

# PIMCO C Class

## Reference Guide

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*This PIMCO C Class Reference Guide (“Reference Guide”) has been prepared and issued by PIMCO Australia Management Limited (“the RE” or “Responsible Entity”, “we”, “us”, “our”).*

*The information in this document forms part of the Product Disclosure Statement (“PDS”) for C Class units in the PIMCO Dynamic Bond Fund (the “Fund”)(APIR ETL0406AU, ARSN 168 313 755) dated 2 October 2023.*

*This offer is limited to investments made by platforms operated by BT Portfolio Services Limited or Asgard Capital Management Limited or their related bodies corporate. This PDS cannot otherwise be distributed to any other party, published online or made publicly available.*

### Investor Services

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or +61 2 8823 2583  
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Mail: GPO Box 804  
Melbourne VIC 3001  
Email: [investorservices@au.pimco.com](mailto:investorservices@au.pimco.com)  
Web: [pimco.com.au](http://pimco.com.au)

### Investment Manager

PIMCO Australia Pty Limited  
ABN 54 084 280 508  
AFSL 246862  
Level 19, 5-17 Martin Place  
Sydney NSW 2000  
Australia

### Responsible Entity

PIMCO Australia Management Limited  
ABN 37 611 709 507  
AFSL 487505  
Level 19, 5-17 Martin Place  
Sydney NSW 2000  
Australia

## 1. Investing in a PIMCO Fund

### INITIAL APPLICATION TERMS

We can only complete your application if:

- we consider that you have correctly completed the Application Form;
- you have provided us with the relevant identification documents, if required; or
- 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.

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 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.

### COOLING OFF RIGHTS

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

The right to cool off may not apply if you are an Indirect Investor even if you are a Retail Client. Indirect Investors should seek advice from their IDPS Operator or consult the IDPS Guide or similar type document as to whether cooling off rights apply.

### 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.

## 2. Managing your investment

### 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. 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 Fund's half yearly financial account (if applicable);
- the 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:

- 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.

### WITHDRAWAL RESTRICTIONS

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. These are disclosed in the Fund's PDS.

### COUNTERPARTY RISK

This is the risk of a counterparty's default resulting in a payment default to the 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 the Fund could terminate or that the fees and expenses could change. There is also a risk that investing in the 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 Fund or to facilitate the clearance of transactions. The use of Derivatives may also create leverage risk.

To mitigate leverage risk, the 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. Cash equivalents are defined as Investment Grade securities with a Duration of 1 year or less. To the extent the Fund's net long positions are "covered" by cash or cash equivalents, the Fund will be deemed not to be leveraged.

#### **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 Fund, 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 the 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 the Fund.

#### **MANAGEMENT RISK**

The 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 Fund, but there can be no guarantee that these will produce the desired results.

#### **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](http://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.

<b>PIMCO Dynamic Bond Fund – C Class</b>		
<b>TYPE OF FEE OR COST</b>	<b>AMOUNT</b>	<b>HOW AND WHEN PAID</b>
<b>ONGOING ANNUAL FEES AND COSTS<sup>1,2,3</sup></b>		
<i>Management Fees and costs</i> The fees and costs for managing your investment	0.89% per annum of the NAV of the Fund referable to C Class units. <sup>2</sup>	The amount quoted is made up of the following:  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.  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.
<i>Performance fees</i> Amounts deducted from your investment in relation to the performance of the product	Nil	Not applicable
<i>Transaction costs</i> The costs incurred by the scheme when buying or selling assets	0.04% of the NAV of the Fund.	Paid from the assets of the Fund as incurred.
<b>MEMBER ACTIVITY RELATED FEES AND COSTS (FEES FOR SERVICES OR WHEN YOUR MONEY MOVES IN OR OUT OF THE SCHEME)</b>		
<i>Establishment fee</i> The fee to open your investment	Nil	Not applicable
<i>Contribution fee</i> The fee on each amount contributed to your investment	Nil	Not applicable
<i>Buy-sell spread</i> An amount deducted	Nil	Not applicable

from your investment representing costs incurred in transactions by the scheme		
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Nil	Not applicable
<i>Exit fee</i> The fee to close your investment	Nil	Not applicable
<i>Switching fee</i> The fee for changing investment options	Nil	Not applicable

<sup>1</sup> 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).

<sup>2</sup> 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 below).

<sup>3</sup> All estimates of fees and costs in this section are based on information available as at the date of this PDS and reflect the RE’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**

The Fund’s current Buy/Sell spread and dollar based example is 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.

<b>Fund</b>	<b>Buy Spread</b>	<b>Sell Spread</b>	<b>Dollar based example based on a \$50,000 application or withdrawal amount</b>	
			<b>Buy Spread</b>	<b>Sell Spread</b>
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 the 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 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 to 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.

#### **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 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](mailto: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](mailto: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.

#### **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](mailto: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 the Fund's assets. The RE will pay the Custodian a fee for acting as the Fund's 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 the Fund. The role of the Custodian is limited to holding assets of the Fund and it has no supervisory role in relation to the operation of the 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 the 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;
- 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](mailto: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](http://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](mailto:privacy@au.pimco.com)

### THE CONSTITUTION

The 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.

### 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 Fund.

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.

### INDIRECT INVESTORS

You may be able to invest indirectly in the 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 Fund and not a unit holder or member of the 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.

### NAV FOR THE FUND

The NAV for the Fund is available at [pimco.com.au](http://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 the PDS outlined on Page 1 of this Reference Guide as the Investment Manager of the Fund and to the inclusion of the statements

made about it, and the 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 PDS and has not caused or otherwise authorised the issue of the PDS. PIMCO Australia Pty Limited and its employees and officers do not accept any responsibility arising in any way for errors or omissions from the PDS, 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 the PDS listed on Page 1 of this Reference Guide as the custodian of the Fund and to the inclusion of the statements made about it, and the 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 PDS and has not caused or otherwise authorised the issue of the PDS. The Custodian and its employees and officers do not accept any responsibility arising in any way for errors or omissions from the PDS, other than in relation to the statements for which it has provided its consent.

### TARGET MARKET DETERMINATION

A target market determination (TMD) has been prepared for the Fund by the RE and is available at [pimco.com.au](http://pimco.com.au). The TMD for the 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](http://pimco.com.au) to register for PIMCO MyInvestments.

### 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

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

#### 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.

#### **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 Fund.

#### **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 the Fund.

#### **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 the 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 organized, 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.