

PIMCO Wholesale Class

Reference Guide

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*This PIMCO Wholesale Class Reference Guide (“**Reference Guide**”) has been prepared and issued by PIMCO Australia Management Limited (“**the RE**”, “**we**”, “**us**”, “**our**”). The information in this document forms part of the Product Disclosure Statements dated as follows (each a “**PDS**”) for Wholesale Class units in the following funds (each a “**Fund**”):*

- *PIMCO Australian Bond Fund (APIR ETL0015AU, ARSN 093 519 816) dated 2 October 2023;*
- *PIMCO Australian Short-Term Bond Fund (APIR ETL0182AU, ARSN 132 708 402) dated 2 October 2023;*
- *PIMCO Capital Securities Fund (APIR ETL0445AU, ARSN 607 181 868) dated 2 October 2023;*
- *PIMCO Diversified Fixed Interest Fund (APIR ETL0016AU, ARSN 093 519 558) dated 2 October 2023;*
- *PIMCO ESG Global Bond Fund (APIR PIC6396AU, ARSN 617 297 220) dated 2 October 2023;*
- *PIMCO Global Bond Fund (APIR ETL0018AU, ARSN 093 530 486) dated 2 October 2023;*
- *PIMCO Global Credit Fund (APIR ETL0019AU, ARSN 093 519 352) dated 2 October 2023;*
- *PIMCO Income Fund (APIR ETL0458AU, ARSN 608 585 324) dated 2 October 2023; and*
- *PIMCO Dynamic Bond Fund (APIR ETL0404AU, ARSN 168 313 755) dated 2 October 2023.*

References in this Reference Guide to Wholesale Class or Fund refers to the unlisted class of units in each Fund. All rights and entitlements of a unit relate to the rights, entitlements, liabilities and other amounts referable to the Wholesale Class. The relevant PDS and this Reference Guide are available on pimco.com.au. You can also request a copy by calling PIMCO Investor Services on 1300 113 547 (Australia) or +61 2 8823 2583.

1. Investing in a PIMCO Fund

INITIAL APPLICATION TERMS

We can only complete your application if:

- for investors who apply directly (not via mFund):
 - we consider that you have correctly completed the Application Form;
 - you have provided us with the relevant identification documents, if required; and
 - we have received the application money (in cleared funds) stated in your Application Form. The time it takes for application money to clear varies depending on how you transfer the money and your bank; or
- for investors who apply via mFund (where the Fund is admitted to mFund), if:
 - we receive an application for units via mFund; and
 - we receive the relevant application money (in cleared funds).

We will not investigate whether an application for units received by the RE via mFund has been made with the authority of the applicant.

The RE reserves the right to accept or reject applications in whole or in part at our discretion and delay processing of applications where the RE believes this to be in the best interest of all the relevant Fund's investors, without giving any reason.

We reserve the right at our discretion to accept application or redemption amounts below any applicable minimum amounts.

WHO CAN INVEST?

Anyone can invest however applicants who are individuals must be 18 years of age or over.

Indirect Investors should use the Application Form provided by the operator of the relevant IDPS.

UNIT PRICING POLICY

The RE has developed a formal written policy in relation to the guidelines and relevant factors taken into account when exercising any discretion in calculating unit prices or in respect of the methodology for calculating transaction costs (including determining the value of the assets and liabilities). A copy of the policy and, where applicable and to the extent required, any other relevant documents in relation to the policy is available at pimco.com.au and will be made available to investors free of charge on request to the RE.

COOLING OFF RIGHTS

If you are a Retail Client you may have a right to 'cool off' in relation to an investment in the Fund. To exercise this right you have up to 14 days from the earlier of:

- confirmation of the investment being received or available; and
- the end of the fifth Business Day after the units are issued.

A Retail Client may exercise this right by notifying us in writing. A Retail Client is entitled to a refund of their investment adjusted for any increase or decrease in the relevant Application Price between the time we process your application and the time we receive the notification from you, as well as any other tax and other reasonable administrative expenses and transaction costs associated with the acquisition and termination of the investment. This may result in you receiving back less than you originally invested.

You may have capital gain/loss tax implications if you happen to receive more or less back than you originally invested. If you wish to cancel your investment during the cooling-off period, you need to inform the RE in writing of your intention to exercise this right before the end of the cooling-off period (and before exercising any rights or powers you have in respect of your investment in the Fund).

The right of a Retail Client to cool off does not apply in certain limited situations, such as if the issue is made under a distribution reinvestment plan, switching facility or represents additional contributions acquired under an existing agreement. Also, the right to cool off does not apply to you if you choose to exercise your rights or powers as an investor in a Fund during the 14 day period, this could include selling part of your investment or switching it to another product.

No cooling off period applies if you are a Wholesale Client.

Indirect Investors should seek advice from their IDPS Operator as to whether cooling off rights apply to an investment in a Fund by the IDPS. The right to cool off in relation to a Fund is not directly available to an Indirect Investor. This is because an Indirect Investor does not acquire the rights of an investor in a Fund. Rather, an Indirect Investor directs the IDPS Operator to arrange for their monies to be invested in a Fund on their behalf. The terms and conditions of the IDPS Guide or similar type document will govern any rights an Indirect Investor may have in this regard.

ESG FACTORS (PIMCO ESG GLOBAL BOND FUND)

PIMCO takes into account environmental, social, governance and ethical considerations when making investment decisions in relation to the PIMCO ESG Global Bond Fund, as described below.

PIMCO's Environmental, Social and Governance ("ESG") portfolios incorporate the same macroeconomic themes, market views and high-level portfolio investment-related targets as non-ESG portfolios. Additionally though, PIMCO's ESG portfolios applies PIMCO's proprietary ESG process, which incorporates three core approaches:

- Exclude companies by reference to PIMCO's screening process, which is designed to incorporate ESG factors. PIMCO may exclude issuers and sectors as a result of the exclusion screening, subject to specific exceptions and limitations as described below.
- Evaluate all issuers from an ESG perspective in addition to investment fundamentals and emphasise those issuers that PIMCO considers to have strong ESG practices while shifting exposure away from those issuers with poorer ESG practices.
- Engage collaboratively with issuers to seek to improve their sustainability related business practices.

The three core approaches are applied at the underlying Target Fund level (where applicable) and references to PIMCO and the Fund in this context refer to the relevant PIMCO affiliate and Target Fund. Further information on the above 3 core approaches is set out below:

Screening: Exclusions and Exceptions

PIMCO's internal screening process is designed to incorporate ESG factors with reference to "core" and "dynamic" criteria. The "core" screen applied by PIMCO may exclude certain companies or issuers on the basis of the industry or sector in which they participate, with examples set out below:

- **Fossil Fuel related sectors:** including issuers engaged principally in the oil industry, including extraction, production, refining, transportation, or the mining, sale of thermal coal and coal-fired generation. We also exclude issuers involved principally in unconventional oil and gas extraction and production.
- **Weapons:** issuers engaged principally in the manufacture of 'military weapons' including:
 - Controversial weapons: producers of controversial weapons e.g. biological weapons, cluster munitions, and landmines;
 - Conventional weapons: producers of conventional weapons or issuers involved in weapons systems, components, support systems and services;

- Nuclear weapons: producers of delivery platforms, support systems or other components for nuclear weapons.
- **Adult entertainment:** issuers engaged principally in the production or trade of pornographic materials.
- **Alcohol:** issuers engaged principally in the manufacture and distribution of alcoholic beverages.
- **Gambling:** issuers engaged principally in the operation of gambling activities.
- **Tobacco:** issuers engaged principally in the manufacture and distribution of tobacco products.
- **Global norms and Sovereigns:** sovereigns scoring weakest on transparency and corruption indices or those sanctioned by the United Nations (UN) Security Council; issuers in violation of UN Global Compact Principles and UN Guiding Principles of Business and Human Rights.

The above process is subject to certain exceptions, including ESG Fixed Income Securities from issuers involved in fossil fuel-related sectors. The Funds may also invest in securities of issuers determined by PIMCO to be primarily focused on biofuel production as well as natural gas generation, transportation, distribution and sales and trading activities.

PIMCO's "dynamic" exclusions process seeks to temporarily place certain issuers (or entire sectors if appropriate) as determined by PIMCO on an ongoing basis on a Dynamic Exclusions List. In this context PIMCO may exclude an issuer based on criteria such as involvement in poor environmental practices, weak corporate governance, corrupt business practices, violation of human rights or unacceptable labour practices. These criteria are periodically reviewed and updated in line with any evolving views on sustainability by PIMCO's Exclusions Advisory Group.

The above exclusions criteria might be subject to enhancement and change. Furthermore, indirect holdings of the Fund which comprise of investment in financial indices are not screened against the above.

Evaluation of issuers

PIMCO's ESG team leverages a broad global platform of highly specialised investment professionals, together with our dedicated ESG specialists. These specialists are tasked with coordinating research efforts, spearheading issuer-level engagement and augmenting our investor reporting to incorporate ESG-oriented updates. PIMCO's credit analysts partner with ESG specialists to improve sustainable business practices and corporate citizenship. In its evaluation process, PIMCO refers to globally accepted norms such as the UN Global Compact Principles and the UN Guiding Principles on Business and Human Rights in relation to sound management practices, employee relations, and remuneration of staff. Credit analysts produce a score for each individual factor (E, S and G) separately, and a comprehensive ESG score for each potential investment, where the weights of each factor depend on the materiality for that issuer's industry. For example, energy companies have a larger weight assigned to "Environmental" factors while banks have a larger weight assigned to "Governance" factors. Governance factors considered by PIMCO, include but are not limited to:

- Board diversity;
- Legal or regulatory matters relating to the investee company (such as tax compliance); and
- Conduct and culture of the investee company.

Data is typically sourced by PIMCO in various ways, including from a third party data vendor and/or generating such data through proprietary analysis carried out by PIMCO and/or obtaining such data directly from the underlying issuer. The Fund

may need to use proxies or estimates from time to time as a result of data challenges (data availability and reliability). For example, the availability of sustainability-related data can in certain circumstances be limited due to a lack of corporate disclosure being made by issuers, or in circumstances where such data may not be standardized or verified when provided by an issuer. Such data challenges may result in difficulty in reporting sufficiently accurate numbers or affect the proportion of estimated or approximated data used by PIMCO. When PIMCO is applying its policy to assess good governance practices, the Fund has the ability to retain securities from investee companies that PIMCO deems to be in the best interests of the Fund and its members.

Engagement with issuers

The team also aims to tailor individual engagement to assist in improving or further improving issuer ESG practices through proactive influence. Portfolios are then optimised to emphasise issuers that PIMCO believes are moving in the right direction toward stronger ESG practices. In essence, this is a forward-looking stance whereby the Fund can emphasise issuers that may not have the best ESG practices but are working pragmatically toward better practices, as well as "prime engagement candidates" i.e. those issuers we believe we can effectively engage with to assist the issuer with improving their ESG practices. PIMCO actively engages with certain issuers as applicable (examples of such engagement may include material climate and biodiversity related matters), including for example, by encouraging issuers to align to the Paris Agreement, adopt science-based targets for carbon emissions reduction and/or broadly advance their sustainability commitments.

PIMCO monitors and regularly reviews the investments held in the Fund to determine whether they continue to meet the ESG standards described above. Where an investment no longer meets the ESG standards, that investment will be sold as soon as possible, typically within 90 days but PIMCO may hold the security for longer until such time as we consider there is an appropriate opportunity to exit the security.

"ESG Fixed Income Securities"

The Fund may invest in various types of ESG Fixed Income Securities, which notably enable issuers to raise capital to fund projects with positive environmental and/or social benefits. ESG Fixed Income Securities include but are not limited to green labeled bonds and other debt instruments geared toward sustainability. Labeled bonds are often verified by a third party (such as an audit firm), which certifies that the bond will fund projects (e.g. green labeled bonds are those issues with proceeds specifically earmarked to be used for environmental projects).

2. Managing your investment

DISTRIBUTIONS

Investors in the Fund can indicate a preference to have their distribution reinvested back into the Fund or directly credited to their nominated bank account. Investors who do not indicate a preference will have their distributions automatically reinvested. Such applications for reinvestment will be taken to be received prior to the next time the value of the assets of the Fund is determined after the relevant distribution period. There is no Buy Spread on distributions that are reinvested. In some circumstances, where an investor makes a large withdrawal request (5% or more of the Wholesale Class units on issue at the start of the relevant distribution period), their withdrawal proceeds may be taken to include a component of distributable income.

AUTHORISED SIGNATORIES

You can appoint a natural person as your authorised signatory. To do so, please nominate them on the initial Application Form and have them sign the relevant sections. If you wish to apply or have applied for units via mFund, please contact PIMCO Investor Services for the appropriate form that your authorised signatories

will need to sign. Such appointments will only be cancelled or changed once we receive written instructions from you to do so. Once appointed, your authorised signatory has full access to operate your investment account for and on your behalf. This includes the following:

- making additional investments;
- requesting income distribution instructions to be changed;
- withdrawing all or part of your investment;
- changing bank account details;
- enquiring and obtaining copies of the status of your investment; and
- having online access to your investment account information.

If you do appoint an authorised signatory:

- you are bound by their acts;
- you release, discharge and indemnify us from and against any losses, liabilities, actions, proceedings, account claims and demands arising from instructions received from your authorised signatories; and
- you agree that any instructions received from your authorised signatory shall be complete satisfaction of our obligations, even if the instructions were made without your knowledge or authority.

REPORTS

We will make the following statements/reports available to all unit holders:

- a transaction confirmation statement, showing a change in your unit holding (provided when a transaction occurs or on request);
- the relevant Fund's half yearly financial account (if applicable);
- the relevant Fund's annual audited accounts for each period ended 30 June;
- distribution statements issued for each distribution notifying unit holders of the value of the investment prior to distribution; and
- tax statements and periodic statements for each period ended 30 June.

Indirect Investors who access the Fund through an IDPS will receive reports directly from the IDPS Operator.

3. Withdrawing your investment

WITHDRAWAL TERMS

When you are withdrawing your investment, you should take note of the following:

- Where the RE receives a Large Withdrawal Request, the RE has discretion to determine the timing of the Withdrawal Price calculation applicable to that withdrawal request in accordance with the provisions of the applicable Fund's constitution and PDS. For these purposes, a Large Withdrawal Request is a request that is in respect of 5% or more of the units on issue at the time the withdrawal request is received by the RE or received on a day on which the RE receives withdrawal requests for 5% or more of the units on issue on that day.
- None of PIMCO Investor Services (via State Street Australia Limited), PIMCO Australia Pty Ltd ("PIMCO") nor the RE are responsible or liable if you do not receive, or are late in receiving, any withdrawal money that is paid according to your instructions.
- We may contact you to check your details before processing your withdrawal form. This may cause a delay in finalising payment of your withdrawal money. No interest is payable for any delay in finalising payment of your withdrawal money.

- If we cannot satisfactorily identify you as the withdrawing investor, the RE may refuse or reject your withdrawal request or payment of your withdrawal proceeds will be delayed. The RE is not responsible for any loss you consequently suffer.
- As an investor who is withdrawing, you agree that any payment made according to instructions received by post, courier, email or fax shall be a complete satisfaction of our obligations, despite any fact or circumstances such as the payment being made at the request of your authorised representative without your knowledge or authority.
- You agree that if the payment is made according to these terms, you and any person claiming through or under you, shall have no claim against the RE, PIMCO or PIMCO Investor Services (via State Street Australia Limited) about the payment.
- The RE will not investigate whether a withdrawal request received via mFund has been made with the authority of the unitholder.

WITHDRAWAL RESTRICTIONS

The RE reserves the right to fully withdraw your investment if your investment balance in a Fund falls below the minimum balance amount as a result of processing your withdrawal request. The RE also reserves the right to fully withdraw an investor's investments in a Fund, upon giving 30 days' notice, if the minimum balance amount is increased and your holding falls below the minimum balance amount. At the date of this PDS, the minimum balance amount is \$20,000. When a Fund is not liquid, an investor can only withdraw when the RE makes a withdrawal offer to investors in accordance with the Corporations Act. The RE is not obliged to make a withdrawal offer.

Under Australian securities law (the Corporations Act), you do not have a right to withdraw from a fund if the fund is illiquid. In such circumstances you can only withdraw where the RE makes a withdrawal offer in accordance with the Corporations Act. The RE is not obliged to make such offers.

A fund will be liquid if at least 80% of its assets are liquid assets (generally cash and marketable securities). In addition, if the RE is unable to repatriate funds to meet withdrawal payments, it may suspend the calculation of the NAV and withhold withdrawal proceeds.

4. Risks of managed investment schemes

The following risks are of a general nature and apply generally to investments in managed funds. You must also read the risks specific to the Fund in which you wish to invest. These are disclosed in each Fund's PDS.

COUNTERPARTY RISK

This is the risk of a counterparty's default resulting in a payment default to the relevant Fund. A payment default may cause the NAV of the Fund to fall. It is the Investment Manager's intention to only enter into transactions with known and reputable counterparties.

DERIVATIVES RISK

The Fund may use Derivatives, directly or indirectly, for hedging purposes and/or for investment purposes. The value of a Derivative is derived from the value of an underlying asset. This involves basis risk as the value of a Derivative may not move perfectly in line with the physical security. Therefore, the Derivative positions cannot be expected to perfectly hedge the risk of the physical security.

Other risks associated with Derivatives may include:

- loss of value because of a sudden price move or because of the passage of time;
- potential illiquidity of the Derivative;
- the Fund being unable to meet payment obligations as they arise;
- the potential for leverage risk (see below);

- the counterparty to any Derivative contract not being able to meet its obligations under the contract; and
- significant volatility in prices.

Note that neither the RE nor the Investment Manager guarantee that the Fund's Derivatives strategy will be successful.

MARKET RISK

The market price of securities owned by the Fund may go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, adverse changes to credit markets, global political instability, or adverse investor sentiment generally. The value of a security may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset classes may decline in value simultaneously.

Further, changes in tax, legal and economic policy, political events and technology failure can all directly or indirectly create an environment that may influence the value of your investments.

EMERGING MARKETS RISK

The Fund may invest, directly or indirectly, in emerging market securities. Foreign (non-Australia) investment risk may be particularly high to the extent the Fund invests in emerging market securities. Emerging market securities may present market, credit, currency, liquidity, legal, political and other risks different from, and potentially greater than, the risks of investing in securities and instruments economically tied to developed foreign countries. To the extent the Fund invests in emerging market securities that are economically tied to a particular region, country or group of countries, the Fund may be more sensitive to adverse political or social events affecting that region, country or group of countries. Economic, business, political, or social instability may affect emerging market securities differently, and often more severely, than developed market securities.

FUND RISK

As with all managed funds, there are risks that a Fund could terminate or that the fees and expenses could change. There is also a risk that investing in a Fund may give different results than investing directly in the securities.

HIGH YIELD RISK

If the Fund invests, directly or indirectly, in high yield securities and unrated securities of similar credit quality (commonly known as "sub-investment grade debt" or "junk bonds"), these investments may be subject to greater levels of credit risk, call risk and liquidity risk than investment in Investment Grade securities.

INFLATION RISK

Inflation risk is the risk that returns will not be sufficiently higher than inflation to enable an investor to meet their financial goals.

INTEREST RATE RISK

Interest rate risk is the risk that fixed income securities and other instruments in the Fund's portfolio will decline in value because of changes in interest rates. As nominal interest rates rise, the value of certain fixed income securities may decrease. A nominal interest rate can be described as the sum of a real interest rate and

an expected inflation rate. Interest rate changes can be sudden and unpredictable, and the Fund may lose money as a result of movements in interest rates. The Fund may not be able to hedge against changes in interest rates or may choose not to do so for cost or other reasons. In addition, any hedges may not work as intended.

ISSUER RISK

The value of investments can vary because of changes to an issuer's management, product distribution or business environment.

LEGAL RISK

There is a risk that laws, including tax laws, might change or become difficult to enforce.

LEVERAGE RISK

Certain transactions may give rise to a form of leverage, which creates opportunity for greater return but also magnifies losses. Such transactions may include, among others, reverse repurchase agreements, loans of portfolio securities, and the use of when-issued, delayed-delivery or forward commitment transactions. Leverage may be incurred when it is believed that it is advantageous to increase the investment capacity of the relevant Fund or to facilitate the clearance of transactions. The use of Derivatives may also create leverage risk.

To mitigate leverage risk, each relevant Fund will set aside cash or cash equivalents that the Investment Manager reasonably believes to be sufficient to cover net long exposures resulting from swap, bond futures and forward positions held in the Fund.

LIQUIDITY RISK

There may be times when securities may not be readily sold (for example, in a falling market where some traded securities may become less liquid).

In relation to the Funds, trading volumes of securities are generally sufficient to satisfy liquidity requirements when necessary. The Investment Manager attempts to mitigate the liquidity risk factor by ensuring each relevant Fund has sufficient cash exposure to meet liquidity requirements. Note that neither the Responsible Entity nor the Investment Manager guarantees the liquidity of the investments of each Fund.

MANAGEMENT RISK

Each Fund is subject to management risk because it is an actively managed investment portfolio. The Investment Manager will apply investment techniques and risk analysis in making investment decisions for the Funds, but there can be no guarantee that these will produce the desired results.

mFund RISK

Investing through mFund involves certain additional risks. For example the risk that failure to comply with the mFund admission requirements may result in the Fund losing its settlement status on the mFund settlement service.

MORTGAGE-RELATED AND OTHER ASSET-BACKED SECURITIES RISK

The Fund may invest, directly or indirectly, in a variety of mortgage-related and other asset-backed securities, which are subject to certain additional risks.

For mortgage-related securities, this is manifested in default of returns when interest rates rise or economic downturn and paying off the loans sooner than expected (prepayment risk) when interest rates decline. Such prepayments can reduce the returns of the Fund because the Fund may have to reinvest that money at the lower prevailing interest rates. Asset-backed securities are subject to similar risks in addition to the risks associated with the nature of the assets and the servicing of those assets.

5. Fees and costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (“ASIC”) Moneysmart** website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options. This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Fund as a whole. The information in the following table can be used to compare costs between this and other simple managed investment schemes. Taxes are set out in another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs^{1,2,3}		
<p><i>Management fees and costs</i></p> <p>The fees and costs for managing your investment</p>	<p>The Funds’ management fees and costs range from 0.51% p.a. to 0.99% p.a. ²</p>	<p>The amount quoted is made up of the following:</p> <p>Management fees, which are calculated and accrued daily, and paid in arrears from the Fund’s assets on or around the last business day of the quarter.</p> <p>Indirect costs (if any) which are deducted from the Fund’s assets, accrued daily in the net asset value, and then paid as and when due.</p> <p>Recoverable expenses which may be abnormal operating expenses (if any) that, if charged, will be deducted from the Fund’s assets, and paid as incurred; and/or normal operating expenses and investment expenses, which are paid out of the management fee.</p>
<p><i>Performance fees</i></p> <p>Amounts deducted from your investment in relation to the performance of the product</p>	<p>Nil</p>	<p>Not applicable</p>
<p><i>Transaction costs</i></p> <p>The costs incurred by the scheme when buying or selling assets.</p>	<p>The Funds’ transaction costs range from 0.00% to 0.04%.</p>	<p>Paid from the assets of the Fund as incurred.</p>
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)¹		
<p>Establishment fee</p> <p>The fee to open your investment</p>	<p>Nil</p>	<p>Not applicable</p>

Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	The Funds' buy-sell spreads range from between 0.00% – 0.20% of the application or withdrawal amount	Charged at the time of the transaction and paid into the Fund when you invest in or withdraw from the Fund. The spread is reflected in the unit price.
Withdrawal fee The fee on each amount you take out of our investment	Nil	Not applicable
Exit fee The fee to close your investment	Nil	Not applicable
Switching Fee The fee for changing investment options	Nil	Not applicable

1 Unless otherwise stated, all fees and costs quoted are inclusive of GST and net of any RITC at the prescribed rate (depending on the nature of the fee or expense).

2 The RE may from time to time negotiate a different fee arrangement (by way of a rebate or waiver of fees) with investors who are Wholesale Clients (as defined in the Reference Guide).

3 All estimates of fees and costs in this section are based on information available as at the date of the relevant PDS and reflect the Responsible Entity's reasonable estimates of the typical fees for the current financial year. The costs component of management fees and costs reflect the actual amount incurred for the last financial year and the Responsible Entity's reasonable estimates where information was not available as at the date of this PDS (adjusted to reflect a 12-month period).

TRANSACTION COSTS – BUY/SELL SPREADS

Each Fund's current Buy/Sell spread and dollar based examples are set out in the table below. The Buy/Sell Spread is paid into the Fund and not paid to the RE or the Investment Manager. The Buy/Sell Spread can be altered by the Responsible Entity at any time to reflect the actual or estimated transaction costs incurred by the Fund and the Responsible Entity will not ordinarily provide prior notice. Generally, there will also be no Buy Spread incurred on distributions which are re-invested. The Buy/Sell Spread may change, without notice, for example, when it is necessary to protect the interests of existing members and if permitted by law. Any updates to the Buy/Sell Spread will be made available on, and can be obtained from, PIMCO's website.

Fund	Buy Spread	Sell Spread	Dollar based example based on a \$50,000 application or withdrawal amount	
			Buy Spread	Sell Spread
PIMCO Australian Bond Fund	0.00%	0.10%	\$0	\$50
PIMCO Australian Short-Term Bond Fund	0.00%	0.10%	\$0	\$50
PIMCO Capital Securities Fund	0.00%	0.00%	\$0	\$0
PIMCO Diversified Fixed Interest Fund	0.00%	0.10%	\$0	\$50
PIMCO ESG Global Bond Fund	0.00%	0.00%	\$0	\$0
PIMCO Global Bond Fund	0.00%	0.10%	\$0	\$50
PIMCO Global Credit Fund	0.00%	0.20%	\$0	\$100
PIMCO Income Fund	0.00%	0.00%	\$0	\$0
PIMCO Dynamic Bond Fund	0.00%	0.00%	\$0	\$0

6. Taxation considerations

There are Australian tax implications when investing, withdrawing and receiving income from a Fund. The Responsible

Entity cannot give tax advice and the Responsible Entity recommends that you consult your professional tax adviser as the tax implications for the relevant Fund can impact investors differently. What follows is a general outline of some key tax considerations for Australian resident investors and non-resident investors. This information is based on our current interpretation of the relevant taxation laws (in force), including ATO guidance, as well as the interpretive decisions of Australian Courts of law as at the date of the issue of this document. The Australian tax laws are subject to continual change, and the tax treatment applicable to particular investors may differ. As such, investors should not place reliance on this as a basis for making their decision as to whether to invest.

TAXATION OF THE FUND

The Fund will generally not be liable to pay income tax on the basis that:

- where the Fund is not an Attribution Managed Investment Trust (“AMIT”), investors are presently entitled to all of the Fund’s distributable income; or
- where the Fund is an AMIT, all taxable income is intended to be attributed to investors for each income year (see below).

TAXATION OF TRUSTS THAT ARE AMITS

The AMIT provisions in the Tax Act apply to qualifying Managed Investment Trusts (“MITs”) that make an irrevocable election to become an AMIT. The consequences for Australian resident investors should be similar whether the Fund is an AMIT or not (refer to the comments on Australian resident investor tax consequences below).

An AMIT must attribute its taxable income to investors on a fair and reasonable basis, and investors will be subject to tax on the amount that is attributed to them. Investors are advised of their share of the taxable income and any cost base adjustment via an AMIT Member Annual Statement (AMMA Statement).

TAXATION OF TRUSTS THAT ARE NON-AMITS

Where a Fund is not an AMIT it will be subject to ordinary trust taxation provisions.

Investors who are presently entitled to the net income of the Fund will be liable to pay tax on their share of the distributable income. Investors are advised of their share of the taxable income via an Annual Tax Statement.

TAX POSITION OF AUSTRALIAN RESIDENT INVESTORS

Taxable income earned by the Fund, whether attributed (for an AMIT), distributed, retained or reinvested, can form part of the assessable income for investors in the year of entitlement or allocation. Tax losses incurred by the Fund will remain in the Fund and can be applied to reduce the Fund’s income in future years (subject to the Fund satisfying the specific provisions of the trust loss carry forward legislation).

Further, the timing of when the Fund’s income is brought to account for tax purposes may be different to when amounts are distributed to you, so that you may be required to pay tax on income that has not yet been or may not be distributed to you.

For each year ending 30 June the Responsible Entity will send you the details of assessable income, capital gains, foreign income, tax offsets and any other relevant tax information to include in your tax return and to determine any required tax adjustments. A Fund may also make distributions which are of a non-taxable nature, generally as returns of capital, and these amounts of income may impact the cost base of your units in the Fund. If the Fund is an AMIT, the cost base per unit may increase, as well as decrease.

The Fund may derive foreign source income that might be subject to foreign tax. You may also be entitled to tax offsets (e.g. foreign income tax offsets) distributed by the Fund. Provided investors satisfy certain provisions of the Tax Act, investors may be able to utilise these credits against their tax liability on the taxable components of the distributions. In order to claim the amount of tax credits, investors must include the amount of the credits in their assessable income.

APPLICATIONS AND WITHDRAWALS

If you acquire units part way through a distribution period, that amount of accumulated income which is included in the unit price for the units acquired may eventually be distributed to you as taxable income.

If you withdraw units part way through a distribution period, the value of accumulated income may be included in your withdrawal price.

Your assessable income for each year may include net realised capital gains (i.e. after offsetting capital losses). This will include capital gains made upon withdrawing units from the Fund.

Individuals, trusts and complying superannuation entities may be eligible for CGT concessions in relation to capital gains made with respect to units which are held for at least 12 months.

If you hold your units on revenue account, gains and losses will be taxable as ordinary income or allowed as a deduction, as the case may be, and will not qualify for the CGT discount.

TAXATION OF NON-RESIDENT INVESTORS

If you are a non-resident investor (for tax purposes) in a Fund, we strongly recommend that you obtain advice based on your particular circumstances. Non-resident investors of a Fund should seek their own independent taxation advice regarding their local, as well as Australian, taxation obligations. As a non-resident, distributions from a Fund may be subject to income tax (which will be withheld by the RE) or withholding tax (which will also be withheld by the RE, depending on your country of residence and the nature and amount of the distribution). Different tax consequences may apply in relation to gains or losses of non-resident investors from the disposal of the units, including whether any gains are subject to tax in Australia.

CONTROLLED FOREIGN (‘CFC’) PROVISIONS

There are certain tax rules (i.e. the CFC provisions) which may result in assessable income arising in the Fund in relation to the Fund’s investments in foreign funds. In this case, the taxable income of the Fund may include gains in respect of these investments even though such gains are unrealised.

GST

The application for and withdrawal of units in the Fund and receipt of distributions will not be subject to GST. However, GST will generally be incurred on various acquisitions made by the Fund.

The Fund may be able to claim input tax credits and/or RITCs of at least 55% of the GST incurred.

Unless otherwise stated, all fees quoted in this Reference Guide and each PDS are quoted on a GST inclusive basis and net of any applicable RITCs referable to the relevant Fund.

TAX FILE NUMBER AND AUSTRALIAN BUSINESS NUMBER

On your application form you may provide us with your Tax File Number (“TFN”), or TFN exemption. Alternatively, if you are investing in the Fund in the course of an enterprise, you may quote an Australian Business Number (“ABN”). It is not compulsory for you to quote a TFN, exemption or ABN, but if you do not, then we are required to deduct tax from any distribution payable to you at the highest marginal tax rate plus

the Medicare levy (and any other levies we are required to deduct, from time to time). The collection of TFNs is authorised, and their use is strictly regulated by tax and privacy laws. Non-residents are generally exempt from providing a TFN.

7. Enquiries and complaints

KEEPING IN TOUCH

If you have an enquiry regarding the management of the Fund that you have invested in, please speak to your financial adviser or contact PIMCO Investor Services on 1300 113 547 (Australia) or +61 2 8823 2583, or email investorservices@au.pimco.com. PIMCO Investor Services will attempt to resolve any issues at first contact.

MAKING A COMPLAINT

If you wish to lodge a complaint, please contact:

Compliance Officer
PIMCO Australia
Level 19, 5 Martin Place
Sydney NSW 2000
Australia
Email: complaints@au.pimco.com

The RE has a complaints policy which is available by contacting PIMCO Investor Services. The RE will acknowledge receipt of a complaint within 1 Business Day or as soon as practicable. If it is not possible to resolve a complaint immediately, the RE will aim to resolve your complaint and respond to you within 30 days after receiving the complaint.

THE AUSTRALIAN FINANCIAL COMPLAINTS AUTHORITY (“AFCA”)

If the RE is unable to resolve your complaint you may be able to seek assistance from AFCA, an independent dispute resolution scheme.

AFCA may be contacted as follows:
Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Australia

Phone:

Consumer: 1800 931 678 (free call within Australia)
International callers: +61 1800 931 678 (charges may apply)
Members: 1300 56 55 62
Fax: 03 9613 6399
Email: info@afca.org.au

Please include the RE’s AFCA membership number (38532) with your enquiry.

If you are investing through an IDPS, then enquiries and complaints should generally be directed to the IDPS Operator, not the RE. However PIMCO’s complaints process is also available to indirect investors.

8. Other important information

CUSTODIAN

The RE has appointed State Street Australia Limited (ABN 21 002 965 200 AFSL 241419) (“**Custodian**”) to hold each Fund’s assets. The RE will pay the Custodian a fee for acting as the Funds’ custodian. This fee is not an additional fee to you and is included in the management costs described in the PDS.

In its role as custodian, the Custodian safekeeps assets of each Fund. The role of the Custodian is limited to holding assets of each Fund and it has no supervisory role in relation to the operation of a Fund. The Custodian does not make investment

decisions in respect of the assets held or manage those assets. Additionally, the Custodian is a paid service provider and is not responsible for the preparation of this document.

The custodian may be changed from time to time and we may change the custodian where we are satisfied that the proposed new custodian meets applicable regulatory requirements.

RELATED PARTIES

The RE is majority owned by Allianz SE and part of the PIMCO Group. For these purposes, a related party includes certain entities and individuals that have a close relationship with the RE, including, but not limited to Allianz SE itself, other subsidiaries of Allianz SE and the PIMCO Group entities and other funds operated or managed by members of the PIMCO Group.

The RE may from time to time use the services of related parties (including, but not limited to, investment management and administration) and pay commercial rates for these services. The RE may also enter into financial or other transactions with related parties in relation to the assets of a Fund and such arrangements will be based on arm’s length commercial terms or as otherwise permissible under the law.

The RE has a policy in place to identify conflicts of interest that may arise in relation to the provision of its financial services and manage the effects of those identified conflicts of interest so that the quality of the financial services we provide is not significantly compromised. The RE will review its policy on a regular basis.

YOUR PRIVACY

When you provide instructions to the RE or its related bodies corporate, the RE will be collecting personal information about you. You must ensure that all personal information which you provide to the RE is true and correct in every detail, and should your personal details change it is your responsibility to ensure that you promptly advise the RE of the changes in writing. This information is needed to facilitate, administer and manage your investment, and to comply with Australian taxation laws and other laws and regulations. Otherwise, your application may not be processed or the RE and its delegates will not be able to administer or manage your investment.

The information that you provide may be disclosed to third parties, including but not limited to:

- the ATO, AUSTRAC and other government or regulatory bodies;
- your mFund broker and your authorised financial adviser or adviser dealer group, their service providers and/or any joint holder of an investment;
- organisations involved in providing, administering and managing the Fund, the administrator, custodian, auditors, or those that provide mailing or printing services; and
- those where you have consented to the disclosure and as required by law.

We may disclose your personal information provided by you or gathered by us to our related PIMCO entities and also non-affiliated third parties, as required or permitted by law. From time to time, these third parties may be located (and therefore your personal information may be disclosed) overseas including Brazil, Canada, Germany, Hong Kong, Italy, Japan, Singapore, Switzerland, United Kingdom and United States of America where your personal information may not receive the level of protection afforded under Australian law.

We have certain notification obligations in the event that an eligible data breach occurs. Where practicable, we will notify any affected individuals where there are reasonable grounds to believe that there has been an eligible data breach that affects their personal information. We take reasonable steps to ensure that any

third party we disclose your personal information to is bound by privacy obligations to protect information about you.

We may from time to time provide you with direct marketing and/or educational material about our products and services if you have opted in to receiving them.

You may withdraw your consent to receive marketing communications at any time by contacting PIMCO Investor Services on 1300 113 547 (Australia) or +61 2 8823 2583, or email investorservices@au.pimco.com.

Subject to some exceptions allowed by law, you can ask for access to your personal information. The RE will give you reasons if the RE denies you access to this information. The RE's Privacy Policy outlines how you can request to access and seek the correction of your personal information. The Privacy Policy is available at pimco.com.au or can be obtained by contacting PIMCO Investor Services.

The RE's Privacy Policy contains information about how you can make a complaint if you think the RE has breached your privacy and about how the RE will deal with your complaint.

You should refer to the RE's Privacy Policy for more detail about the personal information that the RE collects and how the RE collects, uses and discloses your personal information.

Complaints relating to privacy issues should be directed to:

Privacy Officer
PIMCO Australia
Level 19, 5 Martin Place
Sydney NSW 2000 Australia
Email:
privacy@au.pimco.com

THE CONSTITUTION

Each Fund is governed by a constitution (“**Constitution**”) that sets out how the Fund must operate, and together with the PDS, the Corporations Act and other laws, regulates the RE's legal relationship with investors. If you invest in the Fund, you agree to be bound by the terms of the PDS and the Constitution. You can request a copy of the Constitution, free of charge. Please consider these documents before investing in the Fund.

The RE may amend the Constitution from time to time in accordance with the provisions of the Fund's Constitution and the Corporations Act.

DISCLOSING ENTITY

The following funds are each a disclosing entity as defined by the Corporations Act:

PIMCO Australian Bond Fund, PIMCO Australian Short-Term Bond Fund, PIMCO Diversified Fixed Interest Fund, PIMCO Dynamic Bond Fund, PIMCO Global Bond Fund, PIMCO Global Credit Fund, PIMCO ESG Global Bond Fund, PIMCO Capital Securities Fund and PIMCO Income Fund.

As a disclosing entity the fund is subject to regular reporting and disclosure obligations. Investors will have a right to obtain a copy, free of charge, of any of the following documents:

- the most recent annual financial report lodged with ASIC;
- any half yearly financial report lodged with ASIC after the lodgement of that annual financial report but before the date of this PDS; and
- any continuous disclosure notices given by the Fund after the lodgement of that annual financial report but before the date of this PDS.

Copies of these documents lodged with ASIC can also be obtained from or inspected at an ASIC office. All continuous disclosure information issued after the date of this PDS is

available on our website pimco.com.au, in accordance with ASIC's good practice guidance on website disclosure.

ANTI-MONEY LAUNDERING AND COUNTER TERRORISM FINANCING (“AML/CTF”)

Australia's AML/CTF laws require the RE to adopt and maintain an Anti-Money Laundering and Counter Terrorism Financing program. A fundamental part of the AML/CTF program is that the RE knows certain information about investors in the Funds.

To meet this legal requirement, the RE needs to collect and verify certain identification information and documentation (“**KYC Documents**”) from new investors, and where relevant, from any beneficial owners. Existing investors may also be asked to provide KYC Documents as part of a re-identification process to comply with the AML/CTF laws. Processing of applications or redemptions will be delayed or refused if investors do not provide the KYC Documents when requested.

Under the AML/CTF laws, the RE may be required to submit reports to AUSTRAC or to disclose information we collect and hold about you to other regulatory authorities. This may include the disclosure of your personal information. The RE may not be able to tell you when this occurs and, as a result, AUSTRAC may require the RE to deny you (on a temporary or permanent basis) access to your investment. This could result in loss of the capital invested, or you may experience significant delays when you wish to transact on your investment.

Neither the RE nor PIMCO are liable for any loss you may suffer because of compliance with the AML/CTF laws.

If you apply for units via mFund you will provide the KYC Documents to your broker rather than the RE.

INDIRECT INVESTORS

You may be able to invest indirectly in a Fund via a master trust or wrap account (commonly known as an IDPS) by directing the IDPS Operator to acquire units on your behalf. If you do so, you will need to complete the relevant forms provided by the IDPS Operator. The RE is not responsible for the operation of any IDPS. This will mean that you are an Indirect Investor in the relevant Fund and not a unit holder or member of that Fund. Indirect Investors do not acquire the rights of a unit holder as such rights are acquired by the IDPS Operator who then can exercise, or decline to exercise, these rights on your behalf.

Your rights and terms and conditions as an Indirect Investor should be set out in the disclosure document issued by the IDPS Operator. The RE authorises the use of this PDS by investors who wish to access the Fund through an IDPS.

NAV FOR THE FUND

The NAV for the Fund is available at pimco.com.au

US FOREIGN ACCOUNT TAX COMPLIANCE ACT

The Foreign Account Tax Compliance Act (“**FATCA**”) is a US tax law which was enacted in 2010 for the purpose of improving tax information reporting regarding US persons in respect of their offshore investments to the United States Internal Revenue Service (“**IRS**”). On 28 April 2014, an Inter-Governmental Agreement (“**IGA**”) was signed between Australia and the US to facilitate the implementation of FATCA by Australian financial institutions.

In order to comply with FATCA requirements, the RE:

- may require you to provide certain information regarding your identification and will undertake certain due diligence procedures to determine your status for FATCA reporting purposes. This information may be required at the time an application is made for the issue of units in a Fund or at any time after the units have been issued;

- will report annually to the IRS, via the ATO, in relation to relevant investors' financial information required by the ATO (if any) in respect of any investment in a Fund; and
- may withhold tax on US connected payments to non-participating foreign financial institutions.

Accordingly, by making an application to invest in a Fund, you agree to provide the RE with certain identification and related information in order to enable it to comply with its obligations in connection with FATCA.

COMMON REPORTING STANDARDS

The Common Reporting Standard ("CRS") is the single global standard for the collection, reporting and exchange of financial account information on foreign tax residents. Australia has signed the OECD Multilateral Competent Authority Agreement on Automatic Exchange of Account Information. This agreement enables CRS information to be exchanged between jurisdictions' tax authorities where relevant legislation has been adopted. The RE is required to collect certain information about foreign tax residents to provide it to the ATO. The ATO may pass this information onto tax authorities in other jurisdictions who have adopted the CRS. CRS reports are due to the ATO by 31 July of each year for the preceding period from 1 January to 31 December. The requirements are similar to those which exist under FATCA, however, there are a greater number of countries in respect of which the ATO may provide information to the respective tax authorities.

Accordingly, by making an application to invest in a Fund, you agree to provide the RE with certain identification documents and related information in order to enable it to comply with the RE's obligations in connection with CRS.

CONSENTS

PIMCO Australia Pty Limited has given and, at the date of this Reference Guide, has not withdrawn, its written consent to be named in each PDS outlined on Page 1 of this Reference Guide as the Investment Manager of each of the Funds and to the inclusion of the statements made about it, and the relevant Fund which are attributed to it, in the form and context in which they appear.

PIMCO Australia Pty Limited has not otherwise been involved in the preparation of the PDSs and has not caused or otherwise authorised the issue of any of the PDSs. PIMCO Australia Pty Limited and its employees and officers do not accept any responsibility arising in any way for errors or omissions from any of the PDSs, other than in relation to the statements for which it has provided its consent.

The Custodian has given and, at the date of this Reference Guide, has not withdrawn, its written consent to be named in each PDS listed on Page 1 of this Reference Guide as the custodian of each of the Funds and to the inclusion of the statements made about it, and the relevant Fund which are attributed to it, in the form and context in which they appear.

The Custodian has not otherwise been involved in the preparation of the PDSs and has not caused or otherwise authorised the issue of any of the PDSs. The Custodian and its employees and officers do not accept any responsibility arising in any way for errors or omissions from any of the PDSs, other than in relation to the statements for which it has provided its consent.

MFUND SETTLEMENT SERVICE

You must use an mFund accredited and licensed broker to facilitate your transactions on mFund. Your chosen broker may charge you additional fees which are not outlined in the Fees and Costs section of the relevant PDS.

TARGET MARKET DETERMINATION

A target market determination (TMD) has been prepared for each of the Funds by the RE and is available at pimco.com.au. The TMD for each Fund does not form part of the PDS.

9. Online Access

PIMCO MyInvestments provides you with an easy and convenient way to:

- check the total value of your investment;
- review your recent transaction history; and
- check and update your contact details.

Please visit pimco.com.au to register for PIMCO MyInvestments. This service is available both to investors who apply directly and to those who apply via mFund.

CONDITIONS FOR ONLINE ACCOUNT ACCESS

To be able to use PIMCO MyInvestments, you must accept the conditions of use (available at pimco.com.au). PIMCO MyInvestments is provided through the unit registry's website. Alternatively, please contact PIMCO Investor Services if you require a paper copy of these conditions, which they will send you free of charge.

ONLINE ACCOUNT ACCESS – FINANCIAL ADVISERS

We will give your financial adviser online access to view your account irrespective of whether you register for online account access or not.

10. Glossary

ATO

Australian Taxation Office.

AUSTRAC

Australian Transaction Reports and Analysis Centre.

BOTTOM-UP ANALYSIS

The focus of the analysis is on a company's fundamentals (business and financial analysis).

BUSINESS DAY

For the Funds other than the PIMCO Dynamic Bond Fund, the PIMCO Capital Securities Fund, the PIMCO Australian Short-Term Bond Fund and the PIMCO Income Fund and the PIMCO ESG Global Bond Fund:

- Any day other than Saturday or Sunday on which banks are open for general banking business in Sydney and Melbourne.

For the PIMCO Australian Short-Term Bond Fund:

- Any day other than Saturday or Sunday on which banks are open for general banking business in Sydney.

For the PIMCO ESG Global Bond Fund:

- A day other than a Saturday, Sunday or public holiday in Sydney.

For the PIMCO Dynamic Bond Fund, PIMCO Capital Securities Fund and the PIMCO Income Fund:

- A day other than a Saturday, Sunday or public holiday in Melbourne and Sydney.

A calendar of non-valuation days for all funds is available at pimco.com.au.

CREDIT ANALYSIS

The process of determining the creditworthiness of a business or organisation.

DERIVATIVE

An instrument, the value of which is derived from the value of an underlying asset or reference index.

DURATION

This is the measure of the sensitivity of fixed interest investments to changing interest rates, and is measured in terms of years (the larger the number of years in duration, the higher the price sensitivity to changes in interest rates). Duration takes into account the maturity date, the dates when interest is paid, and the amount of that interest.

EMERGING MARKETS

The Investment Manager has broad discretion to identify and invest in countries that it considers to qualify as emerging securities markets. The Investment Manager generally considers an emerging securities market to be one located in any country that is defined as a developing economy by the World Bank or its related organisations or the United Nations or its authorities.

ESG

ESG comprises Environmental, Social and Governance and Labour Standards.

GST

Goods and Services Tax.

HEDGING

The practice of undertaking one investment activity in order to protect against loss in another. While hedges can reduce potential losses, they can also reduce potential profits.

HIGH YIELD SECURITIES

High yield securities are bonds issued by corporations that have credit ratings below Investment Grade.

IDPS

Investor Directed Portfolio Service or investor-directed portfolio-like managed investment scheme. An IDPS is generally the vehicle through which an investor purchases a range of underlying investment options from numerous investment managers.

IDPS OPERATOR

The entity responsible for managing an IDPS.

INDIRECT INVESTORS

Individuals or entities who invest in a Fund through an IDPS.

INVESTMENT GRADE

Securities with lower probability of default on interest and capital repayments, compared to non-investment grade securities.

LOANS, LOAN PARTICIPANTS AND LOAN ASSIGNMENTS

Loan participations typically involve direct participation in a loan to a corporate borrower and are generally offered by banks or other financial intermediaries. When purchasing a loan participation, the purchaser assumes the economic risk associated with the corporate borrower and the credit risk associated with any interposed bank or other financial intermediary.

Loan assignments typically involve a transfer of debt from a lender to a third party. When purchasing a loan assignment, the purchaser assumes the credit risk associated with the corporate borrower only.

Such loans may be secured or unsecured. Loans that are fully secured offer more protection than an unsecured loan in the event of non-payment of scheduled interest or principal. However, there is no assurance that the security from a secured loan will satisfy the corporate borrower's obligation. In addition, investments in loans through a direct assignment include the risk that if a loan is

terminated, the purchaser could become part owner of any security and will then bear the costs and liabilities associated with owning and disposing of the security.

Loan participations and loan assignments may not be rated by any internationally recognised rating service.

mFUND

The mFund Settlement Service.

NAV

Net Asset Value (that is, the value of the assets less liabilities).

PIMCO INVESTOR SERVICES

Refers to State Street Australia Limited, which has outsourced to OneVue Fund Services Pty Limited (trading as/nw owned by IRESS Limited ABN 47 060 313 359) to provide unit registry and certain other client services for the Funds.

PIMCO MYINVESTMENTS

A web portal provided by OneVue Fund Services Pty Limited ABN 18 107 333 308 (trading as/nw owned by IRESS Limited ABN 47 060 313 359), a service provider of the Fund.

RE

Refers to PIMCO Australia Management Limited, the responsible entity of each of the Funds.

RELATIVE VALUE ANALYSIS

Relative Value analysis is an assessment of the intrinsic value of a security relative to another security.

REPURCHASE AGREEMENTS

A Repurchase Agreement involves the purchase of a security from a party who agrees to repurchase the security at the purchase price plus interest within a specified time. Repurchase agreements maturing in more than seven days are considered illiquid securities.

REVERSE REPURCHASE AGREEMENTS

A Reverse Repurchase Agreement involves the sale of a security by a person and their agreement to repurchase the security at a specified time and price. A Reverse Repurchase Agreement may be considered a form of borrowing for some purposes.

RETAIL CLIENT

Persons or entities defined as such under section 761G of the Corporations Act.

RITC

Reduced Input Tax Credit. The RE will claim RITCs (where applicable) to reduce the GST incurred by a Fund.

SECTOR ALLOCATION AND ROTATION

There are several sectors to global bond markets, including government bonds, corporate bonds, high yield securities, mortgages, inflation-linked bonds and emerging market debt. Sector rotation refers to the investment manager actively allocating the risk between the different sectors of the fixed income market.

TAX ACT

Income Tax Assessment Act 1997.

TOP-DOWN ANALYSIS

The focus of the analysis is on macro-economic and industrial trends.

US PERSON

A person so classified under securities or tax law in the United States of America ("US") including, in broad terms, the following persons:

- a. any citizen of, or natural person resident in, the US, its territories or possessions; or
- b. any corporation or partnership organised or incorporated under any laws of or in the US or of any other jurisdiction if formed by a US Person (other than by accredited investors who are not natural persons, estates or trusts) principally for the purpose of investing in securities not registered under the US Securities Act of 1933; or
- c. any agency or branch of a foreign entity located in the US; or
- d. a pension plan primarily for US employees of a US Person; or
- e. a US collective investment vehicle unless not offered to US Persons; or
- f. any estate of which an executor or administrator is a US Person (unless an executor or administrator of the estate who is not a US Person has sole or substantial investment discretion over the assets of the estate and such estate is governed by non-US law) and all the estate income is non-US income not liable to US income tax; or
- g. any trust of which any trustee is a US Person (unless a trustee who is a professional fiduciary is a US Person and a trustee who is not a US Person has sole or substantial investment discretion over the assets of the trust and no beneficiary (or settlor, if the trust is revocable) of the trust is a US Person); or
- h. any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the United States; or
- i. any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person.

WE, US

Refers to PIMCO Australia Management Limited.

WHOLESALE CLIENT

Persons or entities defined as such under section 761G of the Corporations Act.

YOU, YOUR

Refers to an investor.