

31 March 2020

**Re: PIMCO Funds: Global Investors Series plc (the “Company”)
- Global High Yield Bond Fund (the “Fund”)**

Dear Shareholder,

We are writing to provide you with an update regarding some regulatory initiatives relating to the Fund. Capitalised words and phrases which are not defined in this letter will have the same meaning given to them in the Prospectus of the Company.

Documentation update

In 2019, the European Securities and Markets Authority (“ESMA”) updated its guidance paper, “Questions and Answers – Application of the UCITS Directive” (the “Q&A”) to include additional material on the use of benchmark indices by UCITS funds. In order to comply with these requirements, the Key Investor Information Documents (KIIDs) of the Fund have been updated and are available at www.europe.pimco-funds.com. Additionally, the prospectus of the Company is being updated to include additional information concerning the benchmark indices by reference to which the Fund is managed. This update is currently under review and, when it is complete, the updated prospectus will be available at www.europe.pimco-funds.com.

As you may be aware, fixed income is a highly correlated asset class so the Fund is likely to display (from time to time or for extended periods) a high degree of correlation with the benchmark index (or indices) referred to in its investment policy. It may also display correlation with other indices. We plan to include additional explanation of this in the Prospectus which may be summarized as follows:

- Actively managed Funds will not follow a passive investment strategy and the Investment Advisor will apply investment techniques and risk analysis in making investment decisions for such Funds. Whether a Fund is actively or passively managed will be disclosed in the relevant Supplement.
- Where referenced in the relevant Supplement, a benchmark may be used as part of the active management of a Fund including, but not limited to, for duration measurement, as a benchmark which the Fund seeks to outperform, performance comparison purposes and/or Relative VaR measurement. In such instances, certain of the Fund’s securities may be components of and may have similar weightings to the benchmark and the Fund may from time to time show a high degree of correlation with the performance of any such benchmark. However the benchmark is not used to define the portfolio composition of the Fund and the Fund may be wholly invested in securities which are not constituents of the benchmark.
- Unless otherwise referenced in the relevant Supplement, a benchmark shall not be used in the active management of a Fund. However, investors should note that a Fund may from time to time show a

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high degree of correlation with the performance of one or more financial indices not referenced in the Supplement. Such correlation may be coincidental or may arise because any such financial index may be representative of the asset class, market sector or geographic location in which the Fund is invested or uses a similar investment methodology to that used in managing the Fund.

Central Bank of Ireland review

The Central Bank of Ireland (the “**Central Bank**”) recently undertook an Irish industry-wide thematic analytical review of Irish authorised UCITS regarding the performance of financial indices and disclosure to investors (the “**Thematic Review**”).

As part of this Thematic Review, the Central Bank used the following thresholds to identify whether the performance of a UCITS showed close movement with the performance of a particular financial index:

- Tracking Error < 3.5%
- Beta 0.9 – 1.1
- $R^2 > 0.9$.

Referring to these thresholds, during the period under review, the Central Bank found there to be close movement between the performance of the Fund and that of the ICE BofAML BB-B US Cash Pay High Yield Constrained Index (the “**Index**”) over an extended period of analysis.

As disclosed in the prospectus, the Fund is managed such that its duration must be within +/- 2 years of ICE BofAML BB-B Rated Developed Markets High Yield Constrained Index (the “**Duration Benchmark**”). The Index is a close variant of the Duration Benchmark. Given these factors, we consider that the fact that the Fund falls within these thresholds from time to time or for extended periods is to be expected and is indicative that the Fund is managed within appropriate risk limits.

We thank you for your continued interest in PIMCO. For any questions regarding this matter, shareholders may consult their usual PIMCO contact.

The Directors accept responsibility for the accuracy of this notice.

Where appropriate, please pass the contents of this communication on to the beneficial investors of the Fund.



For and behalf of
PIMCO Global Advisors (Ireland) Limited