

PIMCO Variable Insurance Trust

Statement of Additional Information

March 1, 2024

This Statement of Additional Information is not a prospectus, and should be read in conjunction with the prospectus of PIMCO Variable Insurance Trust (the "Trust"), as described below and as supplemented from time to time.

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## DESCRIPTION OF THE TRUST

The Trust is a Delaware trust established under a Trust Instrument dated October 3, 1997. The Trust is an open-end management investment company composed of separate portfolios, each of which is a separate portfolio. As of March 1, 2024, each Portfolio (the *IC I B C ( C C )* and *IC I B C ( R D -H C C )*) is diversified, which means that, in respect of its portfolio, the Portfolio will not: (i) invest more than 5% of its assets in the securities of any single issuer; or (ii) hold more than 10% of the outstanding securities of any issuer.

## INVESTMENT OBJECTIVES AND POLICIES

The investment objectives and general investment policies of each Portfolio are described in the Prospectus. Consistent with each Portfolio's investment policies, each Portfolio maintains an investment in Fixed Income Instruments, which are defined in the Prospectus. Additional information concerning the characteristics of certain of the Portfolio's investments, strategies and risks is set forth below.

The *IC A A A* invests substantially all of its assets in securities of PIMCO Fund, PIMCO E, i Securities and PIMCO ETF Trust, each an affiliated investment company managed by PIMCO. Each of the *IC G A D C A* and the *IC G A C A A* also maintains a portion of its assets in securities of PIMCO Fund and securities of PIMCO E, i Securities. The securities of PIMCO Fund, PIMCO E, i Securities and PIMCO ETF Trust in which the *IC A A A*, *IC G A D C A* and *IC G A C A A* maintain are, as specified in the Prospectus, as set forth in the Statement of Additional Information and Underlying PIMCO Fund. Beginning in Underlying PIMCO Fund, the *IC A A A*, *IC G A D C A* and *IC G A C A A* (the PVIT Fund of Fund) may have discretionary power to allocate all of the securities and investments described below depending upon how the assets are allocated among the Underlying PIMCO Fund. Since the PVIT Fund of Fund maintains substantially all of its significant portion of its assets in the Underlying PIMCO Fund, investment decisions made in respect of the PVIT Fund of Fund could, indirectly, cause a change in the investment objectives, negative impact the Underlying PIMCO Fund, including its performance and investment performance of the Underlying PIMCO Fund. Similarly, certain funds managed by investment advisers affiliated with PIMCO (the Affiliated Fund of Fund) may have all of its assets in the Underlying PIMCO Fund, and investment decisions made in respect of Affiliated Fund of Fund could, indirectly, cause a change in the investment objectives, negative impact the Underlying PIMCO Fund, including its performance and investment performance of the Underlying PIMCO Fund. Please see "Investment in Underlying PIMCO Fund" below for more information regarding potential risks related to the Underlying PIMCO Fund.

The *IC C C C* maintains investment objectives in investing in the PIMCO Ca man Commodity Portfolio I L d., a wholly-owned subsidiary of the Portfolio organized under the laws of the Cayman Islands (the CRRS Subsidiary). The CRRS Subsidiary is advised by PIMCO, and has the same investment objectives and will generally be subject to the same fundamental, non-fundamental and certain other investment restrictions as the Portfolio; however, the CRRS Subsidiary (unlike the Portfolio) maintains a limitation in commodity-linked agreements and other commodity-linked derivatives in investments. The Portfolio and CRRS Subsidiary may be in compliance with certain investment restrictions on a consolidated basis, except that, in respect of investments in securities of the CRRS Subsidiary, the CRRS Subsidiary will comply with the requirements of Rule 18f-4 on an aggregate basis with the Portfolio. Beginning in the CRRS Subsidiary, the Portfolio is included in the calculation of the CRRS Subsidiary's investments. The derivatives and other investments held by the CRRS Subsidiary are generally similar to those held by the Portfolio and are subject to the same risks that apply to investments if held directly by the Portfolio. See below "Investment Objectives and Policies" in the Wholly-Owned Subsidiaries section for a more detailed discussion of the Portfolio's CRRS Subsidiary.

The *IC G A C A A* maintains investment objectives in investing in the PIMCO Ca man Commodity Portfolio II L d., a wholly-owned subsidiary of the Portfolio organized under the laws of the Cayman Islands (the GMAA Subsidiary). The GMAA Subsidiary is advised by PIMCO, and has the same investment objectives and will generally be subject to the same fundamental, non-fundamental and certain other investment restrictions as the Portfolio; however, the GMAA Subsidiary (unlike the Portfolio) maintains a limitation in commodity-linked agreements and other commodity-linked derivatives in investments. The Portfolio

and GMAA Subsidia- ma e fo- compliance i h ce- ain in e men -e -ic ion on a con olida ed ba i , e-cep  
ha , i h -e pec o i in e men in ce- ain ec- -i ie ha ma in ol e le e-age, he GMAA Subsidia- ill compl  
i h -e , i-emen of Rule 18f-4 on an agg-ega e ba i i h he Pa- folio. B in e ing in he GMAA Subsidia- , he  
Pa- folio i indi-ec l e- -po ed o he -i k a ocia ed i h he GMAA Subsidia- ' in e men . The de- i a i e and  
o he- in e men held b he GMAA Subsidia- a- e gene- all imila- o ho e held b he Pa- folio and a- e , bjec o  
he ame- i k ha appl o imila- in e men if held di-ec l b he Pa- folio. See belo , In e men Objec i e and  
Policie In e men in he Wholl -O ned Subsidia- ie fo- a ma- e de ailed di c- ion of he Pa- folio' GMAA  
Subsidia- .







pa men a-e , bjec o pa-ial a- f ll aba emen . Tha aba emen migh occ -, fo- eample, if ma e-ial damage o a- de -c ion of he lea ed p-ope- in e-fe-e i h he le ee' , e of he p-ope- . Ho e e-, in ome ca e ha -i k migh be -ed ced b in , -ance co e-ing he lea ed p-ope- , a- b he , e of c-edi enhancemen , ch a le e- of c-edi o back lea e pa men , a- pe-hap b he le ee' main enance of -e e- monie fo- lea e pa men . While he obliga ion migh be ec- ed b he lea e, i migh be diffic l o di po e of ha p-ope- in ca e of a defa l .

The Pa- folio ma p-cha e , n-a ed m- nicipal lea e obliga ion if de e-mined b PIMCO o be of compa-able , ali o-a ed ec-i ie in hich he Pa- folio i pe-mi ed o in e . A Pa- folio ma al o ac , i-e illi , id m- nicipal lea e obliga ion , , bjec o -eg la a- limi a ion on in e men in illi , id in e men gene-all . Plea e -efe- o , Illi , id In e men belo fo- f- he- di c- ion of -eg la a- con ide-a ion and con -ain -ela ing o in e men li , idi .

The Pa- folio ma eek o enhance hei- field h-o gh he p-cha e of p-i a e placemen . The e ec-i ie a-e old h-o gh p-i a e nego ia ion , , all o in i , ion a- m , al f nd , and ma ha e-e ale-e -ic ion . Thei- field a-e , , all highe- han compa-able p- blic ec-i ie o compen a e he in e a- fo- hei- limi ed ma-ke abili . Plea e -efe- o , Illi , id In e men belo fo- f- he- di c- ion of -eg la a- con ide-a ion and con -ain -ela ing o in e men li , idi .

Some longe- e-m M- nicipal Bond gi e he in e a- he -igh o , p- a- ell he ec-i a pa- (face al e) i hin a pecified n- mbe- of da follo ing he in e a- ' -e , e - , , all one o e en da . Thi demand fea , -e enhance a ec-i ' li , idi b ho- ening i effec i e ma , -i and enable i o -ade a a p-ice e , al o a- e- clo e o pa- . If a demand fea , -e e- mina e p-ia- o being e- e- ci ed, a Pa- folio o ld hold he longe- e-m ec-i , hich co ld e- p- e- ience , b an iall ma- e ola ili .

The Pa- folio ha ma in e in M- nicipal Bond ma in e in m- nicipal a- -an , hich a- e en iall call op ion on M- nicipal Bond . In e- change fo- a p-emi- m, m- nicipal a- -an gi e he p-cha e- he -igh , b- no he obliga ion, o p-cha e a M- nicipal Bond in he f- , -e. A Pa- folio ma p-cha e a a- -an o lock in fo- a- d , ppl in an en i-onmen he-e he c- -en i , -ance of bond i ha-pl -ed ced. Like op ion , a- -an ma e- p- e- a- hle and he ma ha e- ed ced li , idi . A Pa- folio ill no in e ma- e han 5% of i ne a e in m- nicipal a- -an .

The Pa- folio ma in e in M- nicipal Bond i h c-edi enhancemen , ch a le e- of c-edi , m- nicipal bond in , -ance and S andb Bond P-cha e Ag- eemen ( , SBPA ). Le e- of c-edi a- e i , ed b a hi- d pa- , , all a bank, o enhance li , idi and en , -e -epa men of p- incipal and an acc- ed in e- e if he , nde- l ing M- nicipal Bond ho ld defa l . M- nicipal bond in , -ance, hich i , , all p-cha ed b he bond i , e- f- om a p- i a e, nongo e- nmen al in , -ance compan , p- o ide an , ncondi onal and i- e ocable g- a- an ee ha he in , -ed bond' p- incipal and in e- e ill be paid hen d e. In , -ance doe no g- a- an ee he p-ice of he bond a- he ha- e p-ice of an pa- folio. The c-edi -a ing of an in , -ed bond -eflec he c-edi -a ing of he in , -e, ba ed on i claed b.8(Pocable g- 6 T [(IT

Portfolio has also identified the Fixed Rate Bond. The TOB Trust did identify the income stream provided by the Fixed Rate Bond on a regular basis, the TOB Floater, which is a high-yield security, and the TOB Residential, which is a long-term security. The income is payable on the TOB Residential, and on a Portfolio basis in the relationship of the income on the TOB Floater. The income is on the TOB Floater is to be a separate income stream. The TOB Residential income is paid on the TOB Floater. The TOB Residential income is from the Fixed Rate Bond goes to the TOB Residential. The effect of the high-yield security, in the income from the TOB Residential, and the income. In the case of a TOB Trust, which is a high-yield security (the income stream) from the income of the TOB Floater and TOB Residential on a Portfolio basis of the Fixed Rate Bond from a Portfolio, the Portfolio manager in the case of the high-yield security, generating the income from the Portfolio. On the PIMCO-managed account, the Portfolio manager is a TOB Trust, in which a Portfolio has contributed Fixed Rate Bond. If multiple PIMCO-managed accounts participate in the same TOB Trust, the economic rights and obligations under the TOB Residential will be shared among the fund manager in participation of the participation in the TOB Trust.

The TOB Residential may be more volatile and less liquid than the municipal bond of comparable maturity. In most circumstances the TOB Residential holder bears, but not all of the, declining Fixed Rate Bond's down side in the market and all of the benefits from an appreciation in the value of the declining Fixed Rate Bond. In the event in a TOB Residential, particularly in the event of a general economic downturn in Fixed Rate Bond.

The TOB Residential held by a Portfolio provides the Portfolio with the right to: (1) cause the holder of the TOB Floater to end the high-yield security, and (2) cause the sale of the Fixed-Rate Bond held by the TOB Trust, hereby collapsing the TOB Trust. TOB Trusts are generally provided by a liability, which is a high-yield security, bank or other financial institution (the "Liability Provider") has provided for the purchase of TOB Floater, which cannot be made. The holder of the TOB Floater has the right to end the high-yield security in exchange for payment of principal accrued in the event of a periodic basis (typically weekly) on the occurrence of certain mandatory events. The ended TOB Floater are made by a separate agent, which is typically an affiliate entity of the Liability Provider. If the TOB Floater cannot be made, the TOB Floater are purchased by the TOB Trust, which is from the proceeds of a loan from the Liability Provider. The Liability Provider is a liability of the Fixed Rate Bond.

The TOB Trust may also be collapsed in the event of a Portfolio, as the TOB Residential holder, upon the occurrence of certain mandatory events (the "TOTE") as defined in the TOB Trust agreement. Such termination events typically include the bankruptcy or default of the municipal bond, as a result of a downgrade in credit rating of the municipal bond, or a judgment or ruling in the event of the Fixed Rate Bond is subject to federal income taxation. Upon the occurrence of a termination event, the TOB Trust would generally be liquidated in full with the proceeds typically applied first to an accrued fee owed to the trustee, separate agent and liability provider, and then to the holder of the TOB Floater, pro rata accrued in the event of the TOB Floater and a portion of gain share, if any, with the balance paid to the TOB Residential holder. In the case of a mandatory termination event (the "MTE"), after the payment of fee, the TOB Floater holder would be paid before the TOB Residential holder (i.e., the Portfolio). In contrast, in the case of a TOTE, after payment of fee, the TOB Floater holder and the TOB Residential holder would be paid pro rata in participation of the respective face value of the high-yield security.

If the high-yield security proceeds from the liquidation of the TOB Trust, the payment would be the loan or would depend upon the high-yield security holder a non-recourse TOB Residential or a recourse TOB Residential. If a Portfolio holds a non-recourse TOB Residential, the Liability Provider of the TOB Floater would be the loan on the high-yield security and the loan would be non-recourse to the Portfolio's assets. If a Portfolio holds a recourse TOB Residential, the Portfolio (and, incidentally, holder of the Portfolio's assets) would typically be the loan. In particular, if the Portfolio holds a recourse TOB Residential, it will typically have entered into an agreement prior to, in which the Portfolio would be required to pay to the Liability Provider the difference between the purchase price of an TOB Floater provided to the Liability Provider by holder of the TOB Floater and the proceeds realized from the making of the TOB Floater or the sale of the assets in the TOB Trust. A Portfolio manager in the event of a non-recourse and recourse TOB Residential would be able to purchase a Portfolio.

In December 2013, the final rule implementing Section 619 (the "Volcker Rule") and Section 941 (the "Risk Retention Rule") of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). Both the Volcker Rule and the Risk Retention Rule apply to end option bond program and placement of the account on a separate basis to participate in end option bond program. Specifically, the Volcker Rule generally prohibits banking entities from engaging in proprietary trading or from acting as a principal in the event of, or upon, a hedge fund or private equity fund (the "covered fund"), subject to certain exemptions and limitations.



specific, including Municipal Bond. In a typical contractual arrangement, an issuer of a municipal bond deposits the bond in a clearinghouse for the sale of the bond. The clearinghouse has different characteristics, but, in each case, payment on the bond is based on payment received on the underlying Municipal Bond. In no event will the aggregate in arrears paid in respect of the bond exceed the in arrears paid on the underlying Municipal Bond. Contractual arrangements are not in place. The ability of a clearinghouse to manage the ability of a Municipal Bond of comparable quality and maturity.

The perceived increased likelihood of default among issuers of Municipal Bond has led to continued illiquidity, increased price volatility and credit downgrade of issuers of Municipal Bond. Local and national market factors, such as decline in real estate prices and general business activity, have led to declining asset values, financial institutions in arrears, and increasing concentration, all of which could decrease the ability of certain issuers of Municipal Bond to repay their obligations. Certain issuers of Municipal Bond have also been unable to obtain additional financing through, among other things, new issues, which may decrease the availability of issuers of Municipal Bond to pay existing obligations. In addition, there has been a demonstrated lack of disclosure, especially in the area of making it difficult for investors to obtain reliable information on the obligations underlying Municipal Bond. Adverse developments in the Municipal Bond market may negatively affect the ability of all classes of financial position of a fund holding in Municipal Bond.

Obligations of issuers of Municipal Bond are subject to the provisions of bankruptcy, insolvency and other laws, affecting the right and remedy of creditors. Congressional action may be taken to extend the time for payment of principal in arrears, or both, or impose other conditions, upon enforcement of such obligations. The ability of the issuer to pay principal of obligations or other conditions, the possibility of issuer's ability to meet their obligations for the payment of arrears and principal on their Municipal Bond may be materially affected by their obligations may be found to be in arrears, nonenforceable. Such obligations and conditions may from time to time have the effect of increasing, decreasing or making the Municipal Bond or certain segments thereof, or of materially affecting the credit risk in respect of the bond. Adverse economic, business, legal or political developments may affect all classes of financial position of a Portfolio Municipal Bond in the same manner. In particular, the PIMCO California Intermediate Municipal Bond, PIMCO California Municipal Bond, PIMCO California Short Duration Municipal Income and PIMCO New York Municipal Bond Fund, each underlying PIMCO Fund, are subject to the risk inherent in concentrating investments in a particular area or region.

From time to time, a portfolio has been introduced before Congress for the purpose of reducing or eliminating the federal income tax exemption for interest on certain types of Municipal Bond. Additionally, certain other portfolio has been introduced that would have the effect of reducing a portion of the exemption and/or reducing the tax benefits of receiving interest in arrears. It can be expected that similar portfolio may be introduced in the future. As a result of any such future legislation, the availability of such Municipal Bond for investment by the Portfolio and the ability of such Municipal Bond held by the Portfolio may be affected. In addition, it is possible that an occurrence affecting the date of a Municipal Bond's interest, or of a Portfolio's acquisition of such obligations, may result in a determination that the interest paid on the obligations is taxable, in certain cases retroactively.

The following information is derived from official statements, and other public documents available relating to the portfolio affecting the ability of investors domiciled in the state of California and New York. Neither the Portfolio nor PIMCO has an independent verified the information but has no reason to believe that it is, in any material respect, false or misleading.

Contractual. To the extent a Portfolio invests in municipal bonds issued by California issuers, it may be particularly affected by political, economic, regulatory, social, environmental, or public health developments affecting the ability of California issuers to pay in arrears or principal.

Provision of the California Constitution and State law has limited the raising and pending authority of California governmental entities to impair the ability of California governmental issuers to obtain and receive on their obligations. Further, California political and economic developments, constitutional amendments, legislative measures, executive orders, administrative actions, regulations, and other initiatives are all environmental factors, such as pandemic, epidemic, or social, that could have an adverse effect on the debt obligations of California issuers. The information is for the benefit of investors of a member of complex factors that may impact the value of California municipal bonds. The information is derived from sources that are generally available to the public, including but not limited to information prominently displayed by the State Department of Finance, the



but financing \$9.3 billion of pending from the General Fund to offsetting capital spending back \$8.1 billion in pending, delaying \$7.9 billion of pending, increasing revenue by an additional \$6.1 billion primarily from increasing the Managed Care Organization Provider and in-kind borrowing, and through piggybacking (pending has still been allocated depending on financing of \$340 million).

The Governor released his proposed budget fiscal year 2024-25 on January 10, 2024 (2024-25 Governor's Budget). The 2024-25 Governor's Budget projects that General Fund revenue and transfers will be \$214.7 billion (an increase of 9.1% compared to estimated revenue fiscal year 2023-2024) and expenditures will be \$208.7 billion (a decrease of 9.6% compared to estimated revenue fiscal year 2023-2024). The 2024-25 Governor's Budget projects a \$37.9 billion budget gap in fiscal year 2024-25. In response to the projected budget gap, the 2024-25 Governor's Budget includes additional borrowing, in-kind borrowing, financing delay, fund shift, and deferred obligation.

In January 2024, the LAO released its analysis of the 2024-25 Governor's Budget (LAO Report). The LAO report estimates that the Governor's Budget will have a \$58 billion budget gap (a projected 2024-25 Governor's revenue of \$37.9 billion and the LAO fiscal outlook estimates of approximately \$68 billion) and notes that it believes the Governor's Budget addresses the deficit primarily through pending-related borrowing, but also that the Governor's Budget projects a revenue decrease from the Budget Stabilization Account despite no official declaration of a budget emergency fiscal year 2024-2025 as of the date of the report. The report further states that the Governor's Budget is generally sound, but the decrease of fiscal year 2024-25 revenue is facing the State in the future, and the report recommends that the legislature develop the fiscal year 2024-25 budget with a focus on future revenue, specifically regarding the legislature plan for long-term revenue, mainly a similar revenue in-kind, develop a plan for school and community college financing, maintain the budget in one-time pending, and apply a higher budgetary and discretionary proposal and contain the ongoing expense level.

Mood's Investor Services, Inc. (Mood's), Standard & Poor's Rating Services (S&P) and Fitch Ratings, Inc. (Fitch) are issuing California long-term general obligation bond, which represents their opinion as to the quality of the municipal bond issue. As of March 8, 2024, California's general obligation bond is assigned a rating of Aa2, AA- and AA by Mood's, S&P and Fitch, respectively. The rating agencies continue to monitor the State's budget deliberation closely to determine the overall health of the State. I hold the recognized that the State has no alternative standard of quality, but the general indicator. Such a rating reflects only the view of the originating rating agency, from which an explanation of the significance of such a rating may be obtained. There is no assurance that a particular rating will continue for an given period of time or that a rating will not be revised down and indicate a negative impact, in the judgment of the agency ably through rating, circumstances or action. A

in e-e q-epa p-incipal. In e q- hold be a a-e ha ce-ain i , e- of Ne Yq-k a<sup>x</sup>e<sup>x</sup>emp ec-<sup>x</sup>i ie ha e a  
ime e<sup>x</sup>pe-ience e-io financial diffic- lie . A -eoc- -ence of he e diffic- lie ma impai- he abili- of ce-ain  
Ne Yq-k i , e- o main ain deb e- ice on hei- obliga ion . The follo ing info-ma ion p-o ide onl a b-ief  
-mma- of he comple<sup>x</sup>fac- affec ing he financial i- a ion in Ne Yq-k (a , ed in hi ec ion, he S a e q-  
Ne Yq-k ) and i de-i ed f-om o- ce- ha a-e gene-all a ailable o in e q- , incl ding b- no limi ed o he  
Ne Yq-k S a e Di i ion of he B- dge and he Ne Yq-k Ci- Office of Managemen and B- dge . The info-ma ion i  
in ended o gi e a -ecen hi q-ical de- ip ion and i no in ended o indica e f- -e q- con in ing -end in he  
financial q- o he- po i ion of Ne Yq-k. S- ch info-ma ion ha no been independenl e-ified b a Pq- folio, and a  
Pq- folio a , me no -e pon ibili fa- he comple ene q- acc- -ac of , ch info-ma ion. I hold be no ed ha he  
c-edi q- hine of obliga ion i , ed b local Ne Yq-k i , e- ma be , n-ela ed o he c-edi q- hine of  
obliga ion i , ed b Ne Yq-k Ci- (a , ed in hi ec ion, he Ci- q- Ne Yq-k Ci- ) and S a e agencie , and  
ha he-e i no obliga ion on he pa- of Ne Yq-k S a e o make pa men on , ch local obliga ion in he e en of  
defa l .

localities have local assistance payments have been paid or authorized, and the arrangements, if local assistance payments are delayed, the affected localities could seek additional State assistance.

Over the near and long term, New York and New York City may face economic problems. New York City accounts for a large portion of the State's population and personal income, and New York City's financial health affects the State in numerous ways. New York City continues to experience significant financial assistance from the State and depends on State aid to both enable it to balance its budget and to meet its cash requirements. The State could also be affected by the ability of the City to make investments, especially in the public credit market.

New York's additional impacted by the health-related and economic effects of the COVID-19 pandemic. Efforts to respond to and mitigate the spread of COVID-19 had a negative impact on the New York and national economic and budgetary policies in the market.

To help address the public health and economic impact of COVID-19, the federal government passed the CARES Act, which provided for approximately \$2.2 trillion in disaster relief. Among other things, the CARES Act established the CRF, of which New York received approximately \$5.1 billion. In March 2021, the American Rescue Plan Act was signed into law, which provided an additional \$350 billion in emergency funding for state, local, territorial, and Tribal governments. New York allocated approximately \$12.7 billion in American Rescue Plan funds. A failure by New York to meet its debt obligations could lead to a significant decline in the state, local, and marketability of portfolios in the market. The current economic environment may also have a negative impact on the economy of the State.

The budget for fiscal year 2023-24 (2023-24 Enacted Budget) was adopted on March 3, 2023. The 2023-24 Enacted Budget allocated total General Fund revenue of approximately \$100.5 billion, which represents an increase of \$2.7 billion from fiscal year 2022-23. The 2023-24 Enacted Budget projected personal income tax revenue of approximately \$60.4 billion (an increase of \$10.0 billion from fiscal year 2022-23), compensation and retirement revenue of approximately \$18.4 billion (an increase of \$1.6 billion from fiscal year 2022-23), and business receipts of approximately \$9.3 billion (a decrease of \$1.1 billion from fiscal year 2022-23). Again, however, the 2023-24 Enacted Budget provides for approximately \$104.4 billion in expenditures, which represents an increase of \$11.6 billion from fiscal year 2022-23. State agency operations expenditures are also expected to total \$21.0 billion, a decrease of \$657 million from fiscal year 2022-23. The 2023-24 Enacted Budget projects that the closing balance of the General Fund at the end of fiscal year 2023-24 will be approximately \$25.9 billion, a decrease of \$1.6 billion from fiscal year 2022-23.

In October 2023, the New York State Division of the Budget (DOB) provided a mid-year update to the financial projections for fiscal year 2023-24. DOB estimates that General Fund revenue is expected to total \$100.3 billion in fiscal year 2023-24. The personal income tax revenue projection is adjusted downward to \$59.7 billion, which is a partial offset by a projection of the business receipts and compensation and retirement revenue projection, which is increased to \$9.8 billion and \$18.1 billion, respectively. DOB also estimates that General Fund expenditures are expected to total \$100.9 billion in fiscal year 2023-24. DOB projects that state agency operations expenditures are expected to total \$20.5 billion. Therefore, the end of the year projection, DOB estimates that the General Fund would end fiscal year 2023-24 with a cash balance of \$29.5 billion.

In January 2024, the Governor introduced the Proposed Executive Budget Financial Plan for fiscal year 2024-2025 (2024-25 Governor's Budget). The 2024-25 Governor's Budget projects \$106.5 billion in General Fund receipts, an annual increase of \$1.5 billion from the estimate for fiscal year 2023-24. The receipts are expected to consist of \$63.0 billion in personal income tax revenue (an increase of \$2.2 billion from fiscal year 2023-24), \$18.3 billion in compensation/retirement receipts (an increase of \$253 million from fiscal year 2023-24), and \$9.8 billion in business receipts (a decrease of \$277 million from fiscal year 2023-24). Again, however, the 2023-24 Governor's Budget call for \$107.6 billion in General Fund expenditures, an increase of \$4.1 billion from the estimate for fiscal year 2023-24.

New York's population and climate change, including hurricanes. Such events have, in the past, resulted in significant disruption of the New York economy and led to a substantial expenditure from the state government.

The State's economy continues to face significant risks, including, but not limited to, the effects of: national and international events; climate change, especially sea level rise and other natural disasters; pandemic; and inability in the



Euro Zone and eastern Europe; major economies; household income; social issues; population shift; change in international trade policies, consumer confidence, oil supply and oil price; budget deficit; Federal Reserve

Pr. o Rico Elec. ic Po. e. A. ho-i , h-ee of he la-ge i , e- of Common eal h deb . The O e- igh Boa-d i -e , i-ed b la o -remain in place , n il, ba ed on a di ed financial , fo- con ec i e fi cal ea- ha e ended i h balanced ope-a ion and Pr. o Rico ha demon -a ed affo-dable ma-ke acce o ho- -e-m and long-e-m c-edi ma-ke a -ea onable in e-e -a e .

The Common eal h ha been in bank- p c p-oceeding fo- app-o-ima el e en ea- . Ho e e- , in he fi- , a- e- of 2022, he cen-al go e-nmen of Pr. o Rico e-ec ed a deb e- change and e-ied bank- p c , hich impac ed a majo-i of Pr. o Rico' o- anding deb . A deb adj- men plan ( he -Plan ) a app-o ed b Pr. o Rico' bank- p c co- in Jan- a- 2022, and he deb e- change became effec i e in Ma-ch 2022. Pr. o Rico' di-ec deb obliga ion e-e -ed ced f-om \$34.3 billion o \$7.4 billion, and i ann- al deb e- ice a -ed ced f-om \$4.2 billion o \$1.15 billion.

The Plan -e , i-e ha Pr. o Rico adop deb managemen policie in a-de- o en , -e ha deb e- ice doe no become , nmanageable. The policie dic a e, among o he- hing , ha deb p-oceed ma onl be , ed o f nd capi al p-ojec and ha deb o co e- defic i ill no longe- be accep able. Fr , -e deb -ef nding a-e -e , i-ed o -e , l in ca h flo a ing each fi cal ea- and ma no -ai e p-incipal. Addi onall , ne deb i -e , i-ed o begin amo- i- ing i hin o ea- and ma no ha e a ma , -i g- ea e- han 30 ea- .

The Plan ha , b aniall -ed ced he o- anding deb obliga ion of Pr. o Rico and ce-ain of i in -men ali e , b he-e can be no a , -ance ha Pr. o Rico ill be able o nego ia e e lemen i h -e pec o i -remaining o- anding deb and Tile III p-oceeding . In addi ion, he compo i ion of he O e- igh Boa-d ha changed ignificanl in -ecen ea- , and he-e can be no g-a-an ee ha he membe- of he O e- igh Boa-d ill app-o e f , -e -e -i c , -ing ag-ee-men i h o he- c-edi o- .

The b-dge p-oce ill con in e o -e , i-e he O e- igh Boa-d, he go e-no- of Pr. o Rico, and Pr. o Rico' Legi la i e A embl o de elop a b-dge ha complie i h he fi cal plan de eloped b he O e- igh Boa-d and he go e-no- of Pr. o Rico. The 2023 fi cal plan a ce-ified b he O e- igh Boa-d on Ap-il 3, 2023 ( -2023 Fi cal Plan ). The 2023 Fi cal Plan p-ojec ion -eflec \$12.8 billion of Gene-al F nd -e en e (po -mea , -e ) fo- fi cal ea- 2024, hich incl de e ima ed pe- onal income a- -ecep of \$2.6 billion, ale and , e- -ecep of \$2.7 billion, and co-p-a ion a- -ecep of \$4.3 billion. Again he e- e en e , he 2023 Fi cal Plan p-ojec ion -eflec \$12.7 billion of Gene-al F nd e-pendi , -e fo- fi cal ea- 2024. The 2023 Fi cal Plan al o con epla e ha he Common eal h f nd ce-ain e- -pen e h-o- gh Special Re en e F nd , hich a-e f nded f-om, among o he- o- -ce , a- -e en e -an fe- -ed b a , e , fee and cha-ge fo- e- ice b agencie , di idend f-om p- blic co-p-a ion , and financing p-oceed . The 2023 Fi cal Plan no e ha h-o- gh , cce i e fede-al im- b and -eco e- package , Pr. o Rico ha -eeci ed app-o-ima el \$120 billion in fede-al f nd , and he 2023 Fi cal Plan a , me f ll deplo men of he e f nd b 2035.

On J- ne 30, 2023, he b-dge fo- fi cal ea- 2024 a ce-ified. The fi cal ea- 2024 b-dge p-o ide fo- Gene-al F nd e-pendi , -e of app-o-ima el \$12.7 billion. Gene-al F nd alloca ion in he fi cal ea- 2024 b-dge o ed ca ion, heal h ca-e, and economic de elopmen e-e app-o-ima el \$2.6 billion, \$1.5 billion, and \$64.1 million, -e pec i el .

The Common eal h' b-dge i impac ed b e- en i e , nf nded pen ion obliga ion -ela ed o i -e i-emen em , hich incl de he Emplo ee Re i-emen S em, he Teache- Re i-emen S em, and he J- dicia- Re i-emen S em. The Common eal h' pen ion em ope-a e on a , pa -a - o- -go ba i , and he Gene-al F nd ha a , med an pa men ha he pen ion em co- ld no make. A a- e , l, he Common eal h ma ha e fe- -e o- -ce fo- o he- p-ia- i e , incl ding pa men on i o- anding deb obliga ion . Al e-na i el , he Common eal h ma be fo- ced o -ai e -e en e o- i , e addi onal deb . Ei he- o- come co- ld inc- ea e p- e , -e on he Common eal h' b-dge , hich co- ld ha e an ad e- e impac on a Po- folio' in e men in Pr. o Rico.

In e o- ho- ld be a a- e ha Pr. o Rico -elie hea il on -an fe- f-om he fede-al go e-nmen -ela ed o pecific p-o- am and ac i i e in he Common eal h. The e -an fe- incl de, among o he- , en i lemen fo- p- e io l pe-fo-med e- ice , o- ho e- -e , l ing f-om con-ib ion o p-o- am , ch a Social Sec- i , Ve- e-an ' Benefi , Medica- e and U.S. Ci il Se- ice -e i-emen pen ion , a ell a g-an , ch a N- i onal A i ance P-o- am g-an and Pell G-an chola- hip fo- highe- ed ca ion. The- e i con ide-able , nce-ain abo hich fede-al polic change ma be enac ed in he coming ea- and he economic impac of ho e change . De o he

Commonwealth's dependence on federal assistance, an action has reduced overall effective demand making economic recovery in Puerto Rico, which makes a negative impact on the ability of the Commonwealth municipal economy.

There can be no assurance that the Commonwealth will not continue to face effective fiscal stress which circumnavigates will not become even more difficult in the future. Furthermore, there can be no guarantee that the development will not have a materially adverse impact on the Commonwealth's finances. An further deterioration in the Commonwealth's financial condition makes a negative effect on the payment of principal and interest, the municipality, liability of the economy is reduced by the Commonwealth, which could reduce the performance of a Portfolio.

Since PROMESA was enacted, there has been a major legal proceeding initiated by creditors of Puerto Rico and other contributors. The group represented a number of complex legal claims has questioned the efficacy and validity of PROMESA, calling into question the validity of Oversight Board appointment. The U.S. Supreme Court, Limuel decided that the appointment of the members of the Oversight Board is valid. In addition, certain Title III proceeding remain ongoing and certain Plan of Adjustment remain subject to judicial action. The Commonwealth, its officials and employees are named a defendant in legal proceeding that occur in the normal course of government operations. Some of these proceedings in other claims for a banial amount, which if decided against the Commonwealth might reduce the Commonwealth's ability to make significant expenditures for a banial impairment of the economy. Because of the potential negative effect of these proceedings, it is not possible to predict the likelihood of such proceedings, the potential impact on the ability of the Commonwealth to pay debt service contribution obligations, or determine the impact, if any, of such proceedings on a Portfolio investment.

In September 2017, two consecutive hurricanes Irma and Maria caused severe damage to Puerto Rico. The Commonwealth's infrastructure was severely damaged by high winds and banial flooding, including damage to the Commonwealth's water, power, and telecommunication infrastructure, and resulted in more than 1 million people losing power. In late December 2019 and January 2020, a series of earthquakes, including a magnitude 6.4 earthquake the longest of his island in more than a century, caused an estimated \$200 million in damage. The aftermath from these earthquakes makes continuing recovery, and it is not possible to predict the extent of the damage that could arise from an aftermath. The full extent of the natural disaster's impact on Puerto Rico's economy and foreign investment in Puerto Rico is difficult to estimate. There can be no assurance that the catastrophic earthquake and natural disaster will not cause similar damage to Puerto Rico which will receive the necessary aid to rebuild from the damage caused by such catastrophic earthquake and natural disaster.

In addition, the Commonwealth's significant impact by COVID-19. Efforts to prevent and mitigate the spread of COVID-19 had a negative impact on the Commonwealth and national economy. In March 2020, the Oversight Board authorized the Commonwealth to implement a \$787 million relief package to fight the pandemic and its economic impact, of which \$500 million is incremental net spending made available through a special appropriation. Reduction in the Commonwealth's revenue as a result of the pandemic could have a negative effect on the ability of the Commonwealth to meet its debt service obligations, including the special debt held by a Portfolio. Further, Congress passed the CARES Act in March 2020, which provided for approximately \$2.2 billion in disaster relief. Among other things, the CARES Act established the CRF, from which Puerto Rico received \$2.2 billion. In March 2021, the American Rescue Plan Act signed in law, which provided an additional \$350 billion in emergency funding for state, local, territorial, and Tribal governments, including \$4.5 billion specifically for relief of U.S. territories. A failure by Puerto Rico to meet its debt obligations could lead to a significant decline in the ability, liability, and makeability of Portfolio investment. The current economic environment may have a negative effect on the economy of the Commonwealth.

As of the date of this SAI, S&P, Moody's and Fitch each have indicated a heightened rating of Puerto Rico's general obligation debt. The individual effect of the rating agencies, an explanation of which may be obtained from each rating agency. There is no assurance that the individual will continue to assign a period of time that will not be reduced by the rating agency if, in the judgment of such rating agency, circumstances so warrant. A downward revision of a general obligation bond rating may have an adverse effect on the makeability of the economy is reduced by the Commonwealth and its political, business, investment, and liability.

## Mortgage-Related Securities and Asset-Backed Securities

Mortgage-related securities are in the pool of residential commercial mortgage loan, including mortgage loan made by a lender and loan in origin, mortgage banker, commercial bank and others. Such mortgage loan may include non-pe-fa-ming loan, which are loan contracted in default or close to default, and re-pe-fa-ming loan (RPL), which are loan that have previously been delinquent before they are securitized. Pool of mortgage loan are assembled into securities for sale to investors, generally, government-related and private organizations. See Mortgage Pass-through Securities below. Certain Portfolio of mortgage in debt securities which are securitized in the collateral consisting of mortgage-related securities (see Collateralized Mortgage Obligation).

The financial downturn of the late 2000 adversely affected the market for mortgage-related securities. The downturn is dramatic decline in the housing market, falling home prices and increasing foreclosures and unemployment, and significant economic downturn. Between 2008 and 2009, the market for mortgage-related securities (and other asset-backed securities) has particularly adversely impacted, among others, the failure of certain large financial institutions and the ensuing leading to the collapse of the U.S. Government of FNMA and FHLMC, as detailed below. The event, coupled with the general economic downturn, resulted in a substantial increase in the financial market, particularly in the price of mortgage-related securities. The event also has the U.S. Government would take similar actions to support the mortgage-related securities industry, which has in the past, hold the economic experience and downturn. Further, an increase in government action may significantly alter the market in which the mortgage-related securities market function. Each of these factors could, in the future, increase the risk that a Portfolio could realize losses on mortgage-related securities.

In the pool of mortgage-related securities differ from other forms of debt securities, which normally provide for periodic payments of interest in fixed amount in the principal payments as a specified call date. Instead, the securities provide a monthly payments which consist of both interest and principal payments. In effect, the payments are a payment of the monthly payments made by the individual borrower on their residential commercial mortgage loan, net of an fee paid to the issuer, a grant of a security. Additional payments are covered by payments of principal, resulting from the sale of the underlying property, refinancing or foreclosure, net of fee which may be incurred. Some mortgage-related securities (such as securities issued by GNMA) are designed as a modified payment structure. The securities entitle the holder to receive all interest and principal payments on the mortgage pool, net of certain fee, and the scheduled payments date regardless of the borrower's mortgage account, all make the payments.

The sale of prepayments on underlying mortgage will affect the price and volatility of a mortgage-related security, and may have the effect of increasing the effective duration of the security relative to the anticipated date of prepayment. To the extent that anticipated date of prepayments on underlying mortgage increases the effective duration of a mortgage-related security, the volatility of such security can be expected to increase. The residential mortgage market in the United States has experienced in the past, and could experience in the future, difficulties that may adversely affect the performance and market value of certain of the Portfolio's mortgage-related securities. Delinquency, default and losses on residential mortgage loan may increase, but an overall decrease in prepayment. A decline in the refinancing of housing alternatives may exacerbate, such delinquency and losses on residential mortgage. Borrower's adjustable rate mortgage loan are more likely to change in interest rate, which affect their monthly mortgage payments, and may be subject to replacement mortgage as comparable in the future. As a result of the 2008 financial crisis, a number of residential mortgage loan originated experienced serious financial difficulties or bankruptcy. Originating of the foregoing, reduced in the demand for mortgage loan and mortgage-related securities and increased in the yield, which may be limited liability in the secondary market for certain mortgage-related securities, which adversely affected the market value of mortgage-related securities. It is possible that such limited liability in the secondary market could result in the future.

The principal governmental guarantor of mortgage-related securities is GNMA. GNMA is a wholly owned United States Government corporation within the Department of Housing and Urban Development. GNMA is authorized to guarantee, in the full faith and credit of the United States Government, the timely payments of principal and interest on securities issued by originators (such as lenders and loan originators, commercial banks and mortgage bankers) and backed by pool of mortgage in the United States Federal Housing Administration (the FHA), or guaranteed by the Department of Veterans Affairs (the VA).

Government-Related Guarantees (i.e., not backed by the full faith and credit of the United States Government) include FNMA and FHLMC. FNMA is a government-sponsored enterprise. FNMA purchases conventional (i.e., not insured or guaranteed by a government agency) residential mortgage loans from a list of approved lenders which

In addition, certain high priority holders of mortgage-backed securities issued by FNMA and FHLMC, under the operation of documents related to such securities may not be enforced against FHFA, or enforcement of such documents may be delayed, during the contestation and settlement process. The operation of documents for FNMA and FHLMC mortgage-backed securities may provide (or in the past provided) priority of the date of the

■ ■ c G E C c ■ ■ ■ c G E C c -L c ■ GSE c-edi -i k -an fe-  
ec- i ie a-e gene-al obliga ion i , ed b a GSE and a-e , ng a-an eed and , n ec -ed. GSE c-edi -linked no e a-e  
imila, e/cep ha he no e a-e i , ed b an SPV, -a he- han b a GSE, and he obliga ion of he SPV a-e  
colla e-alied b he no e p-oceed a in e ed b he SPV, hich a-e in e ed in ca h α- hα- -e-m ec- i ie .  
Al ho gh bo h GSE c-edi -i k -an fe- ec- i ie and GSE c-edi -linked no e a-e , ng a-an eed, obliga ion of an SPV  
a-e al o no back opped b he Depa- men of Tea , - α- an obliga ion of a GSE.

The -i k a ocia ed i h he e in e men a-e diffe-en han he -i k a ocia ed i h an in e men in  
mα- gage-backed ec- i ie i , ed b GSE α- a p- i a e i , e-. If a GSE fail o pa p-incipal α- in e-e on i c-edi  
-i k -an fe- α- goe h-o gh a bank, p c , in ol enc α- imila- p-oceeding, holde- of , ch c-edi -i k -an fe- ill

go e-nmen - pon a-ed en i g a-an ee. A a-e , l , he ma- gage loan , nde- l ing p-i a el i , ed ma- gage-ela ed ec- i ie ma , and f-e , en l do, ha e le fa a-able colla e-al, c-edi -i k a- o he , nde- -i ing cha-ac e-i ic han go e-nmen a- go e-nmen - pon a-ed ma- gage-ela ed ec- i ie and ha e ide- a-iance in a n mbe- of e-m incl ding in e-e -a e, e-m, i-e, p- -po e and ba- o e- cha-ac e-i ic . Ma- gage pool , nde- l ing p-i a el i , ed ma- gage-ela ed ec- i ie ma-e f-e , en l incl de econd ma- gage , high loan- o- al e -a io ma- gage and man- fac , -ed ho- ing loan , in addi ion o comme- cial ma- gage and o he- pe of ma- gage he-e a go e-nmen a- go e-nmen - pon a-ed en i g a-an ee i no a ailable. The co- pon- a e and ma- , -i ie of he , nde- l ing ma- gage loan in a p-i a el -i , ed ma- gage-ela ed ec- i ie pool ma a- o a g- ea e- e- en han ho e incl ded in a go e-nmen g a-an eed pool, and he pool ma incl de , bp-ime ma- gage loan . S- bp-ime loan a-e loan made o ba- o e- i h eakened c-edi hi a- ie a- i h a lo e- capaci o make imel pa men on hei- loan . Fo- he e -ea on , he loan , nde- l ing he e ec- i ie ha e had in man ca e highe- defa l -a e han ho e loan ha mee go e-nmen , nde- -i ing -e , i-emen .

The -i k of non- pa men i g- ea e- fa- ma- gage-ela ed ec- i ie ha a-e backed b loan ha e-e a-igina ed , nde- eak , nde- -i ing anda- d , incl ding loan made o ba- o e- i h limi ed mean o make- epa men . A le el of -i k e- i- fa- all loan , al ho gh, hi a- icall , he poa- e pe- fa- ming loan ha e been ho e cla ified a , bp-ime. O he- pe of p-i a el i , ed ma- gage-ela ed ec- i ie , , ch a ho e cla ified a pa -op ion adj- able -a e a- . Al -A ha e al o pe- fa- med poa- l . E en loan cla ified a p-ime ha e e- pe- ienced highe- le el of delin , encie and defa l . The , b anial decline in -eal p- ope- al e ac- o he U.S. ha e- ace- ba ed he le el of lo e ha in e a- in p-i a el i , ed ma- gage-ela ed ec- i ie ha e e- pe- ienced. I i no ce- ain hen he e -end ma -e e- e. Ma- ke fac a- ha ma ad e- el affec ma- gage loan -epa men incl de ad e- e economic condi ion , nemplo men , a decline in he al e of -eal p- ope- , a- an inc- ea e in in e-e -a e .

P- i a el i , ed ma- gage-ela ed ec- i ie a- e no -aded on an e- change and he- e ma be a limi ed ma- ke fa- he ec- i ie , e pe- ciall hen he- e i a pe- cei ed eakne in he ma- gage and- eal e a e ma- ke ec a- . Wi ho- an ac i e -ading ma- ke , ma- gage-ela ed ec- i ie held in a Pa- folio' pa- folio ma be pa- ic la- l diffic l o al e beca e of he comple- i ie in ol ed in a e ing he al e of he , nde- l ing ma- gage loan .

The Pa- folio ma p- -cha e p- i a el i , ed ma- gage-ela ed ec- i ie ha a- e a-igina ed, packaged and e- iced b hi- d pa- en i ie . I i po- ible he e hi- d pa- ie co- ld ha e in e-e ha a- e in conflic i h he holde- of ma- gage-ela ed ec- i ie , and , ch holde- ( , ch a a Pa- folio) co- ld ha e -igh again he hi- d pa- ie a- hei- affilia e . Fo- e- ample, if a loan a-igina a- , e- ice- a- i affilia e engaged in negligence a- illf l mi cond c in ca- ing o- i d ie , hen a holde- of he ma- gage-ela ed ec- i co- ld eek -eco- e again he a-igina a- / e- ice- a- i affilia e , a applicable. Al o, a a loan a-igina a- / e- ice- , he a-igina a- / e- ice- a- i affilia e ma make ce- ain -ep- e ena ion and a- an ie -ega- ding he , ali of he ma- gage and p- ope- ie , nde- l ing a ma- gage-ela ed ec- i . If one a- ma- e of ho e -ep- e ena ion a- a- an ie i fal e, hen he holde- of he ma- gage-ela ed ec- i ie ( , ch a a Pa- folio) co- ld -igge- an obliga ion of he a-igina a- / e- ice- a- i affilia e , a applicable, o- ep- -cha e he ma- gage f- om he i , ing - .

No i h anding he fa- egoing, man of he hi- d pa- ie ha a- e legall bo- nd b - , and o he- doc- men ha e failed o pe- fa- m hei- -e pec i e d- ie , a ip- la ed in , ch - , and o he- doc- men , and in e a- ha e had limi ed , cce in enfo- cing e- m . To he e- en hi- d pa- en i ie in ol ed i h p- i a el i , ed ma- gage-ela ed ec- i ie a- e in ol ed in li ga ion -ela ing o he ec- i ie , ac ion ma be aken ha a- e ad e- e o he in e-e of holde- of he ma- gage-ela ed ec- i ie , incl ding he Pa- folio . Fo- e- ample, hi- d pa- ie ma eek o i hhold p- oceed d e o holde- of he ma- gage-ela ed ec- i ie , incl ding he Pa- folio , o co- e- legal a- -ela ed co- . An , ch ac ion co- ld- e , l in lo e o he Pa- folio .

Ma- gage-ela ed ec- i ie ha a- e i , ed a- g a-an eed b he U.S. Go e-nmen , i agencie a- in - men ali ie , a- e no , bjec o he Pa- folio' ind- - concen- a ion -e -ic ion , e fa- h , nde- . In e men Re -ic ion b -i- , e of he e- cl- ion f- om ha e a ailable o all U.S. Go e-nmen ec- i ie . The a e , nde- l ing p- i a el i , ed ma- gage-ela ed ec- i ie ma be -ep- e en ed b a pa- folio of -e iden ial a- comme- cial ma- gage (incl ding bo h hole ma- gage loan and ma- gage pa- icipa ion in e-e ha ma be enio- a- j- nio- in e- m of p- io- i of -epa men ) a- pa- folio of ma- gage pa - h- o gh ec- i ie i , ed a- g a-an eed b GNMA, FNMA a- FHLMC. Ma- gage loan , nde- l ing a ma- gage-ela ed ec- i ma in , -n be in , -ed a- g a-an eed b he FHA a- he VA. In he ca e of p- i a el i , ed ma- gage-ela ed ec- i ie ho e , nde- l ing a e a- e nei he- U.S. Go e-nmen ec- i ie no- U.S. Go e-nmen -in , -ed ma- gage , o he e- en ha -eal p- ope- ie ec- ing , ch a e ma be loca ed in he ame geog- a phical -egion, he ec- i ma be , bjec o a g- ea e- -i k of defa l han



o he- compa-able ec-ri ie in he e en of ad e- e economic, poli ical a- b ine de elopmen ha ma affec , ch



CMO deals are generally purchased and sold bilaterally in the over-the-counter market in the men banking firm acting as broker or dealer. Transaction in CMO deals are generally completed only after careful review of the characteristics of the securities in question. In addition, CMO deals may also be an example of an

default, increased in the case of default due to collateral default and disappearance of proceeds. In addition, make an assumption of default, a well as a definition of CBO, CLO or other CDO structure as a class.

The risk of an investment in a CBO, CLO or other CDO depends largely on the type of the collateral structure and the class of the investment in which a Portfolio is held. Normally, CBO, CLO and other CDO are paid a fee offered and sold, and hence, are not regulated under the securities laws. Please refer to the Illinois Investment Code for the definition of "regulated investment" and "investment" in the Illinois Code. In addition to the normal risk associated with fixed income securities discussed above in the Statement of Additional Information

are subject, direct or indirect, to a risk associated with the relationship of real estate, including change in the general economic climate or local conditions, including reduced demand for commercial and office space and all increased maintenance or renovation improvement costs or other, e.g., default risk of tenants and borrowers, the financial condition of tenants, buyers and sellers, and the inability to lease space on a vacant premises to obtain mortgage financing on a similar basis at all, local or condemnation, increase in operating and operating expenses, zoning law amendments, change in interest rates, overbuilding and increased competition, including competition based on rental rates, variation in market value, change in the financial condition of tenants, change in operating costs, vacancies and location of the premises, adverse change in the real estate market generally or in specific sectors of the real estate industry and possible environmental liabilities. Real estate-related

The activities of U.S. bank and non-U.S. bank have been comprehensively regulated which, in the case of U.S. regulation, have undergone substantial change in the past decade and are currently being legislated and regulated in. The enactment of new legislation on regulation, as well as change in interpretation and enforcement of existing law, may affect the manner of operation and profitability of U.S. and non-U.S. banks. Significant developments in the U.S. banking industry have included increased competition from other types of financial institutions, increased activities and geographic expansion. Bank may be particularly susceptible to certain economic factors, such as interest rate change and asset development in the market for real estate. Fiscal and monetary policy and general economic cycles can affect the availability and cost of funds, loan demand and asset quality and hence impact the earnings and financial condition of banks.

U.S. and global markets have experienced increased volatility, including a sharp fall of the recent failure of certain U.S. and non-U.S. banks, which could be harmful to the portfolio and interest in which they invest. For example, if a bank which has a portfolio of interest, has an account failure, an cash flow of the bank could be affected, which may be substantial in size, could be emprounably inaccrable or permanent loss to the portfolio of interest. If a bank has provided a credit line facilities, a reduced facilities, or the credit facilities and/or other services on interest of a fund failure, the interest of fund could be unable to default, thereby credit facilities could obtain replacement credit facilities or the services from other lending institutions in a similar manner.

Interest in which a portfolio may invest can be affected by volatility in the banking sector. Even if bank-related interest in which the portfolio invests remain solid, continued volatility in the banking sector could contribute to, cause or intensify an economic recession, increased cost of capital and banking services, as well as the interest, being unable to obtain refinancing indebtedness as all or a substantial amount of the interest has been obtained. Conditions in the banking sector are evolving, and the scope of any potential impact on the portfolio and interest, both from market conditions and all potential legislative or regulatory proposals, are uncertain. Such conditions and proposals, as well as a changing interest rate environment, can contribute to decreased market liquidity and overall value of certain holdings, including those of U.S. and non-U.S. banks. Continued market volatility and uncertain and/or downward in market and economic and financial conditions, as well as developments in the banking industry or other interests (including a sharp fall of delayed access to cash credit facilities), could have an adverse impact on the portfolio and interest in which they invest.

The *CL* - *R.G* may invest in the same type of bank obligations as the other *CL* - *R.G* but the market be U.S. dollar-denominated. Subject to the Trust's limitation on concentration of no more than 25% of its total assets in the equity of interest in a particular industry, as depicted in the Investment Policy Statement below, there is no additional limitation on the amount of a portfolio's assets which may be

economic development, has the obligation to make the comparable obligation of United States bank, has a foreign jurisdiction might impose the holding arrangement on the income payable on the obligation, has a foreign deposit may be established, has a foreign governmental jurisdiction, which a exchange control may be adopted which might adversely affect the payment of principal and interest on the obligation and the election of the obligation may be more difficult because the public available information concerning foreign bank accounting, auditing and financial reporting standards, practice and procedures applicable to foreign bank may differ from those applicable to United States bank. Foreign bank are not generally subject to examination by United States Government agencies in the United States.

## Loans and Other Indebtedness, Loan Participations and Assignments

Each Portfolio, and certain Underlying PIMCO Fund, may purchase indebtedness and participation in commercial loan, as well as in the and/or the issuing of similar high yield loan. Such income may be secured or, non-secured and may be newly originated (and may be specifically designed for a Portfolio). Indebtedness is differentiated from additional debt securities in that debt securities are part of a larger issue of securities of the public. The debt securities may not be a security and may represent a specific commercial loan or a bond. Loan participation is typically represented by debt participation, together with the parties, in a loan or a corporate bond, and generally are offered by bank or other financial institution or lending institution. The Portfolio may participate in, which indication, can be part of all of a loan. When purchasing indebtedness and loan participation, a Portfolio may, may be the credit risk associated with the corporate bond and may, may be the credit risk associated with the insured bank or other financial institution. The indebtedness and loan participation has a Portfolio may, may be made by an institution recognized as an issuer.

A loan is often administered by an agent bank acting as an agent for all holders. The agent bank administers the terms of the loan, as specified in the loan agreement. In addition, the agent bank is normally responsible for the collection of principal and interest payments from the corporate bond and the appointment of the payment of the credit of all interest, which are part of the loan agreement. Unless, under the terms of the loan or the indebtedness, a Portfolio has direct recourse against the corporate bond, the Portfolio may have no claim on the agent bank or other financial institution to apply appropriate remedies against a corporate bond. This may, subject to the Portfolio of delay, expense and risk has a separate handling of the Portfolio would be in order if the Portfolio could enforce its right directly against the corporate bond. Also, in the event of the insolvency of the lender or insured bank or other financial institution, the Portfolio may participate in the Portfolio, the Portfolio may not have an explicit or implied claim in respect of the lender's interest in the corporate loan, or in an collateral securing the corporate loan. If the Portfolio has purchased the whole loan, the Portfolio would generally, may be all of the right of the lender in a commercial loan, including the right to receive payments of principal and interest and to have a right to direct from the bond and to enforce its right to a lender directly against the bond.

A financial institution's employment of an agent bank might be eliminated in the event that it fails to operate as intended or is replaced by another agent bank or all generally be appointed to replace the eliminated agent bank, and as held by the agent bank under the loan agreement would remain available to holders of such indebtedness. However, if as held by the agent bank for the benefit of a Portfolio are determined to be subject to the claim of the agent bank's general creditors, the Portfolio might incur certain costs and delays in realizing payments on a loan or loan participation and could suffer a loss of principal and interest. In addition, in the event of insured financial institution (e.g., an insurance company or governmental agency) similar risk may arise.

Purchase of loan and other form of direct indebtedness depend primarily upon the creditworthiness of the corporate bond or the payment of principal and interest. If a Portfolio does not receive a check led in the principal payments on such indebtedness, the Portfolio's share price and yield could be adversely affected. Loan has a full secured offer a Portfolio more protection than a non-secured loan in the event of non-payment of check led in the principal. However, the insurance has the liability of collateral from a secured loan would be if the corporate bond's obligation, or the collateral can be liquidated. In the event of the bankruptcy of a bond, a Portfolio could experience delay or limitation in its ability to realize the benefit of an collateral securing a loan.

The Portfolio may, may be loan participation with credit, all comparable to that of the issue of the securities in the market. Indebtedness of companies whose creditworthiness is poor in order, by a general, and may be highly speculative. Some companies may have a payoff of the indebtedness, or may pay only a small fraction of the





Each Portfolio manager acquires the original fixed-rate loan on a balance. Direct loan between a Portfolio and a balance manager may be administered by an independent agent bank. The Portfolio manager provide financing of





capacity to meet its financial commitments on the obligation. Fitch de-rate corporate issues rated BBB as having good credit quality which reduces the expectation of default. The capacity for payment of financial commitments is considered adequate, but adequate in a weak economic condition are more likely to impair this capacity. For a discussion of corporate issues rated below investment grade, see High Yield Securities (Junk Bond) and Securities of

When electing debt securitization for a Portfolio, and developing an independent analysis of it, a C-EDI, also. If a C-EDI is an agency change holding of a debt securitization held by a Portfolio, the Portfolio may retain the securitization if PIMCO deems it in the best interests of the holder.

### Creditor Liability and Participation on Creditors' Committees

Generally, when a Portfolio holds bond or other similar fixed income securities of an issuer, a Portfolio becomes a creditor of the issuer. If a Portfolio is a creditor of an issuer, it may be subject to challenge related to the securities it holds, either in connection with the bankruptcy of the issuer or in connection with another action brought by the creditor of the issuer, the holder of the issuer's securities. Although, under no obligation to do so, PIMCO, as an agent of a Portfolio, may from time to time have an opportunity to consult, on behalf of a Portfolio and other similar interested clients, negotiating or otherwise participating in the restructuring of the Portfolio's securities in the event of a change in the issuer. PIMCO, in its judgment and discretion and based on the consultation deemed by PIMCO to be relevant, may believe that it is in the best interests of a Portfolio or negotia e or other interested parties in restructuring. Accordingly, and subject to applicable procedures approved by the Board of Trustees, a Portfolio may from time to time participate on committees formed by the issuer or other parties in the management of financial restructuring of the Portfolio. Such participation may be subject to a Portfolio's expenses, such as legal fees and may make a Portfolio an agent of the issuer for purposes of the federal securities laws, and therefore may be subject to the Portfolio's ability to take in connection with additional positions in a particular security. When it might otherwise be desirable to do so, participation by a Portfolio on such committees also may involve the Portfolio's potential liability, under the federal bankruptcy laws, or the liability going to the creditor and debtor. Similarly, subject to the abovementioned procedures, PIMCO may act as a participant in bankruptcy proceedings and related proceedings on behalf of a Portfolio in order to protect the Portfolio's interests in connection with a restructuring transaction, and PIMCO may cause a Portfolio to enter into an agreement reasonably indemnifying the Portfolio against the Portfolio's attorney's legal fees and other costs of the proceedings, including participation in the proceedings with the Portfolio in a restructuring transaction, such as a trustee, executor and other holder. Further, PIMCO has the authority, subject to the abovementioned procedures, to represent the Trust, or a Portfolio (or the trustee, on behalf of the committee (or similar committee) or otherwise in connection with the restructuring of an issuer's debt and generally in respect to challenge related to the securities held by the Portfolio relating to the bankruptcy of an issuer or in connection with another action brought by the creditor of the issuer, the holder of the issuer's securities.

### Variable and Floating Rate Securities

Variable and floating rate securities provide for a periodic adjustment in the interest rate paid on the obligation. The terms of such obligations may provide for a variable or adjustable periodically based upon an interest rate adjustment index or a provided in the specific obligation. The adjustments may be negative, and change from daily, pro-rata, or may be entered based, such as based on a change in the price.

Certain Portfolio may invest in floating rate debt instruments (floating rate) and engage in credit purchase. The interest rate on a floating rate variable rate which is tied to another interest rate, such as a money market index or Treasury bill rate. The interest rate on a floating rate securities periodically, typically every month. While, because of the interest rate sensitive feature, floating rate provide a Portfolio with a certain degree of protection against a decline in the interest rate, a Portfolio will participate in a decline in the interest rate as well. A credit purchase is an investment position relating to a difference in the price of the securities of the issuer, the value of the investment position is determined by movements in the difference between the price of the securities, as the cause may be, of the specific securities.

Each of the Portfolio may also invest in interest rate floating rate debt instruments (floating rate). The interest rate on an interest rate floating rate securities in the opposite direction from the market rate of interest which the interest rate floating rate index. An interest rate floating rate securities may exhibit greater volatility than a fixed rate obligation of similar credit quality. Each Portfolio may invest, up to 5% of its total assets in a combination of mortgage-related and other asset-backed IO, PO, or interest rate floating rate securities. See Mortgage-Related and Other Asset-Backed Securities for a discussion of IO and PO. To the extent permitted by each Portfolio's investment objectives and general investment policies, a Portfolio may invest in residential mortgage-backed securities. The maximum dollar amount in the

bond generally include tender option bond which is ideal in case of certificate and in some cases designed to receive the ideal in case of payment of the certificate cash flow from collateral pool once the holder in case of holder and expense have been paid.

### **Inflation-Indexed Bonds**

Inflation-indexed bond are fixed income securities whose principal value is periodically adjusted according to the rate of inflation. These securities are common. The U.S. Treasury and some other issuers have issued securities that have accrued inflation in the principal value of the bond. Most of these are part of the Consumer Price Index (CPI) adjusted annual payments of a semiannual coupon.

Inflation-indexed securities issued by the U.S. Treasury have maturities of five, ten or thirty years, although they

off-ho-e-en i ie ( , ch p-ecial p-ipo-e-en i ie a-e c-ea ed o accompli h a na-o and ell-defined objec i e, , ch a he i , ance of a no e in connec ion i h a -ein , -ance -an ac ion). If a -igge- e-en ca- e lo e e xceeding a p-ecific amo-n in he geog-aphic -egion and ime pe-iod p-ecified in a bond, a Pa- folio in e ing in he bond ma lo e a pa- ion -all of i p-incipal in e ed in he bond. If no -igge- e-en occ- , he Pa- folio ill -eco- e- i p-incipal pl- in e-e . Fo- ome e-en -linked bond , he -igge- e-en -lo e ma be ba ed on compan - ide lo e , inde- pa- folio lo e , inde- indice , -eading of cien ific in -men -a he- han p-ecified ac- al lo e . Of en he e-en -linked bond p- o ide fo- e- en ion of ma- i- ha a-e manda- , -op-ional a- he di c-e ion of he i , e- , in -de- o p-oce and a di lo claim in ho e ca e he-e a -igge- e-en ha , -po-ibl ha , occ- ed. An e- en ion of ma- i- ma- inc-ea e- ola ili . In addi ion o he p-ecified -igge- e-en , e-en -linked bond al o ma e- po e a Pa- folio o ce- ain , nan icipa ed -i k incl- ding b- no limi ed o i , e- -i k , c-edi -i k , co-n-e-pa- -i k , ad e- e-eg- la - -j- i dic-ional in e-p-e a ion , and ad e- e- a- con e- , ence .

E-en -linked bond a-e a -ela i el ne- pe of financial in -men . A , ch, he-e i no ignifican -ading hi- - of he e- ec- i ie , and he-e can be no a , -ance ha a li , id ma-ke in he e in -men ill de-lop. Plea e -efe- o- illi , id In e men belo fa- f- he- di c- ion of -eg- la- con ide-a ion and con -ain -ela ing o in e men li , idi . Lack of a li , id ma-ke ma- impo e he- i k of highe- -an ac ion co- and he po-ibili- ha a Pa- folio ma be fa- ced o li , ida e po i ion hen i- o ld no be ad an ageo- o do o. E-en -linked bond a-e p-icall -a ed, and a Pa- folio ill onl in e- in ca a -ophe bond ha mee he c-edi , ali -e , i-emen fo- he Pa- folio.

### Convertible Securities

Each Pa- folio ma in e- in con- e- ible ec- i ie , hich ma- offe- highe- income han he common ock in o hich he a-e con- e- ible.

A con- e- ible ec- i i a bond, debent- , no e, p-efe- ed ec- i , -o he- ec- i ha en i le he holde- o ac- i- e common ock -o he- e , i- ec- i ie of he ame -a diffe- en i , e- . A con- e- ible ec- i gene- all en i le he holde- o -ee- e in e-e paid - acc- ed , n il he con- e- ible ec- i ma- -e -i-edeemed, con- e- ed - e- xchanged. Befo- e con- e- ion, con- e- ible ec- i ie ha e cha- ac- e- ic imila- o non-con- e- ible deb- -p-efe- ed ec- i ie , a applicable. Con- e- ible ec- i ie -ank enia- o common ock in a co- pa- a ion' capi al -c- , -e and, he-efo- e, gene- all en ail le -i k han he co- pa- a ion' common ock, al ho- gh he e- en o hich , ch- i ki- -ed ced depend in la- ge mea- , -e , pon he deg- ee o hich he con- e- ible ec- i ell abo e i- al e a a fi- ed income ec- i . Con- e- ible ec- i ie a-e , ba- dina e in -ank o an enia- deb obliga ion of he i , e- , and, he-efo- e, an i , e- ' con- e- ible ec- i ie en ail ma- e- i k han i- deb obliga ion . Con- e- ible ec- i ie gene- all offe- lo e- in e-e - di idend ield han non-con- e- ible deb ec- i ie of imila- c-edi , ali beca- e of he po- en ial fa- capi al app-ecia ion. In addi ion, con- e- ible ec- i ie a-e of en lo e- -a ed ec- i ie .

Beca- e of he con- e- ion fea- , -e, he p-ice of he con- e- ible ec- i ill no- mall fl- c- a e in ome p-opo- ion o change in he p-ice of he , nde- l ing a e , and a , ch i- , bjec- o- i k -ela ing o he ac i i ie of he i , e- and/- gene- al ma- ke and economic condi ion . The income componen of a con- e- ible ec- i ma- end o c- hion he ec- i again decline in he p-ice of he , nde- l ing a e . Ho e- e- , he income componen of con- e- ible ec- i ie ca- e fl- c- a ion ba ed , pon change in in e-e -a e and he c-edi , ali of he i , e- .

If he con- e- ible ec- i ' , -con- e- ion al e , hich i- he ma- ke al e of he , nde- l ing common ock ha o ld be ob ained , pon he con- e- ion of he con- e- ible ec- i , i- , b- an iall belo he , in e men al e ,





con e- ion e en (



certification of deposits, which in turn will be considered economically tied to a non-U.S. country if the country of deposit, or the country in which a non-U.S. country, as determined by the criteria set forth below. With respect to deposits in turn, PIMCO generally considers which in turn to be economically tied to non-U.S. countries if the underlying asset is a foreign currency (or basket of currencies), or in turn the country has a direct or indirect foreign government ownership, or if the underlying asset is a money market instrument or a commercial paper and certification of deposits, the issuer of which money market instrument is organized under the laws of a non-U.S. country, or, in the case of underlying asset is a commercial paper or certification of deposits, if the country of deposit, or the issuer of which money market instrument is a non-U.S. country). A country's country of deposit is determined by PIMCO using certain factors provided by a third-party analytical service provider. The factors are applied in the following order: (i) in the case of a country determine the country of deposit. Both the factor and the order in which they are applied are: (i) if an asset-backed or collateralized security, the country in which the collateral backing the security is located; (ii) the country of origin of the issuer; (iii) if the security is guaranteed by the government of a country (or an political subdivision, agency, or authority in turn of which government), the country of the government or the issuer providing the guarantee; (iv) the country of origin of the issuer's principal place of business; or (v) the country of origin of the issuer's organized incorporation, under the laws of the issuer's country of origin is a separate foreign jurisdiction determined by the following factors, listed in order of importance: (i) management location; (ii) country of principal office; (iii) the issuer's principal place of business; and (iv) the incorporation of the issuer.

To the extent that a Portfolio invests in in turn economically tied to non-U.S. countries, it may be in a range of countries and, as such, the value of the Portfolio may be affected by, inter alia, changes in international political developments, including the imposition of sanctions and other similar measures, change in government policies, change in inflation, deflation on foreign investments and currency depreciation, currency fluctuations, change in interest rates in exchange rates (and related risk, which may include hedging the liability of the issuer's financial reporting) and other developments in the local and regional economies of countries in which investments may be made. Certain foreign exchange investment instruments on the transaction elements particularly with respect to certain



Emerging market countries typically have less established legal, accounting, bookkeeping and financial reporting systems than have in more developed markets, which may reduce the scope, reliability of financial information available to investors. Governments in emerging markets are often less able and more likely to take extra-legal actions in respect of companies, industries, assets, or foreign ownership than have in more developed markets. Moreover, it can be more difficult for investors to bring litigation or enforcement actions against investors in

**G** . Go e-nmen in ol emen in he p-i a e ec a- aie in deg-ee among he eme-ging ma-ke in hich he Pa- folio in e . S ch in ol emen ma , in ome ca e , incl de go e-nmen o ne- hip of companie in ce- ain ec a- , age and p-ice con-ol a- impo i ion of -ade ba-:ie- and o he- p-o ec i on i mea , -e . Wi h -e pec o an eme-ging ma-ke co n- , he- e i no g- a-an ee ha ome f , -e economic a- poli cal c- i i ill no lead o p-ice con-ol , fa- ced me-ge- of companie , e- p- op-ia ion, a- c- ea ion of go e-nmen monopolie , o he po ibile de- imen of he Pa- folio ' in e men in ha co n- .

**L** . The Pa- folio ma encō n- e , b anial diffic l ie in ob aining and enfa- cing j dgmen again indi d al and companie loca ed in ce- ain eme-ging ma-ke co n- ie . I ma be diffic l a- impo ibile o ob ain a- enfa- ce legi la ion a- -emedie again go e-nmen , hei- agenceie and pon a- ed en i ie .

**F c** . I i po ibile, pa- ic- la- l in ma-ke in eme-ging ma-ke co n- ie , ha p- -pa- ed ec- i ie in hich he Pa- folio in e ma , b e , en l be fo nd o be f- a d len and a a con e , ence he Pa- folio co ld , ffe- lo e .

Non-U.S. la go e-ning he a- a ion of income and capi al gain acc- ing o non- -e iden a- ie among eme-ging ma-ke co n- ie and, in ome ca e , i compa- a i el high. In addi ion, ce- ain eme-ging ma-ke co n- ie ma no ha e ell- defined a- a la and p- oced- -e , and , ch la a- p- oced- -e ma pe- mi -e- oac i e a- a ion o ha he Pa- folio co ld in he f , -e become , bjec o local a- a liabili ie ha had no been an icipa ed in cond- cing he Pa- folio ' in e men ac i i ie a- al ing a Pa- folio' a e . The Pa- folio ill eek o- ed- ce he e -i k b ca- ef l managemen of hei- a e . Ho e e- , he- e can be no a , -ance ha he e effo- ill be , cce f l .

**C** . Recen l , a- io- co n- ie ha e een ignifican in e- nal conflic and in ome ca e , ci il a- ma ha e had an ad e- e impac on he ec- i ie ma-ke of he co n- ie conce- ned. In addi ion, he occ- -ence of ne di , -bance de o ac of a- , e- -o- i m a- o he- poli cal de elopmen canno be e- ckl ded. Appa- en l able em ma e- p- e- ience pe- i od of di- p i on a- imp- obable -e e- al of polic . Na ionali- a ion, e- p- op-ia ion a- confi ca- a- a ion, c- -enc blockage, poli cal change , go e-nmen -eg- la ion, poli cal, -eg- la a- a- ocial in abili a- , nce- ain a- diploma ic de elopmen , incl ding he impo i ion of anc ion a- o he- imila- mea , -e , co ld ad e- el affec he Pa- folio ' in e men . The -an fo- ma ion f- om a cen- all planned, ociali econom o a ma- e ma- ke a- ien ed econom ha al o -e , l ed in man economic and ocial di- p i on and di a- ion . Ma- eo e- , he- e can be no a , -ance ha he economic, -eg- la a- and poli cal ini ia i e nece a- o achie e and , ain , ch a -an fo- ma ion ill con in- e a- , if , ch ini ia i e con in- e and a- e , ained, ha he ill be , cce f l a- ha , ch ini ia i e ill con in- e o benefi fo- eign (a- non- na ional) in e a- . Ce- ain in - men , , ch a infla ion inde- in - men , ma depend , pon mea , -e compiled b go e-nmen (a- en i ie , nde- hei- infl- ence) hich a- e al o he obligo- .

Recen e- a- mple of he abo e incl de conflic , lo of life and di a e- connec ed o ongoing a- med conflic be een Ri a and UK- aine in E- ope and Hama and I- ael in he Middle Ea , and an e- a- mple of a co n- , nde- going -an fo- ma ion i Vene- a- la. The e- a- en , d- a ion and impac of he e conflic , -ela ed anc ion and -e alia a- ac ion a- e diffic l o a ce- ain, b- co ld be ignifican and ha e e e- e ad e- e effec on he -egion, incl ding ignifican ad e- e effec on he -egional a- global economie and he ma- ke fo- ce- ain ec- i ie and commodi ie . The e impac co ld nega i el affec a Pa- folio' in e men in ec- i ie and in - men ha a- e economicall ied o he applica- -egion, and incl de (b- a- e no limi ed o) decline in al- e and -ed c ion in li , idi . In addi ion, o he e- a- en ne anc ion a- e impo ed a- p- e io- l -ela- ed anc ion a- e- e impo ed (incl ding i h -e pec o co n- ie , nde- going -an fo- ma ion), compl ing i h , ch -e -ic ion ma p- e en a Pa- folio f- om p- , ing ce- ain in e men , ca e dela a- o he- impedimen i h -e pec o con , mma ing , ch in e men a- di e men , -e , i- e di e men a- f- ee- ing of in e men on , nfa a- able e- m , -ende- di e men of , nde- pe- fo- ming in e men imp- ac icable, nega i el impac a Pa- folio' abili o achie e i in e men objec i e, p- e en a Pa- folio f- om -eei ing pa men o he- i e d e i , inc- ea e diligence and o he- imila- co o a Pa- folio, -ende- al a ion of affec ed in e men challenging, a- -e , i- e a Pa- folio o con , mma e an in e men on e- m ha a- e le ad an ageo- han o- ld be he ca e ab en , ch -e -ic ion . An of he e o- come co ld ad e- el affec a Pa- folio' pe- fo- mance i h -e pec o , ch in e men , and h- a Pa- folio' pe- fo- mance a a hole.

Each of he Pa- folio (e- c- ep he PIMCO Long- Te- m U.S. Go e-nmen Pa- folio) ma in e in B- ad Bond . B- ad Bond a- e ec- i ie c- ea ed h- o gh he e- a- change of e- a- ing comme- cial bank loan o o e- eign en i ie fo- ne obliga ion in connec ion i h deb -e -i c- , -ing , nde- a deb -e -i c- , -ing plan in- od- ced b fo- me- U.S. Sec- e a- of he T- ea , -e , Nichola F. B- ad (he B- ad Plan ). B- ad Plan deb -e -i c- , -ing e- e implemen ed in a n- mbe- of co n- ie , incl ding: A- gen ina, Boli ia, B- a- il, B- lga- ia, Co a Rica, he Dominican Rep- blic, Ec- ad- , Jo- dan, Me- i- co , Nige- , Nige- ia, Panama, Pe- , he Philippine , Poland, U- g- a and Vene- a- la.



of the , nin ended con e , ence . An of the fo-egoing e en co ld ignifican l affec the al e of a Po- folio' European in e men .

The national poli ic of E -ocean co n -ie can be , np-edic able and , bjec o infl ence b di -r p i e poli cal g-o p o- ideologie . The occ -ence of conflic , a - o e -o- i ac i i ie in E -ocean co ld ha e an ad e- e impac on financial ma-ke . Fo- e x-ample, R -ia la nched a la-ge- cale in a ion of Uk-aine in Feb- a- 2022. The e -en , d- a ion and impac of R -ia' mili a- ac ion in Uk-aine, -ela ed anc ion and -e alia o- ac ion a-e diffic l o a ce- ain, b- co ld be ignifican and ha e e e- e ad e- e effec on he -egion, incl ding ignifican ad e- e effec on he -regional, E -ocean, and global economie and he ma-ke fo- ce- ain ec -i ie and commodie , , ch a oil and na -al ga , a ell a o he- ec o- , and on a Po- folio' in e men in ec -i ie and in -men ha a-e economicall ied o he -egion, incl ding decline in al e and -ed- c ion in li , idi .

The Economic and Mone a- Union of the E -ocean Union (,EMU ) i comp-i ed of the E -ocean Union (,EU ) membe- ha ha e adop ed he e -o c- -enc . B- adop ing he e -o a i c- -enc , a membe- a e -elin , i he con-ol of i o n mone a- policie . A a- e , l, E -ocean co n -ie a-e ignifican l affec ed b- fi cal and mone a-



in the oil sector (e.g., Belarus). Such actions of the oil companies in manufacturing, including energy, financial services, technology, accounting, insurance, shipping, agriculture, and mining, and defense, agriculture, engineering, construction, manufacturing and transportation among others - and Russia's contribution to the negative impact of the portfolio performance and/or ability to achieve it in the men's objectives. For example, certain investments in Russian companies or in men's investments in companies may be prohibited and/or restricted in the men's portfolio (e.g., in the case of sanctions in certain investments in the men's portfolio, especially in the case of the United States), which could lead to the loss of the portfolio's performance and/or the portfolio's ability to hold in the men's portfolio no longer seek to hold. It is also possible that such actions, especially in the case of the United States, may be in the portfolio's performance and/or the portfolio's ability to hold in the men's portfolio. Under such circumstances, the portfolio manager's decision to invest in the men's portfolio, which is the portfolio's decision to invest in the portfolio's holding of a fixed income portfolio. In addition, such actions and the oil companies, and the Russian government's position, could lead to a downgrade of Russia's credit rating of its local debt economically in the oil sector, the debt of Russia's credit rating and/or increased volatility in the price of Russian equities and the market. More generally, investments in Russian equities are high price and in oil

ec-ri ie in he ma-ke ma make ob aining acc-ae p-ice on pa- folio ec-ri ie f-om independen o- ce mo-e diffic- l han in mo-e de eloped ma-ke . Addi ionall , beca e of le -ingen a- di ing and financial -epo- ing and- d han appl o U.S. companie , he-e ma be li le -eliable co-pa-ae info- ma ion a ailable o in e - . A a -e , l, i ma be diffic- l o a e he ab e - p- o pec of an in e men in R- ian companie . Sec-ri ie of R- ian companie al o ma e- p- e- ience g- ea e- p- ice ola ili han ec-ri ie of U.S. companie . The e i , e can be magnified a a -e , l of anc ion and o he- imila- mea , -e ha ma be impo ed and he R- ian go e- nmen' -e pon e.

Beca e of he -ecen fo- ma ion of he R- ian ec-ri ie ma- ke a ell a he , nde- de eloped a e of he banking and elecomm- nica ion em , e lemen , clea- ing and -egi -a ion of ec-ri ie -an ac ion a- e , bjec o ignifican -i k . P- i- o he implemen a ion of he Na iona l Se lemen Depo i - ( , NSD ), a -ecogni- ed cen- al

*I*      *C* .



affected by the public holidays in the PRC or Hong Kong, and hereby made available in one jurisdiction and a public holiday in the other, and a sale, will not be a trading day under Sock Connect. As a result, prices of Sock Connect securities may fluctuate at a time when the Portfolio is unable to add or sell securities. Only certain China A-shares and ETFs are eligible to be accepted through Sock Connect. Such securities may also be ineligible at a time, in which case they could be sold no longer be purchased through Sock Connect. In addition, the applicable rules relating to trading, settlement and information technology (IT) remain open to operation of Sock Connect and in line with the overall. In the event that the relevant amendments do not function properly, trading through Sock Connect could be disrupted.

Sock Connect is subject to regulatory provisions in both Hong Kong and the PRC. Regulatory provisions are also applicable to Sock Connect trading; Chinese regulatory provisions also apply to trading in China (i.e., (i) securities, (ii) derivatives, (iii) derivatives, (iv) derivatives, (v) derivatives) during market operation, and, therefore, provisions may be implemented. There can be no assurance that the regulatory provisions will not affect the availability of securities under Sock Connect, operational arrangements or other limitations. Sock Connect transaction fees are not covered in the prospectus or other documents of the Hong Kong Exchange, SSE or SZSE, although the default for Hong Kong brokerage occurring on or after January 1, 2020, the Hong Kong Inter-Company Fund will cover the incurred in the capacity of HK\$500,000 per in the case of securities traded on a stock market operated by the SSE and/or SZSE and in the case of which an order for sale or purchase is permitted to be made through the national bond link of the Sock Connect. In the PRC, Sock Connect securities are held on behalf of, limited in the (i) share portfolio by the Hong Kong Securities Clearing Company Limited (HKSCC) as a nominee. While Chinese regulatory provisions have affirmed that the limited in the capacity hold a beneficial interest in Sock Connect securities, the mechanism has a beneficial interest, the enforcement rights are limited. In addition, control in China has a limited experience in applying the concept of beneficial ownership and the law regarding beneficial ownership will continue to evolve. To the extent HKSCC is deemed to be performing a safekeeping function in the case of a security held through it, a Portfolio has no legal relationship with HKSCC and no direct legal relationship with HKSCC in the event that the Portfolio is affected by the liquidation of the Portfolio could be delayed. Limited, 9c-a71pn

3.eneficiple in capacity of action affecting Sock

3.]TJT\*-00003 Tc.10568 T [(p oe in c10568n 8 o mpa.enefi ih HKSCC egS oine e f)69.k Coor med eConand , ch 51e acce

3.en0628c-ii ie pe- TcCIBM8 T a ed.]T.i(f)0(i , ae hhele ao ITji , 12 ih-epoT.e'.03666 Ba p-cho enf TcPBOC ,hincl da



... of RMB in Hong Kong, which cannot be guaranteed. Moreover, even if the purchased Hong Kong Bond Connect certificates are not old, purchased overseas in the past, the Hong Kong Bond Connect certificates are not applicable.

The main feature of Bond Connect is the application of the home market law and the applicable law in China to the income in the mainland. Therefore, a Portfolio in the mainland even if the Bond Connect certificates are generally subject to Chinese tax regulations and laws, among other things. Such certificates may also be eligible for an exemption, in which case they could be old but could no longer be purchased Hong Kong Bond Connect. A Portfolio will not benefit from the Hong Kong income tax compensation fund, which are also proposed again default of the law, when entering the Hong Kong Bond Connect. Bond Connect adheres to the trading calendar of CIBM, and although trading can be undertaken on days when the CIBM is open for trade, regardless of the holiday in Hong Kong. As a result, the purchase of Hong Kong Bond Connect may fluctuate at a time when a Portfolio is not able to add to its position (for example, in the interim, the media also has a number of articles on this issue) and, therefore, may limit the Portfolio's ability to trade when it would otherwise be able to do so.





and ion on certain official of the Hong Kong government and the PRC central government and increasing executive order has prohibited certain transaction with certain China-based companies and their respective subsidiaries. Recently has added certain restrictions, including the sanction imposed by the U.S. government limiting the ability of U.S. persons to invest in certain Chinese companies and the ability of Chinese companies to engage in activities with certain companies in the U.S. In addition, the PRC government has implemented, and may further implement, measures in response to one trade policies, treaties and reaffirmed by the U.S. government, for example, the passing of the Hong Kong national security law by the National People's Congress of China (the National Security Law) which criminalize certain offenses including subversion of the Chinese government and collusion with foreign entities. The National Security Law, which entered into force in the U.S. of the

## Foreign Currency Transactions

All Portfolio has made in foreign currency-denominated securities, all foreign currency options and foreign currency derivatives contracts and related options (see "Derivatives Instruments"), and may engage in foreign currency transactions either on a portfolio basis or as a result of trading in the currency exchange market at the time of the foreign currency-denominated contract (foreign). The Portfolio may engage in the transaction in order to protect against increases in the level of foreign exchange rates in the portfolio and all of securities. The Portfolio also may use foreign currency options and foreign currency forward contracts to increase exposure to a foreign currency or to hedge exposure to foreign currency fluctuations from one currency to another.

A forward in the obligation of portfolio or all a certain amount of a specific currency at a future date, which may be held in the amount of the forward of the contract agreed upon by the parties, at a price at the time of the contract. The contract may be bought or sold to protect the Portfolio against a possible loss, resulting from an adverse change in the relationship between foreign currency and the U.S. dollar or increase in exposure to a particular foreign currency. Although, when used for hedging, forward are intended to minimize the risk of loss due to a decline in the value of the hedged currency, at the same time, the end of limit an potential gain which might result hold the value of the hedged currency increase. Forward are subject to the risk of default, under "Derivatives Instruments" below. Forward are, in addition, the foreign exchange exposure of a Portfolio is a result of protecting the portfolio look, and the Portfolio might be expected to enter into such contracts under the following circumstances:

**Lock In.** When PIMCO decides to lock in the U.S. dollar price on the purchase or sale of a security denominated in a foreign currency.

**Cross Hedge.** If a particular currency is expected to decrease again another currency, the Portfolio may sell the currency expected to decrease and purchase a currency which is expected to increase again the currency sold in an amount approximately equal to the amount of the Portfolio's portfolio holding denominated in the currency sold.

**Direct Hedge.** If PIMCO can eliminate, by an initial sale of the risk of owning a particular currency, and/or if PIMCO thinks that a Portfolio can benefit from price appreciation in a given country's bond but does not want to hold the currency, it may employ a direct hedge back into the U.S. dollar. In either case, a Portfolio would enter into a forward contract to sell the currency in which a portfolio security is denominated and purchase U.S. dollars at an exchange rate established at the time initiated the contract. The cost of the direct hedge transaction may offset more, if not all, of the yield advantage offered by the foreign security, but a Portfolio would hope to benefit from an increase (if any) in the value of the bond.

**Proxy Hedge.** PIMCO might choose to use a proxy hedge, which may be less costly than a direct hedge. In this case, a Portfolio, having purchased a security, will sell a currency whose value is believed to be closely linked to the

The forecasting of currency movements is extremely difficult, and the hedging strategy will be more difficult to implement. Moreover, it is impossible to forecast with precision the market value of portfolio earnings as a result of the repatriation of a foreign currency-denominated asset. Accordingly, a Portfolio manager is advised to be alert to additional currency movements on the portfolio (and bear the expense of such transactions) if PIMCO's prediction regarding the movements of foreign currency earnings is likely to make portfolio performance inaccurate. Also, foreign currency transactions, like currency exchange rates, can be affected by unpredictable inflation (or deflation) in the United States or foreign governments, central banks, or other currency controls or political developments. Such events may impair the ability to enter into foreign currency transactions, force the Portfolio to liquidate a foreign currency transaction at an adverse time or price or result in penalties for the Portfolio, any of which may result in a loss to the Portfolio. In addition, the use of currency hedging transactions may involve special risks, and may lead to a Portfolio in a less advantageous position than if such a hedge had not been established. Because foreign currency-denominated assets and contracts are primarily negotiated transactions, there can be no assurance that a Portfolio will have the flexibility to roll out a foreign currency-denominated asset or contract, upon its repatriation if it is desired. Additionally, there can be no assurance that the counterparties to the contracts will perform in accordance with the underlying. Under definitions adopted by the CFTC and SEC, many non-deliverable foreign currency-denominated assets and contracts are considered swaps, including the derivatives of the derivatives, which in turn may be subject to a trade execution and clearing process, including the risk of potential Government Regulation of Derivatives. The exchange rate expected to occur on the portfolio is likely to be a compensated or bilateral negotiated contract.

Certain Portfolio managers hold a portion of their assets in bank deposits denominated in foreign currencies, or a portion of their assets in foreign currencies as well as a portion of their assets in U.S. dollars (hereinafter referred to as "foreign currency assets"). To the extent the portfolio manager has foreign currency assets denominated in U.S. dollars, the value of the assets may be affected by a change in the exchange rate and the exchange rate control regulations.

**Tax Consequences of Hedging.** Under applicable law, the Portfolio manager is advised to limit their gain from hedging in foreign currency-denominated assets, derivatives, and options. Although the Portfolio manager is expected to comply with the limits, the extent to which the limits apply is subject to regulatory action and, therefore, is not certain. Hedging also may result in the application of the mark-to-market and addle provisions of the Internal Revenue Code. The provisions could result in an increase (or decrease) in the amount of taxable dividend paid by the Portfolio and could affect the dividend paid by the Portfolio as a classified capital gain or ordinary income.

## Foreign Currency Exchange-Related Securities

**Foreign currency warrants.** Source: 5 of 01 Tax (quant) 4/12/12 TDView, the audit firm has been (stase) ecause fo0582r)

and, in the case where a foreign currency of the money, in a total loss of the purchase price of the asset. Where an agreement, in order to obligate the holder, is and a non-authorized foreign currency option is, under the Option Clearing Corporation (OCC). Unlike foreign currency option is, under OCC, the terms of foreign exchange asset generally will not be amended in the event of governmental regulatory action affecting exchange rate in the event of the imposition of the regulatory control affecting the international currency market. The initial public offering price of foreign currency asset generally is convertible in the event of the price has a commercial, or of foreign currency might pay in the event bank market for a comparable option in order to significant large amount of foreign currency. Foreign currency asset, subject to significant foreign exchange risk, including risk arising from complex political or economic factors.

**Principal exchange rate linked securities.** Principal exchange rate linked securities (PERL) are debt obligations the principal on which is payable at maturity in an amount that may be based on the exchange rate between the U.S. dollar and a particular foreign currency at a particular time. The return on a standard PERL is enhanced if the foreign currency to which the security is linked appreciates again the U.S. dollar, and is adversely affected by increases in the foreign exchange rate of the U.S. dollar; the return on a PERL is like the standard security, except that the return is enhanced by increases in the value of the U.S. dollar and is adversely impacted by increases in the value of foreign currency. In the past payments on the securities are generally made in U.S. dollars and have reflected the degree of foreign currency risk, as measured by the purchase of the note (i.e., a relatively higher interest rate if the purchase has a higher value of the foreign exchange rate, relatively lower interest rate if the interest rate has a higher value of the foreign exchange rate, based on the expectation of the currency market). PERL may in limited cases be subject to acceleration of maturity (generally, notwithstanding the consent of the holder of the securities), which may have an adverse impact on the value of the principal payments to be made at maturity.

**Performance indexed paper.** Performance indexed paper (PIP) is U.S. dollar-denominated commercial paper the yield of which is linked to certain foreign exchange rates movements. The yield of the interest on PIP is established at maturity as a function of the exchange rate between the U.S. dollar and a designated currency at a particular time (generally, the index maturity is a particular maturity). The yield of the interest will be higher or lower depending on the change in the value of the purchase of the obligation, generally with a guaranteed minimum rate of return has a lower rate, and a potential maximum rate of return has a higher rate, make yield on U.S. dollar-denominated commercial paper, with both the minimum and maximum rate of return on the interest rate depending on the minimum and maximum value of the exchange rate at the particular maturity.

**Borrowing**

Except as provided below, each Portfolio may borrow money on the terms permitted under the 1940 Act, and as amended, modified or otherwise permitted by regulatory authorities having jurisdiction, from time to time. This means that, in general, a Portfolio may borrow money from bank facilities in an amount, up to 1/3 of the Portfolio's total assets. A Portfolio also may borrow money from other parties in an amount not to exceed 5% of the Portfolio's total assets.

Specifically, provision of the 1940 Act, is a Portfolio's main asset concentration is a coverage (that is, total assets including borrowing, less liabilities except for borrowing) of 300% of the amount borrowed, with an exception for borrowing not in excess of 5% of the Portfolio's total assets made from other parties. An borrowing from other parties in excess of 5% of the Portfolio's total assets may main asset concentration is a coverage. If the 300% coverage hold declines as a result of market fluctuations or otherwise, a Portfolio may be required to sell some of its portfolio holdings in order to reduce the debt and to meet the 300% coverage, even though it may be disadvantageous from an investment standpoint or otherwise at the time.

As noted below, a Portfolio also may enter into certain transactions, including the purchase of securities, mortgage dollar roll and sale-back, that can be considered as a form of borrowing or financing transaction by the Portfolio. Such transactions also can be subject to the risk disclosed under De-risk. In addition below, in addition to the risk disclosed in this section, borrowing will end or be subject to the effect on net assets value of an increase or decrease in the market value of a Portfolio's portfolio. Money borrowed will be subject to the cost, which may also may not be recognized as appreciation of the securities purchased. A Portfolio also may be required to maintain a minimum asset coverage balance in connection with such borrowing or to pay a







Con e , en l , Pa- folio ha-eholde- ma -eeci e di -ib- ion , bjec o a<sup>x</sup>a a- dina- income- a e a a ime hen hei- in e men in he Pa- folio ha declined in al e, hich ma be economicall imila- o a a<sup>x</sup>able -e- , -n of capi al.

The a<sup>x</sup> -ea men of ce- ain de- i a i e ma be open o diffe- en in e- p- e a ion . An -echa- ac e- i- a ion of pa men made a- -eeci ed b a Pa- folio p- , an o de- i a i e po en iall co- ld affec he amo n, iming a- cha- ac e- i- a ion of Pa- folio di -ib- ion . In addi ion, he a<sup>x</sup> -ea men of , ch in e men -a egie ma be changed b -eg- la ion a- o he- i e.

■ ■ ■ c I c ■ A Pa- folio ma , o he e<sup>x</sup>en pecified he- in a- in he P- o pec , e , p- -cha e and ell boh p- and call op ion on e , i , fi<sup>x</sup>ed income a- o he- ec- i- ie (incl- ding ec- i- ie o be p- -cha ed in hen- i , ed, dela ed deli e- and fa- a- d commi men -an ac ion ) a- inde<sup>x</sup> in anda- di- ed con- ac -aded on fa- eign a- dome ic ec- i- ie e<sup>x</sup>change , boa- d of -ade, a- imila- en i- ie , a- , o ed on NASDAQ a- on an OTC ma- ke , and ag- eemen , ome ime called ca h p- , hich ma accompan he p- -cha e of a ne i , e of bond f- om a deale- .

An op ion on a ec- i- (a- inde<sup>x</sup>) i a con- ac ha gi e he holde- of he op ion, in -e , -n fa- a p- emi- m, he -igh o b- f- om (in he ca e of a call) a- ell o (in he ca e of a p- ) he -i e- of he op ion he ec- i- , nde- l ing he op ion (a- he ca h al e of an op ion ha i on an inde<sup>x</sup> a- ca h- e led) a a pecified e<sup>x</sup>ci e p- ice, of en a an ime d- ing he e- m of he op ion fa- Ame- ican op ion a- onl a e<sup>x</sup>pi- a ion fa- E- opean op ion . The -i e- of an op ion on a ec- i- ha -e , i- e ph- ical deli e- ha he obliga ion , pon e<sup>x</sup>ci e of he op ion o deli e- he , nde- l ing ec- i- , pon pa men of he e<sup>x</sup>ci e p- ice (in he ca e of a call) a- o pa he e<sup>x</sup>ci e p- ice , pon deli e- of he , nde- l ing ec- i- (in he ca e of a p- ). Ce- ain p- op ion -i en b a Pa- folio, hich co- n e- pa- ie ma , e a a o- ce of li , idi , ma be -r c- , ed o ha e an e<sup>x</sup>ci e p- ice ha i le han he ma- ke al e of he , nde- l ing ec- i- ie ha o- ld be -eeci ed b he Pa- folio. Upon e<sup>x</sup>ci e, he -i e- of an op ion on an inde<sup>x</sup> a- ca h- e led op ion on a ec- i- i obliga ed o pa he diffe- ence be een he ca h al e of he inde<sup>x</sup> a- ec- i- and he e<sup>x</sup>ci e p- ice m- l iplie b he pecified m- l iplie- fa- he op ion. (An inde<sup>x</sup> i de- igned o- eflec fea , -e of a pa- ic la- financial a- ec- i- ie ma- ke , a pecific g- o p of financial in -r men a- ec- i- ie , a ce- ain economic indica a- .)

A Pa- folio ma -i e call and/a- p- on in -r men a Pa- folio o n a- o he- i e ha e<sup>x</sup>po , -e o (co e- ed call a- co e- ed p- ) a- -i e call and/a- p- on in -r men o hich a Pa- folio ha no e<sup>x</sup>po , -e (naked call a- naked p- ) in -e , -n fa- a p- emi- m. Unde- a call a- p- -i ing -a eg (ei he- di- ec l a- indi- ec l h- o gh an a e -linked no e), a Pa- folio picall o- ld e<sup>x</sup>pec o- eeci e ca h (a- a p- emi- m) fa- ha ing -i en ( old) a call a- p- op ion, hich enable a p- -cha e- of he call o b- f- om (a- he p- -cha e- of he p- o ell o) he Pa- folio he a e on hich he op ion i- i en a a ce- ain p- ice i hin a pecified ime f- ame.

W- i ng call a- p- op ion ill limi a Pa- folio' oppo , ni o p- ofi f- om an inc- ea e in he ma- ke al e and o he- -e , -n of he , nde- l ing a e o he e<sup>x</sup>ci e p- ice (pl- he p- emi- m- eeci ed). In pa- ic la- , hi ill mean ha a Pa- folio' ma<sup>x</sup>im- m po en ial gain ia a co e- ed call a- p- ill gene- all be e<sup>x</sup>pec ed o be he p- emi- m- eeci ed f- om -i ing a co e- ed call a- p- op ion pl- he diffe- ence be een an lo e- p- ice a hich a Pa- folio ac , i- ed e<sup>x</sup>po , -e o he applicabl , nde- l ing a e and an highe- p- ice a hich a p- -cha e- of he call a- p- op ion ma e<sup>x</sup>ci e he call a- p- op ion. The- efa- e, co e- ed call and co e- ed p- can -e , l in lo e and de- ac f- om a Pa- folio' o al- e , -n e en ho gh he call a- p- op ion p- od ce p- emi- m and ma ini iall p- od ce gain and ca h flo o a Pa- folio (and he- efa- e Pa- folio di -ib- ion ) fa- ha ing -i en he call a- p- op ion . A Pa- folio' ma<sup>x</sup>im- m po en ial gain ia a naked call a- p- ill gene- all be e<sup>x</sup>pec ed o be limi ed o he p- emi- m- eeci ed f- om -i ing a naked call a- p- op ion.

B- i ng a call op ion a- p- op ion ill gene- all in ol e a Pa- folio pa ing a p- emi- m on he op ion, hich ma de- ac f- om -e , -n and ma no limi lo e . A Pa- folio ma lo e he ini ial amo n in e ed in he call op ion a- p- op ion.

Ba i -i k e<sup>x</sup> hen he p- ice of a de- i a i e po i ion di e- ge f- om he p- ice of he , nde- l ing in -r men , and/a- he- e i a mi ma ch be een an a e and he de- i a i e' -efe- ence a e , hich ma -e , l in e<sup>x</sup>ce lo e o a Pa- folio. Unde- ce- ain ma- ke condi ion , i ma no be economicall fea- ible o ini ia e a -an ac ion a- li , ida e a po i ion in ime o a oid a lo a- ke ad an age of an oppo , ni .



If an option is written by a Portfolio Manager, netted, the Portfolio Manager realizes a capital gain or loss, or the premium received at the time the option is written. If an option purchased by a Portfolio Manager, netted, the Portfolio Manager realizes a capital loss or loss, or the premium paid. Prior to the exercise of a netted option, an exchange-traded option may be closed out by an offsetting purchase or sale of an option of the same type (put, call, spread, etc.) at the index, exercise price, and expiration. There can be no arbitrage, however, if a closing purchase or sale transaction can be effected when the Portfolio Manager dies.

A Portfolio Manager will purchase a call option which could result in a net gain or loss depending on the netted amount realized on the sale of the stock less than the premium and other transaction costs paid on the purchase of the call option which is sold. Prior to exercise or expiration, an option may be closed out by an offsetting purchase or sale of an option of the same type. A Portfolio Manager will realize a capital gain from a closing purchase transaction if the cost of the closing option is less than the premium received from writing the option, or, if it

Moreover, in the index, the value of the Portfolio; however, the change in the value of the Portfolio' during the period of the option is outstanding.

To the extent that a Portfolio is a call option on a security held in a portfolio, the Portfolio has, in effect, a forward premium on the option, given the opportunity cost of a price increase in the underlying security above the exercise price during the option period, but, as long as the obligation under the call option contract is held, the value of the underlying security declines.

*F* *C* ■ Portfolio has in effect a foreign currency-denominated security market portfolio and call option on foreign currency. The Portfolio market portfolio and call option on foreign currency either on exchange in the OTC market. A portfolio on a foreign currency given the purchase of the option is right to sell a foreign currency at the exercise price, in the option exercise. A call option on a foreign currency given the purchase of the option is right to purchase the currency at the exercise price, in the option exercise. Currency option traded on U.S. dollar exchange market is subject to position limits which market limits the ability of a Portfolio to trade foreign currency, including the option. OTC option differs from exchange-traded option in that the bilateral contract is high price and often negotiated between buyer and seller, and generally do not have a market







Each Portfolio manager in a combination of swap agreements in order to achieve certain economic goals. For example, a Portfolio manager in a swap agreement, one of which offsets the other for a period of time. After the offsetting swap agreement expires, the Portfolio would be left with the economic exposure provided by the remaining swap agreement. The intent of such an arrangement would be to lock in certain elements of the remaining swap agreement that a Portfolio manager might gain exposure in the future. The manager has a swap agreement in place.

A Portfolio manager in a swap agreement. A swap agreement is a contract that has a counterparty (both the obligor and the counterparty) in the form of a premium, often in a net swap agreement. At the end, cancel or otherwise modify an existing swap agreement, a somewhat ignored feature on specified terms. Each Portfolio manager (sell) and purchase and call swap agreement.

Depending on the terms of the participation agreement, a Portfolio will generally incur a greater degree of risk when it is a swap agreement than it will incur when it purchases a swap agreement. When a Portfolio purchases a swap agreement,



in the portfolio in the market. This could cause a substantial loss for the portfolio. While hedging strategies involving derivatives can reduce the risk of loss, they can also reduce the opportunity for gain and increase the loss of off-the-market price movements in the portfolio in the market. Many approaches are complex and often subject to risk.

A portfolio of assets in a risk-neutral world. A risk-neutral world is an agreement between a party who provides a fixed payment to the party and the delivery of a reference obligation, typically a bond, by the party, upon the occurrence of a credit event, such as a default, by the party, of the reference obligation. A risk-neutral world is a world in which the price of a reference obligation at the time the party enters into the agreement. In contrast to a



index; ( ) large α, net pec ed mo emen of a e in o and o of a f nd (d e o ha-e p-cha e α -edemp ion , fo-e xample), po en ial -e , ling in he f nd being o e- α , nde-epo ed o he inde x; ( i) he impac of acco n ing and ad α change he-e o; ( ii) change o he applicabl inde x ha a-e no di emina ed in ad ance; ( iii) a po ible need o confo-m a f nd' pa- folio holding o compl i h in e men -e -ic ion α- policie α-eg- la α- a x la -e , i-emen ; and (iv) fl- c, a ion in c -enc e xchange -a e .

**E** Certain Underling PIMCO Fund ma al o en e- in o n he ic e , i ap , in hich one pa- o he con- ac ag-ee o pa he o he- pa- he o al -e , -n ea- ned α -eali- ed on a pa- ic- la- , no ional amo n of al e of an , nde- ling e , i ec- i incl ding an di idend di -ib- ed b he , nde- ling ec- i . The o he- pa- o he con- ac make -eg- la- pa men , picall a a fi- ed -a e α- a a floa ing -a e ba ed on a -efe-ence -a e α- o he- a- iable in e- -a e ba ed on he no ional amo n . Simila- o c -enc ap , n he ic e , i ap a- e gene- all en e- ed in o on a ne ba i , hich mean he o pa men -eam a- e ne ed o and he Underling PIMCO Fund ill ei he- pa α- -eei e he ne amo n . The Underling PIMCO Fund ill en e- in o a n he ic e , i ap in ead of p- cha ing he -efe-ence ec- i hen he n he ic e , i ap p- o ide a mo- e efficien α- le e xpen i e a of gain ing e xpo , -e o a ec- i compa- ed i h a di- ec in e men in he ec- i .

**G** **D** I i po ible ha addi ional go e-nmen -eg- la ion of a- io- pe of de- i a i e in - men , incl ding f , -e , op ion and ap ag- eemen and -eg- la ion of ce- ain ma- ke pa- icipan , e of he ame, ma limi α- p- e en a Pa- folio f- om , ing , ch in - men a a pa- of i in e men -a eg , and co- ld , l ima el p- e en a Pa- folio f- om being able o achie e i in e men objec i e . I i impo ible o fi ll p- edic he effec of pa , p- e en α- f , -e legi la ion and -eg- la ion b m- liple -eg- la α- in hi a- ea, b he effec co- ld be , b an ial and ad e- e . I i po ible ha legi la i e and -eg- la α- ac i i co- ld limi α- -e -ic he abili of a Pa- folio o , e ce- ain in - men a a pa- of i in e men -a eg . The e- i k ma be pa- ic- la- l ac e fa- ho e Pa- folio , , ch a he C C c , i , ma make e x en i e , e of commodi -ela ed de- i a i e in - men in eeking o achie e hei- in e men objec i e , b o- ld no nece a- il be limi ed o ho e Pa- folio p- , ing a commodi -ela ed in e men -a eg .

The e i a po ibili of f , -e -eg- la α- change al e- ing, pe- hap o a ma e- ial e x en , he na , -e of an in e men in he Pa- folio α- he abili of he Pa- folio o con in e o implemen hei- in e men -a egie . The f , -e , op ion and ap ma- ke a- e , bjec o comp- ehni e a , e , -eg- la ion , and ma- gin -e , i-emen . In addi ion, he SEC, CFTC and he e xchange a- e a ho- i ed o ake e x -a- dina- ac ion in he e en of a ma- ke eme- genc , incl ding, fo- e xample, he implemen a ion α- -ed c ion of pec- la i e po i ion limi , he implemen a ion of high- ma- gin -e , i-emen , he e abli hmen of dail p- ice limi and he , pen ion of -ading.

The Dodd-Frank Ac e fa- h a legi la i e f- ame α- k fa- OTC de- i a i e , incl ding financial in - men , , ch a ap , in hich he Pa- folio ma in e . Tile VII of he Dodd-Frank Ac g- an ignifican a ho- i o he SEC and he CFTC o -eg- la e OTC de- i a i e and ma- ke pa- icipan , and -e , i- e clea- ing and e xchange -ading of man OTC de- i a i e -an ac ion . P- o i ion in he Dodd-Frank Ac incl de capi al and ma- gin -e , i-emen and he manda- , e of clea- ingho e mechani m fa- man OTC de- i a i e -an ac ion . The SEC, CFTC, and o he -eg- la α- ha e comple ed , b an ial- lemaki g -ela ed o de- i a i e p- , an o he Dodd-Frank Ac .

The SEC, he CFTC, and he P- den ial Reg- la α- (a ell a fa- eign -eg- la α- ) ha e adop ed ma- gin -e , i-emen fa- non- cen- all clea- ed ap . Some of he e- e , i-emen appl o -an ac ion in hich he Pa- folio i α- ill be a co n e- pa- . S- ch -e , i-emen co- ld inc- ea e he amo n of ma- gin -e , i- ed o be p- o ided b he Pa- folio in connec ion i h i de- i a i e -an ac ion α- co- ld -e , i- e inc- ea ed doc men a ion and, he- e fa- e, make de- i a i e -an ac ion mo- e e xpen i e . The e- le ha e been pha ed in o e- ime, and he ma- ke ha e o ab α- b hei- f ll impac .

The -eg- la ion of f , -e , op ion and ap -an ac ion in he Uni ed S a e i a changing a- ea of la and i , bjec o modifica ion b go e-nmen and j- dicial ac ion. The CFTC and a- io- e xchange ha e- le limi ing he ma xim m ne long α- ho- po i ion hich an pe- on α- g- o p ma o n, hold α- con- ol in an gi en f , -e con- ac α- op ion , ch f , -e con- ac . PIMCO ill need o con ide- he he- he e xpo , -e c- ea ed , nde- he e con- ac might e xceed he applicabl limi in managing he Pa- folio , and he limi ma con -ain he abili of he Pa- folio o , e , ch con- ac . In addi ion, he CFTC ha adop ed amendmen o i po i ion limi -le ha e abli h po i ion limi fa- 25 pecified ph ical commodi f , -e and -ela ed op ion con- ac -aded on e xchange , o he- f , -e con- ac and -ela ed op ion di- ec l α- indi- ec l linked o , ch 25 pecified con- ac , and an OTC -an ac ion ha a- e economicall e , i alen o he 25 pecified con- ac . The amendmen al o modif he bona fide

hedging exemption for which certain swap dealers have historically been eligible, which could limit the amount of pecuniary OTC transaction capacity each swap dealer could have available for the Portfolio.

Swap dealers, major market participants and non-eligible swap dealers, and market intermediaries, need additional compliance burdens and associated costs. Regulatory limits and derivatives market impact on the Portfolio's ability to meet its investment objectives either through limits on derivatives market impact on the Portfolio's ability to invest in derivatives, options and swaps in a manner that efficiently meet its investment objectives. In addition, and as detailed below, the SEC adopted a rule relating to the use of derivatives, derivatives exchange agreements and certain other transaction agreements entered into with companies. The rule and derivatives market impact, including margin requirements, changes to the CFTC pecuniary position limit regime and mandatory clearing, may increase the cost of a Portfolio's investment and cost of doing business even if no direct applicable to the Portfolio, which could adversely affect its returns.

Also, in the event of a non-eligible swap dealer's (or its affiliate's) insolvency, the possibility exists that the Portfolio's ability to exercise remedies, which are the elimination of transaction, netting of obligations and realization on collateral, could



holder receive a return of principal based on the capital appreciation of the benchmark. The return of an equity-linked note may also provide for the periodic interest payments to holder as either a fixed or floating rate. Because the note is equity-linked, the market return alone may result in a decline in value of the benchmark.

(i.e., the New York Stock Exchange (NYSE)) during normal trading hours. However, in the case of an ETN, the issuer may, at its discretion, suspend the principal amount of the ETN, or the issuer may, at its discretion, suspend the benchmark index.

ETNs do not make periodic coupon payments or provide principal protection. ETNs are subject to credit risk and the value of the ETN may drop due to a downgrade in the issuer's credit rating, despite the issuer's making benchmark index remaining unchanged. The value of an ETN may also be influenced by time of maturity, level of supply and demand for the ETN, volatility and lack of liquidity in trading, change in the applicable index value, change in the issuer's credit rating, and economic, legal, political, or geographic events that affect the referenced index. When the portfolio in an ETN is illiquid, the issuer may have to incur a fee and expense borne by the ETN. A portfolio decision of an ETN holder may be limited by the availability of a secondary market. In addition, although an ETN may be listed on an exchange, the issuer may not be listed on the main listing and there can be no assurance that a secondary market will exist for an ETN.

In addition, he-e can be no a -ance ha he al e of pa-icipa- no e ill e, al he al e of he, nde-l ing ec-i- in -men ha he eek o -eplica e. Pa-icipa- no e con i, e gene-al, n ec-ed con-ac, al obliga ion of he bank a-b-oke--deale- ha i, e hem. Acco-dingl, he-e i co-n-e-pa- -i k a ocia ed i h he e in e men beca e he Pa-folio i -el ing on he c-edi- a-hine of, ch co-n-e-pa- and ha no -igh, nde- a pa-icipa ion no e again he i, e- of he, nde-l ing ec-i- in -men .

**Delayed Funding Loans and Revolving Credit Facilities**

Each Pa-folio ma en e- in o, a- ac, i-e pa-icipa ion in, dela ed f nding loan and -e ol ing c-edi facili e . Dela ed f nding loan and -e ol ing c-edi facili e a-e ba--o ing a--angemen in hich he lende- ag-ee o make loan, p o a ma-im- m amo n, pon demand b he ba--o e- d--ing a pecified e-m. A -e ol ing c-edi facili diffe- f-om a dela ed f nding loan in ha a he ba--o e- -epa- he loan, an amo n e, al o he -epa men ma be ba--o ed again d--ing he e-m of he -e ol ing c-edi facili . Dela ed f nding loan and -e ol ing c-edi facili e, all p-o ide fa- floa ing a- a-iable -a e of in e-e . The e commi men ma ha e he effec of -e, i-ing he Pa-folio o inc-ea e i in e men in a compan a a ime hen i migh no o he- i e decide o do o (incl ding a a ime hen he compan ’ financial condi ion make i, nlikel ha, ch amo n ill be -epaid).

The Pa-folio ma in e in dela ed f nding loan and -e ol ing c-edi facili e i h c-edi, ali compa-able o ha of i, e- of i ec-i- ie in e men . Dela ed f nding loan and -e ol ing c-edi facili e ma be, bjec o -e -ic ion on -an fe-, and onl limi ed oppo-, ni ie ma e- i o -e ell, ch in -men . A a -e, l, he Pa-folio ma be, nable o ell, ch in e men a an oppo-, ne ime a- ma ha e o -e ell hem a le han fai- ma-ke al e. Plea e-efe- o -illi, id In e men belo fa- f- he- di c- ion of -eg- la- con ide-a ion and con -ain -ela ing o in e men li, idi . Fa- a f- he- di c- ion of he -i k in ol ed in in e ing in loan pa-icipa ion and o he- fa-m of di-ec indeb edne ee -Loan and O he- Indeb edne, Loan Pa-icipa ion and A ignmen . Pa-icipa ion in e-e in -e ol ing c-edi facili e ill be, bjec o he limi a ion di c- ed in -Loan and O he- Indeb edne, Loan Pa-icipa ion and A ignmen . Dela ed f nding loan and -e ol ing c-edi facili e a-e con ide-ed o be deb obliga ion fa- p- -po e of he T- ’ in e men -e -ic ion -ela ing o he lending of f nd a- a e b he Pa-folio.

**When-Issued, Delayed Delivery and Forward Commitment Transactions**

Each of he Pa-folio ma p- -cha e a- ell ec-i- ie on a hen-i, ed, dela ed deli e-, a- fa- a-d commi men ba i . The e -an ac ion ma be kno n a TBA -an ac ion .

When p- -cha ing a ec-i- on a hen-i, ed, dela ed deli e-, a- fa- a-d commi men ba i, he Pa-folio a, me he -igh and -i k of o ne- hip of he ec-i-, incl ding he -i k of p-ice and ield fl c-, a ion, and ake, ch fl c-, a ion in o acco n hen de e-mining i ne a e al e. Beca e he Pa-folio i no -e, i-ed o pa fa- he ec-i-, n il he deli e- da e, he e- i k a-e in addi ion o he -i k a ocia ed i h he Pa-folio’ o he- in e men . If he o he- pa- o a -an ac ion fail o deli e- he ec-i- ie, he Pa-folio co- ld mi a fa- a-able p-ice a- ield oppo-, ni . If he Pa-folio -emain, b an iall f- ll in e ed a a ime hen hen-i, ed, dela ed deli e-, a- fa- a-d commi men p- -cha e a-e o -anding, he p- -cha e ma -e, l in a fa-m of le e-age.

When a Pa-folio ha old a ec-i- on a hen-i, ed, dela ed deli e-, a- fa- a-d commi men ba i, he Pa-folio doe no pa-icipa e in f, -e gain a- lo e i h -e pec o he ec-i- . If he o he- pa- o a -an ac ion fail o pa fa- he ec-i- ie, he Pa-folio co- ld, ffe- a lo . Addi onall, hen elling a ec-i- on a hen-i, ed, dela ed deli e-, a- fa- a-d commi men ba i i ho- o ning he ec-i-, a Pa-folio ill inc- a lo if he ec-i- ’ p-ice app-ecia e in al e, ch ha he ec-i- ’ p-ice i abo e he ag-eed, pon p-ice on he e lemen da e.

A Pa-folio ma di po e of a -enegro ia e a -an ac ion afe- i i en e-ed in o, and ma p- -cha e a- ell hen-i, ed, dela ed deli e- a- fa- a-d commi men ec-i- ie befo-e he e lemen da e, hich ma -e, l in a gain a- lo . The-e i no pe- cen age limi a ion on he e- en o hich he Pa-folio ma p- -cha e a- ell ec-i- ie on a hen-i, ed, dela ed deli e-, a- fa- a-d commi men ba i . S- ch -an ac ion al o can be, bjec o he -i k di c- ed, nde- -De- i a i e In -men abo e.

**Standby Commitment Agreements**

The Pa-folio and Unde-l ing PIMCO F nd ma en e- in o and b commi men ag-eemen, hich a-e ag-eemen ha obliga e a pa-, fa- a e pe-iod of ime, o b- a ce- ain amo n of a ec-i- ha ma be i, ed and

old a the option of the issuer. The price of a security purchased prior to a andb commi men ag-eemen i e a the time of the ag-eemen . In the event of a purchase of the security, a Portfolio Underling PIMCO Fund recei e a commi men fee based upon a percentage of the purchase price of the security. The Portfolio Underling PIMCO Fund recei e his fee the hereto no in the limit of the interest on the purchase of the security.

The entire no guarantee has the security is subject to a andb commi men ag-eemen will be incurred, if, the security is available, the value of the security on the date of issuance may be more favorable than the purchase price. A Portfolio Underling PIMCO Fund will be subject to limits in the event of andb commi men ag-eemen in the remaining amount exceeding the amount of the negative limitation on the interest in the event of a default. In the event of a default of the security, the issuer will be liable for the amount of the security and the amount of the interest on the interest in the event of a default. A Portfolio Underling PIMCO Fund will be subject to the purchase of a andb commi men ag-eemen, and will be subject to the value of the security in a Portfolio Underling PIMCO Fund net of the value, on the date on which the security can be sold, be expected to be incurred.

### Infrastructure Investments

Infrastructure entities include companies in the infrastructure business and infrastructure projects and a representative range of business, type of projects and a fee. The risk has may be applicable to an infrastructure entity based on the type of business, project or asset, location, development stage of a project and an interest rate of control over the management or operation of the entity.

Infrastructure entities are typically subject to significant governmental regulation and other regulatory and political risk, including expropriation; political violence or unrest, including war, sabotage or terrorism; and, nationalized regulatory change by a government or the failure of a government to complete its international trade and agreements. Additionally, an infrastructure may be subject to a number of other risks, including the ability to obtain necessary permits, licenses and other regulatory approvals, and the ability to obtain necessary permits, licenses and other regulatory approvals. Changing public perception and environmental influences on government policy in relation to infrastructure entities.

Companies engaged in infrastructure development and construction and infrastructure projects or assets may have not been completed will be subject to construction risk, including construction delay; delay in obtaining permits and regulatory approval; unforeseen expenses, including from budget and cost overrun; unexpected construction and construction delays; and problem related to project design and plan. Due to the nature of risk associated with construction and the often incomplete or unreliable data about project expenses and income for a project, in the event of construction of an infrastructure project in order to significant risk. The ability to obtain initial or additional financing for an infrastructure project is often dependent on the stage of development and the availability of operational data. A project has to complete and operational may be likely to obtain financing has a project at an early stage of development. Additionally, an infrastructure entity may not be able to obtain needed additional financing, particularly during period of turmoil in the capital market. The cost of compliance with international standards for project finance may increase the cost of obtaining capital or financing for a project. Additionally, an interest in debt security of infrastructure entities may not be subject to payment risk if local currency financing become available.

Infrastructure projects or assets may be subject to operational risk, including the project manager's ability to manage the project; unexpected maintenance cost; government intervention in the operation of an infrastructure project or asset; obsolescence of project; and the early exit of a project's interest in the asset. Additionally, the operation of an infrastructure project or asset may not be able to pay along the full amount of an contracted cost.

An infrastructure entity may be subject to a legal regime has may provide interest in the limited recovery against the entity's assets, the proportion of non-project assets and the availability of the ability to sell or transfer assets. Financing for infrastructure projects and assets is often secured by cash flow, including construction, and project assets. An interest may have limited option and the may be significant cost associated with foreclosure, upon an asset has secured payment of a financing.

### Short Sales

Each of the Portfolio may make hold sale of security: (i) of the potential decline in long position in similar security; (ii) to increase the flexibility of the Portfolio; (iii) for interest in the event of a default of a risk





For each Portfolio, each portfolio in the men may be classified as a leveraged or non-leveraged in one of four categories (highly leveraged, moderately leveraged, lowly leveraged and illiquid), which are defined pursuant to the Leveraged Buyout Rule. Such classification is to be made, using information obtained after the deal is consummated, and taking into account the leverage, trading and income specific considerations. Moreover, in making such classification determination, a Portfolio determines the hedging activity of a position in a particular portfolio in the market as a whole, in which the Portfolio ordinarily anticipates trading, is reasonably expected to have a significant effect on the market, and if so, the Portfolio takes the determination into account when classifying the portfolio of the market. The Portfolio may be included in classification determination by one or more hedge funds. A leveraged portfolio is a portfolio which is illiquid in the market and is subject to the 15% limitation on illiquid in the market.

### Repurchase Agreements

Each Portfolio may enter into repurchase agreements, which include an agreement to purchase a security and to sell the security back to the original seller. If the party agreeing to purchase the security holds default, the Portfolio may seek to sell the security to which it holds. This could include the proceeds of the sale in addition to a loan on the security if the seller holds the security below the repurchase price. Please refer to the Illiquid in the market above for further discussion of the leverage considerations and control relationships in the market.

### Loans of Portfolio Securities

For the purpose of achieving income, each Portfolio may lend its portfolio securities to broker, dealer, and other financial institution, provided: (i) the loan is fully collateralized; (ii) the Portfolio may at any time call the loan and obtain the return of the securities loaned; (iii) the Portfolio will receive an interest dividend paid on the loaned securities; and (iv) the aggregate market value of securities loaned will not at any time exceed 33%.

in e men made b BDC a-e picall illi , id and ma be diffic l o al e. A BDC ma onl inc , indeb edne in

## Environment, Social Responsibility, Governance and Faith-Based Policies

The PIMCO ESG Income Fund, PIMCO Low Carbon ESG Fund, PIMCO Total Return ESG Fund and PIMCO Enhanced Short-Maturity Active ESG Exchange-Traded Fund, each an Underlying PIMCO Fund, will not, as a matter of non-fundamental operating policy, invest in the activities of an non-governmental industry deemed by PIMCO to be engaged principally in the manufacture of alcoholic beverages, tobacco products, military equipment, the operation of gambling casinos, the production or trade of pornography, or in the oil industry, including extraction, production, and refining of the production, distribution of coal and coal-fired generation. The PIMCO ESG Income Fund, PIMCO Low Carbon ESG Fund, PIMCO Total Return ESG Fund and PIMCO Enhanced Short-Maturity Active ESG Exchange-Traded Fund can invest in the activities of an industry deemed by PIMCO to be engaged principally in biofuel production, natural gas generation and sale and trading activities. Certain Underlying PIMCO Funds may also invest in labeled green, sustainable, social and sustainability-linked bond from investment in oil and fossil fuels-related sectors. Labeled bonds are hereby specifically earmarked to be used for climate, environmental, sustainable and/or social projects and, in the case of sustainability-linked bond, bonds that include sustainability-linked components, as explained by the issuer through the use of a framework and/or legal documentation. Labeled bonds are defined by a third party, which certificate has been issued of fund prospectus has included eligible beneficiaries, in the case of a sustainability-linked bond, has the bond included sustainability-linked components. In addition, the PIMCO Low Carbon ESG Fund and PIMCO Total Return ESG Fund will not invest in the activities of an non-governmental industry deemed by PIMCO to be engaged principally in the production of healthcare services or the manufacture of pharmaceuticals, unless the issuer certifies 100% of its gross revenue from products or services designed to protect and improve the quality of human life, as determined on the basis of information available to PIMCO. This general prohibition does not apply to investments in healthcare services and/or pharmaceutical manufacturing, where the issuer certifies 100% of its gross revenue related to abortion, abortion services, contraception or stem cell research. To the extent possible on the basis of information available to PIMCO, an issuer will be deemed to be engaged principally in an activity if it derives more than 10% of its gross revenue from such activity (Socially Restricted Industry). In analyzing the suitability of the criteria decribed above, PIMCO may rely, upon, among other things, information provided by an independent third party.

The PIMCO Total Return Fund V, an Underlying PIMCO Fund, will not invest in the activities of an non-governmental industry deemed by PIMCO to be engaged principally in the (1) manufacture of alcoholic beverages, tobacco products, military equipment, (2) operation of gambling casinos, (3) oil industry, including extraction, production, and refining, or (4) production or distribution of coal and coal-fired generation. To the extent possible on the basis of information available to PIMCO, an issuer will be deemed to be engaged principally in an activity if it derives more than 10% of its gross revenue from such activity (or, where more specifically held or controlled by a company, a company deemed by PIMCO to be engaged principally in the activity). In addition, the PIMCO Total Return Fund V will not invest in the activities of an non-governmental industry known or (1) derived from the production, distribution or publication of adult entertainment material, as well as those known or derived engaged in the business of distributing and selling such material, (2) provide abortion or manufacturing abortion services (and entities have no other alternative), (3) manufacture products intended for consumption, (4) engage in certain types of stem cell research (including the use of embryonic or fetal stem cells or developed products), or (5) produce and/or sell cannabis for recreational use, each of the foregoing generally determined by a third-party data provider and reported to PIMCO. In analyzing the suitability of the criteria decribed in the foregoing sentence (Total Return V Socially Restricted Industry), PIMCO intend to predominantly rely, upon, among other things, information provided by an independent third party, including each and every employed fair value-based or Catholic institution, such as the MSCI Catholic Value Screening Methodology and related research. Nothing and the foregoing information is for above, the PIMCO Total Return Fund V can invest in the activities of an industry deemed by PIMCO to be engaged principally in biofuel production, natural gas generation and sale and trading activities. The PIMCO Total Return Fund V may also invest in labeled green, sustainable, social and sustainability-linked bond from investment in oil and fossil fuels-related sectors. Labeled bonds are hereby specifically earmarked to be used for climate (of environmental or a green bond), environmental, sustainable and/or social projects and, in the case of sustainability-linked bond, bonds that include sustainability-linked components, as explained by the issuer through the use of a framework and/or legal documentation. Labeled bonds are defined by a third party, which certificate has been issued of fund prospectus has included eligible beneficiaries, in the case of a sustainability-linked bond, has the bond included sustainability-linked components.

Evaluation of an issuer's business practices in the context of human rights, social responsibility, and governance (ESG practices) will include the expertise of, and the objective judgment of, PIMCO. There is no guarantee that the criteria utilized, or judgments exercised by PIMCO will reflect the belief or value of an issuer or the issuer's and the factors utilized by PIMCO may differ from the factors that an issuer may have adopted. Information regarding ESG practices is obtained through a number of channels, including, but not limited to, direct communication, and PIMCO is dependent on the accuracy of the information and the issuer's commitment to the implementation of ESG practices. PIMCO's assessment of an issuer's ESG practices is an ongoing process, however, based upon the good faith in the preparation of available information and the continuing and reasonable belief that the issuer is providing the most current information available, and, therefore, the information, as it becomes available, prompt and expedient in portfolio management for the Underlying PIMCO Fund. PIMCO's assessment of an issuer's practices and processes relating to ESG in the event of a change, including in the event of a legal and regulatory development, shall not constitute a practice or



Clima e Bond Fund ma be obliga ed o take po e ion of he , nde-l ing ec-i ie in ce-ain ci-c m-ance . In , ch ca e , he PIMCO Clima e Bond Fund ill , e-ea onable effo- o di e i elf of he e ec-i ie and ma inc- a lo in doing o.

Beca e he PIMCO Clima e Bond Fund adhe-e o he clima e -ela ed policie de c-ibed abo e, he PIMCO Clima e Bond Fund ma be -e , i-ed o fa-ego ce-ain in e men oppa-, ni ie and hei- a ocia ed -e-, -n . In addi ion, he-e i no a , -ance ha he clima e -ela ed in e ing -a eg and echni , e emplo ed ill be , cce fl l. Change in poli cal, -eg la o-, a-, and/o- o he- condi ion in he U.S. and ab-oa d i h -e pec o clima e -ela ed ac i i e ma ca e fl c, a ion in ma-ke and ec-i ie p-ice a-o-nd he o-ld, hich co-ld nega i el impac he al e of he PIMCO Clima e Bond Fund' in e men . An Unde-l ing PIMCO Fund' in e men in ce-ain i , e- ma be , cep ible o a-io- fac o- ha ma impac hei- b ine e o-ope-a ion , incl ding co a ocia ed i h go e-nmen b dge a- con -ain ha impac p blicl f nded p-ojec and ini ia i e , he effec of gene-al economic condi ion h-o-gho he o-ld, inc-ea ed compe i ion f-om o he- p-o ide- of e- ice , , nfa o-able a- la o- acco-ning policie and high le e-age. Pa p-e-fa-mance i no a g- a-an ee o- -eliable indica o- of f- , -e- , l .

### Investments in the Wholly-Owned Subsidiaries

In e men in he S- b idia- ie a- e e-pec ed o p-o ide he C C c , i and C G c A A , -e pec i el , i h e-pec o he commodi ma-ke i hin he limi a ion of S- b chap e- M of he In e-nal Re-ent e Code and IRS -e-ent e-ling , a di c- ed belo , nde- , Ta- a ion. The S- b idia- ie a- e companie o- gani- ed, nde- he la- of he Ca man I land , and a- e o e- een b hei- o- n boa- d of di- ec o- . The C C c , i he ole ha- eholde- of he CRRS S- b idia- , and i i no c- -enl e-pec ed ha ha- e of he CRRS S- b idia- ill be old o- offe- ed o o he- in e o- . The C G c A A i he ole ha- eholde- of he GMAA S- b idia- , and i i no c- -enl e-pec ed ha ha- e of he GMAA S- b idia- ill be old o- offe- ed o o he- in e o- .

I i e-pec ed ha he S- b idia- ie ill in e p-ima- il in commodi -linked de- i a i e in -men , incl ding ap ag- eemen , commodi op ion , f- , -e and op ion on f- , -e , backed b a pa- folio of infla ion- inde- ed ec- i ie and o he- Fi- ed Income In -men . Al ho- gh he C C c , i and C G c A A ma- e- in o he e commodi -linked de- i a i e in -men di- ec l , each Pa- folio ill likel gain e-pec o he e de- i a i e in -men indi- ec l b in e ing in i S- b idia- . To he e-ten ha PIMCO belie e ha he e commodi -linked de- i a i e in -men a- e be e- , i ed o p-o ide e-pec o he commodi ie ma-ke han commodi inde- -linked no e , each Pa- folio' in e men in i S- b idia- ill likel inc-ea e. The S- b idia- ie ill al o in e in infla ion- inde- ed ec- i ie and o he- Fi- ed Income In -men , hich a- e in ended o e- e a ma- gin o- colla e- al fa- he- e pec i e S- b idia- ' de- i a i e po i ion. To he e-ten ha he C C c , i and C G c A A in e in i -e pec i e S- b idia- , , ch Pa- folio ma be , bjec o he- i k a ocia ed i h ho e de- i a i e in -men and o he- ec- i ie , hich a- e di c- ed el e he- e in he applica- ble P-o pec , e and hi S- a- emen of Addi- onal Info- ma- ion.

While he S- b idia- ie ma be con ide- ed imila- o in e men companie , he a- e no -egi e- ed, nde- he 1940 Ac and, , nle o he- i e no ed in he applica- ble P-o pec , e and hi S- a- emen of Addi- onal Info- ma- ion, a- e no , bjec o all of he in e o- p- o ec ion of he 1940 Ac and o he- U.S. -eg- la ion . Change in he la- of he Uni ed S- a- e and/o- he Ca man I land co- ld- e , l in he inabili- of he C C c , i , he C G c A A and/o- he S- b idia- ie o- ope- a e a de- c- ibed in he applica- ble P-o pec , e and hi S- a- emen of Addi- onal Info- ma- ion and co- ld nega i el affec he Pa- folio and hei- ha- eholde- .

In Ma- 2014, he Boa- d of T- , ee g- an ed PIMCO he a- ho- i o e abli h and e- mina e holl -o- ned , b idia- ie of he Pa- folio o implemen ce- ain -ading -a egie , hold ce- ain in e men o- fa- o he- -ea on .

### Quantitative Investing Risk

PIMCO emplo and/o- -elie on algo- i hm , model o- o he- em in connec ion i h man of i in e men ac i i e , incl ding -e ea- ch, fa- ca ing , elec ion, op imi- a ion, o- de- -o- ing, e-ec- ion, and alloca ion p- o ce- e (oge he-, , S- em ). The e S- em , hich ma be emplo ed oge he- and ope- a e i ho- h man in e- en ion, -el hea il on he , e of p- op- ie a- and nonp- op- ie a- da a , of a- e, ha- d a- e, and in ellec , al p- ope- , incl ding da a,

of a-e and ha-d a-e ha ma be licen ed α-o he- i e obained f-om hi-d pa- ie . The , e of , ch S em ha inhe-en limi a ion and -i k . Al ho, gh PIMCO eek o de elop and, e S em app-op-ia el and effec i el , he-e can be no a , -ance ha i ill , cce fl l do o. The S em a-e e<sup>x</sup>-emel comple<sup>x</sup> and ma in ol e he, e of financial, economic, econome-ic and ai i cal hea-ie , -e ea-ch and modeling and -ela ed -an la ion in o comp e- code. E-α- ma occ- in he de ign, -i ing, e ing, alida ion, moni α-ing, and/α- implemen a ion of S em , incl ding in he manne- in hich S em f nc ion oge he- . The effec i ene of S em ma dimini h o e- ime, incl ding a a-e , l of ma-ke change and change in he beha iα- of ma-ke pa- icipan . The , ali of he- e , l ing anal i , in e men elec ion , pa- folio con -i c ion, a e alloca ion , p-opo ed and e<sup>x</sup>ec ed -ade , -i k managemen , alloca ion of in e men oppa- , ni ie and -ading -a egie depend on a n mbe- of fac α- incl ding he acc- ac and , ali of da a inp- in o he S em , incl ding h-α- gh a- oma ed and man al in eg- a ion of comple ed -an ac ion , he ma hema cal and anal i cal a , mp ion and , nde- pinning of he S em ' coding, he acc- ac in -an la ing ho e anal ic in o p-og- am code α- in e- p- e ing he o- p- of a S em b ano he- S em in α- de- o facili a e a -an ac ion, change in ma-ke condi ion , he , cce fl l in eg- a ion of he a- iα- S em in o he pa- folio elec ion and -ading p- o ce and he he- ac , al ma- ke e en ca- e pond o one α- ma- e a , mp ion , nde- l ing he S em . Acco- ding l , S em a- e , bjec o e- α- and/α- mi ake ( , S em Inciden ) ha ma ad e- el impac a Pa- folio . Fa- e<sup>x</sup>ample, S em Inciden ma -e , l in S em pe- fa- ming in a manne- o he- han a in ended, incl ding, b- no limi ed o, fail -e o achie e de i- ed pe- fa- mance α- in e men objec i e , e<sup>x</sup>ec ion of , nan icipa ed -ade α- fail -e α- dela in e<sup>x</sup>ec ing in ended -ade , fail -e o p- ope- l alloca e -ade , fail -e o p- ope- l ga he- and α- gani- e a ailable da a, α- fail -e o iden if hedging α- o he- -i k managemen oppa- , ni ie α- a- ge , all of hich ma ad e- el impac Pa- folio .

PIMCO -elie on , an i a i e model , da a, e<sup>x</sup>ec ion and -ading algo- i hm (incl ding, i ho- limi a ion, algo- i hm , ili- ed in hi- d- pa- a- oma ed -ading pla fa- m ha ma ch b- e- and elle- ba ed on p- ice and o he- cha- ac e- i ic of he , nde- l ing in e men ) , pplied b- hi- d- pa- ie fa- ce- ain Pa- folio . S ch model , da a and algo- i hm a- e , ed o con -i c e of -an ac ion and in e men , o implemen , -o e and e<sup>x</sup>ec e in e men deci ion , and o p- o ide -i k managemen in igh . When he hi- d- pa- model , da a α- algo- i hm p- o e o be inco- ec α- incomple e, an deci ion α- in e men made in -eliance he- eon e<sup>x</sup>po e applica ble Pa- folio o addi onal -i k . Fa- e<sup>x</sup>ample, PIMCO doe no ha e he ame in igh α- acce in o he con -i c ion, coding α- e ing of he algo- i hm , and PIMCO and applica ble Pa- folio ill be e<sup>x</sup>po ed o em , c be- ec- -i and o he- -i k a ocia ed i h he hi- d- pa- model , da a α- algo- i hm . Fa- he e -ea on , and , bjec o PIMCO a i f ing i anda- d of ca- e, PIMCO gene- all ill no compen a e applica ble Pa- folio fa- an lo e a ocia ed i h hi- d- pa- model , da a, α- algo- i hm , and applica ble Pa- folio ill bea- all , ch lo e . PIMCO , bjec o a i f ing i anda- d of ca- e, gene- all doe no e<sup>x</sup>pec o di clo e ce- ain , ch e en o applica ble Pa- folio .

The S em -el hea il on app-op-ia e da a inp- and i i impo ible and imp- ac icable o fac α- all -ele an , a ailable da a in o he S em . PIMCO ill , e i di c- e ion o de- mine ha da a o ga he- and ha , b e of da a he S em , ili- e . In addi ion, d- e o he a- oma ed na , -e of ga he- ing da a, he ol- me and dep h of da a ailable, he comple<sup>x</sup> and of en man al na , -e of da a cleaning, and he fac ha he da a ma come f-om hi- d- pa- o- ce , i i ine i able ha no all de i- ed and/α- -ele an da a ill be a ailable o, α- p- o ce ed b , PIMCO a all ime . Whe- e inco- ec α- incomple e da a i a ailable, PIMCO ma , and of en ill, con in e o gene- a e fa- eca and make in e men deci ion ba ed on he da a ailable. Addi onall , PIMCO ma de- mine ha ce- ain a ailable da a, hile po en iall , efl in gene- a ing fa- eca and/α- making in e men deci ion , i no co effec i e o ga he- d e o, among o he- fac α- , he echnolog co α- hi- d- pa- endα- co and, in , ch ca e , PIMCO ill no , ili- e , ch da a. PIMCO ha fl di c- e ion o elec he da a i , ili- e , and ma elec o , e α- ma -ef- ain f-om , ing an pefic da a α- pe of da a in he S em . The da a , ed in he de elopmen of , e of S em ma no be he mo acc- a e da a ailable α- f- ee of e- α- .

F- he- , if inco- ec ma- ke α- o he- da a a- e en e- ed in o an o he- i e p- ope- l f nc ioning S em , he S em ' -e , l ing o- p- , incl ding p- ope ed -ade α- in e men -ecommenda ion , ma be incon i en i h he , nde- l ing

in e-p-e α-op imi-e ha -recommended ignal α-po ible -ade o facili a e a -ade α-de., ano he- S em -o- e and e/éc e ha -ade α-de., and ano he- S em alloca e he comple ed -ade, and he-e hi p-ocē -n again in



It is difficult for investors to separate from the impact of financial downturn, although companies can seek to identify and manage financial, operational and other risks through risk management programs.

In July 2023, the SEC adopted amendments to Rule 2a-7 and other rules that go on to make findings under the 1940 Act. Among other things, the amendments: (1) remove the redemption gate feature from Rule 2a-7, which currently enables a fund to temporarily suspend redemptions from the fund; (2) modify the current liability, liability fee and Rule 2a-7 other, including, in particular, in particular, amend the amount of money made from the imposition of a liability, liability fee when the fund experiences net redemptions that exceed 5% of net assets, while all other things being equal, a non-go on to make money made from the imposition of a liability, liability fee if the board (or its delegate) determines a fee in the best interests of the fund (including the liability, liability redemptions level); (3) increase the liability, liability minimum level of daily and weekly liability, liability fee for all money made from the fund; and (4) permit the non-go on to make money made from the operation of a liability, liability mechanism, other than the number of shares outstanding, if negative in the case of occurrence in the financial statement a net \$1.00 price per share.

### Temporary Investment

If PIMCO believes the economic conditions are unfavorable to it, PIMCO may temporarily invest up to 100% of a Portfolio's assets in certain defensive strategies for an indefinite period. The defensive strategies include holding a substantial portion of a Portfolio's assets in cash, cash equivalents, high-yield debt securities, including debt securities issued or guaranteed by the U.S. Government or other agencies, investment in derivatives. A disclosed in his Statement of Additional Information, a Portfolio manager in an affiliated money manager and/or high-yield debt fund for cash management purposes.

### Increasing Government and Other Public Debt

Government and other public debt, including municipal securities, can be adversely affected by large and sudden changes in local and global economic conditions, including an increase in increased debt levels. For example, the total public debt of the United States and other countries around the globe as a percentage of gross domestic product has grown rapidly since the beginning of the 2008-2009 financial downturn and accelerated in connection with the U.S. Government's response to the COVID-19 pandemic. Government agencies project that the United States will continue to maintain high debt levels for the foreseeable future. Although high debt levels do not necessarily indicate a current economic problem, the management team will monitor debt management practices and no implementation.

A high debt level may increase the pressure on money manager funding needs, which can increase debt costs and current government or public or municipal entities, or additional debt, thereby increasing refinancing risk. A high debt level also may concern the ability to make principal payments on debt, which may have an adverse impact on the value of certain investments held by a Portfolio. Unrecoverable debt levels can cause a decline in the allocation of resources, and can prevent a government from implementing effective countercyclical fiscal policies in economic downturns or can generate a counterproductive economic downturn. In addition, the high and rising levels of U.S. national debt may have an adverse impact on the U.S. economy and securities in which a Portfolio may invest. From time to time, investors regarding the availability of negotiation in the U.S. Government to increase the debt ceiling could increase the risk that the U.S. Government may default on payments on certain U.S. Government securities; cause the curtailment of the U.S. Government to be downgraded or increase volatility in both stock and bond markets; result in higher interest rates; reduce the price of U.S. Treasury securities; and/or increase the cost of certain kinds of debt.

The U.S. sovereign curtailment has experienced downgrade and there can be no guarantee that it will not experience further downgrade in the future by a rating agency. The rating maker, price and yield of securities are supported by the full faith and credit of the U.S. Government may be adversely affected by a rating agency's decision to downgrade the U.S. sovereign curtailment. The foregoing risk could adversely affect the value of the Portfolio's investments.

### Inflation and Deflation

The Portfolio's performance is affected by inflation and deflation risk. Inflation risk is the risk that the performance of a portfolio's income from a Portfolio will be reduced in the future as inflation decreases the performance of money. The Portfolio's dividend rate or borrowing cost, where applicable, may also increase during periods of inflation. This may further

Reduced Portfolio performance. The rate of inflation in many countries would have increased in recent years due to supply chain disruptions, fiscal monetary stimulus, energy price increases, wage inflation and the Russian invasion of Ukraine, among other factors. Additionally, the Federal Reserve has raised the federal funds rate. These inflationary pressures have been taken by the Federal Reserve and other governmental bodies to reduce inflation will be effective. Deflation risk is the risk that prices have fallen, although the economic decline over time creating an economic recession, which could make it more difficult and make it more likely in a decline in the value of a Portfolio's assets. Generally, economies are emerging markets are subject to a greater risk of inflation or deflationary forces, and more developed markets are able to use monetary policy to neutralize market.

## **Regulatory Matters**

has a significant impact on the public availability of the one-month, three-month and six-month U.S. Dollar LIBOR rate starting on June 30, 2023 through at least September 30, 2024. Certain of the Portfolio's investments in individual foreign legal entities which may be subject to the Adjustable Interest Rate (LIBOR) Act on the LIBOR and non-adjustable rate can be significantly impacted by the illiquidity of the market. Moreover, certain aspects of the transition from LIBOR will have relied on the continued operation of third-party market participants, such as clearing houses, trustees, administrators, agents, advisers and certain service providers; PIMCO cannot guarantee the performance of such market participants and any failure on the part of such market participants to manage their part of the LIBOR transition could impact the Portfolio. The transition of investments from LIBOR to replacement rate is a subject of amendments, application of existing fallback, and other items of the immediate material interest in a reduction in the ability of certain investment managers held by a Portfolio to act in the effectiveness of related Portfolio transactions, such as hedge. In addition, an investment manager's transition to replacement rate could result in a violation in the reported field of a Portfolio's holdings in such investment. Any effect of the transition to a non-LIBOR rate will also have a negative effect, could result in loss of a Portfolio.

Additionally, the elimination of the term of a debt instrument or a modification of the term of the type of contract to replace LIBOR or another interbank offered rate (IBOR) may have a negative effect on the ability to make a taxable exchange and the realization of income and gain/loss for U.S. federal income tax purposes. The IRS has issued final regulations regarding the tax consequences of the transition from IBOR to a non-adjustable rate in debt instruments and non-debt contracts. Under the final regulations, the elimination or modification of the term of a debt instrument to replace an operating rate has a disqualifying effect on the IBOR instrument, a modified rate (as defined in the final regulations) including the payment, including the fair market value of contracts before and after such IBOR transition, to add a modified rate as a fallback rate to a contract whose operating rate is a disqualifying IBOR or to replace a fallback rate has a disqualifying effect on the IBOR instrument, a modified rate could not be taxable. The effect of the federal income tax consequences could apply

the effective implementation on the Portfolio. PIMCO in end-to-end development and seek to manage the Portfolio in a manner consistent with achieving the Portfolio's investment objectives, but there can be no assurance that it will be successful in doing so.

In May 2022, the SEC proposed a framework for disclosure, including climate-related financial risk (including the Portfolio) to disclose environmental, social, and governance (ESG) in filing practices. Among other things, the proposed rule requires the issuer to disclose the following information (i.e., in general, ESG focused and/or impact related) portfolio specific and shareholder-reported disclosure related to the ESG factors, criteria and processes used in managing the fund. The proposal's impact on the Portfolio will not be known until a final rulemaking is adopted.



The implementation of the CSDR SDR for Portfolio has been incorporated into the action manual in accordance with operational and compliance considerations being based on the applicable regulatory provisions. CSDR manual affects liability and income adding costs associated with the implementation. If incorporated into the action manual, the additional expenses and penalties associated with the CSDR SDR, which expenses and penalties may be charged to the relevant Portfolio.

## Liquidation of Portfolios

The Board of Trustees of the Trust may determine to close and/or liquidate a Portfolio at any time. In the event of the liquidation of a Portfolio, the holder may receive a liquidation distribution in cash or in-kind, or other appropriate form in the Portfolio or distribution of the income in the Portfolio for the income in a comparable income company. The value of an income in a Portfolio, and an investment distribution in the event of termination, will be subject to make conditions that apply. A holder of a liquidating Portfolio will not be entitled to an estimated or estimated amount of expenses based on the applicable regulatory provisions, but the holder (which a holder accounts for (if any) Portfolio operating expenses), and a holder may receive an amount in liquidation less than the holder's original investment.

In the event of an Portfolio expensing or closing or liquidation or termination, a qualification as a legal entity in the income company, under the Internal Revenue Code during the liquidation period and, therefore, not to be applied on an of income capital gain realized from the sale of a Portfolio income earned has a limited distribution to the holder. In the event of a Portfolio holding, a qualification in the income company during the liquidation period, (i) the Portfolio or liquidation, subject to which or liquidation or all of the portfolio liquidation distribution and (ii) or net of a liability and connection and a liability in the policy based on the Portfolio or liquidation or closing has the Portfolio (which has the appropriate income tax of the Portfolio) for the purpose of the distribution, income, under Section 817(h) of the Internal Revenue Code, and a sale may be applied or included in the income company, under the connection and the benefit of a deferral.

## Participation in Litigation or Arbitration Proceedings

PIMCO, in its judgment and discretion and based on the consideration deemed by PIMCO to be relevant, may believe has a right in the event of a Portfolio or in the event of a claim or join a claim of plainiff or plaintiff claim a lead plainiff (or coplaintiff of a claim and plaintiff or a claim defendant). Similarly, PIMCO may determine not to make or not to recommend an action. To the extent that a Portfolio has a liability, PIMCO will generally not make or recommend an action. Subject to procedures approved by the Board of Trustees, PIMCO may, on behalf of a Portfolio, defend or participate in litigation or arbitration proceedings as a named plainiff or claimant. Pursuant to such procedures, PIMCO may, in its limited capacity, (i) engage legal counsel for a Portfolio and/or cause a Portfolio to pay and/or reasonable legal fee and expenses incurred in connection with the litigation the alibi of a potential claim (or performance of the due diligence relating to a potential claim) or taking an action considered by PIMCO to be necessary or appropriate (a) on the part of a Portfolio's right or in the event in connection with (1) defending a claim made against a Portfolio and (2) in the event of engaging in pre-litigation measures, or in the event of a possible future litigation or arbitration or otherwise, or a judicial decision favorable to a Portfolio and (b) on the part of a Portfolio's ability to bring a claim and/or perform the appropriate action of an applicable law of limited capacity; and (ii) on behalf of a Portfolio has a right or seeking to act as a named plainiff or claimant, (a) give direction to a holder (which a trustee or trustee or trustee), (b) cause a Portfolio to advance and/or reasonable legal fee and expenses or other holder, and/or (c) indemnify, on behalf of a Portfolio, the holder for a holder's and/or reasonable legal fee and expenses, in each case in connection with the litigation or a claim concerning the Portfolio's income and pursuant to the terms of the income company (including, in its limited capacity, a sale of a Portfolio's holding of a

failures, each could result in a loss of information, resulting in operational damage or other events, any of which could have a material adverse effect on a Portfolio. While the Portfolio seeks to minimize these events through controls and oversight, there may still be failures that could cause losses to a Portfolio.

**Market Disruptions Risk.** The Portfolio is subject to intense and operational risks associated with financial, economic and other global market developments and disruptions, including those arising from war, military conflict, economic, market manipulation, government intervention, default and harden, political change or diplomatic developments, public health emergencies (such as the spread of infectious diseases, pandemic and epidemic), bank failures and natural/environmental disasters, which can all negatively impact the economic market and cause a Portfolio to lose value. These events can also impact the technology and other operational elements upon which the Portfolio's service providers, including PIMCO as the Portfolio's investment adviser, rely, and could otherwise impact the Portfolio's service providers' ability to fulfill their obligations to the Portfolio.

A widespread health crisis, such as a global pandemic, could cause substantial market volatility, exchange trading, pension or other activities and closure of economic activity and business. Such a health crisis could also impact the ability to complete redemption, and adverse impact in events held by a Portfolio. For example, the outbreak of COVID-19, a widespread disease caused by a novel coronavirus, has caused volatility, economic market dislocation and liquidity constraints in many markets, including market for the economic activity a Portfolio holds. The transmission of COVID-19 and efforts to contain its spread have resulted in a widespread and disruptions, closed international borders, enhanced health screening at ports of entry and elsewhere, disruptions of and delays in healthcare service provision and delivery, quarantines, entry and service cancellations in events, disruptions of business operations (including air travel and education) and supply chain, and a reduction in consumer and business spending, all a general economic recession and recovery. The disruptions led to volatility in the market place, including equity and debt market losses and overall volatility, and the job market. The impact of COVID-19, and other infectious illness outbreak, epidemic or pandemic has materialized in the financial, credit, could adversely affect the economic of many nations or the entire global economy, the financial well-being and performance of individuals, businesses and economic and the health of the market generally in potentially significant and unforeseen ways. In addition, the impact of infectious illness, such as COVID-19, in emerging market countries may be greater due to general lack of available healthcare services. Public health crisis may exacerbate other pre-existing political, social and economic risks in certain countries globally.

The foregoing could lead to a significant economic downturn or recession, increased market volatility, a general downturn of market closure, higher default rates and adverse effect on the value and liquidity of economic activity or other assets. Such impact, which may also affect the performance of the Portfolio. In certain cases, an exchange or market market closure or trading halt on specific economic activity or events in the entire market, which may result in the Portfolio being, among other things, unable to buy or sell certain economic activity or financial instruments or to accept a sell price for investments. The end of the developments may adversely affect the liquidity of the Portfolio's holdings (see "Liquidity Risk" in the prospectus for further details).

**Cyber Security Risk.** Advances of technology, including cloud-based technology, has become more prevalent in the course of business, the Portfolio has become potentially more vulnerable to operational and information security risks, resulting from breaches in cyber security. A breach in cyber security affects both internal and external cyber events from outside the organization or internal security has materialized, among other things, cause a Portfolio to lose proprietary information, interfere with operations and/or reduce operational capacity, result in the unauthorized release of other sensitive or confidential information, or otherwise disrupt normal business operations. Cyber security breaches may include unauthorized access to a Portfolio's digital information systems (e.g., through hacking or malicious code), and may come from multiple sources, including outside attacks, such as denial-of-service attacks (i.e., efforts to make network services unavailable or interrupted) or cyber espionage, including infiltration of data held for an organization and/or an organization's assets a hack has rendered them inoperable, or an organization is paid, or in exchange (e.g., in an internal or non-internal harmful act of PIMCO personnel. In addition, cyber security breaches in relation to a Portfolio's third party service providers (including but not limited to advisers, brokers, administrators, financial agents, custodians, end users, and other parties) may also have an impact on the Portfolio.

ad e- el impac , ch cō n e- pa- ie α- i , e- and ca- e he Po- folio' in e men o lo e al- e. The e fail -e α- b- each e ma al o -e , l in di -p ion o b- ine ope- a ion , po en iall -e , l ing in financial lo e ; in e- fe- ence i h a Po- folio' abili o calc la e i ne a e al- e, p- oce ha- e holde- -an ac ion α- o he- i e -an ac b- ine i h ha- e holde- ; impedimen o -ading; iola ion of applicable p- i ac and o he- la ; -eg la α- fine ; penal ie ; hi- d pa- claim in li ga ion; -ep- a iona l damage; -eimb- -emen α- o he- compen a ion co ; addi iona l compliance and c be- ec- i -i k managemen co and o he- ad e- e con e , ence . In addi ion, , b- an ial co ma be inc -ed in α- de- o p- e en an c be- inciden in he fi , -e.

Like i h ope- a iona l -i k in gene- al, he Po- folio ha e e abli hed b- ine con in- i plan and -i k managemen em de igned o -ed- ce he -i k a ocia ed i h c be- ec- i . Ho e e- , he- e a- e inhe- en limi a ion in he e plan and em , incl ding ha ce- ain- i k ma no ha e been iden ified, in la- ge pa- beca e diffe- en α- , nkno n h- ea ma eme- ge in he fi , -e. A , ch, he- e i no g- a- an ee ha , ch effo- ill , cceed, e peciall beca e he Po- folio do no di- ec l con- ol he c be- ec- i em of i , e- in hich a Po- folio ma in e , -ading cō n e- pa- ie α- hi- d pa- e- ice p- o ide- o he Po- folio . S- ch en i ie ha e e- pe- ienced c be-



6. A Portfolio make loan, only a permitted, under the 1940 Act, as amended, and as in effect, modified, or otherwise permitted by regulation, authority, or jurisdiction, from time to time.
7. A Portfolio may not accept an, under the of the of the, or, except the then has in connection with the disposition of portfolio securities, it may be deemed to be an, under the, under the federal securities law.
8. No hindering or other fundamental in the public limitation, in the fundamental public of



1. The **TLCH** **BC** will in e, , nde. no-mal ci-c m ance , a lea 80% of i a e in high field in e men .
2. The **TLCL** - **.G** will in e , , nde. no-mal ci-c m ance , a lea 80% of i a e in U.S. Go e-nmen in e men .
3. The **TLG** **BC** ( **c c** ) will in e , , nde. no-mal ci-c m ance , a lea 80% of i a e in bond in e men .
4. Each of he **TLI** **BC** ( **.D -Hc c** ) and **TLI** **BC** ( **c c** ) will in e , , nde. no-mal ci-c m ance , a lea 80% of i a e in bond in e men .
5. The **TL E** **BC** will in e , , nde. no-mal ci-c m ance , a lea 80% of i a e in eme-ging ma-ke bond in e men .
6. Each of he **TL D** **BC** and **TL G** **C B c (Hc c)** will in e , , nde. no-mal ci-c m ance , a lea 80% of i a e in Fi ved Income In , men in e men .

Fa p-po e of he e policie , he e-m , a e , a defined in Re le 35d-1 , nde. he 1940 Ac , mean ne a e pl he amo n of an ba-o ing fa- in e men p-po e . In addition, fa- p-po e of he e policie , in e men ma be e-pe-ened b fa- a-d a-de-i a i e , ch a op ion , f , -e con-ac , a ap ag-eemen . Fr- he- , fa- p-po e of he e policie , a Pa- folio ma , look h-o gh a -ep-cha e ag-eemen o he colla-e-al , nde-l ing he ag-eemen ( picall , go e-nmen e-c-i i e ) , and appl he -ep-cha e ag-eemen o a-d he 80% in e men -e , i-emen ba ed on he pe of e-c-i i e comp-i ing i colla-e-al. Fa- p-po e of he e policie , he e-m , con-e-ible in e men incl de n he ic con-e-ible e-c-i i e c-ea ed b PIMCO and ho e c-ea ed b o he- pa- i e , ch a in e men bank .

In addition, fa- p-po e of a Pa- folio' in e men polic adoped p- , an o Re le 35d-1 , nde. he 1940 Ac , he Pa- folio ill co- n ce- ain de-i a i e in , men , , ch a in e-e -a e ap , c-edi defa l ap in hich he Pa- folio i b ing p-o ec ion, op ion on ap , and E-odolla- f , -e , a ma-ke al e in agg-ega ing he Pa- folio' -e-le an in e men p-o iding e-p-o , -e o he pe of in e men , ind -ie , co- n-ie a- geog-aphic -egion , gge ed b he Pa- folio' name beca e he e-p-o , -e p-o ided b he e in , men i no e , al o he fi ll no ion al al e of he de-i a i e. Wi h -ega-d o o he- de-i a i e , , ch a f , -e , fa- a-d , o al -e- , n ap , and c-edi defa l ap in hich he Pa- folio i elling p-o ec ion, he Pa- folio ill co- n he fi ll no ion al al e of he de-i a i e in agg-ega ing he Pa- folio' -e-le an in e men p-o iding e-p-o , -e o he pe of in e men , ind -ie , co- n-ie a- geog-aphic -egion , gge ed b he Pa- folio' name beca e he Pa- folio' e-p-o , -e o he , nde-l ing a e i e , al o he no ion al al e. Fr- he- , fa- p-po e of he in e men polic adoped p- , an o Re le 35d-1 , nde. he 1940 Ac fa- Non-f ndamen al In e men Polic 1 abo e, he PIMCO High Yield Pa- folio ill incl de e-c-i i e comp-i ing i benchma-k inde- a , high field in e men e en if he highe -a ing of he e-c-i i an in e men g-ade -a ing. Fa- p-po e of o he- in e men policie and-e -ic ion , he Pa- folio ma al e de-i a i e in , men a ma-ke al e , no ion al al e a- f ll e-p-o , -e al e (i.e., he , m of he no ion al amo n fa- he con- ac pl he ma-ke al e). Fa- e-ample, a Pa- folio ma al e c-edi defa l ap a fi ll e-p-o , -e al e fa- p-po e of he Pa- folio' c-edi , ali g ideline beca e , ch al e in gene-al be e-eflec he Pa- folio' ac , al economic e-p-o , -e d-ling he e-m of he c-edi defa l ap ag-eemen . A a-e , l , a Pa- folio ma , a ime , ha e no ion al e-p-o , -e o an a e cla (befa-e ne ing) ha i g-ea-e a- le e- han he a ed limi a- -e -ic ion no ed in he Pa- folio' p-o pec , . In hi con-e- , bo h he no ion al amo n and he ma-ke al e ma be po i i e a- nega i e depending on he he- he Pa- folio i elling a- b ing p-o ec ion h-o gh he c-edi defa l ap. The manne- in hich ce- ain e-c-i i e a- o he- in , men a-e al ed b he Pa- folio fa- p-po e of appl ing in e men policie and-e -ic ion ma diffe- f-om he manne- in hich ho e in e men a-e al ed b o he- pe of in e a- .

**C Hc** . The **TL** ha adoped a non-f ndamen al polic p- , an o hich each Pa- folio ha ma in e in e-c-i i e denomina ed in fa-eign c- -encie , e-cep fa- he **TLCH** **BC** , **TLG** **BC** , **TLG** **BC** ( **c c** ) , **TLG** **BC** **A** , **TLG** **BC** **A** and **TLI** **BC** ( **c c** ) will no-mall limi i fa-eign c- -enc e-p-o , -e (f-om non-U.S. dolla--denomina ed e-c-i i e a- c- -encie ) o 20% of i o al a e . The **TLG** **BC** **C B c (Hc c)** will no-mall limi i fa-eign c- -enc e-p-o , -e (f-om non-U.S. dolla--denomina ed e-c-i i e a- c- -encie ) o i hin 5% (pl a- min ) of he fa-eign c- -enc e-p-o , -e of he Bloombe-g Global Agg-ega e (U.S. Dolla--Hedged) Inde , a calc la ed b PIMCO. The **TL D** **BC** will no-mall limi i fa-eign c- -enc e-p-o , -e (f-om non-U.S. dolla--denomina ed e-c-i i e a- c- -encie ) o 35% of i o al a e . Wi hin he fi ved income lee e of he **TL B** **c A** , he Pa- folio ill no-mall limi i fa-eign c- -enc e-p-o , -e (f-om non-U.S. denomina ed e-c-i i e a- c- -encie ) o 5% of i o al a e . The-e can be

no advance hedge currency hedging technique will be successful. All percentage limitations described in this

Portfolio' initial enrollment in a position, but the percentage limitation and absolute prohibition set forth in the Election Incentive Repeal Act are not applicable to a Portfolio' , because, in violation of the Act, the enrollment in a position is not a Roll Transaction.





<u>Name, Year of Birth and Position Held with Trust*</u>	<u>Term of Office and Length of Time Served†</u>	<u>Principal Occupation(s) During Past 5 Years</u>	<u>Number of Funds in Fund Complex Overseen by Trustee</u>	<u>Other Public Company and Investment Company Directorships Held by Trustee During the Past 5 Years</u>
Ga- F. Kenned (1955) T, ee	04/2015 o p-e en	Fa-me-l , Senio- Vice P-e iden , Gene-al Co n el and Chief Compliance Office-, Ame-ican Ai-line and AMR Co-pa-a ion (no Ame-ican Ai-line G-o p) (1/03-1/14).	161	T, ee, PIMCO F, nd , PIMCO ETF T, , PIMCO E , i Se-ie and PIMCO E , i Se-ie VIT.
Pe e- B. McCa- h (1950) T, ee	04/2015 o p-e en	Fa-me-l , A i an Sec-e a- and Chief Financial Office-, Uni ed S a e Depa- men of T-ea , - ; Dep Managing Di-ec a-, In i, e of In e-na ional Finance.	161	T, ee, PIMCO F, nd , PIMCO ETF T, , PIMCO E , i Se-ie and PIMCO E , i Se-ie VIT.
Ronald C. Pa-ke- (1951) Lead Independen T, ee	07/2009 o p-e en ; Lead Independen T, ee - 02/2017 o p-e en	Di-ec a- of Ro eb- -g Fa-e P-o d c Compan . Fa-me-l , Chai-man of he Boa-d, The Fa-d FAMIL Fo nda ion; and P-e iden , Chief E, c i e Office-, Hamp on Affilia e (fa-e - p-o d c ).	161	Lead Independen T, ee, PIMCO F, nd and PIMCO ETF T, , PIMCO E , i Se-ie and PIMCO E , i Se-ie VIT.

(\*) Unle o he- i e no ed, he info-ma ion fo- he indi d al li ed i a of Ma-ch 31, 2024.

(1) M . S affa-d and M. S-elo a-e , in e-e ed pe- on of he T, (a ha e-m i defined in he 1940 Ac ) beca e of he i-affilia ion i h PIMCO.

( ) T, ee e- e , n il he i- , cce a- a-e d l elec ed and , alified.

The Boa-d ha de e-mined ha each of he T, ee i , alified o e- e a a T, ee of he T, , ba ed on a



M. B. has held in multiple executive positions at a large automotive corporation. M. B. has prior financial experience from his role as Chief Financial Officer, Treasurer, Accounting and Administration of the automotive corporation. He also served as the Chief Executive Officer of a credit company. Additionally, M. B. has prior experience as a board member of a corporation. He also has relevant experience as a Trustee of PIMCO Fund and PIMCO ETF Trust since 2015, and as a Trustee of PIMCO Emerging Markets and PIMCO Emerging Markets VIT since 2019.

M. D. has financial experience in selling and managing private equity funds. Additionally, M. D. has previously served on the board of directors of a series of public and private companies. She currently serves on the board of directors of a public company. She also has gained relevant experience as a Trustee of PIMCO Fund and PIMCO ETF Trust since 2015, and as a Trustee of PIMCO Emerging Markets and PIMCO Emerging Markets VIT since 2016.

M. H. has prior financial, operations and management experience as the Global Head of Investment,

**Name, Year of Birth and  
Position Held with Trust\***

**Term of Office and  
Length of Time Served**

**Principal Occupation(s) During Past 5 Years†**

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**Name, Year of Birth and  
Position Held with Trust\***

**Term of Office and**

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- an officer or an in e men compan , or a pe- on ha or ld be an in e men compan b, fo- he e<sup>x</sup>cl- ion p- o ided b ec ion 3(c)(1) and 3(c)(7) of he 1940 Ac , ha ing he ame in e men ad i e- or p- incipal , nde- -i e- a he Pa- folio or ha ing an in e men ad i e- or p- incipal , nde- -i e- ha di- ec l or indi- ec l con- ol , i con- olled b , or i , nde- common con- ol i h he in e men ad i e- or p- incipal , nde- -i e- of he Pa- folio;
- he in e men ad i e- or p- incipal , nde- -i e- of he Pa- folio; he Pa- folio;
-

representatives of the independent men and women management bodies in the men's object, performance and outlook. The Independent Men Performance Committee of Me . D . N . B . (Chai-), H . B . D . and S . A . D . and Me . . B . , Kenned , McCa . h , Pa . ke . and S . elo . D . ing the fiscal year ended December 31, 2023, hereby reporting of the Independent Men Performance Committee.

The Trial of the Governance and Nominating Committee, which is responsible, among other things, for the promotion of good governance practices and for the election and nomination of candidates to the Trial . Only Independent Trial members are members of the Governance and Nominating Committee, and the Governance and Nominating Committee consists of Me . . B . , Kenned (Chai-), McCa . h and Pa . ke . and Me . D . N . B . and H . B . D . P . io . o . No . embe . 6, 2018, the Governance and Nominating Committee comprised all of the Trial members, but only members of the Committee hold Independent Trial seats on the nomination of Independent Trial candidates .

The Governance and Nominating Committee has established a policy, effective February 13, 2019, whereby the Chairman of the Board will elect a chairman no longer than five years from the date of appointment . Upon a vote of the majority of the Trial members, the Chairman may elect a pro additional concurrent executive chairman .

The Governance and Nominating Committee has a policy in place for considering Trial candidates recommended by shareholders . The Governance and Nominating Committee may consider potential Trial candidates recommended by shareholders provided that the proposed candidate: (i) satisfies a minimum qualification of the Trial for Trial members and (ii) is not in violation of the Trial's independent men and women meaning of the 1940 Act . The Governance and Nominating Committee will not consider a nomination in which the Nominating Shareholder is the Trial candidate .

An shareholder (a "Nominating Shareholder") is being a proposed Trial candidate must control or a of record, or beneficially hold, a financial interest, have of the Trial having a net asset value of no less than \$25,000 during the reporting period prior to being the proposed Trial candidate . Each of the executive officers of the proposed company of calculating his or her net worth have been held control or a least one of the date of the nomination . In addition, the executive officers must continue to be held through the date of the special meeting of shareholders to elect Trial members .

All Trial candidates nomination by Nominating Shareholders must be received by the Board by the deadline for nomination of an shareholder proposal which would be included in the Proxy Statement for the next special meeting of shareholders of the Proxy .

Nominating Shareholders must, in compliance with the relevant provisions of the time of, being held by proposed Trial members nominee of the Trial's "Section" . Notice of the Trial's "Section" should be provided in accordance with the deadline specified above and include, (i) the Nominating Shareholder's contact information; (ii) the number of Proxy shares which are owned of record and beneficially by the Nominating Shareholder and the length of time which such shares have been owned by the Nominating Shareholder; (iii) a description of all arrangements and understandings between the Nominating Shareholder and another person or persons (naming such person or persons) prior to, and on which the nomination is being made and a description of the relationship, if any, between the Nominating Shareholder and the Trial candidate; (iv) the Trial candidate's contact information, age, date of birth and the number of Proxy shares owned by the Trial candidate; (v) all information regarding the Trial candidate's qualification for election to the Board of Trial members shall be disclosed in disclosure of proposed election of Trial members by Reg . la . ion 14A of the Securities Exchange Act of 1934, as amended (the "1934 Act"), had the Trial candidate been nominated by the Board; (vi) the Nominating Shareholder believes the Trial candidate would or would not be an independent person of the Proxy, as defined in the 1940 Act and a description of the basis for such belief; and (vii) a no-action letter received by the Trial candidate, naming his or her independent or a nominee and be named in the Proxy Statement, if nominated by the Board of Trial members, and to be named as a Trial member if elected .

During the fiscal year ended December 31, 2023, hereby reporting of the Governance and Nominating Committee .

**Trustee Retirement Policy**

The Board has in place a retirement policy for all Trustees who are not independent persons of the Trust, as has been defined in Section 2(a)(19) of the 1940 Act, has taken into balance the benefits of the experience and in its original memorandum of organizing Trustees against the need for flexible participation, and to enhance the overall effectiveness of the Board. No Independent Trustees shall continue to receive a Trusteeship beyond the first Board meeting occurring after the 76th birthday, provided that his policy may be amended or modified from time to time at the discretion of the Governance and Nominating Committee. The continued applicability of the retirement policy is reviewed from time to time by the Governance and Nominating Committee.

**Compensation Table**

The following table sets forth information regarding compensation received by the Trustees for the fiscal year ended December 31, 2023:

<b>Name and Position</b>	<b>Aggregate Compensation from Trust</b>	<b>Pension or Retirement Benefits Accrued As Part of Funds Expenses</b>	<b>Total Compensation from Trust and Fund Complex Paid to Trustees</b>
George E. Boker, Trustee	\$57,750	N/A	\$423,000
Jennifer Holden Dornbush, Trustee	\$60,350	N/A	\$443,000
Kim M. Hobbard, Trustee	\$60,350	N/A	\$443,000
Gary F. Kennedy, Trustee	\$60,350	N/A	\$443,000
Peter B. McCarthy, Trustee	\$62,950	N/A	\$468,000
Ronald C. Parker, Trustee	\$62,950	N/A	\$463,000

**Control Persons and Principal Holders of Securities**

As of April 4, 2024, the following persons owned of record or beneficially 5% or more of the noted class of shares of the following Portfolio:

<b>FUND NAME</b>	<b>CLASS</b>		<b>REGISTRATION</b>	<b>SHARES BENEFICIALLY OWNED</b>		<b>PERCENTAGE OF OUTSTANDING SHARES OF CLASS OWNED</b>
PVIT ALL ASSET PORT ADMIN	ADM	**	DELAWARE LIFE INSURANCE COMPANY VARIABLE ACCT F ATTN ACCOUNTING CONTROL, 1601 TRAPELO RD STE 30, WALTHAM MA 02451-7360	1,495,014.04		20.08%
PVIT ALL ASSET PORT ADMIN	ADM	**	JEFFERSON NATIONAL LIFE INSURANCE COMPANY C/O IPO PORTFOLIO ACCOUNTING, PO BOX 182029, COLUMBUS OH 43218-2029	2,110,181.65	*	28.34%
PVIT ALL ASSET PORT ADMIN	ADM	**	NATIONWIDE LIFE INSURANCE COMPANY NWPP ATTN IPO PORTFOLIO ACCOUNTING, PO BOX 182029, COLUMBUS OH 43218-2029	671,644.60		9.02%





FUND NAME	CLASS		REGISTRATION	SHARES BENEFICIALLY OWNED	PERCENTAGE OF OUTSTANDING SHARES OF CLASS OWNED
PVIT EMERGING MARKETS BOND PORT ADM	ADM	**	JEFFERSON NATIONAL LIFE INSURANCE COMPANY C/O IPO PORTFOLIO ACCOUNTING, PO BOX 182029, COLUMBUS OH 43218-2029	2,053,980.73	21.00%
PVIT INTL BOND PORT (USD-HEDGED) ADM	ADM	**	FARMERS NEW WORLD LIFE INSURANCE VARIABLE UNIVERSAL LIFE 3120 139TH AVE SE STE 300, BELLEVUE WA 98005-4491	468,948.12	5.35%
PVIT INTL BOND PORT (USD-HEDGED) ADM	ADM	**	JEFFERSON NATIONAL LIFE INSURANCE COMPANY C/O IPO PORTFOLIO ACCOUNTING, PO BOX 182029, COLUMBUS OH 43218-2029		

FUND NAME	CLASS		REGISTRATION	SHARES BENEFICIALLY OWNED		PERCENTAGE OF OUTSTANDING SHARES OF CLASS OWNED
PVIT HIGH YIELD PORT ADMIN	ADM	**	ALLIANZ LIFE INS CO OF N AMERICA ATTN FINANCIAL PRODUCTS FINANCIAL, 5701 GOLDEN HILLS DR, MINNEAPOLIS MN 55416-1297	38,151,620.56	*	57.06%
PVIT HIGH YIELD PORT ADMIN	ADM	**	ALLIANZ LIFE OF NEW YORK 5701 GOLDEN HILLS DR, MINNEAPOLIS MN 55416-1297	5,448,474.83		8.15%
PVIT HIGH YIELD PORT ADMIN	ADM	**	GE LIFE AND ANNUITY ASSURANCE CO ATTN VARIABLE ACCOUNTING, 6610 W BROAD ST, BLDG 3 5TH FLOOR, RICHMOND VA 23230-1702	4,307,293.44		6.44%
PVIT HIGH YIELD PORT ADMIN	ADM	**	JEFFERSON NATIONAL LIFE INSURANCE COMPANY C/O IPO PORTFOLIO ACCOUNTING, PO BOX 182029, COLUMBUS OH 43218-2029	4,040,940.27		6.04%
PVIT SHORT-TERM PORT ADMIN	ADM	**	AMERICAN GENERAL LIFE INSURANCE COMPANY SIGNATURE II - A ATTN VARIABLE PRODUCT ACCT 5-36, PO BOX 1591, HOUSTON TX 77251-1591	1,267,721.59		5.24%
PVIT SHORT-TERM PORT ADMIN	ADM	**	AUGUSTAR LIFE INSURANCE CO FBO ITS SEPARATE ACCOUNTS ATTN DENNIS TANEY, PO BOX 237, CINCINNATI OH 45201-0237	8,969,616.32	*	37.08%
PVIT SHORT-TERM PORT ADMIN	ADM	**	JEFFERSON NATIONAL LIFE INSURANCE COMPANY C/O IPO PORTFOLIO ACCOUNTING, PO BOX 182029, COLUMBUS OH 43218-2029	7,790,754.06	*	32.21%
PVIT SHORT-TERM PORT ADMIN	ADM	**	PRINCIPAL LIFE INSURANCE CO CUST. FBO PRINCIPAL INDIVIDUAL - EXECUTIVE VARIABLE UNIVERSAL LIFE ATTN INDIVIDUAL LIFE ACCOUNTING 711 HIGH ST, DES MOINES IA 50392-0001	1,433,146.14		5.93%





FUND NAME	CLASS		REGISTRATION	SHARES BENEFICIALLY OWNED		PERCENTAGE OF OUTSTANDING SHARES OF CLASS OWNED
PVIT SHORT-TERM PORT INST	INST	**	GREAT-WEST LIFE & ANNUITY 8515 E ORCHARD RD, GREENWOOD VLG CO 80111-5002	4,963,280.91	*	73.34%
PVIT SHORT-TERM PORT INST	INST	**	PROTECTIVE LIFE INSURANCE COMPANY PLICO 2801 HIGHWAY 280 SOUTH, BIRMINGHAM AL 35223-2488	1,157,748.07		17.11%
PVIT REAL RETURN PORT INST	INST	**	MID ATLANTIC TRUST COMPANY FBO MUTUAL OF AMERICA SEPARATE ACCOUNT X 1251 WATERFRONT PL STE 525, PITTSBURGH PA 15222-4228	3,506,251.17		22.78%
PVIT REAL RETURN PORT INST	INST	**	MID ATLANTIC TRUST COMPANY FBO MUTUAL OF AMERICA SEPARATE ACCOUNT X 1251 WATERFRONT PL STE 525, PITTSBURGH PA 15222-4228	1,316,785.67		8.55%
PVIT REAL RETURN PORT INST	INST	**	TIAA-CREF LIFE SEPARATE ACCOUNT VA-X OF TIAA-CREF LIFE INSURANCE COMPANY ATTN MARJORIE PIERRE-MERRITT SEC, 730 3RD AVE MSC 14/41, NEW YORK NY 10017-3206	8,765,837.56	*	56.94%
PVIT INTL BOND PORT (USD-HEDGED) INST	INST	**	MAC & CO A/C XXXXXX ATTN: MUTUAL FUND OPERATIONS 500 GRANT STREET, ROOM 151-1010, PITTSBURGH PA 15219-2502	1,763,641.46		12.95%
PVIT INTL BOND PORT (USD-HEDGED) INST	INST	**	MAC & CO A/C XXXXXX FBO AGGRESSIVE MODEL PORTFOLIO ATTN: MUTUAL FUND OPERATIONS 500 GRANT STREET, ROOM 151-1010, PITTSBURGH PA 15219-2502	3,741,915.32	*	27.47%
PVIT INTL BOND PORT (USD-HEDGED) INST	INST	**	MAC & CO A/C XXXXXX FBO MODEL PORTFOLIO ATTN: MUTUAL FUND OPERATIONS 500 GRANT STREET, ROOM 151-1010, PITTSBURGH PA 15219-2502	3,451,258.54	*	25.34%

FUND NAME	CLASS		REGISTRATION	SHARES BENEFICIALLY OWNED		PERCENTAGE OF OUTSTANDING SHARES OF CLASS OWNED
PVIT INTL BOND PORT (USD-HEDGED) INST	INST	**	MAC & CO A/C XXXXXX FBO MODERATELY CONSERV MODEL PORTF ATTN: MUTUAL FUND OPERATIONS 500 GRANT STREET, ROOM 151-1010, PITTSBURGH PA 15219-2502	2,554,183.48		18.75%
PVIT INTL BOND PORT (USD-HEDGED) INST	INST	**	NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION 51 MADISON AVE BSMT 1B, NEW YORK NY 10010-1655	1,089,204.17		8.00%
PVIT LONG-TERM US GOVT PORT INST	INST	**	MML BALANCED ALLOCATION FUND 1295 STATE ST, SPRINGFIELD MA 01111-0001	539,295.50		7.39%
PVIT LONG-TERM US GOVT PORT INST	INST	**	MML CONSERVATIVE ALLOCATION FUND 1295 STATE ST, SPRINGFIELD MA 01111-0001	524,565.76		7.19%
PVIT LONG-TERM US GOVT PORT INST	INST	**	MML GROWTH ALLOCATION FUND 1295 STATE ST, SPRINGFIELD MA 01111-0001	1,074,885.87		14.74%
PVIT LONG-TERM US GOVT PORT INST	INST	**	MML MODERATE ALLOCATION FUND 1295 STATE ST, SPRINGFIELD MA 01111-0001	1,731,619.65		23.74%
PVIT LONG-TERM US GOVT PORT INST	INST	**	NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION 51 MADISON AVE BSMT 1B, NEW YORK NY 10010-1655	548,085.33		7.51%
PVIT LONG-TERM US GOVT PORT INST	INST	**	TRANSAMERICA LIFE INSURANCE COMPANY EM PRIVATE PLACEMENT INDIVIDUAL VARIABLE ACCT 4410, 4333 EDGEWOOD RD NE, CEDAR RAPIDS IA 52499-0001	2,438,925.66	*	33.44%
PVIT TOTAL RETURN PORT INST	INST	**	MAC & CO A/C XXXXXX FBO AGGRESSIVE MODEL PORTFOLIO ATTN: MUTUAL FUND OPERATIONS 500			

FUND NAME	CLASS		REGISTRATION	SHARES BENEFICIALLY OWNED		PERCENTAGE OF OUTSTANDING SHARES OF CLASS OWNED
PVIT TOTAL RETURN PORT INST	INST	**	MAC & CO A/C XXXXXX FBO MODEL PORTFOLIO ATTN: MUTUAL FUND OPERATIONS 500 GRANT STREET, ROOM 151-1010, PITTSBURGH PA 15219-2502	9,265,417.79		23.99%
PVIT TOTAL RETURN PORT INST	INST	**	MAC & CO A/C XXXXXX FBO MODERATELY CONSERV MODEL PORTF ATTN: MUTUAL FUND OPERATIONS 500 GRANT STREET, ROOM 151-1010, PITTSBURGH PA 15219-2502	3,199,654.56		8.29%
PVIT TOTAL RETURN PORT INST	INST	**	NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION 51 MADISON AVE BSMT 1B, NEW YORK NY 10010-1655	3,013,110.51		7.80%
PVIT TOTAL RETURN PORT INST	INST		NFS LLC FBO J P MORGAN CHASE BANK N A FBO CGLIC SAFEM PIMCO VIT TOTAL RETURN PORTFOLIO 499 WASHINGTON BLVD, ATTN: MUTUAL FUNDS DEPT 4TH FLOOR, JERSEY CITY NJ 07310-1995	2,355,164.33		6.10%
PVIT TOTAL RETURN PORT INST	INST	**	TRANSAMERICA LIFE INSURANCE COMPANY EM PRIVATE PLACEMENT INDIVIDUAL VARIABLE ACCT 4410, 4333 EDGEWOOD RD NE, CEDAR RAPIDS IA 52499-0001	3,595,393.12		9.31%
PVIT LOW DURATION PORT INST	INST	**	MINNESOTA LIFE INSURANCE COMPANY ATTN: A7-1507, 401 ROBERT ST N, SAINT PAUL MN 55101-2005	169,110.23		11.33%
PVIT LOW DURATION PORT INST	INST	**	NATIONWIDE LIFE INSURANCE COMPANY NWVAX C/O IPO PORTFOLIO ACCOUNTING, PO BOX 182029, COLUMBUS OH 43218-2029	158,570.48		10.63%
PVIT LOW DURATION PORT INST	INST	**	NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION 51 MADISON AVE BSMT 1B, NEW YORK NY 10010-1655	730,397.66	*	48.95%



FUND NAME	CLASS		REGISTRATION	SHARES BENEFICIALLY OWNED		PERCENTAGE OF OUTSTANDING SHARES OF CLASS OWNED
PVIT LOW DURATION PORT INST	INST	**	SEPERATE ACCOUNT A OF PACIFIC LIFE INSURANCE COMPANY 700 NEWPORT CENTER DR, NEWPORT BEACH CA 92660-6397	381,525.88	*	25.57%
PVIT COMMODITY-REALRETURN PORT ADV	ADV	**	AXA EQUITABLE LIFE INSURANCE COMPANY SA - FP 1290 AVENUE OF THE AMERICAS, NEW YORK NY 10104-1472	3,329,049.47		13.01%
PVIT COMMODITY-REALRETURN PORT ADV	ADV	**	EQUITABLE FINANCIAL LIFE INSURANCE COMPANY SA AR 1290 AVENUE OF THE AMERICAS FL 15, NEW YORK NY 10104-0101	1,945,514.02		7.60%
PVIT COMMODITY-REALRETURN PORT ADV	ADV	**	EQUITABLE FINANCIAL LIFE INSURANCE COMPANY SA XXR 1290 AVENUE OF THE AMERICAS, FL 15, NEW YORK NY 10104-0101	2,414,182.01		9.43%
PVIT COMMODITY-REALRETURN PORT ADV	ADV	**	LINCOLN NATIONAL LIFE INSURANCE COMPANY 1300 S CLINTON ST, FORT WAYNE IN 46802-3506	1,745,474.74		6.82%
PVIT COMMODITY-REALRETURN PORT ADV	ADV	**	MASSACHUSETTS MUTUAL INSURANCE COMPANY ATTN RS FUNDS OPERATIONS MIP C255, 1295 STATE ST, SPRINGFIELD MA 01111-0001	1,320,439.55		5.16%
PVIT COMMODITY-REALRETURN PORT ADV	ADV	**	PHL VARIABLE INSURANCE COMPANY 15 TECH VALLEY DRIVE STE 201, EAST GREENBUSH NY 12061-4142	2,403,848.98		9.39%
PVIT COMMODITY-REALRETURN PORT ADV	ADV	**	SEPERATE ACCOUNT A OF PACIFIC LIFE INSURANCE COMPANY 700 NEWPORT CENTER DR, NEWPORT BEACH CA 92660-6397	3,169,210.55		12.38%
PVIT TOTAL RETURN PORT ADV	ADV	**	AMERICAN GENERAL LIFE INSURANCE CO VARIABLE SEPERATE ACCOUNT ATTN VARIABLE PRODUCTS ACCOUNTING, 2727-A ALLEN PARKWAY 4-D1, HOUSTON TX 77019-2107	27,420,312.05		12.68%

FUND NAME	CLASS		REGISTRATION	SHARES BENEFICIALLY OWNED		PERCENTAGE OF OUTSTANDING SHARES OF CLASS OWNED
PVIT TOTAL RETURN PORT ADV	ADV	**	MINNESOTA LIFE INSURANCE COMPANY 401 ROBERT ST N, SAINT PAUL MN 55101-2005	14,464,959.06		6.69%
PVIT TOTAL RETURN PORT ADV	ADV	**	NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION 51 MADISON AVE BSMT 1B, NEW YORK NY 10010-1655	75,602,804.86	*	34.95%
PVIT TOTAL RETURN PORT ADV	ADV	**	PROTECTIVE LIFE INSURANCE COMPANY 2801 HIGHWAY 280 S OFC, BIRMINGHAM AL 35223-2488	64,279,232.40	*	29.72%
PVIT REAL RETURN PORT ADV	ADV	**	MIDLAND NATIONAL LIFE INSURANCE COMPANY 8300 MILLS CIVIC PKWY, WDM IA 50266-3833	1,664,604.35		5.61%
PVIT REAL RETURN PORT ADV	ADV	**	PROTECTIVE LIFE INSURANCE COMPANY 2801 HIGHWAY 280 S OFC, BIRMINGHAM AL 35223-2488	18,543,123.78	*	62.51%
PVIT REAL RETURN PORT ADV	ADV	**	THRIVENT VARIABLE ANNUITY ACCOUNT I 625 FOURTH AVENUE SOUTH, MINNEAPOLIS MN 55415-1604	6,506,814.35		21.93%
PVIT COMMODITY-REALRETURN PORT ADM	ADM	**	ALLIANZ LIFE INS CO OF N AMERICA ATTN FINANCIAL PRODUCTS FINANCIAL, 5701 GOLDEN HILLS DR, MINNEAPOLIS MN 55416-1297	5,298,853.93		11.84%
PVIT COMMODITY-REALRETURN PORT ADM	ADM	**	AUGUSTAR LIFE INSURANCE CO FBO ITS SEPARATE ACCOUNTS ATTN DENNIS TANEY, PO BOX 237, CINCINNATI OH 45201-0237	3,123,108.07		6.98%
PVIT COMMODITY-REALRETURN PORT ADM	ADM	**	DELAWARE LIFE INSURANCE COMPANY VARIABLE ACCT F ATTN ACCOUNTING CONTROL, 1601 TRAPELO RD STE 30, WALTHAM MA 02451-7360	2,891,494.24		6.46%
PVIT COMMODITY-REALRETURN PORT ADM	ADM	**	FIDELITY INVESTMENTS LIFE INSURANCE COMPANY 100 SALEM ST # O2N, SMITHFIELD RI 02917-1234	5,046,278.75		11.28%



FUND NAME	CLASS		REGISTRATION	SHARES BENEFICIALLY OWNED		PERCENTAGE OF OUTSTANDING SHARES OF CLASS OWNED
PVIT INTL BOND PORT (UNHEDGED) ADM	ADM	**	NATIONWIDE LIFE INSURANCE COMPANY NWVLIX ATTN IPO PORTFOLIO ACCOUNTING, PO BOX 182029, COLUMBUS OH 43218-2029	118,968.02		9.68%
PVIT ALL ASSET PORT INST	INST	**	IDS LIFE INSURANCE COMPANY ATTN MANAGED ASSETS, INVESTMENT ACCOUNTING, 10468 AMERIPRISE FINANCIAL CENTER, MINNEAPOLIS MN 55474-0001	134,492.46		11.55%
PVIT ALL ASSET PORT INST	INST	**	JEFFERSON NATIONAL LIFE INSURANCE COMPANY C/O IPO PORTFOLIO ACCOUNTING, PO BOX 182029, COLUMBUS OH 43218-2029	70,358.76		6.04%
PVIT ALL ASSET PORT INST	INST	**	LINCOLN NATIONAL LIFE INSURANCE COMPANY 1300 S CLINTON ST, FORT WAYNE IN 46802-3506	79,383.10		6.82%
PVIT ALL ASSET PORT INST	INST	**	LOMBARD INTERNATIONAL LIFE ASSURANCE COMPANY SEPARATE ACCOUNT 1650 MARKET STREET 54TH FLOOR, 1 LIBERTY PL, PHILADELPHIA PA 19103-4201	83,159.88		7.14%
PVIT ALL ASSET PORT INST	INST	**	MEMBERS HORIZON VARIABLE SEPARATE ACCOUNT MEMBERS LIFE INSURANCE COMPANY 2000 HERITAGE WAY, WAVERLY IA 50677-9208	267,612.12		22.97%
PVIT ALL ASSET PORT INST	INST	**	TIAA-CREF LIFE SEPARATE ACCOUNT VA-X OF TIAA-CREF LIFE INSURANCE COMPANY ATTN MARJORIE PIERRE-MERRITT SEC, 730 3RD AVE MSC 14/41, NEW YORK NY 10017-3206	446,903.77	*	38.37%
PVIT GLOBAL BD OPP (UNHEDGED) INST	INST	**	NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION 51 MADISON AVE BSMT 1B, NEW YORK NY 10010-1655	58,469.85		6.07%

FUND NAME	CLASS		REGISTRATION	SHARES BENEFICIALLY OWNED		PERCENTAGE OF OUTSTANDING SHARES OF CLASS OWNED
PVIT GLOBAL BD OPP (UNHEDGED) INST	INST	**	TALCOTT RESOLUTION LIFE INSURANCE COMPANY SEPARATE ACCOUNT PO BOX 5051, HARTFORD CT 06102-5051	180,865.68		18.77%
PVIT GLOBAL BD OPP (UNHEDGED) INST	INST	**	TIAA-CREF LIFE SEPARATE ACCOUNT VA-X OF TIAA-CREF LIFE INSURANCE COMPANY ATTN MARJORIE PIERRE-MERRITT SEC, 730 3RD AVE MSC 14/41, NEW YORK NY 10017-3206	625,448.32	*	64.90%
PVIT HIGH YIELD PORT ADV	ADV	**	MIDLAND NATIONAL LIFE INSURANCE COMPANY 8300 MILLS CIVIC PKWY, WDM IA 50266-3833	1,682,812.94	*	59.24%
PVIT HIGH YIELD PORT ADV	ADV	**	NATIONWIDE LIFE INSURANCE COMPANY NRVAX C/O IPO PORTFOLIO ACCOUNTING, PO BOX 182029, COLUMBUS OH 43218-2029	707,949.43		24.92%
PVIT LOW DURATION PORT ADV	ADV	**	MINNESOTA LIFE INSURANCE COMPANY ATTN: A7-1507, 401 ROBERT ST N, SAINT PAUL MN 55101-2005	5,819,563.25		7.67%
PVIT LOW DURATION PORT ADV	ADV	**	NATIONWIDE LIFE INSURANCE COMPANY NRVAX C/O IPO PORTFOLIO ACCOUNTING, PO BOX 182029, COLUMBUS OH 43218-2029	34,463,974.79	*	45.40%
PVIT LOW DURATION PORT ADV	ADV	**	NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION 51 MADISON AVE BSMT 1B, NEW YORK NY 10010-1655	15,520,053.65		20.45%
PVIT LOW DURATION PORT ADV	ADV	**	PROTECTIVE LIFE INSURANCE COMPANY 2801 HIGHWAY 280 S OFC, BIRMINGHAM AL 35223-2488	12,375,868.32		16.30%
PVIT EMERGING MARKETS BOND PORT ADV	ADV	**	AMERICAN GENERAL LIFE INSURANCE CO VARIABLE SEPARATE ACCOUNT ATTN VARIABLE PRODUCTS ACCOUNTING, 2727-A ALLEN PARKWAY 4-D1, HOUSTON TX 77019-2107	464,429.28		11.85%

FUND NAME	CLASS		REGISTRATION	SHARES BENEFICIALLY OWNED		PERCENTAGE OF OUTSTANDING SHARES OF CLASS OWNED
PVIT EMERGING MARKETS BOND PORT ADV	ADV	**	AXA EQUITABLE LIFE INSURANCE COMPANY - SEPARATE ACCOUNT XX 1290 AVENUE OF THE AMERICAS - FMG, FL 16, NEW YORK NY 10019	231,476.66		5.91%
PVIT EMERGING MARKETS BOND PORT ADV	ADV	**	EQUITABLE FINANCIAL LIFE INSURANCE COMPANY SA XXR 1290 AVENUE OF THE AMERICAS, FL 15, NEW YORK NY 10104-0101	712,163.64		18.18%
PVIT EMERGING MARKETS BOND PORT ADV	ADV	**	NATIONWIDE LIFE INSURANCE COMPANY NWWAII C/O IPO PORTFOLIO ACCOUNTING, PO BOX 182029, COLUMBUS OH 43218-2029	1,117,935.34	*	28.53%
PVIT EMERGING MARKETS BOND PORT ADV	ADV	**	NATIONWIDE LIFE INSURANCE COMPANY NWWAX C/O IPO PORTFOLIO ACCOUNTING, PO BOX 182029, COLUMBUS OH 43218-2029	406,532.91		10.38%
PVIT EMERGING MARKETS BOND PORT ADV	ADV	**	THRIVENT VARIABLE ANNUITY ACCOUNT I 625 FOURTH AVENUE SOUTH, MINNEAPOLIS MN 55415-1604	235,161.41		6.00%
PVIT GLOBAL BD OPP PORT (UNHEDGED) ADV	ADV	**	AXA EQUITABLE LIFE INSURANCE COMPANY - SEPARATE ACCOUNT XX 1290 AVENUE OF THE AMERICAS - FMG, FL 16, NEW YORK NY 10019	311,231.32		12.40%
PVIT GLOBAL BD OPP PORT (UNHEDGED) ADV	ADV	**	CUNA MUTUAL VARIABLE ANNUITY ACCT CMFG LIFE INSURANCE COMPANY, ACCOUNTING OPERATIONS-JEFF SCHIGIEL, 5910 MINERAL POINT RD, MADISON WI 53705-4456	839,440.96	*	33.45%
PVIT GLOBAL BD OPP PORT (UNHEDGED) ADV	ADV	**	EQUITABLE FINANCIAL LIFE INSURANCE COMPANY SA XXR 1290 AVENUE OF THE AMERICAS, FL 15, NEW YORK NY 10104-0101	395,392.04		15.76%

FUND NAME	CLASS		REGISTRATION	SHARES BENEFICIALLY OWNED		PERCENTAGE OF OUTSTANDING SHARES OF CLASS OWNED
PVIT GLOBAL BD OPP PORT (UNHEDGED) ADV	ADV	**	NATIONWIDE LIFE INSURANCE COMPANY NWVAX C/O IPO PORTFOLIO ACCOUNTING, PO BOX 182029, COLUMBUS OH 43218-2029	168,153.69		6.70%
PVIT GLOBAL BD OPP PORT (UNHEDGED) ADV	ADV	**	THRIVENT VARIABLE ANNUITY ACCOUNT I 625 FOURTH AVENUE SOUTH, MINNEAPOLIS MN 55415-1604	724,923.38	*	28.89%
PVIT INTL BOND PORT (UNHEDGED) ADV	ADV	**	NATIONWIDE LIFE INSURANCE COMPANY NWVAII C/O IPO PORTFOLIO ACCOUNTING, PO BOX 182029, COLUMBUS OH 43218-2029	1,614,798.78	*	81.15%
PVIT INTL BOND PORT (UNHEDGED) ADV	ADV	**	NATIONWIDE LIFE INSURANCE COMPANY NWVAX C/O IPO PORTFOLIO ACCOUNTING, PO BOX 182029, COLUMBUS OH 43218-2029	247,307.25		12.43%
PVIT SHORT-TERM PORT ADV	ADV	**	MIDLAND NATIONAL LIFE INSURANCE COMPANY 8300 MILLS CIVIC PKWY, WDM IA 50266-3833	4,133,424.66		15.08%
PVIT SHORT-TERM PORT ADV	ADV	**	NATIONWIDE LIFE INSURANCE COMPANY NWVAII C/O IPO PORTFOLIO ACCOUNTING, PO BOX 182029, COLUMBUS OH 43218-2029	11,620,132.59	*	42.41%
PVIT SHORT-TERM PORT ADV	ADV	**	PROTECTIVE LIFE INSURANCE COMPANY 2801 HIGHWAY 280 S OFC, BIRMINGHAM AL 35223-2488	7,486,861.34	*	27.32%
PVIT LONG-TERM US GOVT PORT ADV	ADV	**	PROTECTIVE LIFE INSURANCE COMPANY 2801 HIGHWAY 280 S OFC, BIRMINGHAM AL 35223-2488	2,471,547.44	*	43.63%
PVIT LONG-TERM US GOVT PORT ADV	ADV	**	THRIVENT VARIABLE ANNUITY ACCOUNT I 625 FOURTH AVENUE SOUTH, MINNEAPOLIS MN 55415-1604	2,731,206.71	*	48.22%







FUND NAME	CLASS		REGISTRATION	SHARES BENEFICIALLY OWNED		PERCENTAGE OF OUTSTANDING SHARES OF CLASS OWNED
PVIT COMMODITY- REALRETURN PORT INST	INST	**	TIAA-CREF LIFE SEPARATE ACCOUNT VA-X OF TIAA-CREF LIFE INSURANCE COMPANY ATTN MARJORIE PIERRE-MERRITT SEC, 730 3RD AVE MSC 14/41, NEW YORK NY 10017-3206	537,824.22	*	47.69%
PVIT COMMODITY- REALRETURN PORT INST	INST	**	TIAA-CREF LIFE SEPARATE ACCOUNT VLI-X OF TIAA-CREF LIFE INSURANCE COMPANY 730 THIRD AVE, NEW YORK NY 10017-3206	136,955.94		12.14%
PVIT EMERGING MARKETS BOND PORT INST	INST	**	NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION 51 MADISON AVE BSMT 1B, NEW YORK NY 10010-1655	448,636.18		8.90%
PVIT EMERGING MARKETS BOND PORT INST	INST	**	TIAA-CREF LIFE SEPARATE ACCOUNT VA-X OF TIAA-CREF LIFE INSURANCE COMPANY ATTN MARJORIE PIERRE-MERRITT SEC, 730 3RD AVE MSC 14/41, NEW YORK NY 10017-3206	3,960,836.73	*	78.59%
PVIT EMERGING MARKETS BOND PORT INST	INST	**	TIAA-CREF LIFE SEPARATE ACCOUNT VLI-X OF TIAA-CREF LIFE INSURANCE COMPANY 730 THIRD AVE, NEW YORK NY 10017-3206	284,114.10		5.64%
PVIT INTL BOND PORT (UNHEDGED) INST	INST	**	LOMBARD INTERNATIONAL LIFE ASSURANCE COMPANY SEPARATE ACCOUNT 1650 MARKET STREET 54TH FLOOR, 1 LIBERTY PL, PHILADELPHIA PA 19103-4201	6,602.34	*	100.00%
PVIT GLOBAL MGD ASSET ALLOC PORT INST	INST	**	PACIFIC SELECT EXEC SEPARATE ACCOUNT OF PACIFIC LIFE INSURANCE CO 700 NEWPORT CENTER DR, NEWPORT BEACH CA 92660-6307	21,096.76		14.11%





FUND NAME	CLASS		REGISTRATION	SHARES BENEFICIALLY OWNED	PERCENTAGE OF OUTSTANDING SHARES OF CLASS OWNED
PVIT INCOME PORT ADV	ADV	**	EQUITABLE FINANCIAL LIFE INSURANCE COMPANY SA XXR 1290 AVENUE OF THE AMERICAS, FL 15, NEW YORK NY 10104-0101	2,550,572.69  3,096,621.06	8.66%  10.52%
PVIT INCOME PORT ADV	ADV	**	MIDLAND NATIONAL LIFE INSURANCE COMPANY 8300 MILLS CIVIC PKWY, WDM.9(8300)]TJ 2 m		ANDING 1R
PVIT INCOME PORT ADV	ADV	**	NATIONWIDE LIFE INSURANCE COMPANY NWVAII C/O IPO PORTFOLIO ACCOUNTING, PO BOX 182029, COLUMBUS OH 43218-2029	2,072,278.21  5,245,205.56	7.04%  17.81%
PVIT INCOME PORT ADV	ADV	**	NATIONWIDE LIFE INSURANCE COMPANY NWVAX C/O IPO.9(8300)]TJ 26 T [(POR)59.9(TFOLIO ACCOUNTING,)]TJT*-.		.00003 T

\* En i o ned 25% o m o e of he o anding ha e of beneficial in e e of he Po folio, and he efo e ma be p e , med o , con ol he Po folio, a ha e m i defined in he 1940 Ac .

\*\* Sha e a e belie ed o be held onl a nominee.

**Investment Adviser**

PIMCO, a Dela a e limi ed liabili compan , e e a in e men ad i e o he Po folio p , an o an in e men ad i o con ac (.Ad i o Con ac ) be een PIMCO and he T . PIMCO al o e e a in e men ad i e o he S b idia ie . PIMCO i loca ed a 650 Ne pa Cen e D i e, Ne pa Beach, Califonia 9A of Decembe 31, 2023, PIMCO had app o xima el \$1.86 illion of a e , nde managem and \$1.46 illion of hi d pa a e , nde managem .

PIMCO i a maj o i o ned , b idia of Allian A e Managemen of Ame ica LLC (.Allian A e Managemen ) i h a min o i in e e held b Allian A e Managemen U.S. Holding II LLC, each, a Dela a e limi ed liabili compan , and b ce ain c o en and fa me office of PIMCO. Allian A e Managemen a o gani ed a a limi ed liabili compan , nde Dela a e la in 2000. Allian A e Managemen of Ame ica LP me ged i h Allian A e Managemen , i h he la e being he , i ing en i , effec i e Jan a 1, 2023. Follo ing he me ge, Allian A e Managemen i PIMCO LLC' manag ing membe and di ec pa en en i . Th o gh a io



... fee paid to PIMCO by the GMAA Subsidiary. This fee may not be eliminated by PIMCO, and will remain in effect so long as PIMCO's contract with the GMAA Subsidiary is in place.

The Subsidiary Advisory Contract will continue in effect, not be eliminated. The Subsidiary Advisory Contract is each eliminable by either party hereto, without penalty, on 60 days' prior written notice, and shall be eliminated automatically in the event: (i) it is assigned to PIMCO (as defined in the Investment Advisory Act of 1940, as amended (the "Advisory Act")); or (ii) the Advisory Contract between the Trust, acting for and on behalf of the ~~Trust~~ ~~Trust~~ ~~Trust~~ and ~~Trust~~ ~~Trust~~ ~~Trust~~, as applicable, and PIMCO is eliminated.

PIMCO employs each Affiliate to provide advice on the PIMCO All Asset Portfolio, and to manage the Allocation Sub-Advisory Agreement. Under the All Asset Allocation Sub-Advisory Agreement, each Affiliate is responsible for recommending to the trustee of the Portfolio the assets to be allocated and reallocated from time to time among the Underlying PIMCO Funds. The Portfolio investment manager has the authority to pay the advisory fee paid to PIMCO by the Underlying PIMCO Funds in which the Portfolio invests. Each Affiliate is not compensated directly by the PIMCO All Asset Portfolio, but is paid by PIMCO. Under the terms of the All Asset Allocation Sub-Advisory Agreement, each Affiliate is obligated to, on behalf of the PIMCO All Asset Portfolio in





The PIMCO All A e, PIMCO Global Di e-ified Alloca ion and PIMCO Global Managed A e Alloca ion Po- folio pa ad i a- and, pe- i a- and admini -a i e fee di-ec l o PIMCO a he ann al -a e a ed abo e, ba ed on he a e-age dail ne a e a -ib, able in he agg-ega e o each Po- folio' Admini -a i e Cla ha-e. Each Po- folio al o indi-ec l pa i p-opa-iona e ha-e of he ad i a-, pe- i a- and admini -a i e and managemen fee cha-ged b PIMCO o he Unde-l ing PIMCO F nd and, o he e- en no incl ded among he Unde-l ing PIMCO F nd, f nd of PIMCO ETF T- in hich each Po- folio in e (collec i el, Unde-l ing PIMCO F nd Fee ).

PIMCO ha con-ac, all ag-eed, h-o gh Ma 1, 2025, fo- he PIMCO All A e Po- folio, o ai e i ad i a- fee o he e- en ha he Unde-l ing PIMCO F nd Fee e- ceed 0.64% of he o al a e in e ed in Unde-l ing PIMCO F nd. Thi ai e- ill a- o ma icall -ene fo- one- ea- e-m, nle PIMCO p-o ide -i en no ice o he T- a lea 30 da p-ia- o he end of he hen c- en e-m. In an mon h in hich he in e men ad i a- con-ac i in effec, PIMCO i en i led o- eimbr- emen b he Po- folio of an pa- ion of he ad i a- fee ai ed a e fo- h abo e (he A e Alloca ion Reimb- emen Amo n ) i hin hi- - i- mon h of he ime of he ai e-, p- o ided ha, ch amo n paid o PIMCO ill no: (1) oge he- i h an Unde-l ing PIMCO F nd Fee e- ceed, fo- , ch mon h, he applicabl e- pen e limi; (2) e- ceed he o al A e Alloca ion Reimb- emen Amo n; a- (3) incl de an amo n p- e io l -eimbr- ed o PIMCO.

PIMCO ha con-ac, all ag-eed, h-o gh Ma 1, 2025, o ai e, fi-, he ad i a- fee and, econd, o he e- en nece a-, he, pe- i a- and admini -a i e fee i -ecci e f-om he PIMCO Global Di e-ified Alloca ion Po- folio and PIMCO Global Managed A e Alloca ion Po- folio, -e pec i el, in an amo n e, al o he Unde-l ing PIMCO F nd Fee indi-ec l inc -ed b he Po- folio in connec ion i h i in e men in Unde-l ing PIMCO F nd, p o a ma- im- m ai ed amo n ha i e, al o he Po- folio' agg-ega e ad i a- fee and, pe- i a- and admini -a i e fee. Thi ai e- ill a- o ma icall -ene fo- one- ea- e-m, nle PIMCO p-o ide -i en no ice o he T- a lea 30 da p-ia- o he end of he hen c- en e-m.

PIMCO ha con-ac, all ag-eed, h-o gh Ma 1, 2025, o ai e, fi-, he ad i a- fee and, econd, o he e- en nece a-, he, pe- i a- and admini -a i e fee i -ecci e f-om he PIMCO Balanced Alloca ion Po- folio in an amo n e, al o he e- en a -ib, able o he Managemen Fee of e-ie of PIMCO F nd, PIMCO E, i Se-ie and PIMCO ETF T-, indi-ec l inc -ed b he Po- folio in connec ion i h i in e men in e-ie of PIMCO F nd, PIMCO E, i Se-ie and PIMCO ETF T-, p o a ma- im- m ai ed amo n ha i e, al o he Po- folio' agg-ega e ad i a- fee and, pe- i a- and admini -a i e fee. Thi ai e- ill a- o ma icall -ene fo- one- ea- e-m, nle PIMCO p-o ide -i en no ice o he T- a lea 30 da p-ia- o he end of he hen c- en e-m.

PIMCO al o ha con-ac, all ag-eed o ai e he ad i a- fee i -ecci e f-om he C C c, i in an amo n e, al o he managemen fee paid o PIMCO b he CRRS S b idia-, hich canno be -eco- ped. PIMCO al o ha con-ac, all ag-eed o ai e he ad i a- fee i -ecci e f-om he C G A A in an amo n e, al o he managemen fee paid o PIMCO b he GMAA S b idia-, hich canno be -eco- ped. The e ai e- ill a- o ma icall -ene fo- one- ea- e-m, nle PIMCO p-o ide -i en no ice o he T- a lea 30 da p-ia- o he end of he hen c- en e-m.

On Decembe- 4, 2020, he SEC g-an ed an a-de- app- o ing he, b i, ion of ha-e of ce- ain m, al f nd offe- ed a in e men op ion o ce- ain a-iable ann i and a-iable life in, -ance con-ac i, ed b he in, -ance compan -e, e ing, ch a-de- i h ha-e of ce- ain o he m, al f nd, incl ding he PIMCO To al Re, -n Po- folio and PIMCO Balanced Alloca ion Po- folio. A a condi ion of hi a-de-, he SEC -e, i- ed ha PIMCO en e- in o a -i en con-ac i h he Po- folio o limi e- pen e a -e, i- ed b he a-de-. Acco- dingl, p- , an o a F nd S b i, ion E- pen e Limi a ion Ag- eemen da ed Ap- il 21, 2021, PIMCO ha ag-eed o ai e, -ed ce a- eimbr- e, fo- he PIMCO To al Re, -n Po- folio, PIMCO Global Co- e Bond (Hedged) Po- folio and PIMCO Balanced Alloca ion Po- folio, all a- an pa- ion of fee b an amo n, fficien o- ed ce he Admini -a i e Cla ' ann ali- ed e- pen e o 1.15%, 0.99% and 1.05%, -e pec i el. Thi E- pen e Limi a ion Ag- eemen e- pi- ed on J ne 20, 2023.

Ad i a- fee ai ed d- ing he fi cal ea- ended Decembe- 31, 2023, 2022 and 2021 e- e a follo :

Portfolio	Year Ended 12/31/23	Year Ended 12/31/22	Year Ended 12/31/21
PIMCO All A e Po- folio	\$243,836	\$339,741	\$621,308
PIMCO Balanced Alloca ion Po- folio	63,846	61,242	44,119

Portfolio	Year Ended 12/31/23	Year Ended 12/31/22	Year Ended 12/31/21
PIMCO Commodity Real Return Strategy Portfolio	502,097	894,615	713,275
PIMCO Global Diversified Allocation Portfolio	829,275	877,547	2,627,705
PIMCO Global Managed Absolute Allocation Portfolio	312,340	467,182	985,421

No percentage of assets under management were reported during the fiscal year ended December 31, 2023, 2022 and 2021.

### PIMCO Proxy Voting Policies and Procedures

PIMCO has adopted proxy voting policies and procedures (Proxy Policy) as set forth in Rule 206(4)-6 under the Advisers Act. The Trust has adopted the Proxy Policy of PIMCO when voting proxy on behalf of the Portfolio.

**Policy Statement:** The proxy voting policies are intended to foster PIMCO's compliance with its fiduciary obligations and applicable laws; the policies apply to all voting actions with respect to securities held in accounts over which PIMCO has discretionary voting authority. The policies are designed in a manner reasonably expected to be in the best interests of PIMCO's clients.

**Overview:** PIMCO has adopted a proxy voting policy (Proxy Policy) as set forth in Rule 206(4)-6 under the Advisers Act. Proxy voting generally includes discretionary voting (eligible or fixed income securities) and proxy voting ballots (eligible or fixed income securities) as determined by the investment advisor. As a general matter, when PIMCO has proxy voting authority, PIMCO has a fiduciary obligation to monitor corporate actions and to take appropriate action on client proxy matters that come to its attention. Each proxy is voted on a case-by-case basis, taking into account relevant facts and circumstances. When considering client proxy matters, PIMCO may determine not to vote a proxy in limited circumstances.

**Eligible Securities:** The eligible securities mean common and preferred stock, including common and preferred shares in domestic companies; it does not include debt securities convertible into eligible securities. PIMCO has retained an Independent Service Provider (ISP) to provide each and every voting recommendation for proxy matters relating to eligible securities in accordance with the ISP's guidelines. By following the guidelines of an independent third party, PIMCO seeks to mitigate potential conflicts of interest. PIMCO may have a conflict of interest with respect to proxy matters with the ISP. PIMCO will follow the recommendation of the ISP, unless: (i) the ISP does not provide a voting recommendation; or (ii) a portfolio manager or analyst decides to override the ISP's voting recommendation. In either case, a disclosure is made, the Legal and Compliance departments will review the proxy vote to determine the best overall potential conflict of interest. When the ISP does not provide a voting recommendation, the relevant portfolio manager or analyst will make a determination regarding how, if, the proxy will be voted by completing the relevant documents.

**Fixed Income Securities:** Fixed income securities can be processed as a proxy ballot or corporate action-concerning a discretionary investment of the investment advisor. Voting actions with respect to securities which are primarily decisions of board members, such as tender offers, exchange offers, conversions, proposals, redemptions, and distributions. When processed as a proxy ballot, the ISP generally does not provide a voting recommendation and is subject to limited election processing and record-keeping. In addition, an election would follow the standard procedures described above for eligible securities. When processed as a corporate action-concerning, the Legal and Compliance departments will review all election forms to determine the best overall potential conflict of interest with respect to the portfolio manager's or analyst's concern election. PIMCO's Credit Research and Portfolio Management Group may be available for voting recommendation on how to vote proxy ballots and corporate action-concerning securities with respect to fixed income securities.

**Conflicts of Interest:** The Proxy Policy permits PIMCO to seek to resolve material conflicts of interest by voting an option of the relevant course of action. With respect to material conflicts of interest between PIMCO and a client account, the Proxy Policy permits PIMCO to either: (i) continue a voting proposal and resolve the conflict (the Proxy Waiving Group); or (ii) vote in accordance with the proposal of the client account. The Proxy Policy, the Proxy Waiving Group and/or other relevant procedures approved by PIMCO's Legal and Compliance departments and PIMCO's Conflict Committee with respect to specific types of conflicts.

PIMCO will, periodically and periodically review its policies regarding activities and the implementation of the Policy. PIMCO's Policy, and information about how PIMCO would address a client's policy, is available, upon request.

***ISP Oversight:***



Portfolio	Year Ended 12/31/23	Year Ended 12/31/22	Year Ended 12/31/21
PIMCO Global Bond Oppo-rtu- nities Portfolio (Unhedged)	602,742	601,836	817,309
PIMCO Global Core Bond (Hedged) Portfolio	297,886	342,599	361,628
PIMCO Global Diversified Allocation Portfolio	737,131	780,040	2,335,738
PIMCO Global Managed Absolute Allocation Portfolio	226,894	246,393	331,878
PIMCO High Yield Portfolio	1,884,691	2,146,147	2,638,280
PIMCO Income Portfolio	1,999,375	2,004,556	1,821,215
PIMCO International Bond Portfolio (Unhedged)	118,187	125,683	155,596
PIMCO International Bond Portfolio (U.S. Dollar-Hedged)	2,834,073	3,084,380	3,379,910
PIMCO Long-Term U.S. Government Portfolio	1,109,829	1,112,354	1,356,879
PIMCO Long Duration Portfolio	3,735,528	4,253,355	4,905,192
PIMCO Real Return Portfolio	3,807,381	4,355,943	4,647,449
PIMCO Short-Term Portfolio	1,164,709	1,120,222	995,107
PIMCO Total Return Portfolio	11,468,726	13,122,092	16,612,873

### Supervisory and Administrative Fees Waived and Recouped

PIMCO has contracted all agreed, through March 1, 2025, on behalf of each Portfolio, to pay and administer the fee, reimbursement of the Portfolio, of the expenses of the Portfolio's administrative expenses, to pay a share of expenses related to obtaining or maintaining a Legal Entity Identification and to pay a share of Trustee fees of 0.0049% (the "Expense Limit") (calculated as a percentage of average daily net assets attributable to each class). The Expense Limit is an agreement will be automatically renewed for one year unless PIMCO provides written notice to the Trustee at least 30 days prior to the end of the then current term. In any month in which the Portfolio and administrative expenses are in effect, PIMCO incurred reimbursement of each Portfolio of an amount of the Portfolio and administrative fees paid or reimbursed as follows (the "Reimbursement Amount") in the following month of the time of the date, provided that, each month paid to PIMCO will not: (1) exceed the administrative expenses, to pay a share of expenses related to obtaining or maintaining a Legal Entity Identification and to pay a Trustee fee, or exceed, for each month, the Expense Limit (the amount of the expense limit in place at the time the amount being recouped is originally paid if less than the Expense Limit); (2) exceed the total Reimbursement Amount; or (3) include an amount previously reimbursed to PIMCO.

PIMCO has contracted all agreed on behalf of the Portfolio and administrative fees received from the CRRS in an amount equal to the administrative fee paid to PIMCO by the CRRS Subsidiary, which cannot be recouped. In addition, PIMCO has contracted all agreed on behalf of the Portfolio and administrative fees received from the GMAA in an amount equal to the administrative fee paid to PIMCO by the GMAA Subsidiary, which cannot be recouped.

As described above, the PIMCO All Absolute Portfolio is permitted to invest in Underlying PIMCO Funds, which, for this Portfolio, is defined to include the least expensive in the class of shares of an actively managed or managed alternative fund (including mutual fund or exchange-traded fund) of PIMCO Funds, PIMCO ETF Trust or PIMCO ERS Series, each an affiliated open-end investment company, except on behalf of fund and the PIMCO California Municipal Income Fund, PIMCO California Municipal Oppo-rtu- nities Value Fund, PIMCO National Municipal Income Fund and PIMCO National Municipal Oppo-rtu- nities Value Fund.

Each of the PIMCO Global Diversified Allocation and PIMCO Global Managed Absolute Allocation Portfolio is permitted to invest in Underlying PIMCO Funds, which, for these Portfolio, is defined to include Institutional Class or Class M shares of a fund of the PIMCO Funds and PIMCO ERS Series, affiliated open-end companies, except on behalf of fund and the PIMCO California Municipal Income Fund, PIMCO California Municipal Oppo-rtu- nities Value Fund, PIMCO National Municipal Income Fund and PIMCO National Municipal Oppo-rtu- nities Value Fund. Each of the PIMCO Global Diversified Allocation and PIMCO Global Managed Absolute Allocation Portfolio is further permitted to invest in Actively Funded, which, for these Portfolio, is defined to include the Underlying PIMCO Funds and other affiliated, including funds of PIMCO ETF Trust, and affiliated funds, which may or may not be registered under the 1940 Act.

The PIMCO All A e , PIMCO Global Di e-ified Alloca ion and PIMCO Global Managed A e Alloca ion Po- folio pa ad i a- and , pe- i a- and admini -a i e fee di-ec l o PIMCO a he ann al -a e a ed abo e, ba ed on he a e-age dail ne a e a -ib- able in he agg-ega e o each Po- folio' Admini -a i e Cla ha-e . Each Po- folio al o indi-ec l pa Unde-l ing PIMCO F nd Fee .

PIMCO ha con-ac, all ag-eed, h-o gh Ma 1, 2025, fo- he PIMCO All A e Po- folio, o ai e i ad i a- fee o he e- en ha he Unde-l ing PIMCO F nd Fee e-ceed 0.64% of he o al a e in e ed in Unde-l ing PIMCO F nd . Thi ai e- ill a- oma icall -ene fo- one- ea- e-m , nle PIMCO p-o ide -i en no ice o he T- a lea 30 da p-ia- o he end of he hen c- -en e-m. In an mon h in hich he in e men ad i a- con-ac i in effec , PIMCO i en i led o- eimb- -emen b each applicable Po- folio of he A e Alloca ion Reimb- -emen Amo n i hin hi- - i- mon h of he ime of ai e-, p-o ided ha , ch amo n paid o PIMCO ill no : (1) oge he- i h an Unde-l ing PIMCO F nd Fee e-ceed, fo- , ch mon h, he applicable e- pen e limi (a- he amo n of he e- pen e limi in place a he ime he amo n being -eco- ped a a-iginall ai ed if lo e- han he E- pen e Limi ); (2) e-ceed he o al A e Alloca ion Reimb- -emen Amo n ; a- (3) incl de an amo n p- e io l -eimb- -ed o PIMCO.

PIMCO ha con-ac, all ag-eed, h-o gh Ma 1, 2025, o ai e, fi- , he ad i a- fee and, econd, o he e- en nece a- , he , pe- i a- and admini -a i e fee i -ecci e f-om he PIMCO Global Di e-ified Alloca ion Po- folio and PIMCO Global Managed A e Alloca ion Po- folio, -e pec i el , in an amo n e , al o he Unde-l ing PIMCO F nd Fee indi-ec l inc- -ed b he Po- folio in connec ion i h i in e men in Unde-l ing PIMCO F nd , , p o a ma- im- m ai ed amo n ha i e , al o he Po- folio' agg-ega e ad i a- fee and , pe- i a- and admini -a i e fee. Thi ai e- ill a- oma icall -ene fo- one- ea- e-m , nle PIMCO p-o ide -i en no ice o he T- a lea 30 da p-ia- o he end of he hen c- -en e-m.

PIMCO ha con-ac, all ag-eed, h-o gh Ma 1, 2025, o ai e, fi- , he ad i a- fee and, econd, o he e- en nece a- , he , pe- i a- and admini -a i e fee i -ecci e f-om he PIMCO Balanced Alloca ion Po- folio in an amo n e , al o he e- pen e a -ib- able o he Managemen Fee of e-ie of PIMCO F nd , PIMCO E , i Se- ie and PIMCO ETF T- , indi-ec l inc- -ed b he Po- folio in connec ion i h i in e men in e-ie of PIMCO F nd , PIMCO E , i Se- ie and PIMCO ETF T- , , p o a ma- im- m ai ed amo n ha i e , al o he Po- folio' agg-ega e ad i a- fee and , pe- i a- and admini -a i e fee. Thi ai e- ill a- oma icall -ene fo- one- ea- e-m , nle PIMCO p-o ide -i en no ice o he T- a lea 30 da p-ia- o he end of he hen c- -en e-m.

S, pe- i a- and admini -a i e fee ai ed and/a- e- pen e -eimb- -ed d- -ing he fi cal ea- ended Decembe- 31, 2023, 2022 and 2021 e- e a follo :

<b>Portfolio</b>	<b>Year Ended 12/31/23</b>	<b>Year Ended 12/31/22</b>	<b>Year Ended 12/31/21</b>
PIMCO All A e Po- folio	-	-	-
PIMCO Balanced Alloca ion Po- folio	\$ 93	-	-
PIMCO Comodi RealRe , -n S- a eg Po- folio	206,444	\$365,149	\$291,132
PIMCO D- namic Bond Po- folio	-	-	-
PIMCO Eme-ging Ma- ke Bond Po- folio	-	-	-
PIMCO Global Bond Oppo- , ni ie Po- folio (Unhedged)	-	-	-
PIMCO Global Co- e Bond (Hedged) Po- folio	61	-	-
PIMCO Global Di e-ified Alloca ion Po- folio	150,908	160,956	485,419
PIMCO Global Managed A e Alloca ion Po- folio	67,949	66,315	74,820
PIMCO High Yield Po- folio	595	-	-
PIMCO Income Po- folio	212	-	9,440
PIMCO In e- na iona l Bond Po- folio (Unhedged)	-	-	-

Pre-incident, periodic and administrative fee recorded during the fiscal year ended December 31, 2023, 2022 and 2021 are as follows:

<b>Portfolio</b>	<b>Year Ended 12/31/23</b>	<b>Year Ended 12/31/22</b>	<b>Year Ended 12/31/21</b>
PIMCO All Asset Portfolio	-	-	-
PIMCO Balanced Allocation Portfolio	\$ 93	-	-
PIMCO Commodity Real Return Strategy Portfolio	1,506	-	-
PIMCO Dynamic Bond Portfolio	-	-	-
PIMCO Emerging Markets Bond Portfolio	-	-	-
PIMCO Global Bond Opportunity Portfolio (Unhedged)	-	-	-
PIMCO Global Core Bond (Hedged) Portfolio	61	-	-

	<u>Total Number of Other Accounts</u>	<u>Total Assets of All Other Accounts (in \$Millions)</u>	<u>Number of Other Accounts Paying a Performance Fee</u>	<u>Total Assets of Other Accounts Paying a Performance Fee (in \$Millions)</u>
Yaco Anopolin <sup>2</sup>				
Registered Investment Company	5	\$ 2,339.72	0	\$ 0.00
Pooled Investment Vehicle	20	\$ 37,699.99	1	\$ 988.41
Other Account	16	\$ 7,213.63	1	\$ 95.51
Robert Anon <sup>3</sup>				
Registered Investment Company	17	\$ 27,805.29	0	\$ 0
Pooled Investment Vehicle	10	\$ 2,001.92	2	\$ 356.15
Other Account	8	\$ 5,752.60	1	\$ 244.90
Andrew Ball <sup>4</sup>				
Registered Investment Company	5	\$ 17,074.64	0	\$ 0.00
Pooled Investment Vehicle	14	\$ 21,018.51	0	\$ 0.00
Other Account	22	\$ 25,269.54	5	\$ 2,758.15
Christopher Brigham <sup>5</sup>				
Registered Investment Company	17	\$ 27,805.29	0	\$ 0
Pooled Investment Vehicle	10	\$ 2,001.92	2	\$ 356.15
Other Account	7	\$ 5,747.80	1	\$ 244.90
Jelle Bron <sup>6</sup>				
Registered Investment Company	6	\$ 2,919.90	0	\$ 0.00
Pooled Investment Vehicle	28	\$ 8,760.85	3	\$ 1,140.12
Other Account	62	\$101,394.54	10	\$ 1,371.24
Elin Bronne <sup>7</sup>				
Registered Investment Company	12	\$ 4,392.82	0	\$ 0.00
Pooled Investment Vehicle	16	\$ 5,053.86	0	\$ 0.00
Other Account	8	\$ 643.62	0	\$ 0.00
Nathan Chiafardini <sup>8</sup>				
Registered Investment Company	4	\$ 23,465.23	0	\$ 0.00
Pooled Investment Vehicle	0	\$ 0.00	0	\$ 0.00
Other Account	12	\$ 1,961.36	0	\$ 0.00
Michael C. Daniel <sup>9</sup>				
Registered Investment Company	21	\$ 26,448.77	0	\$ 0.00
Pooled Investment Vehicle	11	\$ 9,419.47	2	\$ 7,697.50
Other Account	59	\$ 28,046.09	8	\$ 1,394.60
Andrew DeWitt <sup>10</sup>				
Registered Investment Company	4	\$ 13,364.45	0	\$ 0.00
Pooled Investment Vehicle	5	\$ 3,790.80	2	\$ 3,492.12
Other Account	15	\$ 3,463.36	2	\$ 365.64
Paramol Dhanan <sup>11</sup>				
Registered Investment Company	7	\$ 4,608.53	0	\$ 0.00
Pooled Investment Vehicle	19	\$ 21,543.98	4	\$11,582.30
Other Account	12	\$ 7,376.63	1	\$ 250.87
Jonathan Doko <sup>12</sup>				
Registered Investment Company	5	\$ 9,329.34	0	\$ 0.00
Pooled Investment Vehicle	10	\$ 1,675.48	0	\$ 0.00
Other Account	2	\$ 879.76	0	\$ 0.00
David Fogelh <sup>13</sup>				
Registered Investment Company	5	\$ 10,460.11	0	\$ 0.00



<u>Total Number of Other Accounts</u>	<u>Total Assets of All Other Accounts (in \$millions)</u>	<u>Number of Other</u>	<u>_____</u>
-----------------------------------------------	-------------------------------------------------------------------	------------------------	--------------

	<u>Total Number of Other Accounts</u>	<u>Total Assets of All Other Accounts (in \$millions)</u>	<u>Number of Other Accounts Paying a Performance Fee</u>	<u>Total Assets of Other Accounts Paying a Performance Fee (in \$millions)</u>
S e e Rodok <sup>25</sup>				
Regi e-ed In e men Companie	21	\$32,642.13	0	\$ 0.00
Pooled In e men Vehicle	7	\$ 4,752.28	2	\$3,764.27
O he- Acco n	18	\$10,120.71	4	\$1,405.98
Ja ie- Romo <sup>26</sup>				
Regi e-ed In e men Companie	2	\$ 1,983.87	0	\$ 0.00
Pooled In e men Vehicle	21	\$ 5,342.17	1	\$ 988.41
O he- Acco n	16	\$ 9,014.58	0	\$ 0.00
Je-ome Schneide <sup>27</sup>				
Regi e-ed In e men Companie	20	\$54,959.76	0	\$ 0.00
Pooled In e men Vehicle	11	\$33,093.16	0	\$ 0.00
O he- Acco n	31	\$23,071.74	1	\$ 543.96
Ma-c Seidne <sup>28</sup>				
Regi e-ed In e men Companie	23	\$27,389.92	0	\$ 0.00
Pooled In e men Vehicle	27	\$14,456.32	5	\$2,807.78
O he- Acco n	38	\$18,595.09	12	\$8,282.70
Emman el Sha-ef <sup>29</sup>				
Regi e-ed In e men Companie	4	\$ 5,302.18	0	\$ 0.00
Pooled In e men Vehicle	10	\$ 2,775.03	0	\$ 0.00
O he- Acco n	1	\$ 155.11	0	\$ 0.00
G-eg Sha-eno <sup>30</sup>				
Regi e-ed In e men Companie	5	\$11,908.79	0	\$ 0.00
Pooled In e men Vehicle	15	\$12,123.54	2	\$3,492.12
O he- Acco n	3	\$ 649.39	1	\$ 54.25
B-endon Sh e <sup>31</sup>				
Regi e-ed In e men Companie	2	\$ 286.43	0	\$ 0.00
Pooled In e men Vehicle	1	\$ 249.37	0	\$ 0.00
O he- Acco n	0	\$ 0.00	0	\$ 0.00
Qi Wang <sup>32</sup>				
Regi e-ed In e men Companie	2	\$ 411.13	0	\$ 0.00
Pooled In e men Vehicle	8	\$ 2,784.31	6	\$2,784.27
O he- Acco n	0	\$ 0.00	0	\$ 0.00
Pa l-Jame Whie <sup>33</sup>				
Regi e-ed In e men Companie	0	\$ 0.00	0	\$ 0.00
Pooled In e men Vehicle	0	\$ 0.00	0	\$ 0.00
O he- Acco n	0	\$ 0.00	0	\$ 0.00
And-e Wi kop <sup>34</sup>				
Regi e-ed In e men Companie	8	\$31,097.25	0	\$ 0.00
Pooled In e men Vehicle	0	\$ 0.00	0	\$ 0.00
O he- Acco n	11	\$ 3,942.48	0	\$ 0.00

<sup>1</sup> M. Ande on co-manage he PIMCO Income Po- folio (\$551.9 million).

<sup>2</sup> M. A-nopolin co-manage he PIMCO Eme-ging Ma-ke Bond Po- folio (\$197.4 million).

<sup>3</sup> M. A-no co-manage he PIMCO All A e Po- folio (\$273.7 million).

- 4 M. Ball co-manage he follo ing Pa- folio : PIMCO Global Bond Oppo- , ni ie Pa- folio (Unhedged) (\$126.7 million); PIMCO Global Co-e Bond (Hedged) Pa- folio (\$93.6 million); PIMCO In e-na ional Bond Pa- folio (U.S. Dolla- Hedged) (\$567.1 million); and PIMCO In e-na ional Bond Pa- folio (Unhedged) (\$24.9 million).
- 5 M. B-igh man co-manage he PIMCO All A e Pa- folio (\$273.7 million).
- 6 M. B-on co-manage he PIMCO Lo D- -a ion Pa- folio (\$1,425.5 million).
- 7 M. B-o ne co-manage he follo ing Pa- folio : PIMCO Balanced Alloca ion Pa- folio (\$163.9 million) and PIMCO Global Managed A e Alloca ion Pa- folio (\$314.1 million)
- 8 M. Chia e-ini co-manage he PIMCO Sho- -Te-m Pa- folio (\$587.8 million).
- 9 M. C d-il co-manage he PIMCO Long-Te-m U.S. Go e-nmen Pa- folio (\$468.4 million).
- 10 M. DeWi co-manage he PIMCO Commodi RealRe , -n S -a eg Pa- folio (\$395.4 million).
- 11 M. Dha an co-manage he PIMCO Eme-ging Ma-ke Bond Pa- folio (\$197.4 million).
- 12 M. D ko co-manage he PIMCO High Yield Pa- folio (\$527.9 million).
- 13 M. Fa-ga h co-manage he PIMCO High Yield Pa- folio (\$527.9 million).
- 14 M. G p a co-manage he follo ing Pa- folio : PIMCO Global Bond Oppo- , ni ie Pa- folio (Unhedged) (\$126.7 million); PIMCO Global Co-e Bond (Hedged) Pa- folio (\$93.6 million); PIMCO In e-na ional Bond Pa- folio (U.S. Dolla- Hedged) (\$567.1 million); and PIMCO In e-na ional Bond Pa- folio (Unhedged) (\$24.9 million).
- 15 M. He co-manage he PIMCO Real Re , -n Pa- folio (\$1,481.7 million).
- 16 M. H man co-manage he PIMCO Lo D- -a ion Pa- folio (\$1,425.5 million).  
M. He co263io685ge he PIMCO Lo D- -a ion Pa- folio Rodo k 425.5 million).

## Conflicts of Interest

From time to time, potential and actual conflicts of interest may arise between a portfolio manager's management of the investment of the Portfolio, on the one hand, and the management of other accounts, on the other. Potential and actual conflicts of interest may arise as a result of PIMCO's other business activities and PIMCO's position of material non-public information (MNPI) about an issuer. Other accounts managed by a portfolio manager might have similar investment objectives as the Portfolio, lack the same independence as the Portfolio, or otherwise hold, purchase, sell securities that are eligible to be held, purchased or sold by the Portfolio. The other accounts might also have different investment objectives than the Portfolio. In the case of a holding by a manager in the investment made by a Portfolio and held by the Portfolio, the manager may, including for the same or similar investments, also expect to be able to make a holding made by the fund which PIMCO acts in the investment, including fund investment, in the investment and policies, and/or portfolio management team, similar to a Portfolio. This may be attributable to a desire of fact, including, but not limited to, the use of a different manager for portfolio management, the execution of the fund's investment strategy as a Portfolio, then a particular fund commenced operations as the issuer of a particular fund, in each case compared to other similar funds. Potential and actual conflicts of interest may arise as a result of PIMCO entering into an investment account that has in the Portfolio or other accounts in which a Portfolio invests. In this case, such conflicts of interest could include the issuer's incentive for PIMCO to, among other things, to purchase or redeem shares of the underlying account, or take other action in the underlying account, in a manner beneficial to the investment account and/or PIMCO's beneficial owner of the underlying account. Such conflicts of interest could include the issuer's incentive for PIMCO to, among other things, to purchase or redeem shares of the underlying account, or take other action in the underlying account, in a manner beneficial to the underlying account.

43i e.i d ha- phe a-cd in hic i h e men ad , n . Fa- e' d oing g po of NPI acMNPIe-ega-d i io in e . a- mn na.24263 T 6

...ea on , a a-e , l of PIMCO .ep-e en ing he in e-e of bo h he b ing pa- and he elling pa- in he c-o -ade  
o- beca e he p-ice a hich he in -men i bo- gh o- old h-o- gh a c-o -ade ma no be a fa o-able a he  
p-ice ha migh ha e been ob ained had he -ade been e-ec- ed in he open ma-ke . PIMCO effec c-o -ade hen  
app-op-ia e p- , an o p-oced -e adoped , nde- applicable -le and SEC g- idance. Among o he- hing , , ch  
p-oced -e -e , i-e ha he c-o -ade i con i en i h he -e pec i e in e men policie and in e men -e -ic ion  
of bo h pa- ie and i in he be in e-e of bo h he b ing and elling acco n .

manda e. PIMCO ma al o ake in o acco n he ba e fa- an i , e-’ alloca ion o PIMCO, fa- e-ample, b gi ing p-ia- alloca ion o Clien acco n holding e- ing po i ion in he i , e-’ deb if he i , e-’ alloca ion o PIMCO i ba ed on , ch holding . PIMCO al o ma de e- mine no o alloca e o a- p- cha e a- ell fa- ce- ain Clien all in e men fa- hich all Clien ma be eligible. Legal, con- ac , al, a- -eg- la a- i , e and/a- -ela ed e- pen e applicable o PIMCO a- one a- ma- e Clien ma -e , l in ce- ain Clien no -e- ei ing ec- i ie ha ma o he- i e be app- op- ia e fa- hem a- ma -e , l in PIMCO elling ec- i ie o- of Clien acco n e en if i migh o he- i e be beneficial o con in e o hold hem. Addi onal fac a- ha a- e aken in o acco n in he di -ib- ion and alloca ion of in e men oppa- , ni ie o Clien acco n incl de, i ho- limi a ion: abili o , ili- e le e- age and -i k ole- ance of he Clien acco n ; he amo n of di c- e ion and -ade a- ha- i gi en o PIMCO b he Clien ; a ailabili of o he- imila- in e men oppa- , ni ie ; he Clien acco n’ in e men ha- ion and objec i e ; hedging, ca h and li , idi need of he pa- folio; minim m inc- emen and lo i- e ; and , nde- l ing benchma- k fac a- . Gi en all of he fa- e going fac a- , he amo n , iming, -i c , -ing, a- e- m of an in e men b a Clien , incl ding he Pa- folio, ma diffe- f- om, and pe- fa- mance ma be lo e- han, in e men and pe- fa- mance of o he- Clien , incl ding ho e ha ma p- o ide g- ea e- fee a- o he- compen a ion (incl ding pe- fa- mance- ba ed fee a- alloca ion ) o PIMCO. PIMCO ha al o adop ed addi onal p- oced- -e o complemen he gene- al -ade alloca ion polic ha a- e de igne d o add- e po en ial conflic of in e- e d e o he ide- b - ide managemen of he Pa- folio and ce- ain pooled in e men ehicle , incl ding in e men oppa- , ni alloca ion i , e .

From ime o ime, PIMCO ma ake an in e men po i ion a- ac ion fa- one a- ma- e Clien ha ma be diffe- en f- om, a- incon i en i h, an ac ion a- po i ion aken fa- one a- ma- e o he- Clien ha ing imila- a- diffe- ing in e men objec i e . The e po i ion and ac ion ma ad e- el impac , a- in ome in ance ma benefi , one a- ma- e affec ed Clien (incl ding Clien ha a- e PIMCO affilia e ) in hich PIMCO ha an in e- e , a- hich pa PIMCO highe- fee a- a pe- fa- mance fee. Fa- e-ample, a Clien ma b a ec- i and ano he- Clien ma e abli h a ha- po i ion in ha ame ec- i . The , b e , en ha- ale ma -e , l in a dec- ea e in he p- ice of he ec- i ha he o he- Clien hold . Simila- l , -an ac ion a- in e men b one a- ma- e Clien ma ha e he effec of dil- ing a- o he- i e di ad an aging he al e , p- ice a- in e men -a egie of ano he- Clien .

When PIMCO implemen fa- one Clien a pa- folio deci ion a- -a eg ahead of, a- con emp- a- neo- l i h, imila- pa- folio deci ion a- -a egie of ano he- Clien , ma- ke impac , li , idi con -ain a- o he- fac a- co ld -e , l in one a- ma- e Clien -e- ei ing le fa a- able -ading -e , l , he co of implemen ing , ch pa- folio deci ion a- -a egie co ld be inc- ea ed a- , ch Clien co ld o he- i e be di ad an aged. On he o he- hand, po en ial conflic ma al o a- i e beca e pa- folio deci ion -ega- ding a Clien ma benefi o he- Clien . Fa- e-ample, he ale of a long po i ion a- e abli hmen of a ha- po i ion fa- a Clien ma dec- ea e he p- ice of he ame ec- i old ha- b (and he- efa- e benefi ) o he- Clien , and he p- cha e of a ec- i a- co e- ing of a ha- po i ion in a ec- i fa- a Clien ma inc- ea e he p- ice of he ame ec- i held b (and he- efa- e benefi ) o he- Clien .

Unde- ce- ain ci- c m ance , a Clien ma in e in a -an ac ion in hich one a- ma- e o he- Clien a- e e-pec ed o pa- cipate, a- al- ead ha e made a- ill eek o make, an in e men . In addi on, o he e- en pe- mi ed b applicable la , a Clien ma al o engage in in e men -an ac ion ha ma -e , l in o he- Clien being -elie ed of obliga ion , a- ha ma ca e o he- Clien o di e ce- ain in e men (e.g., a Clien ma make a loan o, a- di- ec l a- indi- ec l ac , i- e ec- i ie a- indeb dne of, a compan ha , e he p- oceed o -efinance a- -e- a- gani- e i capi al -i c , -e , hich co ld -e , l in -epa men of deb held b ano he- Clien ). S ch Clien (a- g- o p of Clien ) ma ha e conflic ing in e- e and objec i e in connec i h , ch in e men , incl ding i h- e pec o ie on he ope- a ion a- ac i i ie of he i , e- in ol ed, he a- ge ed -e , -n f- om he in e men and he imef- ame fa- , and me hod of, e- ing he in e men . When making , ch in e men , PIMCO ma do o in a a ha fa a- one Clien o e- ano he- Clien , e en if bo h Clien a- e in e ing in he ame ec- i a he ame ime. Ce- ain Clien ma in e on a , pa- allel ba i ( . . , p- op- a- iona el in all -an ac ion a , b an iall he ame ime and on , b an iall he ame e- m and condi on ). In addi on, o he- acco n ma e-pec o in e in man of he ame pe of in e men a ano he- acco n . Ho e- e , he- e ma be in e men in hich one a- ma- e of , ch acco n doe no in e (a- in e on diffe- en e- m a- on a non- p- o- a a ba i ) d e o fac a- , ch a legal, a- , -eg- la a- , b- ine , con- ac , al a- o he- imila- con ide- a ion a- d e o he p- o i ion of a Clien’ go e- ning doc men . Deci on a o he alloca ion of in e men oppa- , ni ie among , ch Clien p- e en n me- o conflic of in e- e , hich ma no be -e ol ed in a manne- ha i fa a- able o a Clien’ in e- e . To he e- en an in e men i no alloca ed p- o- a a among , ch en i ie , a Clien co ld inc- a di p- op- a- iona e amo n of income a- lo -ela ed o , ch in e men -ela i e o , ch o he- Clien .

In addition, Client may in the event of a merger or acquisition of the Company, or in the event of a change of control of the Company, be required to provide certain information to the Company, including information regarding the Client's ownership of the Company, the Client's financial condition, the Client's business operations, and the Client's compliance with applicable laws and regulations. The Client may also be required to provide information regarding the Client's relationships with other companies, including competitors, and the Client's compliance with applicable laws and regulations. The Client may also be required to provide information regarding the Client's compliance with applicable laws and regulations, including laws and regulations relating to anti-money laundering, sanctions, and other applicable laws and regulations. The Client may also be required to provide information regarding the Client's compliance with applicable laws and regulations, including laws and regulations relating to anti-money laundering, sanctions, and other applicable laws and regulations. The Client may also be required to provide information regarding the Client's compliance with applicable laws and regulations, including laws and regulations relating to anti-money laundering, sanctions, and other applicable laws and regulations.

informa-tion for the benefit of, Client, which could limit the ability of Client to borrow, sell or hold securities in the future, he/she/it may limit the information provided, and the availability of Client. In addition, holding in the securities of the Client in the name of an individual, PIMCO or its affiliate may affect the ability of a Client to make securities transactions or to exercise its rights, which PIMCO has no obligation to provide. Therefore, the information of, or the, the information for the benefit of, an person (including Client). Moreover, the information imposed by the high-degree of automation of trading platform could affect a Client's ability to act through, or the, the, the information achieved through, the platform.

PIMCO may also be used by companies who are securities agents or securities trading prohibitions of PIMCO's business activities. PIMCO may also be used in an individual's securities if he/she/it is on a securities list if PIMCO has MNPI about him/her. In some instances, PIMCO may also be used by Client from trading in a particular individual's securities in order to allow PIMCO to execute MNPI on behalf of the Client. A Client may be unable to borrow securities until the securities are lifted, which could delay the Client. PIMCO may also be used from making (or disposing of) investments in the securities of some Client's business. In some cases, PIMCO may not be used.

PIMCO may conduct its obligations on behalf of one or more Clients. In addition,

has

actions, which may affect Client's ability to borrow securities, and may affect Client's ability to borrow securities. Furthermore, the information provided, and the availability of Client on behalf of the Client.

Therefore, the information of, or the, the information for the benefit of, an person (including Client). Moreover, the information imposed by the high-degree of automation of trading platform could affect a Client's ability to act through, or the, the, the information achieved through, the platform. PIMCO may also be used by companies who are securities agents or securities trading prohibitions of PIMCO's business activities. PIMCO may also be used in an individual's securities if he/she/it is on a securities list if PIMCO has MNPI about him/her. In some instances, PIMCO may also be used by Client from trading in a particular individual's securities in order to allow PIMCO to execute MNPI on behalf of the Client. A Client may be unable to borrow securities until the securities are lifted, which could delay the Client. PIMCO may also be used from making (or disposing of) investments in the securities of some Client's business. In some cases, PIMCO may not be used.



Certain employee of the Portfolio advised to be onboarded by the client, and in certain cases, the employee advised to be onboarded by, employed by, or otherwise affiliated with, PIMCO, Allianz SE, the affiliate and/or the employee, consultant and other personnel. PIMCO may, in its role of director, determine to provide, engage or recommend an affiliate of PIMCO to provide certain services to the Portfolio, in order of engaging or recommending one or more third parties to provide such services. Subject to the governance and policies of a particular Portfolio, PIMCO and applicable law, PIMCO will receive compensation in connection with the provision of such services. As a result, PIMCO faces a conflict of interest when electing or recommending an employee of the Portfolio. Fees paid to an affiliate of PIMCO will be determined in PIMCO's commercially reasonable discretion, taking into account the relevant facts and circumstances, and consistent with PIMCO's policies. Although PIMCO has adopted advisory policies and procedures intended to mitigate or otherwise manage conflicts of interest with respect to affiliated employees, there can be no guarantee that such policies and procedures (which may be modified or amended at any time in PIMCO's sole discretion) will be effective.

**F** A Portfolio manager may advise certain accounts in which he or she has a fee interest based on the overall performance. Performance fee arrangements may create a conflict of interest for the Portfolio manager in that the Portfolio manager has an incentive to allocate the investment opportunities which he or she believes might be the most profitable to the account in order of allocating them to the Portfolio. PIMCO has adopted policies and procedures reasonably designed to allocate investments to the account in which he or she has the most interest on a fair and equitable basis.

**C A A**. Because the PIMCO All A Portfolio invests, substantially all of its assets in the Underlying PIMCO Fund, Each Affiliate believes that the potential conflict of interest described above also applies to it. However, if the PIMCO All A Portfolio invests in any of the PIMCO RAE Fundamental Advantage PLUS Fund, PIMCO RAE PLUS EMG Fund, PIMCO RAE PLUS Fund, PIMCO RAE PLUS International Fund, PIMCO RAE PLUS Small Fund or PIMCO RAE World Long/Short PLUS Fund, each a series of PIMCO Funds, or PIMCO Dividend and Income Fund, PIMCO RAE Emerging Markets Fund, PIMCO RAE International Fund, PIMCO RAE US Fund or PIMCO RAE US Small Fund, each a series of PIMCO Equity Series, Each Affiliate will, subject to applicable law, advise an investor of such conflict of interest, and advise the investor of the nature of such conflict of interest of the PIMCO All A Portfolio investment in such Fund. Accordingly, PIMCO and Each Affiliate believes that the potential conflict of interest described above also applies to it.

### Portfolio Manager Compensation

PIMCO and its affiliate's approach to compensation seeks to provide professional services to a compensation package that is consistent with the overall goals of collaboration, openness, flexibility and excellence.

Generally, compensation package consists of the following components. The compensation program for Portfolio manager is designed to align the interests of the Portfolio manager with the interests of the investors. The compensation program for Portfolio manager is designed to align the interests of the Portfolio manager with the interests of the investors. The compensation program for Portfolio manager is designed to align the interests of the Portfolio manager with the interests of the investors.

The variable compensation component of an employee's compensation may include a deferred component. The

## Securities Ownership

To the best of the Trust's knowledge, the table below shows the dollar range of shares of the Portfolio beneficially owned as of December 31, 2023, except as otherwise noted, by each portfolio manager of the Portfolio.

<u>Portfolio Manager</u>	<u>Portfolios Managed by Portfolio Manager</u>	<u>Dollar Range of Shares Owned</u>
<b>Anderson</b>	PIMCO Income	None
<b>Arnopolin</b>	PIMCO Emerging Market Bond	None
<b>Arnott</b>	PIMCO All Asset	\$100,001 - \$500,000
<b>Balls</b>	PIMCO Global Bond Opposite (Unhedged)	None
	PIMCO Global Core Bond (Hedged)	None
	PIMCO International Bond (Unhedged)	None
	PIMCO International Bond (U.S. Dollar-Hedged)	None
<b>Brightman</b>	PIMCO All Asset	None
<b>Brons</b>	PIMCO Long Duration	None
<b>Browne</b>	PIMCO Balanced Allocation	None
	PIMCO Global Managed Asset Allocation	None
<b>Chiaverini</b>	PIMCO Short-Term	None
<b>Cudzil</b>	PIMCO Long-Term U.S. Government	None
<b>DeWitt</b>	PIMCO Commodity Real Return Strategy	None
<b>Dhawan</b>	PIMCO Emerging Market Bond	None
<b>Duko</b>	PIMCO High Yield	None
<b>Forgash</b>	PIMCO High Yield	None
<b>Gupta</b>	PIMCO Global Bond Opposite (Unhedged)	None
	PIMCO Global Core Bond (Hedged)	None
	PIMCO International Bond (Unhedged)	None
	PIMCO International Bond (U.S. Dollar-Hedged)	None
<b>He</b>	PIMCO Real Return	None
<b>Hyman</b>	PIMCO Long Duration	None
<b>Ivascyn</b>	PIMCO Dynamic Bond	None
	PIMCO Income	None
	PIMCO Total Return	None
<b>Kiesel</b>	PIMCO Total Return	None
<b>Masturzo</b>	PIMCO All Asset	None
<b>Mittal</b>	PIMCO Dynamic Bond	None
	PIMCO Total Return	None
<b>Murata</b>	PIMCO Income	None

<b>Portfolio Manager</b>	<b>Portfolios Managed by Portfolio Manager</b>	<b>Dollar Range of Shares Owned</b>
<b>Pagani</b>	PIMCO Global Bond Oppo-rtunities (Unhedged)	None
	PIMCO Global Core Bond (Hedged)	None
	PIMCO International Bond (Unhedged)	None
	PIMCO International Bond (U.S. Dollar-Hedged)	None
<b>Pier</b>	PIMCO High Yield	None
<b>Rennison</b>	PIMCO Global Diversified Allocation	None
<b>Rodosky</b>	PIMCO Commodity Real Return Strategy	None
	PIMCO Long-Term U.S. Government	None
	PIMCO Real Return	None
<b>Romo</b>	PIMCO Emerging Market Bond	None
<b>Schneider</b>	PIMCO Low Duration	None
	PIMCO Short-Term	None
<b>Seidner</b>	PIMCO Dynamic Bond	None
	PIMCO Low Duration	None
<b>Sharef</b>	PIMCO Balanced Allocation	None
	PIMCO Global Managed Absolute Allocation	None
<b>Sharenow</b>	PIMCO Commodity Real Return Strategy	None
<b>Shvetz</b>	PIMCO Balanced Allocation	None
<b>Wang</b>	PIMCO Total Return	None
<b>White</b>	PIMCO Global Diversified Allocation	None
<b>Wittkop</b>	PIMCO Short-Term	None

### **DISTRIBUTION OF TRUST SHARES**

#### **Distributor**

PIMCO Investment Management LLC (the "Distributor") is the principal underwriter in the continuous public offering

Service Agreement, PIMCO pays the Distributor a fee of 0.10 percent of the average daily net assets of the shares of the Trust and certain other PIMCO-managed funds.

The Distributor, located at 1633 Broadway, New York, NY 10019, is a broker-dealer registered with the SEC and is a member of FINRA. All communications should be mailed to the Trust's Transfer Agent, and should not be mailed to the Distributor.

The Distributor's Compensation will continue in effect in respect of each Portfolio and each class of shares hereof for, at least, the one-year period, provided that each such continuation is specifically approved: (i) by the vote of a majority of the Trust's independent members of the Trust (as defined in the 1940 Act) and who have no direct or indirect financial interest in the Distributor's Compensation and Administration Agreement of the Distributor and Servicing Plan described below; and (ii) by the vote of a majority of the entire Board of Trust's directors in a meeting called for that purpose. If the Distributor's Compensation is terminated (or not renewed) in respect of one or more Portfolios or classes of shares, it may continue in effect in respect of another class of a Portfolio or class of shares which has not been terminated (or not renewed).

### Account Managers' and Associates' Compensation

Compensation for the Account Manager and Associate described in this section has four main components: base pay, variable incentive compensation, annual bonus, and certain special bonus/commision.

**Bonus.** All Account Manager and Associate receive some amount of base pay is pre-determined and fixed annually and paid in bi-weekly installments. From time to time, the Distributor may increase the minimum base salary of confirmed individuals in a reasonable age and have a certain appropriate ratio between base salary and the other compensation components.

**Variable Compensation.** Account Manager and Associate are eligible to receive variable incentive payments for the sale of certain products, including mutual funds, ETFs, insurance products and real estate managed accounts (i.e., wrap accounts). Account Manager and Associate do not receive higher compensation for selling funds or other distributor fees, for sale of approved firms. Additionally, Account Manager and Associate receive the same incentive compensation for product, including the same incentive (i.e. Total Return, Short-Term, etc). Account Manager and Associate employed by the Distributor are eligible to receive compensation, a pending business acquisition, in respect of sale of the following: Banc/Co-op, Distributor, Strategic, Active ETF and Alternative and Strategic (each a defined from time to time by the Distributor) which can be adjusted based on achievement of goal and net flow. The Distributor only distribute in incentive products managed by PIMCO, and accordingly Account Manager and Associate compensation does not depend on whether they are pro-active and non-pro-active products. The Distributor may determine the amount of compensation payable to Account Manager and Associate in individual discretion.

**Annual Bonus.** Account Manager and Associate are eligible to receive an annual bonus. The annual bonus is determined through management's discretion, including a manager's achievement in connection with the Account Manager's or Associate's job and overall performance, both in absolute terms and relative to other Account Manager and Associate, as applicable, as well as PIMCO's and the Distributor's performance. The Distributor may, at its discretion, compare the job performance of Account Manager and Associate. Such metrics generally include the Account Manager's or Associate's success in the area of, among other things, financial performance, satisfaction and the Account Manager's or Associate's product knowledge, reputation, and effectiveness. Annual bonus may form a significant part of an Account Manager's or Associate's overall compensation. Additional information regarding annual bonus is included under "Potential Conflict of Interest" below.

**Commission.** Account Manager and Associate are eligible to receive commission for the sale of certain products, including mutual funds, closed-end funds (including insurance products), and real estate managed accounts (i.e., wrap accounts). Account Manager and Associate do not receive higher commission for selling funds or other distributor fees, for sale of approved firms. Additionally, Account Manager and Associate receive the same commission for product eligible for commission, including the same incentive (i.e., Total Return, Short-Term, etc., or other than certain Trust and PESVIT sales). Account Manager and Associate employed by the Distributor are eligible to receive compensation, a pending business acquisition, in respect of sale of the following: Short-Term Strategic, Trust and PESVIT Portfolio sold through AllianzLife available in insurance products, Total Return Strategic,

Selected Strategies, and Selected Focus Strategies (each as defined, from time to time, by the Director). Acco n Manage- and A ocia e ma -eeci e commi ion f-om he ale of o he- p-od c , incl ding clo ed-end f nd , ho e commi ion -a e ma be highe- han ho e p-od c pe no ed abo e. The Di -ib- -e e he-igh o de e-mine he amo n of commi ion pa ble o Acco n Manage- and A ocia e in i ole di c-e ion.

C . From time to time Acco n Manage- and A ocia e ma -eeci e pecial bon e , incl ding mon hl bon e , o he- -e ad in connec ion i h he Di -ib- -e' inceni e p-og-am ha -e ad ce- ain pe-fa-mance--ela ed me-ic . Acco n Manage- and A ocia e ma -eeci e commi ion f-om he ale of o he- p-od c , incl ding clo ed-end f nd , ho e commi ion -a e ma be highe- han ho e p-od c pe no ed abo e.

### Potential Conflicts of Interest

As described above, Acco n Manage- and A ocia e are eligible to receive compensation, in addition to their base pay, which could represent a significant portion of an Acco n Manage-' and A ocia e' compensation. A factor that is relevant in determining which compensation is the Acco n Manage-' or A ocia e' , occurs in making and selling products distributed by the Director. Acco n Manage- and A ocia e ma ha e a financial inceni e o offe- ce- ain pe of p-od c o o , and he offe-ing of , ch p-od c ma be con ide-ed, among o he- fac- , in he a e men of an Acco n Manage-' or A ocia e' pe-fa-mance.

As described above, Acco n Manage- and A ocia e ho offe- ce- ain p-od c ma -eeci e compen a ion a a di-ec - indi-ec -e , l of o- - elec ion of ho e p-od c , hich co ld -ep-e en a ignifican po- ion of an Acco n Manage-' or A ocia e' compen a ion; an Acco n Manage-' , a e-l bon co ld be -ed ced depending on he i-e of a -an ac ion or -an ac ion and he compen a ion of he Acco n Manage-' ne ale fo- he ea- o da e pe-iod. Thi compen a ion ma be mo-e han ha he Acco n Manage- or A ocia e o ld -eeci e if o had elec ed o he- p-od c . The-efo-e, Acco n Manage- and A ocia e ma ha e a financial inceni e o offe- ce- ain p-od c . Fo- e-ample, Al e-na i e S-a egie offe- highe- compen a ion han Ac i e ETF , hich offe- highe- compen a ion han S-a egic S-a egie , and o on, a no ed abo e. Unde- policie applicable o all Acco n Manage- and A ocia e , no Acco n Manage- or A ocia e i pe-mi ed o p-omo e, -ecommend, or olici he ale of one p-od c o e-ano he- ol el beca e ha p-od c ill p-o ide highe- -e en e or compen a ion o he Acco n Manage- or A ocia e, he Di -ib- -e or PIMCO. Plea e -e ie all p-od c ma e-ial and di clo -e befo-e elec ing an in e men p-od c .

### Multi-Class Plan

## Administrative Services Plan for Administrative Class Shares

The Trust has adopted an Administrative Service Plan in respect of the Administrative Class Shares of each Portfolio pursuant to Rule 12b-1 under the 1940 Act (the "Administrative Plan").

Under the terms of the Administrative Plan, the Trust is permitted to compensate, out of the assets available to the Administrative Class Shares of each Portfolio, the Directors for providing or procuring through financial intermediaries administrative, recordkeeping and other services for Administrative Class Shareholders of the Portfolio. The fee payable pursuant to the Plan may be paid by the Directors or provided or procured by the Trust, including, among other things: receiving, aggregating and processing shareholder orders; furnishing shareholder information; accounting; providing and maintaining pre-arranged investment plans; communicating periodically with shareholders; acting as the sole shareholder of record and nominee for shareholders; maintaining accounting records for shareholders; and entering, execution and handling correspondence from shareholders about their account; and

Trustee of the Trust; and (ii) how the Trustee has a no financial interest in the operation of the Trust (as defined in the 1940 Act) and how has no direct or indirect financial interest in the operation of the Administrative Plan or any agreement related to it (the Administrative Plan Trustee), call in person a meeting called for the purpose of voting on the Administrative Plan and any related amendments. The Administrative Plan may take effect, in the approved by a vote of a majority of both: (i) the Trustee of the Trust; and (ii) the Administrative Plan Trustee. The Administrative Plan shall continue in effect so long as each continues in effect specifically approved a least annually by the Trustee and the Administrative Plan Trustee. The Administrative Plan may be terminated at any time, in whole or in part, by a vote of a majority of the Administrative Plan Trustee or by a vote of a majority of the outstanding Administrative Class shares of a Portfolio. Pursuant to the Administrative Plan, the Board of Trustees will be provided with a detailed report of amount expended under the Administrative Plan and, not later than 7T (the) after the expenditure is made.

FINRA will limit, in amount of a reduced fee charge (distribution fee), a may be paid by mutual fund or of the share. Service fee, defined to mean fee paid to providing shareholder service or, maintenance of account (but not the agent or, by account service) are not subject to the limitation on distribution fee. The Trust believes, in some, if not all, of the fee paid pursuant to the Administrative Plan will, in addition to the service fee and



Disbursement and Servicing Plan is hereby approved of a majority of the outstanding Ad i o- Class M shares, applicable, and a vote of a majority of both: (i) the Trustee of the Trust; and (ii) the Trustee who are not in arrears of the Trust (as defined in the 1940 Act) and who have no direct or indirect financial interest in the operation of the applicable Disbursement and Servicing Plan or an agreement related to it (Disbursement and Servicing Plan Trustee), call in person at a meeting called for the purpose of voting on the Disbursement and Servicing Plan and an related amendment. A Disbursement and Servicing Plan may not take effect, until approved by a vote of a majority of both: (i) the Trustee of the Trust; and (ii) the Disbursement and Servicing Plan Trustee. The Disbursement and Servicing Plan shall continue in effect so long as, each consecutive specifically approved at least annually by the Trustee and the Disbursement and Servicing Plan Trustee. A Disbursement and Servicing Plan may be terminated at any time, in whole or in part, by a vote of a majority of the Disbursement Plan Trustee or by a vote of a majority of the outstanding Ad i o- Class M shares of the Portfolio (as hereinafter defined). Pursuant to each Disbursement and Servicing Plan, the Board of Trustees will be provided with a detailed report of amounts expended under each Plan and the purpose for which each expenditure is made.

The disbursement fee paid pursuant to the Disbursement and Servicing Plan for Class M shares of each Portfolio has a operational during the fiscal year ended December 31, 2023, 2022 and 2021 as reflected in the table below. The fee paid pursuant to the Ad i o- Class Plan for each Portfolio has a operational during the fiscal year ended December 31, 2023, 2022, and 2021 as follows:

Portfolio	Year Ended 12/31/23	Year Ended 12/31/22	Year Ended 12/31/21
PIMCO All Asset Portfolio - Ad i o- Class	\$ 369,003	\$ 401,538	\$ 445,174
PIMCO All Asset Portfolio - Class M	135,307	172,482	190,493
PIMCO Commodity Real Return Strategy Portfolio - Ad i o- Class	406,113	525,532	349,466
PIMCO Commodity Real Return Strategy Portfolio - Class M	2,248	3,209	1,239
PIMCO Domestic Bond Portfolio - Ad i o- Class	28,383	33,910	37,052
PIMCO Domestic Bond Portfolio - Class M	503	692	954
PIMCO Emerging Market Bond Portfolio - Ad i o- Class	98,345	102,289	122,884
PIMCO Emerging Market Bond Portfolio - Class M	1,048	1,211	1,690
PIMCO Global Bond Opportunistic Portfolio (Unhedged) - Ad i o- Class	57,494	59,370	61,103
PIMCO Global Diversified Allocation Portfolio - Ad i o- Class	460,705	487,516	559,171
PIMCO Global Managed Asset Allocation Portfolio - Ad i o- Class	781,508	891,534	1,110,286
PIMCO High Yield Portfolio - Ad i o- Class	46,265	36,360	47,279
PIMCO Income Portfolio - Ad i o- Class	564,942	716,639	671,219
PIMCO International Bond Portfolio (Unhedged) - Ad i o- Class	37,812	43,113	52,854
PIMCO International Bond Portfolio (U.S. Dollar-Hedged) - Ad i o- Class	914,151	1,065,552	1,240,462
PIMCO Long-Term U.S. Government Portfolio - Ad i o- Class	98,706	102,358	108,032
PIMCO Long Duration Portfolio - Ad i o- Class	1,870,933	2,009,218	2,158,675
PIMCO Real Return Portfolio - Ad i o- Class	849,021	905,062	923,922
PIMCO Short-Term Portfolio - Ad i o- Class	657,073	617,564	563,918
PIMCO Total Return Portfolio - Ad i o- Class	4,735,651	5,091,241	6,647,643

### Additional Payments to Insurance Companies

**Account Services.** PIMCO, the issuer and servicer, including its professional and/or advisory and administrative fee paid by the Portfolio, to participating insurance companies, including their affiliates, for services rendered on or on behalf of and on behalf of Variable Contracts, including the provision of electronic reporting in connection with the Portfolio; delivery of certain Trust purposes, reports, notices, portfolio and portfolio statements and other informational material, including the Securities and Exchange Commission, listed communication of Variable Contracts on behalf of; preparation of record date Variable Contracts on behalf of portfolio administration and facilitation of the abolition of Variable Contracts on behalf of in the event of a Trust shareholder; maintenance of Variable Contracts record reflecting their purchased and redeemed and their balance, and the convenience of their information on the applicable Trust or PIMCO as may be reasonably required; provision of services, including providing information about the Trust and their Portfolio and an ongoing relation concerning the Trust and their Portfolio, including their ongoing Variable Contracts on behalf of in the event of one or

in connection with the Portfolio, which may include fund raising, dollar cost averaging, asset allocation, portfolio rebalancing, earnings sweep, and pre-arranged deposits and withdrawals; the processing, collecting and posting of distributions of Variable Contracts or net accretion; assistance in the establishment and maintenance of Variable Contracts or net accretion; provision of accretion designation and other information; provision of, or assistance in, the purchase of, or redemption transaction, including providing information that may be necessary to achieve compliance with applicable regulatory requirements; and provision of other services that may be agreed upon from time to time. The actual service provided, and the payment made for such services, are from the investment company or investment company. The fee paid to investment companies will not exceed 0.25% of the total value of the Portfolio held by the investment company, on an annual basis. Although the payment is not intended to compensate the investment company or the affiliated fund manager for making the Portfolio, the payment may provide an additional incentive to the investment company or the affiliated fund manager to acquire the Portfolio and, depending on the arrangement, the investment company may have in place with the manager, a fund manager or an advisory firm, an investment company may have a financial incentive to purchase the Portfolio (or have a claim on the Portfolio) or the manager, or a fund manager (or the Portfolio manager or the Portfolio) available, under a particular Variable Contract. Additionally, although the payment is made on behalf of PIMCO's net assets, in some cases the level of such payment may be a Portfolio manager's fee in relation to advisory fee, or an annual operating expense of the payment made by the Portfolio manager on behalf of PIMCO. The payment, taken together in the aggregate, may be material to financial firm's relationship with the investment company and/or PIMCO and may be in addition to an (a) distribution and/or servicing (12b-1) fee; (b) marketing, promotion, or other advertising fee; and (c) other non-cash compensation and charitable contribution, as detailed below and paid to the investment company or the investment company.

**Revenue Sharing/Marketing Support.** In addition, the Distribution of PIMCO (for purposes of the maintenance of his, but not solely, collection, PIMCO) make payments and provide other incentives to the investment company to compensate for the services, which include the Portfolio, in which the fee, or a higher profile fund, the investment company's financial professional and the company, placing the Portfolio on the investment company's recommended list of funds or other identifying the Portfolio as being part of a complex or to be considered a higher degree of marketing, promotion, or other identifying the Portfolio as being part of a complex or to be considered a higher degree of marketing, promotion, or other identifying the investment company's financial professional (including through the investment company's internet website or other proprietary communication medium and channel) in order to promote the Portfolio, promotion in communication with the investment company and the investment company's financial professional, which are in the investment company's interest, and the investment company's financial professional, providing assistance in raising and educating the investment company's financial professional, and the investment company's financial professional, and the investment company's financial professional, and the investment company's financial professional, and the investment company's financial professional. The actual service provided, and the payment made for such services, are from the investment company or the investment company. The payment may be significant to the investment company and the affiliated fund manager.

A number of factors are considered in determining the amount of the additional payment to the investment company and/or the affiliated fund manager. On some occasions, such payments may be conditioned, upon the achievement of a particular period, including the achievement of a specified minimum dollar amount of the value of a Portfolio and/or all of the Portfolio and/or other fund manager on behalf of PIMCO or other factors of value, during a specified period of time. PIMCO also may make payments to one or more investment companies based, upon factors, which are the amount of a fee or an investment company's accretion, which are included in the Portfolio and the value of the investment company's relationship with PIMCO and/or the affiliated fund manager.

**Event Support; Other Non-Cash Compensation; Charitable Contributions.** In addition to the payment described above, PIMCO and/or the investment company, as a condition to the investment company, the affiliated fund manager's financial firm for participation of and/or attendance at a conference, elite performance gathering, seminar or informational meeting (which may include a held through technology, or other expenses permitted by applicable regulation), or other financial firm or the investment company in which occasional tickets to a conference or other entertainment (which, in some instances, is held in person), meal and travel gift and other provide reimbursement for reasonable travel and lodging expenses for attendees of PIMCO educational events (or other non-cash compensation), and make charitable contribution to a valid charitable organization as the investment company's financial firm (charitable contribution) or other expenses permitted by applicable law, state and regulation.

**Visits; Training; Education.** In addition to the payment described above, the investment company's financial professional and employees of PIMCO or the affiliated fund manager may be provided with financial professional and other investment company's financial professional on the investment company's financial professional and other investment company's financial professional on the investment company's financial professional and other investment company's financial professional on the investment company's financial professional.

PIMCO may also provide (or compensate with, and/or hold parties provide) other relevant training and education of a financial firm's financial professional and other personnel.

**Consultant Services.** PIMCO may participate with, and/or affiliated companies for certain services including technology, operations, and/or administrative consulting services, and may participate with financial firms for PIMCO's endorsement in certain forms upon a fee basis, which financial firms (collectively, "consultant services").

**Payments.** Payments for items including enrollment and data, as well as other enrollment, are, in certain circumstances, bundled and allocated among the categories in PIMCO's distribution. The financial firm receiving such bundled payments may characterize or allocate the payments differently from PIMCO's internal allocation. In addition, payments made by PIMCO to a financial firm and allocated by PIMCO to a particular category of service can in some cases result in benefits related to, or enhance the eligibility of PIMCO or a Portfolio of services, or services provided by the financial firm that may be characterized or allocated to one or more other categories of services. In addition, PIMCO may certain expenses, which may be a flat fee by Portfolio or have a charge, or a fee, and participating and mailing charges, incurred by participating insurance companies, including affiliated, in connection with the services described above. The additional pricing payments and other fees may differ depending on the Portfolio and have a charge and may also from amounts paid to the Trust's investment agent for providing similar services to other accounts.

The additional payments described above are made from PIMCO's (or its affiliates') own assets (and sometimes, heretofore referred to as "enrollment") pursuant to an agreement with participating insurance companies, affiliated or other financial firms and do not change the price paid by an insurance company's separate account for the purchase of a Portfolio's have or the amount a Portfolio receives and proceeds from, which are all. The payments may be made to an insurance company (as elected by PIMCO) that has an identified significant amount in have of the Portfolio. The level of payments made to a financial firm in an effort to receive all.

As of March 31, 2024, PIMCO anticipates that the firm that may receive the additional payments for making enrollment, help pay or other services described above include:

- |                                            |                                                |
|--------------------------------------------|------------------------------------------------|
| Allianz Life Financial Services LLC        | Nationwide Insurance Services Corp.            |
| Allianz Life Insurance Company of New York | New York Life                                  |
| American General Life Insurance Company    | Pacific Life Insurance Company                 |
| Berkshire Financial Inc.                   | Principal Life Insurance Company               |
| Columbia Financial                         | Procedia Life Insurance Company                |
| Delafield Life Insurance Company           | Procedia Life Corporation                      |
| Empire Fidelity Insurance Life             | Prudential Life Insurance Company              |
| Fidelity Insurance Life Insurance          | Ramond James & Associates, Inc.                |
| Jack & National Life Distributor LLC       | Ramond James Financial Services Inc.           |
| Jefferson National Life                    | RiverSource Life Insurance Company of New York |
| Jefferson National Life Insurance          | RiverSource Life Insurance Company             |
| Lincoln National Life Insurance Company    | Talco Reolution                                |
| Manchester Mutual Life Insurance Co.       | The Manufacturing Life Insurance               |
| Metropolitan Life Insurance Company        | United States Life Insurance Company           |
| Midland National Life Insurance Company    | VARIABLE ANNUITY Life Insurance Company        |
| Minnetonka Life Insurance Company          | Venerable Insurance and Annuity Company        |

PIMCO expects that additional financial firms may be added to this list from time to time or may receive one-time payments in honor of an acquisition of receiving firm's payments.

Subject to applicable law, PIMCO and its affiliates may also provide in certain circumstances additional services to financial firms and affiliated and may exercise best-of-age action on behalf of the Portfolio with participating financial firms' affiliates. The financial firm or affiliated may, in the ordinary course of business, recommend to their clients, including PIMCO's insurance and investment in the Portfolio or in other products upon a fee basis provided by PIMCO or its affiliates.

If insurance and/or other affiliated persons of mutual funds make payments and provide other incentives in different amounts, financial firms and other financial professionals may have financial incentives for recommending a particular mutual fund or other mutual fund. In addition, depending on the arrangement in place



eam con ide- a a-ie of fac α- incl ding he ma e-iali of ho e fac α- o make in e men deci ion . Whe- ma e-ial, ESG fac α- can be impo- an con ide-a ion hen e al a ing long- e-m in e men oppo- , ni e and -i k fo- a e cla e , he-e applicabl. The ma e-iali of ESG con ide-a ion o in e men deci ion picall a-ie ac-o a e cla e , -a egie , p-od c and al a ion .

PIMCO ma ac , i-e on behalf of i clien (incl ding he T- ) ec- i ie α- o he- financial in -men p-o iding e- po , -e o diffe-en a pec of he capi al and deb -i c , -e of an i , e- , incl ding i ho- limi a ion ho e ha -ela e o enia- and j- ni- / , ba- dina e obliga ion of , ch i , e- . In ce- ain ci- c m ance , he in e- e of ho e clien e- po ed o one po- ion of he i , e-’ capi al and deb -i c , -e ma di e- ge f-om ho e clien e- po ed o a diffe-en po- ion of he i , e-’ capi al and deb -i c , -e. PIMCO ma ad i e ome clien α- ake ac ion fo- hem in hei- be in e- e i h -e pec o hei- e- po , -e o an i , e-’ capi al and deb -i c , -e ha ma di e- ge f-om he in e- e of o he- clien i h diffe-en e- po , -e o he ame i , e-’ capi al and deb -i c , -e.

PIMCO ma agg-ega e α- de- fo- he Pa- folio i h im- l ane- -an ac ion en e- ed in o on behalf of o he- clien of PIMCO hen, in PIMCO’ -ea onabl j- dgmen , agg-ega ion ma -e , l in an o e- all economic benefi o he Pa- folio and o he- clien in e- m of p-icing, h- oke- age commi ion α- o he- e- p- en e . When fea ible, PIMCO alloca e -ade p-ia- o e- ec- ion. When p- e- e- ec- ion alloca ion i no fea ible, PIMCO p- omp l alloca e -ade follo ing e abli hed and objec i e p- oced -e . Alloca ion gene- all a- e made a α- abo- he ime of e- ec- ion and befo- e he end of he -ading da . A a -e , l , one acco n ma -e ce- i e a p- ice fo- a pa- ic- la- -an ac ion ha i diffe-en f-om he p- ice -e ce- i ed b ano he- acco n fo- a imila- -an ac ion on he ame da . In gene- al, -ade a- e alloca ed among pa- folio manage- on a p- o- a a ba i ( o he e- en a pa- folio manage- decide o pa- icipa e f- ll in he -ade), fo- f- - he- alloca ion b each pa- folio manage- among ha manage-’ eligibl acco n . In alloca ing -ade among acco n , pa- folio manage- gene- all con ide- a n mbe- of fac α- , incl ding, b no limi ed o, each acco n’ de ia ion (in e- m of -i k e- po , -e and/α- pe- fa- mance cha- ac e- i ic ) f-om a -ele an model pa- folio,





	J P Morgan Securities Ltd	481
	Well Fargo Bank Na	290
	Banque Paribas Bank PLC	197
	Deutsche Bank	190
	Morgan Stanley Co Inc	110
	Credit Suisse Securities (USA) LLC	48
	Citibank N.A.	48
PIMCO Commodities Real Return Strategy Portfolio	Banque Paribas Bank PLC	\$138,600
	Citibank N.A.	109,326
	BofA Securities, Inc	3,044
	State Street Global Markets, LLC	671
	Credit Suisse Securities (USA) LLC	388
	J P Morgan Securities Ltd	318
	Morgan Stanley Co Inc	182
	Goldman Sachs + Co LLC	112
PIMCO Dynamic Bond Portfolio	J P Morgan Securities Ltd	\$ 33,446
	Deutsche Bank	28,718
	BofA Securities, Inc	3,683
	Goldman Sachs + Co LLC	1,306
	Morgan Stanley Co Inc	1,007
	State Street Global Markets, LLC	695
	Banque Paribas Bank PLC	520
	Well Fargo Bank Na	496
	Credit Suisse Securities (USA) LLC	291
	BNP CAP. MARKETS	278
PIMCO Emerging Markets Bond Portfolio	Well Fargo Bank Na	\$ 1,340
	BofA Securities, Inc	743
	Banque Paribas Bank PLC	619
	Credit Suisse Securities (USA) LLC	575
	Morgan Stanley Co Inc	398
	Citibank N.A.	250
	J P Morgan Securities Ltd	203
	State Street Global Markets, LLC	176
	Goldman Sachs + Co LLC	2
PIMCO Global Bond Opportunities Portfolio (Unhedged)	J P Morgan Securities Ltd	\$ 3,282
	BofA Securities, Inc	2,067
	Credit Suisse Securities (USA) LLC	1,414
	Citibank N.A.	1,370
	Deutsche Bank	1,331
	Morgan Stanley Co Inc	1,249
	Goldman Sachs + Co LLC	1,007
	Banque Paribas Bank PLC	343
	State Street Global Markets, LLC	111
	Well Fargo Bank Na	98
	Merrill Lynch International	28



PIMCO Global Core Bond (Hedged) Portfolio

J.P. Morgan Securities Ltd  
Credit Suisse Securities (USA) LLC  
Citibank N.A. 2,785

\$ 2,785  
1,210

Merrill Lynch International

522

PIMCO International Bond Portfolio (Unhedged)

J.P. Morgan Securities LLC  
BofA Securities, Inc. 551

\$ 551

BofA Securities, C.

Ci ibank N.A.	8,757
Ba-cla Bank PLC	7,228
Mo-gan S anle Co Inc	7,186
BNP CAP. MARKETS	6,450
De che Bank	6,402
Well Fa-go Bank Na	6,033
C-edl S r i e Sec r i ie (U a) LLC	4,402
J P Mo-gan Sec r i ie L d	4,270
Mi r ho In e-na ional PLC	1,599
S a e S ee Global Ma-ke , LLC	708

PIMCO To al Re r n Po r folio	J P Mo-gan Sec r i ie L d	\$130,782
	Bofa Sec r i ie , Inc	82,271
	Goldman Sach + Co LLC	73,172
	Mo-gan S anle Co Inc	67,694
	C-edl S r i e Sec r i ie (U a) LLC	43,007
	Well Fa-go Bank Na	42,166
	De che Bank	37,232
	BNP CAP. MARKETS	28,792
	Mi r ho In e-na ional PLC	13,464
	Ci ibank N.A.	12,541
	Ba-cla Bank PLC	4,971
	Me r ill L nch In e-na ional	3,795
	S a e S ee Global Ma-ke , LLC	712

### Portfolio Turnover

A change in the securities held by a Portfolio is known as a portfolio turnover. PIMCO manages the Portfolio in a long-term, buy-and-hold strategy. In general, the turnover of a Portfolio is low. See "Taxation" below. Trading in the securities of the Portfolio is not a primary objective of the Portfolio, which are managed on a long-term basis. Trading in the securities of the Portfolio does not generally result in the payment of brokerage commissions, but does result in the payment of commissions. The cost of the commission is not a primary objective of the Portfolio. High portfolio turnover (e.g., greater than 100%) in the case of a Portfolio, including brokerage commissions, dealer mark-up and other transaction costs on the sale of securities and reinvestment in other securities. The higher the turnover of a Portfolio, the higher the transaction costs borne by the Portfolio generally will be. Such sales may result in the realization of taxable capital gain (including long-term capital gain which generally would be taxed as ordinary income when distributed to shareholders).

The portfolio turnover rate of a Portfolio is calculated by dividing: (a) the lesser of purchase or sale of securities for the particular fiscal year; (b) the month-end average of the value of the portfolio securities owned by the Portfolio during the particular fiscal year. In calculating the turnover rate of a Portfolio, the effect is excluded from both (a) and (b) all securities, including options, whose maturity or expiration date is within the time of acquisition or sale and an individual shareholder of the Portfolio does not intend to own more than one share. Proceeds from the sale and, in accordance with certain federal securities laws, and affiliation, are reported to the appropriate regulatory authorities, and are included in the amount of securities sold and purchased, respectively, during the year. Portfolio turnover rate for each Portfolio has a operational aspect of the Treasury's most recent fiscal year-end as reported in the applicable Prospectus, under the caption "Financial Highlights".

The



**Confidential Dissemination of Portfolio Holdings Information.** No disclosure of non-public portfolio holding information may be made to an individual, except as set forth in the Disclosure Policy. This prohibition does not

Each Portfolio liability shall be allocated among its classes. The total of each liability allocated to a class plus the class distribution and/or servicing fee (if any) and any other expense specially allocated to that class shall not exceed the class proportionate interest in the Portfolio assets, and the resulting amount for each class is divided by the number of shares of that class outstanding to produce the class net asset value per share. Under certain circumstances, the net asset value of certain shares of a Portfolio may be lower than the net asset value of other shares as a result of different daily expenses applicable to different classes. Generally, when a Portfolio pays income dividends, those dividends are expected to differ in amount from the expense accrual differential between a particular Portfolio class.

### **PORTFOLIO DISTRIBUTIONS**

Each Portfolio distribution, be it annual or otherwise, shall be in the form of dividends.







which ea. A distribution will be deemed a paid on December 31 of the calendar year if it is declared by a Payor folio in October, November, or December of the year or the holder of record on a date in which a month and paid by the Payor folio during January of the following year. Such distribution will be taxable to the holder (other than the non-recipient of federal income tax) in the calendar year in which he distributed, or the holder in which he distributed. To avoid application of the estate tax, each Payor folio in end year, or the recipient, or make a distribution in accordance with the calendar year distribution regulations.

## Distributions

All distributions and distributions of a Payor folio, whether received in the calendar year, generally are taxable and may be reported on each holder's federal income tax return. Distributions paid out of a Payor folio in the men company taxable income will be taxable to a U.S. holder (which is a Separate Account) as ordinary income. Distributions received by a recipient holder will not be subject to federal income tax or the estate tax if the recipient is a tax-exempt recipient.

A portion of the distributions paid by the Payor folio may, at the discretion of the distribution recipient, be a capital gain. Distributions of net capital gain, if any, reported as capital gain distributions, are taxable as long-term capital gain, regardless of how long the holder has held a Payor folio share and are not eligible for the distribution recipient's deduction. A distribution has a net long-term capital gain if the distribution recipient's net realized capital gain may be characterized as a net gain of capital of the holder or, in some cases, a capital gain. In the case of a distribution by a Payor folio, a portion of a distribution recipient's capital gain distribution would be a long-term capital gain distribution if the distribution recipient's net realized capital gain distribution is greater than the net realized capital gain distribution of the holder. The estate tax treatment of distributions paid by the Payor folio will be the same as the holder's estate tax treatment in addition to the estate tax treatment of the distribution recipient.

Certain distributions reported by a Payor folio as Section 163(j) in the distribution may be deemed a net income by the holder for purposes of the estate tax applicable in the estate tax return under Section 163(j) of the Internal Revenue Code. Such treatment by the holder is generally subject to holding period regulations and other potential limitations, although the holding period regulations are generally not applicable to distributions declared by a net realized gain and certain other distributions declared daily and paid by the distribution recipient on a monthly or quarterly basis. The amount has a Payor folio is eligible to report a Section 163(j) distribution as a net estate tax general limitation or the estate of the Payor folio's beneficiary in the income or estate tax return of the fund (i) beneficiary in the estate tax return and (ii) other deduction pool allocable to the Payor folio's beneficiary in the income.

A Payor folio has received distribution income from U.S. source will annually report certain amounts of distributions paid to eligible for the distribution recipient's deduction, and a Payor folio including foreign assets, distributed below, will elect to pay the foreign tax credit. The beneficiary, which may be potential, may elect, of the reported and election will include only the income of the company has received the taxable contribution and will not be held in the contribution.

To the extent has a Payor folio in the end in a long-term fund, net long-term gain if any of the long-term fund will be distributed as ordinary income to the Payor folio and will not be offset by capital loss of the Payor folio. Capital loss of a long-term fund will not offset capital gain of a Payor folio. Long-term realized on redemption from a long-term fund may be deferred as a whole in the event of additional investments made in the long-term fund within 30 days before the redemption.

## Sales of Shares

Upon the disposition of shares of a Payor folio (whether by redemption, sale or exchange), a holder (which is a Separate Account) may realize a gain or loss. Such gain or loss will be capital gain or loss if the holder is a capital gain or loss in the holder's hand, and will be long-term or short-term generally depending upon the holder's holding period for the shares. A long-term realized on a disposition will be distributed to the extent the holder disposed of a replacement within a period of 61 days beginning 30 days before and ending 30 days after the holder's disposal of. In which case, the basis of the shares acquired will be adjusted to reflect the distributed loss. A long-term realized by a holder on a disposition of shares held by the holder for a month or less will be deemed a long-term capital loss to the extent of an distribution of capital gain distributions received by the holder in the period, which



A Portfolio may make one or more of the election available under the Internal Revenue Code which are applicable to a portfolio. If a Portfolio makes any of the election, the amount, character and timing of the recognition of gain or loss from the affected portfolio will be determined under the law applicable to the election made. The law applicable under certain of the election operates to accelerate the recognition of gain or loss from the affected portfolio. Option on single stock has a net deep in the money margin, a qualified covered call, which generally are not subject to the portfolio; the holding period on stock, including a qualified covered call has a net in the money although not deep in the money will be suspended during the period has a net call average. The portfolio and the portfolio go along, a qualified covered call could cause gain has a net of the interest, a long-term capital gain to be treated as a long-term capital gain, and distribution has a net of the interest, a qualified dividend income or, a qualified dividend received deduction of a net of the holding period interest, interest and therefore to be treated as a dividend income or a net of a qualified dividend received deduction, as the case may be.

Because application of the portfolio may affect the character of gain or loss, deferred and/or accelerated recognition of gain or loss from the affected portfolio, the amount which may be distributed to the holder, and which generally will be treated as ordinary income or long-term capital gain, may be increased or decreased, but a portfolio has did not engage in, such hedging transaction.

Rule governing the attribution of a portion of a partnership agreement and are not entirely clear in certain respects. Accordingly, while the Portfolio in order to conform with such transaction in a manner the deem to be

PFIC for a taxable year if a less than one-half of its assets consist of investments in the PFIC. If a PFIC is a so-called "excess dividend" PFIC, the PFIC itself may be subject to tax on a portion of the excess dividend, but the corresponding income is deductible by the PFIC stockholder. In general, under the PFIC rules, an excess dividend is treated as having been realized at the end of the period during which the PFIC held the PFIC stock. A PFIC itself may be subject to tax on the portion, if any, of an excess dividend that is allocated to a taxable year and an interest-free loan will be added to the asset if the asset had been payable in a prior taxable year. Certain dividends from a PFIC are a gain from the sale of PFIC stock and are treated as excess dividends. Excess dividends are characterized as a dividend income even though, absent application of the PFIC rules, certain excess dividends might have been classified as capital gain.

Each PFIC may be eligible to elect alternative treatment in the case of a PFIC stock. Under an election has been made, it is available in some circumstances (i.e., a qualified electing fund or QEF election), a PFIC generally would be treated as included in its gross income if it has any of the earnings of a PFIC on a current basis, regardless of the dividend received from the PFIC in a given taxable year. If a PFIC made a QEF election in the case of a PFIC, the special rules, discussed above, relating to the taxation of excess dividends, would not apply, and the PFIC would be treated as included in its gross income and net capital gain annually, regardless of the dividend received from the PFIC. Under the Regulations, certain income derived by a PFIC from a PFIC in which the PFIC has made a QEF election generally consists of, including income under the Qualifying Income Tax provisions of determining the PFIC's ability to be subject to a RIC if the PFIC makes a dividend of its income to the PFIC or if the PFIC's income from an investment in the PFIC is derived in the case of the PFIC's business of investing. Alternatively, any election may be available that would in effect make a PFIC's PFIC have at the end of each taxable year (and on certain other dates prescribed in the Internal Revenue Code), in the event it has a realized gain, as if it had a though the realized and reported dividend income. An individual may make a loan and an loan from an actual disposition of PFIC stock would be deductible as a dividend loss of the excess of an net make-or-make gain included in income in the case of, which have in prior years. Each PFIC may be subject to make



α-de o eek o en, -e ha he di -ib e , fficien income and ha he do no become , bjec o U.S. fede-al income α- e<sup>x</sup>ci e a<sup>x</sup>.

A Pa- folio gene-all ill be -e , i-ed o di -ib e di idend o ha-eholde- -ep-e en ing di co- n on deb ec- i ie ha i co- en l incl- dable in income, e en ho- gh ca h -ep-e en ing , ch income ma- no ha e been -eeci ed b he Pa- folio. Ca h o pa- , ch di idend ma- be obained f-om ale p-ceed of ec- i ie held b a Pa- folio.

### Constructive Sales

Ce- ain -r le ma affec he iming and cha-ac e- of gain if a Pa- folio engage in -an ac ion ha -ed- ce α- elimina e i -i k of lo- i h- e pec o app-ecia ed financial po i ion . If a Pa- folio en e- in o ce- ain -an ac ion in p-ope- -hile holding , b an iall iden ical p-ope- , a Pa- folio o- ld be -ea ed a- if i had old and immedia el -ep- -cha ed he p-ope- and o- ld be , bjec o a<sup>x</sup> on an gain (b- no lo- ) f-om he con- r- ci e ale. The cha-ac e- of gain f-om a con- r- ci e ale o- ld depend , pon a Pa- folio' holding pe-iod in he p-ope- . Lo- f-om a con- r- ci e ale o- ld be -ecogni-ed hen he p-ope- a- , b e- , en l di po ed of, and i cha-ac e- o- ld depend on a Pa- folio' holding pe-iod and he applica ion of a- i- o- lo- defe- al p- o i ion of he In e- nal Re- n e Code.

### Internal Revenue Code Section 817(h) Diversification

To compl- i h- eg- la ion , nde- Sec ion 817(h) of he In e- nal Re- n e Code, each Pa- folio ill be -e , i-ed o di e- if i in e men o ha on he la- da of each , a- e- of a calenda- ea- (α- i hin 30 da- af e- , ch , a- e-), no ma- e han 55% of he al- e of i a e i -ep-e en ed b an one in e men , no ma- e han 70% i -ep-e en ed b an o in e men , no ma- e han 80% i -ep-e en ed b an h- ee in e men , and no ma- e han 90% i -ep-e en ed b an fo- - in e men . Gene-all , ec- i ie of a ingle i , e- a- e -ea ed a one in e men and obliga ion of each U.S. go e- nmen agenc and in -r men ali a- e -ea ed fa- p- po e of Sec ion 817(h) a i , ed b epa- a e i , e- .

Sec ion 817(h) of he In e- nal Re- n e Code p- o ide , a a- afe ha- b- , ha a epa- a e acco- n ill be -ea ed a being ade , a el di e- ified if he di e- ifica ion -e , i-emen , nde- S- bchap e- M a- e a i fied (a di co- ed abo e) and no ma- e han 55% of he al- e of he acco- n' o al a e i a -ib- able o ca h and ca h i em (incl ding -eeci able ) , U.S. go e- nmen ec- i ie and ec- i ie of o he- -eg- la ed in e men companie .

Fa- p- po e of he e al- e na i e di e- ifica ion e , a eg- ega ed a e acco- n in e ing in ha- e of a- eg- la ed in e men compan ill be en i led o , look h- o- gh he- eg- la ed in e men compan o i p- o- a a po- ion of he -eg- la ed in e men compan' a e , p- o ided ha he ha- e of , ch- eg- la ed in e men compan a- e gene-all held onl b eg- ega ed a e acco- n of in , -ance companie and ce- ain o he- pe- mi ed ha- eholde- .

In he e en ha a Pa- folio fail o mee he- e , i-emen of he di e- ifica ion -eg- la ion , an a- iable con- ac ba ed on he Pa- folio o- ld no be -ea ed a a life in , -ance α- ann i con- ac fa- fede- al income a<sup>x</sup> p- po e . Fa- hi p- po e, a con- ac ill be ba ed on he Pa- folio if amo- n -eeci ed , nde- , ch con- ac , α- ea- ning he- eon, a- e alloca ed o , ch Pa- folio. If a a- iable con- ac i no longe- -ea ed a a life in , -ance α- ann i con- ac , he o- ne- of he con- ac o- ld be , bjec o co- en a<sup>x</sup> a ion on he income on he con- ac fa- a<sup>x</sup> able ea- in hich , ch fail -e occ- , and he- eaf e- . If he con- ac i a life in , -ance con- ac , nde- local la , ho- e e- , hen ce- ain amo- n paid a dea h benefi ill be -ea ed a amo- n paid , nde- a life in , -ance con- ac fa- fede- al income a<sup>x</sup> p- po e . If he fail -e o mee he di e- ifica ion -eg- la ion i ho- n o be inad e- en , he in , -ance compan ha i , ed he a- iable con- ac , ma- be pe- mi ed o b- ing he Pa- folio in o complia ce i h ho- e -r le . In , ch ca e, he di e- ifica ion -eg- la ion con epla e he pa men of , oll cha- ge ba ed on he a<sup>x</sup> ha o ne- of he a- iable con- ac ha a- e ba ed on he , failed Pa- folio o- ld ha e paid on he income on he con- ac d- ing he pe-iod hen he acco- n failed o mee he di e- ifica ion -eg- la ion. Acco- dingl , complia ce i h he di e- ifica ion -eg- la ion , a he ma- be modified f-om ime o ime, i impo- an , and ill be ca- ef ll moni o- ed b he Pa- folio. Complia ce i h he di e- ifica ion -eg- la ion ma- ha e he effec of -ed- cing he -e- , n of he Pa- folio, a he in e men and -a egie , ili- ed ma- be diffe- en f-om ha he Pa- folio' ad i e- migh o he- i e belie e o be de i- able.

In connection with the issuance of the definitive registration, the Tax Authority announced that it would issue a final registration certificate including the circumstances in which a taxable contractor's control of the income of a partnership may cause the contractor, shareholder or partner, to be treated as the owner of the asset held by the partnership. If the taxable contractor is considered the owner of the equity interest in the partnership, income and gain produced by the equity interest would be included in the contractor's portfolio of net gross income. Therefore, the Tax Authority has issued a final pronouncement. The pronouncement, plus the final and definitive registration provisions in the contract, may affect the ability of the portfolio operator to be considered therein. Therefore, however, no certain action has been taken, if any, Tax Authority will implement it. In the event that the final and definitive registration is adopted, there can be no assurance that the portfolio will be able to operate as a controlled interest in the portfolio. The portfolio will not have to change the income tax objectives, income tax policies, or income tax structure.

## Other Taxation

Dividends may be subject to additional state, local and foreign taxes, depending on each shareholder's particular situation. Under the law of a jurisdiction, dividends of income tax payable income generated by a shareholder are generally subject to all applicable provisions of each dividend may be derived from income on





## Legal Counsel

Deche LLP, 1900 K Street, N.W., Washington, D.C. 20006-1110, provides certain legal matters in connection with the above offered by the Trust, and also acts as legal counsel to the Trust.

## Registration Statement

This Statement of Additional Information and the Prospectus do not contain all of the information included in the Trust's Registration Statement filed with the SEC under the 1933 Act in connection with the offering, certain portions of which have been omitted pursuant to the rules and regulations of the SEC. The Registration Statement, including the exhibits filed herewith, may be examined at the office of the SEC in Washington, D.C.

Statements contained herein and in the Prospectus are a portion of an entire document referred to and are not necessarily complete, and, in each instance, reference is made to the copy of each contract or other document filed as an exhibit to the Registration Statement, each of which statements being qualified in all respects by reference.

## Financial Statements

Audited financial statements for the Trust as of December 31, 2023, including the notes thereto, and the report of PricewaterhouseCoopers LLP thereon, are incorporated herein by reference from the Trust's December 31, 2023 [Annual Report](#).

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