PIMCO

PIMCO Global Income Opportunities Fund (PGI.UN)

SERIES: **A** | AS OF: **31 MAY 2022** | **Monthly Commentary**

PIMCO Canada Closed-End Funds

Fund information	
Fund inception date	21 March 2014
Strategy	Income
Total net assets (CAD in millions)	$309.4
Portfolio manager(s)	Alfred Murata Dan Ivascyn Joshua Anderson
Total leverage-adjusted duration (yrs)	4.21
Average maturity (yrs)	7.33

Expenses	
Series A MER(%)[1]	2.76
Annual management fee (%)[2]	1.25

[1] As of 31 December 2021. Management expense ratio is based on total expenses, including the management fee, (excluding 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.

[2] Management Fee is an annual fee equal to 1.25% of total fund assets attributable to Class A units.

Performance summary

The PIMCO Global Income Opportunities Fund returned –2.56% at NAV in May, and Year-to-date the Fund has returned –7.90% at NAV.

May saw mixed performance across risk assets with more challenged performance at the start of the month amid elevated inflationary risks followed by a meaningful recovery in the latter weeks. Global equities fell throughout most of the month but rose towards the end - with the S&P up 0.2% - credit spreads widened modestly. Developed sovereign yields broadly ended higher as the Bank of England increased its policy rate by 25 basis points. Meanwhile, the U.S. 10-year Treasury yield fell 9 bps to 2.84% while the Fed increased interest short term rates by 50 bps and laid out plans to begin reducing its balance sheet in June.

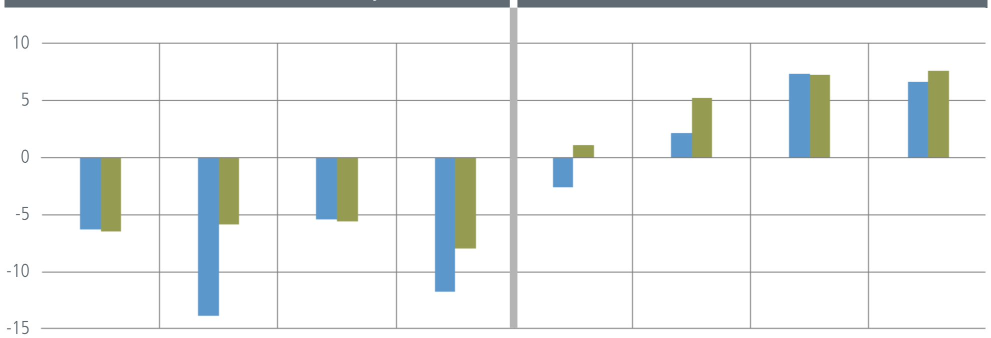
Contributors

- Interest rate positioning
- Exposure to taxable municipal bonds
- Exposure to asset-backed securities

Detractors

- Exposure to U.S. residential mortgage credit
- Security selection within corporate credit
- Security selection within emerging market debt

Month End Performance 31 May 2022 | Quarter End Performance 31 March 2022



	3 Mos.	6 Mos.	1 Yr.	YTD	1 Yr.	3 Yr.	5 Yr.	Since Inception
PIMCO Global Income Opportunities Fund at Market Price (%)	-6.27	-13.84	-5.39	-11.67	-2.54	2.06	7.31	6.56
PIMCO Global Income Opportunities Fund at NAV (%)	-6.45	-5.81	-5.55	-7.90	1.00	5.14	7.17	7.53

■ PIMCO Global Income Opportunities Fund at Market Price (%)

■ PIMCO Global Income Opportunities Fund at NAV (%)

You will usually pay brokerage fees to your dealer if you purchase or sell units of the Fund on the Toronto Stock Exchange (the "TSX"). If the units are purchased or sold on the TSX, investors may pay more than the current net asset value when buying units of the Fund and may receive less than the current net asset value when selling them. There are ongoing fees and expenses associated with owning units of an investment fund. An investment fund must prepare disclosure documents that contain key information about the fund. You can find more detailed information about the Fund in these documents.
The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account certain fees such as redemption fees or optional charges or income taxes payable by any securityholder that would have reduced returns. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.

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.

Portfolio characteristics as of 31 May 2022	% Market Value[1]
Government Related	3.8
Securitized [2]	39.2
Invest. Grade Credit	4.6
High Yield Credit	26.9
Emerging Markets	9.1
Municipal/Other	9.9
Net Other Short Duration Instruments [3]	6.6

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

[1] As % of Total Assets

[2] The Securitized bucket will include Agency MBS, non-Agency MBS, CMBS, ABS, CDO, CLO, and Pooled Funds.

[3] Net Other Short Duration Instruments includes securities and other instruments (except those instruments tied to emerging markets by country of risk) with an effective duration less than one year and rated investment grade or higher or, if unrated, determined by PIMCO to be of comparable quality, commingled liquidity funds, uninvested cash, interest receivables, net unsettled trades, broker money, short duration derivatives and derivatives offsets. With respect to certain categories of short duration securities, the Adviser reserves the discretion to require a minimum credit rating higher than investment grade for inclusion in this category. Derivatives Offsets includes offsets associated with investments in futures, swaps and other derivatives. Such offsets may be taken at the notional value of the derivative position.

Portfolio positioning

We remain focused on non-agency mortgage-backed securities (MBS), which provide a potential source of income and capital appreciation, and can benefit from more resilient fundamentals. Housing credit remains attractive despite more challenged affordability data, as strong equity cushions continue to provide downside support even in adverse economic scenarios. We have emphasized assets with seniority in the capital structure and low loan-to-value ratios that we expect would better withstand a deterioration in home prices and consumer credit fundamentals.

We continue to emphasize diversification and focus on capturing complexity and illiquidity premia to improve risk-adjusted returns. We look to add value with security selection across credit sectors, with a focus on resilient sources of income, and seek to find the best global opportunities. Within corporate credit we are seeing value in sectors that should benefit from COVID-19 recovery themes, special situations / restructurings, and financial related credits. Given recent market volatility, spread widening and attractive valuations, we seek to use a relative value trading mindset.

We see emerging markets as a compelling way to enhance diversification and benefit from excess credit premiums but are staying selective and sizing our positions conservatively.

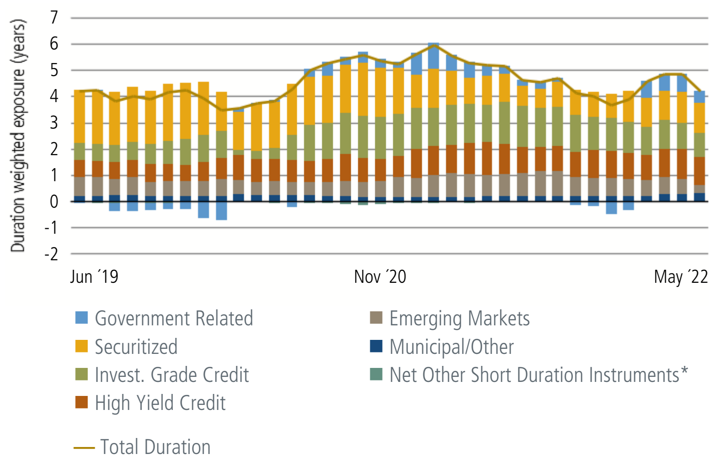
Month in review

Short positioning in the long-end of the curve contributed to performance in May as rates increased. Exposure to taxable municipal bonds contributed to performance following the rally in municipal yields over the month. Exposure to asset-backed securities also contributed to performance. Exposure to U.S. mortgage credit, notably residential mortgage credit, detracted from absolute performance amid spread widening in the asset class. Security selection within corporate credit detracted from absolute performance in May, notably within high yield corporate credit. Security selection within emerging market debt also detracted from performance as select securities posted negative returns.

Credit spreads widened over the month as continued supply chain issues, inflation concerns, and weaker consumer sentiment continued to weigh on risk sentiment but the asset class still had modestly positive returns.

External debt returned 0.19% due to the 9-bp decline in underlying U.S. Treasury yields, which outweighed the modest 5-bp widening in spreads. Local emerging market debt returned 1.76%.

In May, legacy non-agency residential MBS spreads widened by 20 bps, while non-agency commercial MBS returned 0.38%, underperforming like-duration Treasuries by 105 bps.



*Prior to 31 December 2014 these categories were reported separately.
Portfolio allocations and other information in the charts are based on the fund's net assets. These percentages may differ from those used for the fund's compliance calculations, including the fund's prospectus, regulatory, and other investment limitations and policies, which may be based on total assets of the fund or other measurements, may include or exclude various categories of investments from those covered in the portfolio allocation categories shown in this report, and may be based on different classifications and measurements of the fund's investments and other criteria.

Outlook and strategy

In our view, the global economy is in the late stage of the business cycle. While underlying growth is robust, we believe there is increased vulnerability to downside risk. The Russia/Ukraine conflict has led to upended supply chains and surging commodity prices. We expect continued elevated inflation and subsequent rate hikes, resulting in differentiation amongst asset classes. We are cognizant of elevated geopolitical and recessionary risks, and given the uncertain market environment, we think it makes sense to be patient and focus on maintaining flexibility to respond to events and opportunities.

We expect to continue to focus on non-agency MBS and other global structured products that offer attractive valuations and defensive characteristics, particularly in sectors that benefit from the resiliency of the U.S. housing market. We believe non-agency MBS remain attractive given supply constraints, large homeowner equity cushions, and diversification benefits. We see attractive opportunities in COVID-recovery sectors, housing, industrial, and select banks and financial credits. The rise in interest rates after a protracted period of extremely low yields is also creating attractive opportunities in credit markets more broadly.

Within emerging markets, we have a bias towards sovereign and quasi-sovereign names with attractive relative yield potential. Additionally, we have been active in select higher quality corporates that can benefit from the global economic recovery. However, we are maintaining a cautious approach amid ongoing geopolitical and COVID-related challenges in EM countries and heightened idiosyncratic risks.

Management profile

Alfred Murata
Managing Director

Dan Ivascyn
Managing Director and Group CIO

Joshua Anderson
Managing Director

2014
21 MAR
INCEPTION DATE

Provide holders of Units with monthly cash distributions; maximize total return to Unitholders through distributions and capital appreciation; and preserve capital

Pursues income across global fixed-income sectors

Investors should carefully consider the fund's investment objectives, risks, charges and expenses before investing. The prospectus, which contains this and other information about the fund, should be read carefully before investing. The fund is a newly organized, non-redeemable investment fund, also known as a "closed-end fund". The fund is not a complete investment program. Substantially all of the fund's portfolio may consist of below investment grade securities (commonly referred to as "high yield" securities or "junk bonds"). An investment in the fund involves a high degree of risk and should be considered speculative.

This is not an offer to sell these securities and not a solicitation of an offer to buy these securities in any state where the offer or sale is not permitted . Before you invest, you should carefully read the fund's prospectus and consider carefully the risks you assume when you invest in the fund's units. There can be no assurance that the fund will achieve its investment objectives or be able to structure its investment portfolio as anticipated.

A significant portion of the fund's monthly distributions may be sourced from the fund's derivatives transactions. Some or all of these transactions, such as paired swap transactions, may also generate capital losses without corresponding offsetting capital gains, such that portions of the fund's distributions recognized as ordinary income for tax purposes may be economically similar to a taxable return of capital when considered together with such capital losses.

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.

A word about 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 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. **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. 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. **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. **Diversification** does not ensure against loss.

Portfolio structure is subject to change without notice and may not be representative of current or future allocations.

Distributions are subject to market risk.

Total net asset value (NAV) return measures the change in NAV per unit over the period indicated. Total market value return is computed based upon the Fund's TSX market price per unit and excludes the effects of brokerage commissions. Distributions are assumed, for purposes of these calculations, to be reinvested at prices obtained under the Fund's distribution-reinvestment plan. As with any stock, the price of the fund's common shares will fluctuate with market conditions and other factors. Securities of closed-end funds frequently trade at a price that is less than (a "discount") or more than (a "premium") from their net asset value. If the fund's shares trade at a premium to net asset value, there is no assurance that any such premium will be sustained for any period of time and will not decrease, or that the units will not trade at a discount to net asset value thereafter. Additionally, the fund's distribution rate may be affected by numerous factors, including changes in realized and projected market returns, 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 distribution rate at a future time.

Total Leverage-Adjusted Effective Duration represents the funds effective portfolio duration taking into account its use of leverage, including both portfolio leverage (i.e. reverse repos, credit default swaps, and tender option bonds), and any structural leverage, such as auction-rate preferred shares, if any, issued by the fund. Duration is the measure of a bond's price sensitivity to interest rates and is expressed in years.

Investment policies, management fees and other matters of interest to prospective investors may be found in each closed-end fund prospectus used in its initial public offering, as revised by subsequent shareholder reports.

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.

Statements concerning financial market trends or portfolio strategies 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.

External EM debt is represented by the JP Morgan EMBI Global Index. Local EM debt is represented by the JP Morgan GBI-EM Global Diversified Index. Global High Yield is represented by the BofAML Developed Markets High Yield Index, Constrained. Global Investment Grade is represented by the Bloomberg Global Aggregate Credit USD Hedged Index. Non-agency commercial MBS is represented by the Bloomberg Non-Agency CMBS Index.

References to agency and non-agency mortgage-backed securities refer to mortgages issued in the United States.

Like-duration non-agency commercial MBS returns are calculated by the index provider by comparing the index return to a hypothetical matched position in Treasuries.

Emerging Markets (EM)