



# GIS PIMCO Global Core Asset Allocation Fund



Quarterly Investment Report | 2Q22

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Refer to Appendix for additional information

**IMPORTANT NOTICE**

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

# Executive summary

*Past performance does not predict future results.*

## Portfolio Performance

Over the quarter, the Global Core Asset Allocation Fund (Inst share class) underperformed its global 60/40 benchmark, net of fees, as relative value REITs strategies, underweight emerging markets equities positioning, and underweight Japanese duration contributed to performance, but were offset by exposure to securitized credit, overweight U.S. duration and overweight emerging markets duration, which detracted from performance. In Q2 2022, the Fund returned -12.33%, while its benchmark returned -11.20%.

### CONTRIBUTORS

- Relative value REITs strategies
- Underweight EM equities positioning
- Underweight Japanese duration

### DETRACTORS

- Exposure to securitized credit
- Overweight US equities
- Overweight EM duration

Performance periods ended 30 Jun '22	3 mos.	6 mos.	1 yr.	3 yrs.	5 yrs.	10 yrs.	SI
Fund before fees	-12.12	-17.47	-13.92	4.14	5.00	4.70	6.21
Fund after fees	-12.33	-17.86	-14.74	3.16	4.01	3.71	5.21
Benchmark*	-11.20	-15.79	-12.89	3.57	4.94	6.32	7.50

***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 following information should be read in conjunction with the 12-month rolling past performance information provided later in this presentation***

## Portfolio strategy

Markets seem to have lost their anchor, and given the recent volatility, we are being very disciplined in keeping directional equity exposure in the portfolio to a minimum. Emphasis is on relative value, seeking diversification and return generation through equity long/short, currencies and tactical asset allocation. We are closely monitoring the outlook for inflation, growth and asset class valuations, with a focus on the sequencing of re-engaging with risk.

We remain neutral with respect to overall risk vs. our benchmarks as the continued selloff in stocks and bonds has been justified by a deteriorating macroeconomic outlook and, per Jerome Powell, a “very challenging” path to achieving a soft landing. In this fragile economic environment, we have an up-in-quality bias and prefer to pair more relative value opportunities with smaller beta bets to help generate alpha in a world with less-rewarding beta.

\*60% MSCI All Country World Index (ACWI) and 40% Bloomberg Global Aggregate USD Hedged Index

Class:	INST
Inception date:	15 Apr '09
Fund assets (in millions):	\$779.29
Unified management fee:	0.950%

Sector diversification	Market value
U.S. Equities	43.2%
Developed ex-U.S. Equities	15.2%
Emerging Markets Equities	7.3%
U.S. Fixed Income	41.1%
Developed ex-U.S. Fixed Income	19.8%
Emerging Markets Fixed Income	19.4%
Commodities	0.0%
Net Other Short Duration Instruments	-45.9%

# Fund specific risks

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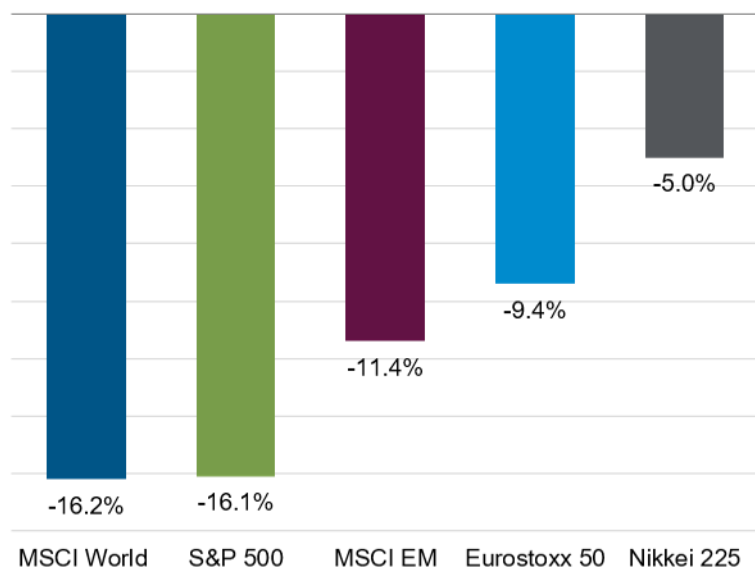
Risk	Risk Description
<b>Credit and Default Risk</b>	A decline in the financial health of an issuer of a fixed income security can lead to an inability or unwillingness to repay a loan or meet a contractual obligation. This could cause the value of its bonds to fall or become worthless. Funds with high exposures to non-investment grade securities have a higher exposure to this risk.
<b>Commodities Risk</b>	The value of commodity related investments may fluctuate substantially due to changes in supply and demand and/or due to political, economic or financial events.
<b>Currency Risk</b>	Changes in exchange rates may cause the value of investments to decrease or increase.
<b>Equity Risk</b>	The value of equity or equity related securities may be affected by stock market movements. Drivers of price fluctuations include general economic and political factors as well as industry or company specific factors.
<b>Derivatives and Counterparty Risk</b>	The use of certain derivatives could result in the fund having a greater or more volatile exposure to the underlying assets and an increased exposure to counterparty risk. This may expose the fund to larger gains or losses associated with market movements or in relation to a trade counterparty being unable to meet its obligations.
<b>Emerging Markets Risk</b>	Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk. Investments in these markets may expose the fund to larger gains or losses.
<b>Liquidity Risk</b>	Difficult market conditions could result in certain securities becoming hard to sell at a desired time and price.
<b>Interest Rate Risk</b>	Changes in interest rates will usually result in the values of bond and other debt instruments moving in the opposite direction (e.g. a rise in interest rates likely leads to fall in bond prices).
<b>Underlying Fund Risk</b>	As the underlying funds in which the fund may invest in may be priced in a different manner, there is a risk that such valuations may differ, which may result in inaccurate pricing and performance of the fund.

# Quarter in Review

## Little place to hide for investors in this challenging environment

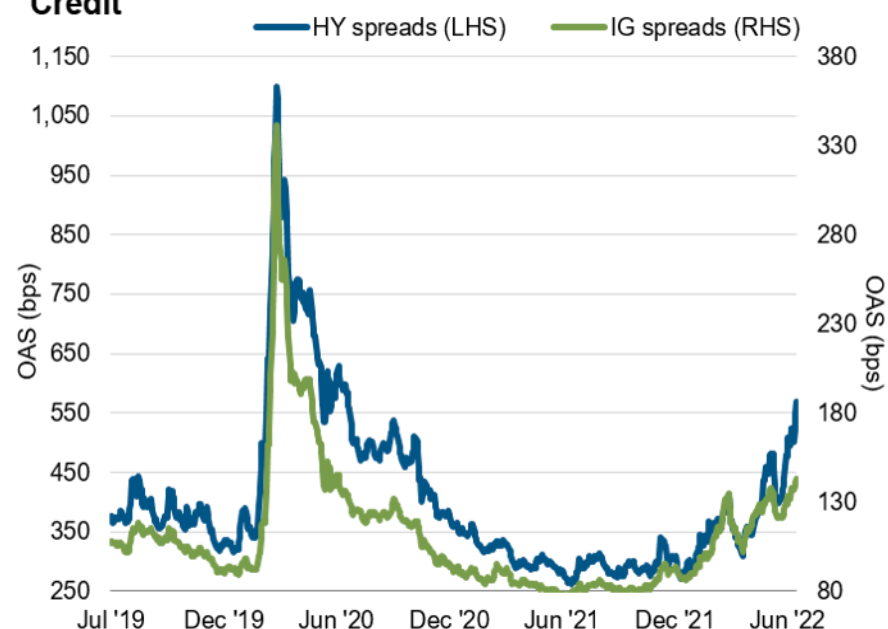
The second quarter of 2022 has been challenging across markets with sustained downward pressures and heightened cross-asset correlations since the start of the year. With persistent inflationary pressures, slowing macro-economic growth and ongoing geopolitical headwinds, investors had little place to hide. Inflation showed little signs of abating, forcing central banks into pushing forward rate hikes and hawkish rhetoric, underscoring a focus on fighting inflation. Indications that the economy is slowing heaped further pressure on risk assets as consumer data continued to weaken in both Europe and the US over the quarter. Within equities, growing fears of a recession led to significant losses. In stark contrast to recent performance, the BBG Commodity Index posted negative returns over the quarter too.

### Equity



In the U.S., equities fell 16.1% in the second quarter as inflation remained in focus for investors amid hotter-than-expected CPI readings in April and May. In Europe, record levels of inflation together with the ongoing effects of Russia's invasion of Ukraine pushed Eurostoxx 9.4% lower during the quarter.

### Credit



Credit spreads – both investment-grade and high yield – widened in Q2 as market sentiment waned. Meanwhile, mortgage credit, alongside most spread assets, also underperformed across the quality spectrum.

Source: Bloomberg.

Source: Bloomberg; "HY spreads" are represented by Bloomberg U.S. High Yield Average OAS index. "IG spreads" are represented by Bloomberg U.S. Aggregate Credit Average OAS index.

# Market Summary

## Performance

The Fund posted negative returns for the quarter driven by its securitized credit, US and EM duration exposure, while its relative value REITs strategies, underweight EM equities exposure and underweight Japanese duration positioning contributed positively to returns.

### Equities

Within equities, growing fears of a recession led to significant losses, with the S&P 500 down -16.1%, recording the second-worst quarterly performance since 2008. Likewise, the EuroStoxx 50 and Nikkei Indexes were down -9.4% and -5.0% respectively, with US equity underperformance largely attributable to continued weakness in the technology sector as rising rates weight on more growth orientated names (MSCI World Value -11.6% vs MSCI World Growth -21.2% QTD).

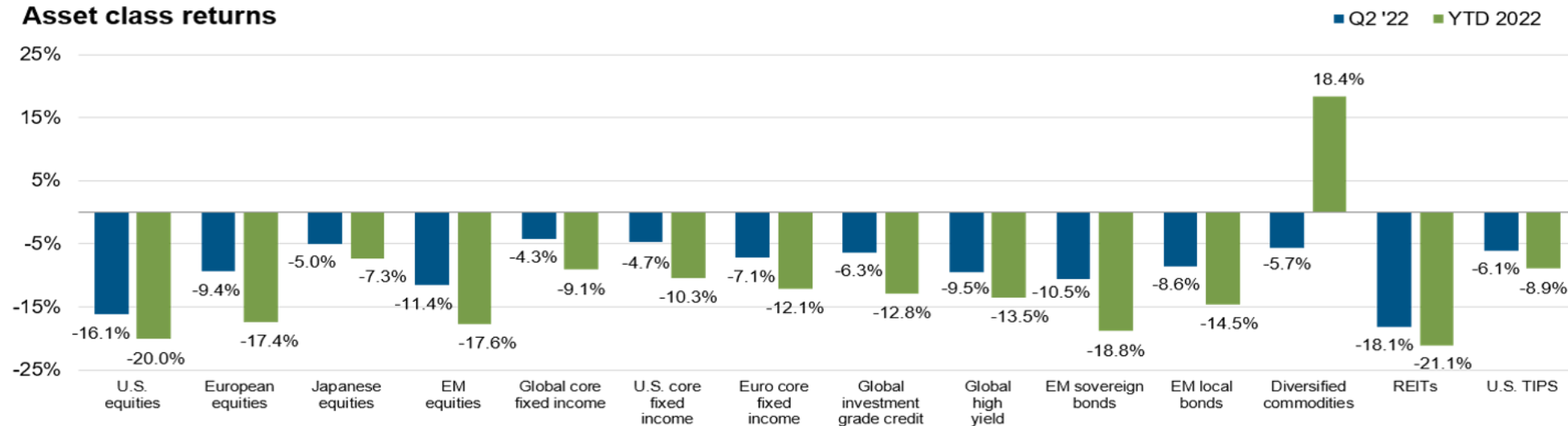
### Rates

Developed market yields broadly rose as central banks largely pursued tighter monetary policies over the quarter. Yields rose in the U.S. with the 10-year Treasury peaking near 3.5% as the Fed, in prioritizing addressing inflation, hiked interest rates by a total of 125 basis points and began tapering its balance sheet. U.K. and German rates also rose meaningfully amid elevated inflationary pressure, while Japanese rates remained largely range-bound.

### Credit

U.S. investment grade credit spreads widened 35 bps, ending the quarter at 143 bps. The sector returned -6.90%, underperforming like-duration treasuries by -2.05%. Credit spreads widened due to an increasingly hawkish tone from the Fed, inflationary concerns, and weaker economic data. However, demand for high quality, income-producing assets are expected to pick up at higher yields.

### Asset class returns

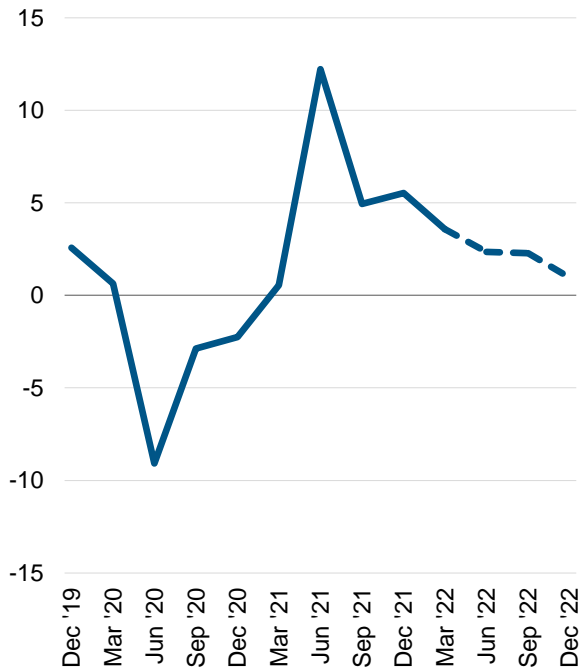


Source: BofA, JPMorgan, Bloomberg; U.S. equities: S&P 500 Index; European equities: Eurostoxx 50 Index; Japanese equities: Nikkei 225 Index; EM Equities: MSCI EM Index; Global core fixed income: Bloomberg Global Aggregate Index; Global investment grade credit: Bloomberg Global Aggregate Credit Index; U.S. high yield: ICE BofAML BB-B Rated Developed Markets High Yield Constrained Index; EM sovereign bonds: JP Morgan EMBI Index; EM local bonds: JPMorgan GBI-EM Global Diversified Index; U.S. TIPS: Bloomberg U.S. Treasury Inflation; REITs: Dow Jones U.S. Select REIT Total Return Index; Diversified commodities: Dow Jones-UBS Commodity Index.

# Cyclical Outlook: “Anti-Goldilocks” backdrop and elevated recession risks

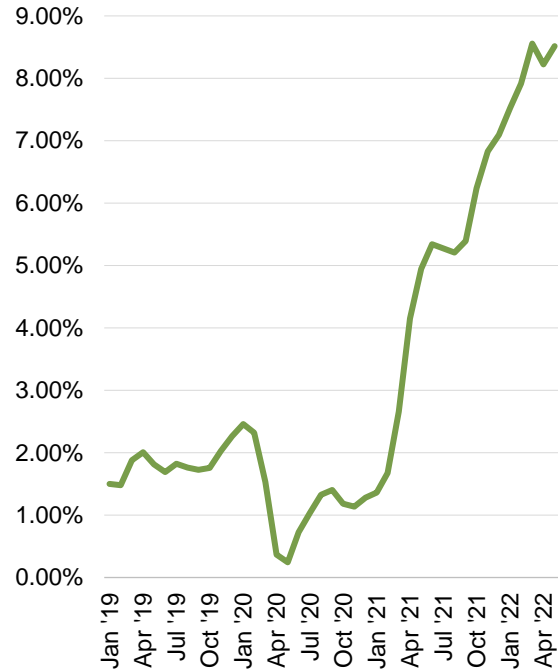
## Activity too cold

US real GDP\*



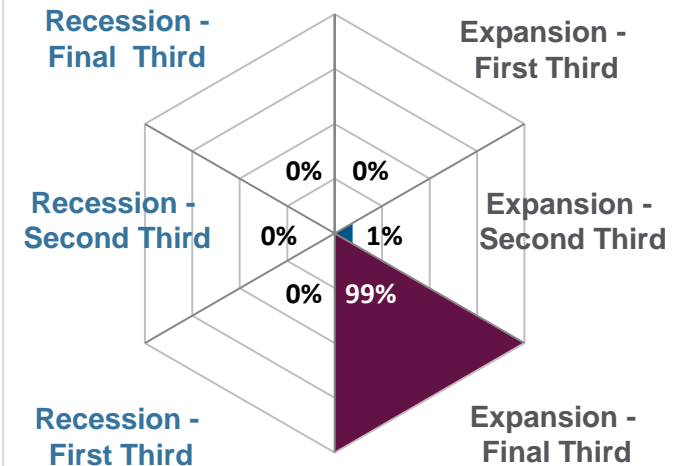
## Inflation too hot

US headline CPI y/y



## Recession risk elevated

Stylized business cycle model



For illustrative purposes only. As of June 2022. SOURCE: PIMCO

\* Figures in percentages.

The dynamic factor model (DFM) divides the business cycle into six phases; for example, 2T (second third) expansion is the mid-cycle expansion phase. The model incorporates a set of underlying factors with the potential to drive economic growth and assumes various economic time series are realizations of these factors with varying time lags. We estimate these factors based on 750 U.S. time-series variables covering a wide range of phenomena, including growth and its components, inflation components, labor market data, surveys, housing statistics, banking data, interest rates, asset price series, and more.

Refer to Appendix for additional outlook and risk information.

# Portfolio Outlook

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## Strategic outlook

We are firmly in late-cycle expansion as risks to growth continue to rise. In this environment, we remain neutral with respect to overall risk as the continued selloff in stocks and bonds has been justified by a deteriorating macroeconomic outlook and, per Jerome Powell, a “very challenging” path to achieving a soft landing. In this fragile economic environment, we have an up-in-quality bias and prefer to pair more relative value opportunities with smaller beta bets to help generate alpha in a world with less-rewarding beta. We continue to believe a measured and dynamic approach to portfolio construction will be crucial for the path ahead.

### Key strategies

#### Equity

We are neutral on overall equity exposure and choose to emphasize relative value opportunities. We are constructive on high quality companies with strong balance sheets and resilient business models that should endure through a growth slowdown. Our basket of high quality healthcare and enterprise technology stocks remains our largest exposure while infrastructure and commodity-linked stocks continue to be a point of emphasis.

#### Credit

We hold a modest overweight to credit, emphasizing higher quality issues across a diverse array of credits. We upgraded our investment grade corporate credit view given improved valuations and downgraded our high yield corporate credit view, owing to its asymmetric risk-reward profile in this fragile economic environment. We remain constructive on non-agency MBS, which continues to be supported by strong fundamentals, but have moderated this view.

#### Rates

We remain neutral on duration as we balance attractive yields with the potential persistence of interest rate volatility that could challenge the short- and medium-term outlook. Within the developed world, we prefer to be diversified across regions as the risks of continued interest rate volatility offset modest regional carry differentials. Within emerging markets, we are still incorporating relative value trades based on central bank reactions to macroeconomic outlook.

#### Currency

We reduced our active currency risk given the deteriorating macroeconomic outlook coupled with the elevated volatility. We expect the U.S. dollar to benefit as a perceived source of relative safety during periods of macro and market volatility. Thematically, we remain cautious on currencies of commodity-importing regions and prefer those of commodity-exporting countries.

# Portfolio characteristics

## Equities (market value %)

	Portfolio		Benchmark
	31 Mar '22	30 Jun '22	30 Jun '22
<b>US Equities</b>	<b>41.54</b>	<b>43.19</b>	<b>36.43</b>
<b>Developed ex-US Equities</b>	<b>15.22</b>	<b>15.18</b>	<b>15.57</b>
Eurozone	4.40	4.01	4.61
Japan	3.54	3.65	3.27
Other Developed	7.28	7.52	7.69
<b>Emerging Markets Equities</b>	<b>6.96</b>	<b>7.32</b>	<b>7.96</b>
<b>Total</b>	<b>63.72</b>	<b>65.70</b>	<b>59.96</b>

## Country exposure by currency of settlement (duration in years)

	Portfolio		Benchmark
	31 Mar '22	30 Jun '22	30 Jun '22
<b>Developed Markets</b>	<b>2.89</b>	<b>2.61</b>	<b>2.53</b>
United States	1.39	1.27	1.15
Japan	0.44	0.42	0.47
Eurozone	0.77	0.64	0.59
United Kingdom	0.18	0.16	0.17
Other	0.11	0.12	0.15
<b>Emerging markets</b>	<b>0.71</b>	<b>0.62</b>	<b>0.30</b>
<b>Total</b>	<b>3.60</b>	<b>3.24</b>	<b>2.82</b>

## Spreads (years)

	Portfolio		Benchmark
	31 Mar '22	30 Jun '22	30 Jun '22
<b>Spread Duration</b>	<b>3.24</b>	<b>2.63</b>	<b>1.37</b>
Corporate IG	0.53	0.58	0.45
Corporate HY	0.12	0.09	0.00
Mortgage	0.79	0.72	0.31
Emerging Markets	0.81	0.70	0.36
Other	1.01	0.54	0.24

## Real assets (market value % and years)

	Portfolio		Benchmark
	31 Mar '22	30 Jun '22	30 Jun '22
Commodities (MV)	0.00%	0.00%	0.00%
REITs (MV)	1.40%	1.42%	0.21%
Real duration (years)	0.00	0.00	0.00

## Currency exposure (market value %)

	Portfolio		Benchmark
	31 Mar '22	30 Jun '22	30 Jun '22
<b>United States</b>	<b>77.29</b>	<b>76.42</b>	<b>76.43</b>
<b>Non-U.S. developed</b>	<b>15.43</b>	<b>15.95</b>	<b>15.83</b>
Eurozone	3.80	4.22	4.55
Japan	3.45	3.23	3.27
Other Non-U.S. developed	8.18	8.50	8.01
<b>Emerging markets</b>	<b>7.28</b>	<b>7.63</b>	<b>7.74</b>
Brazil	0.64	1.44	0.34
Chile	0.66	1.42	0.04
Hong Kong	1.98	2.41	2.46
Other EM	3.99	2.36	4.90

Benchmark: 60% MSCI All Country World Index (ACWI) and 40% Bloomberg Global Aggregate USD Hedged Index



# Additional share class performance

## Performance (Institutional class, Accumulation Shares)

Past performance does not predict future results

Performance (Net of Fees)	30 Jun '17 30 Jun '18	30 Jun '18 30 Jun '19	30 Jun '19 30 Jun '20	30 Jun '20 30 Jun '21	30 Jun '21 30 Jun '22
Before fees (%)	6.36	6.26	4.24	25.87	-13.92
After fees (%)	5.35	5.26	3.26	24.69	-14.74
60% MSCI All Country World Index (ACWI) and 40% Bloomberg Global Aggregate USD Hedged Index (%)*	7.12	6.93	4.20	22.41	-12.89
Before fees alpha (bps)	-76	-67	4	347	-103
After fees alpha (bps)	-176	-167	-95	228	-185

The following information is additional to, and should be read only in conjunction with, the calendar year performance data presented below.

Past performance does not predict future results

Calendar Year (Net of Fees)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD
After fees (%)	9.84	-7.24	7.58	-0.90	4.18	14.18	-5.16	15.57	14.59	11.01	-17.86
60% MSCI All Country World Index (ACWI) and 40% Bloomberg Global Aggregate USD Hedged Index (%)*	12.11	13.18	5.61	-0.80	6.45	15.18	-4.86	19.18	12.65	10.28	-15.79

As of 30 June 2022. SOURCE: PIMCO.

The fund is actively managed in reference to the 60% MSCI All Country World Index (ACWI) and 40% Bloomberg 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: 60% MSCI All Country World Index (ACWI) and 40% Bloomberg 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

# Additional share class performance

PIMCO Global Core Asset Allocation Fund (net of fees performance)

	30 Jun '17	30 Jun '18	30 Jun '19	30 Jun '20	30 Jun '21	SI
	30 Jun '18	30 Jun '19	30 Jun '20	30 Jun '21	30 Jun '22	
PIMCO Global Core Asset Allocation Fund E Class Accumulation	4.11	4.01	2.02	23.12	-15.76	3.70
PIMCO Global Core Asset Allocation Fund E Class Income	4.12	3.89	2.03	23.16	-15.76	2.09
PIMCO Global Core Asset Allocation Fund H Institutional Accumulation	-	-	-	-	-	-6.50
PIMCO Global Core Asset Allocation Fund H Institutional Income	-	-	-	-	-	-6.58
PIMCO Global Core Asset Allocation Fund Institutional Accumulation	5.35	5.26	3.26	24.69	-14.74	5.21
PIMCO Global Core Asset Allocation Fund Investor Accumulation	5.02	4.86	2.84	24.22	-15.05	3.21
PIMCO Global Core Asset Allocation Fund Z Class Accumulation	6.33	6.29	4.20	25.84	-13.95	6.41
60% MSCI All Country World Index (ACWI) and 40% Bloomberg Global Aggregate USD Hedged Index	7.12	6.93	4.20	22.41	-12.89	-
PIMCO Global Core Asset Allocation Fund E Class EUR (Hedged) Accumulation	1.97	1.52	0.34	20.35	-15.00	2.91
PIMCO Global Core Asset Allocation Fund E Class EUR (Hedged) Income	1.96	1.35	0.34	20.36	-14.99	1.16
PIMCO Global Core Asset Allocation Fund Institutional EUR (Hedged) Accumulation	3.25	2.66	1.57	21.81	-13.97	4.41
60% MSCI All Country World Index EUR Hedged /40% Bloomberg Global Aggregate EUR Hedged	4.83	4.32	2.78	19.65	-12.18	-
PIMCO Global Core Asset Allocation Fund Institutional GBP (Hedged) Income	4.11	3.81	1.90	22.20	-13.25	3.50
60% MSCI All Country World Index GBP Hedged /40% Bloomberg Global Aggregate GBP Hedged	5.75	5.37	3.41	20.25	-11.39	-

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# Additional share class performance

PIMCO Global Core Asset Allocation Fund (net of fees performance)

<b>Performance periods ended: 30 Jun '22</b>	<b>Unified Management Fee</b>	<b>NAV currency</b>	<b>Class Inception date</b>	<b>3 mos.</b>	<b>6 mos.</b>	<b>1 yr.</b>	<b>3 yrs.</b>	<b>5 yrs.</b>	<b>10 yrs.</b>	<b>SI</b>
PIMCO Global Core Asset Allocation Fund E Class Accumulation	2.150	USD	22 Jun '09	-12.64	-18.35	-15.76	1.90	2.76	2.48	3.70
PIMCO Global Core Asset Allocation Fund E Class Income	2.150	USD	28 Jan '11	-12.67	-18.37	-15.76	1.92	2.75	2.48	2.09
PIMCO Global Core Asset Allocation Fund H Institutional Accumulation	1.120	USD	29 Apr '22	-	-	-	-	-	-	-6.50
PIMCO Global Core Asset Allocation Fund H Institutional Income	1.120	USD	29 Apr '22	-	-	-	-	-	-	-6.58
PIMCO Global Core Asset Allocation Fund Institutional Accumulation	0.950	USD	15 Apr '09	-12.33	-17.86	-14.74	3.16	4.01	3.71	5.21
PIMCO Global Core Asset Allocation Fund Investor Accumulation	1.300	USD	24 Sep '10	-12.43	-18.02	-15.05	2.77	3.63	3.36	3.21
PIMCO Global Core Asset Allocation Fund Z Class Accumulation	0.000	USD	06 Jul '16	-12.17	-17.52	-13.95	4.11	4.98	-	6.41
60% MSCI All Country World Index (ACWI) and 40% Bloomberg Global Aggregate USD Hedged Index	-	-	-	-11.20	-15.79	-12.89	3.57	4.94	6.32	7.50
PIMCO Global Core Asset Allocation Fund E Class EUR (Hedged) Accumulation	2.150	EUR	22 Jun '09	-11.88	-17.77	-15.00	0.87	1.22	1.66	2.91
PIMCO Global Core Asset Allocation Fund E Class EUR (Hedged) Income	2.150	EUR	24 Jun '11	-11.92	-17.80	-14.99	0.88	1.19	1.65	1.16
PIMCO Global Core Asset Allocation Fund Institutional EUR (Hedged) Accumulation	0.950	EUR	15 Apr '09	-11.64	-17.27	-13.97	2.10	2.44	2.89	4.41
60% MSCI All Country World Index EUR Hedged /40% Bloomberg Global Aggregate EUR Hedged	-	-	-	-10.62	-15.19	-12.18	2.60	3.38	5.65	6.51
PIMCO Global Core Asset Allocation Fund Institutional GBP (Hedged) Income	0.950	GBP	07 Apr '10	-11.38	-16.75	-13.25	2.61	3.15	3.46	3.50
60% MSCI All Country World Index GBP Hedged /40% Bloomberg Global Aggregate GBP Hedged	-	-	-	-10.30	-14.65	-11.39	3.29	4.19	6.34	5.72

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# Important Disclosures

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**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.

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.

# Important Disclosures

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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.

**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.

## 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. © 2022.

## 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 60% MSCI All Country World Index (ACWI) and 40% Bloomberg 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.

# Important Disclosures

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**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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## **Additional Information**

A Prospectus is available for PIMCO Funds: Global Investors Series plc (the Company) 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.

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# Important Disclosures

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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.

**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.

The distribution yield for monthly paying Funds is calculated by annualizing actual dividends distributed for the monthly period ended on the date shown and dividing by the net asset value on the last business day for the same period. The distribution yield for quarterly paying Funds is calculated by taking the average of the prior four quarterly distribution yields. The quarterly distribution yields are calculated by annualizing actual dividends distributed for the quarterly period ended on the most recent quarterly distribution date and dividing by the net asset value for the same date. The yield does not include long- or short-term capital gains distributions.

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)