PIMCO

PIMCO Monthly Income Fund (Canada)

PERFORMANCE SUMMARY

The PIMCO Monthly Income Fund (Canada) returned 1.22% before fees in March, outperforming the Bloomberg U.S. Aggregate Index (CAD Hedged) by 0.34%. Year-to-date the Fund has returned 1.60% before fees.

The Monthly Income Fund (Canada) continued to provide investors with consistent and competitive monthly distributions through March.

The portfolio's duration strategies contributed to performance in March, specifically, the fund's exposure to US duration as rates broadly fell in this market. Holdings of corporate credit also contributed to performance. The overall performance of residential mortgages was positive, as Agency MBS was the largest contributor to fund performance during the month.

Fund information

Fund Inception Date	20 Jan 2011
Strategy	FIXED INCOME, MULTI SECTOR
Total Net Assets CAD (in millions)	$25,310.14

Contributors

- Exposure to residential mortgages, including Agency and non-Agency MBS
- Exposure to US duration
- Exposure to investment grade and high yield corporate credit

Detractors

- Exposure to emerging market local debt

Portfolio Manager

Alfred Murata, Dan Ivascyn, Joshua Anderson

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 Mar 2024				Quarter End Performance 31 Mar 2024				
	3 mos.	6 mos.	1 Yr.	YTD	1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.	Since inception
■	1.60	7.12	7.89	1.60	7.89	2.12	3.13	4.44	7.69
■	-0.93	5.43	0.83	-0.93	0.83	-2.94	-0.08	1.28	2.07

■ PIMCO Monthly Income Fund (Canada) Series I Unit (before management and admin fees)(%)
■ Bloomberg U.S. Aggregate 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.

Performance is net of operating expenses, but does not include management or administrative fees. Management fees for Series I units of a Fund are negotiated and paid directly by the investor, not by the Fund, and will not exceed the Series A management fees of the Fund. Please refer to the prospectus for additional details on applicable fees and expenses.

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

The fund can be divided into two broad segments: higher yielding assets, which are expected to benefit when economic growth is robust and higher quality assets, which are expected to perform well in risk-off scenarios.

Within the higher quality segment, net portfolio duration was reduced over the month as yields fell across the U.S. yield curve. We maintain a preference for US duration, as nominal rates remain higher relative to other developed countries. Within investment grade corporate credit, we continue to favor systemically important banks given fundamentals and defensive sectors, such as utilities and healthcare.

In the higher yielding segment, we seek to stay diversified across corporate, securitized, and emerging market credit. Within high yield credit, we remain selective and mindful of liquidity conditions favoring senior secured bonds. In securitized credit, we continue to look for opportunities to add senior exposure to asset-backed securities.

Sector Allocation (Duration in Years)	
Government Related	-0.82
Securitized[Φ]	3.50
Invest. Grade Credit	0.53
High Yield Credit	0.11
Emerging Markets[Ω]	0.22
Municipal/Other[Δ]	0.01
Net Other Short Duration Instrumentsr[††]	-0.09

MONTH IN REVIEW

Equity markets continued their upward trajectory, while bond indices modestly rose as several global central banks sent dovish signals to the market. U.S. credit spreads tightened, and developed sovereign bond yields fell, while the dollar strengthened. In the U.S., the 10-year Treasury fell 5 bps to 4.20% as the Federal Reserve reaffirmed its expectation of three rate cuts in 2024. In Germany, the 10-year bund yield fell 11 bps to 2.30%. In the U.K., 10-year Gilt yields fell 19 bps to 3.93%, while 10-year Japanese government bond yields rose 2 bps to 0.73%.

Against this backdrop, performance was positive over the month. Within the higher quality portion of the portfolio, the fund's exposure to US duration contributed to performance as rates fell in this market. The fund's exposure to investment grade corporate credit and Agency MBS also contributed to performance.

Within the higher yielding portion of the portfolio, the fund's exposure to high yield corporate credit contributed to performance. Holdings of non-Agency MBS also moderately contributed to performance.

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. We still expect the Fed to start normalizing policy at midyear, similar to other DM central banks; however, the Fed's subsequent rate-cutting path could be more gradual. 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.

Within the Monthly Income Strategy, we remain focused on quality, diversification, and seniority in the capital structure. The strategy has an income-oriented approach that aims to be flexible and resilient in times of market volatility over the longer term.

FUND STATISTICS

Effective Duration (yrs)	3.45
Effective Maturity (yrs)	6.58
Sharpe Ratio (10 year)	0.66
Volatility (10 year)	0.05

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

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

ΩShort duration emerging markets instruments includes an emerging market security or other instrument economically tied to an emerging market country by country of risk with an effective duration less than one year and rated investment grade or higher or if unrated, determined to be similar quality by PIMCO. Emerging Markets includes the value of short duration emerging markets instruments previously reported in another category.

ΓΠNet 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.

The **Sharpe Ratio** measures the risk-adjusted performance. The risk-free rate is subtracted from the rate of return for a portfolio and the result is divided by the standard deviation of the portfolio returns.

Volatility is measured by the standard deviation, or dispersion of a set of data from its mean, based on historical portfolio returns. A larger spread of data indicates higher standard deviation and higher volatility.

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: 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 while generally supported by a government, government-agency or private guarantor, there is no assurance that the guarantor will meet its 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. **Commodities** contain heightened risk, including market, political, regulatory and natural conditions, and may not be appropriate for all investors. **Equities** may decline in value due to both real and perceived general market, economic and industry conditions. Investing in **distressed companies** (both debt and equity) is speculative and may be subject to greater levels of credit, issuer and liquidity risks, and the repayment of default obligations contains significant uncertainties; such companies may be engaged in restructurings or bankruptcy proceedings. Convertible securities may be called before intended, which may have an adverse effect on investment objectives. Entering into **short sales** includes the potential for loss of more money than the actual cost of the investment, and the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to the portfolio. **Currency rates** may fluctuate significantly over short periods of time and may reduce the returns of a portfolio. **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 Fund is **non-diversified**, which means that it may concentrate its assets in a smaller number of issuers than a diversified fund.

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 U.S. Aggregate Index (CAD Hedged) represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis. It is not possible to invest directly in an unmanaged index.

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.

The PIMCO Monthly Incomes Fund (Canada) has issued a distribution for each month since inception. No guarantee is being made that a future distribution will be issued.

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

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