PIMCO

Balancing Act: Asset allocation & Inflation Uncertainty in a Fast Moving Cycle

The Irish Association of Pension Funds

March 2022

A company of Allianz

Risks

RISK

The Fund is not subject to the same regulatory requirements as mutual funds. The Fund is expected to be leveraged and to engage in speculative investment practices that will increase the risk of investment loss. The Fund's performance could be volatile; an investor could lose all or a substantial amount of its investment. A Fund's manager will have broad trading authority over such Fund. The use of a single adviser applying generally similar trading programs could mean lack of diversification and, consequently, higher risk. There is no secondary market for a Fund's interest and none is expected to develop. There will be restrictions on transferring interests in a Fund and limited liquidity provisions. A Fund's fees and expenses may offset its trading profits. The Fund will not be required to provide periodic pricing or valuation information to investors. The Fund will involve complex tax structures and there may be delays in distributing important tax information. A substantial portion of the trades executed for certain Funds are in non-U.S. securities and take place on non-U.S. exchanges.

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. Investing in foreign denominated and/or domiciled securities may involve heightened risk due to currency fluctuations, and economic and political risks, which may be enhanced in emerging markets. Mortgage-related assets and other asset-backed instruments may be sensitive to changes in interest rates, subject to early repayment risk, and their value may fluctuate in response to the market's perception of issuer creditworthiness; while generally supported by some form of government or private guarantee, there is no assurance that private guarantors will meet their obligations. High-yield, lower-rated, securities involve greater risk than higher-rated securities; portfolios that invest in them may be subject to greater levels of credit and liquidity risk than portfolios that do not. Equities may decline in value due to both real and perceived general market, economic, and industry conditions. 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.

Investments in distressed loans and bankrupt companies are speculative and the repayment of default obligations contains significant uncertainties. The value of real estate and portfolios that invest in real estate may fluctuate due to: losses from casualty or condemnation, changes in local and general economic conditions, supply and demand, interest rates, property tax rates, regulatory limitations on rents, zoning laws, and operating expenses. Commercial real estate debt is subject to risks that include prepayment, delinquency, foreclosure, risks of loss, servicing risks and adverse regulatory developments, which risks may be heightened in the case of non-performing loans. Structured products such as collateralized debt obligations are also highly complex instruments, typically involving a high degree of risk; use of these instruments may involve derivative instruments that could lose more than the principal amount invested. 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. The use of leverage may cause a portfolio to liquidate positions when it may not be advantageous to do so to satisfy its obligations or to meet segregation requirements. Leverage, including borrowing, may cause a portfolio to be more volatile than if the portfolio had not been leveraged.

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 a long-term especially during periods of downturn in the market. An investment in the Fund is speculative involving a high degree of risk, including the risk of a substantial loss of investment. Investors should consult their investment professional prior to making an investment decision.

Important information

For professional and qualified investor use only
The services and products described in this communication are only available to professional clients as defined in the MiFiD II Directive 2014/65/EU Annex II Handbook and its implementation of local rules. This communication is not a public offer and individual investors should not rely on this document. Opinion and estimates offered constitute our judgment and are subject to change without notice, as are statements of financial market trends, which are based on current market conditions. We believe the information provided here is reliable, but do not warrant its accuracy or completeness.

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This information is not intended for public distribution.

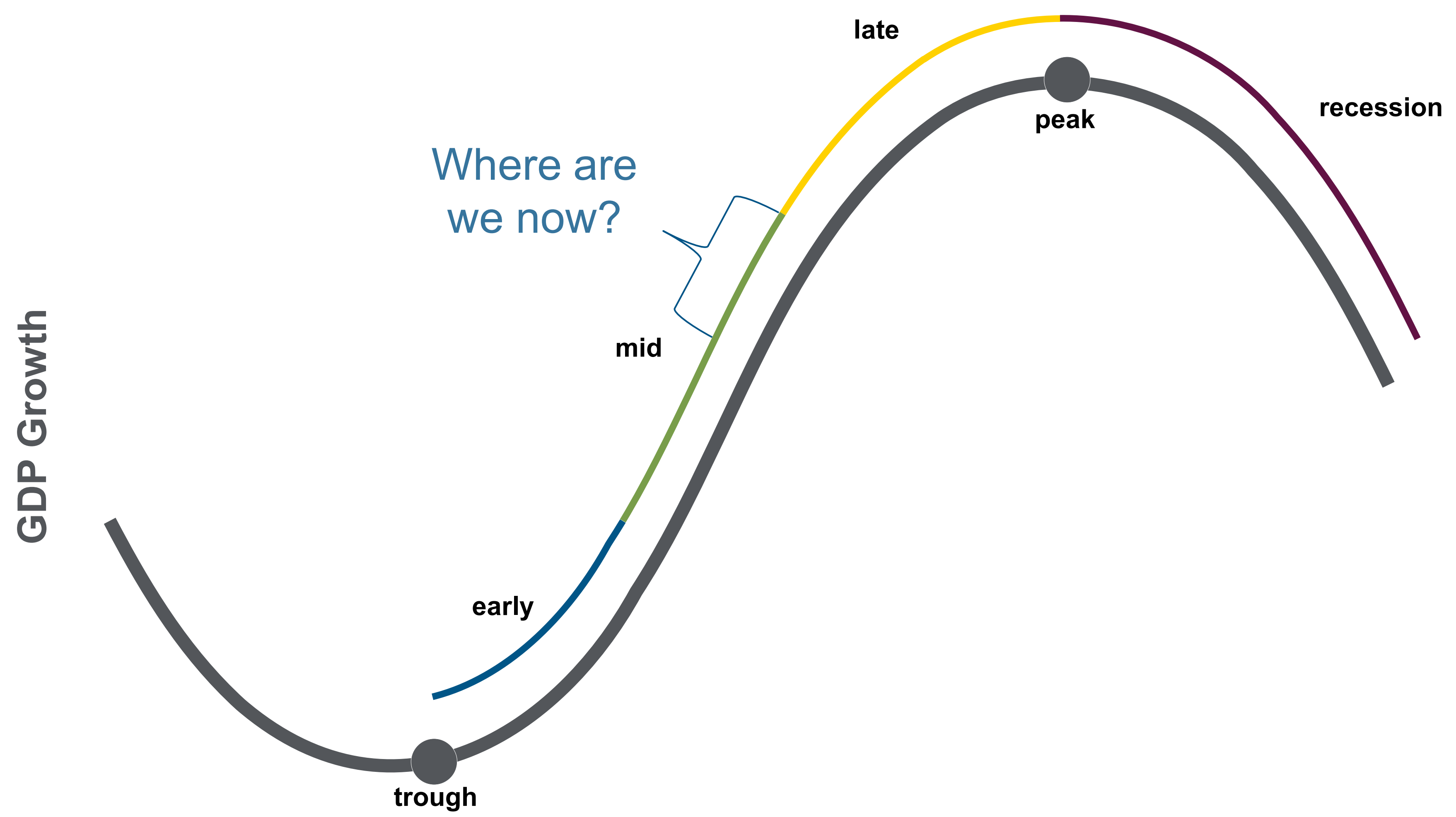
Biographical information

John Mullins

Mr. Mullins is a vice president and product strategist in the London office, responsible for global asset allocation and real return strategies. Prior to joining PIMCO in 2021, he was a strategist and portfolio manager within the multi-asset solutions team at Santander Asset Management. Prior to that, John worked at BlackRock as a senior multi-asset investment strategist. He also worked at Deutsche Bank and Merrill Lynch. He has 10 years of investment experience and holds a B.A. in economics and history from the University College of Dublin and a master's degree in international relations from the London School of Economics. He is a CAIA charterholder.

Cyclical Outlook: Investing in a fast moving cycle

Phases of business cycle

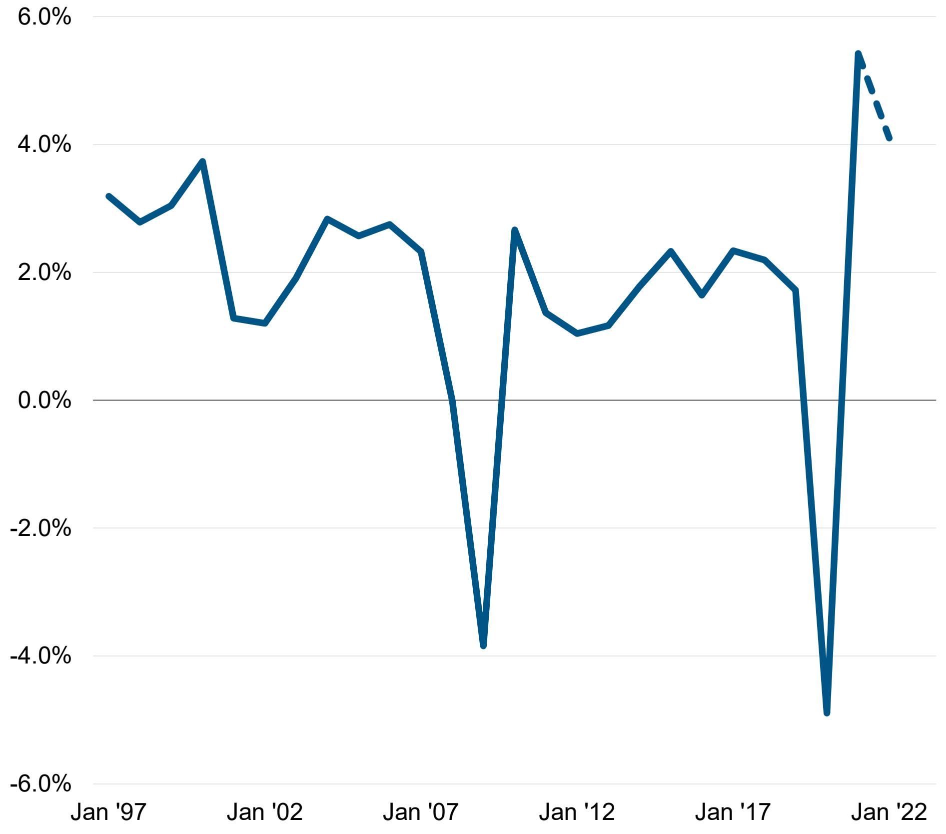


As of 31 December 2021; Source: PIMCO
For illustrative purposes only.
Refer to Appendix for additional outlook and risk information..

2022 outlook: The ‘Goldilocks’ scenario

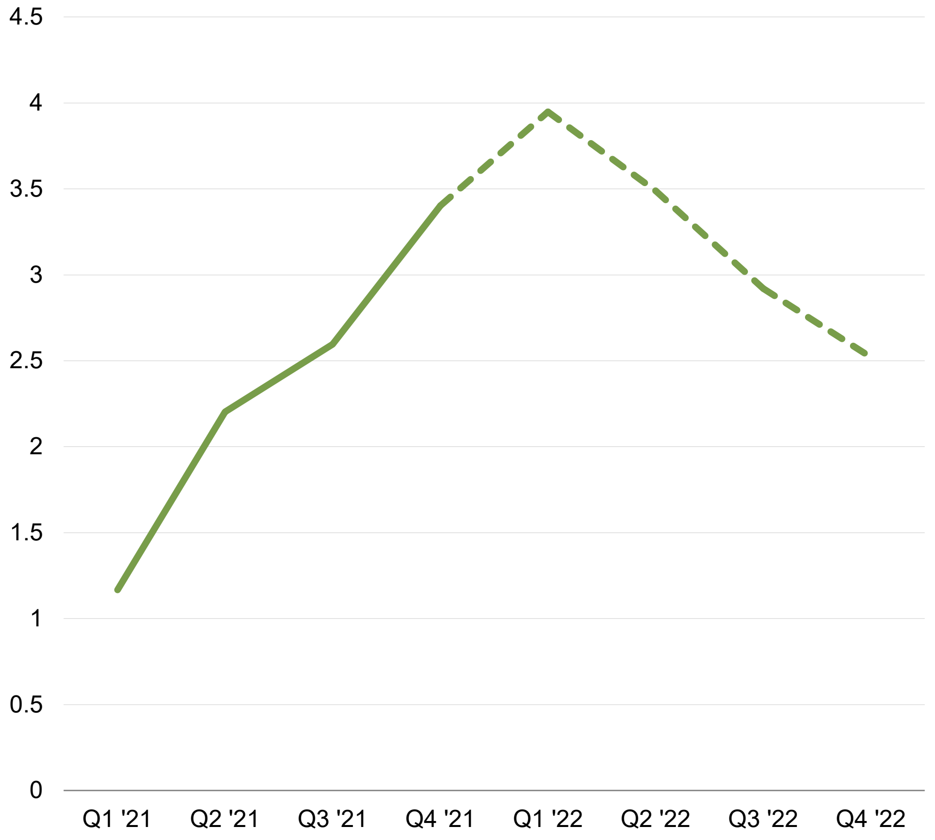
Slower but above trend growth

DM real GDP (annual %)



Above target but moderating inflation

DM Core CPI Inflation (%)

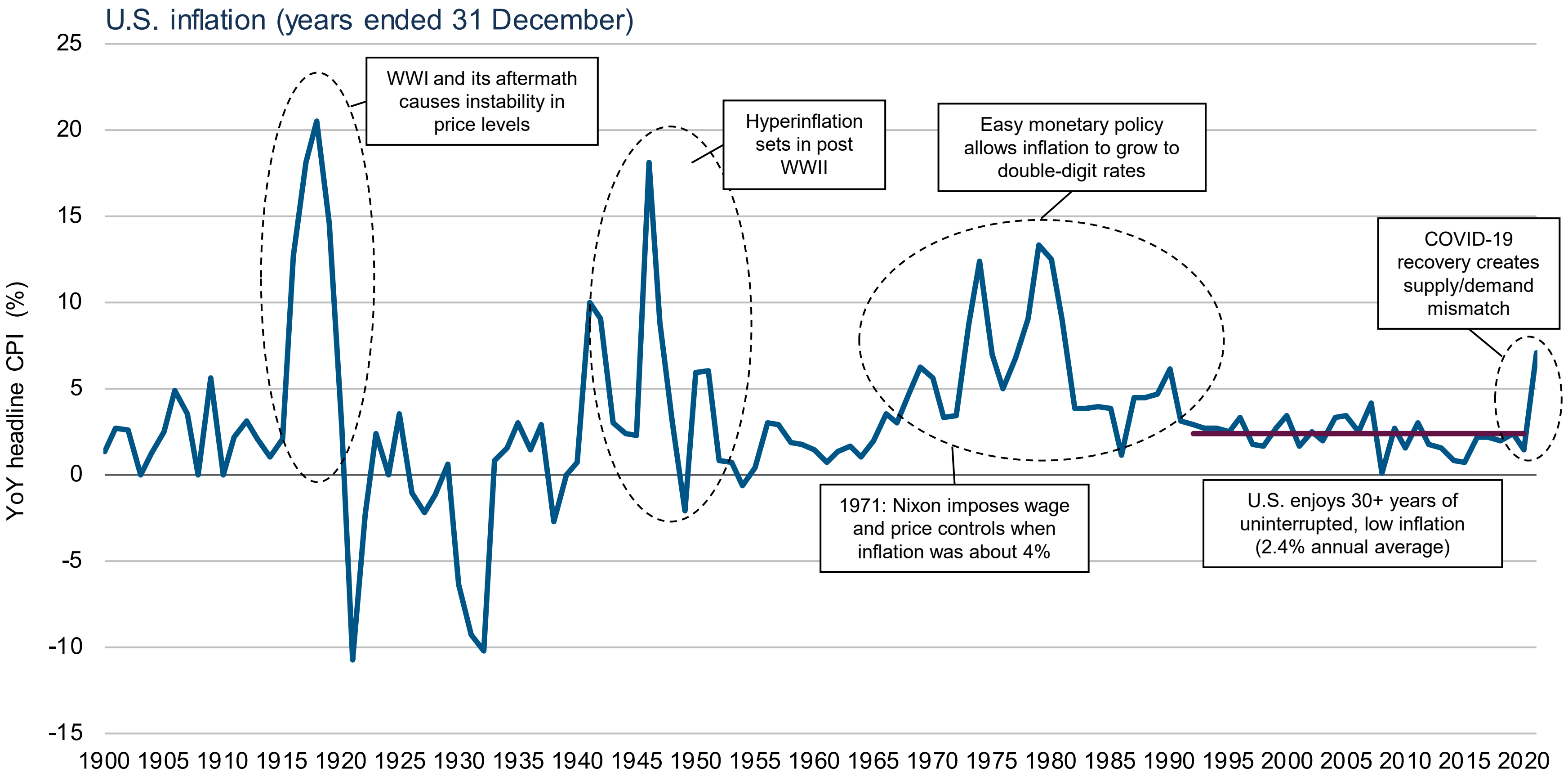


As of 31 January 2022; Source: PIMCO. DM = US, Euro area, UK, Japan

Refer to Appendix for additional forecast, outlook and risk information.

Changes in inflation regime often come unexpectedly

- Historically there have been several periods of high inflation
- Inflation tends to occur quickly and unexpectedly



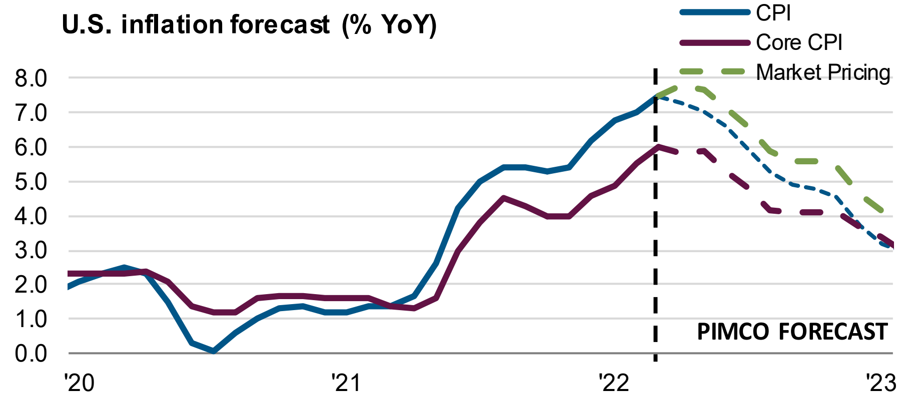
As of 31 December 2021.
SOURCE: Oxford, U.S. Bureau of Labor Statistics
Refer to Disclosures for additional outlook and risk information.

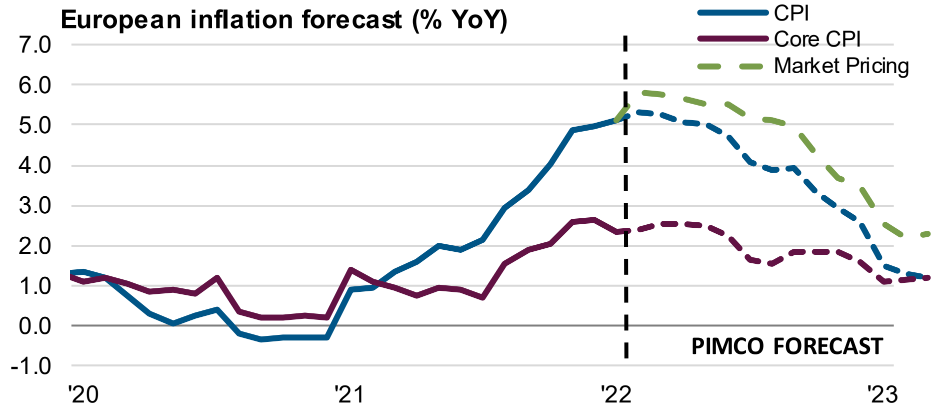
Inflation outlook: reaching new cyclical highs with near-term risks skewed to the upside. Base case calls for a moderation in late 2022.

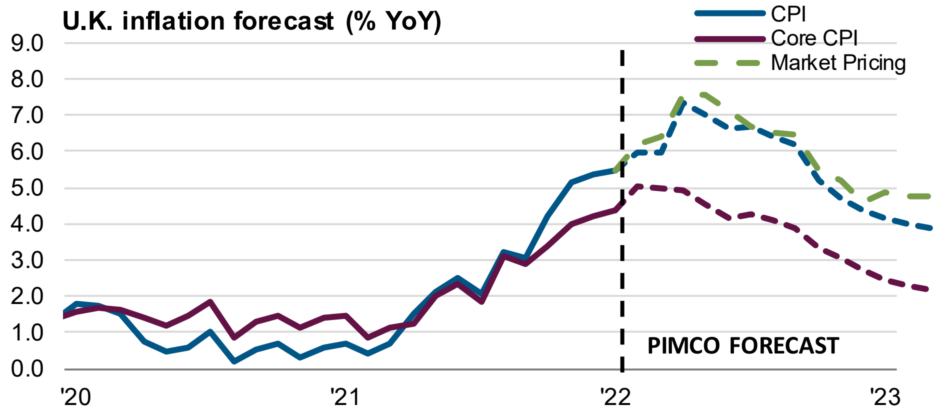
- Europe:
- Inflation surprised to the upside in January, leading to a hawkish pivot by the ECB
- We expect significant volatility driven by energy prices, firmer than expected food prices, and supply issues fading slower than anticipated
- Eurozone core inflation likely to remain contained

- U.K.:
- We expect headline inflation to stay elevated through most of 2022
- Economic recovery has been bumpier than in other DMs (GDP still slightly below pre-pandemic levels), and we expect a later UK CPI peak vs US/Europe
- RPI inflation (base for UK ILBs) currently runs about 2% above CPI

- U.S.:
- We expect inflation to remain elevated for most of 2022, although we are likely close to the peak in CPI for this cycle
- Surge in inflation supported by demand (relaxed social-distancing, large fiscal impulse) and supply (capacity constraints and supply bottlenecks)
- Rising energy prices and strained supply-chains have proven more persistent, resulting in higher risk of inflation expectations accelerating
- Base case is that inflation moderates toward Fed target in late 2022/2023, but uncertainty is high (virus, supply issues, wages, etc.)







As of 17 February 2022.
SOURCE: Bloomberg, PIMCO.
Refer to Appendix for additional outlook information.

Looking beyond the base case

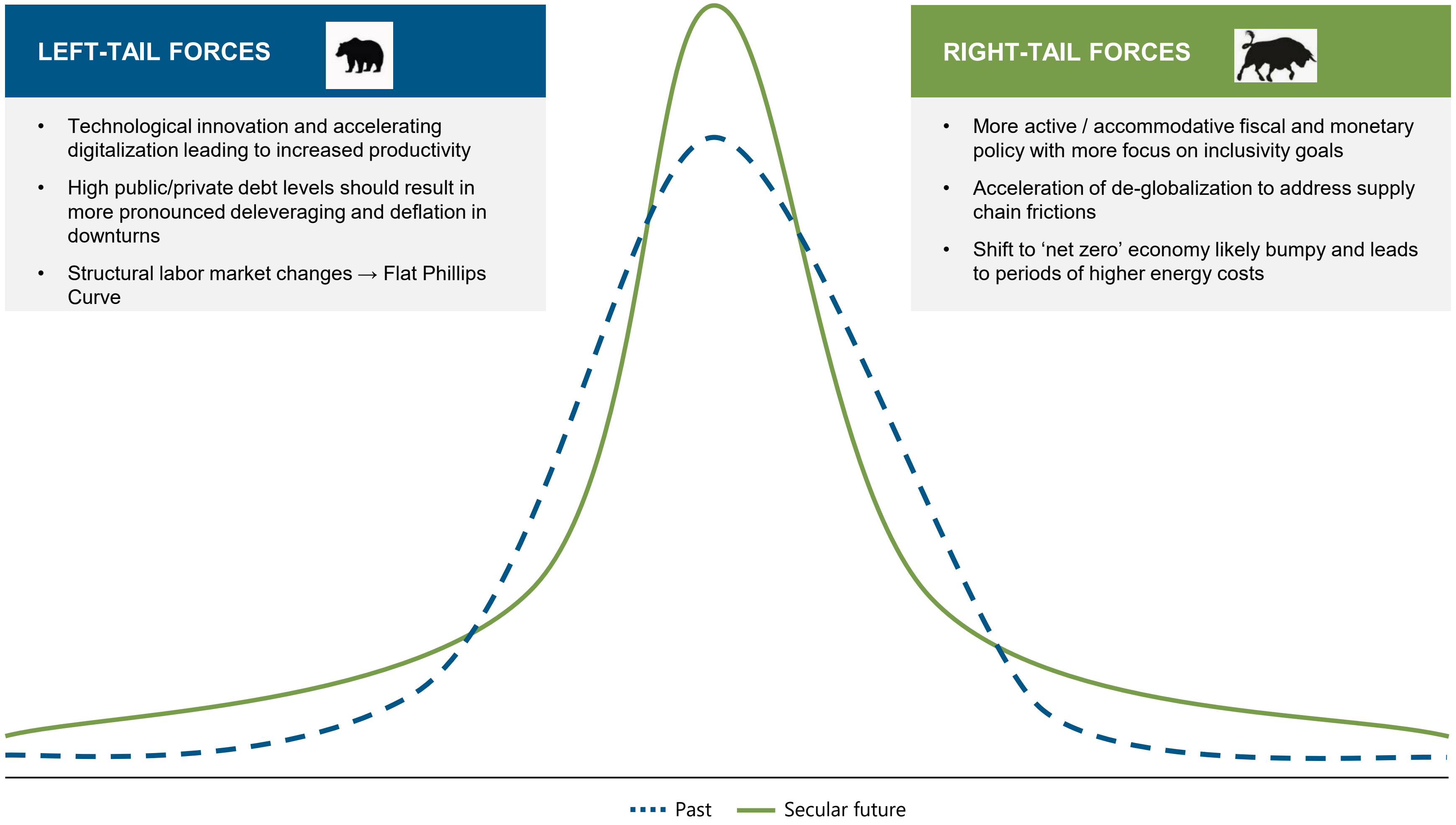
Fatter secular left- and right-tail risks

LEFT-TAIL FORCES

- Technological innovation and accelerating digitalization leading to increased productivity
- High public/private debt levels should result in more pronounced deleveraging and deflation in downturns
- Structural labor market changes → Flat Phillips Curve

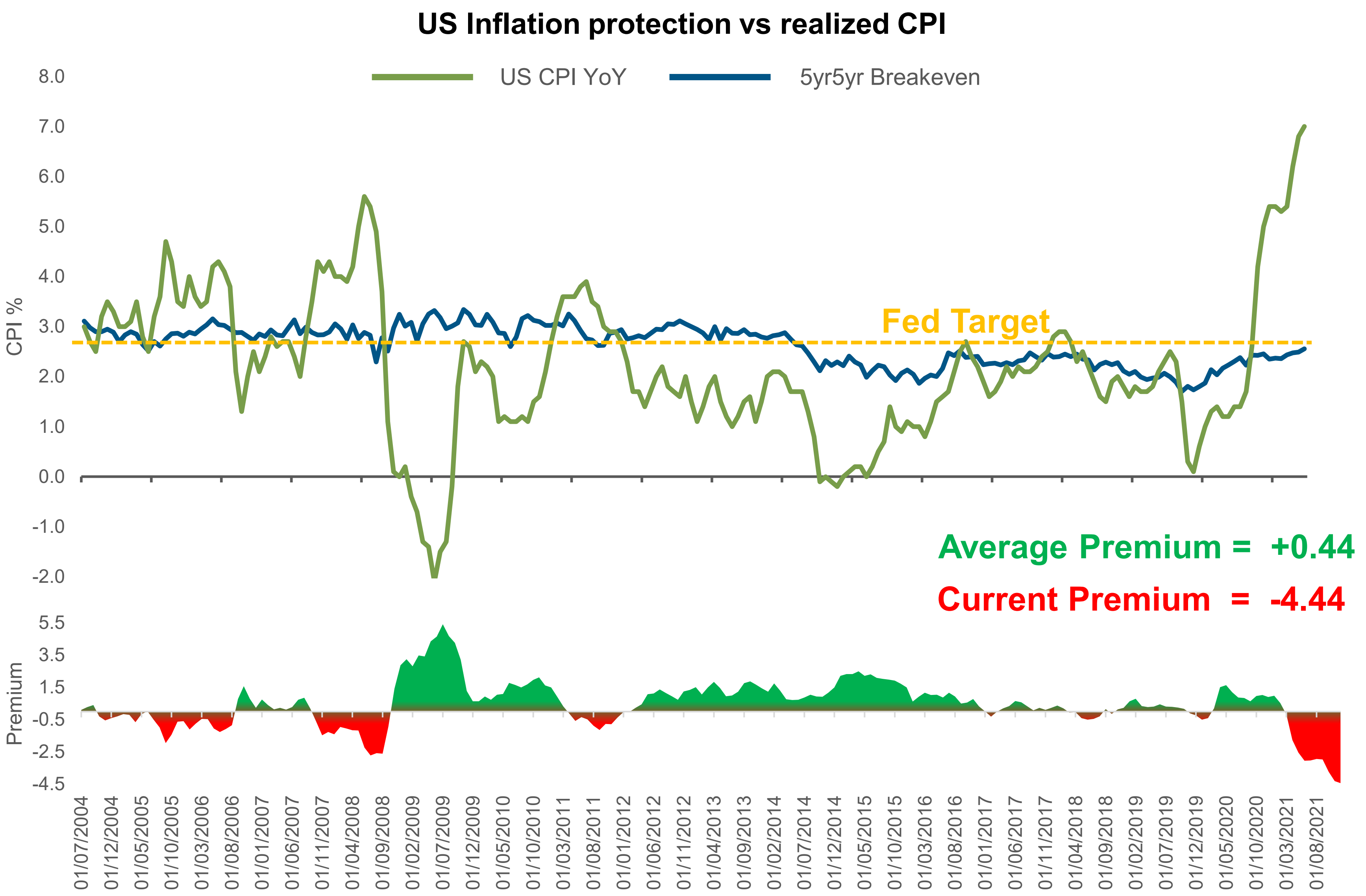
RIGHT-TAIL FORCES

- More active / accommodative fiscal and monetary policy with more focus on inclusivity goals
- Acceleration of de-globalization to address supply chain frictions
- Shift to ‘net zero’ economy likely bumpy and leads to periods of higher energy costs



As of 31 December 2021. SOURCE: PIMCO
For illustrative purposes only.
Refer to Appendix for additional forecast, outlook and risk information.

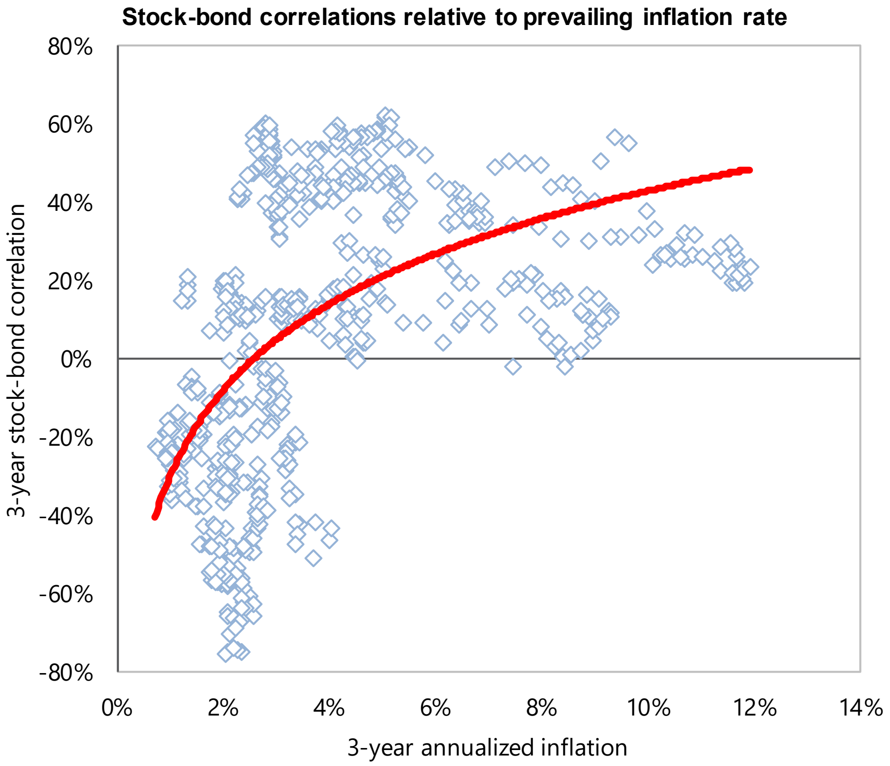
Inflation protection is still cheap vs history and policy targets

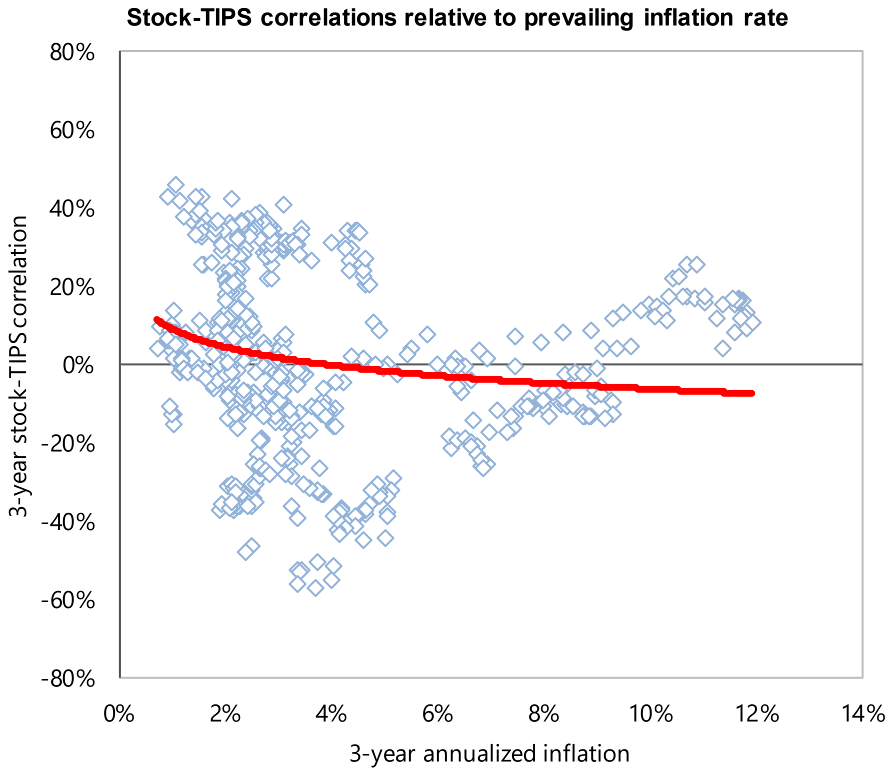


As of 12 January 2022. SOURCE: Bloomberg, PIMCO. Refer to Appendix for additional outlook information.

Inflation regime drives diversification benefits of traditional stock/bond mix

In high inflation periods, nominal bond diversification often fails, but TIPS have done well





As of 31 December 2020

SOURCE: PIMCO, Haver, Federal Reserve Bank of New York, “Stocks, Bonds and Causality” (Baz, Sapra, Ramirez).

Stocks represented by the S&P 500 Index, bonds represented by 10-year U.S. Treasuries, TIPS represented by simulated 10-year U.S. TIPS, inflation represented by the U.S. Consumer Price Index.

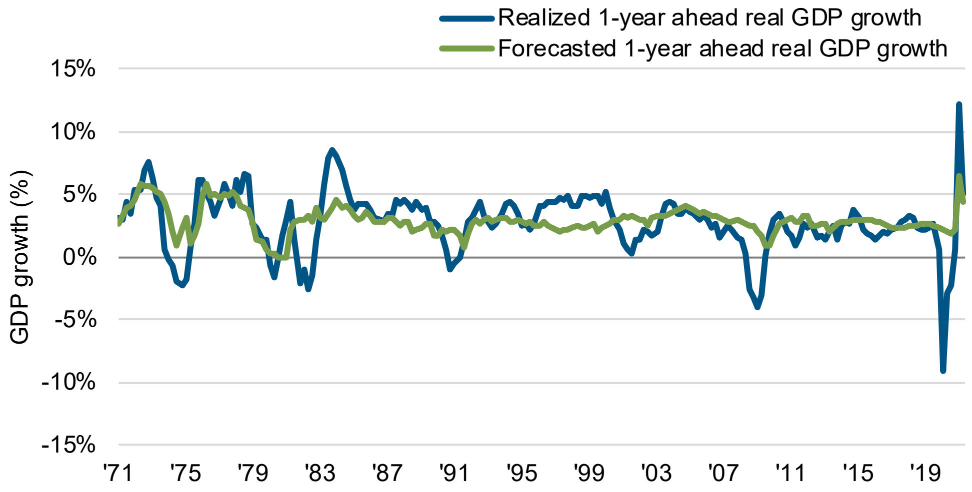
Refer to Appendix for additional correlation, index and risk information.

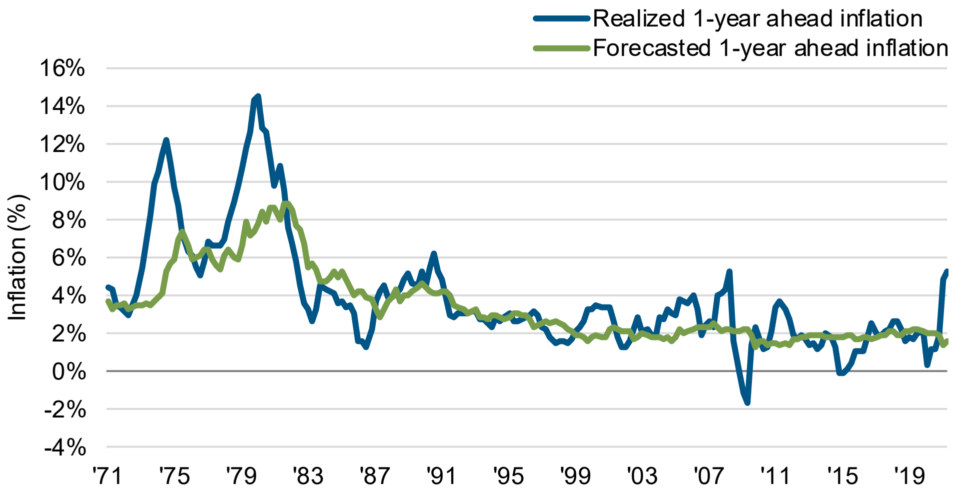
PIMCO’s growth and inflation beta framework

Surprises in growth and inflation drive shifts in asset class returns

- Growth has surprised equally on the up and downside while upside inflation surprises are slightly more common
- Portfolios tend to be underexposed to assets that will provide a positive sensitivity to upside inflation surprises

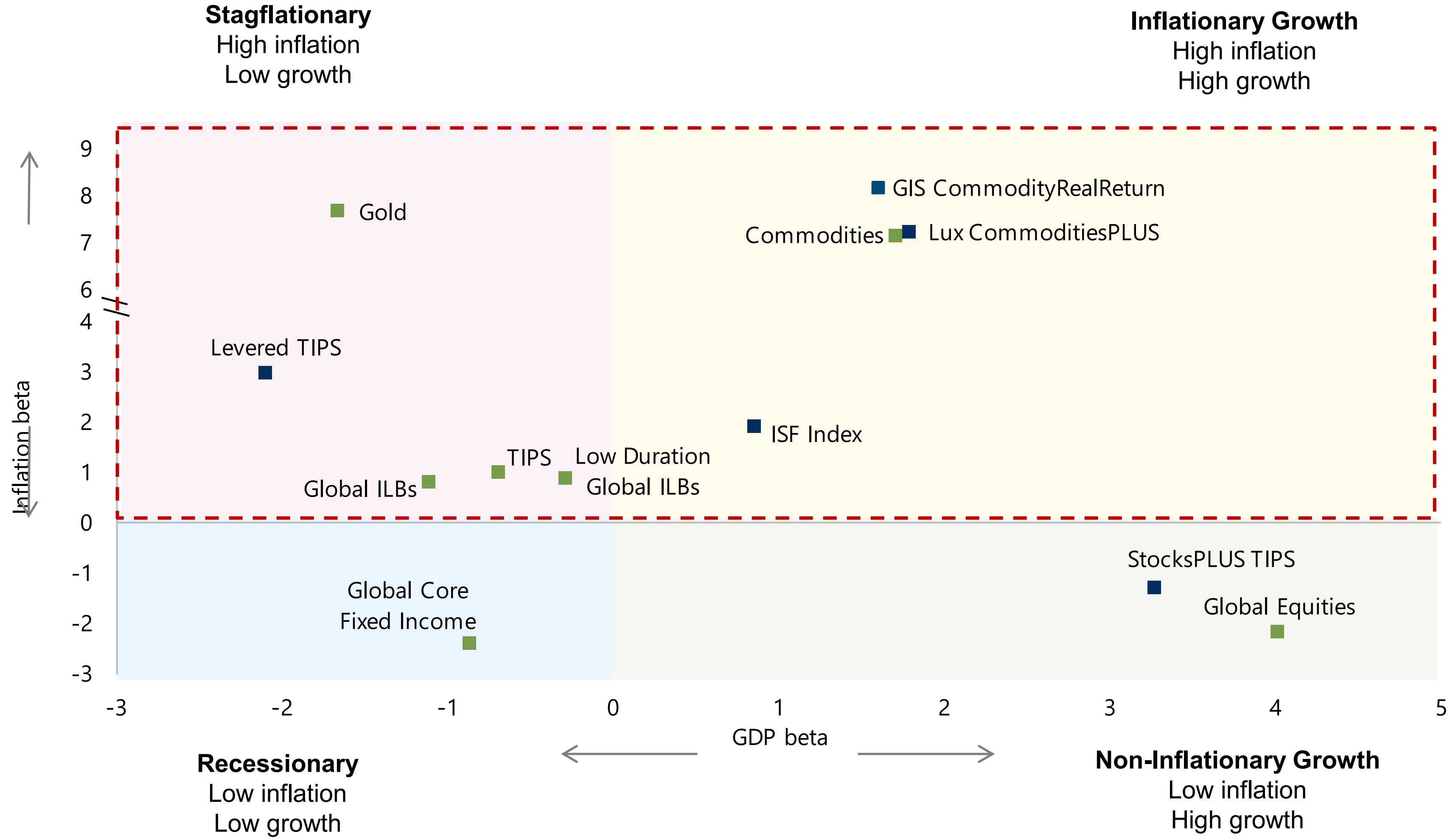
% of sample	NEGATIVE growth surprises	POSITIVE growth surprises
POSITIVE inflation surprise	27%	26%
NEGATIVE inflation surprise	23%	25%





From 30 June 1971 to 31 December 2021.
SOURCE: Haver Analytics, Survey of Professional Forecasters (conducted by Federal Reserve Bank of Philadelphia).
Hypothetical example for illustrative purposes only.
Expected GDP growth and inflation are measured using the forecasted values from the Survey of Professional Forecasters.
Refer to Appendix for additional hypothetical example information.

There is no silver bullet:
Asset class performance is dependent on the economic environment



SOURCE: PIMCO, Survey of Professional Forecasters (conducted by Federal Reserve Bank of Philadelphia). As of 31 December 2021. Hypothetical example for illustrative purposes only.

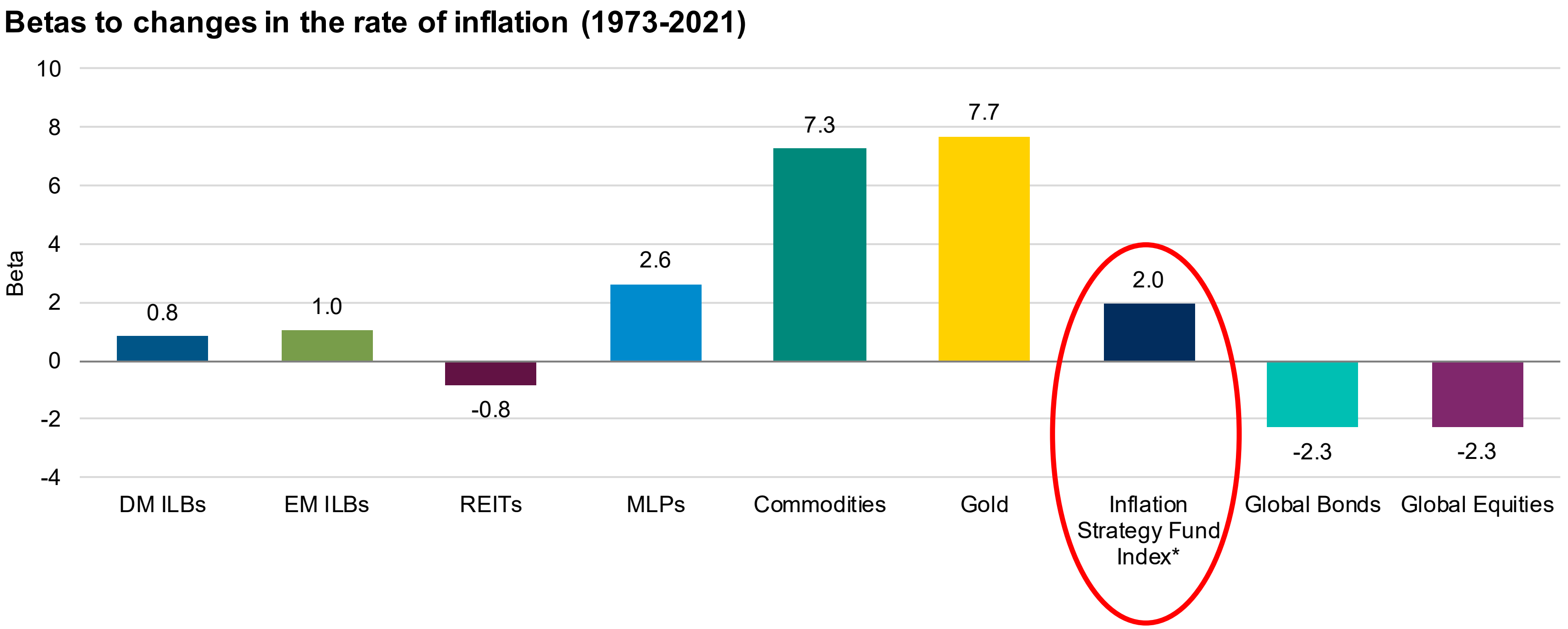
Inflation beta represents sensitivity of asset class excess returns (over the risk free rate) to inflation surprises (realized inflation minus Philadelphia Fed Survey inflation forecast), i.e. when inflation surprises by +1%, an asset with an inflation beta of 1.5 is expected to have an excess return of 1.5% (all else equal); based on quarterly rolling annual data from 1973 to 2018

Global core fixed income: Bloomberg Barclays Global Aggregate Index; Global equities: MSCI All Country Index; Global ILBs: Bloomberg Barclays World Govt ILB Index; Low Duration Global ILBs: Bloomberg Barclays World Govt ILB 1-5 Year Index; TIPS: Bloomberg Barclays U.S. TIPS Index; Commodities: Bloomberg Commodity TR Index; Gold: Bloomberg Commodity Gold TR; levered TIPS: 300% of Bloomberg Barclays U.S. TIPS Index and -200% of 3-Month USD LIBOR Index; IRMAF Index: 45% TIPS, 20% commodities, 15% EM currencies, 10% REITs, and 10% Gold; ISF Index: 45% DM ILBs, 15% EM ILBs, 10% commodities, 10% REITs, 15% MLPs, 5% gold; CommoditiesPLUS: Credit Suisse Commodities Benchmark; CommodityRealReturn: 100% Bloomberg Barclays Commodity Index + 100% Bloomberg Barclays U.S. TIPS 1-5 Year Index; GIS CommodityRealReturn: 100% Bloomberg Barclays Commodity Index + 100% Bloomberg Barclays World Gov 1-5 Year ILB Index; Lux CommoditiesPLUS: 100% Bloomberg Barclays Commodity Index; StocksPLUS TIPS: 100% S&P 500 Index + 100% U.S. TIPS Index – 100% 3 Month USD LIBOR Index.

Refer to Appendix for additional hypothetical example, index and risk information.

Real assets are an effective portfolio diversification tool against inflationary surprises

Return sensitivity to changes in the rate of inflation



An ISF investment worth one dollar has the potential to provide inflation hedging of around 2 dollars

As of 31 December 2021. SOURCE: PIMCO, Survey of Professional Forecasters (conducted by Federal Reserve Bank of Philadelphia).

Hypothetical example for illustrative purposes only.

Inflation beta represents sensitivity of asset class excess returns (over the risk free rate) to inflation surprises in two-factor GDP growth and inflation surprise (realized inflation minus Philadelphia Fed Survey inflation forecast) model (i.e., when inflation surprises by +1%, an asset with an inflation beta of 1.5 is expected to have an excess return of 1.5%, all else equal); based on quarterly rolling annual data from 1973 to 2021 and TIPS since 1997.

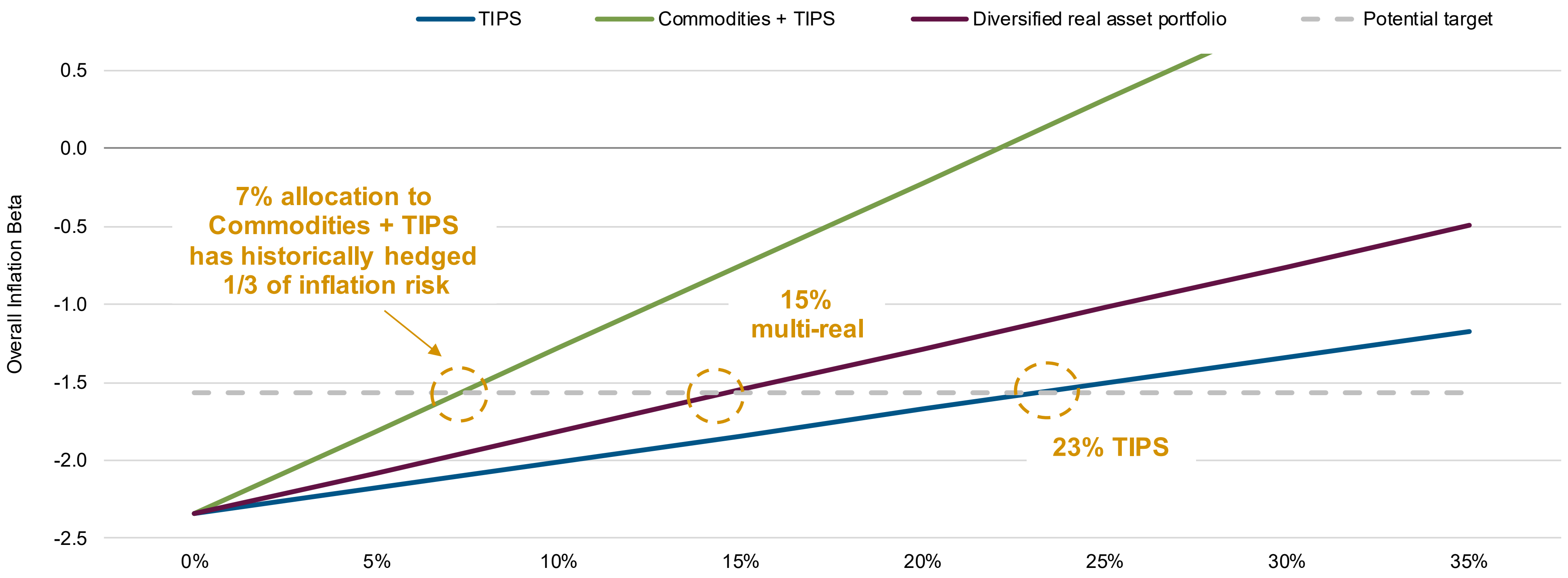
* Global fixed income: Bloomberg World Aggregate Index; DM ILBs: Bloomberg Global Inflation Linked 1-30yrs unhedged USD; Commodities: Bloomberg Commodity TR Index; Global equities: MSCI All Country Index; MLPs: Alerian MLP TR Index; EM ILBs: Bloomberg EM Gov ILB Index; gold: Bloomberg Gold Subindex TR; REITs: FTSE NAREIT Global Real Estate Dev TR Index; Inflation Strategy Fund Index: 45% DM ILBs, 15% EM ILBs, 10% REITs, 15% MLPs, 10% commodities, 5% gold.

Refer to Appendix for additional hypothetical example, index and risk information.

Applying the inflation beta framework to manage portfolio level inflation risk

Sensible allocations to real assets can potentially reduce inflation risk by 1/3 or more

Sizing of real assets to potentially enhance inflation beta of a 60/40 portfolio



As of 31 December 2021. SOURCE: PIMCO, Survey of Professional Forecasters (conducted by Federal Reserve Bank of Philadelphia).

Hypothetical example for illustrative purposes only.

Inflation beta represents sensitivity of asset class excess returns (over the risk free rate) to inflation surprises in two-factor GDP growth and inflation surprise (realized inflation minus Philadelphia Fed Survey inflation forecast) model (i.e., when inflation surprises by +1%, an asset with an inflation beta of 1.5 is expected to have an excess return of 1.5%, all else equal); based on quarterly rolling annual data from 1973 to 2021 and TIPS since 1997.

60/40 portfolio: 40% Bloomberg U.S. Aggregate Index, 60% S&P 500 Index; TIPS: Bloomberg U.S. TIPS Index; Commodities: Bloomberg Commodity TR Index; Diversified real asset portfolio: PIMCO Inflation Response Index (45% Bloomberg U.S. TIPS Index, 20% Bloomberg Commodity Index Total Return, 15% JPMorgan Emerging Local Markets Index Plus (Unhedged), 10% Dow Jones U.S. Select REIT Total Return Index, 10% Bloomberg Gold Subindex Total Return Index)

Refer to Appendix for additional hypothetical example, index, investment strategy and risk information.

PIMCO GIS Inflation Strategy Fund

ISF is a comprehensive real asset solution designed to hedge global inflation risks while targeting enhanced after inflation return

Fund Info

- Launch date: February 2013
- Fund size: $177 million
- Morningstar category: USD Moderate Allocation
- Unified Management Fee: 0.90%
- Exposure to ILBs, real estate, commodities, gold, energy infrastructure

Objectives

- Target return: OECD CPI+ 3%
- Expected volatility: 8-12%
- Sources of return: underlying real assets, active management, tactical asset allocation

Main Guidelines

- UCITS fund
- 50% maximum exposure to commodities
- 30% maximum exposure to non-USD currency
- 20-40% typical exposure to equities (incl. REITs)

Inflation Beta

Breadth

Alpha Diversification

As of 31 January 2022. Source: PIMCO

Expected return is before fees and is an estimate of what investments may earn on average over the long term and is not a prediction or a projection of future results. Actual returns may be higher or lower than those shown and may vary substantially over shorter time periods. There is no guarantee that these returns can be realized.

Refer to Appendix for additional performance and fee, GIS Funds, investment strategy and risk information.

Why PIMCO GIS Inflation Strategy Fund now?

#1 Inflation Protection

Hedging against Inflation

ISF provides investors with inflation protection, with a target return of OECD CPI + 3%

#2 Diversification within Real Assets

Multi-Real Asset Approach

ISF invests in a broad range of real assets to reap their inflation hedging benefits while keeping volatility low

#3 Diversification from Equities & Bonds

Low Correlation to Equities & Bonds

Real Assets are effective portfolio diversification tools given their low correlation to traditional risk assets

Refer to Appendix for additional correlation, GIS Funds, investment strategy and risk information.

Appendix

PERFORMANCE AND FEE
Past performance is not indicative of future results, and no assurance can be given that any other current or future fund will achieve returns comparable to the funds listed. An investment in a fund involves a risk of total loss of capital. Each fund's fees are discussed within the fund's Private Placement Memorandum or applicable supplement.

Any investment decision should be based only on a fund's private placement memorandum (the "PPM"), limited partnership agreement, subscription agreement and other definitive fund documents (the "Documents"), which shall govern in the event of any conflict with the information contained herein. You must rely only on the information in the Documents in making any decision to invest. This summary is for informational purposes only, and does not constitute an offer to sell, or a solicitation of an offer to buy, interests in any fund described herein or to participate in any trading strategy. In the event that an offer were to be made, any such offer would be made only after a prospective purchaser has had the opportunity to conduct its own independent evaluation of the fund and has received all information required to make its own investment decision, including a copy of Documents, which will contain material information not included herein and to which prospective purchasers are referred. No person has been authorized to give any information or to make any representation with respect to a fund other than those contained in this summary and, if given or made, such information or representations must not be relied upon as having been authorized. Each prospective investor should consult its own counsel, accountant, or tax or business adviser as to legal, accounting, regulatory, tax and related matters, as well as economic risks and merits, concerning the possibility of making an investment in a fund.

INDEX
It is not possible to invest directly in an unmanaged index.

ADDITIONAL INFORMATION
The funds listed are reflective of PIMCO's experience in launching and managing private investment funds within the select strategies that are the subject of this presentation. This list is being presented solely for illustrative purposes and does not represent, and should not be construed as representing, a list of past specific recommendations made by PIMCO. In addition, this list does not represent a complete list of PIMCO private investment funds; PIMCO currently manages, and in the past has managed, a number of other private investment funds that are not presented because they utilize different investment strategies. The characteristics of any other past, current or future PIMCO private investment funds (including, without limitation, their strategies, terms, performance, investment personnel and risks) may differ materially from those relating to the funds listed herein.

INVESTMENT STRATEGY
There is no guarantee that these investment strategies will work under all market conditions or are appropriate for all investors and each investor should evaluate their ability to invest long-term, especially during periods of downturn in the market.

MANAGEMENT TEAM
The individuals referred to herein may not continue to be employed by PIMCO during the entire term of the respective fund. Furthermore, the composition, structure and/or operations of a fund's investment committee may change from time to time (or the fund may cease to have an investment committee), each without the consent of or notice to limited partners. In addition, a number of members of the professional staff of PIMCO are investors in other funds advised by PIMCO and are actively involved in managing the investment decisions of these funds, as well as investment decisions of other clients of PIMCO. Accordingly, the members of the professional staff of PIMCO will have demands on their time for the investment, monitoring and other functions of other funds and other clients advised by PIMCO.

Appendix

OUTLOOK

Statements concerning financial market trends are based on current market conditions, which will fluctuate. There is no guarantee that these investment strategies will work under all market conditions or are appropriate for all investors and each investor should evaluate their ability to invest for the long-term, especially during periods of downturn in the market. Outlook and strategies are subject to change without notice.

STRATEGY AVAILABILITY

Strategy availability may be limited to certain investment vehicles; not all investment vehicles may be available to all investors. Please contact your PIMCO representative for more information.

RISK

The funds are not be subject to the same regulatory requirements as mutual funds. The funds may be, and are expected to be, leveraged and may engage in speculative investment practices that may increase the risk of investment loss. The funds' performance could be volatile; an investor could lose all or a substantial amount of its investment. A fund's manager will have broad trading authority over a fund. The use of a single adviser applying generally similar trading programs could mean lack of diversification and, consequently, higher risk. There is no secondary market for a fund's interest and none is expected to develop. There will be restrictions on transferring interests in a fund and limited liquidity provisions. A fund's fees and expenses may offset its trading profits. The funds will not be required to provide periodic pricing or valuation information to investors. A substantial portion of the trades executed for certain funds are in non-U.S. securities and take place on non-U.S. exchanges. Certain funds may invest in non-publically traded securities which may be subject to illiquidity risk. Private funds may involve complex tax structures and there may be delays in distributing important tax information.

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. **Equity investments** may decline in value due to both real and perceived general market, economic and industry conditions. Investments in **residential/commercial mortgage loans and consumer loans** are subject to risks that include prepayment, delinquency, foreclosure, risks of loss, servicing risks and adverse regulatory developments, which risks may be heightened in the case of non-performing loans. **Commodities** contain heightened risk including market, political, regulatory, and natural conditions, and may not be appropriate for all investors. Entering into **short sales** includes the potential for loss of more money than the actual cost of the investment, and the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to the portfolio. **Derivatives and commodity-linked 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. Commodity-linked derivative instruments may involve additional costs and risks such as changes in commodity index volatility or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. Investing in derivatives could lose more than the amount invested.

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. Currency rates may fluctuate significantly over short periods of time and may reduce the returns of a portfolio. **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 not backed by the full faith of the U.S. Government; portfolios that invest in such securities are not guaranteed and will fluctuate in value.

Investing in **foreign denominated and/or domiciled securities** may involve heightened risk due to currency fluctuations, and economic and political risks, which may be enhanced in emerging markets. **Managed futures** contain heightened risk, including wide price fluctuations and may not be appropriate for all investors. **Structured products** such as **collateralized debt obligations** are also highly complex instruments, typically involving a high degree of risk; use of these instruments may involve derivative instruments that could lose more than the principal amount invested. **Mortgage and asset-backed securities** may be sensitive to changes in interest rates, subject to early repayment risk, and while generally backed by a government, government-agency or private guarantor there is no assurance that the guarantor will meet its obligations. Municipals may realize gains may be subject to state and local taxes and may at times be subject to the alternative minimum tax. **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. **Tail risk hedging** may involve entering into financial derivatives that are expected to increase in value during the occurrence of tail events. Investing in a tail event instrument could lose all or a portion of its value even in a period of severe market stress. A tail event is unpredictable; therefore, investments in instruments tied to the occurrence of a tail event are speculative. **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. **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. **Concentration** of assets in one or a few sectors may entail greater risk than a fully diversified stock portfolio and should be considered as only part of a diversified portfolio.

Cryptocurrencies (also referred to as "virtual currencies" and "digital currencies") are digital assets designed to act as a medium of exchange. Cryptocurrency is an emerging asset class. There are thousands of cryptocurrencies, the most well-known of which is bitcoin. Cryptocurrency generally operates without central authority (such as a bank) and is not backed by any government. Cryptocurrency is not legal tender. Federal, state and/or foreign governments may restrict the use and exchange of cryptocurrency, and regulation in the United States is still developing. The market price of bitcoin has been subject to extreme fluctuations. Similar to fiat currencies (i.e., a currency that is backed by a central bank or a national, supra-national or quasi-national organization), cryptocurrencies are susceptible to theft, loss and destruction. Cryptocurrency networks are susceptible to hacks, latent errors on code and other cybersecurity threats. Cryptocurrency exchanges and other trading venues on which cryptocurrencies trade are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure than established, regulated exchanges for securities, derivatives and other currencies. Cryptocurrency exchanges have in the past, and may in the future, stop operating or permanently shut down due to fraud, cybersecurity issues, manipulation, technical glitches, hackers or malware.

Appendix

The foregoing is only a description of certain key risks relating to the Fund's investments, and is not a complete enumeration of all risks to which the Fund will be subject. The Fund will be subject to numerous other risks not described herein. Prospective investors must carefully review the Documents (including, without limitation, the risk factors contained in the Fund's private placement memorandum) prior to making any investment decision

A purchase of these interests involves a high degree of risk that each prospective investor must carefully consider prior to making such an investment. Investors should thoroughly review the Investment Considerations and Risk Factors section of the Offering Memorandum for a more complete description of these risks. Prospective investors are advised that investment in the Funds are appropriate only for persons of adequate financial means who have no need for liquidity with respect to their investment and who can bear the economic risk, including the possible complete loss, of their investment.

TARGET RETURN

The Target Return is not a guarantee, projection or prediction and is not indicative of future results of a fund. There can be no assurance that a fund will achieve the Target Return and actual results may vary significantly from the Target Return. An investor may lose all of its money by investing in a fund.

Actual gross returns in any given year may be lower than the Target Return. Even if the Target Return is met, actual returns to investors will be lower due to expenses, taxes, structuring considerations and other factors. In addition, the Target Return may be adjusted without notice to investors in light of available investment opportunities and/or changing market conditions. PIMCO believes that the Target Return is reasonable based on a combination of factors, including the fund's investment team's general experience, the availability of leverage and financing at expected times, amounts, costs and other terms and an assessment of prevailing market conditions and investment opportunities. There are, however, numerous assumptions that factor into the Target Return that may not be consistent with future market conditions and that may significantly affect actual investment results. Such assumptions include (i) the ability to source and acquire attractively priced assets; (ii) the expected response of specific investments to market conditions; (iii) the availability of leverage for certain investments at expected terms; and (iv) PIMCO's outlook for certain global and local economies and markets as it relates to potential changes to the regulatory environment, interest rates, growth expectations, residential and commercial real estate or consumer fundamentals and the health of the economy. No representation or warranty is made as to the reasonableness of the assumptions made or that all assumptions used in calculating the Target Return have been stated or fully considered. Prospective investors reviewing the Target Return contained herein must make their own determination as to the reasonableness of the assumptions and the reliability of the Target Return. Actual results and events may differ significantly from the assumptions and estimates on which the Target Return is based.

The Target Return reflects in part the measure of risk that a fund's general partner expects to take with respect to Fund investments. A Fund may make investments for which the general partner's cash flow analysis indicates a higher or lower target return. Actual returns from an investment in a fund over any given time horizon may vary significantly from the Target Return.

This material has been distributed for informational purposes only. Forecasts, estimates and certain information contained herein are based upon proprietary research and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed.

Appendix

Europe

Distribution in the European Economic Area (EEA):
In relation to each member state of the EEA (each a "Member State") which has implemented Alternative Investment Fund Managers Directive (Directive (2011/61/EU)) (the "AIFMD") (and for which transitional arrangements are not/ no longer available), this material may only be distributed and Shares may only be offered or placed in a Member State to the extent that: (1) the Fund is permitted to be marketed to professional investors in the relevant Member State in accordance with AIFMD (as implemented into the local law/ regulation of the relevant Member State); or (2) this material may otherwise be lawfully distributed and the Shares may otherwise be lawfully offered or placed in that Member State (including at the initiative of the investor). No subscriptions are being sought or solicited from EEA countries where the fund has not been registered for sale to qualified investors. In relation to each Member State of the EEA which, at the date of this material, has not implemented AIFMD, this material may only be distributed and Shares may only be offered or placed to the extent that this material may be lawfully distributed and the Shares may lawfully be offered or placed in that Member State (including at the initiative of the investor).

Switzerland: The distribution of Fund in Switzerland will be exclusively made to, and directed at, qualified investors (the "Qualified Investors"), as defined in the Swiss Collective Investment
Schemes Act of 23 June 2006, as amended ("CISA") and its implementing ordinance. Accordingly, the Fund has not been and will not be registered with the Swiss Financial Market Supervisory Authority (FINMA). This material and/or any other offering materials relating to the Fund that have been approved by the Swiss representative may be made available in Switzerland solely to Qualified Investors.

United Kingdom: The material is being issued in the United Kingdom by PIMCO Europe Ltd (which is authorised and regulated by the Financial Conduct Authority (the "FCA")) and is directed only at persons who are professional clients or eligible counterparties for the purposes of the FCA's Conduct of Business Sourcebook. The opportunity to invest in the Fund is only available to such persons in the United Kingdom and this presentation must not be relied or acted upon by any other persons in the United Kingdom.