

**This document is important and requires your immediate attention. If you are in doubt as to the action you should take you should seek advice from your stockbroker, bank manager, solicitor, tax adviser, accountant or other independent financial adviser. If you have sold or transferred all of your shares in PIMCO Fixed Income Source ETFs Plc, please pass this document at once to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee as soon as possible. The Directors of PIMCO Fixed Income Source ETFs Plc are the persons responsible for the information contained in this document. Please note that this document is not reviewed by the Central Bank of Ireland.**

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**CIRCULAR TO SHAREHOLDERS OF**

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PIMCO Euro Short Maturity Source ETF	PIMCO Emerging Markets Advantage Local Bond Index Source ETF
PIMCO US Dollar Short Maturity Source ETF	PIMCO Short-Term High Yield Corporate Bond Index Source ETF
PIMCO European Advantage Government Bond Index Source ETF	PIMCO German Government Bond Index Source ETF
PIMCO Sterling Short Maturity Source ETF	

*each sub-funds of*

**PIMCO Fixed Income Source ETFs Plc**

(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 established as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011).

NOTICE CONVENING AN ANNUAL GENERAL MEETING TO BE HELD ON 21 SEPTEMBER, 2012 IS SET OUT IN APPENDIX I. WHETHER OR NOT YOU PROPOSE TO ATTEND THE MEETING YOU ARE REQUESTED TO COMPLETE AND RETURN THE RELEVANT FORM OF PROXY SET OUT IN APPENDIX II IN ACCORDANCE WITH THE INSTRUCTIONS PRINTED THEREON.

**FORMS OF PROXY ARE SET OUT IN APPENDIX II AND SHOULD BE RETURNED NO LATER THAN 48 HOURS BEFORE THE TIME FIXED FOR THE HOLDING OF THE MEETING TO:**

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

**or**

**Fax No. +353-1-6036300**

**PIMCO Fixed Income Source ETFs Plc - (the “Company”)**

**PIMCO Euro Short Maturity Source ETF, PIMCO US Dollar Short Maturity Source ETF, PIMCO European Advantage Government Bond Index Source ETF, PIMCO Sterling Short Maturity Source ETF, PIMCO Emerging Markets Advantage Local Bond Index Source ETF, PIMCO Short-Term High Yield Corporate Bond Index Source ETF, PIMCO German Government Bond Index Source ETF (the “Funds”)**

30 July, 2012

Dear Shareholder,

**1. Introduction**

As you are aware, PIMCO Fixed Income Source ETFs Plc (the “Company”) is an investment company with variable capital and with segregated liability between Funds, incorporated with limited liability under the laws of Ireland, authorised on 9 December, 2010 by the Central Bank of Ireland (the “Central Bank”) pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, (the “Regulations”). The Company is an umbrella company, which comprises a number of sub-funds (the “Funds”), or when referred to individually, a “Fund”).

The Directors of the Company will convene an Annual General Meeting of the shareholders of the Company on 21 September, 2012, at which shareholders will be asked to approve the following:

**General Business**

- (a) **To receive and adopt the Directors’ Report and Financial Statements for the fiscal year ended 31 March, 2012.**

Shareholders will be asked to receive and adopt the Directors’ Report and Financial Statements for the fiscal year ended 31 March, 2012, which are enclosed for your review.

- (b) **To re-appoint PricewaterhouseCoopers as auditors to the Company**

Shareholders will be asked to approve the reappointment of PricewaterhouseCoopers as Auditors to the Company.

- (c) **To authorise the Directors to fix the remuneration of the auditors**

Shareholders will be asked to authorise the Directors to fix the annual remuneration of the Auditors.

**Special Business**

**Amendments to the Memorandum & Articles of Association of the Company (the “M&A”)**

Subject to Shareholder approval and the requirements of the Central Bank, it is proposed to make the following amendments to the M&A to include all re-numbering and updating cross-references, as appropriate.

- (a) **Payment of Dividends out of Capital (Appendix III, point 1)**

With immediate effect following the Annual General Meeting and upon receipt of the requisite approval, it is proposed to amend Article 31.04 of the Articles of Association to permit the Company pay dividends out of capital.

The Central Bank recently issued a policy update revising its position in respect of the payment of dividends out of capital. Irish authorized collective investment schemes such as the Company are now permitted to pay dividends out of capital subject to complying with a number of disclosure requirements. **The Company is not currently seeking to amend the dividend policy of any of the existing Funds to avail of the revised position.** However, we are proposing to amend the Articles of Association to provide the Company with the ability to avail of the revised policy should the Company wish to pursue the policy at some point in the future.

In the event the Company pursues with the policy in the future, the Company will comply with the Central Bank requirements which include updating the prospectus/Fund supplement to clearly outline a rationale for the policy together with inclusion of prominent risk and tax warnings. Any documentation issued to shareholders in conjunction with a distribution would also indicate that such distribution has been paid out of capital.

#### **(b) Company/Fund winding-up provisions (Appendix III, point 2)**

It is proposed to amend the Articles of Association to provide that if a majority (exceeding fifty percent) of the shares in issue in a Fund have been placed for redemption on any one Dealing Day, the Directors, in conjunction with the Investment Adviser (having regard to the size of the Fund and the ability to meet its investment objective) may determine in their absolute discretion that it is in the interests of the remaining shareholders to discontinue operation of the Fund and the Directors will have the power to compulsorily redeem the remaining shares in issue.

It is further proposed to amend the Articles of Association to provide that the Directors may wind-up the Company or any Fund in any of the following events:

- (i) if the Net Asset Value of the Company or any relevant Fund shall be less than such amount as may be determined by the Directors in respect of the Company or that relevant Fund;
- (ii) if the Company or any Fund shall cease to be authorised or otherwise officially approved;
- (iii) if any law shall be passed which renders it illegal or in the opinion of the Directors impracticable or inadvisable to continue the Company or any relevant Fund.

## **2. Fees and Expenses**

The legal and administrative costs of drafting and implementing the proposed change to the Company's Articles of Association will be borne by the Company's manager, PIMCO Global Advisors (Ireland) Limited.

## **3. Shareholders' Approval**

For the sanctioning of the Ordinary Resolutions in relation to the receiving and adopting of the Directors' Report and Financial Statements for the fiscal year ended 31 March 2012, the re-appointment of PricewaterhouseCoopers as auditors to the Company, and the authorisation of the Directors to fix the remuneration of the auditors a majority of the shareholders of the Company, present in person or by proxy, who cast votes at the Meeting of the shareholders of the Company, are required to vote in favour of it.

The quorum for the Annual General Meeting is two Shareholders present (in person or by proxy). If within half an hour from the time appointed for the meeting, a quorum is not present, it shall be adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Directors may determine.

If you are a registered holder of Shares in the Company, you will receive a proxy form with this Circular. Please read the notes printed on the form, which will assist you in completing the proxy

form, and return the proxy form to us. **To be valid, your appointment of proxy must be received no later than 48 hours before the time appointed for the meeting and therefore by 11h00 on 19 September 2012 at the latest.** You may attend and vote at the meeting even if you have appointed a proxy.

#### 4. Recommendation

We believe that the proposed resolutions are in the best interests of the shareholders as a whole and therefore recommend that you vote in favour of the proposals. These proposals do not change the value of your investments. **Should you be in any doubt as to the actions you should take, we recommend that you consult with your own tax and legal advisers.**

#### 5. Details of the Annual General Meeting and the attached documents

We propose that the suggested change to the Articles of Association of the Company as outlined above be approved at the Annual General Meeting of the Company by way of Special Business after the General Business has been considered.

#### 6. Notice and Proxy Forms

Details of the specific resolutions which Shareholders will be asked to approve are detailed in the Notice and Proxy Forms attached to this Circular.

This Circular is accompanied by the following documents:

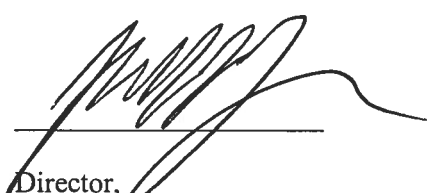
1. Notice of the Annual General Meeting of the Company to be held at 11h00 on 21 September, 2012 at the offices of Brown Brothers Harriman Fund Administration Services (Ireland) Limited, Styne House, Upper Hatch Street, Dublin 2, Ireland (Appendix I);
2. A Proxy Form which allows you to cast your vote by proxy (Appendix II);
3. Audited accounts for the Company prepared for the fiscal year ended 31 March 2012 which include a statement of the assets and liabilities of each of the Funds of the Company.

If you are unable to attend the Annual General Meeting but wish to exercise your vote, please complete the attached Proxy Form and return it to:

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

To be valid, the proxy forms must be received at the above address or fax no. +353-1-6036300 no later than 48 hours before the time fixed for the holding of the meeting.

Yours faithfully,



Director,  
For and on behalf of  
PIMCO Fixed Income Source ETFs plc



## APPENDIX I

### Notice of Annual General Meeting

#### PIMCO FIXED INCOME SOURCE ETFs PLC (the "Company")

**PIMCO Euro Short Maturity Source ETF, PIMCO US Dollar Short Maturity Source ETF, PIMCO European Advantage Government Bond Index Source ETF, PIMCO Sterling Short Maturity Source ETF, PIMCO Emerging Markets Advantage Local Bond Index Source ETF, PIMCO Short-Term High Yield Corporate Bond Index Source ETF, PIMCO German Government Bond Index Source ETF (the "Funds")**

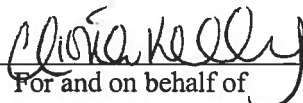
**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Shareholders of the Company will be held at Brown Brothers Harriman Fund Administration Services (Ireland) Limited, Styne House, Upper Hatch Street, Dublin 2, Ireland on 21 September, 2012 at 11am for the following purposes:

#### *General Business*

1. To receive and adopt the Directors' Report and Financial Statements for the fiscal year ended 31 March, 2012;
2. To re-appoint PricewaterhouseCoopers as auditors to the Company;
3. To authorise the Directors to fix the remuneration of the auditors;

#### *Special Business*

4. To adopt the amendments to the Articles of Association of the Company in respect of Payment of Dividends out of Capital, the amendments to which are highlighted in Appendix III, subject to such amendments as may be required by the Central Bank;
5. To adopt the amendments to the Articles of Association of the Company in respect of Company/Fund winding-up provisions, the amendments to which are highlighted in Appendix III, subject to such amendments as may be required by the Central Bank;
6. Any Other Business.



For and on behalf of

Brown Brothers Harriman Fund Administration Services (Ireland) Limited  
Secretary

Dated this 30<sup>th</sup> day of July 2012

**Note: A Shareholder entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy need not be a Shareholder.**

**APPENDIX II**

**PROXY FORM**

**PIMCO FIXED INCOME SOURCE ETFs PLC  
(the "Company")**

I/We\* \_\_\_\_\_

of \_\_\_\_\_

being a Shareholder/Shareholders\* of the above named Company hereby appoint the Chairman or, failing him/her,

\_\_\_\_\_ of \_\_\_\_\_

as my/our\* proxy to vote on my/our\* behalf in the manner indicated below at the Annual General Meeting of the Company to be held at the registered office of the Company, c/o Brown Brothers Harriman Fund Administration Services (Ireland) Limited, Styne House, Upper Hatch Street, Dublin 2, Ireland on 21 September 2012 at 11h00 and at any adjournment thereof.

Signed \_\_\_\_\_

Dated this \_\_\_\_ day of \_\_\_\_\_, 2012

(\*delete as appropriate)

**ORDINARY RESOLUTIONS**

	<b>For/Yes</b>	<b>Against/No</b>
1. To receive and adopt the Directors' Report and Financial Statements for the fiscal year ended 31 March, 2012.		
2. To re-appoint PricewaterhouseCoopers as Auditors to the Company.		
3. To authorise the Directors to fix the remuneration of the Auditors.		

**SPECIAL RESOLUTION**

**(requiring the consent of 75% of voting shareholders)**

	<b>For/Yes</b>	<b>Against/No</b>
1. To adopt the amendments to the Articles of Association of the Company in respect of Payment of Dividends out of Capital, the amendments to which are highlighted in Appendix III, subject to such amendments as may be required by the Central Bank.		
2. To adopt the amendments to the Articles of Association of the Company in respect of Company/Fund winding-up provisions, the amendments to which are highlighted in Appendix III, subject to such amendments as may be required by the Central Bank		

## Notes to Form of Proxy

1. The Directors have determined that only those shareholders on the register of the Company as at 10.00 am on the date of the Notice to which this Form of Proxy relates shall be entitled to attend or vote at the aforesaid Annual General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register after 10.00 a.m. on the date of the Notice to which this Form of Proxy relates shall be disregarded in determining the rights of any person to attend or vote at the meeting.
2. Two Members present in person or by proxy entitled to vote shall be a quorum for all purposes. If within half an hour from the time appointed for the Meeting, a quorum is not present, it shall be adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Directors may determine. A Member entitled to attend and vote at any such adjourned meeting is entitled to appoint a proxy to attend, speak and vote in his place and that a proxy need not be a Member of the Company. This notice shall be deemed to constitute due notice of any such adjourned meeting within the meaning of the Company's Articles of Association.
3. A Shareholder may appoint a proxy of his own choice. If the appointment is made insert the name of the persons appointed as proxy in the space provided. A person appointed to act as a proxy need not be a Shareholder.
4. If the appointer is a corporation, this form must be under the Common Seal or under the hand of an officer or attorney duly authorised on his behalf.
5. In the case of joint Shareholders, the signature of any one Shareholder will be sufficient, but the names of all the joint Shareholders should be stated.
6. If this form is returned without any indication as to how the person appointed proxy shall vote he will exercise his discretion as to how he votes or whether he abstains from voting.
7. To be valid, this form must be completed and deposited by mail or by fax for the attention of Cliona Kelly, Brown Brothers Harriman Fund Administration Services (Ireland) Limited, Styne House, Upper Hatch Street, Dublin 2, Ireland or sent to fax number +353-1-6036300, not less than 48 hours before the time fixed for holding the meeting or adjourned meeting.
8. If you have any questions regarding the information provided in this Circular please contact PIMCO Shareholder Services at the following numbers: (Europe) +353.1.241.7100, (Asia) +852.3971.7100 or Americas (+1 617 310 7100). Alternatively, you may contact us by email at: [PIMCOteam@bbh.com](mailto:PIMCOteam@bbh.com)

## APPENDIX III

Please find below the relevant extracts from the Articles of Association of the Company highlighting the proposed amendments thereto. Numbering and cross-references in the Articles of Association shall be amended accordingly.

<b>Legend</b>
<u>Text which has been inserted</u>
<del>Text which has been deleted</del>

### 1. Changes to the Articles of Association to provide for payment of dividends out of capital

Insertion of the reference to inclusion of capital as a source of dividends.

“31.04 The amount available for distribution in respect of any Accounting Period shall be the net income of the relevant Fund (whether in the form of dividends, interest or otherwise) and/or net realised gains (i.e. realised gains net of realised and unrealised losses) or net realised and unrealised gains (i.e. realised and unrealised gains net of realised and unrealised losses) and/or other funds (including capital) during the Accounting Period, subject to such adjustments as may be appropriate under the following headings: -”

### 3. Changes to the Articles of Association in respect of Company/Fund winding-up provisions

37.01 The Company or where relevant a Fund may be wound up if:

- (a) the Directors, in their absolute discretion and by providing notice in writing to the Custodian, determine in any of the following events:
  - ~~(a) — at any time after the first anniversary of the incorporation of the Company;~~
    - ~~(i) if the Net Asset Value of the Company or a relevant Fund falls below shall be less than such amount as to may be determined by the Directors on each Dealing Day for a period of six consecutive weeks and the Shareholders of the Company or where relevant Fund resolve by Ordinary Resolution to wind up the Company or the in respect of the Company or that Fund;~~
    - (ii) if the Company or any Fund shall cease to be authorised or otherwise officially approved;
    - (iii) if any law shall be passed which renders it illegal or in the opinion of the Directors impracticable or inadvisable to continue the Company or relevant Fund;
- (b) an event specified at Article 3.09 hereof has occurred and the Shareholders of the Company resolve by Ordinary Resolution to wind up the Company;
- (c) the Shareholders of the Company or where relevant Fund resolve by Ordinary Resolution that the Company or Fund by reason of its liabilities cannot continue its business and that it be wound up; or
- (d) the Shareholders of the Company or where relevant Fund resolve by Special Resolution that the Company or Fund be wound up.

The decision of the Directors in any of the events specified herein shall be final and binding on all the parties concerned but the Directors shall be under no liability on account of any failure to wind-up the Company or the relevant Fund pursuant to this Article or otherwise.



The Directors shall give notice of winding-up of the Company or Fund to the holders of Shares in the Company or relevant Fund and by such notice fix the date at which such winding-up is to take effect, which date shall be for such period after the service of such notice as the Directors shall at their absolute discretion determine.”

37.07 If a majority (exceeding fifty per cent.) of the shares in issue in the Company, a Fund or a Class of Shares have been placed for repurchase on any one Dealing Day, and the Directors, in conjunction with the Investment Adviser (having regard to the size of the Company, Fund or Class and the ability to meet its investment objectives) determine in their absolute discretion that it is in the interests of the remaining Members to discontinue the operation of the Company, Fund or Class, the Directors have the power to compulsorily repurchase the remaining Shares in issue. In the event of the above circumstances arising, all requests for the issue or repurchase of Shares in the Company, a Fund or a Class of Shares (whichever is the case) will be suspended. To ensure equality between all Members in the Company, a Fund or a Class of Shares (whichever is the case), the Directors may instigate a process of liquidation of all the assets of the Company or Fund or a proportion of the assets of a Fund attributable to a Class in accordance with the procedures for winding up and pay the proceeds, net of any costs and provisions for liabilities of the Company or Fund or proportion of the liabilities of a Fund attributable to a Class, to Members in proportion to their shareholdings at the relevant Dealing Day. Such proceeds will be paid in one or more instalments, on a basis pro rata to their shareholdings, as soon as practicable after the relevant Dealing Day, allowing for the time required to liquidate the assets of the Company or Fund or a proportion of the assets of a Fund attributable to a Class and determine all outstanding liabilities.