PIMCO

Alternatives at PIMCO

At PIMCO, our decades of global leadership in active fixed income investing has helped us navigate the complexities of the alternatives universe, steered by a solid foundation of macroeconomic and credit expertise. It's this firm standing that informs our broad perspective, and allows us to access new opportunities and generate alpha for our clients through different market environments.

MILESTONES: ALTERNATIVE INVESTING AT PIMCO

A DEPTH OF EXPERIENCE, A RANGE OF STRATEGIES

PIMCO's alternatives platform is powered by a team of more than 100 dedicated portfolio managers with an average of 15 years of experience. Committed to achieving superior results, these veteran investors leverage the full spectrum of PIMCO's global resources in seeking to generate alpha for our clients.

We view alternatives as a natural extension of our core investment capabilities, and launch strategies in areas where we believe PIMCO has an edge. Our broad range of strategies offers various liquidity options and both narrow and flexible mandates depending on investor goals.

Diversifying absolute return strategies

Discretionary				Systematic
• Global macro	• Credit relative value	• Commodity absolute return	• Insurance-linked securities	• Managed futures • Multi-strategy risk premia

Alternative credit & private strategies

Opportunistic vintage	Private lending	Semi-liquid evergreen	Public market dislocation	Specialty mandates
• Corporate capital solutions and distressed • Asset-based and structured finance • Real estate debt and equity	• Diversified private lending • Real estate debt	• Tactical global credit • Flexible global credit • Levered senior secured bank loans	• Opportunisitic contingent capital vehicle designed to capitalize on potential dislocation in public credit markets	• Institutional separate accounts

Strength Behind Our Strategies

KEY INVESTOR BENEFITS

Our clients gain access to a number of potential benefits when investing in PIMCO's alternatives solutions:

1

ACCESS TO NEW OPPORTUNITIES
The breadth and depth of our perspective across global markets provides investors with access to unique opportunities.

2

A TRUSTED PARTNER
Our experienced management team has taken investors through many different market cycles – including times of stress – with confidence.

3

MAXIMIZED ALPHA POTENTIAL
Careful capacity management, as well as expertise in collateral management, financing and investment structuring may help maximize investor outcomes.

WHAT DIFFERENTIATES US

Our dedicated alternatives team benefits from the PIMCO investment process and platform – an advantage that has helped us build solutions that we believe are better equipped to deliver alpha in up and down markets.

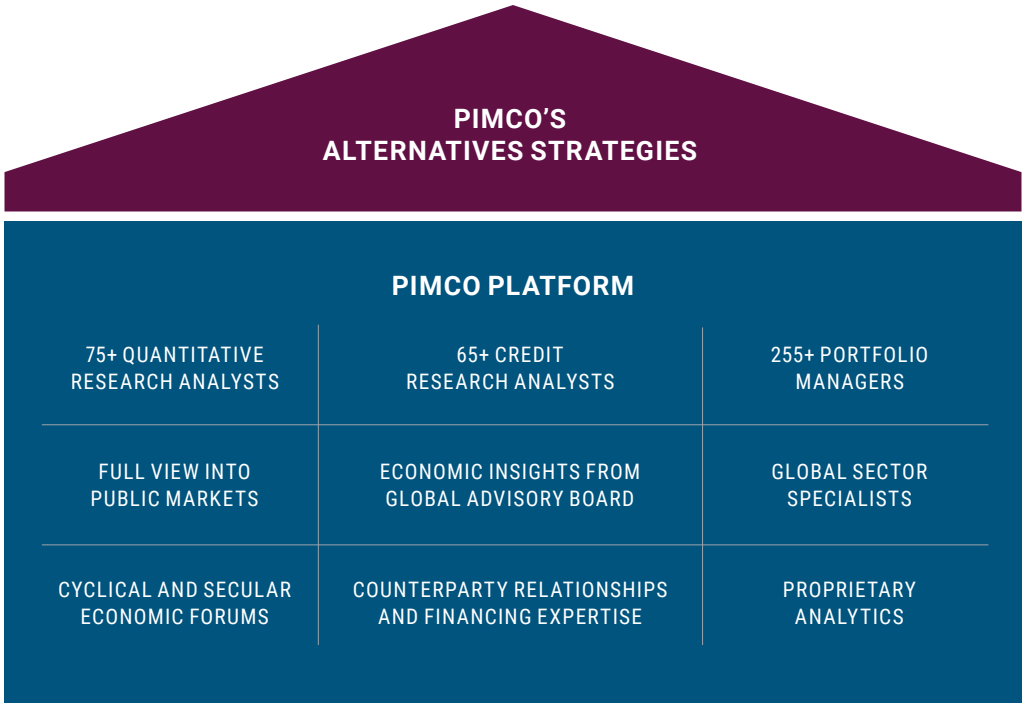
A 360-DEGREE VIEW SUPPORTS THE BIGGER PICTURE:

- A combination of leading macroeconomic expertise and global credit research and analytics resources gives us better perspective to analyze opportunities
- An integrated investment approach across public and private markets helps us more accurately assess relative value
- Specialists across a broad set of asset classes and regions allows us the potential to capitalize on a vast opportunity set

A ROBUST MARKET PRESENCE TIPS THE SCALE:

- Industry leadership and financing expertise helps us extract the best terms for our clients
- Access to invest across the capital structure and liquidity spectrum due to size gives us a distinctive marketplace advantage
- Long-term relationships give us access to deal flow and information

PIMCO's alternatives strategies benefit from the firm's strong foundation



This summary is for informational purposes only, and does not constitute an offer to sell, or a solicitation of an offer to buy, interests in any fund or to participate in any trading strategy. The following disclosures may not include all risks related to investing in private equity and hedge fund strategies. Additionally, this material is not intended to provide, and should not be relied on for, accounting, legal, or tax advice. You should consult your tax or legal advisor regarding such matters.

General risks about private equity and hedge fund strategies: The strategies involve a high degree of risk and prospective investors are advised that these strategies are suitable only for persons of adequate financial means who have no need for liquidity with respect to their investment and who can bear the economic risk, including the possible complete loss, of their investment. **All investments contain risk and may lose value.** The strategies will not be subject to the same regulatory requirements as registered investment vehicles. The strategies may be leveraged and may engage in speculative investment practices that may increase the risk of investment loss. The strategies are not expected be restricted to track a particular benchmark. A strategy's fees and expenses may offset its trading profits. The portfolio manager(s) are expected to have broad trading authority over a particular strategy. The use of a single adviser applying generally similar trading programs could mean lack of diversification and, consequently, higher risk. The strategies generally involve complex tax structures and there may be delays in distributing important tax information. A substantial portion of the trades executed for certain strategies may be in non-U.S. securities and take place on non-U.S. exchanges. Certain strategies may invest in non-publicly traded securities which may be subject to illiquidity risk. Performance could be volatile; **an investor could lose all or a substantial amount of its investments. Past performance is not a guarantee or a reliable indicator of future results.**

Absolute return portfolios may not necessarily fully participate in strong (positive) market rallies. Investing in the **bond market** is subject to certain risks including market, interest rate, issuer, call, credit, liquidity, and inflation 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. **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, government-agency or private guarantor there is no assurance that the guarantor will meet its obligations. **Managed futures** contain heightened risk, including wide price fluctuations and may not be suitable for all investors. **Insurance-linked instruments** provide exposure to various insurance risks and are tied to a varied group of available perils and geographic regions. Such perils will consist, amongst others, of earthquake, flood, hail, wind or other weather-related risks, and may include exposure to other natural or non-natural catastrophic events. Examples of insurance-linked instruments include, but are not limited to, securities or other financial instruments linked to excess of loss, quota shares or other reinsurance or derivative risk transfer contracts, catastrophe bonds, industry loss warranties, sidecars, over-the-counter financial derivatives, listed derivatives (i.e., futures/options on futures) and equity and/or debt securities of insurance and reinsurance companies. The performance of insurance-linked instruments depends on the occurrence or non-occurrence of specific insurance events, including such catastrophic events mentioned above, and the incidence, frequency and severity of such catastrophic events are inherently unpredictable.

Bank loans are often less liquid than other types of debt instruments and general market and financial conditions may affect the prepayment of bank loans, as such the prepayments cannot be predicted with accuracy. There is no assurance that the liquidation of any collateral from a secured bank loan would satisfy the borrower's obligation, or that such collateral could be liquidated. **Commodities** contain heightened risk including market, political, regulatory, and natural conditions, and may not be suitable for all investors. Entering into **short sales** includes the potential for loss of more money than the actual cost of the investment, and the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to the portfolio. **Currency** rates may fluctuate significantly over short periods of time and may reduce the returns of a portfolio. **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. **Residential or commercial mortgage loans and commercial real estate debt** are subject to risks that include prepayment, delinquency, foreclosure, risks of loss, servicing risks and adverse regulatory developments, which risks may be heightened in the case of non-performing loans. Investing in **distressed loans** and bankrupt companies is speculative and the repayment of default obligations contains significant uncertainties. **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.

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