



# GIS Global Real Return Fund



Quarterly Investment Report | 4Q23

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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

Over the quarter, the GIS Global Real Return Fund (institutional share class, after fees) posted positive absolute returns of 6.19% and outperformed its benchmark. Contributors include the Fund's overweight to U.S. interest rates, exposure to U.S. Agency and Non-agency MBS and positioning and security selection in Eurozone interest rates. Detractors include the Fund's overweight to U.S. breakeven inflation and positioning in EM FX and the Canadian Dollar.

### CONTRIBUTORS

- Overweight U.S. interest rates
- Off-benchmark exposure to U.S. Agency MBS and Non-agency MBS
- Positioning and security selection in Eurozone interest rates

### DETRACTORS

- Overweight U.S. breakeven inflation
- Positioning in EM FX and the Canadian Dollar

Performance periods ended 31 Dec '23	3 mos.	6 mos.	1 yr.	3 yrs.	5 yrs.	10 yrs.	SI
Fund before fees	6.32	3.40	5.38	-2.17	2.71	3.67	4.64
Fund after fees	6.19	3.14	4.86	-2.65	2.21	3.16	4.12
Benchmark*	6.06	2.76	4.52	-2.91	1.72	2.96	3.89

*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

**Interest rates:** The Fund expresses a flat to modestly overweight duration position overall, sourced via U.S. interest rates. Our current duration positioning is based on the sentiment that Central Banks have reached the peak in their current rate hiking cycles, with rate cuts expected to commence in mid-to-late 2024, if not earlier.

**Reflation:** We maintain an overweight to breakeven inflation in the U.S., as long-term inflation expectations are still well anchored despite inflation continuing to run above the Fed's target and core CPI remaining stubbornly high.

**Relative value:** Selective in curve positioning across rates and breakeven inflation. Within U.S. TIPS, we favor the 7-8yr and 20yr relative to an underweight to the 30yr portion of the curve.

**Spread sectors:** Maintain exposure to select high-conviction spread sectors, including U.S. agency and non-agency MBS.

<b>Class:</b>	<b>INST</b>
<b>Share Type:</b>	<b>Accumulation</b>
<b>Inception date:</b>	<b>30 Sep '03</b>
<b>Fund assets (in millions):</b>	<b>\$2,385.10</b>
<b>Unified management fee:</b>	<b>0.490%</b>

Summary information	31 Dec '23
Effective duration (yrs)	9.18
Inflation-linked bond duration (yrs)	9.56
Non Inflation-linked bond duration (yrs)	-0.38
Benchmark duration - provider (yrs)	9.22
Benchmark duration - PIMCO (yrs)	9.25
Effective maturity (yrs)	9.95
Average coupon	-0.19%
Yield Beta	1.00
Tracking error (10 yrs)	0.88
Information ratio (10 yrs)	0.24

Sector allocation	Dur. (yrs)	MV(%)
Euro Government-related	1.26	6.55
U.K. Government-related	3.52	21.04
U.S. Government-related	3.30	41.56
Other Government-related	0.53	9.19
Securitized	0.55	14.16
Invest. Grade Credit	0.27	2.87
High Yield Credit	0.00	0.04
Emerging Markets	0.00	0.25
Municipal/Other	0.00	0.00
Net Other Short Duration Instruments	-0.25	4.35
<b>Total</b>	<b>9.18</b>	<b>100</b>

\*The fund is actively managed in reference to the Bloomberg World Government Inflation-Linked Bond USD Hedged Index as further outlined in the prospectus and key investor information document/key information document

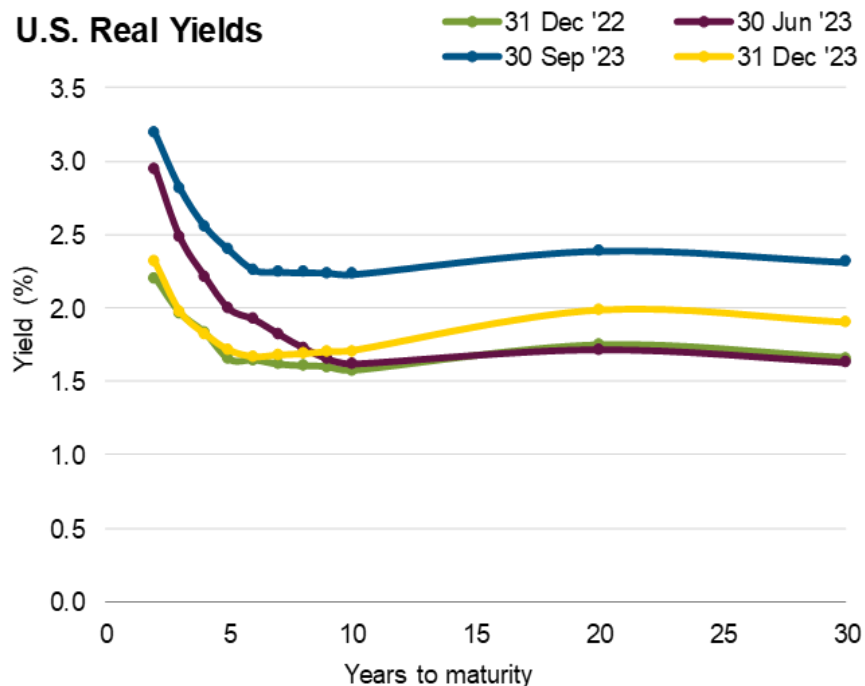
# Fund specific risks

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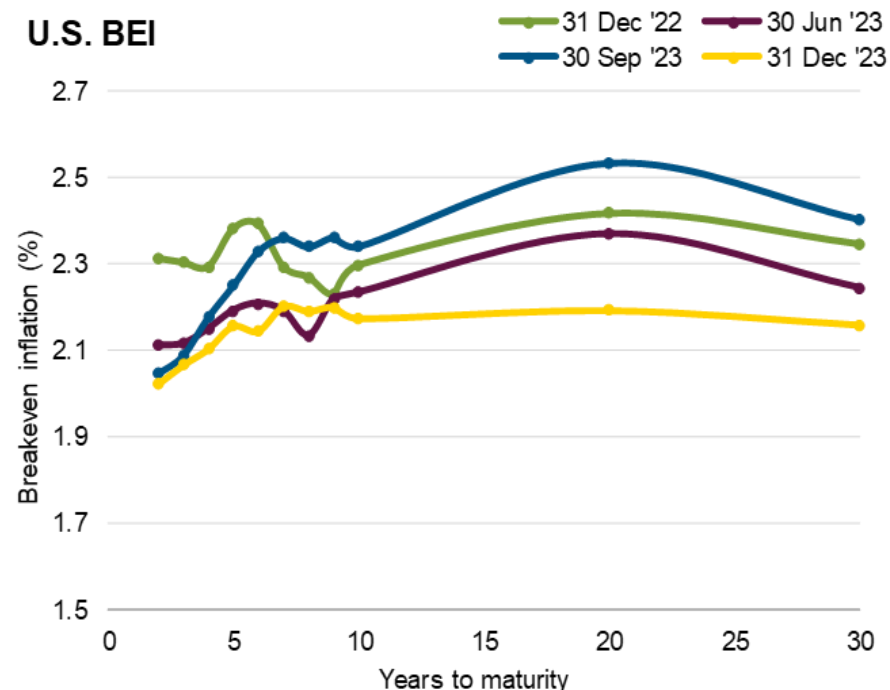
Risk	Risk Description
<b>Credit and Default Risk</b>	A decline in the financial health of an issuer of a fixed income security can lead to an inability or unwillingness to repay a loan or meet a contractual obligation. This could cause the value of its bonds to fall or become worthless. Funds with high exposures to non-investment grade securities have a higher exposure to this risk.
<b>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>Fixed Income Risk</b>	There is a risk that the institution which issued the securities will fail, which would result in a loss of income to the fund. Fixed income values are likely to fall if interest rates rise.
<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.

# Quarter in Review

Real yields rallied across maturities in Q4, while inflation expectations fell across the curve



U.S. real yields rallied across the curve in Q4. The Fed kept interest rates unchanged in November and December, suggesting that the current cycle of rate hikes might be over, with multiple rate cuts now expected in 2024, though timing remains uncertain. TIPS posted positive returns, but modestly underperformed comparable nominal Treasuries in Q4.



U.S. breakevens experienced a broad decline across maturities in Q4 amid diminishing commodity prices and indications that core inflation is beginning to soften. Despite resilient GDP and employment reports, headline CPI moderated over the quarter on easing rents, fading energy base effects and outright goods deflation. However, Core CPI remained sticky, around 4% (y/y) supported by core and medical services inflation, while the Fed remains ready to act despite a seemingly dovish rhetoric at the December FOMC meeting.

SOURCE: Bloomberg

# Market Summary

## Q4 '23: Global ILBs posted positive returns as real rates rallied

Contributors include the Fund's overweight to U.S. interest rates, exposure to U.S. Agency and Non-agency MBS and positioning and security selection in Eurozone interest rates. Detractors include the Fund's overweight to U.S. breakeven inflation and positioning in EM FX and the Canadian Dollar.

### U.S. real interest rates

U.S. real yields declined across maturities over the quarter. The Fed kept interest rates unchanged in November and December, suggesting that the current cycle of rate hikes might be over, with multiple rate cuts now expected in 2024. Though, timing of rate cuts remains uncertain.

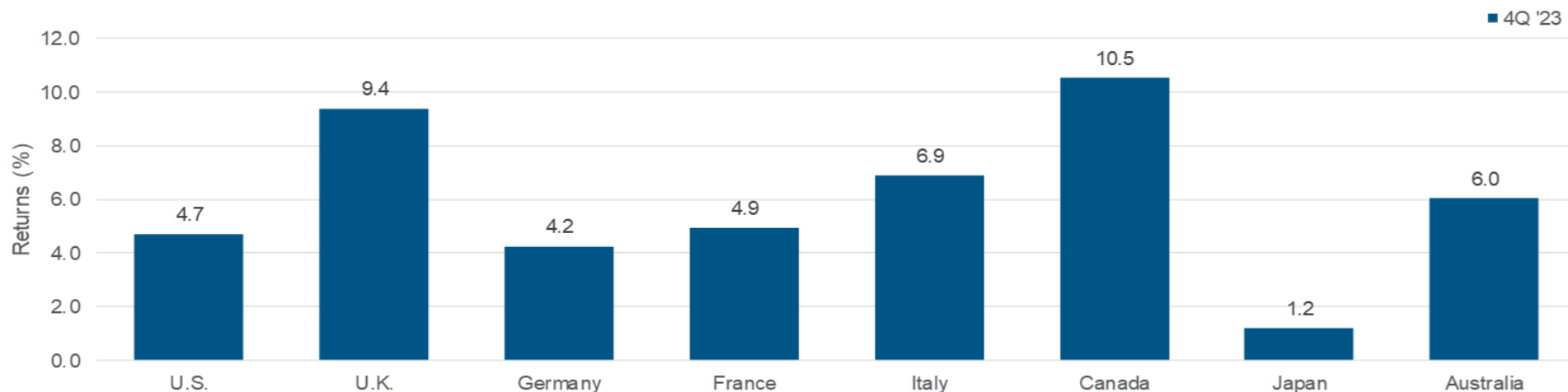
### U.S. breakeven inflation expectations

In October, U.S. inflation expectations broadly rose across the curve on the backs of core CPI surprising to the upside, driven by volatile travel services and shelter categories. However, U.S. breakevens showed a broad decrease across maturities in both November and December, after the Fed held rates steady in both months amid easing economic data and sentiments that monetary policy was sufficiently restrictive. Seemingly dovish rhetoric from the Fed at the December meeting led to widespread beliefs that the current cycle of rate hikes has likely reached its end.

### Global inflation-linked bonds (ILBs)

ILB markets delivered positive returns as real yields declined across countries and inflation expectations weakened. Eurozone breakevens declined across the curve given lower than expected headline and core inflation prints as well as weakening growth. Despite the ECB maintaining a hawkish posture after pausing in Q4, markets turn their expectations to cuts in 2024. Despite still remaining above U.S. and Eurozone headline inflation, cooling U.K. prices led to U.K. breakevens declining across the curve. The BoE kept its policy rate unchanged amid falling GDP and an easing labor market with payroll employment and vacancies falling.

Returns of key global ILB markets (In USD, unhedged)



SOURCE: Bloomberg Inflation-Linked Bond Country Indices.

## Navigating the Descent: Four economic themes

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**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

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## Strategic outlook

Further disinflation and the potential for a faster cutting cycle should, in our view, raise the prospects for a soft landing. However, this is not to say that we believe that the path toward a soft landing is the only possible path. It is our view that the tighter-for-longer strategy that central banks have been communicating along with the strong possibility of stagnation in developed market supply and demand growth leave recession risks elevated.

### Key strategies

#### Interest rates

The Fund expresses a flat to modestly overweight duration position overall, sourced via U.S. interest rates. Our current duration positioning is based on the sentiment that most central banks have reached the peak in their current rate hiking cycles, with rate cuts expected to commence in mid-to-late 2024, if not earlier. We continue to be selective within curves and securities depending on prevailing valuations and market events.

#### Relative value

The strategy remains tactical in terms of curve and country positioning based on relative value and roll-down opportunities. We seek to exploit attractive security mispricings and market dislocations.

#### Reflation

We remain overweight to U.S. breakevens as long-term inflation expectations are still well anchored despite inflation continuing to run above the Fed's target and core CPI remaining stubbornly high. We maintain an underweight position in Eurozone breakevens given EUR HICP is still rich and less attractive than U.S. breakevens (relative value view). We still prefer to have a positive percentage market value exposure. We maintain a modest overweight position in Japanese linkers given they lagged global recovery initially and provide asymmetric payoff opportunities.

#### Spread sectors

We remain cautious overall within generic corporate credit. We prefer U.S. agency and non-agency MBS given attractive valuations and yield pickup. Within currencies, we seek alpha opportunities via an FX relative value carry strategy in DM and liquid EM FX.

# Sector Exposure

	% of Market value		Duration in years	
	30 Sep '23	31 Dec '23	30 Sep '23	31 Dec '23
<b>Inflation Linked Bonds</b>	<b>72.59</b>	<b>50.91</b>	<b>8.98</b>	<b>9.56</b>
United States	55.87	54.35	3.92	3.93
United Kingdom	20.10	22.14	3.23	3.65
Europe	19.52	20.64	1.24	1.33
Canada	1.44	1.61	0.22	0.25
Other***	8.54	9.57	0.35	0.37
Other Short Duration Instruments	-32.87	-57.40	0.03	0.03
<b>Non Inflation Linked Bonds</b>	<b>27.41</b>	<b>49.09</b>	<b>-0.07</b>	<b>-0.38</b>
United States	-19.67	1.36	-0.37	-0.07
United Kingdom	-0.01	-1.10	0.03	-0.13
Europe	-7.03	-13.55	0.01	-0.06
Canada	0.00	0.00	0.00	0.00
Other***	0.39	0.62	0.17	0.16
EM Short Duration Instruments	0.01	0.01	-0.00	0.00
Net Other Short Duration Instruments****	53.72	61.75	0.09	-0.28
<b>Total</b>	<b>100</b>	<b>100</b>	<b>8.92</b>	<b>9.18</b>

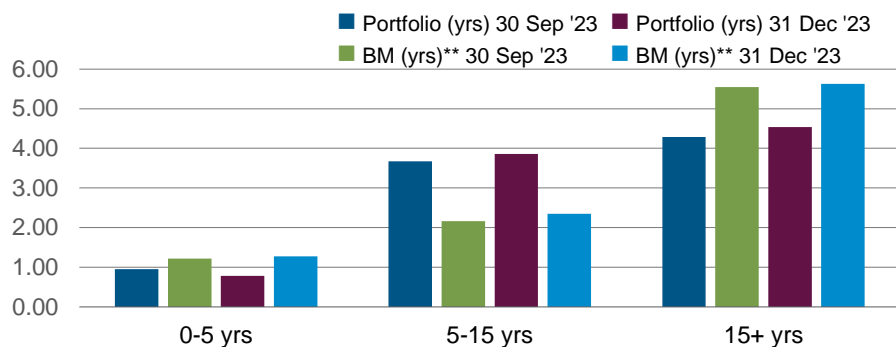
\*\*\*Investment vehicles not listed, allowed by prospectus.

\*\*\*\*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.



# Portfolio characteristics

## Key rate duration exposure



	Portfolio (yrs)		BM (yrs)**	
	30 Sep '23	31 Dec '23	30 Sep '23	31 Dec '23
0-5 yrs	0.95	0.78	1.22	1.27
5-15 yrs	3.67	3.86	2.16	2.35
15+ yrs	4.29	4.54	5.55	5.63
<b>Total</b>	<b>8.91</b>	<b>9.18</b>	<b>8.93</b>	<b>9.25</b>

## Interest rate exposure

	Portfolio (yrs)	BM (yrs)**	Portfolio (yrs)	BM (yrs)**
	30 Sep '23	30 Sep '23	31 Dec '23	31 Dec '23
Effective duration	8.91	8.93	9.18	9.25
Bull market duration	8.76	8.99	9.06	9.31
Bear market duration	8.96	8.87	9.39	9.19
<b>Spread duration</b>				
Mortgage spread duration	0.97	0.00	0.96	0.00
Corporate spread duration	0.01	0.00	0.01	0.00
Emerging markets spread duration	0.00	0.00	0.00	0.00
Swap spread duration	0.19	0.00	0.14	0.00
Covered bond spread duration	0.27	0.00	0.29	0.00
Sovereign related spread duration	0.14	0.00	0.16	0.00

## Derivative exposure (% of duration)

	30 Sep '23	31 Dec '23
<b>Government futures</b>	-15.27	-18.63
<b>Interest rate swaps</b>	0.14	4.45
<b>Credit default swaps*</b>	0.66	0.62
Purchased swaps	0.00	0.00
Written swaps	0.66	0.62
<b>Options</b>	1.99	-2.33
Purchased Options	-1.66	0.00
Written Options	3.64	-2.33
<b>Mortgage Derivatives</b>	0.00	0.00
<b>Money Market Derivatives</b>	0.07	-0.64
Futures	0.00	-0.69
Interest rate swaps	0.07	0.04
<b>Other Derivatives</b>	0.00	0.00

\* Shown as a percentage of market value

\*\*Benchmark duration is calculated by PIMCO  
Benchmark: Bloomberg World Government Inflation-Linked Bond USD Hedged Index

# Country and currency exposure

## Country exposure by currency of settlement

	30 Sep '23		31 Dec '23	
	Duration (yrs)	FX (%)	Duration (yrs)	FX (%)
<b>United States</b>	<b>3.72</b>	<b>99.54</b>	<b>3.72</b>	<b>100.94</b>
<b>Japan</b>	<b>0.11</b>	<b>0.07</b>	<b>0.13</b>	<b>0.26</b>
<b>Eurozone</b>	<b>1.23</b>	<b>0.14</b>	<b>1.16</b>	<b>-0.14</b>
Belgium	0.01	0.00	0.02	0.00
Euro Currency	0.00	0.14	0.00	-0.14
European Union	0.20	0.00	0.32	0.00
France	0.71	0.00	0.75	0.00
Germany	-0.35	0.00	-0.64	0.00
Italy	0.54	0.00	0.56	0.00
Spain	0.12	0.00	0.15	0.00
<b>United Kingdom</b>	<b>3.24</b>	<b>0.19</b>	<b>3.52</b>	<b>-0.18</b>
<b>Europe non-EMU</b>	<b>0.30</b>	<b>0.01</b>	<b>0.29</b>	<b>0.04</b>
Denmark	0.26	-0.06	0.25	0.01
Sweden	0.04	0.07	0.04	0.01
<b>Dollar Block</b>	<b>0.32</b>	<b>0.01</b>	<b>0.36</b>	<b>-0.80</b>
Australia	0.07	0.01	0.07	0.07
Canada	0.22	0.01	0.25	-0.92
New Zealand	0.03	-0.01	0.03	0.05
<b>Other Industrialized Countries</b>	<b>0.00</b>	<b>0.02</b>	<b>-0.00</b>	<b>-0.97</b>
Chile	0.00	0.02	0.00	0.02
South Korea	0.00	0.00	-0.00	-0.40
Taiwan	0.00	0.00	-0.00	-0.59
<b>EM - Asia</b>	<b>0.00</b>	<b>0.00</b>	<b>-0.00</b>	<b>-0.15</b>
China	0.00	0.00	-0.00	-0.77
India	0.00	0.00	0.00	0.37
Indonesia	0.00	0.00	0.00	0.25
<b>EM - Latin America</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.64</b>
Brazil	0.00	0.01	0.00	0.30
Mexico	0.00	0.00	0.00	0.34
Peru	0.00	-0.01	0.00	-0.01
<b>EM - CEEMEA</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.35</b>
South Africa	0.00	0.00	0.00	0.35
<b>Total</b>	<b>8.91</b>	<b>100</b>	<b>9.18</b>	<b>100</b>

## Emerging markets exposure by country of risk

	30 Sep '23			31 Dec '23		
	% of MV short duration Instruments	% of MV bonds	Duration (yrs)	% of MV short duration Instruments	% of MV bonds	Duration (yrs)
Brazil	0.01	0.00	0.00	0.01	0.00	0.00
China	0.00	0.00	0.00	-0.01	0.00	0.00
Hungary	0.00	0.00	0.00	0.00	0.22	0.00
Mexico	0.00	0.00	0.00	0.01	0.00	0.00
Peru	0.00	0.01	0.00	0.00	0.01	0.00
<b>Total</b>	<b>0.01</b>	<b>0.01</b>	<b>0.00</b>	<b>0.01</b>	<b>0.24</b>	<b>0.00</b>

# 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 (%)	9.25	11.73	5.49	-15.77	5.38
After fees (%)	8.72	11.19	4.97	-16.19	4.86
Bloomberg World Government Inflation-Linked Bond USD Hedged Index (%)*	8.38	9.81	5.50	-17.00	4.52
Before fees alpha (bps)	87	193	-1	122	86
After fees alpha (bps)	34	138	-52	81	34

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 (%)	9.11	-1.88	10.93	3.91	-0.78	8.72	11.19	4.97	-16.19	4.86	4.86
Bloomberg World Government Inflation-Linked Bond USD Hedged Index (%)*	9.04	-1.12	10.22	3.31	0.10	8.38	9.81	5.50	-17.00	4.52	4.52

As of 31 December 2023. SOURCE: PIMCO.

The fund is actively managed in reference to the Bloomberg World Government Inflation-Linked Bond USD Hedged Index 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: Bloomberg World Government Inflation-Linked Bond 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 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

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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	
Global Real Return Fund Administrative Accumulation	8.19	10.65	4.46	-16.61	4.36	3.34
Global Real Return Fund E Class Accumulation	7.76	10.23	4.06	-16.94	3.89	2.98
Global Real Return Fund E Class Income	7.77	10.25	4.02	-16.93	3.93	2.89
Global Real Return Fund H Institutional Accumulation	8.53	11.02	4.82	-16.35	4.73	3.92
Global Real Return Fund Institutional Accumulation	8.72	11.19	4.97	-16.19	4.86	4.12
Global Real Return Fund Institutional Income	8.76	11.20	4.97	-16.22	4.92	3.77
Global Real Return Fund Investor Accumulation	8.37	10.80	4.63	-16.47	4.51	3.60
Global Real Return Fund Investor Income	8.39	10.77	4.64	-16.51	4.50	4.02
Global Real Return Fund R Class Accumulation	8.43	10.80	4.73	-16.43	4.64	1.96
Global Real Return Fund Institutional USD (Currency Exposure) Accumulation	8.62	13.71	2.58	-20.99	5.95	0.51
Bloomberg World Government Inflation-Linked Bond USD Hedged Index	8.38	9.81	5.50	-17.00	4.52	-
Bloomberg World Government Inflation-Linked Bond USD Unhedged Index	8.21	12.54	3.12	-21.86	5.47	-
Global Real Return Fund Institutional CHF (Hedged) Accumulation	5.08	8.83	3.86	-18.41	0.38	1.80
Global Real Return Fund Institutional CHF (Hedged) Income	5.06	8.92	3.77	-18.44	0.38	0.14
Global Real Return Fund Investor CHF (Hedged) Income	4.70	8.50	3.47	-18.70	0.00	2.20
Bloomberg World Government Inflation-Linked Bond CHF Hedged Index	4.81	7.97	4.23	-19.37	-0.18	-
Global Real Return Fund E Class EUR (Hedged) Accumulation	4.76	8.16	3.23	-18.85	1.61	1.90
Global Real Return Fund Institutional EUR (Hedged) Accumulation	5.66	9.16	4.15	-18.11	2.54	3.10
Global Real Return Fund Institutional EUR (Hedged) Income	5.69	9.19	4.17	-18.17	2.56	2.66
Global Real Return Fund Investor EUR (Hedged) Accumulation	5.32	8.80	3.80	-18.43	2.24	2.63
Bloomberg World Government Inflation-Linked Bond Euro Hedged Index	5.36	8.34	4.65	-18.94	2.02	-
Global Real Return Fund Institutional GBP (Hedged) Accumulation	7.09	9.61	4.86	-17.29	4.08	4.06
Global Real Return Fund Institutional GBP (Hedged) Income	7.07	9.69	4.86	-17.26	4.05	3.63
Global Real Return Fund R Class GBP (Hedged) Accumulation	6.82	9.45	4.51	-17.49	3.79	1.28
Bloomberg World Government Inflation-Linked Bond GBP Hedged Index	6.82	9.05	5.36	-18.10	3.52	-

# Additional share class performance

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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	
Global Real Return Fund Institutional SGD (Hedged) Accumulation	8.11	10.64	5.06	-16.35	3.29	3.14
Bloomberg World Government Inflation-Linked Bond SGD Hedged Index	7.89	9.55	5.65	-17.32	2.80	-

# Additional share class performance

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Global Real Return 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>
Global Real Return Fund Administrative Accumulation	0.990	USD	17 Dec '04	6.08	2.90	4.36	-3.13	1.71	2.65	3.34
Global Real Return Fund E Class Accumulation	1.390	USD	31 Mar '06	5.94	2.67	3.89	-3.53	1.30	2.24	2.98
Global Real Return Fund E Class Income	1.390	USD	28 Oct '05	5.99	2.74	3.93	-3.52	1.31	2.25	2.89
Global Real Return Fund H Institutional Accumulation	0.660	USD	21 May '04	6.20	3.10	4.73	-2.80	2.04	3.00	3.92
Global Real Return Fund Institutional Accumulation	0.490	USD	30 Sep '03	6.19	3.14	4.86	-2.65	2.21	3.16	4.12
Global Real Return Fund Institutional Income	0.490	USD	30 Dec '05	6.17	3.16	4.92	-2.65	2.22	3.17	3.77
Global Real Return Fund Investor Accumulation	0.840	USD	04 Mar '04	6.14	3.03	4.51	-2.97	1.86	2.81	3.60
Global Real Return Fund Investor Income	0.840	USD	24 Feb '09	6.07	2.94	4.50	-2.99	1.85	2.81	4.02
Global Real Return Fund R Class Accumulation	0.760	USD	30 Nov '12	6.16	3.08	4.64	-2.89	1.93	2.89	1.96
Bloomberg World Government Inflation-Linked Bond USD Hedged Index	-	-	-	6.06	2.76	4.52	-2.91	1.72	2.96	3.89
Global Real Return Fund Institutional USD (Currency Exposure) Accumulation	0.490	USD	01 Sep '17	8.17	3.30	5.95	-4.95	1.18	-	0.51
Bloomberg World Government Inflation-Linked Bond USD Unhedged Index	-	-	-	8.05	2.81	5.47	-5.27	0.69	1.06	0.23
Global Real Return Fund Institutional CHF (Hedged) Accumulation	0.490	CHF	16 May '08	4.92	0.92	0.38	-5.25	-0.55	0.77	1.80
Global Real Return Fund Institutional CHF (Hedged) Income	0.490	CHF	30 Oct '15	4.87	0.82	0.38	-5.29	-0.56	-	0.14
Global Real Return Fund Investor CHF (Hedged) Income	0.840	CHF	24 Feb '09	4.78	0.66	0.00	-5.60	-0.90	0.41	2.20
Bloomberg World Government Inflation-Linked Bond CHF Hedged Index	-	-	-	4.76	0.35	-0.18	-5.68	-1.03	0.58	1.47
Global Real Return Fund E Class EUR (Hedged) Accumulation	1.390	EUR	31 Mar '06	5.41	1.67	1.61	-5.23	-0.72	0.52	1.90
Global Real Return Fund Institutional EUR (Hedged) Accumulation	0.490	EUR	30 Sep '03	5.64	2.15	2.54	-4.37	0.17	1.43	3.10
Global Real Return Fund Institutional EUR (Hedged) Income	0.490	EUR	30 Dec '05	5.59	2.14	2.56	-4.38	0.18	1.42	2.66
Global Real Return Fund Investor EUR (Hedged) Accumulation	0.840	EUR	07 Apr '04	5.54	2.00	2.24	-4.70	-0.16	1.08	2.63
Bloomberg World Government Inflation-Linked Bond Euro Hedged Index	-	-	-	5.51	1.66	2.02	-4.70	-0.24	1.31	2.83
Global Real Return Fund Institutional GBP (Hedged) Accumulation	0.490	GBP	05 Feb '04	5.97	2.85	4.08	-3.35	1.17	2.39	4.06
Global Real Return Fund Institutional GBP (Hedged) Income	0.490	GBP	27 Apr '05	5.95	2.91	4.05	-3.35	1.18	2.40	3.63
Global Real Return Fund R Class GBP (Hedged) Accumulation	0.760	GBP	30 Nov '12	5.89	2.77	3.79	-3.63	0.91	2.12	1.28
Bloomberg World Government Inflation-Linked Bond GBP Hedged Index	-	-	-	5.84	2.37	3.52	-3.69	0.80	2.30	3.86
Global Real Return Fund Institutional SGD (Hedged) Accumulation	0.490	SGD	29 Feb '08	5.70	2.25	3.29	-3.18	1.66	2.87	3.14
Bloomberg World Government Inflation-Linked Bond SGD Hedged Index	-	-	-	5.50	1.74	2.80	-3.52	1.20	2.73	2.98

# Important Disclosures

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## Marketing Communication

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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 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

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## 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 Bloomberg World Government Inflation-Linked Bond USD Hedged Index 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.

## For Sustainable Finance Disclosure Regulation (SFDR) Categorization: Article 8/9

SFDR Categorization sets out how the fund is categorized for the purposes of Regulation (EU) 2019/ 2088 on Sustainability related Disclosures in the Financial Services Sector (SFDR) Article 8 & 9 Funds promote, among other characteristics, environmental or social characteristics. Further details are set out in the Prospectus and relevant Fund Supplement

**Investors should note that, relative to the expectations of the Autorité des Marchés Financiers, this Fund presents disproportionate communication on the consideration of non financial criteria in its investment policy**

## GIS Funds

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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 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 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. **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. 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. 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. **Equities** may decline in value due to both real and perceived general market, economic, and industry conditions. **Derivatives** may involve certain costs and risks such as liquidity, interest rate, market, credit, management and the risk that a position could not be closed when most advantageous. Investing in derivatives could lose more than the amount invested. **Diversification** does not ensure against loss.

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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.

**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)

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