

GIS PIMCO Capital Securities Fund



Quarterly Investment Report | 4Q22

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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

The portfolio returned positively during the fourth quarter as Capital Securities rebounded alongside strong bank earnings, positive market sentiment and the prospect of inflation and monetary policy hawkishness peaking. Spreads in capital securities tightened during the quarter leading to positive returns across the capital structure, with Additional Tier 1 and subordinated hybrid bonds contributing the most to performance.

CONTRIBUTORS

- Exposure to and security selection within Additional Tier 1 and subordinated hybrid bonds, in particular to select Dutch, UK and peripheral AT1s, which outperformed alongside a recovery of risk assets during the last quarter of the year.
- Exposure to and security selection within Tier 2 bonds and in particular to Italian banks on the back of strong quarterly results and a successful capital raise by a local bank.
- Exposure to and security selection within senior financials as spreads tightened.

DETRACTORS

- Exposure to a select Swiss bank which underperformed following the announcement of a restructuring plan and expected issuance.

Performance periods ended 31 Dec '22	3 mos.	6 mos.	1 yr.	3 yrs.	5 yrs.	SI
Fund before fees	8.34	3.74	-10.83	0.40	2.90	5.55
Fund after fees	8.13	3.33	-11.53	-0.39	2.09	4.72
Benchmark*	0.92	1.46	1.78	0.98	1.52	1.07

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

PIMCO favors investments in Additional Tier 1 ("AT1") bonds from large systemic banks which benefit from high capital levels, years of balance sheet de-risking and positive regulatory developments. The Fund is well diversified across both geographies and capital structure, also with exposure to senior bank debt which provides a more defensive source of spread.

The Fund favors AT1s from systemic banks and national champions with ample capital buffers and a diversified revenue stream, while remaining cautious on smaller European issuers. Geographically, the Fund is well diversified and favors countries such as the UK where banks have the highest levels of capital. In senior and Tier 2 debt, the exposure remains mostly centered on select idiosyncratic opportunities in bonds attractively priced from European banks offering upside through improving fundamentals and potential consolidation.

Class:	INST
Inception date:	31 Jul '13
Fund assets (in millions):	\$5,721.59
Unified management fee:	0.790%

Summary information	31 Dec '22
Estimated yield to maturity (Gross of fee)	8.96%
Effective duration (yrs)	3.40
Benchmark duration - provider (yrs)	0.00
Benchmark duration - PIMCO (yrs)	0.00
Effective maturity (yrs)	3.84
Average coupon	4.95%
Information ratio (5 yrs)	0.11

*ICE BofA SOFR Overnight Rate Index

Fund specific risks

Risk	Risk Description
Credit and Default Risk	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.
Currency Risk	Changes in exchange rates may cause the value of investments to decrease or increase.
Derivatives and Counterparty Risk	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.
Liquidity Risk	Difficult market conditions could result in certain securities becoming hard to sell at a desired time and price.
Interest Rate Risk	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).

Quarter in Review

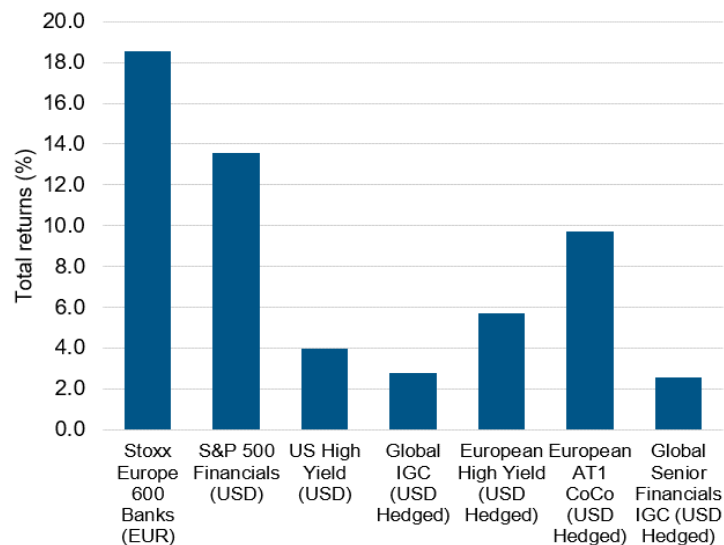
Spreads in senior and subordinated financials tightened during the quarter

Although central banks continued to deliver interest rate hikes during the quarter, lower than expected CPI prints helped investors' sentiment improve amid the prospect of inflation and monetary policy peaking. Meanwhile, banks continued to report strong earnings, with balance sheets also supported by strong capital buffers and resilient asset quality trends.

Bank capital has benefitted from the improved market backdrop. Despite elevated macro uncertainty and the ongoing economic slowdown, banks have so far remained very resilient, with no sign of a deterioration in asset quality. Importantly, Q3 '22 financial results have shown an even more prominent increase in Net Interest Margin (NIM), which is driven by higher rates and is feeding through to stronger profitability, offering a source of organic capital generation. Of note, most banks are expecting this trend to continue in the coming quarters as assets have not yet fully repriced to the new level of market rates while deposits are slower to reprice.

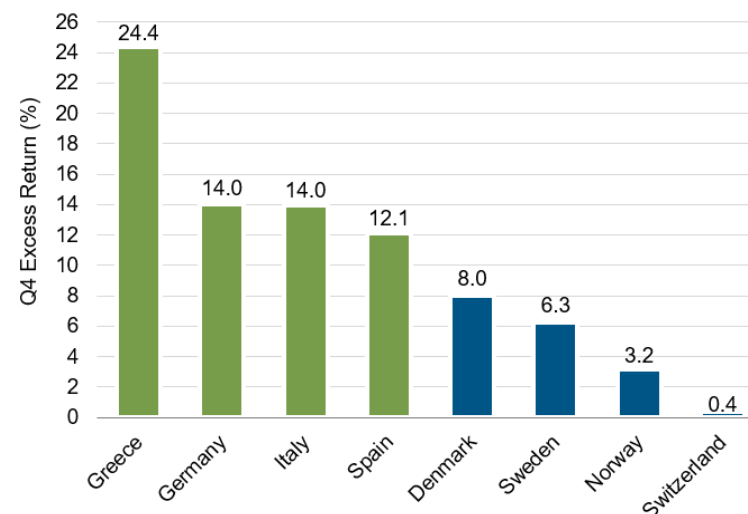
During the quarter, capital securities posted positive returns, with AT1 CoCos outperforming senior debt on the back of an improved market sentiment and supportive bank fundamentals.

Performance of major indices - Q4 '22



In the fourth quarter, the European AT1 market returned 9.7% and Global Senior Financials returned 2.6% (USD hedged). The outperformance of the AT1 market relative to senior financial debt was driven by the positive trend in bank fundamentals and the broad based recovery in risk assets amid expectations of peak inflation following lower than expected CPI prints.

Barclays European AT1 Index - Excess Return by Country



On an excess return basis, AT1s from southern European banks outperformed, benefitting from the improved market sentiment. German banks outperformed as well, in part driven by the outperformance of a select issuer which was upgraded during the quarter. On the other hand, Nordics banks underperformed due to their more defensive/lower beta profile. Finally, the underperformance of Swiss issuers was driven by a select bank which announced a major restructuring.

Source: Bloomberg. Euro Stoxx Banking EUR (EURO STOXX Banks Index); European AT1 CoCo USD Hedged (Bloomberg European Tier 1 CoCo Index); US High Yield (The BofA Merrill Lynch U.S. High Yield Constrained Index); European High Yield USD Hedged (Merrill Lynch European Currency High Yield Constrained Index); Global IGC USD Hedged (Bloomberg Global Agg Credit Index); Global Senior Financials IGC USD Hedged (Bloomberg Global Agg Corp Senior Financial Institutions).

Market Summary

The Fund's performance benefitted from an improved market sentiment

The portfolio returned positively during the fourth quarter as the allocation to Additional Tier 1 and subordinated hybrid bonds contributed amid tighter spreads and improved market sentiment.

Exposure to and security selection within Additional Tier 1 and subordinated hybrid bonds

The exposure to and security selection within Additional Tier 1 and subordinated hybrid bonds, in particular to select Dutch, UK and peripheral AT1s, was the main contributor to performance in the fourth quarter amid a recovery in risk assets. Select perpetual non-callable instruments contributed the most to performance in part reversing their underperformance earlier in the year.

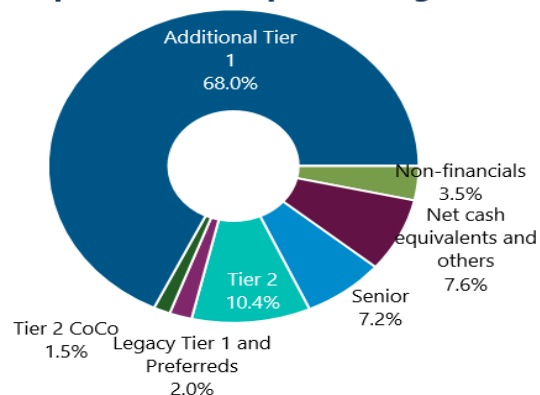
Exposure to and security selection within Tier 2 bonds and CoCos

Our exposure to and security selection within Tier 2 bonds and in particular to Italian banks contributed to performance on the back of strong quarterly results and a successful capital raise by a local bank which benefitted particularly their subordinated bonds. The latter rallied in price supported by stronger capital, large cost cuts and guidance for improving profits which drove also rating upgrades from one agency.

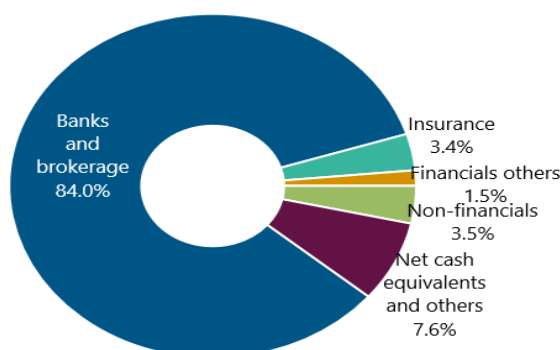
Exposure to a select Swiss bank

Our exposure to a select Swiss bank detracted from performance as the bank underperformed across the capital structure following the announcement of a restructuring plan and expected issuance.

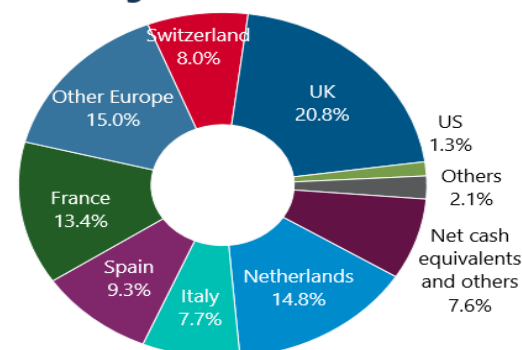
Capital structure positioning (%)



Sector breakdown (%)



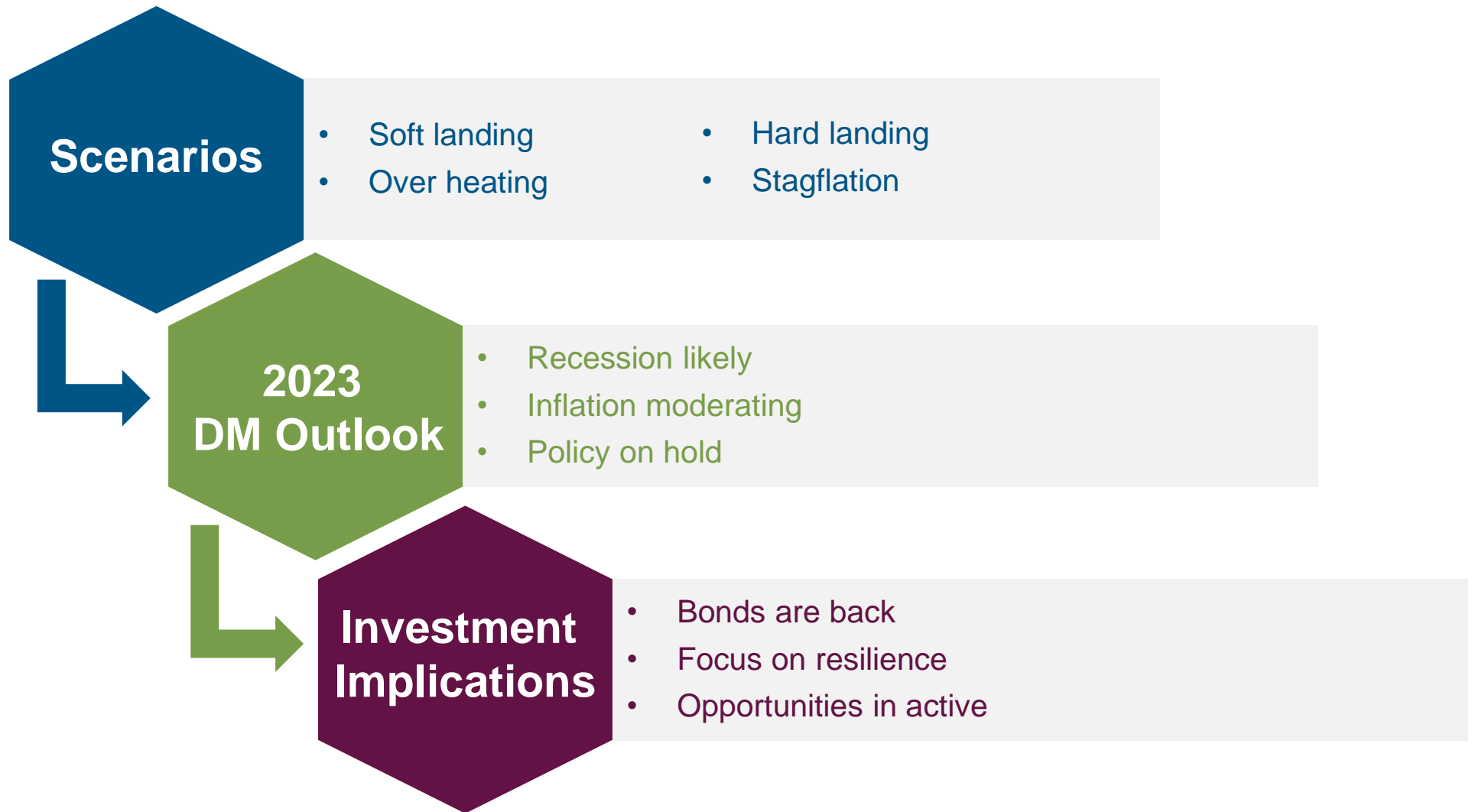
Region of issuer (%)



'Additional Tier 1' also includes positions in Core Capital Deferred Shares (CCDS) and Member Certificates.

Strained Markets, Strong Bonds: Investment Implications

Our process helps us evaluate a range of scenarios to determine the most likely road ahead.



Portfolio Outlook

Bank capital provides attractive yield

While Capital Securities remain exposed to the elevated uncertainty and market volatility, which were the drivers of negative market performance in 2022, sector fundamentals continue to show resiliency and valuations have become more attractive. The Fund offers an attractive combination of yield (yield to maturity at 9.0% and yield to next call at 10.6%, USD hedged) and duration (3.4 years) while maintaining an average investment grade rating. The core of the strategy remains centered around national champions in each country, all of them benefiting from strong capital positions, as highlighted by their solid performance across various central bank stress tests.

Key strategies

Solid fundamentals

Banks are entering this period of uncertainty with strong initial conditions in credit fundamentals. Banks' asset quality has weathered the pandemic well and capital buffers are at or close to record highs still. While elevated inflation, higher interest rates and tighter financial conditions will inevitably have an impact on the economy, banks are well positioned given their strong fundamentals following a decade long of restructuring, de-risking and de-leveraging and remain more insulated from inflationary pressures relative to other sectors in corporate credit.

Attractive valuations

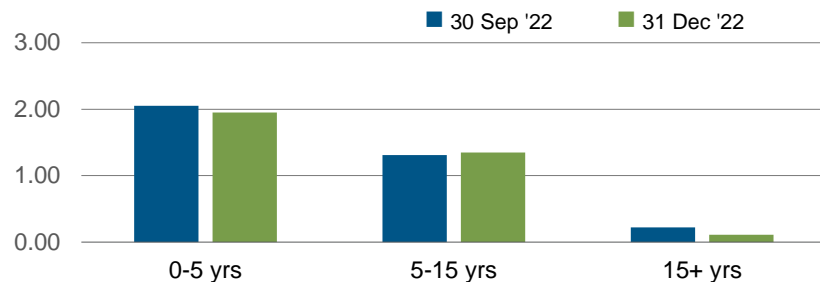
Valuations have improved significantly with spreads well above historical average levels and AT1 yields approaching double-digit figures. Resilient bank fundamentals and the tailwind of rising rates failed to materialize into an outperformance of financials versus non-financials, predominantly due to technical factors, including heavier supply in financials during 2022 and selling of bonds with a better liquidity profile. AT1 bonds continue to trade at wider spreads relative to HY despite their higher average rating and supportive trends in bank fundamentals.

Benefitting from rising rates

Banks in Europe are by far the biggest beneficiaries of higher rates within the developed market banking system. Financial results for Q2 and Q3'22 indicated that the benefits of abandoning negative rates are becoming more visible on banks' P&Ls. As a matter of fact, the back-up in rates led to higher Net Interest Margin (NIM), as banks' assets have partially and progressively repriced. While we expect that further upsides may be capped by a repricing of liabilities, some of the reporting banks are still anticipating additional increases in NII in the coming quarters as assets continue to reprice at a faster pace than deposits.

Portfolio characteristics

Key rate duration exposure



	Portfolio (yrs)	
	30 Sep '22	31 Dec '22
0-5 yrs	2.05	1.95
5-15 yrs	1.31	1.35
15+ yrs	0.22	0.11
Total	3.59	3.40

Interest rate exposure

	Portfolio (yrs)	
	30 Sep '22	31 Dec '22
Effective duration	3.59	3.40
Bull market duration	3.61	3.43
Bear market duration	3.56	3.37
Spread duration		
Mortgage spread duration	0.00	0.00
Corporate spread duration	7.30	6.78
Emerging markets spread duration	0.14	0.11
Swap spread duration	-0.57	-0.61
Covered bond spread duration	0.00	0.00
Sovereign related spread duration	0.00	0.00

Derivative exposure (% of duration)

	30 Sep '22	31 Dec '22
Equity futures*	0.00	0.00
Total return swap*	0.00	0.00
Government futures	13.63	3.26
Interest rate swaps	-16.04	-18.02
Credit default swaps*	1.40	0.93
Purchased swaps	0.00	0.00
Written swaps	1.40	0.93
Options	0.00	0.00
Purchased Options	0.00	0.00
Written Options	0.00	0.00
Mortgage Derivatives	0.00	0.00
Money Market Derivatives	0.00	0.00
Futures	0.00	0.00
Interest rate swaps	0.00	0.00
Other Derivatives	0.35	0.00

* Shown as a percentage of market value

Country and currency exposure

Country exposure by currency of settlement

	30 Sep '22		31 Dec '22	
	Duration (yrs)	FX (%)	Duration (yrs)	FX (%)
United States	2.23	100.03	2.14	99.99
Japan	0.00	0.01	0.00	0.01
Eurozone	1.19	0.07	0.98	0.08
Austria	0.06	0.00	0.07	0.00
Belgium	0.02	0.00	0.03	0.00
Euro Currency	0.00	0.07	0.00	0.08
European Union	-0.18	0.00	-0.16	0.00
France	-0.13	0.00	-0.12	0.00
Germany	0.08	0.00	-0.23	0.00
Ireland	0.08	0.00	0.09	0.00
Italy	0.13	0.00	0.14	0.00
Luxembourg	0.01	0.00	0.01	0.00
Netherlands	0.88	0.00	0.92	0.00
Slovenia	0.01	0.00	0.02	0.00
Spain	0.24	0.00	0.23	0.00
United Kingdom	0.14	-0.07	0.23	-0.01
Europe non-EMU	0.00	-0.03	0.00	-0.03
Sweden	0.00	-0.01	0.00	-0.01
Switzerland	0.00	-0.02	0.00	-0.02
Dollar Block	0.03	-0.01	0.05	-0.04
Australia	0.00	-0.01	0.00	-0.01
Canada	0.03	0.00	0.05	-0.03
Other Industrialized Countries	0.00	0.00	0.00	-0.01
Hong Kong	0.00	0.01	0.00	0.01
Singapore	0.00	-0.02	0.00	-0.02
EM - Asia	0.00	0.00	0.00	0.00
Total	3.59	100	3.40	100

Emerging markets exposure by country of risk

	30 Sep '22			31 Dec '22		
	% of MV short duration Instruments	% of MV bonds	Duration (yrs)	% of MV short duration Instruments	% of MV bonds	Duration (yrs)
China	0.00	0.07	0.00	0.00	0.12	0.00
Mexico	0.00	0.72	0.04	0.00	0.72	0.04
Russia	0.00	0.03	0.00	0.00	0.02	0.00
Total	0.00	0.82	0.04	0.00	0.86	0.04

Additional share class performance

Performance (Institutional class, Accumulation Shares)

Past performance does not predict future results

Performance (Net of Fees)	31 Dec '17	31 Dec '18	31 Dec '19	31 Dec '20	31 Dec '21
	31 Dec '18	31 Dec '19	31 Dec '20	31 Dec '21	31 Dec '22
Before fees (%)	-3.66	18.30	7.16	5.92	-10.83
After fees (%)	-4.42	17.38	6.32	5.09	-11.53
ICE BofA SOFR Overnight Rate Index (%)*	2.20	2.49	0.98	0.18	1.78
Before fees alpha (bps)	-586	1582	617	573	-1260
After fees alpha (bps)	-662	1489	533	490	-1331

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	YTD
After fees (%)	6.05	3.89	6.16	11.22	-4.42	17.38	6.32	5.09	-11.53	-11.53
ICE BofA SOFR Overnight Rate Index (%)*	0.24	0.29	0.68	1.20	2.20	2.49	0.98	0.18	1.78	1.78

As of 31 December 2022. SOURCE: PIMCO.

The fund is actively managed in reference to the ICE BofA SOFR Overnight Rate Index Index as further outlined in the prospectus and key investor information document

*The benchmark is shown for performance comparison purpose only. Benchmark: ICE BofA SOFR Overnight Rate 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 Capital Securities Fund (net of fees performance)

	31 Dec '17 31 Dec '18	31 Dec '18 31 Dec '19	31 Dec '19 31 Dec '20	31 Dec '20 31 Dec '21	31 Dec '21 31 Dec '22	SI
PIMCO Capital Securities Fund Administrative Accumulation	-4.88	16.81	5.76	4.55	-11.97	4.12
PIMCO Capital Securities Fund Administrative Income	-4.91	16.78	5.76	4.63	-11.97	4.12
PIMCO Capital Securities Fund Administrative Income II	-	-	-	-	-	-1.97
PIMCO Capital Securities Fund E Class Accumulation	-5.28	16.38	5.35	4.14	-12.32	3.47
PIMCO Capital Securities Fund E Class Income	-5.25	16.30	5.41	4.10	-12.27	2.82
PIMCO Capital Securities Fund Institutional Accumulation	-4.42	17.38	6.32	5.09	-11.53	4.72
PIMCO Capital Securities Fund Institutional Income	-4.44	17.40	6.28	5.12	-11.56	3.78
PIMCO Capital Securities Fund Investor Accumulation	-4.83	17.04	5.88	4.79	-11.86	3.36
PIMCO Capital Securities Fund Investor Income	-4.73	16.95	5.91	4.77	-11.87	3.37
PIMCO Capital Securities Fund M Retail Income II	-5.22	16.32	5.31	4.21	-12.37	3.23
PIMCO Capital Securities Fund R Class Income	-4.62	17.27	6.11	4.97	-11.61	3.72
PIMCO Capital Securities Fund T Class Income	-5.67	15.85	4.90	3.81	-12.67	2.76
PIMCO Capital Securities Fund Z Class Income	-3.62	18.32	7.15	5.85	-10.78	5.18
PIMCO Capital Securities Fund Institutional BRL (Hedged) Accumulation	-	15.87	-17.43	1.51	2.48	-3.71
ICEBofA SOFR Overnight Rate Index. Prior to July 1, 2022, 3 Month USD Libor. Inception to June 30, 2022 ICE BofAML 3 Month USD Libor Index Hedged BRL Denominated in USD. July 1, 2022 onwards ICE SOFR Ovrnt Rate Index BRL Hdg USD Den	2.20	2.49	0.98	0.18	1.78	-
	-9.45	1.41	-20.30	-2.94	17.91	-
PIMCO Capital Securities Fund Investor RMB (Hedged) Income	-	17.30	7.30	7.48	-11.55	3.76
Inception to June 30, 2022 3 Month USD Libor (CNH Hedged). July 1, 2022 onwards ICE SOFR Ovrnt Rate Index CNH Hdg	-	2.88	2.87	2.86	2.07	-
PIMCO Capital Securities Fund Investor AUD (Hedged) Income	-	15.74	3.63	4.37	-12.77	1.18
PIMCO Capital Securities Fund Z Class AUD (Hedged) Income	-3.95	17.15	4.75	5.69	-11.84	4.06
Bloomberg AusBond Bank Bills Index	1.92	1.50	0.37	0.03	1.25	-
PIMCO Capital Securities Fund Investor CAD (Hedged) Income	-	16.00	4.70	4.50	-12.04	1.92
Inception to June 30, 2022 3 Month USD Libor (CAD Hedged). July 1, 2022 onwards Canadian Overnight Repo Rate	-	1.84	0.96	0.11	1.61	-
PIMCO Capital Securities Fund E Class CHF (Hedged) Accumulation	-8.27	12.45	2.96	3.05	-14.54	0.46
PIMCO Capital Securities Fund Institutional CHF (Hedged) Accumulation	-7.46	13.52	3.83	4.04	-13.77	2.61

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Additional share class performance

PIMCO Capital Securities Fund (net of fees performance)

	31 Dec '17 31 Dec '18	31 Dec '18 31 Dec '19	31 Dec '19 31 Dec '20	31 Dec '20 31 Dec '21	31 Dec '21 31 Dec '22	SI
Inception to June 30, 2021 3 Month USD LIBOR (Hedged to CHF). July 1, 2021 onward Saron ICE BofA Saron Overnight Rate index.	-0.91	-0.98	-0.82	-0.78	-0.24	-
PIMCO Capital Securities Fund Administrative EUR (Hedged) Accumulation	-7.53	13.34	3.59	3.69	-13.92	2.47
PIMCO Capital Securities Fund E Class EUR (Hedged) Accumulation	-7.90	12.96	3.10	3.31	-14.26	1.80
PIMCO Capital Securities Fund E Class EUR (Hedged) Income	-7.94	12.91	3.11	3.36	-14.31	0.75
PIMCO Capital Securities Fund Institutional EUR (Hedged) Accumulation	-7.16	14.02	4.07	4.18	-13.44	2.99
PIMCO Capital Securities Fund Institutional EUR (Hedged) Income	-7.13	14.00	4.07	4.27	-13.49	3.00
PIMCO Capital Securities Fund Institutional EUR (Hedged) Income II	-7.10	14.01	4.02	4.22	-13.51	1.87
PIMCO Capital Securities Fund Investor EUR (Hedged) Accumulation	-7.44	13.57	3.69	3.87	-13.80	2.46
PIMCO Capital Securities Fund R Class EUR (Hedged) Income	-7.20	13.81	3.92	4.08	-13.66	1.62
PIMCO Capital Securities Fund T Class EUR (Hedged) Accumulation	-8.30	12.48	2.71	2.89	-14.58	0.78
Inception to June 30, 2021 3 Month Euribor index. July 1, 2021 onward ESTR ICE BofA ESTR Overnight Rate index.	-0.32	-0.34	-0.41	-0.56	-0.02	-
PIMCO Capital Securities Fund Institutional GBP (Hedged) Accumulation	-6.10	15.26	4.01	4.83	-12.20	3.73
PIMCO Capital Securities Fund Institutional GBP (Hedged) Income	-6.13	15.21	4.08	4.84	-12.27	3.80
PIMCO Capital Securities Fund Investor GBP (Hedged) Income	-	-	-	4.37	-12.50	-2.32
PIMCO Capital Securities Fund R Class GBP (Hedged) Income	-6.25	15.01	3.88	4.71	-12.36	2.38
Inception to June 30, 2021 3 Month GBP LIBOR index. July 1, 2021 onward SONIA ICE BofA SONIA Overnight Rate index.	0.71	0.82	0.34	0.06	1.42	-
PIMCO Capital Securities Fund M Retail HKD (Unhedged) Income	-5.16	15.88	4.79	4.75	-12.27	1.62
PIMCO Capital Securities Fund Administrative SGD (Hedged) Income II	-	-	-	-	-	-2.10
PIMCO Capital Securities Fund Institutional SGD (Hedged) Income	-	-	-	-	-11.68	-8.08
PIMCO Capital Securities Fund Investor SGD (Hedged) Income	-	16.18	5.08	4.80	-12.02	1.77
PIMCO Capital Securities Fund M Retail SGD (Hedged) Income II	-6.03	15.65	4.41	4.21	-12.53	3.05
Splice bogie - Inception to June 30, 2022 Bogie 3 Month SGD Libor, July 1, 2022 Singapore Interbank OvernightRate	1.63	1.86	0.62	0.25	1.71	-

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Additional share class performance

PIMCO Capital Securities Fund (net of fees performance)

Performance periods ended: 31 Dec '22	Unified Management Fee	NAV currency	Class Inception date	3 mos.	6 mos.	1 yr.	3 yrs.	5 yrs.	SI
PIMCO Capital Securities Fund Administrative Accumulation	1.290	USD	09 Aug '13	7.95	3.05	-11.97	-0.90	1.58	4.12
PIMCO Capital Securities Fund Administrative Income	1.290	USD	09 Aug '13	7.98	3.05	-11.97	-0.87	1.59	4.12
PIMCO Capital Securities Fund Administrative Income II	1.290	USD	12 Aug '22	8.03	-	-	-	-	-1.97
PIMCO Capital Securities Fund E Class Accumulation	1.690	USD	28 Oct '13	7.89	2.86	-12.32	-1.28	1.18	3.47
PIMCO Capital Securities Fund E Class Income	1.690	USD	19 May '14	7.87	2.93	-12.27	-1.26	1.19	2.82
PIMCO Capital Securities Fund Institutional Accumulation	0.790	USD	31 Jul '13	8.13	3.33	-11.53	-0.39	2.09	4.72
PIMCO Capital Securities Fund Institutional Income	0.790	USD	23 Sep '14	8.08	3.30	-11.56	-0.40	2.08	3.78
PIMCO Capital Securities Fund Investor Accumulation	1.140	USD	19 May '14	8.04	3.18	-11.86	-0.74	1.72	3.36
PIMCO Capital Securities Fund Investor Income	1.140	USD	19 May '14	7.91	3.11	-11.87	-0.74	1.73	3.37
PIMCO Capital Securities Fund M Retail Income II	1.690	USD	23 Dec '13	7.80	2.80	-12.37	-1.30	1.18	3.23
PIMCO Capital Securities Fund R Class Income	0.930	USD	18 Mar '14	8.12	3.32	-11.61	-0.52	1.95	3.72
PIMCO Capital Securities Fund T Class Income	2.090	USD	16 Oct '14	7.78	2.70	-12.67	-1.66	0.77	2.76
PIMCO Capital Securities Fund Z Class Income	0.000	USD	31 Oct '13	8.35	3.72	-10.78	0.40	2.91	5.18
ICE BofA SOFR Overnight Rate Index	-	-	-	0.92	1.46	1.66	0.69	-	1.07
PIMCO Capital Securities Fund Institutional BRL (Hedged) Accumulation	0.790	USD	02 Jan '18	13.11	6.98	2.48	-4.94	-	-3.71
Secured Overnight Financing Rate (SOFR) Hedged BRL Denominated in USD	-	-	-	5.46	5.28	-	-	-	-3.81
PIMCO Capital Securities Fund Investor RMB (Hedged) Income	1.140	CNH	25 Jun '18	7.44	2.50	-11.55	0.66	-	3.76
Secured Overnight Financing Rate (SOFR) CNH Hedged	-	-	-	0.43	0.94	-	-	-	2.77
PIMCO Capital Securities Fund Investor AUD (Hedged) Income	1.140	AUD	23 May '18	7.77	2.55	-12.77	-1.92	-	1.18
PIMCO Capital Securities Fund Z Class AUD (Hedged) Income	0.000	AUD	11 Aug '15	7.94	3.05	-11.84	-0.81	1.89	4.06
Bloomberg AusBond Bank Bills Index	-	-	-	0.74	1.17	1.25	0.55	1.01	1.32
PIMCO Capital Securities Fund Investor CAD (Hedged) Income	1.140	CAD	25 Jun '18	7.93	2.99	-12.04	-1.27	-	1.92
Canadian Overnight Repo Rate (CORRA)	-	-	-	0.95	1.59	1.91	-	-	1.17
PIMCO Capital Securities Fund E Class CHF (Hedged) Accumulation	1.690	CHF	18 Jun '14	6.67	0.97	-14.54	-3.21	-1.33	0.46
PIMCO Capital Securities Fund Institutional CHF (Hedged) Accumulation	0.790	CHF	09 Aug '13	6.95	1.48	-13.77	-2.34	-0.43	2.61
SARON ICE BofA SARON Overnight Rate Index	-	-	-	0.14	0.09	-0.24	-	-	-0.79
PIMCO Capital Securities Fund Administrative EUR (Hedged) Accumulation	1.290	EUR	09 Aug '13	7.19	1.72	-13.92	-2.58	-0.63	2.47
PIMCO Capital Securities Fund E Class EUR (Hedged) Accumulation	1.690	EUR	28 Oct '13	7.09	1.46	-14.26	-2.98	-1.02	1.80
PIMCO Capital Securities Fund E Class EUR (Hedged) Income	1.690	EUR	30 Oct '15	7.04	1.39	-14.31	-2.98	-1.04	0.75
PIMCO Capital Securities Fund Institutional EUR (Hedged) Accumulation	0.790	EUR	09 Aug '13	7.35	1.95	-13.44	-2.09	-0.13	2.99

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

Additional share class performance

PIMCO Capital Securities Fund (net of fees performance)

Performance periods ended: 31 Dec '22	Unified Management Fee	NAV currency	Class Inception date	3 mos.	6 mos.	1 yr.	3 yrs.	5 yrs.	SI
PIMCO Capital Securities Fund Institutional EUR (Hedged) Income	0.790	EUR	09 Aug '13	7.32	1.97	-13.49	-2.08	-0.12	3.00
PIMCO Capital Securities Fund Institutional EUR (Hedged) Income II	0.790	EUR	29 Jul '14	7.30	1.85	-13.51	-2.13	-0.14	1.87
PIMCO Capital Securities Fund Investor EUR (Hedged) Accumulation	1.140	EUR	26 Feb '16	7.17	1.72	-13.80	-2.44	-0.48	2.46
PIMCO Capital Securities Fund R Class EUR (Hedged) Income	0.930	EUR	18 Jun '14	7.19	1.82	-13.66	-2.26	-0.28	1.62
PIMCO Capital Securities Fund T Class EUR (Hedged) Accumulation	2.090	EUR	30 Sep '14	6.92	1.33	-14.58	-3.36	-1.42	0.78
Euro Short-Term Rate (ESTER)	-	-	-	0.31	0.29	-0.01	-0.38	-	-0.20
PIMCO Capital Securities Fund Institutional GBP (Hedged) Accumulation	0.790	GBP	09 Aug '13	7.80	2.84	-12.20	-1.45	0.71	3.73
PIMCO Capital Securities Fund Institutional GBP (Hedged) Income	0.790	GBP	31 Jul '13	7.76	2.80	-12.27	-1.44	0.70	3.80
PIMCO Capital Securities Fund Investor GBP (Hedged) Income	1.140	GBP	29 Jan '20	7.63	2.67	-12.50	-	-	-2.32
PIMCO Capital Securities Fund R Class GBP (Hedged) Income	0.930	GBP	18 Jun '14	7.70	2.72	-12.36	-1.58	0.55	2.38
SONIA ICE BofA SONIA Overnight Rate Index	-	-	-	0.70	1.09	1.42	-	-	0.59
PIMCO Capital Securities Fund M Retail HKD (Unhedged) Income	1.690	HKD	28 Jul '17	7.27	2.25	-12.27	-1.25	1.14	1.62
PIMCO Capital Securities Fund Administrative SGD (Hedged) Income II	1.290	SGD	12 Aug '22	7.88	-	-	-	-	-2.10
PIMCO Capital Securities Fund Institutional SGD (Hedged) Income	0.790	SGD	30 Jul '21	7.96	3.18	-11.68	-	-	-8.08
PIMCO Capital Securities Fund Investor SGD (Hedged) Income	1.140	SGD	23 May '18	7.92	3.04	-12.02	-1.05	-	1.77
PIMCO Capital Securities Fund M Retail SGD (Hedged) Income II	1.690	SGD	23 Dec '13	7.76	2.67	-12.53	-1.63	0.68	3.05
SORA Singapore Interbank OvernightRate Average	-	-	-	0.78	1.30	1.57	-	-	1.08

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.

Important Disclosures

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

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. 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. **Inflation-linked bonds (ILBs)** issued by a government are fixed-income securities whose principal value is periodically adjusted according to the rate of inflation; ILBs decline in value when real interest rates rise. **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. 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.

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Important Disclosures

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 ICE BofA SOFR Overnight Rate 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.

Important Disclosures

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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 of 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 and KIDs 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.

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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.

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)