

LEA 02	Disclosures	Monetary	Principles
<p>By providing investors the ability to make informed decisions on investments, the organization should disclose the following information:</p> <p>1. The organization's policies, procedures, and processes for identifying, assessing, and managing environmental, social, and governance (ESG) risks and opportunities.</p> <p>2. The organization's policies, procedures, and processes for identifying, assessing, and managing environmental, social, and governance (ESG) risks and opportunities.</p> <p>3. The organization's policies, procedures, and processes for identifying, assessing, and managing environmental, social, and governance (ESG) risks and opportunities.</p>	<p>LEA 02</p>	<p>Monetary</p>	<p>Principles PRI 1, 2, 3</p>
<p>Type of engagement</p> <p>Individual/ internal staff engagements</p> <p>Collaborative engagements</p> <p>Service provider engagements</p>	<p>Reason for interaction</p> <p><input checked="" type="checkbox"/> To support investment decision-making in & company's material ESG areas</p> <p><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p> <p><input type="checkbox"/> To support investment decision-making in & company's material ESG areas</p> <p><input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in collaborative engagements</p> <p><input type="checkbox"/> To support investment decision-making in & company's material ESG areas</p> <p><input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in service provider engagements</p> <p><input type="checkbox"/> To support investment decision-making in & company's material ESG areas</p> <p><input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure</p> <p><input type="checkbox"/> Other: specify</p>		

RI TRANSPARENCY REPORT

2013/14

PIMCO

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2013-14 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
⚠	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

PRI disclaimer

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Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	n/a							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	🔒	n/a							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	-	n/a							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	-	n/a							✓
OA 07	Governance, management structures and RI processes	-	n/a							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	-	n/a							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	-	n/a				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	-	n/a	✓						
OA 14	Allocation of assets to environmental and social themed areas	-	n/a	✓						
OA 15	ESG issues for internally managed assets not reported in framework	-	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	-	n/a							✓
OA 19	Internal and external review and assurance of responses	-	n/a							✓

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public	✓						
FI 02	Breakdown of investments by credit quality	✓	Private							✓
FI 03	Description of ESG incorporation	-	n/a	✓						
FI 04	Percentage of each incorporation strategy	✓	Public	✓						
FI 05	Type of ESG information used in investment decision	-	n/a	✓						
FI 06	Types of screening applied	✓	Public	✓						
FI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
FI 08	Processes to ensure fund criteria are not breached	-	n/a	✓						
FI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
FI 10	Description of ESG integration	-	n/a	✓						
FI 11	Review of ESG issues while researching companies/sectors	✓	Public	✓						
FI 12	Processes to ensure integration is based on robust analysis	-	n/a	✓						
FI 13	Incorporation of ESG issues into analysis and decision making	✓	Public	✓						
FI 14	ESG issues in index construction	🔒	n/a	✓						
FI 15	How ESG incorporation has influenced portfolio composition	-	n/a	✓						
FI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	-	n/a	✓						
FI 17	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
FI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓
FI 19	Engagement with corporate issuers	-	n/a		✓					
FI 20	Engagement with government issuers	-	n/a		✓					

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Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

OO 01

Mandatory

Gateway/Peering

General

OO 01.1 Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Fund of funds, manager of managers, sub-advised products

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Other, specify

Separate accounts

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Execution and advisory only services

OO 02

Mandatory

Peering

General

OO 02.1 Select the location of your organisation's headquarters.

United States

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

2.474

OO 03	Mandatory	Descriptive	General
-------	-----------	-------------	---------

OO 03.1	Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.
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- Yes
- No

OO 04	Mandatory	Gateway/Peering	General
-------	-----------	-----------------	---------

OO 04.1	Indicate the year end date for your reporting year.
---------	---

31/12/2013

OO 04.2	Indicate your total AUM at the end of your reporting year.
---------	--

	trillions	billions	millions	thousands	hundreds
Total AUM	1	535	071	455	258
Currency	USD				
Assets in USD	1	535	071	455	258

OO 04.3	Indicate the level of detail you would like to provide about your asset class mix.
---------	--

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06	Mandatory	Descriptive	General
-------	-----------	-------------	---------

OO 06.1

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as broad ranges
- Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

Assets under management by strategy

		Billions (\$)
Alternatives		
Liquid Absolute Return	Unconstrained bond strategies, credit absolute return, other absolute return strategies	39.60
Hedge Funds	Global macro, long/short credit, multi-asset volatility arbitrage strategies, relative value commodities	12.69
Opportunistic/Distressed	Opportunistic strategies focusing on real estate related assets (residential, commercial), corporate credit	7.80
Asset Allocation		
Asset Allocation Strategies	Global Multi Asset, All Asset, EM Multi Asset, Real Retirement, Inflation-Response Multi Asset, DRA	85.69
Equities		
StocksPLUS [§]	Combines derivatives-based equity exposure with active bond management	19.18
Active Equities	Pathfinder, Emerging Markets, Dividend, Global Long/Short	5.13
Real Return		
Inflation-Linked Bonds	U.S., Global	67.28
Commodities	Actively managed commodity exposure enhanced with actively managed collateral portfolios	21.84
Real Estate	Real-estate linked exposure enhanced with actively managed collateral portfolios	0.90
Fixed Income		
Intermediate*	Total Return, Moderate Duration	506.63
Credit	Investment Grade Corporates, Bank Loans, High Yield Corporates, Convertibles	180.74
Cash Management*	Money Market, Short-Term, Low Duration	126.07
Long Duration	Focus on long-term bonds; asset liability management	125.04
Global	Non-U.S. and global multiple currency formats	119.08
Emerging Markets	Local debt, external debt, currency	68.10
Mortgages	Agency MBS, structured credit (non-Agency MBS, CMBS, and ABS)	47.76
Income	Income-oriented, insurance income	50.22
Diversified Income	Global credit combining corporate and emerging markets debt	29.60
Municipals	Tax-efficient total return management	12.17
Other		9.56
Total assets under management		\$ 1,535.07 B
Stable Value	Stable income with emphasis on principal stability	30.29
Tail-Risk Hedging**	Pooled and customized portfolios of actively managed tail-risk hedges	47.35

As of 31 December 2013
 SOURCE: PIMCO
 Assets reflect those managed on behalf of third-party clients and exclude affiliated assets. Fund of funds assets have been netted from each strategy.
 § Potential differences in asset totals are due to rounding.
 * Stable value assets have not been netted from U.S. Total Return, U.S. Moderate Duration and U.S. Low Duration assets
 ** Tail-risk hedging assets reflect total notional value of dedicated mandates and are not counted towards PIMCO total assets under management

To upload the image click the Save button below

Gateway asset class implementation indicators

OO 10

Mandatory

Gateway

General

OO 10.1

Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

- We incorporate ESG issues into investment decisions on our internally managed assets
- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- None of the above

OO 10.2

Indicate if your combined internally and externally managed listed equities are 10% or more of your total AUM.

- Yes, our total listed equities are 10% or more of our total AUM
- No, our total listed equities are less than 10% of our total AUM

OO 11

Mandatory

Gateway

General

OO 11.1

Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- Fixed income – corporate
- Fixed income – government
- Fixed Income – other
- Private debt
- Private equity
- Property
- Infrastructure
- Commodities
- Hedge funds
- Cash
- None of the above

OO 12

Mandatory

Gateway

General

OO 12.1

The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, you are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Direct - Fixed Income and Infrastructure are always voluntary.

Core modules

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers

Direct - Listed Equity active ownership

- Engagements

Direct - Fixed Income

- Fixed Income - Corporate
- Fixed Income - Government

Closing module

- Closing module

Note: Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

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Reported Information

Public version

Overarching Approach

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Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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OA 01.1 Indicate if you have a responsible investment policy.

Yes

No

OA 01.2 Indicate if you have other guidance documents or more specific policies related to responsible investment.

Yes

No

OA 01.3 Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

In November 2012 PIMCO published its ESG Investment Policy Statement. This document guides our responsible investment procedures and standards for reporting.

It includes our ESG mission statement, which is: to deliver risk-adjusted returns that are consistent with our clients' objectives through an investment process designed to identify the long-term dynamics of sound governance and the sustainable utilization of both human capital and natural resources.

The Policy Statement also describes our investment process, referencing both our top-down (i.e. macroeconomic, long term trends) and bottom-up (sector and security specific) methodology for ESG integration. In addition, it addresses how we incorporate ESG issues into our engagement with senior management of companies where we invest. Finally, it outlines PIMCO's plan for UNPRI and ESG reporting.

OA 02	Mandatory	Core Assessed	PRI 6
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OA 02.1 Indicate if your responsible investment policy is publicly available.

Yes

OA 02.2 Provide a URL to your responsible investment policy.

URL

http://media.pimco.com/Documents/ESG_Investment_Policy_Statement.pdf

No

OA 02.3 Indicate if your other policies or guidance documents related to responsible investment are publicly available.

- Yes
 - Yes, all
 - Yes, some

OA 02.4 List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
Getting Serious About Investing Responsibly	http://www.pimco.com/EN/Insights/Pages/Getting-Serious-About-Investing-Responsibly.aspx
Investment Management with a conscience	http://www.pimco.com/en/Insights/Pages/Investment-Management-with-a-Conscience-.aspx
The Next generation	http://www.pimco.com/EN/Insights/Pages/how-to-make-sure-the-next-generation-is-better-off-than-we-are.aspx
Why CEOs should read LeanIn	http://management.fortune.cnn.com/2013/03/11/sheryl-sandberg-lean-in/

- No

OA 03 **Mandatory** **Core Assessed** **PRI 1,2**

OA 03.1 Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Engagement/active ownership policy <input type="checkbox"/> Specific guidelines on corporate governance <input type="checkbox"/> Specific guidelines on environmental issues <input type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 04	Mandatory	Core Assessed	General
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OA 04.1 Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

OA 04.2 Describe your policy on managing potential conflicts of interest in the investment process. [Optional]

PIMCO has implemented policies and procedures relating to, among other things, portfolio management and trading practices, personal investment transactions, and insider trading that seek to identify, manage and/or mitigate actual or potential conflicts of interest and resolve such conflicts appropriately if they occur. PIMCO seeks to resolve any actual or potential conflicts in each client's best interest.

No

Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General
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OA 05.1 Indicate if your organisation sets objectives for its responsible investment activities.

Yes

OA 05.2 Indicate how frequently your organisation sets or revises objectives for responsible investment.

- At least once per year
- Less than once per year

OA 05.3 Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
 - Biannually
 - Annually
 - Every two years or less
 - It is not reviewed
- No

The ESG Working Group at PIMCO is made up of 19 professionals spanning business functions and geographies. Kimberley Stafford, Executive Vice President and member of the Executive Office, leads the team from Newport Beach. The group meets bi-monthly and its responsibilities include integrating ESG into the investment process and continuing to develop PIMCO's ESG thinking and capabilities. Next to that, the group holds an annual ESG strategy meeting whereby long term targets objectives are set.

Governance and human resources

OA 08

Mandatory

Gateway/Core Assessed

General

OA 08.1

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

Roles present in your organisation

- Board members or trustees
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
- External managers or service providers
- Other role, specify
 - ESG Working Group Members**
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
 - Other role, specify

Promoting responsible investment

OA 10

Mandatory

Core Assessed

PRI 4,5

OA 10.1

Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.

Yes

OA 10.2

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

- Asian Corporate Governance Association
- Association for Sustainable & Responsible Investment in Asia
- Australian Council of Superannuation Investors
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Contributed to the organisation or content of events organised by the group

Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

UKSIF

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Contributed to the organisation or content of events organised by the group

- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify

Cambridge Investment Leaders Group

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

No

OA 11	Mandatory	Core Assessed	PRI 4
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OA 11.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

OA 11.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

No

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Reported Information

Public version

Direct - Fixed Income

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Overview

FI 01

Mandatory to Report Voluntary to Disclose

Gateway/Peering

PRI 1

FI 01.1

Provide a breakdown of your internally managed fixed income investments by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your fixed income investments, indicate if you would still like to report your activities.

Fixed income – corporate

Strategies

- Passive
- Active – quantitative (quant)
- Active - fundamental and other active strategies

Percentage of internally managed fixed income - corporate

- <10%
- 10-50%
- >50%

Fixed income – government

Strategies

- Passive
- Active – quantitative (quant)
- Active - fundamental and other active strategies

Percentage of internally managed fixed income - government

- <10%
- 10-50%
- >50%

ESG incorporation in actively managed fixed income

Fixed Income - Corporate

Implementation processes

FI 04

Mandatory

Gateway/Core Assessed

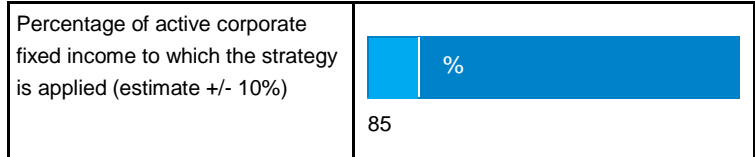
PRI 1

FI 04.1

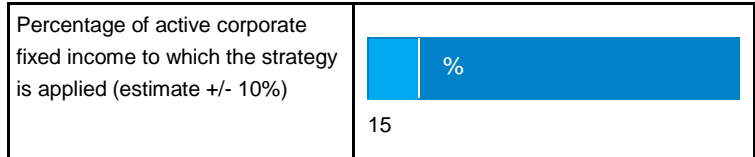
Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed corporate fixed income investments; and, (2) the breakdown of your actively managed corporate fixed income investments by incorporation strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)



- Screening + Integration strategies



- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

Total actively managed fixed income - corporate

100%

FI 04.2

Describe your primary reasons for choosing a particular incorporation strategy.

At PIMCO, we associate integration with "ESG" and screening (in this case negative screening) with "Socially Responsible Investing (SRI)."

In our view, the term ESG refers to an investment process that considers environmental, social and governance risk factors when assessing the long-term sustainability of a company or government. We believe that the consideration of these ex-financial risk factors leads to a more robust assessment of our investments and therefore have chosen to integrate ESG analysis across our unified investment process, and by extension across our assets under management.

In contrast to ESG, SRI is a term that we associate with an ethics based approach whereby investors are willing to sacrifice a portion of the investment universe, potentially along with a portion of financial returns, in order to avoid investing in certain companies, industries or countries. At PIMCO, our SRI accounts exclude "sin stocks", such as tobacco, alcohol, pornography and gambling. While many of our clients seek this approach, it is not appropriate for our entire investor base. For this reason, we have dedicated separate accounts and funds with negative screens that we categorise as SRI. In addition, we also consider our Global Investor Series Fund Complex to fall into this category given that we negatively screen out cluster munition manufacturers in line with European regulation.

We therefore employ ESG integration as a way to enhance our entire investment process and SRI negative screening as a way to meet individual clients' needs.

FI 04.3

If assets are managed using a combination of ESG incorporation strategies, describe briefly how these are used in combination. [Optional]

As mentioned in the previous answer, we apply ESG integration across our investment process. Upon client request, we also additionally use negative screening to address particular concerns

(A) Implementation: Screening

FI 06

Mandatory

Descriptive

PRI 1

FI 06.1

Indicate and describe the type of screening you apply to your internally managed active corporate fixed income investments.

Type of screening

Negative/exclusionary screening

Screened by

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

Description

We negatively screen the investment universe in response to client requests or regulatory requirements

- Positive/best-in-class screening

Screened by

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

Description

We take ESG risk factors into account across our investment process. Those risk factors can vary from certain products to more general corporate governance practices. We have therefore included all of the above options.

- Norms-based screening

Screened by

- UN Global Compact Principles
- Universal Declaration of Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify

	Description
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We have a small number of separate accounts that employ negative screening as a means of adhering to the principles outlined in these conventions.

FI 06.2	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
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Either clients, regulatory bodies or third-party providers establish the screening criteria that our dedicated SRI accounts employ.

FI 07	Mandatory	Core Assessed	PRI 1
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FI 07.1	Indicate which processes your organisation uses to ensure that screening in corporate fixed income is based on robust analysis.
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- Comprehensive research is undertaken or sourced to determine issuers' ESG performance
- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify issuers to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Information on ESG issues and/or ratings is updated regularly to ensure that portfolio holdings comply with fund policies
- A committee or body with representatives independent of the individuals who conduct ESG research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

(C) Implementation: Integration of ESG factors

FI 11	Mandatory	Core Assessed	PRI 1
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FI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
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ESG issues	Coverage/extent of review on these issues
Environmental	<input type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

Fixed income - Government

FI 13	Mandatory	Core Assessed	PRI 1
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FI 13.1 Indicate if you incorporate ESG issues in investment analysis and decision making for your government fixed income investments.

Yes

FI 13.2 Indicate for what percentage of your government fixed income investments you incorporate ESG issues in investment analysis and decision making.

- <10%
- 10-50%
- 51-90%
- >90%

FI 13.3 Indicate if in active strategies, E, S and G issues are reviewed while researching government issuers.

ESG issues	Coverage/extent of review on these issues
Environmental	<input type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

FI 13.4 Describe your approach to incorporating ESG issues in government fixed income investments. [Optional]

As highlighted previously, PIMCO also believes that ESG risk factors can influence the growth trajectory, level of inflation and creditworthiness of sovereign issuers. To provide examples of ESG themes that we have taken into account in our sovereign research process:

Environment: one environmental theme we are examining is how the level of air pollution in certain countries, such as China and India, may increasingly constrain or condition these countries' growth models

Social: we think that "middle-income transitions"--whereby the growing middle class encourages a consumption-led economy--can result in major and complex shifts on the demand-and-supply side of economies. We therefore pay careful attention to the evolution of this societal dynamic when investing in countries such as China, Brazil and Mexico.

Governance: we closely consider transparency the prevalence of corruption in the political system when analysing the credit worthiness of government issuers.

Beyond macro themes, we also incorporate quantitative ESG factors into our country research reports, such as metrics on political stability, voice and accountability, rule of law, control of corruption, government effectiveness and regulatory quality.

No

Communication

FI 18	Mandatory	Core Assessed	PRI 2,6
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FI 18.1 | Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments.

We disclose it publicly

Provide URL

<http://www.pimco.com/En/OurFirm/Pages/ESGFramework.aspx>

FI 18.2 | Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

Yes

No

FI 18.3 | Indicate the information your organisation proactively discloses to clients/ beneficiaries and/or the public regarding your approach to ESG incorporation.

Reporting to public	Reporting to clients/beneficiaries
<input checked="" type="radio"/> Broad approach to ESG incorporation <input type="radio"/> Detailed explanation of ESG incorporation strategy used	<input type="radio"/> Broad approach to ESG incorporation <input checked="" type="radio"/> Detailed explanation of ESG incorporation strategy used

FI 18.4 | Indicate how frequently you typically report this information.

Reporting to public	Reporting to clients/beneficiaries
<input type="radio"/> Quarterly or more frequently <input checked="" type="radio"/> Between quarterly and annually <input type="radio"/> Less frequently than annually <input type="radio"/> Other, specify	<input checked="" type="radio"/> Quarterly or more frequently <input type="radio"/> Between quarterly and annually <input type="radio"/> Less frequently than annually <input type="radio"/> Other, specify

We disclose it to clients/beneficiaries only

We do not proactively disclose it to the public and/or clients/beneficiaries