

# PIMCO GIS Diversified Income Fund



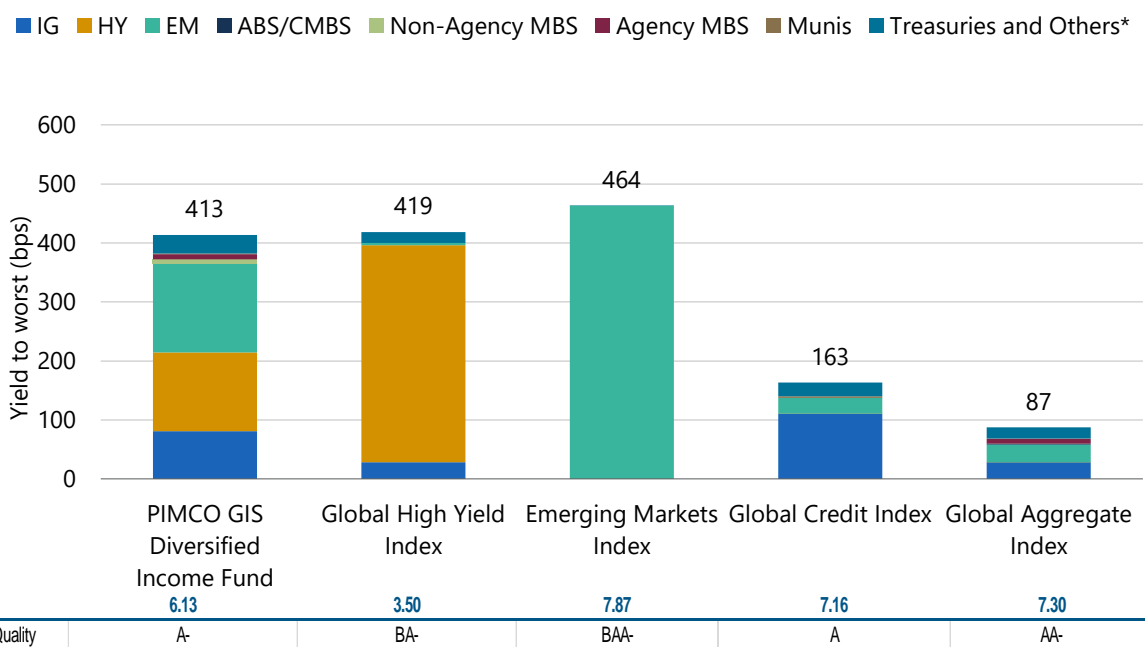
## A DYNAMIC MULTI-SECTOR CREDIT SOLUTION THAT SEEKS TO MAXIMISE RISK ADJUSTED RETURNS

Central banks across the world are keeping rates lower for longer, and by moving out along the risk spectrum to credit, investors can access higher yield opportunities while preserving key core bond attributes. A multi-sector approach can balance the risk and reward of more volatile high yield sectors by diversifying across regions and credit quality.

### THREE KEY BENEFITS

- Enhanced Yield Potential at Compelling Valuations**  
 No single sector is a constant source of market outperformance, so the fund aims to optimise credit market exposure by dynamically rotating among sectors, including investment grade corporate credit, high yield credit and emerging market bonds.
- Multi-Sector Approach Lessens Volatility**  
 High yield and emerging markets offer the potential for higher total returns but can suffer large drawdowns in volatile markets. A multi-sector approach can balance the risk and reward of more volatile sectors by diversifying across regions and credit quality.
- Quality Focus**  
 Our base case is for a u-shaped global growth curve in 2020, with elevated risk levels in the lower quality areas of the market. For this reason, we remain selective and focus on portfolio quality and liquidity by leveraging PIMCO's extensive credit research capabilities.

### Investing across credit sectors can enhance yield and total return potential



Past performance is not a guarantee or a reliable indicator of future results.

SOURCE: PIMCO, Bloomberg, as of 31 July 2020.

EM: JPMorgan EMBI Global (USD Hedged), HY: ICE BofA Merrill Lynch BB-B Rated Developed Markets High Yield Constrained Index (USD Hedged), Global Credit: Bloomberg Barclays Global Aggregate Credit ex

Emerging Markets Index (USD Hedged), Global Aggregate Index: Bloomberg Barclays Global Aggregate Index

\* Includes Govt Guaranteed, International, Converts/Eqy/Pfd, etc.

**THE FUND AT A GLANCE:**

<b>What your total annualized return would be if you invested in the fund at inception:</b>	6,84%
<b>Annualized volatility of fund since inception</b>	6,5%
<b>Number of research analysts located across our global locations the fund has access to</b>	65+

**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.**

SOURCE: PIMCO as of 31 March 2020.

All information is for the Institutional USD Accumulation share class which inceptioned on 30 June 2005.

**INVESTMENT GUIDELINES:**

Average duration +/- 2 years of its index  
 Max 10% in securities rated below B or equivalent  
 Max 20% in non-USD currency exposure

The fund is actively managed in reference to the benchmark: 1/3 Bloomberg Barclays Global Aggregate Credit ex-Emerging Markets Index, 1/3 BofA Merrill Lynch BB-B Rated Developed Markets High Yield Constrained Index and 1/3 JPMorgan EMBI Global, All USD Hedged.

**HOW THE DIVERSIFIED INCOME FUND CAN FIT IN YOUR PORTFOLIO**

**STRATEGIC CREDIT ALLOCATION**

The fund is a comprehensive multi-sector solution providing strategic exposure to global credit. It can provide superior risk-adjusted returns versus typical higher yielding single sector approaches to credit over a full market cycle.

**EQUITY SUBSTITUTE**

When added to equity-heavy portfolios, the fund may reduce the portfolio's overall volatility and increase current income without significantly detracting from total return expectations.

**INCOME GENERATION**

Credit sectors typically offer a yield premium above government bonds. For this reason the fund offers a higher yield potential.

**FUND DETAILS**

Share class	Style	ISIN	Ticker	Unified Fee	Inception date	Fund Type
Inst GBP hedged	Income	IE00B0Y8YW95	PIMDINC	0,69%	14.02.2006	UCITS
Inst GBP hedged	Accumulation	IE00B13H3C75	PIMIHAC	0,69%	16.05.2006	UCITS
Institutional USD	Accumulation	IE00B0C18065	PGDIFIA	0,69%	30.06.2005	UCITS
Institutional USD	Income	IE00B138GV00	PIMDIFI	0,69%	08.09.2008	UCITS
Inst Euro hedged	Accumulation	IE00B1JC0H05	PIMINHC	0,69%	14.02.2007	UCITS
Inst Euro hedged	Income	IE00B28D5Z40	PIMINEH	0,69%	14.10.2007	UCITS

Benchmark: 1/3 Bloomberg Barclays Global Aggregate Credit ex-Emerging Markets Index, 1/3 BofA Merrill Lynch BB-B Rated Developed Markets High Yield Constrained Index and 1/3 JPMorgan EMBI Global, All USD Hedged.

## PORTFOLIO MANAGEMENT TEAM



**Eve Tournier**  
Head of European Credit  
Portfolio Management  
Managing Director  
21 years of investment  
experience



**Sonali Pier**  
Portfolio Manager  
Executive Vice-President  
17 years of investment  
experience



**Alfred Murata**  
Portfolio Manager  
Managing Director  
20 years of investment  
experience



**Daniel Ivascyn**  
Portfolio Manager  
Group Chief Investment Officer  
28 years of investment  
experience

For the latest performance and relevant insights, please visit the [Diversified Income Fund page](#)

To read more about our portfolio management team visit <https://global.pimco.com/en-gbl/experts>  
For questions regarding the PIMCO Funds: Global Investors Series plc, please call **+44 (0) 20 3640 1975**.  
Retail investors should contact their Financial Intermediary.

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**WHAT ARE THE RISKS?**

**Credit and default risk:** A decline in the financial health of an issuer of a fixed income security can lead to an inability or unwillingness to repay a loan or meet a contractual obligation. This could cause the value of its bonds to fall or become worthless. Funds with high exposures to non-investment grade securities have a higher exposure to this risk.

**Currency risk:** Changes in exchange rates may cause the value of investments to decrease or increase.

**Derivatives and counterparty risk:** The use of certain derivatives could result in the fund having a greater or more volatile exposure to the underlying assets and an increased exposure to counterparty risk. This may expose the fund to larger gains or losses associated with market movements or in relation to a trade counterparty being unable to meet its obligations.

**Emerging markets risk:** Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk. Investments in these markets may expose the fund to larger gains or losses.

**Interest rate risk:** Changes in interest rates will usually result in the values of bond and other debt instruments moving in the opposite direction (e.g. a rise in interest rates likely leads to fall in bond prices).

**Liquidity risk:** Difficult market conditions could result in certain securities becoming hard to sell at a desired time and price.

**Mortgage and asset backed securities risk:** 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.

All data as of 30 June 2020 unless otherwise stated

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.

Overall Morningstar Rating for PIMCO GIS Diversified Income Fund Institutional USD Accumulation, as of 30/06/2020 rated against 293 funds based on risk-adjusted returns. Category: Global Flexible Bond - USD Hedged. 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. The information is not for use within any country or with respect to any person(s) where such use could constitute a violation of the applicable law. The information contained in this communication is intended to supplement information contained in the prospectus for this Fund and must be read in conjunction therewith. Investors should consider the investment objectives, risks, charges and expenses of these Funds carefully before investing. This and other information is contained in the Fund's prospectus. Please read the prospectus carefully before you invest or send money. 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. Returns are net of fees and other expenses and include reinvestment of dividends. The performance data represents past performance and investment return and principal value will fluctuate so that the PIMCO GIS Funds shares, when redeemed, may be worth more or less than the original cost. Potential differences in performance figures are due to rounding. The Fund may invest in non-U.S. or non-Eurozone securities which involves potentially higher risks including non-U.S. or non-Euro currency fluctuations and political or economic uncertainty. For informational purposes only. Please note that not all Funds are registered for sale in every jurisdiction. Please contact PIMCO Europe Ltd for more information. For additional information and/or a copy of the Fund's prospectus, please contact the Administrator: State Street Fund Services (Ireland) Limited and State Street Custodial Services (Ireland) Limited (collectively "State Street"), Telephone +353 1 7768000, Fax: +353 1 7768491. © 2020.

**Benchmark:** Unless referenced in the prospectus and relevant key investor information document, a benchmark or index in this material is not used in the active management of the Fund, in particular for performance comparison purposes. Where referenced in the prospectus and relevant key investor information document a benchmark may be used as part of the active management of the Fund including, but not limited to, for duration measurement, as a benchmark which the Fund seeks to outperform, performance comparison purposes and/or relative VaR measurement. Any reference to an index or benchmark in this material, and which is not referenced in the prospectus and relevant key investor information document, is purely for illustrative or informational purposes (such as to provide general financial information or market context) and is not for performance comparison purposes. Please contact your PIMCO representative for further details.

**Correlation:** As outlined under "Benchmark", where referenced in the prospectus and relevant key investor information document, a benchmark may be used as part of the active management of the Fund. In such instances, certain of the Fund's securities may be components of and may have similar weightings to the benchmark and the Fund may from time to time show a high degree of correlation with the performance of any such benchmark. However the benchmark is not used to define the portfolio composition of the Fund and the Fund may be wholly invested in securities which are not constituents of the benchmark. Investors should note that a Fund may from time to time show a high degree of correlation with the performance of one or more financial indices not referenced in the prospectus and relevant key investor information document. Such correlation may be coincidental or may arise because any such financial index may be representative of the asset class, market sector or geographic location in which the Fund is invested or uses a similar investment methodology to that used in managing the Fund. **Benchmark:** The fund is actively managed without reference to a benchmark.

**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 the current low interest rate environment increases this risk. Current 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. **Commodities** contain heightened risk, including market, political, regulatory and natural conditions, and may not be suitable for all investors. **Currency rates** may fluctuate significantly over short periods of time and may reduce the returns of a portfolio. **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.

**Equities** may decline in value due to both real and perceived general market, economic and industry conditions. 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. 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. **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.

**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. Income from **municipal bonds** may be subject to state and local taxes and at times the alternative minimum tax. **Swaps** are a type of derivative; swaps are increasingly subject to central clearing and exchange-trading. Swaps that are not centrally cleared and exchange-traded may be less liquid than exchange-traded instruments. **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. Treasury Inflation-Protected Securities (TIPS) are ILBs issued by the U.S. government. Certain **U.S. government securities** are backed by the full faith of the 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.

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