



PIMCO Fixed Income Source ETFs plc
**Annual Report and Audited
Financial Statements**

For the year ended 31 March 2012

PIMCO Fixed Income Source ETFs plc

General Characteristics

Fund Type:

UCITS IV

Number of Funds offered in the Company:

6 Funds

Classes of Shares offered in the Company:

Accumulation Class, Income Class

Types of Shares:

Within each Class, the Company may issue either Accumulation Shares (Shares which accumulate income) or Income Shares (Shares which distribute income).

Net Assets (Amounts in thousands):

€ 154,661 (2011: € 55,053)

Minimum Holding:

The PIMCO Emerging Markets Advantage Local Bond Index Source ETF, PIMCO Short-Term High Yield Corporate Bond Index Source ETF and the PIMCO US Dollar Short Maturity Source ETF (formerly PIMCO US Dollar Enhanced Maturity Source ETF) require each investor to subscribe a minimum of USD 1,000,000 or one Primary Share of 30,000 Shares in respect of in-kind subscriptions.

The PIMCO Euro Short Maturity Source ETF (formerly PIMCO Euro Enhanced Short Maturity Source ETF) and the PIMCO European Advantage Government Bond Index Source ETF require each investor must subscribe a minimum of EUR 1,000,000 or one Primary Share of 30,000 Shares in respect of in-kind subscriptions.

The PIMCO Sterling Short Maturity Source ETF requires each investor to subscribe a minimum of GBP 1,000,000 or one Primary Share of 30,000 Shares in respect of in-kind subscriptions.

Dealing Day:

Dealing Day for the PIMCO Emerging Markets Advantage Local Bond Index Source ETF and the PIMCO Sterling Short Maturity Source ETF is any day on which banks are open for business in London. Dealing Day for the PIMCO Euro Short Maturity Source ETF and the PIMCO European Advantage Government Bond Index Source ETF is any day on which the Deutsche Börse AG and banks in London are open for business. Dealing Day for the PIMCO US Dollar Short Maturity Source ETF and the PIMCO Short-Term High Yield Corporate Bond Index Source ETF is any day on which the NYSE Arca and banks in London are open for business.

Dealing Day for each Fund may also be such other days as may be specified by the Company and notified to Shareholders in advance provided there shall be one Dealing Day per fortnight.

Funds' Functional Currency:

The functional currency of the PIMCO Emerging Markets Advantage Local Bond Index Source ETF, PIMCO Short-Term High Yield Corporate Bond Index Source ETF and PIMCO US Dollar Short Maturity Source ETF is USD (\$). The functional currency of the PIMCO Euro Short Maturity Source ETF and PIMCO European Advantage Government Bond Index Source ETF is EUR (€) and the functional currency of the PIMCO Sterling Short Maturity Source ETF is GBP (£).

Co-Promoters:

PIMCO Europe Ltd. and Source UK Services Limited act as co-promoters of the Company. Source UK Services Limited is registered as a limited company in England and Wales. Both PIMCO Europe Ltd. and Source UK Services Limited are authorised and regulated by the UK Financial Services Authority.

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FUND	Fund Summary	Portfolio of Investments and Assets
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PIMCO Fixed Income Source ETFs plc

Chairman's Letter

Dear Shareholder,

We are pleased to present to you the Annual Report for PIMCO Fixed Income Source ETFs plc covering the twelve-month reporting period ended 31 March 2012. In the following pages, please find details on each Fund's investment performance and a discussion of the factors that influenced performance during the period.

PIMCO Source ETFs are designed to respond to challenges posed by current market conditions and to capture fixed income opportunities as they arise globally. We remain committed to introducing investment solutions that appeal to a wide range of investor preferences and that help provide access to PIMCO's investment expertise and thought leadership.

As of 31 March 2012, PIMCO Fixed Income Source ETFs include:

- **PIMCO Short-Term High Yield Corporate Bond Index Source ETF**, introduced on 14 March 2012, is a passive index strategy that seeks to provide a return that replicates the BofA Merrill Lynch 0-5 Year US High Yield Constrained Index. The Fund is the first ETF in Europe designed to capture returns of the short-term segment of the high yield market, which has historically performed in line with equities but with approximately half the volatility.
- **PIMCO Emerging Markets Advantage Local Bond Index Source ETF**, introduced on 19 September 2011, is a passive index strategy that seeks to provide a return that replicates the performance of the PIMCO Emerging Markets Advantage Local Currency Government Bond Index. The Fund offers diversified local interest rate and currency exposure to the countries, such as China and India, driving emerging markets growth.
- **PIMCO Sterling Short Maturity Source ETF**, introduced on 10 June 2011, is an actively managed diversified portfolio of Sterling-denominated short-term fixed income securities of varying maturities. The Fund is designed for investors seeking capital preservation and liquidity with the potential to outperform money markets.
- **PIMCO US Dollar Short Maturity Source ETF**, introduced on 22 February 2011, is an actively managed diversified portfolio of US Dollar-denominated short-term fixed income securities of varying maturities. The Fund is designed for investors seeking capital preservation and liquidity with the potential to outperform money markets.
- **PIMCO Euro Short Maturity Source ETF**, introduced on 11 January 2011, is an actively managed diversified portfolio of Euro-denominated short-term fixed income securities of varying maturities. The Fund is designed for investors seeking capital preservation and liquidity with the potential to outperform money markets.
- **PIMCO European Advantage Government Bond Index Source ETF**, introduced on 11 January 2011, is a passive index strategy that seeks to provide a return that replicates the performance of the PIMCO European Advantage Government Bond Index, a GDP-weighted benchmark for investment grade Eurozone government bond exposure.

If you have questions regarding the PIMCO Fixed Income Source ETFs plc, please contact the London office on **+44 (0)20 7408 8955**, or for fund-operation questions, the Administrator on **+353 1 241 7103**. We also invite you to visit www.source.info for additional information.

Thank you for the trust you have placed in PIMCO. We are privileged to serve you through our global ETF offerings. You can expect from our ETF products PIMCO's continued commitment to excellence in managing risk and delivering returns.

Sincerely,



Joseph V. McDevitt
Chairman
24 July 2012

PIMCO Fixed Income Source ETFs plc

Important Information about the Funds

This material is authorised for use only when preceded or accompanied by the current PIMCO Fixed Income Source ETFs plc Prospectus. Investors should consider the investment objectives, risks, charges and expenses of each Fund carefully before investing. This and other information is contained in each Fund's prospectus supplement. Please read the prospectus carefully before you invest or send money.

The PIMCO Emerging Markets Advantage Local Bond Index Source ETF, the PIMCO European Advantage Government Bond Index Source ETF, and the PIMCO Short-Term High Yield Corporate Bond Index Source ETF are exchange-traded funds ("ETFs") that seek to provide total return that closely corresponds, before fees and expenses, to the total return of a specified index ("Passive Funds"). The Passive Funds employ a representative sampling strategy in seeking to achieve their investment objectives and as a result may not hold all of the securities that are included in the underlying index. The PIMCO Euro Short Maturity Source ETF, the PIMCO Sterling Short Maturity Source ETF and PIMCO US Dollar Short Maturity Source ETF, unlike Passive Funds, are actively managed ETFs that do not seek to track the performance of a specified index (collectively, the "Active Funds" and together with the Passive Funds, the "Funds"). PIMCO Emerging Markets Advantage Local Bond Index Source ETF, PIMCO Short-Term High Yield Corporate Bond Index Source ETF, PIMCO Sterling Short Maturity Source ETF and PIMCO US Dollar Short Maturity Source ETF are listed on the Irish Stock Exchange (as well as the London Stock Exchange). Shares of the PIMCO Euro Short Maturity Source ETF and PIMCO European Advantage Government Bond Index Source ETF are listed and traded at market prices on the Deutsche Börse AG (Xetra). The Funds are also listed and traded on other secondary markets. The market price for each Fund's shares may be different from the Fund's net asset value ("NAV"). Each Fund issues and redeems shares at its NAV only in blocks of a specified number of shares ("Primary Shares"). Only certain large institutional investors may purchase or redeem Primary Shares directly with the Funds at NAV ("Authorised Participants"). These transactions are in exchange for certain securities similar to a Fund's portfolio and/or cash.

The Funds invest in particular segments of the securities markets, which are not representative of the broader securities markets. While we believe that bond funds have an important role to play in a well-diversified investment portfolio, an investment in a Fund alone should not constitute an entire investment program. It is important to note that in an environment where interest rates may trend upward, rising rates would negatively impact the performance of most bond funds, and fixed-income securities held by the Funds are likely to decrease in

value. The price volatility of fixed-income securities can also increase during periods of rising interest rates resulting in increased losses to the Funds. Bond funds and individual bonds with a longer duration (a measure of the expected life of a security) tend to be more sensitive to changes in interest rates, usually making them more volatile than securities or funds with shorter durations.

The Funds may be subject to various risks in addition to those described above. Some of these risks may include, but are not limited to, the following: secondary market trading risk, interest rate risk, credit risk, market risk, liquidity risk, derivatives risk, leveraging risk, issuer risk, mortgage-related and other asset backed risk, foreign investment risk, emerging markets risk and management risk. A complete description of these and other risks is contained in each Fund's prospectus supplement. The Funds may use financial derivative instruments for hedging purposes or as part of an investment strategy. Use of these instruments may involve certain costs and risks such as liquidity risk, interest rate risk, market risk, credit risk, management risk and the risk that a fund could not close out a position when it would be most advantageous to do so. A Fund could lose more than the principal amount invested in these financial derivative instruments. The credit quality of a particular security or group of securities does not ensure the stability or safety of the overall portfolio.

On each individual Fund Summary page in this Annual Report ("Shareholder Report"), the Total Returns chart measures performance assuming that all dividend and capital gain distributions were reinvested. Returns do not reflect the deduction of taxes that a shareholder would pay on: (i) Fund distributions; or (ii) the redemption of Fund shares. The Total Returns chart measures each Fund's performance against the performance of a broad-based securities market index (benchmark index). Each Fund's past performance, before and after taxes, is not necessarily an indication of how the Fund will perform in the future. An investment in a Fund is not a deposit of a bank and is not guaranteed or insured by the Federal Deposit Insurance Corporation or any other government agency. It is possible to lose money on investments in the Funds.

The Funds may make available a complete schedule of portfolio holdings and the percentages they represent of the Fund's net assets. On each business day, before commencement of trading on relevant stock exchanges, each Fund will disclose on www.source.info the identities and quantities of the Fund's portfolio holdings that will form the basis for the Fund's calculation of NAV in respect of the previous Dealing Day. Fund fact sheets provide additional information regarding a Fund and may be requested by calling +44 (0) 20 3370 1100.

PIMCO Emerging Markets Advantage Local Bond Index Source ETF

Since Inception Net Performance Based on NAV - As at 31 March 2012

Portfolio Insights

- The Fund seeks to provide a return that replicates the performance of the PIMCO Emerging Markets Advantage Local Currency Government Bond Index (the "Index") by investing its assets in a diversified portfolio of non-US Dollar-denominated Fixed Income Instruments (as defined in full in the Prospectus) that, as far as possible and practicable, consist of the component securities of the Index. The Fund may invest directly in the component securities of the Index or gain an indirect exposure to those securities through derivative instruments such as swaps. The PIMCO Emerging Markets Advantage Local Currency Government Bond Index tracks the performance of a GDP-weighted basket of emerging market local government bonds, currencies, or currency forwards, subject to a maximum exposure of 15% per country.
- The Fund commenced operations on 19 September 2011.
- Despite a sell-off in risk assets during the fourth quarter of 2011, emerging market currencies generally appreciated during the first quarter of 2012 on the back of liquidity injections by the European Central Bank.

Name	Since Inception ¹
PIMCO Emerging Markets Advantage Local Bond Index Source ETF (Inception 19-Sept-2011)	3.94%
PIMCO Emerging Markets Advantage Local Currency Government Bond Index	4.24%

¹ Cumulative Return Net of Fees and Expenses.

PIMCO Euro Short Maturity Source ETF

Since Inception Net Performance Based on NAV - As at 31 March 2012

Name	1 Year	Since Inception ¹
PIMCO Euro Short Maturity Source ETF (Inception 11-Jan-2011)	1.82%	1.48%
Eonia® - Euro OverNight Index Average	0.57%	0.58%

Effective 22 June 2011 the PIMCO Euro Enhanced Short Maturity Source ETF changed its name to the PIMCO Euro Short Maturity Source ETF.

¹ Annualised Return Net of Fees and Expenses.

Portfolio Insights

- The Fund seeks to generate maximum current income, consistent with preservation of capital and daily liquidity, by investing primarily in an actively managed diversified portfolio of Euro-denominated Fixed Income Securities of varying maturities including government bonds and securities issued or guaranteed by governments, their sub-divisions, agencies or instrumentalities, corporate debt securities and mortgage or other asset-backed securities. The Fund may seek to obtain market exposure to the securities in which it primarily invests by entering into a series of purchase and sale contracts or by using other investment techniques (such as buy backs). The Fund's weighted average maturity is not expected to exceed 3 years. The average portfolio duration of the Fund will be up to one year based on the Investment Advisers' forecast for interest rates. The Fund invests only in investment grade securities that are rated at least Baa3 by Moody's or BBB by S&P (or, if unrated, determined by the Investment Advisers to be of comparable quality). The Fund may invest up to a maximum of 5% of its assets in emerging market Fixed Income Securities.
- Exposure to covered bonds and German pfandbriefe, as well as securitised issues, contributed to performance as these issues yielded more than the Eonia® index.
- An allocation to high-quality corporate bonds, focused on the financial subsector, generated strong carry*, though the positive contribution to performance was partially mitigated by widening spreads.
- The decision to increase duration (or sensitivity to changes in market interest rates) and move interest rate exposure out along the yield curve to the one-year portion of the yield curve contributed to performance. As economic conditions deteriorated and strains with Europe's monetary union deepened, the European Central Bank cut policy rates by a total of 50 basis points, benefiting the performance.

**PIMCO defines total carry as the annualised expected return for a security or portfolio. This is calculated by annualising the expected return over the next three months, under the assumption that certain variables will remain constant.*

PIMCO European Advantage Government Bond Index Source ETF

Since Inception Net Performance Based on NAV - As at 31 March 2012

Portfolio Insights

- The Fund seeks to provide a return that replicates the performance of the PIMCO European Advantage Government Bond Index (the "EurADI Government"). The Fund will invest its assets in a diversified portfolio of Euro-denominated Fixed Income Instruments (as defined in the Prospectus) that, as far as possible and practicable, consist of the component securities of the EurADI Government. The Fund may invest directly in the component securities of the EurADI Government or gain an indirect exposure to those securities through derivative instruments such as swaps. The EurADI Government is designed to offer investors an improved benchmark for European sovereign bond "beta" and is a GDP-weighted, investable benchmark comprised of investment-grade, Euro-denominated government bond securities in the Eurozone. Where it is not possible for the Fund to invest directly or indirectly in the component securities of the EurADI Government, the Fund may also invest in Fixed Income Instruments that are as close to the component securities of the EurADI Government as possible. For cost effectiveness, the Fund may seek to obtain market exposure to the securities in which it primarily invests by entering into a series of purchase and sale contracts.
- Continued concerns over the solvency of various peripheral European countries depressed core European government yields, pushing core European government bond prices higher during the reporting period.

Name	1 Year	Since Inception ¹
PIMCO European Advantage Government Bond Index Source ETF (Inception 11-Jan-2011)	9.39%	6.50%
PIMCO European Advantage Government Bond Index	9.08%	6.37%

¹ Annualised Return Net of Fees and Expenses.

PIMCO Short-Term High Yield Corporate Bond Index Source ETF

Since Inception Net Performance Based on NAV - As at 31 March 2012

Portfolio Insights

- The Fund seeks to provide a return that replicates the performance of the BofA Merrill Lynch 0-5 Year US High Yield Constrained Index (the "Index") by investing its assets in a diversified portfolio of US Dollar-denominated Fixed Income Instruments (as defined in the Prospectus) that, as far as practicable, consist of the component securities of the Index. The Fund may invest directly in the component securities of the Index or gain an indirect exposure to those securities through derivative instruments such as swaps. The Index tracks the performance of short-term US Dollar denominated below investment grade corporate debt publicly issued in the US domestic market including bonds, Rule 144a securities and pay-in-kind securities including Toggle Notes. Qualifying securities must have less than five years remaining term to final maturity, a below investment grade rating (based on an average of Moody's, S&P and Fitch), a fixed coupon schedule and a minimum amount outstanding of \$100 million. In addition, issuers of qualifying securities must be located in or have substantial business operations in investment grade countries that are members of the FX G10, Western Europe or territories of the US and Western Europe.
- The Fund commenced operations on 14 March 2012.

Name	Since Inception ¹
PIMCO Short-Term High Yield Corporate Bond Index Source ETF (Inception 14-Mar-2012)	0.25%
BofA Merrill Lynch 0-5 Year US High Yield Constrained Index	0.22%

¹ Cumulative Return Net of Fees and Expenses.

PIMCO Sterling Short Maturity Source ETF

Since Inception Net Performance Based on NAV - As at 31 March 2012

Name	Since Inception ¹
PIMCO Sterling Short Maturity Source ETF (Inception 10-Jun-2011)	0.69%
3 Month GBP LIBID Index	0.72%

¹ Cumulative Return Net of Fees and Expenses.

Portfolio Insights

- The Fund seeks to generate maximum current income, consistent with preservation of capital and daily liquidity by investing primarily in an actively managed diversified portfolio of UK Sterling-denominated Fixed Income Securities of varying maturities including government bonds and securities issued or guaranteed by governments, their sub-divisions, agencies or instrumentalities, corporate debt securities and unleveraged mortgage or other asset-backed securities. The Fund may seek to obtain market exposure to the securities in which it primarily invests by entering into a series of purchase and sale contracts or by using other investment techniques (such as buy backs). The Fund may invest without limit in mortgage or other asset-backed securities. The Fund's weighted average maturity is not expected to exceed 3 years. The average portfolio duration of the Fund will be up to one year based on the Investment Advisers' forecast for interest rates. The Fund invests only in investment grade securities that are rated at least Baa3 by Moody's or BBB by S&P (or, if unrated, determined by the Investment Advisers to be of comparable quality). The Fund may invest up to a maximum of 5 per cent of its assets in emerging market Fixed Income Securities.
- The Fund commenced operations on 10 June 2011.
- Carry* generated from exposure to spread products yielding more than LIBOR added to performance.
- An overweight to duration (or sensitivity to changes in market interest rates) in core European countries added to performance as the yield curve rallied due to a flight-to-quality during the period since the Fund's inception.
- An underweight to UK duration detracted from performance as yields declined in the UK during the period since the Fund's inception.

**PIMCO defines total carry as the annualised expected return for a security or portfolio. This is calculated by annualising the expected return over the next three months, under the assumption that certain variables will remain constant.*

PIMCO US Dollar Short Maturity Source ETF

Since Inception Net Performance Based on NAV - As at 31 March 2012

Name	1 Year	Since Inception ¹
PIMCO US Dollar Short Maturity		
Source ETF (Inception 22-Feb-2011)	1.35%	1.40%
Citigroup 3-Month Treasury Bill Index	0.05%	0.06%

Effective 22 June 2011 the PIMCO US Dollar Enhanced Short Maturity Source ETF changed its name to the PIMCO US Dollar Short Maturity Source ETF.

¹ Annualised Return Net of Fees and Expenses.

Portfolio Insights

- The Fund seeks to generate maximum current income, consistent with preservation of capital and daily liquidity, by investing primarily in an actively managed diversified portfolio of US Dollar-denominated Fixed Income Securities of varying maturities including government bonds and securities issued or guaranteed by governments, their sub-divisions, agencies or instrumentalities, corporate debt securities and mortgage or other asset-backed securities. The Fund may seek to obtain market exposure to the securities in which it primarily invests by entering into a series of purchase and sale contracts or by using other investment techniques (such as buy backs). The Fund may invest without limit in mortgage or other asset-backed securities. The Fund's weighted average maturity is not expected to exceed 3 years. The average portfolio duration of the Fund will be up to one year based on the Investment Advisers' forecast for interest rates. The Fund invests only in investment grade securities that are rated at least Baa3 by Moody's or BBB by S&P (or, if unrated, determined by the Investment Advisers to be of comparable quality). The Fund may invest up to a maximum of 5% of its assets in emerging market Fixed Income Securities.
- An above-benchmark US duration (or sensitivity to changes in market interest rates) benefited returns as interest rates moved lower across the yield curve during the reporting period.
- A yield curve steepening strategy detracted from returns as the difference in yields between two- and thirty-year US Treasuries narrowed during the reporting period.

PIMCO Fixed Income Source ETFs plc

Benchmark Descriptions

PIMCO Emerging Markets Advantage Local Currency Government Bond Index

The PIMCO Emerging Markets Advantage Local Currency Government Bond Index tracks the performance of a GDP-weighted basket of emerging market local government bonds, currencies, or currency forwards, subject to a maximum exposure of 15% per country. Countries are selected, and their weights are determined, annually. Qualifying countries must have a minimum average sovereign rating of BB- (with such ratings provided by recognised rating agencies), represent greater than 0.3% of world GDP, designated as mid or low income based on Gross National Income per capita as published by the World Bank and have a liquid local bond or FX market. Countries whose internal or external borrowing is subject to EU or US sanctions are not eligible for the Index. It is not possible to invest directly in an unmanaged index.

Eonia® - Euro OverNight Index Average

Eonia® - Euro OverNight Index Average is the effective overnight reference rate for the Euro. It is computed as a weighted average of all overnight unsecured lending transactions undertaken in the interbank market, initiated within the euro area by the contributing banks.

PIMCO European Advantage Government Bond Index

PIMCO European Advantage Government Bond Index (EurADI Government) is a new GDP-weighted benchmark that tracks investment-grade, Euro-denominated government bond securities in the Eurozone. Launched in July 2010, EurADI Government is the Eurozone component of the PIMCO Global Advantage Government Bond Index (GLADI Government) and designed to offer investors an improved benchmark for European sovereign bond "beta". By avoiding the bias of market capitalisation-weighted indexes to overweight highly indebted countries, the EurADI Government provides a building block for portfolios with the potential for higher risk-adjusted returns.

BofA Merrill Lynch 0-5 Year US High Yield Constrained Index

The BofA Merrill Lynch 0-5 Year US High Yield Constrained Index tracks the performance of short-term US Dollar denominated below investment grade corporate debt issued in the US domestic market with less than five years remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$100 million, issued publicly. Allocations to an individual issuer will not exceed 2%. It is not possible to invest directly in an unmanaged index.

3 Month GBP LIBID Index

LIBID (London Interbank Bid Rate) is an average interest rate, determined by the British Bankers Association, that banks charge one another for the use of short-term money (3 months) in England's Eurodollar market. It is not possible to invest directly in an unmanaged index.

Citigroup 3-Month Treasury Bill Index

Citigroup 3-Month Treasury Bill Index is an unmanaged index representing monthly return equivalents of yield averages of the last 3 month Treasury Bill issues. It is not possible to invest directly in an unmanaged index.

PIMCO Fixed Income Source ETFs plc

Statement of Financial Position

(Amounts in thousands)	PIMCO Emerging Markets Advantage Local Bond Index Source ETF ⁽¹⁾		PIMCO Euro Short Maturity Source ETF		PIMCO Euro Short Maturity Source ETF		PIMCO European Advantage Government Bond Index Source ETF		PIMCO European Advantage Government Bond Index Source ETF	
	As at		As at		As at		As at		As at	
	31-Mar-2012		31-Mar-2012		31-Mar-2011		31-Mar-2012		31-Mar-2011	
Current Assets:										
Financial Assets at fair value through profit or loss:										
Transferable Securities	\$	15,094	€	33,275	€	28,993	€	5,808	€	14,459
Deposits with credit institutions		0		0		0		0		0
Financial Derivative Instruments		67		0		0		0		0
Cash		254		180		61		0		27
Income receivable		102		505		376		100		242
Receivables for investments sold		0		2,202		0		0		1,038
Receivables for Fund shares sold		0		0		4,820		0		0
Receivables from management company		0		2		1		4		2
Total Current Assets		15,517		36,164		34,251		5,912		15,768
Current Liabilities:										
Financial Liabilities at fair value through profit or loss:										
Financial Derivative Instruments		(60)		0		0		0		0
Payable for investments purchased		0		(2,499)		(4,534)		0		(1,020)
Payable for management fee		(8)		(13)		(13)		(4)		(8)
Expenses payable		(14)		(10)		(2)		(10)		(2)
Total Current Liabilities excluding Net Assets Attributable to Redeemable Participating Shareholders		(82)		(2,522)		(4,549)		(14)		(1,030)
Net Assets Attributable to Redeemable Participating Shareholders (for financial statement purposes)	\$	15,435	€	33,642	€	29,702	€	5,898	€	14,738
Net Assets Attributable to Redeemable Participating Shareholders (for shareholder dealing purposes)	\$	15,435	€	33,642	€	29,702	€	5,898	€	14,738

A zero balance may reflect actual amounts rounding to less than one thousand.

⁽¹⁾ The PIMCO Emerging Markets Advantage Local Bond Index Source ETF launched on 19 September 2011.

PIMCO Fixed Income Source ETFs plc

Statement of Financial Position (continued)

(Amounts in thousands)	PIMCO Short-Term High Yield Corporate Bond Index Source ETF ⁽²⁾		PIMCO Sterling Short Maturity Source ETF ⁽³⁾		PIMCO US Dollar Short Maturity Source ETF		PIMCO US Dollar Short Maturity Source ETF	
	As at		As at		As at		As at	
	31-Mar-2012		31-Mar-2012		31-Mar-2012		31-Mar-2011	
Current Assets:								
Financial Assets at fair value through profit or loss:								
Transferable Securities	\$	83,772	£	25,806	\$	14,074	\$	14,606
Deposits with credit institutions		0		0		0		150
Financial Derivative Instruments		0		157		0		0
Cash		938		172		112		77
Income receivable		1,358		240		82		98
Receivables for investments sold		14,600		4,880		0		99
Receivables for Fund shares sold		43,714		0		0		0
Receivables from management company		0		0		4		1
Total Current Assets		144,382		31,255		14,272		15,031
Current Liabilities:								
Financial Liabilities at fair value through profit or loss:								
Financial Derivative Instruments		0		(34)		0		0
Payable for investments purchased		(62,632)		(5,000)		0		0
Payable for management fee		(8)		(9)		(7)		(5)
Expenses payable		0		(2)		(12)		(1)
Total Current Liabilities excluding Net Assets Attributable to Redeemable Participating Shareholders		(62,640)		(5,045)		(19)		(6)
Net Assets Attributable to Redeemable Participating Shareholders (for financial statement purposes)	\$	81,742	£	26,210	\$	14,253	\$	15,025
Net Assets Attributable to Redeemable Participating Shareholders (for shareholder dealing purposes)	\$	81,742	£	26,210	\$	14,253	\$	15,025

A zero balance may reflect actual amounts rounding to less than one thousand.

⁽²⁾ The PIMCO Short-Term High Yield Corporate Bond Index Source ETF launched on 14 March 2012.

⁽³⁾ The PIMCO Sterling Short Maturity Source ETF launched on 10 June 2011.

PIMCO Fixed Income Source ETFs plc

Statement of Financial Position (continued)

(Amounts in thousands)	Company Total		Company Total	
	As at		As at	
	31-Mar-2012		31-Mar-2011	
Current Assets:				
Financial Assets at fair value through profit or loss:				
Transferable Securities	€	154,853	€	53,770
Deposits with credit institutions		0		106
Financial Derivative Instruments		239		0
Cash		1,366		142
Income receivable		2,051		687
Receivables for investments sold		19,020		1,108
Receivables for Fund shares sold		32,826		4,820
Receivables from management company		9		4
Total Current Assets		210,364		60,637
Current Liabilities:				
Financial Liabilities at fair value through profit or loss:				
Financial Derivative Instruments		(86)		0
Payable for investments purchased		(55,530)		(5,554)
Payable for management fee		(45)		(25)
Expenses payable		(42)		(5)
Total Current Liabilities excluding Net Assets Attributable to Redeemable Participating Shareholders		(55,703)		(5,584)
Net Assets Attributable to Redeemable Participating Shareholders (for financial statement purposes)	€	154,661	€	55,053
Net Assets Attributable to Redeemable Participating Shareholders (for shareholder dealing purposes)	€	154,661	€	55,053

A zero balance may reflect actual amounts rounding to less than one thousand.

On behalf of the Board of Directors

Director: David M. Kennedy

Director: Michael J. Meagher

Date: 24 July 2012

PIMCO Fixed Income Source ETFs plc

Statement of Comprehensive Income

(Amounts in thousands)	PIMCO Emerging Markets Advantage Local Bond Index Source ETF ⁽¹⁾		PIMCO Euro Short Maturity Source ETF		PIMCO Euro Short Maturity Source ETF ⁽²⁾		PIMCO European Advantage Government Bond Index Source ETF		PIMCO European Advantage Government Bond Index Source ETF ⁽³⁾	
	For the period ended		For the year ended		For the period ended		For the year ended		For the period ended	
	31-Mar-2012		31-Mar-2012		31-Mar-2011		31-Mar-2012		31-Mar-2011	
Income										
Interest and dividend income	\$	288	€	1,272	€	58	€	294	€	85
Bank interest		0		1		0		0		0
Net realised gain/(loss) on transferable securities and deposits with credit institutions		0		(143)		(14)		(113)		(5)
Net realised gain/(loss) on foreign currency		16		0		0		0		0
Net change in unrealised appreciation/(depreciation) on transferable securities and deposits with credit institutions		180		174		(8)		393		(232)
Net change in unrealised appreciation/(depreciation) on foreign currency		9		0		0		0		0
Total Investment Income/(Loss)		493		1,304		36		574		(152)
Operating Expenses										
Management fee		(48)		(248)		(18)		(24)		(11)
Other expenses		(1)		(8)		(2)		(8)		(2)
Total Expenses		(49)		(256)		(20)		(32)		(13)
Reimbursement by Investment Advisers		0		4		1		8		1
Net Operating Expenses		(49)		(252)		(19)		(24)		(12)
Net Investment Income/(Loss)		444		1,052		17		550		(164)
Finance Costs										
Interest expense		0		(2)		0		0		0
Distributions to redeemable participating shareholders		0		(1,037)		(26)		(283)		(55)
Net Equalisation (Credits) and Charges		0		15		7		20		2
Total Finance Costs		0		(1,024)		(19)		(263)		(53)
Profit/(Loss) for the Period before Tax		444		28		(2)		287		(217)
Withholding taxes on dividends and other investment income		(19)		0		0		(6)		3
Profit/(Loss) for the Period after Tax		425		28		(2)		281		(214)
Increase/(Decrease) in Assets Attributable to Redeemable Participating Shareholders	\$	425	€	28	€	(2)	€	281	€	(214)

A zero balance may reflect actual amounts rounding to less than one thousand.

Income and expenses arise solely from continuing operations. There were no recognised gains and losses other than those dealt within the Statement of Comprehensive Income.

⁽¹⁾ Period from 19 September 2011, commencement of investment operations, to 31 March 2012.

⁽²⁾ Period from 11 January 2011, commencement of investment operations, to 31 March 2011.

⁽³⁾ Period from 11 January 2011, commencement of investment operations, to 31 March 2011.

PIMCO Fixed Income Source ETFs plc

Statement of Comprehensive Income (continued)

(Amounts in thousands)	PIMCO Short-Term High Yield Corporate Bond Index Source ETF ⁽⁴⁾		PIMCO Sterling Short Maturity Source ETF ⁽⁵⁾		PIMCO US Dollar Short Maturity Source ETF		PIMCO US Dollar Short Maturity Source ETF ⁽⁶⁾	
	For the period ended 31-Mar-2012		For the period ended 31-Mar-2012		For the year ended 31-Mar-2012		For the period ended 31-Mar-2011	
Income								
Interest and dividend income	\$	5	£	337	\$	197	\$	18
Bank interest		0		0		0		0
Net realised gain/(loss) on transferable securities and deposits with credit institutions		0		(336)		40		9
Net realised gain/(loss) on foreign currency		0		593		0		0
Net change in unrealised appreciation/(depreciation) on transferable securities and deposits with credit institutions		(65)		(356)		55		8
Net change in unrealised appreciation/(depreciation) on foreign currency		0		123		0		0
Total Investment Income/(Loss)		(60)		361		292		35
Operating Expenses								
Management fee		(7)		(107)		(53)		(6)
Other expenses		0		(2)		(10)		(1)
Total Expenses		(7)		(109)		(63)		(7)
Reimbursement by Investment Advisers		0		1		9		1
Net Operating Expenses		(7)		(108)		(54)		(6)
Net Investment Income/(Loss)		(67)		253		238		29
Finance Costs								
Interest expense		0		0		0		0
Distributions to redeemable participating shareholders		0		(218)		(133)		(4)
Net Equalisation (Credits) and Charges		84		2		(1)		0
Total Finance Costs		84		(216)		(134)		(4)
Profit/(Loss) for the Period before Tax		17		37		104		25
Withholding taxes on dividends and other investment income		0		0		0		0
Profit/(Loss) for the Period after Tax		17		37		104		25
Increase/(Decrease) in Assets Attributable to Redeemable Participating Shareholders	\$	17	£	37	\$	104	\$	25

A zero balance may reflect actual amounts rounding to less than one thousand.

Income and expenses arise solely from continuing operations. There were no recognised gains and losses other than those dealt within the Statement of Comprehensive Income.

⁽⁴⁾ Period from 14 March 2012, commencement of investment operations, to 31 March 2012.

⁽⁵⁾ Period from 10 June 2011, commencement of investment operations, to 31 March 2012.

⁽⁶⁾ Period from 22 February 2011, commencement of investment operations, to 31 March 2011.

PIMCO Fixed Income Source ETFs plc

Statement of Comprehensive Income (continued)

(Amounts in thousands)	Company Total		Company Total	
	For the year/period ended		For the period ended	
	31-Mar-2012		31-Mar-2011	
Income				
Interest and dividend income	€	2,312	€	156
Bank interest		1		0
Net realised gain/(loss) on transferable securities and deposits with credit institutions		(616)		(12)
Net realised gain/(loss) on foreign currency		699		0
Net change in unrealised appreciation/(depreciation) on transferable securities and deposits with credit institutions		278		(234)
Net change in unrealised appreciation/(depreciation) on foreign currency		149		0
Total Investment Income/(Loss)		2,823		(90)
Operating Expenses				
Management fee		(474)		(33)
Other expenses		(26)		(5)
Total Expenses		(500)		(38)
Reimbursement by Investment Advisers		20		3
Net Operating Expenses		(480)		(35)
Net Investment Income/(Loss)		2,343		(125)
Finance Costs				
Interest expense		(2)		0
Distributions to redeemable participating shareholders		(1,669)		(84)
Net Equalisation (Credits) and Charges		98		9
Total Finance Costs		(1,573)		(75)
Profit/(Loss) for the Period before Tax		770		(200)
Withholding taxes on dividends and other investment income		(20)		3
Profit/(Loss) for the Period after Tax		750		(197)
Increase/(Decrease) in Assets Attributable to Redeemable Participating Shareholders	€	750	€	(197)

A zero balance may reflect actual amounts rounding to less than one thousand.

Income and expenses arise solely from continuing operations. There were no recognised gains and losses other than those dealt within the Statement of Comprehensive Income.

On behalf of the Board of Directors

Director: David M. Kennedy

Director: Michael J. Meagher

Date: 24 July 2012

PIMCO Fixed Income Source ETFs plc

Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders

(Amounts in thousands)	PIMCO Emerging Markets Advantage Local Bond Index Source ETF ⁽¹⁾		PIMCO Euro Short Maturity Source ETF		PIMCO Euro Short Maturity Source ETF ⁽²⁾		PIMCO European Advantage Government Bond Index Source ETF		PIMCO European Advantage Government Bond Index Source ETF ⁽³⁾	
	For the period ended		For the year ended		For the period ended		For the year ended		For the period ended	
	31-Mar-2012		31-Mar-2012		31-Mar-2011		31-Mar-2012		31-Mar-2011	
Net Assets at the Beginning of the Period	\$	0	€	29,702	€	0	€	14,738	€	0
Proceeds from shares issued		15,010		124,632		34,324		8,876		14,952
Proceeds from reinvestment of distributions		0		0		0		0		0
Payments on shares redeemed		0		(120,720)		(4,620)		(17,997)		0
Notional exchange rate adjustment		0		0		0		0		0
Increase/(Decrease) in net assets attributable to redeemable participating shareholders	\$	425	€	28	€	(2)	€	281	€	(214)
Closing Value at the End of the Period	\$	15,435	€	33,642	€	29,702	€	5,898	€	14,738

(Amounts in thousands)	PIMCO Short-Term High Yield Corporate Bond Index Source ETF ⁽⁴⁾		PIMCO Sterling Short Maturity Source ETF ⁽⁵⁾		PIMCO US Dollar Short Maturity Source ETF		PIMCO US Dollar Short Maturity Source ETF ⁽⁶⁾	
	For the period ended		For the period ended		For the year ended		For the period ended	
	31-Mar-2012		31-Mar-2012		31-Mar-2012		31-Mar-2011	
Net Assets at the Beginning of the Period	\$	0	£	0	\$	15,025	\$	0
Proceeds from shares issued		81,725		53,119		11,536		15,000
Proceeds from reinvestment of distributions		0		0		0		0
Payments on shares redeemed		0		(26,946)		(12,412)		0
Notional exchange rate adjustment		0		0		0		0
Increase/(Decrease) in net assets attributable to redeemable participating shareholders	\$	17	£	37	\$	104	\$	25
Closing Value at the End of the Period	\$	81,742	£	26,210	\$	14,253	\$	15,025

A zero balance may reflect actual amounts rounding to less than one thousand.

⁽¹⁾ Period from 19 September 2011, commencement of investment operations, to 31 March 2012.

⁽²⁾ Period from 11 January 2011, commencement of investment operations, to 31 March 2011.

⁽³⁾ Period from 11 January 2011, commencement of investment operations, to 31 March 2011.

⁽⁴⁾ Period from 14 March 2012, commencement of investment operations, to 31 March 2012.

⁽⁵⁾ Period from 10 June 2011, commencement of investment operations, to 31 March 2012.

⁽⁶⁾ Period from 22 February 2011, commencement of investment operations, to 31 March 2011.

PIMCO Fixed Income Source ETFs plc

Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders (continued)

(Amounts in thousands)	Company Total	
	For the year/period ended 31-Mar-2012	For the period ended 31-Mar-2011
Net Assets at the Beginning of the Period	€ 55,053	€ 0
Proceeds from shares issued	273,627	60,184
Proceeds from reinvestment of distributions	0	0
Payments on shares redeemed	(178,946)	(4,620)
Notional exchange rate adjustment	4,177	(314)
Increase/(Decrease) in net assets attributable to redeemable participating shareholders	€ 750	€ (197)
Closing Value at the End of the Period	€ 154,661	€ 55,053

A zero balance may reflect actual amounts rounding to less than one thousand.

PIMCO Fixed Income Source ETFs plc

Statement of Cash Flows

(Amounts in thousands)	PIMCO Emerging Markets Advantage Local Bond Index Source ETF ⁽¹⁾	PIMCO Euro Short Maturity Source ETF	PIMCO Euro Short Maturity Source ETF ⁽²⁾	PIMCO European Advantage Government Bond Index Source ETF	PIMCO European Advantage Government Bond Index Source ETF ⁽³⁾
	For the period ended 31-Mar-2012	For the year ended 31-Mar-2012	For the period ended 31-Mar-2011	For the year ended 31-Mar-2012	For the period ended 31-Mar-2011
Cash Flows from Operating Activities					
Purchase of financial assets and liabilities at fair value through profit or loss	\$ (30,011)	€ (912,449)	€ (35,335)	€ (13,486)	€ (16,003)
Proceeds from sale of financial assets and liabilities at fair value through profit or loss	15,115	903,961	10,495	22,435	1,049
Interest and dividend income received	167	1,144	41	430	82
Operating expenses paid	(27)	(245)	(5)	(22)	0
Net Cash Outflow from Investing Activities	(14,756)	(7,589)	(24,804)	9,357	(14,872)
Cash Flows from Financing Activities					
Proceeds from shares issued and offsets	15,010	129,452	29,504	8,876	14,952
Payments on shares redeemed	0	(120,720)	(4,620)	(17,997)	0
Interest expense paid	0	(2)	0	0	0
Distributions paid to Redeemable Participating Shareholders	0	(1,022)	(19)	(263)	(53)
Net Cash Inflow from Financing Activities	15,010	7,708	24,865	(9,384)	14,899
Net increase/(decrease) in cash and cash equivalents for the period	254	119	61	(27)	27
Notional exchange rate adjustment	0	0	0	0	0
Cash and cash equivalents at the beginning of the period	0	61	0	27	0
Cash and cash equivalents at the end of the period	\$ 254	€ 180	€ 61	€ 0	€ 27

A zero balance may reflect actual amounts rounding to less than one thousand.

⁽¹⁾ Period from 19 September 2011, commencement of investment operations, to 31 March 2012.

⁽²⁾ Period from 11 January 2011, commencement of investment operations, to 31 March 2011.

⁽³⁾ Period from 11 January 2011, commencement of investment operations, to 31 March 2011.

PIMCO Fixed Income Source ETFs plc

Statement of Cash Flows (continued)

(Amounts in thousands)	PIMCO Short-Term High Yield Corporate Bond Index Source ETF ⁽⁴⁾	PIMCO Sterling Short Maturity Source ETF ⁽⁵⁾	PIMCO US Dollar Short Maturity Source ETF	PIMCO US Dollar Short Maturity Source ETF ⁽⁶⁾
	For the period ended 31-Mar-2012	For the period ended 31-Mar-2012	For the year ended 31-Mar-2012	For the period ended 31-Mar-2011
Cash Flows from Operating Activities				
Purchase of financial assets and liabilities at fair value through profit or loss	\$ (44,522)	£ (863,226)	\$ (166,542)	\$ (83,092)
Proceeds from sale of financial assets and liabilities at fair value through profit or loss	8,718	837,441	167,418	68,143
Interest and dividend income received	(1,353)	97	213	31
Operating expenses paid	0	(97)	(44)	(1)
Net Cash Outflow from Investing Activities	(37,157)	(25,785)	1,045	(14,919)
Cash Flows from Financing Activities				
Proceeds from shares issued and offsets	38,011	53,119	11,536	15,000
Payments on shares redeemed	0	(26,946)	(12,412)	0
Interest expense paid	0	0	0	0
Distributions paid to Redeemable Participating Shareholders	84	(216)	(134)	(4)
Net Cash Inflow from Financing Activities	38,095	25,957	(1,010)	14,996
Net increase/(decrease) in cash and cash equivalents for the period	938	172	35	77
Notional exchange rate adjustment	0	0	0	0
Cash and cash equivalents at the beginning of the period	0	0	77	0
Cash and cash equivalents at the end of the period	\$ 938	£ 172	\$ 112	\$ 77

A zero balance may reflect actual amounts rounding to less than one thousand.

⁽⁴⁾ Period from 14 March 2012, commencement of investment operations, to 31 March 2012.

⁽⁵⁾ Period from 10 June 2011, commencement of investment operations, to 31 March 2012.

⁽⁶⁾ Period from 22 February 2011, commencement of investment operations, to 31 March 2011.

PIMCO Fixed Income Source ETFs plc

Statement of Cash Flows (continued)

(Amounts in thousands)	Company Total	Company Total
	For the year/period ended	For the period ended
	31-Mar-2012	31-Mar-2011
Cash Flows from Operating Activities		
Purchase of financial assets and liabilities at fair value through profit or loss	€ (2,101,084)	€ (111,764)
Proceeds from sale of financial assets and liabilities at fair value through profit or loss	2,035,511	61,096
Interest and dividend income received	980	146
Operating expenses paid	(430)	(6)
Net Cash Outflow from Investing Activities	(65,023)	(50,528)
Cash Flows from Financing Activities		
Proceeds from shares issued and offsets	246,724	55,364
Payments on shares redeemed	(178,946)	(4,620)
Interest expense paid	(2)	0
Distributions paid to Redeemable Participating Shareholders	(1,572)	(74)
Net Cash Inflow from Financing Activities	66,204	50,670
Net increase/(decrease) in cash and cash equivalents for the period	1,181	142
Notional exchange rate adjustment	43	0
Cash and cash equivalents at the beginning of the period	142	0
Cash and cash equivalents at the end of the period	€ 1,366	€ 142

A zero balance may reflect actual amounts rounding to less than one thousand.

PIMCO Fixed Income Source ETFs plc

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2012

1. GENERAL INFORMATION

Each of the funds (hereinafter referred to individually as a “Fund” and collectively as the “Funds”) discussed in this report is a sub-fund of the PIMCO Fixed Income Source ETFs plc (the “Company”), an open ended umbrella investment company with variable capital and segregated liability between Funds incorporated with limited liability in Ireland under the Companies Acts, 1963 to 2012 with registration number 489440 and authorised by the Central Bank of Ireland as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities (“UCITS”)) Regulations, 2011. The Company is an umbrella type company in that Classes of shares may be issued in relation to different Funds from time to time. More than one class of shares (“Class”) may, at the discretion of the Board of Directors (the “Board”), be issued in relation to a Fund. A separate portfolio of assets is maintained for each Fund and is invested in accordance with the investment objectives and policies applicable to such Fund. Additional Funds may be created from time to time by the Board with the prior written approval of the Central Bank of Ireland. Additional Classes may be created from time to time by the Board and will be notified and cleared in advance with the Central Bank of Ireland. The Company was incorporated on 24 September 2010.

The Funds are exchange-traded funds (“ETF”) and Shares of the Funds will be listed and traded at market prices on one or more Relevant Stock Exchanges and other secondary markets. The market price for a Fund’s Shares may be different from the Fund’s Net Asset Value. Only Authorised Participants may purchase Shares at Net Asset Value from the Company. Authorised Participants may subscribe for Shares in cash or in kind with securities similar to a Fund’s portfolio (and acceptable as such to the Investment Advisers).

The PIMCO Euro Short Maturity Source ETF and PIMCO European Advantage Government Bond Index Source ETF are traded on the Deutsche Börse AG (Xetra) and the PIMCO Emerging Markets Advantage Local Bond Index Source ETF, PIMCO Short-Term High Yield Corporate Bond Index Source ETF, PIMCO Sterling Short Maturity Source ETF and the PIMCO US Dollar Short Maturity Source ETF are listed on the Irish Stock Exchange and traded on the London Stock Exchange.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies and estimation techniques adopted by the Company and applied in the preparation of these financial statements:

(a) Basis of Accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union and Irish statute comprising the Companies Acts, 1963 to 2012, and the UCITS Regulations, 2011.

The financial statements are prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities held at fair value through profit or loss. The Company maintains separate accounts for each Fund. Shares are issued by the Company and allocated to whichever Fund is selected by the shareholder. Upon redemption, shareholders are only entitled to their portion of the net assets held in the Fund in respect of which shares have been issued to them.

Financial statement figures have been rounded to thousands unless otherwise indicated throughout the report.

(b) New and amended accounting pronouncements effective for current period

International Accounting Standard (“IAS”) 24: Related party disclosures - for annual accounting periods commencing on or after 1 January 2011 (Note 13).

(c) New accounting pronouncements not yet effective

At the date of authorisation of these financial statements, the following interpretations and amendments to existing standards, which have not been applied, were in issue but not yet effective:

IFRS 7, “Financial instruments: Disclosures” on Transfers of assets - for annual accounting periods beginning on or after 1 July 2011.

IAS 1, “Financial statement presentation” regarding other comprehensive income - for annual accounting periods beginning on or after 1 July 2012.

IFRS 12, “Disclosure of interests in other entities” - for annual accounting periods beginning on or after 1 January 2013.

IFRS 13, “Fair value measurement” - for annual accounting periods beginning on or after 1 January 2013.

IFRS 7, “Financial instruments: Disclosures”, on offsetting financial assets and financial liabilities – for annual periods beginning on or after 1 January 2013.

PIMCO Fixed Income Source ETFs plc

Notes to the Financial Statements (continued)

IAS 32, “Financial instruments: Presentation”, on offsetting financial assets and financial liabilities – for annual periods beginning on or after 1 January 2014.

IFRS 9, “Financial Instruments”, classification and measurement - for annual accounting periods beginning on or after 1 January 2015.

The Board has not yet assessed the impact that the adoption of these standards and interpretations in future periods will have on the financial statements of the Company. These standards and interpretations will be adopted when they become effective.

(d) Determination of Net Asset Value

The Net Asset Value (the “NAV”) of each Fund and/or each Class will be calculated as of the close of regular trading on each Dealing Day (normally 4:00 p.m., Eastern time) as disclosed in the Company’s most recent Prospectus or the relevant supplement. To comply with IFRS, Fund securities and other assets are valued at the closing bid price as of 30 March 2012 to determine the Net Assets Attributable to Redeemable Participating Shareholders (“Net Assets”) for financial statement purposes. Fund securities and other assets are valued based on the last traded price at the close of business on the relevant Dealing Day for purposes of determining Net Asset Value per redeemable participating shareholder for shareholder dealing purposes (the “Dealing NAV”). Where the difference between the Net Assets for financial statement purposes and the Dealing NAV is deemed material, an adjustment to revalue assets to the Dealing NAV is shown in the Statement of Financial Position.

(e) Security Transactions

Securities transactions are recorded as of the trade date. Realised gains and losses from securities sold are recorded on the identified cost basis. Interest income, adjusted for the accretion of discounts and amortisation of premiums, is recorded on the accrual basis from settlement date and calculated using an effective interest methodology. Estimated tax liabilities on certain foreign securities are recorded on an accrual basis and are reflected as components of interest income or withholding taxes on dividends and other investment income on the Statement of Comprehensive Income as appropriate.

(f) Multi-Class Allocations

Each Class offered by the Company has equal rights, unless otherwise specified, as to assets and voting privileges (except that shareholders of a Class have exclusive voting rights regarding any matter relating solely to that Class). Within each Class of each Fund, the Company may issue

either or both Income Shares (shares which distribute income) and Accumulation Shares (shares which accumulate income). The multiple Class structure permits an investor to choose the method of purchasing shares that is most beneficial to the investor, given the amount of the purchase, the length of time the investor expects to hold the shares, and other circumstances. Where there are shares of a different Class or type in issue, the NAV per share amongst Classes may differ to reflect the fact that income has been accumulated or distributed, or may have differing fees and expenses. Realised and unrealised capital gains and losses of each Fund are allocated daily to each Class of shares based on the relative net assets of each Class of the respective Fund.

(g) Foreign Currency

The financial statements of each Fund are presented using the currency of the primary economic environment in which it operates (the “functional currency”). The Funds in the Company have the same functional and presentation currency. The presentation currency of the PIMCO Emerging Markets Advantage Local Bond Index Source ETF, PIMCO Short-Term High Yield Corporate Bond Index Source ETF and PIMCO US Dollar Short Maturity Source ETF is US Dollars. The presentation currency of the PIMCO Euro Short Maturity Source ETF and PIMCO European Advantage Government Bond Index Source ETF is Euro and the presentation currency of the PIMCO Sterling Short Maturity Source ETF is British Pound Sterling. The Company totals of the Funds, required under Irish Company law, are presented in Euro, which is the primary economic environment of the Company. All amounts are in Euro unless otherwise indicated.

The market values of foreign securities, currency holdings and other assets and liabilities are translated into the functional currency of each Fund based on the current exchange rate for each business day. Fluctuations in the value of currency holdings and other assets and liabilities resulting from changes in exchange rates are recorded as unrealised gains or losses on foreign currency.

The unrealised appreciation or depreciation arising from the translation of securities denominated in a foreign currency are included in net change in unrealised appreciation/(depreciation) on transferable securities and deposits with credit institutions. Realised gains and losses arising between the transaction and settlement dates on purchases and sales of foreign currency denominated securities are included in Net realised gain/(loss) on foreign currency in the Statement of Comprehensive Income.

PIMCO Fixed Income Source ETFs plc

Notes to the Financial Statements (continued)

The Statement of Financial Position is translated using exchange rates at the year end and the Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders and Statement of Cash Flows are translated at an average rate over the year for inclusion in the combined financial statements of the Company. The method of translation has no effect on the value of net assets allocated to the individual Funds.

(h) Transaction Costs

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs are included in the Statement of Comprehensive Income within Net realised gain/(loss) on transferable securities and deposits with credit institutions and Net realised gain/(loss) on foreign currency.

(i) Equalisation

The Funds follow the accounting practice known as income equalisation. The income equalisation adjustment ensures income distributed to the shareholders investing in the Income Class Shares is in proportion to the time of ownership in the distribution period. A portion of the subscription and redemption price of the Class's shares, representing income included in the share price on the date of the share transaction, is credited or charged respectively to income each time there is a relevant subscription or redemption.

3. INVESTMENTS AT FAIR MARKET VALUE

This category has two sub-categories: financial assets and liabilities held for trading, and those designated by management at fair market value through profit or loss at inception. Financial assets or liabilities held for trading are acquired or incurred principally for the purpose of selling or repurchasing in the short term. Financial derivatives are also categorised as held for trading, as the Funds do not designate any financial derivatives as hedges in a hedging relationship. Financial assets and financial liabilities designated at fair market value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair market value basis in accordance with the Fund's documented investment strategy.

The Funds' policy requires Pacific Investment Management Company LLC, including PIMCO Europe Ltd. ("PIMCO") and the Board to evaluate the information about these financial assets and liabilities on a fair market value basis together with other related financial information.

Gains and losses arising from changes in the fair market value of the "financial assets at fair market value through profit or loss" category are included in the Statement of Comprehensive Income in the period in which they arise.

Fund securities and other assets for which market quotes are readily available are valued at market value. Fair market value is generally determined on the basis of last reported sales prices, or if no sales are reported, based on quotes obtained from a quotation reporting system, established market makers, or pricing services.

Investments initially valued in currencies other than the functional currency of the Fund are converted using exchange rates obtained from pricing services. As a result, the NAV of the Fund's shares may be affected by changes in the value of currencies in relation to the Fund's functional currency. The value of securities traded in foreign markets or denominated in currencies other than the Fund's functional currency may be affected significantly on a day that the relevant stock exchange is closed and the NAV may change on days when an investor is not able to purchase, redeem or exchange shares.

If the value of a security that is solely traded on a foreign exchange has materially changed after the close of the security's primary exchange or principal market but before the close of the dealing day, the security will be valued at fair market value based on procedures established and approved by the Board. Securities that do not trade when a Fund is open are also valued at fair market value. A Fund may determine the fair market value of investments based on information provided by pricing service providers and other third party vendors, which may recommend fair market value prices or adjustments with reference to other securities, indices or assets. In considering whether fair market value pricing is required and in determining fair market values, a Fund may, among other things, consider significant events (which may be considered to include changes in the value of securities or securities indices) that occur after the close of the relevant market and before the close of the dealing day. A Fund may utilise modeling tools provided by third party vendors to determine fair market values of securities impacted by significant events. Foreign exchanges may permit trading in foreign securities on days when the Funds are not open for business, which may result in a Fund's portfolio of investments being affected when you are unable to buy or sell shares. A Fund has retained a pricing service to assist in determining the fair market value of foreign securities. This service utilises statistics and programs based on historical performance of markets and other economic data to assist in making fair market value estimates. Fair market value estimates used by a Fund for foreign securities may differ from the value realised from the sale of those securities and the difference could be material to the financial statements. Fair market value pricing may require subjective determinations about the value

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Notes to the Financial Statements (continued)

of a security or other asset, and fair market values used to determine a Fund's NAV may differ from quoted or published prices, or from prices that are used by others, for the same investments. In addition, the use of fair market value pricing may not always result in adjustments to the prices of securities or other assets held by a Fund.

IAS 32 defines fair market value as the price that a Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at measurement date. IFRS 7 establishes and requires disclosure of a fair value hierarchy, separately for each major category of assets and liabilities, that segregates fair market value measurements into levels (Levels 1, 2, and 3). Valuation levels are not necessarily an indication of the risk associated with investing in those securities. Levels 1, 2, and 3 of the fair value hierarchy are defined as follows:

- Level 1—Inputs using quoted prices in active markets or exchanges for identical assets and liabilities.
- Level 2—Significant other observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market corroborated inputs.
- Level 3—Significant unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available, which may include assumptions made by the Board or persons acting at their direction that are used in determining the fair market value of investments.

Level 1 and Level 2 trading assets and trading liabilities, at fair market value

The valuation techniques and significant inputs used in determining the fair market values of financial instruments classified as Level 1 and Level 2 of the fair value hierarchy are as follows:

Fixed income securities including corporate, convertible and municipal bonds and notes, US government agencies, US treasury obligations, sovereign issues, bank loans, convertible preferred securities and non-US bonds are normally valued by pricing service providers that use broker dealer quotations, reported trades or valuation estimates from

their internal pricing models. The service providers' internal models use inputs that are observable such as issuer details, interest rates, yield curves, prepayment speeds, credit risks/spreads, default rates and quoted prices for similar assets. Securities that use similar valuation techniques and inputs as described above are categorised as Level 2 of the fair value hierarchy.

Fixed income securities purchased on a delayed-delivery basis are marked to market daily until settlement at the forward settlement date are categorised as Level 2 of the fair value hierarchy.

Mortgage-related and asset-backed securities are usually issued as separate tranches, or classes, of securities within each deal. These securities are also normally valued by pricing service providers that use broker dealer quotations or valuation estimates from their internal pricing models. The pricing models for these securities usually consider tranche-level attributes, current market data, estimated cash flows and market-based yield spreads for each tranche, and incorporates deal collateral performance, as available. Mortgage-related and asset-backed securities that use similar valuation techniques and inputs as described above are categorised as Level 2 of the fair value hierarchy.

Short-term investments having a maturity of 60 days or less are generally valued at amortised cost which approximates fair market value. These investments are categorised as Level 2 of the fair value hierarchy.

Over-the-counter financial derivative instruments, such as foreign currency contracts, options contracts, or swap agreements, derive their value from underlying asset prices, indices, reference rates, and other inputs or a combination of these factors. These contracts are normally valued on the basis of broker dealer quotations or pricing service providers. Depending on the product and the terms of the transaction, the value of the derivative contracts can be estimated by a pricing service provider using a series of techniques, including simulation pricing models. The pricing models use inputs that are observed from actively quoted markets such as issuer details, indices, spreads, interest rates, yield curves, dividends and exchange rates. Financial derivatives that use similar valuation techniques and inputs as described above are categorised as Level 2 of the fair value hierarchy.

Level 3 trading assets and trading liabilities, at fair market value

The valuation techniques and significant inputs used in determining the fair market values of financial instruments classified as Level 3 of the fair value hierarchy are as follows:

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Notes to the Financial Statements (continued)

Market quotes are considered not readily available in circumstances where there is an absence of current or reliable market-based data (e.g., trade information, bid/asked information), including where events occur after the close of the relevant market, but prior to the close of the Fund's Dealing Day, that materially affect the values of the Fund's securities or assets. In addition, market quotes are considered not readily available when, due to extraordinary circumstances, the exchanges or markets on which the securities trade, do not open for trading for the entire day and no other market prices are available. The Board has delegated to PIMCO the responsibility for monitoring significant events that may materially affect the value of the Fund's securities or assets and for determining whether the value of the applicable securities or assets should be re-evaluated in light of such significant events.

The Board has adopted methods for valuing securities and other assets in circumstances where market quotes are not readily available, and has delegated the responsibility for applying the valuation methods to PIMCO. For instances in which daily market quotes are not readily available investments may be valued, pursuant to guidelines established by the Board, with reference to other securities or indices. In the event that the security or asset cannot be valued pursuant to one of the valuation methods established by the Board, the value of the security or asset will be determined in good faith by the Valuation Committee of the Board, generally based upon recommendations provided by PIMCO. When the Fund uses fair valuation methods applied by PIMCO that use significant unobservable inputs to determine its NAV, securities will be priced by another method that the Board or persons acting at their direction believe accurately reflects fair market value and are categorised as Level 3 of the fair value hierarchy. These methods may require subjective determinations about the value of the security. While the Company's policy is intended to result in a calculation of the Fund's NAV that fairly reflects security values as of the time of pricing, the Company cannot guarantee that values determined by the Board or persons acting at their direction would accurately reflect the price that the Fund could obtain for a security if it were to dispose of that security as of the time of pricing (for instance, in a forced or distressed sale). The prices used by the Fund may differ from the value that would be realised if the securities were sold.

For fair valuations using significant unobservable inputs, IFRS 7 requires a reconciliation of the beginning to ending balances for reported market values that presents changes attributable to total realised and unrealised gains or losses, purchases and sales, and transfers in/out of the Level 3 category during the year. The end of period timing recognition is used for the significant transfers between Levels of the Portfolio's assets and liabilities. In accordance with the requirements of IFRS 7, a fair value hierarchy and Level 3 reconciliation

if any, have been included in the Notes to the Portfolios of Investments and Assets for each respective Fund. IFRS 7 also requires disclosure of any significant transfers between Level 1 and Level 2 and the reasons for those transfers. There were no significant transfers between Level 1 and Level 2 during the year ended 31 March 2012 or for the period ended 31 March 2011.

Additionally, if changing one or more inputs utilised in determining the fair market value of Level 3 assets or liabilities would change fair market value significantly, IFRS 7 requires disclosure of the possible effect to a Fund. There were no Level 3 assets or liabilities as of 31 March 2012. As of 31 March 2011, changing one or more of the inputs utilised in determining the fair market value of Level 3 assets or liabilities would not have significantly changed the fair market value of the Funds.

4. CASH, SECURITIES AND OTHER INVESTMENTS

(a) Cash and Other Liquid Assets

Cash and other liquid assets are valued at their face value with interest accrued, where applicable. All cash at bank balances are held either by Brown Brothers Harriman & Co., on overnight deposit with a third party institution approved by the Board or directly with a sub-custodian. The overnight deposits detailed in the Portfolio of Investments and Assets represent the actual amounts held at year end which may not agree to the reported cash balances on the Statements of Financial Position.

(b) Delayed-Delivery Transactions

Certain Funds may purchase or sell securities on a delayed-delivery basis. These transactions involve a commitment by a Fund to purchase or sell securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period. When delayed-delivery purchases are outstanding, a Fund will designate liquid assets in an amount sufficient to meet the purchase price. When purchasing a security on a delayed-delivery basis, a Fund assumes the rights and risks of ownership of the security, including the risk of price and yield fluctuations, and takes such fluctuations into account when determining its NAV. A Fund may dispose of or renegotiate a delayed-delivery transaction after it is entered into, and may sell delayed-delivery securities before they are delivered, which may result in a capital gain or loss. When a Fund has sold a security on a delayed-delivery basis, the Fund does not participate in future gains and losses with respect to the security.

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Notes to the Financial Statements (continued)

(c) Mortgage-Related and Other Asset-Backed Securities

Certain Funds may invest in mortgage-related and other asset-backed securities. These securities include mortgage pass-through securities, collateralised mortgage obligations, commercial mortgage-backed securities, stripped mortgage-backed securities, asset-backed securities, collateralised debt obligations and other securities that directly or indirectly represent a participation in, or are secured by and payable from, mortgage loans on real property. Mortgage-related and other asset-backed securities are interests in pools of loans or other receivables. Mortgage-related securities are created from pools of residential or commercial mortgage loans, including mortgage loans made by savings and loan institutions, mortgage bankers, commercial banks and others. Asset-backed securities are created from many types of assets, including auto loans, credit card receivables, home equity loans, and student loans. These securities provide a monthly payment which consists of both interest and principal payments. Interest payments may be determined by fixed or adjustable rates. The rate of prepayments on underlying mortgages will affect the price and volatility of a mortgage-related security, and may have the effect of shortening or extending the effective duration of the security relative to what was anticipated at the time of purchase. The timely payment of principal and interest of certain mortgage-related securities is guaranteed with the full faith and credit of the US government. Pools created and guaranteed by non-governmental issuers, including government-sponsored corporations, may be supported by various forms of insurance or guarantees, but there can be no assurance that the private insurers or guarantors can meet their obligations under the insurance policies or guarantee arrangements.

Collateralised Mortgage Obligations ("CMOs") are debt obligations of a legal entity that are collateralised by mortgages and divided into classes. CMOs are structured into multiple classes, often referred to as "tranches," with each class bearing a different stated maturity and entitled to a different schedule for payments of principal and interest, including prepayments. Commercial Mortgage-Backed Securities ("CMBS") include securities that reflect an interest in, and are secured by, mortgage loans on commercial real property. Many of the risks of investing in CMBS reflect the risks of investing in the real estate securing the underlying mortgage loans. These risks reflect the effects of local and other economic conditions on real estate markets, the ability of tenants to make loan payments, and the ability of a property to attract and retain tenants. CMOs and CMBS may be less liquid and may exhibit greater price volatility than other types of mortgage-related or asset-backed securities.

(d) Payment In-Kind Securities

Certain Funds may invest in payment in-kind securities ("PIKs"). PIKs give the issuer the option at each interest payment date of making interest payments in either cash or additional debt securities. Those

additional debt securities usually have the same terms, including maturity dates and interest rates, and associated risks as the original bonds. The daily market quotations of the original bonds may include the accrued interest (referred to as a "dirty price") which is reflected as a component of Financial Assets as fair value through profit or loss on Transferable Securities in the Statement of Financial Position.

(e) Repurchase Agreements

Certain Funds may engage in repurchase agreements. Under the terms of a typical repurchase agreement, a Fund takes possession of an underlying debt obligation (collateral) subject to an obligation of the seller to repurchase, and a Fund to resell, the obligation at an agreed-upon price and time. The market value of the collateral must be equal at all times to the total amount of the repurchase obligations, including interest. Securities purchased under repurchase agreements are reflected as an asset in the Statement of Financial Position. Interest earned is recorded as a component of interest income in the Statement of Comprehensive Income. In periods of increased demand for collateral, a Fund may pay a fee for receipt of collateral, which may result in interest expense to the Fund. Generally, in the event of counterparty default, a Fund has the right to use the collateral to offset losses incurred. If the counterparty should default, a Fund will seek to sell the securities which it holds as collateral. This could involve procedural costs or delays in addition to a loss on the securities if their value should fall below their repurchase price.

(f) US Government Agencies or Government-Sponsored Enterprises

Certain Funds may invest in US government agencies or government-sponsored enterprises. US government securities are obligations of and, in certain cases, guaranteed by, the US government, its agencies or instrumentalities. Some US government securities, such as Treasury bills, notes and bonds, and securities guaranteed by the Government National Mortgage Association ("GNMA"), or "Ginnie Mae" are supported by the full faith and credit of the United States; and others, such as those of the Federal Home Loan Bank, are supported by the right of the issuer to borrow from the US Department of the Treasury (the "US Treasury"); and others, such as those of the Federal National Mortgage Association ("FNMA"), or "Fannie Mae" are supported by the discretionary authority of the US government to purchase the agency's obligations; and still others are supported only by the credit of the instrumentality. US government securities may include zero coupon securities, which do not distribute interest on a current basis and tend to be subject to greater risk than interest-paying securities of similar maturities.

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Notes to the Financial Statements (continued)

Government-related guarantors (i.e., not backed by the full faith and credit of the US government) include FNMA and the Federal Home Loan Mortgage Corporation (“FHLMC”). FNMA is a government-sponsored corporation. FNMA purchases conventional (i.e., not insured or guaranteed by any government agency) residential mortgages from a list of approved seller/servicer which include state and federally chartered savings and loan associations, mutual savings banks, commercial banks and credit unions and mortgage bankers. Pass-through securities issued by FNMA are guaranteed as to timely payment of principal and interest by FNMA, but are not backed by the full faith and credit of the US government. FHLMC issues Participation Certificates (“PCs”), which are pass-through securities, each representing an undivided interest in a pool of residential mortgages. FHLMC guarantees the timely payment of interest and ultimate collection of principal, but PCs are not backed by the full faith and credit of the US government.

5. FINANCIAL DERIVATIVE INSTRUMENTS

The following disclosures contain information on how and why the Funds use financial derivative instruments, the credit-risk-related contingent features in certain financial derivative instruments, and how financial derivative instruments affect the Funds’ financial position, results of operations and cash flows. The financial derivative instruments outstanding as of year end as disclosed in the Portfolio of Investments and Assets and the amounts of realised gains and losses and changes in unrealised appreciation and depreciation on financial derivative instruments during the year as disclosed in the Statement of Comprehensive Income serve as indicators of the volume of financial derivative activity for the Funds.

(a) Foreign Currency Transactions

Certain Funds may enter into foreign currency contracts in connection with settling planned purchases or sales of securities, to hedge the currency exposure associated with some or all of a Fund’s securities or as a part of an investment strategy. A foreign currency contract is an agreement between two parties to buy and sell a currency at a set price on a future date. The market value of a foreign currency contract fluctuates with changes in foreign currency exchange rates. Foreign currency contracts are marked to market daily and the change in value is recorded by a Fund as an unrealised gain or loss. Realised gains or losses equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed are recorded upon delivery or receipt of the currency.

These contracts may involve market risk in excess of the unrealised gain or loss reflected in the Statement of Financial Position. In addition, a Fund could be exposed to risk if the counterparties are unable to meet the terms of the contracts or if the value of the currency changes unfavourably to the functional currency. In connection with these contracts, securities may be identified as collateral in accordance with the terms of the respective contracts.

6. EFFICIENT PORTFOLIO MANAGEMENT

To the extent permitted by the investment objectives and policies of the Funds and subject to the limits set down by the Central Bank of Ireland from time to time and to the provisions of the Prospectus, utilisation of financial derivative instruments and investment techniques shall be employed for efficient portfolio management purposes by all the Funds. The Funds may use these financial derivative instruments and investment techniques to hedge against changes in interest rates, non-functional currency exchange rates or securities prices or as part of their overall investment strategies.

7. TAXATION

Under current law and practice the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. On that basis, it is not chargeable to Irish tax on its income or gains. However, Irish tax may arise on the happening of a “chargeable event”. A chargeable event includes any distribution payments to shareholders or any encashment, redemption, cancellation or transfer of shares and the holding of shares at the end of each eight year period beginning with the acquisition of such shares.

No Irish tax will arise on the Fund in respect of chargeable events in respect of:

- (a) A shareholder who is neither an Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, are held by the Fund; and
- (b) Certain exempted Irish tax resident shareholders who have provided the Fund with the necessary signed statutory declarations.

The Finance Act 2010 provides that the Revenue Commissioners may grant approval for investment funds marketed outside of Ireland to make payments to non-resident investors without deduction of Irish tax where no relevant declaration is in place, subject to meeting the “equivalent measures”. A Fund wishing to receive approval must apply

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Notes to the Financial Statements (continued)

in writing to the Revenue Commissioners, confirming compliance with the relevant conditions.

Dividends, interest and capital gains (if any) received on investments made by the Fund may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Fund or its shareholders.

In accordance with the new reporting fund regime introduced by the United Kingdom HM Revenue and Customs, each share class will be viewed as a separate “offshore fund” for UK tax purposes. The reporting regime permits an offshore fund to seek advance approval from HM Revenue and Customs to be treated as a reporting fund. Once an offshore fund has been granted “reporting fund” status it will maintain that status for so long as it continues to satisfy the conditions to be a “reporting fund” without a requirement to apply for further certification by HM Revenue and Customs.

An application for each share class in the Company to be treated as a “reporting fund” for the year ending 31 March 2012 was approved by HM Revenue and Customs during the period ended 31 March 2011 and year ended 31 March 2012.

8. DIVIDEND DISTRIBUTION POLICY

It is the current dividend distribution policy of the Company to pay to the holders of Income Class Shares the net investment income of the Funds, if any (which consists of income less expenses). Dividends paid in respect of any Income Class Shares in the Funds will be declared monthly and paid in cash after declaration.

Dividend distributions not reinvested in shares will be paid to the shareholder by way of bank transfer. Any dividend distribution unclaimed after a period of six years from the date of declaration of such dividend distribution shall be forfeited and shall revert to the account of the relevant Fund. Shareholders can elect to reinvest dividend distributions in additional shares or have the dividend distributions paid in cash by ticking the appropriate box on the Application Form.

The net investment income allocated to Accumulation Class Shares in the PIMCO Emerging Markets Advantage Local Bond Index Source ETF will neither be declared nor distributed but the NAV per share of accumulation shares will be increased to take account of the net investment income.

9. SOFT COMMISSIONS

The Company did not enter into soft commission arrangements during the year ended 31 March 2012 or the period ended 31 March 2011.

10. SEGREGATED LIABILITY

Further to the relevant provisions of the Investment Funds, Companies and Miscellaneous Provisions Act, 2005, the Company has adopted segregated liability between Funds. Accordingly, any liability on behalf of or attributable to any Fund of the Company shall be discharged solely out of the assets of that Fund, and neither the Company nor any Director, receiver, examiner, liquidator, provisional liquidator or other person shall apply, nor be obliged to apply, the assets of any such Fund in satisfaction of any liability incurred on behalf of or attributable to any other Fund of the Company, irrespective of when such liability was incurred.

11. CHANGES TO THE PROSPECTUS AND TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

The Memorandum and Articles of Association were amended by special resolution dated 23 September 2011.

Supplements to the Consolidated Prospectus dated 18 March 2011 were amended for the following:

- 7 June 2011: the supplement for the PIMCO Sterling Short Maturity Source ETF was approved by the Central Bank of Ireland on the 7 June 2011. The supplements for the 3 other sub-funds (PIMCO Euro Short Maturity Source ETF, PIMCO US Dollar Short Maturity Source ETF and PIMCO European Advantage Government Bond Index Source ETF) were also re-dated 7 June 2011 as a result.
- 24 June 2011: all supplements were re-issued for the change of name of (1) the PIMCO US Dollar Enhanced Short Maturity Source ETF to the PIMCO US Dollar Short Maturity Source ETF and (2) the PIMCO Euro Enhanced Short Maturity Source ETF to PIMCO Euro Short Maturity Source ETF.
- 3 August 2011: all supplements were re-issued for the establishment of PIMCO EM Advantage Government Bond Index Source ETF (subsequently re-named the PIMCO Emerging Markets Advantage Local Bond Index Source ETF).
- 19 September 2011: all supplements were re-issued for the change of name of PIMCO EM Advantage Government Bond Index Source ETF to the PIMCO Emerging Markets Advantage Local Bond Index Source ETF.
- 24 February 2012: all supplements were re-issued for the establishment of PIMCO Short-Term High Yield Corporate Bond Index Source ETF. A new supplement was also created on this date, an Existing Fund Supplement, which contains all funds of the Company.

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Notes to the Financial Statements (continued)

12. FEES AND EXPENSES

(a) Fees Payable to the Manager

The fees payable to the Manager as set out below shall not exceed 2.50% per annum of the NAV of each Fund.

(b) Management Fee

The Manager provides or procures investment advisory, administration, custody and other services in return for which each Fund pays a single management fee to the Manager. The Management Fee for each Fund is accrued on each Dealing Day and is payable monthly in arrears. The Manager may pay the Management Fee in full or in part to the Investment Advisers in order to pay for the investment advisory and other services provided by the Investment Advisers and in order for the Investment Advisers to pay for administration, custody and other services for the Funds by the Manager.

The Management Fee for each class of each Fund (expressed as a per annum percentage of its NAV) is as follows:

Fund	Accumulation	Income
PIMCO Emerging Markets Advantage Local Bond Index Source ETF	0.60%	N/A
PIMCO Euro Short Maturity Source ETF	N/A	0.35%
PIMCO European Advantage Government Bond Index Source ETF	N/A	0.30%
PIMCO Short-Term High Yield Corporate Bond Index Source ETF	N/A	0.55%
PIMCO Sterling Short Maturity Source ETF	N/A	0.35%
PIMCO US Dollar Short Maturity Source ETF	N/A	0.35%

Given the fixed nature of the Management Fee, the Manager, and not shareholders, takes the risk of any price increases in the cost of the services covered by the Management Fee and takes the risk of expense levels relating to such services increasing above the Management Fee as a result of a decrease in net assets. Conversely, the Manager, and not shareholders, would benefit from any price decrease in the cost of services covered by the Management Fee, including decreased expense levels, as a percentage of net assets, resulting from an increase in net assets.

(c) Investment Advisory Services

On behalf of the Company, the Manager provides and/or procures investment advisory services. Such services include the investment and reinvestment of the assets of each Fund. The fees of the Investment Advisers are paid by the Manager from the Management Fee.

(d) Administration, Custody and Other Services

On behalf of the Company, the Manager provides and/or procures administration, custody and other services. Such services include administration, transfer agency, fund accounting, co-promotion, custody and subcustody in respect of each Fund. The fees and expenses of the Administrator and Custodian are paid by the Manager from the Management Fee, or by the Investment Advisers.

On behalf of the Company, the Manager provides and/or procures certain other services. These may include listing sponsor services, paying agent and other local representative services, accounting, audit, legal and other professional adviser services, company secretarial services, printing, publishing and translation services, and the provision and co-ordination of certain supervisory, administrative and shareholder services necessary for operation of the Funds. Fees and any ordinary expenses in relation to these services are paid by the Manager, or by the Investment Advisers on behalf of the Manager, from the Management Fee.

The Manager of the Company paid Directors' fees of €17,750 during the year ended 31 March 2012 (amount at 31 March 2011 was €1,500). The aggregate fee paid to each independent Director shall not exceed €20,000 in each year. In addition, each independent Director is reimbursed for any reasonable out-of-pocket expenses. Directors' fees are a component of "Other expenses" in the Statement of Comprehensive Income.

The following table sets out the audit and non-audit fees the Company was charged during the year ended 31 March 2012 and the period ended 31 March 2011 (amounts unrounded).

Auditor's Remuneration	31 March 2012	31 March 2011
Statutory audit	€42,750	€19,200
Other assurance services	0	0
Tax advisory services	0	0
Other non-audit services	0	0
Total	€42,750	€19,200

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Notes to the Financial Statements (continued)

(e) Expense Limitation (including Management Fee Waiver and Recoupment)

The Manager has agreed with the Company, pursuant to the Management Agreement between the Company and the Manager dated as of 9 December 2010, as amended, to manage total annual fund operating expenses for any Class of Fund, by waiving, reducing or reimbursing all or any portion of its Management Fee, to the extent that (and for such period of time that) such operating expenses would exceed, and pro rata Directors' fees, the sum of such Class of such Fund's Management Fee (prior to the application of any applicable Management Fee waiver), as applicable, and other expenses borne by such Fund's share class not covered by the Management Fee as described above (other than pro rata Directors' fees), plus 0.0049%

per annum (calculated on a daily basis based on the NAV of the Fund).

In any month in which the Management Agreement is in effect, the Manager may recoup from a Fund any portion of the Management Fee waived, reduced or reimbursed pursuant to the Management Agreement (the "Reimbursement Amount") during the previous 36 months, provided that such amount paid to the Manager will not 1), exceed 0.0049% per annum of the Class of the applicable Fund's average net assets (calculated on a daily basis); 2) exceed the total Reimbursement Amount; 3) include any amounts previously reimbursed to the Manager; or 4) cause any Class of a Fund to maintain a net negative yield.

The Board may at their discretion, impose the following transaction fees on Shareholders:

Fund	Subscription/Redemption Transaction Fee	Exchange Transaction Fee		In-kind Transaction Fee	Max Fee
PIMCO Emerging Markets Advantage Local Bond Index Source ETF	up to 3%	up to 1%	\$	500	\$500 plus a maximum of 3% on any cash portion
PIMCO Euro Short Maturity Source ETF	up to 3%	up to 1%	€	500	€500 plus a maximum of 3% on any cash portion
PIMCO European Advantage Government Bond Index Source ETF	up to 0.45%	up to 1%	€	500	€500 plus a maximum of 0.45% on any cash portion
PIMCO Short-Term High Yield Corporate Bond Index Source ETF	up to 3%	up to 1%	\$	500	\$500 plus a maximum of 3% on any cash portion
PIMCO Sterling Short Maturity Source ETF	up to 3%	up to 1%	£	500	£500 plus a maximum of 3% on any cash portion
PIMCO US Dollar Short Maturity Source ETF	up to 3%	up to 1%	€	500	€500 plus a maximum of 3% on any cash portion

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Notes to the Financial Statements (continued)

13. RELATED PARTY TRANSACTIONS

The Manager and Investment Advisers are related parties as defined by IAS 24 "Related Party Disclosures". Fees payable to these parties are disclosed in Note 12.

During the year ended 31 March 2012 and period ended 31 March 2011 the Funds below engaged in purchases and sales of securities among affiliated Funds (amounts in thousands):

Fund	31 March 2012		31 March 2011	
	Purchases	Sales	Purchases	Sales
PIMCO Emerging Markets Advantage Local Bond Index Source ETF	\$ 0	\$ 0	\$ 0	\$ 0
PIMCO Euro Short Maturity Source ETF	14,588	15,999	0	0
PIMCO European Advantage Government Bond Index Source ETF	0	0	0	0
PIMCO Short-Term High Yield Corporate Bond Index Source ETF	679	0	N/A	N/A
PIMCO Sterling Short Maturity Source ETF	335	0	N/A	N/A
PIMCO US Dollar Short Maturity Source ETF	5,852	3,408	11,478	1,025

14. EXCHANGE RATES

For the purposes of combining the financial statements of the Funds, to arrive at Company figures (required under Irish Company law), the amounts in the Statement of Financial Position have been translated at the exchange rate ruling at 31 March 2012 from US Dollars to Euro (EUR/USD 0.75092, 31 March 2011 EUR/USD 0.70640) and British Pound Sterling to Euro (EUR/GBP 1.19978, 31 March 2011 N/A). The amounts in the Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders and the Statement of Cash Flows have been translated at an average exchange rate for the year ending 31 March 2012 from US Dollar to Euro (EUR/USD 0.72569, 31 March 2011 EUR/USD 0.72720) and British Pound Sterling to Euro (EUR/GBP 1.15868, 31 March 2011 N/A).

The following tables reflect the exchange rates used at 31 March 2012 and 31 March 2011 to convert the Euro balances. They were also used to convert the investments and other assets and liabilities denominated in currencies other than Euro:

Foreign Currency	31 March 2012 Presentation Currency	
	GBP	USD
BRL	2.42942	1.82430
CHF	1.44413	N/A
CNY	9.78151	N/A
COP	N/A	1,796.20000
EUR (or €)	1.19978	0.75092
IDR	N/A	9,144.00000
INR	82.53048	N/A
JPY	131.48684	82.29500
MXN	N/A	12.81050
MYR	N/A	3.06350
PLN	N/A	3.11880
RUB	N/A	29.44550
THB	N/A	30.85000
TRY	N/A	1.78290
USD (or \$)	1.59775	1.00000
ZAR	N/A	7.67455

Foreign Currency	31 March 2011 Presentation Currency	
	GBP	USD
EUR (or €)	N/A	0.70640

PIMCO Fixed Income Source ETFs plc

Notes to the Financial Statements (continued)

15. FINANCIAL RISKS

The main risks arising from the Company's financial instruments are market price, foreign currency, interest rate, liquidity and credit and counterparty risks.

(a) Market Price Risk

Market risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Fund might suffer through holding market positions in the face of adverse price movements. The Investment Advisers consider the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the Fund's investment objectives.

The Investment Advisers use a number of quantitative techniques to assess the impact of market risks including credit events, changes in interest rates, credit spreads and recovery values on the Fund's investment portfolio.

The Investment Advisers use Value at Risk ("VaR") analysis, a technique widely used by financial institutions to quantify, assess, and report market risk. VaR is a statistical framework that supports the quantification of market risk within a portfolio at a specified confidence interval over a defined holding period. VaR seeks to quantify the expected maximum dollar losses that may result from the interactive behaviour of all material market prices, spreads, volatilities, rates and other risks including foreign exchange, interest rate, emerging market and convexity risk based on the historically observed relationships between these markets.

Although the use of financial derivatives may give rise to an additional leveraged exposure, any such additional exposure will be covered and will be risk managed using the VaR methodology in accordance with the Central Bank of Ireland's requirements. The Investment Advisers monitor portfolio risk using market factor exposures on a daily basis.

Potential market risk is calculated using the parametric delta-normal or factor model approach. VaR is calculated and reported automatically each day using the closing prices and market information of the most recent business day. Depending on the application of the risk statistics, various confidence levels (such as 99%) and time horizons (weeks or months) might be selected.

In addition to daily VaR measures, three types of stress tests are also conducted for each Fund. The first test includes scenario duration tests that measure what happens to the value of the portfolio if unexpected movements in yields occur in the market. The second test

involves a database of historical crisis scenarios that can be executed to test reactions to these crises. The historical crisis scenarios contain many unexpected changes in market conditions and correlation matrices. The third test involves correlation matrices which can be manipulated manually to reflect conditions that may happen in the future but have not happened so far.

The daily VaR measures are an estimate of the portfolio loss over the next one month period that would not be exceeded 99% of the time, relative to the assumptions of the VaR model.

Not all risks to which the portfolio may be exposed are intended to be captured by VaR and, in particular, the framework does not seek to capture liquidity risk, counterparty credit risk, or extreme credit events such as an issuer default. In practice, the actual trading results will differ from the VaR and may not provide a meaningful indication of profits and losses in stressed market conditions. To determine the reliability of the VaR models, actual outcomes are monitored to test the validity of the assumptions and parameters used in the VaR calculation. Market risk positions are also subject to regular stress tests to ensure that the Fund would withstand an extreme market event.

The following table sets out the potential maximum risk of loss for the portfolios as at 31 March 2012 and 31 March 2011 respectively (amounts in thousands).

Fund	31 March 2012		31 March 2011	
	VaR	% of Net Assets	VaR	% of Net Assets
PIMCO Emerging Markets Advantage Local Bond Index Source ETF	\$ 1,059	6.86%	N/A	N/A
PIMCO Euro Short Maturity Source ETF	€ 161	0.48%	€ 101	0.34%
PIMCO European Advantage Government Bond Index Source ETF	€ 201	3.40%	€ 427	2.90%
PIMCO Short-Term High Yield Corporate Bond Index Source ETF	\$ 2,722	3.33%	N/A	N/A
PIMCO Sterling Short Maturity Source ETF	£ 42	0.16%	N/A	N/A
PIMCO US Dollar Short Maturity Source ETF	\$ 53	0.37%	\$ 68	0.45%

PIMCO Fixed Income Source ETFs plc

Notes to the Financial Statements (continued)

(b) Foreign Currency Risk

If the Funds invest directly in foreign currencies or in securities that trade in, and receive revenues in, foreign currencies, or in financial derivatives that provide exposure to foreign currencies, it will be subject to the risk that those currencies will decline in value relative to the functional currency of the Fund, or, in the case of hedging positions, that the Fund's functional currency will decline in value relative to the currency being hedged. Currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates, intervention (or the failure to intervene) by local or foreign governments, central banks or supranational entities such as the International Monetary Fund, or by the imposition of currency controls or other political developments. As a result, the Fund's investments in foreign currency denominated securities may reduce the returns of the Funds.

The investments of the PIMCO Euro Short Maturity Source ETF, PIMCO European Advantage Government Bond Index Source ETF, PIMCO Short-Term High Yield Corporate Bond Index Source ETF and the PIMCO US Dollar Short Maturity Source ETF were acquired in the functional currency of the Fund, thus there is no foreign currency exposure. PIMCO Sterling Short Maturity Source ETF had no material foreign currency exposure at 31 March 2012 or at 31 March 2011.

The following table sets out the total exposure to foreign currency risk in currencies where foreign currency exposure is deemed material (i.e. where, all other variables being equal, the impact of a reasonably possible movement in the foreign exchange rate would result in a significant movement in net assets) (amounts in thousands):

PIMCO Emerging Markets Advantage Local Bond Index Source ETF As at 31 March 2012

	Total	Hedging	Net
BRL	\$ 2,275	\$ (8)	\$ 2,267
CNY	0	2,174	2,174
COP	0	418	418
IDR	974	(80)	894
INR	0	2,108	2,108
MYR	345	5	350
MXN	1,850	(8)	1,842
PLN	603	177	780
RUB	0	2,321	2,321
THB	414	41	455
TRY	979	213	1,192
ZAR	553	(14)	539
	<u>\$ 7,993</u>	<u>\$ 7,347</u>	<u>\$ 15,340</u>

PIMCO Emerging Markets Advantage Local Bond Index Source ETF had no material foreign currency exposure at 31 March 2011.

(c) Interest Rate Risk

Interest rate risk is the risk that fixed income securities will decline in value because of changes in interest rates. As nominal interest rates rise, the value of certain fixed income securities held by the Funds are likely to decrease. A nominal interest rate can be described as the sum of a real interest rate and an expected inflation rate. Fixed income securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. Duration is useful primarily as a measure of the sensitivity of a fixed income's market price to interest rate (i.e. yield) movements.

The tables below summarise the Funds' exposure to interest rate risks (amounts in thousands). It includes the Funds' non-derivative interest bearing assets and liabilities at fair values, categorised by the maturity dates. Certain assets and liabilities, as presented in the Statement of Financial Position, have been netted for purposes of the presentation below.

As at 31 March 2012:

PIMCO Emerging Markets Advantage Local Bond Index Source ETF

Assets	Less than 1 Year		Greater than 1 Year	Total
	Year	Year	Year	
Transferable Securities and				
Deposits with Credit Institutions	\$ 8,490	\$ 6,604	\$ 15,094	
Cash	254	0	254	
Total Assets	\$ 8,744	\$ 6,604	\$ 15,348	

PIMCO Euro Short Maturity Source ETF

Assets	Less than 1 Year		Greater than 1 Year	Total
	Year	Year	Year	
Transferable Securities and				
Deposits with Credit Institutions	€ 11,763	€ 21,512	€ 33,275	
Cash	180	0	180	
Total Assets	€ 11,943	€ 21,512	€ 33,455	

PIMCO European Advantage Government Bond Index Source ETF

Assets	Less than 1 Year		Greater than 1 Year	Total
	Year	Year	Year	
Transferable Securities and				
Deposits with Credit Institutions	€ 0	€ 5,808	€ 5,808	
Cash	0	0	0	
Total Assets	€ 0	€ 5,808	€ 5,808	

PIMCO Fixed Income Source ETFs plc

Notes to the Financial Statements (continued)

PIMCO Short-Term High Yield Corporate Bond Index Source ETF

Assets	Less than 1 Year	Greater than 1 Year	Total
Transferable Securities and			
Deposits with Credit Institutions	\$ 20,946	\$ 62,826	\$ 83,772
Cash	938	0	938
Total Assets	\$ 21,884	\$ 62,826	\$ 84,710

PIMCO US Dollar Short Maturity Source ETF

Assets	Less than 1 Year	Greater than 1 Year	Total
Transferable Securities and			
Deposits with Credit Institutions	\$ 3,435	\$ 11,321	\$ 14,756
Cash	77	0	77
Total Assets	\$ 3,512	\$ 11,321	\$ 14,833

PIMCO Sterling Short Maturity Source ETF

Assets	Less than 1 Year	Greater than 1 Year	Total
Transferable Securities and			
Deposits with Credit Institutions	£ 19,797	£ 6,009	£ 25,806
Cash	172	0	172
Total Assets	£ 19,969	£ 6,009	£ 25,978

PIMCO US Dollar Short Maturity Source ETF

Assets	Less than 1 Year	Greater than 1 Year	Total
Transferable Securities and			
Deposits with Credit Institutions	\$ 3,903	\$ 10,171	\$ 14,074
Cash	112	0	112
Total Assets	\$ 4,015	\$ 10,171	\$ 14,186

As at 31 March 2011:

PIMCO Euro Short Maturity Source ETF

Assets	Less than 1 Year	Greater than 1 Year	Total
Transferable Securities and			
Deposits with Credit Institutions	€ 18,585	€ 10,408	€ 28,993
Cash	61	0	61
Total Assets	€ 18,646	€ 10,408	€ 29,054

PIMCO European Advantage Government Bond Index Source ETF

Assets	Less than 1 Year	Greater than 1 Year	Total
Transferable Securities and			
Deposits with Credit Institutions	€ 0	€ 14,459	€ 14,459
Cash	27	0	27
Total Assets	€ 27	€ 14,459	€ 14,486

(d) Liquidity Risk

The Fund's exposure to liquidity risk is primarily affected by the redemption of shares that investors may wish to sell. Participating shareholders may redeem some or all of their outstanding shares at any time without notice. Redeemable shares are redeemed at the Shareholders demand and are included in the Statement of Financial Position. The Funds' assets are primarily comprised of readily realisable securities, which can be readily sold to satisfy shareholder redemptions in accordance with the Prospectus. Liquidity risk exists when particular investments are difficult to purchase or sell. A Fund's investments in illiquid securities may reduce returns of a Fund because it may be unable to sell the illiquid securities at an advantageous time or price. Funds with principal investment strategies that involve foreign securities, financial derivatives, or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk.

Current liabilities of financial derivative instruments consist of the market value of foreign currency contracts as at the year end. The settlement month and contractual amounts of the foreign currency contracts are detailed in the Portfolio of Investments and Assets. Financial derivative instruments are financial assets and liabilities that are held for trading, and are acquired principally for the purpose of selling in the short term. As the instruments are not expected to be held to maturity or termination, the current market value represents the estimated cash flow that may be required to dispose of the positions. Future cash flows of the Funds and realised liabilities may differ from current liabilities based on changes in market conditions.

The Investment Advisers manage liquidity risk by monitoring the portfolios and considering investments deemed to be illiquid or not readily and easily sold, to ensure there are sufficient liquid assets to cover the outstanding liabilities of the Funds. The following tables summarise the current known liabilities for the Funds by the expected payment dates of those liabilities (amounts in thousands): less than three months and three months to one year. The expected payment dates may not represent actual cash outflows, as holders of those instruments typically retain them for the medium to long term.

PIMCO Fixed Income Source ETFs plc

Notes to the Financial Statements (continued)

As at 31 March 2012:

PIMCO Emerging Markets Advantage Local Bond Index Source ETF

Current Liabilities	Less than 3 Months -		Total
	3 Months	1 Year	
Financial Derivative Instruments	\$ (3)	\$ (57)	\$ (60)
Payable for management fee	(8)	0	(8)
Expenses payable	(14)	0	(14)
Total Liabilities	\$ (25)	\$ (57)	\$ (82)

PIMCO Euro Short Maturity Source ETF

Current Liabilities	Less than 3 Months -		Total
	3 Months	1 Year	
Payable for investments purchased	€ (2,499)	€ 0	€ (2,499)
Payable for management fee	(13)	0	(13)
Expenses payable	(10)	0	(10)
Total Liabilities	€ (2,522)	€ 0	€ (2,522)

PIMCO European Advantage Government Bond Index Source ETF

Current Liabilities	Less than 3 Months -		Total
	3 Months	1 Year	
Payable for investments purchased	€ 0	€ 0	€ 0
Payable for management fee	(4)	0	(4)
Expenses payable	(10)	0	(10)
Total Liabilities	€ (14)	€ 0	€ (14)

As at 31 March 2011:

PIMCO Emerging Markets Advantage Local Bond Index Source ETF

Current Liabilities	Less than 3 Months -		Total
	3 Months	1 Year	
Financial Derivative Instruments	N/A	N/A	N/A
Payable for management fee	N/A	N/A	N/A
Expenses payable	N/A	N/A	N/A
Total Liabilities	N/A	N/A	N/A

PIMCO Euro Short Maturity Source ETF

Current Liabilities	Less than 3 Months -		Total
	3 Months	1 Year	
Payable for investments purchased	€ (4,534)	€ 0	€ (4,534)
Payable for management fee	(13)	0	(13)
Expenses payable	(2)	0	(2)
Total Liabilities	€ (4,549)	€ 0	€ (4,549)

PIMCO European Advantage Government Bond Index Source ETF

Current Liabilities	Less than 3 Months -		Total
	3 Months	1 Year	
Payable for investments purchased	€ (1,020)	€ 0	€ (1,020)
Payable for management fee	(8)	0	(8)
Expenses payable	(2)	0	(2)
Total Liabilities	€ (1,030)	€ 0	€ (1,030)

PIMCO Fixed Income Source ETFs plc

Notes to the Financial Statements (continued)

As at 31 March 2012:

PIMCO Short-Term High Yield Corporate Bond Index Source ETF

Current Liabilities	Less than 3 Months -		Total
	3 Months	1 Year	
Payable for investments purchased	\$ (62,632)	\$ 0	\$ (62,632)
Payable for management fee	(8)	0	(8)
Total Liabilities	\$ (62,640)	\$ 0	\$ (62,640)

PIMCO Sterling Short Maturity Source ETF

Current Liabilities	Less than 3 Months -		Total
	3 Months	1 Year	
Financial Derivative Instruments	£ (34)	£ 0	£ (34)
Payable for investments purchased	(5,000)	0	(5,000)
Payable for management fee	(9)	0	(9)
Expenses payable	(2)	0	(2)
Total Liabilities	£ (5,045)	£ 0	£ (5,045)

PIMCO US Dollar Short Maturity Source ETF

Current Liabilities	Less than 3 Months -		Total
	3 Months	1 Year	
Payable for management fee	\$ (7)	\$ 0	\$ (7)
Expenses payable	(12)	0	(12)
Total Liabilities	\$ (19)	\$ 0	\$ (19)

As at 31 March 2011:

PIMCO Short-Term High Yield Corporate Bond Index Source ETF

Current Liabilities	Less than 3 Months -		Total
	3 Months	1 Year	
Payable for investments purchased	N/A	N/A	N/A
Payable for management fee	N/A	N/A	N/A
Total Liabilities	N/A	N/A	N/A

PIMCO Sterling Short Maturity Source ETF

Current Liabilities	Less than 3 Months -		Total
	3 Months	1 Year	
Financial Derivative Instruments	N/A	N/A	N/A
Payable for investments purchased	N/A	N/A	N/A
Payable for management fee	N/A	N/A	N/A
Expenses payable	N/A	N/A	N/A
Total Liabilities	N/A	N/A	N/A

PIMCO US Dollar Short Maturity Source ETF

Current Liabilities	Less than 3 Months -		Total
	3 Months	1 Year	
Payable for management fee	\$ (5)	\$ 0	\$ (5)
Expenses payable	(1)	0	(1)
Total Liabilities	\$ (6)	\$ 0	\$ (6)

PIMCO Fixed Income Source ETFs plc

Notes to the Financial Statements (continued)

(e) Credit and Counterparty Risks

The Funds will be exposed to credit risk on parties with whom they trade and will also bear the risk of settlement default. The Funds minimise concentrations of credit risk by undertaking transactions with a large number of customers and counterparties on recognised and reputable exchanges. The Funds could lose money if the issuer or guarantor of a fixed income security, repurchase agreement or a loan of Funds securities, is unable or unwilling to make timely principal and/or interest payments, or to otherwise honour its obligations. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings.

Similar to credit risk, the Funds may be exposed to counterparty risk, or the risk that an institution or other entity with which the Funds have unsettled or open transactions will default. Financial assets, which potentially expose the Funds to credit risk, consist principally of cash due from counterparties and investments. The Investment Advisers minimise credit risks to the Fund by performing extensive reviews of each counterparty and obtaining approval from the Counterparty Risk Committee prior to entering into transactions with a third party.

Furthermore, to the extent that unpaid amounts owed to a Fund exceed a predetermined threshold agreed to with the counterparty, such counterparty shall advance collateral to the Fund in the form of cash or cash equivalents equal in value to the unpaid amount owed to a Fund. The Funds may invest such collateral in securities or other instruments and will typically pay interest to the counterparty on the collateral received. All transactions in listed securities are settled/paid for upon delivery using approved counterparties. The risk of default is considered minimal, as delivery of securities sold is only made once the Funds have received payment. Payment is made on a purchase once the securities have been delivered by the counterparty. The trade will fail if either party fails to meet its obligation.

The Funds are subject to various Master Agreements, which govern the terms of certain transactions with select counterparties. These Master Agreements reduce the credit risk associated with relevant transactions. All amounts with the counterparty are terminated and settled on a net basis. The Funds overall exposure to credit risk can change substantially within a short period, as it is affected by each transaction subject to the relevant Master Agreement.

The Investment Advisers conduct extensive research and analysis to identify and quantify credit risk within the Funds. Credit exposure within the Funds is reviewed frequently by the Investment Advisers to generate returns either through investments made or avoided. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings. The tables below summarise the exposures by credit rating for each applicable Fund.

Substantially all of the Company's securities are held on a fiduciary basis by Brown Brothers Harriman Trustee Services (Ireland) Limited ("Custodian"). These assets are held in segregated accounts of each fund (in accordance with UCITS regulations), reducing the credit risk of holding the assets in safekeeping. The Company will however be exposed to the credit risk of a credit institution holding its deposits. The cash held on overnight deposit of each Fund is held with recognised and reputable financial institutions which form part of the Custodian's list of financial institutions with whom it places money on overnight deposit.

PIMCO Emerging Markets Advantage Local Bond Index Source ETF

	31 March 2012	31 March 2011
Investment Grade	94.00%	N/A
Non-Investment Grade	6.00%	N/A
Not Rated	0.00%	N/A
	100.00%	N/A

PIMCO Euro Short Maturity Source ETF

	31 March 2012	31 March 2011
Investment Grade	100.00%	84.04%
Non-Investment Grade	0.00%	0.00%
Not Rated	0.00%	15.96%
	100.00%	100.00%

PIMCO European Advantage Government Bond Index Source ETF

	31 March 2012	31 March 2011
Investment Grade	100.00%	97.94%
Non-Investment Grade	0.00%	0.00%
Not Rated	0.00%	2.06%
	100.00%	100.00%

PIMCO Fixed Income Source ETFs plc

Notes to the Financial Statements (continued)

PIMCO Short-Term High Yield Corporate Bond Index Source ETF

	31 March 2012	31 March 2011
Investment Grade	16.00%	N/A
Non-Investment Grade	84.00%	N/A
Not Rated	0.00%	N/A
	100.00%	N/A

PIMCO Sterling Short Maturity Source ETF

	31 March 2012	31 March 2011
Investment Grade	100.00%	N/A
Non-Investment Grade	0.00%	N/A
Not Rated	0.00%	N/A
	100.00%	N/A

PIMCO US Dollar Short Maturity Source ETF

	31 March 2012	31 March 2011
Investment Grade	100.00%	96.59%
Non-Investment Grade	0.00%	0.00%
Not Rated	0.00%	3.41%
	100.00%	100.00%

16. SHARE CAPITAL

(a) Authorised Shares

The authorised share capital of the Company is 2 redeemable non-participating shares of no par value and 500,000,000,000 shares at no par value initially designated as unclassified shares.

(b) Subscriber Shares

The subscriber shares do not form part of the NAV of the Company and are thus disclosed in the financial statements by way of this note only. In the opinion of the Board, this disclosure reflects the nature of the Company's business as an investment fund.

(c) Redeemable Participating Shares

The issued participating share capital is at all times equal to the NAV of the Funds. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities. The opening and closing shares in issue per share class are disclosed in note 17. The movement in the number of participating shares for the year ending 31 March 2012 and period ending 31 March 2011 (amounts are in thousands):

PIMCO Emerging Markets Advantage Local Bond Index Source ETF

	31 March 2012	31 March 2011
Accumulation Shares		
Issued	149	N/A
Issued from reinvestment of distributions	0	N/A
Redeemed during the period	0	N/A
	149	N/A

PIMCO Euro Short Maturity Source ETF

	31 March 2012	31 March 2011
Income Shares		
Issued	1,248	344
Issued from reinvestment of distributions	0	0
Redeemed during the period	(1,209)	(47)
	39	297

PIMCO European Advantage Government Bond Index Source ETF

	31 March 2012	31 March 2011
Income Shares		
Issued	88	150
Issued from reinvestment of distributions	0	0
Redeemed during the period	(181)	0
	(93)	150

PIMCO Short-Term High Yield Corporate Bond Index Source ETF

	31 March 2012	31 March 2011
Income Shares		
Issued	815	N/A
Issued from reinvestment of distributions	0	N/A
Redeemed during the period	0	N/A
	815	N/A

PIMCO Fixed Income Source ETFs plc

Notes to the Financial Statements (continued)

PIMCO Sterling Short Maturity Source ETF

	31 March 2012	31 March 2011
Income Shares		
Issued	532	N/A
Issued from reinvestment of distributions	0	N/A
Redeemed during the period	(270)	N/A
	262	N/A

PIMCO Euro Short Maturity Source ETF

	31 March 2012	31 March 2011
Net Assets	€ 33,642	€ 29,702
Income Class	€ 33,642	€ 29,702
Shares issued and outstanding	336	297
NAV per share	€ 100.26	€ 99.84

PIMCO US Dollar Short Maturity Source ETF

	31 March 2012	31 March 2011
Income Shares		
Issued	116	150
Issued from reinvestment of distributions	0	0
Redeemed during the period	(124)	0
	(8)	150

PIMCO European Advantage Government Bond Index Source ETF

	31 March 2012	31 March 2011
Net Assets	€ 5,898	€ 14,738
Income Class	€ 5,898	€ 14,738
Shares issued and outstanding	57	150
NAV per share	€ 104.36	€ 98.25

17. NET ASSET VALUES

Each Fund's Net Assets, shares issued and outstanding and net asset value per share for the year ending 31 March 2012 and period ending 31 March 2011 are as follows (amounts are in thousands, except per share amounts). Net Assets divided by Shares issued and outstanding may not equal the NAV per share due to rounding:

PIMCO Emerging Markets Advantage Local Bond Index Source ETF

	31 March 2012	31 March 2011
Net Assets	\$ 15,435	N/A
Accumulation Class	\$ 15,435	N/A
Shares issued and outstanding	149	N/A
NAV per share	\$ 103.94	N/A

PIMCO Short-Term High Yield Corporate Bond Index Source ETF

	31 March 2012	31 March 2011
Net Assets	\$ 81,742	N/A
Income Class	\$ 81,742	N/A
Shares issued and outstanding	815	N/A
NAV per share	\$ 100.25	N/A

PIMCO Sterling Short Maturity Source ETF

	31 March 2012	31 March 2011
Net Assets	£ 26,210	N/A
Income Class	£ 26,210	N/A
Shares issued and outstanding	262	N/A
NAV per share	£ 100.14	N/A

PIMCO Fixed Income Source ETFs plc

Notes to the Financial Statements (continued)

PIMCO US Dollar Short Maturity Source ETF

	31 March 2012	31 March 2011
Net Assets	\$ 14,253	\$ 15,025
Income Class	\$ 14,253	\$ 15,025
Shares issued and outstanding	142	150
NAV per share	\$ 100.62	\$ 100.16

18. REGULATORY AND LITIGATION MATTERS

The Company is not engaged in any material litigation or arbitration proceedings and is not aware of any material litigation or claim pending or threatened by or against it.

19. SUBSEQUENT EVENTS

On 21 June 2012 the PIMCO German Government Bond Index Source ETF launched.

Other than the above there were no other subsequent events to report.

20. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board on 24 July 2012.

PIMCO Fixed Income Source ETFs plc

Directors' Report

The Directors present to the shareholders their audited financial statements for the year ended 31 March 2012.

DIRECTORS' RESPONSIBILITIES

Irish company law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements are prepared in accordance with International Financial Reporting Standards and comply with the Irish Companies Acts, 1963 to 2012 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (the "UCITS Regulations"). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Under the UCITS Regulations, the Directors are required to entrust the assets of the Company to the Custodian for safe-keeping. In carrying out this duty, the Company has delegated custody of the Company's assets to Brown Brothers Harriman Trustee Services (Ireland) Limited, Styne House, Upper Hatch Street, Dublin 2, Ireland. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Bank's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The measures taken by the Directors to secure compliance with the Company's obligation to keep proper books of account are the use of appropriate systems and procedures and employment of competent persons. The books of account are kept at Brown Brothers Harriman Fund Administration Services (Ireland) Limited, Styne House, Upper Hatch Street, Dublin 2, Ireland.

RESULTS, ACTIVITIES AND FUTURE DEVELOPMENTS

The results of operations and dividends declared are set out in the Statement of Comprehensive Income on page 13 through 15. A

review of the Funds' investment performance and portfolio insights is contained on pages 3 through 8.

RISK MANAGEMENT OBJECTIVES AND POLICIES

Details of the financial risk management objectives and policies of the Company and the exposure of the Company to market price risk, interest rate risk, liquidity risk and credit risk are set out in note 15 in the notes to the financial statements.

POST BALANCE SHEET EVENTS

On 21 June 2012 the PIMCO German Government Bond Index Source ETF launched.

Other than the above there were no other subsequent events to report.

CORPORATE GOVERNANCE STATEMENT

The Company is subject to and complies with Irish statute comprising the Companies Acts, 1963 to 2012 and with the UCITS Regulations and the Listing Rules of the Deutsche Börse, Irish Stock Exchange and London Stock Exchange. The Board of Directors (the "Board") voluntarily adopted the Corporate Governance Code for Irish Domiciled Collective Investment Schemes as published by the Irish Funds Industry Association ("IFIA") (www.irishfunds.ie). The Board has assessed the measures included in the IFIA Code as being consistent with its corporate governance practices and procedures for the financial year. Each of the service providers engaged by the Company is subject to their own corporate governance requirements.

Financial Reporting Process description of main features

The Board is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing the Administrator, Brown Brothers Harriman Fund Administration Services (Ireland) Limited, to maintain the books and records. The Administrator is authorised and regulated by the Central Bank of Ireland and must comply with the rules imposed by the Central Bank of Ireland. The Administrator is also contractually obliged to prepare for review and approval by the Board the annual report including financial statements intended to give a true and fair view and the half yearly financial statements.

PIMCO Fixed Income Source ETFs plc

Directors' Report (continued)

The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time the Board also examines and evaluates the Administrator's financial accounting and reporting routines and monitors and evaluates the external auditors' performance, qualifications and independence. The Administrator has operating responsibility in respect of its internal controls in relation to the financial reporting process and the Administrator's report to the Board.

Risk Assessment

The Board is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and ensuring the processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The Board has also put in place processes to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company's financial statements.

Control Activities

The Administrator maintains control structures to manage the risks over financial reporting. These control structures include appropriate division of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related notes in the Company's annual report. Examples of control activities exercised by the Administrator include analytical review procedures, reconciliations and automated controls over IT systems. The method of valuing securities and other assets when prices are not available from external independent sources is detailed in note 3.

Information and communication

The Company's policies and the Board's instructions with relevance for financial reporting are updated and communicated via appropriate channels, such as e-mail, correspondence and meetings to ensure that all financial reporting information requirements are met in a complete and accurate manner.

Monitoring

The Board receives regular presentations and reviews reports from the Custodian, Investment Advisers and Administrator. The Board also has an annual process to ensure that appropriate measures are taken to consider and address the shortcomings identified and measures recommended by the independent auditors.

Capital structure

No person has a significant direct or indirect holding of securities in the Company. No person has any special rights of control over the Company's share capital. There are no restrictions on voting rights.

Powers of the Directors

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, Irish statute comprising the Companies Acts, 1963 to 2012 and with the UCITS Regulations and the Listing Rules of the Irish Stock Exchange as applicable to investment funds. The Articles of Association themselves may be amended by special resolution of the shareholders.

The Board is responsible for managing the business affairs of the Company in accordance with the Articles of Association. The Directors may delegate certain functions to the Administrator and other parties, subject to the supervision and direction by the Directors. The Directors have delegated the day to day administration of the Company to the Administrator and the investment management and distribution functions to the Investment Advisers. Consequently none of the Directors is an executive Director.

The Articles of Association provide that the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property or any part thereof and may delegate these powers to the Investment Advisers.

The Directors may, at any time and from time to time temporarily suspend the calculation of the Net Asset Value of a particular Fund and the issue, repurchase and conversion of Shares in any of the following instances:

- (a) during any period (other than ordinary holiday or customary weekend closings) when any market or Recognised Exchange is closed and which is the main market or Recognised Exchange for a significant part of investments of the relevant Fund, or in which trading thereon is restricted or suspended;
- (b) during any period when an emergency exists as a result of which disposal by the Company of investments which constitute a substantial portion of the assets of the relevant class is not practically feasible; or it is not possible to transfer monies involved in the acquisition or disposition of investments at normal rates of exchange; or it is not practically feasible for the Directors or their delegate fairly to determine the value of any assets of the relevant Fund;

PIMCO Fixed Income Source ETFs plc

Directors' Report (continued)

(c) during any breakdown in the means of communication normally employed in determining the price of any of the investments of the relevant Fund or of current prices on any market or Recognised Exchange;

(d) when for any reason the prices of any investments of the relevant class cannot be reasonably, promptly or accurately ascertained;

(e) during any period when remittance of monies which will or may be involved in the realisation of or in the payment for any of the investments of the relevant class cannot, in the opinion of the Directors, be carried out at normal rates of exchange;

(f) for the purpose of winding up the Company or terminating any Fund; or

(g) if any other reason makes it impossible or impracticable to determine the value of a substantial portion of the investments of the Company or any Fund.

Notice of any such suspension and notice of the termination of any such suspension shall be given immediately to the Central Bank of Ireland and to the relevant stock exchanges and will be notified to applicants for Shares or to Shareholders requesting the repurchase of Shares at the time of application or filing of the written request for such repurchase. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Registered Shares may be transferred by instrument in writing. The instrument of transfer must be accompanied by a certificate from the transferee that it is not acquiring such Shares on behalf of or for the benefit of a US Person. In the case of the death of one or joint Shareholders, the survivor or survivors will be the only person or persons recognised by the Administrator as having any title to or interest in the Shares registered in the names of such joint Shareholders. The Directors may decline to register a transfer if they are aware or reasonably believe the transfer would result in the beneficial ownership of Shares by a person in contravention of any restrictions on ownership imposed by the Directors or might result in legal, regulatory, pecuniary, taxation or material administrative disadvantage to the relevant Fund or Shareholders generally.

Shareholder meetings

The Annual General Meeting of the Company will usually be held in Dublin, normally during the month of August or such other date as the Directors may determine. Notice convening the Annual General Meeting in each year at which the audited financial statements of the Company will be presented (together with the Directors' and Auditors' Reports of the Company) will be sent to Shareholders at their registered addresses not less than 21 clear days before the date fixed for the meeting. Other general meetings may be convened from time to time by the Directors in such manner as provided by Irish law.

Each of the shares entitles the holder to attend and vote at meetings of the Company and of the Fund represented by those shares. Matters may be determined by a meeting of shareholders on a show of hands unless a poll is requested by any shareholder having the right to vote at the meeting or unless the chairman of the meeting requests a poll. Each shareholder has one vote on a show of hands. Each share gives the holder one vote in relation to any matters relating to the Company which are submitted to shareholders for a vote by poll. No class of shares confers on the holder thereof any preferential or pre-emptive rights or any rights to participate in the profits and dividends of any other share class or any voting rights in relation to matters relating solely to any other share class.

Any resolution to alter the class rights of the shares requires the approval of three quarters of the holders of the shares represented or present and voting at a general meeting of the class. The quorum for any general meeting of the class convened to consider any alteration to the class rights of the shares shall be such number of shareholders being two or more persons whose holdings comprise one third of the shares.

Each of the shares other than subscriber shares entitles the shareholder to participate equally on a pro-rata basis in the dividends and net assets of the Fund in respect of which the shares have been issued, save in the case of dividends declared prior to becoming a shareholder.

Management shares entitle the shareholders holding them to attend and vote at all general meetings of the Company but do not entitle the holders to participate in the dividends or net assets of the Company.

Composition and operation of board and committees

There are five Directors currently, all of whom are non-executive Directors and two of whom are independent of the Investment Advisers as required by the Irish Stock Exchange Listing Rules for investment funds. The Directors may be removed by the Shareholders by ordinary resolution in accordance with the procedures established under the Irish Companies Acts 1963 to 2012. The Board of Directors meets at least quarterly. The Board has an audit sub-committee consisting of 2 Independent Directors which intends to meet three times a year.

PIMCO Fixed Income Source ETFs plc

Directors' Report (continued)

DIRECTORS

The Directors who held office during the year ending 31 March 2012 were:

Joseph V. McDevitt – Chairman, appointed 28 October 2010
William R. Benz – appointed 28 October 2010
Craig A. Dawson – appointed 28 October 2010
David M. Kennedy – appointed 28 October 2010
Michael J. Meagher – appointed 28 October 2010

The Articles of Association do not provide for the retirement of Directors by rotation.

SECRETARY

Brown Brothers Harriman Fund Administration Services (Ireland) Limited held the office of Secretary for the year ended 31 March 2012.

DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES AND CONTRACTS

None of the Directors held an interest in the shares of the Company during the year ended 31 March 2012.

None of the Directors have a service contract with the Company.

LEGAL ADVISER AS TO IRISH LAW

Dillon Eustace was Legal Adviser (as to Irish Law) to the Company during the year.

INDEPENDENT AUDITORS

The Independent Auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office in accordance with Section 160(2) of the Companies Act 1963.

On behalf of the Board of Directors

Director: David M. Kennedy

Director: Michael J. Meagher

Date: 24 July 2012

PIMCO Fixed Income Source ETFs plc

Independent Auditors' Report

TO THE SHAREHOLDERS OF PIMCO FIXED INCOME SOURCE ETFS PLC

We have audited the Company's financial statements for the year ended 31 March 2012 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders, the Statement of Cash Flows, the Portfolios of Investments and Assets and the related notes excluding the Statements of Significant Changes in Portfolio Composition. These financial statements have been prepared under the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable Irish law and International Financial Reporting Standards ("IFRS") as adopted by the European Union are set out in the Directors' Report.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's shareholders as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with IFRS as adopted by the European Union and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2012 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit, and whether the financial statements are in agreement with the books of account. We also report to you our opinion as to:

- whether the Company has kept proper books of account; and
- whether the Directors' Report is consistent with the financial statements.

We also report to you if, in our opinion, any information specified by law regarding Directors' remuneration and Directors' transactions is not disclosed and, where practicable, include such information in our report. We read the other information contained in the annual report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion, the financial statements:

- give a true and fair view, in accordance with IFRS as adopted by the European Union, of the state of the Company's affairs at 31 March 2012 and of its results and cash flows for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts, 1963 to 2012 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the Company. The financial statements are in agreement with the books of account.

In our opinion, the information given in the Directors' Report on page 74 to 77 is consistent with the financial statements.

Pat Candon

For and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin

24 July 2012

PIMCO Fixed Income Source ETFs plc

Custodian's Report

We have enquired into the conduct of PIMCO Fixed Income Source ETFs plc (the "Company") for the year ended 31 March 2012, in our capacity as Custodian to the Company.

This report including the opinion has been prepared for, and solely for, the investors in the Company, in accordance with the Central Bank of Ireland's UCITS Notice 4 (as amended), and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

RESPONSIBILITIES OF THE CUSTODIAN

Our duties and responsibilities are outlined in the Central Bank of Ireland's UCITS Notice 4 (as amended). One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company's Memorandum and Articles of Association and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (the "UCITS Regulations"). It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Custodian must state why this is the case and outline the steps which we have taken to rectify the situation.

BASIS OF CUSTODIAN OPINION

The Custodian conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in UCITS Notice 4 and to ensure that, in all material respects, the Company has been managed:

- (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations; and
- (ii) otherwise in accordance with the Company's constitutional documentation and the appropriate regulations.

OPINION

In our opinion, the Company has been managed during the year, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum & Articles of Association and by the UCITS Regulations; and
- (ii) otherwise in accordance with the provisions of the Memorandum & Articles of Association and the UCITS Regulations.

Brown Brothers Harriman Trustee Services (Ireland) Limited
Styne House
Upper Hatch Street
Dublin 2
Ireland

24 July 2012

PIMCO Fixed Income Source ETFs plc

Glossary: (abbreviations that may be used in the preceding statements)

Counterparty Abbreviations:

BRC	Barclays Bank PLC
CBK	Citibank N.A.
DUB	Deutsche Bank AG
HUS	HSBC Bank USA
JPM	JP Morgan Chase & Co
MSC	Morgan Stanley
UAG	UBS AG Stamford

Currency Abbreviations:

BRL	Brazilian Real
CHF	Swiss Franc
CNY	Chinese Yuan Renminbi
COP	Columbian Peso
EUR (€)	Euro
GBP (£)	British Pound Sterling
IDR	Indonesian Rupiah
INR	Indian Rupee
JPY	Japanese Yen
MXN	Mexican Peso
MYR	Malaysian Ringgit
PLN	Polish Zloty
RUB	Russian Ruble
THB	Thai Baht
TRY	Turkish Lira
USD (\$)	United States Dollar
ZAR	South African Rand

Other Abbreviations:

ABS	Asset-Backed Security
RMBS	Residential Mortgage-Backed Security

PIMCO Fixed Income Source ETFs plc

General Information

MANAGER

PIMCO Global Advisors (Ireland) Limited,
Styne House,
Upper Hatch Street,
Dublin 2,
Ireland.

INVESTMENT ADVISERS

Pacific Investment Management Company LLC,
840 Newport Center Drive,
Newport Beach,
California 92660,
USA.

PIMCO Europe Ltd,
Nations House,
103 Wigmore Street,
London W1U 1QS,
England.

ADMINISTRATOR

Brown Brothers Harriman Fund Administration Services (Ireland)
Limited,
Styne House,
Upper Hatch Street,
Dublin 2,
Ireland.

CUSTODIAN

Brown Brothers Harriman Trustee Services (Ireland) Limited,
Styne House,
Upper Hatch Street,
Dublin 2,
Ireland.

DISTRIBUTOR

PIMCO Europe Ltd,
Nations House,
103 Wigmore Street,
London W1U 1QS,
England.

UNITED KINGDOM REPRESENTATIVE

PIMCO Europe, Ltd.
Nations House,
103 Wigmore Street,
London W1U 1QS,
England.

CO-PROMOTERS

Source UK Services Limited
One Angel Court
London EC2R 7HJ,
United Kingdom.

PIMCO Europe Ltd,
Nations House,
103 Wigmore Street,
London W1U 1QS,
England.

AUSTRIAN PAYING AGENT

Erste Bank der oesterreichischen Sparkassen AG,
Graben 21,
A-1010 Vienna
Austria.

GERMAN PAYING AND INFORMATION AGENT

Marcard, Stein & Co AG,
Ballindamm 36,
20095 Hamburg,
Germany.

FRENCH CENTRALISING AGENT

Société Générale,
29, boulevard Haussmann,
75009 Paris,
France.

LUXEMBOURG PAYING AGENT

BNP Paribas Securities Services,
Luxembourg Branch,
33, rue de Gasperich,
L-5826 Hesperange,
Grand Duchy of Luxembourg.

SWEDISH PAYING AGENT

SEB Merchant Banking,
SE-106 40,
Stockholm,
Sweden.

PIMCO Fixed Income Source ETFs plc

General Information (continued)

LEGAL ADVISERS AS TO IRISH LAW

Dillon Eustace,
33 Sir John Rogerson's Quay,
Dublin 2,
Ireland.

INDEPENDENT AUDITORS

PricewaterhouseCoopers,
Chartered Accountants and Registered Auditors,
One Spencer Dock,
North Wall Quay,
Dublin 1,
Ireland.

SECRETARY

Brown Brothers Harriman Fund Administration Services (Ireland)
Limited,
Styne House,
Upper Hatch Street,
Dublin 2,
Ireland.

REGISTERED OFFICE

PIMCO Fixed Income Source ETFs plc,
Styne House,
Upper Hatch Street,
Dublin 2,
Ireland.

DIRECTORS OF THE COMPANY AND THE MANAGER

Joseph V. McDevitt¹ (Chairman)
David M. Kennedy (Independent Director)
Michael J. Meagher (Independent Director)
William R. Benz¹
Craig A. Dawson¹

The Prospectus, supplements to the Prospectus, Memorandum & Articles of Association, annual and semi-annual reports are available free of charge at the office of the Administrator and the Distributor.

Investors may obtain a copy of the list of changes in the portfolio during year ended 31 March 2012, free of charge, at the custodian or paying agents.

¹ Employed by PIMCO.