

## PRESS RELEASE

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### **PIMCO Elects Daniel Ivascyn as Group Chief Investment Officer**

***Firm Names Andrew Balls, Mark Kiesel, Virginie Maisonneuve, Scott Mather and Mihir Worah Chief Investment Officers***

- **Mr. Kiesel, Mr. Mather and Mr. Worah named Portfolio Managers for Total Return Fund**
- **Saumil Parikh, Mr. Ivascyn, and Mohsen Fahmi named Portfolio Managers for Unconstrained Bond Fund**
- **Douglas Hodge and Jay Jacobs continue in their roles as Chief Executive Officer and President**

**September 26, 2014 (Newport Beach, CA):** PIMCO, a leading global investment management firm, has elected **Daniel Ivascyn to serve as Group Chief Investment Officer (“Group CIO”)**, succeeding William H. Gross who has left the firm. In addition, the firm appointed **Andrew Balls, CIO Global; Mark Kiesel, CIO Global Credit; Virginie Maisonneuve, CIO Equities; Scott Mather, CIO U.S. Core Strategies; and Mihir Worah, CIO Real Return and Asset Allocation.** Douglas Hodge, PIMCO’s Chief Executive Officer, and Lew “Jay” Jacobs, President, will continue to serve as the firm’s senior executive leadership team, spearheading PIMCO’s business strategy, client service and the firm’s operations.

The firm also appointed Mr. Mather, Mr. Kiesel and Mr. Worah as Portfolio Managers for the Total Return Fund. Saumil Parikh, Mohsen Fahmi, and Mr. Ivascyn will serve as Portfolio Managers for the Unconstrained Bond Fund. As Group CIO, Mr. Ivascyn will continue to oversee the firm’s alternatives strategies, structured credit, and income strategies. Chris Dialynas, Managing Director and Portfolio Manager, will return to the firm from sabbatical during the fourth quarter of 2014. These changes and appointments are effective immediately.

Said Mr. Hodge: “As part of our responsibilities to our clients, employees and parent, PIMCO has been developing a succession plan for some time to ensure that the firm is well prepared to manage a seamless leadership transition in its Portfolio Management team. We have passed the torch of leadership to a team of investors who are among the very best in the investment management industry. They are seasoned, highly skilled professionals who embody PIMCO’s values and have established track records of delivering value to clients.”

Mr. Hodge continued: “Today’s announcement marks the completion of our portfolio management succession process. These appointments are a continuation of the structure that PIMCO established earlier in 2014 and they reflect our long-held belief that the best approach for PIMCO’s clients and our firm is to evolve our investment leadership structure to a team of seasoned, highly skilled investors overseeing all areas of PIMCO’s investment activities.”

Said Mr. Ivascyn: “We have assembled a team of world-class investors over the course of many years, and established a time-tested top-down, bottom-up investment process that will guide our investment philosophy and continue to serve our clients well into the future. Our CIO’s and I are fully committed to consistently deliver to our clients the investment excellence that they have rightly come to expect of us.”

Under this leadership structure, Mr. Balls and Mr. Worah have additional managerial responsibility for PIMCO’s Portfolio Management group and trade floor activities globally. Mr. Balls will oversee Portfolio Management in Europe and Asia-Pacific, and Mr. Worah will oversee Portfolio Management in the U.S.

Said Michael Diekmann, Chief Executive Officer of Allianz Group: “Since becoming part of the Allianz Group in 2000, PIMCO has grown enormously and contributed consistently to Allianz’s success. We join our PIMCO colleagues in recognizing Bill Gross for his accomplishments over the 43 years since PIMCO’s founding. We wish Bill good luck. The management and investment structure put in place in January as well as the thorough succession planning gives us complete confidence in PIMCO’s investment and executive leadership team.”

Said the Independent Trustees for PIMCO’s fixed income and equity mutual funds and the Chairman of PIMCO’s closed-end funds: “We are “fully supportive of PIMCO, its executive leadership and its portfolio management teams. They have our complete confidence.”

Mr. Ivascyn added: “We have a deep bench of talent with extensive investment and leadership experience, including more than 240 portfolio managers globally, and our outstanding team around the world gives us the scale, talent, expertise and commitment to manage this transition. We will continue to add and promote talent at all levels to help us drive our firm forward.”

## **Professional biographies (in alphabetical order):**

### **Andrew Balls**

Mr. Balls is CIO Global, a managing director in the London office and a member of the Investment Committee. He is head of European portfolio management, leading PIMCO's European investment team (which is based in London and Munich), and he also oversees PIMCO's investment teams in the Asia Pacific region. He manages a range of global and European portfolios, including PIMCO’s Global Advantage strategy, combining developed and emerging fixed income markets. Mr. Balls was previously a portfolio manager in Newport Beach and the firm's global strategist. Prior to joining PIMCO in 2006, he spent eight years at the Financial Times as an economics correspondent and columnist in London, New York and Washington, DC. He has 16 years of investment experience and holds a bachelor's degree from Oxford and a master's degree from Harvard University. He was a lecturer in economics at Keble College, Oxford.

**Chris Dialynas**

Mr. Dialynas is a managing director in the Newport Beach office, a portfolio manager, and a member of PIMCO's Investment Committee. He has written extensively and lectured on the topic of fixed-income investing. Mr. Dialynas served on the editorial board of The Journal of Portfolio Management and was a member of the Fixed Income Curriculum Committee of the Association for Investment Management and Research. He has 36 years of investment experience and holds an MBA from the University of Chicago Graduate School of Business. He received his undergraduate degree from Pomona College. He joined PIMCO in 1980.

**Mohsen Fahmi**

Mr. Fahmi is a managing director and generalist portfolio manager in the Newport Beach office, focusing on global fixed income assets. Prior to joining PIMCO in 2014, he was with Moore Capital Management, most recently as a senior portfolio manager and previously as chief operating officer. In London earlier in his career, he was co-head of bond and currency proprietary trading at Tokai Bank Europe, head of leveraged investment at Salomon Brothers and executive director of proprietary trading at Goldman Sachs. Prior to this, he was a proprietary trader for J.P. Morgan in both New York and London, and he also spent seven years as an investment officer at the World Bank in Washington, DC. He has 30 years of investment experience and holds an MBA from Stanford University. He received a master's degree in civil engineering from the Ohio State University and an undergraduate degree from Ain Shams University, Cairo.

**Daniel J. Ivascyn**

Mr. Ivascyn is Group CIO, and a managing director in the Newport Beach office. He is the head of the mortgage credit portfolio management team and a lead portfolio manager for PIMCO's credit hedge fund and mortgage opportunistic strategies. Mr. Ivascyn is a member of PIMCO's Executive Committee and a member of the Investment Committee. Morningstar named him Fixed-Income Fund Manager of the Year (U.S.) for 2013. Prior to joining PIMCO in 1998, he worked at Bear Stearns in the asset-backed securities group, as well as T. Rowe Price and Fidelity Investments. He has 23 years of investment experience and holds an MBA in analytic finance from the University of Chicago Graduate School of Business and a bachelor's degree in economics from Occidental College.

**Mark R. Kiesel**

Mr. Kiesel is CIO Global Credit and a managing director in the Newport Beach office. He is a member of the PIMCO Investment Committee, a generalist portfolio manager and the global head of corporate bond portfolio management, with oversight for the firm's investment grade, high yield, bank loan, municipal and insurance business as well as credit research. Morningstar named him Fixed-Income Fund Manager of the Year in 2012 and a finalist in 2010. He has written extensively on the topic of global credit markets, founded the firm's Global Credit Perspectives publication and regularly appears in the financial media. He joined PIMCO in 1996 and previously served as PIMCO's global head of investment

grade corporate bonds and as a senior credit analyst. He has 22 years of investment experience and holds an MBA from the University of Chicago's Graduate School of Business. He received his undergraduate degree from the University of Michigan.

#### **Virginie Maisonneuve, CFA**

Ms. Maisonneuve is CIO Equities, managing director, global head of equities and portfolio manager based in the London office. Prior to joining PIMCO in 2014, she was head of global and international equities at Schroders plc. Previously, she was co-CIO and director at Clay Finlay, a portfolio manager at State Street Research and Management, and a portfolio manager at Batterymarch Financial Management. She has 27 years of investment experience and holds an MBA from the Ecole Supérieure Libre des Sciences Commerciales Appliquées (ESLSCA) in Paris. She also holds a master's degree in Mandarin Chinese from Dauphine University in Paris and an undergraduate degree from People's University (Renda) in Beijing.

#### **Scott A. Mather**

Mr. Mather is CIO U.S. Core Strategies, and a managing director in the Newport Beach office and head of global portfolio management. Previously, he led portfolio management in Europe, managed euro and pan-European portfolios and worked closely with many Allianz-related companies. He also served as a managing director of Allianz Global Investors KAG. Prior to these roles, Mr. Mather co-headed PIMCO's mortgage- and asset-backed securities team. Prior to joining PIMCO in 1998, he was a fixed income trader specializing in mortgage-backed securities at Goldman Sachs in New York. He has 20 years of investment experience and holds a master's degree in engineering, as well as undergraduate degrees, from the University of Pennsylvania.

#### **Saumil H. Parikh, CFA**

Mr. Parikh is a managing director in the Newport Beach office and generalist portfolio manager. Mr. Parikh is also a member of the PIMCO Investment Committee and leads the firm's cyclical economic forums. He previously served as a specialist portfolio manager on the short-term, mortgage and global portfolio management teams. Prior to joining PIMCO in 2000, Mr. Parikh was a financial economist and market strategist at UBS Warburg. He has 15 years of investment experience and holds undergraduate degrees in economics and biology from Grinnell College.

#### **Mihir P. Worah**

Mr. Worah is CIO Return and Asset Allocation, and a managing director in the Newport Beach office, a portfolio manager, and head of the real return and multi-asset portfolio management teams. Prior to joining PIMCO in 2001, he was a postdoctoral research associate at the University of California, Berkeley, and the Stanford Linear Accelerator Center, where he built models to explain the difference between matter and anti-matter. In 2012 he co-authored "Intelligent Commodity Indexing," published by

McGraw-Hill. He has 12 years of investment experience and holds a Ph.D. in theoretical physics from the University of Chicago.

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### Addendum 1: Portfolio Management/Fund Assignments

Fund	Prior Portfolio Manager(s)	New Portfolio Manager(s)
<b><i>PIMCO Funds</i></b>		
PIMCO EM Fundamental IndexPLUS® AR Strategy Fund	William H. Gross	Saumil Parikh and Mohsen Fahmi
PIMCO Foreign Bond Fund (Unhedged)	Scott A. Mather	Andrew Balls, Sachin Gupta and Lorenzo Pagani
PIMCO Foreign Bond Fund (U.S. Dollar-Hedged)	Scott A. Mather	Andrew Balls, Sachin Gupta and Lorenzo Pagani
PIMCO Fundamental Advantage Absolute Return Strategy Fund	William H. Gross	Saumil Parikh and Mohsen Fahmi
PIMCO Fundamental IndexPLUS® AR Fund	William H. Gross	Saumil Parikh and Mohsen Fahmi
PIMCO Global Advantage® Strategy Bond Fund	Andrew Balls and Lupin Rahman	Andrew Balls, Sachin Gupta and Lupin Rahman
PIMCO Global Bond Fund (Unhedged)	Scott A. Mather	Andrew Balls, Sachin Gupta and Lorenzo Pagani
PIMCO Global Bond Fund (U.S. Dollar-Hedged)	Scott A. Mather	Andrew Balls, Sachin Gupta and Lorenzo Pagani
PIMCO International StocksPLUS® AR Strategy Fund (Unhedged)	William H. Gross	Saumil Parikh and Mohsen Fahmi
PIMCO Low Duration Fund	William H. Gross	Scott A. Mather and Jerome Schneider
PIMCO Low Duration Fund II	William H. Gross	Scott A. Mather and Jerome Schneider
PIMCO Low Duration Fund III	William H. Gross	Scott A. Mather and Jerome Schneider

PIMCO Moderate Duration Fund	William H. Gross	Scott A. Mather and Sudi Mariappa
PIMCO Small Cap StocksPLUS® AR Strategy Fund	William H. Gross	Saumil Parikh and Mohsen Fahmi
PIMCO StocksPLUS® Fund	William H. Gross	Sudi Mariappa
PIMCO StocksPLUS® Absolute Return Fund	William H. Gross	Saumil Parikh and Mohsen Fahmi
PIMCO StocksPLUS® AR Short Strategy Fund	William H. Gross	Saumil Parikh and Mohsen Fahmi
PIMCO Total Return Fund	William H. Gross	Scott A. Mather, Mark Kiesel and Mihir Worah
PIMCO Total Return Fund II	William H. Gross	Scott A. Mather, Mark Kiesel and Mihir Worah
PIMCO Total Return Fund III	William H. Gross	Scott A. Mather, Mark Kiesel and Mihir Worah
PIMCO Total Return Fund IV	William H. Gross	Scott A. Mather, Mark Kiesel and Mihir Worah
PIMCO Unconstrained Bond Fund	William H. Gross	Saumil Parikh, Mohsen Fahmi, and Daniel Ivascyn
PIMCO Worldwide Fundamental Advantage AR Strategy Fund	William H. Gross	Saumil Parikh and Mohsen Fahmi
<b><i>PIMCO ETF Trust</i></b>		
PIMCO Foreign Currency Strategy Exchange-Traded Fund (Ticker: FORX)	Scott A. Mather, Vineer Bhansali and Thomas Kressin	Thomas Kressin, Sachin Gupta and Andrew Balls
PIMCO Total Return Exchange-Traded Fund (Ticker: BOND)	William H. Gross	Scott A. Mather, Mark Kiesel and Mihir Worah
<b><i>PIMCO Variable Insurance Trust</i></b>		
PIMCO Foreign Bond Portfolio (Unhedged)	Scott A. Mather	Andrew Balls, Sachin Gupta and Lorenzo Pagani

PIMCO Foreign Bond Portfolio (U.S. Dollar-Hedged)	Scott A. Mather	Andrew Balls, Sachin Gupta and Lorenzo Pagani
PIMCO Global Advantage® Strategy Bond Portfolio	Andrew Balls and Lupin Rahman	Andrew Balls, Sachin Gupta and Lupin Rahman
PIMCO Global Bond Portfolio (Unhedged)	Scott A. Mather	Andrew Balls, Sachin Gupta and Lorenzo Pagani
PIMCO Low Duration Portfolio	William H. Gross	Scott A. Mather and Jerome Schneider
PIMCO Total Return Portfolio	William H. Gross	Scott A. Mather, Mark Kiesel and Mihir Worah
PIMCO Unconstrained Bond Portfolio	William H. Gross	Saamil Parikh, Mohsen Fahmi, and Daniel Ivascyn
<b><i>PIMCO Closed-End Funds</i></b>		
PIMCO Corporate & Income Opportunity Fund (Ticker: PTY)	William H. Gross	Alfred T. Murata and Mohit Mittal
PIMCO Corporate & Income Strategy Fund (Ticker: PCN)	William H. Gross	Alfred T. Murata and Mohit Mittal
PIMCO High Income Fund (Ticker: PHK)	William H. Gross	Alfred T. Murata and Mohit Mittal
PIMCO Income Strategy Fund (Ticker: PFL)	William H. Gross	Alfred T. Murata and Mohit Mittal
PIMCO Income Strategy Fund II (Ticker: PFN)	William H. Gross	Alfred T. Murata and Mohit Mittal



## About PIMCO

PIMCO is a leading global investment management firm, with offices in 12 countries throughout North America, Europe and Asia. Founded in 1971, PIMCO offers a wide range of innovative solutions to help millions of investors worldwide meet their needs. Our goal is to provide attractive returns while maintaining a strong culture of risk management and long-term discipline. PIMCO is owned by Allianz S.E., a leading global diversified financial services provider.

***Investors should consider the investment objectives, risks, charges and expenses of the funds carefully before investing. This and other information are contained in the respective fund's current prospectus (for the open-end Funds and ETFs), which may be obtained by contacting your PIMCO representative. Please read the prospectus carefully before you invest.***

ETFs are afforded certain exemptions from the Investment Company Act. The exemptions allow, among other things, for individual shares to trade on the secondary market. Individual shares cannot be directly purchased from or redeemed by the ETF. Purchases and redemptions directly with ETFs are only accomplished through Creation Unit aggregations or "baskets" of shares. Shares of an ETF are bought and sold at market price (not NAV). Brokerage commissions will reduce returns. Investment policies, management fees and other information can be found in the individual ETF's prospectus.

The Morningstar Fixed-Income Fund Manager of the Year award is based on the strength of the manager, performance, strategy, and firm's stewardship.

Investing in the **bond market** is subject to risks, including market, interest rate, issuer, credit, inflation risk, and liquidity risk. The value of most bonds and bond strategies are impacted by changes in interest rates. Bonds and bond strategies with longer durations tend to be more sensitive and volatile than those with shorter durations; bond prices generally fall as interest rates rise, and the current low interest rate environment increases this risk. Current reductions in bond counterparty capacity may contribute to decreased market liquidity and increased price volatility. Bond investments may be worth more or less than the original cost when redeemed. 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. **Mortgage and asset-backed securities** may be sensitive to changes in interest rates, subject to early repayment risk, and their value may fluctuate in response to the market's perception of issuer creditworthiness; while generally supported by some form of government or private guarantee there is no assurance that private guarantors will meet their obligations. **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. **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. **Diversification** does not ensure against loss.

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