

# PIMCO Global Multi-Asset Fund

A comprehensive asset allocation solution aimed at navigating the evolving global economy



**Mohamed El-Erian,**  
Co-CEO, Co-CIO  
Portfolio Manager

PIMCO believes long-term global economic transformations are challenging the effectiveness of traditional asset allocation approaches. Traditional financial and economic relationships are changing, asset class diversification may not produce effective risk diversification, and markets are increasingly prone to periodic systemic shocks. PIMCO Global Multi-Asset Fund is designed to help investors better navigate this fluid, evolving and sometimes turbulent investment climate.



**Curtis Mewbourne,**  
Co-Head of Emerging  
Markets  
Portfolio Manager

## What is PIMCO Global Multi-Asset Fund?

PIMCO Global Multi-Asset Fund is an asset allocation portfolio that investors can view as a comprehensive portfolio solution. What makes this fund unique is that it features an integrated “3-in-1” portfolio structure. The benefits of this structure are that: 1) they directly align investors’ asset allocation with PIMCO’s forward-looking risk-based views across a global opportunity set; 2) they incorporate relative value strategies that seek to further enhance returns; and 3) they also incorporate “tail risk” hedging strategies that seek to enhance portfolio returns during periods of significant market stress.



**Vineer Bhansali,**  
Head of Analytics and Risk  
Management  
Portfolio Manager

To implement these views, the Fund draws on the broadest possible universe of liquid asset classes and investments—including stocks, bonds, real estate, commodities and derivatives on these sectors—while following a comprehensive risk management strategy. These exposures are combined so that investors can use the Fund as a core holding, one that may complement existing allocation decisions or provide a tactical component to an otherwise static total allocation.

## What is the Fund’s investment process?

The Fund’s investment process involves three distinct but interrelated steps:

- 1) **Optimize the asset allocation mix:** PIMCO develops a forward-looking allocation aimed at maximizing value across the global spectrum of liquid asset classes.
- 2) **Seek return-enhancing opportunities:** PIMCO seeks to identify relative value opportunities across broad market segments. These may arise from short-term market dislocations as well as from longer-term structural inefficiencies.
- 3) **Hedge against severe outcomes:** PIMCO attempts to manage the risks involved in a market crisis or systemic event that, while unlikely to occur, could have a severe impact on portfolio performance.

As with all PIMCO portfolios, this investment process is anchored by PIMCO’s three- to five-year secular outlook for key trends across the global economy. This long-term view is supplemented by a cyclical outlook, which specifies a near-term forecast for the level of economic growth and inflation in key regions. PIMCO combines these top-down macro views with bottom-up input from its sector specialist teams to arrive at a series of investment views regarding global risks and opportunities.

## How does the Fund attempt to hedge against severe outcomes?

PIMCO employs what is referred to as “tail-risk” hedging. The term “tail” refers to the edges of a bell curve that are far from the center of the bell. These “tails” of the bell curve represent extreme but unlikely outcomes, rare events that create systemic shocks. Consider not just the credit crisis of ’07–’08, but also the 9/11 attacks, the bursting of the tech bubble, and the Asian currency crisis as examples.

PIMCO's investment process and risk-management efforts explicitly focus on potential far-left tail scenarios that, while seemingly unlikely, can cause outsized losses for investors. PIMCO evaluates a wide range of extreme scenarios, stress tests the portfolio and then identifies instruments that can help hedge the portfolio against these risks.

Frequently, these are options or option-like instruments that can be acquired cheaply but provide outsized payouts in periods of systemic stress. The use of these tail-hedging strategies may not only mitigate downside exposure in times of stress, but they also help PIMCO continue to play offense while assets are cheapening and other market participants are forced sellers.

### What role can the Fund play in an overall investment portfolio?

The Fund was designed to provide investors with a comprehensive asset allocation solution that can help them navigate the transforming global economy. It can represent an important part of an investor's total investable assets, and may serve as an alternative or complement to a traditional 60% stock/40% bond asset allocation strategy. Of course, the way the Fund fits into an investor's broader portfolio is ultimately a reflection of that investor's individual circumstances.

### How is this Fund different from PIMCO All Asset Fund?

While both funds provide active asset allocation across a broad range of asset classes, they have different objectives, strategies and investment universes. PIMCO Global Multi-Asset Fund is driven

by PIMCO's proprietary investment process and seeks total return—income plus capital appreciation—by investing in a combination of underlying PIMCO funds as well as other direct holdings. It's objective is to outperform a 60% stock/40% bond allocation over a full cycle, with a comparable level of volatility. By contrast, PIMCO All Asset Fund is explicitly a real return investment, targeting after-inflation returns by investing exclusively in underlying PIMCO funds. Rather than expressing the complete range of PIMCO's secular and cyclical views, PIMCO All Asset Fund invests according to the allocation recommendations of its sub-advisor—Research Affiliates, LLC. Consistent with its real return orientation, All Asset's returns have historically tracked TIPS, not 60/40, and have had a lower volatility comparable to that of TIPS.

### What are the risks?

While the Fund strives for an optimal asset allocation, the Fund may not always achieve this goal, and the allocation among the underlying PIMCO funds could contribute to poorer relative performance or negative performance at times. Also, the Fund may be directly exposed to certain risks associated with its investments in other instruments, which may include equity and fixed-income securities as well as derivatives. While the objective of the Fund is to outperform a 60% stocks/40% bond mix over a full business cycle, the Fund may underperform that 60/40 blend in shorter term periods.

### Who are the Portfolio Managers of the Fund?

Mohamed El-Erian, co-CEO and co-CIO of PIMCO, oversees asset allocation for the Fund. Curtis Mewbourne, a managing director, portfolio manager and head of the Emerging Markets (co-head), Diversified Income, and Insurance portfolio management teams, is in charge of alpha strategies, which attempt to enhance portfolio returns. Vineer Bhansali, a managing director, portfolio manager, firm-wide head of analytics and risk management for portfolio management, and a senior member of PIMCO's portfolio management group, oversees risk management.

#### How can I learn more?

Ask your financial advisor for more information about this Fund. You can also contact Allianz Global Investors by visiting our Web site, [www.allianzinvestors.com](http://www.allianzinvestors.com).

#### PIMCO Global Multi-Asset Fund Quick Facts

<b>Objective:</b> Seeks total return which exceeds that of a blend of 60% MSCI World index/40% Barclays Capital U.S. Aggregate Index.	<b>Dividend Frequency:</b> Quarterly
<b>Primary Portfolio:</b> Underlying PIMCO Funds (except All Asset Fund, All Asset Authority Fund and the RealRetirement Funds), certain other affiliated funds and unaffiliated funds and/or fixed income instruments, equity securities and other instruments.	<b>Investment Firm:</b> Pacific Investment Management Company (PIMCO)
<b>Fund Inception:</b> 10/29/08	<b>Portfolio Managers:</b> Mohamed El-Erian, Curtis Mewbourne and Vineer Bhansali
	<b>Symbol/CUSIP:</b>
	Class A: PGMAX                      Class P: PGAPX
	Class C: PGMCX                      Class R: PGMRX
	Class D: PGMDX

Investors should consider the investment objectives, risks, charges and expenses of this Fund carefully before investing. This and other information is contained in the Fund's prospectus, which may be obtained by contacting your financial advisor, or by calling 1-888-877-4626. Please read this prospectus carefully before you invest or send money.

The cost of investing in a fund of funds will generally be higher than the cost of investing in a mutual fund which invests directly in individual securities. Fixed income securities will fluctuate in value because of changes in interest rates. The value of equity securities can fluctuate due to general market conditions not specifically related to a company, factors related to a company's industry, or factors related to the specific company. Investments in non-U.S. securities may be more volatile and subject to special political and currency risks. Non-U.S. securities involving emerging markets may be subject to enhanced levels of these risks. The underlying funds may invest in mortgage-related securities, which are subject to the risks of the mortgages being prepaid. There is no assurance that any private insurers of the underlying mortgages will meet their obligations. High-yield bonds generally involve greater risk of default than investment-grade bonds. The underlying funds' use of derivatives may involve certain costs and risks such as liquidity risk, interest rate risk, market risk, credit risk, and the risk that the fund could not close out a position when it would be advantageous to do so. Portfolios investing in derivatives could lose more than the principal amount invested in those instruments.

The PIMCO and Allianz Funds are distributed by Allianz Global Investors Distributors LLC, 1345 Avenue of the Americas, New York, NY 10105-4800. [www.allianzinvestors.com](http://www.allianzinvestors.com)