

# Income Fund II

- The Fund will seek to maintain a high level of dividend income to investors by investing a broad array of fixed income sectors which in the investment advisor's view typically generate elevated levels of income and may invest primarily in a diversified portfolio of fixed income instruments of varying maturities.
- Investments in fixed income instruments are subject to interest rate, credit, credit rating and downgrade risks. The Fund is also subject to risks of investing in high yield, below investment grade and unrated securities.
- It is subject to risks associated with mortgage-related and other asset-backed securities, valuation, sovereign debt, currency, liquidity and repurchase / reverse repurchase transactions.
- It may invest more than 10% in non-investment grade securities issued or guaranteed by a single sovereign issuer (e.g. Ukraine, Sri Lanka and Hungary) which may be subject to increased credit risk and risk of default.
- It may invest in financial derivative instruments which may involve additional risks (e.g. market, counterparty, liquidity, volatility and leverage risks).
- It may at its discretion pay dividends out of capital directly or effectively, which amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to the original investment. Any distributions involving the payment of dividends out of the Fund's capital may result in an immediate reduction of the Fund's net asset value per share.
- Investments involve risks and your investment may suffer significant losses.
- Investors should not rely solely on this material and should read the offering document of the Fund for further details including the risk factors.

## E CLASS INCOME SHARES

### Fund Description

The Income Fund II is a portfolio that is actively managed and utilizes a broad range of fixed income securities that seek to produce an attractive level of income while maintaining a relatively low risk profile, with a secondary goal of capital appreciation.

- This fund seeks to meet the needs of investors who are targeting a competitive and consistent level of income without compromising long term capital appreciation.
- The fund seeks to generate a competitive monthly dividend while also maintaining a focus on the total return objective.
- The fund aims to achieve this by employing PIMCO's best income-generating ideas across global fixed income sectors with an explicit mandate on risk-factor diversification.
- The fund offers daily liquidity.

This fund is designed for investors who seek steady income: it takes a broad-based approach to investing in income-generating bonds. The fund taps into multiple areas of the global bond market, and employs PIMCO's vast analytical capabilities and sector expertise to help temper the risks of high income investing. This approach seeks to provide consistent income over the long term. The Fund may use or invest in financial derivatives.

### About the Benchmark

Bloomberg U.S. Aggregate Index HKD (Unhedged) represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis. It is not possible to invest directly in an unmanaged index.

Unless otherwise stated in the prospectus, the Fund is not managed against a particular benchmark or index, and any reference to a particular benchmark or index in this factsheet is made solely for risk or performance comparison purposes.

## Key Facts

	Income
Bloomberg Ticker	PIMIEHK
ISIN	IE00BHR40Y78
Sedol	BHR40Y7
CUSIP	G7S11U280
Valoren	50579258
WKN	A2PTTX
Inception Date	29/01/2021
Distribution	monthly <sup>1</sup>
Unified Management Fee	1.49% p.a.
Fund Type	UCITS
Portfolio Manager	Joshua Anderson, Alfred Murata, Daniel J. Ivascyn
Total Net Assets	232.7 (USD in Millions)
Fund Base Currency	USD
Share Class Currency	HKD

## Fund Statistics

Effective Duration (yrs) <sup>¶</sup>	4.17
Benchmark Duration (yrs)	6.12
Estimated Yield to Maturity (%) <sup>⊕</sup>	6.66
Annualised Distribution Yield (%) <sup>†</sup>	6.05
Effective Maturity (yrs)	5.56
Average Credit Quality	AA-

<sup>1</sup>This share class aims to pay dividend on a monthly basis. Dividend payout is not guaranteed.

## MANAGER

PIMCO Global Advisors (Ireland) Limited

## INVESTMENT ADVISOR

Pacific Investment Management Company LLC

For questions regarding the PIMCO Funds: Global Investors Series plc, please call +852 3556 1498.

Visit our website for a full menu of products and services at [pimco.com.hk](http://pimco.com.hk)\*

\*This website has not been reviewed by the Securities and Futures Commission.

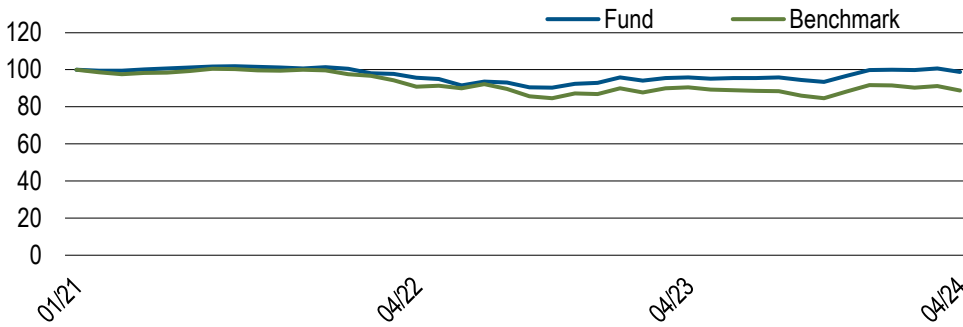


Chart shows performance from the first month-end, rebased to 100, for the E Inc HKD class. **Past Performance is not a guarantee or reliable indicator of future results and no guarantee is being made that similar returns will be achieved in the future.** Source: PIMCO

For Fund Offering Documents:  
Class E, Inc



Corporate Action Notice:



Performance (Net of Fees)	1 Mo.	3 Mos.	6 Mos.	1 Yr.	3 Yrs.	SI
E, Inc (%)	-1.88	-1.13	5.72	3.09	-0.43	-0.37
Benchmark (%)	-2.59	-2.97	4.92	-1.83	-3.31	—

**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.**

Calendar Year (Net of Fees)	2021	2022	2023	YTD
E, Inc (%)	1.41*	-8.46	7.47	-0.98
Benchmark (%)	-1.00	-12.91	5.58	-3.13

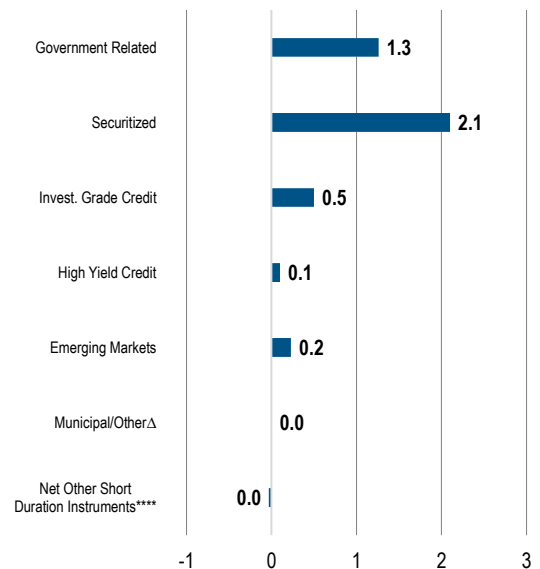
\*Since launch date to end of launch year. **Past Performance is not a guarantee or reliable indicator of future results and no guarantee is being made that similar returns will be achieved in the future.** The benchmark is the Bloomberg U.S. Aggregate (HKD Unhedged) Index  
All periods longer than one year are annualised. SI is the performance since inception. Performance shown is on a NAV-to-NAV basis in the denominated currency and are net of fees and other expenses and include reinvestment of dividends, as applicable.

**Top 10 Holdings (% Market Value)\***

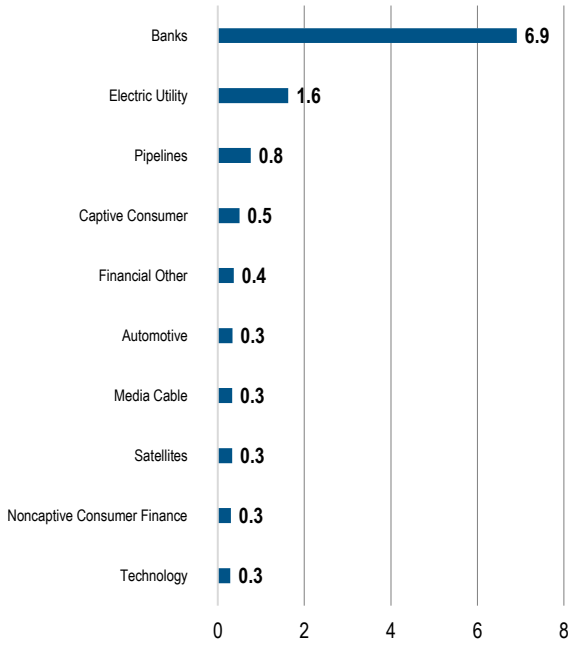
FNMA TBA 6.5% FEB 30YR	11.0
U S TREASURY NOTE	6.5
FNMA PASS THRU 30YR #SD8313	3.9
U S TREASURY INFLATE PROT BD	3.4
FNMA PASS THRU 30YR #MA4941	3.3
FNMA PASS THRU 30YR #SD8257	3.1
FNMA TBA 5.5% JAN 30YR	2.9
FNMA TBA 3.0% JAN 30YR	2.7
FNMA PASS THRU 30YR #MA4962	2.5
FNMA PASS THRU 30YR #MA4933	2.5

\*Top 10 holdings as of 31/12/2023, excluding derivatives.

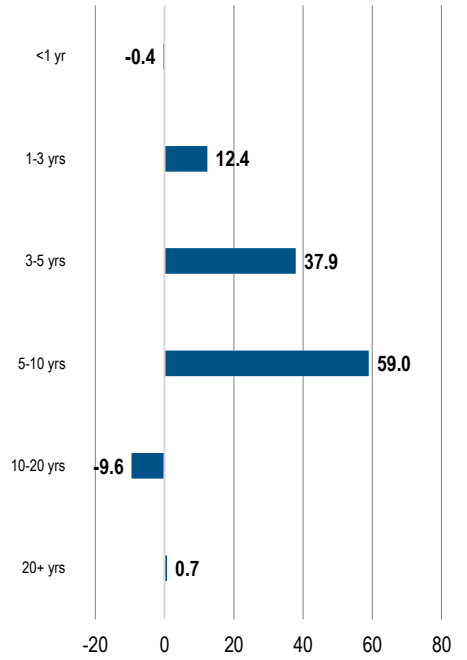
**Sector Allocation (Duration in Years)**



Top 10 Industries (% Market Value)

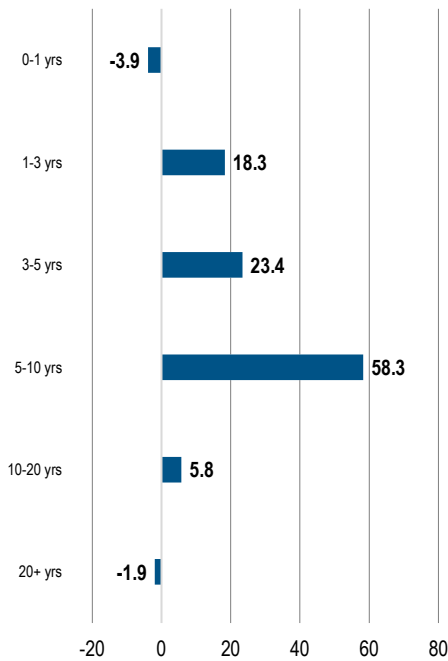


Duration (% Duration Weighted Exposure)



Source: PIMCO

Maturity (% Market Value)



Market Value % may not equal 100 due to rounding.

Top 10 Countries by Contribution to Total Duration (% Duration Weighted Exposure)



Countries are categorized by currency of settlement. EMU-member countries reflect the country of exposure for EUR-denominated securities. Europe represents European Union instruments that cannot be separated by specific country.

Source: PIMCO, index provider for benchmark data.

\*\*\*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, 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.

<sup>A</sup>Where permitted by the investment guidelines stated in the portfolios offering documents, "other" may include exposure to, convertibles, preferred, common stock, equity-related securities, and Yankee bonds.

<sup>B</sup>Duration is a measure of a portfolio's price sensitivity expressed in years. PIMCO duration calculation that adjusts the durations of credit securities to account for the potential that in the event of default investors will receive the recovery amount prior to the maturity of the security. 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.

**Except for performance, statistics and breakdowns shown are for the fund and are not specific to the share class.**

Negative allocations may result from derivative positions and unsettled trades and does not imply the fund is short cash, is levered, or that the derivatives are not fully cash backed. Duration is the sensitivity of a fixed income security to a change in interest rates. The longer the duration of a fixed income security, the higher its sensitivity to interest rates. Duration Weighted Exposure (DWE%) is the percentage weight of each sector's contribution to the overall duration of the fund. Morningstar ratings are shown for funds with 4 or 5 star ratings only. Other share classes ratings are either lower or unavailable. A rating is not a recommendation to buy, sell or hold a fund. Copyright © 2024 Morningstar Ltd.

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Ⓢ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.

<sup>†</sup>Annualised distribution yield= ( Dividend Rate \* 12 ) / NAV on ex-dividend day. Annualised Distribution Yield is as of 30/04/2024. Dividend is not guaranteed. A positive distribution yield does not imply a positive return. Investment involves risk. **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.** Investment returns not denominated in US/HK dollar will expose US/HK dollar-based investors to exchange rate fluctuations. The Funds typically offer different share classes, which are subject to different fees and expenses (which may affect performance), have different minimum investment requirements and are entitled to different services. 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.

PIMCO Funds: Global Investors Series plc is an umbrella type open-ended investment company with variable capital and is incorporated with limited liability under the laws of Ireland with registered number 276928. Investors should consider the investment objectives, risks, charges and expenses of this fund carefully before investing. This and other information are contained in the fund's prospectus, which may be obtained at [www.pimco.com.hk](http://www.pimco.com.hk) or by contacting the Hong Kong Representative or your fund distributor and/or financial advisor. This document is issued by PIMCO Asia Limited (Suites 2201, 22nd Floor, Two International Finance Centre, No. 8 Finance Street, Central, Hong Kong) and has not been reviewed by the Securities and Futures Commission. No part of this publication may be reproduced in any form, or referred to in any other publication, without express written permission. Unified management fee is a single fixed Management Fee out of which the fees of the Investment Advisers, the Administrator and Custodian shall be paid, and certain other expenses including the fees of Paying Agents (and other local representatives) in jurisdictions where the Funds are registered. PIMCO is a trademark of Allianz Asset Management of America LLC in the United States and throughout the world. © 2024, PIMCO.

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**Investment Objective**

The primary investment objective of the Fund is to seek high current income, consistent with prudent investment management. Long-term capital appreciation is a secondary objective. The Fund will seek to maintain a high level of dividend income to investors by investing in a broad array of fixed income sectors which in the Investment Advisor's view typically generate elevated levels of income (e.g. higher quality sectors that provide downside protection, as well as higher income generating sectors, such as emerging markets, high yield corporate bonds and certain securitized sectors).

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**Important**

If you are in doubt, you should seek professional advice. The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

# PRODUCT KEY FACTS



Issuer: PIMCO Funds:  
Global Investors Series plc

PIMCO FUNDS: GLOBAL INVESTORS SERIES PLC -  
Income Fund II

21 March 2024

- ***This statement provides you with key information about the Income Fund II (the “Fund”).***
- ***This statement forms part of and should be read in conjunction with and in the context of the current prospectus for PIMCO Funds: Global Investors Series plc dated 21 March 2024 (as amended from time to time) (the “Prospectus”) and the Country Supplement to the Prospectus for Hong Kong Investors dated 21 March 2024 (the “HK Supplement”) and, together with the Prospectus, the “HK Offering Documents”).***
- ***You should not invest in this product based on this document alone.***

## Quick facts

<b>Manager:</b>	PIMCO Global Advisors (Ireland) Limited
<b>Investment Advisor:</b>	Pacific Investment Management Company LLC, a US company (Internal Delegation)
<b>Sub-Investment Advisor(s):</b>	Internal delegation to one or more Sub-Investment Advisor(s) as described under the sub-section “Investment Advisors” of the section “Management and Administration” in the Prospectus and the section headed “Sub-Delegation of Investment Discretion” in the HK Supplement, namely PIMCO Europe Ltd (located in UK), PIMCO Asia Pte Ltd. (located in Singapore), PIMCO Asia Limited (located in Hong Kong) and PIMCO Europe GmbH (located in Germany) from time to time. Further information concerning the Sub-Investment Advisor(s) appointed and any changes thereto will be provided by PIMCO Funds: Global Investors Series plc (the “Company”) upon request. Details of all of these appointments by the Investment Advisor shall be disclosed in the periodic reports of the Company.
<b>Depository:</b>	State Street Custodial Services (Ireland) Limited

## Ongoing charges over a year:

Share class	Share class types		
	Acc	Inc	Inc II
Institutional Class	0.59%+	0.59%^	0.59%^
E Class	1.49%^	1.49%+#	1.49%^

Note: The same ongoing charges figure applies to all the shares within the same share class and share class type regardless of their hedging features (i.e. unhedged, hedged, partially hedged) or currency denominations since a unified fee is adopted for the respective share classes.

+ For each share class / share class type that has been launched, the ongoing charges figure represents the sum of ongoing expenses chargeable to the class expressed as a per annum percentage of the class’s average net asset value. The ongoing expenses exclude portfolio transaction costs, except in the case of an entry / exit charge for buying or selling units / shares in another collective investment scheme. This figure may vary from year to year.

# For each share class / share class type that has been recently launched, the ongoing charges figure is an estimate only and represents the sum of the estimated ongoing expenses chargeable to the class over a 12 month period expressed as a percentage of the class’s estimated average net asset value over the same period. This figure may vary from year to year. The actual figures may be different from the estimated figures.

<sup>^</sup> For each share class / share class type that has not yet launched, the ongoing charges figure is an estimate only and represents the sum of the estimated ongoing expenses chargeable to the class over a 12 month period expressed as a percentage of the class's estimated average net asset value over the same period. This figure may vary from year to year. The actual figures may be different from the estimated figures.

**Dealing Frequency:** Daily

**Base Currency:** USD

**Dividend Policy:** Institutional Class and E Class

- Accumulation Shares (Acc) – net investment income and other distributable gains will not be distributed to holders
- Income Shares (Inc)\* / Income II Shares (Inc II)\* – dividends, if any, will be declared monthly

*\* In the case of Income Shares and Income II Shares, the Fund may at its discretion pay dividends out of capital and charge management fees to the capital of the Income Shares / Income II Shares (as the case may be), thereby resulting in an increase in distributable income available for the payment of dividends by the Income Shares / Income II Shares and therefore, the Income Shares / Income II Shares may effectively pay dividends out of capital. Further, in the case of Income II Shares, the Fund may also charge other fees (such as extraordinary expenses, taxes and governmental fees, brokerage fees, commissions and other transaction expenses, etc., details of which are set out under the section headed "Fees and Expenses" of the Prospectus) to capital and also take into account the yield differential between the relevant hedged share class and the base currency of the Fund (which constitutes a distribution from capital). The yield differential can be positive or negative and is calculated taking into account the contribution of the share class hedging arising from the respective type of hedged classes. The aforementioned events may result in an immediate reduction of the net asset value per share for the Income Shares / Income II Shares.*

**Financial year end of the Fund:** 31 December

**Minimum Investment:** Institutional Class – USD 5 million<sup>°</sup>

E Class\* – USD 1,000<sup>°</sup>

**Minimum Holding:** Institutional Class – USD 500,000<sup>°</sup>

E Class – USD 1,000<sup>°</sup>

**The following footnotes apply to the sections "Minimum Investment" and "Minimum Holding" above (where applicable)**

\* if invested through an intermediary omnibus account. USD 1 million if invested through a direct non-omnibus account.

<sup>°</sup> Or equivalent in the relevant share class currency (i.e. currency in which the share class is denominated).

## What is this product?

This is a fund constituted in the form of a mutual fund (also known as an open-ended investment company). It is domiciled in Ireland and its home regulator is the Central Bank of Ireland.

## Objective and Investment Strategy

The primary investment objective of the Fund is to seek high current income, consistent with prudent investment management. Long-term capital appreciation is a secondary objective.

The Fund will seek to maintain a high level of dividend income to investors by investing in a broad array of fixed income sectors

which in the Investment Advisor's view typically generate elevated levels of income (e.g. higher quality sectors that provide downside protection, as well as higher income generating sectors, such as emerging markets, high yield corporate bonds and certain securitized sectors).

The Fund invests at least two-thirds of its net assets in a diversified portfolio of fixed income instruments (this may include securities issued by government, sovereign, corporate etc and mortgage-related and other asset-backed securities) of varying maturities.

The Fund will generally allocate its assets among several investment sectors, which may include (i) high yield (which generally refers to securities of below investment grade\*) and investment grade corporate bonds of issuers located in the European Union ("EU") and in non-EU countries, including emerging market countries; (ii) global bonds and fixed income securities issued by EU and non-EU governments, their agencies and instrumentalities; (iii) mortgage-related and other asset-backed securities (typically including agency mortgage-backed securities and senior non-agency mortgage-backed securities i.e. privately issued mortgage-backed securities); and (iv) foreign currency positions, including currencies of emerging market countries.

However, the Fund is not required to gain exposure to any one investment sector, and the Fund's exposure to any one investment sector will vary over time. Exposure to such securities may be achieved through direct investment in the aforementioned security types or through the use of financial derivative instruments. The average portfolio duration of the Fund will normally vary from 0 to 8 years based on the Investment Advisor's forecast for interest rates.

The Fund may invest in both investment grade securities and high yield securities (which generally refer to securities of below investment grade\*), subject to a maximum of 50% of its total assets in securities of below investment grade\* (except such limitation shall not apply to the Fund's investments in mortgage-related and other asset-backed securities and therefore the Fund can invest without limitation in such securities). Currently, the Fund may (although it does not intend to) invest without limit in securities which are not rated by S&P, Moody's or Fitch. The Fund may invest up to 20% of its total assets in fixed income instruments that are economically tied to emerging market countries. The Investment Advisor will assess credit risks of fixed income instruments based on quantitative and qualitative fundamentals, including without limitation the issuer's leverage, operating margin, return on capital, interest coverage, operating cash flows, industry outlook, firm's competitive position and corporate governance issue.

The Fund may invest more than 10% of its net assets (up to 20% and subject to the UCITS diversification requirements which may require multiple issues to be held) in securities issued or guaranteed by a single sovereign issuer (including its government, a public or local authority) with a credit rating below investment grade\* (potential examples include South Africa and Turkey). Although the Investment Advisor does not ordinarily anticipate investing significantly in securities of a single sovereign issuer with a credit rating below investment grade\*, it believes that retaining the flexibility to do so is necessary in the context of the overall investment strategy.

Subject to the investment policy disclosed above, up to 100% of the Fund's net assets may be invested in mortgage-related securities (including non-agency mortgage-backed securities, i.e. privately issued mortgage-backed securities) / asset-backed securities of any credit rating.

Where the Investment Advisor deems it appropriate to do so for temporary or defensive purposes, the Fund may invest 100% of its net assets in fixed income securities issued by, or guaranteed as to principal and interest by, the U.S. government (including its agencies or instrumentalities) and repurchase agreements\*\*\* secured by such obligations provided that the Fund holds at least six different issues, with securities from any one issue not exceeding 30% of net assets.

The Fund will invest less than 30% of its net asset value ("**NAV**") in instruments with loss-absorption features (e.g. total loss-absorbing capacity eligible instruments, contingent convertible bonds, senior non-preferred debt instruments, Additional Tier 1 and Tier 2 capital instruments (i.e. debt instruments with write-down features which are triggered when the issuers' regulatory capital ratio falls to a certain level or debt instruments subject to contingent conversion to ordinary shares on the occurrence of trigger events)).

The Fund may invest up to 20% of its NAV in securities providing exposure to the People's Republic of China (excluding Hong Kong, Macau and Taiwan for the purpose of this document unless otherwise specified herein, "**PRC**") (including investment in urban investment bonds) through offshore bond markets and onshore bond markets (through the China Inter-Bank Bond Market ("**CIBM**") Direct Access, Bond Connect, Qualified Foreign Institutional Investors ("**FII**") program and/or other permissible means). Urban investment bonds are debt instruments issued by PRC local government financing vehicles ("**LGFVs**") in the onshore or offshore bond markets. These LGFVs are separate legal entities established by local governments and/or their affiliates to raise financing for



public welfare investment or infrastructure projects.

The Fund may hold both non-USD denominated investment positions and non-USD denominated currency positions (which are actively managed through investments in financial derivative instruments). Non-USD denominated currency exposure (in terms of market value and on a gross basis) is limited to 30% of total assets. The Fund may invest without limit in repurchase and/or reverse repurchase transactions (listed on recognised exchanges or over-the-counter (“**OTC**”) based) and similar OTC transactions.

No more than 10% of the Fund's total assets may be invested in equity securities and equity related securities (such as warrants and preferred stock). The Fund may invest up to 10% of its total assets in aggregate in collateralised loan obligations, collateralised debt obligations and convertible securities (including contingent convertible securities, which are a type of instrument with loss-absorption features). Instruments with loss-absorption features are subject to the limit of 30% of the Fund's NAV as described above. The Fund may, subject to the conditions and limits laid down by the Central Bank of Ireland, invest less than 30% of its net assets in structured notes (which shall not include bespoke structured notes), such as equity-linked notes and credit-linked notes. The Fund may invest up to 10% of its net assets in units or shares of other collective investment schemes and the investment objective of such schemes will be complementary to or consistent with that of the Fund. The Fund may also invest up to 10% of its net assets in aggregate in illiquid securities (which for this purpose means securities that cannot be disposed of within seven days in the ordinary course of business at approximately the amount at which the Fund has valued the securities, including bonds and other fixed income instruments as set out in this investment policy, which are illiquid) and in loan participations and loan assignments which constitute money market instruments.

The Fund may invest up to 10% of its NAV in insurance-linked securities (“**ILS**”) that are issued outside Hong Kong, such as catastrophe bonds, also known as event-linked bonds, and/or any ILS-related products, such as derivatives or structured products whose returns are linked to the occurrence or non-occurrence of specific insurance events, and collective investment schemes whose investment objective or principal investment strategy is investing in ILS. For the avoidance of doubt, the Fund will not invest in ILS issued in Hong Kong and their repackaged products and derivatives.

The Fund may use financial derivative instruments (such as futures, options, options on futures, swap agreements and currency forward contracts) (i) for hedging purposes and/or (ii) for investment purposes and/or (iii) efficient portfolio management. The Fund may use derivatives (i) to hedge a currency exposure, (ii) as a substitute for taking a position in the underlying asset where the Investment Advisor feels that a derivative exposure to the underlying asset represents better value than a direct exposure, (iii) to tailor the Fund's interest rate exposure to the Investment Advisor's outlook for interest rates, and / or (iv) to gain an exposure to the composition and performance of a fixed income related index.

The use of financial derivative instruments may result in the net derivative exposure of the Fund exceeding 50% of its NAV from time to time, where permitted in accordance with SFC requirements.

Where the Investment Advisor believes it appropriate to do so as a result of detailed investment analysis, the Fund may use derivatives to create synthetic short positions. Synthetic short positions are positions which are in economic terms equivalent to short positions and will be implemented through the use of financial derivative instruments. The Fund will take long and synthetic short positions over a variety of time periods, however the combination of long and short positions will never result in uncovered short positions. Please refer to the section of the Prospectus headed “*Characteristics and Risks of Securities, Derivatives, Other Investments and Investment Techniques*” for further information. The proportion of long to short exposure in the Fund will depend on the market conditions at any given time. It is possible that the Fund may have long only exposure, or conversely short only exposure at any point in time. Although under normal market conditions it is not anticipated that the Fund would be directionally short, on a net basis. Such positions may be taken across various asset classes contemplated under the investment policy of the Fund as set out herein.

The Fund intends to measure its performance against the Bloomberg US Aggregate Index. The Fund is considered to be actively managed in reference to the index by virtue of the fact that it uses the index for performance comparison purposes. Certain of the Fund's securities may be components of and may have similar weightings to the index. However the index is not used to define the portfolio composition of the Fund or as a performance target and the Fund may be wholly invested in securities which are not constituents of the index.

\* “**Below investment grade**” generally refers to ratings lower than Baa3 by Moody's or BBB- by S&P or equivalently rated by Fitch; or if the securities are unrated\*\*, determined by the Investment Adviser to be of comparable quality.

\*\* Unrated securities are debt securities which do not have a credit rating issued by Moody's, S&P or Fitch. The Fund may purchase unrated securities if the Investment Adviser determines that the security is of comparable quality to a rated security that the Fund may purchase after considering factors such as liquidity and creditworthiness of the issuers.

\*\*\* Repurchase agreements refer to transactions whereby a counterparty sells a security to the Fund with a simultaneous agreement to repurchase the security from the Fund at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities.

## **Use of derivatives / investment in derivatives**

The Fund's net derivative exposure may be up to 50% of the Fund's NAV.

## **What are the key risks?**

**Investment involves risks. Please refer to the HK Offering Documents for details including the risk factors.**

### **1. General investment risk**

- The Fund's investment portfolio may fall in value and therefore your investment in the Fund may suffer losses. There is no guarantee of the repayment of principal.
- The ability of the Fund to achieve its investment objective is neither guaranteed nor within the control of the Investment Adviser. As long-term capital appreciation is a secondary objective, the Fund may be exposed to the risk of capital loss.

### **2. Risks relating to fixed income instruments**

#### **(a) Credit risk**

- The Fund may suffer losses if the issuer of a fixed income security in which it invests is unable or unwilling to make timely principal and/or interest payments, or to otherwise honour its obligations.

#### **(b) Interest rate risk**

- The value of fixed income securities tends to decrease when interest rates rise, which may cause a decrease in value of the Fund.
- Fixed income securities with longer durations are more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations.

#### **(c) High yield, below investment grade and unrated securities risk**

- The Fund may invest in high yield, below investment grade securities and unrated securities of similar credit quality.
- Such securities (which may include mortgage-related and other asset-backed securities) typically entail greater potential price volatility and may be less liquid than higher-rated securities.
- Investments in such securities may also be subject to greater credit risk. If the issuer of a security is in default with respect to interest or principal payments, the Fund may lose its entire investment.

#### **(d) Liquidity risk**

- Liquidity risk exists when particular investments are difficult to purchase or sell. Also, illiquid securities may become harder to value especially in changing markets.
- The Fund's investments in illiquid securities may reduce the returns of the Fund because it may be unable to sell the illiquid securities at an advantageous time or price which could prevent the Fund from taking advantage of other investment opportunities.

#### **(e) Downgrade risk**

- The Fund may hold securities that may be impacted by a downgraded credit rating. In the event of downgrading of the securities, the Fund's investment value in such securities may be adversely affected. The manager may or may not be able to dispose of the debt instruments that are being downgraded.

#### **(f) Credit rating risk**

- Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

#### **(g) Sovereign debt risk**

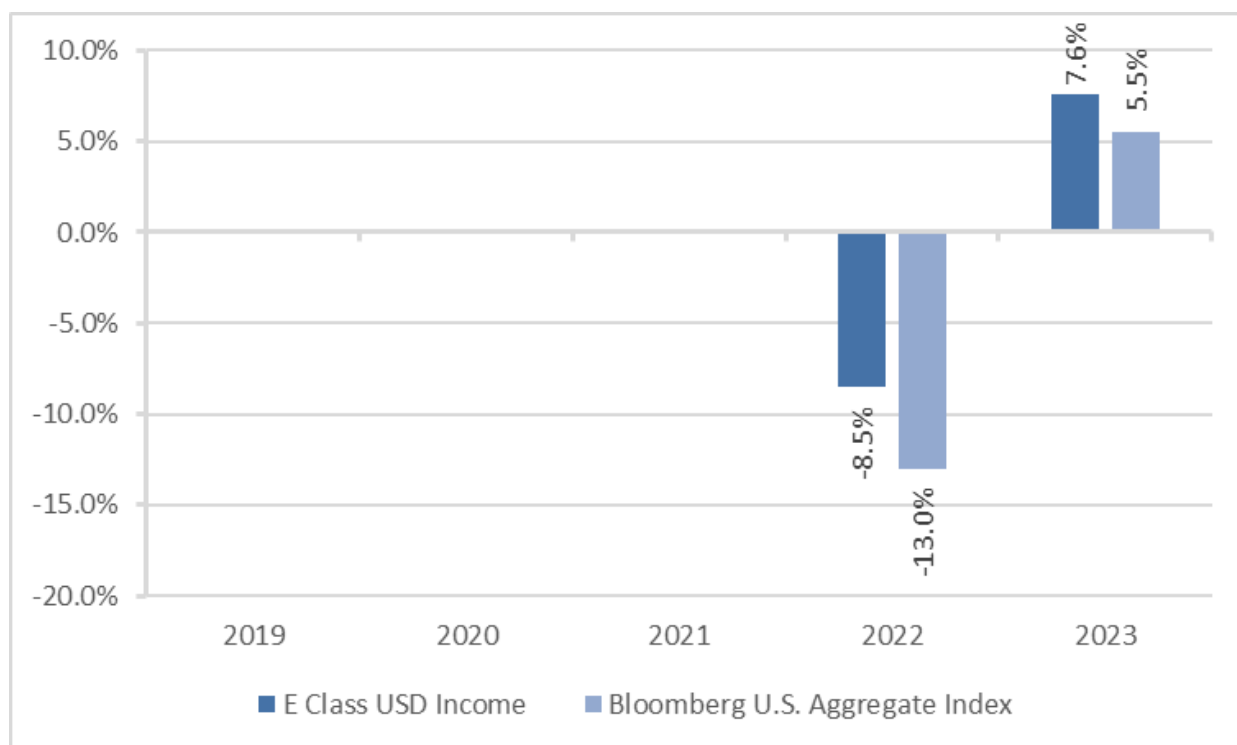
- The Fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Fund to participate in restructuring such debts. The Fund may suffer significant losses when there is a default of sovereign debt issuers.

- 3. Risks associated with mortgage-related and other asset-backed securities**
- The Fund may invest in mortgage-related or other asset-backed securities (including privately-issued mortgage-backed securities) which may be highly illiquid and prone to substantial price volatility. These instruments may be subject to greater credit, liquidity and interest rate risk compared to other debt securities. They are often exposed to extension and prepayment risks and risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the returns of the securities. Privately-issued mortgage-backed securities may be subject to greater credit, liquidity and interest rate risk relative to agency mortgage-backed securities that are issued with an explicit or implicit government guarantee.
  - Mortgage-related and other asset-backed securities that are of below investment grade or unrated may also be subject to the high yield, below investment grade and unrated securities risk as mentioned above.
- 4. Currency risk**
- The Fund's investment in non-USD denominated investment positions and currency positions may cause the value of the Fund's investments to fluctuate with changes in exchange rates. This may lead to a fall in the Fund's NAV.
  - Also, a class of shares may be denominated in a currency other than the base currency of the Fund. The NAV of the Fund may be affected unfavorably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.
  - Active currency positions implemented directly or indirectly by the Fund may not be correlated with the underlying securities held by the Fund. As a result, the Fund may suffer significant losses even if there is no loss to the value of the underlying securities held by the Fund.
- 5. Risks relating to reverse repurchase agreements**
- In the event of the failure of the counterparty with which collateral has been placed, the Fund may suffer loss as there may be delays in recovering collateral placed out or the cash originally received may be less than the collateral placed with the counterparty due to market movements.
- 6. Risks relating to repurchase agreements**
- In the event of the failure of the counterparty with which cash has been placed, the Fund may suffer loss as there may be delay in recovering cash placed out or difficulty in realising collateral or proceeds from the sale of the collateral may be less than the cash placed with the counterparty due to market movements.
- 7. Derivatives risk**
- Risks associated with financial derivative instruments ("FDI") include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the Fund. Exposure to FDI may lead to a high risk of significant loss by the Fund.
- 8. Valuation risk**
- Valuation of the Fund's investments (e.g. debt, mortgage-backed and asset-backed securities) may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the NAV calculation of the Fund.
- 9. Risks associated with investments in securities of a single sovereign issuer with a credit rating below investment grade**
- The Fund may be subject to increased credit risk and increased risk of default of the relevant issuer as a result of its ability to invest more than 10% in securities of a single sovereign issuer with a credit rating below investment grade (potential examples include South Africa and Turkey).
  - A sovereign issuer's ability to meet its principal and interest payments may be adversely affected by developments specific to the sovereign issuer. The downgrade of a sovereign credit rating or the default of a sovereign issuer may negatively affect the Fund's performance.
  - To the extent that the Fund concentrates its investments in a particular single sovereign issuer, its investments will be more susceptible to fluctuations in value resulting from adverse conditions in the particular issuer such as unfavourable or unanticipated poor performance of a particular issuer and political instability facing a particular geographic region. This may cause the Fund to be more volatile.
- 10. Risks relating to charging of fees / payment of dividends out of capital**
- For the Income Shares and Income II Shares, the Fund may, at its discretion, charge management fees to capital (which constitutes a payment of dividends *effectively* out of capital) as well as pay dividends out of capital.
  - For the Income II Shares (which seek to provide an enhanced yield to shareholders), the Fund may also charge other fees (as described under the section headed "Dividend Policy" above) to capital and take into account the yield differential between the relevant hedged share class and the base currency of the Fund (which constitutes a distribution from capital). The yield differential can be positive or negative and is calculated taking into account the

contribution of the share class hedging arising from the respective type of hedged classes.

- Any distributions involving the payment of dividends out of capital, charging of fees to the capital of the Income Shares and Income II Shares and inclusion of yield differentials effectively amount to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any such distributions may result in an immediate reduction of the NAV per share.

### How has the fund performed?



- The above past performance information reflects the past performance of E Class USD Income, which the Investment Advisor views as the focus share class of the Fund available to the public of Hong Kong.
- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested. These figures show by how much E Class USD Income increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding any subscription fee and/or redemption fee you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- The benchmark of the Fund is Bloomberg US Aggregate Index.
- Fund launch date: 29 January 2021
- E Class USD Income launch date: 29 January 2021

### Is there any guarantee?

This Fund does not have any guarantees. You may not get back the full amount of money you invest.

### What are the fees and charges?

Investors should refer to the HK Offering Documents for details regarding the fees and expenses of the Fund.

#### Charges which may be payable by you

You may have to pay the following fees when dealing in the shares of the Fund.

Fees and Charges	What you pay
Subscription Fee (Preliminary Charge)	Up to 5% of the amount of the investment in the Fund may be deducted from the amount payable in respect of the subscription.

<b>Switching Fee (Exchange Charge)</b>	Institutional Class: N/A E Class: up to 1% of the subscription price for the total number of shares in the fund into which you switch
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<b>Redemption Fee (Redemption Charge)</b>	N/A
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**Ongoing fees payable by the Fund**

The following expenses will be paid out of the Fund. They affect you because they reduce the return you get on your investments.

	<b>Annual rate (as a % p.a. of the NAV)</b>
<b>Management Fee*</b>	Institutional Class – 0.59%
The Fund pays a management fee to the fund manager which may be payable out of the capital of the Fund (which may lead to capital erosion).	E Class – 1.49%
<b>Depository Fee</b>	The Depository Fee will be paid out of the Management Fee.
<b>Performance Fee</b>	N/A
<b>Administration Fee</b>	The Administration Fee will be paid out of the Management Fee.
<b>Service Fee</b>	All Classes – N/A
<b>Trail Fee</b>	All Classes – N/A

**Other fees**

The intermediary you use may ask you to pay other fees and charges when dealing in the shares of the Fund.

\*You should note that the Management Fee may be increased to up to 2.5% of the NAV of the Fund by giving shareholders one month’s prior notice. Fee increases beyond the maximum levels stated in the HK Offering Documents will require shareholders’ approval in general meeting. For details, please refer to the section headed “Fees and Expenses” of the HK Supplement.

**Additional information**

- You generally buy and/or redeem shares of the Fund at the Fund’s next-determined NAV on the day the Hong Kong Representative receives your request, provided that it is received in good order on or before 5:00 p.m. (Hong Kong time) being the dealing deadline in Hong Kong.
- Intermediaries who sell shares of the Fund may impose earlier or later dealing deadlines for receiving instructions for subscriptions, redemptions or switching. Investors should pay attention to the arrangements of the intermediary concerned.
- The NAV of the Fund is calculated and the price of shares is published each business day on the website [www.pimco.com.hk](http://www.pimco.com.hk). This website has not been reviewed by the SFC.
- The Hong Kong Representative, PIMCO Asia Limited, can be contacted at Suite 2201, 22nd Floor, Two International Finance Centre, No. 8 Finance Street, Central, Hong Kong, telephone number 3650 7700.
- Details of important dates affecting the Fund are contained in the HK Offering Documents and the Funds Holiday Calendar, which is available from the Hong Kong Representative or a fund distributor upon request.
- The composition of the dividends (i.e. relative amounts paid out of net distributable income and capital) for the last 12 months (starting from the date on which the payment of dividends is made) can be obtained either through the Hong Kong Representative’s website at [www.pimco.com.hk](http://www.pimco.com.hk) or from the Hong Kong Representative on request. This website has not been reviewed by the SFC.
- The past performance information of the remaining share classes of the Fund currently offered to Hong Kong investors are also available through the abovementioned website.

**Important**

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.