

PIMCO CANADA CORP.

Annual Management Report of Fund Performance

December 31, 2023

PIMCO Climate Bond Fund (Canada)



This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 866.341.3350 or by writing to us at PIMCO Canada Corp., 199 Bay Street, Suite 2050, Commerce Court Station, PO Box 363, Toronto, ON M5L 1G2 or by visiting our website at www.pimco.ca or SEDAR+ at www.sedarplus.ca.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's annual financial report, proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

Investment Objectives and Strategies

PIMCO Climate Bond Fund (Canada) (“the Fund”) seeks optimal risk adjusted returns, consistent with prudent investment management, while giving consideration to long term climate-related risks and opportunities.

In order to achieve its objectives, the Fund invests primarily in a diversified portfolio of Fixed Income Instruments of varying maturities.

Risk

No changes affecting the overall risk associated with investing in the Fund were made during the period. The risks of investing in the Fund remain as outlined in the Fund’s most recent Simplified Prospectus. Accordingly, the Fund remains suitable for the same investors outlined in the Simplified Prospectus.

Results of Operations

Series A units of the Fund returned 6.98% net of fees during the 12-month reporting period ended December 31, 2023. The returns of the other series of this Fund are similar to those of Series A, except for the expense structure differences.

The following market conditions were prevalent during the twelve-month reporting period:

Over the past year, risk assets broadly gained, with both equities and bonds generally posting positive returns. The MSCI World Index returned 24.44% over 2023, and the 10-year U.S. Treasury ended the year at 3.88%. While recession fears and geopolitical tensions persisted, headline inflation generally peaked across developed market economies, resulting in optimism about potential future rate cuts.

At the start of 2023, the collapse of Silicon Valley Bank (SVB) and subsequent merger between UBS and Credit Suisse took center stage. Shockwaves reverberated through markets following the failure of SVB, with the 2-year Treasury posting its largest three-day slide since 1987 as investors flocked to quality. Volatility remained elevated as the market’s confidence in Credit Suisse deteriorated and the Swiss National Bank orchestrated its takeover by UBS. Stock indices fell and bond yields rallied globally as concerns of financial contagion dampened risk sentiment.

Developed market central banks continued to focus on combating historic levels of inflation, as the Federal Reserve delivered four 25 basis point (bp) hikes before pausing in September. Central banks diverged in their monetary policy, as developed market economies were taking distinct paths. The Bank of England and European Central Bank raised policy rates several times over the year, though they also shifted to more dovish messaging while remaining steadfast in their commitment to keep policy tight into 2024.

In the U.S., unemployment rates gradually ticked up, while nominal wage inflation continued to prove sticky at 4%. The headline Personal Consumption Expenditures (PCE) price index cooled to end the year, with November data marking the first monthly decline since April 2020. Core PCE, which strips out volatile food and energy prices, also eased. Against this backdrop, the Fed released updated economic

projections viewed as consistent with growing confidence that the U.S. economy will achieve a soft landing. These projections include a median outlook for 75 bps of net rate cuts in 2024.

For the twelve-month period ending December 31, 2023, the Fund’s exposure to investment grade credit, particularly to the industrial and financial sectors, contributed to performance. The Fund’s exposure to European duration contributed to performance. Exposure to high yield credit also contributed to performance. The Fund’s exposure to U.S. duration detracted from performance.

Recent Developments

Please note that the following contains the opinions of Pacific Investment Management Company LLC (“PIMCO”), the Fund’s sub-adviser, as of the time of writing, and may not have been updated to reflect real-time market developments. All opinions are subject to change without notice.

Going forward, after the resilience exhibited by developed economies in 2023, we anticipate a downward shift towards stagnation or mild contraction in 2024. With inflation easing, developed market central banks have likely reached the end of their hiking cycles. Echoing comments by Federal Reserve Chair Jerome Powell, we believe upside risks around inflation and downside risks to growth have become more symmetrical. However, recession risks remain elevated, in our view, due to stagnant supply and demand growth across developed markets. After a rally across many financial markets in late 2023, riskier assets appear priced for an economic soft landing and may be underestimating both upside and downside risks.

Given persistent uncertainty and our economic outlook, we expect to maintain an up-in-quality approach to corporate credit investments. We expect emerging markets to offer good opportunities, while we stress the importance of active investment to sort between the likely winners and losers in a relatively uncertain investment environment. We see unusually appealing opportunities globally with strong yields, with potential to outperform U.S. bonds based on greater downside economic risks.

We continue to source opportunities in green bonds, unlabeled green bonds and issuers demonstrating leadership in addressing climate change. Overall, we are finding opportunities in actively managed credit, with a focus on selection, as dispersion in markets remains elevated. We have a preference for up in quality credits, telecom/cable/towers, financials, housing-related industries, and REITs. We seek to identify attractive opportunities associated with the transition to a net zero emissions economy. We continue to source attractive opportunities from the following three key areas:

We are allocating to green bonds — issues with use-of-proceeds devoted to environmental projects — particularly banks, utilities and REITs, and finding opportunities in bonds issued by businesses fundamentally aligned to climate solutions, like solar power companies exposed to low carbon products and services. We seek to invest in issuers that lead in mitigating carbon emissions and broader environmental externalities across their value chain. Such climate leaders can be from a variety of sectors; importantly we note

companies at the cutting edge of climate commitments, for example, those emphasizing sustainable supply chains or taking action on deforestation.

On March 1, 2023, Barbara Macpherson joined the Fund's independent review committee to fill the vacancy left by the departure of Joanne De Laurentiis and Anthony Cox, each of whose term ended on March 1, 2023.

Related Party Transactions

PIMCO Canada Corp. (the "Manager") is an indirect, wholly-owned subsidiary of PIMCO. The Manager has retained PIMCO, a related party, to provide investment advice and make investment decisions for the Fund's investment portfolio. The Manager receives management fees from the Fund other than in the case of Series I and Series I (US\$) units, where the fees are paid directly by the investor to the Manager. The Manager, not the Fund, pays the fees payable to PIMCO for investment advisory services.

The Manager is a related party as defined by International Accounting Standards 24: Related Party Disclosures. The Fund is permitted to purchase or sell securities from or to certain related affiliated funds or portfolios under specified conditions outlined in the standing instructions of the Fund's independent review committee, which have been designed to mitigate potential conflicts of interest that may arise from a purchase or sale of securities by the Fund from or to another investment fund managed by PIMCO Canada.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past twelve months ended December 31, 2023, and for the prior periods since inception.

The Fund's Net Assets per Unit ^{^(1)}

Series A	Periods ended December 31		
	2023	2022	2021*
Net Assets, beginning of year/period (\$)	8.55	9.96	10.00
Increase (decrease) from operations:			
Total revenue	0.29	0.22	0.17
Total expenses (excluding distributions)	(0.12)	(0.12)	(0.12)
Realized gains (losses) for the period	(0.51)	(0.08)	(0.17)
Unrealized gain (losses) for the period	1.00	(1.40)	0.04
Total increase (decrease) from operations ⁽²⁾	0.66	(1.38)	(0.08)
Distributions:			
From net investment income (excluding dividends)	(0.17)	(0.11)	(0.05)
From capital gains	—	—	(0.03)
Total Annual Distributions ⁽³⁾	(0.17)	(0.11)	(0.08)
Net Assets, end of year/period (\$) ⁽⁴⁾	8.97	8.55	9.96

Ratios and Supplemental Data

Series A	Periods ended December 31		
	2023	2022	2021*
Total net asset value (\$) (000's) ⁽⁵⁾	2,101	1,438	1,790
Number of units outstanding (000's) ⁽⁵⁾	234	168	180
Management expense ratio ⁽⁶⁾	1.39%	1.37%	1.36%
Management expense ratio before waivers or absorptions	1.39%	1.37%	1.36%
Trading expense ratio ⁽⁷⁾	0.01%	0.00%	0.00%
Portfolio turnover rate ⁽⁸⁾	74%	40%	9%
Net asset value per unit (\$)	8.97	8.55	9.96

[^] A zero balance may reflect actual amounts rounding to less than \$0.01 or 0.01%.

* Information presented is for the period from February 26, 2021 (commencement of operations) to December 31, 2021.

⁽¹⁾ This information is derived from the Fund's audited annual financial statements.

⁽²⁾ Net assets and distributions are based on the actual number of Fund units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period.

⁽³⁾ Distributions were paid in cash or reinvested in additional units of the Fund.

⁽⁴⁾ This is not a reconciliation of the beginning and ending net assets per unit.

⁽⁵⁾ This information is presented as at December 31 of the years shown.

⁽⁶⁾ 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.

⁽⁷⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

⁽⁸⁾ The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Financial Highlights (continued)

The Fund's Net Assets per Unit ^{^(1)}

Series F	Periods ended December 31		
	2023	2022	2021*
Net Assets, beginning of year/period (\$)	8.55	9.96	10.00
Increase (decrease) from operations:			
Total revenue	0.29	0.23	0.17
Total expenses (excluding distributions)	(0.07)	(0.08)	(0.07)
Realized gains (losses) for the period	(0.52)	(0.26)	(0.07)
Unrealized gain (losses) for the period	0.94	(1.03)	(0.08)
Total increase (decrease) from operations ⁽²⁾	0.64	(1.14)	(0.05)
Distributions:			
From net investment income (excluding dividends)	(0.22)	(0.15)	(0.10)
From capital gains	—	—	(0.03)
Total Annual Distributions ⁽³⁾	(0.22)	(0.15)	(0.13)
Net Assets, end of year/period (\$) ⁽⁴⁾	8.97	8.55	9.96

Ratios and Supplemental Data

Series F	Periods ended December 31		
	2023	2022	2021*
Total net asset value (\$) (000's) ⁽⁵⁾	12,671	13,212	11,244
Number of units outstanding (000's) ⁽⁵⁾	1,412	1,545	1,128
Management expense ratio ⁽⁶⁾	0.83%	0.84%	0.82%
Management expense ratio before waivers or absorptions	0.83%	0.84%	0.82%
Trading expense ratio ⁽⁷⁾	0.01%	0.00%	0.00%
Portfolio turnover rate ⁽⁸⁾	74%	40%	9%
Net asset value per unit (\$)	8.97	8.55	9.96

[^] A zero balance may reflect actual amounts rounding to less than \$0.01 or 0.01%.

* Information presented is for the period from February 26, 2021 (commencement of operations) to December 31, 2021.

⁽¹⁾ This information is derived from the Fund's audited annual financial statements.

⁽²⁾ Net assets and distributions are based on the actual number of Fund units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period.

⁽³⁾ Distributions were paid in cash or reinvested in additional units of the Fund.

⁽⁴⁾ This is not a reconciliation of the beginning and ending net assets per unit.

⁽⁵⁾ This information is presented as at December 31 of the years shown.

⁽⁶⁾ 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.

⁽⁷⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

⁽⁸⁾ The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Financial Highlights (continued)

The Fund's Net Assets per Unit ^{^(1)}

Series I	Periods ended December 31		
	2023	2022	2021*
Net Assets, beginning of year/period (\$)	8.55	9.96	10.00
Increase (decrease) from operations:			
Total revenue	0.29	0.23	0.17
Total expenses (excluding distributions)	(0.00)	(0.00)	—
Realized gains (losses) for the period	(0.52)	(0.23)	0.16
Unrealized gain (losses) for the period	0.90	(1.14)	(0.17)
Total increase (decrease) from operations ⁽²⁾	0.67	(1.14)	0.16
Distributions:			
From net investment income (excluding dividends)	(0.29)	(0.23)	(0.17)
From capital gains	—	—	(0.03)
Total Annual Distributions ⁽³⁾	(0.29)	(0.23)	(0.20)
Net Assets, end of year/period (\$) ⁽⁴⁾	8.97	8.55	9.96

Ratios and Supplemental Data

Series I	Periods ended December 31		
	2023	2022	2021*
Total net asset value (\$) (000's) ⁽⁵⁾	8,682	7,691	7,590
Number of units outstanding (000's) ⁽⁵⁾	968	899	762
Management expense ratio ⁽⁶⁾	0.00%	0.00%	0.00%
Management expense ratio before waivers or absorptions	0.00%	0.00%	0.00%
Trading expense ratio ⁽⁷⁾	0.01%	0.00%	0.00%
Portfolio turnover rate ⁽⁸⁾	74%	40%	9%
Net asset value per unit (\$)	8.97	8.55	9.96

[^] A zero balance may reflect actual amounts rounding to less than \$0.01 or 0.01%.

* Information presented is for the period from February 26, 2021 (commencement of operations) to December 31, 2021.

⁽¹⁾ This information is derived from the Fund's audited annual financial statements.

⁽²⁾ Net assets and distributions are based on the actual number of Fund units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period.

⁽³⁾ Distributions were paid in cash or reinvested in additional units of the Fund.

⁽⁴⁾ This is not a reconciliation of the beginning and ending net assets per unit.

⁽⁵⁾ This information is presented as at December 31 of the years shown.

⁽⁶⁾ 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.

⁽⁷⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

⁽⁸⁾ The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Management Fees

The Manager is responsible for the operations of the Fund including arranging for the provision of services such as investment management, transfer agency, fund accounting and other administrative services. In consideration for the provision of such services, the Manager is paid a management fee by the Fund that is calculated and accrued daily and is payable monthly. With respect to Series I units, management fees are negotiated between the investor and the Manager. Many of the operating expenses of the Fund are largely payable by the Manager and not by the Fund. Management fees are used to pay trailing commissions, in connection with Series A units, to registered dealers for the services and/or advice that they provide to investors.

The breakdown of the services received as a percentage of the management fees are as follows:

	Management Fee	Trailing Commissions paid to Dealers	Investment management and general administration
Series A	1.25%	40%	60%
Series F	0.75%	0%	100%

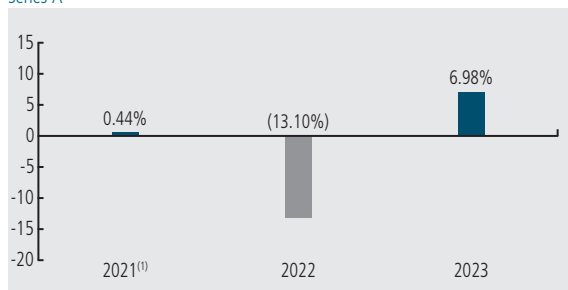
Past Performance

Past performance is not a guarantee or a reliable indicator of future results. The performance figures assume that all distributions made by the investment fund in the periods shown were reinvested in additional units of the Fund. The performance figures do not take into account sales, redemption, distribution or other optional charges that could have reduced returns or performance.

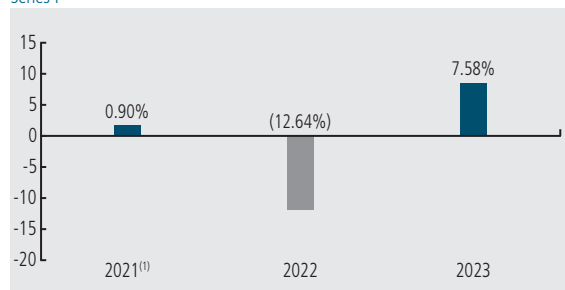
Year-by-Year Returns

The following bar charts show the Series' performance for the 12-month period ended December 31, and for each of the previous periods ended December 31 and illustrate how the Series' performance has changed from year to year. In percentage terms, the bar charts indicate how much an investment made on January 1 would have increased or decreased by the end of the period.

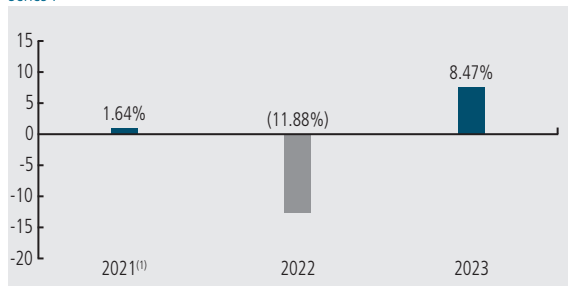
Series A



Series F



Series I



⁽¹⁾ Returns are from series inception February 26, 2021 to December 31, 2021.

Past Performance (continued)

Annual Compound Returns

This table shows the Fund's historical annual compound returns compared to its benchmark, the Bloomberg MSCI Global Green Bond Index (CAD Hedged)*, for the periods shown ending December 31, 2023.

	Inception Date	1 Year	3 Year	5 Year	Since Inception
PIMCO Climate Bond Fund (Canada) Series A	02/26/21	6.98%	—	—	(2.38%)
PIMCO Climate Bond Fund (Canada) Series F	02/26/21	7.58%	—	—	(1.85%)
PIMCO Climate Bond Fund (Canada) Series I	02/26/21	8.47%	—	—	(1.01%)
Bloomberg MSCI Global Green Bond Index (CAD Hedged)	—	8.71%	—	—	(3.73%)

* The Bloomberg MSCI Global Green Bond Index, CAD Hedged offers investors an objective and robust measure of the global market for fixed income securities issued to fund projects with direct environmental benefits. An independent research driven methodology is used to evaluate index-eligible green bonds to ensure they adhere to established Green Bond Principles and to classify bonds by their environmental use of proceeds. It is not possible to invest directly in an unmanaged index.

Summary of Investment Portfolio as at December 31, 2023

The Summary of Investment Portfolio may change due to the Fund's ongoing portfolio transactions. Updates are available quarterly. To obtain a copy, please contact a member of our client services team at 1-866-341-3350.

Country Allocation

	% of NAV
United States	26.0
Netherlands	11.4
United Kingdom	9.0
Germany	7.7
France	7.5
Supranational	4.6
Other	15.5
Total Investments (Long Positions)	81.7
Cash and Cash Equivalents	15.2
Financial Derivative Positions (Long Positions) ⁽¹⁾	0.9
Financial Derivative Positions (Short Positions) ⁽¹⁾	(0.6)
Other Assets Less Liabilities	2.8
Total Portfolio Allocation	100.0

Class Allocation

	% of NAV
Corporate Bonds & Notes	63.4
Sovereign Issues	7.9
Asset-Backed Securities	3.9
Other	6.5
Total Investments (Long Positions)	81.7
Cash and Cash Equivalents	15.2
Financial Derivative Positions (Long Positions) ⁽¹⁾	0.9
Financial Derivative Positions (Short Positions) ⁽¹⁾	(0.6)
Other Assets Less Liabilities	2.8
Total Portfolio Allocation	100.0

Top 25 Holdings

	% of NAV
Cash and Cash Equivalents	15.2
Uniform Mortgage-Backed Security 5.000% 10/01/2053	2.2
Kreditanstalt fuer Wiederaufbau 1.375% 06/07/2032	1.7
European Investment Bank 3.750% 02/14/2033	1.4
European Investment Bank 0.750% 07/15/2027	1.4
NatWest Group PLC 2.057% 11/09/2028	1.3
Kreditanstalt fuer Wiederaufbau 2.000% 11/15/2029	1.2
JPMorgan Chase & Co. 6.070% 10/22/2027	1.2
Hanwha Q Cells Americas Holdings Corp. 5.000% 07/27/2028	1.1
Standard Chartered PLC 0.800% 11/17/2029	1.1
MSCI, Inc. 3.625% 09/01/2030	1.0
ABN AMRO Bank NV 2.470% 12/13/2029	1.0
Santander U.K. Group Holdings PLC 2.896% 03/15/2032	1.0
ING Groep NV 4.875% 05/16/2029	0.9
Sunrun Demeter Issuer 2.270% 01/30/2057	0.9
JSW Hydro Energy Ltd. 4.125% 05/18/2031	0.8
Kreditanstalt fuer Wiederaufbau 4.875% 02/03/2031	0.8
Province of Ontario 1.550% 11/01/2029	0.8
Kering SA 5.125% 11/23/2026	0.7
Marks & Spencer PLC 4.500% 07/10/2027	0.7
AIB Group PLC 5.250% 10/23/2031	0.7
EDP Servicios Financieros Espana SA 4.375% 04/04/2032	0.7
JAB Holdings BV 4.750% 06/29/2032	0.7
ZF Europe Finance BV 6.125% 03/13/2029	0.7
Landwirtschaftliche Rentenbank 3.250% 09/26/2033	0.7
Total Net Assets Attributable to Holders of Redeemable Units (amount in thousands)	\$23,454

⁽¹⁾ % of NAV Represents unrealized gain (loss).

[THIS PAGE INTENTIONALLY LEFT BLANK]

Caution Regarding Forward Looking Notes. This document may contain forward-looking statements about the Fund (including its performance, strategies, risks, prospects, condition and actions) and other anticipated future events, results, circumstances and expectations. Speculation or stated beliefs about future events, such as market and economic conditions, security performance or other projections are "forward-looking statements". Forward-looking statements may include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "may", "will", "should", "expects", "anticipates", "intends", "plans", "believes", "estimates", "predicts", "suspect", "potential" or "continue", "forecast", "objective", "preliminary", "typical", and other similar expressions. Forward-looking statements are inherently subject to risks, uncertainties and assumptions, including, without limitation, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, the volatility of global equity and capital markets, business competition, technological change, changes in government regulations, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events. The foregoing list of important risks that may affect future results is not exhaustive. We caution you not to place undue reliance on forward-looking statements. Forward-looking statements are not guarantees of future performance, and actual events could differ materially from those expressed or implied in any forward looking statements. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility. There is no specific intention of updating any forward looking statements whether as a result of new information, future events or otherwise.

