



P I M C O

PIMCO EQT Wholesale Diversified Fixed Interest Fund

Product Disclosure Statement (Indirect Investors)

This Product Disclosure Statement ('PDS') is for Class B units in the PIMCO EQT Wholesale Diversified Fixed Interest Fund (ARSN 093 519 558) (the 'Fund') and was issued on 23 December 2010.

This PDS has been prepared and issued by Equity Trustees Limited (ABN 46 004 031 298, AFSL 240975) in its capacity as the responsible entity of the Fund (referred throughout this PDS as the 'Responsible Entity', 'EQT', 'us' or 'we'). The investment manager of the Fund is PIMCO Australia Pty Limited (ABN 54 084 280 508, AFSL 246862) and is referred to throughout this PDS as the 'Investment Manager' or 'PIMCO'.

The Responsible Entity has authorised the use of this PDS as disclosure to investors, and prospective investors, of an investor directed portfolio service, master trust, wrap account or an investor directed portfolio service-like scheme ('IDPS'). This PDS is only available for use by persons applying for Units through an IDPS ('Indirect Investors'). The operator of an IDPS is referred to in this PDS as the 'IDPS Operator' and the disclosure document for an IDPS is referred to as the 'IDPS Guide'. If you invest through an IDPS, your rights and liabilities will be governed by the terms and conditions of the IDPS Guide. Investors should carefully read the terms and conditions before investing in the Fund.

Indirect Investors should note that they are directing the IDPS Operator to arrange for their money to be invested in the Fund on their behalf. Indirect Investors do not become Unit holders in the Fund or have rights of Unit holders. The IDPS Operator becomes the Unit holder in the Fund and acquires these rights. The IDPS Operator can exercise or decline to exercise the rights on an Indirect Investor's behalf according to the arrangement governing the IDPS. Indirect Investors should refer to their IDPS Guide for information relating to their rights and responsibilities as an Indirect Investor, including information on any fees and charges applicable to their investment. Information regarding how Indirect Investors can apply for Units in the Fund (including an application form where applicable) will also be contained in the IDPS Guide. EQT accepts no responsibility for IDPS Operators or any failure by an IDPS Operator to provide Indirect Investors with a current version of this PDS as provided by EQT or to withdraw the PDS from circulation if required by EQT. Please ask your adviser if you have any questions about investing in the Fund through an IDPS.

This PDS is prepared for your general information only. It is not intended to be a recommendation by the Responsible Entity, any associate, employee, agent or officer of the Responsible Entity or any other person to invest in the Fund. This PDS does not take into account the investment objectives, financial situation or needs of any particular investor. You should not base your decision to invest in the Fund solely on

the information in this PDS. You should consider the suitability of the Fund in view of your financial position and investment objectives and needs and you may want to seek advice before making an investment decision.

The Responsible Entity, the Investment Manager and their respective employees, agents or officers do not guarantee the success, repayment of capital or any rate of return on income or capital or the investment performance of the Fund. Units in the Fund are offered and issued by the Responsible Entity to the Unit holder on the terms and conditions described in this PDS.

The offer made in this PDS is available only to persons receiving this PDS in Australia (electronically or otherwise). This PDS is not to be treated as an offer to sell, or a solicitation of an offer to buy, any units in any jurisdiction in which it is unlawful to make such an offer or solicitation or to any person to whom it is unlawful to make such an offer or solicitation. If persons in jurisdictions other than Australia receive this PDS, they are required to inform themselves about, and observe restrictions on, the distribution of this PDS and the offering of units applicable in such jurisdictions. If you received this PDS electronically, a paper copy will be provided free upon request during the life of this PDS. Please call EQT Client Services on **1300 555 378** for a copy.

Certain information in this PDS is subject to change. We will notify investors of any changes that have a materially adverse impact or other significant events that affect the information in this PDS. Any updated information which is not materially adverse may be obtained:

- by calling EQT Client Services on **1300 555 378**; or
- by visiting our website at www.eqt.com.au

A paper copy of any updated information will be provided free of charge on request.

Further information on the matters discussed in this PDS can be found in the Product Disclosure Statement for the Fund dated 23 December 2010.

Investors are able to obtain a copy of the PDS for the Fund dated 23 December 2010 by contacting EQT on the details listed above.

Unless otherwise stated, all fees quoted in this PDS are inclusive of Goods and Services Tax ('GST') after allowing for an estimate for Reduced Input Tax Credits ('RITCs'), and all amounts are in Australian dollars.

Terms defined in this PDS have the meaning given to them in the Product Disclosure Statement for the Fund dated 23 December 2010.

Fund at a Glance

Name of Fund	PIMCO EQT Wholesale Diversified Fixed Interest Fund
ARSN	093 519 558
APIR	ETL0016AU
Inception date	31 May 1999
Investment objective¹	To achieve maximum total returns by investing in Australian and overseas bonds, and to seek to preserve capital through prudent investment management
Investments held	Principal investment is equally divided into Australian and overseas bonds
Investment strategy	<p>PIMCO seeks to:</p> <ul style="list-style-type: none"> • apply a wide range of diverse strategies including duration, credit analysis, relative value analysis, sector rotation and security selection; • emphasise active decision making with a long-term focus; • avoid extreme swings in duration or maturity with a view to creating a steady stream of returns; and • concentrate on two sources of return: <ul style="list-style-type: none"> – sector allocation and rotation; and – ‘bottom up’ credit analysis of individual bonds and issuers.
Access to funds²	Usually within 7 days
Income distribution	Quarterly
Valuation	Daily
Management costs³	0.50% p.a. (\$250 p.a. based on an investment of \$50,000)
Buy/Sell spread	Buy Nil / Sell 0.10%
Recommended investment timeframe	5 to 7 years
Benchmark index	50% UBS Australian Composite Bond Index + 50% Barclays Capital Global Aggregate Bond Index all Hedged in Australian dollars
About the Responsible Entity – Equity Trustees Limited	<p>Equity Trustees Limited (‘EQT’) was established in 1888, by an Act of the Victorian Parliament, to provide trustee and executor services. The company has evolved into a sophisticated financial services provider offering a broad range of products and services to a diverse client base.</p> <p>In addition to traditional trustee and estate management duties, the EQT range of services includes portfolio management, superannuation, philanthropy and Responsible Entity services for external fund managers. EQT’s responsibilities and obligations as the Responsible Entity of the Funds are governed by the Funds’ Constitutions as well as the Corporations Act and general trust law. EQT is committed to acting in the best interests of its clients via wealth management solutions over a range of asset classes carrying different risk profiles.</p>
About the Investment Manager – PIMCO Australia Pty Ltd⁴	<p>PIMCO Australia Pty Ltd (ABN 54 084 280 508, AFSL 246862) (‘PIMCO’) is the Investment Manager of the Funds and is a member of the PIMCO Group, one of the largest fixed interest managers in the world. The PIMCO Group’s history dates back to 1971 when they were established as a specialist fixed interest manager. The PIMCO Group has its head office in Newport Beach, California, USA with offices located in Hong Kong, New York, Toronto, Munich, Amsterdam, Sydney, Singapore, Tokyo and London. The Sydney office was established in 1998, although the PIMCO Group has been managing fixed interest for Australian clients since 1996. Through various holding company structures, the PIMCO Group is majority owned by Allianz SE. Allianz SE is a European based multinational insurance and financial services holding company and a publicly traded German company. As at 31 December 2009, the PIMCO Group manages over US\$1,000.1 billion for investors around the world and has over 428 investment professionals including 65 research staff around the world.</p>

1 The investment objective is not intended to be a forecast. It is only an indication of what the investment strategy aims to achieve.

2 Refer to ‘Access to your money’ in the ‘Investing and Withdrawing’ section for further details.

3 The management costs are expressed as a percentage of the NAV. This includes GST and an estimate for reduced input tax credits (RITCs). Refer to ‘Fees and Other Costs’ section for further details.

4 EQT may change the investment manager of the Fund at any time, without prior notice to investors.

Other Fund Information

Sector Allocation and Rotation

Historically the allocation between various sectors of the bond market has been an important source of return in investment portfolios. PIMCO's sector allocation is driven by its economic overview which is determined by a combination of its long-term (secular) outlook and short-term (cyclical) outlook.

The secular outlook focuses on economic fundamentals such as trends in productivity and interest rates over a five year period. The cyclical outlook finetunes the secular outlook over a one year horizon.

Bottom up Credit Analysis

Every bond is internally rated by PIMCO's credit analysts on the following criteria:

- **Cash flow:** is this growing and predictable or are there limitations?
- **Qualitative factors:** what are the relevant qualitative factors, such as industry leadership, management strength, prudent accounting, and financial flexibility?
- **Capital Structure:** will the issuer be able to withstand cyclical downturns through having strong asset support with sufficient Liquidity?
- **Industry dynamics:** does the relevant industry demonstrate good growth potential, the ability to access Capital Markets, and an ability to be defensive in times of a downturn?

Investment guidelines

The Fund currently seeks to achieve its investment objective by investing in other funds of the PIMCO Fund Series.

Labour standards, environmental, social and ethical considerations

EQT and PIMCO do not take into account labour standards or environmental, social or ethical considerations for the purpose of selecting, retaining or realising investments of the Fund.

Fund performance

Up to date information on the performance of the Fund will be available by calling EQT Client Services on **1300 555 378**, or by visiting our website www.eqt.com.au. A free paper copy of the information will also be available on request.

Past performance is not indicative of future performance. The Responsible Entity and Investment Manager do not guarantee the capital, any return on income or capital or the investment performance of the Fund.

Managing Risk

Investment in the Fund carries risk and neither the performance of the Fund nor the security of your capital is guaranteed by the Responsible Entity or the Investment Manager. Risks may include possible delays in the payment of withdrawal proceeds, loss of income and capital and volatility of returns. Volatility refers to the degree to which returns may fluctuate around their longer term average. Each asset class, whether it is cash, fixed interest, property, Australian or international shares, has associated investment risks and the return achieved by each will vary accordingly. We recommend that you talk to an adviser about the risks involved in investing in the Fund and how they might impact on your individual financial circumstances.

Subject to any limitations or restrictions stated in the description of the Fund, the Fund may invest without limitation in a wide range of investments, including Government Securities, corporate debt securities (including convertible securities and corporate commercial paper), high yield securities, Emerging Market Securities, mortgage-backed and other asset-backed securities, inflation-indexed bonds issued by both governments and corporations, structured notes including hybrid or 'indexed' securities, event-linked bonds and loan participations, delayed funding loans and revolving credit facilities, bank certificates of deposit, fixed time deposits and bankers' acceptances, repurchase agreements and reverse repurchase agreements, obligations of international agencies or supranational entities and Derivatives.

The main risk factors which may affect the returns of the Fund include:

Market risk

The market price of securities owned by the Fund may go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets.

The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, supply and demand for particular securities or instruments, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset classes may decline in value simultaneously.

Further, changes in tax, legal and economic policy, political events and technology failure can all directly or indirectly create an environment that may influence the value of your investments.

Managing Risk (cont.)

Issuer risk

The value of investments can vary because of changes to management, product distribution or the issuer's business environment.

Issuer non-diversification risk

Focusing investments in a small number of issuers, industries or currencies increases risk. Funds that invest in a relatively small number of issuers are more susceptible to risks associated with a single economic, political or regulatory occurrence than more diversified funds might be. Some of those issuers also may present substantial credit or other risks.

Fund risk

Risks particular to the Fund include that it could terminate, the fees and expenses could change, the Investment Manager could be replaced and the investment professionals could change. There is also a risk that investing in the Fund may give different results than investing directly in the underlying assets of the Fund because of income or capital gains accrued in the Fund and the consequences of investment and withdrawal by other investors. We aim to keep fund risk to a minimum by monitoring the Fund and acting in your best interests.

Security selection risk

The Investment Manager may make investment decisions that result in low returns. This risk is mitigated to some extent by the knowledge and experience of the Investment Manager.

Liquidity risk

There may be times when securities may not be readily sold. However, trading volumes of securities are generally sufficient to satisfy Liquidity requirements when necessary. Note that neither the Responsible Entity nor the Investment Manager guarantees the Liquidity of the Fund's investments.

Currency risk

The Fund may invest in other countries, and if their currencies change in value relative to the Australian dollar, the value of the investment can change. The Fund aims to be Hedged into Australian dollars with the goal of reducing the impact of adverse movements in overseas currencies. There can be no assurance that the Fund will be Hedged at all times or that the Investment Manager will be successful at employing the Hedge.

If the Investment Manager considers that the currency of the country in which the Fund is invested is presently overvalued compared to another country that is considered to be undervalued, such a position would be reflected as a reduction in exposure to the first currency and an equivalent increase in exposure to the other. Currency positions have historically been limited to a maximum of 2% to 3% of the market value of the portfolio of the Fund. At such levels, returns of the Fund are unlikely to be

materially affected by global currency movements. The Investment Manager, in its discretion, may increase the currency positions of the Fund above these levels and may take materially greater currency positions at the discretion of the Investment Manager and so may have a greater exposure to global currency movements.

Derivatives risk

The Fund may, but is not required to, use Derivatives for risk management purposes or as part of its investment strategies.

The use of Derivative positions to Hedge the risk of physical securities will involve 'basis risk', which refers to the possibility that Derivative positions may not move perfectly in line with the physical security. Fluctuations in the price of Derivatives reflect movements in the underlying assets, reference rate or index to which the Derivatives relate. As a consequence, the Derivative positions cannot be expected to perfectly Hedge the risk of the physical security.

Other risks associated with Derivatives may include:

- loss of value because of a sudden price move or because of the passage of time;
- potential illiquidity of the Derivative;
- the Fund being unable to meet payment obligations as they arise;
- the potential for leverage risk (see below);
- the counterparty to any Derivative contract not being able to meet its obligations under the contract; and
- significant volatility in prices.

Note that neither the Responsible Entity nor the Investment Manager guarantee that the Fund's Derivatives strategy will be successful.

Leverage risk

Certain transactions may give rise to a form of leverage. Such transactions may include, among others, reverse repurchase agreements, loans of portfolio securities, and the use of when-issued, delayed-delivery or forward commitment transactions.

Leverage may be incurred when it is believed that it is advantageous to increase the investment capacity of the Fund or to facilitate the clearance of transactions. Leverage creates an opportunity for greater total returns for the Fund, but it also may magnify losses. The use of Derivatives may also create leverage risk.

To mitigate leverage risk, the Fund will set aside cash or cash equivalents that the Investment Manager reasonably believes to be sufficient to cover net long exposures resulting from swap, bond futures and forward positions held in the Fund. Cash equivalents are defined as Investment Grade securities (minimum S&P/Moody's rating of A3/P3, or equivalent) with a Duration of one year or less. To the extent the Fund's net long positions are 'covered' by cash or cash equivalents, the Fund will be deemed not to be leveraged.

Managing Risk (cont.)

The Fund also may be exposed to leverage risk by borrowing money for investment purposes. The Fund does not intend to borrow money for investment purposes.

Management risk

The Fund is subject to management risk because it is an actively managed investment portfolio. The Investment Manager will apply investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these will produce the desired results.

Counterparty risk

This is the risk of a counterparty's default resulting in a payment default. A payment default may cause the NAV of the Fund to fall. It is the Investment Manager's intention to only enter into transactions with known and reputable counterparties.

Emerging Markets risk

The Fund may invest in Emerging Market Securities. Investment risk may be particularly high to the extent that the Fund invests in Emerging Market Securities. These securities may present market, credit, currency, Liquidity, legal, political and other risks different from, or greater than, the risks of investing in developed countries.

Mortgage related and other Asset-backed securities risk

The Fund may invest in a variety of mortgage-related and other asset-backed securities, which are subject to certain additional risks. Generally, rising interest rates tend to extend the Duration of fixed rate mortgage-related securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, the Fund that holds mortgage-related securities may exhibit additional volatility. This is known as extension risk. In addition, adjustable and fixed rate mortgage-related securities are subject to prepayment risk. When interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the returns of the Fund because the Fund may have to reinvest that money at the lower prevailing interest rates. The Fund's investments in other asset-backed securities are subject to risks similar to those associated with mortgage-related securities, as well as additional risks associated with the nature of the assets and the servicing of those assets.

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 Fund is 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. Inflation-indexed

securities, including Treasury Inflation-Protected Securities, decline in value when real interest rates rise. In certain interest rate environments, such as when real interest rates are rising faster than nominal interest rates, inflation-indexed securities may experience greater losses than other fixed income securities with similar Durations.

Variable and floating rate securities are generally less sensitive to interest rate changes but may decline in value if their interest rates do not rise as much, or as quickly, as interest rates in general. Conversely, floating rate securities will not generally increase in value if interest rates decline. Inverse floating rate securities may decrease in value if interest rates increase. Inverse floating rate securities may also exhibit greater price volatility than a fixed rate obligation with similar credit quality. When the Fund holds variable or floating rate securities, a decrease (or, in the case of inverse floating rate securities, an increase) in market interest rates will adversely affect the income received from such securities and the value of the Fund's investments.

Interest rate risk can be reduced by diversifying the Durations of the fixed income investments that are held at a given time.

Credit risk

The Fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a Derivatives contract, repurchase agreement or a loan of portfolio 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. Bonds are subject to the risk that litigation, legislation or other political events, local business or economic conditions, or the bankruptcy of the issuer could have a significant effect on an issuer's ability to make payments of principal and/or interest.

High yield risk

The Fund may invest in high yield securities and unrated securities of similar credit quality. To the extent that the Fund invests in such securities, it may be subject to greater levels of credit and Liquidity risk than if it did 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 these securities and reduce the Fund's ability to sell these securities (Liquidity risk). If the issuer of a security is in default with respect to interest or principal payments, the Fund may lose its entire investment.

Inflation risk

Inflation risk is the risk that returns will not be sufficiently higher than inflation to enable an investor to meet their financial goals.

Investing and Withdrawing

Reporting to investors

We give Unit holders a number of reports, which may include an Annual Report including financial statements and an Auditor's report, transaction reports, half yearly distribution reports and an annual taxation statement.

As Indirect Investors do not become Unit holders in the Fund (the IDPS operator becomes the Unit holder in the Fund), Indirect Investors should refer to their IDPS Guide for information on reports they will receive regarding their investment in the Fund.

Indirect Investors can call their IDPS Operator or visit the EQT website at www.eqt.com.au for updated information on performance, Unit prices, fund size and other general information about the Fund.

Distributions

A Distribution comprises the investor's share of any net income (including taxable capital gains) earned by the Fund. An investor's share of any net income is generally based on the number of Units held by the investor at the end of the distribution period. However, in some circumstances, an investor may receive an income distribution when they have made a large withdrawal from the Fund such as where the withdrawal comprises 5% or more of the Units on issue. In these circumstances their withdrawal proceeds are taken to include a component of distributable income.

Generally, the income entitlements of Unit holders of the Fund are determined quarterly (March, June, September and December) and Distributions for the Fund are normally paid by the 15th day of the following month, although the Distribution at the end of a financial year may take longer. While EQT proposes to calculate and pay Distributions quarterly, the Constitution of the Fund allows for a Distribution period of up to 12 months. Indirect Investors should review their IDPS Guide for information on how and when they receive any income distribution.

Valuation of the Fund and application price of Units

The value of the investments of the Fund and Unit prices are generally determined every Business Day in accordance with the Fund's Constitution.

The value of a Unit in the Fund reflects the value of the assets of the Fund less the liabilities of the Fund and is determined in accordance with the Fund's Constitution. The application price of a Unit in the Fund is, in general terms, based on the Net Asset Value ('NAV') of the relevant class of the Fund divided by the number of Units on issue in each class, which is adjusted down. The NAV per Unit can be increased by the Responsible Entity to make an allowance for transaction costs required for buying investments; this is known as the Buy spread. As at the date of this PDS the Buy spread is nil.

Making an application

Indirect investors should review their IDPS Guide for information on how to invest in, and make additional investments in, the Fund.

EQT reserves the right to refuse any application without giving a reason. If for any reason EQT refuses or is unable to process the application to invest in the Fund, EQT will return the application money to the applicant, who will not be entitled to any interest on the application money in this circumstance.

Access to your money

The Responsible Entity will generally allow Unit holders of the Fund to access their investment within seven Business Days of receipt of a withdrawal request for the relevant amount. However, the time for satisfying a withdrawal request may be extended in certain circumstances for as long as those circumstances apply. The Responsible Entity reserves the right to increase or reduce the withdrawal periods for the Fund subject to the restrictions noted above.

Indirect Investors need to submit their withdrawal request directly to their IDPS Operator in accordance with their IDPS Guide. The time to process a withdrawal request will depend on the particular IDPS Operator.

Where the Fund is not liquid (as defined in the Corporations Act) a Unit holder does not have a right to withdraw from the Fund and can only withdraw where the Responsible Entity makes a withdrawal offer to Unit holders in accordance with the Corporations Act. The Responsible Entity is not obliged to make such offers.

The Fund will be liquid if at least 80% of the assets of the Fund are liquid assets. Broadly, liquid assets are money in an account or on deposit with a financial institution, bank accepted bills, marketable securities, other prescribed property and other assets that the Responsible Entity reasonably expects can be realised for their market value within the period specified in the Constitution for satisfying withdrawal requests while the Fund is liquid.

Withdrawal price

The withdrawal price of a Unit in the Fund is based on the NAV of the relevant class of the Fund divided by the number of Units of the relevant class on issue. The NAV per Unit can be reduced by the Responsible Entity to make an allowance for the transaction costs required for selling investments which is known as the Sell spread. At the date of this PDS, the Sell spread is 0.10%. Refer to 'Fees and Other Costs' section for additional information on the Buy/Sell spread.

In some circumstances, where a Unit holder makes a large withdrawal request (5% or more of the Units on issue at the start of the relevant distribution period), their withdrawal proceeds may be taken to include a component of distributable income. Refer to 'Distributions' for further details.

Investing and Withdrawing (cont.)

Investments through an IDPS

The Responsible Entity is not responsible for the operation of any IDPS. Indirect Investors should note that they are directing the IDPS Operator to arrange for their money to be invested in the Fund on their behalf. Indirect Investors do not become Unit holders in the Fund or have rights of Unit holders. The IDPS Operator becomes the Unit holder in the Fund and acquires these rights. The IDPS Operator can exercise or decline to exercise the rights of a Unit holder on their behalf according to the arrangement governing the IDPS.

Indirect Investors should read the IDPS Guide carefully to understand the structure, fees and communication procedures for the relevant IDPS. Please ask your adviser if you have any questions about investing in the Fund through an IDPS.

Fees and Other Costs

Below is a Consumer Advisory Warning which is required by law to be displayed at the beginning of the 'Fees and Other Costs' section of this PDS. The fee example given in the Consumer Advisory Warning does not relate to any investments described within this PDS, and is a standard example required by law.

Detailed information about the fees and other costs related to the Fund are provided in the section following the Consumer Advisory Warning.

Consumer Advisory Warning

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of fees based on your own circumstances, the Australian Securities and Investments Commission ('ASIC') website (www.fido.asic.gov.au) has a managed investment fee calculator to help you check out different fee options.

Fees and other costs

This table shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the relevant Fund's assets as a whole. Information on taxes is set out in another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Fees when your money moves in or out of a Fund¹		
Establishment fee The fee to open your investment	Nil	There is no establishment fee payable when you set up your investment in a Fund
Contribution fee¹ The fee on each amount contributed to your investment	Nil	There is no contribution fee payable when you invest in a Fund
Withdrawal fee¹ The fee for each amount you take out of your investment	Nil	There is no withdrawal fee payable when you withdraw from a Fund
Termination fee The fee to close your investment	Nil	There is no termination fee payable when you end your investment in a Fund

¹ You may also incur a Buy/Sell spread when you invest in or withdraw from the Fund. See under the heading 'Buy/Sell spread' in the 'Additional explanation of fees and costs' section. EQT is entitled to charge contribution and withdrawal fees under the Constitution of the Fund. See 'Can the fees change?' in the 'Additional explanation of fees and costs' section.

Fees and Other Costs (cont.)

Management costs ¹		
The fees and costs for managing your investments		
Responsible Entity fees²	0.43% p.a. (Based on a constant investment of \$50,000, the amount in dollars is \$215)	The Responsible Entity fees (including fees paid to the Investment Manager) are calculated and accrued daily based on the Net Asset Value (NAV) of the Fund. The accrued fees are paid in arrears from the Fund at the end of each month. The Responsible Entity fees reduce the NAV of the Fund and are reflected in the Unit price.
Estimated expense recoveries	0.07% p.a. (Based on a constant investment of \$50,000, the amount in dollars is \$35)	The estimated expense recoveries (including custodian fees, administration, and other expenses) are calculated and accrued daily based on the NAV of the Fund. The accrued expenses are paid in arrears from the Fund at the end of each month. The recovery of expenses reduces the NAV and is reflected in the Unit price.
Service fees		
Investment switching fee The fee for changing investment options	Nil	Not applicable

¹ Management costs in this table include Responsible Entity fees and estimated expense recoveries.

² The amount of this fee can be negotiated. Your IDPS Operator may have negotiated reduced Responsible Entity fees. See information under 'Payments to IDPS Operators' in the 'Additional explanation of fees and costs' section.

Additional explanation of fees and costs

IDPS

Investors investing through an IDPS should note that the fees outlined in the table 'Example of Annual Fees and Costs' are in addition to any other fees imposed by the IDPS operator.

Expense recoveries

We are entitled to be reimbursed for certain expenses incurred in managing the Fund. They may include expenses properly incurred in the administration, custody, management, compliance and promotion of the Fund. There are other expenses including tax and operating costs, such as audit, legal and tax consulting fees, which are also recoverable out of the assets of the Fund.

The Management Costs contain a component of the estimated expenses to be recovered from the Fund. We have, however, the right to recover all proper and reasonable expenses from the Fund and as such the specified percentage of expense recoveries is an estimate and these figures may increase or decrease accordingly.

Performance fees

There is no performance fee charged with respect to the Fund.

Differential fee arrangements

The Responsible Entity may from time to time negotiate a different fee arrangement (by way of commission or the rebate of Responsible Entity fees) with certain investors who come within the definition of 'wholesale clients' under section 761G of the Corporations Act. For example, we may rebate some of the Responsible Entity fee to some IDPS Operators because they offer the Fund on their investment menu. Any such rebates will be paid out of the Investment Manager's own funds and are not an additional cost to the Fund.

Payments to IDPS Operators

We may make payments on an annual basis to some IDPS Operators because they offer the Fund on their investment menus (product access payments). We may also make ongoing payments to some IDPS Operators (fund manager payments). Fund manager payments are effectively rebates of management costs. The amount of product access and fund manager payments is negotiated directly with IDPS Operators and is based on the volume of business generated by the IDPS Operator. Product access and fund manager payments are paid by EQT out of our fees and are not an additional cost to the investor.

Fees to Investment Manager

PIMCO will receive fees (as a proportion of NAV for the investment management services it provides). All fees paid to the Investment Manager will be paid by the Responsible Entity out of its Responsible Entity fees.

Alternative forms of remuneration

As a member of the Financial Services Council we maintain an Alternate Forms of Remuneration Register. The register, which you can review by contacting us, outlines some alternative forms of remuneration that we may pay to or receive from AFS licensees, fund managers or representatives (if any are paid or received at all in relation to the Fund).

Fees and Other Costs (cont.)

Transaction and other costs

All Government taxes such as stamp duty and GST will be deducted from the Fund as appropriate. Relevant tax information is provided in the 'Taxation' section. Reduced input tax credits ('RITCs') will also be claimed by the Fund where appropriate to reduce the cost of GST to the Fund. The Fund may incur transaction costs. These transaction costs include brokerage, settlement costs (including custody costs), clearing costs and stamp duty. Transaction costs include costs incurred by the Fund when investors invest in or withdraw from the Fund and when transacting to meet investment objectives. These costs are an additional cost to the investor but are generally reflected in the Unit price and not charged as an additional fee. Transaction costs which are not recovered through the Buy/Sell spread are deducted from the Fund from time to time as they are incurred and are reflected in the Unit price.

The exact amount of transaction costs incurred by the Fund is dependent on a number of different variables, including the level of trading undertaken. As such, EQT is unable to provide a meaningful amount or percentage of the estimated transaction costs for the Fund.

Buy/Sell spread

The 'Buy/Sell spread' reflects the estimated transaction costs associated with buying and selling the assets of the Fund when investors invest in, or withdraw from, the Fund. The Buy/Sell spread is an additional cost to the Unit holder but is included in the Unit price and incurred when an investor invests in or withdraws from the Fund and is not charged as an additional fee. The Buy/Sell spread is paid into the Fund and not paid to EQT or the Investment Manager. The Buy/Sell spread for the Fund as at the date of the PDS is nil upon entry and 0.10% upon exit (\$50 for a withdrawal of \$50,000). The Buy/Sell spread can be altered by the Responsible Entity at any time.

Can the fees change?

All fees can change without investor consent, subject to the maximum fee amounts specified in the Constitution. Reasons might include changing economic conditions and changes in regulation. We have the right to recover all proper and reasonable expenses incurred in managing the Fund and as such these fees may increase or decrease accordingly. We will generally provide Unit holders with at least 30 days notice of any proposed change to the Responsible Entity fee. Expense recoveries and the Buy/Sell spread may change without notice, for example, when it is necessary to protect the interests of existing members and if permitted by law.

The Constitution in some circumstances defines the maximum fees that can be charged for some fees described in this PDS. No contribution and withdrawal fees can be charged by the Fund. The maximum management fees the Fund can charge is 1.1275% (including GST after allowing for an estimate of RITC) of the Net Asset Value of the Fund which is equivalent to \$563.75 per annum for every \$50,000 of the Fund's assets.

The maximum transaction cost per Unit the Fund can charge is 0.04% of the NAV divided by the total number of Units on issue at that time.

Example of annual fees and costs

This table gives an example of how the fees and costs for the Fund can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

EXAMPLE – PIMCO EQT Wholesale Diversified Fixed Interest Fund		Balance of \$50,000 with a contribution of \$5,000 during year
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0
PLUS Management costs ¹	0.50% p.a. ²	And, for every \$50,000 you have in the Funds, you will be charged \$250 each year
EQUALS Cost of the Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees from: \$250 to \$275³ What it costs you will depend on the fees you negotiate with your fund or financial adviser.

NOTE: At the date of this PDS, there are no establishment fees, contribution fees, withdrawal fees, switching fees or termination fees.

- 1 Management Costs will also be charged in relation to any additional contributions you make during the year and the amount you pay will depend on the proportion of the year during which the additional contributions are invested.
- 2 This figure is based on the Indirect Cost Ratio ('ICR') of the Fund for 2009/2010 financial year, which is the financial year before this PDS was issued as required by law. The ICR is the ratio of the Management Costs of the Fund (calculated in accordance with the Corporations Regulations) that are not deducted directly from the investor's account to the total average net assets of the Fund.
- 3 This amount assumes an investment balance of \$50,000 at the beginning of the year and a contribution of \$5,000 at either the beginning or the end of the year. Management Costs charged in relation to the additional contribution of \$5,000 will depend on the proportion of the year during which the additional contributions are invested. The example sets out the range of management costs that may apply depending upon whether the additional contribution was made just after the beginning of the year or just before the end of the year.

Taxation

The following summary of taxation matters is a general guide that outlines the taxation implications applicable to the Fund and Unit holders. The summary is based on the Australian tax laws as at the date of this PDS. The Australian tax laws are subject to continual change, and as the tax treatment applicable to particular investors may differ, it is recommended that all investors seek their own professional advice on the taxation implications before investing in the Fund.

Taxation of the Fund

General

The Fund is a resident of Australia for tax purposes; therefore, the Fund is required to determine its net income (taxable income) for the year of income. On the basis that Unit holders are presently entitled (which is EQT's intention) to the net income of the Fund (including net taxable capital gains), pursuant to the existing income tax legislation, the Fund should not be subject to Australian income tax. In the case where the Fund makes a loss for tax purposes, the Fund cannot distribute the loss to Unit holders. However, subject to the Fund meeting certain conditions, the Fund may be able to take into account the losses in subsequent years.

Deemed Capital Gains Tax ('CGT') Election

Draft legislation has been released to allow eligible managed investment trusts ('MITs') to make an irrevocable election to apply a deemed capital treatment for gains and loss on disposal of certain investments (including equities and Units in other Unit trusts, but excluding derivatives, foreign exchange or fixed interest securities). As the Fund predominantly invests directly in fixed interest securities, this election will be of limited relevance to the Fund. However, it is the intention of the Responsible Entity and Investment Manager to make this election for the Fund in order to preserve the capital treatment of any assets which might qualify for such treatment.

Taxation of Australian Resident investors

Distributions

Generally, a Unit holder's entitlement (share) to the net income of the Fund for a year of income, including amounts that are received in a subsequent year of income or which are reinvested, forms part of their assessable income for that year. Based on the investment strategy of the Fund, gains derived by the Fund are likely to be treated as ordinary income rather than capital gains.

Franking Credits and Franked Dividends

As a result of the investment strategy of this Fund, it is not anticipated that the Fund will receive significant franked dividends. As such no comments have been included on the treatment of franked dividends and franking credits in this document.

Foreign income

The Fund may derive foreign source income that is subject to tax overseas. Unit holders should include their share of both the foreign income and the amount of foreign tax in their assessable income. However, Unit holders may be entitled to a tax offset for the foreign tax paid, against the Australian tax payable on the foreign source income.

Foreign Investment Fund ('FIF')

The Fund may hold (either directly or indirectly) interests in certain foreign companies and foreign trusts which are subject to the FIF regime. Broadly, under the FIF regime, investors in the Fund may be assessed on their portion of gains in the value of the FIF investments held by the Fund at the end of the financial year, even though those gains are unrealised. The Investment Manager's investment strategy is to seek to minimise the impact of the FIF regime. Investors should seek professional advice as to whether they are entitled to any exemptions from the FIF regime.

The Australian Government released exposure draft legislation on 18 December 2009 that provides for the repeal of the current FIF regime in its entirety and replacing it with a narrower anti-deferral regime. The exposure draft does not contain information regarding from which income year the proposed amendments will apply from. The repeal of these rules is not expected to have a significant impact on the Fund.

Non-assessable Distribution payments

Distributions of non-assessable amounts are generally not subject to tax. Examples of non-assessable amounts include distributions comprising amounts attributable to deductions for capital allowances. Although the receipt of non-assessable amounts is generally not subject to tax, the receipt of certain non-assessable amounts may have capital gains tax consequences. Broadly, the receipt of certain non-assessable amounts may reduce the cost base and reduced cost base of the Unit holder's investment in the Fund. The impact of the reduction to the cost base and reduced cost base may result in either an increased capital gain or a reduced capital loss on the subsequent disposal of the investment in the Fund.

Disposal of Units by Australian resident investors

Any taxable capital gain arising from the disposal (including redemption) of an investment in the Fund may form part of the Unit holder's assessable income. Unit holders that are individuals, trusts and complying superannuation funds may be eligible for the discount capital gain concession if their investment (Units) has been held for 12 months or more and the Fund and the investor satisfy certain other requirements. Any capital losses arising from the disposal of the investment may be used to offset other capital gains the Unit holder may have derived.

Taxation (cont.)

The discount capital gains concession may be denied in certain circumstances where an investor (together with associates) holds 10% or more of the issued Units in the Fund, the Fund has less than 300 beneficiaries and other requirements are met. Investors who together with associates are likely to hold more than 10% of the Units in the Fund should seek advice on this issue.

As a general rule, the switching between the Fund and other funds managed by the Investment Manager constitutes a disposal of the investment for capital gains tax purposes. Therefore, the investor may need to take into account any capital gains or capital losses that arise from switching between investments in determining the net capital gain amount that is included in the Unit holder's assessable income.

Where Units are held on revenue account (i.e. as part of a business of investing or for the purposes of profit making by sale), gains will be taxable as ordinary income rather than capital gains.

Taxation of non-resident investors

Australian withholding tax may be withheld from distributions of Australian source income and gains paid to a non-resident Investor. The various components of the net income of the Fund which will be regarded as having an Australian source may include Australian sourced interest income and other Australian sourced gains.

As at the issue date of this PDS and given the Fund's investment restrictions, investors that are not Australian residents for tax purposes and hold their Units in the Fund on capital account, should generally not be subject to Australian capital gains tax on the disposal of their Units in the Fund.

If you hold your Units on revenue account any profits on disposal of Units in a Fund may be subject to Australian tax as ordinary income, subject to any available double tax treaty relief.

If you are a non-resident wishing to invest in Australia, we recommend that you seek independent professional tax advice, including advice on the specific tax implications in your country of residence.

Other Important Information

Termination of Fund

The Responsible Entity may resolve at any time to terminate and liquidate the Fund (if it provides investors with notice) in accordance with the Constitution of the Fund and the Corporations Act. Upon termination and after conversion of the assets of the Fund into cash and payment of, or provision for, all costs, expenses and liabilities (actual and anticipated), the net proceeds will be distributed pro-rata among all investors according to the number of Units they hold in the Fund.

Unit holder satisfaction

EQT has a complaints procedure in place, which seeks to resolve potential and actual complaints over the management of the Fund to the satisfaction of Unit holders. Indirect Investors should refer to their IDPS Guide for information about the IDPS Operator's complaints procedures, and direct their complaints to their IDPS Operator.

Constitution of the Fund

EQT's responsibilities and obligations, as the responsible entity of the Fund, are governed by the Constitution of the Fund, as well as the Corporations Act and general trust law.

Many of our rights and obligations under the Constitution and rights and obligations of Unit holders have been reflected in the information elsewhere in this PDS.

The Constitution also deals with:

- the nature of the Units – identical rights attach to all Units within a class of Units; and
- when we can amend the Constitution – generally we can only amend the Constitution where we reasonably believe that the changes will not adversely affect the rights of Unit holders, otherwise the Constitution can only be amended if approved at a meeting of Unit holders;
- when we can retire as the Responsible Entity or be removed as the Responsible Entity of the Fund – which is as permitted by law; and
- our broad powers to invest, borrow and generally manage the Fund – we do not currently intend to borrow moneys to acquire assets for the Fund, although this is permitted under the Constitution.

A copy of the Constitution of the Fund is available, free of charge, on request from EQT.

Other Important Information (cont.)

Liability and indemnity

Subject to the Corporations Act, we are not liable for any loss unless we fail to act in good faith or we act negligently and we are entitled to be indemnified out of the Fund against all liabilities and expenses properly incurred in the execution, or purported execution, of our duties as Responsible Entity under the Corporations Act and the Constitution of the Fund. Generally, a Unit holder's liability is limited to the amount (if any), which remains unpaid in relation to their subscription for Units in the Fund. It is, therefore, expected that Unit holders will not be under any obligation if a deficiency in assets was to occur. However, this view has not been fully tested at law.

Investment Manager consents

PIMCO Australia Pty Limited has given and, at the date of this PDS, has not withdrawn, its written consent:

- to be named in this PDS as the Investment Manager of the Fund; and
- to the inclusion of the statements made about it, the Fund and the tables and statistical information, which are attributed to it, in the form and context in which they appear.

PIMCO has not otherwise been involved in the preparation of this PDS and has not caused or otherwise authorised the issue of this PDS. PIMCO and its employees and officers do not accept any responsibility arising in any way for errors or omissions from this PDS, other than in relation to the statements for which it has provided its consent.

Cooling off period

No cooling off period applies to the offer made in this PDS as this PDS is only available to Indirect Investors.

Indirect Investors should seek advice from their IDPS Operator as to whether cooling off rights apply. The right to cool off may not apply if you are an Indirect Investor. This is because you do not acquire the rights of a Unit holder in the Fund. Rather, you will direct the IDPS Operator to arrange for your monies to be invested in the Fund on your behalf. The terms and conditions of the IDPS Guide or similar type document will govern your investment in relation to the Fund and any rights you may have in this regard.

Privacy statement

We will not receive or hold any personal information about Indirect Investors who invest through an IDPS. Indirect Investors should contact their IDPS Operator for details on how their personal information is dealt with.

Anti-Money Laundering

The Anti-Money Laundering and Counter Terrorism Financing Act 2006 requires the Responsible Entity to adopt and maintain an anti-money laundering and counter terrorism financing (AML/CTF) program. An integral part of the AML/CTF program is a legal requirement for the Responsible Entity to know its customers. Indirect Investors should refer to their IDPS Guide for the AML/CTF requirements of their IDPS Operator.