

## PIMCO Canada Mutual Funds

Fund information	
Fund inception date	1 February 2019
Strategy	Short Term
Total Net Assets (CAD in millions)	\$834.0
Portfolio manager(s)	Jerome Schneider Andrew Wittkop Nathan Chiaverini
Effective duration (yrs)	0.47
Benchmark duration (yrs)	0.25
Effective maturity (yrs)	0.55

Expenses	
Series A Management Fee (%)	0.60
Series A MER(%) <sup>1</sup>	0.68

<sup>1</sup> As of 31 December 2019. 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.

## Performance summary

The PIMCO Global Short Maturity Fund (Canada) returned 0.16% after fees in August, outperforming the 3-Month CDOR by 0.12%. Year-to-date the Fund has returned 0.61% after fees, while the benchmark returned 0.80%.

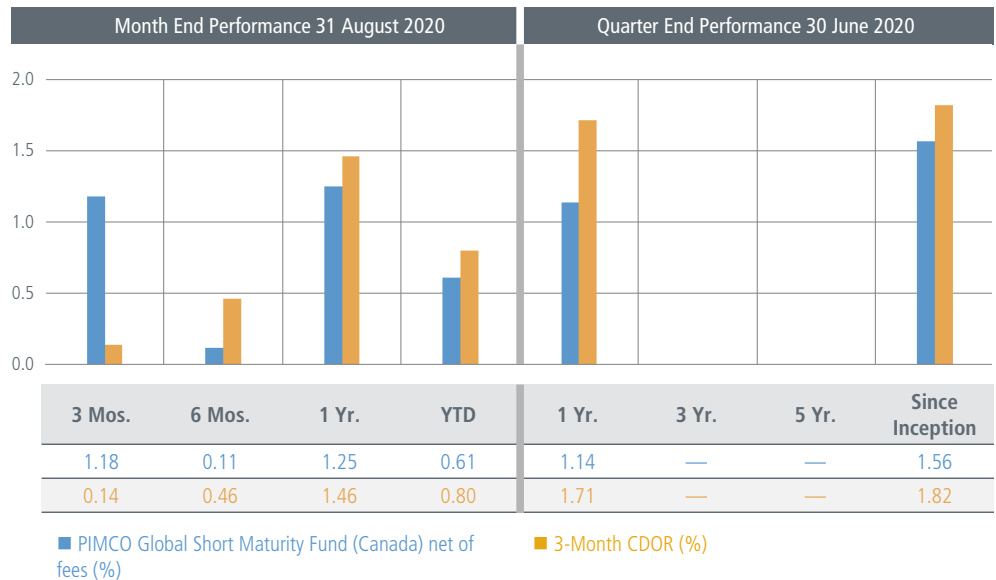
Risk assets rallied in August despite the continued growth of virus cases across the globe and mixed economic data. U.S. equities reached record-highs - with the S&P 500 marking its best August since 1986 - as credit spreads tightened, the dollar weakened, developed market rates rose (after the U.S. 10yr set a new low), and curves steepened. Promising quarterly earnings across certain sectors and the Fed's shift in inflation framework - which would enable the central bank to allow inflation to exceed the 2% target and further support the economy - helped contribute to investor optimism.

### Contributors

- Holdings of investment grade corporate credit
- Holdings of select asset backed securities

### Detractors

- U.S. interest rate positioning



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.

### 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.

# PIMCO Global Short Maturity Fund (Canada)

	% Market Value		% Market Value
	Fund	Fund	Index
0-1 yrs	83.5	0.0	0.0
1-3 yrs	11.3	0.0	0.0
US Government Related	—	4.8	0.0
3-5 yrs	4.5	0.0	0.0
5-10 yrs	0.6	0.0	0.0
10-20 yrs	0.0	0.0	0.0
20+ yrs	0.0	0.0	0.0
Securitized	—	25.0	0.0
Invest. Grade Credit	—	38.9	0.0
High Yield Credit	—	0.7	0.0
Non-USD Developed	—	10.9	0.0
Emerging Markets	—	0.0	0.0
Other	—	1.9	0.0
Net Other Short Duration Instruments	—	17.8	0.0

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.

## Portfolio positioning

The Fund is modestly overweight in its overall duration positioning. We currently favor U.S. duration as the U.S. Federal Reserve remains committed to low policy rates and the potential for capital appreciation persists. We tactically adjust our interest rate exposure as the yield curve responds to economic uncertainty and central bank support. We hold high quality floating rate securities as a way to potentially preserve capital and generate attractive income.

The fund is currently focused on maintaining liquidity by holding high quality securities that trade at an attractive risk-adjusted spread to Treasuries. We continue to hold short dated corporate bonds, Yankee bonds and commercial paper. High quality, short dated asset backed securities can add an alternative source of spread. We continue to hold Agency MBS as these provide attractive, high quality and diversifying sources of yield. The overweight to Agency MBS not only may offer better risk-adjusted returns but also offers the potential for resiliency in downturns, given that the sector is essentially government guaranteed and is less correlated to traditional corporate and other credit risk.

## Month in review

The Fund's NAV outperformed its benchmark in August, as spread strategies contributed to performance, while duration strategies were modestly negative.

Spread strategies were positive for performance in August, as holdings of investment grade corporate credit and select asset backed securities contributed.

Duration strategies were modestly negative for performance in August, as U.S. interest rate positioning detracted.

# PIMCO Global Short Maturity Fund (Canada)

## Outlook and strategy

We will continue to manage the strategy for investors who seek capital preservation and liquidity, while aiming to provide attractive returns above traditional cash investments. We position the portfolio for resiliency as the economic impacts of the virus and reopening efforts continue to manifest. We continue to be cautious on interest rate exposure. We are emphasizing opportunities that can offer ample liquidity, compelling yields, and capital preservation.

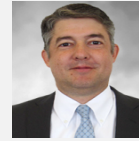
We continue to favor high quality corporate credit, with preference for short-dated maturities of 0- to 18-months. Individual credit selection remains a key component in identifying the most attractive issues. Selective sector rotation offers opportunities to benefit from attractive valuations. Emphasizing high quality ABS provides a potential diversifying source of yield and may complement unsecured corporate debt. We maintain exposure in high quality, quasi-sovereign or government agency debt in non-U.S. countries, which continue to diversify the portfolio and provide potential sources of high-quality income.

As opportunities emerge from market dislocations, we plan to seek liquidity, aiming for attractive risk adjusted returns consistent with the strategy's capital preservation, liquidity and current income objectives.

### Management profile



**Jerome Schneider**  
Managing Director



**Andrew Wittkop**  
Executive Vice President



**Nathan Chiaverini**  
Senior Vice President

**2019**  
**1 FEB**

INCEPTION DATE

Seeks current income exceeding short-dated government securities, consistent with principal preservation and liquidity.

**122**  **ANALYSTS**

Dedicated research analysts. 87 in U.S., 23 in U.K./Europe, 10 in Asia/Pacific, 2 in South America

Seeks current income exceeding short-dated government securities, consistent with principal preservation and liquidity.

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

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 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. **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 result in a loss that is greater 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.

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.

Morningstar ratings are only shown for those funds that have achieved a 4 or 5 star rating. Ratings for other funds or series are either lower or not available.

The 3-month CDOR is the average bid-side rate for Canadian bankers' acceptances determined daily from a survey of market makers and can be used as a proxy for the cost of 3-month bank funding. It does not reflect deductions for fees, expenses or taxes. It is not possible to invest directly in an unmanaged index. Performance is also compared to the Bloomberg Barclays Global Aggregate Index (CAD-Hedged) to provide a more globally recognizable benchmark that is representative of a diversified, investment-grade fixed income portfolio. It should be noted that this benchmark may not be representative of the investments in the Global Advantage Strategy Bond Fund (Canada), which utilizes a GDP-weighting methodology rather than the traditional market-capitalization weighting of the Bloomberg Barclays Global Aggregate Index.

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