June 2010

Fund Commentary – PIMCO Global Bond Fund

- The Fund invests at least two-thirds of its assets in a diversified portfolio of fixed income instruments denominated in major world currencies.
- The Fund may invest wholly through financial derivative instruments collateralized debt obligations, credit default swaps and asset-backed securities in order to meet its investment objective and such investment policies or portfolio management techniques may as a result lead to a higher volatility to the net asset value of the Fund. Please refer to the “General Risk Factors” of the respective prospectus for details.
- Financial derivative instruments may be used to reduce risk but may involve risks different from, or possibly greater than, the risks associated with investing in bonds. Therefore the Fund may not be suitable for investors who wish to invest in funds that invest solely in bonds, which are commonly perceived as low-risk products.
- Investing in any of the instruments mentioned above may involve substantial credit/counterparty, market and liquidity risks. Given the nature of this Fund, an investment in the Fund may not be suitable to hold as a substantial part of an investor’s assets and the entire value of your investment may be lost.
- The investment decision is yours, but unless the intermediary and/or investment adviser who sells it to you has explained why and how investing in it would be consistent with your investment objective, risk profile, and unique situation, and has thereupon advised you that it is suitable for you, you should not enter into this investment.
- In making investment decisions, investors should not solely rely on the information contained in this material.

Investment Objective

The Fund invests at least two-thirds of its assets in a diversified portfolio of fixed income instruments denominated in major world currencies.

What happened in the market

Although risk aversion slightly abated during the month of June 2010, disappointing economic news from the US, China, and other developed nations continued to add volatility to global markets. Most central banks maintained low rates on concern of the sovereign debt crisis in Europe as well as a general softening of economic data released during the month. Some currencies, such as the CHF and GBP saw some reversal from last month’s sell off relative to the USD and JPY.

Outlook and strategy

Pace of global recovery will likely continue to differentiate across countries as the effects of government stimulus put forth in the past quarters began to fade. Anemic growth and low inflation will allow central bankers to maintain accommodative policies while fiscal authority continues to make adjustments to public balance sheets. Policy makers walk a fine line between restraining public expenditures and hindering future growth and economic recovery.

Past performance, or any prediction, projection or forecast, is not indicative of future performance.

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This material does not constitute investment advice or recommendation, and was prepared without consideration given to specific investment objectives, financial situation or particular needs of any person. If you wish to make an investment, you should seek independent advice from a financial advisor before investing, without which you should consider whether the product is suitable.

Unit value and income therefrom may fall or rise. Investment involves risks, in particular, risks associated with investment in emerging and less developed markets. Investors should read the fund prospectus, available from the local representative or any of its appointed distributors, for further details including the risk factors, before investing.

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