PIMCO Short Term Active Yield Fund

ARSN 683 654 257

Annual report
For the year ended 30 June 2026

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For the year ended 30 June 2026

Contents

This annual report covers PIMCO Short Term Active Yield Fund as an individual entity.

The Responsible Entity of PIMCO Short Term Active Yield Fund is PIMCO Australia Management Limited (ABN 37 611 709 507) (AFSL 487505).

The Responsible Entity’s registered office is:

Level 19, 5 Martin Place
Sydney, NSW 2000.

Directors' report

The directors of PIMCO Australia Management Limited, the Responsible Entity of PIMCO Short Term Active Yield Fund (the "Fund"), present their report together with the financial statements of the Fund for the year ended 30 June 2026.

Principal activities

The Fund mainly invests in fixed interest securities, fixed interest derivatives and currency contracts in accordance with the Fund's Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund did not have any employees during the year.

There were no significant changes in the nature of the Fund's activities during the year.

The various service providers for the Fund are detailed below:

Service	Provider
Responsible Entity	PIMCO Australia Management Limited
Investment Manager	PIMCO Australia Pty Limited
Custodian and Administrator	State Street Australia Limited
Statutory Auditor	PricewaterhouseCoopers

Directors

The following persons held office as directors of PIMCO Australia Management Limited during or since the end of the year and up to the date of this report:

Alec Kersman	(resigned on 8 January 2026)
V Mangala Ananthanarayanan	
David Erdonmez	
Samuel Watkins	

Review and results of operations

The Responsible Entity offered the PIMCO Short Term Active Yield Active ETF (ASX: EARN), as an exchange traded fund ("ETF") on the Australian Stock Exchange ("ASX") from 7 October 2025.

During the year, the Fund continued to invest its funds in accordance with the Fund's Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund's performance for the year ended 30 June 2026 was 4.81% (net of fees) for the Z Class, 4.52% (net of fees) for the Wholesale Class and 3.11%* (net of fees) for the ETF Class. The Fund's benchmark, Australia RBA Cash Rate Target Index, returned 3.91% for the same period.

*The performance for the ETF Class is for 9 months since inception of the class.

Directors' report (continued)

Review and results of operations (continued)

The performance of the Fund, as represented by the results of its operations, was as follows:

	Year ended 30 June 2026	For the period 27 February 2025 to 30 June 2025
Operating profit/(loss) before finance costs attributable to unit holders ($'000)	**4,485**	569
Distributions - Class Z Units		
Distributions ($'000)	**1,419**	531
Distributions (cents per unit)	**4,553.13**	1,761.82
Distributions - Wholesale Class Units		
Distributions ($'000)	**2,690**	1
Distributions (cents per unit)	**4.55**	1.76
Distributions - ETF Class Units		
Distributions ($'000)	**494**	-
Distributions (cents per unit)	**66.15**	-

Significant changes in the state of affairs

The Responsible Entity offered the PIMCO Short Term Active Yield Active ETF (ASX: EARN), as an exchange traded fund ("ETF") on the Australian Stock Exchange ("ASX") from 7 October 2025.

There were no other significant changes in the state of affairs impacting the financial position of the Fund during the year ended 30 June 2026.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may have a significant effect on:

(i) the operations of the Fund in future financial years;
(ii) the results of those operations in future financial years; or
(iii) the state of affairs of the Fund in future financial years.

Likely developments and expected results of operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the Fund's Product Disclosure Statement and the provisions of the Fund's Constitution.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Directors' report (continued)

Indemnification and insurance of officers

No insurance premiums are paid for out of the assets of the Fund in regards to insurance coverage provided to the officers of PIMCO Australia Management Limited. So long as the officers of PIMCO Australia Management Limited act in accordance with the Fund's Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

Indemnification of auditor

The auditor of the Fund is in no way indemnified out of the assets of the Fund.

Fees paid to and interests held in the Fund by the Responsible Entity and its associates

Fees paid to the Responsible Entity and its associates out of Fund property during the year are disclosed in Note 16 to the financial statements.

No fees were paid out of Fund property to the directors of the Responsible Entity during the year.

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 16 to the financial statements.

Interests in the Fund

The movement in units on issue in the Fund during the year is disclosed in Note 9 to the financial statements.

The value of the Fund's assets and liabilities is disclosed on the statement of financial position and derived using the basis set out in Note 2 to the financial statements.

Environmental regulation

The operations of the Fund are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

Rounding of amounts to the nearest thousand dollars

The Fund is an entity of a kind referred to in *Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* issued by ASIC relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with that ASIC Corporations Instrument, unless otherwise indicated.

Directors' report (continued)

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

This report is made in accordance with a resolution of the directors of PIMCO Australia Management Limited.

Director

Sydney
23 September 2026

Auditor’s Independence Declaration

As lead auditor of PIMCO Short Term Active Yield Fund's financial report for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit of the financial report; and

b) no contraventions of any applicable code of professional conduct in relation to the audit of the financial report.

Alexandra Richardson
Partner
PricewaterhouseCoopers

Sydney
23 September 2026

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Statement of comprehensive income

	Note	**Year ended 30 June 2026 $'000**	For the period 27 February 2025 to 30 June 2025 $'000
Investment income			
Interest income from financial assets at fair value through profit or loss		**3,132**	417
Interest income from financial assets at amortised cost		**73**	5
Interest expense from financial liabilities at amortised cost		**(2)**	-
Net foreign exchange gain/(loss)		**312**	6
Net gains/(losses) on financial instruments at fair value through profit or loss		**1,179**	143
Total investment income/(loss)		**4,694**	571
Expenses			
Management fee	16	**186**	-
Transactional and operational costs		**23**	2
Total expenses		**209**	2
Operating profit/(loss)		**4,485**	569
Finance costs attributable to unit holders			
Distributions to unit holders	10	**(4,603)**	(532)
(Increase)/decrease in net assets attributable to unit holders	9	**118**	(37)
Profit/(loss) for the year/period		**-**	-
Other comprehensive income		**-**	-
Total comprehensive income for the year/period		**-**	-

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

	Note	As at **30 June 2026** **$'000**	 30 June 2025 $'000
Assets			
Cash and cash equivalents	11	**21,258**	279
Margin accounts		**2,110**	220
Due from brokers - receivable for securities sold		**-**	562
Receivables	13	**1,054**	179
Financial assets at fair value through profit or loss	6	**220,537**	29,959
Total assets		**244,959**	31,199
Liabilities			
Margin accounts		**167**	4
Distributions payable	10	**1,448**	198
Due to brokers - payable for securities purchased		**1,416**	486
Payables	14	**174**	-
Financial liabilities at fair value through profit or loss	7	**1,993**	108
Total liabilities (excluding net assets attributable to unit holders)		**5,198**	796
Net assets attributable to unit holders - liability	9	**239,761**	30,403

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

	Year ended 30 June 2026	For the period 27 February 2025 to 30 June 2025
	$'000	$'000
Total equity at the beginning of the year/period	**-**	-
Profit/(loss) for the year/period	**-**	-
Other comprehensive income	**-**	-
Total comprehensive income	**-**	-
Transactions with owners in their capacity as owners	**-**	-
Total equity at the end of the year/period	**-**	-

Under Australian Accounting Standards, net assets attributable to unit holders are classified as a liability rather than equity. As a result, there was no equity at the start or end of the financial year.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

	Note	Year ended 30 June 2026 $'000	For the period 27 February 2025 to 30 June 2025 $'000
Cash flows from operating activities			
Proceeds from sale of financial instruments at fair value through profit or loss		**3,287,415**	873,517
Purchase of financial instruments at fair value through profit or loss		**(3,473,855)**	(903,451)
Net foreign exchange gain/(loss)		**32**	6
Net movement in margin accounts		**(1,713)**	(216)
Interest income received		**2,766**	394
Other income (paid)		**(13)**	(1)
Management fee paid		**(12)**	-
Transactional and operational costs paid		**(23)**	(2)
Net cash inflow/(outflow) from operating activities	12(a)	**(185,403)**	(29,753)
Cash flows from financing activities			
Proceeds from applications by unit holders		**220,593**	30,032
Payments for redemptions by unit holders		**(12,721)**	-
Distributions paid to unit holders		**(1,749)**	-
Net cash inflow/(outflow) from financing activities		**206,123**	30,032
Net increase/(decrease) in cash and cash equivalents		**20,720**	279
Cash and cash equivalents at the beginning of the year/period		**279**	-
Effects of foreign currency exchange rate changes on cash and cash equivalents		**259**	-
Cash and cash equivalents at the end of the year/period	11	**21,258**	279
Non-cash operating and financing activities	12(b)	**1,604**	334

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

Contents

1 General information

These financial statements cover PIMCO Short Term Active Yield Fund (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 2 December 2024 and will terminate on 1 December 2104, unless terminated earlier in accordance with the provisions of the Fund's Constitution.

The Responsible Entity of the Fund is PIMCO Australia Management Limited (ABN 37 611 709 507) (AFSL 487505) (the "Responsible Entity"). The Responsible Entity's registered office is Level 19, 5 Martin Place, Sydney, NSW 2000. The financial statements are presented in Australian dollars unless otherwise noted.

The Fund mainly invests in fixed interest securities, fixed interest derivatives and currency contracts in accordance with the Fund's Product Disclosure Statement and the provisions of the Fund's Constitution.

The financial statements were authorised for issue by the directors on the date the Directors' declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* in Australia. The Fund is a for-profit entity for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets and liabilities and net assets attributable to unit holders.

The Fund manages financial assets and liabilities (except net assets attributable to unit holders) at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at the reporting date.

In the case of net assets attributable to unit holders, the units are redeemable on demand at the unit holder's option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

(i) Compliance with International Financial Reporting Standards (IFRS)

The financial statements of the Fund also comply with IFRS as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2025 that have a material impact on the Fund.

(iii) New standards, amendments and interpretations not yet adopted

A number of other new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2026, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

2 Summary of material accounting policies (continued)

(b) Financial asset and liabilities at fair value through profit or loss

(i) Classification

Assets

The Fund classifies its investments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Fund's portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund uses fair value information to assess performance of the portfolio and to make decisions to rebalance the portfolio or to realise fair value gains or minimise losses through sales or other trading strategies. The Responsible Entity evaluates the information about these financial assets on a fair value basis together with other related financial information.

For derivatives, the contractual cash flows of these instruments do not represent solely payments of principal and interest ("SPPI"). Consequently, these investments are measured at fair value through profit or loss.

For debt securities, the contractual cash flows are SPPI, however they are neither held for collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, the debt securities are measured at fair value through profit or loss.

For cash and cash equivalents, margin accounts and other receivables, including amounts due from brokers, these balances are classified at amortised cost as they are deemed to be held in a business model with the objective to collect contractual cash flows through to maturity, and the contractual cash flows under the instrument represent SPPI.

Liabilities

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are held for trading and are consequently classified as financial liabilities at fair value through profit or loss. Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

For financial liabilities that are not classified and measured at fair value through profit or loss, these are classified as financial liabilities at amortised cost (margin accounts, distributions payable and other payables, including amounts due to brokers).

(ii) Recognition/derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in the fair value of the financial assets or financial liabilities from this date forward.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Fund has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liabilities are discharged.

(iii) Measurement

At initial recognition, the Fund measures financial assets and financial liabilities at fair value, plus in the case of a financial asset or financial liability not measured at fair value through profit or loss, transaction costs. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in the statement of comprehensive income.

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting year without any deduction for estimated future selling costs. The Fund utilises the Fund's Price Source Agreement ("PSA prices") for its valuation inputs for both quoted financial assets and financial liabilities.

2 Summary of material accounting policies (continued)

(b) Financial asset and liabilities at fair value through profit or loss (continued)

(iii) Measurement (continued)

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains/losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss category are presented in the statement of comprehensive income within 'net gains/(losses) on financial instruments at fair value through profit or loss' in the period in which they arise.

For further details on how the fair value of financial instruments is determined please see Note 5 to the financial statements.

Subsequent to initial recognition, financial assets and financial liabilities measured at amortised cost will use the effective interest rate method and are presented net of provisions for impairment.

(iv) Repurchase and reverse repurchase agreements

- Repurchase agreements

Repurchase agreements are transactions whereby the Fund sells a security to a counterparty with a simultaneous agreement to repurchase the security from the counterparty at an agreed upon future date and price.

Securities sold under repurchase agreements are not derecognised. Instead, the Fund recognises a financial liability representing the consideration received, reflecting the obligation to repurchase the securities. Interest payments are recorded as a component of interest expense. The Fund may receive a fee from the counterparty for the use of this security during the period, which may result in interest income to the Fund.

- Reverse repurchase agreements

Reverse repurchase agreements are transactions whereby the Fund purchases a security from a counterparty with a simultaneous agreement to resell the security to the counterparty at an agreed upon future date and price.

Securities purchased under reverse repurchase agreements are not recognised. Instead, the Fund recognises a financial asset representing the consideration paid, reflecting the contractual right to resell the securities. Interest received is recorded as a component of interest income from financial assets at fair value through profit or loss.

In the event of a counterparty default, the Fund has the right to use the collateral to offset losses incurred. If the counterparty should default, the Fund will seek to sell the securities which it holds as collateral under the agreement.

(v) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when the Fund has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Financial assets and financial liabilities that have been offset are disclosed in Note 4.

(c) Net assets attributable to unit holders

Units are redeemable at the option of the unit holders; however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unit holders. The units are classified as financial liabilities due to the different features between the three open classes of units.

The units can be put back to the Fund at any time for cash based on the redemption price.

The units are carried at the redemption amount that is payable at the reporting date if the holder exercises the right to put the units back to the Fund.

2 Summary of material accounting policies (continued)

(d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as trading of these securities represent the Fund's main income generating activity.

(e) Margin accounts

Margin accounts are comprised of cash held as collateral for derivative transactions. The cash is held by the broker and is only available to meet margin calls. It is not included as a component of cash and cash equivalents.

(f) Investment income

Interest income from financial assets at amortised cost is recognised on a time-proportionate basis using the effective interest method and includes interest from cash and cash equivalents.

Interest from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rate and includes interest from debt securities.

Other changes in fair value for such instruments are recorded in accordance with the policies described in Note 2(b) to the financial statements.

(g) Expenses

All expenses are recognised in the statement of comprehensive income on an accruals basis.

(h) Income tax

Under Attribution Managed Investment Trust ("AMIT") legislation, the Fund is not subject to income tax provided it attributes the entirety of its taxable income to its unit holders.

(i) Distributions

The Fund distributes income as determined by the Responsible Entity of the Fund. The distributions are recognised in the statement of comprehensive income as finance costs attributable to unit holders.

(j) Increase/decrease in net assets attributable to unit holders

Income not distributed is included in net assets attributable to unit holders. Movements in net assets attributable to unit holders are recognised in the statement of comprehensive income as finance costs.

(k) Foreign currency translation

(i) Functional and presentation currency

Balances included in the Fund's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar which reflects the currency of the economy in which the Fund competes for funds and is regulated. The Australian dollar is also the Fund's presentation currency.

2 Summary of material accounting policies (continued)

(k) Foreign currency translation (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains/losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

The Fund does not isolate that portion of unrealised gains/losses on financial instruments that are measured at fair value through profit or loss and which is due to changes in foreign exchange rates. Such fluctuations are included within 'net gains/(losses) on financial instruments at fair value through profit or loss'.

(l) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. The due from brokers balance is held for collection and consequently measured at amortised cost.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from brokers at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

(m) Receivables

Receivables may include income receivable and applications receivable. Amounts are generally received within 30 days of being recorded as receivables.

Accrued income may include amounts for interest. Interest is accrued at the end of the period from the time of last payment.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

2 Summary of material accounting policies (continued)

(n) Payables

Payables include liabilities and accrued expenses owing by the Fund which are unpaid as at the end of the reporting period. As the Fund has a contractual obligation to distribute its distributable income, once the determination to distribute has been made by the Responsible Entity of the Fund, a separate distribution payable is recognised in the statement of financial position as at the end of each reporting period where this amount remains unpaid as at the end of the reporting period.

Distributions declared effective 30 June in relation to unit holders who have previously elected to reinvest distributions are recognised as reinvested effective 1 July of the following financial year.

(o) Hedge accounting

The Fund does not apply hedge accounting.

(p) Applications and redemptions

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

(q) Goods and services tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as management, administration and custodian services where applicable, have been passed on to the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 55%. Hence, fees for these services and any other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Amounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

(r) Use of estimates

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the current and next financial year. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Certain financial instruments, for example over-the-counter derivatives or unquoted securities, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Investment Manager.

Models use observable data, to the extent practicable. However, areas such as credit risk (both the Fund and counterparty), volatilities and correlations, require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For more information on how fair value is calculated refer to Note 5 to the financial statements.

(s) Segment information

Operating segments are reported in a manner consistent with internal reporting used by the directors of the Responsible Entity, who have been identified as the Chief Operating Decision Makers (“CODM”). The Fund’s investments are managed on a single portfolio basis in one segment as outlined in the Directors’ report. Performance is reviewed against the performance of the Fund’s benchmark.

2 Summary of material accounting policies (continued)

(t) Rounding of amounts

The Fund is an entity of a kind referred to in *Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* issued by ASIC relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand dollars in accordance with that ASIC Corporations Instrument, unless otherwise indicated.

3 Financial risk management

The Fund's activities expose it to a variety of financial risks including market risk (which incorporates price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Fund's overall risk management programme focuses on ensuring compliance with the Fund's Product Disclosure Statement and the investment guidelines of the Fund. It also seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance. The Fund's policy allows it to use derivative financial instruments in managing its financial risks.

All investments present a risk of loss of capital. The maximum loss of capital on long debt securities is limited to the fair value of those positions. The maximum loss of capital on derivatives is limited to the notional contract values of those positions. On positions sold short, if any, the maximum loss of capital can be unlimited.

The investments of the Fund, and associated risks, are managed by a specialist Investment Manager, PIMCO Australia Pty Limited (the "Investment Manager") under an Investment Management Agreement (IMA) agreed with the Responsible Entity, and containing the investment strategy and guidelines of the Fund, consistent with those stated in the Fund's Product Disclosure Statement.

The Fund uses different methods to measure different types of risk to which it is exposed. These methods include Value at Risk ("VaR") analysis in the case of market risks, and ratings analysis for credit risk.

(a) Market risk

(i) Price risk

Price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Fund might suffer through holding market positions in the face of adverse price movements. The Investment Manager considers the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the Fund's investment objectives.

The Investment Manager uses a number of quantitative techniques to assess the impact of market risks including credit events, changes in interest rates, credit spreads and recovery values on the Fund's investment portfolio. The Investment Manager uses VaR analysis, a technique widely used by financial institutions to quantify, assess, and report market risk. VaR is a statistical framework that supports the quantification of market risk within a portfolio at a specified confidence interval over a defined holding period. VaR seeks to quantify the expected maximum dollar losses that may result from the interactive behaviour of all material market prices, spreads, volatilities, and rates based on the historically observed relationships between these markets.

Although the use of derivatives (whether for hedging or investment purposes) may give rise to additional leveraged exposure, any such additional exposure will be covered and will be risk managed using the VaR methodology. The Investment Manager monitors portfolio risk using market factor exposures on a daily basis.

Potential market risk is calculated using the factor model approach. VaR is calculated and reported automatically each day using the closing prices and market information of the most recent business day. Depending on the application of the risk statistics, various confidence levels (such as 99%) and time horizons (weeks, months, or year) might be selected.

3 Financial risk management (continued)

(a) Market risk (continued)

(i) Price risk (continued)

In addition to daily VaR measures, three types of stress tests are also conducted for each Fund. The first test includes scenario duration tests that measure what happens to the value of the portfolio if unexpected movements in yields occur in the market. The second test involves a database of historical crisis scenarios that can be executed to test reactions to these crises. The historical crisis scenarios contain many unexpected changes in market conditions and correlation matrices. The third test involves correlation matrices which can be manipulated manually to reflect conditions that may happen in the future but have not happened so far.

The daily VaR measures for the portfolios are an estimate, using a confidence level of 99%, of the potential worst case portfolio loss that is not expected to be exceeded if the current market risk positions were to be held unchanged for one month. The use of a 99% confidence level means that, within a one month horizon, losses exceeding the VaR figure should not occur, on average, more than once every one hundred months. The following table sets out the potential maximum monthly risk of loss for the portfolios as at 30 June 2026 and 30 June 2025 as indicated by the VaR model:

	As at 30 June 2026		As at 30 June 2025	
	VaR (A$'000)	**% of Net Assets**	VaR (A$'000)	% of Net Assets
PIMCO Short Term Active Yield Fund	**623**	**0.260**	112	0.370

Not all risks to which the portfolio may be exposed are intended to be captured by the VaR and, in particular, the framework does not seek to capture liquidity risk, counterparty credit risk, or extreme credit events such as an issuer default. In practice, the actual trading results will differ from the VaR and may not provide a meaningful indication of profits and losses in stressed market conditions. To determine the reliability of the VaR models, actual outcomes are monitored to test the validity of the assumptions and parameters used in the VaR calculation. Market risk positions are also subject to regular stress tests to ensure that the Fund would withstand an extreme market event.

(ii) Foreign exchange risk

The Fund operates internationally and holds both monetary and non-monetary assets denominated in currencies other than the Australian dollar. Foreign exchange risk arises as the value of monetary securities denominated in other currencies fluctuate due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk and not foreign exchange risk. However, the Investment Manager monitors the exposure of all foreign currency denominated assets and liabilities.

Foreign exchange risk is managed as a part of price risk, and measured using VaR analysis.

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

The table below summarises the fair value of the Fund's financial assets and liabilities, monetary and non-monetary, which are denominated in a currency other than the Australian dollar.

As at 30 June 2026	**Gross fair value of exposures denominated in foreign currencies A$'000**	**Notional principal of foreign currency and cross currency swap contracts A$'000**	**Net A$'000**
British Pound	**5,111**	**(5,077)**	**34**
Euro	**20,772**	**(20,486)**	**286**
Japanese Yen	**28,902**	**(28,872)**	**30**
United States Dollar	**31,884**	**(31,529)**	**355**
	86,669	**(85,964)**	**705**

As at 30 June 2025	Gross fair value of exposures denominated in foreign currencies A$'000	Notional principal of foreign currency and cross currency swap contracts A$'000	Net A$'000
Euro	3,182	(3,173)	9
Japanese Yen	1,831	(1,834)	(3)
United States Dollar	2,615	(2,600)	15
	7,628	(7,607)	21

(iii) Interest rate risk

The Fund's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The Fund's main interest rate risk arises from its investments in fixed interest securities and fixed interest derivatives.

Interest rate risk is managed as part of price risk and measured using VaR analysis.

3 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

The table below summarises the Fund's exposure to interest rate risk at the end of the reporting period.

As at 30 June 2026	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	Total $'000
Assets				
Cash and cash equivalents	21,258	-	-	21,258
Margin accounts	2,110	-	-	2,110
Receivables	-	-	1,054	1,054
Financial assets at fair value through profit or loss	93,287	126,291	959	220,537
Total assets	116,655	126,291	2,013	244,959
Liabilities				
Margin accounts	167	-	-	167
Distributions payable	-	-	1,448	1,448
Due to brokers - payable for securities purchased	-	-	1,416	1,416
Payables	-	-	174	174
Financial liabilities at fair value through profit or loss	-	276	1,717	1,993
Total liabilities (excluding net assets attributable to unit holders)	167	276	4,755	5,198
Net increase/(decrease) in exposure from fixed interest futures (notional principal)	40,898	(40,898)	-	-
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	722	(722)	-	-
Net exposure	158,108	84,395	(2,742)	239,761

3 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

As at 30 June 2025	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	Total $'000
Assets				
Cash and cash equivalents	279	-	-	279
Margin accounts	220	-	-	220
Due from brokers - receivable for securities sold	-	-	562	562
Receivables	-	-	179	179
Financial assets at fair value through profit or loss	17,389	12,438	132	29,959
Total assets	17,888	12,438	873	31,199
Liabilities				
Margin accounts	4	-	-	4
Distributions payable	-	-	198	198
Due to brokers - payable for securities purchased	-	-	486	486
Financial liabilities at fair value through profit or loss	-	27	81	108
Total liabilities (excluding net assets attributable to unit holders)	4	27	765	796
Net increase/(decrease) in exposure from fixed interest futures (notional principal)	5,163	(5,163)	-	-
Net exposure	23,047	7,248	108	30,403

(b) Credit risk

The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay its obligations in full when they fall due, causing a financial loss to the Fund.

The Fund minimises concentrations of credit risk by undertaking transactions with a large number of customers and counterparties. The main concentration of credit risk, to which the Fund is exposed, arises from the Fund's investment in debt securities. While the Fund may be exposed to credit (issuer or counterparty) risk in relation to amounts treated as cash and cash equivalents, due from brokers and other receivables, the credit risk associated with these exposures is considered low and therefore has not been incorporated in the following table. Given existing collateral arrangements associated with open derivative contracts, the credit risk has been assessed as low and not incorporated in the following table.

The Fund determines credit risk and measures expected credit losses for financial assets measured at amortised cost using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. At 30 June 2026 and 30 June 2025, all receivables, amounts due from brokers, cash and short-term deposits were held with counterparties with a credit rating of AA/Aa or higher and were either callable on demand or due to be settled within 1 week. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

3 Financial risk management (continued)

(b) Credit risk (continued)

(i) Debt securities

The Fund invests in debt securities which have an investment grade categorisation as rated by Standard and Poor's or Moody's. For unrated assets a rating is assigned by the Investment Manager using an approach that is consistent with the approach used by rating agencies. The Fund invests in debt securities in line with requirements outlined in the Fund's Product Disclosure Statement.

The table below summarises the credit rating composition for the Fund's interest bearing securities using Standard and Poor's or Moody's ratings.

	As at	
	30 June 2026	30 June 2025
	%	%
Debt securities rating		
AAA	**34**	30
AA	**19**	24
A	**34**	28
BBB	**13**	18
Total	**100**	100

(ii) Derivative financial instruments

The Fund restricts its exposure to credit losses on the trading of derivative instruments it holds by entering into master netting arrangements with counterparties (approved brokers) with whom it undertakes a significant volume of transactions. Credit risk associated with favourable contracts is reduced by a master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are closed and settled on a net basis. The Fund's overall exposure to credit risk on derivative instruments subject to a master netting arrangement can change substantially within a short period, as it is affected by each transaction subject to the arrangements. Refer to Note 4 to the financial statements for further analysis of the Fund's master netting arrangements.

(iii) Settlement of securities transactions

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once the securities purchased have been received by the broker. The trade will fail if either party fails to meet its obligations.

(iv) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of AA (as determined by Standard and Poor's) or higher.

3 Financial risk management (continued)

(b) Credit risk (continued)

(v) Reverse repurchase agreements/Repurchase agreements

Reverse repurchase agreements

The Fund may engage in reverse repurchase agreements. The Fund takes possession of an underlying debt obligation (collateral) subject to an obligation of the seller to repurchase, and the Fund to resell the obligation at an agreed upon price and time. The underlying securities for reverse repurchase agreements are held in safekeeping at the Fund's custodian. The market value of the collateral must be equal to or exceed the total amount of the repurchase obligations, including interest. Securities purchased under reverse repurchase agreements are reflected as an asset in the statement of financial position. If the counterparty should default, the Fund will seek to sell the securities which it holds as collateral to reduce its losses. This could involve procedural costs or delays in addition to a loss on the securities if their value should fall below their repurchase price. The counterparty to the reverse repurchase agreement is Toronto-Dominion Bank with 'A' rating as at 30 June 2026 (30 June 2025: 'AA' rating for Australia and New Zealand Banking Group).

Repurchase agreements

A repurchase agreement involves the risk that the market value of the security sold by a Fund may decline below the repurchase price of the security. The Fund segregates assets determined to be liquid or otherwise covers its obligations under repurchase agreements.

(vi) Other

The Fund is not materially exposed to credit risk on other financial assets.

(vii) Maximum exposure to credit risk

The maximum exposure to credit risk before any credit enhancements at the end of each reporting period is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

(c) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Exposure to liquidity risk for the Fund may arise from the requirement to meet daily unit holder redemption requests or to fund foreign exchange related cash flow requirements.

Current liabilities of financial derivative instruments consist of the market value of interest rate swaps, credit default swaps, written options, future contracts and foreign currency contracts as at year end. As the instruments are not expected to be held to maturity or termination, the current market value represents the estimated cash flow that may be required to dispose of the positions. Future cash flows of the Fund and realised liabilities may differ from current liabilities based on changes in market conditions. The Investment Manager manages liquidity risk by monitoring the portfolios and considering investments deemed to be illiquid or not readily and easily sold, to ensure there are sufficient segregated liquid assets to cover the outstanding liabilities of the Fund.

In order to manage the Fund's overall liquidity, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders. The Fund did not reject or withhold any redemptions during 2026 and 2025.

3 Financial risk management (continued)

(c) Liquidity risk (continued)

(i) Maturities of non-derivative financial liabilities

The table below discloses the Fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Units are redeemed on demand at the unit holder's option. However, the Responsible Entity does not envisage that the contractual maturity disclosed in the table below will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

As at 30 June 2026	**Less than 1 month $'000**	**1-6 months $'000**	**6-12 months $'000**	**Over 12 months $'000**	**Total $'000**
Margin accounts	**167**	**-**	**-**	**-**	**167**
Distributions payable	**1,448**	**-**	**-**	**-**	**1,448**
Due to brokers - payable for securities purchased	**1,416**	**-**	**-**	**-**	**1,416**
Payables	**174**	**-**	**-**	**-**	**174**
Net assets attributable to unit holders - liability	**239,761**	**-**	**-**	**-**	**239,761**
Contractual cash flows (excluding derivatives)	**242,966**	**-**	**-**	**-**	**242,966**

As at 30 June 2025	Less than 1 month $'000	1-6 months $'000	6-12 months $'000	Over 12 months $'000	Total $'000
Margin accounts	4	-	-	-	4
Distributions payable	198	-	-	-	198
Due to brokers - payable for securities purchased	486	-	-	-	486
Net assets attributable to unit holders - liability	30,403	-	-	-	30,403
Contractual cash flows (excluding derivatives)	31,091	-	-	-	31,091

3 Financial risk management (continued)

(c) Liquidity risk (continued)

(ii) Maturities of net settled derivative financial instruments

The table below analyses the Fund's net settled derivative financial instruments based on their contractual maturity. The Fund may, at its discretion, settle financial instruments prior to their original contractual settlement date, in accordance with its investment strategy, where permitted by the terms and conditions of the relevant instruments.

As at 30 June 2026	**Less than 1 month $'000**	**1-6 months $'000**	**6-12 months $'000**	**Over 12 months $'000**	**Total $'000**
Net settled derivatives					
Foreign currency contracts	**(843)**	**(210)**	**-**	**-**	**(1,053)**
Swap contracts	**-**	**-**	**-**	**336**	**336**
Futures contracts	**-**	**(276)**	**-**	**-**	**(276)**
Total net settled derivatives	**(843)**	**(486)**	**-**	**336**	**(993)**

As at 30 June 2025	Less than 1 month $'000	1-6 months $'000	6-12 months $'000	Over 12 months $'000	Total $'000
Net settled derivatives					
Foreign currency contracts	(23)	46	-	-	23
Swap contracts	-	-	-	28	28
Futures contracts	-	(23)	-	-	(23)
Total net settled derivatives	(23)	23	-	28	28

4 Offsetting financial assets and financial liabilities

The gross and net positions of financial assets and liabilities that have been offset in the statement of financial position are disclosed in the first three columns of the tables below.

	Effects of offsetting on the statement of financial position			Related amount not offset		
	Gross amounts of financial instruments	Gross amounts set off in the statement of financial position	Net amount of financial instruments presented in the statement of financial position	Amounts subject to master netting arrangements	Collateral received/ pledged	Net amount
	$'000	$'000	$'000	$'000	$'000	$'000
As at 30 June 2026						
Financial assets						
Derivative financial instruments	3,084	(2,084)	1,000	(541)	(167)	292
Total	3,084	(2,084)	1,000	(541)	(167)	292
Financial liabilities						
Derivative financial instruments	4,077	(2,084)	1,993	(541)	(276)	1,176
Total	4,077	(2,084)	1,993	(541)	(276)	1,176
As at 30 June 2025						
Financial assets						
Derivative financial instruments	136	-	136	(48)	(4)	84
Total	136	-	136	(48)	(4)	84
Financial liabilities						
Derivative financial instruments	108	-	108	(48)	(23)	37
Total	108	-	108	(48)	(23)	37

(a) Master netting arrangement – not currently enforceable

Agreements with derivative counterparties are based on the International Swaps and Derivatives Association (ISDA) Master Agreement. Under the terms of these arrangements, only when certain credit events occur (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Fund does not presently have a legally enforceable right of set-off, these amounts have not been offset in the statement of financial position, but have been presented separately in the above table.

5 Fair value measurement

The Fund measures and recognises financial assets and liabilities at fair value through profit or loss on a recurring basis. The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

5 Fair value measurement (continued)

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The Fund values its investments in accordance with the accounting policies set out in Note 2 to the financial statements. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

(a) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

The Fund utilises the PSA prices for its fair value inputs for both quoted financial assets and financial liabilities.

When the Fund holds derivatives with offsetting market risks, it uses bid and ask prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm’s length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

(b) Fair value in an inactive or unquoted market (level 2)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm’s length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management’s best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of the reporting period taking into account the current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date. The fair value of an option contract is determined by applying the Black Scholes option valuation model.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

5 Fair value measurement (continued)

(c) Recognised fair value measurements

The table below presents the Fund's financial assets and liabilities measured and recognised at fair value as at 30 June 2026 and 30 June 2025.

As at 30 June 2026	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets at fair value through profit or loss:				
Foreign currency contracts	**-**	**615**	**-**	**615**
Swap contracts	**-**	**385**	**-**	**385**
Fixed interest securities	**-**	**218,837**	**-**	**218,837**
Reverse repurchase agreements	**-**	**700**	**-**	**700**
Total financial assets at fair value through profit or loss	**-**	**220,537**	**-**	**220,537**
Financial liabilities at fair value through profit or loss:				
Foreign currency contracts	**-**	**1,668**	**-**	**1,668**
Swap contracts	**-**	**49**	**-**	**49**
Futures contracts	**276**	**-**	**-**	**276**
Total financial liabilities at fair value through profit or loss	**276**	**1,717**	**-**	**1,993**

As at 30 June 2025	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at fair value through profit or loss:				
Foreign currency contracts	-	104	-	104
Swap contracts	-	28	-	28
Futures contracts	4	-	-	4
Fixed interest securities	-	25,823	-	25,823
Reverse repurchase agreements	-	4,000	-	4,000
Total financial assets at fair value through profit or loss	4	29,955	-	29,959
Financial liabilities at fair value through profit or loss:				
Foreign currency contracts	-	81	-	81
Futures contracts	27	-	-	27
Total financial liabilities at fair value through profit or loss	27	81	-	108

(d) Transfer between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

5 Fair value measurement (continued)

(e) Financial instruments not carried at fair value

The carrying value of receivables and payables are assumed to approximate their fair values.

Net assets attributable to unit holders' carrying value differ from its fair value (deemed to be redemption price for individual units) due to differences in valuation inputs. This difference is not material in the current or prior reporting period.

6 Financial assets at fair value through profit or loss

	As at	
	30 June 2026	30 June 2025
	$'000	$'000
Financial assets at fair value through profit or loss		
Derivatives (Note 8)	**1,000**	136
Fixed interest securities	**218,837**	25,823
Reverse repurchase agreements	**700**	4,000
Total financial assets at fair value through profit or loss	**220,537**	29,959

7 Financial liabilities at fair value through profit or loss

	As at	
	30 June 2026	30 June 2025
	$'000	$'000
Financial liabilities at fair value through profit or loss		
Derivatives (Note 8)	**1,993**	108
Total financial liabilities at fair value through profit or loss	**1,993**	108

8 Derivative financial instruments

In the normal course of business the Fund enters into transactions in various derivative financial instruments which have certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

8 Derivative financial instruments (continued)

Derivative transactions include many different instruments such as forwards, futures and options. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Fund's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Fund against a fluctuation in market values, foreign exchange risk or to reduce volatility;
- a substitution for trading of physical securities; and
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Fund.

The Fund holds the following derivatives:

(a) Futures

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are usually settled net daily with the exchange. Interest rate futures are contractual obligations to receive or pay a net amount based on changes in interest rates at a future date at a specified price, established in an organised financial market.

(b) Forward currency contracts

Forward currency contracts are primarily used by the Fund to economically hedge against foreign currency exchange rate risks on its non-Australian dollar denominated trading securities. The Fund agrees to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Forward currency contracts are valued at the prevailing bid price at the end of each reporting period. The Fund recognises a gain or loss equal to the change in fair value at the end of each reporting period.

(c) Swaps

An interest rate swap is an agreement between two parties to exchange their interest obligations (payments) or receipts at set intervals on a notional principal amount over an agreed time period.

A credit default swap is an agreement whereby one counterparty pays a regular fee, usually expressed as a percentage of the notional principle, to another counterparty in return for security against default by the underlying loan or asset.

The fair value of interest rate swaps is the estimated amount that the Fund would receive or pay to terminate the swap at the reporting date, taking into account current interest rates and the current credit worthiness of the swap counterparties.

8 Derivative financial instruments (continued)

The Fund's derivative financial instruments at year end are detailed below:

As at 30 June 2026		**Fair values**	
	Contractual/ notional	**Assets**	**Liabilities**
	$'000	**$'000**	**$'000**
Foreign currency contracts	**207,392**	**615**	**1,668**
Swap contracts	**17,963**	**385**	**49**
Futures contracts	**43,785**	**-**	**276**
Total	**269,140**	**1,000**	**1,993**

As at 30 June 2025		Fair values	
	Contractual/ notional	Assets	Liabilities
	$'000	$'000	$'000
Foreign currency contracts	19,405	104	81
Swap contracts	1,377	28	-
Futures contracts	6,079	4	27
Total	26,861	136	108

Information about the Fund's exposure to credit risk, foreign exchange, interest rate risk and about the methods and assumptions used in determining fair values is provided in Note 3 and Note 5 to the financial statements. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of derivative financial instruments disclosed above.

9 Net assets attributable to unit holders

Movements in the number of units and net assets attributable to unit holders during the year were as follows:

	Year ended 30 June 2026	**Year ended 30 June 2026**	For the period 27 February 2025 to 30 June 2025	For the period 27 February 2025 to 30 June 2025
	Units'000**	**$'000**	Units'000**	$'000**
Class Z Units				
Opening balance	**30**	**30,371**	-	-
Applications	**-**	**-**	30	30,000
Reinvestment of distributions	**2**	**1,425**	-	334
Increase/(decrease) in net assets attributable to unit holders	**-**	**49**	-	37
Closing balance	**32**	**31,845**	30	30,371

9 Net assets attributable to unit holders (continued)

	Year ended 30 June 2026	**Year ended 30 June 2026**	For the period 27 February 2025 to 30 June 2025	For the period 27 February 2025 to 30 June 2025
	Units'000**	**$'000**	Units'000**	$'000**
Wholesale Class Units				
Opening balance	**32**	**32**	-	-
Applications	**198,453**	**198,393**	32	32
Redemptions	**(10,921)**	**(10,921)**	-	-
Reinvestment of distributions	**169**	**169**	-	-
Increase/(decrease) in net assets attributable to unit holders	**-**	**(118)**	-	-
Closing balance	**187,733**	**187,555**	32	32
ETF Class Units*				
Opening balance	**-**	**-**	-	-
Applications	**1,110**	**22,200**	-	-
Redemptions	**(90)**	**(1,800)**	-	-
Reinvestment of distributions	**-**	**10**	-	-
Increase/(decrease) in net assets attributable to unit holders	**-**	**(49)**	-	-
Closing balance	**1,020**	**20,361**	-	-
Closing balance		**239,761**		30,403

*Effective from 7 October 2025, the Fund issued a third class of units, named ETF Class.

**For the year ended 30 June 2026, the reinvestment of distributions of 490 units for the ETF Class have not been reflected above due to financial statements being rounded in thousand units (30 June 2025: the reinvestment of distributions of 332 units for the Class Z and the reinvestment of distributions of $344 (units: 344) for the Wholesale Class).

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right in the underlying assets of the Fund.

There are three open classes of units at 30 June 2026 and two open classes at 30 June 2025. Each unit within the same class has the same rights as all other units within that class. Each unit class has a different management fee rate.

Units are redeemed on demand at the unit holder's option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within twelve months after the end of the reporting period cannot be reliably determined.

Capital risk management

The Fund considers its net assets attributable to unit holders as capital, notwithstanding that net assets attributable to unit holders are classified as a liability. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unit holders.

9 Net assets attributable to unit holders (continued)

Capital risk management (continued)

Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a daily basis (business days) by the Responsible Entity. Under the terms of the Fund's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders.

10 Distributions to unit holders

The distributions declared during the year were as follows:

	Year ended 30 June 2026	**Year ended 30 June 2026**	For the period 27 February 2025 to 30 June 2025	For the period 27 February 2025 to 30 June 2025
	$'000	**CPU**	$'000	CPU
Distributions - Class Z Units				
Quarter ended September	**377**	**1,231.04**	-	-
Quarter ended December	**291**	**938.34**	-	-
Quarter ended March	**390**	**1,244.47**	-	-
Quarter ended June	**361**	**1,139.28**	531	1,761.82
Total distributions	**1,419**	**4,553.13**	531	1,761.82
Distributions - Wholesale Class Units				
Quarter ended September	**55**	**1.23**	-	-
Quarter ended December	**203**	**0.94**	-	-
Quarter ended March	**321**	**1.24**	-	-
Quarter ended June	**2,111**	**1.14**	1	1.76
Total distributions	**2,690**	**4.55**	1	1.76
Distributions - ETF Class Units				
Quarter ended December	**102**	**18.70**	-	-
Quarter ended March	**169**	**24.78**	-	-
Quarter ended June	**223**	**22.67**	-	-
Total distributions	**494**	**66.15**	-	-
Total distributions	**4,603**		532	

During the year ended 30 June 2026, the Fund made distributions monthly as per the Fund's Product Disclosure Statement. Distributions disclosed under each quarter consist of monthly distributions declared in each quarter and quarter end. The distributions disclosed under quarter ended June consist of the distributions declared in April, May and June of which $1,448,141 is payable as at 30 June 2026 (2025: $198,442).

11 Cash and cash equivalents

	As at	
	30 June 2026	30 June 2025
	$'000	$'000
Cash at bank	**1,758**	279
Money market securities	**19,500**	-
Total cash and cash equivalents	**21,258**	279

These accounts are earning a floating interest rate of between 0.04% and 3.85% as at 30 June 2026 (30 June 2025: 0.00% to 3.34%).

Money market securities are bearing a floating interest rate between 0.00% and 1.00% as at 30 June 2026. The Fund did not hold money market securities as at 30 June 2025.

12 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	Year ended 30 June 2026	For the period 27 February 2025 to 30 June 2025
	$'000	$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
Profit/(loss) for the year/period	**-**	-
Increase/(decrease) in net assets attributable to unit holders	**(118)**	37
Distributions to unit holders	**4,603**	532
Proceeds from sale of financial instruments at fair value through profit or loss	**3,287,415**	873,517
Purchase of financial instruments at fair value through profit or loss	**(3,473,855)**	(903,451)
Net (gains)/losses on financial instruments at fair value through profit or loss	**(1,179)**	(143)
Net foreign exchange (gain)/loss	**(280)**	-
Net interest bought/(sold)	**638**	144
Amortisation income	**(199)**	(12)
Net movement in margin accounts	**(1,713)**	(216)
Net change in receivables	**(889)**	(161)
Net change in payables	**174**	-
Net cash inflow/(outflow) from operating activities	**(185,403)**	(29,753)
(b) Non-cash operating and financing activities		
The following distribution payments to unit holders were satisfied by the issue of units under the distribution reinvestment plan	**1,604**	334
Total non-cash operating and financing activities	**1,604**	334

As described in Note 2(j), income not distributed is included in net assets attributable to unit holders. The change in this amount for the year (as reported in (a) above) represents a non-cash financing cost as it is not settled in cash until such time as it is paid.

13 Receivables

	As at	
	30 June 2026	30 June 2025
	$'000	$'000
Interest receivable	**1,040**	160
GST receivable	**14**	-
Other receivables	**-**	1
Swap receivable	**-**	18
Total receivables	**1,054**	179

14 Payables

	As at	
	30 June 2026	30 June 2025
	$'000	$'000
Management fee payable	**174**	-
Total payables	**174**	-

15 Remuneration of auditor

During the year the following fees were paid or payable for services provided by the auditor of the Fund:

	Year ended 30 June 2026	For the period 27 February 2025 to 30 June 2025
	$	$
PricewaterhouseCoopers Australia		
Audit and review of financial report	**49,099**	34,170
Audit of compliance plan	**9,118**	9,118
Total remuneration of PricewaterhouseCoopers Australia	**58,217**	43,288

The auditor's remuneration is borne by the Fund. Fees are stated exclusive of GST.

The remuneration of PricewaterhouseCoopers Australia is included in Management fee.

16 Related party transactions

The Responsible Entity of PIMCO Short Term Active Yield Fund is PIMCO Australia Management Limited (ABN 37 611 709 507) (AFSL 487505). Accordingly, transactions with entities related to PIMCO Australia Management Limited are disclosed below.

16 Related party transactions (continued)

The Responsible Entity has contracted services to PIMCO Australia Pty Limited, to act as Investment Manager for the Fund, and State Street Australia Limited to act as Custodian and Administrator for the Fund. The contracts are on normal commercial terms and conditions.

(a) Key management personnel

(i) Directors

Key management personnel include persons who were directors of PIMCO Australia Management Limited at any time during or since the end of the financial year and up to the date of this report.

Alec Kersman	(resigned on 8 January 2026)
V Mangala Ananthanarayanan	
David Erdonmez	
Samuel Watkins	

(ii) Other key management personnel

There were no other key management personnel with responsibility for planning, directing and controlling activities of the Fund, directly or indirectly during the financial year.

(b) Transactions with key management personnel

The following transactions occurred with key management personnel of PIMCO Australia Management Limited during the financial year ended 30 June 2026:

	Year ended 30 June 2026 $
PIMCO Short Term Active Yield Fund - Unitholder(s) (aggregate)	
Applications for units	**200,200**
Redemptions of units	**200,000**
Distributions	**2,898**

There were no transactions with key management personnel during the period from 27 February 2025 to 30 June 2025.

16 Related party transactions (continued)

(c) Key management personnel unit holdings

Key management personnel of PIMCO Australia Management Limited had unit holdings in the following Fund as at 30 June 2026:

Unit holder	Number of units held opening	Number of units held closing	Fair value of investment $	Interest held %	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund $
As at 30 June 2026							
PIMCO Short Term Active Yield Fund-Unitholder(s) (aggregate)	**-**	**-**	**-**	**-**	**10,000**	**(10,000)**	**2,898**

Key management personnel did not hold units in the Fund as at 30 June 2025.

(d) Key management personnel compensation

Key management personnel services are provided to the Fund and are included in the management fees disclosed in Note 16(g) below. There is no separate charge for these services. There was no compensation paid directly by the Fund to any of the key management personnel.

(e) Key management personnel loans

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

(f) Other transactions within the Fund

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund during the financial year and there were no material contracts involving management personnel's interests existing at year end.

(g) Responsible Entity and Investment Manager's fees and other transactions

Under the terms of the Fund's Constitution and Product Disclosure Statement for the Fund, the Responsible Entity and the Investment Manager are entitled to receive management fees.

Management fees are calculated with reference to the rate in the applicable Product Disclosure Statement. Ordinary expenses such as those payable to the Investment Manager, Responsible Entity, Custodian, Administrator, Auditor and other ordinary expenses of operating the Fund are paid out of the management fee.

16 Related party transactions (continued)

(g) Responsible Entity and Investment Manager's fees and other transactions (continued)

The transactions during the year and amounts payable as at year end between the Fund, the Responsible Entity and the Investment Manager were as follows:

	Year ended 30 June 2026 $	For the period 27 February 2025 to 30 June 2025 $
Management fee expense for the year/period	**186,493**	32
Total management fee payable at year/period end	**173,681**	9

(h) Related party unit holdings

Parties related to the Fund (including PIMCO Australia Management Limited, its related parties and other schemes managed by PIMCO Australia Management Limited and the Investment Manager) held units in the Fund, as follows:

Unit holder	**Number of units held opening**	**Number of units held closing**	**Fair value of investment $**	**Interest held %**	**Number of units acquired**	**Number of units disposed**	**Distributions paid/payable by the Fund $**
As at 30 June 2026							
PIMCO Australian Bond Fund	**30,332**	**31,755**	**31,845,283**	**13.28**	**1,423**	**-**	**1,419,163**

Unit holder	Number of units held opening	Number of units held closing	Fair value of investment $	Interest held %	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund $
As at 30 June 2025							
PIMCO Australian Bond Fund	-	30,332	30,370,284	99.89	30,332	-	531,633

(i) Investments

The Fund did not hold any investments in PIMCO Australia Management Limited or its related parties during the year ended 30 June 2026 (30 June 2025: Nil).

17 Events occurring after the reporting period

No significant events have occurred since the end of the year which would impact on the financial position of the Fund as disclosed in the statement of financial position as at 30 June 2026 or on the results and cash flows of the Fund for the year ended on that date.

18 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2026 and 30 June 2025.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

(a) The financial statements and notes set out on pages 7 to 40 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of the Fund's financial position as at 30 June 2026 and of its performance for the financial year ended on that date.

(b) There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

(c) Note 2(a) confirms that the financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors of PIMCO Australia Management Limited.

Director

Sydney
23 September 2026

Independent auditor's report

To the unitholders of PIMCO Short Term Active Yield Fund

Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of PIMCO Short Term Active Yield Fund (the Fund) is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Fund's financial position as at 30 June 2026 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2026;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended;
- the notes to the financial statements, including material accounting policy information and other explanatory information; and
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Fund, its accounting processes and controls and the industry in which it operates.

Audit Scope

Our audit focused on where the Fund made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

Our audit approach reflected the nature of the investments held by the Fund and the consideration of work undertaken by third-party service organisations. The key service organisation relevant to our audit is the administrator and custodian, who maintains the accounting records of the Fund and provides custodian services for the investments.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matter to the Board of Directors.

Key audit matter	*How our audit addressed the key audit matter*
Investments in financial assets and financial liabilities at fair value through profit or loss Refer to note 6 (Financial assets at fair value through profit or loss). As at 30 June 2026, financial assets at fair value through profit or loss primarily comprised of derivatives, fixed interest securities and reverse repurchase agreements ("investments"). As described in note 2 of the financial report, these investments are measured at fair value through profit or loss in accordance with Australian Accounting Standards. While there is no significant judgement in determining the existence or valuation of these investments, we determined this to be a key audit matter because they represent a significant proportion of the total net assets attributable to unitholders and fluctuations in the balance impact the net gains/(losses) on financial instruments at fair value through profit or loss recognised in the Fund's statement of comprehensive income.	We performed the following procedures, among others: • Obtained and evaluated the most recent controls reports issued by the Fund's administrator and custodian, setting out the controls in place at this service organisation, which included an assurance report over the design and implementation, and operating effectiveness of those controls; • Obtained independent confirmations of the Fund's investment holdings from the custodian and confirmed balances to the Fund's underlying accounting records for a sample of investments as at balance date. For holdings with third parties held outside of custody as at balance date, we confirmed a sample of investments directly with the third party. Where we have not received confirmations, we have performed alternative procedures to confirm the existence of these positions; • Evaluated the Fund's valuation policy and for a selection of investments held by the Fund, with the assistance of PwC valuation experts, independently obtained market price data from third-party price vendors and compared it to the prices used by the Fund's administrator to measure the fair value of investments as at year end. For a selection of foreign currency contracts, which are measured at fair value using valuation techniques and observable market data inputs, with the assistance of PwC valuation experts, we assessed the appropriateness of the valuation methodology and inputs used by the Fund and independently recalculated the valuation as at year end date; and • Assessed the reasonableness of the disclosures in the financial report against the requirements of Australian Accounting Standards.

Other information

The directors of the PIMCO Australia Management Limited (the “Responsible Entity”) are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2026, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors of the Responsible Entity for the financial report

The directors of the Responsible Entity are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the Responsible Entity are responsible for assessing the ability of the Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Responsible Entity either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our auditor's report.

Pricewaterhouse Coopers

PricewaterhouseCoopers

Richardson

Alexandra Richardson
Partner

Sydney
23 September 2026