PIMCO Australian Bond Fund

PERFORMANCE SUMMARY

The PIMCO Australian Bond Fund (the "Fund") returned 1.22% (Wholesale Class, net of fees) in March outperforming the Bloomberg AusBond Composite 0+ Yr Index by 0.10%. Year-to-date the Fund has returned 1.29% (Wholesale Class, net of fees), while the benchmark returned 1.03%.

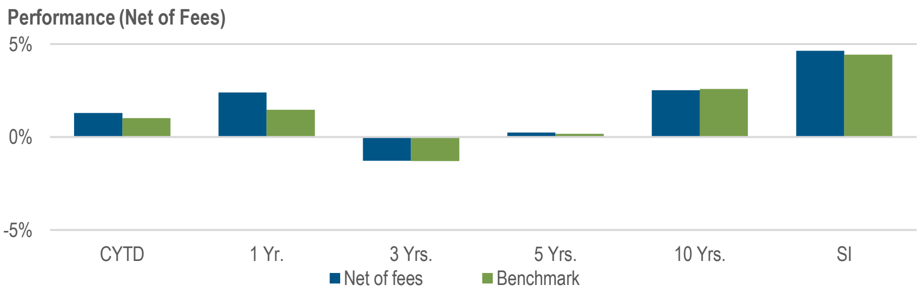
Equity markets continued their upward trajectory, while bond indices modestly rose as several global central banks sent dovish signals to the market. The Reserve Bank of Australia (RBA) once again left the policy rate unchanged at 4.35%, after reflecting new data that showed a continued economic slowdown, a softer-than-expected labor market, and further moderation in inflation. A key shift in the statement from 'a further increase in interest rates cannot be ruled out' to 'the Board is not ruling anything in or out' led markets to view this as the Board abandoning its slight policy-tightening bias. The Fund outperformed its benchmark over the month, largely due to duration and spread positioning.

Contributors

- Overweight exposure to duration in Australia and New Zealand, as yields fell
- Overweight exposure to U.S. agency Mortgage-Backed Securities (MBS), as spreads tightened
- Overweight exposure to investment grade credit, namely financials and industrials, as spreads tightened

Detractors

- Underweight exposure to duration in Euro bloc, as yields fell
- There were no other material detractors for the Fund



Performance	CYTD	1 mos.	3 mos.	FYTD	1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.	SI
Net of fees (%)	1.29	1.22	1.29	5.14	2.40	-1.27	0.25	2.51	4.64
Benchmark (%)	1.03	1.12	1.03	4.55	1.47	-1.29	0.17	2.59	4.44
Outperformance (%)	0.26	0.10	0.26	0.58	0.93	0.02	0.08	-0.08	0.20

Past performance is not a reliable indicator of future results

Returns for periods longer than 1 year are annualised

Net of Fees - Fund performance is quoted net of fees and expenses and assumes the reinvestment of all distributions but does not take into account personal income tax
SI is the performance since inception. Inception date is 28/04/2004

The benchmark is the Bloomberg AusBond Composite 0+ Yr Index

Key Facts

Bloomberg Ticker	EQPWAUB
ISIN	AU60ETL00154
APIR	ETL0015AU
Inception date	28 April 2004
Distribution	Quarterly
Management Fee[1]	0.50% p.a.
Portfolio Managers	Robert Mead, Adam Bowe, Aaditya Thakur
Total Net Assets	2.4 (AUD in Billions)

[1]In addition to the Management Fee there may be other fees and costs associated with an investment in this fund. For a detailed explanation on fees and costs please refer to the Product Disclosure Statement.

Investment Statistics

Fund Duration (yrs)	4.59
Benchmark Duration (yrs)	4.94
Estimated Yield to Maturity (%)⊕	4.48
Average Coupon (%)	3.59
Effective Maturity (yrs)	4.89

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

Risk Profile

Unit value can go up as well as down and any capital invested in the fund may be at risk. The fund may invest in foreign denominated and/or domiciled securities which involve potentially higher risks including currency fluctuations and political or economic developments. These may be enhanced when investing in emerging markets. Funds that invest in high-yield, lower-rated securities, will generally involve greater volatility and risk to principal than investments in higher-rated securities. The fund may use derivatives for hedging or as part of its investment strategy which may involve certain costs and risks. Portfolios investing in derivatives could lose more than the principal amount invested. For more details on the fund's potential risks, please read the PDS.

Important Notice

Please note that this material contains the opinions of the manager as of the date noted, and may not have been updated to reflect real time market developments. All opinions are subject to change without notice.

Investment Adviser
PIMCO Australia Pty Ltd
Level 19, 5 Martin Place
Sydney, NSW, 2000
1300 113 547
investorservices@au.pimco.com

Newport Beach Headquarters
650 Newport Center Drive
Newport Beach, CA 92660

PORTFOLIO POSITIONING

We are currently close to neutral after having been long in cyclical duration during the second half of 2023. We focus on relative value opportunities across countries given divergence in growth, inflation and central bank reaction functions. We maintain our preference to Australian and New Zealand, while underweight duration in the U.S. Given the current point in the cycle, with central banks' hiking cycles likely complete and attention shifting to the timing and extent of policy easing, we are biased towards tactically adjusting duration where we see mispricing, especially as markets remain committed to a soft-landing scenario. With respect to curve positioning, our preference is to the belly of the curve given the level of steepness.

Within corporate credit, we continue to focus on diversification of spread exposure across securitised, agency(semi/SSA), and corporate credit, and have a bias toward shorter-maturity and high-quality names while de-emphasizing generic corporate credit exposure. The Fund continues to have a favourable view of Financials, and in particular senior debt, which are well positioned following more than a decade of restructuring, de-risking, and deleveraging. We also continue to favour senior positions in Australian residential mortgage credit given inherent fundamental strength and the self-liquidating nature of the asset.

MONTH IN REVIEW

Equity markets continued their upward trajectory, while bond indices modestly rose as several global central banks sent dovish signals to the market. U.S. credit spreads tightened, and developed sovereign bond yields fell, while the dollar strengthened. In the U.S., the 10-year Treasury fell 5 basis points (bps) to 4.20% as the Federal Reserve (Fed) reaffirmed its expectation of three rate cuts in 2024. In Australia, the 10-year Australian Commonwealth Government Bond (ACGB) finished the month 17 lower at 3.96%.

In the monetary space, central banks worldwide took diverging policy decisions. The RBA once again left the policy rate unchanged at 4.35%, after reflecting new data that showed a continued economic slowdown, a softer-than-expected labor market, and further moderation in inflation. A key shift in the statement from 'a further increase in interest rates cannot be ruled out' to 'the Board is not ruling anything in or out' led markets to view this as the Board abandoning its slight policy-tightening bias.

Regarding the macro prints, the monthly CPI came in steady at 3.40%, tracking the RBA’s target range, while services, particularly housing-related components, remained high and are only moderating slowly. The unemployment rate fell back to 3.70% from the previous 4.10%, with 116.5k new jobs added. The data looked volatile, due to shifting seasonal dynamics, making it hard to obtain an accurate read. The unexpected fall in the unemployment rate may challenge the RBA’s characterization of a labour market that has ‘softened,’ if it is validated in the next 1-2 monthly reports.

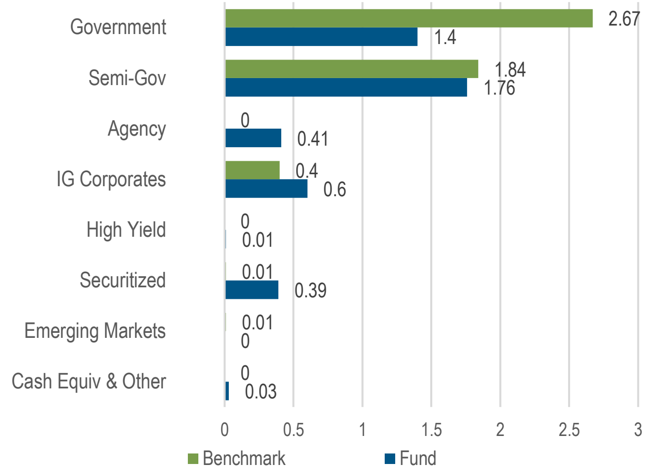
OUTLOOK AND STRATEGY

Higher savings balances and a slower pass-through of monetary policy in the U.S. relative to other developed markets could, in our view, keep inflation above the Fed's 2% target over the cyclical horizon. We still expect the Fed to start normalizing policy at midyear, similar to other DM central banks; however, the Fed's subsequent rate-cutting path could be more gradual. Additionally, we believe that an economic soft landing is achievable, but both recessionary and inflationary risks remain elevated in the aftermath of unprecedented global shocks to supply and demand.

In this uncertain environment, we favour portfolio flexibility and liquidity to respond to events and potentially take advantage of opportunities. We are close to neutral duration, and are emphasising relative value across the Australian and New Zealand yield curve and also across regions. Currency strategies continue to act as a diversifying strategy in the portfolio. Across regions we are focused on relative value driven by carry and valuations.

In spread sectors, we continue to focus on what we consider to be relative value opportunities rather than generic beta exposure. We consider that credit allocations need to be built on a bond-by-bond basis to seek to achieve maximum portfolio resiliency. In investment grade corporates, we prefer short-dated opportunities and local industrial names and select senior financials that we think may provide attractive risk-adjusted returns.

Sector Exposure (Dur in Yrs)



The information in this publication is for general information only and 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. This publication is intended to be general advice only. Retail clients should seek advice from their financial adviser before making an investment decision. **Past performance is not a reliable indicator of future results.** Interests in any PIMCO fund mentioned in this publication are issued by PIMCO Australia Management Limited ABN 37 611 709 507, AFSL 487 505 of which PIMCO Australia Pty Ltd ABN 54 084 280 508, AFSL 246 862 is the investment manager (together **PIMCO Australia**). This publication has been prepared without taking into account the objectives, financial situation or needs of investors. Before making an investment decision investors should obtain professional advice and consider whether the information contained herein is appropriate having regard to their objectives, financial situation and needs. Investors should obtain a copy of the Product Disclosure Statement **(PDS)** and consider the PDS before making any decision about whether to acquire an interest in any PIMCO fund mentioned in this publication. PIMCO Australia has determined the target market for this product which is set out in the target market determination **(TMD)** published on our website. The current PDS and TMD can be obtained via www.pimco.com.au. This publication may include economic and market commentaries based on proprietary research, which are for general information only. PIMCO Australia believes the information contained in this publication to be reliable, however its accuracy, reliability or completeness is not guaranteed. Any opinions or forecasts reflect the judgment and assumptions of PIMCO Australia on the basis of information at the date of publication and may later change without notice. These should not be taken as a recommendation of any particular security, strategy or investment product. All investments carry risk and may lose value. To the maximum extent permitted by law, PIMCO Australia and each of their directors, employees, agents, representatives and advisers disclaim all liability to any person for any loss arising, directly or indirectly, from the information in this publication.

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

Additional information: This material may contain additional information, not explicit in the prospectus, on how the Fund or strategy is currently managed. Such information is current as at the date of the material and may be subject to change without notice.

Benchmark; Unless otherwise stated in the prospectus or in the relevant key investor information document, the Fund referenced in this material is not managed against a particular benchmark or index, and any reference to a particular benchmark or index in this material is made solely for risk or performance comparison purposes.

Beta: Beta is a measure of price sensitivity to market movements. Market beta is 1.

Charts: Performance results for certain charts and graphs may be limited by date ranges specified on those charts and graphs; different time periods may produce different results. Charts are provided for illustrative purposes and are not indicative of the past or future performance of any PIMCO product.

Correlation: Correlation is a statistical measure of how two securities move in relation to each other. The correlation of various indexes or securities against one another or against inflation is based upon data over a certain time period. These correlations may vary substantially in the future or over different time periods that can result in greater volatility.

Credit Quality: The credit quality of a particular security or group of securities does not ensure the stability or safety of an overall portfolio. The quality ratings of individual issues/issuers are provided to indicate the credit worthiness of such issues/issuer and generally range from AAA, Aaa, or AAA (highest) to D, C, or D (lowest) for S

Diversification: Diversification does not ensure against losses.

Duration: Duration is the measure of a bond's price sensitivity to interest rates and is expressed in years.

Fluctuation: There can be no guarantee that the trends above will continue. Statements concerning financial market trends are based on current market conditions, which will fluctuate.

Forecast: These forecasts are predictive in nature. Actual results may differ materially from these projections.

All periods longer than one year are annualised.

Certain information contained in this material constitutes “forward-looking statements,” which can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “target,” “project,” “estimate,” “intend,” “continue,” or “believe,” or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of any investment may differ from those reflected or contemplated in such forward-looking statements. Prospective investors should not rely on these forward-looking statements when making an investment decision.

Index: It is not possible to invest directly in an unmanaged index.

Investment Strategies: There is no guarantee that these investment strategies will work under all market conditions and each investor should evaluate their ability to invest for a long-term especially during periods of downturn in the market. No representation is being made that any account, product, or strategy will or is likely to achieve profits, losses, or results similar to those shown.

Opinions: The materials contain statements of opinion and belief. Any views expressed herein are those of PIMCO as of the date indicated, are based on information available to PIMCO as of such date, and are subject to change, without notice, based on market and other conditions. No representation is made or assurance given that such views are correct. PIMCO has no duty or obligation to update the information contained herein.

Certain information contained herein concerning economic trends and/or data is based on or derived from information provided by independent third-party sources. PIMCO believes that the sources from which such information has been obtained are reliable; however, it cannot guarantee the accuracy of such information and has not independently verified the accuracy or completeness of such information or the assumptions on which such information is based.

Outlook: 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 suitable 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.

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 the current low interest rate environment increases this risk. Current reductions in bond counterparty capacity may contribute to decreased market liquidity and increased price volatility. Bond investments may be worth more or less than the original cost when redeemed. 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 U.S. government agencies and authorities are supported by varying degrees, but are generally not backed by the full faith of the U.S. 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, governmentagency 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 exchangetraded 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 U.S. government. Certain U.S. government securities are backed by the full faith of the government. Obligations of U.S. government agencies and authorities are supported by varying degrees but are generally not backed by the full faith of the U.S. government. Portfolios that invest in such securities are not guaranteed and will fluctuate in value.

Securities Referenced: References to specific securities and their issuers are for illustrative purposes only and are not intended and should not be interpreted as recommendations to purchase or sell such securities.

No guarantee is being made that the structure or actual account holdings of any account will remain the same. PIMCO may or may not own the securities referenced and, if such securities are owned, no representation is being made that such securities will continue to be held.

Strategy Availability: Strategy availability may be limited to certain investment vehicles; not all investment vehicles may be available to all investors. Please contact your PIMCO representative for more information.

Interest rate strategies encompass the Fund's duration, yield curve, and convexity strategies.

Benchmark: Bloomberg AusBond Composite 0+ Yr Index.

The Bloomberg AusBond Composite 0+ Yr Index is an unmanaged market index representative of the total return performance of AUD-denominated bonds. It is not possible to invest in an unmanaged index..

Interest rate strategies encompass the Fund's duration, yield curve, and convexity strategies.
Benchmark: Bloomberg AusBond Composite 0+ Yr Index.