

PIMCO

22 December 2015

To: All Shareholders of PIMCO Fixed Income Source ETFs p.l.c. - PIMCO Low Duration Euro Corporate Bond Source UCITS ETF (the “Fund”)

Re: **PIMCO Fixed Income Source ETFs plc (the “Company”) - Update to the Investment Policy of the Fund**

Dear Shareholder,

This letter is to notify you of amendments to the Supplement for the Fund.

In order to enhance the marketability of the Fund in Germany, the Investment Policy section of the Supplement is to be amended as outlined in Appendix A in order to comply with certain German insurance undertaking regulatory requirements. These changes are deemed to be non-material in the context of the overall investment strategy.

The amendments will become effective on or around 29 January 2016 at which point a revised Supplement for the Fund will be filed with the Central Bank of Ireland and other relevant regulators as appropriate. The revised Supplement will be available on Source’s website at www.sourceetf.com.

For any questions regarding this matter, Shareholders may consult their financial adviser, the Company’s appointed representative in that country or the Administrator. The Administrator may be contacted via e-mail at PimcoTeam@bbh.com, or by telephone as follows:

Luxembourg	+352 4740 66 7100
Dublin	+353 1 241 7100
Hong Kong	+852 3971 7100
Boston	+1 617 310 7100

We thank you for your continued interest in PIMCO.

The Directors accept responsibility for the accuracy of this notice.



Signed by William Benz
For and behalf of
PIMCO Fixed Income Source ETFs plc

Directors:
William R. Benz (U.S. and U.K.)
Ryan P. Blute (U.S.)
Craig A. Dawson (U.S.)
David M. Kennedy
Michael J. Meagher

Appendix A

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

The second paragraph in the Investment Policy section is to be amended as follows:

The Fund may invest up to a maximum of 20% of its Net Asset Value in emerging market Fixed Income Instruments. The Fund will invest primarily in investment grade Fixed Income Instruments but may invest up to 10% of Net Asset Value in high yield Fixed Income Instruments subject to a minimum credit rating of B- by S&P or equivalently rated by Moody's or Fitch (or if unrated determined by the Investment Advisor to be of comparable quality) ~~with the exception of mortgage-backed securities (which may or may not be leveraged) for which there is no minimum credit rating requirement.~~

The following is to be inserted into the Investment Policy section as the new sixth paragraph:

Asset-backed securities, credit-linked notes and other transferable securities whose yield or repayment is linked to credit risks or that are used to transfer the credit risk of a third party (for example notes issued by special purpose vehicles with no other business purposes than holding the credit risky assets ("repackaged securities/repackaged credit risks") but excluding corporate bonds issued by a operational active corporate, notes issued by an entity with operational business purposes or subordinated liabilities (tier products) and profit participation notes that are issued (securitised) via a special purpose vehicle) may only be invested into if (i) the debtor or issuing company of such investments is domiciled in the EEA or in a full member state of the OECD or (ii) if listed at a regulated market inside the EEA or admitted to the official market on an exchange in a state outside the EEA, or being included into a regulated market in such state. Such investments must be rated investment grade by the relevant recognised rating agencies (Moody's, S&P or Fitch) or, if no such external rating is available, there must be a positive assessment by the Investment Advisor of the credit quality of the receivables portfolio and of the security and profitability of the investment as a whole that is documented transparently.

The following paragraph is to be included in the Fund Supplement:

Redemption Information

Notwithstanding any other provision contained in the Prospectus, the Company may satisfy any request for redemption of Shares by the transfer in specie to those Shareholders of assets of the Fund having a value equal to the redemption price for the Shares redeemed as if the redemption proceeds were paid in cash less any redemption charge and other expenses of the transfer, subject to the consent of the individual Shareholders. If the Shareholder does not consent to a redemption in specie, redemption proceeds will be paid in cash in accordance with the Prospectus.

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The following paragraph is to be included as the last paragraph of the Section entitled 'Risk Factors':

Please also note that funds, such as the Fund, that invest in high yield securities and unrated securities of similar credit quality (commonly known as "junk bonds") may be subject to greater levels of interest rate, credit and liquidity risk than Funds that do not invest in such securities. These securities are considered predominately speculative with respect to the issuer's continuing ability to make principal and interest payments. An economic downturn or period of rising interest rates could adversely affect the market for high yield securities and reduce a Fund's ability to sell its high yield securities. If the issuer of a security is in default with respect to interest or principal payments, a Fund may lose its entire investment.