

# PIMCO ESG Global Bond Fund

*Dedicated to Environmental, Social and Governance investing*

## Why invest in the fund?

- 1 True core bond holding**  
 Designed as a core allocation global fixed interest, the Fund may provide diversification benefits amongst an allocation to other asset classes, such as equities.
- 2 Investing for sustainability and impact as well as returns**  
 PIMCO's approach to sustainable investing integrates dedicated ESG research with a robust credit research process to identify relative value opportunities while optimising the portfolio using ESG-based criteria.
- 3 A core bond experience with an ESG presence**  
 Broadly diversified, the Fund strives to capture attractive risk-adjusted returns across the global bond markets, while also making a positive social impact.

### TARGETING PERFORMANCE AND POSITIVE CHANGE



#### EXCLUDE

Restrict investment in issuers fundamentally misaligned with sustainability practices

##### Examples of exclusions

- Controversial weapons
- Tobacco
- Pornography
- Coal



#### EVALUATE

Emphasize best-in-class ESG issuers and prime ESG engagement candidates in portfolio construction

##### Attributes of best-in-class issuers

- Good environmental practices
- Strong corporate governance
- Industry-leading social policies



#### ENGAGE

Engage collaboratively with issuers to change ESG-related business practices

##### Sample engagement questions

- Are you developing a framework for climate risk reporting?
- What is your policy on parental leave?
- Do you have a culture and conduct committee?

### THE FUND IN NUMBERS

5.9

Average MSCI ESG Score (Corporates)<sup>1</sup>

13.5%

Green bond exposure (MV%)

AA-

Average Credit Quality<sup>2</sup>

SOURCE: PIMCO as of 31 December 2019.

<sup>1</sup> MSCI ESG Ratings are designed to help investors to understand ESG risks and opportunities and integrate these factors into their portfolio construction and management process

<sup>2</sup> This is the average credit quality of the bonds held in the fund.

Inception Date: 8 March 2017

# Role in a portfolio

## Core bond holding

The fund may serve as an anchor fixed income allocation, offering the potential for income, capital gains, diversification and a hedge against the volatility in higher-risk asset classes, including equities.

## Portfolio diversification

The fund offers exposure to fixed income securities from around the world, providing diversification away from domestic assets and the potential for enhanced returns.

## ESG portfolio anchor

Harnessing PIMCO's belief that investors should not have to sacrifice financial returns for positive impact, The fund is designed to be used as a core fixed interest anchor in ESG and socially responsible portfolios.

### FUND OBJECTIVE

To achieve maximum total return by investing in global fixed interest securities, and to seek to preserve capital through prudent investment management.

### RATINGS



Rating assigned  
September 2019



Rating assigned  
February 2019

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

## Our Expertise



**Andrew Balls**  
CIO Global Fixed Income

20 years of investment experience



**Sachin Gupta**  
Head of Global Desk  
Global Portfolio Manager  
Managing Director

21 years of investment experience



**Jelle Brons**  
Portfolio Manager  
Global Corporate Bonds

17 years of investment experience



*"For many investors, screening out undesirable investment categories isn't enough anymore; they want to use their investments to promote change in the world. Our ESG Fund provides the tools to do that without compromising on returns.*

– Andrew Balls, Managing Director  
and CIO Global Fixed Income

To learn more about PIMCO please contact your local Account Manager.

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Australia Pty Ltd for Fund Manager of the Year  
2017, Fixed Interest Category, Australia.

# PIMCO's time-tested investment process: Analysing the capital markets from top to bottom

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

## STARTING AT THE TOP

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

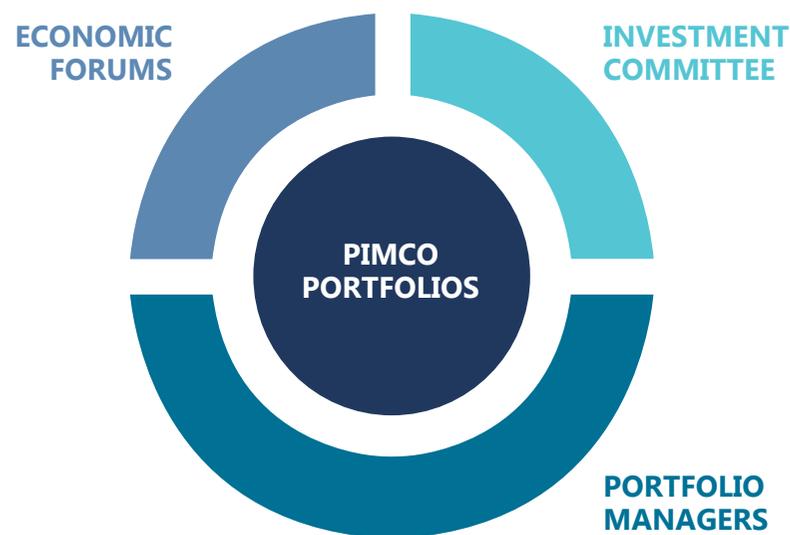
## FROM THE BOTTOM UP

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

## DEDICATED CLIENT SERVICE EXPERTISE

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

## Adding Value From Top To Bottom



### ECONOMIC FORUMS

Four times a year (at the annual Secular Forum and three Cyclical Forums), our investment professionals around the world gather to identify the trends that will drive the global economy and markets. This macro-economic outlook informs all PIMCO portfolios.

### INVESTMENT COMMITTEE

The Investment Committee (IC) meets four times a week to distill our outlook and current events into specific investment themes and risk factor targets.

### PORTFOLIO MANAGERS

Portfolio managers are responsible for day-to-day strategy execution, leveraging our scores of sector and regional specialists.

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Investing in derivatives could lose more than the amount invested. Diversification does not ensure against loss. Investment involves risk including possible loss of the principal amount invested. **Past performance is not a reliable indicator of future results.** The value of units of the Fund and the Fund's distributions, if any, may fall or rise. Investment returns may be exposed to exchange rate fluctuations. In an environment where interest rates may trend upward, rising rates will negatively impact most bond funds, and fixed income securities held by a fund are likely to decrease in value. Bond funds and individual bonds with a longer duration (a measure of the expected life of a security) tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations.

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