

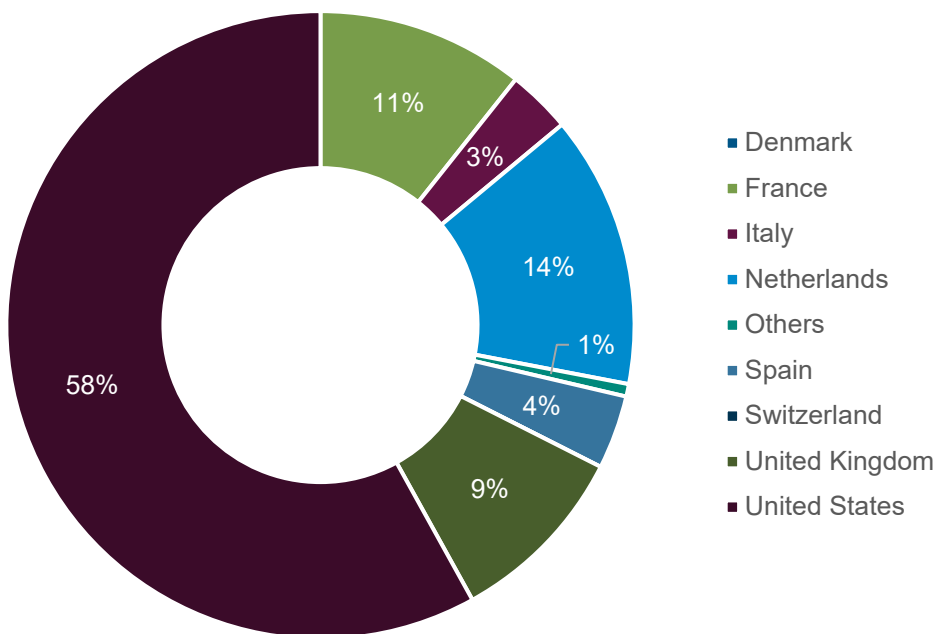
PIMCO Capital Securities Fund

Capitalise on opportunities in the global financial sector by investing across the capital structure

WHY INVEST IN THE FUND?

1	<p>DIVERSIFYING AUSTRALIAN BANK EXPOSURE</p> <p>Capital Securities offers an opportunity for Australian investors to diversify their concentrated Australian Bank exposure, mainly in Australian Bank equities and hybrid securities, by harnessing a diversified global opportunity set.</p>
2	<p>INVESTMENT ACROSS THE CAPITAL STRUCTURE</p> <p>Capital securities are bonds issued by financial institutions that are subordinated to senior debt but rank higher in the capital structure than equity. An allocation to the PIMCO Capital Securities Fund may provide investors with an attractive opportunity relative to both high yield bonds and equities.</p>
3	<p>LOWER INTEREST RATE SENSITIVITY</p> <p>Compared to other traditional fixed income asset classes, capital securities are less sensitive to changes in interest rates. This makes the fund an attractive alternative for investors that are looking for income but are concerned about rising rates.</p>

CAPITAL SECURITIES INVESTING ACROSS REGIONS CAN HELP DIVERSIFY CONCENTRATED REGIONAL EXPOSURE



Source: PIMCO as of 31 March 2025

FUND IN NUMBERS

A-

Average Credit Quality¹

7.28%

Current yield-to-maturity on the fund²

82

Number of issuers in the portfolio

Source: PIMCO as of 31 March 2025

¹ This is the average credit quality of the bonds held in the fund. Source: PIMCO 31 December 2024.

² Yield to Maturity (YTM) is the estimated annual rate of return that would be received if the Fund's current securities were all held to their maturity and all coupons and principal were made as contracted. YTM does not account for fees or taxes. YTM is not a forecast, and is not a guarantee of, the future return of the Fund. The Fund's actual return will depend on a range of factors, including fluctuations in the value of the Fund's securities held from time to time.

Role in a portfolio

COMPLEMENT TO TRADITIONAL FIXED INCOME

Because of its higher return potential compared to traditional fixed income, the fund can serve as a diversifier to high yield strategies or a complement to investment grade credit strategies where contingent convertible bonds are not included in typical benchmarks.

YIELD OPPORTUNITIES

Investors with exposure to income producing assets like Australian hybrids, high yield bonds, bank loans or convertibles, may consider substituting part of this allocation into capital securities to diversify exposure without necessarily sacrificing yield.

EQUITY SUBSTITUTE

We believe Capital Securities have historically provided a better risk- adjusted return than financial stocks, even though subordinated debt holders remain more senior in the capital structure than equity holders.

FUND OBJECTIVE

To seek to provide focused exposure to attractively priced Capital Securities together with a maximum total return, consistent with the preservation of capital and prudent investment management.

RATINGS



Rating assigned
November 2024

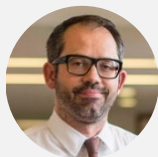
*Please refer to relevant research house disclaimer to obtain further information about the meaning of the rating and the rating scale. Rating is only one factor to be taken into account when deciding whether to invest



The banking sector remains fundamentally healthy, capital ratios have strengthened across the board and asset quality outlook is relatively benign.

– Philippe Bodereau, Portfolio Manager

OUR EXPERTISE



Philippe Bodereau
Portfolio Manager
Global Head of Financial
Research 28 years of
investment experience



Matthieu Loriferne
Portfolio Manager
Capital Securities and Financial
21 years of investment
experience



Michael Bogecho
Portfolio Manager
Capital Securities and Financial
19 years of investment
experience

To learn more about PIMCO please contact your Account Manager.

PIMCO Global Wealth Management, Australia

David Orazio
Head of Distribution
+61 405 570 310
david.orazio@pimco.com

Kanish Chugh
Head of ETF Sales
+61 455 475 801
kanish.chugh@pimco.com

Tony Cahill
Account Manager
+61 438 801 975
tony.cahill@pimco.com

Haydn Scott
Account Manager
+61 478 808 454
haydn.scott@pimco.com

Jennifer Qu
Account Manager
+61 423 044 524
jennifer.qu@pimco.com

James Maunsell
Account Manager
+61 434 186 384
james.maunsell@pimco.com

Isaac Zhong
Account Manager
+61 448 602 743
issac.zhong@pimco.com

PIMCO’s time-tested investment process: analysing the capital markets from top to bottom

PIMCO’s investment process combines an informed global macroeconomic outlook with robust bottom-up analysis. Our Australian investment specialists contribute to our global top-down views and then implement these views through bottom-up strategies.

STARTING AT THE TOP

PIMCO’s investment process is anchored by our economic forums. At our annual Secular Forum, our global investment professionals gather with industry experts for a discussion about the economic, social and political trends that are likely to affect the global economy and financial markets over the next three to five years. We also hold quarterly Cyclical Forums to refine our longer-term views and forecast shorter-term economic performance in all major regions as well as country-specific forums.

FROM THE BOTTOM UP

Rigorous bottom-up analysis is meshed with our top-down themes to identify the most attractive securities for our clients’ portfolios. PIMCO’s regional and specialist portfolio managers work extensively with our robust global research team – industry sector specialists, who log millions of miles a year to target opportunities across the globe and capital structure before the market does.

DEDICATED CLIENT SERVICE EXPERTISE

PIMCO’s expansive team of dedicated investment professionals have weathered various market cycles, and are experts in generating alpha, managing risk and providing the highest level of client service to help meet the asset management needs of financial advisers and your clients.

MACRO THEMES

Our annual Secular Forum helps us cultivate longer-term investment themes while our three Cyclical Forums refine those views against more timely market and economic conditions.

QUANTITATIVE RIGOR

PIMCO’s quantitative investment professionals are integrated into all aspects of portfolio management, leveraging technology and proprietary analytics to uncover data-driven insights.

RISK MANAGEMENT

Our robust risk management framework is central to our process, using targeted tools to surface, manage and diversify portfolio and firm-wide risks.



ASSET-BASED RESEARCH

PIMCO’s global team of credit analysts and asset experts conduct independent, in-depth analysis to uncover relative value across public and private markets globally.

BEHAVIOURAL SCIENCE

Our investment process employs behavioural science practices to maximise the exchange of ideas, challenge biases, and continuously evaluate our practices and thinking.

PORTFOLIO MANAGEMENT

Our portfolio managers draw on all of these inputs to construct portfolios that emphasise multiple sources of value, targeting exposures with the best risk-adjusted return potential while positioning for various scenarios

Sydney

PIMCO Australia Management Ltd, ABN 37 611 709 507, AFS Licence 487 505
Level 19, 5 Martin Place, Sydney, NSW 2000 Australia 612 9279 1771

pimco.com/au

For use by wholesale clients only (such as licensed financial advisers). This document must not be passed on or distributed to any retail clients within the meaning of the Corporations Act 2001 (Cth).

Past performance is not a reliable indicator of future results. Interests in any PIMCO fund mentioned in this publication are issued by PIMCO Australia Management Limited ABN 37 611 709 507, AFSL 487 505 of which PIMCO Australia Pty Ltd ABN 54 084 280 508, AFSL 246 862 is the investment manager (together **PIMCO Australia**). This publication has been prepared without taking into account the objectives, financial situation or needs of investors. Before making an investment decision investors should obtain professional advice and consider whether the information contained herein is appropriate having regard to their objectives, financial situation and needs. Investors should obtain a copy of the Product Disclosure Statement (**PDS**) and consider the PDS before making any decision about whether to acquire an interest in any PIMCO fund mentioned in this publication. **PIMCO Australia has determined the target market for this product which is set out in the target market determination (TMD) published on our website. The current PDS and TMD can be obtained via www.pimco.com.au.** This publication may include economic and market commentaries based on proprietary research, which are for general information only. PIMCO Australia believes the information contained in this publication to be reliable, however its accuracy, reliability or completeness is not guaranteed. Any opinions or forecasts reflect the judgment and assumptions of PIMCO Australia on the basis of information at the date of publication and may later change without notice. These should not be taken as a recommendation of any particular security, strategy or investment product. All investments carry risk and may lose value. To the maximum extent permitted by law, PIMCO Australia and each of their directors, employees, agents, representatives and advisers disclaim all liability to any person for any loss arising, directly or indirectly, from the information in this publication. No part of this publication may be reproduced in any form, or referred to in any other publication, without express written permission of PIMCO Australia. PIMCO is a trademark of Allianz Asset Management of America LLC . in the United States and throughout the world. © PIMCO, 2025.

To the extent this publication includes references to Pacific Investment Management Co LLC (**PIMCO LLC**) and/or any information regarding funds issued by PIMCO LLC and/or its associates, such references are to PIMCO LLC (and/or its associates, as the context requires) as the investment manager of the fund, and not as the issuer of the fund. **PIMCO LLC is exempt from the requirement to hold an Australian financial services licence under the Corporations Act 2001. PIMCO LLC is regulated by the Securities and Exchange Commission under US law, which differ from Australian law. PIMCO LLC is only authorised to provide financial services to wholesale clients in Australia.**

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. **Mortgage and asset-backed securities** may be sensitive to changes in interest rates, subject to early repayment risk, and their value may fluctuate in response to the market's perception of issuer creditworthiness; while generally supported by some form of government or private guarantee there is no assurance that private guarantors will meet their 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. Equities may decline in value due to both real and perceived general market, economic, and industry conditions. 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. Investment involves risk including possible loss of the principal amount invested. Past performance is not a reliable indicator of future results. The value of units of the Fund and the Fund's distributions, if any, may fall or rise. Investment returns may be exposed to exchange rate fluctuations. In an environment where interest rates may trend upward, rising rates will negatively impact most bond funds, and fixed income securities held by a fund are likely to decrease in value. Bond funds and individual bonds with a longer duration (a measure of the expected life of a security) tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations.

***Research House Disclaimers**

The rating issued 11/2024 for ETL0445AU is published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only, and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit lonsec.com.au for ratings information and to access the full report. © 2025 Lonsec. All rights reserved.