



P I M C O

PIMCO CANADA FUNDS

2023 Annual IRC Report to Securityholders

For the year ended December 31, 2023



Chairperson's Letter

February 1, 2024

Dear Securityholder:

The Independent Review Committee ("IRC") of the funds listed in Schedule A (collectively, the "PIMCO Canada Funds" or the "Funds" and individually, a "Fund") managed by PIMCO Canada Corp. ("PIMCO Canada" or the "Manager") provides you with our annual report in accordance with National Instrument 81-107 *Independent Review Committee for Investment Funds* ("NI 81-107") for the period from January 1, 2023 to December 31, 2023.

The IRC is comprised of three members, all of whom are independent of the Manager and its affiliated companies.

The IRC's mandate is to review conflict of interest matters identified and referred to it by PIMCO Canada and to give its approval or recommendation, depending on the nature of the conflict of interest matter. The IRC's objective is to determine whether the Manager's proposed action achieves a fair and reasonable result for a Fund.

At least annually, the IRC reviews and assesses the adequacy and effectiveness of the Manager's policies and procedures relating to conflict of interest matters in respect of the Funds, and conducts a self-assessment of the IRC's independence, effectiveness and compensation. The IRC also reviews annually the written charter that outlines its mandate, responsibilities and functions, and the procedures it will follow when performing its functions.

The IRC looks forward to continuing to work with the Manager in order to serve in the best interests of the Funds.

You may request a copy of this report at no charge by calling toll-free 1-877-506-8126 (416-506-8187 in Toronto), by visiting www.pimco.ca or www.sedarplus.ca.

Sincerely,

"Michèle McCarthy"

Michèle McCarthy

Chair of the Independent Review Committee

Reporting Period

This is the report of the Independent Review Committee ("IRC") for the funds listed in Schedule A (the "Funds") managed by PIMCO Canada Corp. (the "Manager"). The information disclosed in this report covers the period beginning January 1, 2023 and ending December 31, 2023 (inclusively, the "Period").

Members of the IRC

The members of the IRC are listed below. John Lockbaum and Michèle McCarthy were appointed to the IRC on July 1, 2018. Barbara Macpherson was appointed to the IRC on March 1, 2023.

Effective March 1, 2023, each of Joanne De Laurentiis and Anthony Cox ceased to be a member of the IRC, as their respective terms ended.

| NAME | RESIDENCE |
|--------------------|-------------------|
| John Lockbaum | Oakville, Ontario |
| Michèle McCarthy | Toronto, Ontario |
| Barbara Macpherson | Oakville, Ontario |

The members of the IRC also serve as members of an independent review committee for the non-prospectus qualified mutual funds managed by the Manager, only in respect of inter-fund trades in which such funds participate.

One member of the IRC serves as an independent review committee member for other investment fund companies:

Michèle McCarthy sits on the IRC for the investment funds managed by Addenda Capital Inc., Edgehill Partners L.P., Northwest & Ethical Investments L.P., Sprott Asset Management LP, and

Horizons ETFs Management (Canada) Inc.

Having completed a self-assessment process, the IRC has concluded that none of the IRC members has any relationship that would cause a reasonable person to question the independence of any of the IRC members.

Holdings of Securities

Funds: As at December 31, 2023, the percentage of each class or series of the Funds beneficially owned, directly or indirectly, in aggregate, by all members of the IRC did not exceed one percent.

Manager: As at December 31, 2023, the percentage of each class or series of voting or equity securities of the Manager owned, directly or indirectly, in aggregate, by all members of the IRC did not exceed one percent.

Service Providers: As at December 31, 2023, the percentage of each class or series of voting or equity securities of any person or company that provides material services to the Funds or the Manager beneficially owned, directly or indirectly, in aggregate, by all members of the IRC did not exceed one percent.

IRC Compensation and Indemnities

The members of the IRC are entitled to be compensated by the Funds and to be indemnified by the Funds in appropriate circumstances. The compensation paid to the IRC during the Period was set by the IRC, and was consistent with the Manager's recommendation as to the appropriate level of compensation for the IRC members.

The aggregate compensation of current members of the IRC for the Period was \$99,828. Each Fund is allocated its share of this compensation pursuant to the Funds' prospectus and Expense Allocation Policy.

The IRC reviews and determines its own compensation on an annual basis. In determining the appropriate amount of compensation, the IRC considers:

- 1) the Manager's recommendations on reasonable compensation for the IRC;
- 2) the nature and extent of the work load of the IRC and the contribution made by each of its members;
- 3) the results of its annual assessment of compensation and effectiveness;
- 4) the benefit accruing to the Funds as a result of the IRC activity;
- 5) the best interests of the Funds;
- 6) the nature, number and complexity of the Funds;
- 7) industry practices and compensation data related to other Canadian IRC's in comparable circumstances during the relevant time period.

The members of the IRC were not paid any indemnities by the Funds during the Period.

Conflict of Interest Matters

NI 81-107 requires the IRC to review all conflict of interest matters identified and referred to the IRC by the Manager and to give its approval or recommendation, depending on the nature of the conflict of interest matter.

Schedule B sets out the list of policies reviewed by the IRC during the Period.

Policies and Standing Instructions

Where appropriate, the IRC gives the Manager Standing Instructions which enable the Manager to act in a particular conflict of interest matter on a continuing basis provided the Manager complies with its policies and procedures established to address that conflict of interest matter and reports periodically to the IRC on the matter.

During the period, the Manager relied upon Standing Instructions with respect to the conflict of interest matters addressed by certain of the policies.

Compliance

The IRC is not aware of any instance in which the Manager acted in a conflict of interest matter but did not meet a condition imposed by the IRC in its recommendations or approval.

The IRC is not aware of any instance in which the Manager acted in a conflict of interest matter for which the IRC did not give a positive recommendation.

The IRC is not aware of any instance where the Manager acted contrary to its recommendations or did not follow the applicable policies and procedures in all material respects.

SCHEDULE A

Funds covered by this report:

PIMCO Canadian Total Return Bond Fund
PIMCO Monthly Income Fund (Canada)
PIMCO Flexible Global Bond Fund (Canada)
PIMCO Unconstrained Bond Fund (Canada)
PIMCO Investment Grade Credit Fund (Canada)
PIMCO Global Short Maturity Fund (Canada)
PIMCO Low Duration Monthly Income Fund (Canada)
PIMCO Managed Core Bond Pool
PIMCO Managed Conservative Bond Pool
PIMCO Climate Bond Fund (Canada)
PIMCO ESG Income Fund (Canada)
PIMCO Diversified Multi-Asset Fund (Canada)
PIMCO Global Income Opportunities Fund
PIMCO Tactical Income Fund
PIMCO Tactical Income Opportunities Fund
PIMCO Multi-Sector Income Fund

SCHEDULE B

Policies reviewed:

Trade Allocation Policy

Pricing Policy

Best Execution Policy

Gifts & Entertainment Policy

Short-Term Trading Policy

Code of Ethics

Proxy Voting Policy

Directed Brokerage Policy

Seed Capital Withdrawal Policy

Fund Expense Allocation Policy

NAV Error and Adjustments Policy

Trade Error Policy

Policy on Services from Related Persons

Fund-on-Fund Policy

Cross Trading Policy

In Specie Transfers Policy

Policy on Investing in Securities of a Related Issuer