



SOURCE

---

## Enhanced cash tool - using an ETF for USD

PIMCO expertise at  
your fingertips

March 2017

Professional investors only

Authorised and regulated by the Financial  
Conduct Authority.

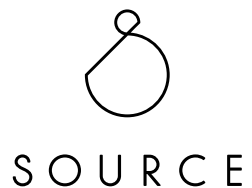


## Who is Source?

We are one of Europe's largest ETF providers, with \$24 billion in assets

We offer core benchmarks at competitive prices and unique strategies like our PIMCO Source fixed income range

We are completely transparent about fees, costs and risks



## PIMCO

- **Global leader** in fixed income
- Around **\$1.5 trillion** in AUM\*
- Experts in **credit research** and **economic forecasting**

\* As at Dec 16

### PIMCO Source ETFs

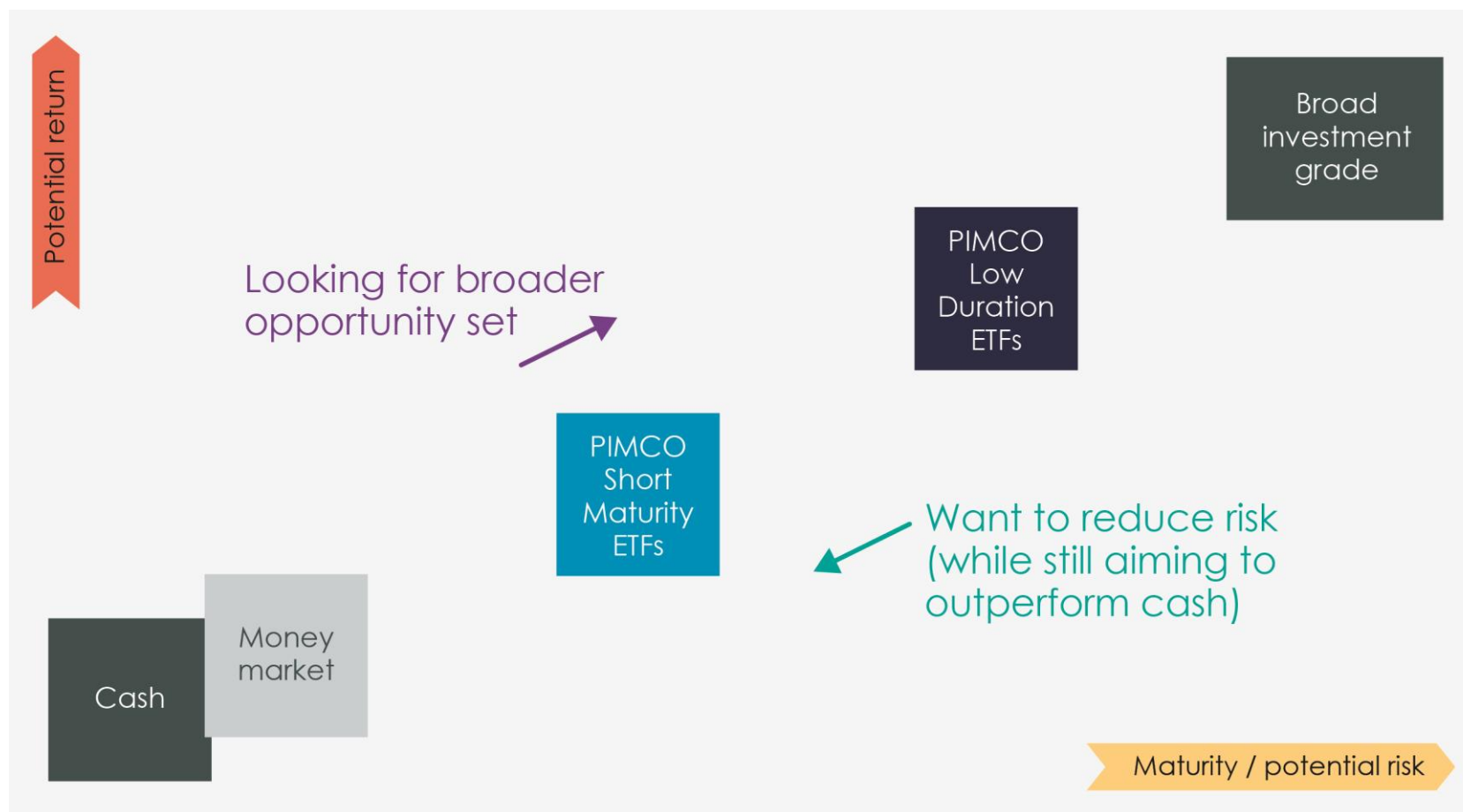
#### Active

Analyse individual securities  
Manage credit, duration, sector and liquidity risks  
Target multiple sources of return

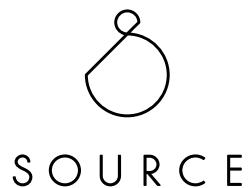
#### Smart passive

Construct/select the right index  
Optimise portfolio based on risk factors  
Execute efficiently

## Where our funds fit



*For illustrative purposes only*



## PIMCO US Dollar Short Maturity UCITS ETF

<b>Average portfolio duration</b>	0 to 1 years
<b>Investment universe</b>	Short-term, USD-denominated debt <ul style="list-style-type: none"><li>• No high yield</li><li>• Max 5% in EM</li></ul>
<b>Leverage</b>	None
<b>Derivatives</b>	None (except FX forwards)
<b>Liquidity</b>	Intraday



**Actively managed by a dedicated PIMCO portfolio manager**

**Jerome Schneider**

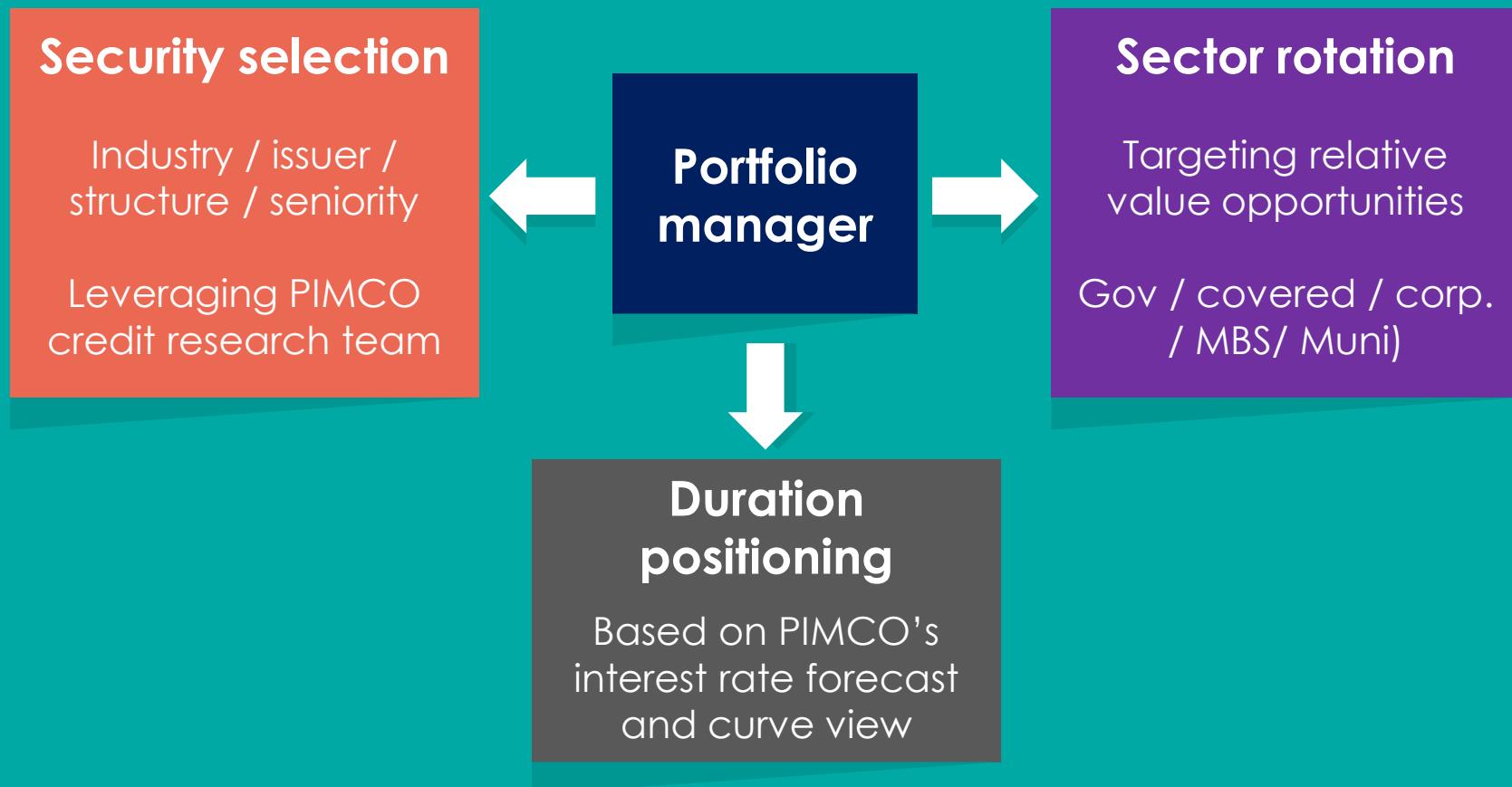
Managing Director at PIMCO's  
Newport Beach office

Head of short-term and funding desk

Morningstar 2015 Fixed Income Fund  
Manager of the Year (US)



## The active advantage – multiple sources of returns





SOURCE

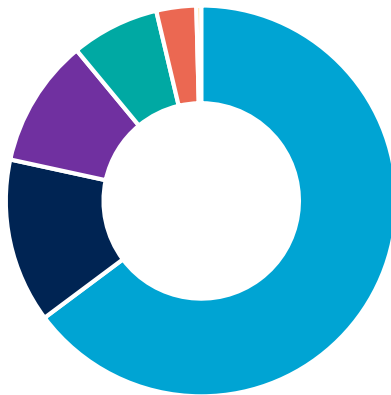
# High quality and low duration

Effective duration  
0.32 years

Yield to maturity  
1.93%

Average Rating  
A

Asset allocation



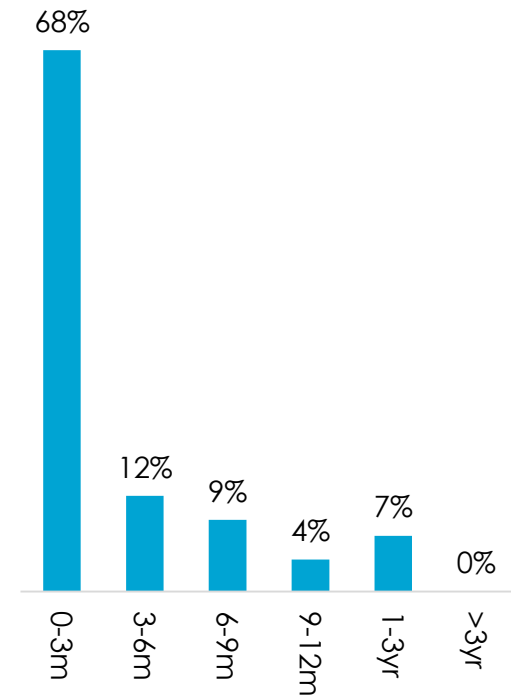
- Investment Grade Credit, 64.8%
- Mortgages, 13.6%
- Short Duration Instruments, 10.6%
- Government Related, 7.3%
- Emerging Markets, 3.3%
- Municipal/Other, 0.4%

Rating breakdown



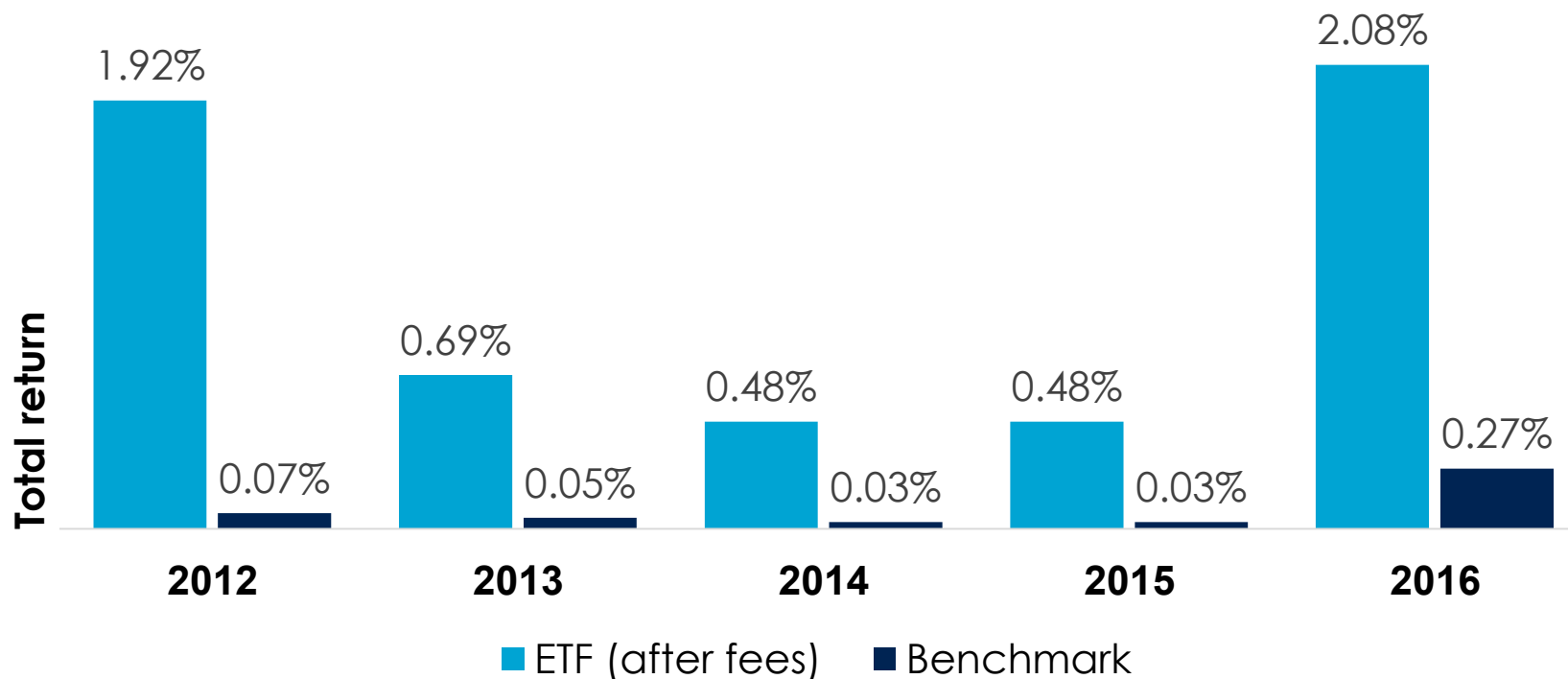
- AAA, 13.5%
- AA, 14.7%
- A, 31.8%
- BAA, 32.3%
- A1/P1, 3.1%
- Below A1/P1, 4.7%

Maturity breakdown



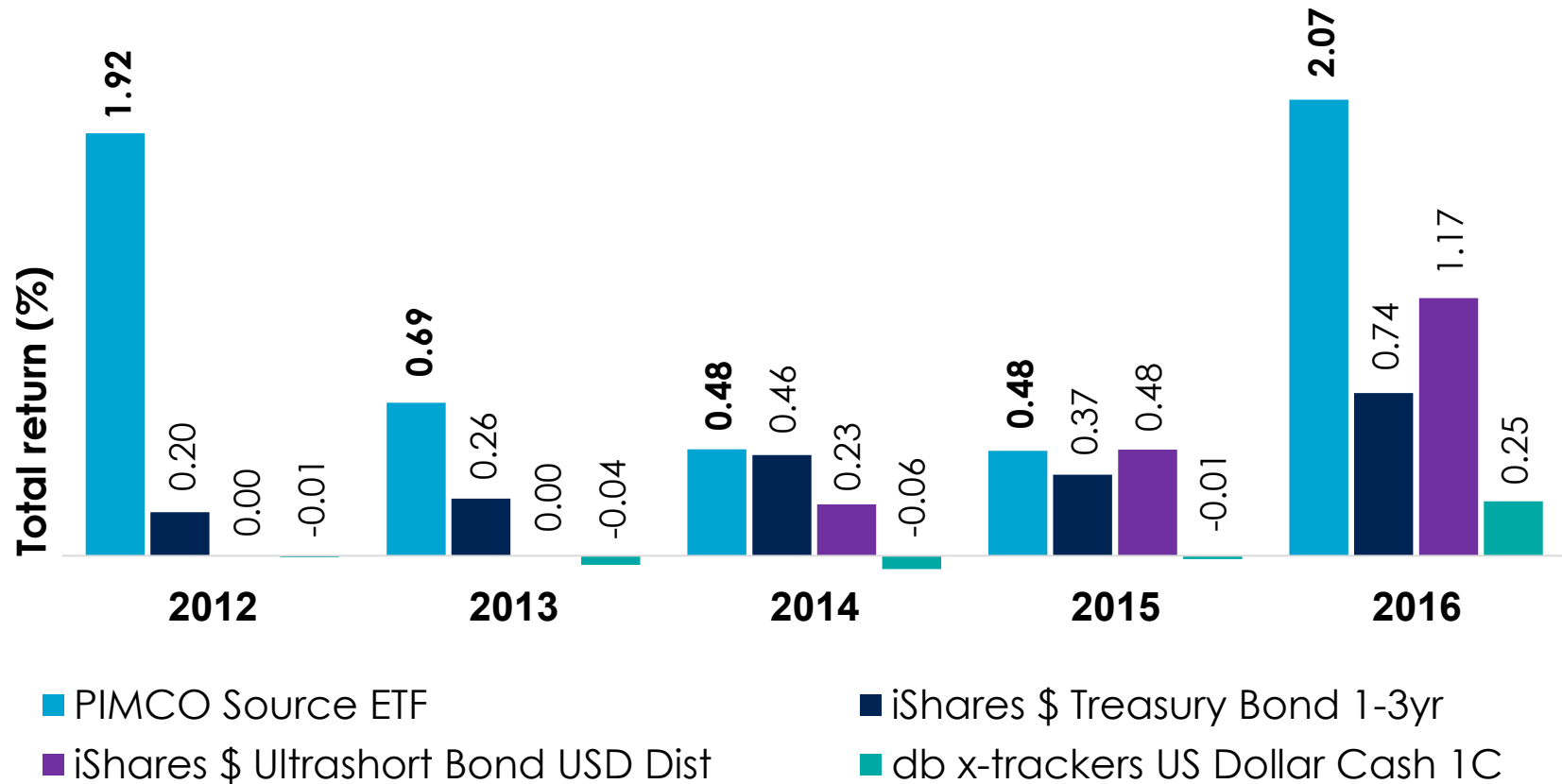


## Consistently outperforming its benchmark



Data: PIMCO, as at 31 Jan 2017. Benchmark is the Citigroup 3 months T-Bill Index. Past performance is not a reliable indicator of future returns.

## Strong performance versus competing ETFs



Data: Morningstar, 31 Jan 2017. Past performance is not a reliable indicator of future returns. The inception date of the iShares \$Ultrashort Bond USD Dist was on 15/10/2013, the iShares \$ Treasury Bond 1-3 yr was on 2/06/2006 and the db x-trackers US Dollar Cash 1C was on 9/04/2008.



Yields on traditional cash strategies remain low

An expert active manager can identify opportunities to enhance yield (and manage any additional risk)

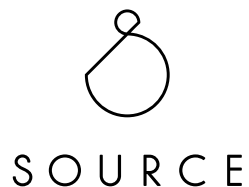
Our fund combines the expertise of PIMCO with the transparency and liquidity of an ETF

**<MINT LN>**

**Ongoing charge 0.35% p.a.**

**Monthly distributions**

**Find out more at [sourceetf.com](http://sourceetf.com)**



**Your capital is at risk. You may not get back the amount invested.**

This presentation contains information that is for discussion purposes only, and is intended for institutional investors (professional clients) pursuant to Directive 2004/39/EC (MIFID) Annex II Section I. This presentation is not for distribution to, or for the attention of, US or Canadian persons. Without limitation, this presentation does not constitute an offer or a recommendation to enter into any transaction. When making an investment decision, you should rely solely on the final documentation and any prospectus relating to the transaction and not this summary. Investment strategies involve numerous risks. Any calculations and charts set out herein are indicative only, make certain assumptions and no guarantee is given that future performance or results will reflect the information herein. Investors should consult their own business, tax, legal and accounting advisors with respect to this proposed transaction and they should refrain from entering into a transaction unless they have fully understood the associated risks and have independently determined that the transaction is appropriate for them. In no way should Source UK Services Limited ("Source") be deemed to be holding itself out as a financial adviser or a fiduciary of the recipient hereof.

BofA Merrill Lynch" and "The BofA Merrill Lynch 0-5 Year US High Yield Constrained Index" are reprinted with permission. © Copyright 2012 Merrill Lynch, Pierce, Fenner & Smith Incorporated ("BofA Merrill Lynch"). All rights reserved. "BofA Merrill Lynch" and "The BofA Merrill Lynch 0-5 Year US High Yield Constrained Index" are service marks of BofA Merrill Lynch and/or its affiliates and have been licensed for use for certain purposes by PIMCO on behalf of the PIMCO Short-Term High Yield Corporate Bond Index Source ETF that is based on The BofA Merrill Lynch 0-5 Year US High Yield Constrained Index, and is not issued, sponsored, endorsed or promoted by BofA Merrill Lynch and/or BofA Merrill Lynch's affiliates nor is BofA Merrill Lynch and/or BofA Merrill Lynch's affiliates an adviser to the PIMCO Short-Term High Yield Corporate Bond Index Source ETF. BofA Merrill Lynch and BofA Merrill Lynch's affiliates make no representation, express or implied, regarding the advisability of investing in the PIMCO Short-Term High Yield Corporate Bond Index Source ETF or The BofA Merrill Lynch 0-5 Year US High Yield Constrained Index and do not guarantee the quality, accuracy, timeliness or completeness of The BofA Merrill Lynch 0-5 Year US High Yield Constrained Index, index values or any index related data included herein, provided herewith or derived therefrom and assume no liability in connection with their use. As the index provider, BofA Merrill Lynch is licensing certain trademarks, The BofA Merrill Lynch 0-5 Year US High Yield Constrained Index and trade names which are composed by BofA Merrill Lynch without regard to PIMCO, the PIMCO Short-Term High Yield Corporate Bond Index Source ETF or any investor. BofA Merrill Lynch and BofA Merrill Lynch's affiliates do not provide investment advice to PIMCO or the PIMCO Short-Term High Yield Corporate Bond Index Source ETF and are not responsible for the performance of the PIMCO Short-Term High Yield Corporate Bond Index Source ETF."

The prospectus, supplements and KIID for the Source ETFs are available at [sourceetf.com](http://sourceetf.com). German investors may obtain the offering documents in paper or electronic form free of charge from the German information agent (Marcard, Stein & Co AG, Ballindamm 36, 20095 Hamburg, Germany). The representative and paying agent in Switzerland is BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich, Switzerland. The prospectus, the key investor information documents (KIIDs), the articles of incorporation as well as the annual and semi-annual reports may be obtained free of charge from the representative in Switzerland. Source ETFs are issued by companies domiciled in Ireland and governed by Irish law. Source ETFs are UCITS funds that are distributed in Italy exclusively to professional investors; some of them are admitted to trading on the ETFplus market managed by Borsa Italiana SpA, which may also be traded by retail investors through authorised participants. The publication of the supplement in Italy does not imply any judgment by CONSOB on an investment in an ETF. The list of Source ETFs listed in Italy, the prospectus, the KIID and the supplement of each ETF are available: (i) [sourceetf.com](http://sourceetf.com) (along with the audited annual report and the unaudited half-year reports); and (ii) on the website of the Italian Stock Exchange [www.borsaitaliana.it](http://www.borsaitaliana.it). For details on fees and other charges, please consult the prospectus, the KIID and the supplement of the ETF.

This presentation has been communicated by Source UK Services Limited, 110 Cannon Street, London, EC4N 6EU, authorised and regulated by the Financial Conduct Authority. © 2016 Source UK Services Limited. All rights reserved.



S O U R C E

---

**Thank you**

**Source UK Services Limited**  
110 Cannon Street, London  
EC4N 6EU

T +44 (0)20 3370 1100

[sourceef.com](http://sourceef.com)

 [@sourceef](https://twitter.com/sourceef)

Authorised and regulated by the Financial  
Conduct Authority