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|-------------------------------------|---|---|--------------------|
| Investment objective | To achieve maximum total return by investing in global fixed interest securities and to seek to preserve capital through prudent investment management. | | |
| Investments held | Principal investment in global fixed interest securities. | | |
| Investment Manager | PIMCO Australia Pty Ltd | | |
| APIR | ETL0011AU | | |
| Commencement | 31 July 1998 | Buy spread | Nil |
| Management costs¹ | 0.72% p.a. | Sell spread | -0.10% |
| Minimum initial investment | \$5,000 | Investment pool size² | \$2,854.95 million |

| Unit Prices | Purchase | Net Asset Value | Withdrawal |
|-------------------|----------|-----------------|------------|
| 30 September 2012 | \$1.0319 | \$1.0319 | \$1.0308 |

| Performance as at 30 September 2012 ³ | 1 mth % | 3 mths % | 6 mths % | 1 yr % | 3 yrs % p.a. | 5 yrs % p.a. |
|--|---------|----------|----------|--------|--------------|--------------|
| Total Net Return | 1.23 | 3.99 | 7.89 | 14.16 | 12.48 | 10.39 |
| Index Return ⁴ | 0.67 | 2.85 | 5.50 | 10.05 | 9.61 | 9.54 |
| Total Net Return vs Index | 0.56 | 1.14 | 2.39 | 4.11 | 2.87 | 0.85 |

| Income distributions | 31 Dec 11 | 31 Mar 12 | 30 Jun 12 | 30 Sep 12 |
|------------------------------------|-----------|-----------|-----------|-----------|
| Distribution rate (cents per unit) | 1.0037 | 2.0515 | 5.0671 | 1.5477 |

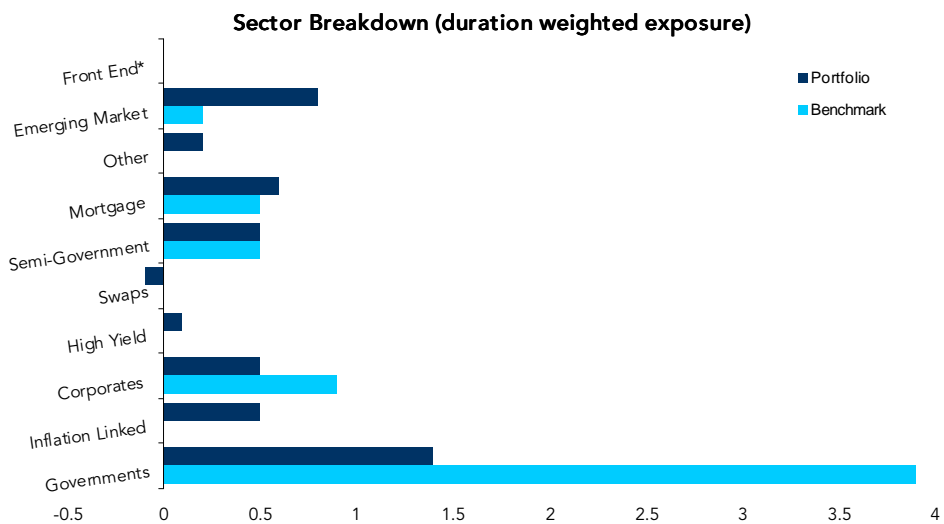
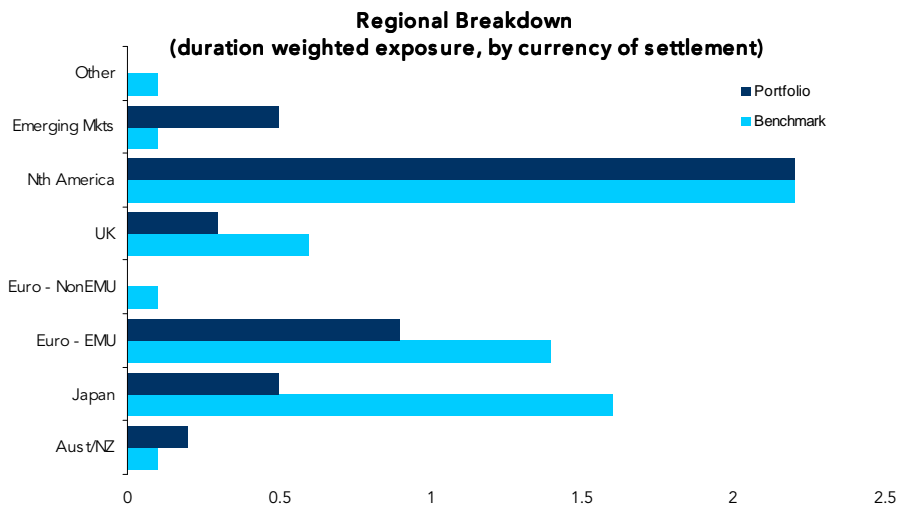
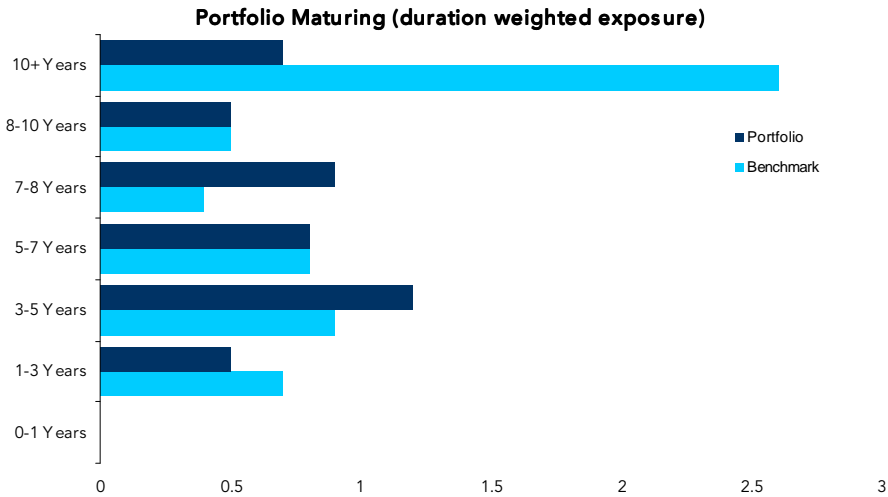
Investment Characteristics as at 30 September 2012

| Investment Statistics | | Quality Breakdown | % | Benchmark |
|-----------------------|---------|-------------------|----|-----------|
| Effective Duration | 4.5 yrs | AAA | 25 | 50 |
| Benchmark Duration | 6.0 yrs | AA | 21 | 27 |
| Average Maturity | 6.6 yrs | A | 11 | 11 |
| Estimated Yield | 7.1% | BBB | 33 | 12 |
| Average Quality | A | Sub Inv Grade | 10 | 0 |

1. Includes estimated GST payable, after taking into account Reduced Input Tax Credits ("RITC").
2. Investment Pool Size represents the total of all unit classes within the Fund.
3. Performance: Distribution Return is the return due to distributions paid by the Fund, Growth Return is the return due to changes in initial capital value of the Fund, Total Net Return is the Fund return after the deduction of ongoing fees and expenses and assumes the reinvestment of all distributions.
4. Index = Barclays Capital Global Aggregate Bond Index hedged in Australian dollars

Fact Sheet

Investment Characteristics as at 30 September 2012



*Front End includes all securities that are investment grade and have a duration less than 1 year

Fact Sheet

Market Commentary

- Monetary easing enacted by the U.S. Federal Reserve and the European Central Bank led to a rally in risk assets during the quarter.
- Most bonds gained in absolute terms during the quarter as investors remained cautious despite reduced fears of a left tail event in Europe.
- Macroeconomic data remained weak, indicating sluggish growth in the U.S. and a shrinking economy in the eurozone and United Kingdom.

Portfolio Recap

Important contributors to performance included:

- An underweight to longer maturities in the U.S., as the yield curve steepened.
- An overweight to Agency and non-Agency mortgage-backed securities, including a focus on lower coupon mortgages, which outperformed like-duration government securities on the announcement of QE3.
- Within the corporate sector, an emphasis on the bonds of financial firms, which outperformed the broader market.
- A modest tactical allocation to high yield corporate bonds as risk assets rallied.
- Exposure to emerging market rates, especially in Brazil, as yields continued to fall in this market.
- Holdings of inflation-linked bonds, which outperformed nominal bonds as breakeven inflation levels widened.

Important detractors from performance included:

- Underweight to peripheral Europe, which performed strongly amid positive announcements from the ECB.

Market Outlook

- PIMCO expects the global economy to grow at a modest 1.5 to 2.0 percent over the year ahead.
- As the U.S. political climate becomes increasingly polarised ahead of November's Presidential election, we believe legislative action to address the upcoming "fiscal cliff" is highly unlikely.
- PIMCO anticipates global inflation of between 2.0 and 2.5 percent over the cyclical horizon.

Portfolio Strategy

- Look to selectively add high quality duration in countries with healthier balance sheets and independent monetary policy - including Canada, Australia, Brazil, and Mexico.
- Concentrate on the 6-10 year portion of the U.S. yield curve which offers the best potential for price appreciation given the suppression of yields on shorter maturities.
- Maintain holdings in Agency mortgages as a source of high quality yield, which offer favorable risk-adjusted returns relative to low yielding cash and riskier corporate credits.
- Continue to hold non-Agency mortgages and commercial mortgage-backed securities (CMBS) that have senior positions in the capital structure as another source of yield.
- Plan to retain exposure to select corporate and quasi-sovereign bonds in countries with strong initial conditions and strong balance sheets such as Brazil and Mexico.
- Retain inflation-linked bonds and U.S. TIPS positions to protect against potentially higher long-term inflation.

Commentary as at 30 September 2012