

AUTHORS



Lloyd Han
Senior Vice President
Quantitative Research Analyst



Marc-Antoine Loo
Quantitative Research Analyst

Together in Harmony: The Potential Benefits of Combining Vintage and Evergreen Structures in Private Debt

KEY TAKEAWAYS:

- As private debt continues to expand within institutional portfolios, combining both evergreen and vintage structures has become a crucial strategy for investors seeking to enhance portfolio efficiency and investment outcomes.
- Evergreen funds, which typically call capital more quickly than vintage funds, can help investors maintain a stable allocation to private debt, reducing the risk a portfolio is significantly overweight or underweight illiquid assets.
- In contrast, vintage funds may offer greater flexibility to capitalize on market opportunities and tend to target internal rates of return (IRR) higher than those of evergreen funds.

Private debt has emerged as a strategic component of institutional portfolios, underscoring its growing importance in the investment landscape. The asset class, which includes loans and credit investments that are not issued or traded on public markets, offers potential for diversification, enhanced returns, and reliable income streams, but this may come at the cost of lower liquidity and higher risk. As investors broaden their exposure to private debt, it has become essential to understand the nuances of how evergreen and vintage fund structures differ and to recognize how combining them has the potential to improve portfolio efficiency.

Each structure presents unique advantages and challenges. Vintage funds may offer potential for higher returns through tactical investments, but pose challenges related to timing and reinvestment and are generally less liquid. In contrast, evergreen funds may be more liquid and have more consistent income than vintage funds, but may entail more valuation complexities.

Overview of fund structures in private debt

Vintage funds: Also known as drawdown funds, vintage funds are a traditional structure in private debt investing. In this model, investors commit a specified amount of capital that the fund manager calls over several years. The capital is deployed into various investments, and as the assets mature over a number of years, the manager seeks to return the capital to investors, ultimately leading to the fund's termination.

Starting with a blank canvas and enjoying freedom to invest in less liquid securities, vintage funds are conducive to opportunistic strategies and have potential for higher returns. However, predicting the timing of capital calls and distributions for vintage funds can be difficult, complicating investors' management of commitments and target allocations.

Evergreen funds: Also known as perpetual funds, evergreen funds have been steadily gaining popularity over the past six years (see Exhibit 1).¹ These vehicles lack a specified end date and accept investor subscriptions periodically. Evergreen funds generally call capital more quickly than vintage funds, but keep capital invested. This approach aims to provide investors steady exposure to private debt and more consistent distributions and cash flows – without the need for additional contributions.

However, investors receive a share of existing assets based on the most recent appraisal value. Because these values are less certain than those of assets marked-to-market in public exchanges, private net asset values (NAV) may not reflect their true value; investors may pay a premium.

Exhibit 1: Investors are embracing evergreen funds



Source: Preqin as of July 2024. Data represents the global universe of private debt funds, as reported in Preqin.

To facilitate redemptions, evergreen funds typically employ one of two common approaches.



LIQUIDITY MATCHING

The fund's liquidity matches that of its assets. When investors wish to cash out, the fund transfers a slice of the assets into a separate vehicle. This new portfolio returns capital to investors as the investments mature.²



LIQUID ASSET RESERVE

Funds allocate a portion of capital to liquid assets that can be sold to meet redemptions.

Exhibit 2 shows the main structural differences between vintage and evergreen private debt funds.

Exhibit 2: How vintage and evergreen fund structures differ

VINTAGE	EVERGREEN
• Generally higher return potential • Clean slate portfolio • Greater variation in capital calls and distributions • May be well-suited to opportunistic and tactical strategies	• Faster deployment of capital • Immediate access to a diversified portfolio • Seeks higher and more consistent distribution yields • Reinvestment of capital for sustained exposure

Quantifying differences between vintage and evergreen structures

TARGET RETURNS

Data show that managers of vintage private debt funds target IRRs that average 1.3 percentage points higher than those of evergreen private debt funds (see Exhibit 3):

Exhibit 3: Average fund target IRRs for vintage and evergreen private debt

Category	Vintage funds	Evergreen funds
Number of funds	638	69
Average target IRR	11.11%	9.86%

Source: Preqin as of July 2024. Data represent the net IRR for the global universe of private debt funds, as reported in Preqin, for which IRR information is available.

However, this data may obscure significant differences in risk and structure. For example, vintage structures can pursue opportunistic investments and target low- to mid-teen IRRs. In contrast, evergreen structures often invest in performing senior private loans and tend to target low-single-digit to low-teen IRRs. Data limitations prevent us from distinguishing these two effects; however, we find target returns to be a useful benchmark for evaluating the potential benefits while assessing the risk/return trade-off between vintage and evergreen fund structures.

INVESTING AND CAPITAL DEPLOYMENT

Vintage structures are designed to offer investors access to attractive opportunities as they arise. They call capital more slowly but typically start distributing larger amounts after several years. Investors who come in during later closes receive a proportionate share of existing assets based on the capital that has already been called.

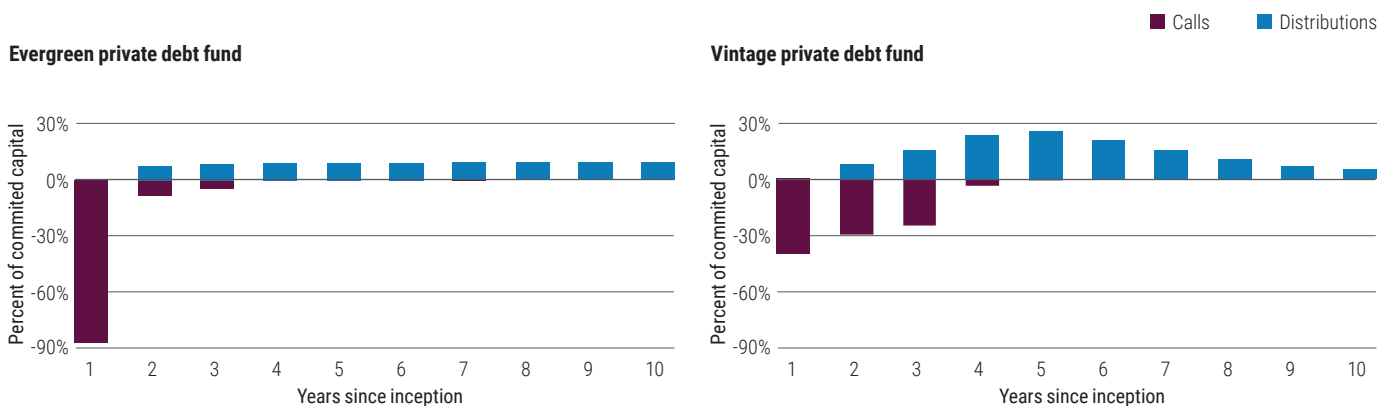
Evergreen funds continuously reinvest capital, which may limit their ability to time investments when new opportunities are most attractive. Thus, allocators may favor evergreen structures during benign credit conditions and vintage structures during credit market dislocations – which occur when asset prices diverge significantly from their intrinsic values, often due to economic disruptions or abrupt shifts in supply and demand.

In addition, investors in evergreen funds buy into an existing portfolio based on appraised values, which may not always be accurate. To evaluate potential mispricing, we analyzed data on secondaries – sales of existing positions in a private fund to third parties – which have historically traded at a 10%–20%

discount from NAV.³ This discount likely represents the limit of what investors would pay, a reflection of the principal-agent problem (where general partners (GPs), the agents, may be inclined to sell underperforming deals to investors, or limited partners (LPs), the principals). Nonetheless, secondaries can provide insight into the uncertainties in valuations investors face when acquiring existing positions.

Evergreen funds also typically have larger initial capital calls. It is not uncommon that 90% of committed capital is called in the first year. Distributions are made gradually over many years, giving investors consistent exposure to private debt (see Exhibit 4).

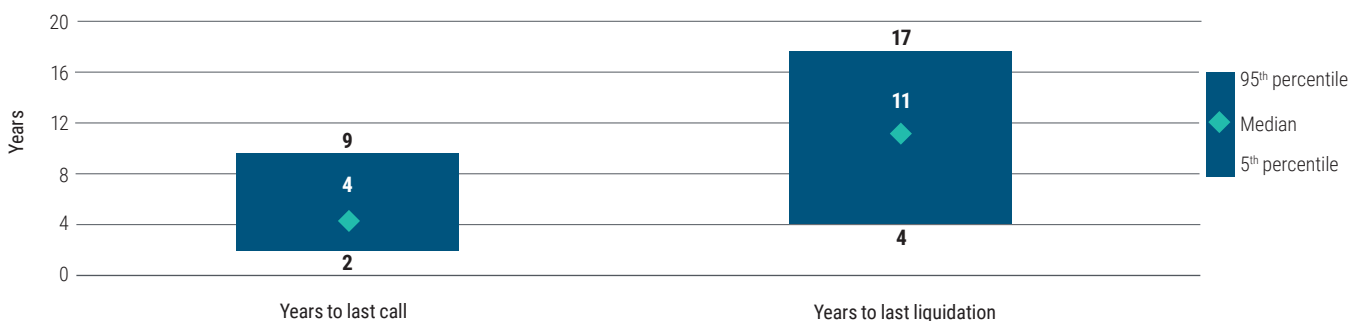
Exhibit 4: Sample cash flows of an evergreen and a vintage private debt fund



Source: PIMCO as of July 2024. **Example for illustrative purposes only.**

Exhibit 5 shows an illustrative cash flow experience, though the timing of capital calls and terminations may vary widely for vintage funds. Calls can take from two to nine years, while capital distributions can range from four to 17 years. The large variation presents a challenge for allocators who need to assess and size commitments to new vintages to maintain a steady allocation to private debt. One solution is to tactically increase or decrease commitments to new vintages depending on market conditions, which can reduce variation in cash flows at the portfolio level. However, liquidity management and commitment pacing may remain challenging.

Exhibit 5: The timing of capital calls and distributions varies widely for vintage



Source: Preqin as of July 2024. Data includes all North American private debt funds with historical cash flow data in the Preqin database.

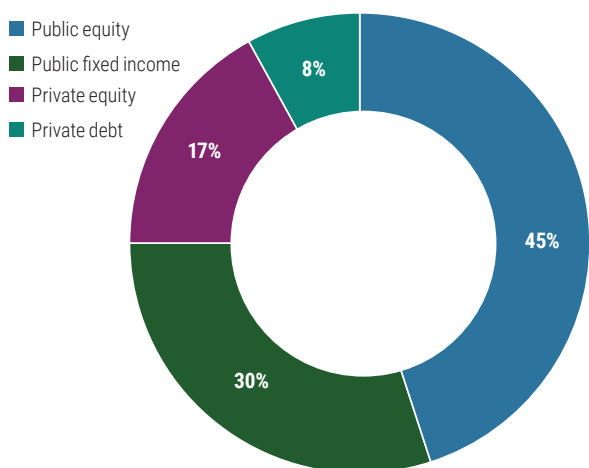
In contrast, evergreen funds are much simpler. Investors can set an allocation and gain constant exposure to private debt without worrying about future commitments. They also are designed to provide more stable distributions.

Exhibit 6 compares the range of net cash flows (capital distributions minus capital calls) for a sample portfolio with a mature private debt program that uses evergreen funds versus a portfolio that uses vintage funds.^{4,5} To isolate the

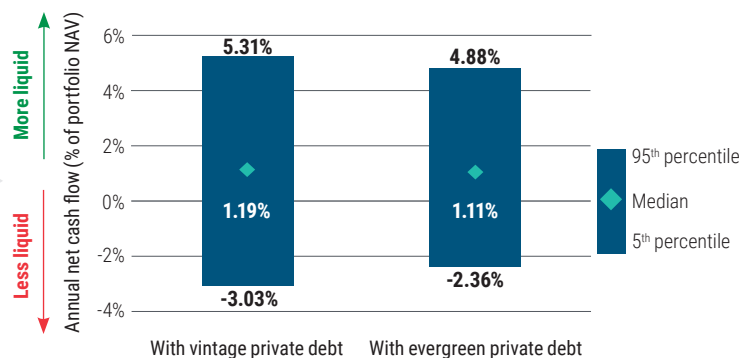
effect of fund structure, we assume both structures carry the same level of risk. In addition, we assume evergreen private debt funds yield returns 1.3 percentage points lower than those of vintage funds, consistent with our findings on target returns. In the first scenario, we assume that the private debt allocation is fully invested in vintage funds. In the second scenario, we assume that the entire private debt allocation is invested in evergreen funds.

Exhibit 6: Evergreen structures may improve cash flow stability⁶

Sample portfolio allocation



Sample portfolio cash flow



Source: PIMCO and Preqin as of July 2024. **For illustrative purposes only.** The Exhibit shows a sample portfolio's asset allocation and potential cash flows if the private debt allocation is allocated 100% to vintage private debt or 100% to evergreen private debt, based on a Monte Carlo simulation, as outlined in Han and Ramirez (2024). The simulation generates potential paths for asset returns and cashflows. Percentiles are computed across the simulated paths. There is no guarantee that 1) the investment strategies discussed here will work under all market conditions, 2) that the market trends discussed will continue, or 3) that the investment opportunities discussed here will materialize or produce any level of returns.

Unlocking synergy by combining evergreen and vintage structures

Similar to diversifying a portfolio by allocating to various assets, combining evergreen and vintage fund structures may improve portfolio efficiency for investors. Investors building a private debt program can invest in both fund structures, with evergreen funds constituting the ramp-up phase until vintage funds start calling capital.

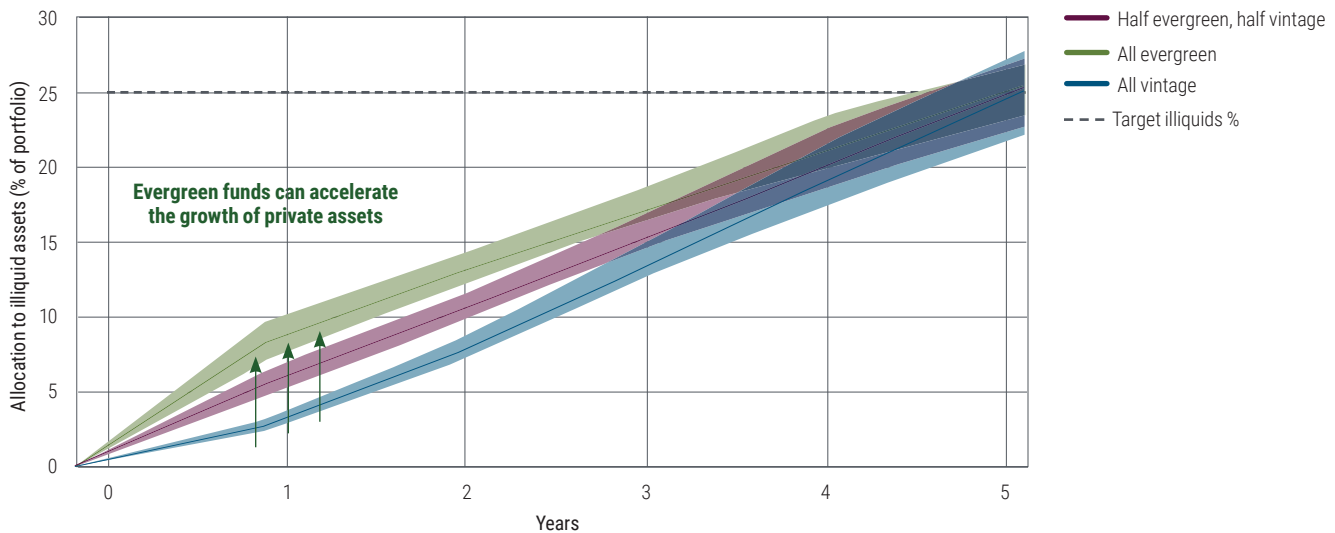
Exhibit 7 simulates the portfolio of an investor building a private assets investment program using the sample portfolio in Exhibit 6. Because evergreen funds typically call capital almost immediately, the investor can build a private debt allocation much faster. Around year four, vintage funds in the sample

portfolio have called most of the committed capital, enabling the investor to achieve their target allocation of private debt.

Importantly, we find the faster ramp-up of private assets in evergreen funds compensates for the category's lower return assumptions. We estimate the return drag from the slower pacing of calls in vintage versus evergreen structures to be around 1.7 percentage points per year. This may be an underestimate, as we assume investors keep uncalled capital within their liquid allocation. If investors reserve uncalled capital in cash, we estimate a return drag closer to 2.9 percentage points per year for vintage structures compared with evergreen structures.⁷

Exhibit 7: Evergreen fund structures may accelerate a portfolio's private debt allocation⁸

Allocation to private assets



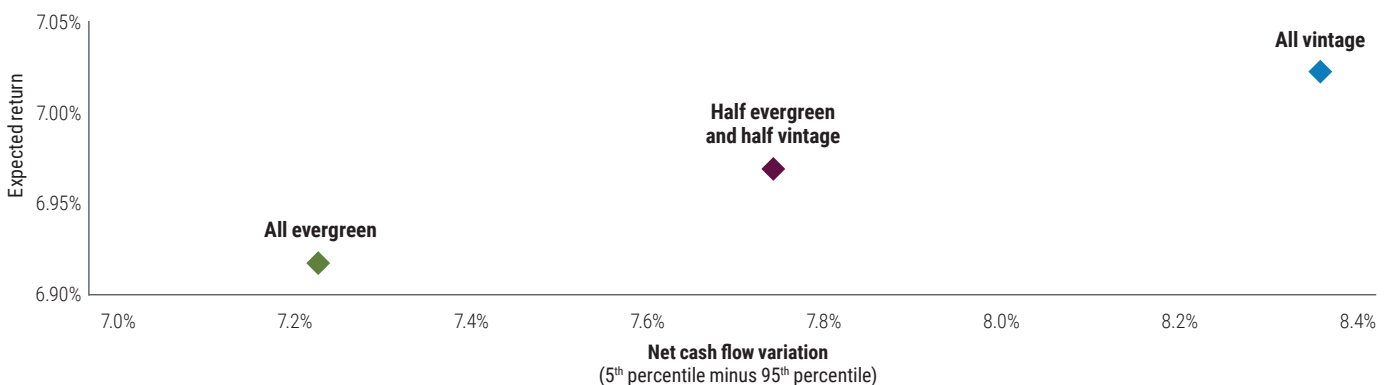
Source: PIMCO and Preqin as of July 2024. **For illustrative purposes only.** We assume the target allocation is the sample portfolio in Exhibit 6, and the investor holds uncalled capital in liquid assets. As before, we assume that vintage and evergreen private debt funds have identical risk profiles, with evergreen funds generating returns that are 1.3 percentage points lower than those of vintage funds. The Exhibit is based on a Monte Carlo simulation, as outlined in Han and Ramirez (2024). The simulation generates potential paths for asset returns and cashflows. Shaded bands represent the 5th and 95th percentile values across the simulated paths.

Exhibit 8 compares the risk, return, and liquidity profiles of a private debt program that incorporates both evergreen and vintage funds. In a mature private debt program, evergreen funds may provide additional liquidity, while vintage funds may help to capture attractive new market opportunities.

Although evergreen funds may deliver lower returns, they may help reduce cash flow variability in the portfolio. The improved cash flow stability reduces the risk of the total portfolio overshooting its target allocation to illiquid assets.

For a portfolio with only evergreen funds, the probability of exceeding the target by more than five percentage points over a five-year period is 13.5%, compared with 18.4% for a portfolio with only vintage funds – a 4.9 percentage point reduction. In addition, according to Baz et al. (2024),⁹ using cost-put options to hedge against excessive illiquidity may enhance returns by 88 basis points per year. Furthermore, in a market-shock scenario, the portfolio with only evergreen funds might reach 29% illiquid assets by the end of a five-year period, while the portfolio with only vintage funds may reach 31% illiquid assets.¹⁰

Exhibit 8: Balancing return and cash flow variability in a sample portfolio with evergreen and vintage private debt¹¹



Source: PIMCO and Preqin as of July 2024. **For illustrative purposes only.** This exhibit uses the sample portfolio allocation from Exhibit 6 and projects expected (gross) returns based on a Monte Carlo simulation, as outlined in Han and Ramirez (2024), assuming that the private debt allocation is invested in 100% evergreen debt funds, 50% in evergreen debt funds and 50% in vintage debt funds, and 100% in vintage debt funds. We simulate potential paths for asset returns and cash flows, and estimate liquidity and the cost of liquidity risk, based on the simulated paths. The simulation does not take into account fees and expenses, which will reduce returns. There is no guarantee that 1) the investment strategies discussed here will work under all market conditions, 2) that the market trends discussed will continue, or 3) that the investment opportunities discussed here will materialize or produce any level of returns.

Conclusion

Private debt is emerging as a key component of institutional portfolios. While substantial thought goes into choosing the right strategies within private debt, it is also critical to consider how combining vintage and evergreen fund structures can enhance portfolio efficiency.¹²

KEY CONSIDERATIONS FOR EVERGREEN AND VINTAGE FUND ALLOCATIONS:

- Predictability of deployment and return of capital
- Steady exposure and reinvestment of capital
- Potential for investment income
- Market conditions
- Uninvested capital

- 1 Evergreen funds are increasingly gaining popularity in other private asset classes as well. Growing interest in secondaries and the perpetual fund structure has led to a surge in the launch of evergreen funds in private equity and venture capital.
- 2 This approach is known as a slow pay / fast pay system. While slow pay / fast pay may reduce the need for a liquidity sleeve in the fund, it also heightens uncertainty regarding when investors can get capital back.
- 3 "H1 2024 Global Secondary Market Review." Jefferies Private Capital Advisory. July 2024. <https://www.jefferies.com/wp-content/uploads/sites/4/2024/07/Jefferies-Global-Secondary-Market-Review-July-2024.pdf>.
- 4 The computation of capital calls and distributions is based on the methodology detailed in Han and Ramirez (2024). Han, Lloyd S. and Ramirez, German. "A Practitioner's Guide to Managing a Privates Program." SSRN Working Paper, January 2024. <https://papers.ssrn.com/abstract=4685467>.
- 5 A mature private program is defined as a portfolio that has been consistently committing to and investing in private assets for a minimum of five years.
- 6 The sample portfolio is constructed with a strategic allocation of 45% in public equities, 30% in public fixed income securities, and 25% in private investments. Within the private allocation, one-third is invested in private debt, and two-thirds in private equity. This portfolio is designed to illustrate typical institutional investor holdings, balancing growth potential with risk management through a mix of public and private assets. However, this is only an illustration and is not intended to be a recommendation of any asset allocation.
- 7 The expected return on cash is assumed to be 3.51%, based on PIMCO's capital market assumptions as of 30 June 2024.
- 8 The sample investor is assumed to begin with a traditional 60/40 portfolio while building a private investment program, aiming to transition to a sample portfolio that allocates 25% to private investments – one-third targeted to private debt and two-thirds to private equity. We examine the case where the private debt allocation consists of all vintage structures, all evergreen structures, and half vintage and half evergreen structures.
- 9 Baz, Jamil, Han, Lloyd S., and Loo, Marc-Antoine. "Three Models of the Liquidity Premium." SSRN Working Paper, April 2024. <https://ssrn.com/abstract=4790409>.
- 10 The estimate of liquidity and the cost of liquidity risk use the sample portfolio allocation from Exhibit 6 and projects expected (gross) returns based on a Monte Carlo simulation, as outlined in Han and Ramirez (2024), assuming that the private debt allocation is invested 100% in evergreen debt funds and 100% in vintage debt funds. We simulate potential paths for asset returns and cashflows, and estimate liquidity and the cost of liquidity risk, based on the simulated paths. The simulation does not take into account fees and expenses, which would reduce returns. There is no guarantee that 1) the investment strategies discussed here will work under all market conditions, 2) that the market trends discussed will continue, or 3) that the investment opportunities discussed here will materialize or produce any level of returns.
- 11 Exhibit 8 illustrates expected portfolio-level return and the net cash flow variation of the sample portfolio detailed in Exhibit 6.
- 12 A similar case can be made for evergreen real estate funds, as the underlying assets are also designed to provide steady income. However, evergreen private equity structures typically generate little to no cash flows until the assets are sold. In future work, we will explore the structure of these vehicles across other private asset classes.

All investments contain risk and may lose value. Alternative investments involve a high degree of risk and can be illiquid due to restrictions on transfer and lack of a secondary trading market. They can be highly leveraged, speculative and volatile, and an investor could lose all or a substantial amount of an investment. Alternative investments may lack transparency as to share price, valuation and portfolio holdings. Complex tax structures often result in delayed tax reporting. Compared to mutual funds, private funds are subject to less regulation and often charge higher fees. Alternative investment managers typically exercise broad investment discretion and may apply similar strategies across multiple investment vehicles, resulting in less diversification. Trading may occur outside the United States which may pose greater risks than trading on U.S. exchanges and in U.S. or other developed markets. Alternatives involve a high degree of risk and prospective investors are advised that these strategies are appropriate only for persons of adequate financial means who have no need for liquidity with respect to their investment and who can bear the economic risk, including the possible complete loss, of their investment. **Private credit** involves investments in non-publicly traded securities, which may be subject to illiquidity risk. Portfolios that invest in private credit may be leveraged and may engage in speculative investment practices that increase the risk of investment loss. Additionally, investments in private credit may be subject to real estate-related risks, which include new regulatory or legislative developments, the attractiveness and location of properties, the financial condition of tenants, potential liability under environmental and other laws, as well as natural disasters and other factors beyond a manager's control.

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

This material contains the current opinions of the author and such opinions are subject to change without notice. This material is distributed for informational purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed.

PIMCO as a general matter provides services to qualified institutions, financial intermediaries and institutional investors. Individual investors should contact their own financial professional to determine the most appropriate investment options for their financial situation. This is not an offer to any person in any jurisdiction where unlawful or unauthorized. | **Pacific Investment Management Company LLC**, 650 Newport Center Drive, Newport Beach, CA 92660 is regulated by the United States Securities and Exchange Commission. | **PIMCO Europe Ltd (Company No. 2604517, 11 Baker Street, London W1U 3AH, United Kingdom)** is authorised and regulated by the Financial Conduct Authority (FCA) (12 Endeavour Square, London E20 1JN) in the UK. The services provided by PIMCO Europe Ltd are not available to retail investors, who should not rely on this communication but contact their financial adviser. Since PIMCO Europe Ltd services and products are provided exclusively to professional clients, the appropriateness of such is always affirmed. **PIMCO Europe GmbH (Company No. 192083, Seidlstr. 24-24a, 80335 Munich, Germany)** is authorized and regulated by the German Federal Financial Supervisory Authority (BaFin) (Marie-Curie-Str. 24-28, 60439 Frankfurt am Main) in Germany in accordance with Section 15 of the German Securities Institutions Act (WpIG). **PIMCO Europe GmbH Italian Branch (Company No. 10005170963, Via Turati nn. 25/27 (angolo via Cavalieri n. 4) 20121 Milano, Italy), PIMCO Europe GmbH Irish Branch (Company No. 909462, 57B Harcourt Street Dublin D02 F721, Ireland), PIMCO Europe GmbH UK Branch (Company No. FC037712, 11 Baker Street, London W1U 3AH, UK), PIMCO Europe GmbH Spanish Branch (N.I.F. W2765338E, Paseo de la Castellana 43, Oficina 05-111, 28046 Madrid, Spain), PIMCO Europe GmbH French Branch (Company No. 918745621 R.C.S. Paris, 50-52 Boulevard Haussmann, 75009 Paris, France) and PIMCO Europe GmbH (DIFC Branch) (Company No. 9613, Unit GD-GB-00-15-BC-05-0, Level 15, Gate Building, Dubai International Financial Centre, United Arab Emirates)** are additionally supervised by: (1) **Italian Branch: the Commissione Nazionale per le Società e la Borsa (CONSOB)** (Giovanni Battista Martini, 3 - 00198 Rome) in accordance with Article 27 of the Italian Consolidated Financial Act; (2) **Irish Branch: the Central Bank of Ireland** (New Wapping Street, North Wall Quay, Dublin 1 D01 F7X3) in accordance with Regulation 43 of the European Union (Markets in Financial Instruments) Regulations 2017, as amended; (3) **UK Branch: the Financial Conduct Authority (FCA)** (12 Endeavour Square, London E20 1JN); (4) **Spanish Branch: the Comisión Nacional del Mercado de Valores (CNMV)** (Edison, 4, 28006 Madrid) in accordance with obligations stipulated in articles 168 and 203 to 224, as well as obligations contained in Title V, Section 1 of the Law on the Securities Market (LSM) and in articles 111, 114 and 117 of Royal Decree 217/2008, respectively, (5) **French Branch: ACPR/Banque de France** (4 Place de Budapest, CS 92459, 75436 Paris Cedex 09) in accordance with Art. 35 of Directive 2014/65/EU on markets in financial instruments and under the surveillance of ACPR and AMF and (6) **DIFC Branch: Regulated by the Dubai Financial Services Authority ("DFSA")** (Level 13, West Wing, The Gate, DIFC) in accordance with Art. 48 of the Regulatory Law 2004. The services provided by PIMCO Europe GmbH are available only to professional clients as defined in Section 67 para. 2 German Securities Trading Act (WpHG). They are not available to individual investors, who should not rely on this communication. According to Art. 56 of Regulation (EU) 565/2017, an investment company is entitled to assume that professional clients possess the necessary knowledge and experience to understand the risks associated with the relevant investment services or transactions. Since PIMCO Europe GmbH services and products are provided exclusively to professional clients, the appropriateness of such is always affirmed. **PIMCO (Schweiz) GmbH (registered in Switzerland, Company No. CH-020.4.038.582-2, Brandchenkestrasse 41 Zurich 8002, Switzerland)**. According to the Swiss Collective Investment Schemes Act of 23 June 2006 ("CISA"), an investment company is entitled to assume that professional clients possess the necessary knowledge and experience to understand the risks associated with the relevant investment services or transactions. Since PIMCO (Schweiz) GmbH services and products are provided exclusively to professional clients, the appropriateness of such is always affirmed. The services provided by PIMCO (Schweiz) GmbH are not available to retail investors, who should not rely on this communication but contact their financial adviser. **PIMCO Asia Pte Ltd** (8 Marina View, #30-01, Asia Square Tower 1, Singapore 018960, Registration No. 199804652K) is regulated by the Monetary Authority of Singapore as a holder of a capital markets services licence and an exempt financial adviser. The asset management services and investment products are not available to persons where provision of such services and products is unauthorised. | **PIMCO Asia Limited** (Suite 2201, 22nd Floor, Two International Finance Centre, No. 8 Finance Street, Central, Hong Kong) is licensed by the Securities and Futures Commission for Types 1, 4 and 9 regulated activities under the Securities and Futures Ordinance. PIMCO Asia Limited is registered as a cross-border discretionary investment manager with the Financial Supervisory Commission of Korea (Registration No. 08-02-307). The asset management services and investment products are not available to persons where provision of such services and products is unauthorised. | **PIMCO Investment Management (Shanghai) Limited**. Office address: Suite 7204, Shanghai Tower, 479 Lujiazui Ring Road, Pudong, Shanghai 200120, China (Unified social credit code: 91301115MA1K41MU72) is registered with Asset Management Association of China as Private Fund Manager (Registration No. P1071502, Type: Other). | **PIMCO Australia Pty Ltd** ABN 54 084 280 588, AFSL 246862. This publication has been prepared without taking into account the objectives, financial situation or needs of investors. Before making an investment decision, investors should obtain professional advice and consider whether the information contained herein is appropriate having regard to their objectives, financial situation and needs. To the extent it involves Pacific Investment Management Co LLC (PIMCO LLC) providing financial services to wholesale clients, PIMCO LLC is exempt from the requirement to hold an Australian financial services licence in respect of financial services provided to wholesale clients in Australia. PIMCO LLC is regulated by the Securities and Exchange Commission under US laws, which differ from Australian laws. | **PIMCO Japan Ltd**, Financial Instruments Business Registration Number is Director of Kanto Local Finance Bureau (Financial Instruments Firm) No. 382. PIMCO Japan Ltd is a member of Japan Investment Advisers Association, The Investment Trusts Association, Japan and Type II Financial Instruments Firms Association. All investments contain risk. There is no guarantee that the principal amount of the investment will be preserved, or that a certain return will be realized; the investment could suffer a loss. All profits and losses incur to the investor. The amounts, maximum amounts and calculation methodologies of each type of fee and expense and their total amounts will vary depending on the investment strategy, the status of investment performance, period of management and outstanding balance of assets and thus such fees and expenses cannot be set forth herein. | **PIMCO Taiwan Limited** is an independently operated and managed company. The reference number of business license of the company approved by the competent authority is (112) Jin Guan Tou Gu Xin Zi No. 015. The registered address of the company is 40F., No.68, Sec. 5, Zhongxiao East Rd., Xinyi District, Taipei City 110, Taiwan (R.O.C.), and the telephone number is +886 2 8729-5500. | **PIMCO Canada Corp.** (199 Bay Street, Suite 2050, Commerce Court Station, P.O. Box 363, Toronto, ON, M5L 1G2) services and products may only be available in certain provinces or territories of Canada and only through dealers authorized for that purpose. | **Note to Readers in Colombia:** This document is provided through the representative office of Pacific Investment Management Company LLC located at Carrera 7 No. 71-52 TB Piso 9, Bogotá D.C. (Promoción y oferta de los negocios y servicios del mercado de valores por parte de Pacific Investment Management Company LLC, representada en Colombia.). **Note to Readers in Brazil:** PIMCO Latin America Administradora de Carteira Ltda. Av. Brg. Faria Lima, 3477 Itaim Bibi, São Paulo - SP 04538-132 Brazil. **Note to Readers in Argentina:** This document may be provided through the representative office of PIMCO Global Advisors LLC AVENIDA CORRIENTES, 299, Buenos Aires, Argentina. | No part of this publication may be reproduced in any form, or referred to in any other publication, without express written permission. PIMCO is a trademark of Allianz Asset Management of America LLC in the United States and throughout the world. ©2025, PIMCO.