

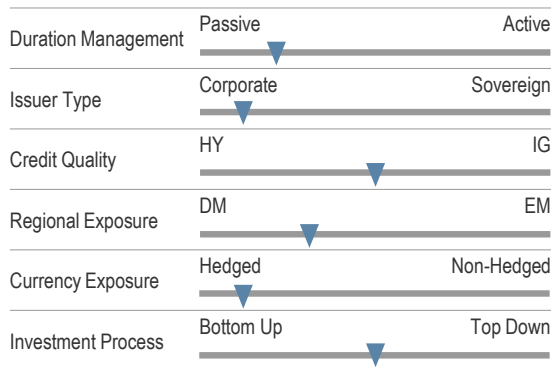
**Portfolio Strategy**

Actively managed global portfolio invested at least 80% in Capital Securities, which are fixed income securities, and/or equities issued by financial institutions such as bank and insurance companies. Most investments will be in Tier 1, Tier 2, and “CoCo” bonds, although the fund maintains flexibility to invest across the full capital structure. The cash level (max 20%) is actively managed with regards to the macroeconomic outlook and investment opportunities.

**Key Features**

Asset Manager	PIMCO Global Advisors (Ireland) Limited
Net Assets Value	4 776 (Mn US Dollar)
Inception Date	19.05.2014
UCITS	Yes
Base Currency	US Dollar
Liquidity	Daily
Share Class*	US Dollar Acc
Management Fees* (%)	0,79%
Performance Fees	No
CH Registered	Yes
Yield to Maturity	9.7
Duration	3.3
Average Credit Quality	BBB-

**Portfolio Style**



**Investment Rationale**

By having the flexibility to invest across the capital structure, the fund has a compelling approach to take profit from dislocations of the asset class but also to position itself defensively when needed. The fund also offers an exposure to a secular improvement of the Bank’s fundamentals (deleveraging / regulatory pressure / balance-sheet improvements) with an attractive yield level compared to traditional corporate credits of same quality.

**Investment Philosophy**

The investment objective of the fund is to seek to provide exposure to attractively priced Capital Securities combined with a total return approach. For that reason, the fund uses a combination of bottom-up and top-down processes to identify appropriate Capital Securities, with each Capital Security being passed through 3 screens.

- The first screen is **PIMCO’s top down view** of the economy and global financial markets. Such matters are critical to the banking system and can have an impact on, for example, regulations and capital requirements. Due to the correlated nature of banking risk and sovereign risk, this screen also incorporates an assessment of sovereign risk.
- PIMCO’s **bottom-up research** which incorporates an evaluation of the relative strength of balance sheets and company earnings power
- Lastly, the third screen is **relative valuation** where they assess which parts of the capital structure provide the better risk-adjusted valuations.

**Fund Management Team**

The lead PM for the fund is Philippe Bodereau. Philippe has been managing the fund since its inception on July 2013. He is also the lead analyst for global financial institutions. He has 21 years of investment experience. Philippe is supported by the PIMCO Financial Team, a dedicated group of 10 portfolio managers and 6 traders on the ground in Europe, in Asia and the US.

**Strengths**

- **Opportunistic approach:** the investment objective of the fund is to seek to provide focused exposure to attractively priced Capital Securities combined with a total return approach, consistent with preservation of capital. For that reason, the fund uses a combination of bottom-up and top-down processes to identify appropriate Capital Securities.
- **Ample resources:** we believe that the size of the team is critical for managing this asset class where devil is in the details of the prospectus issuers. PIMCO has a credible team in this regard. In addition, Philippe Bodereau is one of the pioneers in managing dedicated subordinated financials strategies. He and his team have been stressed testing banks since 2008.
- **Macro research:** the team relies also on macro research for the global positioning of the fund. Macro views which are shared by all PM across different strategies has been a strong driver of performance for PIMCO and a key element of its success in the FI area over the years.
- **Performance:** while the fund is a mix of HY and IG credits, its risks characteristics are more related to a HY credit strategy (volatility 3 years of 9.4% for instance). The fund isn’t benchmarked but compared to similar subordinated financials strategies the fund almost fully participate on the upside with significant less volatility due to its opportunistic approach.

**Weaknesses**

- **Size of the fund:** their size and scope provide them information advantage, but they are also a barrier for being flexible and to quickly react. PIMCO relies on its macro and fundamental research to anticipate rather than to react. The losses on Novo Banco senior bonds following the split of Banco Esperito Santo is an example of PIMCO vulnerability to unexpected events and its difficulty to get out quickly from the exposure.

	1M	YTD	2023	2022	2021	3Y (Ann.)	5Y (Ann.)	Sharpe Ratio 3Y	Volatility 3Y	Max Drawdown 3Y
Fund	1,26	1,26	10,03	8,72	-11,86	2,89	3,16	-0,10	9,83	-16,11

\*ISIN Code: IE00BLZH2Q20. ISIN used for performance: IE00BLZH2Q20 Performance data source: Morningstar Direct. Key Points provided by Wealth Solutions Partners SA. - Past performance should not be seen as an indication of future performance. Data as of: 31.01.2025

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