



# GIS Emerging Local Bond Fund



Quarterly Investment Report | 4Q23

**For professional use only**

Refer to Important Disclosures 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

The GIS Emerging Local Bond Fund (Inst share class) outperformed its benchmark in the fourth quarter (net of fees).

### CONTRIBUTORS

- Tactical exposure to DM local duration
- Underweight to the Egyptian Pound
- Overweight to Brazilian duration

### DETRACTORS

- Overweight to Polish Zloty
- Overweight to the Turkish Lira
- Underweight to Philippine duration

Performance periods ended 31 Dec '23	3 mos.	6 mos.	1 yr.	3 yrs.	5 yrs.	10 yrs.	SI
Fund before fees	10.07	6.41	16.95	0.78	4.59	1.80	3.31
Fund after fees	9.83	5.93	15.91	-0.11	3.66	0.90	2.40
Benchmark*	8.07	4.55	12.70	-3.16	1.14	0.09	2.08

*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

- In 2023, 19 out of 20 countries in the GBI-EM index experienced a sequential drop in headline inflation, allowing select central banks to initiate policy easing. The speed and scale of future easing will hinge on the reaction of EM FX and DM central banks' forward guidance.
- Despite increased borrowing costs, many core EMs have maintained stable debt dynamics, except for China, where economic slowdown and high corporate debt levels have constrained the government's capacity for fiscal support.
- We expect the worst of the EM downgrade cycle to be behind us; however, there continues to be the risk of deterioration in a small number of names and credits.
- It is set to be a busy year in EM, with key elections in Mexico, India, Indonesia, and South Africa. However, the DM election cycle is set to be the main driver of political uncertainty, while most EM elections are signaling policy continuity.

Class:	INST
Share Type:	Accumulation
Inception date:	11 Dec '07
Fund assets (in millions):	\$2,880.86
Unified management fee:	0.890%

Summary information	31 Dec '23
Effective duration (yrs)	5.79
Benchmark duration - provider (yrs)	5.03
Benchmark duration - PIMCO (yrs)	5.08
Effective maturity (yrs)	6.77
Average coupon	5.62%
Net currency exposure	104.19%
Tracking error (10 yrs)	2.11
Information ratio (10 yrs)	0.45

Top 5 country holdings – EM Local Dur (yrs)	Portfolio	Benchmark
Thailand	0.62	0.61
South Africa	0.58	0.51
China	0.55	0.55
Mexico	0.54	0.48
Malaysia	0.50	0.65

Top 5 currency allocation (MV%)	Portfolio	Benchmark
Brazil	11.63%	10.00%
Mexico	10.73%	10.00%
Malaysia	10.00%	10.00%
Indonesia	9.94%	10.00%
China	9.82%	10.00%

\*The fund is actively managed in reference to the J.P. Morgan Government Bond Index-Emerging Markets Global Diversified Index (Unhedged) as further outlined in the prospectus and key investor information document/key information document

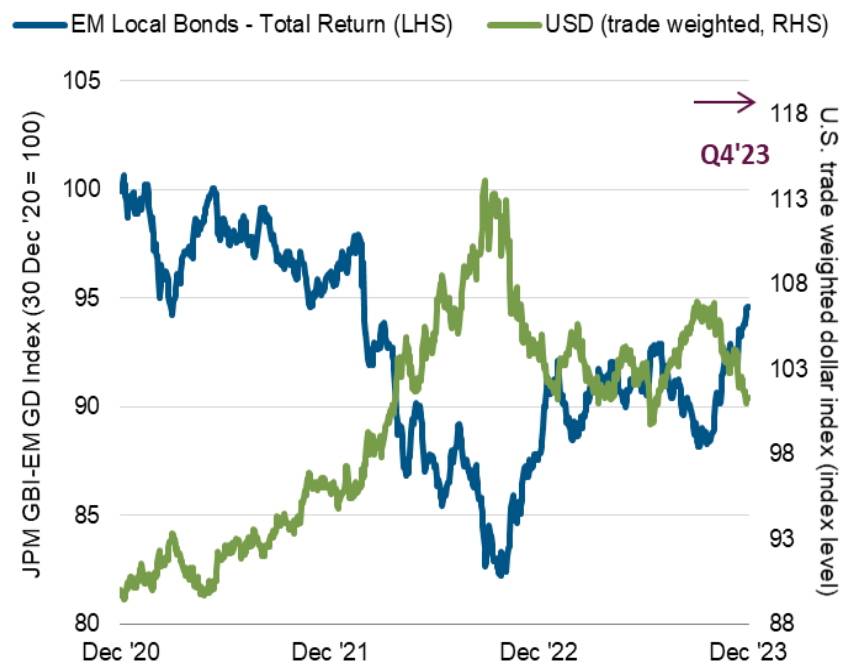
# Fund specific risks

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>Currency Risk</b>	Changes in exchange rates may cause the value of investments to decrease or increase.
<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>Mortgage Related and Other Asset Backed Securities Risks</b>	Mortgage or asset backed securities are subject to similar risks as other fixed income securities, and may also be subject to prepayment risk and higher levels of credit and liquidity risk.
<b>China InterBank Bond Market ("CIBM")</b>	The fund may be exposed to liquidity risks, settlement risks, default of counterparties and market volatility associated with CIBM. In addition, the CIBM rules are new and still subject to further clarification and/or changes, which may adversely affect the fund's capability to invest in the CIBM.

# Quarter in Review

## EM local debt posted positive returns on the back of the strong rally in EM local yields and EM FX appreciation

Emerging market local debt delivered positive returns over the quarter as inflation in EMs continued to sequentially fall and a softening of the Dollar supported EM FX appreciation.



After strengthening by 2.6% in the first three quarters, the US dollar weakened in the fourth quarter as the Federal Reserve signaled a shift to more accommodative policy. Given this backdrop, EM local bonds posted returns of 8.07% (JPM GBI-EM Global Div. Index) for the quarter.



EM local yields rallied over the quarter, as headline inflation in EMs continued to fall sequentially, allowing more EM central banks to start their easing cycles. Further, the dovish tilt in comments from Fed chair- Powell triggered a strong rally in DM yields as well.

SOURCE: Bloomberg, JPMorgan, PIMCO

SOURCE: Bloomberg, JPMorgan, PIMCO

\* Represented by Bloomberg Global Aggregate Index

\*\* Represented by JPMorgan GBI-EM Global Diversified Yield to Maturity

# Market Summary

## Duration positioning in countries where policy easing has begun drove performance over the quarter

The Fund outperformed its benchmark (institutional share class; net of fees) in Q4 with multiple positions contributing to performance:

### Tactical exposure to DM local duration

The fund's exposure to DM local duration contributed to performance as global core yields rallied on the back of signs of headline inflation peaking and the dovish tilt in comments from Fed chair Jay Powell.

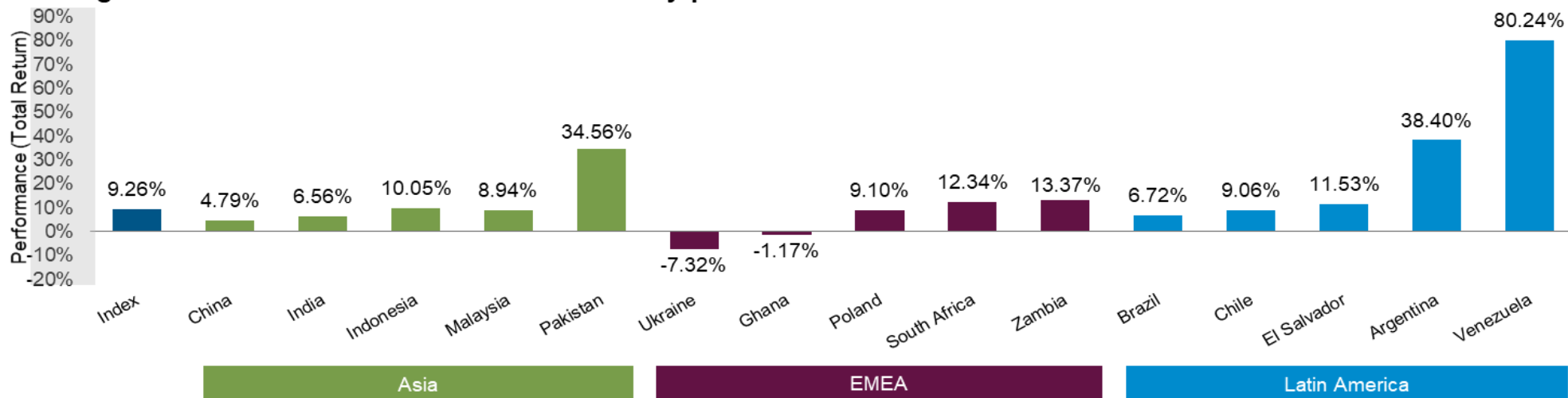
### An underweight to Egyptian Pound

The fund's underweight to the Egyptian Pound contributed to performance as the GBI-EM index shifted to valuing the EGP through NDF's instead of the deliverable currency. The appreciation of the NDFs in December contributed to performance.

### Underweight to Polish Zloty

The underweight positioning in the Polish Zloty contributed to performance as the currency strengthened over the quarter, post the positive election outcome in Poland's general elections.

## JPMorgan EMBI Global Index - Q4 '23 select country performance



SOURCE: JPMorgan, Bloomberg, PIMCO

## Navigating the Descent: Four economic themes

---



**Peak inflation and rising unemployment consistent with rate cuts**



**Soft landings are possible, but risks remain**



**Markets already price a substantial cutting cycle**



**Global divergence in monetary policy**

# Portfolio Outlook

## Constructive on EM local

While nominal EM local yields have come off their post 2023 peak, real yields are still firmly positive and offer a considerable pick up versus DM real yields. The much awaited pause in the Fed's hiking cycle has arrived, thus providing further space for local yields to rally and high carry EM FX currencies to appreciate.

### Key strategies

#### The end of the Fed's tightening cycle in the US has created a positive backdrop for EM local assets

The fund has increased its overweight to EM FX over the quarter. More EM central banks have started their easing cycles, supported by the sequential fall in headline inflation. We expect the scale and speed of further easing to be tempered by the reaction of EM FX as well as the trajectory of the Fed's policy projections in 2024.

#### The fund favors select names with hawkish credible central banks

The fund is overweight local duration in countries with benign inflation and credible central banks such as Brazil, Mexico and South Africa.

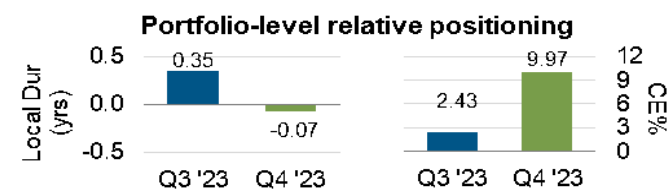
#### Overweight high carry currencies

The fund is overweight select currencies like Brazil, Mexico, and Hungary which have attractive carry to volatility ratios.

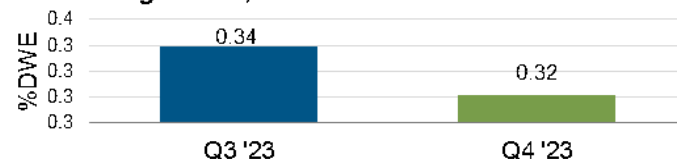
#### Hand-picked frontier market opportunities

While the fund has reduced exposure to frontier markets in this volatile environment, it has retained selective exposure to attractive opportunities like the Dominican Republic.

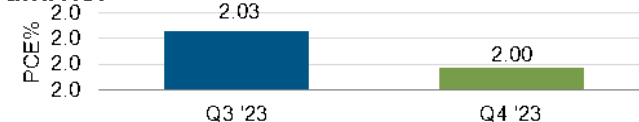
### Position



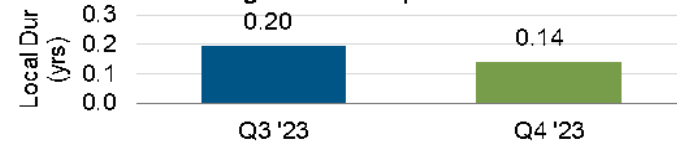
#### Overweight BRL, MXN and ZAR duration



#### Overweight high carry currencies like CZK, MXN and HUF



#### Overweight Dom. Republic and Zambia



SOURCE: PIMCO

# Country and currency exposure

## Currency exposure - % of Market value

	Portfolio		Benchmark
	30 Sep '23	31 Dec '23	31 Dec '23
<b>United States</b>	<b>3.34</b>	<b>-4.19</b>	<b>0.00</b>
<b>Japan</b>	<b>0.45</b>	<b>0.12</b>	<b>0.00</b>
<b>Eurozone</b>	<b>-3.22</b>	<b>-4.69</b>	<b>0.00</b>
<b>United Kingdom</b>	<b>-0.41</b>	<b>-0.38</b>	<b>0.00</b>
<b>Europe non-EMU</b>	<b>-0.34</b>	<b>-0.09</b>	<b>0.00</b>
Denmark	0.00	0.00	0.00
Norway	0.25	0.21	0.00
Sweden	-0.10	0.01	0.00
Switzerland	-0.49	-0.31	0.00
<b>Dollar Block</b>	<b>-1.79</b>	<b>0.04</b>	<b>0.00</b>
Australia	-1.11	0.31	0.00
Canada	-0.13	-0.11	0.00
New Zealand	-0.55	-0.16	0.00
<b>EM - Asia</b>	<b>37.41</b>	<b>38.95</b>	<b>39.71</b>
China	7.71	9.82	10.00
Hong Kong	0.02	0.01	0.00
India	0.95	0.68	0.00
Indonesia	10.01	9.94	10.00
Malaysia	9.85	10.00	10.00
Philippines	-0.10	-0.05	0.06
Singapore	-0.46	0.06	0.00
South Korea	0.02	0.03	0.00
Taiwan	-0.19	-0.85	0.00
Thailand	9.61	9.30	9.65
<b>EM - Latin America</b>	<b>32.14</b>	<b>32.30</b>	<b>29.08</b>
Argentina	0.02	0.00	0.00
Brazil	10.54	11.63	10.00
Chile	1.88	1.68	1.89
Colombia	4.77	4.91	4.52
Dominican Republic	1.56	0.34	0.17
Mexico	10.25	10.73	10.00
Peru	2.67	2.60	2.31
Uruguay	0.47	0.40	0.20
<b>EM - CEEMEA</b>	<b>32.42</b>	<b>37.92</b>	<b>31.21</b>
Czech Republic	6.72	5.99	6.27
Egypt	1.06	0.80	0.61
Hungary	4.52	4.52	3.15
Israel	0.01	-0.02	0.00
Kenya	-0.16	0.10	0.00
Nigeria	0.00	0.00	0.00

## Emerging markets duration exposure – Duration in yrs (by country of risk)

	Portfolio		Benchmark
	30 Sep '23	31 Dec '23	31 Dec '23
<b>EM - Asia</b>	<b>2.19</b>	<b>2.09</b>	<b>2.36</b>
China	0.58	0.55	0.54
India	-0.02	-0.02	0.00
Indonesia	0.46	0.49	0.57
Malaysia	0.50	0.50	0.64
Philippines	-0.07	-0.09	0.00
South Korea	0.10	0.05	0.00
Thailand	0.62	0.62	0.61
<b>EM - Latin America</b>	<b>1.61</b>	<b>1.49</b>	<b>1.23</b>
Brazil	0.40	0.42	0.27
Chile	0.05	-0.03	0.11
Colombia	0.19	0.21	0.23
Dominican Republic	0.20	0.15	0.01
Ecuador	0.01	0.01	0.00
Mexico	0.55	0.55	0.47
Peru	0.15	0.15	0.14
Uruguay	0.05	0.04	0.01
<b>EM - CEEMEA</b>	<b>1.55</b>	<b>1.49</b>	<b>1.44</b>
Saudi Arabia	0.00	0.01	0.00
Czech Republic	0.36	0.31	0.33
Egypt	0.00	0.01	0.02
Hungary	0.11	0.15	0.14
Israel	0.01	0.01	0.00
Poland	0.19	0.17	0.27
Romania	0.18	0.17	0.17
Serbia & Montenegro	0.01	0.01	0.01
South Africa	0.60	0.58	0.48
State of Qatar	0.01	0.01	0.00
Turkey	0.00	0.01	0.02
United Arab Emirates	0.05	0.04	0.00
Zambia	0.01	0.00	0.00
<b>Total</b>	<b>5.35</b>	<b>5.07</b>	<b>5.03</b>

Benchmark: J.P. Morgan Government Bond Index-Emerging Markets Global Diversified Index (Unhedged)



# Country and currency exposure

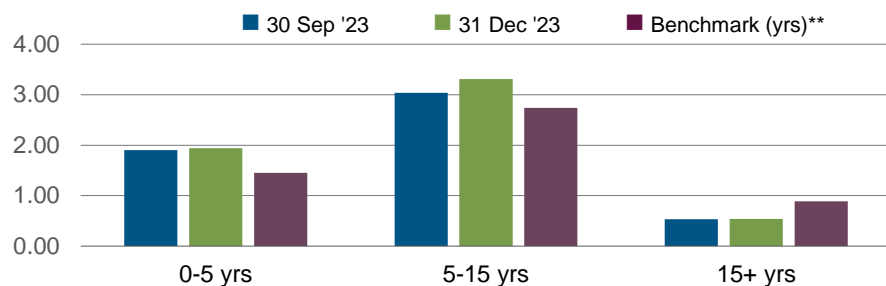
## Currency exposure - % of Market value

	Portfolio		Benchmark
	30 Sep '23	31 Dec '23	31 Dec '23
Poland	6.97	8.50	7.62
Romania	3.77	3.76	3.90
Russia	0.16	0.16	0.00
Serbia & Montenegro	0.17	0.15	0.29
South Africa	7.21	9.37	8.45
Turkey	1.71	4.41	0.92
United Arab Emirates	0.02	0.02	0.00
Zambia	0.27	0.16	0.00
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

Benchmark: J.P. Morgan Government Bond Index-Emerging Markets Global Diversified Index (Unhedged)

# Portfolio characteristics

## Key rate duration exposure



	Portfolio (yrs)		Benchmark (yrs)**
	30 Sep '23	31 Dec '23	31 Dec '23
0-5 yrs	1.90	1.94	1.45
5-15 yrs	3.04	3.31	2.74
15+ yrs	0.53	0.54	0.89
<b>Total</b>	<b>5.47</b>	<b>5.79</b>	<b>5.08</b>

## Derivative exposure (% of duration)

	30 Sep '23	31 Dec '23
<b>Government futures</b>	-0.78	1.86
<b>Interest rate swaps</b>	4.14	8.18
<b>Credit default swaps*</b>	-16.03	-23.13
Purchased swaps	-17.70	-24.31
Written swaps	1.68	1.18
<b>Options</b>	0.96	-1.13
Purchased Options	-0.09	-0.10
Written Options	1.04	-1.03
<b>Mortgage Derivatives</b>	0.00	0.00
<b>Money Market Derivatives</b>	-3.26	-0.13
Futures	0.00	0.00
Interest rate swaps	-3.26	-0.13
<b>Other Derivatives</b>	0.00	0.00

\* Shown as a percentage of market value

\*\*Benchmark duration is calculated by PIMCO  
Benchmark: J.P. Morgan Government Bond Index-Emerging Markets Global Diversified Index (Unhedged)

# Additional share class performance

## Performance (Institutional class, Accumulation Shares)

Past performance does not predict future results

Performance	31 Dec '18	31 Dec '19	31 Dec '20	31 Dec '21	31 Dec '22
	31 Dec '19	31 Dec '20	31 Dec '21	31 Dec '22	31 Dec '23
Before fees (%)	17.22	4.30	-7.14	-5.74	16.95
After fees (%)	16.19	3.38	-7.96	-6.58	15.91
J.P. Morgan Government Bond Index-Emerging Markets Global Diversified Index (Unhedged) (%)*	13.47	2.69	-8.75	-11.69	12.70
Before fees alpha (bps)	375	161	161	594	424
After fees alpha (bps)	272	68	78	510	321

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)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD
After fees (%)	-6.42	-16.44	10.51	14.78	-7.91	16.19	3.38	-7.96	-6.58	15.91	15.91
J.P. Morgan Government Bond Index-Emerging Markets Global Diversified Index (Unhedged) (%)*	-5.72	-14.92	9.94	15.21	-6.21	13.47	2.69	-8.75	-11.69	12.70	12.70

As of 31 December 2023. SOURCE: PIMCO.

The fund is actively managed in reference to the J.P. Morgan Government Bond Index-Emerging Markets Global Diversified Index (Unhedged) Index as further outlined in the prospectus and key investor information document/key information document

\*The benchmark is shown for performance comparison purpose only. Benchmark: J.P. Morgan Government Bond Index-Emerging Markets Global Diversified Index (Unhedged) Index.

Past performance is not a guarantee or a reliable indicator of future results. All periods longer than one year are annualised

Refer to Important Disclosures and the relevant sections of the Fund prospectus for additional performance and fee, chart, GIS funds, index, and risk information

# Additional share class performance

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

Performance (Net of Fees)	31 Dec '18	31 Dec '19	31 Dec '20	31 Dec '21	31 Dec '22	SI
	31 Dec '19	31 Dec '20	31 Dec '21	31 Dec '22	31 Dec '23	
Emerging Local Bond Fund E Class Accumulation	14.98	2.35	-8.90	-7.49	14.74	3.10
Emerging Local Bond Fund E Class Income	15.13	2.25	-8.89	-7.40	14.64	0.40
Emerging Local Bond Fund H Institutional Accumulation	-	-	-	-6.61	15.62	1.01
Emerging Local Bond Fund Institutional Accumulation	16.19	3.38	-7.96	-6.58	15.91	2.40
Emerging Local Bond Fund Institutional Income	16.08	3.45	-8.05	-6.52	15.84	2.21
Emerging Local Bond Fund Investor Accumulation	15.83	3.05	-8.33	-6.84	15.42	0.72
Emerging Local Bond Fund Z Class Income	17.20	4.32	-7.17	-5.74	16.90	4.97
J.P. Morgan Government Bond Index-Emerging Markets Global Diversified Index (Unhedged)	13.47	2.69	-8.75	-11.69	12.70	-
Emerging Local Bond Fund E Class EUR (Unhedged) Accumulation	17.15	-6.14	-1.98	-1.39	10.85	3.17
Emerging Local Bond Fund E Class EUR (Unhedged) Income	17.10	-6.04	-1.99	-1.46	10.92	3.35
Emerging Local Bond Fund Institutional EUR (Unhedged) Accumulation	18.39	-5.15	-1.06	-0.46	12.03	2.81
Emerging Local Bond Fund Institutional EUR (Unhedged) Income	18.33	-5.25	-0.88	-0.47	11.90	2.27
Emerging Local Bond Fund Investor EUR (Unhedged) Accumulation	-	-5.49	-1.37	-0.75	11.54	0.83
Emerging Local Bond Fund Institutional GBP (Unhedged) Accumulation	11.70	0.19	-7.16	5.23	9.40	5.42

# Additional share class performance

*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.*

Emerging Local Bond Fund (net of fees performance)

<b>Performance periods ended: 31 Dec '23</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>
Emerging Local Bond Fund E Class Accumulation	1.890	USD	19 Nov '08	9.56	5.43	14.74	-1.11	2.62	-0.11	3.10
Emerging Local Bond Fund E Class Income	1.890	USD	08 Jul '10	9.64	5.33	14.64	-1.10	2.63	-0.10	0.40
Emerging Local Bond Fund H Institutional Accumulation	1.060	USD	26 Feb '21	9.82	5.86	15.62	-	-	-	1.01
Emerging Local Bond Fund Institutional Accumulation	0.890	USD	11 Dec '07	9.83	5.93	15.91	-0.11	3.66	0.90	2.40
Emerging Local Bond Fund Institutional Income	0.890	USD	18 Apr '08	9.84	5.82	15.84	-0.15	3.64	0.90	2.21
Emerging Local Bond Fund Investor Accumulation	1.240	USD	18 Aug '10	9.67	5.77	15.42	-0.48	3.30	0.55	0.72
Emerging Local Bond Fund Z Class Income	0.000	USD	18 Nov '08	10.02	6.46	16.90	0.76	4.57	1.79	4.97
J.P. Morgan Government Bond Index-Emerging Markets Global Diversified Index (Unhedged)	-	-	-	8.07	4.55	12.70	-3.16	1.14	0.09	2.08
Emerging Local Bond Fund E Class EUR (Unhedged) Accumulation	1.890	EUR	02 Jul '09	5.01	4.17	10.85	2.33	3.34	2.13	3.17
Emerging Local Bond Fund E Class EUR (Unhedged) Income	1.890	EUR	12 Dec '18	5.09	4.19	10.92	2.32	3.34	-	3.35
Emerging Local Bond Fund Institutional EUR (Unhedged) Accumulation	0.890	EUR	16 Apr '10	5.33	4.65	12.03	3.33	4.38	3.15	2.81
Emerging Local Bond Fund Institutional EUR (Unhedged) Income	0.890	EUR	23 Jun '10	5.26	4.63	11.90	3.35	4.35	3.14	2.27
Emerging Local Bond Fund Investor EUR (Unhedged) Accumulation	1.240	EUR	20 Dec '19	5.19	4.44	11.54	2.97	-	-	0.83
Emerging Local Bond Fund Institutional GBP (Unhedged) Accumulation	0.890	GBP	27 Jun '08	5.14	5.68	9.40	2.24	3.65	3.57	5.42

# Important Disclosures

---

## Marketing Communication

This is a marketing communication. This is not a contractually binding document and its issuance is not mandated under any law or regulation of the European Union or the United Kingdom. This marketing communication does not include sufficient detail to enable the recipient to make an informed investment decision. Please refer to the Prospectus of the UCITS and to the KIID/KID before making any final investment decisions.

## For professional use only

The services and products described in this communication are only available to professional clients as defined in the MiFiD II Directive 2014/65/EU Annex II Handbook and its implementation of local rules and as defined in the Financial Conduct Authority's Handbook. This communication is not a public offer and individual investors should not rely on this document. Opinion and estimates offered constitute our judgment and are subject to change without notice, as are statements of financial market trends, which are based on current market conditions. We believe the information provided here is reliable, but do not warrant its accuracy or completeness.

The information provided herein does not constitute an offer of the product incorporated in Ireland, in Switzerland pursuant to the Swiss Federal Law on Financial Services ("FinSA") and its implementing ordinance. This is solely an advertisement pursuant to FinSA and its implementing ordinance for the product. Swiss representative and paying agent : BNP PARIBAS, Paris, Zurich branch, Selnaustrasse 16, 8002 Zurich, Switzerland. The prospectus, articles of association, Key Information Document(s) and annual and semi-annual financial reports of the product may be obtained free of charge from the Swiss representative.

## Additional Information/Documentation

A Prospectus is available for PIMCO Funds and UCITS Key Investor Information Documents (KIIDs) (for UK investors) and Packaged retail and insurance-based investment products (PRIIPS) key information document (KIDs) 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 and KIDs 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.

## PERFORMANCE AND FEE

**Past performance is not a guarantee or a reliable indicator of future results.** The "gross of fees" performance figures, if included, 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.

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.

## Outlook

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.

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

---

## Benchmark

Unless referenced in the prospectus and relevant key investor information document /Key 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 /Key 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 /Key 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 JPMorgan Government Bond Index-Emerging Markets Global Diversified Index (EUR Unhedged) as further outlined in the prospectus and key investor information document /Key Information Document.

## Correlation

As outlined under "Benchmark", where [disclosed herein] and referenced in the prospectus and relevant key investor information document /Key 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 /Key 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.

**ESG Category Article 6 Funds:** Article 6 funds do not have sustainable investment as its objective, nor do they promote environmental and/or social characteristics.

While such funds integrate sustainability risks into its investment policy (as further outlined in the Prospectus) and this integration process forms part of the investment level due diligence of the fund, ESG information is not the sole or primary consideration for any investment decision with respect to the fund. As the Fund is actively managed and does not promote environmental or social characteristics, the climate related holdings are not static and may vary considerably overtime.

## 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. ©2024.

**Investment restrictions** —In accordance with the UCITS regulations and subject to any investment restrictions outlined in the Fund's prospectus, the Fund may invest up to 100% of its 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, Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade).

# Important Disclosures

---

**A word about risk:** Investing in the **bond market** is subject to certain risks including market, interest-rate, issuer, credit, and inflation risk; 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. **Mortgage and asset-backed securities** may be sensitive to changes in interest rates, subject to early repayment risk, and their value may fluctuate in response to the market's perception of issuer creditworthiness; while generally supported by some form of government or private guarantee there is no assurance that private guarantors will meet their obligations. **High-yield, lower-rated, securities** involve greater risk than higher-rated securities; portfolios that invest in them may be subject to greater levels of credit and liquidity risk than portfolios that do not. **Derivatives** may involve certain costs and risks such as liquidity, interest rate, market, credit, management and the risk that a position could not be closed when most advantageous. Investing in derivatives could lose more than the amount invested. **Diversification** does not ensure against loss.

**PIMCO Europe Ltd (Company No. 2604517, 11 Baker Street, London W1U 3AH, United Kingdom)** is authorised and regulated by the Financial Conduct Authority (FCA) (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, via Turati nn. 25/27 (angolo via Cavalieri n. 4), 20121 Milano, Italy), PIMCO Europe GmbH Irish Branch (Company No. 909462, 57B Harcourt Street Dublin D02 F721, Ireland), PIMCO Europe GmbH UK Branch (Company No. FC037712, 11 Baker Street, London W1U 3AH, UK), PIMCO Europe GmbH Spanish Branch (N.I.F. W2765338E, Paseo de la Castellana 43, Oficina 05-111, 28046 Madrid, Spain) and PIMCO Europe GmbH French Branch (Company No. 918745621 R.C.S. Paris, 50-52 Boulevard Haussmann, 75009 Paris, France)** 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 15 of the German Securities Institutions Act (WpIG). The Italian Branch, Irish Branch, UK Branch, Spanish Branch and French Branch are additionally supervised by: (1) Italian Branch: the Commissione Nazionale per le Società e la Borsa (CONSOB) (Giovanni Battista Martini, 3 - 00198 Rome) in accordance with Article 27 of the Italian Consolidated Financial Act; (2) Irish Branch: the Central Bank of Ireland (New Wapping Street, North Wall Quay, Dublin 1 D01 F7X3) in accordance with Regulation 43 of the European Union (Markets in Financial Instruments) Regulations 2017, as amended; (3) UK Branch: the Financial Conduct Authority (FCA) (12 Endeavour Square, London E20 1JN); (4) Spanish Branch: the Comisión Nacional del Mercado de Valores (CNMV) (Edison, 4, 28006 Madrid) 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 and (5) French Branch: ACPR/Banque de France (4 Place de Budapest, CS 92459, 75436 Paris Cedex 09) in accordance with Art. 35 of Directive 2014/65/EU on markets in financial instruments and under the surveillance of ACPR and AMF. 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, Brandschenkestrasse 41 Zurich 8002, Switzerland).** 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 LLC in the United States and throughout the world. ©2024 PIMCO



# Important Disclosures

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.

**Fallen angel** is a bond that was initially given an investment grade rating but has since been reduced to below investment grade status.

**GFC** is the Global Financial Crisis.

**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.

**LNG** is Liquefied Natural Gas.

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.

**Rising star** is the term given to a bond that was rated high yield but has since been upgraded to investment grade.

**"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.

**"Safe Spread"** is defined as sectors that we believe are most likely to withstand the vicissitudes of a wide range of possible economic scenarios. All investments contain risk and may lose value.

The **SEC yield** is an annualized yield based on the most recent 30 day period. The subsidized yield includes contractual expense reimbursements and it would be lower without those reimbursements. The

**Unsubsidized 30 day SEC Yield** excludes contractual expense reimbursements.

**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)

4639\_QIR-4Q23