

P I M C O



**VCERA**  
VENTURA COUNTY EMPLOYEES'  
RETIREMENT ASSOCIATION

## Private Income Fund Corporate Opportunities Funds III & IV Aviation Income Partners II

May 2025

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**See Appendix for additional disclosures.**

# Biographies

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## **Christian Clayton**

Mr. Clayton is an executive vice president and strategist in the Newport Beach office. He focuses on credit alternatives for institutional clients. He also leads product strategy for PIMCO's global wealth alternatives platform, responsible for credit, real estate, private lending, and tax-efficient credit strategies. Prior to joining PIMCO in 2014, he worked in the investment banking division at Citigroup in Hong Kong. He holds an MBA from the Marshall School of Business at the University of Southern California and a master's degree in East Asian Studies from Columbia University. Mr. Clayton received an undergraduate degree from Brigham Young University.



## **Preeyam Ghandi**

Ms. Gandhi is a senior vice president and strategist in the New York office, covering alternative credit and private strategies. She develops solutions across opportunistic corporate and specialty finance strategies for global institutional and wealth management clients, and has also worked to develop alternative and co-investment solutions. Previously at PIMCO, she worked with U.S. public pensions, focusing on asset allocation and alternative credit. In 2020, Ms. Gandhi received the "Rising Star Award" from the Women's Bond Club of New York, and she has served as a steering committee member of PIMCO Women and PIMCO LEAP (Leading and Engaging as Asian Professionals). She has 10 years of investment experience and holds an undergraduate degree in finance and business management from the Leonard N. Stern School of Business at New York University.



## **Neal Reiner**

Mr. Reiner is an executive vice president and alternative credit strategist in the Newport Beach office. Prior to joining PIMCO in 2012, he was a managing director on the investment committee at Gottex Fund Management, where he evaluated and developed credit alternative funds on behalf of institutional investors globally. Previously, he was a portfolio manager at Putnam Investments, responsible for managing a range of leveraged loan and bond funds. Mr. Reiner also worked in leveraged finance banking, most recently as managing director and co-head of leveraged finance at BancBoston Robertson Stephens and earlier at Bear Stearns. He has more than 25 years of investment experience. He holds an MBA from the Wharton School of the University of Pennsylvania, and he received an undergraduate degree in financial accounting from the University of Illinois. He is a CPA.



## **Kevin Gray**

Mr. Gray is an executive vice president and account manager in the Newport Beach office and a member of PIMCO's U.S. public pension practice. Prior to joining PIMCO in 2005, he was with Union Bank of California. He has 21 years of investment experience and holds an MBA with concentrations in finance and investments from the Marshall School of Business at the University of Southern California. He received his undergraduate degree from the University of San Diego. Mr. Gray is a member of the investment committee of the Horace Kelley Art Foundation.



## **Catharine Roddy**

Miss Roddy is an account manager in the Newport Beach office, focusing on institutional servicing within PIMCO's U.S. public pension practice. She joined PIMCO in 2019 and worked most recently as a senior associate in account management, focusing on client servicing as well as strategy and business management initiatives. She has five years of investment experience and holds an undergraduate degree in economics and neuroscience from Dartmouth College. She is a CFA charterholder.

# PIMCO is a global manager with long-term perspective

Deep expertise across complementary, alternative investment capabilities since 2007



**1971**

PIMCO Founded

**\$2.03T** Firm wide AUM\*

**130+** Private market investment professionals

**3000+** Employees

**115+** Credit portfolio managers across Investment Grade, High Yield, Loans EM, Municipals and Securitized

## Public Credit

*Inception 1971*

**\$450+ Billion**

Investment Grade  
Multi-Sector Credit  
Leveraged Finance  
Capital Securities

## Hedge Funds

*Inception 2004*

**\$18+ Billion**

Discretionary Hedge Funds  
Systematic Hedge Funds  
Customized Mandates

## Private Strategies

*Inception 2007*

**\$146+ Billion**

Opportunistic  
Private Lending  
Alternative Credit  
Real Estate

As of 31 December 2024 unless otherwise indicated. Alternatives and Private Real Estate AUM show previous quarter data due to data availability limitations and include uncalled capital.

\*As of 31 March 2025

SOURCE: PIMCO. PIMCO manages \$2.03 trillion in assets, including \$1.64 trillion in third-party client assets as of 31 March 2025. Assets include \$75.4 billion (as of 31 December 2024) in assets managed by Prime Real Estate (formerly Allianz Real Estate), an affiliate and wholly-owned subsidiary of PIMCO and PIMCO Europe GmbH, that includes PIMCO Prime Real Estate GmbH, PIMCO Prime Real Estate LLC and their subsidiaries and affiliates. PIMCO Prime Real Estate LLC investment professionals provide investment management and other services as dual personnel through Pacific Investment Management Company LLC. PIMCO Prime Real Estate GmbH operates separately from PIMCO.

## VCERA | PIMCO Relationship Summary

| Fund   | Inception            | Commitment | Strategy   |
|--|----------------------|------------|--|
| <b>Private Income Fund</b><br>("PIF")                  | July & December 2019 | \$55mm     | Multi-sector private credit strategy focused on privately originated, performing credit assets across credit verticals (commercial, residential, corporate, specialty finance).  |
| <b>Corporate Opportunities Fund III</b><br>("COF III") | March 2020           | \$50mm     | 3 <sup>rd</sup> vintage of PIMCO's opportunistic corporate credit strategy seeking to provide liquidity to stressed/distressed situations, corporate special situations and capital solutions.   |
| <b>Corporate Opportunities Fund IV</b><br>("COF IV")   | February 2023        | \$100mm    | 4 <sup>th</sup> vintage of PIMCO's opportunistic corporate credit strategy seeking to provide liquidity to stressed/distressed situations, corporate special situations and capital solutions.   |
| <b>Aviation Income Partners II</b><br>("AIP II")       | March 2024           | \$25mm     | Co-invest fund that will purchase new and mid-life aircraft and enter into aircraft leaseback transactions. PIMCO has partnered with High Ridge Aviation, a dedicated aviation finance platform, to seek to capitalize on the secular need for financing in the aviation market. |

As of 30 April 2025  
SOURCE: PIMCO



## Private Income Fund

# Key objectives of the Private Income Fund (“PIF”)

1

## Income Generation

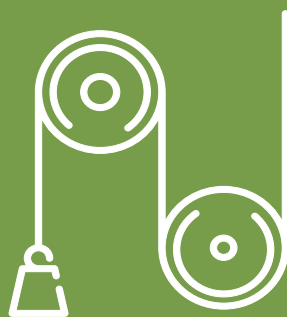
Target 8-12% income-driven net returns, 6-10% income distribution



2

## Resilient Credit Profiles

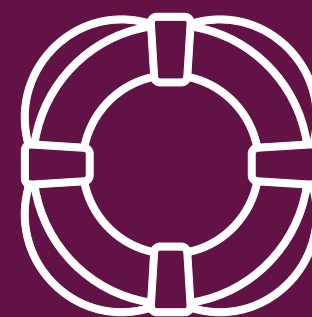
Command sufficient lender protections and compensation for risk



3

## Diversified Portfolio

Flexible mandate targeting opportunities across sectors and geographies



As of 31 December 2024. Source: PIMCO

**For illustrative purposes only. The views and expectations expressed are those of PIMCO. The Target Return is net of fees and expenses and is not a guarantee, projection or prediction of future results. Actual results may vary significantly from the Target Return. An investment in any PIMCO managed fund entails a high degree of risk and investors could lose all or a portion of their investment.**

Statements of opinion are subject to change, without notice, based on market and other conditions. No representation is made or assurance given that such views are correct. Statements concerning financial market trends are based on current market conditions, which will fluctuate.

Refer to Appendix for additional investment strategy, outlook, target returns and risk information.

# Private Income Fund performance

| Key portfolio statistics       |                            |                           |                    |
|--------------------------------|----------------------------|---------------------------|--------------------|
| Total Fund Capital Commitments | \$5.0 billion <sup>1</sup> | Yield to Maturity         | 11.8% <sup>2</sup> |
| Total Called Capital           | \$5.0 billion <sup>1</sup> | Annual Distribution Yield | 8.0% <sup>3</sup>  |

## Time Weighted Returns (net of fees)<sup>1</sup>

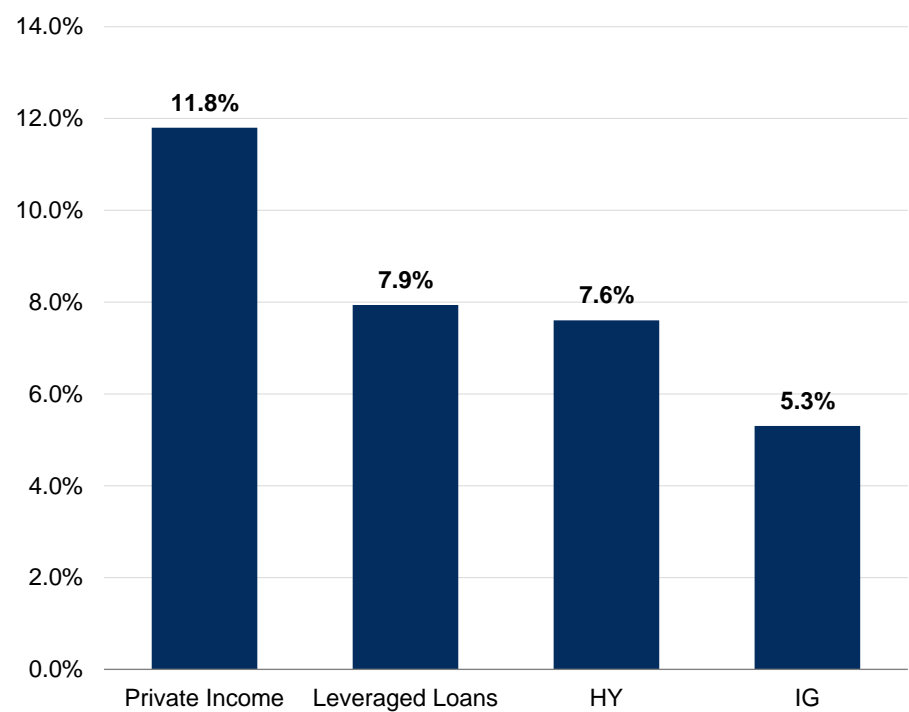
| By Fund / Feeder  | YTD 2024 | ITD Annualized |
|---|----------|----------------|
| Ventura County Employees' Retirement Association Class C-R <sup>5</sup>   | 8.40%    | 8.87%          |
| Ventura County Employees' Retirement Association Class F-B-R <sup>5</sup> | 8.52%    | 6.91%          |

As of 31 December 2024, unless otherwise noted. Past performance is not a guarantee nor a reliable indicator of future results.  
 1,2,3,4: Please see Appendix – Glossary of Key Terms for additional notes on the above information. Past performance is not a guarantee or indicator of future results.  
 Source: PIMCO. For illustrative purposes only and subject to change. Note: The views and expectations expressed are those of PIMCO. There can be no guarantee that the trends mentioned about will continue. Please refer to the Appendix for additional information defining the investment stats and portfolio exposure mentioned above.  
 5: Client investment inception 1 October 2019  
 Refer to Appendix for additional performance and fee, yield to maturity and risk information.

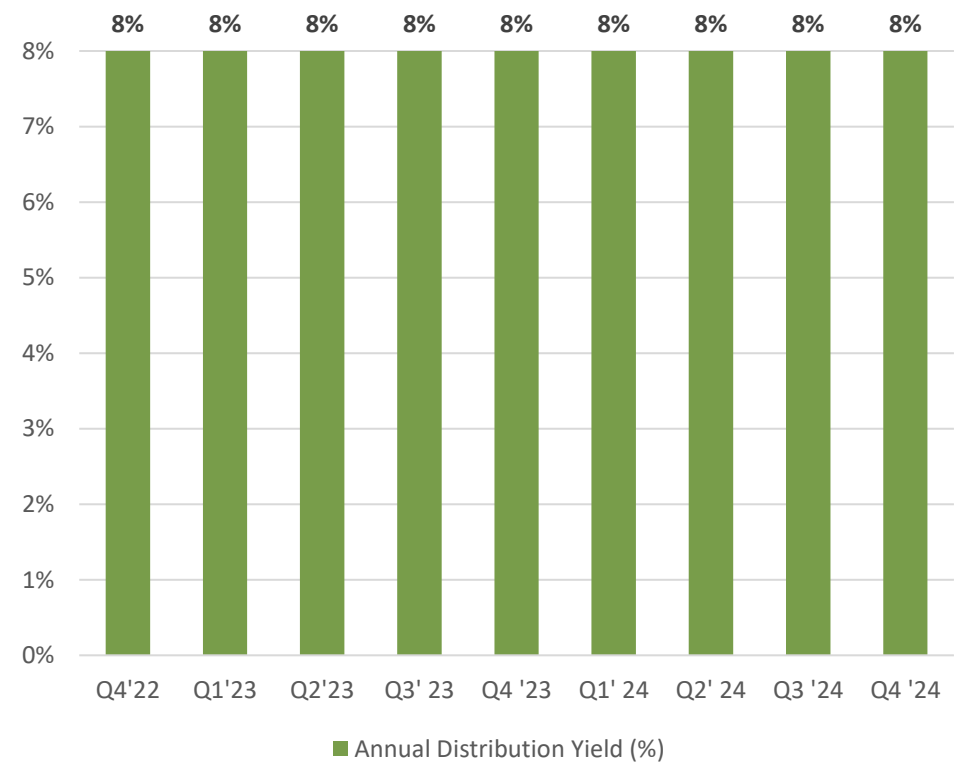
# A solution that aims to generate attractive income

Since inception, PIF has consistently paid out an attractive distribution yield

Yield to Maturity (%)<sup>1</sup>



Annual Distribution Yield<sup>2</sup>



As of 31 December 2024, unless otherwise noted. Past performance is not a guarantee or reliable indicator of future results.

Source: PIMCO, Bloomberg.

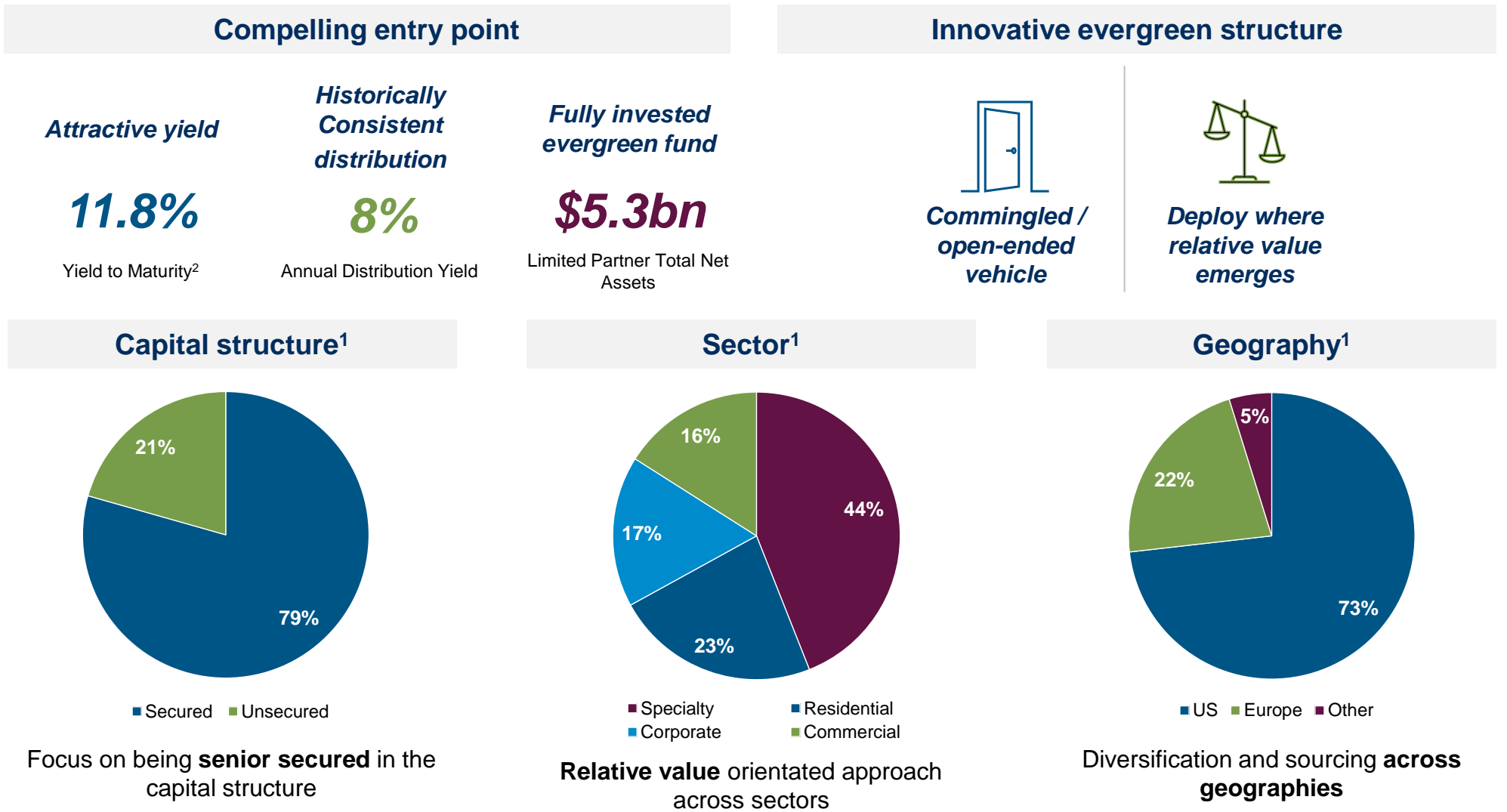
<sup>1</sup> Estimated Yield to Maturity (YTM) is the estimated total return of a bond if held to maturity. YTM accounts for the present value of a bond's future coupon payments. A portfolio's actual yield or distribution rate may be significantly lower than its estimated YTM in practice. Also, estimated YTM is not intended to indicate that a portfolio will actually hold any or all of its portfolio securities to maturity, and various securities may be sold or otherwise disposed of prior to maturity.

Leveraged Loans is represented by The JPMorgan Leveraged Loan Index; High Yield (HY) is represented by The Bloomberg High Yield Index; Investment Grade (IG) is represented by The Bloomberg U.S. Aggregate Credit Index

<sup>2</sup> Based on invested capital as of the latest capital close at quarter end, the Fund determined to make a distribution of an amount equivalent to 6-10% per annum to holders of class F-A, F-B, C, D, E, and income class.

Refer to Appendix for additional performance and fee, index, yield to maturity and risk information.

# Private Income Fund: What does the portfolio look like today?



# How PIF is capitalizing on high conviction investment themes

## Specialty Finance

Focus on **consumer** and **non-consumer** loans across direct origination and secondary market opportunities as **banks reduce lending** and **balance sheet exposure**

Student loans

Aviation finance

Consumer loans

## Commercial Mortgage Credit

Emphasize **transitional loans** to well-capitalized sponsors and **liquidity-driven secondary loan sales** as traditional lenders retreat and de-risk.

Transitional loans

Triple net leases

Data center financing

## Residential Mortgage Credit

Focus on **new** and **seasoned loans** to capitalize on rising homeowner equity, robust consumer balance sheets, and **housing undersupply**

Non-QM mortgage loans

Re-performing whole loan pools

UK residential loans

## Corporate Credit

Focus on **new origination** with **conservative underwriting** and covenants to meet the funding needs of **pressured corporate borrowers**

Senior secured

Non-sponsor backed loans

Idiosyncratic opportunities

As of 31 December 2024. Source: PIMCO. The views and expectations represent those of PIMCO. Statements concerning financial market trends are based on current market conditions which will fluctuate. There is no guarantee that any forecasts, projections or targets as suggested herein will be achieved. Refer to Appendix for additional outlook and risk information.



## Corporate Opportunities Funds III & IV

# Summary of PIMCO Corporate Opportunities Fund

## Strategy

- **Flexible, all weather<sup>1</sup> strategies** aiming to capitalize on corporate opportunities across market environments with an emphasis on Capital Solutions to address full capital structure needs via bespoke, flexible financings
- **Capitalize on dislocations** across public and private markets with ability to opportunistically purchase discounted securities or participate in restructurings seeking potentially convex return profiles
- **Attractive risk-adjusted target return**, targeting net IRR of 15%<sup>2</sup> and net multiple of 1.5x–1.7x+

## Opportunity

- **Enhanced opportunity** due to excessive corporate leverage levels and refinancing challenges amidst a challenged economic landscape
- **Lack of flexible private capital** to address gap between syndicated loans/direct lending and private equity
- **Public and private market convergence** leading to attractive sourcing potential for lenders with broad credit platforms spanning a diverse array of borrowers and industries

## PIMCO's Edge

- **Deep experience** as constructive, long-term capital partner supporting public and private financings
- **Leading capital and resources** to evaluate and underwrite range of opportunities with broad credit research and specialty desks
- **14+ year track record in special situations** including capital solutions, stressed, distressed, and idiosyncratic investments

As of 31 December 2024. Source: PIMCO.

**For illustrative purposes only and subject to change. Past performance is not a guarantee or a reliable indicator of futures results.**

There can be no assurance that PIMCO's strategies with respect to any investment will be capable of implementation or, if implemented, will be successful. There are numerous factors related to the markets in general and the implementation of any specific investment strategy, which cannot be fully accounted for in the above example.

<sup>1</sup> All weather refers to the Fund's objective to flexibly invest across various market environments with the goal of providing investors with attractive long-term returns. There can be no assurance that the Fund will achieve its objectives in all or any market environment.

<sup>2</sup> **The Target Return is not a guarantee, projection or prediction and is not indicative of future results.** There can be no assurance that Fund will achieve its Targets, and actual results may vary significantly from the Target Return.

**An investment in any PIMCO managed fund entails a high degree of risk and investors could lose all or a portion of their investment. COF III and COF IV are closed to new investors.**

This information is summary in nature and is no way complete, and these terms have been simplified for illustrative purposes and may change materially at any time without notice. In particular, this information omits certain important details about the stated terms, and does not address certain other key fund terms or represent a complete list of all fund terms. You must rely only on the information contained in the Fund Documents in making any decision to invest. Refer to Appendix for additional performance and fee, investment strategy, outlook, target return and risk information.

# Highly compelling environment for flexible private capital providers



1

## Headwinds

- Corporate earnings challenged amidst a range of inflationary pressures, slowing consumer demand, and elevated base rates
- With recent heightened volatility and an increased probability of recession, companies may struggle to service existing obligations

2

## Substantial capital formation in senior lending

- Buoyant capital markets have spurred material investment in private senior lending markets, namely direct lending
- Highly competitive financing environment between public and private markets has resulted in degradation of terms and greater leverage levels

3

## Limited availability of flexible capital

- Historically dominated by private lenders focused on “down the fairway” loans with limited covenants and light documentation
- Borrowers require flexible capital sitting between credit and equity
- Roughly \$550bn<sup>1</sup> of flexible capital demand; flexible special situations capital makes up approximately 18% of private debt market<sup>1</sup>

As of 31 December 2024 unless otherwise noted. <sup>1</sup> Latest available data as of 30 September 2024. Source: PIMCO, Preqin

**For illustrative purposes only.** The views and expectations expressed are those of PIMCO. **An investment in any PIMCO managed fund entails a high degree of risk and investors could lose all or a portion of their investment.** There is no guarantee that (i) the investment strategies discussed herein will work under all market conditions, (ii) that the market trends discussed will continue, or (iii) that the investment opportunities discussed herein will materialize or produce any level of returns. Refer to Appendix for additional investment strategy, outlook and risk information.

# COF IV deploying capital selectively in anticipation of building opportunity set

Nine capital solutions deals and over \$600 million in cumulative capital deployed

## COF IV highlights

### Fundraising

- \$2.1 billion of accepted commitments in COF IV
- \$3.7 billion cumulatively raised across COF and similar vehicles

### Transactions

- Nine capital solutions private financings completed
- Four repeat borrowers and five new borrowers, with one representing a supplier to existing portfolio company

### Key deal metrics (weighted average for debt financings)<sup>1</sup>

- **Coupon:** SOFR + 1,006 bps<sup>2</sup>
- **Upfront fees:** 2.6%<sup>3</sup>
- **Current yield:** 16.3%
- **Estimated loan to value:** 49% (ranging from 15-70%)
- **Additional upside potential:** Several deal terms include equity warrants, discounted equity and/or exit fees to provide minimum MOIC

### Sourcing

- All deals sourced by COF PM team without direct financial sponsor involvement
- Highly selective underwriting process – the team has turned down ~90% of private deals sourced

## Weighted-average current yield of initial positions<sup>1</sup>

16.3%

COF IV debt financings

As of 31 December 2024. Source: PIMCO. <sup>1</sup> Weighted-average coupon, upfront fees, current yield, and LTV based on terms of seven COF IV Capital Solutions deals completed to date, excluding investments in Project Freedom and Project Meridian.

<sup>2</sup> Excludes four COF IV deals with fixed rate coupons. <sup>3</sup> Excludes one COF IV deal that was a secondary purchase.

Refer to Appendix for additional investment strategy and risk information.

## Key statistics: COF III & COF IV

### COF III

- \$4.0bn of capital commitments with 90.0% capital called (based on total commitments) as of 12/31/24
- Investment period formally ended July 2024 with base harvesting period continuing through July 2028 (without extensions)
- As of 12/31/2024: 8.1% since inception net IRR<sup>1</sup>, 1.3x<sup>2</sup> since inception net multiple

### COF IV

- \$2.1bn of capital commitments
  - 10.0% of total commitments called as of 12/31/24
- Investment period began late 2024 and continues through August 2027
- Harvest period commences thereafter with base period continuing through 2031

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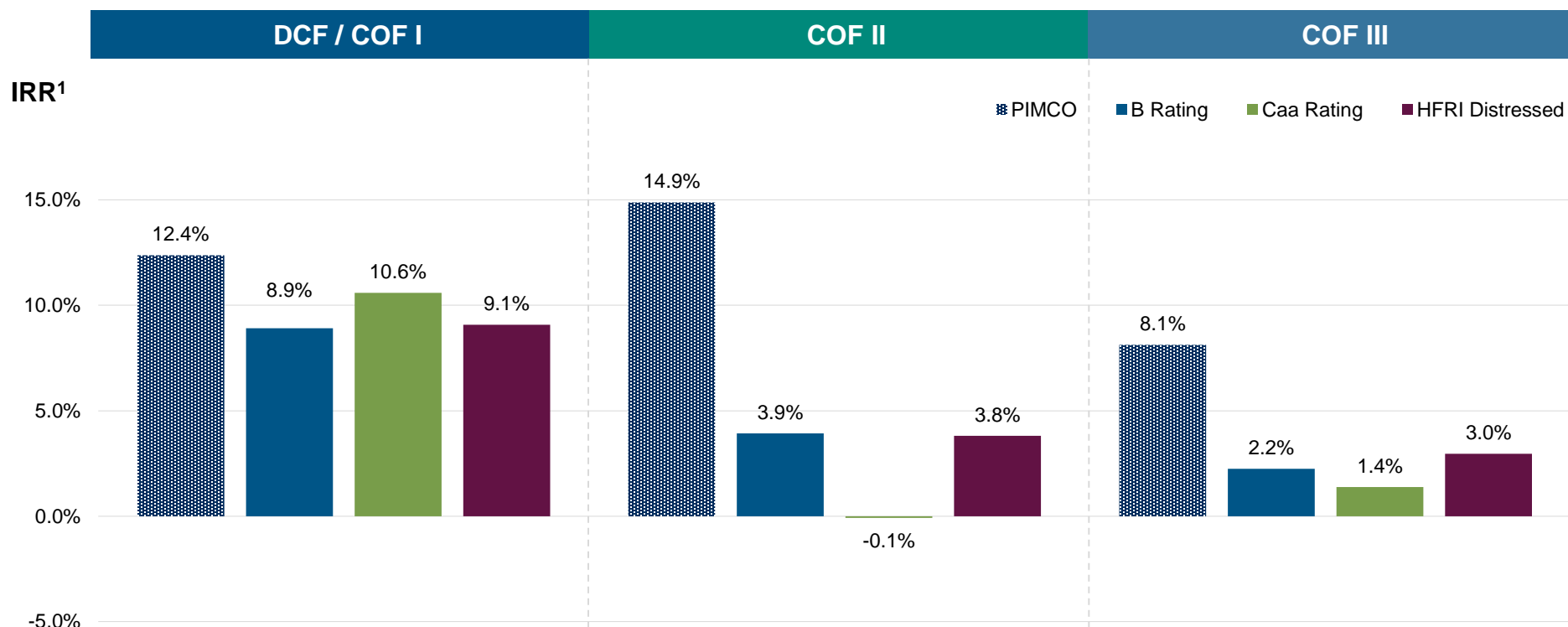
Returns account for the fund's use of subscription line of credit. The impact of a subscription line is expected to be greater earlier, but lesser later, in the fund's life cycle as more investor capital is drawn and the subscription line is repaid. In addition, such borrowing is subject to substantial fees and expenses, which lower the fund's performance.

<sup>1</sup> Net IRR represents the annualized internal rate of return for the period indicated (i.e., from the initial capital call date of April 9, 2020 through December 31, 2024), based on capital contributions and distributions to Limited Partners and Manager-Affiliated Limited Partners (excluding any distributions to the General Partner) and the residual value of unrealized investments, net of fees, expenses and realized/unrealized carried interest for the fund complex as a whole. Returns to specific fund investors are different due to (among other factors) the impact of (i) different fee arrangements and (ii) tax considerations applicable to different investors. In addition, the returns shown above take into account management fee and carried interest/performance allocation waivers granted to employee and affiliated investors and generally unavailable to third-party investors, although such waivers did not materially impact fund returns. The returns for each fund reflect the use of leverage, which can magnify returns and/or make returns more volatile.

<sup>2</sup> Multiple represents the ratio of (i) distributions to investors plus the residual value of unrealized investments (net of fees, expenses and realized/unrealized carried interest) to (ii) capital contributions by Limited Partners and Manager-Affiliated Limited Partners (excluding the General Partner).

Refer to Appendix for additional performance and fee, investment strategy and risk information.

# COF Funds Outperforming All Debt Benchmarks



As of 31 December 2024 unless otherwise indicated. **Past performance is not a guarantee or a reliable indicator of future results. An investment in any PIMCO managed fund entails a high degree of risk and investors could lose all or a portion of their investment. DCF, COF II, COF III, and COF IV are closed to new investors.** COF II and III: Returns account for the fund's use of a subscription line of credit. The impact of a subscription line is expected to be greater earlier, but lesser later, in the fund's life cycle as more investor capital is drawn and the subscription line is repaid. In addition, each borrowing is subject to substantial fees and expenses, which lower the fund's performance. There can be no assurance that the investment objective, investment restrictions and other key terms of COF IV will not be materially different from those of DCF, COF II, and COF III (including fund investors, size, fund term, investment period, leverage). There can be no guarantee that COF IV will have access to comparable investments, or that PIMCO will continue to utilize similar strategies or techniques in connection with COF IV investments. As such COF IV performance may differ materially from DCF, COF II, and COF III; B Rating = Bloomberg B US High Yield Total Return Unhedged USD Index; Caa Rating = Bloomberg Caa US High Yield Total Return Unhedged USD Index; HFRI Distressed = HFRI ED Distressed/Restructuring Index. Excess IRR calculated as the difference between PIMCO fund performance and the benchmarks.

<sup>1</sup> IRR has been calculated net of all fees (including management fees and administration fees), expenses (including any expenses associated with leverage) and unrealized carried interest and is shown since the date of the initial capital call of DCF (7/14/2010), COF II (1/6/2016), and COF III (4/9/2020). Net IRR represents the annualized internal rate of return for the period indicated i.e., from the initial capital call date of 7/14/2010 through 6/19/2020 for DCF, 1/6/2016 through 12/31/2024 for COF II, and 4/9/2020 through 12/31/2024 for COF III based on capital contributions by investors, distributions to investors and the residual value of unrealized investments. The final IRR may be materially different from the figure provided above. Returns to specific fund investors are different due to (among other factors) the impact of (i) fee and/or carried interest and (ii) tax considerations applicable to different investors. In addition, the returns shown above take into account management fee and carried interest waivers granted to employee and affiliated investors and generally unavailable to third party investors, although such waivers did not materially impact fund returns. The returns for COF II and COF III reflect the use of leverage, which can magnify returns and/or make returns more volatile. There can be no assurances that such leverage will be available to COF IV, including on the terms made available to prior funds. The investment performance of COF II and COF III has been calculated on the basis of both net cash flows generated from the disposition of realized investments and, with respect to unrealized investments, estimated net cash flows as though such investments were disposed of at their valuations determined as of 12/31/2024. In many cases these unrealized investments were "fair valued" as of 12/31/2024. With respect to the performance returns for unrealized investments, actual returns will vary from the estimates and the variations may be significant. DCF, COF II and COF III have one or more feeder funds that invests or has invested all or substantially all of its assets in the funds. The performance of such feeder funds may differ from the performance listed above due to different fee and expense arrangements and/or tax consequences. Refer to Appendix for additional performance and fee, investment strategy and risk information.



## Aviation Income Partners II

# Key objectives of PIMCO Aviation Income Partners II (“AIP II”)

1

## Income Generation

Target 15% net IRR with quarterly income distributions



2

## Hard Asset-Backing

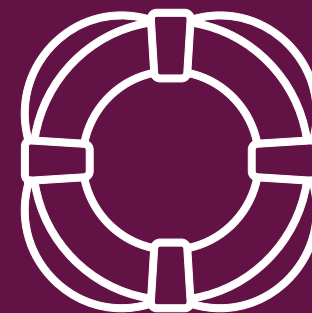
Investments secured by aviation assets and contractual cash flows from leases



3

## Diversified Portfolio

Flexible mandate targeting airlines across diverse geographies



As of 31 December 2024. Source: PIMCO

**For illustrative purposes only. The views and expectations expressed are those of PIMCO. The Target Return is net of fees and expenses and is not a guarantee, projection or prediction of future results. Actual results may vary significantly from the Target Return. An investment in any PIMCO managed fund entails a high degree of risk and investors could lose all or a portion of their investment.**

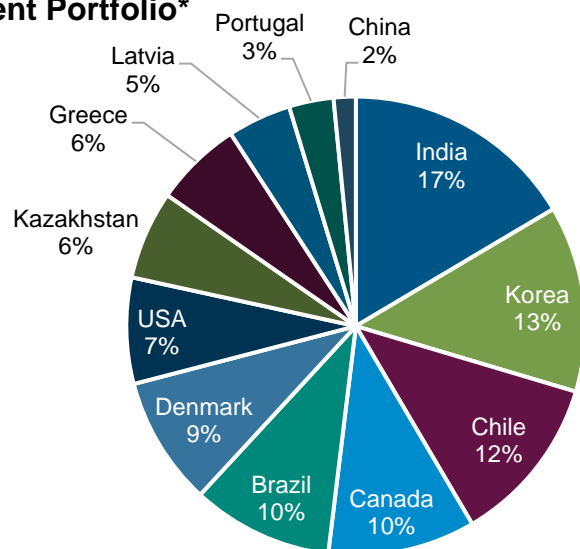
Statements of opinion are subject to change, without notice, based on market and other conditions. No representation is made or assurance given that such views are correct. Statements concerning financial market trends are based on current market conditions, which will fluctuate.

Refer to Appendix for additional investment strategy, outlook, target returns and risk information.

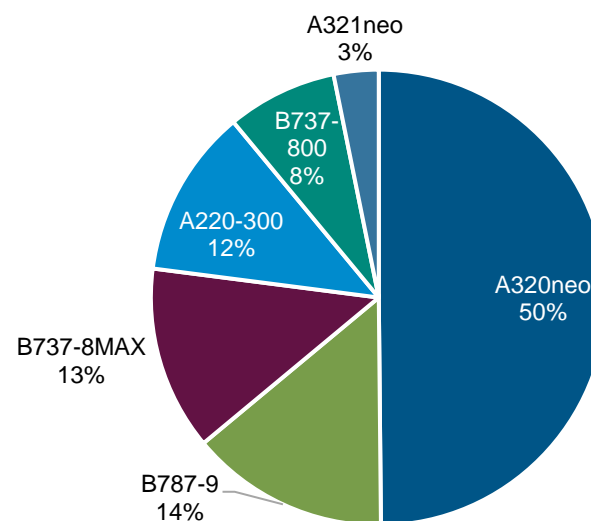
# AIP II fund overview: key statistics and attributes

|                      |   |
|----------------------|---|
| <b>Fund Snapshot</b> | <ul style="list-style-type: none"> <li>• ~\$450mm of capital commitments, in addition to \$212mm of committed capital from PIMCO Funds <ul style="list-style-type: none"> <li>• The Fund is 80% called as of April 30<sup>th</sup>, 2025</li> </ul> </li> <li>• Investment period ends in December 2025, and fund term (without extensions) ends in December 2029</li> <li>• Seed portfolio targets ~\$2bn of originations or 40 aircraft, with 32x aircraft as of April 30<sup>th</sup>, 2025</li> </ul> |
| <b>Performance</b>   | <ul style="list-style-type: none"> <li>▪ As of December 31<sup>st</sup>, 2024: 9.8% since inception net IRR<sup>1</sup>, 1.1x since inception net multiple<sup>2</sup></li> </ul>   |

**Current Portfolio\***



**Seed Aircraft Type\***



As of 31 December 2024, unless otherwise indicated. \*As of 30 April 2025. **Past performance is not a guarantee or a reliable indicator of future results.** An investment in any PIMCO managed fund entails a high degree of risk and investors could lose all or a portion of their investment.

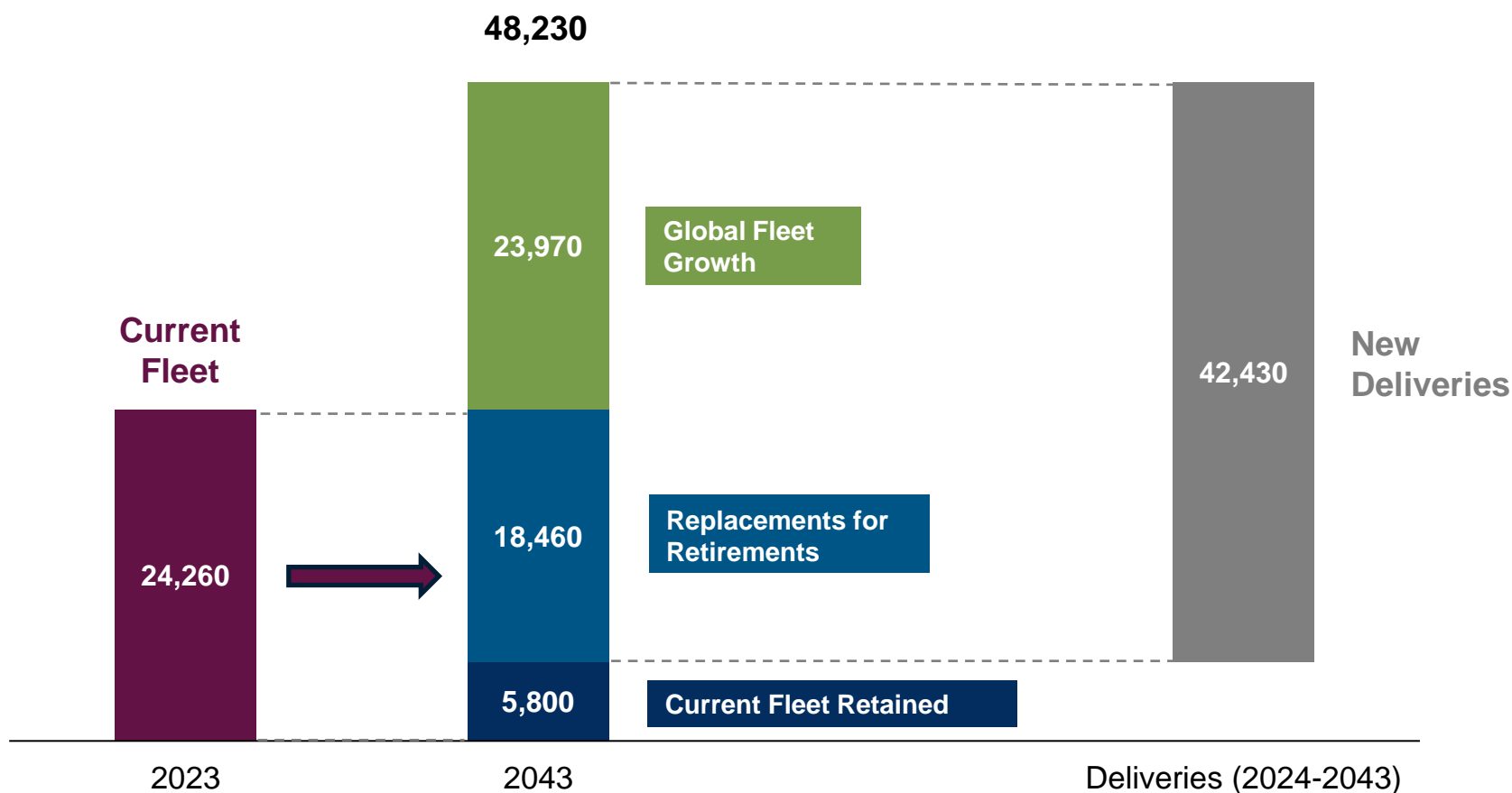
<sup>1</sup>Net IRR represents the annualized internal rate of return for the period indicated (i.e., from the initial close date of 2 February 2023 through 31 December 2024) based on capital contributions and distributions to Limited Partners and Manager-Affiliated Limited Partners (excluding any distributions to the General Partner) and the residual value of unrealized investments, net of fees, expenses and realized/unrealized carried interest for the fund complex as a whole. Returns to specific fund investors are different due to (among other factors) the impact of (i) different fee arrangements and (ii) tax considerations applicable to different investors. In addition, the returns shown above take into account management fee and carried interest/performance allocation waivers granted to employee and affiliated investors and generally unavailable to third-party investors, although such waivers did not materially impact fund returns. The returns for each fund reflect the use of leverage, which can magnify returns and/or make returns more volatile.

<sup>2</sup>Net Multiple represents the ratio of (i) distributions plus the residual value of unrealized investments (net of fees, expenses and realized/unrealized carried interest) to (ii) capital contributions by Limited Partners and Manager-Affiliated Limited Partners (excluding the General Partner). Note that as of 31 December 2024 no distributions have been made.

Refer to Appendix for additional performance and fee, investment strategy and risk information.

## Global aviation fleet is expected to double in 20 years

However post-covid supply chain issues causing bottleneck for new deliveries



**Global fleet will require ~24K additional aircraft over the next 20 years**

As of 31 December 2024. Source: HRA

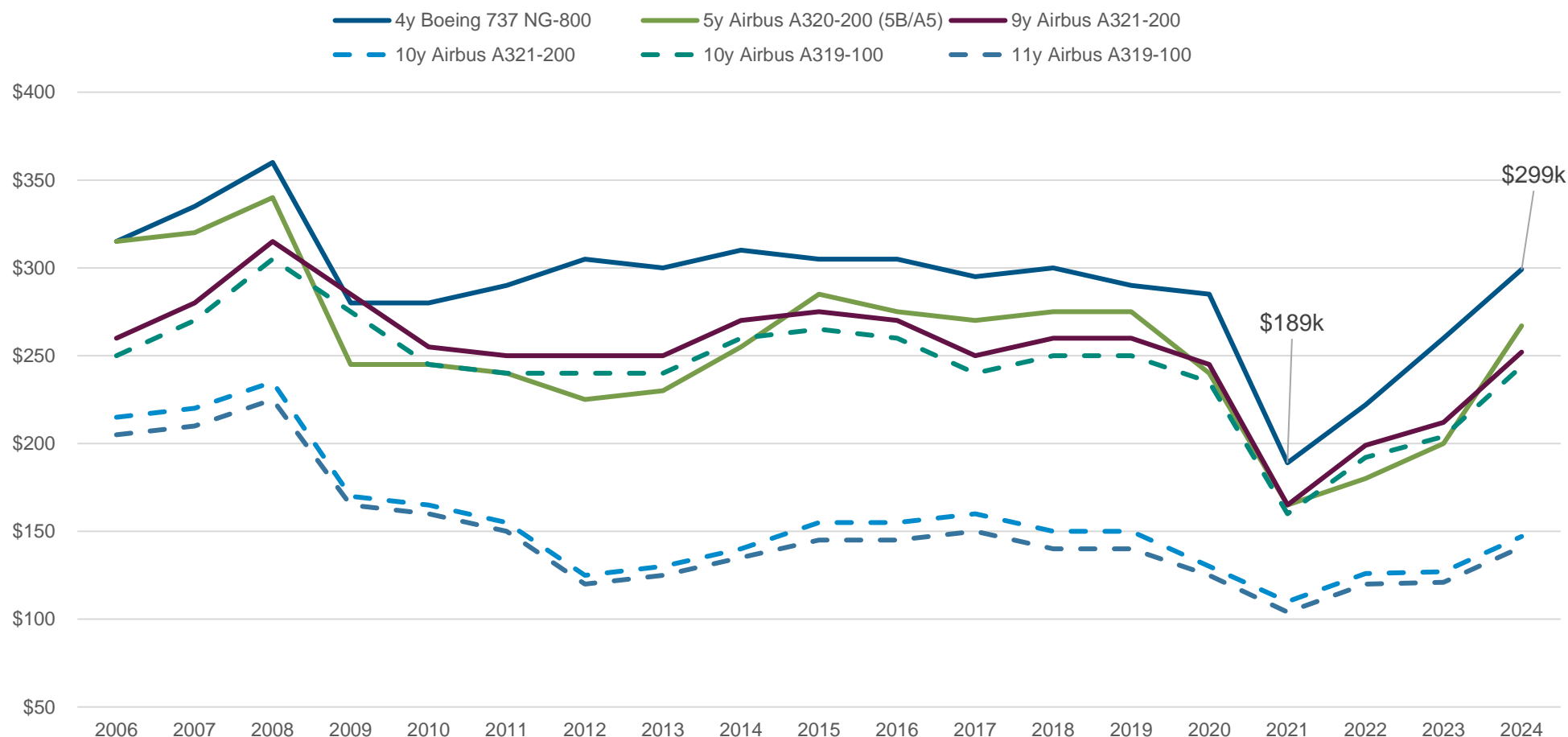
**There is no assurance that the opportunities identified herein will materialize or that any portfolio or strategy will achieve its investment objectives and provide any level of returns.**

Refer to Appendix for additional outlook and risk information.

# As values & lease rates continue to normalize across all classes of aircraft

Artificially tight lease rates are widening and aircraft values are rebounding, driven by high interest rates and continued constraints to aircraft supply

## Recovery of Monthly Aircraft Lease Rates



As of 31 December 2024. Source: Cirium; Source: Cirium Values Analyzer

There can be no guarantee that the trends identified above will continue or will result in investment opportunities for the Fund.



## Appendix

# Appendix – Glossary of Key Terms

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## **Additional Notes on the Private Income Fund Overview (page 9)**

<sup>1</sup>Portfolio breakdowns are calculated as the sum of the fair market value of the investments, net of asset specific borrowing, as of the reported quarter end, within a sector, geography or capital structure, divided by the total fair market value of all investments, please note that investments excludes fund assets such as short term investments, receivables due to the fund and derivatives. The Fund's portfolio composition is subject to change.

<sup>2</sup>Yield to Maturity is the total Fund return anticipated if all assets are held to maturity, and includes the market value of assets financed using the subscription facility in the denominator.

<sup>3</sup>Based upon invested capital by 30 September 2022, the Fund determined to make a distribution of an amount equivalent to 7% per annum to holders of class F-A, F-B and C.

<sup>4</sup>Performance represents the return on partners' capital taken as a whole in the respective feeders net of management, performance and administrative fees based on capital contributions from and distributions to Limited Partners and Manager-Affiliated Limited Partners and the residual value of unrealized investment. Returns to specific fund investors are different due to (among other factors) the impact of (i) different fee arrangements, (ii) tax considerations applicable to different investors, and (iii) timing of capital transactions. In addition, the returns shown above take into account carried interest/performance allocation waivers granted to employee and affiliated investors and generally unavailable to third-party investors, although such waivers did not materially impact fund returns. The returns for each fund reflect the use of leverage, which can magnify returns and/or make returns more volatile. Because of these factors, specific fund investors may experience materially different performance. Investors who subscribe at different times or in different classes may experience materially different performance.

# Appendix

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## PERFORMANCE AND FEE

**Past performance is not a guarantee or a reliable indicator of future results.** The fees and expenses of the fund described herein (the “Fund”) are discussed within its Documents (defined below).

**Any investment decision must be based only on the Fund’s private placement memorandum, limited partnership agreement, and other definitive legal documents (the “Documents”), which shall govern in the event of any conflict with the information contained herein. You must rely only on the information in the Documents in making any decision to invest.**

This summary is for informational purposes only, and does not constitute an offer to sell, or a solicitation of an offer to buy, interests in a Fund or to participate in any trading strategy. Any such offer would be made only after a prospective purchaser has had the opportunity to conduct its own independent evaluation of such Fund and has received all information required to make its own investment decision, including a copy of Documents, which will contain material information not included herein and to which prospective purchasers are referred. No person has been authorized to give any information or to make any representation other than those contained in this summary and, if given or made, such information or representations must not be relied upon as having been authorized. Each prospective investor should consult its own counsel, accountant, or tax or business adviser as to legal, accounting, regulatory, tax and related matters, as well as economic risks and merits, concerning the possibility of making an investment in any Fund.

A subscription line can be used to bridge capital calls from the fund’s investors, finance investments, and/or meet operating expenses, as necessary. Loans from the subscription line are typically paid by calling capital from the fund’s investors or by applying proceeds which the loan is repaid affect the actual present and future performance of the fund. The fund’s performance may be higher or lower, more volatile, and involve a higher risk of loss than if a subscription line is not used because borrowing from a subscription line has the effect of amplifying the fund’s returns, either positively or negatively, depending on the performance of the fund’s underlying investments.

## CREDIT QUALITY

The credit quality of a particular security or group of securities does not ensure the stability or safety of an overall portfolio. The quality ratings of individual issues/issuers are provided to indicate the credit-worthiness of such issues/issuer and generally range from AAA, Aaa, or AAA (highest) to D, C, or D (lowest) for S&P, Moody’s, and Fitch respectively.

## INVESTMENT STRATEGY

There is no guarantee that these investment strategies will work under all market conditions or are appropriate for all investors and each investor or should evaluate their ability to invest long-term, especially during periods of downturn in the market. No representation is being made that any account, product, or strategy will or is likely to achieve profits, losses, or results similar to those shown.

## OUTLOOK

Statements concerning financial market trends are based on current market conditions, which will fluctuate. There is no guarantee that these investment strategies will work under all market conditions or are appropriate for all investors and each investor should evaluate their ability to invest for the long-term, especially during periods of downturn in the market. Outlook and strategies are subject to change without notice.

## PORTFOLIO STRUCTURE

Portfolio structure is subject to change without notice and may not be representative of current or future allocations.

# Appendix

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**The funds are not subject to the same regulatory requirements as mutual funds.** The funds are expected to be leveraged and to engage in speculative investment practices that will increase the risk of investment loss. The funds' performance could be volatile; an investor could lose all or a substantial amount of its investment. A fund's manager will have broad trading authority over a fund. The use of a single adviser applying generally similar trading programs could mean lack of diversification and, consequently, higher risk. There is no secondary market for a fund's interest and none is expected to develop. There will be restrictions on transferring interests in a fund and limited liquidity provisions. A fund's fees and expenses may offset its trading profits. The funds will not be required to provide periodic pricing or valuation information to investors. The funds will involve complex tax structures and there may be delays in distributing important tax information. A substantial portion of the trades executed for certain funds are in non-U.S. securities and take place on non-U.S. exchanges.

Investments in **residential/commercial mortgage loans** and **commercial real estate debt** are subject to risks that include prepayment, delinquency, foreclosure, risks of loss, servicing risks and adverse regulatory developments, which risks may be heightened in the case of non-performing loans. The Funds will also have exposure to such risks through its investments in **mortgage and asset-backed securities**, which are highly complex instruments that may be sensitive to changes in interest rates and subject to early repayment risk. **Structured products** such as collateralized debt obligations are also highly complex instruments, typically involving a high degree of risk; use of these instruments may involve derivative instruments that could lose more than the principal amount invested. **Private credit** involves an investment in non-publicly traded securities which may be subject to illiquidity risk. Portfolios that invest in private credit may be leveraged and may engage in speculative investment practices that increase the risk of investment loss. Private Credit may also be subject to **real estate-related risks**, which include new regulatory or legislative developments, the attractiveness and location of properties, the financial condition of tenants, potential liability under environmental and other laws, as well as natural disasters and other factors beyond the fund's control. **Equity** investments may decline in value due to both real and perceived general market, economic and industry conditions, while debt investments are subject to credit, interest rate and other risks. Investing in banks and related entities is a highly complex field subject to extensive regulation, and investments in such entities or other operating companies may give rise to control person liability and other risks.

Investing in the **bond market** is subject to certain risks including market, interest-rate, issuer, credit, and inflation risk. **Bank loans** are often less liquid than other types of debt instruments and general market and financial conditions may affect the prepayment of bank loans, as such the prepayments cannot be predicted with accuracy. There is no assurance that the liquidation of any collateral from a secured bank loan would satisfy the borrower's obligation, or that such collateral could be liquidated. **Collateralized Loan Obligations (CLOs)** may involve a high degree of risk and are intended for sale to qualified investors only. Investors may lose some or all of the investment and there may be periods where no cash flow distributions are received. CLOs are exposed to risks such as credit, default, liquidity, management, volatility, interest rate, and credit risk. **Corporate debt securities** are subject to the risk of the issuer's inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to factors such as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. **Commodities** contain heightened risk including market, political, regulatory, and natural conditions, and may not be appropriate for all investors. Investing in distressed loans and bankrupt companies are speculative and the repayment of default obligations contains significant uncertainties. Investing in **foreign denominated** and/or domiciled securities may involve heightened risk due to currency fluctuations, and economic and political risks, which may be enhanced in emerging markets **High-yield, lower-rated, securities** involve greater risk than higher-rated securities; portfolios that invest in them may be subject to greater levels of credit and liquidity risk than portfolios that do not. **Sovereign securities** are generally backed by the issuing government, obligations of U.S. Government agencies and authorities are supported by varying degrees but are generally not backed by the full faith of the U.S. Government; portfolios that invest in such securities are not guaranteed and will fluctuate in value. **Derivatives** may involve certain costs and risks such as liquidity, interest rate, market, credit, management and the risk that a position could not be closed when most advantageous. Investing in derivatives could lose more than the amount invested. The current regulatory climate is uncertain and rapidly evolving, and future developments could adversely affect a Fund and/or its investments. In addition, there can be no assurance that PIMCO's strategies with respect to any investment will be capable of implementation or, if implemented, will be successful.

**The foregoing is only a description of certain key risks, and is not a complete enumeration of all risks to which a Fund will be subject. Each Fund will be subject to numerous other risks not described herein. Prospective investors must carefully review the Documents (including, without limitation, the risk factors contained in the Fund's private placement memorandum) prior to making any investment decision.**

A purchase of interests in any Fund involves a high degree of risk that each prospective investor must carefully consider prior to making such an investment. Investors should thoroughly review the investment considerations and risk factors section of a Fund's private placement memorandum for a more complete description of these risks. Prospective investors are advised that investment in a Fund is appropriate only for persons of adequate financial means who have no need for liquidity with respect to their investment and who can bear the economic risk, including the possible complete loss, of their investment.

# Appendix

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## **SAMPLE INVESTMENT**

The investment examples referenced are presented for illustrative purposes only, as a general example of the type of investments that may be or have been acquired by PIMCO's private funds, as well as PIMCO's current capabilities in sourcing, modeling and managing such investments (which may evolve over time). There can be no guarantee that PIMCO's private funds will have or continue to have access to comparable investments, or that PIMCO will utilize similar strategies or techniques in connection with the Private Income Fund. In addition, specific investments in the asset classes described herein may have materially different performance and other characteristics than those described in these examples.

## **STRATEGY AVAILABILITY**

Strategy availability may be limited to certain investment vehicles; not all investment vehicles may be available to all investors. Please contact your PIMCO representative for more information.

## **TARGET RETURN**

**The Target Return stated herein is not a guarantee, projection or prediction of future results of the Fund. There can be no assurance that the fund will achieve the Target Return or any particular level of return; an investor may lose all of his money by investing in the Fund. Actual results may vary significantly from the Target Return.**

Actual gross returns in any given year may be lower than the Target Return. Even if the Target Return is met, actual returns to investors will be lower due to expenses, taxes, structuring considerations and other factors. In addition, the Target Return may be adjusted at PIMCO's discretion without notice to investors in light of available investment opportunities and/or changing market conditions. PIMCO believes that the Target Return for the Fund is reasonable based on a combination of factors, including the Fund's investment team's general experience, the availability of leveraging and financing at expected times, amounts, costs and other terms and assessment of prevailing market conditions and investment opportunities. There are, however, numerous assumptions that factor into the Target Return that may not be consistent with future market conditions and that may significantly affect actual investment results. Such assumptions include (i) the ability to source and acquire attractively priced assets; (ii) the expected response of specific investments to market conditions; (iii) the availability of leverage for certain investments at expected terms; and (iv) PIMCO's outlook for certain global and local economies and markets as it relates to potential changes to the regulatory environment, interest rates, growth expectations, residential and commercial real estate or consumer fundamentals and the health of the economy. No representation or warranty is made as to the reasonableness of the assumptions made or that all assumptions used in calculating the Target Return have been stated or fully considered. Prospective investors reviewing the Target Return must make their own determination as to the reasonableness of the assumptions and the reliability of the Target Return. Actual results and events may differ significantly from the assumptions and estimates on which the Target Return is based.

## **YIELD TO MATURITY**

Yield to Maturity (YTM) is the estimated total return of a bond if held to maturity. YTM accounts for the present value of a bond's future coupon payments. Alternative investments often do not have fixed coupon payments or a maturity date. Any YTM figures provided for alternative investments are estimates based on assumptions that may or may not hold true. The measure does not reflect the deduction of fees and expenses and is not necessarily indicative of the Fund's actual performance. A portfolio's actual yield or distribution rate may be significantly lower than its estimated YTM in practice. Also, estimated YTM is not intended to indicate that a portfolio will actually hold any or all of its portfolio securities to maturity in practice, and various securities may be sold or otherwise disposed of prior to maturity. Estimated YTM is not a projection or prediction of the actual yield or return that a portfolio may achieve or any other future performance results. There can be no assurance that a portfolio will achieve any particular level or yield or achieve any particular level of yield or return and actual results may vary significantly from estimated YTM.

## **Important information for U.S. Investors**

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**For investment professional and institutional investor use only - not for public distribution.**

# Appendix

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## INDEX DESCRIPTIONS

The Bloomberg U.S. Aggregate Credit Index is an unmanaged index comprised of publicly issued U.S. corporate and specified non-U.S. debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be SEC-registered.

The Bloomberg High Yield Index is an unmanaged market-weighted index including only SEC registered and 144(a) securities with fixed (non-variable) coupons. All bonds must have an outstanding principal of \$100 million or greater, a remaining maturity of at least one year, a rating of below investment grade and a U.S. Dollar denomination.

The JPMorgan Leveraged Loan Index is designed to mirror the investable universe of USD institutional leveraged loans, including U.S. and international borrowers. It is not possible to invest directly in an unmanaged index.

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