PIMCO

PIMCO Managed Conservative Bond Pool

PERFORMANCE SUMMARY

The PIMCO Managed Conservative Bond Pool returned 1.10% after fees in May, outperforming the Bloomberg Global Aggregate 1-3 Year Bond Index (CAD Hedged) by 0.55%. Year-to-date the Fund has returned 1.43% after fees.

The Managed Conservative Bond Pool continued to diversify its exposures globally across regions and sectors in seeking to improve portfolio outcomes across market environments.

Exposures to U.S. and Canadian duration contributed to performance. Exposure to securitized credit spreads also contributed to performance.

Exposures to select emerging markets and breakeven inflation through exposure to U.S. TIPS detracted from performance.

Contributors

- Allocations to U.S. duration
- Positions in Canadian duration
- Exposure to securitized credit spreads

Detractors

- Allocations to select emerging markets
- Breakeven inflation through positions in U.S. TIPS
- There were no other material detractors

Series A Morningstar Rating™

★★★★

Overall Morningstar Rating ™

Fund information

Fund Inception Date	14 Feb 2020
Strategy	FIXED INCOME
Total Net Assets CAD (in millions)	$105.56

Expenses

Management Fee	1.09
MER[1]	1.20

[1]As of December 31 2023. Management expense ratio is based on total expenses (excluding distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

Portfolio Manager

Emmanuel Sharef, Erin Browne

IMPORTANT NOTICE
Please note that this material contains the opinions of the manager as of the date noted, and may not have been updated to reflect real time market developments. All opinions are subject to change without notice.

	Month End Performance 31 May 2024				Quarter End Performance 31 Mar 2024		
	3 mos.	6 mos.	1 Yr.	YTD	1 Yr.	3 Yrs.	Since inception
■ (PIMCO)	1.18	3.48	5.45	1.43	5.32	0.44	0.62
■ (Bloomberg)	0.88	2.13	4.19	1.06	4.12	0.96	1.11

■ PIMCO Managed Conservative Bond Pool Series A Unit net of fees (%)
■ Bloomberg Global Aggregate 1-3 Year Bond Index (CAD Hedged) (%)

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all dividends and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

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.

PORTFOLIO POSITIONING

In May, we increased allocations to Canadian core strategies and decreased allocations to flexible core strategies, given weaker growth and inflation in Canada vs. other DM economies provides stronger conditions for rates to fall. We continue to be constructive on high-quality fixed income in the current environment as spreads are tight across certain credit sectors and we see potential for rates to fall over the cyclical horizon, especially amid a stagnating growth environment. We also rely on the underlying funds to tactically take advantage of day-to-day rate volatility.

We maintained allocations to investment grade credit strategies as they provide US duration exposure alongside a relatively resilient source of spread. IG corporate credit can continue to provide additional carry to the portfolio, but active management is important at this point in the cycle. We favor non-cyclical sectors such as utilities and healthcare, as well as sectors with high barriers to entry and secular growth such as telecom/cable/towers.

We maintained allocations to multi-sector strategies as their tactical management and diversified exposures can complement our core fixed income positions. Additionally, they provide the ability to allocate to high-conviction sectors, such as agency and non-agency mortgages.

Sector Allocation (% Duration Weighted Exposure)	
Government Related	-7.94
Securitized$^{\phi}$	70.46
Investment Grade Credit	25.22
High Yield Credit	1.68
EM External	2.73
EM Local	1.66
Other$^{\Delta}$	5.07
Net Other Short Duration Instrumentsr††	1.10

MONTH IN REVIEW

Developed market yield movements were mixed as inflation data varied across regions. Equity markets broadly rose, driven by technology stocks, while bond indices saw modest increases. Weaker than expected Canadian economic data released in May bolstered market expectations for rate cuts, prompting declining yields, while in the U.S. the 10-year Treasury yield fell by 18 bps to 4.50% as inflation data met expectations and consumer spending softened. Still, the theme of monetary divergence continues to be prevalent as the Fed is priced to cut both less aggressively and later than the Bank of Canada (BoC).

Against this backdrop, performance was positive over the month. The Pool's exposure to U.S. and Canadian duration contributed to performance. Exposure to securitized credit spreads also contributed to performance.

Top 10 Country Exposure (Duration %)	
United States	49.94
Canada	34.86
United Kingdom	5.50
Australia	3.23
Mexico	1.33
Spain	1.03
Switzerland	0.84
Brazil	0.71
South Africa	0.69
Euro Currency	-1.74

OUTLOOK AND STRATEGY

Higher savings balances and a slower pass-through of monetary policy in the U.S. relative to other developed markets could, in our view, keep inflation above the Fed’s 2% target over the cyclical horizon. The lack of progress on inflation in the first quarter could delay rate cuts until later this year or even into 2025, with the Fed’s subsequent rate-cutting path also potentially being more gradual than other DM central banks. Additionally, we believe that an economic soft landing is achievable, but both recessionary and inflationary risks remain elevated in the aftermath of unprecedented global shocks to supply and demand. We are overweight on duration broadly with a preference for developed markets that have lower inflation risks and greater downside growth risks. We are dynamic in our U.S. duration positioning as we believe the Fed will be more hesitant to cut rates amid persistently sticky inflation. We are also overweight select high-quality emerging markets that maintain positive real rates and have room to cut rates. We remain overweight to securitized credit with a strong preference for up-in-quality areas such as non-agency MBS which is supported by strong consumer balance sheets and a long-term shortage of homes. We remain underweight to high yield credit amid expectations for an uptick in downgrades and for defaults to continue trending up. We are overweight to the U.S. Dollar, as valuations have become more attractive and carry remains elevated in the near term. We are overweight the Japanese Yen as we believe the BOJ will gradually raise interest rates and overweight select emerging market currencies with attractive valuations.

FUND STATISTICS

Effective Duration (yrs)	2.74
Effective Maturity (yrs)	4.02

No offering is being made by this material. Interested investors should obtain a copy of the prospectus, which is available from your Financial Advisor.

ᶲThe Securitized bucket will include Agency MBS, nonAgency MBS, CMBS, ABS, CDO, CLO, and Pooled Funds.

△Investment vehicles not listed, allowed by prospectus.

ᴦ‡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.

Effective duration is the duration for a bond with an embedded option when the value is calculated to include the expected change in cash flow caused by the option as interest rates change.

Effective maturity is a weighted average of all the maturities of the bonds in a portfolio, computed by weighting each bonds effective maturity by the market value of the security.

Past performance is not a guarantee or a reliable indicator of future results. The performance figures presented reflect the total return performance and reflect changes in unit price and reinvestment of dividend and capital gain distributions. All periods longer than one year are annualized. Funds typically offer different series, which are subject to different fees and expenses (which may affect performance), having different minimum investment requirements and are entitled to different services.Investments made by a Fund and the results achieved by a Fund are not expected to be the same as those made by any other PIMCO-advised Fund, including those with a similar name, investment objective or policies. A new or smaller Fund’s performance may not represent how the Fund is expected to or may perform in the long-term. New Funds have limited operating histories for investors to evaluate and new and smaller Funds may not attract sufficient assets to achieve investment and trading efficiencies. A Fund may be forced to sell a comparatively large portion of its portfolio to meet significant unitholder redemptions for cash, or hold a comparatively large portion of its portfolio in cash due to significant unit purchases for cash, in each case when the Fund otherwise would not seek to do so, which may adversely affect performance.

Although the Fund may seek to maintain stable distributions, the Fund’s distribution rates may be affected by numerous factors, including but not limited to changes in realized and projected market returns, fluctuations in market interest rates, Fund performance, and other factors. There can be no assurance that a change in market conditions or other factors will not result in a change in the Fund’s distribution rate or that the rate will be sustainable in the future.

For instance, during periods of low or declining interest rates, the Fund’s distributable income and dividend levels may decline for many reasons. For example, the Fund may have to deploy uninvested assets (whether from purchases of Fund units, proceeds from matured, traded or called debt obligations or other sources) in new, lower yielding instruments. Additionally, payments from certain instruments that may be held by the Fund (such as variable and floating rate securities) may be negatively impacted by declining interest rates, which may also lead to a decline in the Fund’s distributable income and dividend levels.

Funds typically offer different series, which are subject to different fees and expenses (which may affect performance), having different minimum investment requirements and are entitled to different services.

A word about risk: The fund invests in other PIMCO funds and performance is subject to underlying investment weightings which will vary. Investing in the **bond market** is subject to risks, including market, interest rate, issuer, credit, inflation risk, and liquidity risk. The value of most bonds and bond strategies are impacted by changes in interest rates. Bonds and bond strategies with longer durations tend to be more sensitive and volatile than those with shorter durations; bond prices generally fall as interest rates rise, and low interest rate environments increase this risk. Reductions in bond counterparty capacity may contribute to decreased market liquidity and increased price volatility. Bond investments may be worth more or less than the original cost when redeemed. Investing in **foreign denominated and/or domiciled securities** may involve heightened risk due to currency fluctuations, and economic and political risks, which may be enhanced in emerging markets. **Mortgage and asset-backed securities** 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. **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 cost of investing in the Fund will generally be higher than the cost of investing in a fund that invests directly in individual stocks and bonds. Diversification** does not ensure against loss.
Portfolio structure is subject to change without notice and may not be representative of current or future allocations.

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.
Duration is a measure of a portfolio's price sensitivity expressed in years.

Bloomberg Global Aggregate 1-3 Year Bond Index (CAD Hedged) is a measure of investment grade debt with maturity of 1-3 years. This benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers. It is not possible to invest directly in an unmanaged index.

The Morningstar Rating™for the A Series; other units may have different performance characteristics. The PIMCO Managed Conservative Bond Pool was rated against the following numbers of Global Fixed Income funds over the following time periods: Overall 4 Stars (336 funds rated); 3 Yrs. 4 Stars (336 funds rated); 5 Yrs. - Stars (233 funds rated); 10 Yrs. - stars (85 funds rated). Past performance is no guarantee of future results. A rating is not a recommendation to buy, sell or hold a fund.The Morningstar Rating™ is calculated from a fund's 3, 5, and 10-year returns measured against a peer group of similar funds. Morningstar rates funds from one to five stars based on how well they've performed (after adjusting for risk) in comparison to their peer group. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. Funds are rated for up to three time periods— three-, five-, and 10 years—and these ratings are combined to produce The Overall Morningstar Rating™. Funds with less than three years of history are not rated. The Morningstar Rating™ is based on an objective, mathematical calculation and is not to be construed as an endorsement of any fund(s). A rating is not a recommendation to buy, sell or hold a fund and ratings are subject to change monthly. For additional information please visit, www.morningstar.ca/

PIMCO Canada has retained PIMCO LLC as sub-adviser. PIMCO Canada will remain responsible for any loss that arises out of the failure of its sub-adviser.

The products and services provided by PIMCO Canada Corp. may only be available in certain provinces or territories of Canada and only through dealers authorized for that purpose.

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For more information about the risk rating and specific risks that can affect the fund's returns, see the "What are the Risks of Investing in the Fund?" section of the fund's simplified prospectus.
Currency rates may fluctuate significantly over short periods of time and may reduce the returns of a portfolio.
Mortgage-and asset-backed securities (MBS) References to agency and non-agency mortgage-backed securities refer to mortgages issued in the United States.
Carry is the rate of interest earned by holding the respective securities.
The terms "cheap" and "rich" as used herein generally refer to a security or asset class that is deemed to be substantially under- or overpriced compared to both its historical average as well as to the investment manager's future expectations. There is no guarantee of future results or that a security's valuation will ensure a profit or protect against a loss.
Emerging market (EM); Developing marketing (DM); Bank of Japan (BoJ); Treasury-Inflation-Protected Securities (TIPS); Investment Grade (IG);