

# PIMCO Capital Securities Fund – Wholesale Class

## Product Disclosure Statement

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### Responsible Entity

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*This Product Disclosure Statement (“PDS”) has been prepared and issued by PIMCO Australia Management Limited (“the RE” or “Responsible Entity”, “we”, “us”, “our”) and is a summary of the significant information relating to an investment in Wholesale Class units in the PIMCO Capital Securities Fund (“Fund”). It contains a number of references to important information contained in the PIMCO Wholesale Class Reference Guide, which forms part of this PDS. Capitalised terms in this PDS have the meanings ascribed to them in the Glossary section of the PIMCO Wholesale Class Reference Guide, unless the context otherwise requires.*

*You should consider both the information in this PDS, and the information in the PIMCO Wholesale Class Reference Guide, before making a decision about investing in the Fund. The information provided in this PDS is general information only and does not take account of your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.*

*The offer to which this PDS relates is only available to persons receiving this PDS (electronically or otherwise) in Australia or New Zealand. New Zealand investors must read the separate PIMCO Wholesale Class Fund Series New Zealand Investor Cover Sheet before investing in the Fund. You can request a copy of this Cover Sheet by contacting us.*

*This PDS does not constitute a direct or indirect offer of securities in the US or to any US Person as defined in Regulation S under the US Securities Act of 1933 as amended (“US Securities Act”). The RE may vary its position and offers may be accepted on merit at its discretion. The units in the Fund have not been, and will not be, registered under the US Securities Act unless otherwise approved by the RE and may not be offered or sold in the US to, or for, the account of any US Person (as defined) except in a transaction that is exempt from the registration requirements of the US Securities Act and applicable US state securities laws.*

### THE PIMCO WHOLESALE CLASS REFERENCE GUIDE

Throughout this PDS there are references to additional information contained in the latest PIMCO Wholesale Class Reference Guide (“Reference Guide”). The Reference Guide is available on [pimco.com.au](http://pimco.com.au) or you can also request a copy by calling PIMCO Investor Services on 1300 113 547 (Australia) or +61 2 8823 2583.

**The information contained in the Reference Guide may change between the day you receive this PDS and the day you acquire the product. You must therefore ensure that you have read the Reference Guide current at the day you acquire the product.**

### UPDATED INFORMATION

Certain information in this PDS is subject to change. The RE will notify you of any changes to this information that have a materially adverse impact on you or other significant events that affect the information contained in this PDS. Any updated information which is not materially adverse may be updated and obtained online at [pimco.com.au](http://pimco.com.au) or by calling 1300 113 547 (Australia) or +61 2 8823 2583. A paper copy of the updated information will be provided free of charge on request.

## 1. About the Responsible Entity

### THE RESPONSIBLE ENTITY

PIMCO Australia Management Limited is the responsible entity for the Fund. We are responsible for the day-to-day operation of the Fund and for ensuring it complies with the Fund's constitution ("Constitution") and relevant laws. This responsibility includes establishing, implementing and monitoring the Fund's investment objective and strategy. We are the issuer of units in the Fund and have prepared this PDS. Our responsibilities and obligations as the responsible entity of the Fund are governed by the Fund's Constitution as well as the Corporations Act 2001 (Cth) ("Corporations Act") and general trust law.

The RE has appointed State Street Australia Limited (ABN 21 002 965 200 AFSL 241419) as the custodian ("Custodian") and administrator ("Administrator") for the Fund. Subject to the relevant agreements between the RE and the Custodian/Administrator, the RE, at its discretion, may change the Custodian and Administrator from time to time and appoint additional service providers.

### THE INVESTMENT MANAGER

PIMCO Australia Pty Limited ("PIMCO") is the Investment Manager of the Fund. Both PIMCO and the RE are members of the PIMCO Group, one of the largest investment managers in the world. As the Investment Manager, PIMCO will make investment decisions in relation to the Fund. PIMCO Group's history dates back to 1971 when it was established as a specialist fixed interest manager. The PIMCO Group has its head office in Newport Beach, California, USA with offices located in New York, Austin, Chicago, Solana Beach, Miami, London, Luxembourg, Dublin, Munich, Paris, Tokyo, Singapore, Sydney, Hong Kong, Shanghai, Toronto, Montreal, Zurich, Milan, São Paulo, Taipei, and Madrid.

For Australian clients, the PIMCO Group has been managing fixed interest assets since 1997 and alternative assets since 2006. Through various holding company structures, the PIMCO Group is majority owned by Allianz SE. Allianz SE is a European based multinational insurance and financial services holding company and a publicly traded German company. The PIMCO Group, as at 30 June 2023, managed over US\$1.79 trillion (including non-third party assets) for investors around the world and employs over 950 investment professionals across all its offices.

PIMCO's goal is to provide attractive returns while maintaining a strong culture of risk management and long-term discipline. PIMCO's investment process emphasises well researched fundamental economic and credit analysis to identify value in market sectors and individual securities. It takes moderate risk across many different portfolio positions to ensure that no single risk dominates returns.

## 2. How the PIMCO Capital Securities Fund – Wholesale Class works

The Fund is a registered managed investment scheme under the Corporations Act and is governed by the Constitution. This means your money is pooled together with monies from other investors. This pool is used to buy investments that are managed on behalf of all investors in the Fund. The Fund's assets are acquired in accordance with the Fund's investment strategy. Investors receive units when they invest in the Fund. In general, each unit represents an equal undivided interest in the assets of the Fund subject to liabilities; however it does not give the investor an interest in any particular asset of the Fund. Your units will represent the value of your investment in the Fund, referable to the relevant class.

### APPLYING FOR UNITS

Investors can acquire Wholesale Class units by completing the application form ("Application Form") accompanying this PDS or by making an application through the mFund settlement service operated by the Australian Securities Exchange ("ASX") ("mFund") by placing a buy order for units with your licensed broker who will then process the buy order for units in the Fund using CHES, the ASX electronic

settlement system and will provide the application money to us. We will then issue new units in the Fund to your CHES Holder Identification Number ("HIN") and notify your broker of the unit price and the units issued.

The minimum initial investment amount for Wholesale Class units in the Fund is \$20,000.

The price at which units are acquired is determined in accordance with the Constitution ("Application Price"). The Application Price is, in general terms, equal to the Net Asset Value ("NAV") of the Fund, referable to Wholesale Class units divided by the number of Wholesale Class units on issue and adjusted for transaction costs ("Buy Spread"). Assets are valued in accordance with the RE's valuation policy. The Buy Spread for Wholesale Class units in the Fund is disclosed in the "Fees and costs" section of the Reference Guide. However, the Buy Spread for this Fund may change and we will not ordinarily provide prior notice. Any updates to the Buy Spread may be obtained from PIMCO's website.

The Application Price will vary as the market value of assets in the Fund rises or falls.

### APPLICATION CUT-OFF TIMES

If we receive a correctly completed Application Form or an application via mFund which we can accept, identification documents (if applicable) and cleared application money:

- before or at 2:00pm on a Business Day (or for applications made through the mFund settlement service, within the timeframes set out in the ASX Settlement Operating Rules), the application will generally be processed on that Business Day. If your application for units is accepted, you will generally receive the Application Price calculated for that Business Day or if the Application Price is not calculated for that Business Day, the next Application Price which is calculated; and
- after 2:00 pm on a Business Day (or for applications made through the mFund settlement service, within the timeframes set out in the ASX Settlement Operating Rules), the application will generally be processed on the next Business Day. If your application for units is accepted, you will generally receive the Application Price calculated for the next Business Day or if the Application Price is not calculated for the next Business Day, the next Application Price which is calculated.

The RE will generally determine the Application Price of Wholesale Class units on each Business Day. Please refer to [pimco.com.au](http://pimco.com.au) for the days for which the Application Price of Wholesale Class units will not be determined for a calendar year.

### MAKING ADDITIONAL INVESTMENTS

Subject to the above application cut-off times, you can make additional investments into the Fund at any time by sending us your additional investment amount and mailing, emailing or faxing a completed Additional Investment Form or by making an application for units through mFund. There is no minimum additional investment amount for Wholesale Class units in the Fund.

### DISTRIBUTIONS

An investor's share of any distributable income is calculated in accordance with the Constitution and is generally based on the number of units held by the investor at the end of the distribution period.

The distributions you receive are generally assessable income and can be made up of both income and capital. Distributions are generally calculated based on the Fund's net income at the end of the distribution period divided by the number of units on issue. This gives a distributable income amount per unit. Your distribution entitlement is then determined by multiplying the number of units held by the distributable income amount per unit. An investor who invests during a distribution period may get back some of their capital as income.

The Fund generally distributes income quarterly at the end of March, June, September and December. Distributions are usually paid to

investors within 14 days of the period end. However the distribution at 30 June may take longer. Distribution amounts will vary from year to year and there may be times when there is no distribution paid. The RE may change the distribution frequency without notice.

Indirect Investors should review their IDPS Guide for information on how and when they receive any income distributions.

### ACCESS TO YOUR MONEY

Investors in the Fund can withdraw their investment by:

- completing a withdrawal form (available at [pimco.com.au](http://pimco.com.au)) and mailing, faxing or emailing a scanned copy to:  
PIMCO Investor Services  
GPO Box 804  
Melbourne VIC 3001  
Fax: +61 2 9151 4096  
Email: [investorservices.transactions@au.pimco.com](mailto:investorservices.transactions@au.pimco.com)

or by:

- making a withdrawal request through mFund by placing a sell order for units with your licensed broker.

The minimum withdrawal amount is \$5,000. Once we receive a withdrawal request, we may act on the withdrawal request without further enquiry if the withdrawal request bears an account number or investor details and (apparent) signature(s), or the investor's authorised signatory's (apparent) signature(s) or if the withdrawal is received via mFund.

The RE will generally allow investors in the Fund to access their investment within seven Business Days of receipt of a withdrawal request, as provided under the Constitution. Withdrawal proceeds will be paid to an investor's nominated bank account or, where the request is received via mFund, to the investor's licensed broker. However, the Constitution allows the RE to make payment up to 21 days after it accepts your withdrawal request (this period may be extended by up to 30 days if the RE considers that it is in the best interests of members to do so). This period of time may be extended further where the RE has taken all reasonable steps to realise sufficient assets, but is unable to do so due to circumstances outside its control. In these circumstances the period of time for satisfying withdrawal requests is extended for such further period as those circumstances apply. In certain circumstances, such as when there is a freeze on withdrawals, you may not be able to withdraw your units within the usual period upon request. Your units will be withdrawn after the RE has accepted your withdrawal request and the applicable withdrawal price has been determined. The RE is not required to accept a withdrawal request in certain circumstances.

The price at which units are withdrawn ("**Withdrawal Price**") is determined in accordance with the Constitution. The Withdrawal Price is, in general terms, equal to the NAV of the Fund referable to Wholesale Class units, divided by the number of Wholesale Class units on issue and adjusted for transaction costs ("**Sell Spread**"). The Sell Spread for Wholesale Class units in the Fund is disclosed in the "Fees and costs" section of the Reference Guide. However, the Sell Spread for this Fund may change and we will not ordinarily provide prior notice. Any updates to the Sell Spread may be obtained from PIMCO's website. The Withdrawal Price will vary as the market value of assets in the Fund rises or falls. If you are an Indirect Investor, you need to provide your withdrawal request directly to your IDPS Operator. The time to process a withdrawal request will depend on the particular IDPS Operator.

### WITHDRAWAL CUT-OFF TIMES

All withdrawal requests must be received by the RE by 2.00 pm on a Business Day (or for withdrawal requests made through the mFund settlement service, within the timeframes set out in the ASX Settlement Operating Rules) for processing that day and will generally receive the Withdrawal Price for that Business Day or, if the Withdrawal Price is not calculated for that Business Day, the next Withdrawal Price which is calculated. Any withdrawal request received after that time will be treated as having been received on the

next Business Day and will receive the Withdrawal Price calculated for the next Business Day or if the Withdrawal Price is not calculated for the next Business Day, the next Withdrawal Price which is calculated. The RE will generally determine the Withdrawal Price of Wholesale Class units on each Business Day. Please refer to [pimco.com.au](http://pimco.com.au) for the days for which the Withdrawal Price of Wholesale Class units will not be determined for a calendar year.

### FURTHER READING

You should read the important information in the "Investing in a PIMCO Fund", "Managing your investment", "Withdrawing your investment" and "Fees and costs" sections of the Reference Guide, about application terms, cooling off rights, authorised signatories, reports, withdrawal terms and withdrawal restrictions and buy/sell spreads, before making a decision. Go to the Reference Guide at [pimco.com.au](http://pimco.com.au). The material relating to these matters may change between the time when you read this PDS and the day when you acquire the product.

### 3. Benefits of investing in the PIMCO Capital Securities Fund – Wholesale Class

The Fund is an actively managed portfolio of global fixed interest securities. Significant features and benefits of investing in the Fund are:

#### INVESTMENT PROCESS

- Supported by a deep global presence, the Fund benefits from PIMCO's thought leadership and time-tested investment process, which guides portfolio construction via a top-down macroeconomic outlook and rigorous bottom-up credit analysis.

#### EXPERTISE

- PIMCO is one of the largest fixed interest managers in the world with over 950 investment professionals globally as at 30 June 2023.
- Dedicated credit experts offering insights into all major regions and sectors of the global credit market.
- Over 80 credit analysts and 70+ credit and mortgage portfolio managers around the globe providing expertise and credit research into numerous credit securities.

All personnel figures as of 30 June 2023.

#### DIVERSIFICATION AND ACTIVE MANAGEMENT

- The Fund will comprise a well-diversified portfolio of Capital Securities sourced from global markets, which can improve risk-adjusted returns.
- The Fund is actively managed, which allows PIMCO to focus on securities regarded by PIMCO as having the strongest risk versus return attributes and avoid securities that are regarded by PIMCO as having insufficient value or a likelihood of capital loss

#### REGULAR DISTRIBUTIONS

- The Fund seeks to provide a regular income stream by way of quarterly distributions. Distribution amounts will vary from year to year and there may be times when there is no distribution paid. The RE may change the distribution frequency without notice.

#### REGULAR REPORTING

- Monthly, quarterly and annual reporting is provided to keep you up to date on your investments.

Please note that the RE does not guarantee the repayment of capital or any rate of return or the Fund's investment performance.

### 4. Risks of managed investment schemes

All investments carry risk. Different investment strategies may carry different levels of risk, depending on the assets acquired under the strategy. Assets with the highest long-term returns may also carry the

highest level of short-term risk. The significant risks below should be considered in light of your risk profile when deciding whether to invest in the Fund. Your risk profile will vary depending on a range of factors, including your age, your investment time frame (how long you wish to invest for), your other investments or assets you may have and your risk tolerance. The significant risks of the Fund are described below.

We do not guarantee the liquidity of the Fund's investments, repayment of capital or any rate of return or the Fund's investment performance. The value of the investments will vary. The level of returns will vary and future returns may differ from past returns. Returns are not guaranteed and you may lose money by investing in the Fund. Laws affecting managed investment schemes may also change in the future.

Investors who have a diversified portfolio, with exposure to different funds or other assets, and different asset classes, can reduce overall investment risk. The Fund is not intended to be used as a standalone product.

The RE does not offer advice that takes into account your personal financial situation, including advice about whether the Fund is suitable for your circumstances. If you require personal financial advice, you should contact a licensed financial adviser.

#### **MARKET RISK**

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

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

#### **INTEREST RATE RISK**

Interest rate risk is the risk that fixed income securities and other instruments in the Fund's portfolio will decline in value because of an increase in interest rates. As nominal interest rates rise, the value of certain fixed income securities held by a fund is likely to decrease. A nominal interest rate can be described as the sum of a real interest rate and an expected inflation rate. Interest rate changes can be sudden and unpredictable, and a fund may lose money as a result of movements in interest rates. The Fund may not be able to hedge against changes in interest rates or may choose not to do so for cost or other reasons. In addition, any hedges may not work as intended.

#### **CREDIT RISK**

The Fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivative, repurchase agreement or a loan of portfolio securities, is unable or unwilling, or is perceived (whether by market participants, rating agencies, pricing services or otherwise) as unable or willing, to make timely principal and/or interest payments, or to otherwise honour its obligations. The downgrade of the credit of a security held by the Fund may decrease its value. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings. Measures such as average credit quality may not accurately reflect the true credit risk of a fund. This is especially the case if the Fund consists of securities with widely varying credit ratings. Therefore, if a fund has an average credit rating that suggests a certain

credit quality, the fund may in fact be subject to greater credit risk than the average would suggest. This risk is greater to the extent the fund uses leverage or derivatives in connection with the management of the fund. Bonds are subject to the risk that litigation, legislation or other political events, local business or economic conditions, or the bankruptcy of the issuer could have a significant effect on an issuer's ability to make payments of principal and/or interest.

#### **CURRENCY RISK**

The Fund may invest, directly or indirectly, in other countries, and if their currencies change in value relative to the Australian dollar, the value of the investment can change. The Fund may also, directly or indirectly, take currency positions with or without owning securities denominated in such currencies. Any foreign currency exposure limits and hedging policies of the Fund are outlined in the Investment Guidelines section (see "5. How we invest your money"). There can be no assurance that the Fund will be hedged at all times or that the Investment Manager will be successful at employing the hedge.

#### **DERIVATIVES RISK**

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

Other risks associated with Derivatives may include:

- loss of value because of a sudden price move or because of the passage of time;
- potential illiquidity of the Derivative;
- the Fund being unable to meet payment obligations as they arise;
- potential for leverage risk (this is discussed in the Reference Guide);
- the counterparty to any Derivative not being able to meet its obligations under the contract; and
- significant volatility in prices.

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

#### **HIGH YIELD RISK**

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

#### **CONVERTIBLE SECURITY RISK**

Convertible securities are fixed income securities, preferred securities or other securities that are convertible into or exercisable for shares of the issuer (or cash or securities of equivalent value) at either a stated price or a stated rate. The market values of convertible securities may decline as interest rates increase and, conversely, may increase as interest rates decline. A convertible security's market value, however, tends to reflect the market price of the share of the issuing company when that stock price approaches or is greater than the convertible security's "conversion price." The conversion price is defined as the predetermined price at which the convertible security could be exchanged for the associated security. As the market price of the underlying security declines, the price of the convertible security tends to be influenced more by the yield of the convertible security. Thus, it may not decline in price to the same extent as the underlying common stock. In the event of a liquidation of the issuing company, holders of convertible securities may be paid before the company's shareholders but after holders of any senior debt obligations of the company. Consequently, the issuer's convertible securities generally entail less risk than its shares but more risk than its debt obligations.

## FURTHER READING

You should read the important information in the “Risks of managed investment schemes” section of the Reference Guide about additional risks that apply to managed investment schemes before making a decision.

Go to the Reference Guide at [pimco.com.au](http://pimco.com.au). The material relating to the additional risks may change between the time when you read this PDS and the day when you acquire the product.

## 5. How we invest your money

**Warning:** Before choosing to invest in the Fund, you should consider the likely investment returns, the risks of investing and your investment time frame.

### INVESTMENT OBJECTIVE

To seek to provide focused exposure to attractively priced Capital Securities together with a maximum total return, consistent with the preservation of capital and prudent investment management.

### ASSET CLASSES AND ALLOCATION RANGES

#### Indicative asset allocation range (as a % of NAV)

Fixed Income and cash	0 - 100%
Common Stock	0 - 10%

In order to meet the Fund’s investment objectives, asset classes and investment ranges may be changed from time to time. PIMCO has full discretion in relation to asset allocation ranges. We will give unitholders written notice of any material variation which we believe they would not have reasonably expected.

### BENCHMARK

Bloomberg AusBond Bank Bill Index.

### MINIMUM SUGGESTED TIME FRAME

The minimum suggested time frame for investment in the Fund is 5 years, however depending on an investor’s circumstances, investment in the Fund may be suitable for a shorter time frame.

### RISK LEVEL OF THE FUND

Medium

There is a medium level risk of loss of investment over one year. Investment in the Fund has the potential to produce medium level returns over the suggested time frame.

### INVESTOR SUITABILITY

The Fund is designed for investors who wish to have a broadly diversified exposure to global Capital Securities.

### INVESTMENTS HELD

The Fund is an actively managed fixed interest fund that predominantly invests directly and indirectly (via investment in other funds managed by PIMCO or its affiliates, each a “Target Fund”) in subordinated debt instruments issued by banks, insurance companies, and other specialty finance companies. Most investments will be concentrated in Tier 1 and Tier 2 capital, and contingent convertible bonds, though the Fund maintains flexibility to invest across the capital structure.

At the date of this PDS, the Fund currently seeks to achieve its investment objective by investing all or part of its assets in one or more of the Target Funds. The Fund may also hold cash and Derivatives. The Derivatives may include futures, forward contracts, options, swap agreements including credit default swaps and mortgage derivatives.

Derivatives may be traded on an exchange or over-the-counter (which are not traded on an exchange).

### INVESTMENT STRATEGY

In pursuing the Fund’s investment objective, PIMCO applies a wide range of diverse strategies including Duration analysis, Credit analysis, Relative Value analysis, Sector Allocation and Rotation and individual security selection. PIMCO’s investment strategy emphasises active decision making with a long-term focus. A number of these terms are explained in the Glossary section of the Reference Guide.

### INVESTMENT GUIDELINES

PIMCO has adopted the following guidelines in managing the Fund:

- **Duration** — The average portfolio Duration of the Fund will vary based on PIMCO’s forecast of interest rates and under normal conditions it is expected to range between 3 to 7 years.
- **Credit quality** — There are no restrictions on the minimum credit rating of fixed income instruments held by the Fund and the Fund may invest without limit in securities rated lower than Investment Grade.
- **Capital Securities** — The Fund will invest at least 80% of its assets in Capital Securities.
- **Common stock** — The Fund may invest up to 10% of net assets in common stock. In the event a convertible security converts into common stock causing the Fund to exceed the limit of 10% of net assets in common stock, PIMCO will use its best efforts to reduce the Fund’s investment in common stock below 10% of net assets within a reasonable timeframe and taking into account the best interests of the Fund.
- **Currency hedging** — PIMCO will normally seek to hedge the Fund’s foreign currency exposure such that the Fund will maintain exposure to Australian dollars between 90% and 110%.

Percentage limitations will apply at the time of investment. The Fund is not required to sell any securities in the event that such limitations are subsequently exceeded, whether as a result of market movements, applications or withdrawals from the Fund or otherwise.

A number of these terms are explained in the Glossary section of the Reference Guide.

PIMCO will take into account the Fund’s direct investments and the Fund’s investments in Target Funds in applying the Investment Guidelines.

### CHANGING THE INVESTMENT STRATEGY/GUIDELINES

The investment strategy and the investment guidelines may be changed. If the investment strategy or the investment guidelines are to be changed, investors in the Fund will be notified in accordance with the Corporations Act.

### LABOUR, ENVIRONMENTAL, SOCIAL AND ETHICAL CONSIDERATIONS

In buying, selling or retaining underlying investments, PIMCO does not generally intend to target or optimise the Fund’s investments to maximise labour standards or environmental, social or governance (ESG) outcomes. However, to the extent that PIMCO believes those matters may affect the value, risk or performance of an underlying investment, they may be considered. PIMCO will generally consider these factors in Top-down Analysis of strategic positioning and Bottom-up Analysis of security selection of the underlying investments to the extent that PIMCO believes these factors may affect the risk and return outcomes of such investments but this will not be the sole basis for determining whether to obtain, sell or retain an investment. In relation to the Fund, PIMCO does not have, and does not intend to apply, a predetermined view as to what constitutes labour standards or ESG considerations. These will be determined on a case-by-case basis for the Fund. Overall, labour standards and ESG matters

will be considered as part of the broader due diligence process and risk analysis for investments but will not be determinative in the decision making process.

#### FUND PERFORMANCE

Up-to-date information on the performance of the Fund will be available by calling PIMCO Investor Services on 1300 113 547 (Australia) or +61 2 8823 2583 or visiting [pimco.com.au](http://pimco.com.au).

#### 6. Fees and costs

##### DID YOU KNOW?

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

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

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

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

##### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission** (“ASIC”) **Moneysmart** website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Fund as a whole. The information in the following fees and costs summary can be used to compare costs between this and other simple managed investment schemes. Taxes are set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

#### Fees and costs summary

##### PIMCO Capital Securities Fund - Wholesale Class

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>ONGOING ANNUAL FEES AND COSTS<sup>1,2,3</sup></b>		
<i>Management Fees and costs</i> The fees and costs for managing your investment	0.99% per annum of the NAV of the Fund referable to Wholesale Class units. <sup>2</sup>	The amount quoted is made up of the following: Management fees, which are calculated and accrued daily, and paid in arrears from the Fund’s assets on or around the last business day of the quarter. Indirect costs (if any) which are deducted from the Fund’s assets, accrued daily in

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		the net asset value, and then paid as and when due.
<i>Performance fees</i> Amounts deducted from your investment in relation to the performance of the product	Nil	Not applicable
<i>Transaction costs</i> The costs incurred by the scheme when buying or selling assets	0.01% of the NAV of the Fund.	Paid from the assets of the Fund as incurred.
<b>MEMBER ACTIVITY RELATED FEES AND COSTS (FEES FOR SERVICES OR WHEN YOUR MONEY MOVES IN OR OUT OF THE SCHEME)</b>		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	Nil	Not applicable
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable
Exit fee The fee to close your investment	Nil	Not applicable
Switching fee The fee for changing investment options	Nil	Not applicable

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

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

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

##### EXAMPLE OF ANNUAL FEES AND COSTS FOR THE FUND

This table gives an example of how the ongoing annual fees and costs for this managed investment product can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

**Example – PIMCO Capital Securities Fund – Wholesale Class**BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR<sup>1</sup>

Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
<b>PLUS</b> Management fees and costs	0.99% p.a.	<b>And</b> , for every \$50,000 you have in the Fund you will be charged or have deducted from your investment \$495 each year
<b>PLUS</b> Performance fees	Nil	<b>And</b> , you will be charged or have deducted from your investment \$0 in performance fees each year
<b>PLUS</b> Transaction costs	0.01% p.a.	<b>And</b> , you will be charged or have deducted from your investment \$5 in transaction costs
<b>EQUALS</b> Cost of the Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of: \$500 <sup>2</sup>  <b>What it costs you will depend on the fees you negotiate.</b>

<sup>1</sup> This example assumes the \$5,000 contribution occurs at the end of the first year, therefore fees and costs are calculated using the \$50,000 balance only.

<sup>2</sup> Additional fees may apply. Please note that this example does not capture all the fees and costs that may apply to you, such as any Buy/Sell Spread. Additional fees may be payable to third parties including financial advisers and (if you have invested through mFund) brokers. You should refer to the Statement of Advice provided by your financial adviser in which details of the relevant fees are set out. ASIC provides a fees calculator on its website [www.moneysmart.gov.au](http://www.moneysmart.gov.au), which you may use to calculate the effects of fees and costs on your investment in the Fund.

**ADDITIONAL EXPLANATION OF FEES AND COSTS****What do the management fees and costs include?**

Management costs comprise the additional fees or costs that a unitholder incurs by investing in the Fund rather than by investing directly in the assets. These are the Responsible Entity's Management Fee, and indirect costs (which consist of management costs related to the use of derivatives and, if applicable, costs in certain investee vehicles). They do not include the costs of buying and selling the Fund's assets (transaction costs).

**Management Fee**

The management fee of 0.94% p.a. of the NAV of the Fund referable to Wholesale Class units is accrued daily and paid in arrears from the assets of the Fund at the end of each month. As at the date of this PDS, ordinary expenses such as those payable to the Investment Manager, Responsible Entity, Custodian, Administrator, auditor and other ordinary expenses of operating the Fund are paid out of the management fee at no additional charge to you.

However, where there are extraordinary expenses (if they are incurred in future) such as litigation costs, the costs of convening Unitholder

meetings and other unanticipated costs, these will be paid from the assets of the Fund.

**Indirect costs**

Indirect costs generally include management costs (if any) from underlying funds and a reasonable estimate of certain costs of investing in over-the-counter derivatives to gain investment exposure to assets or implement the Fund's investment strategy.

Indirect costs are calculated and incorporate reasonably estimated amounts with reference to the relevant costs incurred during the financial year ending 30 June 2023.

Indirect costs of the Fund are reflected in the Wholesale Class unit price and borne by unitholders, but they are not paid to the RE or Investment Manager. Indirect costs of the Fund are estimated to be 0.05% of the NAV of the Fund referable to the Wholesale Class units.

**Transaction costs**

In managing the assets of the Fund, the Fund may incur transaction costs ("Transaction Costs") such as brokerage, settlement costs, clearing costs and applicable stamp duty when assets are bought and sold and the costs of (or transaction costs associated with) derivatives (excluding over-the-counter derivatives).

Transaction Costs arise through the day-to-day trading of the Fund's assets or when there are applications or withdrawals which cause net cash flows into or out of the Fund. These are reflected in the Fund's Wholesale Class unit price.

We estimate that the total *Transaction Costs* for the Fund during the year ended 30 June 2023 was 0.01% of the NAV of the Fund referable to Wholesale Class units, of which 0% was recouped via a Buy or Sell Spread (see below) when applications or redemptions took place, resulting in net Transaction Costs of 0.01%. The dollar value of these net Transaction Costs over a 1 year period based on an average account balance of \$50,000 is \$5. However, such costs for future years may differ. The Transaction Costs shown in the Fees and Costs Summary above are shown net of the amount recovered by any Buy or Sell spread.

As net Transaction Costs are factored into the asset value of the Fund's assets referable to Wholesale Class units and reflected in the unit price, they are an additional cost of investment to the investor but they are not a fee paid to the RE or the Investment Manager.

**Buy/Sell Spread**

The Buy/Sell Spread reflects the estimated costs incurred in buying or selling assets of the Fund when investors invest in or withdraw from the Fund and is designed to ensure, as far as practicable, that transaction costs incurred as a result of an investor entering or leaving the Fund are generally borne by that investor, and not other investors. The Buy/Sell Spread is an additional cost to the investor but is incorporated into the unit price and incurred when an investor invests in or withdraws from the Fund and is not separately charged to the investor. The Buy/Sell Spread is paid into the Fund and not paid to the RE or the Investment Manager. The Buy/Sell Spread for Wholesale Class units in the Fund is disclosed in the above fees and costs summary as well as the "Fees and costs" section of the Reference Guide. The Buy/Sell Spread can be altered by the Responsible Entity at any time to reflect the actual or estimated transaction costs incurred by the Fund and the Responsible Entity will not ordinarily provide prior notice. Generally, there will also be no Buy Spread incurred on distributions which are re-invested. The Buy/Sell Spread may change, without notice, for example, when it is necessary to protect the interests of existing members and if permitted by law. Any updates to the Buy/Sell Spread will be made available on, and can be obtained from, PIMCO's website.

**Can the fees change?**

Yes, all fees can change without investor consent, subject to the maximum fee amounts specified in the Constitution. The maximum management fee specified in the Constitution is 2% per annum of the gross asset value of the Fund (exclusive of GST) (\$1,000 for every

\$50,000 invested). The current fees are as set out in the fees and costs summary on page 7. The RE has the right to recover all expenses properly incurred in managing the Fund and as such these expenses may increase or decrease accordingly. The RE will generally provide investors with at least 30 days' notice of any proposed increase to management fees.

In addition, the Responsible Entity may negotiate, rebate or waive fees for Wholesale Clients (as defined in the Reference Guide) where permitted by law. We do not negotiate fees with retail investors.

#### Tax

In addition to the fees and costs described in this section 6, you should also consider the government taxes and other duties that may apply to an investment in the Fund. See further information on taxation at section 7 of this PDS.

#### Other service fees

**Warning:** If you are transacting through mFund your stockbroker or accredited intermediary may charge you additional fees. You should refer to their Financial Services Guide or speak to them directly regarding these fees.

Additional fees may also be paid to a financial adviser if you have consulted a financial adviser. You should refer to the Statement of Advice provided by your financial adviser in which details of the fees are set out.

#### Updated fees and costs information

Estimates may be based on a number of factors, including (where relevant), previous financial year information based on reasonable enquiries and typical costs of the relevant investment. As such, the actual fees and costs may differ and are subject to change from time to time. Updated information that is not materially adverse to investors will be updated online at [www.pimco.com.au](http://www.pimco.com.au), or you may obtain a paper copy of any updated information from us free of charge on request. However, if a change is considered materially adverse to investors, the RE will issue a replacement PDS and/or incorporated information, both of which will be available online. You can also obtain a copy of these documents, free of charge, by contacting us.

#### FURTHER READING

You should read the important information in the “Fees and costs” section of the Reference Guide, about fees and costs that may be incurred by investors, before making a decision.

Go to the Reference Guide at [pimco.com.au](http://pimco.com.au). The material relating to the fees and costs may change between the time when you read this PDS and the day when you acquire the product.

#### 7. How managed investment schemes are taxed

**Warning:** Investing in a registered managed investment scheme (such as the Fund) is likely to have tax consequences. You are strongly advised to seek your own professional tax advice about the applicable Australian tax (including income tax, GST and duty) consequences and, if appropriate, foreign tax consequences which may apply to you based on your particular circumstances before investing in the Fund.

The Fund is an Australian resident for tax purposes and does not pay tax on behalf of its members. Australian resident investors are assessed for tax on their share of any income and capital gains generated by the Fund and capital gains on disposal of their units in the Fund.

#### FURTHER READING

You should read the important information in the “Taxation considerations” section of the Reference Guide, about taxation before making a decision.

Go to the Reference Guide at [pimco.com.au](http://pimco.com.au). The material relating to these matters may change between the time when you read this PDS and the day when you acquire the product.

#### 8. How to apply

To invest please either:

- complete the Application Form accompanying this PDS (available at [pimco.com.au](http://pimco.com.au)) and send it to:

PIMCO Investor Services  
GPO Box 804  
Melbourne VIC 3001

Accepted payment methods are included in the Application Form. or

- ask your licensed broker to apply for units in the Fund via mFund. In this situation, you will need to provide the application money in relation to your application to your licensed broker.

#### COOLING OFF PERIOD

If you are a Retail Client (as defined in the Reference Guide) and invest directly in the Fund, you have a cooling off period of up to 14 days from the earlier of:

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

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

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

#### ENQUIRIES AND COMPLAINTS

If you have an enquiry regarding the management of the Fund, please speak to your financial adviser or contact PIMCO Investor Services on 1300 113 547 (Australia) or +61 2 8823 2583 or email [investorservices@au.pimco.com](mailto:investorservices@au.pimco.com).

Please contact the RE if you are not completely satisfied with any aspect of our services regarding the management of the Fund. For further information regarding the complaints process please refer to the Reference Guide.

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

If the RE is unable to resolve your complaint, you may also be able to seek assistance from the Australian Financial Complaints Authority (“AFCA”), an external dispute resolution (EDR) scheme established to deal with complaints from consumers involving financial services and products. AFCA offers an independent assessor to deal with dispute resolution processes. Contact details of AFCA are provided on our website [pimco.com.au](http://pimco.com.au) under our Complaints Policy page.

#### FURTHER READING

You should read the important information in the “Enquiries and complaints” section of the Reference Guide, about enquiries, complaints and the Australian Financial Complaints Authority before making a decision.

Go to the Reference Guide at [pimco.com.au](http://pimco.com.au). The material relating to these matters may change between the time when you read this PDS and the day when you acquire the product.