

**H-Institutional Class, Accumulation Shares**

For the month ending 31 July 2010

**FUND INFORMATION**

**Fund Description:** The Emerging Markets Bond Fund is a diverse portfolio consisting primarily of fixed-income securities from issuers in, or economically tied to, emerging or developing countries. Assets may be denominated in US dollars or local currencies. The Fund is actively managed to maximise total return potential and minimise risk relative to the benchmark.

**Investor Benefits:** This Fund offers efficient exposure to emerging markets, potential for attractive risk-adjusted returns and low correlations to other asset classes.

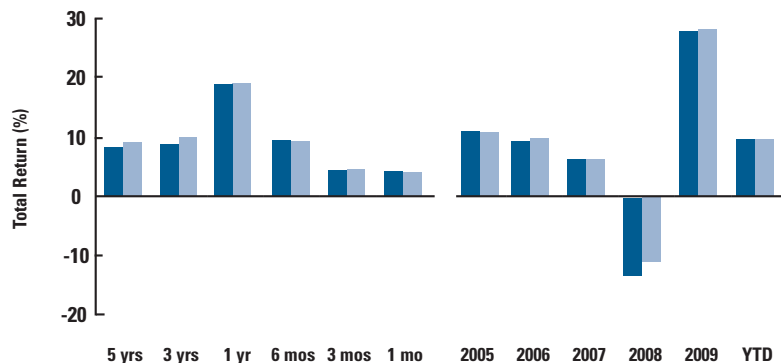
**The Fund Advantage:** The Fund employs active management of emerging market bonds with tactical investments in non-benchmark local currencies and instruments.

**BASIC FACTS**

	Accumulation
Bloomberg Ticker	PIMEHIA
ISIN	IE0032314100
Sedol	3231410
Valoren	CH1621881
WKN	A0DN86
Unified Management Fee	0.96%
Inception Date	17/10/2002
Fund Type	UCITS III
Portfolio Manager	Michael A. Gomez
Fund Assets	2.9 (USD in Billions)

**FUND STATISTICS**

Effective Duration (yrs)	6.97
Benchmark Duration (yrs)	7.23
Current Yield (%)	5.30
Market Weighted Yield (%)	5.20
Average Coupon (%)	6.61
Effective Maturity (yrs)	11.28
Average Quality	BA

**Emerging Markets Bond Fund****PERFORMANCE - NET OF FEES**

The benchmark is JPMorgan Emerging Markets Bond Index (EMBI) Global. All periods longer than one year are annualised.

**MARKET COMMENTARY**

- Appetite for emerging markets amidst lingering developed country creditworthiness concerns helped to drive strong returns in EM in July
- Emerging Markets in July returned 4.12% in July, bringing the year-to-date performance to 9.71%, as measured by the JPM EMBI Global.
- On the risk rally lower quality countries outperformed during the month. BB and B rated credits returned 5.53% and 4.79% respectively. Investment grade credits lagged with a 3.26%

**PORTFOLIO RECAP**

- The Fund outperformed its benchmark for the month
- Contributors to portfolio performance included:
  - > Underweight positions in China, Hungary and Lebanon
  - > Overweight positions in the Philippines and Indonesia
  - > The fund's exposure to Brazil local rates
  - > Corporate/ quasi sovereign exposure in Russia, Mexico and Brazil
- Detractors from portfolio performance included:
  - > Underweight positions in Argentina and Venezuela
  - > Overweight positions in Russia

**MARKET OUTLOOK AND STRATEGY**

- EM countries' growth is likely to be relatively robust compared to the developed world. Emerging economies, especially China, should continue to grow at a faster pace
- Retain structural allocations to higher-rated countries with solid fundamentals

For questions regarding  
the PIMCO Funds:  
Global Investors Series plc,  
please call +44 (0) 20 7408 8955

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**Emerging Markets Strategies**

Developing Local Markets	Emerging Asia Bond	Emerging Local Bond
Emerging Markets Bond	Emerging Markets and Infrastructure	Socially Responsible Emerging Markets Bond

## MANAGER

PIMCO Global Advisors (Ireland) Limited

## INVESTMENT ADVISOR

Pacific Investment Management Company LLC

## CONTACT:

PIMCO Europe Ltd

(Registered in England and Wales, Company No. 2604517)

Registered Office

Nations House, 103 Wigmore Street

London, W1U 1QS, England

Tel: +44 (0) 20 7408 8955

GISFundSupport@pimco.com

PIMCO Asia Pte Ltd

501 Orchard Road #08-03, Wheelock Place

Singapore 238880

Tel: +65 6491 8000

AsiaFunds@pimco.com

Pacific Investment Management Company LLC

840 Newport Center Drive

Newport Beach, CA 92660

Tel: + 1 (949) 720 4706

GISFundSupport@pimco.com

## ABOUT THE BENCHMARK

JPMorgan Emerging Markets Bond Index (EMBI) Global tracks total returns for United States Dollar denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, Eurobonds and local market instruments. It is not possible to invest directly in an unmanaged index.

## COUNTRY EXPOSURE (%)

	MARKET VALUE WEIGHTED	
	PIMCO Fund	Variance to Benchmark
Brazil	34.9	23.3
Chile	1.6	0.3
China	-0.0	-1.4
Colombia	4.9	1.4
EM Index Product	7.7	7.7
Egypt	0.6	0.2
El Salvador	0.4	-0.5
Gabon	1.8	1.5
Guatemala	0.0	0.0
India	0.6	0.6
Indonesia	9.3	3.2
Kazakhstan	1.2	-0.9
Malaysia	0.6	-1.8
Mexico	16.3	3.9
Panama	2.1	-0.2
Peru	1.9	-0.6
Philippines	7.5	0.1
Poland	1.6	-0.5
Romania	0.4	0.4
Russia	20.3	8.8
South Africa	1.7	-0.4
Tunisia	0.3	0.1
Turkey	3.7	-6.0
Uruguay	2.0	0.4
Vietnam	0.4	-0.1

## QUALITY (%)

	MARKET VALUE WEIGHTED	
	PIMCO Fund	Variance to Benchmark
A1/P1	0	0
Below A1/P1	0	0
AAA	0	0
AA	0	0
A	0	-9
BAA	61	11
BA	38	5
B	1	-7
Below B	0	0

## EMERGING MARKETS SPREADS (bps)

	SPREAD TO TREASURY	
	30/06/2010	31/07/2010
EMBI Global	358	313
Mexico	212	192
Russia	295	256
Brazil	247	212
Turkey	284	240
Philippines	266	207
Indonesia	274	210
Venezuela	1247	1104
Colombia	229	183
Lebanon	347	358

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