

# PIMCO Commodity Strategy Active Exchange-Traded Fund

## FUND DESCRIPTION

The Fund seeks total return which exceeds that of its benchmark--the Bloomberg Commodity Total Return Index, consistent with prudent investment management. CMDT will be an actively managed portfolio with the goal to outperform its benchmark over the market cycle. To seek to achieve this goal, the Fund managers take a holistic approach to commodity management and may incorporate multiple factors with the goal of benefitting from diverse sources of return that have tended to deliver above-benchmark performance over time. CMDT may also participate in carbon credit markets, offering the potential to increase inflation-hedging benefits.

TICKER	CMDT
FUND INCEPTION DATE	09 May 2023
CUSIP	72201R593
TOTAL NET ASSETS (IN MILLIONS)	\$198.0

## Portfolio Manager

Andrew Wittkop, Lewis Hagedorn, Greg Sharenow, Jerome Schneider

## INVESTOR BENEFITS

CMDT may deliver key investor potential benefits:

- **Inflation-Hedging:** Commodities have historically exhibited a positive correlation with inflation, often being the underlying drivers of inflation surprises. Commodities' notably positive inflation beta shows commodities can be an efficient inflation hedge, while stocks and bonds can suffer when inflation accelerates.
- **Diversification:** Sources of returns in commodities vary meaningfully from those of stocks and bonds, resulting in lower correlation with equities and fixed income. CMDT may further improve diversification versus traditional benchmarks by allocating to uncorrelated factors within commodity markets.
- **Enhanced Return Potential:** Commodity markets can offer multiple sources of persistent structural risk premia, some of which are unique to the asset class. By focusing on those commodities that we believe exhibit the highest return potential within this framework, CMDT maybe able to deliver a higher Sharpe portfolio while preserving diversification and inflation-hedging benefits of the commodity markets.

## THE FUND ADVANTAGE

**Sophisticated Approach to "Better Beta"** - The Fund offers broad basket commodity exposure which seeks to avoid some of the pitfalls of traditional commodity benchmarks. Our approach to commodity management builds on PIMCO's long-standing capabilities in commodity markets. Commodity markets offer multiple sources of such returns; the strategy may incorporate factors emanating from both physical commodity markets, such as carry, and behavioral factors, such as momentum and risk aversion.

**Experienced, dedicated commodities team** - PIMCO is one of the largest and longest-tenured managers within commodities. First launching commodity strategies in 2000, PIMCO now manages a variety of investment mandates and vehicles.

*Sharpe Ratio is a risk-adjusted return metric that is calculated by dividing a fund's excess returns over the risk-free rate by its volatility.*

*Risk premia is a measure of excess return that is required by an individual to compensate being subjected to an increased level of risk.*

*Beta is a measure of the volatility, or systematic risk, of a portfolio in comparison to the market as a whole.*

## Basic facts

Dividend frequency	Quarterly
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## Fund expenses

Gross Expense Ratio	0.84%
Net Expense Ratio	0.65%
Adjusted Expense Ratio	0.64%

The Net Expense Ratio reflects a contractual fee waiver and/or expense reduction, which is in place through 31 October 2024 and renews automatically for a full year unless terminated by PIMCO in accordance with the terms of the agreement. See the Fund's prospectus for more information. The Net Expense Ratio reflects a contractual fee waiver related to the Fund's subsidiary that will not terminate so long as PIMCO's advisory contract with the Fund's subsidiary is in place.

## Bond risk measures

Effective Duration (yrs)	0.17
Effective Maturity (yrs)	1.30
Number of securities	154

Commodity Exposure (% Market Value)	Fund
Energy	44.7
Emission	4.3
Livestock	1.6
Industrial Metals	5.8
Precious Metals	11.5
Agriculture	16.7

### Performance characteristics

SEC 30-day yield (%)

Subsidized	4.83%
Unsubsidized	4.67%

The 30 day SEC Yield is computed under an SEC standardized formula based on net income earned over the past 30 days. The Subsidized yield includes contractual expense reimbursements and it would be lower without those reimbursements. The Unsubsidized 30 Day SEC yield excludes contractual expense reimbursements.

### Trading information

Ticker symbol	CMDT
CUSIP	72201R593
iNav (indicative NAV) ticker	CMDT
Lead Market Maker	Susquehanna
Exchange	NYSE ARCA

### About the benchmark

Bloomberg Commodity Index Total Return is an unmanaged index composed of futures contracts on a number of physical commodities. The index is designed to be a highly liquid and diversified benchmark for commodities as an asset class. The futures exposures of the benchmark are collateralized by US T-bills. It is not possible to invest directly in an unmanaged index.

Performance (average annual returns %)	QTD	SI
<b>PIMCO ETF</b>		
NAV	-3.73	5.31
Share price (market price)	-3.51	5.51
Benchmark (%)	-4.63	-1.39

*Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and principal value will fluctuate, so that Fund shares may be worth more or less than their original cost when sold. Performance data current to the most recent month-end is available at [www.pimco.com](http://www.pimco.com) or by calling 888.400.4ETF.*

Differences in the Fund's performance versus the index and related attribution information with respect to particular categories of securities or individual positions may be attributable, in part, to differences in the pricing methodologies used by the Fund and the index. There is no assurance that any fund, including any fund that has experienced **high or unusual performance** for one or more periods, will experience similar levels of performance in the future. High performance is defined as a significant increase in either 1) a fund's total return in excess of that of the fund's benchmark between reporting periods or 2) a fund's total return in excess of the fund's historical returns between reporting periods. Unusual performance is defined as a significant change in a fund's performance as compared to one or more previous reporting periods.

The performance figures presented reflect the total return performance, unless otherwise noted, and reflect changes in share price and reinvestment of dividend and capital gain distributions. All periods longer than one year are annualized. Periods less than one year are cumulative.

To discover more about tradable and transparent PIMCO ETFs, please contact your advisor, call 1-888-400-4ETF (1-888-400-4383) or visit [www.pimco.com](http://www.pimco.com)

*Investors should consider the investment objectives, risks, charges and expenses of the funds carefully before investing. This and other information are contained in the fund's prospectus and summary prospectus, if available, which may be obtained by contacting your investment professional or PIMCO representative or by visiting [www.pimco.com](http://www.pimco.com). Please read them carefully before you invest.*

Investments made by a Fund and the results achieved by a Fund are not expected to be the same as those made by any other PIMCO-advised Fund, including those with a similar name, investment objective or policies. A new or smaller Fund's performance may not represent how the Fund is expected to or may perform in the long-term. New Funds have limited operating histories for investors to evaluate and new and smaller Funds may not attract sufficient assets to achieve investment and trading efficiencies. A Fund may be forced to sell a comparatively large portion of its portfolio to meet significant shareholder redemptions for cash, or hold a comparatively large portion of its portfolio in cash due to significant share purchases for cash, in each case when the Fund otherwise would not seek to do so, which may adversely affect performance.

**Exchange Traded Funds ("ETF")** are afforded certain exemptions from the Investment Company Act. The exemptions allow, among other things, for individual shares to trade on the secondary market. Individual shares cannot be directly purchased from or redeemed by the ETF. Purchases and redemptions directly with ETFs are only accomplished through creation unit aggregations or "baskets" of shares. Shares of an ETF, traded on the secondary market, are bought and sold at market price (not NAV). Brokerage commissions will reduce returns. Investment policies, management fees and other information can be found in the individual ETF's prospectus. **Buying or selling ETF shares** on an exchange may require the payment of fees, such as brokerage commissions, and other fees to financial intermediaries. In addition, an investor may incur costs attributed to the difference between the highest price a buyer is willing to pay to purchase shares of the Fund (bid) and the lowest price a seller is willing to accept for shares of the Fund (ask) when buying or selling shares in the secondary market (the bid-ask spread). Due to the costs inherent in buying or selling Fund shares, frequent trading may detract significantly from investment returns. Investment in Fund shares may not be advisable for investors who expect to engage in frequent trading.

**A word about risk: Commodities** contain heightened risk including market, political, regulatory, and natural conditions, and may not be appropriate for all investors. The fund will seek exposure to **commodities** through commodity-linked derivatives and through the PIMCO Cayman Commodity Fund CMTD, Ltd., a wholly-owned subsidiary of the Fund organized under the laws of the Cayman Islands (the "Subsidiary"). The Subsidiary is advised by PIMCO, and has the same investment objective as the Fund. The Subsidiary (unlike the Fund) may invest without limitation in commodity-linked swap agreements and other commodity-linked derivative instruments. Investing in the **bond market** is subject to certain risks including the risk that fixed income securities will decline in value because of changes in interest rates; the risk that fund shares could trade at prices other than the net asset value; and the risk that the managers investment decisions might not produce the desired results.

**Mortgage and asset-backed securities** may be sensitive to changes in interest rates, subject to early repayment risk, and their value may fluctuate in response to the market's perception of issuer creditworthiness; while generally supported by some form of government or private guarantee there is no assurance that private guarantors will meet their obligations. Investing in **foreign denominated and/or domiciled securities** may involve heightened risk due to currency fluctuations, and economic and political risks, which may be enhanced in emerging markets. **Derivatives and commodity-linked derivatives** may involve certain costs and risks, such as liquidity, interest rate, market, credit, management and the risk that a position could not be closed when most advantageous. Commodity-linked derivative instruments may involve additional costs and risks such as changes in commodity index volatility or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. Investing in derivatives could lose more than the amount invested. **The Fund is non-diversified**, which means that it may concentrate its assets in a smaller number of issuers than a diversified fund.

In order to provide additional information regarding the intra-day value of shares of the Fund, the NYSE Arca, Inc. or a market data vendor disseminates every 15 seconds through the facilities of the Consolidated Tape Association or other widely disseminated means an updated Indicative **NAV ("iNAV")** for the Fund as calculated by an information provider or market data vendor. The Fund is not involved in or responsible for any aspect of the calculation or dissemination of the iNAV and makes no representation or warranty as to the accuracy of the iNAV. **Net Asset Value (NAV)** represents an ETF's per-share value. The per-share value of an ETF is calculated by dividing the total value of the securities in its portfolio, less any liabilities, by the number of ETF shares outstanding. ETF shares are valued as of the close of regular trading on the New York Stock Exchange (normally 4:00 P.M. Eastern Time) (The "NYSE Close") on each business day. The Fund's Net Asset Value, shares outstanding and total net assets are calculated as of the close of regular trading on each day that the New York Stock Exchange is open, and do not reflect security transactions or Fund shares created or redeemed on the date stated. Such transactions are recorded on the next business day and reported on the website the following business day. Returns are average annualized total returns, except for those periods of less than one year, which are cumulative. Market returns are based upon the midpoint of the bid/ask spread at 4:00 pm Eastern time (when NAV is normally determined for most ETFs), and do not represent the returns you would receive if you traded shares at other times.

**Current holdings are subject to risk.** Holdings are subject to change at any time. An investment in an ETF involves risk, including the loss of principal. Investment return, price, yield and Net Asset Value (NAV) will fluctuate with changes in market conditions. Investments may be worth more or less than the original cost when redeemed. **Premium/Discount** is the difference between the market price and NAV expressed as a percentage of NAV. **Market Price** is the Official Closing Price on NYSE Arca, or if it more accurately reflects market value at the time as of which NAV is calculated, the midpoint between the national best bid and national best offer as of that time. **Median Bid/Ask Spread** is the difference between the bid price for a security and its ask price. It is expressed as a percentage (rounded to the nearest hundredth) that is computed by identifying the fund's national best bid and national best offer as of the end of each 10-second interval during each trading day for the last 30 calendar days, dividing the difference between each such bid and offer by the midpoint of the national best bid and national best offer, and identifying the median of those values. **ETFs are subject to secondary market trading risks.** Shares of an ETF will be listed for trading on an exchange, however, there can be no guarantee that an active trading market for such shares will develop or continue. There can be no guarantee that an ETF's exchange listing or ability to trade its shares will continue or remain unchanged. Shares of an ETF may trade on an exchange at prices at, above or below their most recent NAV. The per share NAV of an ETF is calculated at the end of each business day, and fluctuates with changes in the market value of the Fund's holdings. The trading prices of an ETFs shares fluctuate continuously throughout the trading day based on market supply and demand, which may not correlate to NAV. The trading prices of an ETFs shares may differ significantly from NAV during periods of market volatility, which may, among other factors, lead to the Fund's shares trading at a premium or discount to NAV.

Portfolio structure is subject to change without notice and may not be representative of current or future allocations.

PIMCO as a general matter provides services to qualified institutions, financial intermediaries and institutional investors. Individual investors should contact their own financial professional to determine the most appropriate investment options for their financial situation. This material contains the current opinions of the manager and such opinions are subject to change without notice. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. No part of this material may be reproduced in any form, or referred to in any other publication, without express written permission. PIMCO is a trademark of Allianz Asset Management of America LLC in the United States and throughout the world. ©2023, PIMCO. **PIMCO Investments LLC, distributor**, 1633 Broadway, New York, NY, 10019 is a company of PIMCO.

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