

Fund information

Bloomberg ticker	EQTPGBW
ISIN	AU60ETL00188
APIR	ETL0018AU
Inception date	28 April 2004
Distribution	Quarterly
Management fee ¹	0.49% p.a.
Portfolio manager(s)	Sachin Gupta Andrew Balls Lorenzo Pagani
Total net assets (in millions)	6,324.9 AUD
Fund duration (yrs)	5.30
Benchmark duration (yrs)	6.79
Yield to maturity (%) ²	3.79
Average coupon (%)	2.73
Average maturity (yrs)	6.18

¹In 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. ²Yield 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.

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Performance summary

The PIMCO Global Bond Fund returned 2.59% (Wholesale Class, net of fees) in January, outperforming the Bloomberg Global Aggregate Index (AUD Hedged) by 0.49%. Over the past 3 months the Fund has returned 4.18% (Wholesale Class, net of fees), outperforming the benchmark by 1.03%.

Financial markets broadly rallied in January as rate hike and inflation fears ebbed. Global equities rose - with the MSCI World up 7.1% - and credit spreads tightened, while the dollar weakened. Developed sovereign yields broadly fell as markets appeared more confident that inflation has peaked. In the U.S., the 10-year Treasury fell -37 basis points (bps), while the 10-year Japanese Government Bond (JGB) rose 7 bps to 0.50% as sharply higher inflation and expectations for further adjustments to Yield Curve Control applied upward pressure on yields.

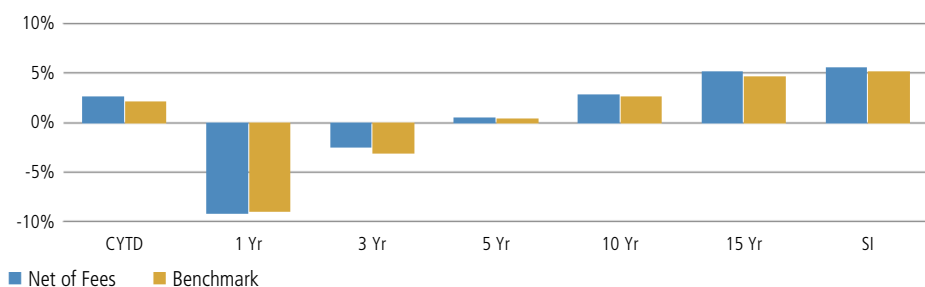
Contributors

- Overweight exposure to senior financials
- Positions in non-agency MBS
- Overweight to duration in the Dollar bloc, particularly an overweight to the intermediate part of the curve in Australia

Detractors

- Short exposure to the Japanese yen
- Positions in Danish covered bonds
- Underweight exposure to European peripherals, particularly Italy

Performance



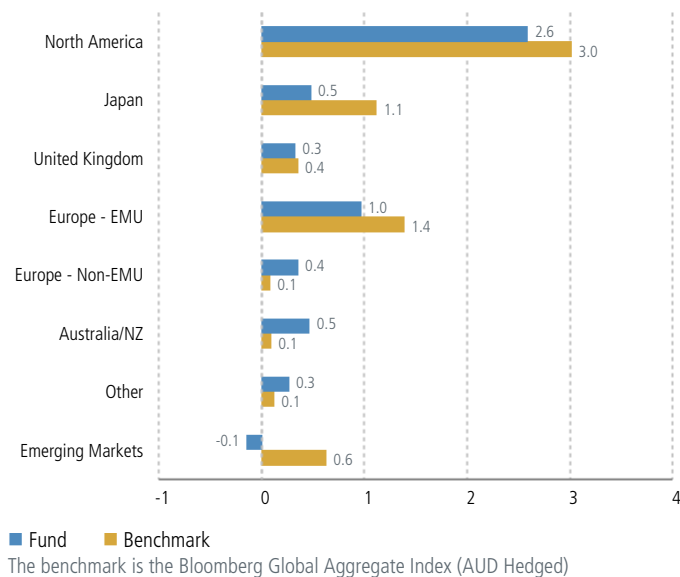
Performance	1 Mo	3 Mo	FYTD	1 Yr	3 Yr	5 Yr	10 Yr	SI
Net of Fees (%)	2.59	4.18	-0.19	-9.12	-2.49	0.47	2.82	5.55
Benchmark (%)	2.10	3.15	-1.13	-8.94	-3.08	0.34	2.57	5.12
Outperformance (%)	0.49	1.03	0.94	-0.18	0.59	0.13	0.25	0.43

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 April 2004
The benchmark is the Bloomberg Global Aggregate Index (AUD Hedged)

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Regional Exposure (by currency, Dur in Yrs)



Portfolio positioning

The Fund is underweight to overall duration with a focus on country, maturity and instrument selection. In the Euro bloc, the Fund is underweight duration in aggregate with a focus on country selection as central banks remain hawkish for longer. The Fund is overweight duration in Denmark, and is broadly underweight across the Eurozone, including peripheral countries such as Italy. The Fund maintains a neutral duration posture in the U.K. The Fund sources a majority of its duration underweight from China, as COVID-zero policies are relaxed and economic growth has the potential to rebound, and Japan, as Yield Curve Control has the potential to be phased out.

The Fund is underweight to investment-grade corporate credit given our assessment of valuations. Instead, the Fund favours senior securitised assets, like non-Agency mortgages as well as U.K. residential mortgages and Danish covered bonds. The Fund also continues to hold positions in U.S. Treasury Inflation-Protected Securities (TIPS) and what we consider to be high-quality Emerging Market (EM) external debt.

We remain cautious on currency risk, holding a long to a basket of select currencies (NOK, AUD, THB) funded by a short to TWD and USD based on valuations. We remain long JPY as a cheap hedge.

Month in review

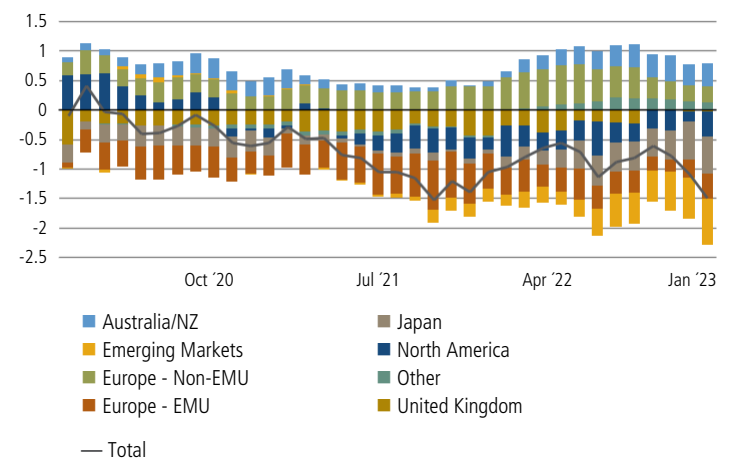
Financial markets broadly rallied in January as rate hike and inflation fears ebbed. Global equities rose - with the MSCI World up 7.1% - and credit spreads tightened, while the dollar weakened. Developed sovereign yields broadly fell as markets appeared more confident that inflation has peaked. In the U.S., the 10-year Treasury fell -37 bps, while the 10-year JGB rose 7 bps to 0.50% as sharply higher inflation and expectations for further adjustments to Yield Curve Control applied upward pressure on yields.

Sovereign rate strategies contributed to relative performance over the month. Contributions from an overweight to duration in the Dollar bloc, particularly an overweight to the intermediate part of the curve in Australia, offset detractions from underweight exposure to European peripherals, particularly Italy.

Spread sector strategies contributed to relative performance over the month. Contributions from positions overweight exposure to senior financials and positions in non-agency Mortgage Backed Securities and more than offset detractions from positions in Danish covered bonds.

Currency strategies contributed modestly to relative performance over the month. Contributions from short exposure to the U.S. dollar more than offset detractions from short exposure to the Japanese Yen.

Active Regional Exposure vs. Benchmark (by currency, Dur in Yrs)



The benchmark is the Bloomberg Global Aggregate Index (AUD Hedged)

Outlook and strategy

In our base case, a shallow recession is likely across Developed Markets (DM) as central banks to continue to battle inflation, but a soft landing is still possible. Albeit modest, a recession may bring rising unemployment and the stagnation of growth over the coming months.

In this uncertain environment, we favour portfolio flexibility and liquidity to respond to events and potentially take advantage of opportunities. We are underweight duration in the Fund as central banks globally seem to remain focused on inflation risks, contributing to elevated volatility. From a country standpoint, we favour taking duration in select Euro bloc (Denmark) and dollar Bloc countries (Australia, New Zealand) vs. Japan. We continue to hold a moderate allocation to TIPS in the portfolio based on what we consider to be attractive valuations and as a hedge against a potential inflation overshoot. We hold exposure to select currencies (AUD, NOK, THB) based on valuations.

In spread sectors, we continue to be selective within corporate credit, favouring banks and other financial issuers. We remain focused on securitised assets, including U.S. non-agency mortgages, U.K. residential mortgages, and Danish mortgages, which we believe may offer defensive qualities in addition to reasonable risk premia for liquidity, complexity, and uncertainty over the timing of cash flows.

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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.

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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, government-agency 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 exchange-traded 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.

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¹Developed Market Currencies means each of AUD, CAD, CHF, Euro, GBP, JPY, NOK, NZD, SEK

Currency strategies are volatile and currency rates may fluctuate significantly over short periods of time and may reduce the returns of a portfolio.

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