PIMCO

Diversified Income Fund

PIMCO Funds: Global Investors Series Plc

SHARE CLASS: **E** | AS OF: **31 AUG 2022** | **Monthly Commentary**

Fund information	
Total net assets (in millions)	$9,594.4
Fund type	UCITS
Portfolio manager(s)	Eve Tournier Sonali Pier Alfred Murata Dan Ivascyn
Effective duration (yrs)	5.36
Benchmark duration (yrs)	5.85
Average maturity (yrs)	10.21

Class	ISIN	
E	**Accumulation**	**Income**
USD	IE00B1D7YK27	IE00B193MK07
EUR (H)	IE00B1Z6D669	IE00B4TG9K96
SGD (H)	—	IE00B95F0K20
M		
USD	—	IE00B3Y5VT74
AUD (H)	—	IE00B95MX153
Administrative		
USD	—	IE00B4KNT432
EUR (H)	IE00B1XK9L79	—
SGD (H)	—	IE00BJLMMQ78
GBP (H)	—	IE00B4PJC039
AUD (H)	—	IE00BJCXLC81
H Institutional		
USD	IE00B4QX9925	—
Institutional		
USD	IE00B0C18065	IE00B138GV00
SGD (H)	—	IE00BK5WW150

(U) = Unhedged, (H) = Hedged

The investment objective of the Fund is to seek to maximise total return, consistent with prudent investment management. The Fund may use or invest in financial derivatives.

Performance summary

The PIMCO GIS Diversified Income Fund returned -1.98% (E Class, Accumulation shares)[1] and -6.88% (E Class, Accumulation share net of 5% preliminary charge)[2] in August versus the 1/3 each - Bloomberg Global Aggregate Credit ex Emerging Markets, USD Hedged; ICE BofAML BB-B Rated Developed Markets High Yield Constrained Index, USD Hedged; and JPMorgan EMBI Global, USD Hedged returned -2.23%.

August was a mixed month for markets, initially following July's positive momentum before reversing their gains as sentiment shifted due to hawkish central bank messaging. During the first half of the month spreads tightened across investment grade (IG), high yield (HY) and emerging markets (EM) before widening during the latter period, this pattern was also evident in the equity markets, with the S&P finishing ~8% below its intra-month high. US 10 year yields rose by over 50bps despite US CPI being lower than expected due to Chairman Powell's hawkish Jackson Hole speech.

Contributors

- Legacy exposure to Russian quasi sovereign debt
- Exposure to select Chinese property developers
- Tactical exposure to securitized credit

Detractors

- Positioning in Middle Eastern debt
- Macro strategies, in particular EUR curve positioning

Performance (Net of Fees)	1 Mos.	3 Mos.	6 Mos.	1 Yr.	3 Yr.	5 Yr.	10 Yr.	SI*
E class, Acc (%)[1]	-1.98	-4.11	-11.31	-18.53	-3.70	-0.40	1.90	4.10
Net of 5% Preliminary Charge[2]	-6.88	-8.88	-15.76	-22.60	-5.33	-1.41	1.38	3.77
E class, Inc (%)[1]	-1.97	-4.07	-11.35	-18.56	-3.69	-0.39	1.90	4.18
Net of 5% Preliminary Charge[2]	-6.90	-8.84	-15.78	-22.63	-5.32	-1.41	1.38	3.85
Benchmark (%)	-2.23	-3.21	-8.39	-14.10	-1.94	0.82	2.94	—

Current MIFID legislation prevents us from reporting performance data for funds with less than a 12 month track record. The benchmark is the July 31 2006 to November 9 2015 - (1/3 each- Global Aggregate Credit Component USD Hdgd, BofA Merrill Lynch Global High Yield BB-B Rated Constrained USD Hdgd, JPMorgan EMBI Global); November 10 2015 onwards - (1/3 each - Bloomberg Global Aggregate Credit ex Emerging Markets, USD Hedged; ICE BofAML BB-B Rated Developed Markets High Yield Constrained Index, USD Hedged; and JPMorgan EMBI Global, USD Hedged). 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.

** Accumulation class inception date: 11 September 2006*
Income class inception date: 31 July 2006

Portfolio characteristics as of 31 August 2022			
	% Market Value	Duration (years)	
	Fund	Fund	Benchmark
Government Related [1]	44.5	2.98	0.00
Securitized	3.6	0.10	0.00
Invest. Grade Credit	30.2	1.01	0.00
High Yield Credit	26.4	0.73	0.00
Emerging Markets	22.8	0.52	0.00
Municipal/Other [2]	0.1	0.00	0.00
Net Other Short Duration Instruments [3]	-27.7	0.03	0.00

Portfolio structure is subject to change without notice and may not be representative of current or future allocations.
MV% may not equal 100 due to rounding.

[1] Includes U.S. Treasury notes, bonds, futures, and inflation-protected securities

[2] Includes convertibles, euro/yankees, preferred stock, and municipal bonds

[3] Net Other Short Duration Instruments includes securities and other instruments (except those 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, short duration derivatives and derivatives offsets. 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. Derivatives Offsets includes offsets associated with investments in futures, swaps and other derivatives. Such offsets may be taken at the notional value of the derivative position.

Portfolio positioning

We continue to find opportunities in financials, focusing on primary issuance offering attractive concessions, particularly in senior debt. We remain constructive on non-agency mortgages given high levels of equity and seasoning as well as resilience across various market environments. We also hold AAA-rated EUR CLO tranches as an attractive substitute to tighter trading generic corporate credit. We are modestly overweight high yield risk, focusing on future rising star opportunities and secured bonds in non-cyclical and highly cash generative industries, such as Media, in order to increase resilience in the event of a recession. We remain focused on issuers in sectors such as financials and REITs, emphasizing balance sheet liquidity and margin resilience to limit potential downside. Conversely, we are underweight tighter trading issuers with limited upside. We have a cautious approach to EM exposure, emphasizing commodity exporters and other issuers that are relatively more insulated from higher commodity prices and the Fed rate hike cycle. The Fund is modestly underweight duration. The Fund does not currently run material FX exposure.

Month in review

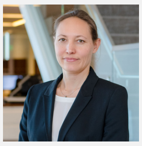
In August, global investment grade (IG) credit[1] spreads tightened by 3bps, global high yield bond[2] spreads widened by 6bps, and EM external[3] spreads tightened by 25bps.

The Fund's outperformance was led by security selection in Russian quasi sovereign debt which experienced a partial price recovery, exposure to select Chinese property developers which staged a partial recovery following a government announcement to support the industry and tactical exposure to securitized credit as spreads rallied. The outperformance was partially offset by positioning in Middle Eastern debt as select underweight issuers outperformed and EUR curve positioning as rates rose due to a high inflation print.

Outlook and strategy

Although credit spreads have widened meaningfully in 2022, we remain cautious on increasing risk in the portfolio until we have greater clarity on the economic outlook. That said, over a medium to long-term horizon we are constructive on current valuations, but are mindful of the risk that volatility could resume in the near term. We favor high yield risk relative to EM risk alongside better fundamentals and a more attractive risk-reward profile. We continue to see opportunities in companies more resilient to rising recession risks, the crossover segment given positive rating momentum, as well as relative value opportunities in credit derivatives versus cash bonds.

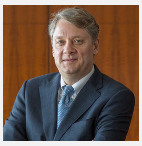
Management profile



Eve Tournier
Managing Director

Sonali Pier
Executive Vice President

Alfred Murata
Managing Director



Dan Ivascyn
Managing Director and Group CIO

$9.5BN
ASSETS UNDER MANAGEMENT

68 Analysts
Dedicated research analysts. 42 in U.S., 17 in U.K./Europe, 8 in Asia/Pacific, 1 in South America

Higher income and growth potential from diversified global credit sectors

Unified management fee	
E class	1.59% p.a.
M class	1.59% p.a.
Administrative class	1.19% p.a.
H Institutional class	0.86% p.a.
Institutional class	0.69% p.a.

Source: PIMCO, index provider for benchmark data.
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.
All data source: PIMCO and index provider for benchmark data unless otherwise stated.
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A word about risk: Investing in the bond market is subject to certain risks including market, interest-rate, issuer, credit, and inflation risk; investments may be worth more or less than the original cost when redeemed. Investing in **foreign denominated and/or domiciled securities** may involve heightened risk due to currency fluctuations, and economic andpolitical 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. Build AmericaBonds issued by state and local governments are taxable issues. Mortgage and asset-backed securities may be sensitive to changes in interest rates, subject to early repaymentrisk, 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 isno assurance that private guarantors will meet their obligations. Inflation-linked bonds (ILBs) issued by a government are fixed-income securities whose principal value is periodicallyadjusted according to the rate of inflation; ILBs decline in value when real interest rates rise. Treasury Inflation-Protected Securities (TIPS) are ILBs issued by the U.S. Government. **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 notbacked by the full faith of the U.S. Government; portfolios that invest in such securities are not guaranteed and will fluctuate in value. **High-yield**, lower-rated, securities involve greaterrisk 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 certaincosts 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 losemore than the amount invested. **Diversification** does not ensure against loss.
Duration is a measure of a portfolio's price sensitivity expressed in years. Effective duration is the duration for a bond with an embedded option when the value is calculated to includethe expected change in cash flow caused by the option as interest rates change.
The Bloomberg Global Aggregate Credit ex Emerging Markets (USD Hedged) provides a broad-based measure of the global developed markets investment-grade fixed income markets. The ICE BofA Merrill Lynch BB-B Rated Developed Markets High Yield Constrained Index (USD Hedged) tracks the performance of below investment grade bonds of corporate issuers domiciled in developed market countries rated BB1 through B3, based on an average of Moody's, S&P and Fitch. Qualifying bonds are capitalization-weighted provided the total allocation to an individual issuer (defined by Bloomberg tickers) does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro-rata basis. Similarly, the face value of bonds of all other issuers that fall below the 2% cap are increased on a pro-rata basis. The index is rebalanced on the last calendar day of the month. The JPMorgan EMBI Global (USD Hedged) tracks total returns for U.S. dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities, Brady bonds, loans, Eurobonds and local market instruments. It is not possible to invest in an unmanaged index. It is not possible to invest directly in an unmanaged index.
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.
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The Company's Prospectus can be obtained from www.fundinfo.com and is available in English, French, German, Italian, Portuguese and Spanish. The KIIDs 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.

The credit quality of a particular security or group of securities does not ensure the stability or safety of an overall portfolio.
Credit spreads are the difference in yield between any type of bond, and a U.S. treasury of the same maturity.
[1] Bloomberg Barclays Global Aggregate Credit USD Hedged Index, [2]ICE BofA Merrill Lynch Developed Markets High Yield Index, Constrained, [3]J.P. Morgan EMBI Global Index
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.
Collateralized Loan Obligations (CLOs) may involve a high degree of risk and are intended for sale to qualified investors only. Investors may lose some or all of the investment and there may be periods where no cash flow distributions are received. CLOs are exposed to risks such as credit, default, liquidity, management, volatility, interest rate and credit risk. **Bank loans** are often less liquid than other types of debt instruments and general market and financial conditions may affect the prepayment of bank loans, as such the prepayments cannot be predicted with accuracy. There is no assurance that the liquidation of any collateral from a secured bank loan would satisfy the borrower's obligation, or that such collateral could be liquidated. **Diversification** does not ensure against loss.

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