

# PIMCO

**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.**

15 October, 2013

To: All Shareholders of PIMCO Funds: Global Investors Series plc, Total Return Bond Fund, Global Bond Fund, Euro Bond Fund, Global Investment Grade Credit Fund and Emerging Asia Bond Fund (the "Funds")

**Re: PIMCO Funds: Global Investors Series plc (the "Company")  
Investment in Mortgage-Backed Securities**

Dear Shareholder,

We are writing to notify you of our decision to remove the minimum credit rating requirement for investment in mortgage-backed securities within the stated allocation to high yield securities in respect of the Total Return Bond Fund, Global Bond Fund, Euro Bond Fund and Global Investment Grade Credit Fund. In respect of the Emerging Asia Bond Fund, we have also decided to remove the minimum credit rating requirement for investment in mortgage-backed securities generally and it should be noted that this sub-fund does not outline a maximum allocation to high yield securities. Accordingly, up to 100% of the assets of the Emerging Asia Bond Fund may be invested in mortgage-backed securities (including privately issued mortgage-backed securities) of any credit rating upon the amendment taking effect.

We believe this amendment will afford the Funds additional flexibility to invest in privately-issued mortgage-backed securities, (also known as "private label mortgage-backed securities") that PIMCO believes do not involve significantly greater credit risk than securities rated within the current minimum rating requirements. This is primarily due to the fact that mortgage-related securities are collateralized, while corporate securities are not. Privately-issued mortgage-backed securities are issued by private institutions and their underlying collateral generally consists of pooled mortgages which do not conform to the requirements (e.g. size, documentation, loan-to-value ratios, etc.) that are applied to mortgage-backed securities issued by U.S. government-sponsored enterprises (see examples below). The nature of the underlying collateral provides a diversification benefit relative to the headline risk that exists within corporate securities. We believe that a mortgage-related security may be less risky than an equivalently rated corporate security due to the collateral backing the mortgage-related security (i.e. if the property owner should default, the property remains as collateral for payment of the debt). In addition, the vast majority of privately-issued mortgage-related securities are senior in the capital structure and have first priority to receive principal and interest from the underlying mortgage loans. This creates a more stable cash flow profile than a comparably rated corporate security.

Private label mortgage-backed securities are securitized mortgages issued by private institutions, such as brokerage firms, banks and homebuilders. These securities do not conform to the criteria set by the U.S. government-sponsored enterprises, such as the Government National Mortgage Association (GNMA) (Ginnie Mae); the Federal National Mortgage Association (Fannie Mae); and the Federal Home Loan Mortgage Corporation (Freddie Mac). The mortgages that make up private label mortgage-backed securities do not have the backing of the government, and hence often feature credit enhancements, such as subordination, overcollateralization or letters of credit, that are designed to help protect investors from delinquencies or losses on the underlying loans.

Directors:  
William R. Benz (U.S.)  
Craig A. Dawson (U.S.)  
David M. Kennedy  
Joseph V. McDevitt (U.S. and U.K.)  
Michael J. Meagher

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Similar to other mortgage-backed securities, private label mortgage-backed securities are traded over-the-counter and are typically rated by credit rating agencies and registered with the U.S. Securities and Exchange Commission (SEC). Apart from having a higher credit and default risk (the risk of the borrower defaulting on mortgage repayments), private label mortgage-backed securities share similar risks as other mortgage-backed securities, such as interest rate risk (the risk of the security's value decreasing when interest rates rise) and prepayment risk (risk of early repayment of principal on such securities, which may expose the Funds to a lower rate of return upon reinvestment of principal). For further details on the risks associated with mortgage-related and asset-backed securities, please refer the section entitled "Characteristics and Risks of Securities, Derivatives and Investment Techniques" in the Prospectus.

The changes for the respective Funds are highlighted in the chart below:

Fund	Amendment
Total Return Bond Fund	The Fund invests primarily in investment grade Fixed Income Instruments, but may invest up to 10% of its assets in Fixed Income Instruments that are rated lower than Baa by Moody's or lower than BBB by S&P, but rated at least B by Moody's or S&P (or, if unrated, determined by the Investment Adviser to be of comparable quality) <a href="#">with the exception of mortgage-backed securities for which there is no minimum credit rating requirement.</a>
Global Bond Fund	The Fund invests primarily in investment grade Fixed Income Instruments, but may invest up to 10% of its assets in Fixed Income Instruments that are rated lower than Baa by Moody's or lower than BBB by S&P, but rated at least B by Moody's or S&P (or, if unrated, determined by the Investment Adviser to be of comparable quality) <a href="#">with the exception of mortgage-backed securities for which there is no minimum credit rating requirement.</a>
Euro Bond Fund	The Fund invests primarily in investment grade securities, but may invest up to 10% of its assets in Fixed Income Instruments that are rated lower than Baa by Moody's or lower than BBB by S&P, but rated at least B by Moody's or S&P (or, if unrated, determined by the Investment Adviser to be of comparable quality) <a href="#">with the exception of mortgage-backed securities for which there is no minimum credit rating requirement.</a>
Global Investment Grade Credit Fund	The Fund invests primarily in investment grade Fixed Income Instruments, but may invest up to <del>10% (with effect from 8 August, 2011 this will increase to a maximum of 15% of net assets)</del> <a href="#">15%</a> of its assets in Fixed Income Instruments that are rated lower than Baa by Moody's or lower than BBB by S&P, but rated at least B by Moody's or S&P (or, if unrated, determined by the Investment Adviser to be of comparable quality) <a href="#">with the exception of mortgage-backed securities for which there is no minimum credit rating requirement.</a>
Emerging Asia Bond Fund	The Fund invests in a combination of Fixed Income Instruments of issuers that are economically tied to Asia ex-Japan countries with emerging securities markets, related derivatives (of the type detailed below) on such securities and emerging market currencies. Fixed Income Securities purchased by the Fund will be rated at least Caa by Moody's or

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	CCC by S&P (or if unrated, determined by the Investment Adviser to be of comparable quality) <a href="#">with the exception of mortgage-backed securities for which there is no minimum credit rating requirement.</a>
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The above alteration will not significantly alter the risk profile of any of the Funds and will not result in any change to the current fees and expenses payable to or borne by the Company.

The above alteration will become effective one month from the date of this notice at which point a revised Supplement for each Fund will be filed with the Central Bank of Ireland and other relevant regulators as appropriate.

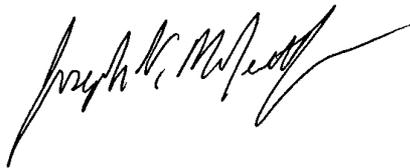
Shareholders who wish to redeem or exchange their Shares in the Funds prior to the effective date of the changes may do so free of charge.

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 [PimcoTeam@bbh.com](mailto:PimcoTeam@bbh.com), or by telephone as follows:

Luxembourg	+352 4740 66 7100
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We thank you for your continued interest in PIMCO.

The Directors accept responsibility for the accuracy of this notice.



Signed by Joseph V. McDevitt  
For and behalf of  
**PIMCO Funds: Global Investors Series plc**