PIMCO

March 2020

PIMCO Australian Short-Term Bond Fund

Capital preservation and steady income

Why invest in the fund?

1 **CAPITAL PRESERVATION**

The fund invests predominantly in securities with the high credit ratings and short maturities– typically three years or less—with the primary goal of preserving capital.

2 **INCOME**

The fund aims to earn yields higher than cash investments, and for investors seeking income, the quarterly distribution policy allows the fund to pay out its total returns as distributions.

3 **LOWER INTEREST RATE SENSITIVITY**

With lower duration than typical core bond strategies, the fund is less sensitive to interest rate movements and has lower volatility, which makes it an attractive choice in a changing interest rate environment.

HARNESSING OPPORTUNITIES ON THE SPECTRUM OF CASH AND AUSTRALIAN CORE BONDS

Sample for illustrative purposes only.

THE FUND IN NUMBERS

3.19	4.90%	AA-
Years of duration	The total return of the fund since inception[1]	Average Credit Quality[2]

SOURCE: PIMCO as of 31 March 2020.

[1] Past performance is not a guarantee or a reliable indicator of future results. Fund performance is quoted net of fees and expenses and assumes the reinvestment of all distributions but does not take into account personal income tax. Based on annualised returns for the PIMCO Australian Short-Term Bond Fund Wholesale Class net of fees since class inception (27 February 2009) to 31 March 2020.

[2] This is the average credit quality of the bonds held in the fund. Source: PIMCO 31 March 2020.

Role in a portfolio

Alternative to cash investments

The fund is designed to fill the gap between cash investments and core fixed interest funds. It invests in a broad fixed income opportunity set that can enhance return potential above cash investments.

Portfolio Diversification

Low correlation with other investments, especially equities, which may help reduce overall portfolio volatility.

We believe the Australian Short-Term Bond Fund is well positioned to meet investors' increasing needs for capital preservation, yield and liquidity in the years ahead.

– Robert Mead,
Co-head of Asia Pacific
Portfolio Management

FUND OBJECTIVE

To achieve maximum total return by investing in fixed interest securities predominantly denominated in Australian or New Zealand currencies, and to seek to preserve capital through prudent investment management.

RATINGS

Rating assigned August 2019

Rating assigned May 2019

Rating assigned March 2020

*Please refer to relevant research house disclaimer to obtain further information about the meaning of the rating and the rating scale. Rating is only one factor to be taken into account when deciding whether to invest

To learn more about PIMCO please contact your local Account Manager.

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Our Expertise

Aaditya Thakur
Portfolio Manager, Australia and Global
14 years investment experience

Robert Mead
Co-head of Asia-Pacific Portfolio Management
Managing Director
31 years investment experience

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PIMCO's time-tested investment process: Analysing the capital markets from top to bottom

PIMCO's investment process combines an informed global macroeconomic outlook with robust bottom-up analysis. Our Australian investment specialists contribute to our global top-down views and then implement these views through bottom-up strategies.

STARTING AT THE TOP

PIMCO's investment process is anchored by our economic forums. At our annual Secular Forum, our global investment professionals gather with industry experts for a three-day discussion about the economic, social and political trends that are likely to affect the global economy and financial markets over the next three to five years. We also hold quarterly Cyclical Forums to refine our longer-term views and forecast shorter-term economic performance in all major regions as well as country-specific forums.

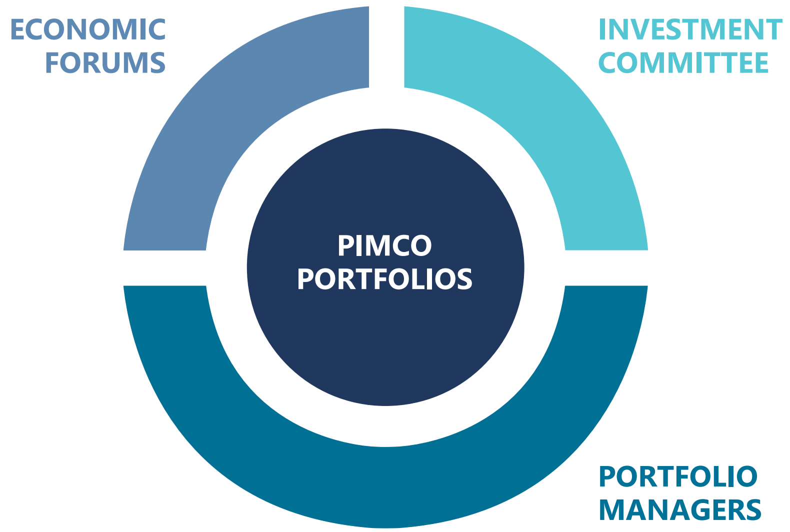
FROM THE BOTTOM UP

Rigorous bottom-up analysis is meshed with our top-down themes to identify the most attractive securities for our clients' portfolios. PIMCO's regional and specialist portfolio managers work extensively with our robust global research team – industry sector specialists, who log millions of miles a year to target opportunities across the globe and capital structure before the market does.

DEDICATED CLIENT SERVICE EXPERTISE

PIMCO's expansive team of dedicated investment professionals have weathered various market cycles, and are experts in generating alpha, managing risk and providing the highest level of client service to help meet the asset management needs of financial advisers and your clients.

Adding Value From Top To Bottom



ECONOMIC FORUMS

Four times a year (at the annual Secular Forum and three Cyclical Forums), our investment professionals around the world gather to identify the trends that will drive the global economy and markets. This macro-economic outlook informs all PIMCO portfolios.

INVESTMENT COMMITTEE

The Investment Committee (IC) meets four times a week to distill our outlook and current events into specific investment themes and risk factor targets.

PORTFOLIO MANAGERS

Portfolio managers are responsible for day-to-day strategy execution, leveraging our scores of sector and regional specialists.

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Investing in derivatives could lose more than the amount invested. Diversification does not ensure against loss. Investment involves risk including possible loss of the principal amount invested. Past performance is not a reliable indicator of future results. The value of units of the Fund and the Fund's distributions, if any, may fall or rise. Investment returns may be exposed to exchange rate fluctuations. In an environment where interest rates may trend upward, rising rates will negatively impact most bond funds, and fixed income securities held by a fund are likely to decrease in value. Bond funds and individual bonds with a longer duration (a measure of the expected life of a security) tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations.

***Research House Disclaimers**

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