



PIMCO

OCTOBER 2025

PIMCO Europe Ltd. UK Stewardship Code Statement and Report – 2024

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We are pleased to share PIMCO Europe Ltd. (PEL)'s 2024 UK Stewardship Code Statement and Report, covering the period from 1 January 2024 to 31 December 2024.

PEL is part of the wider PIMCO group, in which we recognise that our role as fiduciaries extends beyond delivering superior investment returns; it encompasses safeguarding our clients' long-term interests, supporting well-functioning markets, and which we believe will contribute to sustainable economic growth. Responsible stewardship is central to our purpose as an active investment manager and reflects our long-standing commitment since our inception over the past 50 years to disciplined investment, rigorous risk management, and acting in the best interests of our clients and beneficiaries, and their evolving needs.

In 2024, investors navigated heightened volatility, driven by geopolitical uncertainty and shifting economic conditions. These challenges underscore the importance of trust in asset managers who are accountable stewards of capital. This report illustrates PIMCO's ongoing commitment as stewards of our clients' capital, notably through the advancement of our capabilities in artificial intelligence (AI) to deliver value, the identification of opportunities in less crowded asset classes and liquidity gaps, and the guidance we provide to clients through periods of volatility and uncertainty.

In 2024, we prioritised investment into innovative AI as it continued to transform the global economy. Use of new technologies, including proprietary AI tools, enhanced research capacity and operational efficiency is giving our investment professionals greater time to focus on client outcomes. This approach to AI maintains our rigorous and time-tested risk management focus, which is coordinated through an interconnected AI-centred governance framework.

Expanding opportunities across markets, given the convergence of public and private markets, has been another area of focus. In response to widening financing gaps, PIMCO's scale and investment expertise enables us to offer active investors with flexible capital more opportunities during periods of volatility. A key example in 2024 is represented by the expansion of our Asset-Based Finance platform, which aims to provide clients with access to less crowded areas of the market, while ensuring robust due diligence and risk controls.

The heightened volatility and uncertainty of 2024 underscored the importance of PIMCO's disciplined investment approach. Our regular global Secular and Cyclical Forums, together with the expertise of our professionals and distinguished thought leaders, continued to serve as a cornerstone of our stewardship, enabling us to identify strategic risks and opportunities and to incorporate them into client portfolios responsibly.

Throughout 2024, our stewardship efforts remained grounded in our fiduciary duty to clients, our commitment to sustainable investment practices, and our responsibility to contribute to resilient global capital markets. We welcome this opportunity to demonstrate our continued alignment with the UK Stewardship Code.

Christian Stracke
CEO, PIMCO Europe Ltd.

This report has been reviewed and approved by the Board of PIMCO Europe Ltd.

The information contained herein is as of 31 December 2024, unless otherwise noted.

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The information herein is not intended to provide, and should not be relied on for, accounting, legal, tax, investment or other advice. Recipient should consult its own counsel, accountant, investment, tax, business and any other advisers as to legal, accounting, regulatory, investment, tax and any other matters, including economic risks and merits, related to making an investment in the Fund.

ESG

Socially responsible investing is qualitative and subjective by nature, and there is no guarantee that the criteria utilised, or judgment exercised, by PIMCO will reflect the beliefs or values of any one particular investor. Information regarding responsible practices is obtained through voluntary or third-party reporting, which may not be accurate or complete, and PIMCO is dependent on such information to evaluate a company's commitment to, or implementation of, responsible practices. Socially responsible norms differ by region. There is no assurance that the socially responsible investing strategy and techniques employed will be successful. Past performance is not a guarantee or reliable indicator of future results.

Outlook

Statements concerning financial market trends are based on current market conditions, which will fluctuate. There is no guarantee that these investment strategies will work under all market conditions, and each investor should evaluate their ability to invest for the long term, especially during periods of downturn in the market. Outlook and strategies are subject to change without notice.

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. **Commodities** contain heightened risk, including market, political, regulatory and natural conditions, and may not be suitable for all investors. **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. **Equities** may decline in value due to both real and perceived general market, economic and industry conditions. 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. **Sovereign securities** are generally backed by the issuing government. Obligations of US government agencies and authorities are supported by varying degrees, but are generally not backed by the full faith of the US government. Portfolios that invest in such securities are not guaranteed and will fluctuate in value. **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. 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. Income from municipal bonds may be subject to state and local taxes and at times the alternative minimum tax. Swaps are a type of derivative; swaps are increasingly subject to central clearing and exchange-trading. **Swaps** that are not centrally cleared and exchange-traded may be less liquid than exchange-traded instruments. **Inflation-linked bonds (ILBs)** issued by a government are fixed income securities whose principal value is periodically adjusted according to the rate of inflation; ILBs decline in value when real interest rates rise. Treasury Inflation-Protected Securities (TIPS) are ILBs issued by the US government. Certain **US government securities** are backed by the full faith of the government. Obligations of US government agencies and authorities are supported by varying degrees but are generally not backed by the full faith of the US government. Portfolios that invest in such securities are not guaranteed and will fluctuate in value.



PRINCIPLE 1:

Purpose, strategy and culture of signatories enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

The purpose of this report is to outline how PIMCO Europe Ltd. (“PEL”) has demonstrated the principles of the UK Stewardship Code over the twelve months ending 31 December 2024. PEL operates within the global PIMCO business model. The benefit of this model is that it enables the standardisation of functions and processes, as well as the common use of technology, systems, and vendor services. A number of core groups are represented both globally and at PEL. Within this global framework, portfolio management and analysis operate at a global level, ultimately reporting to PIMCO’s Investment Committee. PEL relies on PIMCO’s global business model to formulate and oversee strategy relating to many key elements of stewardship, subject to oversight by the PEL Board. As such, within this report, “PIMCO” refers to the global business model, unless otherwise stated.

OUR PURPOSE AND INVESTMENT PHILOSOPHY

As one of the world’s leading investment managers, PIMCO has been at the forefront of active fixed income since our launch in 1971 in Newport Beach, California. Over the past 50+ years, we have remained dedicated stewards of our clients’ assets, firmly believing that active management is the responsible way to invest.

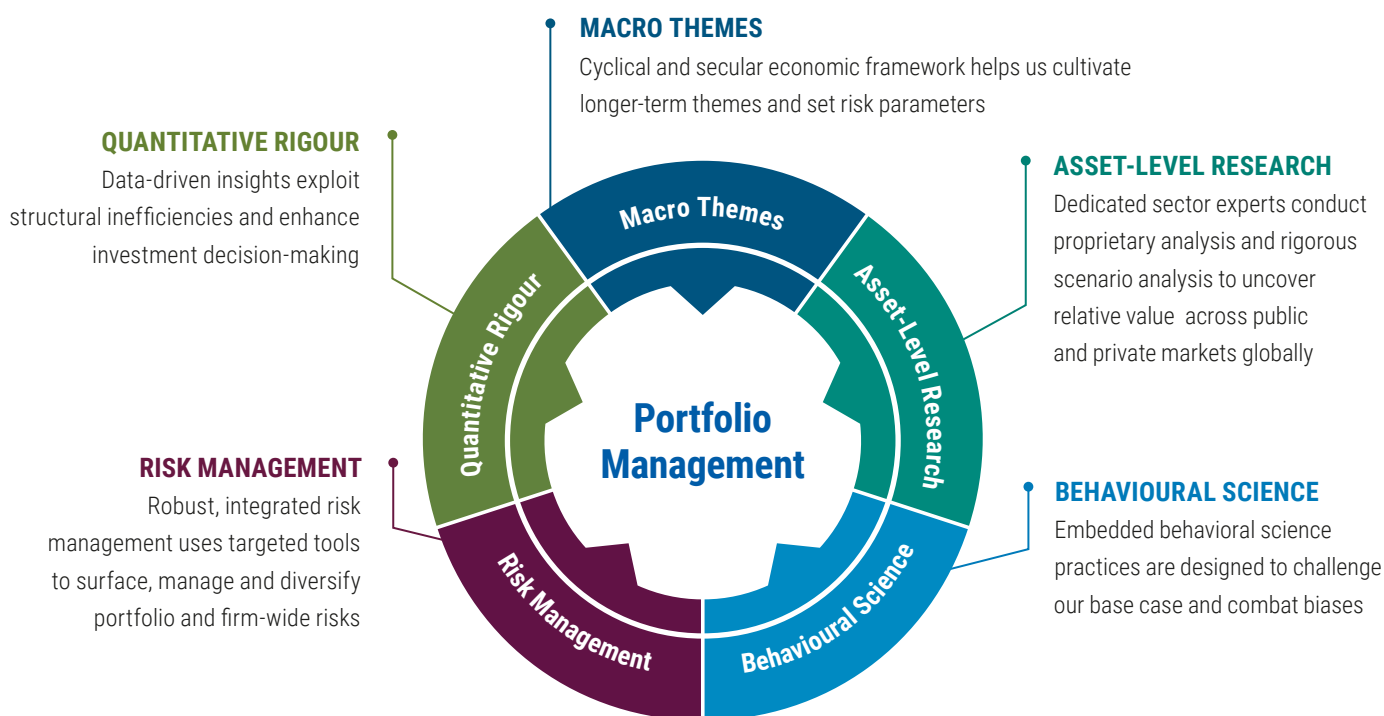
PIMCO manages a broad range of strategies across different asset classes—including fixed income, alternatives, and real assets—with deep expertise across both public and private

markets. Through shifting market conditions, we have worked tirelessly to help millions of investors pursue their objectives, bringing together investment professionals from around the globe. While the pillars of our investment process remain constant, the process is designed to promote fresh ideas and diverse perspectives, always with our stewardship and fiduciary duty at the forefront. PIMCO’s role as a fiduciary means that our investment activities are led by client mandates and considerations, as expressed through investment objectives and guidelines.

A CONTINUED FOCUS OF STEWARDSHIP IN OUR INVESTMENT PROCESS

PIMCO seeks to constantly evolve, improve and enhance our time-tested investment process to enhance our ability to manage our clients’ assets while keeping our responsibilities as stewards of their capital at the forefront. PIMCO’s investment process has been designed to give portfolio managers a comprehensive view of risks and opportunities across public and private markets. Built on decades of experience navigating

complex debt markets, the process is powered by five key drivers. Our portfolio managers draw on 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. The key tenets are outlined in the graphic below.



All information is as of 31 December 2024 unless otherwise noted.

Past performance is not a guarantee or a reliable indicator of future results. All investments contain risk and may lose value. There is no guarantee that investment or portfolio strategies will work under all market conditions or are suitable for all investors and each investor should evaluate their ability to invest long-term, especially during periods of downturn in the market. Investors should consult their investment professional prior to making an investment decision.

PIMCO views stewardship as a long-term and dynamic process that evolves over time. As mentioned in previous reports we have built on over 50+ years of experience actively managing our clients' assets, and continue to adapt and evolve our approach to best serve clients' needs.

In 2024, this translated into an increased focus on building AI tools to make our processes more efficient and centralise knowledge for clients' benefits, stepping into markets to provide needed liquidity, and guiding clients through increasingly volatile and uncertain times.

As AI continues to reshape many aspects of the global economy, PIMCO continues to invest in this transformative technology, so that we can both improve investment outcomes and increasingly devote client-facing team's time to higher value-added aspects of our client relationships.

As public and private markets continue to converge, we have also seen a need in nascent and growing markets for the liquidity that PIMCO can provide from our clients' assets. Developments in our Asset-Based Finance (ABF) platform are one area where PIMCO's size and scale are adding liquidity where it is needed.

Lastly, 2024 was a volatile year for markets and politics. We continued to adapt the way we educated and guided clients through turbulent times, using new communication channels, analysis, and high-touch engagement with PIMCO's thought leaders.

While we continued to evolve our processes, the key tenets of our firm-wide approach and philosophy are time-tested, yet provide the flexibility to continuously innovate. The principles of our investment process are integral components of our mission: delivering superior investment returns, solutions, and services to our clients.



Long-Term Orientation

PIMCO believes that focusing on long-term, secular trends offers the greatest opportunity to add value relative to the overall market, which is largely preoccupied with pricing in short-term factors. By maintaining a disciplined focus on the firm's secular views, PIMCO is better able to identify long-term value and prevent the firm's trading decisions from being overly influenced by emotion and short-term market sentiment.



Broad Universe

PIMCO is committed to implementing this approach by selecting from a broad universe that includes all conventional fixed income sectors as well as newer, less traditional sectors, including high yield, emerging market debt, and inflation-linked bonds and private markets. PIMCO believes that a broad opportunity set not only provides us with greater potential to enhance returns, but also enables us to reduce portfolio risk through greater diversification.



Multiple Strategies

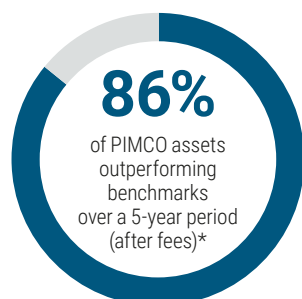
PIMCO believes that a diversified approach to adding value should deliver more consistent results to client portfolios, so PIMCO employs multiple concurrent strategies and takes only moderate risk in each, thereby seeking to reduce the risk of poor performance arising from any single source. Strategies utilised include duration management, yield curve or maturity structuring, sector rotation and bottom-up techniques including those driven by the firm's in-house credit and quantitative research.



Risk Management

This is a major focus at PIMCO and has been a cornerstone of the firm's investment philosophy since inception. PIMCO measures and manages portfolio risk by focusing on a series of factor-based risk measures which capture each portfolio's positioning and help quantify the client portfolio's broad exposure to a range of risks. PIMCO believes that successful risk management demands constant reassessment of the investment landscape in order to anticipate future market events and evolving risks.

In our commitment to our clients and firm-wide mission, we integrate key principles of stewardship to drive long-term value that delivers sustainable benefits for the economy, the environment, and society. One tangible way in which we continue to measure the long-term value we create for our clients is through our five-year track record of investment performance relative to benchmarks, as illustrated in the exhibit below.



* Source: PIMCO. Data as of 31 December 2024, with five-year rolling windows as of that date. Based on PIMCO managed portfolios with at least a 5-year history. The after-fees performance of each portfolio was compared to the portfolio's primary benchmark. If the after-fees portfolio performance was greater than the benchmark performance for a given period, the assets in that portfolio were included in the outperforming data. Benchmark outperformance indicates the performance of a portfolio as compared to its benchmark. As such, it does not indicate that a portfolio's performance was positive during any given period. For example, if a portfolio declined 3% during a given period, and its benchmark declined 4%, the portfolio would have outperformed its benchmark, even though it lost value during the period. Certain absolute return oriented portfolios contained within the data may inflate the data either positively or negatively due to the low return/volatility characteristics of the primary benchmark. For example a portfolio measured against 3-month USD Libor would be more likely to out- or underperform its benchmark. **No measure of past performance should be understood to ensure that future performance will be positive, whether on a relative or absolute basis.**

As responsible stewards of our clients' capital, we must constantly evolve how we integrate technology into every aspect of our work. In our last report, we highlighted the investments made in Artificial Intelligence (AI) to deepen investment insights, improve client experiences, and streamline operations.



IN FOCUS: REFINING AND ADVANCING HOW WE INTEGRATE ARTIFICIAL INTELLIGENCE

Our AI strategy remains anchored in our rigorous and proven risk management practices, overseen by a comprehensive AI governance framework. Crucially, we regard AI as a tool to support and enhance human expertise — not as a replacement for human judgement, decision-making, or accountability. Our objective is to elevate our insights through scalable AI solutions, which we implement via both enterprise-wide and customised AI tools.

To ensure that our AI capabilities are adopted to the fullest extent across PIMCO, we continue to provide AI-centred training to our employees, and broader showcases, to highlight all the AI-related developments across the firm.



CASE STUDY 1: AI EXPO

In 2024, PIMCO organised a showcase of 25 AI solutions designed to enhance investment insights, enrich client experiences, optimise operations, and equip teams with essential tools and skills for success in a digital world. The expo drew over 1,000 staff from our London, New York, and Newport Beach offices, allowing employees to engage in live demonstrations and hands-on testing of innovative tools. The AI tools presented reflected how groups across the firm are leveraging AI to improve their day-to-day work processes with the aim of generating

adoption for existing tools and inspiring new ideas about how to solve other common challenges.

Participants shared feedback that they gained deeper insights into the tangible impact of AI at PIMCO, new connections with colleagues who have AI expertise, and a greater ability to make use of available AI tools in their roles. Through these initiatives, we are investing in our talent and equipping employees with essential skills for the future of the asset management industry.

As highlighted in our last report, AI integration helps us to enhance our investment decision-making process and strengthens our ability to deliver superior investment results for our clients. This is critical to our investment approach, which demands ongoing assessment of evolving global risks and opportunities to create forward-thinking solutions that address our clients' changing needs. As we continue to integrate AI into our operations beyond our investment processes, we have seen increasing benefits in our ability to customise client services. Please refer to Principle 6 for a client-facing case study of AI-application. Our commitment to leveraging AI extends beyond client service and into our internal operations. By harnessing advanced technologies across the organisation, we can drive greater efficiency, accuracy, and innovation in both our external and internal processes.



CASE STUDY 2: AI FOR MANAGER DEVELOPMENT

We also continue to integrate AI into all aspects of talent management and hiring. As part of our ongoing talent strategy, this year we enhanced our 101 Manager Development Training by incorporating an AI-generated simulation for real-time practice, significantly improving the learning experience. This innovative approach enabled new managers to cultivate essential skills

for effective team management and coaching. Participants gained deeper self-awareness and insight into their teams, mastered critical conversations, and addressed real-world management challenges through practical exercises and meaningful connections with a community of peers.

As we continue to invest in internal AI resources, we also recognise that at a macro-level this is an area where investment in physical infrastructure is needed across many of the markets in which we operate and invest. The rapid adoption of AI necessitates a significant expansion in data centre capacity, especially in Europe, to support both AI training (training models on large datasets) and inference processes (delivering AI tools to end users). PIMCO recognises that the fast-paced evolution of generative AI technologies is reshaping demand for data centre capacity across Europe. In the first quarter of 2024, global leasing volumes surpassed 1,800 megawatts, a sevenfold increase from just three years ago.¹ This need for infrastructure build-out in Europe is also amplified by governments' quest for digital sovereignty—the ability to control critical data, software, and hardware.

For investors, PIMCO views the European data centre sector as an opportunity to gain diversified exposure to the secular growth of AI and cloud-based services for our clients. Data centre investments can provide access to the broader AI theme, rather than relying on specific technology winners, helping to mitigate idiosyncratic risks. Our focus remains on scalable developments, which we believe are well positioned to accommodate the increasing capacity requirements of AI workloads.



CASE STUDY 3: DATA CENTRE INVESTMENT

Recognising the infrastructure gap across Europe, PIMCO's European Data Centre investment strategy targeted underserved markets to enhance digital resilience and accessibility. By investing in data centres that support AI development, we aimed to foster technological innovation and economic growth, thereby delivering long-term value to our clients while keeping sustainable development in mind where possible. More broadly, as part of PIMCO's approach to the integration of ESG factors for the purposes of mitigating potential risks in our investment strategies, PIMCO intended to encourage, where appropriate, material ESG considerations across a client's portfolio. This included investing for clients in organisations

seeking to build energy efficient buildings in locations with access to renewable energy sources, thereby adding demand for less carbon-intensive power supply. Other considerations also included water and material recycling programmes and local and sustainability-led procurements strategies, where applicable¹.

This investment strategy aligns with our stewardship approach by recognising the transformative impact of AI on the economy, society and the environment. By investing in data centres that support AI development, we aimed to foster technological innovation and economic growth, thereby delivering long-term value to our clients.

¹ Please refer to the publicly-available Sustainability-related disclosures for the PIMCO European Data Centre Opportunity Fund found here <https://www.pimco.com/eu/en/documents/454d052f-42c3-4edc-8b05-c85e96699a17>

PIMCO'S CULTURE

At PIMCO, fostering an inclusive, collaborative, and high-performing culture remains central to integrating Stewardship Principles across our processes. Guided by integrity and a commitment to excellence, we prioritise our clients' best interests. To support this objective, we nurture a dynamic workplace where collaboration, strong ethical standards, and a focus on performance come together to ensure that our clients remain at the heart of everything we do. At the centre of this culture are our CORE values: Collaboration, Openness, Responsibility, and Excellence, which guide us in fulfilling our mission, and which we have outlined in previous reports.



Collaboration

It is part of our responsibility to help others succeed – because together we're strongest. We leverage diverse perspectives to make better business decisions.



Openness

Sharing our views, engaging in discourse, and being fair and open-minded is how we meet – and beat – challenges together.



Responsibility

Actions have impact – on our clients, our culture and our community – and we take that accountability very seriously.



Excellence

Our position as an industry leader – in thought and in deed – is a fundamental reflection of the best of our people.

PIMCO's success is rooted in our commitment to diverse thinking. We prioritise investing in connection because we know that it's key to breaking down barriers and encouraging one another to share unique experiences and ideas. This connection allows diverse thinking to thrive, so together we can identify opportunities others might miss, and seek out the best results for our teams and our clients.

Our key priorities and focus areas are:

- **Encouraging diverse perspectives:** Great ideas and innovative solutions emerge when teams look at opportunities from every angle. This has been the core of our approach for 50+ years.
- **Diversity of Thought in Investment Process:** Our investment process integrates diverse insights from our forums, in which more than 900 investment professionals, representing more than 20 global offices and different academic, experience, and backgrounds, gather to discuss and debate the state of global markets and economies and pinpoint trends we believe will have important investment implications. The forum process is designed to ensure that employees have an opportunity to voice their insights regardless of their seniority, office location, or business group.
- **Engagement with External Stakeholders:** We actively engage external speakers - thought leaders, industry experts, and advocates from various backgrounds - to share their insights and experiences with the PIMCO community. This approach allows us to challenge our thinking and avoid groupthink. Examples include leveraging insights from our Global Advisory Board, as well as collaborating with outside experts and forum speakers who bring unique viewpoints and expertise to the table. In 2024, we hosted more than 10+ internal speaker series.
- **Continued Thought Leadership:** Through conferences, research, and other collaborative efforts, we aim to advance diverse perspectives in our industry. In 2024, we hosted and sponsored 40+ talent external events. In 2024, we continued our PIMCO Women Leaders of Influence Series in London, aimed at empowering women in financial services. We had the privilege of hosting Dame Sharon White, Chair of the John Lewis Partnership and former CEO of Ofcom, who discussed her journey to the top level of the UK Treasury and the nuances of leadership in the public eye. Furthermore, in May 2024, PIMCO sponsored the Sister Act Charity Gala in London. The gala was promoted by OKRE Charity and brought together the financial services community to support #KindQueerHeart, a programme focused on increasing visibility and representation of marginalised communities, including queer people of colour, and trans and non-binary people. We also proudly sponsored the Toigo Gala, an event dedicated to advancing talent within the finance industry.
- **Cultivating a pipeline of top talent:** We are invested in cultivating the pipeline of qualified talent – at PIMCO and within the asset management industry at large.
- **Talent Acquisition Best Practices:** We continuously invest in new tools, skills, and partnerships to enhance our outreach and maintain bias mitigation in recruiting. We designed "Interviewing Best Practices" training to help interviewers develop the skills to conduct effective, structured, and compliant interviews.

- **Cultivating Manager Skills:** As part of our ongoing talent strategy, in 2024 we enhanced the 101 Manager Development Training as described in the above AI in-focus section in this Principle.
- **Investing in connection:** We invest in connection because we know that bringing together unique points of view results in better decisions, creative solutions and greater outcomes.
- **Employee Resource Groups:** Our people play an active role in our success with employee-led groups representing more than 3,000 employees globally. PIMCO's employee resource groups lead multiple awareness campaigns, 70+ social gatherings and speaking events open to all employees to

help foster community building and connectivity. Examples of our ERGs include PIMCO Multicultural, PIMCO Pride, and PIMCO Women.

One of the highlights of PIMCO's Multicultural EMEA 2024 programme was a thought-provoking debate organised in collaboration with Debate Mate, a social enterprise dedicated to teaching crucial skills from the classroom to the boardroom. The topic of the debate, "This House believes that AI will replicate biases rather than combat them", sparked an engaging discussion that enriched our understanding of the complexities surrounding AI and bias. Initiatives like this empower our teams to explore innovative solutions and strengthen our commitment to positive change at PIMCO.

ENHANCING HOW WE LEVERAGE BEHAVIOURAL INSIGHTS

The recognition that leveraging insights from a broad range of perspectives and mitigating biases is deeply embedded in PIMCO's culture. By engaging with both internal experts and external thought leaders to apply best practices from behavioural science, we foster an environment where diverse insights challenge conventional thinking and enrich our investment strategies. Notably, during our PIMCO Women Summit, we hosted a panel focused on applying behavioural science to enhance decision-making in investing, business, and everyday life. Additionally, our tri-annual Client Conference featured a panel with Nobel Laureate Dr Richard Thaler and Dr Anastasia Buyalskaya, who shared actionable frameworks for better decision-making. We have provided additional

insights and examples on this topic in Principle 4 and further information on the Client Conference in Principle 6.

Our ongoing commitment to improvement, discipline, and rigorous research allows us to constantly assess the evolving risks and opportunities in the global landscape, and to develop forward-looking solutions that meet our clients' changing needs.

We are proud of our long-term partnership with the Roman Family Center for Decision Research (RF-CDR) at the University of Chicago Booth School of Business, which further advances our commitment to behavioural science, as mentioned in previous Stewardship Code reports.

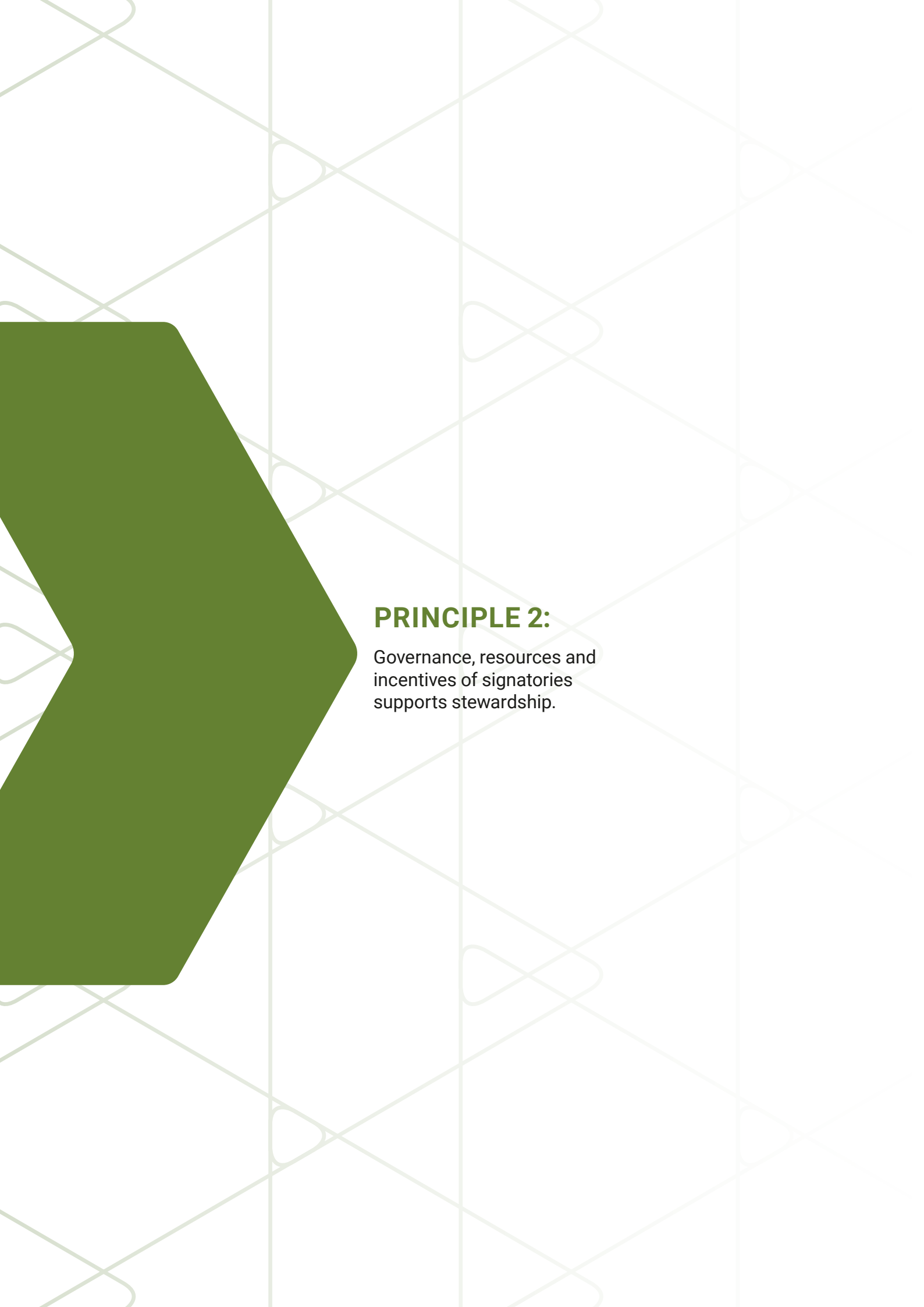
CORPORATE ENVIRONMENTAL SUSTAINABILITY

PIMCO's commitment to environmental sustainability is grounded in our endorsement of the UN Global Compact and its core environmental principles, drawn from international conventions and agreements. The Corporate Environment Sustainability Statement (CESS) presents PIMCO's overall approach to corporate environmental issues and is designed to summarise PIMCO's objectives with respect to key areas of focus: energy, travel, paper, waste, and water.

In the area of Energy, as a prime example, PIMCO has "monitored energy and electricity use related to on-site generation and consumption of off-site generation in PIMCO's offices and other physical locations, including corporate data centers". This included:

- Reviewing PIMCO's environmental footprint, with a focus on greenhouse gas emissions;

- Seeking to enhance the energy efficiency of buildings whether leased or owned;
- Promoting the use of energy efficient equipment and controls throughout PIMCO's offices and physical locations; and,
- Incorporating environmental considerations in the vendor selection process. Several important office-specific projects were also advanced in 2024. At PIMCO's Newport Beach headquarters, for example, we have transitioned away from single-use plastics such as water bottles and plastic containers.



PRINCIPLE 2:

Governance, resources and incentives of signatories supports stewardship.

PIMCO'S Organisational and Management Structure

PIMCO's focused and flat management structure enables swift responses to an ever-changing external environment. The core pillars of our structure remain constant, and changes typically occur at a more granular level. Key areas of the organisation include portfolio management, client management, product strategy and business management.

- **Portfolio management** is collectively responsible for portfolio structuring, research and trading.
- **Client management** is comprised of Client Service and Business Development investment professionals. Client Service account managers have overall responsibility for client relationships; their duties include translating client objectives into portfolio guidelines, monitoring account activity for consistency with those guidelines, and communicating with clients. Business Development account managers are responsible for identifying prospects and bringing new clients to the firm.
- **The product strategy** group provides business leadership for each product at PIMCO. This group is responsible for understanding client investment needs and delivering value-added solutions designed to offer potential attractive return, alpha, and/or diversification characteristics.

- **Business management** is comprised of executive managers who establish the firm's strategic initiatives, develop firmwide technology and analytics, oversee compliance and regulatory functions, and provide timely record-keeping and investment support. The Executive Committee determines the company's strategic direction and oversees the broad scope of operations.

These functions work together to benefit PIMCO's clients, but each also operates independently, reporting to senior management. This structure provides a significant overlap of responsibility and accountability across key functions and investment decisions.

PIMCO Europe Ltd ("PEL") operates within the global PIMCO business model. The benefit of this model is that it enables the standardisation of functions and processes as well as the common use of technology, systems and vendor services. A number of core groups are represented both globally and at PEL.

Within this framework, portfolio management and analysis operate globally, ultimately reporting to PIMCO's Investment Committee. PEL relies on PIMCO's business model to formulate and oversee strategy relating to many key elements of stewardship, subject to oversight by the PEL Board.

PEL BOARD OF DIRECTORS ("BOARD")



The Board is the governing body of PEL, setting its strategic aims and ensuring that the necessary financial and human resources are in place for PEL to meet its business objectives. It provides leadership to PEL within a framework of prudent and effective controls, which enable risk to be assessed and managed, and PEL's business to be conducted in compliance with regulatory requirements. It also reviews management performance and sets behavioural standards. As of 31 December 2024, the members of the PEL Board of Directors are Craig Dawson, Mangala Ananthanarayanan, Ryan Blute, Lorenzo Pagani, Rosanna Burr, Isaline Marcel, Emmanuel Roman, Sung Hee Suh, and Lisa Arnold. Biographies for the PEL Board of Directors can be found in Appendix I.

DELEGATION OF AUTHORITY

The Board has established certain standing committees to which it has delegated specific powers, duties, and decision-making responsibilities.

- **PEL Risk Committee:** Assists the Board with the oversight of PEL's risks and risk management activity. It is responsible for the identification of material risks, the regular monitoring of the risk profile in relation to the Board-defined risk appetite, the monitoring of the adequacy of the Firm's regulatory capital position, and for reviewing the effectiveness of the Firm's risk management function and framework. The PEL Risk Committee meets at least quarterly, although more frequent meetings may be called by the Chair.
- **PEL Compensation Committee:** Meets when appropriate to establish the Firm's remuneration principles and oversee the governance of the remuneration programmes, policies, and procedures.
- **PEL Audit Committee:** Meets at least quarterly to assist the Board with reviewing the Internal Audit findings regarding the effectiveness of the Firm's control environment and the performance and effectiveness of the external auditors, internal auditors, and the Finance reporting function. The Finance team, led by the Chief Financial Officer, provides monthly internal reporting and monitoring on the capital and liquidity position to PEL management and quarterly reporting on this to the PEL Audit Committee and Board.

The PIMCO Global Leadership Team

PIMCO's Executive Committee determines the company's global strategic direction and oversees the broad scope of our global operations. The Executive Committee operates via a delegation of authority from the Management Board (comprised of all PIMCO Managing Directors) and is PIMCO's day-to-day governing body. It sets the firm's strategic direction and makes key business and operational decisions. The Executive Committee is composed of members representing key areas of the business, ensuring diversity and forming a cohesive strategic vision for our business.

Our portfolio management team is headed by our chief investment officers (CIOs), led by Daniel J. Ivascyn. Investment decision-making at PIMCO, however, is very much a team effort, one that draws upon the skills and insights of our portfolio managers and analysts around the globe.

Biographies for PIMCO's Global Leadership Team can be found in Appendix I as at 31 December 2024.

PIMCO'S EXECUTIVE COMMITTEE:



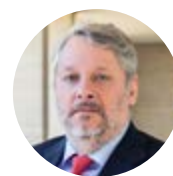
Mangala Ananthanarayanan
Managing Director, Head
of Business Management,
EMEA and Asia-Pacific



Benjamin Ferguson
Managing Director Co-Head
of PIMCO Japan,
Head of Client and Business
Management, PIMCO Japan



Gregory Hall
Managing Director,
Head of U.S. Global
Wealth Management



Daniel J. Ivascyn
Managing Director,
Group Chief Investment
Officer



Alec Kersman
Managing Director,
Head of Asia-Pacific



Kristofer Kraus
Managing Director,
Portfolio Manager



Alfred Murata
Managing Director,
Portfolio Manager,
Mortgage Credit



Emmanuel Roman
Managing Director,
Chief Executive Officer



Candice Stack
Managing Director,
Head of Client Management,
Americas



Kimberley Stafford
Managing Director,
Global Head of Product
Strategy, Responsible for
Sustainability Oversight



Jason Steiner
Managing Director,
Portfolio Manager,
Private Lending and
Opportunistic Strategies



Christian Stracke
Managing Director,
President

PIMCO'S INVESTMENT LEADERSHIP:

Andrew Balls
Managing Director,
CIO Global Fixed Income



Daniel J. Ivascyn
Managing Director,
Group Chief Investment Officer



Mark Kiesel
Managing Director,
CIO Global Credit



Mohit Mittal
Managing Director,
CIO Core Strategies



Marc Seidner
Managing Director,
CIO Non-traditional Strategies



Qi Wang
Managing Director,
CIO Portfolio Implementation

Governance updates**SUSTAINABILITY OVERSIGHT GROUP**

Stewardship responsibilities are explicitly embedded in our Code of Ethics and overseen through established supervisory processes as part of our mission to create long-term value for clients and deliver sustainable economic benefits. An example of this is the creation of PIMCO's Sustainability Oversight Group.

In 2024, we created our Sustainability Oversight Group which includes our CEO, Emmanuel Roman, and Group CIO, Daniel J. Ivascyn, as well as Kim Stafford, Managing Director, Global Head of Product Strategy, our Executive Committee member responsible for Sustainability at PIMCO, Grover Burthey, Executive Vice President, Head of ESG Portfolio Management, Sonali Pier, Managing Director, Multi-Sector Credit Portfolio Manager, Kris Kraus, Managing Director, Private Strategies EMEA and APAC Portfolio Manager, and Craig Dawson, Managing Director, Group COO & Global Head of Strategy.

This group of senior leadership members reflects a firmwide commitment to sustainability, from executive and portfolio management leadership to product strategy, in both traditional and private strategies. This group provides guidance and oversight of PIMCO's sustainable investing efforts, including strategy and direction, investment process implementation (integration and engagement), resourcing and external engagement, advocacy and partnerships.

The Sustainability Oversight Group builds on the strong foundation of governance and leadership developed at PIMCO and is illustrative of the meaningful action we continue to take to advance our approach to sustainability. The set-up of this group reflects our continued commitment to sustainability from the highest levels of decision-making and ensures a coordinated, firmwide, approach. By bringing together senior leaders from across the organisation, we are well positioned to drive our sustainable investing strategy, and respond proactively to opportunities and challenges in the sustainability landscape.

PIMCO's global governance framework defines the roles and the groups responsible for all aspects of sustainable investing, include keeping the Risk Committee and Executive Committee informed of our efforts in this area. The Sustainability Oversight Group works alongside PIMCO's Sustainability Leadership team, which is comprised of the Executive Committee member responsible for oversight of the firm's Sustainability initiatives, the Head of ESG Portfolio Management, the Chief of Sustainable Development and International Affairs and other senior representatives from research and account management, each with defined roles for the various facets of the firm's Sustainability platform.

OVERSIGHT OF ALIGNMENT OF PARTNERSHIPS AND AFFILIATIONS WITH CLIENT'S OBJECTIVES

Our Sustainability Leadership Team oversees the evaluation and approval of the firm's participation in certain third-party sponsored partnerships (i.e. industry engagements and/ or affiliations). These partnerships are important ways to add value for our investors through increasing our knowledge and expertise in particular areas and providing guidance and best practices to the market, all with the objective of reaching better investment outcomes.

PIMCO has continuously evaluated the initiatives supported by our investment platform. In 2024, we ended our participation in the Climate Action 100+ initiative after internal review. This change was not driven by a change in the integration of evaluating and mitigating climate risk in our portfolios nor the fiduciary importance of climate analysis in our investment process. Rather, the change was related to the expansion and breadth of our internal sustainability platform, including with respect to direct issuer engagement. As one of the largest bondholders in the world, PIMCO has access to a large opportunity set of engagement candidates, including private businesses, sovereigns, supranational issuers, etc. Additionally, bonds mature and companies need to refinance; this facilitates a longstanding relationship between bond investors and issuers. PIMCO continues to engage with issuers as an essential tool for both improving investment outcomes and influencing sustainability outcomes.

ESG DATA GOVERNANCE

At PIMCO, our focus on stewardship is also reflected in our approach to ESG data governance. We seek to incorporate financially material considerations in our investment process to achieve our clients' stated investment objectives, which vary across portfolios and may include sustainability objectives. ESG data has been an area of focus in previous reports, given the challenges faced due to inconsistent reporting standards and a lack of universally accepted metrics, making it difficult to compare and verify information across organisations. In addition, as leaders in asset-based finance, PIMCO has taken a proactive role in shaping best practices and driving innovation in ESG data governance, especially within complex and evolving sectors. Our leadership in structured products demonstrates how we are not only navigating these challenges but also helping to set new benchmarks for transparency and accountability in the industry.

In 2024, we focused on structured products, an asset class at the earliest stage of carbon accounting and where carbon data is notably limited. This includes asset backed securities (ABS), residential mortgage-backed securities (RMBS), agency mortgages, commercial mortgage-backed securities (CMBS), collateralised loan obligations (CLOs), and covered bonds.



CASE STUDY 4: PIMCO STRUCTURED PRODUCTS ESG DATA GOVERNANCE LEADERSHIP

As of 2024, only mortgages originated by banks (not explicitly securitised) have been included in the Partnership for Carbon Accounting Financials (PCAF) reporting. However, PIMCO, as a sponsor of the PCAF Core Team for the securitised products and covered bond working group, developed guidance for securitisations. PIMCO's mortgage analytics team contributed to the estimated emissions figures for RMBS and established emissions data for CLOs. The market is still evolving, with goals to: 1) agree on methodology, 2) calculate issuers' GHG emissions, and 3) incorporate these into their broader ESG frameworks. Regarding broader ESG disclosure within structured products, the Structured Finance Association (SFA) published its Best Practice Guidance on Structured Products ESG Disclosure in 2023.

While not explicitly focused on climate reporting, this guidance encourages greater transparency and consistency in climate-related and broader sustainability disclosures across various sub-asset classes, including RMBS and Automotive Asset-Backed Securities (Auto ABS), which were the primary focus of the publication. PIMCO collaborated with the SFA on this initiative and views it as a positive step forward for ESG integration in these sub-asset classes and as a foundation for further enhancements. In future iterations, we expect the inclusion of additional sustainability factors and a wider range of sub-asset classes.

ARTIFICIAL INTELLIGENCE (AI) AND DATA GOVERNANCE

As we increasingly leverage the power of AI across the firm, PIMCO has implemented a framework designed to mitigate certain unique risks associated with the use of AI. These risks include:

- **Data quality:** Generative AI, which uses input data to learn and predict text, carries certain risks related to the quality and nature of the training data used. For instance, if the training data is incomplete, inaccurate, misleading, or biased, it could lead to biased or erroneous outcomes.
- **Hallucinations:** This refers to instances where large language models generate answers that are inaccurate, misleading, or entirely fabricated, despite being presented in a convincing manner.
- **Security and privacy:** Inputting data into AI systems without proper security guardrails can lead to its use in training underlying models, posing a risk of dissemination to unintended audiences.

PIMCO has implemented a framework designed to mitigate the risks associated with the use of AI. We have adopted an integrated approach encompassing strategy, governance, and workforce planning to deliver effective AI solutions while mitigating risk. To provide oversight of this framework we established an AI governance group, including senior leaders from data science, technology, portfolio management, human resources, legal, operations, and executive office teams. We have also established an AI controls group, which is responsible for reviewing customised AI solutions.

The foundation of our oversight of AI use at PIMCO is the policies, procedures, and controls pertaining to data privacy, information security, recordkeeping, acceptable use, material non-public information, and marketing. These policies apply broadly across the firm and are not AI specific. More on this can be found in the Principle 5 section on policies and reviews.

In addition, we seek to mitigate risks through the application or implementation of a variety of measures, including:

- **Governance:** Customised AI initiatives are subject to review through PIMCO's AI governance process to ensure models and applications are developed prudently and transparently and perform as intended.
- **Anonymisation:** To the extent we do not need to use data that identifies individuals, we remove identifying information.
- **Privacy impact assessments:** A privacy impact assessment (PIA), also known as a data protection impact assessment (DPIA), is an important tool that can help to identify and mitigate privacy risks before the processing of personal information. PIMCO will perform a DPIA where required under the applicable data privacy law.
- **Data protection/privacy by design:** This concept involves the integration of technical and organisational measures to help safeguard data privacy during the design and development process.

While we have taken considerable steps to govern the use of AI, we constantly monitor our governance of the data, to draw insights from these technologies and to ensure data quality and fidelity.

Resources that power our client-centric investment process

Across PIMCO's global platform, we draw on our extensive resources to deliver a rigorous investment process for the benefit of our clients. Our unique investment process relies on the diverse perspectives we cultivate through our team, our technology, and our commitment to incorporating global viewpoints.

MARKET-TESTED INVESTORS



ROBUST DATA SCIENCE AND TECHNOLOGY ENGINE



COMMITMENT TO INVITING DIVERSE PERSPECTIVES



Source: PIMCO, as of December 31, 2024

INCENTIVES

PIMCO's structure helps to support our stewardship activities across key areas of the organisation, including portfolio management, client management, product strategy and business management, supported by our legal and compliance team. In addition, PEL has established policies and procedures to prevent and counter any potential conflicts of interest and ensure that all staff members act in accordance with PIMCO's Code of Ethics. An example is the remuneration policies designed to ensure that compensation plans are consistent, promote sound and effective risk management, do not encourage excessive risk-taking, include measures to avoid conflicts of interest, and are in line with PEL's business strategy, objectives, values and long-term interests, including our stewardship and fiduciary duties.

PIMCO's Total Compensation Plan for professional level staff members, including portfolio managers, is designed to be competitive and reward behaviours aligned with our CORE values of collaboration, openness, responsibility, and excellence as consistent with PIMCO's mission statement. The Total Compensation Plan includes an incentive component that rewards high performance standards, work ethic, and consistent individual and team contributions. The compensation of portfolio managers consists of a base salary

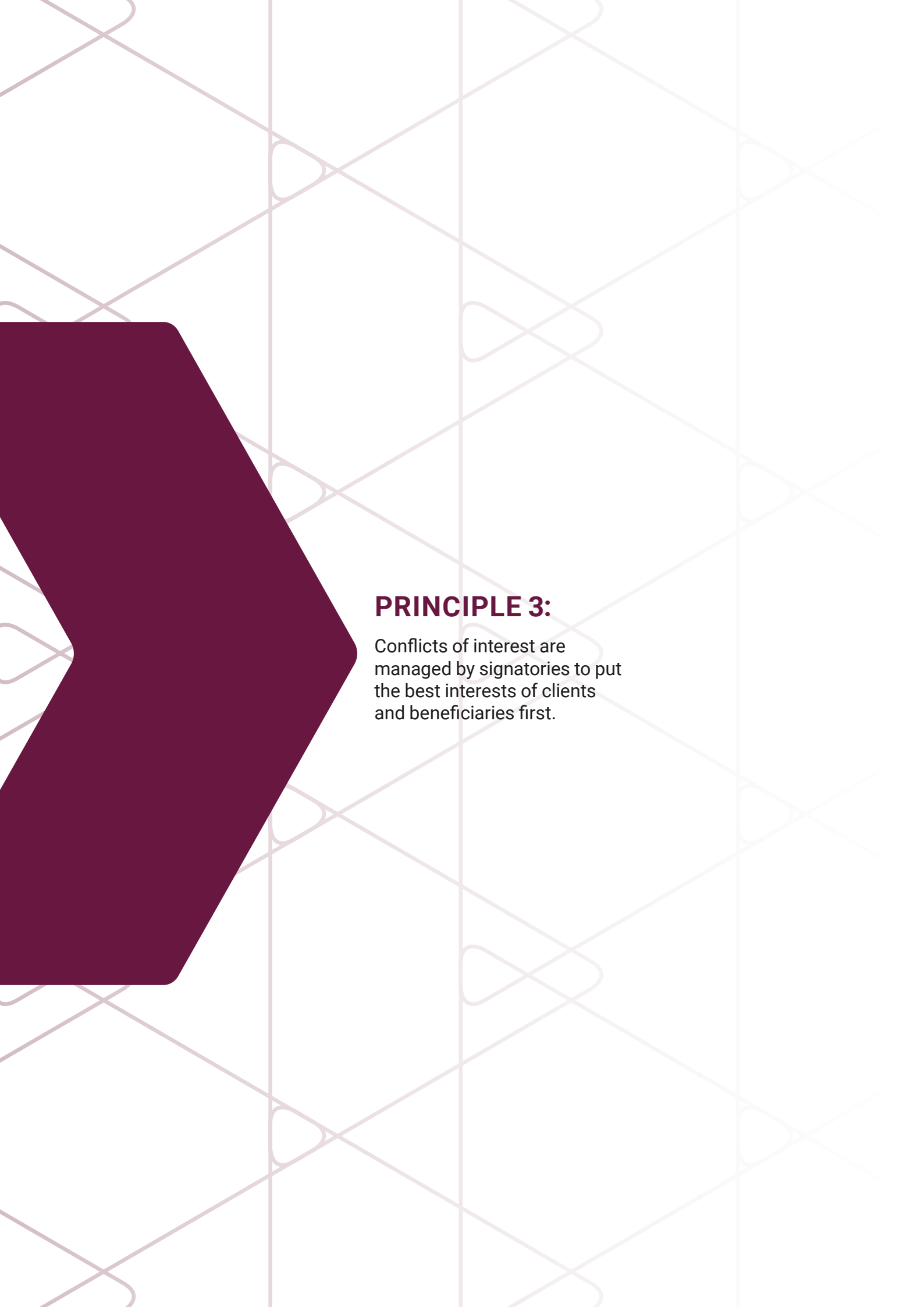
and discretionary performance bonuses, potentially including a long-term incentive component.

PEL's Compensation Committee governs the compensation framework, approves compensation spending, and reviews compensation decisions, including pay equity across the Firm.

Variable compensation awarded by PEL is subject to provisions which in certain circumstances allow for the reduction of amounts payable ("malus") to the staff member, and/or allow for the staff member to repay to PEL all or part of any variable compensation received by the staff member ("clawback"). The conditions under which PEL may invoke such malus and/or clawback provisions include (but are not limited to):

- material failure of risk management and internal controls.
- misconduct or fraud.
- conduct leading to financial loss.
- conduct leading to reputational damage.
- unreasonable failure to protect the interest of staff members and customers.

Any application of the malus and/or clawback provisions requires approval by PEL's Compensation Committee.



PRINCIPLE 3:

Conflicts of interest are managed by signatories to put the best interests of clients and beneficiaries first.

It is PIMCO's policy to seek to avoid or mitigate potential conflicts of interest so that PIMCO may act in the best interests of its clients. PIMCO Europe Ltd ("PEL") conflicts of interest policy did not change materially during 2024.

IDENTIFYING AND MANAGING CONFLICTS IN PRACTICE

PIMCO has adopted policies and procedures that are reasonably designed to identify, manage and/or mitigate potential conflicts of interest. PEL's activities are covered by these policies. Relevant to stewardship, these policies and/or procedures include, but are not limited to, the following:

Best Execution	PIMCO's policy is to seek to obtain best execution for its clients and to execute client trades on the most advantageous terms reasonably available under the circumstances. PIMCO has established a Global Best Execution Committee that oversees execution activity across all the strategies traded by PIMCO to help ensure compliance with this policy.
Trade Allocations	PIMCO has adopted a trade allocation policy including procedures for allocation of investment opportunities, to ensure trade allocations are timely and that no set of trade allocations unfairly advantage one client over another. Over time, the firm's client accounts are treated equitably. The Compliance Team undertakes trade allocation analysis and testing as part of its surveillance programme to monitor compliance with this policy.
Trading with Affiliates	The PIMCO group of companies are all subsidiaries of Allianz SE. PIMCO generally seeks to avoid trading with affiliated counterparties and investing in affiliated issuers. PIMCO also seeks to prohibit the placement of deposits with affiliated institutions. Restricted counterparties and issuers are coded into PIMCO's proprietary investment compliance system to provide an automated control in this area.
Directed Brokerage	PIMCO policy ensures that trading relationships are not used to reward brokers for fund sales. Fund sales include creation orders by market makers for shares of PIMCO exchange-traded funds. This conflict is also addressed by, among other things, PIMCO's best execution policies.
Material Non-Public Information/Inside Information	PIMCO has adopted a general policy of seeking to remain on the public side of deals or not to be wall-crossed. PIMCO's policy is to comply with applicable laws and regulations prohibiting the misuse of material and non-public information. PIMCO's policies and procedures are reasonably designed to restrict access to and prevent the misuse of such Material Non-Public Information ("MNPI"). These controls include the physical separation of teams with access to MNPI supplemented by system access controls. The compliance team operates a range of oversight controls in this area including the use of restricted lists coded in the firm's proprietary investment compliance systems as well as trade and electronic surveillance activity to monitor that staff adhere to the restrictions.
Code of Ethics	PIMCO has adopted a detailed Code of Ethics (the "Code") which governs the personal trading of all staff members and provides standards of conduct to help staff members avoid potential conflicts that may arise from their actions and any of their applicable personal investments. The compliance team has implemented controls ranging from pre-clearance of personal trades to the review, oversight and testing of a range of reportable personal activity.
Gifts and Entertainment	PIMCO has gifts and entertainment and inducements policies that are in force to provide guidance and to prevent or manage potential conflicts of interest, or the appearance of such conflicts. These conflicts may arise when PIMCO staff members give or receive gifts from brokers, vendors, issuers, clients, government officials and consultants or host events. The compliance function oversees this area to assess potential conflicts and has created portals that provide guidance on and facilitate reporting of such activity.
Co-Investments	PIMCO has strict procedures in place including an approval process that must be complied with when a co-investment (including by a client, affiliate or staff member of PIMCO) is contemplated.
Investment Research and Related Inducements	PIMCO has a research policy in place to address receipt and consumption of, and payment for, investment research and certain related items. PIMCO's policy is that, as a general rule, its staff members are not permitted to receive investment research, unless PIMCO pays for the research from its own resources. The compliance team reports to the board of PIMCO on a quarterly basis on whether any material issues have been identified during its monitoring and surveillance activities.

Conflicts Related to Proxy Voting	PIMCO has adopted written proxy voting policies and procedures ("Proxy Policy"). PIMCO evaluates all proxies in accordance with this policy unless we do not have client authorisation to do so. It should be noted that it is unusual for the firm to engage in proxy voting for fixed income strategies. Where PIMCO does engage in proxy voting, our policy seeks to confirm that voting and consent rights are exercised in clients' best interests and take into consideration potential conflicts of interest that may arise. To the extent PIMCO has authority, each proxy is evaluated, and each consent is evaluated, on a case-by-case basis, taking into account relevant facts and circumstances. Actual or potential conflicts of interest could arise in many ways when PIMCO votes client proxies, including but not limited to: (i) if PIMCO has a material business relationship with the issuer to which the proxy relates; (ii) if a Portfolio Manager (PM)/Analyst responsible for voting a proxy has a disclosed personal or business relationship with the issuer; and (iii) if PIMCO clients have divergent interests in the proxy vote. Furthermore, an independent industry service provider ("ISP") that PIMCO retains may have its own conflicts of interest in connection with the proxy research and voting recommendations it provides. Before voting a client proxy, each PM/Analyst will evaluate any conflicts of interest identified by the ISP and escalated to PIMCO. In each case, the determination will be made in the client's best interests and consistent with PIMCO's fiduciary duties. Each PM/Analyst has a duty to disclose to the Legal and Compliance department any known potential or actual conflicts of interest relevant to a proxy vote prior to voting (whether the proxy will be voted by the ISP or PIMCO). If no potential or actual conflict of interest is identified by, or disclosed to, the Legal and Compliance department, the proxy may be voted by the responsible PM/Analyst in good faith and in the best interests of the client. PIMCO seeks to prevent conflicts of interest from interfering with its voting of client proxies by identifying such conflicts and resolving them as described in the Policy.
Role of Staff members	Staff members are required to be familiar with and follow the conflicts policy. Staff members are trained annually on the content of PIMCO's conflicts policy and Code of Ethics. Their understanding of these policies is assessed as part of this training. If a staff member identifies a conflict of interest, the staff member is required to contact their local compliance officer for guidance on how to proceed. PIMCO may implement procedures to manage, mitigate or avoid conflicts of interest based on the particular facts and circumstances of a situation.
Conflicts Committee	PIMCO has established a Conflicts Committee to oversee and assess the adequacy of PIMCO's overall framework for managing conflicts of interest. In addition, the Conflicts Committee evaluates matters relating to conflicts of interest which have been escalated to the Conflicts Committee including material changes to the overall framework for managing conflicts of interest and material conflicts that require escalation to the Committee in accordance with a particular policy or procedure.

ACTIVITIES AND OUTCOMES

In 2024, following a Financial Conduct Authority (FCA) enforcement action against another asset manager which identified certain shortcomings in that asset manager's handling of conflicts of interest, PEL reviewed its own procedures on this topic. PEL concluded that its current policies and procedures were appropriate, but took steps to reiterate to staff their obligations in this context and to embed the consideration of conflicts of interest in its European Business Committee.





PRINCIPLE 4:

Promoting well-functioning markets by identifying and responding to market-wide and systemic risks.

Built and tested over the last 50 years, PIMCO's investment process integrates both top-down and bottom-up decision-making, with a critical emphasis on analysing market-wide risks. The foundational step is to develop a long-term perspective, grounded in rigorous analysis of secular economic and political trends that shape global markets and asset returns, as detailed in Principle 1. This macroeconomic view is complemented by diversified portfolio strategies and a disciplined focus on risk management.

Our investment process also incorporates behavioural science principles to mitigate cognitive biases and enhance decision-making. By leveraging data-driven insights, we uncover relative value opportunities across global markets while managing portfolio and firm-wide risks. This approach enables PIMCO to operate at the intersection of investment capability and market opportunity, adapting to evolving market conditions and systemic risks.

TESTED BY MARKETS AND TIME

Our clients rely on an investment process built on our decades of experience in navigating complex markets. Over the years, PIMCO has helped millions of investors manage risks and pursue returns through every market environment. While our investment process is time-tested, we must constantly evolve to include new approaches and technologies that will allow us to better navigate markets for clients.

As we have mentioned in previous reports, at PIMCO, behavioural science is a mindset. The processes we have established with this mindset are examples of the mechanisms we use at PIMCO to help us become better investors and achieve the best possible outcomes for our clients. This commitment to understanding human behaviour enhances our stewardship by improving decision-making contributing to the well-functioning of the markets, and helping us anticipate and manage risks more proactively.

PIMCO'S FORUMS, GLOBAL ADVISORY BOARD AND SPECIALISED COMMITTEES

One of the most visible ways we apply behavioural science practices is in our economic forums. PIMCO's active investment process combines our top-down macroeconomic view with bottom-up research and analysis. Top-down views are driven by our economic forums, which consist of the Secular and Cyclical Forums. Four times a year, our investment professionals from around the world gather to discuss and debate the state of global markets and the economy, and to identify the trends and risks that we believe will have important investment implications. In these wide-reaching discussions, we put our behavioural insights and learnings into practice to maximise the interchange of ideas, challenge our assumptions, counter cognitive biases, and generate inclusive insights.



CASE STUDY 5: MACRO FORECASTING

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.

PIMCO's Investment Committee distills our macro views into specific risk targets that serve as parameters for every PIMCO strategy. PIMCO applies best practices from behavioural science to maximise the interchange of ideas, challenge assumptions, counter cognitive biases, and generate robust insights.

In 2024, the presentations and discussions with guest speakers were **structured to minimise authority bias**, which is the tendency to overweight and defer to the opinions of a presumed expert or authority on a particular topic. After all, these individuals' expertise and presumed information edge are the basis for their invitation to the forum. Nonetheless, it is important to evaluate their views objectively, however compelling those perspectives may seem. The structure of PIMCO's Secular Forum enabled participants to challenge authority bias and ensure a balanced debate. Most sessions featured more than one expert sharing and debating alternate views on a particular topic, often with a PIMCO moderator who brought additional perspective. This format is valuable since even authorities, however esteemed, are still subject to cognitive biases.

One of the ultimate objectives of PIMCO's forum process is to translate macro and market forecasts into investment strategies and positions. However, **PIMCO remains mindful of the risk of action bias**. A geopolitical event, a market surprise, or a data release that is far from consensus expectations may inspire investors to make swift and potentially major changes to a client's portfolio because they feel compelled to act rather than wait and watch. Similarly, investment professionals develop compelling macro forecasts during the Secular Forum and may be tempted to quickly translate those into positioning. PIMCO recognises, however, that the secular time horizon is over a period of years, not weeks, and not all implications or forecasts necessarily call for an immediate change to positioning. That said, while the information is fresh in investors' minds, it is useful to plan: establishing scenarios and setting decision thresholds associated with macroeconomic milestones to be better prepared when the time comes to act.

At PIMCO’s Secular Forum, held annually, the focus is on the outlook for the next five years, allowing us to position client portfolios to benefit from structural changes and trends in the global economy. We believe that diverse ideas produce better investment results, and so we invite distinguished guest speakers – Nobel laureate economists, policymakers, investors, and historians – who bring valuable, multidimensional perspectives to our discussions. We also welcome the active participation of the PIMCO Global Advisory Board, a team of world-renowned experts on economic and political issues, who share insights on global economic, political and strategic developments, and their relevance for financial markets.

In 2024, the global economy continued to recover from pandemic aftershocks, including trade dislocations, outsized monetary and fiscal interventions, a prolonged inflation surge, and bouts of severe financial market volatility. Our 2024 Secular Outlook, *Yield Advantage*, explored the key macro themes that we expected to remain relevant over a five-year horizon. Three areas were identified as having that benefited investors but were seen as vulnerable to rising risks.

Key macro themes	Potential Areas of Risk
Neutral policy rates to remain low: Monetary policy rates in advanced economies to likely settle at levels seen pre-global financial crisis.	U.S. debt sustainability: Fiscal stimulus had fuelled recent U.S. growth, but debt constraints to limit future government support.
Moving to a multipolar world: More limited global cooperation and emergence of new middle powers.	AI and productivity: AI poised to realign labour markets and boost productivity, but significant economic impacts may take years.
Inflation and growth diverging globally: Less synchronised business cycles, with greater macroeconomic and financial market volatility than pre-pandemic.	Asset valuations and liquidity risks: Little apparent cushion offered by equity and corporate direct lending markets.

To face the potential risks and benefit from the resulting opportunities, our analysis indicated a renewed focus on public fixed income markets, which we believe were poised to generate competitive returns with lower risk, compared with other asset classes. Attractive yields and a stabilising inflation outlook enabled bonds to reassert their fundamental advantages in portfolios – providing potential for attractive income, downside resilience, and stability through reduced correlation with equities.

Additionally, one of the key themes explored in the 2024 Secular Forum was the expectation of increased regulation for banks. As regulatory pressures on banks increase, we expect capital to continue shifting toward private markets, especially in areas where traditional lenders are pulling back. This trend is creating liquidity gaps that offer both opportunities and challenges for investors. While middle-market corporate lending remains a popular choice in private markets, we also see long-term value in asset-based lending, which may offer attractive returns as competition from banks diminishes. However, it is important to recognise that these opportunities are accompanied by risks, including reduced transparency, potentially lower liquidity, and the need for strong underwriting standards.





IN FOCUS: ASSET-BASED LENDING

Asset-based lending has become an attractive alternative to traditional direct lending as banks navigate evolving capital requirements and seek to optimise their balance sheets. With investments secured by tangible assets, the sector is bolstered by underlying trends in key areas.

One underlying trend is the strength of the U.S. consumer, with robust household balance sheets and high homeowner equity. Another trend is the increased investment in data centres, spurred by rising demand for cloud computing and advanced data processing. Since the global financial crisis (GFC) banks have faced a succession of challenges including stricter regulations, changes in loan accounting, and a rapid rise in interest rates that is just beginning to reverse. These factors have affected capital requirements and increased the cost of lending, prompting many banks to trim their balance sheets, prioritise certain types of lending, and focus on risk mitigation.

Key trend: Bank Retrenchment

The Basel III regulatory framework was developed in response to the GFC, to strengthen the supervision and risk management of banks. Following the regional bank crisis in March 2023, we expected banks – particularly large regional lenders – to continue facing a restrictive environment, even as the U.S. administration could relax regulations more broadly. Further, regulators were considering a revised framework, known as Basel III Endgame in the U.S. and Basel IV globally, that could increase capital requirements.

As they awaited clarity on new regulations, banks (and importantly, bank shareholders) focused on long-term, stable profitability. To achieve this, they reduced the proportion of loans with high capital charges and loans that drive higher earnings volatility. We believe this prompted banks to seek additional balance sheet partners that can provide strategic capital and/or non-balance sheet lending alternatives.

Key trend: Data Centres

Another opportunity identified was the investment in data centres, spurred by rising demand for cloud computing and advanced data processing. As mentioned in Principle 1, this

is an important area of investment, particularly in countries that have been underserved by recent data centre build-out.

These disruptions have opened opportunities for private capital across a range of asset-based markets, which offer attractive starting valuations and favourable fundamentals – especially when compared with private corporate markets. Investors were able to find better compensation for risk in asset-based finance, given significant capital formation in lower-quality private corporate credit.

While this may seem like a recent rise, asset-based finance is, in fact, part of a long-term shift that started with the banking sector's deleveraging 15 years ago. PIMCO has been at the forefront of this trend. More recent interest reflected a broader recognition of the asset class's growth potential, and aligned with investors' growing need to diversify income sources beyond traditional corporate-skewed credit allocations.

Private capital has increasingly collaborated with banks, offering solutions while seeking to generate attractive risk-adjusted returns. These collaborations have taken form in portfolio sales, partnerships on new originations that allow banks to retain customer relationships, or customised transactions known as synthetic risk transfers (SRTs) – a type of securitisation where banks shift risk from their balance sheets to other investors. What was once a market dominated by banks has started to become a more diverse financing ecosystem that has historically included securitisation markets and increasingly involves private lenders. This shift has presented one of the most compelling opportunities for private credit allocators in over a decade.

However, this optimism must be tempered with discipline. Investors should be aware of the varying fundamentals and valuations across asset-based finance areas, particularly in sectors with uncertain collateral values or weak documentation that could undermine credit performance.

At PIMCO, we have continued to take a relative-value-oriented approach to the array of opportunities generated by our origination platform. By leveraging our multi-decade unique and extensive experience in building datasets, as well as our analytics framework and macroeconomic insights, we strive to uphold rigorous discipline in underwriting and portfolio construction. The same principles that have driven our success in public and private markets will remain essential in navigating the future of asset-based finance.

Crucially, the Secular Forum in 2024 also touched on the continued move towards a multipolar world. The geopolitical landscape is increasingly defined by tensions between established and ascendant rival powers. 2024 was a year in which there was increasing conflict across the globe and a continued retrenchment of the peace dividend realised over the past three decades. This underscored a shift toward a multipolar world order where cooperation seems increasingly challenging. This has implications for our stewardship approach as business cycles will likely be less synchronised across markets globally, and geopolitical tensions will also likely drive greater macroeconomic and financial market volatility. To remain responsible stewards of our clients' capital, we must be increasingly aware of this shifting geopolitical landscape and its implications for markets.

For our Cyclical Forum, PIMCO investment professionals met three times in 2024, as every year, to analyse near-term business cycle trends, focusing on the outlook for the next six to twelve months. During these forums, we evaluated the growth and inflation dynamics across major developed and emerging market economies from a bottom-up perspective. Our analysis aimed to identify potential changes in monetary and fiscal policies, market risk premia, and relative valuations that influence portfolio positioning. Three key themes from the 2024 Cyclical Forums were:

PORTFOLIO RISK MANAGEMENT

As stewards of our clients' capital, risk management continues to be at the centre of everything we do and is integrated into each step of our investment process.

PIMCO continues to have a dedicated Portfolio Risk Management team located in offices around the globe, enabling 24-hour portfolio coverage and continuity of information flow across regions. The head of the Portfolio Risk Management team reports to the Group CIO and the CEO. This dual reporting framework is designed to provide an additional level of independence.

The Portfolio Risk Management team is accountable on a day-to-day basis to the Group CIO, CIOs and Investment Committee (IC), providing analysis and reporting to facilitate oversight and management of our clients' assets. This reporting structure empowers the Portfolio Risk Management team to monitor internal limits related to portfolio construction and positioning. The Portfolio Risk Management team is responsible for implementing and enhancing portfolio risk reporting and investment risk oversight processes for PIMCO's offices around the world. The team works to identify and monitor the main drivers of risk, and subsequently works with PIMCO's Investment Committee to construct model portfolios based

- *Diverging Economic Performance:* The U.S. economy outpaced other developed markets (DM) in both growth and productivity, driven by stronger fiscal stimulus, slower monetary policy transmission, and a robust private credit market. In contrast, other DMs, particularly in Europe, experienced stagnation and were more affected by global headwinds such as weaker Chinese demand.
- *Reframing of Inflation and Policy Risks:* While headline inflation continued to normalise, the U.S. made less progress than its DM peers in reducing core inflation. Differences in fiscal and monetary policy responses, as well as structural factors like mortgage markets, contributed to these divergent inflation outcomes.
- *Portfolio Diversification and Risk Management:* The forums emphasised the importance of diversified portfolios to navigate varying economic trajectories and policy environments across regions. Investors were encouraged to consider relative valuations, market risk premia, and the evolving macroeconomic landscape when positioning portfolios.

Taken together, these top-down views set important guidelines and risk limits that have been integrated into our rigorous Portfolio Risk Management.

on the firm's current outlook and macro investment themes following each economic forum.

PIMCO measures and manages portfolio risk by focusing on a series of macro risk factors which capture each portfolio's positioning on an absolute basis, as well as relative to its benchmark. The risk measures include but are not limited to: duration, yield curve exposure, credit spread exposure, currency exposure, country exposure, equity exposure, optionality, and commodity exposure. PIMCO's Risk Management team also monitors a series of internal concentration limits, which include issuer, sector and security type limits. Additionally, PIMCO's Portfolio Risk Management team monitors tracking error as estimated using in-house proprietary models, and utilises stress testing to capture a portfolio's level of risk versus an index, as well as potential returns under different market environments.

The three pillars of our portfolio risk management process are outlined as follows:

- **INTEGRATION:** PIMCO's portfolio risk managers are fully integrated into PIMCO's time-tested investment process, with the unique position of sitting directly on the trade floor.

- **INDEPENDENCE:** PIMCO's portfolio risk managers provide an independent assessment of portfolio and firm-wide risk positioning and performance.
- **MONITOR & MANAGE:** PIMCO's portfolio risk managers seek to monitor and manage risk positioning across portfolios to ensure consistency with PIMCO's investment outlook and client expectations.

PIMCO's Portfolio Risk Management Team works with our Portfolio Manager Analytics group, composed of over 80

quantitative research analysts, as well as Technology teams who are responsible for maintaining the firm's valuation and global portfolio risk tools, security analytics, and for servicing the firm's research needs to systematise and enhance the investment process. The Analytics group develops portfolio- and security-level models that produce sensitivity and valuation metrics. Risk managers seek to monitor these metrics across portfolios on an ongoing basis. Examples of how we approach and identify different types of portfolio risks are outlined as follows:

PORTFOLIO RISKS

- **Portfolio Construction:** We use a variety of proprietary tools to ensure portfolio positioning is in line with PIMCO's investment outlook, IC and regional committee investment guidance, and client expectations.
- **Ex-ante Risk Budgeting:** We monitor tracking error contribution on a marginal and stand-alone basis to assess portfolio diversification and identify correlated trades.
- **Stress Testing:** Our proprietary modelling systems simulate portfolio performance under a variety of different scenarios (historic, statistical, hypothetical), enabling risk managers to understand the potential impact of market shocks on portfolio performance.
- **Attribution:** Our models decompose portfolio performance across risk factors and trade types to identify the drivers of return and compare realised performance with expectations.

'SLEEP AT NIGHT' RISKS

- **Portfolio Liquidity Risk Programme:** Helps to ensure that portfolios are well positioned to withstand stress scenarios and allows portfolios to take advantage of opportunities provided by market dislocations.
- **Concentration:** Monitors and enforces concentration limits across a variety of dimensions such as issuer, sector, and country limits. Reviews holdings where PIMCO owns a large percentage of an issue or debt outstanding.
- **Counterparty:** The Counterparty Risk Committee establishes firm-wide policies related to counterparty risk management, which include a thorough review and strict selection of approved counterparties.

PIMCO uses stress testing to capture and quantify the potential impact of market-wide and systemic risk on a client's portfolio. Portfolios are subject to frequent stress testing based on PIMCO's Investment Committee guidance, the firm's macro views, and historical market movements. Further, PIMCO engages with central bankers, politicians, academics and industry practitioners to gain insight into global economic and political issues and their relevance for the financial markets, incorporating potential future outcomes in stress testing. The Investment Committee scenarios are run daily across portfolios. Additionally, risk managers assigned to specialist areas partner with portfolio managers to develop strategy-specific stress tests. The results of these stress tests then serve several purposes within PIMCO's portfolio risk management process:

- **Drawdown Management:** If a stress test reveals the potential for large drawdowns relative to a strategy's risk budget, a risk manager will follow up with the portfolio manager to discuss potential changes in positioning and may escalate the matter to the Investment Committee and/or CIO responsible for the strategy.
- **Identify Correlated Positioning:** Stress tests allow a risk manager to assess the impact of different positions which may appear diversified but exhibit a high degree of correlation in certain scenarios.
- **Portfolio Consistency:** Stress testing provides a 'check' on other aspects of the portfolio risk management process. For example, if the major risk factors of a certain group of accounts are aligned, then PIMCO would expect the results of a stress test to also be aligned.
- **Liquidity Management:** Stress testing is a component used to establish minimum liquidity requirements for each account. Portfolio liquidity targets are informed by stress tests modelled using both historical periods of stress and PIMCO-customised shocks for potential future outcomes.



PRINCIPLE 5:

Review policies, assure processes and assess the effectiveness of signatories' activities.

INTERNAL MONITORING AND REVIEW OF POLICIES

PIMCO's legal and compliance department maintains a comprehensive global compliance programme which includes the administration of compliance policies and procedures that govern the firm's fiduciary activities. The administration of compliance policies is led and coordinated by the legal and compliance department with input from relevant business functions as appropriate. The process seeks to:

- Customise compliance policies to PIMCO's business activities.
- Affirm that relevant developments affecting our business are captured and that proposed changes are subject to appropriate internal review.
- Confirm that policies align with identified risks, industry standards, and relevant regulatory requirements and expectations.

In addition, the legal and compliance department leverages leading external counsel (where appropriate) and participates

in various industry forums around the world to help inform and guide its oversight and coordination activities.

Development of new policies and revisions to existing policies are based on various factors including but not limited to, regulatory and operational changes; industry developments; the evolution of the firm's business; potential conflicts of interest; and regulatory priorities. Changes to PIMCO's global compliance policies and procedures are reported on a quarterly basis. In the U.K., the Board of PEL is responsible for the review and approval of all compliance policies on at least an annual basis, with material updates presented by the Compliance Team for approval at quarterly Board meetings. During 2024, reviews of relevant policies were undertaken in relation to changes in national sustainability-related regulations including, among others, the UK Modern Slavery Act and UK Gender Pay Gap disclosure requirements.

GLOBAL COMPLIANCE ORGANISATION AND PROGRAM

During the reporting period, PIMCO's General Counsel for Regulatory and Litigation was responsible for overseeing the firm's integrated regulatory and compliance strategy on a global basis. PIMCO's Global Head of Compliance and Chief Compliance Officer ("CCO") reported to the firm's General Counsel for Regulatory and Litigation and administered PIMCO's Compliance Programme. The Global Head of Compliance and CCO oversees Compliance and is empowered with full responsibility for (and authority) over PIMCO's Compliance Programme. This role is supported by executive management of the firm, who play an important role in establishing the firm's culture of compliance and tone at the top.

PIMCO's Compliance Programme consists of written policies and procedures, compliance training, and a surveillance and testing program (the "Compliance Programme"). The annual Compliance Programme review is an important part of the firm's surveillance and testing programme.

The Compliance Programme has been designed to, among other things: (i) satisfy the legal and regulatory requirements

to which PIMCO is subject; (ii) facilitate PIMCO's ability to uphold its fiduciary duties to its clients; and (iii) identify, avoid or mitigate, and disclose potential conflicts of interest so that PIMCO may act in the best interests of its clients.

Compliance responds to PIMCO's evolving business and the changing regulatory environment by continuing to monitor and direct changes to the firm's Compliance Programme. The firm continues to focus on several important compliance initiatives based on the firm's evolving business and guidance from the regulatory authorities.

In conducting testing, Compliance also considers the compliance matters that arise in the course of business during the review period.

Based on the annual review, Compliance identifies and recommends certain enhancements to the Compliance Programme, as appropriate and ensures that action is taken to address any recommendations.

ASSURANCE PROCESSES

Assurance processes generally consist of supervision and accountability by business personnel, compliance training, and internal surveillance and testing, in addition to independent internal audit reviews.

Generally, PIMCO has implemented a “three lines of defence” risk management model, which includes:

FIRST LINE OF DEFENCE	SECOND LINE OF DEFENCE	THIRD LINE OF DEFENCE
Ownership of activities by business personnel and management in accordance with internal controls, compliance policies, and procedures and guidance provided by PIMCO’s legal and compliance department.	Monitoring and testing performed by the compliance department, which evaluates the business’s adherence to relevant compliance programme requirements.	Periodic independent reviews conducted by the internal audit function of PIMCO’s parent company, Allianz.

COMPLIANCE MONITORING AND TESTING

PIMCO’s Compliance Programme, as a second line of defence, includes a global programme of risk-based testing and controls designed to confirm that the policies adopted by the firm are operating effectively. This risk assessment is informed by both internal and external factors. The programme encompasses the coding and monitoring of relevant investment guidelines

and restrictions within our proprietary automated investment compliance systems, alongside surveillance and testing activities such as interviews with relevant staff and certification processes. These measures ensure robust oversight and adherence to compliance standards in line with best practices.

INTERNAL AUDIT

Internal audit at PIMCO is performed independently by its parent company, Allianz Asset Management (“AAM”). AAM Internal Audit’s role is to determine whether PIMCO’s risk management, internal control and governance processes, as designed and implemented, are adequate and working as intended. It also aims to ensure that risks are appropriately identified and managed, that operations and employees’ actions comply not only with internal policies and procedures but also with applicable laws and regulations, and that company and client assets are appropriately safeguarded. The Internal Audit department applies a risk-oriented model to

prioritise audit areas within PIMCO. This model is the core of the annual audit planning process. Internal audits are carried out at the discretion of the department based on this risk-based approach. Areas assessed as having a higher risk are audited more frequently.

In the UK, the Audit Committee of PEL oversees the programme of internal audit testing relating to the business of PEL. In addition to focusing on matters specific to PEL, this programme seeks to leverage reviews by The Internal Audit Team of global processes within PIMCO.

For confidentiality purposes, PIMCO does not disclose information regarding audits or their results.

MANDATORY GLOBAL COMPLIANCE TRAINING

The Legal and Compliance department conducts comprehensive global training to educate personnel on regulatory requirements, internal controls, and the firm’s policies and procedures. Compliance training is mandatory for all employees and includes onboarding for new hires, annual refresher courses, and periodic or ad hoc sessions as needed. This training plays a critical role in communicating expectations and obligations aligned with the first line of defence. Personnel who fail to complete mandatory compliance training are subject to consequences as outlined in the firm’s Remedial Guide.

In recent years, PIMCO has built upon our cyber security training in response to newly identified risks. During 2024 email-based threats, specifically those using dangerous attachments, became an industry-wide issue as attacks reached an all-time high. PIMCO developed and ran a new training module in the UK in response to this risk providing details on best practices to avoid and combat any such attacks. PIMCO continues to proactively seek out areas of improvement for our training suite.

EXCLUSIONS ADVISORY GROUP

PIMCO also has an Exclusions Advisory Group (“the Group”), which consists of investment professionals from across the firm; the Group is responsible for identifying issuers and industries which may be excluded from fund portfolios which are currently misaligned with PIMCO’s internal criteria. In PIMCO funds that follow sustainability strategies and guidelines, PIMCO generally excludes issuers and industries which, in the firm’s judgment, are misaligned with sustainable investment strategies. Examples of sectors considered to be

misaligned with sustainability practices are military weapons, oil-related industry, alcohol, adult content, coal manufacturing, tobacco, and gambling. Exclusions of any particular ESG mandate will be set out in the respective governing documents shared by the client.

In determining such issuers and sectors, the Group references globally accepted norms such as the UN Global Compact Principles, the UN Guiding Principles on Business and Human Rights, and the International Labour Organisation Conventions.

ENTERPRISE RISK & QUALITY MANAGEMENT

The Enterprise Risk & Quality Management team helps ensure PIMCO’s business is managed in a risk aware, controlled, quality-driven, and resilient manner. Amongst other things, they review operational events and suggest suggests process enhancements where appropriate. In support of this goal, the team operates 4 programmes:

- Enterprise Risk Management
- Quality & Risk Management
- Business Continuity Management
- Vendor Management

ARTIFICIAL INTELLIGENCE (“AI”) DEEP DIVE

PIMCO provides investment management services across a range of strategies and to a variety of clients. In providing these services, PIMCO may deploy AI to enhance investment insights, enrich client experiences, and optimise operations. In this regard, it is essential to consider PIMCO’s fiduciary obligations to its clients, applicable regulatory obligations, and the appropriate framework to govern PIMCO’s use of AI.

PIMCO has adopted and implemented written policies and procedures reasonably designed to prevent violations by PIMCO and its personnel of applicable laws, regulations, and

rules. The Compliance Programme is applicable to all the firm’s business activities, including PIMCO’s use of AI. In addition, as described in greater detail in Principle 2, PIMCO’s business functions have established certain governance processes and other internal controls with respect to the use of AI.

This overview describes the application of PIMCO’s global compliance policies and procedures to the use of AI at PIMCO, and clarifies the roles of the Legal & Compliance Team and PIMCO’s business functions in overseeing the use of AI.



PRINCIPLE 6:

Client and beneficiary needs are accounted for by signatories, who communicate the activities and outcomes of their stewardship and investment to them.

PIMCO's Client Base

PIMCO continues to help millions of investors pursue their investment objectives through a broad range of strategies across fixed income, alternatives, equities, and real assets. Our scale and specialised resources have enabled us to build a diverse platform of product offerings. Globally, PIMCO manages £1.55 trillion (as of 31 December 2024) across more than 50 countries, on behalf of a range of clients including central banks, sovereign wealth funds, pension funds, corporations, foundations and endowments, as well as individual investors around the world. Within PIMCO, PIMCO Europe Ltd. manages £106 billion (as of 31 December 2024).

Assets under management (AUM)*

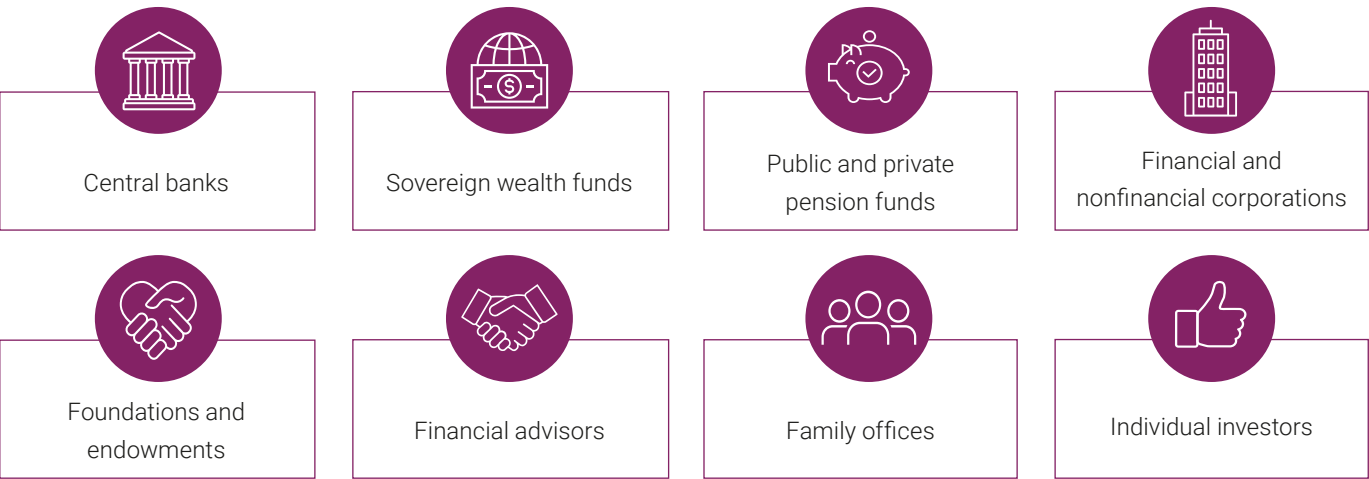
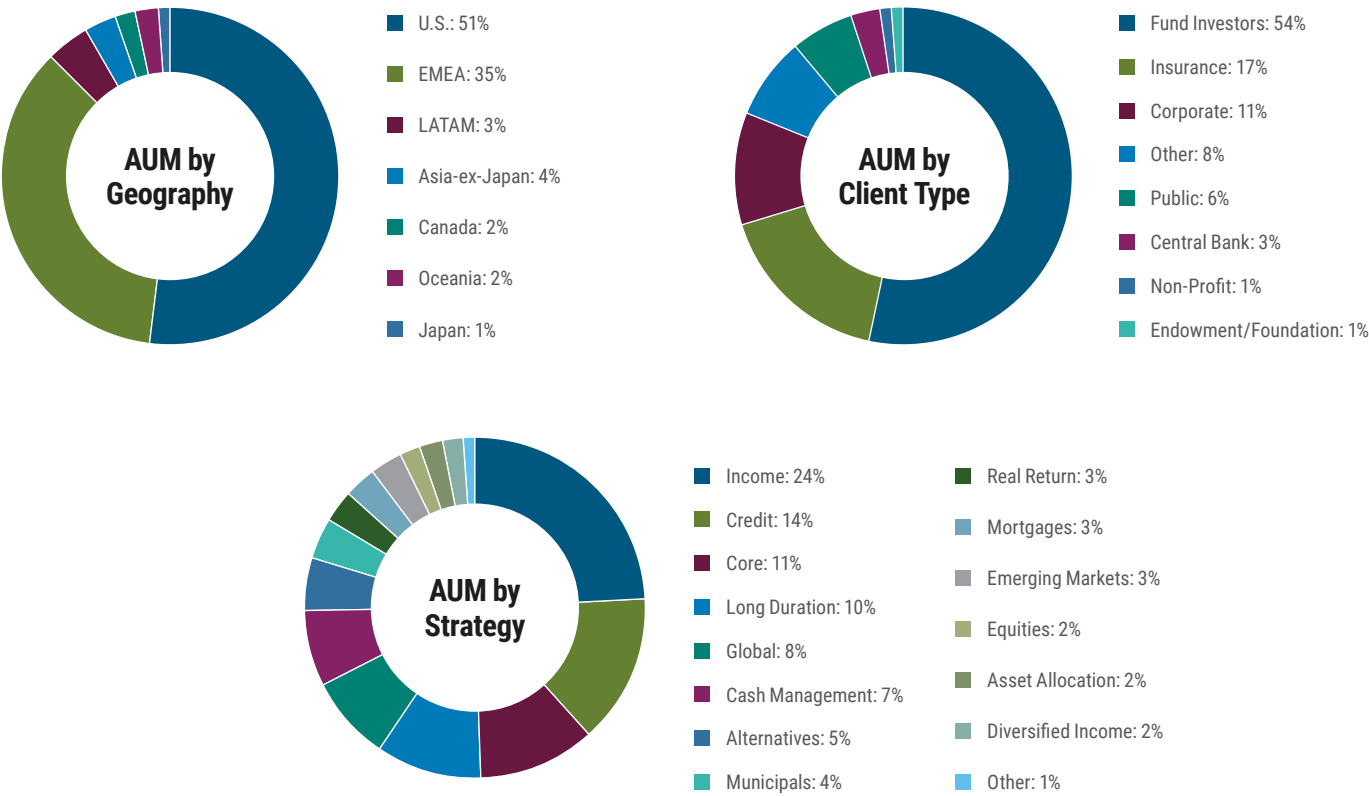


Exhibit: PIMCO platform assets under management and client types



PIMCO manages £1.55 trillion in assets, including £1.25 trillion in third-party client assets as of 31 December 2024. Assets include £62.2 billion (as of 30 September 2024) in assets managed by Prime Real Estate (formerly Allianz Real Estate), an affiliate and wholly owned subsidiary of PIMCO and PIMCO Europe GmbH, that includes PIMCO Prime Real Estate GmbH, PIMCO Prime Real Estate LLC and their subsidiaries and affiliates. PIMCO Prime Real Estate LLC investment professionals provide investment management and other services as dual personnel through Pacific Investment Management Company LLC. PIMCO Prime Real Estate GmbH operates separately from PIMCO.

PIMCO remains committed to keeping clients informed about how we prudently manage their assets, especially during periods of market turbulence and rapid innovation. Serving a diverse global client base—including institutional investors, financial advisers, and individual investors—PIMCO leverages a wide array of communication channels, including regular market commentary, interactive webinars, client teach-ins, dedicated client portals, podcasts, and timely written updates, to deliver clear, actionable insights tailored to each audience.

The firm also continues to embrace digital innovation, utilising advanced analytics and AI-driven tools to personalise communications and ensure relevant information reaches clients efficiently. This multi-channel, technology-enabled approach not only fosters transparency and trust across PIMCO's varied clientele, but also positions the firm as a proactive partner, guiding clients through uncertainty with expertise and clarity.

PIMCO'S CLIENT-CENTRIC APPROACH IN ACTION

PIMCO's aim is to provide superior client service and investment management to each client, underpinned by a commitment to long-term partnerships. The Account Management group is responsible for delivering exceptional client service, focusing on the industry- or channel-specific issues that clients face. The team maintains regular contact to review client portfolios, provide insights on exposures, and communicate PIMCO's latest views. Through these interactions, the team assesses evolving client needs, suggests solutions, and works with clients to adjust guidelines if necessary.

In 2024, our client-centric approach proved valuable amid geopolitical events and market volatility. As the markets in which we operate evolved rapidly, keeping clients informed went beyond reporting performance and portfolio positioning. We provided direct access to our leading experts, delivering insights that transcend headlines, and offering training and educational resources drawn from PIMCO's more than 50 years of expertise to foster transparency for clients. We used diverse formats to convey PIMCO's perspectives as part of our comprehensive engagement, empowering clients to make informed decisions and reinforcing our stewardship—building trust and strengthening long-term partnerships.



CASE STUDY 6: PIMCO INSTITUTE

Since 1998, the PIMCO Institute has hosted financial professionals for a two-day seminar designed to deepen their fixed income investment knowledge and fulfil continuing education requirements. The sessions provide valuable insights into portfolio management, asset classes, and market outlooks. The PIMCO Institute also aims to broaden participants' understanding of global markets through a dynamic mix of presentations, panel discussions, interactive sessions, and the engaging "Bond Boot Camp", which offers an introduction to the basics of fixed income. Attendees also experience hands-on learning through activities such as the Portfolio Trading Simulation Game, where teams compete to achieve the best absolute and risk-adjusted returns. These educational sessions not only showcase PIMCO's rigorous investment process and latest outlook across public and private markets but also provide a valuable networking opportunity with industry peers.

In September 2024, we successfully relaunched the PIMCO Institute in EMEA after a pause due to the Covid-19 pandemic. The event was revived in response to client interest in PIMCO's support for educating the next generation of technical investors on fixed income and private debt products. The event, held in London, attracted nearly 80 clients from 17 countries—a significant milestone that highlights our commitment to educating and engaging the next generation of decision-makers. These educational sessions exemplify how, by partnering with PIMCO, clients can deepen their understanding of global capital markets through interactive sessions with peers and experts, leveraging PIMCO's global perspective and expertise as a complement to portfolio servicing provided by the Account Management teams.



CASE STUDY 7: CLIENT TEACH-INS

PIMCO routinely offers client seminars across the UK, in other cities around the world, and virtually.

PIMCO investment professionals also conduct customised training sessions for many of our clients and their consultants, addressing client-specific topics of interest. PIMCO investment professionals are widely recognised as leaders in capital markets and the topics covered may extend beyond PIMCO strategies to include various aspects of portfolio management, asset allocation, benchmark selection, risk management, economic forecasting, investment process or philosophy design, investment guideline construction, or discussions on specific fixed income instruments or sectors. Examples of recent one-to-one training conducted for clients include “Bonds 101”, liability-driven investing (LDI), cashflow-driven investing (CDI), private market asset classes, the use of derivatives for efficient portfolio management, and macroeconomic topics such as inflation and the Eurozone interest rate outlook.

In 2024, PIMCO conducted a series of teach-ins with investment consultants in regions across the UK, including Birmingham, Bristol, Edinburgh, Leeds, London, and

Manchester. In these sessions, members of PIMCO's Product Strategy Group provided updates on current dynamics across public and private credit markets, as well as PIMCO's latest investment views for the asset classes. These teach-ins were structured as small-group sessions and tailored to each audience to encourage engagement and discussion.



CASE STUDY 8: 2024 CLIENT CONFERENCE

In September 2024, PIMCO proudly hosted its flagship triennial Client Conference in Newport Beach, marking a significant milestone in our client engagement efforts. This event, held every three years for the past three decades, brought together a diverse group of clients from around the globe, spanning institutional and retail sectors, as well as public and private markets.

After a hiatus in 2021 due to the Covid-19 pandemic, the 2024 conference was a highly anticipated reunion. Nearly 300 participants, including clients from the UK, joined over 100 PIMCO colleagues and distinguished external speakers. The line-up featured renowned speakers such as acclaimed author Michael Lewis, Nobel Laureate Dr Richard Thaler, US political consultants David Plouffe and Frank Luntz, and esteemed members of our Global Advisory Board, including Dr Ben Bernanke and Gordon Brown.

The conference agenda covered critical topics such as macroeconomics, credit, emerging markets, private credit, asset-backed lending, technology, artificial intelligence, and behavioural science.

This event served as a vital platform for PIMCO to engage with, listen to, and learn from some of our most important clients worldwide. It also highlighted the breadth of PIMCO's talent, innovative ideas, and our thoughtful approach to investment strategies.

The 2024 Client Conference reaffirmed PIMCO's commitment to fostering strong client relationships and advancing investors' investment knowledge in an ever-evolving global market.

2024 was also a monumental year for global politics; it was the largest election year in human history, with over half of the world's population—more than 3.5 billion people—eligible to vote in national elections, including in the UK. As global investors, PIMCO dedicated significant resources to ensure our analysis went beyond the headlines, enabling us to be the most effective stewards of our clients' capital. This commitment has been reflected not only in our Secular and Cyclical Forums, described in more detail in Principle 4, but also in the continuous analysis conducted by our teams to anticipate and navigate the risks, opportunities, and investment implications presented by political events.

As 2024 heightened the complexity of the political landscape, PIMCO's regular analysis and commentary provided clients with timely insights into how polling and election outcomes could influence markets, as well as their broader economic, societal, and environmental implications. We delivered consistent outlooks and market commentary on elections in the UK, US, EU, and other key regions worldwide. By proactively informing clients and integrating political risk from a top-down perspective into our investment process, we reinforced our stewardship role—helping to safeguard and grow client capital while supporting sustainable, long-term value creation in an interconnected global economy.



CASE STUDY 9: LIBBY CANTRILL'S VIRTUAL 'COFFEE WITH OUR CIO' LGPS Q&A SESSION

During the run-up to, and after, the US elections, PIMCO Managing Director and Head of Public Policy, Libby Cantrill, hosted numerous updates and check-ins with clients to discuss our latest analysis and the implications of this impactful election. One such example with UK clients was Libby's participation in a Local Government Pension Schemes (LGPS) virtual webcast to share views on the outcome of the election and its associated investment impact. Libby joined the scheme's CIO and investment team to discuss potential market implications of the election results, providing PIMCO's views on the trajectory of US growth, fiscal position, and tariffs. It also included a Q&A session to address concerns and questions from our clients as they processed the market reaction to the election.

Stewardship also means finding the best ways to communicate with clients in timely and holistic ways. As mediums of communication continue to evolve, we have found new channels to disseminate our market updates and outlooks to clients.



CASE STUDY 10: PODCASTS - PIMCO POD AND ACCRUED INTEREST

In 2024, PIMCO launched two new podcasts: PIMCO Pod and Accrued Interest. PIMCO Pod allows us to bring our latest research and analysis to clients in an audio format, while Accrued Interest gives clients an inside view of how portfolio managers, economists, and leading thinkers at PIMCO are managing risks and taking advantage of opportunities in the global markets in which we operate. By enhancing communication through these innovative channels, we strengthen transparency and deepen client engagement, both of which are essential to effective stewardship.

Lastly, we have integrated AI into our client servicing. The client-facing teams at PIMCO support hundreds of thousands of clients globally, all of whom rely on accurate and timely information about the products they hold. In line with our stewardship commitment to delivering exceptional client service, PIMCO sought to enhance the client experience by enabling client-facing teams to spend less time aggregating data and more time engaging meaningfully with clients.



CASE STUDY 11: CHATGWM

In 2024, PIMCO developed ChatGWM. This secure, proprietary, retrieval-augmented generation (RAG) application searches across PIMCO-approved structured and unstructured data sources, providing client-facing employees with rapid access to relevant and reliable information.

Enabling our client-facing teams to easily type questions into ChatGWM allows them to quickly obtain insightful responses without manually sifting through documents. Importantly, ChatGWM cites the sources of its information, ensuring transparency and accuracy, which are key principles of our stewardship approach. This innovation not only improves operational efficiency but also strengthens our ability to serve clients with clarity and confidence, reinforcing our dedication to responsible stewardship and long-term value creation.

UPDATES TO REPORTING FOR CLIMATE-SENSITIVE PORTFOLIOS

A number of PIMCO’s clients have implemented explicit sustainability objectives in their investment mandates and guidelines. PIMCO remains committed to enhancing and expanding our capabilities as part of our mission to continuously innovate in areas that are important for our clients. In 2024, some of the continued advancements were in the areas of a portfolio carbon projection climate scenario analysis and stress testing, and reporting of metrics aligned with the Task Force on Climate-related Financial Disclosures (TCFD) and Partnership for Carbon Accounting Financials (PCAF) standards. Additionally, we focused on refining our engagement tracking and milestones process, seeking to ensure effective monitoring and accountability.

The carbon projection tool enables us to evaluate potential future carbon emissions associated with a portfolio, allowing us to work with clients to customise assumptions and explore possible pathways that meet their objectives. Complementing this, the carbon footprint attribution tool, developed in 2023, measures and reports the contributions of different factors to emissions within a bond portfolio over time, helping us distinguish between fundamental sustainability performance and other factors. These analytical capabilities, combined with PIMCO’s industry-leading ESG evaluation best practices, empower us to provide clients with in-depth insights into the risks and opportunities in their portfolios, in addition to climate-related objectives.



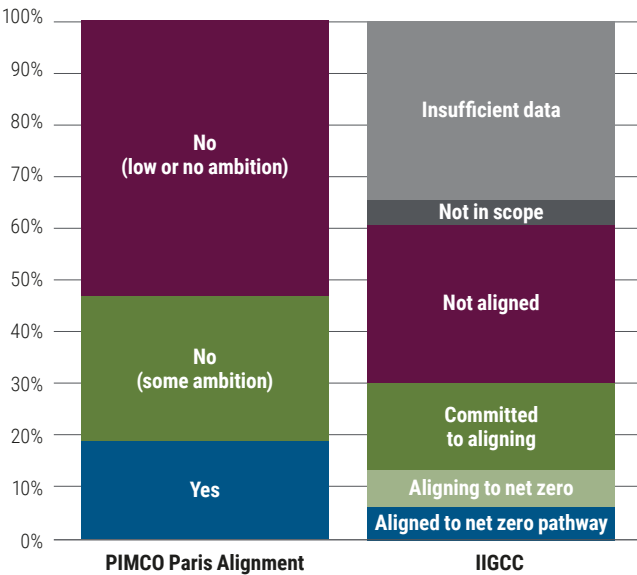
CASE STUDY 12: CLIMATE-RELATED PORTFOLIO TARGETS

In 2024, PIMCO worked with a UK-based institutional client to explore the potential implementation of a range of climate-related portfolio targets, primarily aimed at aligning their portfolio with their greenhouse gas (GHG) emissions goal. The client was open to discussing implementation options, including timeframes, emissions intensity targets, and various pathways to reach their committed goals.

PIMCO’s approach to creating a portfolio aligned with the client’s emissions reduction objective was structured around three key pillars: allocating to climate leaders, investing in climate solutions, and reducing exposure to carbon intensive issuers.

1. Allocating to climate leaders: The first pillar focused on investing in companies at the forefront of sustainable practices and those companies who demonstrated ambitious decarbonisation strategies. PIMCO assessed how well issuers aligned with the Paris Agreement targets using a structured framework, which considered a step-by-step process that incorporated various data sources, including the Transition Pathway Initiative, Institutional Investors Group on Climate Change (IIGCC), Science Based Targets initiative (SBTi), and other criteria. We also assessed and categorised issuers based on the IIGCC Net Zero Investment Framework (see Exhibit 1). Using PIMCO’s technology systems, we were able to track exposure to SBTi-verified issuers, determine whether this exposure was higher or lower than the benchmark, and observe trends over time.

Exhibit 1: Net zero categorisation – illustrative portfolio



As of 3Q 2024. Source: Companies, PIMCO, SBTi, TPI, CDP, S&P, MSCI. PIMCO’s Paris alignment field estimates whether issuers’ current and future carbon emissions are consistent with the Paris Agreement (the global accord to limit the global temperature rise by year 2100 to 1.5°C – 2°C above pre-industrial levels), notably based on their targets. The field leverages data from various external data providers. The field has 3 possible values: 1) ‘Yes’: issuer’s target/pathway is aligned with the goal of the Paris Agreement (1.5°C – 2°C i.e. broad interpretation ‘No (some ambition)’); issuer’s target/pathway is misaligned with the goal of the Paris Agreement (but the issuer has shown evidence of efforts to increase its ambition (e.g., by committing to set a target that leads to a material reduction in GHG emissions)); 3) ‘No (low or no ambition)’; issuer’s target/pathway is misaligned with the goal of the Paris Agreement and the issuer lacks ambition or has not shown any ambition (e.g., by setting a target that leads to a modest reduction or by not having any robust target). Our assessment of issuers’ alignment with the IIGCC Net Zero Investment framework (e.g., ‘aligned to a net zero pathway’, ‘aligning to net zero’) has been created on a best effort basis given the interpretation of the guidance documents and data availability. In some instances, data stem from sources that act as proxies or are subject to methodology limitations. Future developments in terms of data, methodology or guidance regarding the calculation of these figures could lead to a material change in the value.



CASE STUDY 12: CLIMATE-RELATED PORTFOLIO TARGETS (CONT.)

2. Investing in climate solutions: The second pillar involved investing in high-quality Green, Social, Sustainability, & Sustainability-linked (GSSS+) bonds. Our assessment of corporate issuers and industry leaders or laggards has been refined over time to be sector-specific and highly granular, enabling us to allocate clients' funds credible and robust labelled bonds (see Exhibit 2 for an example of our peer comparison for one sector).

Exhibit 2: Case study – evaluating the environmental profile of water utilities

Issuer	PIMCO ESG Issuer Score	PIMCO ESG Bond Score	PIMCO Environmental Score	Last update of its framework	Use of proceeds (stringency of the criteria)	Use of proceeds (transparency pre-issuance)	Use of proceeds (allocation and impact report)	Science-based decarbonisation target	Environmental performance assessment (UK Environment Agency)	Ofwat performance report	Pollution incidents performance
Water utility A				2024	Specific	Good	Good	No	6.0	Lagging behind	Poor
Water utility B				2022	Specific	Average	Average	Targets set	12.0	Average	Top performer
Water utility C				2021	Broad	Average	Poor	No	6.0	Lagging behind	Poor
Water utility D				2020	Broad	Poor	Good	Targets set	11.0	Average	Top performer
Water utility E				2022	Specific	Average	Good	No	8.0	Average	Poor
Water utility F				2023	Broad	Poor	Poor	No	7.0	Lagging behind	Good

The above is presented for illustrative purposes only, as a general example of PIMCO's ESG research capability and is not intended to represent any specific portfolio's performance or how a portfolio will be invested or allocated at any particular time. PIMCO's ESG processes may yield different results than other investment managers and a company's ESG rankings and factors may change over time. Past performance is not indicative of future results. SOURCE: PIMCO, Bloomberg, Ofwat, SBTi, UK Environment Agency, company filings. All data is as of 31 December 2024, unless otherwise stated.

3. Reducing exposure to carbon intensive issuers: The third pillar focused on minimising exposure to laggards in companies and sectors with high carbon emissions, thereby decreasing the overall carbon footprint of the portfolio.

This example illustrates PIMCO's capability in conducting customised analysis across various approaches to potentially implement a client's targets, aiming to align with net zero while minimising the impact on the portfolio, including transaction costs and limitations on the investment universe.

Exhibit 3: Case study – sample portfolio for illustrative purposes

Pillar	Main metric (corporates only)	Sample portfolio	Market average*	Improvement vs. market average	Net Zero pathway	
					2025	2030
	Weighted Average Carbon Intensity (MCO2/USD mm sales)	79	175	-55%	75-186	39-96
	Carbon Footprint (MCO2/USD mm invested)	42	76	-45%	20-112	12-73
Pillar	Main metric (corporates only)	Sample portfolio	Market average*	Improvement vs. market average	Net Zero pathway	
					2025	2030
	Issuers with Set Science-Based Emissions Reduction Targets (% CorpMV)	48	31	55%	38	53
Pillar	Main metric (corporates only)	Sample portfolio	Market average*	Improvement vs. market average	Net Zero pathway	
					2025	2030
	Green Bonds (%M)	74	7	11.1x	>50%	>50%
	Unlabelled Green Bonds (%MV)	1.4	0.3	4.7x		

Market Average refers to Bloomberg Global Aggregate 3-10Y Credit Index. WACI data coverage is 88% of the sample portfolio's corporate holdings and 95% of the Bloomberg Global Aggregate 3-10Y Credit Index's corporate holdings. Carbon footprint data coverage is 87% of the sample portfolio's corporate holdings and 94% of the Bloomberg Global Aggregate 3-10Y Credit Index's corporate holdings. Corporate holdings are ~62% of the sample portfolio's MV.

The case study is based on various assumptions and reflects a hypothetical projection of the future carbon emissions profile of the sample portfolio that would align with scenarios for net zero pathways, as well as other metrics linked to the guidance produced by net zero industry initiatives. These are not forecasts, predictions or targets. There can be no guarantee as to whether the actual results will be achieved.

The above is presented for illustrative purposes only, as a general example of PIMCO's ESG research capability and is not intended to represent any specific portfolio's performance or how a portfolio will be invested or allocated at any particular time. PIMCO's ESG processes may yield different results than other investment managers and a company's ESG rankings and factors may change over time. Past performance is not indicative of future results. Source: PIMCO. All data is as of 31 December 2024, unless otherwise stated.



PRINCIPLE 7:

Stewardship, investment and ESG integration, including material environmental, social and governance issues, and climate change, to fulfil signatories' responsibilities.

For over 50 years, we have worked relentlessly to help millions of investors pursue their objectives – regardless of shifting market conditions. Leadership in sustainable investing is essential to deliver on our clients' financial objectives while sustainable long-term economic growth is essential to maintain healthy markets.

For clients seeking risk-adjusted returns and the explicit inclusion of sustainable factors in the investment selection process, we have developed a suite of sustainable investment solutions which may include managing the portfolio's carbon footprint, green, social, sustainable or sustainability-linked bond allocations and/or a tilt toward issuers with higher quality or improving Environmental, Social, and Governance (ESG) characteristics. Increasingly, our clients are seeking investment strategies to enhance their exposure to lower-carbon solutions. Their interests span clean energy, energy efficiency and industrial decarbonisation, sustainable transportation, and adaptation and resilience to climate physical risks.

PIMCO's climate investing frameworks continue to assist our clients in navigating this transition as we explore new areas of opportunity. In addition to the integration of ESG factors into PIMCO's investment process described at length in our [Sustainable Investment Policy Statement](#), we work with investee companies to understand and influence their sustainability practices through regular engagement – on climate change and other sustainability themes – fostering collaborative solutions with the aim of benefiting all stakeholders.

Amid a surge in global conflicts in 2024 – over 50 according to the Global Peace Index, the highest number since World War II – the private sector's role in upholding human rights is essential for social, economic, and market stability. Our adherence to the UN Global Compact's Human Rights Principles reflects this priority: we use these same principles when engaging with, and evaluating, both corporates and sovereigns to provide investment outcomes for clients. This role, which includes the provision of good quality jobs and living wages, is increasingly relevant as workers and communities adjust to economic, political, and energy transitions. As new challenges and opportunities emerge, we are helping our clients stay alert and respond to these dynamics in both developed and emerging economies.

SHAPING MARKET CONVENTION

In the transition to a sustainable economy, fixed income investors play a pivotal role in providing capital that can shape sustainable growth for generations.

At PIMCO, we integrate this view within our research, engagement, and investment activities, seeking compelling

risk-adjusted investment outcomes for our clients and helping to foster a resilient global economy. This approach enhances investment insight while promoting sustainable practices and contributing to long-term economic stability.

PIMCO'S ACTIVE INFLUENCE IN SHAPING THE PRIMARY MARKET

PIMCO's size and experience across markets enables the firm to play a vital role in creating economically resilient opportunities within public markets (corporate bonds, structured credit, sovereigns, municipals), and alternative investments where applicable. PIMCO's advice has been sought by regulators, sovereigns, and central banks on sustainability-related policies and macroeconomic considerations. More broadly, PIMCO's CIOs and Investment Leadership Team serve as members on a range of advisory committees and industry boards across the global financial sector. Additionally, The PIMCO Global Advisory Board is a team of world-renowned experts on economic and political issues. The Global Advisory Board members contribute their insights to the firm on global economic, political, and strategic developments and their relevance for financial markets. Our leadership in various finance and sustainable

finance industry groups underscores our commitment to shaping a resilient future.

As one of the largest investors in GSSS+ bonds, PIMCO has a significant and measurable impact on the market. We leverage our position to promote market adoption and facilitate the creation of high-quality frameworks for all investors seeking GSSS+ transactions.

As a member of the International Capital Markets Association (ICMA) Principles Executive Committee since 2019, PIMCO has helped shape industry guidance to develop standard guidelines of practice for both capital seekers and capital providers. For over a decade, we have been a leading supporter of the GSSS+ bond market and are committed to developing both primary and secondary markets for these labelled bonds.

SUSTAINABLE INVESTMENT SOLUTIONS

PIMCO recognises that clients worldwide have diverse objectives and require tailored solutions to meet these objectives. We provide a range of fixed income strategies for clients seeking risk-adjusted returns. We incorporate sustainability factors into clients' investment selection processes when requested.

These strategies use PIMCO's sustainability portfolio construction process, which involves limiting exposure to sectors and issuers with high ESG risks while prioritising those with strong or improving sustainability practices, especially in GSSS+ bonds. In addition to seeking risk-adjusted returns, these portfolios may also manage carbon footprints, actively engage with issuers, and allocate to green or social

bonds, favouring issuers with higher quality, or improving, sustainability characteristics.

We also partner with clients to explore custom mandates with sustainable investment guidelines and restrictions tailored to their needs and risk-return profiles. We aim to find solutions that best fit their investment objectives, which may include negative screening, proactive asset selection based on favourable ESG factors (e.g., positive screening), and, selecting investments that support broader goals like the Paris Agreement, the Sustainable Development Goals (SDGs), or overall societal contributions, while maintaining our fiduciary responsibility.

INTEGRATING SUSTAINABILITY ACROSS THE INVESTMENT AND PORTFOLIO IMPLEMENTATION PROCESS

At PIMCO, we define ESG Integration as the consistent consideration of relevant ESG factors in our investment research process with the goal of enhancing our clients' risk-adjusted returns. For clients with mandates that incorporate explicit sustainability objectives, we have added sustainability metrics across key portfolio analysis and risk management systems. For example, PIMCO's internal solution to support the portfolio optimisation and implementation process allows the investment team to integrate sustainability objectives and constraints, alongside relative value and risk-return targets. PIMCO's portfolio optimisation employs bottom-up screens and analysis to drive more efficient portfolios.

Optimisation capabilities supplement fundamental portfolio construction



Enhancements across asset classes

Asset class	Enhancement	Description	Research benefits and potential investment outcome
Corporate credit	Enhanced sector frameworks	Changes to our ESG sector framework for Property & Casualty (P&C) insurers' catastrophe exposure. Historically, our ESG framework for P&C insurance viewed exposure to property catastrophe risk negatively. We updated this criterion to consider the positive externalities for insured clients created when insurers provide coverage of catastrophe risk. Expanded frameworks for healthcare and telecoms with an extended set of KPIs and sources to benchmark companies. Revised weights to our banks sector framework to reflect the increased materiality of environmental factors and to incorporate new industry-specific databases to evaluate banks' transition risk exposure and readiness.	Refined ESG scores that better reflect the potential impact of sustainability factors on issuers' financials and credit quality.
	ESG sensitive flag	Standardised classification of corporate issuers as "ESG sensitive" based on widely used criteria among sustainability strategies and industry frameworks.	Extended consideration of sustainability factors that may affect the eligibility or pricing of securities.
	Sustainable investments relative value tool	Heatmap of PIMCO flagship accounts' exposure to carbon-sensitive sectors and recommendations of switches from climate laggards to climate leaders based on PIMCO's credit recommendations and relative valuations.	Improved efficiency of internal communication of opportunities to manage exposure to transition risks.
CLOs	ESG metrics availability	Mapping of additional ESG metrics to CLOs (e.g., pillar scores, carbon metrics, industry exposure).	Expanded coverage of potential sustainability risks and supported optimisations or negative screenings for accounts subject to sustainability exclusions.
Agency RMBS	ESG metrics availability	New environmental and social metrics focused on green and social-labelled pool.	Enhanced measurement of potentially positive sustainability outcomes associated with securities.
ABS	Enhanced sector frameworks	Formalisation of the scoring methodology specifically for auto ABS , including specific weights per pillar and KPIs (e.g., vehicle average tailpipe CO2 emissions, share of electric vehicles as part of the pool).	Refined ESG scores that better reflect the potential impact of sustainability factors on securities.
Alternative investments	ESG metrics availability	Development of carbon reporting capabilities for commercial real estate.	Expanded coverage of potential carbon risks and the ability to support carbon optimisations when appropriate.
	Sustainable economic activity taxonomy	Development of a common taxonomy to determine an investment's alignment with sustainable economic activities according to external and internal frameworks.	Aligned the definitions of sustainable activities across asset classes to identify investment objectives.

These enhancements to our analytical and risk management capabilities in 2024 have enabled the firm to more effectively align our investment strategies with clients' sustainability goals. By embedding sustainability considerations directly into our portfolio construction and optimisation processes, we are able to systematically identify and pursue opportunities that meet both financial and ESG criteria. This integrated approach not only supports our clients' evolving preferences but also positions the firm to innovate and launch new investment solutions that reflect our commitment to responsible investing.



CASE STUDY 13: PRIVATE CORPORATE LENDING FUND (PCLF)

In 2024, PIMCO launched the SFDR Article 8 Private Corporate Lending Fund (PCLF), an income-focused, unlevered private credit strategy focusing on primary origination of performing senior secured loans to businesses with EBITDA between \$50 million and \$150 million. The fund aims to have a 7-9% net return (and net distribution) target and invests a minimum of 10% into sustainability investments, while excluding investments in certain business models which may have negative environmental and social externalities.

As an SFDR Article 8 classified fund, it seeks to:

1. Encourage the disclosure of key ESG metrics through active engagement with counterparties, promoting sustainability-related data reporting and monitoring by the borrowing base; and
2. Identify investments aligned with sustainability themes and drivers. This includes the consideration of revenues, expenditures and operational alignment that is in line with globally accepted definitions, norms and taxonomies for sustainable economic activities.

A large teal geometric shape, resembling a stylized letter 'X' or a series of overlapping triangles, is positioned on the left side of the page. The background features a light teal grid of thin lines forming various geometric shapes, including triangles and polygons.

PRINCIPLE 8:

Monitoring managers
and service providers and
holding them to account.

As an asset manager, we recognise the importance of integrity and compliance in our operations, including those involving third-party vendors. To maintain these standards, we have established robust oversight mechanisms to regularly evaluate our vendors and data providers. These assessments ensure that our partners meet PIMCO's stringent requirements for suitability and service quality. Our policies are designed to hold service providers accountable and to reinforce trust in PIMCO's asset management practices, reflecting our ongoing commitment to transparency and excellence. We have provided a select number of policies in this section to demonstrate our commitment to holding our service providers to account.

VENDOR MANAGEMENT POLICY

PIMCO operates a Vendor Management Programme which sets out the requirements for the appointment and ongoing oversight of its material vendors and service providers. As part of the onboarding and retention processes, PIMCO requests that these vendors complete extensive due diligence questionnaires including detailed metrics and/or management reports, which are used to evaluate the quality of services provided. Practices related to labour standards, cyber security, and environmental management are key elements of the questionnaires and form part of the qualitative assessment of our service providers.

PIMCO follows a risk-based approach to vendor oversight, with the type and frequency of reviews determined by the inherent risks of the services being outsourced. One or more of the following may be required based on the specific risks identified:

- Periodic on-site review
- Financial health assessment
- Business continuity and disaster recovery review
- Information and cyber security review
- Data privacy review
- Insurance verification
- Independent audit reports
- Exit strategy

Additional oversight and/or artefacts may be required based on the characteristics of the third party and/or the services being

performed. Ongoing monitoring is performed throughout the relationship. Business Owners oversee the performance of the vendor by setting, monitoring, and reporting on service delivery and metrics. For certain material vendors, quarterly scorecards are used by Business Owners to report to Enterprise Risk Management (ERM) on the current status of their vendor relationships. For low-performing vendors, remediation plans may be developed by the Business Owner, in conjunction with management, in order to raise service levels.

To support our policies, **PIMCO has established a global Vendor Management Oversight Programme.**

PIMCO's Vendor Management Oversight Programme seeks to:

1. Enhance the governance of PIMCO's Vendor Management Programme while maintaining a decentralised model.
2. Refine standards of oversight at all stages of the vendor process lifecycle (onboarding, oversight, and termination) and facilitate a more focused risk-based management approach.
3. Automate, streamline and enhance transparency of vendor management administrative activities.

Through this robust framework, we can monitor and manage relationships with external vendors, ensuring integrity, compliance and alignment with our investment standards.

Our robust policies and oversight frameworks also provide guidance when we need to act quickly to ensure business continuity.



CASE STUDY 14: CROWDSTRIKE

CrowdStrike is an important cyber security partner for PIMCO, providing a range of security products and services, including Endpoint Threat Detection and Response (EDR) software. In 2024, a failure in an automated software update by CrowdStrike caused Windows machines at PIMCO and across the industry to crash. The incident triggered a business continuity response at PIMCO, which included direct engagement with CrowdStrike.

- **Structured Oversight and Accountability:** At PIMCO each vendor is assigned a dedicated internal relationship owner ('Business Owner'), responsible for ongoing oversight, performance monitoring, and ensuring compliance with PIMCO's minimum standards. This includes regular review of service delivery, adherence to contract terms, and validation of invoices, ensuring vendors are held directly accountable for their obligations.
- **Risk-Based Monitoring and Due Diligence:** Vendors such as CrowdStrike are subject to initial and ongoing vendor risk and criticality assessments, which determine the level of oversight required. Critical service providers undergo enhanced monitoring, including periodic due diligence, completion of detailed questionnaires, and focused deep dives on risk areas. Performance against Service Level Agreements (SLAs) and complaint resolution are actively tracked.
- **Incident Business Continuity Response:** When the CrowdStrike issue emerged in 2024, PIMCO immediately activated its business continuity response and implemented vendor-recommended remedial steps. Leveraging its virtual desktop infrastructure (VDI), PIMCO was able to centrally and rapidly reboot affected machines, resulting in no material impact on core business processes or client-facing services.
- **Incident Vendor Management Response:** The PIMCO Technology Team paused automated software updates for CrowdStrike's service, switching to manual mode. PIMCO's Chief Technology Officer and the cyber security team met with CrowdStrike's leadership twice in July and August, providing direct feedback and demanding improvements to the software update process. Automated updates were only resumed after PIMCO regained confidence in CrowdStrike's release protocols.
- **Escalation:** The Chief Technology Officer briefed the PEL Board given the scale of the potential impact.

This is an example of how PIMCO actively monitors its service providers and holds them to account. Through robust oversight, rigorous due diligence and proactive engagement with vendors, PIMCO ensures that service providers meet high standards of performance, resilience and accountability.



PRINCIPLE 9:

Engagement with issuers
to maintain or enhance
the value of assets.

As one of the largest bondholders in the world, PIMCO recognises the crucial role that debt capital markets and bond investors play in influencing economies and business strategies by supplying capital directly to issuers. PIMCO continues to enhance its robust toolkit across research, engagement, and investment activities, as the investment market continues to evolve. Every year, our credit analysts conduct more than 5,000 meetings and calls with company management teams, including annual visits to each company whose bonds we own on behalf of our clients. In addition to discussing financial matters with management, we focus on longer-term strategic decisions and valuation, as well as ESG topics. As primarily fixed income and private credit investors, PIMCO has limited discretionary voting authority compared to equity investors and instead the firm looks to exercise stewardship responsibilities through a variety of other methods, including engagement with issuers.

Engagement continues to be conducted on a firmwide basis as an integrated part of our investment process and fiduciary duty, with the aim of supporting issuers at various stages in their sustainability journey. PIMCO's direct issuer engagement and industry leadership efforts support investment decisions by identifying current and emerging risks and improving market

transparency. Engagement efforts inform proprietary credit assessments and sector frameworks, which underpin our overall investment process in pursuing beneficial investment outcomes for our clients.

As a leading global fixed income and private credit manager, PIMCO has the scale and access to engage issuers on matters that we believe are material when pursuing compelling risk adjusted returns. We prioritise issuers across the platform where we have meaningful financial and ESG risk exposure, focusing on what we believe to be material topics.

Active management is well placed to benefit from engagement, particularly when it comes to mitigating potential regulatory and secular ESG risks. By offering issuers alternative considerations to current practices, we aim to enhance their risk management strategies, improve operational efficiencies, strengthen their credibility through increased transparency, and avoid potential controversies. We hold the view that periodic issuer engagement is essential for a thorough understanding of the investment's risk-reward scenario, which is critical to making informed buy or sell decisions. For additional information on PIMCO's Engagement Philosophy, please refer to the 'Engagement at PIMCO' overview available on our website.

STRUCTURE

At PIMCO, our engagement approach is designed to leverage the full scale of our global team of credit analysts and build upon our firm's decades of experience in this area. We pursue two types of engagement: bilateral and collaborative.

Our bilateral engagements are direct interactions with issuers conducted by our global team of credit research analysts, portfolio managers, and ESG analysts. We follow three principles: thinking like a treasurer, engaging like a partner, and managing risk as a lender. These principles help us identify issuers that may benefit from engagement, develop tailored engagement objectives, foster productive dialogue, and measure progress against pre-defined internal benchmarks.

By offering best practices for issuers to consider, we aim to enhance their risk management strategies, strengthen their credibility through increased transparency, and mitigate potential controversies. We prioritise issuers where we have meaningful financial and ESG risk exposure, focusing on what we believe are material topics.

In our collaborative engagement, we actively participate in a wide range of industry initiatives and working groups. These efforts seek to advance sustainability efforts, help define global standards, encourage greater disclosure from issuers, and promote a more resilient marketplace.

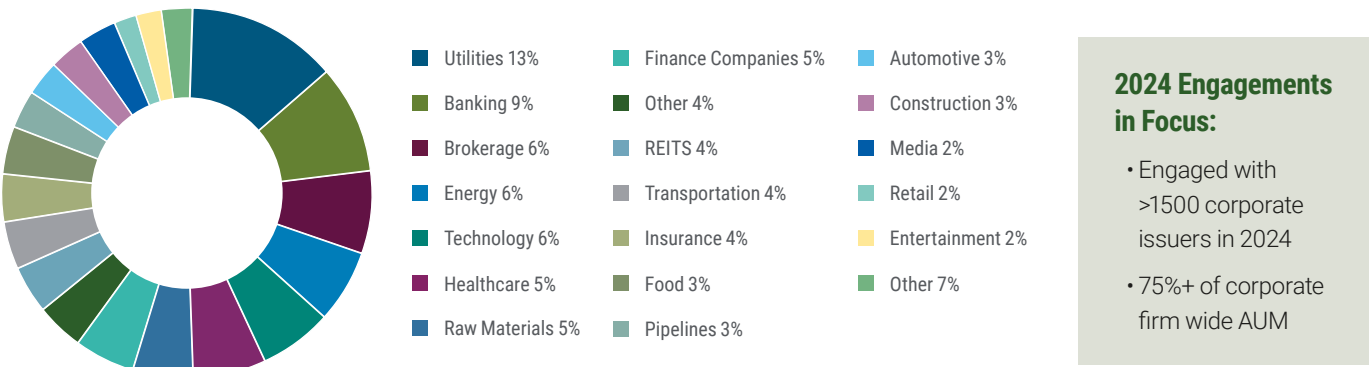


SETTING OBJECTIVES, TRACKING PROGRESS

PIMCO views stewardship as a long-term and dynamic process. Stewardship typically begins with setting engagement priorities and objectives that build on recognised industry benchmarks and are customised to issuers where appropriate. Our framework to track the progress of our engagement activities encompasses key milestones that correspond to different stages of interaction with the issuer and subsequent progress.

Engagement across sustainability themes can lead to positive impact

Interaction by Sector



Interaction by Pillar and Topic by No. of Interactions



As of 31 December 2024. Source: PIMCO firm-wide ESG engagement activities between January 1st and December 31st 2024. Interactions refers to the number of times topics are discussed, which may not reflect the different depth of discussion across topics in interactions. ESG bond issuance topic references engagements regarding issuing ESG labeled bonds. Over 1500 corporate issuers engaged in 2024 refers to all tracked engagements that discussed ESG topics. Engagements were conducted by ESG and/or credit analysts. Not all ESG analysts are 100% ESG-dedicated, some split time between ESG engagement and traditional credit research. Due to PIMCO internal system mapping of issuers, engagement figures, including interaction data by pillar and topic as of 2024 can vary and are subject to change. Interactions include both research-oriented engagement (e.g., asking questions on ESG topics) and in-depth or thematic engagement (e.g., sharing best practices and tracking progress).

Key engagement milestones and examples

milestone 1 Recommend action(s) to address a sustainability issue	Example: PIMCO recommended the issuer have its greenhouse gas emission reduction target externally verified by the Science-Based Target initiative (SBTi) and communicate a transition plan to achieve the target.
milestone 2 Discuss status and check outstanding actions towards meeting a specific expectation	Example: One year after the initial interaction, the issuer published their annual sustainability report, which did not reference the SBTi.
milestone 3 Discuss action(s) being taken towards partially meeting the expectation	Example: The issuer sent a letter to the SBTi to verify its target and communicated publicly that it is working towards alignment.
milestone 4 Acknowledge that action(s) have been implemented and the expectation has been fully met.	Example: The SBTi validated the issuer's target, and the issuer published a transition plan.

Analysts collaborate globally to develop tailored integration and engagement strategies for the markets in which PIMCO invests for client portfolios. Given PIMCO's worldwide footprint, local ESG and credit teams frequently meet in person with management and sustainability teams to foster a shared understanding of our partnership in long-term, sustainable growth. While risks and opportunities may manifest in idiosyncratic ways across different geographies, it is essential for analysts to exchange thematic and sector expertise across regions. As we expand our global engagement efforts, it is critical to delve deeper into the unique challenges and opportunities presented in different regions, where our strategies can be tailored to meet specific local climate and investment dynamics.



CASE STUDY 15: U.S. GOVERNMENT-SPONSORED ENTERPRISE (GSE): AFFORDABLE HOUSING

Background

Fannie Mae, under the supervision of the Federal Housing Finance Agency (FHFA), purchases, securitises, and backs mortgage loans, thereby providing liquidity and stability to the U.S. mortgage market. While single-family agency MBS are a significant component of the fixed income investment universe, social labelling was absent prior to 2024. This was due, in part, to a lack of standardisation in the marketplace for these types of disclosures.

Engagement

In 2020 and 2021, Fannie Mae and PIMCO initiated a multi-year dialogue on Fannie Mae's affordable housing strategy and how the policy interacts with its disclosure standards. As part of these efforts, PIMCO advocated for enhanced data sustainability disclosure and transparency.

In 2022, PIMCO provided feedback to enhance Fannie Mae's methodology, including advocating for consistency and minimal impact across vintages. PIMCO also recommended adjusting Area Median Income (AMI) criteria for borrower and property categories.

In 2023, as one of the few institutional investors to submit an independent RFI response, PIMCO emphasised that a

social bond program could potentially improve financing access for various borrowers, thereby supporting home ownership. PIMCO also highlighted that such a program could attract private investors, increasing liquidity in the U.S. housing finance market. PIMCO's input helped design a private market solution to support affordable lending.

Progress on milestones and future outlook

In 2022, Fannie Mae and Freddie Mac (the GSEs) published their inaugural Mission Index disclosure methodology, which captures certain characteristics of single-family MBS across income, borrower, and property.

In 2023, the FHFA issued a Request for Input (RFI) regarding an Enterprise Single-Family Social Bond Program.

In 2024, Fannie Mae and Freddie Mac revised their Mission Index methodology and published their inaugural single-family social bond frameworks, incorporating PIMCO's suggestions. In March, Fannie Mae launched single-family social bonds, with issuance of \$14.5 billion as of 31 December 2024. Going forward, PIMCO will encourage Fannie Mae to carefully monitor the impact of methodology changes on the Mission Index, enhance security-level impact reporting, and seek economic benefits to the ultimate borrower related to market activity.



CASE STUDY 16: EUROPEAN ENERGY COMPANY - CLIMATE STRATEGY & TRANSPARENCY

Background

PIMCO has engaged with the company over several years on a range of topics, including climate strategy, readiness to navigate the energy transition, and the need for transparency.

Engagement

We recommended that the company set up an absolute Scope 3 emissions target and consider setting an interim target for these emissions to align with industry peers. We encouraged the company to include non-operational assets using the equity logic in their Scope 1 and 2

decarbonisation targets. We advised the company to clarify how its future production and exploration investments align with its net zero commitments.

Progress on milestones and future outlook

As an initial step, the issuer established an absolute Scope 3 emissions target for their oil products. The company announced that it will not pursue new frontier exploration entries after 2025 and published a chart illustrating the alignment of its Scope 3 net carbon intensity target with the Net Zero Scenario from the International Energy Agency.



CASE STUDY 17: EUROPEAN TRANSMISSION NETWORK OPERATOR: SBTi

Background

The issuer was a European electricity transmission network operator with a target to offer 100% renewable energy by 2032 in specific areas (e.g. East Germany and Hamburg). The parent company has Science Based Targets approved for Scope 1 and 2 emissions. Previous engagements focused on a few key topics, primarily ESG Labelled Bond issuance, as well as taxonomy alignment and timeline for target setting, given the energy transition.

Engagement

PIMCO engaged the issuer's parent company via a bilateral meeting ahead of a new green bond issuance, focusing on enhancements to their Green Bond materials and sustainability reporting. The engagement allowed us to understand that proceeds from the recent transaction were designated for financing various eligible on- and

offshore renewable energy projects, allowing us to assess the bond from a sustainability standpoint and provide a recommendation to portfolio managers. PIMCO recommended the inclusion of a 'Sustainability Targets Dashboard' in the presentation and green bond materials, which would consistently track progress towards key sustainability targets and provide justifications for any material changes to KPIs. PIMCO highlighted the issuer's sustainability reporting as a best practice example to emulate in terms of transparency and accountability in sustainability efforts.

Progress to date

We continued to monitor the issuer's progress towards the increase in disclosures provided in their green bond materials (e.g. green bond framework) improving taxonomy alignment and emissions data, and follow up as required.



CASE STUDY 18: AUSTRALIAN FINANCIAL SERVICES SECTOR - COMPLIANCE & FOSSIL FUEL LENDING STRATEGIES

Background

In 2024, the global team concentrated its APAC issuer engagement on energy transition and corporate governance themes. Given that the materiality of ESG risks varies by market, context-driven engagements are critical for enhancing investment insights.

Engagement

Analysts met in person with the major Australian commercial and retail banks to discuss recent regulatory compliance controversies and fossil fuel lending strategies.

Engagement targets discussed:

- Enhancing internal controls: We emphasised the importance of improving internal controls related to KYC,

AML, and AFC procedures to maintain public and investor trust and safeguard the integrity of the financial system.

- Lending for decarbonisation: We discussed structuring loans that encourage fossil fuel industry borrowers to decarbonise their production and manage transition risks. Understanding that fossil fuel producers will continue to seek capital, incorporating provisions around Scope 1 and 2 emissions reductions may have a more direct impact on real economy emissions reductions compared to outright divestment. Further, local banks may be able to exert additional influence as oil and gas producers are critical to the Australian economy, and can play a constructive role in remaining important credit providers to the sector.

PRINCIPLE 10:

Collaborative engagement,
where necessary, to
influence issuers.

Our credit research and ESG analysts continue to engage with corporate, sovereign, and quasi-sovereign entities to discuss bond issuance and sound balance sheet management. These interactions offer valuable perspectives on management quality and governance practices.

As a fiduciary, we aim to support our portfolio companies in pursuing growth that benefits our clients. This includes encouraging enhancements to sustainability practices that may drive cost efficiencies and position issuers to capitalise on emerging secular, consumer, and regulatory trends. We believe these efforts contribute to meaningful outcomes and long-term value for our clients. Our comprehensive research process informs our approach to integration and engagement, guiding our discussions with companies and subsequent investment decisions. Our analysts and portfolio managers maintain ongoing dialogue with senior leadership at investee entities, helping to advance the development of the sustainable bond market.

When sustainability considerations are material, our ESG and credit research analysts work together to advise issuers on suitable financing options, optimal structures, and recommended criteria for CapEx/OpEx expenditures that

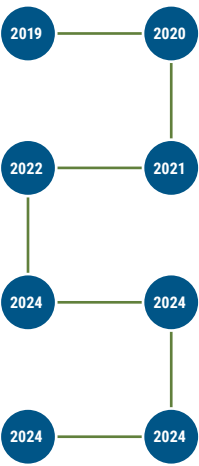
support long-term investor value and sustainable outcomes. We provide constructive feedback to help issuers align with evolving market standards. Our engagement includes input on GSSS+ bonds, offering guidance on how issuers can strengthen their commitments and better align with global best practices. Throughout the issuance process, our teams conduct thorough due diligence, engaging with issuers and their advisers to clarify the objectives and structure of their frameworks.

PIMCO’s scale and collaborative approach position us to anchor transactions for both GSSS+ and general corporate purpose (GCP) bonds, which can benefit our clients through improved allocations and pricing. Our longstanding relationships have contributed to shaping corporate strategies, such as supporting the issuance of green bonds by utilities to advance renewable energy initiatives.

Beyond identifying specific engagement targets, we also engage issuers on broader aspects of their sustainability strategies to support the ambition of their GSSS+ bonds. These enduring relationships often lead to reverse enquiries for new issuance, providing us with valuable investment insights and helping to mobilise capital for sustainable progress.



CASE STUDY 19: MULTI-YEAR ENGAGEMENT ON ESG BOND FRAMEWORKS LED TO POSITIVE INVESTMENT OUTCOME AND FAVOURABLE ALLOCATION FOR PIMCO: SNAM



SNAM Spa
Industry: **Utilities**
Engagement Themes: **ESG Bonds, Transparency and reporting, Greenhouse gas emissions**

Context and engagement objective:

- PIMCO started engaging with SNAM in 2019 regarding their sustainable bond programme.
- The company was an **early mover** among gas transmission companies in developing a climate strategy and utilising bond instruments (both use of proceeds and sustainability-linked) to support its decarbonisation initiatives and targets.



- The issuer is expected to formalise plans to issue SLB format bonds. Given PIMCO’s multi-year engagement and positive view on the issuer’s SLB bond framework, we anticipate participation in the issuance.

Engagement:

- PIMCO has frequently engaged **bilaterally and through Industry initiatives with SNAM**, notably The CFO Coalition on the SDGs.
- We have shared our positive view on their climate progress and orientation, including the role played by methane measurement and merit of the **sustainability-linked bond format in providing a holistic and forward-looking perspective**.
- We have also collaborated in numerous bilateral meetings on efforts to elevate the work of the CFO coalition to more broadly **encourage other coalition members to issue Green, Social Sustainable or Sustainability-linked debt**.

Looking forward

As of: 31 December 2024. Source: PIMCO

The above is presented for illustrative purposes only as a general example of PIMCO’s ESG research capability and is not intended to represent any specific portfolio’s performance or how a portfolio will be invested or allocated at any particular time. PIMCO’s ESG processes may yield different results than other investment managers and a company’s ESG rankings and factors may change over time. Past performance does not predict future returns. All investments contain risk and may lose value. Refer to Appendix for additional case study, ESG investing, investment strategy, issuer and risk information.

As a leading global asset manager, PIMCO participates in a number of industry working groups and coalitions aimed at advancing sustainability initiatives, some of which have been mentioned in previous reports and are available at [PIMCO Sustainability Investing Report](#). Our involvement centres on defining global sustainability standards, encouraging greater disclosure by issuers, and fostering innovation where it can have the greatest impact.



CASE STUDY 20: INVESTMENT CONSULTANTS SUSTAINABILITY WORKING GROUP (ICSWG)

The Investment Consultants Sustainability Working Group (ICSWG) is an industry group bringing together investment consulting firms working in the United Kingdom with the aim of enhancing industry standards on stewardship and sustainability reporting. Since the group's inception in 2020, PIMCO has worked closely with the ICSWG founding members to implement best practices in sustainable investment and meet high standards in data reporting.

PIMCO completes the ICSWG's reporting templates on an annual basis, both at firm level and with regard to specific funds or strategies, as per the investment consultant's request. As part of this reporting, PIMCO shares any changes in its definition of engagement, as well as a detailed breakdown of engagement interactions by topic. PIMCO also provides multiple engagement examples

with issuers held in portfolios, presenting our rationale, approach, and engagement outcomes. The ICSWG's reporting framework emphasises multi-year engagement processes, encouraging asset managers to discuss engagement outcomes, both in terms of progress and next steps. This approach allows PIMCO to outline engagement progress for issuers with whom we have proactively engaged over multiple years.

By participating in this initiative, PIMCO is contributing to raising industry reporting standards, increasing the transparency and comparability of asset managers' reporting on engagement and stewardship. We plan to continue participating in this initiative, which is particularly impactful for PIMCO's consultant-advised clients in the United Kingdom.



CASE STUDY 21: PARTNERSHIP FOR CARBON ACCOUNTING FINANCIALS (PCAF)

PCAF is a global partnership of financial institutions who work together to develop and implement a harmonised approach to assess and disclose the greenhouse gas (GHG) emissions associated with their loans and investments. This subsequently helps asset owners obtain more consistent and meaningful carbon data from asset managers, which may help achieve different objectives (e.g., assess carbon-related financial risks).

PIMCO's Involvement

In 2023, PIMCO became a member of PCAF's Core Team, which governs the Global GHG Accounting and Reporting Standard for the financial industry and all its updates and expansions. It has the goal of aligning GHG accounting and reporting across the financial industry.

Progress to Date

The PCAF Core Team announced four priority areas for standard development in 2024: transition finance and green finance; fluctuations in absolute GHG inventory; additional insurance products; and securitised and structured products. PIMCO is the Core Team Sponsor for the Securitised Products Working Group and a co-chair of the transition finance and green finance working group. PCAF's Public Consultation Survey for the next edition of the PCAF standard was released in 2024. The consultation aims to gather feedback on new methodologies to help financial institutions measure and manage carbon emissions. All methods that PIMCO was involved in, including securitised products, use of proceeds, avoided emissions, and forward-looking emissions metrics working groups, were included in the consultation.



CASE STUDY 22: PIMCO AS AN ANCHOR INVESTOR OF THE METHANE ABATEMENT FINANCING TASKFORCE (MAFT)

The Methane Finance Working Group is an initiative focused on accelerating the reduction of methane emissions through innovative financing structures in public and private markets.

The initiative was created in conjunction with COP 28 and participants include leading banks, asset owners, asset managers, climate scientists, NGOs, and policy experts.

PIMCO is an anchor investor in terms of contribution to the strategic orientation and guidance on best practices for potential labelled bond issuances linked to methane abatement in a use of proceeds or KPI-linked format. In

2024, PIMCO contributed to the “Guidance for Including Methane Abatement in Oil & Gas Debt Restructuring” which was released on the MAFT website in June 2025. The guidance has a particular focus on independent producers and National Oil Companies (NOC) in emerging and frontier markets, given their financing needs.

Since 2021, prior to collaborating with the Working Group, PIMCO has also engaged many issuers in the oil and gas value chain on the importance of disclosing high quality emissions data as per Oil & Gas Methane Partnership (OGMP) 2.0 guidelines.

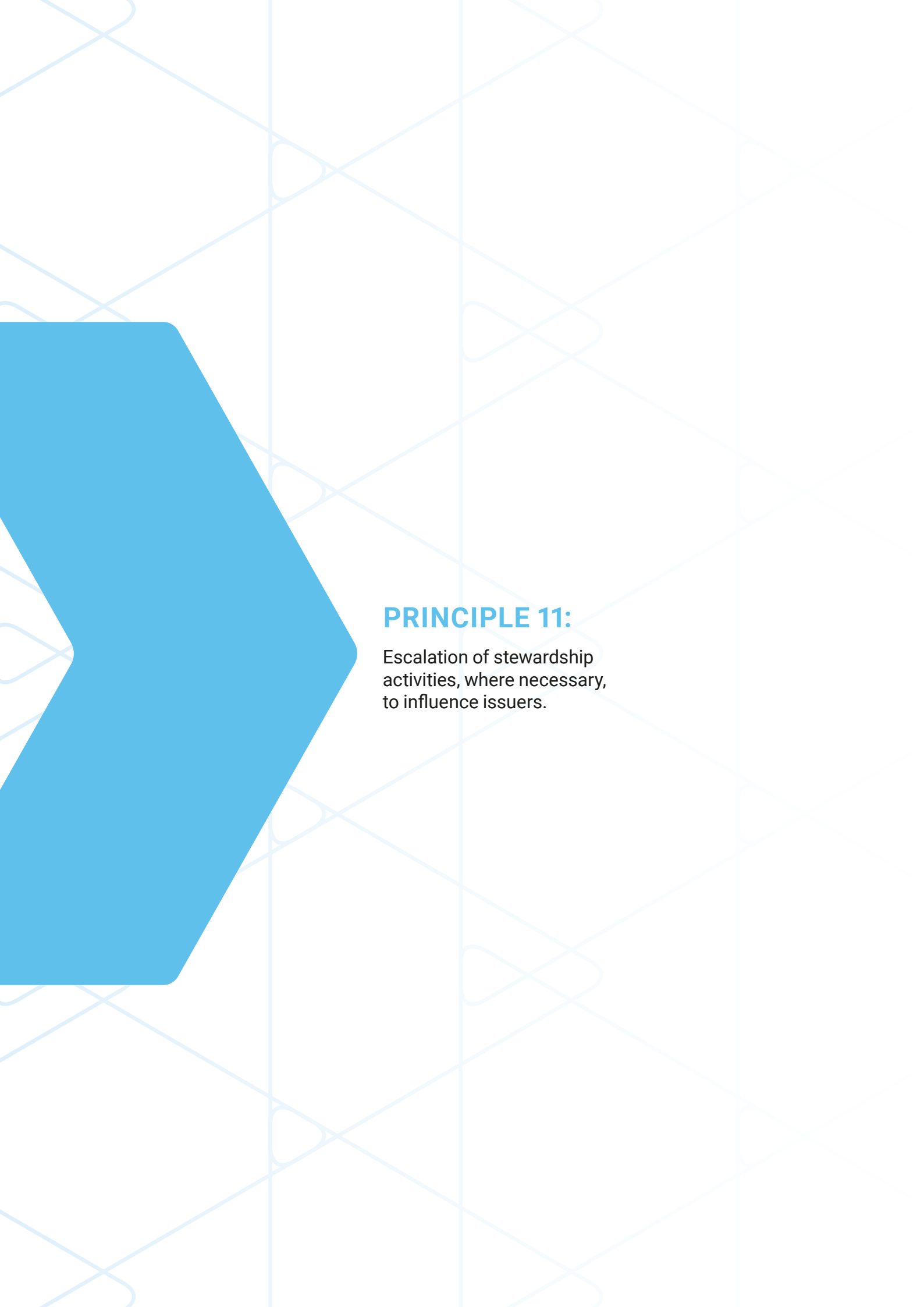
PIMCO's scale, including over 80 credit analysts worldwide, enables us to cultivate differentiated dealer relationships and gain unique access to issuers. This reach allows us to directly negotiate with companies to provide financing, otherwise known as a “reverse inquiry”, to add value to our portfolios. We negotiate favourable terms on new issues, taps, tenders, and exchanges; secure outsized allocations in the primary market; and capitalize on attractively priced deals as they emerge. As a result, we can provide financing at spread levels aligned with our assessment of company fundamentals, while also influencing the structure of new issues in a material and favourable way. Companies are willing to engage with us because we typically take a significant piece of the new issue via this process, serving as a long-term anchor investor. Issuers value the certainty of capital we can provide and consequently will pay for that certainty through offering more favourable terms. Our size, in particular, allows us to take large positions via reverse inquiries while distributing exposure across diverse portfolios to mitigate concentration risk at both the issuer and industry levels. Between 2020 and 2024 PIMCO has sourced over \$80bn of reverse inquiries; representing an additional source of structural alpha in fixed income markets.



CASE STUDY 23: ENGAGEMENT WITH A U.K. ISSUER TO DELIVER PORTFOLIO VALUE

As an example, in Q4 2024, PIMCO leveraged its scale and longstanding relationship to directly engage with a U.K. publicly-listed fashion brand. More precisely, PIMCO negotiated an exclusive tap of their existing 2030 bond at pricing outside market levels (at a ~45 basis points (bps) concession vs. existing bonds). Prior to the tap, the issuer's outstanding bonds had experienced significant spread widening following a profit warning and in light of

management turnover. At the time, PIMCO's proprietary fair value spread models indicated notable cheapness, while our credit analyst maintained a favorable view of the issuer's fundamentals, including its turnaround plan, and recommended an overweight exposure in credit portfolios. By the end of December 2024, the bond spreads had tightened by ~65bps, underscoring PIMCO's ability to deliver portfolio value through direct issuer engagement.



PRINCIPLE 11:

Escalation of stewardship activities, where necessary, to influence issuers.

PIMCO continues to view stewardship and engagement as a long-term and dynamic process that evolves over several years.

There have been no material changes to our escalation process or its framework since the 2023 submission. Nonetheless, in 2024 we retained the essential pillars to ensure ongoing effectiveness and, alongside our investment philosophy, PIMCO continued to test and adjust to ensure effectiveness and resilience of our processes. Our escalation approach continued to be applied across assets, geographies and funds, in line with our obligation of fiduciary duty to manage the assets of our clients responsibly.

After an escalation, changes may take time to solidify, but PIMCO analysts reinforced and followed up on engagement objectives during regular interactions with issuers. Progress was tracked in terms of both the progress towards interim steps taken by issuers and effective communication (e.g., responsiveness, openness to suggestions and references). If there is a need for accelerating progress, PIMCO focused on potential breakthrough points via constructive dialogue (e.g., providing references and examples to overcome technical hurdles, or meeting with senior management).



CASE STUDY 24: ESCALATION EXAMPLE: UTILITIES ISSUER WITH REPEAT GREEN BOND DISCLOSURE WEAKNESS

Engagement objectives:

Reach industry standard practices around sustainable bond issuance and natural resources stewardship.

Context and engagement objectives:

The company is a water and sewage utility, and a repeat issuer of green bonds primarily focused on projects related to sustainable water and wastewater management.

The company's green bond programme has featured weaknesses relative to peers and best market practices. This includes timely (one year after the issuance) publication of a green bond allocation report as per the Green Bond Principles (GBP) developed by the International Capital Market Association (ICMA). Furthermore, the issuer has not obtained external verification for its allocation statistics.

Recent engagement:

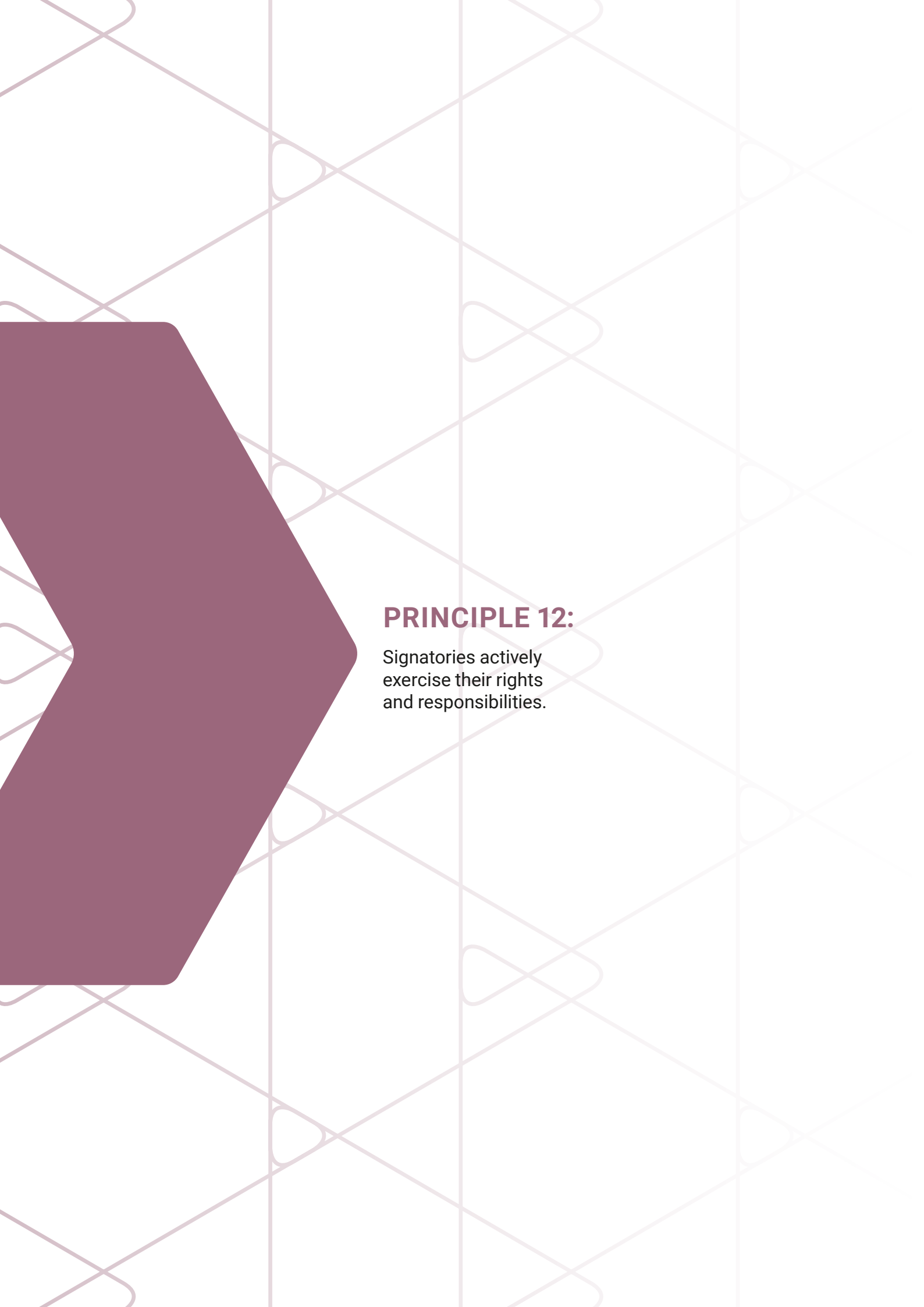
PIMCO has repeatedly highlighted to the company its lack of adherence to sustainable bonds' standards and guidelines, including its own commitments.

PIMCO communicated that this issue is reflected in its internal ESG score and ESG recommendation regarding the suitability of these bonds for sustainability portfolios.

Progress to date on milestones and looking forward:

The company subsequently issued its allocation and impact report which included, once again, only an external verification for impact indicators.

PIMCO plans to continue monitoring the issuer's green bond programme and its actions against PIMCO's recommendations. PIMCO will also monitor the issuer's progress in its broader related environmental strategy.



PRINCIPLE 12:

Signatories actively
exercise their rights
and responsibilities.

As outlined in previous reports, PIMCO has limited discretionary voting authority compared to equity investors. As primarily fixed income investors, we focus on exercising stewardship responsibilities through a variety of other methods. We take our rights and responsibilities as a bondholder seriously and look to work with issuers through a variety of credit events (including new issuances and reverse enquiries), changes to their capital structures (through restructurings and defaults), and collaborative engagement.

As the global bond market is significantly broader and more diverse than the equity market, PIMCO has a larger pool of engagement candidates—including private businesses, sovereigns, local authorities, and supranational issuers. In addition, bonds and debt matures and companies refinance, which helps to foster a long-standing relationship between investors and issuers. This primary-market activity enables investors to deploy capital in a more targeted way and to monitor how the capital is being used.

2024 FOCUS ON EMERGING MARKETS ENERGY

Despite being vital enablers of improving development indicators, Emerging Market (EM) issuers are often perceived as laggards in sustainability compared to their counterparts in Developed Markets (DM). The interconnectedness of the global economy means that developed markets (DM) have, in many cases, offshored their negative environmental and social externalities to EM countries. This reality underscores the importance of engaging with EM issuers, since they have the capacity to drive meaningful change and avoid the pitfalls of DM economic growth across a range of sustainability themes. Despite EM issuers lacking regulatory support and access to capital relative to their DM peers, many have shown increasing ambition and progress across the issues which materially affect their business models.

In 2024, PIMCO engaged substantially with EM national oil companies (NOCs). These entities are not only vital for generating tax revenues that support public services and infrastructure, but they also have a unique opportunity to improve asset quality and reduce emissions. By investing in the decarbonisation of their current asset base, NOCs can enhance their operational efficiency while mitigating impacts on water, land, and air quality. This dual focus on economic and environmental health can lead to expanded access to capital, increased balance sheet stability, and quality of life benefits for adjacent communities.

PROXY VOTING

PIMCO's proxy voting policy outlines how we comply with our fiduciary obligations, with respect to accounts for which PIMCO has discretionary voting authority. PIMCO has selected an unaffiliated third-party proxy research and voting service (the "Proxy Service") to assist it in providing research

recommendations, processing our elections, recordkeeping, and reporting in relation to proxies. PIMCO reviews the third party's and PIMCO's own proxy voting policies and practices at least annually. See Principle 3 for additional information on PIMCO's proxy voting policy.



APPENDIX I:

PIMCO & PEL Biographies

PEL Board of Directors

Craig Dawson, *Managing Director, Group Chief Operating Officer and Global Head of Strategy*

Mr Dawson is a managing director and PIMCO's group chief operating officer and global head of strategy, based in the Newport Beach office. He was previously based in London as the head of PIMCO Europe, Middle East, and Africa. Before that, he was PIMCO's head of strategic business management, and earlier he was head of PIMCO's business in Germany, Austria, Switzerland, and Italy, and head of product management for Europe. Prior to joining PIMCO in 1999, Mr Dawson was with Wilshire Associates, an investment consulting firm. He has 30 years of investment experience and holds an MBA from the University of Chicago Booth School of Business. He received his undergraduate degree from the University of California, San Diego.

Mangala Ananthanarayanan, *Managing Director, Head of Business Management, EMEA and Asia-Pacific*

Ms Ananthanarayanan is a managing director responsible for leading institutional client management teams across Central and South Asia, Hong Kong, Macau, and Korea. Based in Singapore, she also leads the business management functions in PIMCO's EMEA and Asia-Pacific offices, and is a member of the firm's Executive Committee. Previously, she was an account manager, focusing on institutional clients in the Middle East and Africa. Prior to joining PIMCO in 2006, she was in the assurance and business advisory services group at PricewaterhouseCoopers. She has 22 years of investment experience and holds a master's degree from the London Business School.

Ryan Blute, *Managing Director, Head of Global Wealth Management, Europe*

Mr Blute is a managing director and head of PIMCO's global wealth management business in EMEA. Previously, he served as both the head of PIMCO's Munich office and as the head of the firm's product strategy group in EMEA. He is a founding member and head of PIMCO PRIDE across the region. Mr Blute joined PIMCO in 2000 as an institutional account manager at the firm's headquarters in Newport Beach. He holds an MBA from the University of Chicago Booth School of Business and an undergraduate degree from the University of Arizona. He also holds the Certified Public Accountant designation.

Lorenzo Pagani, *Managing Director, Portfolio Manager*

Dr Pagani is a managing director and portfolio manager in the London office. He leads the European rates desk and is a member of the global bond and real return portfolio management teams, and is responsible for European and UK liability-driven investing (LDI) portfolio management. Additionally, he is a member of the European portfolio committee, the counterparty risk committee, and the best execution committee. He also serves as lead of talent management for portfolio management outside of the US. Dr Pagani is also a director of PIMCO Europe Ltd. Prior to joining PIMCO in 2004, he was with the nuclear engineering department at the Massachusetts Institute of Technology (MIT) and with Procter & Gamble in Italy. He has 22 years of investment experience and holds a PhD in nuclear engineering from MIT. He graduated from the Financial Technology Option programme of MIT/Sloan Business School and holds a joint Master of Science degree from the Politecnico di Milano in Italy and the École Centrale de Paris in France.

Rosanna Burr, *Independent Non-Executive Director*

Rosanna Burr has had an executive career of over 30 years in the investment management industry with BlackRock and Citibank in various roles including EMEA Head of Internal Audit EMEA, Head of CASS, EMEA Head of Operational Risk, EMEA Head of Operational Due Diligence, EMEA Head of Product Development etc. She has since stepped on to the Board at Equiniti Financial Services Limited as Independent Non-Executive Director and Chair of the Audit Committee, Risk Committee and Remuneration Committee.

Isaline Marcel, *Executive Vice President, Executive Office*

Ms. Marcel is an executive vice president and senior member of PIMCO's executive office, based in the Munich office. In her role she partners closely with CFO and Co-COO on ongoing firm-wide initiatives to support the firm's long-term growth and evolution on a global basis. Prior to joining PIMCO in 2023, she was Head of HR governance at Allianz Asset Management, the holding company overseeing the Asset Management business area within the Allianz Group. Previously she held several human resources roles at Allianz, Acxiom and Credit Suisse. She has 22 years of financial services experience and holds a master degree from the University of Lausanne, Switzerland.

Emmanuel Roman, *Managing Director, Chief Executive Officer*

Mr Roman is PIMCO's chief executive officer and a managing director of the firm. As CEO, he serves on PIMCO's Executive Committee and has executive oversight of the firm's client and business areas, including broad strategy-setting and resource management. Prior to joining PIMCO in 2016, Mr Roman was CEO at Man Group PLC, one of the world's largest publicly traded alternative asset managers and a leader in liquid, high-alpha investment strategies. Previously, he was chief operating officer at Man Group from 2010–2013, and co-chief executive officer at GLG Partners, Inc., prior to the firm's acquisition by Man Group in 2010. Earlier in his career, he was with Goldman Sachs for 18 years, serving as co-head of worldwide global securities and co-head of the European services division. He has served as a trustee of the Hedge Fund Standards Board Ltd, as well as a trustee of the Paris Review of Books, the Royal Marsden NHS Foundation Trust, the Tate Foundation and the University of Chicago. He has 36 years of investment experience and holds an MBA in finance and econometrics from the University of Chicago and a bachelor's degree from the University of Paris IX Dauphine.

Sung-Hee Suh, *Managing Director, Global General Counsel*

Ms Suh is a managing director in the Newport Beach office and PIMCO's global general counsel. Previously, she was PIMCO's general counsel for global regulatory and litigation, and before that, global head of regulatory risk and compliance. Prior to joining PIMCO in 2018, she was a partner at the law firm of White & Case, where she was head of its New York white-collar and investigations practice. Prior to that, she served as Deputy Assistant Attorney General in the Criminal Division of the US Department of Justice. Previous roles include litigation partner at the law firm of Schulte Roth & Zabel and deputy chief of the organised crime and racketeering section in the US Attorney's Office for the Eastern District of New York. She serves on PIMCO's MD Inclusion and Diversity Advisory Council and on the steering committee of PIMCO LEAP, an employee resource group focused on developing and giving voice to Asian and Pacific Islander colleagues. She has 35 years of legal and compliance experience and holds a JD from Harvard Law School and an undergraduate degree from Harvard College.

Lisa Arnold, *Independent Non-Executive Director and Chair of the Audit Committee*

Ms. Arnold served in the investment banking industry from 1984 to 2001, holding senior positions at Lehman Brothers, Commerzbank and UBS. She built more than fourteen years' experience as a senior pharmaceuticals and healthcare marketing analyst in the investment banking sector, during which time she developed a strong understanding of the global healthcare industry. Ms. Arnold's executive career focused on the 'sell-side' as an analyst covering the Pharmaceutical sector. Since retiring from Lehman Brothers in 2001 she has developed an interesting and broad portfolio of non-executive positions. Ms. Arnold has focused on joining the boards of regulated businesses, covering both the Financial Services and Pharmaceutical sector. In addition, she is the former Chair of the Cheltenham Ladies College Governing Council. She has gained Chair experience on a number of sub-committees covering Risk and Audit (at the UK Medicines and Healthcare Products Regulatory Agency) and is Chair on the Nominations committee at Futura Medical. In addition, she has been Chair of the investment committee of the Allied Domecq pension fund.

PIMCO's Executive Committee:

Mangala Ananthanarayanan, *Managing Director, Head of Business Management, EMEA and Asia-Pacific*

Ms. Ananthanarayanan is a managing director responsible for overseeing the business management functions in PIMCO's EMEA and Asia-Pacific offices. Previously, she worked as an account manager, focusing on institutional clients in the Middle East and Africa. Prior to joining PIMCO in 2006, she worked in the assurance and business advisory services group at PricewaterhouseCoopers. She has 21 years of investment experience and holds a master's degree from the London Business School.

Benjamin Ferguson, *Managing Director Co-Head of PIMCO Japan, Head of Client and Business Management, PIMCO Japan*

Mr. Ferguson is a managing director in the Tokyo office, co-head of PIMCO Japan, and head of client and business management for PIMCO Japan. He oversees client management, marketing, legal, compliance, operations, funds, and human resources for the Japan business. Prior to joining PIMCO in 2023, Mr. Ferguson was with Goldman Sachs as a partner and co-head of Asia-Pacific equities and co-head of Japan securities sales. Previously, he held a variety of leadership roles in Goldman Sachs' Tokyo and Hong Kong offices. He serves as a member of the regional board for Room to Read, a global non-profit organisation that promotes literacy and gender equality in education in low-income communities. He has 26 years of investment experience and holds an undergraduate degree in finance and economics from Pepperdine University. He also attended the Sophia University Japanese Language Institute (JLI).

Gregory Hall, *Managing Director, Head of US Global Wealth Management*

Mr. Hall is a managing director and head of US global wealth management. Previously at PIMCO, he was head of private strategies, leading the growth and development of the firm's real estate, private credit, and related alternative strategies and products. Prior to joining PIMCO in 2017, he spent 12 years at The Blackstone Group, most recently as a senior managing director. Mr. Hall began his career as a financial analyst at Goldman Sachs. He has 27 years of investment experience and holds an undergraduate degree in public and international affairs from Princeton University.

Daniel J. Ivascyn, *Managing Director, Group Chief Investment Officer*

Mr. Ivascyn is Group Chief Investment Officer and a managing director in the Newport Beach office. He is lead portfolio manager for the firm's income, credit hedge fund, and mortgage opportunistic strategies, and is also a portfolio manager for total return strategies. He is a member of PIMCO's Executive Committee and a member of the Investment Committee. Morningstar named him Fixed-Income Fund Manager of the Year (US) for 2013, and he was inducted into the Fixed Income Analysts Society Hall of Fame in 2019. Prior to joining PIMCO in 1998, he worked at Bear Stearns in the asset-backed securities group, as well as T. Rowe Price and Fidelity Investments. He has 33 years of investment experience and holds an MBA in analytic finance from the University of Chicago Graduate School of Business and a bachelor's degree in economics from Occidental College.

Alec Kersman, *Managing Director, Head of Asia-Pacific*

Mr. Kersman is a managing director and head of PIMCO in Asia-Pacific. Based in Hong Kong and Singapore, he is responsible for setting the strategic direction for the region and leading a team of professionals to deliver investment solutions and service to Asia-Pacific clients. He is also a member of the firm's Executive Committee. In his previous roles at PIMCO, he was head of strategic accounts for the US global wealth management business and before that, he was head of Latin America. Prior to joining PIMCO in 2005, Mr. Kersman worked at BBVA's pension fund in Argentina, where he focused on product and business development. He has 24 years of investment and financial services experience and holds an MBA from Harvard Business School and a JD degree from the University of Buenos Aires, Argentina.

Kristofer Kraus, *Managing Director, Portfolio Manager*

Mr. Kraus is a managing director and portfolio manager in the London office. He oversees PIMCO's private strategies business in the EMEA and Asia-Pacific regions, and he co-leads the firm's asset-based finance business. Prior to joining PIMCO in 2010, he was a managing director at Barclays Capital, where he oversaw trading and structuring for structured credit products. Mr. Kraus was previously with Credit Suisse First Boston, focusing on structured products, mortgage-backed securities, and loan funds. He has 30 years of investment experience and holds a bachelor's degree in economics from the Wharton School of the University of Pennsylvania.

Alfred Murata, *Managing Director, Portfolio Manager, Mortgage Credit*

Mr. Murata is a managing director and portfolio manager in the Newport Beach office, managing income-oriented, multi-sector credit, opportunistic and securitised strategies. Morningstar named him Fixed-Income Fund Manager of the Year (US) for 2013. Prior to joining PIMCO in 2001, he researched and implemented exotic equity and interest rate derivatives at Nikko Financial Technologies. He has 25 years of investment experience and holds a PhD in engineering-economic systems and operations research from Stanford University. He also earned a JD from Stanford Law School and is a member of the State Bar of California.

Emmanuel Roman, *Managing Director, Chief Executive Officer*

Mr. Roman is PIMCO's chief executive officer and a managing director of the firm. As CEO, he serves on PIMCO's Executive Committee and has executive oversight of the firm's client and business areas, including broad strategy-setting and resource management. Prior to joining PIMCO in 2016, Mr. Roman was CEO at Man Group PLC, one of the world's largest publicly traded alternative asset managers and a leader in liquid, high-alpha investment strategies. Previously, he was chief operating officer at Man Group from 2010–2013, and co-chief executive officer at GLG Partners, Inc., prior to the firm's acquisition by Man Group in 2010. Earlier in his career, he was with Goldman Sachs for 18 years, serving as co-head of worldwide global securities and co-head of the European services division. He has served as a trustee of the Hedge Fund Standards Board Ltd, as well as a trustee of the Paris Review of Books, the Royal Marsden NHS Foundation Trust, the Tate Foundation and the University of Chicago. He has 36 years of investment experience and holds an MBA in finance and econometrics from the University of Chicago and a bachelor's degree from the University of Paris IX Dauphine.

Candice Stack, *Managing Director, Head of Client Management, Americas*

Ms. Stack is a managing director in the Newport Beach office and head of PIMCO's client management group across the Americas. She is also a member of the firm's Executive Committee. In her previous roles at PIMCO, she managed the US institutional client management team, the US corporate team, and the endowment and foundation team. She has worked with a diverse set of institutional clients since joining PIMCO and also serves as a board member and vice president of The PIMCO Foundation. Prior to joining PIMCO in 2006, Ms. Stack was at Goldman Sachs. She has 23 years of investment experience and holds an MBA from Harvard Business School. She received her undergraduate degree in economics from Duke University and is a CFA charterholder.

Kimberley Stafford, *Managing Director, Global Head of Product Strategy, Responsible for Sustainability Oversight*

Ms. Stafford is a managing director, global head of product strategy, and Executive Committee member responsible for oversight of sustainability. As global head of product strategy, she oversees traditional strategies and alternatives, including private strategies and hedge funds. She also oversees ESG and sustainability initiatives, providing strategic direction and firmwide coordination around sustainability efforts. She joined the firm in 2000 and has held several positions, including head of PIMCO Asia-Pacific, global head of consultant relations, head of US institutional sales and alternatives marketing teams, and global head of human resources and talent management. Prior to these roles, Ms. Stafford was a member of PIMCO's executive office, contributing to firmwide strategic, financial, and operational initiatives; an account manager in the consultant relations group; and an analyst in PIMCO's trade compliance group. She has 25 years of investment experience and holds an MBA from the Marshall School of Business at the University of Southern California. She earned her undergraduate degree at the University of Redlands.

Jason Steiner, *Managing Director, Portfolio Manager, Private Lending and Opportunistic Strategies*

Mr. Steiner is a managing director and portfolio manager in the Newport Beach office. He is a lead portfolio manager for PIMCO's multi-sector and asset-based private lending and opportunistic strategies. He is responsible for residential mortgage credit across public and private markets. In addition to his portfolio management responsibilities, he sits on the firm's Executive Committee and is a member of the PM management committee. Prior to joining PIMCO in 2009, Mr. Steiner spent eight years at Natixis Capital Markets in New York, focusing on trading RMBS. He has 24 years of investment and financial services experience and holds undergraduate degrees in mathematics and computer science from Boston College.

Christian Stracke, *Managing Director, President*

Mr. Stracke is a managing director and PIMCO's president. He is based in the London office. As president, he oversees international operations outside of the Americas, including strategy, expanding distribution, and scaling the private strategies platform. Mr. Stracke is a senior portfolio manager and member of various committees across PIMCO's alternative credit and private strategies platform. He also serves on the firm's Executive Committee. Prior to joining PIMCO in 2008, he was a senior credit strategist at CreditSights, head of Latin America fixed income strategy at Commerzbank Securities, and head of Latin America local markets strategy at Deutsche Bank. He also volunteered with the Peace Corps as an agroforestry extension agent in Mauritania, West Africa. He has 28 years of investment experience and holds an undergraduate degree from the University of Chicago.

PIMCO's Investment Leadership:**Andrew Balls, *Managing Director, CIO Global Fixed Income***

Mr. Balls is PIMCO's CIO Global Fixed Income. Based in the London office, he oversees the firm's European, Asia-Pacific, emerging markets and global specialist investment teams. He manages a range of global portfolios and is a member of the Investment Committee. Previously, he oversaw European portfolio management and was a global portfolio manager in the Newport Beach office and the firm's global strategist. Prior to joining PIMCO in 2006, he was an economics correspondent and columnist for the Financial Times in London, New York and Washington, DC. He has 25 years of investment and economics/financial markets experience and holds a bachelor's degree from Oxford and a master's degree from Harvard University. He was a lecturer in economics at Keble College, Oxford. Mr. Balls was nominated by Morningstar in 2013 for European Fixed-Income Fund Manager of the Year. He is a director of Room to Read, a non-profit organisation that promotes literacy and gender equality in education in low-income countries.

Daniel J. Ivascyn, *Managing Director, Group Chief Investment Officer*

Mr. Ivascyn is Group Chief Investment Officer and a managing director in the Newport Beach office. He is lead portfolio manager for the firm's income, credit hedge fund, and mortgage opportunistic strategies, and is also a portfolio manager for total return strategies. He is a member of PIMCO's Executive Committee and a member of the Investment Committee. Morningstar named him Fixed-Income Fund Manager of the Year (US) for 2013, and he was inducted into the Fixed Income Analysts Society Hall of Fame in 2019. Prior to joining PIMCO in 1998, he worked at Bear Stearns in the asset-backed securities group, as well as T. Rowe Price and Fidelity Investments. He has 33 years of investment experience and holds an MBA in analytic finance from the University of Chicago Graduate School of Business and a bachelor's degree in economics from Occidental College.

Mark Kiesel, *Managing Director, CIO Global Credit*

Mr. Kiesel is CIO Global Credit and a managing director in the Newport Beach office. He is a member of the Investment Committee, a generalist portfolio manager, and the global lead of corporate bond portfolio management, with oversight for the firm's investment grade, high yield, and bank loan business as well as credit research and PIMCO's actively managed MLP/energy strategies. Morningstar named him Fixed-Income Fund Manager of the Year in 2012 and a finalist in both 2010 and 2017. He has written extensively on the topic of global credit markets, founded the firm's Global Credit Perspectives publication, and regularly appears in the financial media. Mr. Kiesel also serves as a member of Google's Investment Advisor Committee. He joined PIMCO in 1996 and previously served as PIMCO's global lead of investment grade corporate bonds and as a senior credit analyst. He has 32 years of investment experience and holds an MBA from the University of Chicago's Graduate School of Business. He received his undergraduate degree from the University of Michigan.

Mohit Mittal, *Managing Director, CIO Core Strategies*

Mr. Mittal is CIO Core Strategies and a managing director based in the Newport Beach office. He is a member of the Investment Committee and a portfolio manager for fixed income multi-sector portfolios across the duration and credit spectrum. As CIO Core Strategies, Mr. Mittal has leadership and oversight responsibilities for long-only strategies across PIMCO's Low and Moderate Duration, Total Return, and Long Duration strategy suite. Morningstar named him winner of the 2020 US Morningstar Award for Investing Excellence in the Rising Talent category. Mr. Mittal also serves on the board of Orangewood Foundation. He joined PIMCO in 2007 and holds an MBA from the Wharton School of the University of Pennsylvania and an undergraduate degree in computer science from the Indian Institute of Technology (IIT) in Delhi, India.

Marc Seidner, *Managing Director, CIO Non-traditional Strategies*

Mr. Seidner is CIO Non-traditional Strategies and a managing director in the Newport Beach office. He is also a generalist portfolio manager and a member of the Investment Committee. He rejoined PIMCO in November 2014 after serving as head of fixed income at GMO LLC, and previously he was a PIMCO managing director, generalist portfolio manager and member of the Investment Committee until January 2014. Prior to joining PIMCO in 2009, he was a managing director and domestic fixed income portfolio manager at Harvard Management Company. Previously, he was director of active core strategies at Standish Mellon Asset Management and a senior portfolio manager at Fidelity Management and Research. He has 38 years of investment experience and holds an undergraduate degree in economics from Boston College.

Qi Wang, *Managing Director, CIO Portfolio Implementation*

Ms. Wang is CIO Portfolio Implementation, a member of the PM management committee, and a managing director in the Newport Beach office. She oversees portfolio implementation, portfolio management analytics, and the PM data delivery platform. She is also a portfolio manager for PIMCO's global macro hedge fund strategies and a member of the Investment Committee. Prior to joining PIMCO in 2010, she was with HBK Capital Management for 11 years, most recently as a managing director and partner responsible for developed market fixed income. Ms. Wang was previously a fixed income analyst at Lehman Brothers. She has 30 years of investment experience and holds a bachelor's degree in economics and molecular biochemistry and biophysics from Yale University.