

Global Bond Fund

Fund information

Total Net Assets	14.4 (USD in Billions)
Fund Type	UCITS
Portfolio Manager	Andrew Balls, Sachin Gupta, Lorenzo Pagani

Class	ISIN	
E	Accumulation	Income
CHF(H)	IE00BG43NR46	—
EUR(H)	IE00B11XZ103	IE00BDCRG239
USD	IE00B11XZ210	IE00B0MD9M11
USD	IE00B3FNF870	IE00B43QYR74
ADMIN		
SEK(H)	IE000HXTNSS2	—
USD	IE0030565943	—
HINST		
USD	IE0032313805	IE00BKKF2192
USD	IE00BMZ5G504	—
INST		
CAD(H)	IE00BFZ89841	—
CHF(H)	IE0033051115	IE0032876173
EUR	IE00B86Y3465	—
EUR(H)	IE0032875985	IE00B073NJ12
GBP	IE00BDCXSJ26	—
GBP(H)	IE0032876066	IE00B016J213
NOK(H)	IE00B0C17Z48	—
NZD(H)	—	IE00B03TPT78
SEK(H)	IE00B03HBH15	—
SGD(H)	IE00B3Q8VQ13	IE000QCG7SP4
USD	IE0002461055	IE0002460198
USD	IE0032568887	IE00B0V9SY54
INVT		
CHF(H)	IE00B409KG05	—
EUR(H)	IE00B05QM511	—
GBP(H)	IE00B073NL34	—
NOK(H)	IE00B18D6V02	—
USD	IE0005302959	IE0005300912
W		
CHF(H)	IE00BLCB6W12	IE00BLCB6V05
EUR(H)	IE00BLCB6T82	IE00BLCB6S75
GBP(H)	IE00BLCB7L71	IE00BLCB6R68
NOK(H)	IE00BNDRM135	—
USD	IE00BLCB6N21	IE00BLCB6M14

(U) = Unhedged, (H) = Hedged

Morningstar Rating™ ★★★★★

The investment objective of the Fund is to seek to maximise total return, consistent with preservation of capital and prudent investment management.

PERFORMANCE SUMMARY

The Global Bond Fund returned -0.65% (E, Accumulation shares) and -5.62% (E, Accumulation shares net of 5% preliminary charge) in February, outperforming the Bloomberg Global Aggregate (USD Hedged) Index by 0.03%. Year-to-date the Fund has returned -0.89% (E, Accumulation shares) and -5.84% (E, Accumulation shares net of 5% preliminary charge), while the benchmark returned -0.88%.

Tech stocks led a broad market rally fueled by advancements in artificial intelligence, while bond indexes faced challenges as yields rose. U.S. credit spreads tightened, and developed sovereign bond yields rose, while the dollar strengthened. In the U.S., the 10-year Treasury rose 34 bps to 4.25% as unexpectedly resilient inflation and strong economic data challenged market expectations of rapid rate cuts. In Germany, the 10-year bund yield rose 25 bps to 2.41%. In the U.K., 10-year Gilt yields rose 33 bps to 4.12%, while 10-year Japanese government bond yields fell 2 bps to 0.71%.

Contributors

- Underweight exposure to duration in the U.S., as yields rose along the curve.
- Positioning within Asian EM FX, including a short to the Taiwanese dollar, as the currency depreciated against the U.S. dollar.
- Positioning within EM local rates, mostly driven by an underweight to Singapore and Malaysian rates, as yields rose.

Detractors

- Overweight exposure to duration in the U.K., as yields rose.
- Overweight exposure to duration in the dollar bloc, as yields rose.
- Curve positioning in the euro bloc, as the belly of the curve underperformed.

Performance (Net of Fees)	1 Mo.	3 Mos.	6 Mos.	1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.	SI
E, Acc (%) ¹	-0.65	2.63	3.48	5.10	-2.45	0.55	1.90	3.29
Net of 5% Preliminary Charge ²	-5.62	-2.50	-1.70	-0.17	-4.11	-0.48	1.38	2.99
E, Inc (%) ¹	-0.68	2.59	3.46	5.11	-2.45	0.55	1.89	3.25
Net of 5% Preliminary Charge ²	-5.65	-2.55	-1.75	-0.15	-4.10	-0.48	1.36	2.96
Benchmark (%)	-0.69	2.29	3.24	5.49	-1.71	0.98	2.13	—

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 benchmark is the Bloomberg Global Aggregate (USD Hedged) Index. All periods longer than one year are annualised. SI is the performance since inception. ¹ Performance shown is on a NAV-to-NAV basis in the denominated currency, excluding the preliminary charge and on the assumption that distributions are reinvested, as applicable. ² Performance shown is on a NAV-to-NAV basis in the denominated currency, taking into account the preliminary charge and on the assumption that distributions are reinvested, as applicable. A preliminary charge of up to 5% may or may not be deducted from the subscription amount depending on the distributor from whom you had purchased shares, as such this may not represent actual performance returns. Investment returns denominated in non-local currency may be exposed to exchange rate fluctuations.
Income inception date: 28 Oct 2005
Accumulation inception date: 31 Mar 2006

MONTH IN REVIEW

Tech stocks led a broad market rally fueled by advancements in artificial intelligence, while bond indexes faced challenges as yields rose. U.S. credit spreads tightened, and developed sovereign bond yields rose, while the dollar strengthened. In the U.S., the 10-year Treasury rose 34 bps to 4.25% as unexpectedly resilient inflation and strong economic data challenged market expectations of rapid rate cuts. In Germany, the 10-year bund yield rose 25 bps to 2.41%. In the U.K., 10-year Gilt yields rose 33 bps to 4.12%, while 10-year Japanese government bond yields fell 2 bps to 0.71%. Sovereign rate strategies detracted from relative performance over the month. Contributions from underweight exposure to duration in the U.S. and positioning within EM local rates were more than offset by detractions from overweight exposure to duration in the U.K. and dollar bloc, as well as curve positioning in the euro bloc.

Spread sector strategies contributed to relative performance over the month, primarily from positioning within corporate credit and long exposure to non-agency RMBS.

Currency strategies contributed to relative performance over the month, primarily from positioning within Asian EM FX.

PORTFOLIO POSITIONING

The Fund is underweight overall duration, focusing on country selection. We maintain an overweight to duration in Australia, while having increased our underweight in the U.S. We also maintain our overweight to duration in the U.K., and remain close to neutral duration in Europe, preferring exposure to Denmark. The Fund expresses a key underweight in Japan, given recent steps toward monetary policy normalisation, while having modestly reduced our underweight to Chinese rates.

The Fund maintains an underweight to investment-grade corporate credit, favouring instead senior securitised assets, like non-agency mortgages and Danish covered bonds. We maintain exposure to U.S. TIPS as valuations are attractive. Within sovereign spread strategies, we continue to hold high quality EM external debt, focusing exposure in Eastern Europe where spreads widened following the Russian invasion.

Currency strategies continue to act as a diversifying strategy in the portfolio and positioning remains tactical. We focus on relative value with longs to a basket of currencies with attractive valuations, high real carry, and/or supportive fundamentals. We use a diversified basket of funding currencies from developed markets and Asia.

OUTLOOK AND STRATEGY

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.

In this uncertain environment, we favour portfolio flexibility and liquidity to respond to events and potentially take advantage of opportunities. We are underweight duration in the Fund as central banks assess the speed and timing of rate cuts, contributing to elevated volatility. From a country standpoint, we favour taking duration in Denmark and dollar bloc countries (primarily Australia) vs. Japan. We continue to hold a moderate allocation to TIPS in the portfolio as valuations are attractive. We hold exposure to select developed market currencies (USD, JPY, NOK), as well as select emerging markets currencies (IDR, INR, HUF, ZAR, PLN, BRL, MXN) currencies based on valuations.

In spread sectors, we continue to be cautious within corporate credit, focusing on security selection. We remain focused on securitised assets, including U.S. non-agency mortgages and Danish mortgages, which we believe offer defensive qualities in addition to reasonable risk premia for liquidity, complexity, and uncertainty over the timing of cash flows.

Fund Statistics

Effective Duration (yrs)	5.13
Benchmark Duration (yrs)	6.63
Estimated Yield to Maturity (%) [Ⓢ]	5.95
Annualised Distribution Yield (%) [†]	1.02
Effective Maturity (yrs)	6.63
Average Credit Quality	AA-

Unified Management Fee

Administrative	0.99% p.a.
E	1.39% p.a.
H Institutional	0.66% p.a.
Institutional	0.49% p.a.
Investor	0.84% p.a.
W	0.39% p.a.

Source: PIMCO, index provider for benchmark data.

References to agency and non-agency mortgage-backed securities refer to mortgages issued in the United States.

Emerging Market (EM); Mortgage-backed securities (MBS); Treasury Inflation-Protected Securities (TIPS)

Brazilian real (BRL); Hungarian forint (HUF); Indian rupee (INR); Indonesia rupiah (IDR); Indian rupee (INR); Japanese yen (JPY); Mexican peso (MXN); Norwegian krone (NOK); Polish zloty (PLN); United States dollar (USD); South African rand (ZAR)

[Ⓢ]PIMCO calculates a Fund's Estimated Yield to Maturity by averaging the yield to maturity of each security held in the Fund on a market weighted basis. PIMCO sources each security's yield to maturity from PIMCO's Portfolio Analytics database. When not available in PIMCO's Portfolio Analytics database, PIMCO sources the security's yield to maturity from Bloomberg. When not available in either database, PIMCO will assign a yield to maturity for that security from a PIMCO matrix based on prior data. The source data used in such circumstances is a static metric and PIMCO makes no representation as to the accuracy of the data for the purposes of calculating the Estimated Yield to Maturity. The Estimated Yield to Maturity is provided for illustrative purposes only and should not be relied upon as a primary basis for an investment decision and should not be interpreted as a guarantee or prediction of future performance of the Fund or the likely returns of any investment.

[†]Annualised distribution yield = (Dividend Rate * 4) / NAV on ex-dividend day. Annualised Distribution Yield is as of 31/12/2023. Dividend is not guaranteed. A positive distribution yield does not imply a positive return.

Performance data shown is the after the effect of fees. All periods longer than one year are annualised.

Investment involves risk including possible loss of the principal amount invested. 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. The value of shares of the Fund and the income accruing to them, if any, may fall or rise. Investment returns denominated in non-local currency may be exposed to exchange rate fluctuations. In an environment where interest rates may trend upward, rising rates will negatively impact most bond funds, and fixed income securities held by a fund are likely to decrease in value. Bond funds and individual bonds with a longer duration (a measure of the expected life of a security) tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. Investors should consider the investment objectives, risks, charges and expenses carefully before investing. This and other information is contained in the Fund's Singapore Prospectus which is available and can be obtained from our website www.pimco.com.sg, a Fund distributor or the Singapore Representative. Prospective investors should read the Fund's Singapore Prospectus before deciding whether to subscribe for or purchase shares in any of the Funds. Investors may wish to seek advice from a financial adviser before making a commitment to invest and in the event you choose not to seek advice, you should consider whether the investment is suitable for you.

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 suitable 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.

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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.

A word about risk: Investing in the **bond market** is subject to risks, including market, interest rate, issuer, credit, inflation risk, and liquidity risk. The value of most bonds and bond strategies are impacted by changes in interest rates. Bonds and bond strategies with longer durations tend to be more sensitive and volatile than those with shorter durations; bond prices generally fall as interest rates rise, and low interest rate environments increase this risk. Reductions in bond counterparty capacity may contribute to decreased market liquidity and increased price volatility. Bond investments may be worth more or less than the original cost when redeemed. Investing in **foreign denominated and/or domiciled securities** may involve heightened risk due to currency fluctuations, and economic and political risks, which may be enhanced in emerging markets. **High-yield**, lower-rated, securities involve greater risk than higher-rated securities; portfolios that invest in them may be subject to greater levels of credit and liquidity risk than portfolios that do not. Sovereign securities are generally backed by the issuing government, obligations of U.S. Government agencies and authorities are supported by varying degrees but are generally not backed by the full faith of the U.S. Government; portfolios that invest in such securities are not guaranteed and will fluctuate in value. **Mortgage and asset-backed securities** may be sensitive to changes in interest rates, subject to early repayment risk, and while generally supported by a government, government-agency or private guarantor there is no assurance that the guarantor will meet its obligations. Swaps are a type of derivative; while some swaps trade through a clearinghouse there is generally no central exchange or market for swap transactions and therefore they tend to be less liquid than exchange-traded instruments. **Equities** may decline in value due to both real and perceived general market, economic and industry conditions. **Derivatives** may involve certain costs and risks such as liquidity, interest rate, market, credit, management and the risk that a position could not be closed when most advantageous. Investing in derivatives could lose more than the amount invested.

Benchmark - Unless referenced in the prospectus, 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, 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, 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.

Correlation - As outlined under "Benchmark", where disclosed herein and referenced in the prospectus, 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. 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.

Additional Information - This material may contain additional information, not explicit in the prospectus, on how the Fund or strategy is currently managed. Such information is current as at the date of the presentation and may be subject to change without notice.

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).

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