Global Aggregate (NOK Hedged) Index | - | - | - | 0.97 | -1.52 | -0.04 | 3.83 | 2.25 | 4.15 | 4.45 |

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

Global Bond Fund (net of fees performance)

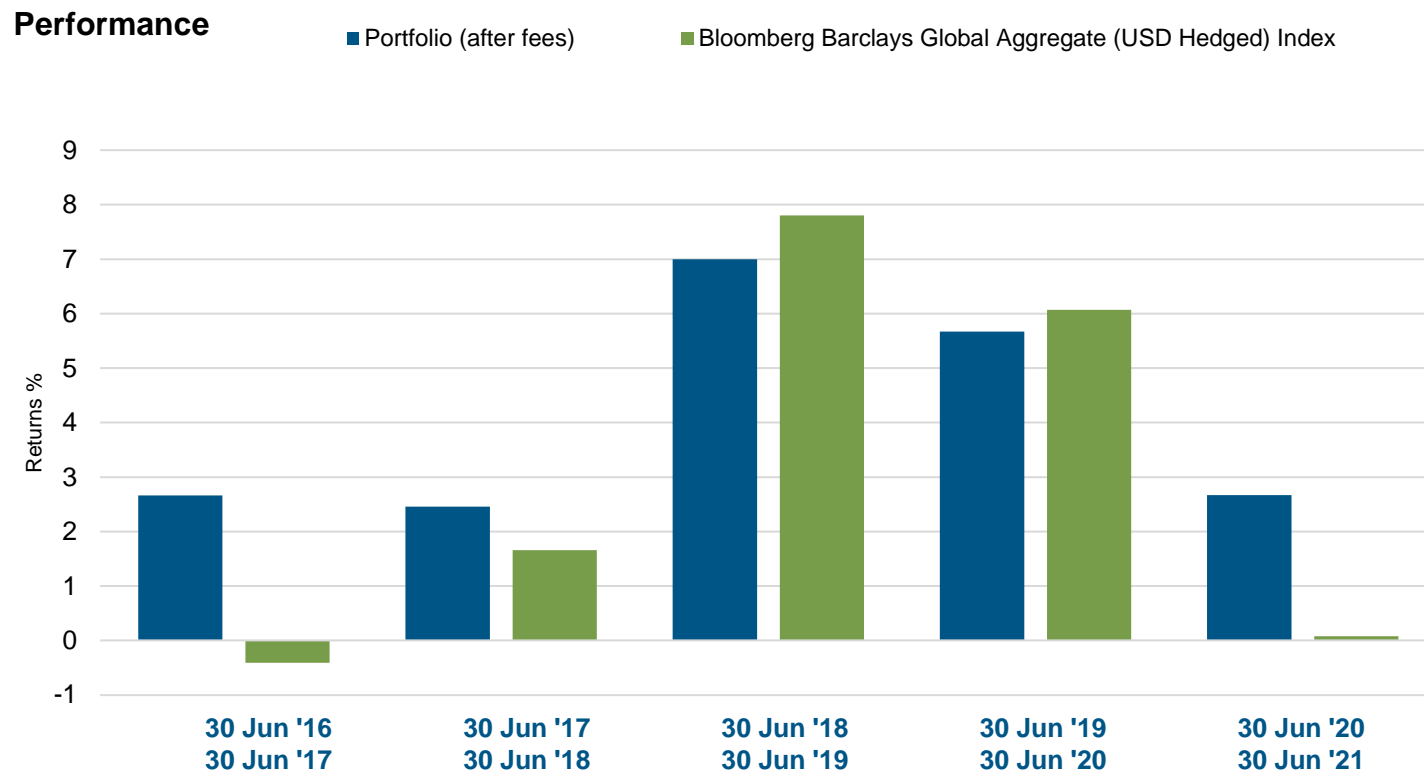
| Performance periods ended: 30 Jun '21 | Unified Management Fee | NAV currency | Class Inception date | 3 mos. | 6 mos. | 1 yr. | 3 yrs. | 5 yrs. | 10 yrs. | SI |
|--|------------------------------|-----------------|----------------------------|--------|--------|-------|--------|--------|---------|------|
| Global Bond Fund Institutional SEK (Hedged) Accumulation | 0.490 | SEK | 08 Nov '04 | 0.70 | -1.48 | 2.14 | 3.15 | 2.02 | 4.37 | 4.56 |
| Global Bond Fund M Retail SEK (Hedged) Accumulation | 1.390 | SEK | 31 Mar '21 | 0.46 | - | - | - | - | - | 0.46 |
| Global Bond Fund R Class SEK (Hedged) Accumulation | 0.760 | SEK | 28 Sep '18 | 0.62 | -1.62 | 1.86 | - | - | - | 3.35 |
| Global Bond Fund W Class SEK (Hedged) Accumulation | 0.390 | SEK | 12 Aug '20 | 0.71 | -1.44 | - | - | - | - | 0.73 |
| Bloomberg Barclays Global Aggregate (SEK Hedged) Index | - | - | - | 0.90 | -1.74 | -0.48 | 2.75 | 0.98 | 3.12 | 3.51 |
| Global Bond Fund Institutional SGD (Hedged) Accumulation | 0.490 | SGD | 07 Aug '09 | 0.83 | -1.22 | 2.65 | 4.66 | 3.67 | 5.04 | 5.73 |
| Bloomberg Barclays Global Aggregate (SGD Hedged) Index | - | - | - | 1.02 | -1.48 | 0.07 | 4.25 | 2.63 | 3.83 | 3.98 |
| Global Bond Fund Institutional NZD (Hedged) Income | 0.490 | NZD | 01 Nov '04 | 0.79 | -1.28 | 2.61 | 4.66 | 4.15 | 6.62 | 7.47 |
| Bloomberg Barclays Global Aggregate (NZD Hedged) Index | - | - | - | 1.01 | -1.50 | 0.02 | 4.28 | 3.18 | 5.40 | 6.45 |

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)



| | 30 Jun '16 30 Jun '17 | 30 Jun '17 30 Jun '18 | 30 Jun '18 30 Jun '19 | 30 Jun '19 30 Jun '20 | 30 Jun '20 30 Jun '21 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Before fees (%) | 3.16 | 2.96 | 7.53 | 6.18 | 3.17 |
| After fees (%) | 2.66 | 2.46 | 7.00 | 5.67 | 2.67 |
| Bloomberg Barclays Global Aggregate (USD Hedged) Index (%)* | -0.41 | 1.66 | 7.80 | 6.07 | 0.08 |
| Before fees alpha (bps) | 358 | 131 | -27 | 12 | 309 |
| After fees alpha (bps) | 307 | 80 | -79 | -40 | 259 |

As of 30 June 2021. SOURCE: PIMCO.

The fund is actively managed in reference to the Bloomberg Barclays Global Aggregate (USD Hedged) Index Index as further outlined in the prospectus and key investor information document

*The benchmark is shown for performance comparison purpose only. Benchmark: Bloomberg Barclays Global Aggregate (USD Hedged) 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 —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.

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. **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. Sovereign securities are generally backed by the issuing government, obligations of U.S. Government agencies and authorities are supported by varying degrees but are generally not backed by the full faith of the U.S. Government; portfolios that invest in such securities are not guaranteed and will fluctuate in value. **Mortgage and asset-backed securities** may be sensitive to changes in interest rates, subject to early repayment risk, and while generally supported by a government, government-agency or private guarantor there is no assurance that the guarantor will meet its obligations. Swaps are a type of derivative; while some swaps trade through a clearinghouse there is generally no central exchange or market for swap transactions and therefore they tend to be less liquid than exchange-traded instruments. Equities may decline in value due to both real and perceived general market, economic and industry conditions. **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 Bloomberg Barclays Global Aggregate (USD Hedged) 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.

699_QIR-2Q21

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)