



IMPORTANT: This document requires your immediate attention. If you have any questions about the content of this document, you should seek independent professional advice. All terms used in this document have the same meanings as in the Prospectus unless otherwise herein defined.

24 July, 2020

To: Shareholders of the Emerging Local Bond Fund

RE: PIMCO Funds: Global Investors Series plc – Proposed Merger of the Emerging Markets Short-Term Local Currency Fund and the Emerging Local Bond Fund

Dear Shareholder,

We are writing to advise you of a proposed merger between Emerging Markets Short-Term Local Currency Fund (the “**Merging Sub-Fund**”) and Emerging Local Bond Fund (the “**Receiving Sub-Fund**”) (the “**Merger**”).

The Merging Sub-Fund and the Receiving Sub-Fund are sub-funds of PIMCO Funds: Global Investors Series plc (the “**Company**”), an umbrella investment company fund with segregated liability between sub-funds and variable capital incorporated in Ireland and authorised by the Central Bank of Ireland (the “**Central Bank**”) as a UCITS.

Subject to approval of the Shareholders of the Merging Sub-Fund, it is proposed that the Merging Sub-Fund be merged with the Receiving Sub-Fund. The Merger will result in the property of the Merging Sub-Fund becoming the property of the Receiving Sub-Fund in exchange for the issue of Shares in the Receiving Sub-Fund to the Shareholders in the Merging Sub-Fund, as more particularly described in the Appendix hereto.

Background and Rationale for Proposed Merger

The Investment Advisor of the Merging Sub-Fund has conducted a detailed review of the Merging Sub-Fund. As a result of this detailed review and upon the advice of the Investment Advisor, the Directors of the Company believe that the Merger is in the best interests of the Shareholders in the Merging Sub-Fund for the following reasons:

- The Merger is aimed to benefit the Shareholders of the Merging Sub-Fund through economies of scale in terms of fund size and ongoing operating costs in the longer run.

Directors:
Craig A. Dawson (U.S.)
Ryan P. Blute (U.S.)
V. Mangala Ananthanarayanan (India)
David M. Kennedy
Frances Ruane
John Bruton

P I M C O

- Given that the investment objectives of the Merging Sub-Fund and Receiving Sub-Fund are similar, the Directors believe that the investment objective of the Merging Sub-Fund can be pursued in a more efficient way.
- The investment policies of the Merging Sub-Fund and the Receiving Sub-Fund are also similar as the focus of both the Merging Sub-Fund and Receiving Sub-Fund is investment in Fixed Income Instruments in emerging markets.

Following the Merger, it is considered that Shareholders in the Merging Sub-Fund will benefit from continuity of investment management.

Impact on Shareholders of the Receiving Sub-Fund

The Directors of the Company do not expect the Merger to have any material impact on the operation of the Receiving Sub-Fund.

Taxation Implications of the Merger

Shareholders of the Receiving Sub-Fund should be aware that their tax treatment may be changed as a result of and following the implementation of the Merger. Accordingly, Shareholders of the Receiving Sub-Fund may be subject to taxation in their tax domiciles or in other jurisdictions where they pay taxes. As tax laws differ widely from country to country, Shareholders of the Receiving Sub-Fund are urged to consult their tax advisers as to the tax implications of the Merger specific to their circumstances.

A summary of the tax treatment of the Company is contained in the Prospectus of the Company.

Action to be taken

The Merger is proposed take effect at 00.01a.m. on 23 October, 2020, (the “**Effective Time**”) and does **not** require your approval to take effect.

This notice is merely for information purposes and is aimed at providing you with sufficient information to enable you to make an informed judgment on the impact of the Merger on your investments.

We recommend that you read the details of the proposed Merger in full.

If you do not wish to remain in the Receiving Sub-Fund you may redeem your Shares in the Receiving Sub-Fund on any Dealing Day of the Receiving Sub-Fund in accordance with the procedures set out in the Prospectus. No redemption charge will be payable for redemption of Shares in the Receiving Sub-Fund.

Further information

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 email at PIMCOEMteam@StateStreet.com, or by telephone as follows:

P I M C O

EMEA: +353 1 776 9990
Hong Kong: +852 35561498
Singapore: +65 68267589
Taiwan: +886 80 113 6992
Americas: +1 416 5068337

We thank you for your investments in PIMCO's funds and we hope to continue to serve your investment needs in the years ahead.

The Directors accept responsibility for the accuracy of this notice.



Director
For and on behalf of
PIMCO FUNDS: GLOBAL INVESTORS SERIES PLC

APPENDIX: DETAILS OF THE MERGER

1. SUMMARY OF THE MERGER

- (i) The Merger is proposed to take effect on or about 23 October, 2020 (the “**Effective Date**”)
- (ii) The directors of the Company believe that the Merger is in the best interests of Shareholders of the Receiving Sub-Fund.
- (iii) The Merger has been approved by the Central Bank.
- (iv) You are not required to vote on the Merger. The Merger is, however, subject to the investors in the Merging Sub-Fund voting in favour of the Merger.
- (v) The Merger will lead to the closure of the Merging Sub-Fund.
- (vi) Please refer to the ‘Action to be Taken’ section of this Notice for a description of your options in relation to the Merger, including, in particular, your right to redeem your investment in the Receiving Sub-Fund before the Merger without any charge.
- (vii) There will be no suspension of dealings in the Receiving Sub-Fund as a result of the Merger.
- (viii) Shareholders of the Merging Sub-Fund will acquire rights as Shareholders of the Receiving Sub-Fund from 23 October, 2020. After the Effective Date, investors in the Merging Sub-Fund will hold Shares in the Receiving Sub-Fund and may continue to deal as usual from 23 October, 2020.
- (ix) The Merger will not have a material impact on the portfolios of the Receiving Sub-Fund; nor will the Merger have a material impact on the investment policies of the Receiving Sub-Fund.

2. Transfer of Property of the Merging Sub-Fund

- 2.1 As at the Effective Time, Shares in the Receiving Sub-Fund will be issued to Shareholders in the Merging Sub-Fund in exchange for the transfer of the property of the Merging Sub-Fund to the Receiving Sub-Fund by way of a contribution in kind to the Receiving Sub-Fund, to be held by the Depositary of the Receiving Sub-Fund on behalf of the Receiving Sub-Fund. The property of the Merging Sub-Fund will be valued in accordance with clause 5 below.
- 2.2 The Depositary, starting from the Valuation Point on 22 October, 2020 (the “**Last Dealing Day**”) until the Effective Time of the Merger, will retain out of the property of the Merging Sub-Fund such amount of cash as shall equal the Retained Amount. If, in the opinion of the Directors (upon consultation with the Depositary and the auditors of the Company) the Retained Amount (together with income thereon) exceeds the liabilities of the Merging Sub-Fund, then such excess shall, within 60 days upon termination of the Merging Sub-Fund, be distributed to the Shareholders of the Merging Sub-Fund on a pro-rata basis present as at the Effective Time. In the event, however, the Retained Amount is insufficient to meet the liabilities of the Merging Sub-Fund, the Investment Advisor will be responsible for the shortfall.

3. Last Dealing Day for Shares in the Merging Sub-Fund

P I M C O

In order to allow the Administrator to accurately calculate the value of the property of the Merging Sub-Fund to be transferred into the Receiving Sub-Fund at the Effective Time, the Directors of the Company shall determine that the dealing deadline (as defined in the Prospectus) will be advanced to 12.00pm on the day prior to the Effective Date. Accordingly, the Last Dealing Day for Shares in the Merging Sub-Fund shall be 22 October, 2020.

4. Issue of Shares and Dealings in the Receiving Sub-Fund

- 4.1 As at the Effective Time, Shareholders of the Merging Sub-Fund will receive corresponding Shares in the Receiving Sub-Fund.
- 4.2 The number of Shares in the Receiving Sub-Fund to be issued to Shareholders in the Merging Sub-Fund shall be determined by the Administrator of the Company in accordance with the following formula:

$$S = \frac{R \times NAV}{SP}$$

where:-

- S = the number of Shares in the Receiving Sub-Fund that will be issued at the Effective Time;
- R = the number of Shares held by the Shareholder in the Merging Sub-Fund immediately prior to the Effective Time;
- NAV= the last Net Asset Value per Share of the relevant Share Class in the Merging Sub-Fund calculated as at the Valuation Point on the Last Dealing Day, calculated in accordance with the Memorandum and Articles of Association of the Company;
- SP= the price per Share of the relevant Share Class in the Receiving Sub-Fund immediately prior to the Effective Time.

5. Valuation

- 5.1 For the purpose of the Merger, the value of the property of the Merging Sub-Fund will be calculated as at the Valuation Point on the Last Dealing Day by the Administrator in accordance with the relevant provisions of the Memorandum & Articles of Association of the Company, which value will be audited by the auditors of the Company.
- 5.2 When valuing the Merging Sub-Fund for the purpose of the Merger, the Administrator will make provision for such amount specified by the Directors of the Company (after consultation with the Depository) as shall equal the amount of all liabilities of the Merging Sub-Fund.

6. Auditor Validation

The auditors of the Company will validate the following as at the Effective Time:

P I M C O

- (i) the criteria adopted for the valuation of the assets and liabilities as at the Effective Time; and
- (ii) the calculation method of the exchange ratio referred to in clause 4.2 above as well as the actual exchange ratio determined at the Effective Time.

7. Costs, Charges and Liabilities

The total costs and expenses in relation to the Merger, including the costs of the Extraordinary General Meeting of the Shareholders of the Merging Sub-Fund (and any adjournments), the costs of closure of the Merging Sub-Fund and any costs associated with the transfer of the property of the Merging Sub-Fund to the Receiving Sub-Fund will be borne by the Investment Advisor and will not be borne by either the Merging Sub-Fund or the Receiving Sub-Fund. Any Rebalancing Costs, which are expected to be immaterial and up to 0.20% of the Net Asset Value of the Merging Sub-Fund, will be borne by the Merging Sub-Fund.

The Merging Sub-Fund has no unamortized preliminary expenses as at the date of this notice.

8. Cancellation of Shares and Termination of the Merging Sub-Fund

Following the Merger, all of the Shares of the Merging Sub-Fund will be cancelled and contract notes held by Shareholders in the Merging Sub-Fund will no longer be valid. Thereafter, the Merging Sub-Fund will be terminated and wound-up in accordance with the Memorandum & Articles of Association of the Company and application will be made to the Central Bank to seek withdrawal of approval of the Merging Sub-Fund.

9. Conditions

The Merger in respect of the Merging Sub-Fund is conditional upon: -

- (i) approval of the Merger by way of Special Resolution of the Shareholders of the Merging Sub-Fund at an Extraordinary General Meeting of the Shareholders of the Merging Sub-Fund; and
- (ii) clearance and approval of the Merger by the Central Bank.

10. Amendments

In circumstances where it becomes necessary or advisable to do so, alterations in the terms and method of implementation of the Merger in respect of the Merging Sub-Fund may be made in accordance with the requirements of the Central Bank provided that any such alterations are, in the opinion of the Directors and in consultation with the Depositary and the auditors of the Company, of a non-material nature.

11. Definitions

P I M C O

Retained Amount

means such amount of cash specified by the Directors (after consultation with the auditors of the Company and the Depositary) as shall equal the net amount deducted for liabilities of the Merging Sub-Fund when valuing the property of the Merging Sub-Fund in accordance with clause 5 above;

Special Resolution

means a special resolution of the Shareholders of the Merging Sub-Fund in Extraordinary General Meeting passed by a majority consisting of 75% or more of the total number of votes cast at such a meeting;

Valuation Point

means 9:00 p.m. (Irish Time) on each Dealing Day or, if the Dealing Deadline for any Dealing Day is brought forward, such other point in time as the Directors, with the consent of the Depositary, shall determine provided that the Valuation Point is after the Dealing Deadline.