P I M C O

March 2020

PIMCO TRENDS Managed Futures Strategy Fund

A quantitative investment strategy that seeks to provide positive returns when investors need them the most

Why invest in the fund?

SHORTER-TERM WINDOWS

Adapting quickly to new trends helps to increase diversification benefits, because our shorter-term trend windows aim to quickly respond to changes in markets.

ADAPTIVE VOLATILITY

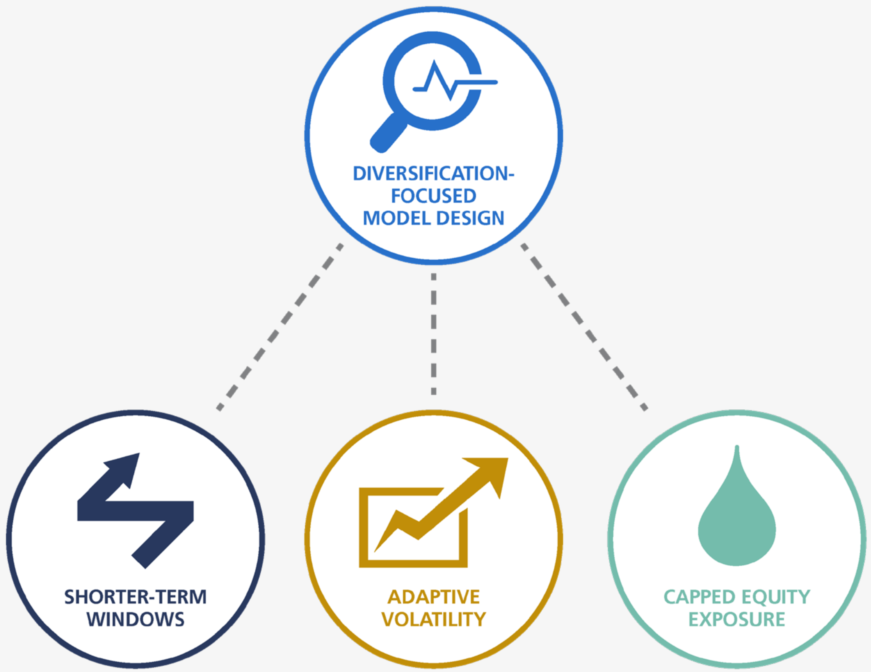
We scale up positions when trends are strong and reduce them if trends are weak.

CAPPED EQUITY EXPOSURE

Asymmetric equity long short positions provide significant diversification benefits for equity oriented portfolios, as we have capped the amount the fund can go long equities relative to short.

DESIGNED FOR DIVERSIFICATION

Trends aims to capture momentum across equities, fixed income, currencies and commodities, particularly during equity market sell-offs



Role in a portfolio

1 | RETURN
Attractive potential return in a low-return world.

2 | INDEPENDENT
Seeks to profit from market moves in any direction.

3 | CRISIS ALPHA
Aims to provide diversification during risk market sell offs.

Today, the prospect of lower returns going forward, coupled with increased economic and policy uncertainty, suggests that the time may be right to consider trend-following strategies.

Matt Dorsten,
Portfolio Manager

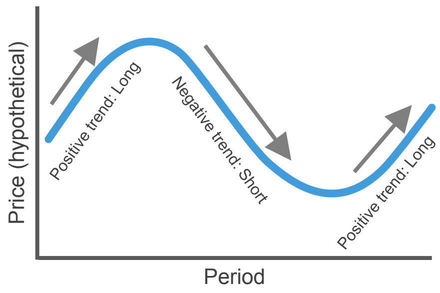
WHAT ARE MANAGED FUTURES?

Managed futures employs Systematic Momentum (also referred to as trend-following) across global asset classes.

Momentum investing aims to capitalize on structural inefficiencies that drive price trends.

We scale up positions when trends are strong, and reduce this if trends are weak.

PRICE TREND ILLUSTRATION



Hypothetical example for illustrative purposes only

RATINGS

Recommended Lonsec Research	Zenith Investment Partners Approved
Rating assigned September 2019	Rating assigned January 2020

* 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.

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

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Our Expertise

Matt Dorsten, PhD, EVP
Portfolio Manager

Graham Rennison, SVP
Portfolio Manager

Morningstar Awards 2017

PIMCO's Quantitative Capabilities

PIMCO has relied on quant strategies combined with fundamental analysis to help drive alpha in fixed income for three decades. That success led us to expand our quant capabilities to currencies, commodities and equities over the last 16 years.

$50B

ASSETS UNDER MANAGEMENT IN QUANT STRATEGIES

80+

INVESTMENT PROFESSIONALS IN QUANT STRATEGIES

16yrs

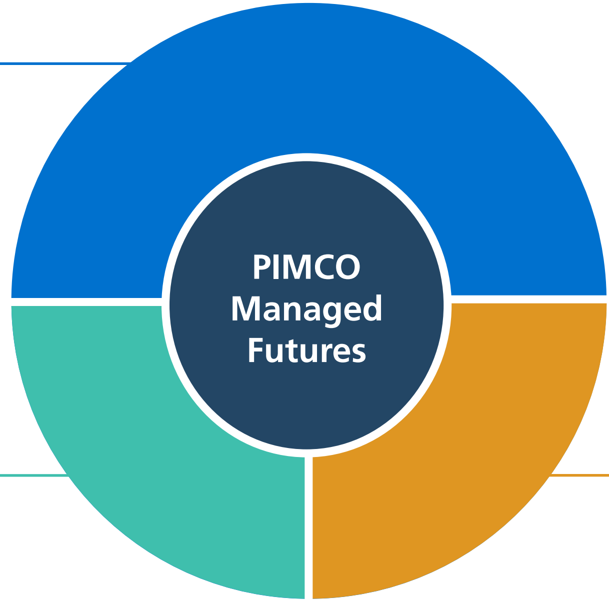
DEDICATED QUANT STRATEGY EXPERIENCE

ADDING VALUE FROM MACRO TO MICRO

PIMCO uniquely combines quantitative expertise, macros insights and bottom up "micro" specialists

QUANTITATIVE EXPERTISE

- 50+ Quant researchers and analysts
- Quant experience evolved out of >45-year fixed-income legacy



GLOBAL MACRO INSIGHTS

- 45+ years of global macro heritage
- Regime shifts influence strategy design and implementation

BOTTOM-UP "MICRO" ENHANCEMENTS

- 240+ specialist PMs
- Market specialists' insights
- Highly sophisticated execution

As at 31 March 2020
Refer to Appendix for additional investment strategy and risk information

PIMCO

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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.

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. The strategy will seek exposure to commodities through commodity-linked derivatives. Commodities contain heightened risk including market, political, regulatory, and natural conditions, and may not be suitable for all investors. Derivatives and commodity-linked 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. Commodity-linked derivative instruments may involve additional costs and risks such as changes in commodity index volatility or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. Investing in derivatives could lose more than the amount invested. 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 their value may fluctuate in response to the market's perception of issuer creditworthiness; while generally supported by some form of government or private guarantee there is no assurance that private guarantors will meet their obligations. 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. The models evaluate securities or securities markets based on certain assumptions concerning the interplay of market factors. Models used may not adequately take into account certain factors, may not perform as intended, and may result in a decline in the value of your investment, which could be substantial.

The **PIMCO TRENDS Managed Futures Strategy Fund ("TRENDS")** is designed to target 12% long-term volatility, relative to a 10% long-term volatility target in public funds following similar strategies in the United States and the PIMCO Global Investor Series UCITS platform. Accordingly, losses may be higher in this fund, and the higher volatility target should be considered in reference to any presentation of historical performance for the PIMCO TRENDS Managed Futures Strategy Composite or funds pursuing similar strategies.

Hypothetical example: 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. Hypothetical or simulated performance results have several inherent limitations. Unlike an actual performance record, simulated results do not represent actual performance and are generally prepared with the benefit of hindsight. There are frequently sharp differences between simulated performance results and the actual results subsequently achieved by any particular account, product or strategy. In addition, since trades have not actually been executed, simulated results cannot account for the impact of certain market risks such as lack of liquidity. There are numerous other factors related to the markets in general or the implementation of any specific investment strategy, which cannot be fully accounted for in the preparation of simulated results and all of which can adversely affect actual results.

Morningstar Award: In determining category winners and finalists, Morningstar only considers retail and wholesale unit trusts, superannuation funds, and pension funds that hold a Morningstar Analyst Rating. Winners are selected using a combination of Morningstar's qualitative analyst research; risk-adjusted returns over medium- to long-term periods; and performance in the 2016 calendar year. Refer to the Morningstar Australia website for full methodology. Morningstar Awards 2017 ©. Morningstar, Inc. All Rights Reserved. Awarded to PIMCO Australia Pty Ltd for Fund Manager of the Year 2017, Fixed Interest Category, Australia.

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