

PIMCO Fund Series - Product Disclosure Statement

PIMCO Australian Bond Fund ARSN 093 519 816

PIMCO Diversified Fixed Interest Fund ARSN 093 519 558

PIMCO Global Bond Fund ARSN 093 530 486

PIMCO Global Credit Fund ARSN 093 519 352

PIMCO Extended Markets Fund ARSN 100 167 511

PIMCO Global RealReturn Fund ARSN 105 379 413

PIMCO Global CommodityRealReturn Fund ARSN 112 795 678

PIMCO Stable Income Fund ARSN 110 855 055

Equity Trustees Limited (ABN 46 004 031 298 AFSL 240975) – The Responsible Entity
PIMCO Australia Pty. Ltd. (ABN 54 084 280 508 AFSL 246862) – The Investment Manager

Date issued 31 October 2006

This Product Disclosure Statement ('PDS') was issued on 31 October 2006. This is the PDS for class A units in the following funds: PIMCO Australian Bond Fund (ARSN 093 519 816), PIMCO Diversified Fixed Interest Fund (ARSN 093 519 558), PIMCO Extended Markets Fund (ARSN 100 167 511), PIMCO Global Credit Fund (ARSN 093 519 352), PIMCO Global Bond Fund (ARSN 093 530 486), PIMCO Global RealReturn Fund (ARSN 105 379 413), PIMCO Global CommodityRealReturn Fund (ARSN 112 795 678) and PIMCO Stable Income Fund (ARSN 110 855 055) (collectively, the 'Funds'). This PDS has been prepared and issued by Equity Trustees Limited (ABN 46 004 031 298 AFSL 240975) in its capacity as the responsible entity of the Funds (referred to throughout this PDS as the 'Responsible Entity', 'EQT', 'us' or 'we'). The Investment Manager of each of the Funds is PIMCO Australia Pty Limited (ABN 54 084 280 508 AFSL 246862) and is referred to throughout this PDS as the 'Investment Manager' or 'PIMCO'.

This PDS is only available for use by persons applying for units as Wholesale Clients as defined in this PDS. If you are not applying as a Wholesale Client, please see the EQT PIMCO Retail Fund Series Product Disclosure Statement or the EQT PIMCO Wholesale Fund Series Product Disclosure Statement (for IDPS investors) for information on investing in the Funds.

This PDS is prepared for your general information only. It is not intended to be a recommendation by the Responsible Entity, any associate of the Responsible Entity or any other person to invest in the Funds. This PDS does not take into account the investment objectives, financial situation or needs of any particular investor. You should not base your decision to invest in a Fund solely on the information in this PDS. You should consider the Fund's suitability in view of your financial position and investment objectives and needs and you may want to seek advice before making an investment decision. A glossary of important terms used in this PDS can be found in the 'Glossary of Important Terms' section.

The Responsible Entity and the Investment Manager do not guarantee the success, repayment of capital or any rate of return on income or capital or investment performance of a Fund. Past performance is no indication of future performance. Units in the Funds are offered and issued by the Responsible Entity on the terms and conditions described in this PDS. You should read this PDS because you will become bound by it if you become a unit holder of a Fund. The offer made in this PDS is available only to persons receiving this PDS in Australia (electronically or otherwise).

If you received this PDS electronically a paper copy will be provided free upon request during the life of this PDS. Please call PIMCO on (02) 9279 1771 for a copy.

Information in this PDS is subject to change from time to time. We may update this information. You can obtain any updated information that is not materially adverse:

- by calling PIMCO on (02) 9279 1771.
- by visiting www.eqt.com.au

A paper copy of the updated information will be provided free of charge on request.

Unless otherwise stated, all fees quoted in the PDS are inclusive of GST after allowing for an estimate for Reduced Input Tax Credits ('RITCs'), and all amounts are in Australian dollars.

CONTENTS

Class A Units in the PIMCO Fund Series at a Glance4

About this document6

About the Responsible Entity6

About the Investment Manager6

Labour standards, environmental, social and ethical considerations6

PIMCO Australian Bond Fund7

PIMCO Diversified Fixed Interest Fund9

PIMCO Global Bond Fund11

PIMCO Global Credit Fund13

PIMCO Extended Markets Fund15

PIMCO Global RealReturn Fund17

PIMCO Global CommodityRealReturn Fund18

PIMCO Stable Income Fund20

Managing Risk22

Investing and Withdrawing23

Enquiries and complaints25

Constitutions of the PIMCO Funds26

Compliance plan27

Indemnity27

Fees and other costs28

Taxation32

Consents33

EQT Directors34

Cooling off period34

Privacy statement34

GLOSSARY OF IMPORTANT TERMS35

Application Form37

Directory42

CLASS A UNITS IN THE PIMCO FUND SERIES AT A GLANCE

Fund ARSN APIR Inception date	Investment Objective	Investments	Benchmark Index	Management Cost
PIMCO Australian Bond Fund 093 519 816 ETL0115AU 31 July 1999	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	Principal investment in fixed interest securities in, or denominated in, the currencies of Australia and New Zealand.	UBS Australian Composite Bond Index hedged in Australian dollars	0.44%
PIMCO Diversified Fixed Interest Fund 093 519 558 ETL0116AU 31 May 1999	To achieve maximum total return by investing in Australian and overseas bonds, and to seek to preserve capital through prudent investment management	Principal investment is equally divided into Australian and overseas bonds	50% UBS Australian Composite Bond Index + 50% Lehman Brothers Global Aggregate Bond Index all hedged in Australian dollars	0.44%
PIMCO Global Bond Fund 093 530 486 ETL0112AU 31 July 1998	To achieve maximum total return by investing in global fixed interest securities, and to seek to preserve capital through prudent investment management	Principal investment in global fixed interest securities	Lehman Brothers Global Aggregate Bond Index hedged in Australian dollars	0.44%
PIMCO Global Credit Fund 093 519 352 ETL0114AU 30 November 2001	To achieve maximum total return by investing in global non-Treasury fixed interest securities, and to seek to preserve capital through prudent investment management	Principal investment in global non-Treasury fixed interest securities	Non-Treasury Component of the Lehman Brothers Global Aggregate Bond Index hedged in Australian dollars	0.46%
PIMCO Extended Markets Fund 100 167 511 ETL0113AU 1 November 2003	To achieve maximum total return by investing in a mixture of emerging markets, sovereign debt, global high yield and investment grade corporate debt, and to seek to preserve capital through prudent investment management	Principal investment in emerging markets, sovereign debt, global securities of less than investment grade and corporate debt.	45% Merrill Lynch US High Yield, BB-B Rated Bond Index hedged in Australian dollars (0+yr) Maturity + 55% JP Morgan Emerging Markets Global Bond Index hedged in Australian dollars	0.56%
PIMCO Global RealReturn Fund 105 379 413 ETL0023AU 16 December 2003	To achieve a return in excess of the Barclays Capital Global Inflation-Linked Bond Index hedged in Australian dollars over rolling three year period	Principal investment in global inflation-linked bonds	Barclays Capital Global Inflation-Linked Bond Index hedged in Australian dollars	0.46%
PIMCO Global CommodityRealReturn Fund 112 795 678 ETL0048AU 16 October 2005	To achieve a return in excess of the Dow Jones AIG Commodity Total Return Index hedged in Australian Dollars over a rolling three year period	Principal investment in global inflation-linked securities in addition to commodity-linked derivatives	Dow Jones AIG Commodity Total Return Index hedged in Australian dollars	0.60%
PIMCO Stable Income Fund 110 855 055 ETL0050AU 24 August 2005	To achieve maximum total return by investing in money market and fixed interest securities predominantly denominated in Australian currencies, and to seek to preserve capital through prudent investment management	Principal investment in money market and fixed interest securities	UBS Australian Bank Bill Index	0.21%

Class A Units in the PIMCO Fund Series at a Glance

Buy/Sell spread	Nil
Indicative Investment Timeframe	5-7 years except Stable Income Fund which is 0 – 5 years
Income Target	Medium to High
Minimum Initial * Investment	\$500,000
Minimum Additional* Investment	\$50,000
Minimum Withdrawal * *	None
Minimum Balance*	\$100,000
Access to Funds ⁺	Usually within 7 Business Days
Income Distribution	Quarterly
Valuation	Daily
Volatility / Risk Level	Low to Medium
Unit Price	Variable
Investment Manager	PIMCO

+ Refer to 'Access to funds' in the 'Investing and Withdrawing' section for further details.

* The Responsible Entity may in its discretion accept lower initial or additional investment amounts from qualifying Wholesale Clients. The Responsible Entity may alter the minimum amounts specified at any time without prior notice to investors

ABOUT THIS DOCUMENT

This PDS is solely for use by investors applying for Class A units in the Funds as a Wholesale Client.

ABOUT THE RESPONSIBLE ENTITY

Equity Trustees Limited ('EQT')

Equity Trustees Limited was established in 1888 by its own special Act of Parliament to provide secure trustee services to the people of Victoria. Since its establishment, EQT has expanded its services to meet the wealth management requirements of its clients. EQT has been investing on behalf of its clients since 1888.

As a trustee company EQT prides itself on offering truly personalised service to its clients and is committed to acting in the best interests of its clients via offering wealth management solutions over a range of Asset Classes carrying different risk profiles. EQT's traditional values of integrity, responsibility and service are central to how EQT manages the investments and financial affairs of its clients. EQT's responsibilities and obligations, as the responsible entity of the Fund are governed by the Constitution of the Fund as well as the Corporations Act and general trust law. For further information refer to the 'Constitutions of the PIMCO Funds' section. EQT appointed PIMCO Australia Pty Ltd as the investment manager of these Funds.

ABOUT THE INVESTMENT MANAGER

PIMCO Australia Pty Ltd ('PIMCO')

The Investment Manager of these Funds is PIMCO Australia Pty Ltd which is one of the largest fixed interest managers in the world. PIMCO's history dates back to 1971 when it was established as a specialist fixed interest manager. PIMCO has its head office in Newport Beach, California, USA with offices located in Sydney, Singapore, Tokyo and London. The Sydney office was established in 1998 although PIMCO have been managing fixed interest for Australian clients since 1996. PIMCO, at the date of this PDS, manages over US\$600 billion in fixed interest portfolios for investors around the world.

LABOUR STANDARDS, ENVIRONMENTAL, SOCIAL AND ETHICAL CONSIDERATIONS

Neither EQT nor PIMCO take into account labour standards or environmental, social or ethical considerations in the selection, retention and realisation of investments in the Funds.

PIMCO AUSTRALIAN BOND FUND

For all investors under this PDS the units offered in this Fund will be institutional (Class A) units. The ARSN of this Fund is 093 519 816. The inception date of the PIMCO Australian Bond Fund was 31 July 1999.

Fund description

The PIMCO Australian Bond Fund primarily invests in government, semi-government, corporate, mortgage and other fixed interest securities denominated in Australian and New Zealand dollars. Under normal circumstances, the Fund will invest at least 70% of its assets in Australian or New Zealand securities. The balance of the Fund may be invested in securities not denominated in Australian or New Zealand dollars, provided at all times that such exposure is hedged back to the Australian dollar. The Fund may invest a portion of assets in fixed interest securities that are rated below 'investment grade' but rated at least 'B' by Moody's or Standard & Poor's (or, if unrated, determined by the Investment Manager to be of comparable quality). The Fund is designed for investors who wish to have a broadly diversified exposure to the Australian and New Zealand fixed interest market. The Fund is managed against the UBS Australian Composite Bond Index (hedged in Australian dollars), within the duration range of 2 - 5 years against the benchmark.

Investment 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.

Investment strategy

In pursuing this objective, PIMCO applies a wide range of diverse strategies including duration, credit analysis, relative value analysis, sector rotation and security selection. PIMCO emphasises active decision making with a long-term focus. It avoids extreme swings in duration or maturity with a view to creating a steady stream of returns. PIMCO concentrates on two sources of return:

- sector allocation and rotation; and
- 'bottom up' credit analysis of individual bonds and issuers.

Sector allocation and rotation

Historically the allocation between various sectors of the bond market has been an important source of return in client portfolios. PIMCO's sector allocation is driven by their economic overview determined by the combination of their long term (secular) and shorter (cyclical) outlook. The secular outlook focuses on economic fundamentals such as trends in productivity and interest rates in Australia over a 5 year period. The cyclical outlook fine tunes the secular view over a 1 year horizon.

Bottom up credit analysis

Every bond is internally rated by PIMCO's credit analysts on the following criteria:

- Cash flow - is this growing and predictable or are there limitations;
- Qualitative factors, in terms of industry leadership, management strength, prudent accounting and financial flexibility;
- Capital structure that will be able to withstand cyclical downturns, having strong asset support with sufficient Liquidity; and
- Industry dynamics that show good growth potential, the ability to access capital markets and having the capability of being defensive in times of a downturn.

Fund performance as at 31 August 2006

For the most recent information on the performance of PIMCO Australian Bond Fund, and more detailed information on the historical performance of the Fund, please call PIMCO on (02) 9279 1771. A free paper copy of the information is available on request. The Responsible Entity and Investment Manager do not guarantee the capital, any rate of return on income or capital or the investment performance of the Funds. Past performance is not indicative of future performance.

	3 Months	1 Year	3 Years pa¹	5 Years pa¹	Inception pa^{1,2}
Total Net Return ³ (After Fees)	0.98%	2.52%	5.10%	5.80%	6.28%
Index ⁴ Return	1.31%	3.28%	5.19%	5.47%	6.13%
Total Net Return vs. the Index ⁴	(0.33%)	(0.76%)	(0.09)%	0.33%	0.15%

Size of the Fund

At the 31 August 2006 the size of the Fund is approximately \$969 million.

1 Annualised returns calculated by EQT assuming reinvestment of income for the period ended 31 August 2006.

2 The inception date of PIMCO Australian Bond Fund was 31 July 1999.

3 Net returns calculated by EQT on a compound basis using the end of month redemption prices, after taking into account Fund fees and expenses and assumes reinvestment of income. No allowance is made for tax.

4 The Index used is the UBS Australian Composite Bond Index hedged in Australian dollars.

PIMCO DIVERSIFIED FIXED INTEREST FUND

For all investors under this PDS the units offered in this Fund will be institutional (Class A) units. The ARSN of this Fund is 093 519 558. The inception date of PIMCO Diversified Fixed Interest Fund was 31 May 1999.

Fund Description

The PIMCO Diversified Fixed Interest Fund invests in government, corporate, mortgage and other fixed interest securities. The Fund is designed for investors who wish to have a broadly diversified exposure to both domestic and international fixed interest markets. To measure the performance of this Fund, we use a customised benchmark comprised of:

- 50% Lehman Brothers Global Aggregate Bond Index (hedged into Australian dollars); and
- 50% UBS Australian Composite Bond Index,

within the duration range of 3 – 7 years.

While the Fund invests predominately in Investment Grade securities, the Fund may invest in non-investment grade fixed interest securities and debt of emerging securities markets.

Investment objective

The investment objective of the Fund is to achieve maximum total return by investing in Australian and overseas bonds, and to seek to preserve capital through prudent investment management.

Investment strategy

In pursuing this objective, PIMCO applies a wide range of diverse strategies including duration, credit analysis, relative value analysis, sector rotation and security selection. PIMCO emphasises active decision making with a long-term focus. It avoids extreme swings in duration or maturity with a view to creating a steady stream of returns. PIMCO concentrates on two sources of return:

- sector allocation and rotation; and
- 'bottom up' credit analysis of individual bonds and issuers.

Sector allocation and rotation

Historically the allocation between various sectors of the fixed interest market has been an important source of return in client portfolios. PIMCO's sector allocation is driven by their economic overview determined by the combination of their long term (secular) and shorter (cyclical) outlook.

The secular outlook focuses on economic fundamentals such as trends in productivity and interest rates over a 5 year period. The cyclical outlook fine tunes the secular view over a 1 year horizon.

Bottom up credit analysis

Every security is internally rated by PIMCO's credit analysts on the following criteria:

- Cash flow - is this growing and predictable or are there limitations;
- Qualitative factors, in terms of industry leadership, management strength, prudent accounting and financial flexibility;
- Capital structure that will be able to withstand cyclical downturns, having strong asset support with sufficient Liquidity; and
- Industry dynamics that show good growth potential, the ability to access capital markets and having the capability of being defensive in times of a downturn.

Fund Performance as at 31 August 2006

For the most recent information on the performance of PIMCO Diversified Fixed Interest Fund, and more detailed information on the historical performance of the Fund, please call PIMCO on (02) 9279 1771. A free paper copy of the information is available on request. The Responsible Entity and Investment Manager do not guarantee the capital, any rate of return on income or capital or the investment performance of the Funds. Past performance is not indicative of future performance.

	3 Months	1 Year	3 Years pa¹	5 Years pa¹	Inception pa^{1, 2}
Total Net Return ³ (After Fees)	1.61%	2.83%	6.24%	6.75%	6.81%
Index ⁴ Return	2.05%	3.23%	6.13%	6.50%	6.72%
Total Net Return vs. the Index ⁴	(0.43)%	(0.40)%	0.11%	0.24%	0.09%

Size of the Fund

At the 31 August 2006 the size of the Fund is approximately \$412 million.

¹ Annualised returns calculated by EQT assuming reinvestment of income for the period ending 31 August 2006.

² The inception date of PIMCO Diversified Fixed Interest Fund was 31 May 1999.

³ Net returns calculated by EQT on a compound basis using the end of month redemption prices, after taking into account Fund fees and expenses and assumes reinvestment of income. No allowance is made for tax.

⁴ The Index used is a benchmark comprised of 50% UBS Australian Composite Bond Index + 50% Lehman Brothers Global Aggregate Bond Index hedged in Australian dollars.

PIMCO GLOBAL BOND FUND

For all investors under this PDS the units offered in this Fund will be institutional (Class A) units. The ARSN of this Fund is 093 530 486. The inception date of PIMCO Global Bond Fund was 31 July 1998.

Fund description

The PIMCO Global Bond Fund invests in government, corporate, mortgage and other fixed interest securities. The Fund is designed for investors who wish to have a broadly diversified exposure to international fixed interest markets. To measure the performance of the Fund, we compare the Fund's performance against the Lehman Brothers Global Aggregate Bond Index hedged to the Australian dollar, within the duration range of 3 – 7 years. While the Fund invests predominately in investment grade securities, it may also invest in non-investment grade fixed interest securities and emerging market debt.

Investment objective

The investment objective of the Fund is to achieve maximum total return by investing in global fixed interest securities, and to seek to preserve capital through prudent investment management.

Investment strategy

In pursuing this objective, PIMCO applies a wide range of diverse strategies including duration, credit analysis, relative value analysis, sector rotation and security selection. PIMCO emphasises active decision making with a long-term focus. It avoids extreme swings in duration or maturity with a view to creating a steady stream of returns. PIMCO concentrates on two sources of return:

- sector allocation and rotation; and
- 'bottom up' credit analysis of individual bonds and issuers.

Sector allocation and rotation

Historically the allocation between various sectors of the bond market has been an important source of return in client portfolios. PIMCO's sector allocation is driven by their economic overview determined by the combination of their long term (secular) and shorter (cyclical) outlook. The secular outlook focuses on economic fundamentals such as trends in productivity and interest over a 5 year period. The cyclical outlook fine tunes the secular view over a 1 year horizon.

Bottom up credit analysis

Every security is internally rated by PIMCO's credit analysts on the following criteria:

- Cash flow - is this growing and predictable or are there limitations;
- Qualitative factors, in terms of industry leadership, management strength, prudent accounting and financial flexibility;
- Capital structure that will be able to withstand cyclical downturns, having strong asset support with sufficient Liquidity; and
- Industry dynamics that show good growth potential, the ability to access capital markets and having the capability of being defensive in times of a downturn.

PIMCO Fund Series

Fund Performance as at 31 August 2006

Due to the historical nature of this information and the volatility of returns, future returns may differ from past returns. Past performance is not a reliable indicator of future performance. For the most recent Fund performance, please call PIMCO on (02) 9279 1771. A free paper copy of the information is available on request. The Responsible Entity and Investment Manager do not guarantee the capital, any rate of return on income or capital or the investment performance of the Funds. Past performance is not indicative of future performance.

	3 Months	1 Year	3 Year pa ¹	5 Years pa ¹	Inception pa ^{1, 2}
Total Net Return ³ (After Fees)	2.24%	3.13%	7.50%	8.17%	7.51%
Index ⁴ Return	2.78%	3.17%	7.06%	7.54%	7.39%
Total Net Return vs. the Index ⁴	(0.54)%	(0.04)%	0.44%	0.62%	0.12%

Size of the Fund

At the 31 August 2006 the size of the Fund is approximately \$2,762 million.

1 Annualised returns calculated by EQT assuming reinvestment of income for period ended 31 August 2006.

2 The inception date of PIMCO Global Bond Fund was 31 July 1998.

3 Net returns calculated by EQT on a compound basis using the end of month redemption prices, after taking into account Fund fees and expenses and assumes reinvestment of income. No allowance is made for tax.

4 The Index used is the Lehman Brothers Global Aggregate Bond Index hedged into Australian dollars

PIMCO GLOBAL CREDIT FUND

For all investors under this PDS the units offered in this Fund will be institutional (Class A) units. The ARSN of this Fund is 093 519 352. The inception date of PIMCO Global Credit Fund was 30 November 2001.

Fund description

The PIMCO Global Credit Fund invests in a diversified portfolio of predominantly investment grade bonds including corporate, mortgage and asset-backed securities. The Fund is designed for investors who desire a well-diversified exposure to global non-treasury bond markets, greater long-term performance but with a greater appetite for volatility and risk.

To measure the performance of the Fund, we compare the Fund's performance with the Non-Treasury Component of the Lehman Brothers Global Aggregate Bond Index hedged in Australian dollars, within the duration range of 2 – 6 years. The Fund may invest a portion of its assets in below investment grade and emerging market securities rated at least B by Moody's or Standard & Poor's.

Investment objective

The investment objective of the Fund is to achieve maximum total return by investing in global non-Treasury fixed interest securities, and to seek to preserve capital through prudent investment management.

Investment strategy

In pursuing this objective, PIMCO applies a wide range of diverse strategies including duration, credit analysis, relative value analysis, sector rotation and security selection. PIMCO emphasises active decision making with a long-term focus. It avoids extreme swings in duration or maturity with a view to creating a steady stream of returns.

PIMCO concentrates on two sources of return:

- sector allocation and rotation; and
- 'bottom up' credit analysis of individual bonds and issuers.

Sector allocation and rotation

Historically the allocation between various sectors of the bond market has been an important source of return in client portfolios. PIMCO's sector allocation is driven by their economic overview determined by the combination of their long term (secular) and shorter (cyclical) outlook.

The secular outlook focuses on economic fundamentals such as trends in productivity and interest rates in Australia over a 5 year period. The cyclical outlook fine tunes the secular view over a 1 year horizon.

Bottom up credit analysis

Every security is internally rated by PIMCO's credit analysts on the following criteria:

- Cash flow - is this growing and predictable or are there limitations;
- Qualitative factors, in terms of industry leadership, management strength, prudent accounting and financial flexibility;
- Capital structure that will be able to withstand cyclical downturns, having strong asset support with sufficient Liquidity; and
- Industry dynamics that show good growth potential, the ability to access capital markets and having the capability of being defensive in times of a downturn.

PIMCO Fund Series

Fund performance as at 31 August 2006

Due to the historical nature of this information and the volatility of returns, future returns may differ from past returns. Past performance is not a reliable indicator of future performance. For the most recent Fund performance, please call PIMCO on (02) 9279 1771. A free paper copy of the information is available on request. The Responsible Entity and Investment Manager do not guarantee the capital, any rate of return on income or capital or the investment performance of the Funds. Past performance is not indicative of future performance.

	3 Months	1 Year	2 pa ¹	Years	3 Years pa ¹	Inception pa ^{1,2}
Total Net Return ³ (After Fees)	2.93%	3.25%	6.18%		7.27%	7.31%
Index ⁴ Return	2.86%	3.08%	5.80%		7.07%	7.46%
Total Net Return vs. the Index ⁴	0.07%	0.17%	0.38%		0.19%	(0.15%)

Size of the Fund

At the 31 August 2006 the size of the Fund is approximately \$1,302 million.

¹ Annualised returns calculated by EQT assuming reinvestment of income for the period ended 31 August 2006.

² The inception date of PIMCO Global Credit Fund was 30 November 2001.

³ Net returns calculated by EQT on a compound basis using the end of month redemption prices, after taking into account Fund fees and expenses and assumes reinvestment of income. No allowance is made for tax.

⁴ The Index used is the Non-Treasury Component of the Lehman Brothers Global Aggregate Bond Index hedged in Australian dollars.

PIMCO EXTENDED MARKETS FUND

For all investors under this PDS the units offered in this Fund will be institutional (Class A) units. The ARSN of this Fund is 100 167 511. The inception date of PIMCO Extended Markets Fund was 1 November 2003.

Fund description

The PIMCO Extended Markets Fund invests in global corporate credit and emerging market sovereign debt, both of which may be investment grade or high yield. The Fund offers the potential benefits of credit investing with a global emphasis, and invests predominately in High Yield Corporate Bonds and Emerging Market Debt. To measure the performance of the PIMCO Extended Markets Fund, we use a customised benchmark comprised of:

- 45% Merrill Lynch US High Yield BB-B Rated Bond Index (hedged in Australian dollars) (0+yr) Maturity; and
- 55% JP Morgan Emerging Markets Global Bond Index (hedged in Australian dollars).

within the duration range of 3 – 7 years.

Investment objective

To achieve maximum total return by investing in a mixture of emerging markets, sovereign debt, global high yield and investment grade corporate debt, and to seek to preserve capital through prudent investment management.

Investment strategy

In pursuing this objective, PIMCO applies a wide range of diverse strategies including duration, credit analysis, relative value analysis, sector rotation and security selection. PIMCO emphasises active decision making with a long-term focus. It avoids extreme swings in duration or maturity with a view to creating a steady stream of returns.

Top down macroeconomic analysis of the U.S. and other major world economies helps the PIMCO analysts focus on industries that will perform well in the economic environment forecasted. The Investment Manager seeks to identify industries undergoing structural or competitive changes that will enhance profits or cash flows.

PIMCO concentrates on two sources of return:

- sector allocation and rotation; and
- 'bottom up' credit analysis of individual bonds and issuers.

Sector allocation and rotation

The Emerging Markets portion of the strategy invests in bonds issued by governments, agencies and corporates in 'Emerging Countries' as defined by the World Bank. The High Yield portion invests primarily in the bonds that are colloquially referred to as 'junk bonds'. These bonds are generally rated below Investment Grade. Historically the allocation between various sectors of the bond market has been an important source of return in client portfolios. PIMCO's sector allocation is driven by their economic overview determined by the combination of their long term (secular) and shorter (cyclical) outlook.

The secular outlook focuses on economic fundamentals such as trends in productivity and interest rates over a 5 year period. The cyclical outlook fine tunes the secular view over a 1 year horizon. Taking a top-down approach, the portfolio management team varies the sector allocation to reflect PIMCO's secular views on global trends and to take advantage of relative value opportunities resulting from short-term changes in economic or market conditions. PIMCO controls risk within the Extended Markets Fund by ensuring that exposures to different countries, industries and issuers are maintained at appropriate levels, commensurate with the Fund's income potential.

Bottom up credit analysis

Every security is internally rated by PIMCO's credit analysts on the following criteria:

- Cash flow – is this growing and predictable or are there limitations;
- Qualitative factors, in terms of industry leadership, management strength, prudent accounting and financial flexibility;
- Capital Structure that will be able to withstand cyclical downturns, having strong asset support with sufficient Liquidity; and
- Industry dynamics that show good growth potential, the ability to access capital markets and having the capability of being defensive in times of a downturn.

Fund Performance as at 31 August 2006

Due to the historical nature of this information and the volatility of returns, future returns may differ from past returns. Past performance is not a reliable indicator of future performance. For the most recent Fund performance, please call PIMCO on (02) 9279 1771. A free paper copy of the information is available on request. The Responsible Entity and Investment Manager do not guarantee the capital, any rate of return on income or capital or the investment performance of the Funds. Past performance is not indicative of future performance.

	3 Months	1 Year	2 Years pa¹	Inception pa^{1,2}
Total Net Return ³ (After Fees)	4.21%	6.64%	10.60%	10.90%
Index ⁴ Return	4.57%	8.38%	11.49%	12.42%
Total Net Return vs. the Index ⁴	(0.36%)	(1.74%)	(0.89%)	(1.52%)

Size of the Fund

At the 31 August 2006 the size of the Fund is approximately \$814 million.

1 Annualised returns calculated by EQT assuming reinvestment of income for period ending 31 August 2006.

2 The inception date of PIMCO Extended Markets Fund was 1 November 2003.

3 Net returns calculated by EQT on a compound basis using the end of month redemption prices, after taking into account Fund fees and expenses and assumes reinvestment of income. No allowance is made for tax.

4 The Index used is a benchmark comprised of 55% JP Morgan Emerging Markets Global Bond Index hedged in Australian dollars + 45% Merrill Lynch US High Yield BB-B Rated Bond Index, hedged in A\$ (0+yr) Maturity.

PIMCO GLOBAL REALRETURN FUND

For all investors under this PDS the units offered in this Fund will be institutional (Class A) units. The ARSN of this Fund is 105 379 413. The inception date of PIMCO Global RealReturn Fund was 16 December 2003.

Fund description

The PIMCO Global RealReturn Fund predominantly invests in inflation-linked bonds, issued by governments, their agencies or instrumentalities and corporates. The Fund is designed to protect against a rise in inflation. To measure the performance of the Fund, we compare the Fund's performance with the Barclays Capital Global Inflation-Linked Bond Index hedged in Australian dollars, within the duration range of plus or minus 2 years versus the benchmark.

Investment objective

To achieve a return in excess of the Barclays Capital Global Inflation-Linked Bond Index hedged in Australian dollars over rolling three year period.

Investment strategy

PIMCO applies a wide range of diverse strategies including duration, credit analysis, relative value analysis, sector rotation and security selection with an emphasis on active decision making with a long-term focus. The Global RealReturn Fund seeks to add value above the benchmark returns, but control return volatility relative to the benchmark more closely than that targeted under full authority assignments. PIMCO believes that an active approach works in managing real return bond portfolios, just as Active Management can add value in other sectors of the bond market. The PIMCO Global RealReturn Fund intends to maintain relatively high exposures (above 80%) to real return bonds, a high average credit quality (AA or higher), and limited duration differentials between real return accounts and their benchmarks.

Fund Performance as at 31 August 2006

Due to the historical nature of this information and the volatility of returns, future returns may differ from past returns. Past performance is not a reliable indicator of future performance. For the most recent Fund performance, please call PIMCO on (02) 9279 1771. A free paper copy of the information is available on request. The Responsible Entity and Investment Manager do not guarantee the capital, any rate of return on income or capital or the investment performance of the Funds. Past performance is not indicative of future performance.

	3 Months	1 Year	2 Years pa ¹	Inception pa ^{1,2}
Total Net Return ³ (After Fees)	3.62%	3.15%	7.39%	8.11%
Index ⁴ Return	3.86%	4.01%	7.46%	8.58%
Total Net Return vs. the Index ⁴	(0.24)%	(0.86)%	(0.07)%	(0.47)%

Size of the Fund

At the 31 August 2006 the size of the Fund is approximately \$961 million.

1 Annualised returns calculated by EQT assuming reinvestment of income for period ended 31 August 2006.

2 The inception date of PIMCO Global RealReturn Fund was 16 December 2003.

3 Net returns calculated by EQT on a compound basis using the end of month redemption prices, after taking into account Fund fees and expenses and assumes reinvestment of income. No allowance is made for tax.

4 The Index used is the Barclays Capital Global Inflation-Linked Bond Index hedged in Australian dollars.

PIMCO GLOBAL COMMODITYREALRETURN FUND

For all investors under this PDS the units offered in this Fund will be institutional (Class A) units. The ARSN of this Fund is 112 795 678. The inception date for PIMCO Global CommodityRealReturn Fund was 16 October 2005.

Fund description

The PIMCO Global CommodityRealReturn Fund predominantly invests in commodity-linked derivative instruments and inflation-linked bonds. Compared to other asset classes, commodities are most highly correlated with inflation but have the lowest correlation to the return of stocks and bonds. Thus the Fund offers both a hedge against inflation and a tool for diversification.

To measure performance, we compare the Fund's returns with the Dow Jones – AIG Commodity Total Return Index hedged in Australian dollars.

Dow Jones – AIG Target Commodity Index Weights for 2006	
Energy	25%
Livestock	9%
Grains	20%
Industrial Metals	26%
Precious Metals	9%
Softs	8%
Vegetable Oil	3%
TOTAL	100%

Investment objective

To achieve a return in excess of the Dow Jones AIG Commodity Total Return Index hedged in Australian dollars over a rolling three year period.

Investment strategy

The Fund seeks to achieve its investment objective by investing under normal circumstances in commodity-linked derivative instruments backed by a portfolio of inflation-indexed securities and other fixed income instruments. Commodity-linked derivatives provide exposure to the investment returns of the commodity markets, without investing directly in the physical assets. Commodities are assets that have tangible properties, such as oil, metals, and agricultural products. Overall market movements and other factors affecting the value of a particular industry or commodity, for example, weather, disease, embargoes, or political and regulatory developments, may affect the value of commodity-linked derivative instruments.

The average portfolio duration of the fixed income portion of the Fund will vary based on PIMCO's forecast of interest rates and under normal conditions it is not expected to exceed ten years. The Fund may invest up to 20% of its total assets in high yield securities rated B or higher by Moody's or S&P, or, if unrated, determined by PIMCO to be of comparable quality. Additionally, at least 90% of all non-Australian dollar currency exposures must be hedged back into Australian dollars at all times.

Fund Performance as at 31 August 2006

Due to the historical nature of this information and the volatility of returns, future returns may differ from past returns. Past performance is not a reliable indicator of future performance. For the most recent Fund performance, please call PIMCO on (02) 9279 1771. A free paper copy of the information is available on request. The Responsible Entity and Investment Manager do not guarantee the capital, any rate of return on income or capital or the investment performance of the Funds. Past performance is not indicative of future performance.

	3 Months¹	6 months¹	Inception¹
Total Net Return ² (After Fees)	(0.86)%	5.02%	(3.99)%
Index ³ Return	(1.96)%	8.15%	2.22%
Total Net Return vs. the Index ⁴	1.12%	(3.13%)	(6.21%)

Size of the Fund

At the 31 August 2006 the size of the Fund is approximately \$15 million.

1 The inception date of PIMCO Global CommodityRealReturn Fund was 16 October 2005. The returns have not been annualised.

2 Net returns calculated by EQT on a compound basis using the end of month redemption prices, after taking into account Fund fees and expenses and assumes reinvestment of income. No allowance is made for tax.

3 The Index used is the Dow Jones AIG Commodity Total Return Index hedged into AUD dollars.

PIMCO STABLE INCOME FUND

For all investors under this PDS the units offered in this Fund will be institutional (Class A) units. The ARSN of this Fund is 110 855 055. The inception date for The PIMCO Stable Income Fund is 24 August 2005.

Fund description

The PIMCO Stable Income Fund is designed to maximise current income, while preserving capital and providing daily Liquidity. To meet these goals, the Fund employs traditionally money market strategies investing in short-term, high-quality, fixed-income securities with minimal volatility and credit risk. These securities include, but are not limited to, commercial paper, banker's acceptances, certificates of deposit, short-term corporate debt, and variable and floating rate debt securities. The Stable Income Fund can also be attractive in a rising interest-rate environment because the added yield may more than offset the bond price depreciation associated with rising rates. Several factors make PIMCO's Stable Income Fund unique. These include:

- including the support of experienced investment professionals;
- our long-term perspective; and
- our willingness to utilise most sectors of the global bond markets to add value.

The Fund can be an effective investment vehicle for:

- Permanent cash investments;
- Duration matching to a particular investment horizon; and
- Low risk 'anchor' to a core bond portfolio.

Investment objective

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

Investment strategy

The Stable Income Strategy seeks to capture excess returns by exploiting four structural inefficiencies found in the short-end of the bond yield curve:

- A **term premium** may accrue to investors for holding securities with slightly longer maturities than those of money market instruments. Modestly increasing the duration of a cash portfolio beyond the typical three-month duration of traditional money market vehicles can improve portfolio performance without materially increasing the likelihood of negative returns.
- A **Liquidity premium** may offer incremental yield for holding bonds with wider bid/ask spreads. Securities that are less readily bought and sold in a secondary market, such as floating rate securities, adjustable rate mortgages and callable corporate securities, pay investors a yield premium in exchange for accepting reduced Liquidity. Because these securities are short in duration and constitute only a portion of the portfolio, they can be held to maturity with little added risk.
- A **credit premium** may be obtained by diversifying holdings to include a variety of high quality securities with somewhat lower credit quality. Blending carefully selected bonds with ratings below AA into the portfolio allows the strategy the potential to increase yield and improve diversification.
- A **Volatility premium** may be available to investors who can tolerate increased principal fluctuations. Many investors pay an excess premium for price stability; this is supported by the fact that implied short-term market volatility generally is higher than actual realised volatility. PIMCO strategies take advantage of this market inefficiency by 'selling volatility,' either through securities with embedded options, or outright, through derivatives.

Fund Performance as at 31 August 2006

Due to the historical nature of this information and the volatility of returns, future returns may differ from past returns. Past performance is not a reliable indicator of future performance. For the most recent Fund performance, please call PIMCO on (02) 9279 1771. A free paper copy of the information is available on request. The Responsible Entity and Investment Manager do not guarantee the capital, any rate of return on income or capital or the investment performance of the Funds. Past performance is not indicative of future performance.

	3 Month	1 Year	Inception pa^{1,2}
Total Net Return ³ (After Fees)	0.89%	4.90%	4.60%
Index ⁴ Return	1.49%	5.80%	5.46%
Total Net Return vs. the Index ⁴	(0.59)%	(0.90)%	(0.86)%

Size of the Fund

At the 31 August 2006 the size of the Fund is approximately \$51 million.

1 Annualised returns calculated by EQT assuming reinvestment of income for period ended 31 August 2006.

2 The inception date of PIMCO Stable Income Fund was 24 August 2005.

3 Net returns calculated by EQT on a compound basis using the end of month redemption prices, after taking into account Fund fees and expenses and assumes reinvestment of income. No allowance is made for tax.

4 The Index used is the 100% UBS Australian Bank Bill Index.

MANAGING RISK

Investment in the Fund carries risks, including possible delays in the payment of withdrawal proceeds, loss of income and capital and volatility of returns. Volatility refers to the degree to which returns may fluctuate around their longer-term average. Each asset class, whether it is cash, fixed interest, property, Australian or international shares, has associated investment risks and the return achieved by each will vary accordingly. The main risk factors which may affect the returns of the Fund include:

Interest rate risk

This relates to the possibility of a reduction in the value of a security, especially a bond, resulting from a rise in interest rates. This risk can be reduced by diversifying the durations of the fixed-income investments that are held at a given time.

Market risk

Changes in 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.

Issuer specific risk

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

Fund risk

Risks particular to the Fund include that it could terminate, the fees and expenses could change, the Investment Manager could be replaced and the investment professionals could change. There is also a risk that investing in the Fund may give different results than investing directly because of income or capital gains accrued in the Fund and the consequences of investment and withdrawal by other investors. We aim to keep fund risk to a minimum by monitoring the Fund and acting in your best interests.

Security selection risk

The Investment Manager may make investment decisions that result in low returns. This risk is mitigated to some extent by the knowledge and experience of the Investment Manager.

Liquidity risk

There may be time when securities may not be readily sold. However, trading volumes of securities are generally sufficient to satisfy liquidity requirements when necessary. Note that neither the Responsible Entity nor the Investment Manager guarantee the liquidity of the Fund's investments.

Currency risk

The Fund may invest in other countries, and if their currencies change in value relative to the Australian dollar, the value of the investment can change. The Fund aims to be hedged into Australian dollars with the goal of reducing the impact of adverse movements in overseas currencies. If the Investment Manager considers that the currency of the country in which the Fund is invested is presently overvalued compared to another country that is considered to be undervalued, such a position would be reflected as a reduction in exposure to the first currency and an equivalent increase in exposure to the other. Currency positions are historically limited to a maximum of 2% to 3% of the market value of a portfolio. As such, returns are unlikely to be materially affected by global currency movements.

Derivatives

In the case of derivatives, fluctuations in price will reflect movements in the underlying assets, reference rate or index to which the derivatives relate. The use of derivative positions to hedge the risk of physical securities will involve "basis risk", which refers to the possibility that derivative positions may not move perfectly in line with the physical security. As a consequence, the derivative positions cannot be expected to perfectly hedge the risk of the physical security. In addition, derivatives can lose value because of a sudden price move, or because of the passage of time.

The major risks associated with investing in bonds are:

- Interest rate risk - the chance that interest rates will rise and new issues will be made at higher rates and depress the prices of bonds that were issued when rates were lower. The longer the average maturity of the bonds in a fund, the greater the interest rate risk.
- Credit/default risk - the possibility that a bond issuer will fail to repay interest and principal in a timely manner.
- Inflation risk - the possibility that returns won't outpace inflation by a far enough margin to meet an investor's financial goals.
- Market risk - the possibility that a bond's prices will decline over short or extended periods.

INVESTING AND WITHDRAWING

Custodian and Administrator

EQT has appointed State Street Australia Limited ('SSAL') (ABN 21 002 965 200 AFSL 241419) (the Custodian) to act as custodian of the assets of the Funds. The Custodian has been appointed to hold the assets of the Funds worldwide. SSAL will also act as the Funds' administrator.

Reporting to unit holders

Regular, simple to read and complete reports are provided to unit holders of the Funds. These reports comprise:

- **Annual Report to Unit holders**, including financial statements and Auditor's Report (unit holders may elect not to receive this report)
- **Transaction Reports** issued monthly confirming all additional investments, withdrawals, or distributions made within the month, payments and fees
- **Distribution Reports** issued annually notifying unit holders of the value of their investment, income from investments and confirming requirements for reinvestment or payment to their nominated account.
- **Portfolio Holdings** will be available, upon request, 15 calendar days after the end of each month.

As disclosing entities, PIMCO Global CommodityRealReturn Fund, PIMCO Global Credit Fund, PIMCO Global Bond Fund and PIMCO Australian Bond Fund have regular reporting and disclosure obligations under the Corporations Act 2001 (Cwlth) ('Corporations Act'). Copies of any documents which we have lodged with ASIC to comply with these requirements may be obtained or can be inspected at an ASIC office. On request, we will provide unit holders free of charge with copies of the most recent annual financial report for the Funds, the half yearly financial report and any continuous disclosure notices lodged with ASIC.

At the date of this PDS, the PIMCO Stable Income Fund, PIMCO Extended Markets Fund, PIMCO Diversified Fixed Interest Fund and PIMCO Global Real Return Fund are not disclosing entities. If any of these Funds become a disclosing entity the information set out above in relation to PIMCO Global CommodityRealReturn Fund PIMCO Global Credit Fund PIMCO Global Bond Fund and PIMCO Australian Bond Fund will also apply to the PIMCO Stable Income Fund, PIMCO Extended Markets Fund, PIMCO Diversified Fixed Interest Fund and PIMCO Global Real Return Fund.

Each Fund will report on their respective portfolio holdings on a month-end basis. The information will be made available no earlier than the first Business Day falling 15 days after the end of the month and will remain accessible until the posting of the following month's schedule. The portfolio holdings will be available free of charge by contacting the Responsible Entity. Investors can call (02) 9279 1771 for updated information on performance, unit prices, fund size and other general information about the Funds.

Income distributions

An income distribution comprises the investor's share (based on the number of units held at the end of the distribution period) of any net income (includes taxable capital gains) earned by the Fund. An investor's share of any net income is generally based on the number of units held by the investor at the end of the distribution period. Generally, the income entitlements of unitholders are determined quarterly (March, June, September and December) and distributions are normally paid by the 15th day of the following month, although the distribution at the end of a financial year may take longer. While EQT proposes to calculate and pay income distributions quarterly, the Constitution of each Fund allows for a distribution period of up to 12 months.

If you are an investor in a Fund, you can:

- have your distribution reinvested back into the relevant Fund;
- have your distribution directly credited to your nominated bank account; or

If you do not make a direction, your distribution will be reinvested.

The Constitution for each Fund provides for money payable to an investor to be reinvested where the Responsible Entity attempts to pay the money by electronic transfer and the electronic transfer fails on 3 occasions.

Valuation of funds and application price of units

The value of the investments of a Fund is generally determined every Business Day in accordance with the Fund's Constitution. The value of a unit of a Fund reflects the value of the investments of the Fund (less liabilities) and is determined in accordance with the Fund's Constitution. The application price of a unit in a Fund is based on the value of a unit in the Fund plus an allowance for transaction costs associated with buying the investments of the Fund. For the duration of this PDS, the transaction costs will be nil.

Making an application

To invest, please complete the application form accompanying this PDS and make your payment by one of three methods set out in the application form. Application Forms should be either sent directly to:

State Street Australia Limited
Unit Registry
Level 7, State Street Centre
338 Pitt Street
Sydney NSW 2000
or by fax to (02) 9323 6411 or (02) 9323 6420

Applications can be made between 9.00am and 5.00pm on any Business Day. However, for unit pricing purposes and income accrual purposes any application received after 2.00pm Sydney time will generally be treated as having been received the following Business Day. EQT reserves the right to refuse any application without giving a reason. If for any reason EQT refuses or is unable to process an application to invest in the Funds, EQT will return the application money to the applicant, who will not be entitled to any interest on their application money in this circumstance.

Additional investments

Investors can add to their investment by completing an application form taken from a current PDS. The minimum additional investment is \$50,000 for each Fund.

Access to funds

The Responsible Entity will generally allow unit holders of a Fund to access their investment within 7 Business Days of receipt of a withdrawal request for the relevant amount. However, the Constitution of the PIMCO Global Credit and PIMCO Global RealReturn Fund allows the Responsible Entity to make payment up to 6 months after receipt of a withdrawal request and the Constitution of the PIMCO Global CommodityRealReturn, and PIMCO Stable Income Fund allows the Responsible Entity to make payment up to 30 days after receipt of a redemption request. In the case of the PIMCO Global RealReturn Fund, PIMCO Global CommodityRealReturn Fund and PIMCO Stable Income Fund only this period may be extended by a further 30 days if this is in the best interest of unit holders. For all Funds, the time for satisfying a redemption request may be extended in certain circumstances for as long as those circumstances apply. The Responsible Entity reserves the right to increase/reduce the redemption periods for the Funds subject to the above extensions of time.

Where a Fund is not liquid (as defined in the Corporations Act) a unit holder does not have a right to withdraw from the Fund and can only withdraw where the Responsible Entity makes a withdrawal offer to unit holders in accordance with the Corporations Act. The Responsible Entity is not obliged to make such offers. A Fund will be liquid if at least 80% of its assets are liquid assets. Broadly, liquid assets are money in an account or on deposit with a financial institution, bank accepted bills, marketable securities, other prescribed property and other assets that the Responsible Entity reasonably expects can be realised for their market value within the period specified in the Constitution for satisfying redemption requests while the Fund is liquid.

Withdrawals and withdrawal price

Investors of the Fund can withdraw their investment by written advice to:

State Street Australia Limited
Unit Registry
Level 7, State Street Centre
338 Pitt Street
Sydney NSW 2000
or by fax to (02) 9323 6411 or (02) 9323 6420

The withdrawal price of a unit in a Fund is based on the value of a unit less an allowance for transaction costs associated with selling the investments of a Fund. For the duration of this PDS, transaction costs will be nil. Refer to section 'Valuation of Funds and Application Price of Units'.

All withdrawal requests should be received by 2.00pm Sydney time for processing that day. Any withdrawal request received after that time will generally be treated as having been received the following Business Day.

In respect of all the Funds EQT has the right to fully redeem a unit holder's investment in those Funds after giving unit holders notice, where their holding falls below the minimum balance amount, which until further notice is \$100,000 for each Fund.

Terms and Conditions for withdrawals

EQT will refuse to comply with any request if the requesting party does not satisfactorily identify themselves as the investor. Withdrawals will only be made payable to the investor. By lodging a fax withdrawal request the investor releases, discharges and agrees to indemnify EQT from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from any facsimile withdrawal request.

The investor also agrees that any payment made in accordance with the fax withdrawal request shall be a complete satisfaction of the obligations of EQT, notwithstanding any fact or circumstance including that the payment was made without the investor's knowledge or authority. The investor agrees that if the payment is made in accordance with fax withdrawal request, the investor and any person claiming through or under them shall have no claim against EQT in relation to the payment.

Investor's liability

The Constitution of each Fund provides that unless there is a separate agreement with an investor, no investor can be called on to contribute to the assets of the Fund or to its creditors if the Fund is liquidated or becomes insolvent. Therefore it is expected that investors will not be under any obligation if a deficiency in the assets of the Fund was to occur. However, this view has not been fully tested and so it is not possible to give an absolute assurance that an investor's liability will be limited in all circumstances.

In general, the liability of an investor is limited to the amount (if any) which remains unpaid in relation to their subscription for units in a Fund and any tax owed to the Responsible Entity.

Non-listing of units

The units of the Funds are not listed on any Stock Exchange and no application will be made to list the units of the Funds on any Stock Exchange.

Termination of funds

The Responsible Entity may resolve at any time to terminate and liquidate a Fund (if it provides investors with notice) in accordance with the Constitution of the Fund and the Corporations Act. Upon termination and after conversion of the assets of the Fund into cash and payment of, or provision for, all costs, expenses and liabilities (actual and anticipated), the net proceeds will be distributed pro-rata among all investors according to the number of units they hold in the Fund.

ENQUIRIES AND COMPLAINTS

Investor satisfaction

If you are not completely satisfied with any aspect of our services regarding the management of a Fund, please contact us.

Customer Service
Equity Trustees Limited
GPO Box 2307V
Melbourne Vic 3001
Telephone 1300 555 378
Fax: (03) 8623 5395
Email: equity@eqt.com.au
Website: www.eqt.com.au

EQT seeks to resolve potential and actual complaints over the management of the Fund to the satisfaction of investors. If an investor wishes to discuss any aspect of the management of a Fund or wishes to lodge a formal complaint please write to:

Compliance Department
Equity Trustees Limited
GPO Box 2307V
Melbourne Vic 3001

Email: compliance@eqt.com.au

EQT will seek to resolve any complaint and will respond within 14 days of receiving the letter. If we are unable to resolve your complaint, you may be able to seek assistance from the:

Financial Industry Complaints Service Limited (FICS)
PO Box 579
Collins Street West
Melbourne Vic 8007
Telephone: 1300 78 08 08
Fax: (03) 9621 2291
Email: fics@fics.asn.au

Please include the EQT FICS membership number with your enquiry: C-467.

CONSTITUTIONS OF THE PIMCO FUNDS

EQT's responsibilities and obligations, as the responsible entity of the Funds are governed by the Constitution of each Fund as well as the Corporations Act and general trust law.

The Constitution of each Fund contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both EQT as the responsible entity of the Funds and unit holders. Some of the provisions of the Constitution of each Fund are discussed elsewhere in this PDS. Others relate to your rights as a unit holder including:

- your right to share in any Fund income, and how we calculate it;
- how we must calculate unit prices and what you are entitled to receive when you withdraw or if the Fund is wound up;
- your right to withdraw from a Fund - subject to the times when we can delay processing withdrawals - such as if a Fund becomes 'illiquid' or if circumstances beyond our control exist;
- the nature of the units - identical rights attach to all units;
- your rights to attend and vote at meetings - are mainly contained in the Corporations Act.

There are also provisions governing our powers and duties, including:

- how we calculate unit prices, the maximum amount of fees we can charge and expenses we can recover;
- when we can amend the Constitution - generally we can only amend the Constitution where we reasonably believe that the changes will not adversely affect your rights as a unit holder. Otherwise the Constitution can only be amended if approved at a meeting of unit holders;
- when we can retire as the responsible entity of the Funds - which is as permitted by law;
- when we can be removed as the responsible entity of the Funds - which is as required by law; and
- our broad powers to invest, borrow and generally manage the Funds - we do not currently intend to borrow funds to acquire assets for the Funds, although this is permitted under the Constitutions of the Funds.

The Constitution of each Fund also deal with our liabilities in relation to the Funds and when they can be reimbursed to us out of the Fund's assets, for example:

- subject to the Corporations Act, we are not liable for acting in reliance and good faith on professional advice;
- subject to the Corporations Act, we are not liable for any loss unless we fail to act in good faith or we act negligently; and
- we can be reimbursed for all expenses we incur in connection with the proper performance of our duties in respect of the Funds.

As mentioned above, EQT's responsibilities and obligations as the responsible entity of each Fund are governed by the Constitution for each of the Funds as well as the Corporations Act and general trust law, which also provide that we:

- act in the best interests of unit holders, and if there is a conflict between unit holders' interests and our own, give priority to unit holders;
- ensure the property of a Fund is clearly identified, held separately from other funds and our assets, and is valued regularly;

PIMCO Fund Series

- ensure payments from a property of a Fund are made in accordance with the Constitution and the Corporations Act; and
- report to ASIC breaches of the Corporations Act in relation to a Fund which has had, or is likely to have, a materially adverse effect on unit holders' interests.

EQT will be primarily liable for anything done by it and its agents in connection with the Funds. As noted above, subject to the Corporations Act, we are generally not liable for any loss unless we or our agents act negligently or fail to act in good faith. A copy of the Constitution of each Fund is available, free of charge, on request from EQT.

COMPLIANCE PLAN

EQT has prepared and lodged a compliance plan for each Fund with ASIC. Each plan describes the procedures used by EQT to comply with the Corporations Act and the Constitution of the Fund. Each year the plans for each Fund are audited and the audit report is lodged with ASIC.

INDEMNITY

EQT, as the responsible entity of each Fund is indemnified out of the relevant Fund against all liabilities incurred by it in performing or exercising any of its powers or duties in relation to the relevant Fund. To the extent permitted by the Corporations Act, this indemnity includes any liability incurred as a result of any act or omission of a delegate or agent appointed by the Responsible Entity.

EQT may retain and pay out any monies in its hands all sums necessary to affect such an indemnity.

FEES AND OTHER COSTS

Below is a Consumer Advisory Warning which is required by law to be displayed at the beginning of the 'Fees and other costs' section of this PDS. The fee example given in the Consumer Advisory Warning does not relate to any investments described within this PDS, and is a standard example defined by the law.

Detailed information about the fees and other costs related to the Funds described in this PDS are provided in the section following the Consumer Advisory Warning.

Consumer Advisory Warning

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 fund 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 contribution fees and management costs where applicable. Ask the Fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.fido.asic.gov.au) has a managed investment fee calculator to help you check out different fee options.

Fees and other costs

This table 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 relevant Fund's assets as a whole.

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
Fees when your money moves in or out of a Fund¹		
<i>Establishment fee:</i> This is the fee to open your investment	Nil.	There is no establishment fee payable when you set up your investment in the Fund.
<i>Contribution fee:</i> ¹ This is the fee each amount contributed to your investment	Nil.	There is no contribution fee payable when you invest in the Fund.
<i>Withdrawal fee:</i> ¹ This is the fee for each amount you take out of your investment	Nil.	There is no withdrawal fee payable when you redeem investments from the Fund.
<i>Termination fee:</i> This is the fee to close your investment.	Nil.	There is no termination fee payable when you withdraw from the Fund.

¹ See 'Can the fees change?' under 'Additional information about fees and costs'.

Management Costs²		
The fees and costs for managing your investments		
The amount you pay for each Fund is shown in the table below		
Responsible entity fees ³	0.14% to 0.53% pa	The responsible entity fees (including Responsible Entity and Investment Manager fees) are calculated and accrued daily based on the NAV of the Fund. The accrued fees are paid in arrears by deduction from the Fund assets at the end of each month. The responsible entity fees reduce the NAV of the Fund and are reflected in the unit price.
Estimated expense recoveries	0.07% pa	The estimated expense recoveries (including custodian fees, administration, and other expenses) are calculated and accrued daily based on the NAV of the Funds. The accrued expenses are paid in arrears from each Fund at the end of each month. The recovery of expenses reduces the NAV of each Fund and is reflected in the unit price.
Service fees		
<i>Investment switching fee</i> - The fee for changing between Funds in this PDS	Nil	Not applicable.

Management Costs for each Fund

Fund (Class A units)	Responsible Entity Fee	Estimated Expense Recoveries	Management Costs+	Worked example based on a constant investment of \$500,000*
PIMCO Australian Bond Fund	0.37%	0.07%	0.44%	\$2,200
PIMCO Diversified Fixed Interest Fund	0.37%	0.07%	0.44%	\$2,200
PIMCO Global Bond Fund	0.37%	0.07%	0.44%	\$2,200
PIMCO Global Credit Fund	0.39%	0.07%	0.46%	\$2,300
PIMCO Extended Markets Fund	0.49%	0.07%	0.56%	\$2,800
PIMCO Global RealReturn Fund	0.39%	0.07%	0.46%	\$2,300
PIMCO Global CommodityRealReturn Fund	0.53%	0.07%	0.60%	\$3,000
PIMCO Stable Income Fund	0.14%	0.07%	0.21%	\$1,050

+ Management Costs in this table includes responsible entity fees and the expense recoveries, and are inclusive of GST and an estimate of RITC.

* Assumes a constant investment balance of \$500,000 throughout the year.

NOTE: that past fees and charges should not be taken as an indication of future fees and charges.

² Management costs in this table include responsible entity fees and estimated expense recoveries.

³ The amount of this fee can be negotiated. See 'Differential fee arrangements' under the heading 'Additional explanation of fees and costs' section.

Additional explanation of fees and costs

Expense recoveries

We are entitled to be reimbursed for certain expenses incurred in managing the Funds. These expenses are called 'out of pocket' expenses. They may include expenses properly incurred in the administration, custody, management, compliance and promotion of the Funds. There are other expenses that include tax and operating costs, such as audit legal and tax consulting fees, which are also recoverable out of the assets of the Funds. The Management Costs contains a component of the estimated expenses to be recovered from the Funds. We have, however, the right to recover all proper and reasonable expenses from the Funds and as such these figures may increase or decrease accordingly.

Performance fees

The Responsible Entity and Investment Manager do not charge performance fees for the Funds.

Differential fee arrangements

The Responsible Entity may from time to time negotiate a different fee arrangement (by way of commission or the rebate of responsible entity fees) with certain investors who come within the definition of 'wholesale clients' under section 761G of the Corporations Act. For example, we may rebate some of the responsible entity fee to some IDPS Operators because they offer the Fund on their investment menu. The contact details of the Responsible Entity are set out in the 'Directory' section. There is no particular manner of negotiation.

The Investment Manager may from time to time directly negotiate different fee arrangements (by way of rebates of responsible entity fees) with certain investors who come within the definition of Wholesale Clients. Any such Rebates will be paid out of the Investment Manager's own funds and are not an additional cost to the Funds.

Fees to Investment Manager

PIMCO will receive fees (as a proportion of NAV for its investment management services described in this PDS which will be paid out of the responsible entity fees (see for the section 'Fees and other costs')). All fees paid to the Investment Manager will be paid by the Responsible Entity out of its responsible entity fees as specified in this PDS. Brokerage expenses will be paid for out of the assets of the relevant Fund.

Transaction and other costs

All Government taxes such as stamp duty and GST will be deducted from each Fund as appropriate. Relevant tax information is provided in the 'Taxation' section. RITCs will also be claimed by the Fund where appropriate to reduce the cost of GST to each Fund and investors. Each Fund may incur transaction costs. These transaction costs include brokerage, settlement costs (including custody costs), clearing costs and stamp duty. Transaction costs include costs incurred by each Fund when investors invest in or withdraw from the Fund and when transacting to meet investment objectives. These costs are an additional cost to the investor but are generally reflected in the unit price (through the buy/sell spread) and not charged separately to the investor. Transaction costs which are not recovered through the buy/sell spread are deducted from each Fund from time to time and as they are incurred and are reflected in the unit price of that Fund.

The exact amount of transaction costs is dependant on a number of difference variables, including the level of trading undertaking by the Funds. As such, EQT is unable to provide a meaningful amount or percentage of the estimated transaction costs for the Funds.

EQT is presently developing a formal policy in relation to the guidelines and relevant factors taken into account when calculating transaction costs, including the buy/sell spread, and how that affects the unit price. Refer to 'Valuation of the Fund and Application Price of Units'. Once finalised, a copy of this policy will be available free on request.

Buy/sell spread

The buy/sell spread reflects the estimated transaction costs associated with buying and selling the assets of the Fund when investors invest or withdraw from the Fund. The buy/sell spread is an additional cost to the investors but it is included in the unit price and incurred when an investor invests in or withdraws from the Fund and is not charged separately to the investor. The buy/sell spread is paid into the Fund and not paid to EQT or the Investment Manager. At the date of this PDS, there is no buy/sell spread applicable to the Funds. This means that instead of an adjustment being made to application and withdrawal prices to recover transaction costs, the transaction costs of a Fund are instead deducted from the assets of the Fund.

Can the fees change?

Yes, all fees can change without investor consent, subject to the maximum fee amounts specified in each Constitution of each Fund. Reasons might include changing economic conditions and changes in regulation. We have the right to recover all proper and reasonable expenses incurred in managing the Funds and as such these expenses may increase or decrease accordingly. We will generally provide investors with at least 30 days notice of any proposed change to the responsible entity fee. Expense recoveries and buy/sell spreads may change without notice, for example, when it is necessary to protect the interests of existing members and if permitted by law. The Constitution of each Fund in some circumstances defines the maximum fees that can be charged for some fees described in this PDS.

- For the PIMCO Global Credit Fund, PIMCO Australian Bond Fund, PIMCO Global Bond Fund, PIMCO Diversified Fixed Interest Fund and PIMCO Extended Markets Fund the maximum contribution and withdrawal fees the Funds can charge is Nil. The maximum management fee these Funds can charge is 1.1275% (including GST after allowing for an estimate of RITC) of the Net Asset Value of the Fund which is equivalent to \$5,637 per annum for every \$500,000 invested.
- For the PIMCO Global RealReturn Fund, PIMCO Global CommodityRealReturn Fund and, PIMCO Stable Income Fund the maximum contribution and withdrawal fee chargeable by each Fund is 6.15% (including GST after allowing for an estimate of RITC). The maximum management fee for each Fund is 2.05% per annum of the Gross Asset Value (GAV) which is equivalent to \$15,375 for every \$500,000 invested, assuming a GAV 1.5 times that of the NAV.
- For all the Funds specified in this PDS the respective Constitutions do not define a maximum transaction costs limit, except the PIMCO Australian Bond Fund, PIMCO Global Bond Fund, PIMCO Diversified Fixed Interest Fund and PIMCO Extended Market Fund which set the maximum transaction cost at 0.04% of the NAV divided by the total number of units on issue at that time.

Example of annual fees and costs

This table gives an example of how the fees and costs for the PIMCO Diversified Fixed Interest Fund can affect your investment over a 1 year period. You should use this table to compare this product with other managed investment products.

EXAMPLE – PIMCO Diversified Fixed Interest Fund		Balance of \$500,000 with a contribution of \$5,000 [^] during year
Contribution Fees	Nil	There are no contribution fees for making additional investments into the Fund.
PLUS Management costs	0.5549% p.a. #	And for every \$500,000 you have in the Fund, you will be charged \$1,387.25 each year.
EQUALS Cost of the PIMCO Diversified Fixed Interest Fund		If you had an investment of \$500,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of: \$1, 387.25 [*] What it costs you will also depend on the specific Fund you choose and the fees you may negotiate with your fund or financial adviser.

[^] The minimum additional investment is \$50,000 for each Fund.

^{*} This amount assumes a constant investment balance of \$500,000 throughout the year. Management costs will also be charged in relation to any additional contributions you make during the year and the amount you pay will depend on the proportion of the year during which the additional contributions are invested.

[#] This figure is based on the Indirect Cost Ratio (ICR) of the Fund for the 2005/2006 financial year, which is the financial year before this PDS was issued as required by law. The ICR is the ratio of the management costs of a fund (calculated in accordance with the Corporations Regulations) that are not deducted directly from the investor’s account to the total average net assets of the fund.

TAXATION

The following summary of taxation matters is a general guide that outlines the taxation implications applicable to the Fund and resident investors who are not considered to be trading in investments for tax purposes. The summary is based on the tax laws as at the date of this PDS. The tax laws are subject to continual change, and as the tax treatment applicable to particular investors may differ, it is recommended that all investors seek their own professional advice on the taxation implications before investing in the Fund.

Taxation of the Fund

The Fund is a resident of Australia for tax purposes; therefore, the Fund is required to determine its net income (taxable income) for the year of income. Where the Fund realises a capital gain on the disposal of an asset, the Fund may be entitled to take into account the discount capital gain concessions in determining the amount of the net capital gain that is included in the Fund's net income. On the basis that unit holders are presently entitled (which is EQT's intention) to the net income of the Fund (including net taxable capital gains), pursuant to the existing income tax legislation, the Fund should not be subject to Australian income tax. In the case where the Fund makes a loss for tax purposes, the Fund cannot distribute the loss to unit holders. However, subject to the Fund meeting certain conditions, the Fund may be able to take into account the losses in subsequent years.

Taxation of resident investors

Distributions

Generally, a unit holder's entitlement (share) to the net income of the Fund for a year of income, including amounts that are received in a subsequent year of income or which are reinvested, forms part of their assessable income for that year.

If a unit holder's share of the net income of the Fund includes an amount that consists of discount capital gains derived by the Fund (although it is unlikely that the Fund will derive any capital gains), the unit holder needs to first 'gross up' the discount capital gain (by the amount of any reduction in the capital gain that the Fund obtained). However, individual, trust, and complying superannuation fund investors may then be entitled, in determining the net capital gain that is to be included in their assessable income, to the discount capital gain concessions. Furthermore, unit holders may be able to offset certain other capital losses they may have against their share of the capital gains included in the net income of the Fund (after grossing up any discount capital gains).

Imputation Credits and Franked Dividends

Income distributions from the Fund may include an entitlement to franked dividends. Generally, investors should include the franked dividends and the franking credits (imputation credits) they receive in their assessable income.

Certain additional requirements, including the 45 day holding period rule may need to be satisfied in order to obtain franking credits in relation to dividends. The investor's particular circumstances (and that of the Fund) will be relevant to determine whether the investor is entitled to any franking credits, in respect of the investor's share of the franked dividends. Any excess imputation credits may be refundable to some investors, such as individuals and complying superannuation funds.

Foreign Income

Certain Funds may derive foreign source income that is subject to tax overseas. Unit holders should include their share of both the foreign income and the amount of the foreign tax credits in their assessable income. However, unit holders may be entitled to foreign tax credits that may be used to offset the Australian tax payable on the foreign source income.

Foreign Investment Fund ('FIF')

Some Funds may hold (either directly or indirectly) interests in certain foreign companies and foreign trusts which are subject to the FIF regime. Broadly, under the FIF regime, unit holders in the Fund may be assessed on their portion of gains in the value of the FIF investments held by the Fund at the end of the financial year, even though those gains are unrealised. Unit holders should seek professional advice as to whether they are entitled to any exemptions from the FIF regime.

Non assessable distribution payments

Distributions of non-assessable amounts are generally not subject to tax. Examples of non-assessable amounts include distributions comprising amounts attributable to deductions for capital allowances.

Although the receipt of non-assessable amounts is generally not subject to tax, the receipt of certain non-assessable amounts may have capital gains tax consequences. Broadly, the receipt of certain non-assessable amounts may reduce the cost base and reduced cost base of the unit holder's investment in the Fund. The impact of the reduction to the cost base and reduced cost base may result in either an increased capital gain or a reduced capital loss on the subsequent disposal of the investment in the Fund.

Discount capital gain concession

To the extent that the distributed non-assessable amounts consist of the discount capital gain concession, no adjustment to the cost base or reduced cost base of the underlying investment in the Fund should be required. However, unit holders that are companies and complying superannuation funds may not receive the full benefit of the discount capital gain concessions (whether distributed or not). This is because companies are not entitled to the discount concessions and the discount concession rate applying to complying superannuation funds is lower than that which apply to trusts and individuals.

Disposal of Units by Unit holders

Any taxable capital gain arising from the disposal (including redemption) of an investment in the Fund may form part of the unit holder's assessable income. Unit holders that are individuals, trusts, and complying superannuation funds may be eligible for the discount capital gain concession if their investment (units) has been held for 12 months or more and, the Fund and the unit holder satisfy certain other requirements. Any capital losses arising from the disposal of the investment may be used to offset other capital gains the unit holder may have derived.

As a general rule, the switching between Funds constitutes a disposal of the investment for capital gains tax purposes. Therefore, the unit holder may need to take into account any capital gains or capital losses that arise from switching between investments in determining the net capital gain amount that is included in the unit holder's assessable income.

Tax File Numbers ('TFN') and Australian Business Numbers ('ABN')

It is not compulsory for a unit holder to quote their TFN or ABN. If a unit holder is making this investment in the course of a business or enterprise, the unit holder may quote an ABN instead of a TFN. Failure by a unit holder to quote an ABN or TFN or claim an exemption may cause EQT to withhold tax at the top marginal rate plus the Medicare Levy, on gross payments including distributions of income to the unit holder. The unit holder may be able to claim a credit in their tax return for any TFN or ABN tax withheld.

By quoting their TFN or ABN, the unit holder authorises EQT to apply it in respect of all the unit holder's investments with EQT. If the unit holder does not want to quote their TFN or ABN for some investments, EQT should be advised.

CONSENTS

PIMCO Australia Pty. Ltd. has given, and has not withdrawn before the date of this PDS, its written consent to be named in this PDS as the Investment Manager of each of the Funds. PIMCO, has also given, and has not withdrawn, its written consent to the statements made about it, and the Funds of which it is described as Investment Manager in this PDS and to the tables and statistical information specifically attributed to it in the form and context in which they appear. Otherwise PIMCO has not been involved in the preparation of this PDS. Nor have they caused or otherwise authorised the issue of this PDS. Neither PIMCO or its employees or officers, accept any responsibility arising in any way for errors or omissions.

State Street Australia Limited (SSAL) has no objection to being named in this PDS as custodian and administrator of the PIMCO Funds for information purposes only. SSAL has had no involvement in the preparation of this PDS, has not authorised or caused the issue of the whole or any part of this PDS and expressly disclaims and takes no responsibility for any statements in or omissions from this PDS.

EQT DIRECTORS

At the date of preparing this PDS the directors of Equity Trustees Limited were:

Philip G Molyneux (Chairman)
David F Groves
JA (Tony) Killen

Peter J Williams (Managing Director)
Barry J Jackson
John R McConnell

COOLING OFF PERIOD

No cooling off period applies to the offer made in this PDS as this PDS is only available to Wholesale Clients.

PRIVACY STATEMENT

When unit holders apply for units in the Funds, EQT will be collecting personal information from them. EQT may collect additional personal information from unit holders in the future. EQT needs to collect personal information from unit holders for the primary purpose of providing unit holders with an investment in a Fund (including assessing their application and identifying them). There are also a number of related purposes for which their personal information will be collected and these are to process their application, administer and manage their investment in a Fund, and comply with Australian taxation laws, the Corporations Act and other laws and regulations.

If a unit holder does not provide EQT with their contact details and other information EQT may not be able to process their application, administer or manage their investment. The information that a unit holder provides to EQT may be disclosed to certain organisations. The types of organisations or persons to whom EQT usually discloses the information provided by unit holders include:

- the Australian Taxation Office and other government or regulatory bodies;
- their adviser or adviser dealer group, their service providers and any joint holder of their investment (if any);
- organisations involved in providing, administering or managing the Funds such as any third party service provider engaged by EQT to provide administration, custody, investment management, technology, auditing, registry, mailing or printing services;
- those where they have consented to such disclosure, or as required or authorised by law.

EQT may also use this information to forward to unit holders from time to time, details of other investment opportunities offered by EQT in which they may be interested. Please advise us if you do not wish to be updated with such investment opportunities. You can gain access to the personal information EQT holds about you, subject to some exceptions allowed by law. EQT will give you reasons if we deny access. If you have any queries in relation to EQT's Privacy Statement or if you have any questions about how EQT handles your personal information, or if you wish to access the personal information that it holds about you please contact the EQT Privacy Officer on (03) 8623 5000.

GLOSSARY OF IMPORTANT TERMS

Active Management - A style of investment management which seeks to attain returns above a set benchmark (such as an index) by asset allocation and selection of securities within each asset class.

Asset Allocation - The weighting of assets in an investment portfolio among different asset classes (such as shares, bonds, property and cash).

Asset-backed security - A security of (for example) a company which is underpinned by that company's assets.

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

Capital Structure - A company's financial framework, including long-term debt, preferred stock, and net worth. It is distinguished from financial structure, which includes additional sources of capital such as short-term debt, accounts payable, and other liabilities. Analysts look at Capital Structure in terms of its' overall adequacy and its composition as well as in terms of its 'leverage', or debt-to-equity ratio.

Credit Analysis - Analysis of the standing or credit worthiness of a company, government or financial institution relative to others.

Capital Markets - The market for medium to long-term investments (i.e. an investment of three years or more in securities such as bonds).

Credit Exposure and Credit Risk - Credit risk is the risk that an issuer may default on its obligations. Relative degrees of credit risk are categorised by the ratings of the rating agencies. Credit exposure is the measurement of the credit risk in a portfolio.

Credit Rating - The financial standing of a company, government or financial institution relative to others. The credit rating determines what the institution will be charged to borrow funds, in relation both to the amount it is able to borrow and the interest it will be charged. The primary rating agencies are Moody's and Standard & Poor's (S&P). These rating agencies use a rating scale to determine relative degrees of credit risk that a government, company or financial institution may have. The rating scale is divided into Investment grade and sub investment grade. Investment grade securities are bonds rated AAA, AA+, AA-, A, BBB+, BBB and BBB-, Sub investment grade are BB+, BB, BB-, B+, B, B-, CCC, CC, C and D (D = default)

Duration - This is the measure of the sensitivity of fixed interest investments to changing interest rates. Duration takes into account the redemption date, the dates when interest is paid, and the amount of that interest.

Emerging Market Sovereign Debt - A bond issued by a country that is defined as an emerging or developing economy by the World Bank or the United Nations. A country is defined as an emerging or developing economy if its GDP per capita is less than US\$10,000.

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 Corporate Bonds - High Yield Corporate bonds are bonds issued by corporations and colloquially are referred to as 'Junk Bonds' due to these bonds having a credit rating below investment grade.

Investment Grade - A credit rating that meets 'investment grade' indicates that the securities are of a standard worthy for them to be purchased by most institutional investors.

Inflation-linked Bonds vs Nominal bonds - Bonds which are issued with an interest rate or maturity value which is indexed to inflation rather than being fixed when the bond is issued.

Liquidity - The ability of an investment to be easily and quickly converted into cash with little loss of capital.

Maturity - The date on which a loan, bond or other security is due to be repaid.

Passive Management - A style of investment management which seeks to achieve performance by tracking market or index returns.

Portfolio - A collection of investment holdings.

Relative Value Analysis - An assessment of the intrinsic value of a company, government or financial institution relative to others.

RITC - reduced input tax credit

Sector Rotation - There are several sectors to global bond markets, namely Government bonds, corporate bonds, high yield debt, mortgages, inflation-linked bonds and Emerging Market debt. Sector rotation refers to the investment manager actively allocating the risk budget between the different sectors of the bond market.

Security Selection - The election of particular securities to comprise a particular portfolio or part of a portfolio.

Volatility - The extent of fluctuation in share prices, exchange rates, interest rates, etc. The greater the volatility, the less certain an investor is of return, and hence volatility is one measure of risk.

Wholesale Client - persons or entities as defined under section 761G of the Corporations Act 2001 (Cwlth).

APPLICATION FORM – PAGE 1

This Application Form is part of a Product Disclosure Statement relating to the PIMCO Fund Series. The Product Disclosure Statement contains information about investing in the Funds. You should read this document before applying for units in the Funds. (If you make an error while completing your Application Form, please do not use correction fluid. Cross out your mistakes and initial your changes).

1. Application Type and Investor details (please tick ✓)

New Investor	<input type="checkbox"/>	
Existing Investor	<input type="checkbox"/> ⇨	
		Existing Account No.:
		Existing Account Name:

2. Type of Investor (please tick ✓)

Individual Joint Company Trust Super Fund Partnership Other

Please complete A, B or C below

A. Individual / Joint / Individual Trustee details

Investor 1

Title Mr/Mrs/Ms/Dr/Other	Date of Birth
Given Names	Surname
TFN or reason for exemption	
Country of residence for tax purposes (if not Australia)	

Investor 2

Title Mr/Mrs/Ms/Dr/Other	Date of Birth
Given Names	Surname
TFN or reason for exemption	
Country of residence for tax purposes (if not Australia)	

B. Company / Partnership Name / Corporate Trustee / Other

Name
TFN or ABN or reason for exemption
Country of residence for tax purposes (if not Australia)

Please ensure two authorised signatories (if applicable) sign the declaration below.

C. Trust / Superannuation Fund

If this account is a trust or superannuation fund, trustee details must be provided at section A or B

Name
TFN or ABN or reason for exemption
Country of residence for tax purposes (if not Australia)

Application Form - Page 2

3. Contact Details

Street Address1*		
Street Address2*		
Suburb	State	Postcode
Country		
Phone (Business Hours)	Phone (Home)	
Fax	Mobile	
Email		
Postal Address (If different to street address)		
Suburb	State	Postcode
Country		

* No PO Boxes are accepted for a street address.

4. 3. Investment Choice and Investment Distribution Options

Name of Investment Fund	Amount to be invested
PIMCO Australian Bond Fund	\$
PIMCO Diversified Fixed Interest Fund	\$
PIMCO Global Bond Fund	\$
PIMCO Global Credit Fund	\$
PIMCO Extended Markets Fund	\$
PIMCO Global RealReturn Fund	\$
PIMCO Global CommodityRealReturn Fund	\$
PIMCO Stable Income Fund	\$

5. Application Payment Method

Important – Preferred method of payment (please ✓ your selection)

The application amount above will be credited to your account as follows

Cheque

Cheques are to be made payable to ‘State Street Bank & Trust Co – 7FBG’

Austraclear

Your Austraclear Code

Pay to

SSBS20

OR

PIMCO Fund Series
Product Disclosure Statement
issued by Equity Trustees Limited (ABN 46 004 031 298 AFSL 240975)

Application Form - Page 3

Electronic Funds Transfer

For electronic transfer of application monies the preferred method of payment is by RTGS or SWIFT to:

Bank Name	State Street Bank & Trust Company		
Bank Address	Sydney Branch - Capital Markets		
Account Name	State Street Bank & Trust Co Sydney Branch - Capital Markets		
BIC	SBOSAU2X		
BSB Number	913 001	Account Number	958 2131
Reference	7FBG		

Investment Distribution Option (please tick✓)

Reinvestment (additional units in the fund) **OR** Pay to bank account (please provide details below)

If no selection is made or an incomplete instruction is received the distribution will be reinvested.

6. Bank / Financial Institution details (for deposit of distributions and redemptions)

Account Name			
BSB Number	--- ---	Account Number	
Bank Name			
Address			

7. Authorised Nominee Appointment (if required)

I/We have read the terms and conditions of an Authorised Nominee and agree to those terms and conditions.

--	--

Name of Authorised Nominee
Please also sign Declaration below.

Signature of Authorised Nominee

8. Annual Reports

We are required by law to provide you with a copy of the annual financial report of the Fund unless you indicate otherwise.

Please tick ✓ the box if you do not wish to receive the Annual Report of the Fund in paper form. On publication, this will be made available on our web site at www.egt.com.au.

9. Privacy

The Responsible Entity may also use your information to forward to you, from time to time, details of other investment opportunities offered by the Responsible Entity in which you may be interested.

Please tick ✓ the box if you do not wish to be updated with such investment opportunities. If you do not mark the box we will assume that you want to hear about the investment opportunities we have described.

This page has been left blank intentionally.

DIRECTORY

**Responsible Entity
Equity Trustees Limited**

ABN 46 004 031 298
AFSL 240975

Level 2, 575 Bourke Street
Melbourne Vic 3000

Telephone: 03 8623 5000
Customer Service 1300 555 378
Fax: 03 8623 5395
Email: equity@eqt.com.au
Website: www.eqt.com.au

**Investment Manager
PIMCO Australia Pty. Ltd**

ABN 54 084 280 508
AFSL 246862

Level 19, 363 George Street
Sydney, New South Wales 2000
Australia

Telephone: 02 9279 1771
Fax: 02 9279 2580

**Administrator and Custodian
State Street Australia Limited**

ABN 21 002 965 200
AFSL 241419

Level 7, State Street Centre
338 Pitt Street
Sydney NSW 2000
Telephone: 02 9323 6000
Fax: 02 9323 6666