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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. Unless otherwise defined herein, all terms used in this document have the same meanings as in the Prospectus. This Circular has not been reviewed by the Central Bank.

**CIRCULAR TO SHAREHOLDERS OF**

**PIMCO Euro Short Maturity Source UCITS ETF  
PIMCO US Dollar Short Maturity Source UCITS ETF  
PIMCO Sterling Short Maturity Source UCITS ETF  
PIMCO Emerging Markets Advantage Local Bond Index Source UCITS ETF  
PIMCO Short-Term High Yield Corporate Bond Index Source UCITS ETF  
PIMCO Covered Bond Source UCITS ETF  
PIMCO Low Duration Euro Corporate Bond Source UCITS ETF  
PIMCO Low Duration US Corporate Bond Source UCITS ETF  
PIMCO Euro Short-Term High Yield Corporate Bond Index Source UCITS ETF**

*each sub-funds of*

**PIMCO Fixed Income Source ETFs plc**

(An open-ended umbrella type investment company with variable capital and with segregated liability between Funds incorporated with limited liability in Ireland under the Companies Act 2014 with registered 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, as amended)

**Proposal for Conversion to the International Central Securities Depository Model of Settlement**

**Proposed Scheme of Arrangement**

**Notice of Scheme Meeting**

**Notice of Extraordinary General Meeting**

## Definitions

<b>“Act”</b>	means the Companies Act 2014 of Ireland (as amended);
<b>“Articles”</b>	means the Memorandum and Articles of Association of the Company;
<b>“Authorised Participant”</b>	means an entity or person authorised by the Company for the purposes of subscribing for and redeeming Shares of a Fund on a cash or in-kind basis directly with the Company either in order to be able to offer to buy Shares from or sell Shares to their customers as part of their broker/dealer business or in order to act as a market maker. The Company may add or replace an Authorised Participant from time to time;
<b>“Board”</b>	means the board of directors of the Company from time to time;
<b>“Business Day”</b>	means any day on which banks are open for business in Dublin, Ireland or as otherwise specified in the relevant Supplement;
<b>“Central Bank”</b>	means the Central Bank of Ireland or any successor regulatory authority thereto;
<b>“Central Bank UCITS Regulations 2019”</b>	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, as same may be amended, supplemented or re-enacted from time to time;
<b>“Circular”</b>	means this document dated 6 May, 2020;
<b>“Common Depositary”</b>	means the entity appointed as a depositary for the International Central Securities Depositories, currently Citibank Europe p.l.c.;
<b>“Common Depositary Nominee”</b>	means the entity appointed as nominee for any Common Depositary and as such acts as the registered legal holder of the Shares, currently Citivic Nominees Limited;
<b>“Company”</b>	means PIMCO Fixed Income Source ETFs plc, an umbrella investment company with variable share capital incorporated in Ireland under registration number 489440;
<b>“CREST System”</b>	means a settlement system owned and operated by Euroclear UK & Ireland;
<b>“CREST Depositary Interest”</b>	means an English law security issued by Euroclear UK & Ireland (through a subsidiary company) that represents a CREST member’s entitlement in relation to an underlying security; in the context of the ICSD Model, a CREST Depositary Interest will represent an interest in a Share in the relevant Fund that is held via Euroclear Bank S.A./N.V.;
<b>“CSDs” (and each a “CSD”)</b>	means a local central securities depositaries other than the ICSDs (which may include but are not limited to the CREST system, Euroclear Netherlands, Clearstream Banking AG, Frankfurt/Main, SIS SegalInterSettle AG and Monte Titoli);

<b>“Current Model”</b>	means the existing settlement model of the Funds (except the ICSD Fund), which involves settlement on multiple local CSDs where the Funds are listed and traded on multiple stock exchanges; the central securities depositaries may include (but this list is not limited to) the CREST system, Euroclear Netherlands, Clearstream Banking AG, Frankfurt/Main, SIS SegalInterSettle AG and Monte Titoli;
<b>“Directors”</b>	means the directors of the Company or any duly authorised committee or delegate thereof;
<b>“Effective Date”</b>	means the date and time on which the Scheme becomes effective in accordance with its terms;
<b>“Excluded Shares”</b>	means any and all Participating Shares in the ICSD Fund;
<b>“Extraordinary General Meeting” or “EGM”</b>	means the extraordinary general meeting of the Company (and any adjournment thereof) to be convened in connection with the Scheme, expected to be held as soon as the preceding Scheme Meeting shall have been concluded or adjourned;
<b>“Forms of Proxy”</b>	means the Form of Proxy for the Scheme Meeting and the Form of Proxy for the Extraordinary General Meeting and “Form of Proxy” shall mean either of them;
<b>“Funds”</b>	means a sub-fund of the Company representing the designation by the Directors of a particular Class or Classes of Shares as a sub-fund the proceeds of issue of which are pooled separately and invested in accordance with the investment objective and policies applicable to such sub-fund and which is established by the Directors from time to time with the prior approval of the Central Bank;
<b>“Global Share Certificate”</b>	means the certificate evidencing entitlement to the Shares of any Fund using the ICSD Model, issued pursuant to the Articles and the prospectus of the Company;
<b>“High Court”</b>	means the High Court of Ireland;
<b>“High Court Hearing”</b>	means the hearing of the High Court for the purposes of considering and, if thought fit, sanctioning the Scheme;
<b>“ICSD Fund”</b>	means PIMCO Low Duration US Corporate Bond Source UCITS ETF;
<b>“International Central Securities Depositaries” or “ICSD”</b>	means such Recognised Clearing Systems which avail of the Euroclear International Settlement System and issue their Shares through the International Central Securities Depository settlement system, which is an international settlement system connected to multiple national markets;
<b>“ICSD Model”</b>	means the ICSD settlement model proposed to be adopted by the Company and which is described in Part 1 of this Circular;
<b>“Irish Standard Time”</b>	means Irish standard time, as set out in the Standard Time (Amendment) Act 1971 and the Summer Time Act 1925;

<b>“Participating Shares” or “Shares”</b>	means participating shares of no par value in the capital of the Company;
<b>“Register of Members”</b>	means the register of members of the Company which register is maintained in respect of all the Funds;
<b>“Registrar of Companies”</b>	means the Registrar of Companies in Ireland;
<b>“Scheme”</b>	means the proposed scheme of arrangement under Chapter 1 of Part 9 of the Act as set out in this Circular with or subject to any modification(s), addition(s) or condition(s) approved or imposed by the High Court and agreed by the Board;
<b>“Scheme Meeting”</b>	means the meeting of the Scheme Shareholders (and any adjournment thereof) convened by the Directors to consider and vote on a resolution proposing that the Scheme (with or without amendment) be agreed to;
<b>“Scheme Order”</b>	means the order of the High Court under Section 453(2)(c) of the Act sanctioning the Scheme;
<b>“Scheme Shares”</b>	means (i) the Participating Shares in issue at the date of this Circular; and (ii) any Participating Shares issued at or after the date of this Circular and before the Effective Date but excluding the Excluded Shares;
<b>“Scheme Shareholders”</b>	means the registered holders of Scheme Shares;
<b>“Shareholders” or “Holders”</b>	means the registered holders of Participating Shares;
<b>“Voting Record Time”</b>	mean 8.00 am (Irish Standard Time) on 27 May, 2020 or, if the Scheme Meeting and/or the Extraordinary General Meeting is/are adjourned, 8.00 am (Irish Standard Time) on the day before the day appointed for the adjourned meeting(s).

## PART I - INTRODUCTION

6 May, 2020

Dear Shareholder,

### 1. Introduction and Background

We are writing to you in your capacity as a Shareholder to notify you of a proposal to centralise the settlement of trading in Participating Shares of all non-ICSD Funds of the Company in an ICSD structure. The ICSD Fund already uses the ICSD Model.

At present, the Company operates a securities settlement system whereby settlement occurs via the CREST System.

With effect from 31 March 2021, Irish domiciled ETFs (such as the Company) will no longer be able to rely on the CREST System for the settlement of their shares as Euroclear UK and Ireland Limited is a UK regulated central securities depository which will no longer be able to provide services in Ireland after that date as a result of the United Kingdom's exit from the European Union ("**Brexit**"). The Company is currently availing of transitional arrangements granted by the European Commission regarding the current use of the CREST System whereby temporary equivalence has been granted to Euroclear UK and Ireland Limited (to expire from 31 March 2021).

Accordingly, in order to mitigate against this Brexit related risk, the Company is required to migrate from the CREST System to an alternative CSD.

The Directors are proposing to adopt the ICSD Model by way of a Scheme under Chapter 1 of Part 9 of the Act. The purpose of this Circular is to provide you with information regarding the Scheme and the proposed ICSD Model.

The key feature of the ICSD Model is that it provides centralised settlement in Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking S.A., Luxembourg ("**Clearstream**" and, together with Euroclear, the "**ICSD**") for transactions executed on multiple stock exchanges.

Converting the Non-ICSD Funds to the ICSD Model will bring all Funds in existence on the Effective Date onto one consistent settlement structure, which is expected to make navigating the settlement structures for these Funds more straightforward.

### 2. The Proposal

It is proposed that the Company will adopt the ICSD Model in place of the Current Model for the non-ICSD Funds pursuant to a Scheme. Under the Scheme, it is proposed to transfer the legal (but not beneficial) interest in all Participating Shares in the Non-ICSD Funds as at the Effective Date to the Common Depository's Nominee, which will hold the legal title in the Participating Shares as nominee for the Common Depository. While the legal interest in all Participating Shares will transfer to the Common Depository's Nominee, investors will continue to hold a beneficial interest in the same number of Participating Shares in the same Fund(s) under the ICSD Model as they held immediately prior to the Effective Date under the Current Model and will be able to direct the exercise of their rights in respect of such Participating Shares to the same extent that they can at the moment under the Current Model.

If approved by the requisite majority of Scheme Shareholders and sanctioned by the High Court, it is anticipated that the Scheme will become effective on a date in the third quarter of 2020, to be determined by the High Court. The Effective Date of the Scheme will be announced and published as set out in the section titled "*Publication of Results*" below.

Adoption of the ICSD Model will not change the manner in which investments in the Funds are managed.

## Differences between the ICSD Model and the Current Model

Under the Current Model, only investors with accounts in the CREST system operated by Euroclear UK & Ireland Limited and certain CSDs (e.g., Clearstream Banking AG, Frankfurt/Main) or their nominees are registered as Shareholders in the Company's Register of Members. As a result, the Register of Members of the Company consists of a mix of nominees of Authorised Participants and other account holders in the CREST system operated by Euroclear UK & Ireland Limited, as well as CSDs themselves or their nominees.

The majority of investors, therefore, who do not have accounts in the CREST system and who are not CSDs, hold their interests in Participating Shares in the Funds through nominees and other intermediaries, which means that most investors are beneficial owners who do not hold legal title to their Participating Shares.

Under the ICSD Model (if adopted), all Participating Shares in the Company will be evidenced by a Global Share Certificate and registered in the Company's Register of Members in the name of a single Shareholder, namely Citivic Nominees Limited (being the Common Depositary's Nominee). If the Scheme is implemented, the Common Depositary's Nominee, together with the Common Depositary and the ICSDs, will be subject to contractual obligations to pass beneficial interest and all associated rights of the registered Shareholder in all Shares in each of the Funds to participants (i.e. the underlying investors in the Funds).

In particular, the Common Depositary's Nominee will be subject to a contractual obligation to relay any notices of Shareholder meetings of the Company (or any of its Funds) and associated documentation issued by the Company to the Common Depositary, which will further be obliged to pass on such notices and documentation to the ICSDs. The applicable ICSD will in turn relay notices and associated documentation received from the Common Depositary to its participants in accordance with its rules and procedures. Similarly, each ICSD will be contractually bound to collate and transfer all votes received from its participants to the Common Depositary and the Common Depositary will in turn be contractually bound to collate and transfer all votes received from the applicable ICSDs to the Common Depositary's Nominee, which will be contractually obliged to vote in accordance with such instructions. The Common Depositary's Nominee, the Common Depositary and the ICSDs will also be contractually bound to pass any distributions received from the Company downstream to participants and/or their relevant nominees. In particular, upon instruction of the Common Depositary's Nominee, any redemption proceeds and any dividends declared that are payable by the Company to the Common Depositary's Nominee as Shareholder may be paid by the Company or its authorised agent directly to the applicable ICSD. If the Common Depositary's Nominee receives any redemption proceeds or dividends from the Company or its authorised agent, the Common Depositary's Nominee will arrange for such payments to be passed on to the relevant ICSD. The relevant ICSD will in turn pay any redemption proceeds and dividends received to the relevant participants of the ICSD.

Under the ICSD Model, investors who are not participants in the ICSD will need to use a broker, nominee, custodian bank or other intermediary which is a participant in the ICSD to trade and settle Participating Shares, similar to the way investors under the Current Model use a broker or other intermediary which is a participant in the CSD for the market in which the investor intends to trade and settle. The chain of beneficial ownership in the ICSD Model will therefore be similar to existing nominee arrangements under the Current Model.

For Scheme Shareholders who are registered on the Company's Register of Members immediately before the Effective Date (e.g. a CSD or its nominee), your ownership of Scheme Shares will change from legal ownership to ownership of a beneficial entitlement through the nominee of the Common Depositary, as explained above, however, you will continue to hold a beneficial interest in the same number of Participating Shares in the same Fund(s) as you hold under the Current Model immediately before the Effective Date. If you wish, you may move your Participating Shares held in the CREST system to the ICSD, i.e. Euroclear or Clearstream, if you hold or open an account with either of them. Alternatively, you may continue holding a beneficial entitlement to the Participating Shares in the CREST system through Euroclear UK & Ireland Limited (by means of CREST Depositary Interests) as Euroclear UK & Ireland Limited currently has an account in the ICSD.

Investors who are not currently registered as Shareholders on the Company's Register of Members but have a beneficial entitlement to Participating Shares will continue to hold a beneficial interest in the same number of Participating Shares in the same Fund(s) as they currently hold under the Current Model upon the adoption of the ICSD Model.

Under the ICSD Model, Authorised Participants will continue to generate and instruct trades directly with the Company (as is the case under the Current Model).

For the Company, the main difference between the Current Model and the ICSD Model relates to the shareholders of record registered on the Register of Members. Under the Current Model, a number of nominees of Authorised Participants and other account holders in the CREST system as well as CSDs or their nominees are registered as Shareholders on the Company's Register of Members. Under the ICSD Model, all investors will be represented through the Common Depositary and the sole registered holder of all Participating Shares in each Fund will be the Common Depositary's Nominee. The Common Depositary has been appointed by the ICSD and its holding will represent the holding of the investors through the ICSD.

If the Scheme becomes effective, detailed disclosures regarding settlement under the ICSD Settlement Model, together with a summary of the interaction between the Common Depositary and underlying investors will be set out in the Prospectus of the Company.

### **Scheme of Arrangement**

As noted above, in order to adopt the ICSD Model, it is proposed that the Company implement a scheme of arrangement under the Act pursuant to which the legal (but not beneficial) interest in all Participating Shares in the Non-ICSD Funds will be transferred to the Common Depositary's Nominee.

In order to become effective, the Scheme must be approved at the Scheme Meeting by the requisite majority of Scheme Shareholders at the Voting Record Time. In addition, Shareholders of the Company at the Voting Record Time will need to approve the implementation of the Scheme and Shareholders will also be requested to approve a small number amendments to the Articles at the EGM of the Company that will immediately follow the conclusion of the Scheme Meeting. The Scheme must also be sanctioned by the High Court at the High Court Hearing. Both the Scheme Meeting and the EGM as well as the nature of the approvals required to be given at the meetings are described in more detail below. All Scheme Shareholders are entitled to attend the High Court Hearing in person or to be represented by counsel or a solicitor (at their own expense) to support or oppose the sanctioning of the Scheme.

In accordance with the requirements of the Articles of the Company, the amendments to the Articles proposed at the EGM will also require the approval of the Central Bank before they become effective. If these amendments are approved by Shareholders, this approval will be sought prior to the date of the High Court Hearing.

The implementation of the Scheme and adoption of the ICSD Model by the Company is subject to a number of conditions (summarised under "*The Conditions*" below). Subject to satisfaction of these conditions, the Scheme will become effective from the date specified in the Scheme Order which is anticipated to be a date in the third quarter of 2020.

Should the Scheme become effective, its terms will be binding on all Scheme Shareholders, irrespective of whether they attended the Scheme Meeting and irrespective of the manner in which they voted (or if they voted at all).

### **The Conditions**

The adoption of the ICSD Model is conditional upon the Scheme becoming effective. The implementation of the Scheme is conditional upon:

- the approval of the Scheme by a simple majority in number of Scheme Shareholders, representing at least 75 per cent. in value of the Scheme Shares held by Scheme Shareholders at the Voting

Record Time, present and voting either in person or by proxy, at the Scheme Meeting (or at any adjournment of such meeting);

- the approval of the resolution to approve the Scheme set out in the notice convening the EGM by the requisite majority of Shareholders at the EGM (or at any adjournment of such meeting);
- the Scheme being sanctioned by the High Court (with or without any modification(s), addition(s) or condition(s) approved or imposed by the High Court and agreed to by the Company pursuant to Section 453(2)(c) of the Act;
- the delivery of a copy of the Scheme Order to the Registrar of Companies for registration in accordance with Section 454 of the Act; and
- the Directors not having resolved to abandon, discontinue and/or withdraw the Scheme prior to the High Court Hearing.

### **3. Consents and Meetings**

In order to become effective, the Scheme must be approved by the requisite majority of Scheme Shareholders at the Voting Record Time (i.e. registered Shareholders of Participating Shares in Non-ICSD Funds at the Voting Record Time) at the Scheme Meeting.

The implementation of the Scheme will also require resolutions to approve the Scheme and to amend the Articles to be passed by the requisite majorities of Shareholders at the Voting Record Time at the separate EGM.

#### **Scheme Meeting**

The Scheme Meeting has been convened by the Directors for 8.00 am (Irish Standard Time) on 28 May, 2020 to enable Scheme Shareholders to consider and, if thought fit, approve the Scheme. At the Scheme Meeting, voting will be by a poll and not by a show of hands.

The approval required at the Scheme Meeting is that those voting to approve the Scheme must represent a simple majority in number of Scheme Shareholders, representing at least 75 per cent. in value of the Scheme Shares held by Scheme Shareholders at the Voting Record Time, present and voting either in person or by proxy.

The value of each Scheme Share for the purpose of the voting threshold set out above will be the Net Asset Value (as that term is defined in the Articles) of the Scheme Share as at the Voting Record Time. Where the base currency of any Scheme Share is a currency other than euro, the Net Asset Value of such Scheme Share shall be converted to and expressed in euro using the VM/Reuters 4pm rate (this being the exchange rate typically used by the Fund administrator) on the date of the Voting Record Time, for the purpose of voting at the Scheme Meeting.

Notice in respect of the Scheme Meeting is set out in **Part 2** of this Circular with a Form of Proxy appended hereto. Entitlement to attend and vote at the Scheme Meeting and the number of votes which may be cast at the meeting will be determined by reference to the Register of Members at the Voting Record Time being 8.00 am (Irish Standard Time) on 27 May, 2020 or, if the Scheme Meeting is adjourned, 8.00 am (Irish time) on the day before the day appointed for the adjourned Scheme Meeting.

#### **Extraordinary General Meeting**

In addition, the EGM has been convened for 9.00 am (Irish time) on 28 May, 2020 (or, if later, as soon as the Scheme Meeting shall have been concluded or adjourned) to consider and, if thought fit, pass the two resolutions described below. The full text of the resolutions is set out in the notice of EGM which is set out in **Part 3** of this Circular with a Form of Proxy appended hereto.



### **Resolution 1:**

Resolution 1 proposes that, subject to the requisite majorities of Scheme Shareholders approving the Scheme at the Scheme Meeting, the Scheme be approved and that the Directors be authorised to take all steps and enter all agreements and arrangements necessary to implement the Scheme.

Resolution 1 will be proposed as an ordinary resolution of the Company and will therefore require the approval of a simple majority (i.e. greater than 50 per cent.) of votes cast, in person or by proxy, at the EGM in order to be passed.

### **Resolution 2:**

Resolution 2 is to adopt new Articles of the Company. The new Articles will incorporate a small number of amendments to the existing Articles, including (i) to enable the Common Depositary's Nominee, when it becomes the sole registered Shareholder following effectiveness of the Scheme and adoption of the ICSD Model, to form a quorum (by itself) in order to vote any Participating Shares registered in its name at class or other general meetings of Shareholders (the quorum required at a general meeting of the Company as a whole would otherwise be two Shareholders entitled to vote) and (ii) to change the name of the Company to PIMCO ETFs plc (as further outlined in section 4 of Part 1 below).

Resolution 2 will be proposed as a special resolution of the Company and will therefore require the approval of not less than 75 per cent. of votes cast, in person or by proxy, at the EGM in order to be passed.

In accordance with the requirements of the Articles, the amendments to the Articles proposed in Resolution 2 will require the approval of the Central Bank before they become effective. If these amendments are approved by Shareholders at the EGM, it is anticipated that this approval will be obtained prior to the date of the High Court Hearing.

A copy of the revised Articles as they are proposed to be amended is set out in **Part 4**. Copies of the proposed new Articles are available for inspection at the registered office of the Company should Shareholders wish to review them. If Resolution 2 is passed at the EGM and the new Articles are approved by the Central Bank, the new Articles will be adopted with effect from the date they are approved by Shareholders.

**Out of the two resolutions being proposed at the EGM, the implementation of the Scheme is conditional upon the passing of Resolution 1 only.**

### **High Court Hearing**

If the Scheme is approved at the Scheme Meeting and the EGM, the Company will apply to the High Court for directions in respect of the High Court Hearing to sanction the Scheme, with that final hearing expected to take place in the third quarter of 2020. Legal notices advertising the date of the final High Court Hearing will be published following the application by the Company to the High Court for directions. Each Scheme Shareholder is entitled to attend the High Court Hearing in person or to be represented by counsel or a solicitor (at their own expense) to support or oppose the sanctioning of the Scheme.

### **4. Termination of Co-Promoter arrangement and related change of names of the Company and Funds**

In addition to the above, as you will be aware, PIMCO Europe Ltd. and Invesco UK Services Limited agreed to structure and be co-promoters of the Company. This co-promoter arrangement currently in place is expected to terminate on 11 June, 2020. As part of this, the name of the Company is to change to PIMCO ETFs plc (subject to Shareholders approving the changes to the Articles) and the names of the Fund will also change, as follows:

<b>Sub-Fund Name</b>	<b>New Sub-Fund Name</b>
PIMCO Euro Short Maturity Source UCITS ETF	PIMCO Euro Short Maturity UCITS ETF
PIMCO US Dollar Short Maturity Source UCITS ETF	PIMCO US Dollar Short Maturity UCITS ETF
PIMCO Sterling Short Maturity Source UCITS ETF	PIMCO Sterling Short Maturity UCITS ETF
PIMCO Emerging Markets Advantage Local Bond Index Source UCITS ETF	PIMCO Emerging Markets Advantage Local Bond Index UCITS ETF
PIMCO Short-Term High Yield Corporate Bond Index Source UCITS ETF	PIMCO US Short-Term High Yield Corporate Bond Index UCITS ETF
PIMCO Covered Bond Source UCITS ETF	PIMCO Covered Bond UCITS ETF
PIMCO Low Duration Euro Corporate Bond Source UCITS ETF	PIMCO Euro Low Duration Corporate Bond UCITS ETF
PIMCO Low Duration US Corporate Bond Source UCITS ETF	PIMCO US Low Duration Corporate Bond UCITS ETF
PIMCO Euro Short-Term High Yield Corporate Bond Index Source UCITS ETF	PIMCO Euro Short-Term High Yield Corporate Bond Index UCITS ETF

## **5. The Directors and the effects of the Scheme on their interests**

The names of the current Directors and the effect of the Scheme on their interests are set out below. The address of each Director listed below is c/o PIMCO Fixed Income Source ETFs plc, 78 Sir John Rogerson's Quay, Dublin 2, D02 HD32, Ireland.

### **Name**

V. Mangala Ananthanarayanan  
 Ryan Blute  
 John Bruton  
 Craig A. Dawson  
 David M. Kennedy  
 Frances Ruane

### **Effects of the Scheme on the interests of the Directors**

The service contracts or letters of appointment of the Directors do not contain any provision under which they would benefit from the implementation of the Scheme or the adoption of the ICSD Model. As such, the Scheme will not have any material effect on the interests of the Directors.

## **6. Costs**

The costs of the Scheme directly incurred by the Company, including costs of the preparation, approval and implementation of the Scheme, will be borne by the Company's promoter.

## **7. Tax Implications**

The tax consequences of the Scheme may vary depending on your tax status and tax laws in your country of residence or domicile. You should consult your own professional advisers as to the implications of the Scheme under the laws of the jurisdictions in which you may be subject to tax.

## **8. Recommendation**

As from March 2021, Irish domiciled ETFs will no longer be able to rely on the CREST System for the settlement of their shares, the Directors believe that the implementation of the Scheme in order to adopt the ICSD Model is in the best interests of the Company and its Shareholders as a whole and, accordingly, the Directors strongly recommend that you vote in favour of each of the resolutions at the Scheme Meeting and EGM.

## **9. Publication of results**

The results of the Scheme Meeting and EGM (or any adjournments thereof) will be announced through Euronext Dublin and will be published in an appropriate manner in each of the other jurisdictions in which Participating Shares are listed on a stock exchange. The results (including confirmation of any adjournment) will also be available at [www.pimco.com](http://www.pimco.com) on the next Business Day following the relevant meetings (or any adjournments thereof). In addition, in the event that the Scheme is subsequently sanctioned by the High Court, that fact and the Effective Date of the Scheme, which is anticipated to be a date in the third quarter of 2020, will be announced and published in the same manner. If there is any change to the anticipated Effective Date of the Scheme, the revised date (if any) will also be announced and published in the same manner.

If the Scheme is approved at the Scheme Meeting and the EGM, a notice will be advertised in at least two daily newspapers circulating in Ireland notifying of the passing of the resolutions approving the Scheme along with notifying that an application will be made to the High Court for the sanctioning of the Scheme

Subject to the passing of the resolution to be considered at the Scheme Meeting, the passing of Resolution 1 to be considered at the EGM and the sanctioning of the Scheme by the High Court, the Company's Prospectus will be updated with effect from the Effective Date of the Scheme.

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 [PIMCOEMteam@StateStreet.com](mailto:PIMCOEMteam@StateStreet.com), or by telephone as follows:

EMEA: +353 1 776 9990  
Hong Kong: +852 35561498  
Singapore: +65 68267589  
Taiwan: +801136992  
Americas: +1 416 5068337

Yours faithfully,



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

**PART 2 – NOTICE OF SCHEME MEETING**

**NOTICE IS HEREBY GIVEN** that a Scheme Meeting of the holders of the Scheme Shares (as defined in the Scheme referred to below) will be held at the offices of State Street Fund Services (Ireland) Limited, 78 Sir John Rogerson's, Dublin 2, Ireland (the "**Company Secretary**") on 28 May, 2020 at 8.00 am (Irish Standard Time) for the purposes of their considering and voting on the following resolution:

*"THAT the Scheme (as defined in the Circular issued to Shareholders of the Company on 6 May, 2020 and a print of which has been produced to this meeting and for the purposes of identification signed by the Chairman thereof) in its original form or with or subject to any modification(s), addition(s) or condition(s) approved or imposed by the High Court be agreed to."*

A copy of the said Scheme and a copy of the Scheme Circular required to be furnished pursuant to Section 452 of the Companies Act 2014 are incorporated in the document of which this Notice forms part. In order to be passed, the resolution requires the approval of a majority in number of Scheme Shareholders representing not less than three-fourths (75 per cent.) in value of the Scheme Shares held by such holders voting in person or by proxy.

Capitalised terms used, but not defined, in this Notice shall bear the meanings given to those terms in the document of which this Notice forms part.

The said Scheme will be subject to the subsequent sanction of the High Court.



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For and on behalf of  
State Street Fund Services (Ireland) Limited  
Company Secretary

**FORM OF PROXY FOR SCHEME MEETING**  
**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, Ciara Timon, Fiona McMurray, Jacqui Horgan, Harmen Van Beek, or Ken Barry of State Street Fund Services (Ireland) Limited or, failing him/her,

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

as my/our\* proxy to vote on my/our\* behalf in the manner indicated below at the Scheme Meeting of the Company to be held at the registered office of the Company, c/o State Street Fund Services (Ireland) Limited, 78 Sir John Rogerson’s Quay, Dublin 2, D02 HD32, Ireland on 28 May, 2020 at 8.00 am and at any adjournment thereof.

Signed \_\_\_\_\_

Dated this \_\_\_\_ day of \_\_\_\_\_, 2020

(\*delete as appropriate)

**RESOLUTIONS**

<b>Fund</b>	<b>No. of Scheme Shares to vote FOR the Resolution</b>	<b>No. of Scheme Shares to vote AGAINST the Resolution</b>	<b>No. of Scheme Shares ABSTAINED</b>
PIMCO Euro Short Maturity Source UCITS ETF			
PIMCO US Dollar Short Maturity Source UCITS ETF			
PIMCO Sterling Short Maturity Source UCITS ETF			
PIMCO Emerging Markets Advantage Local Bond Index Source UCITS ETF			
PIMCO Short-Term High Yield Corporate Bond Index Source UCITS ETF			
PIMCO Covered Bond Source UCITS ETF			
PIMCO Low Duration Euro Corporate Bond Source UCITS ETF			
PIMCO Euro Short-Term High Yield Corporate Bond Index Source UCTIS ETF			

## Notes to Form of Proxy

1. A Shareholder may appoint a proxy of his own choice. If the appointment is made insert the name of the person appointed as proxy in the space provided. A person appointed to act as a proxy need not be a Shareholder.
2. 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.
3. 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.
4. 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.
5. To be valid, this form must be completed and deposited by mail or by fax for the attention of Ciara Timon, State Street Fund Services (Ireland) Limited, 78 Sir John Rogerson's Quay, Dublin 2, D02 HD32, Ireland or sent to fax number +353 1 4161450, not less than 48 hours before the time fixed for holding the Scheme Meeting or adjourned meeting.

### PART 3 – NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting of the Shareholders of the Company will be held at State Street Fund Services (Ireland) Limited, 78 Sir John Rogerson's Quay, Dublin 2, D02 HD32, Ireland on 28 May, 2020 at 9.00 am for the following purposes:

1. To approve the proposal to centralise the settlement of trading in Participating Shares of all Funds of the Company in an ICSD Model.
2. To approve the amendments to the Articles.
3. Any other business.



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For and on behalf of  
State Street Fund Services (Ireland) Limited  
Secretary

Dated this 6 day of May 2020

**PROXY FORM FOR EXTRAORDINARY GENERAL MEETING**

**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, Ciara Timon, Fiona McMurray, Jacqui Horgan, Harmen Van Beek, or Ken Barry of State Street Fund Services (Ireland) Limited or, failing him/her,

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

as my/our\* proxy to vote on my/our\* behalf in the manner indicated below at the extraordinary general meeting of the Company to be held at the registered office of the Company, c/o State Street Fund Services (Ireland) Limited, 78 Sir John Rogerson's Quay, Dublin 2, D02 HD32, Ireland on 28 May, 2020 at 9.00 am and at any adjournment thereof.

Signed \_\_\_\_\_

Dated this \_\_\_\_ day of \_\_\_\_\_, 2020

(\*delete as appropriate)

**RESOLUTIONS**

	<b>For/Yes</b>	<b>Against/No</b>	<b>Abstained</b>
1. To approve the proposal to centralise the settlement of trading in Participating Shares of all Funds of the Company in an ICSD Model.			
2. To approve the amendments to the Articles.			



## Notes to Form of Proxy

1. 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 extraordinary general 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 Articles of Association.
2. A Shareholder may appoint a proxy of his own choice. If the appointment is made insert the name of the person appointed as proxy in the space provided. A person appointed to act as a proxy need not be a Shareholder.
3. 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.
4. 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.
5. 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.
6. To be valid, this form must be completed and deposited by mail or by fax for the attention of Ciara Timon, State Street Fund Services (Ireland) Limited, 78 Sir John Rogerson's Quay, Dublin 2, D02 HD32, Ireland or sent to fax number +353 1 4161450, not less than 48 hours before the time fixed for holding the extraordinary general meeting or adjourned meeting.

## PART 4 – AMENDMENTS TO THE ARTICLES

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

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

### MEMORANDUM AND ARTICLES

OF

ASSOCIATION

OF

PIMCO ~~FIXED INCOME SOURCE~~ ETFS PUBLIC LIMITED COMPANY

### CERTIFICATE OF INCORPORATION

I hereby certify that PIMCO ~~Fixed Income Source~~ ETFS plc is this day incorporated under the Companies Act 2014 and that the Company is limited.

Given under my hand at Dublin, this 24 day of September, 2010

FOR REGISTRAR OF COMPANIES

Companies Act 2014

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

PIMCO ~~FIXED-INCOME-SOURCE~~ ETFS PUBLIC LIMITED COMPANY

AN UMBRELLA FUND WITH SEGREGATED LIABILITY BETWEEN SUB-FUNDS

1.00 The name of the Company is PIMCO ~~FIXED-INCOME-SOURCE~~ ETFS PUBLIC LIMITED COMPANY.

**COMPANIES ACT 2014**

**COMPANY LIMITED BY SHARES  
WITH VARIABLE CAPITAL**

**ARTICLES OF ASSOCIATION**

of

**PIMCO ~~FIXED INCOME SOURCE~~ ETFS PUBLIC LIMITED COMPANY**

**An umbrella Fund with segregated liability between sub-funds**

1.00 DEFINITIONS

Company means PIMCO ~~Fixed Income Source~~ ETFS plc.

5.00 CONSTITUTION, RIGHTS, ASSETS AND LIABILITIES OF THE COMPANY

5.03 The rights attaching to any Class or Fund may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths of the issued Shares of that Class or Fund, or with the sanction of an Ordinary Resolution passed at a separate general meeting of the Shareholders of that Class or Fund. To every such separate general meeting the provisions of these presents relating to general meetings shall apply provided that the necessary quorum at any such meeting (other than an adjourned meeting) shall be ~~two Shareholders~~ one Shareholder holding or representing by proxy at least one third of the issued Shares of the Fund or Class in question and, at an adjourned meeting, one Shareholder holding Shares of the Fund or Class in question or his proxy. The chairman of a general meeting of a Fund or Class or any holder of Shares of a Fund or Class present in person or by proxy at a general meeting of a Fund or Class may demand a poll.

21.00 PROCEEDINGS AT GENERAL MEETINGS

21.02 No business shall be transacted at any general meeting unless a quorum is present. Subject to Article 5.03, ~~two Members~~ one Member present either in person or by proxy shall be a quorum for a general meeting. A representative of a corporation authorised pursuant to Article 22.13 of these presents and present at any meeting of the Company or at any meeting of a Fund or Class of Shareholders shall be deemed to be a Member for the purpose of constituting a quorum.

27.00 PROCEEDINGS OF DIRECTORS

27.03 The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their number but, if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these presents, the continuing Directors or Director

may act for the purpose of filling vacancies in their number or of summoning general meetings of the Company, but not for any other purpose. If there be no Directors or Director able or willing to act, then any ~~two Members~~ one Member may summon a general meeting for the purpose of appointing Directors.