

Investment Manager Model Portfolio Trade Commentary

PIMCO – Taxable and Tax Aware Fixed Income Portfolios

March 31, 2026

This trade commentary communicates changes made in the PIMCO Fixed Income Model Portfolios that are available in the Merrill Lynch Investment Advisory Program (IAP). The views expressed here are those of PIMCO only and are subject to change.

PIMCO OVERVIEW OF PORTFOLIO CHANGES

Trade Rationale:

PIMCO Taxable Fixed Income Models Positioning:

- In the Capital Preservation Model, we increased allocations to the PIMCO Total Return Fund and reduced allocations to the PIMCO Mortgage Opportunities and Bond Fund as MBS' relative valuation advantage moderated compared to other credit sectors and duration became more attractive as rates rose.
- In the Enhanced Core Model, we increased allocations to the PIMCO International Bond Fund USD-H and reduced allocations to the PIMCO Mortgage Opportunities and Bond Fund as MBS' relative valuation advantage moderated compared to other credit sectors and duration, particularly in international developed markets, became more attractive as rates rose.
- In the Income Focus Model, we increased allocations to the PIMCO Investment Grade Credit Bond Fund and reduced allocations to the PIMCO Mortgage Opportunities and Bond Fund as MBS' relative valuation advantage moderated compared to corporate credit and duration became more attractive as rates rose.

Investment Manager:
PIMCO

Investment Program:
Merrill Lynch Investment
Advisory Program

PIMCO Tax-Aware Fixed Income Models Positioning:

- In the Capital Preservation Model, we added allocations to the PIMCO National Intermediate Municipal Bond Fund and reduced allocations to the PIMCO Short Duration Municipal Income Fund to take advantage of a steepening municipal curve and as duration became increasingly attractive.
- In the Enhanced Core Model, we added to overall municipal exposure through increased allocations to the PIMCO Municipal Bond Fund and the PIMCO High Yield Municipal Bond Fund and reduced allocations to the PIMCO National Intermediate Municipal Bond Fund. We take advantage of attractive all-in yields of municipal bonds compared to taxable credit and are also constructive on the underlying duration within munis, especially amid a steepening municipal curve.
- In the Enhanced Core Model, we reduced allocations to the PIMCO Mortgage Opportunities and Bond Fund as MBS' relative valuation advantage moderated compared to other sectors and it has a more modest duration profile.
- In the Income Focus Model, we added to overall municipal exposure through increased allocations to the PIMCO Municipal Bond Fund, the PIMCO High Yield Municipal Bond Fund, and the PIMCO National Intermediate Municipal Bond Fund. We take advantage of attractive all-in yields of municipal bonds compared to taxable credit and are also constructive on the underlying duration within munis, especially amid a steepening municipal curve.
- In the Income Focus Model, we increased allocations to the PIMCO Preferred and Capital Securities Fund following modest spread widening in bank securities and given its potential after-tax return benefits coming from preferred stock.
- In the Income Focus Model, we exited our position in the PIMCO Mortgage Opportunities and Bond Fund as MBS' relative valuation advantage moderated compared to other credit sectors and it has a more modest duration profile.

Investment Products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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TRADE DETAILS

CURRENT HOLDINGS AND CHANGE FROM PREVIOUS – TAXABLE MODELS (AS OF 3.31.2026)

		PIMCO Fixed Income MF Capital Preservation Taxable		PIMCO Fixed Income MF Enhanced Core Taxable		PIMCO Fixed Income MF Income Focus Taxable	
Ticker	Investment Name	28S02367		28S02368		28S02369	
Fixed Income		99.00%		99.00%		99.00%	
Ultra Short		39.60%		0.00%		0.00%	
PTSPX	PIMCO Short-Term Fund	39.60%		0.00%		0.00%	
Short/Limited Duration		39.60%		0.00%		0.00%	
PLDPX	PIMCO Low Duration Fund	12.87%		0.00%		0.00%	
PFTPX	PIMCO Low Duration Income Fund	26.73%		0.00%		0.00%	
Intermediate Duration		10.89%		38.61%		28.71%	
POTPX	PIMCO Total Return Fund	10.89%	↑ 0.99%	38.61%		28.71%	
International Bond		0.00%		14.85%		0.00%	
PFBPX	PIMCO International Bond Fund (USD-H)	0.00%		14.85%	↑ 0.99%	0.00%	
Multisector Bond		0.00%		27.72%		39.60%	
PONPX	PIMCO Income Fund	0.00%		27.72%		39.60%	
Investment Grade Corporate		0.00%		4.95%		10.89%	
PBDPX	PIMCO Investment Grade Credit Bond Fund	0.00%		4.95%		10.89%	↑ 0.99%
Emerging Markets Debt		0.00%		0.00%		14.85%	
PEMPX	PIMCO Emerging Markets Bond Fund	0.00%		0.00%		8.91%	
PELPX	PIMCO Emerging Markets Local Currency and Bond Fund	0.00%		0.00%		5.94%	
Relative Value		8.91%		12.87%		4.95%	
PMZPX	PIMCO Mortgage Opportunities and Bond Fund	8.91%	↓ 0.99%	12.87%	↓ 0.99%	4.95%	↓ 0.99%
Inflation Protected		0.00%		0.00%		0.00%	
PRLPX	PIMCO Real Return Fund	0.00%		0.00%		0.00%	
Cash		1.00%		1.00%		1.00%	
	Cash	1.00%		1.00%		1.00%	

Investment Minimum: \$25,000

Source: PIMCO

The table above reflects the Model portfolio opportunity set and the current allocation as of the date of this document. Please note that individual weights in the trade details above have been adjusted on a pro rata basis to account for the Cash allocation and may not add up to 100% due to rounding. These securities are included for illustrative purposes only and should not be considered investment advice or a recommendation to buy or sell any particular security. While the table above reflects the Model portfolio opportunity set and the current allocation as of the dates indicated, the specific securities purchased, sold or selected for a particular client's account may differ from those identified and described above, including in light of such clients' individual circumstances. Actual portfolio holdings may vary for each client and there is no guarantee that a particular client's account will hold any or all of the securities listed. The specific securities identified and described may not represent all of the securities purchased, sold or recommended for client accounts. You should not assume that investments in the securities identified and discussed were or will be profitable.

TRADE DETAILS

CURRENT HOLDINGS AND CHANGE FROM PREVIOUS – TAX AWARE MODELS (AS OF 3.31.2026)

Ticker	Investment Name	PIMCO Fixed Income MF Capital Preservation Tax Aware		PIMCO Fixed Income MF Enhanced Core Tax Aware		PIMCO Fixed Income MF Income Focus Tax Aware
		28S02370		28S02371		28S02372
	Fixed Income	99.00%		99.00%		99.00%
	Ultra Short	18.81%		0.00%		0.00%
PTSPX	PIMCO Short-Term Fund	18.81%		0.00%		0.00%
	Short/Limited Duration	20.79%		0.00%		0.00%
PFTPX	PIMCO Low Duration Income Fund	20.79%		0.00%		0.00%
	Multisector Bond	0.00%		18.81%		19.80%
PONPX	PIMCO Income Fund	0.00%		18.81%		19.80%
	Emerging Markets Debt	0.00%		0.00%		0.00%
PELPX	PIMCO Emerging Markets Local Currency and Bond Fund	0.00%		0.00%		0.00%
	Relative Value	0.00%		7.92%		0.00%
PMZPX	PIMCO Mortgage Opportunities and Bond Fund	0.00%		7.92%	↓ 0.99%	0.00%
	Muni National Short	48.51%		0.00%		0.00%
SMMU	PIMCO Short Term Municipal Bond Active ETF	48.51%	↓ 0.99%	0.00%		0.00%
	Muni National Intermediate	5.94%		7.92%		7.92%
PMNPX	PIMCO National Intermediate Municipal Bond Fund	5.94%	↑ 0.99%	7.92%	↓ 0.99%	7.92%
	Muni National Long	4.95%		44.55%		30.69%
PMUPX	PIMCO Municipal Bond Fund	4.95%		44.55%	↑ 0.99%	30.69%
	High Yield Muni	0.00%		19.80%		33.66%
PYMPX	PIMCO High Yield Municipal Bond Fund	0.00%		19.80%	↑ 0.99%	33.66%
	Preferreds	0.00%		0.00%		6.93%
PFPNX	PIMCO Preferred and Capital Securities Fund	0.00%		0.00%		6.93%
	Cash	1.00%		1.00%		1.00%
	Cash	1.00%		1.00%		1.00%

Investment Minimum: \$25,000

Source: PIMCO

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This trade commentary communicates changes made in the PIMCO portfolios that are available in the Merrill Lynch Investment Advisory Program (IAP). For additional information, please refer to the Merrill Lynch Investment Advisory Program (IAP) Strategy's profile for further details on the portfolio and the Merrill CIO role.

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The Strategy's portfolio incorporates PIMCO's tactical asset allocation over a strategic portfolio that is generally the Merrill CIO's strategic asset allocation approach.

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A Tax Aware Model Portfolio Allocates to a minimum of 50 percent municipal bond funds. A portfolio managed to a Tax Aware Model will experience a taxable event. PIMCO does not provide legal or tax advice. Please consult your tax and/or legal counsel for specific tax or legal questions and concerns.

The Expense Ratio is based on the I2 Class Shares. Model expense ratio is subject to change at time of model rebalance. PIMCO intends for the model portfolios to be implemented using the lowest fee class available to the financial advisor, typically the Institutional Class Shares. Funds typically offer different share classes, which are subject to different fees and expenses (which may affect performance), having different minimum investment requirements, and are entitled to different services. The financial advisor, implementing the portfolio determines the appropriate share class for their client. The Expense Ratio for a financial advisor selecting a different share class will vary. Expense Ratio does not reflect any wrap program fees charged by the implementing financial advisor or any other external fees or expenses. The minimum initial investment for Institutional class shares is \$1 million; however, it may be modified for certain financial intermediaries who submit trades on behalf of eligible investors.

More information on PIMCO's investment advisory services (including its model portfolios and advisory fees) is in Part 2A of PIMCO's Form ADV. SMA portfolios will be charged a wrap fee which may be all-inclusive of advisory, trading, custodial and administrative fees. Actual fees will vary by client. Individual results may vary as a result of market conditions, trading costs and other factors, which may be unique to each account. Individual account holdings will vary depending on the size of an account, cash flows and account restrictions. Portfolio holdings are subject to change daily without notice. At any time an individual account managed in this strategy may or may not include securities held by another portfolio. Consequently, any particular account may have portfolio characteristics and performance that differ from another individual account in this strategy.

A word about risk: All investments contain risk and may lose value. 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. Income from municipal bonds is exempt from federal income tax and may be subject to state and local taxes and at times the alternative minimum tax. **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 U.S. government. **Equities** may decline in value due to both real and perceived general market, economic and industry conditions. **Commodities** contain heightened risk, including market, political, regulatory and natural conditions, and may not be suitable for all investors. **REITs** are subject to risk, such as poor performance by the manager, adverse changes to tax laws or failure to qualify for tax-free pass-through of income. **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. 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. **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. For risks specific to a particular fund, please refer to the fund's prospectus.

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CMR2026-0320-5324019