

# **PIMCO TRENDS Managed Futures Strategy Fund**

ARSN 626 369 391

## **Interim report**

**For the half-year ended 31 December 2019**

# PIMCO TRENDS Managed Futures Strategy Fund

ARSN 626 369 391

## Interim report

### For the half-year ended 31 December 2019

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The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this interim report is to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made in respect of PIMCO TRENDS Managed Futures Strategy Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This interim report covers PIMCO TRENDS Managed Futures Strategy Fund as an individual entity.

The Responsible Entity of PIMCO TRENDS Managed Futures Strategy Fund is PIMCO Australia Management Limited (ABN 37 611 709 507) (AFSL 487505).

The Responsible Entity's registered office is:

Level 19, 5 Martin Place  
Sydney, NSW 2000.

## Directors' report

The directors of PIMCO Australia Management Limited, the Responsible Entity of PIMCO TRENDS Managed Futures Strategy Fund (the "Fund"), present their report together with the interim financial statements of the Fund for the half-year ended 31 December 2019.

### Principal activities

The Fund will pursue a quantitative trading strategy intended to capture the persistence of price trends (up and/or down) observed in global financial markets and commodities in accordance with the Fund's Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund did not have any employees during the half-year.

There were no significant changes in the nature of the Fund's activities during the half-year.

The various service providers for the Fund are detailed below:

<b>Service</b>	<b>Provider</b>
Responsible Entity	PIMCO Australia Management Limited
Investment Manager	PIMCO Australia Pty Limited
Custodian and Administrator	State Street Australia Limited
Statutory Auditor	PricewaterhouseCoopers

### Directors

The following persons held office as directors of PIMCO Australia Management Limited during or since the end of the half-year and up to the date of this report:

Adrian P Stewart	
Michael Cheng	(retired from board 1 July 2019)
Eric P Frerer	(retired from board 1 July 2019)
Kimberley Stafford	
V Mangala Ananthanarayanan	(appointed to board 1 July 2019)
Brendon D Rodda	(appointed to board 1 July 2019)

### Review and results of operations

During the half-year, the Fund continued to invest its funds in accordance with the Fund's Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund's performance for the half-year ended 31 December 2019 was (0.45%) (net of fees) for the Seed Class and (0.60%) (net of fees) for the Wholesale Class. The Fund's benchmark, Bloomberg AusBond Bank Bill Index, returned 0.52% for the same period.

## Directors' report (continued)

### Review and results of operations (continued)

The performance of the Fund, as represented by the results of its operations, was as follows:

	Half-year ended 31 December 2019	For the period 13 December 2018 to 31 December 2018
Operating profit/(loss) before finance costs attributable to unit holders (\$)	(109,814)	24,729

### Significant changes in the state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Fund that occurred during the half-year ended 31 December 2019.

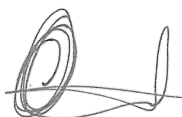
### Rounding of amounts to the nearest dollar

The Fund is an entity of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission (ASIC) relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded to the nearest dollar in accordance with that ASIC Corporations Instrument, unless otherwise indicated.

### Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of the directors of PIMCO Australia Management Limited.



Director

Sydney  
12 March 2020



## *Auditor's Independence Declaration*

As lead auditor for the review of PIMCO TRENDS Managed Futures Strategy Fund for the half-year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read 'CJ Cummins', is written over a faint horizontal line.

CJ Cummins  
Partner  
PricewaterhouseCoopers

Sydney  
12 March 2020

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## Condensed statement of comprehensive income

	Note	Half-year ended 31 December 2019 \$	For the period 13 December 2018 to 31 December 2018 \$
<b>Investment income</b>			
Interest income from financial assets at fair value through profit or loss		183	482
Interest income from financial assets at amortised cost		4,338	81
Distribution income		89,575	-
Net foreign exchange gain/(loss)		(17,285)	2,490
Net gains/(losses) on financial instruments at fair value through profit or loss	4	(48,472)	22,309
Other income	11	45,146	20,300
<b>Total investment income/(loss)</b>		<u>73,485</u>	<u>45,662</u>
<b>Expenses</b>			
Management fees	13	1,173	10
Custody fees		75,275	20,759
Transaction costs		83,199	164
Other expenses	12	23,652	-
<b>Total expenses</b>		<u>183,299</u>	<u>20,933</u>
<b>Operating profit/(loss)</b>		<u>(109,814)</u>	<u>24,729</u>
<b>Finance costs attributable to unit holders</b>			
Distributions to unit holders	8	-	-
(Increase)/decrease in net assets attributable to unit holders	7	109,814	(24,729)
<b>Profit/(loss) for the half-year/period</b>		<u>-</u>	<u>-</u>
Other comprehensive income		-	-
<b>Total comprehensive income for the half-year/period</b>		<u>-</u>	<u>-</u>

The above condensed statement of comprehensive income should be read in conjunction with the accompanying notes.

## Condensed statement of financial position

		As at	
		31 December 2019	30 June 2019
	Note	\$	\$
<b>Assets</b>			
Cash and cash equivalents		520,671	389,098
Receivables	9	1,776,470	130,718
Financial assets at fair value through profit or loss	5	14,806,668	5,623,818
Margin accounts		<u>1,014,650</u>	<u>531,185</u>
<b>Total assets</b>		<u><b>18,118,459</b></u>	<u><b>6,674,819</b></u>
<b>Liabilities</b>			
Payables	10	61,010	42,492
Financial liabilities at fair value through profit or loss	6	521,908	187,148
Margin accounts		<u>491,606</u>	<u>521,606</u>
<b>Total liabilities (excluding net assets attributable to unit holders)</b>		<u><b>1,074,524</b></u>	<u><b>751,246</b></u>
<b>Net assets attributable to unit holders - liability</b>	7	<u><b>17,043,935</b></u>	<u><b>5,923,573</b></u>

*The above condensed statement of financial position should be read in conjunction with the accompanying notes.*

**Condensed statement of changes in equity**

	<b>Half-year ended 31 December 2019</b>	<b>For the period 13 December 2018 to 31 December 2018</b>
	<b>\$</b>	<b>\$</b>
<b>Total equity at the beginning of the half-year/period</b>	-	-
Profit/(loss) for the half-year/period	-	-
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<u>-</u>	<u>-</u>
Transactions with owners in their capacity as owners	-	-
<b>Total equity at the end of the half-year/period</b>	<u>-</u>	<u>-</u>

Under Australian Accounting Standards, net assets attributable to unit holders are classified as a liability rather than equity. As a result, there was no equity at the start or end of the financial half-year.

*The above condensed statement of changes in equity should be read in conjunction with the accompanying notes.*



## Condensed statement of cash flows

	Half-year ended 31 December 2019 \$	For the period 13 December 2018 to 31 December 2018 \$
<b>Cash flows from operating activities</b>		
Proceeds from sale of financial instruments at fair value through profit or loss	2,322,833	2,257,251
Purchase of financial instruments at fair value through profit or loss	(11,117,029)	(2,829,274)
Net foreign exchange gain/(loss)	(17,795)	1,587
Net movement in margin accounts	(513,465)	(50,568)
Interest income received	4,376	81
Distributions received	429	-
Other income received	835	-
Management fees reimbursed	94,261	-
Custody fees paid	(79,464)	-
Other expenses paid	(106,851)	(164)
<b>Net cash inflow/(outflow) from operating activities</b>	<u>(9,411,870)</u>	<u>(621,087)</u>
<b>Cash flows from financing activities</b>		
Proceeds from applications by unit holders	10,079,307	845,997
Payments for redemptions by unit holders	(536,374)	-
<b>Net cash inflow/(outflow) from financing activities</b>	<u>9,542,933</u>	<u>845,997</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>131,063</b>	<b>224,910</b>
Cash and cash equivalents at the beginning of the half-year/period	389,098	-
Effects of foreign currency exchange rate changes on cash and cash equivalents	510	903
<b>Cash and cash equivalents at the end of the half-year/period</b>	<u>520,671</u>	<u>225,813</u>
<b>Non-cash operating and financing activities</b>		
Distribution income reinvested	99,045	-

*The above condensed statement of cash flows should be read in conjunction with the accompanying notes.*

## Notes to the financial statements

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## 1 General information

These interim financial statements cover PIMCO TRENDS Managed Futures Strategy Fund (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 23 May 2018 and will terminate on 22 May 2098, unless terminated earlier in accordance with the provisions of the Fund's Constitution.

The Responsible Entity of the Fund is PIMCO Australia Management Limited (ABN 37 611 709 507) (AFSL 487505) (the "Responsible Entity"). The Responsible Entity's registered office is Level 19, 5 Martin Place, Sydney, NSW 2000.

The Fund will pursue a quantitative trading strategy intended to capture the persistence of price trends (up and/or down) observed in global financial markets and commodities in accordance with the Fund's Product Disclosure Statement and the provisions of the Fund's Constitution.

On 5 May 2016, a new tax regime applying to Managed Investment Trusts ("MITs") was established under the *Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016*. The Attribution Managed Investment Trust ("AMIT") regime allows MITs that meet certain requirements to make an irrevocable choice to be an AMIT. The Fund's Constitution allows it to elect into the Attribution Managed Investment Trust ("AMIT") regime. The Responsible Entity is therefore not contractually obligated to pay distributions. The units in the Fund are classified as a financial liability due to the different features between the two open classes of units.

The interim financial statements were authorised for issue by the directors on the date the Directors' declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the interim financial statements.

## 2 Basis of preparation

These interim financial statements have been prepared in accordance with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 *Interim Financial Reporting*.

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2019 and any public announcements made in respect of the Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

### (a) Changes in significant accounting policy

The accounting policies applied in these interim financial statements are the same as those of the previous financial year.

## 3 Fair value measurement

The Fund measures and recognises financial assets and liabilities at fair value through profit or loss on a recurring basis. The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

### (a) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

### 3 Fair value measurement (continued)

#### (a) Fair value in an active market (level 1) (continued)

On 1 July 2018 the Fund changed its fair value inputs to utilise the Fund's Price Source Agreement ("PSA prices") for both quoted financial assets and financial liabilities. In the prior year, the quoted market price used for financial assets was the current bid price and the quoted market price for financial liabilities was the current asking price. This change did not have a material impact on the Fund.

When the Fund holds derivatives with offsetting market risks, it uses bid and ask prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

#### (b) Fair value in an inactive or unquoted market (level 2)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of the reporting period taking into account the current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date. The fair value of an option contract is determined by applying the Black Scholes option valuation model.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

#### (c) Recognised fair value measurements

The table below presents the Fund's financial assets and liabilities measured and recognised at fair value as at 31 December 2019 and 30 June 2019.

As at 31 December 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial assets at fair value through profit or loss:</b>				
Foreign currency contracts	-	745,482	-	745,482
Swap contracts	-	361,811	-	361,811
Futures contracts	216,598	-	-	216,598
Unit trusts*	13,482,777	-	-	13,482,777
<b>Total financial assets at fair value through profit or loss</b>	<b>13,699,375</b>	<b>1,107,293</b>	<b>-</b>	<b>14,806,668</b>

### 3 Fair value measurement (continued)

#### (c) Recognised fair value measurements (continued)

As at 31 December 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial liabilities at fair value through profit or loss:</b>				
Foreign currency contracts	-	385,932	-	385,932
Swap contracts	-	106,394	-	106,394
Futures contracts	<u>29,582</u>	<u>-</u>	<u>-</u>	<u>29,582</u>
<b>Total financial liabilities at fair value through profit or loss</b>	<u>29,582</u>	<u>492,326</u>	<u>-</u>	<u>521,908</u>

As at 30 June 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial assets at fair value through profit or loss:</b>				
Foreign currency contracts	-	183,764	-	183,764
Swap contracts	-	456,249	-	456,249
Futures contracts	123,862	-	-	123,862
Unit trusts*	4,574,976	-	-	4,574,976
Fixed interest securities	<u>-</u>	<u>284,967</u>	<u>-</u>	<u>284,967</u>
<b>Total financial assets at fair value through profit or loss</b>	<u>4,698,838</u>	<u>924,980</u>	<u>-</u>	<u>5,623,818</u>
<b>Financial liabilities at fair value through profit or loss:</b>				
Foreign currency contracts	-	146,923	-	146,923
Swap contracts	-	16,468	-	16,468
Futures contracts	<u>23,757</u>	<u>-</u>	<u>-</u>	<u>23,757</u>
<b>Total financial liabilities at fair value through profit or loss</b>	<u>23,757</u>	<u>163,391</u>	<u>-</u>	<u>187,148</u>

\*The Underlying Fund calculates a daily net asset value (NAV) and applications and redemptions are transacted using the NAV. While prices are quoted on the Irish Stock Exchange, applications and redemptions are made through the Underlying Fund and are not transacted through an exchange.

#### (d) Transfer between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

#### (e) Financial instruments not carried at fair value

The carrying value of receivables and payables are assumed to approximate their fair values.

Net assets attributable to unit holders' carrying value differ from its fair value (deemed to be redemption price for individual units) due to differences in valuation inputs. This difference is not material in the current year or prior period.

#### 4 Net gains/(losses) on financial instruments at fair value through profit or loss

Net gains/(losses) recognised in relation to financial assets and liabilities at fair value through profit or loss:

	Half-year ended 31 December 2019 \$	For the period 13 December 2018 to 31 December 2018 \$
<b>Financial assets</b>		
Net realised gain/(loss) on financial assets at fair value through profit or loss	1,860,376	18,492
Net unrealised gain/(loss) on financial assets at fair value through profit or loss	<u>339,608</u>	<u>67,730</u>
Net gains/(losses) on financial assets at fair value through profit or loss	<u>2,199,984</u>	<u>86,222</u>
<b>Financial liabilities</b>		
Net realised gain/(loss) on financial liabilities at fair value through profit or loss	(1,913,696)	(25,797)
Net unrealised gain/(loss) on financial liabilities at fair value through profit or loss	<u>(334,760)</u>	<u>(38,116)</u>
Net gains/(losses) on financial liabilities at fair value through profit or loss	<u>(2,248,456)</u>	<u>(63,913)</u>
<b>Total net gains/(losses) on financial instruments at fair value through profit or loss</b>	<u>(48,472)</u>	<u>22,309</u>

#### 5 Financial assets at fair value through profit or loss

	As at	
	31 December 2019 \$	30 June 2019 \$
<b>Financial assets at fair value through profit or loss</b>		
Derivatives (Note 3(c))	1,323,891	763,875
Unit trusts	13,482,777	4,574,976
Fixed interest securities	<u>-</u>	<u>284,967</u>
<b>Total financial assets at fair value through profit or loss</b>	<u>14,806,668</u>	<u>5,623,818</u>

#### 6 Financial liabilities at fair value through profit or loss

	As at	
	31 December 2019 \$	30 June 2019 \$
<b>Financial liabilities at fair value through profit or loss</b>		
Derivatives (Note 3(c))	<u>521,908</u>	<u>187,148</u>
<b>Total financial liabilities at fair value through profit or loss</b>	<u>521,908</u>	<u>187,148</u>

## 7 Net assets attributable to unit holders

Movements in the number of units and net assets attributable to unit holders during the half-year were as follows:

	Half-year ended 31 December 2019 Units	Half-year ended 31 December 2019 \$	For the period 13 December 2018 to 31 December 2018 Units	For the period 13 December 2018 to 31 December 2018 \$
<b>Seed Class Units</b>				
Opening balance	5,740,580	5,876,439	-	-
Applications	5,853,806	6,057,123	798,269	798,269
Redemptions	(396,091)	(403,728)	-	-
Increase/(decrease) in net assets attributable to unit holders	-	(745,608)	-	24,871
<b>Closing balance</b>	<b>11,198,295</b>	<b>10,784,226</b>	<b>798,269</b>	<b>823,140</b>
<b>Wholesale Class Units</b>				
Opening balance	47,844	47,134	-	-
Applications	5,857,125	5,728,697	47,844	47,728
Redemptions	(154,579)	(151,916)	-	-
Increase/(decrease) in net assets attributable to unit holders	-	635,794	-	(142)
<b>Closing balance</b>	<b>5,750,390</b>	<b>6,259,709</b>	<b>47,844</b>	<b>47,586</b>
<b>Closing balance</b>		<b>17,043,935</b>		<b>870,726</b>

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right in the underlying assets of the Fund.

There are two open classes of units at 31 December 2019 and 2018. Each unit within the same class has the same rights as all other units within that class. Each unit class has a different management fee rate.

Units are redeemed on demand at the unit holder's option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within twelve months after the end of the reporting period cannot be reliably determined.

## 8 Distributions to unit holders

There were no distributions declared for the half-year ended 31 December 2019 and 31 December 2018.

## 9 Receivables

	As at	
	31 December 2019	30 June 2019
	\$	\$
Interest receivable	-	182
Distribution receivable	-	9,899
Applications receivable	1,717,966	11,453
GST receivable	9,440	8,331
Management fee reimbursement receivable	48,879	99,053
Other receivables	-	1,800
Overdue swap receivable	185	-
<b>Total receivables</b>	<b>1,776,470</b>	<b>130,718</b>

## 10 Payables

	As at	
	31 December 2019	30 June 2019
	\$	\$
Overdue swap payable	3,468	-
Interest payable	-	289
Management fees payable	653	395
Redemptions payable	19,740	470
Custody fees payable	37,149	41,338
<b>Total payables</b>	<b>61,010</b>	<b>42,492</b>

## 11 Other income

	Half-year ended 31 December 2019	For the period 13 December 2018 to 31 December 2018
	\$	\$
Management fee net reimbursement	45,002	20,300
Other income	144	-
<b>Total other income</b>	<b>45,146</b>	<b>20,300</b>



## 12 Other expenses

	Half-year ended 31 December 2019 \$	For the period 13 December 2018 to 31 December 2018 \$
Other operating expenses	<u>23,652</u>	<u>-</u>
<b>Total other expenses</b>	<u>23,652</u>	<u>-</u>

## 13 Responsible Entity and Investment Manager's fees and other transactions

Under the terms of the Fund's Constitution and Product Disclosure Statement for the Fund, the Responsible Entity and the Investment Manager are entitled to receive management fees.

The transactions during the half-year and amounts payable as at half-year end between the Fund, the Responsible Entity and the Investment Manager were as follows:

	Half-year ended 31 December 2019 \$	For the period 13 December 2018 to 31 December 2018 \$
Management fees paid for the period	39,822	338
Management fees reimbursement received for the period	(84,824)	(20,638)
Total management fees payable at period end	22,475	338
Total management fee reimbursement receivable at period end	(71,354)	(20,638)
Responsible Entity fees for the period	1,173	10
Total fees payable to the Responsible Entity at period end	653	10

Investment management fees reimbursed represent monies put into the Fund to ensure that the Fund's overall management costs remain within that disclosed in the Fund's Product Disclosure Statement.

## 14 Events occurring after the reporting period

No significant events have occurred since the end of the half-year which would impact on the financial position of the Fund as disclosed in the condensed statement of financial position as at 31 December 2019 or on the results and cash flows of the Fund for the half-year ended on that date.

## 15 Contingent assets and liabilities and commitments

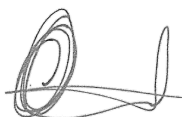
There are no outstanding contingent assets, liabilities or commitments as at 31 December 2019 and 30 June 2019.

## Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) The interim financial statements and notes set out on pages 5 to 16 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Fund's financial position as at 31 December 2019 and of its performance for the half-year ended on that date.
- (b) There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors of PIMCO Australia Management Limited.



Director

Sydney  
12 March 2020



## **Independent auditor's review report to the unitholders of PIMCO TRENDS Managed Futures Strategy Fund**

### ***Report on the half-year financial report***

We have reviewed the accompanying half-year financial report of PIMCO TRENDS Managed Futures Strategy Fund (the Registered Scheme) which comprises the Condensed statement of financial position as at 31 December 2019, the Condensed statement of comprehensive income, Condensed statement of changes in equity and Condensed statement of cash flows for the half-year ended on that date, selected other explanatory notes and the directors of the Responsible Entity's declaration.

### ***Directors of the Responsible Entity's responsibility for the half-year financial report***

The directors of the Responsible Entity of the Registered Scheme are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors of the Responsible Entity determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

### ***Auditor's responsibility***

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Registered Scheme's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of PIMCO TRENDS Managed Futures Strategy Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Independence***

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

### ***Conclusion***

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of PIMCO TRENDS Managed Futures Strategy Fund is not in accordance with the *Corporations Act 2001* including:

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1. giving a true and fair view of the Registered Scheme's financial position as at 31 December 2019 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in green ink, appearing to read 'PricewaterhouseCoopers', written in a cursive style.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'CJ Cummins', written in a cursive style.

CJ Cummins  
Partner

Sydney  
12 March 2020