PIMCO

PIMCO Global Income Opportunities Fund (PGI.UN)

SERIES: **A** | AS OF: **31 JULY 2021** | **Monthly Commentary**

PIMCO Canada Closed-End Funds

Fund information	
Fund inception date	21 March 2014
Strategy	Income
Total net assets (CAD in millions)	$387.5
Portfolio manager(s)	Alfred Murata Dan Ivascyn Joshua Anderson
Total leverage-adjusted duration (yrs)	4.64
Average maturity (yrs)	10.63

Expenses	
Series A MER(%)[1]	3.22
Annual management fee (%)[2]	1.25

[1] As of 31 December 2020. 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 0.79% at NAV in July, and Year-to-date the Fund has returned 6.14% at NAV.

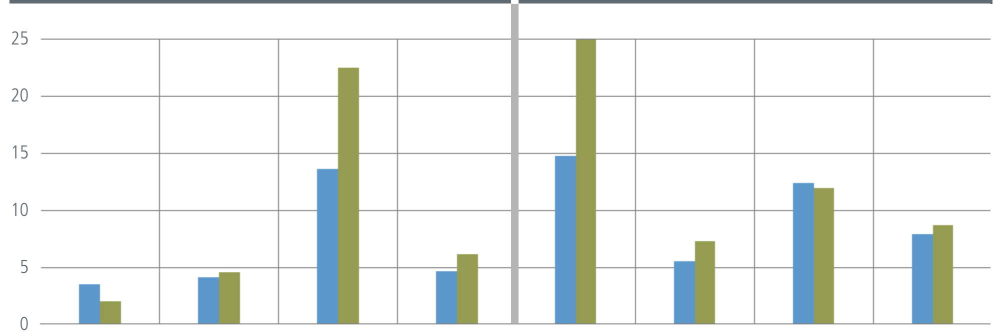
The ongoing economic recovery and solid earnings bolstered equities in July, though concerns over the spread of the COVID-19 Delta variant contributed to more mixed performance in other markets. Global equities generally rose - with the S&P rising 2.4% - but credit spreads widened modestly and the dollar weakened. Developed sovereign yields broadly fell, with the U.S. 10-year yield moving 25bps lower to 1.22%. Meanwhile, the Fed kept interest rates near zero and its bond-buying program unchanged, reaffirming the transitory nature of recent higher inflation.

Contributors

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

Detractors

- Exposure to a select bank loan issuer within the energy sector
- No other material detractors



Month End Performance 31 July 2021				Quarter End Performance 30 June 2021			
3 Mos.	6 Mos.	1 Yr.	YTD	1 Yr.	3 Yr.	5 Yr.	Since Inception
3.45	4.10	13.59	4.59	14.74	5.47	12.31	7.89
1.97	4.54	22.45	6.14	24.93	7.26	11.87	8.61

■ 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 July 2021

	% Market Value[1]
Government Related	10.2
Securitized [2]	53.2
Invest. Grade Credit	11.7
High Yield Credit	35.7
Emerging Markets	17.1
Municipal/Other	-33.2
Net Other Short Duration Instruments [3]	5.3

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, which provide a potential source of income and capital appreciation, benefit from more resilient fundamentals, and offers attractive loss-adjusted yields. The sector stands to benefit from the strong recovery in US housing, which is being driven by limited supply and record low mortgage rates. 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 liquidity premia to improve risk-adjusted returns. We look to add value with security selection across credit sectors, with a focus on more resilient sources of income, and seek to find the best global opportunities. Within corporate credit, we are focusing on opportunities that we believe to be less correlated to the broader market such as special situations/restructuring related credits. We also favor bank capital for its liquidity, relatively defensive characteristics, and strong bank balance sheets.

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

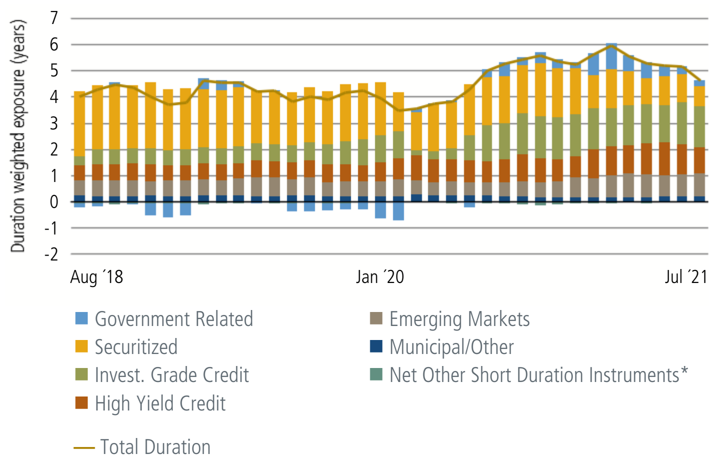
Month in review

Exposure to emerging market debt contributed to absolute performance, supported by a fall in underlying U.S. Treasury yields. Exposure to U.S. residential mortgage credit also contributed to absolute performance. Exposure to corporate credit contributed to absolute performance, as the asset class continues to post positive performance. Exposure to a select bank loan issuer within the energy sector detracted from absolute performance.

Global investment grade spreads widened by 4 bps, returning 1.21%, and global high yield bond spreads widened by 17 bps, returning 0.38%. In July, credit spreads widened amid concerns surrounding a protracted economic recovery as the Delta variant infections surged.

External emerging market debt returned 0.54% primarily driven by a decline in underlying U.S. Treasury yields. Local currency debt posted weaker returns of -0.43% as local EM currencies depreciated amid COVID-related volatility.

In July, legacy non-agency residential MBS spreads were unchanged, and non-agency commercial MBS returned 0.94%, outperforming like-duration Treasuries by 3 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

We expect the global growth recovery to be uneven across sectors and regions through the remainder of 2021. In 2022, the rebound will likely give way to a synchronized growth moderation, albeit to a still-above trend pace. We do not expect any developed market central banks to begin hiking policy rates over our cyclical horizon, although some central banks have begun tapering asset purchase programs. Valuations are generally rich, and we think it makes sense to be patient and focus on maintaining liquidity and flexibility to respond to events and opportunities.

We expect to continue to focus on non-Agency mortgage-backed securities (MBS) and other global structured products that offer attractive valuations and strong defensive qualities, as was demonstrated by their overall resilience during the pandemic-induced market shock in 2020. 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. We tend to avoid generic corporate credit and focus on investment opportunities we believe to be less correlated to corporate credit beta.

We see reasonable opportunity in high quality emerging market debt where we see potential for a period of strong global recovery with ample central bank liquidity, potentially higher yields, and gentler geopolitical environment which should be a positive environment for emerging markets. However, we are maintaining a cautious approach amid ongoing 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.

This material contains the current opinions of the manager and such opinions are subject to change without notice. This material has been distributed for informational purposes only 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.

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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 Barclays Global Aggregate Credit USD Hedged Index. Non-agency commercial MBS is represented by the Bloomberg Barclays Non-Agency CMBS Index.

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.

Beta is a measure of price sensitivity to market movements. Market beta is 1.Currency rates may fluctuate significantly over short periods of time and may reduce the returns of a portfolio.

Emerging Markets (EM); US Federal Reserve (The Fed)

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