PIMCO

Q4 2020

PIMCO Enhanced Short Maturity Active ESG ETF (EMNT)

POSITIONING

- ***Rates***: *We are moderate with overall duration positioning, but remain tactical to balance global risks as markets and policy makers respond to evolving conditions*
- ***Credit***: *We are focusing on security selection with a bias toward high quality, liquid names, and avoiding sectors with structural challenges from an ESG perspective, such as the oil and automotive industries*
- ***Securitized:*** *We are overweight Agency MBS given their attractive valuations and the fact that the sector is essentially government guaranteed, has better liquidity, and offers the potential for more resiliency in downturns*
- ***Green Bonds:*** *We continuously seek to identify attractively priced green bonds to address climate change issues and support leading environmental practices*

PERFORMANCE

Average Annual Performance (% net of fees)	YTD	3-mo	6-mo	1-yr	5-yrs	10-yrs	SI*
NAV Total Returns	2.08	0.25	0.78	2.08	0.00	0.00	2.19
Market Price Returns	1.83	0.54	2.71	0.00	0.00	0.00	2.07
Benchmark	0.58	0.02	0.06	0.58	1.16	0.60	0.64
Excess Returns (NAV)	150	23	72	-	-	-	155

Benchmark: FTSE 3-Month Treasury Bill Index

Gross expense ratio: 0.50%

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 that 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 or call 888-400-4ETF.

ATTRIBUTION Q4 2020

Contributors	Detractors
• Holdings of investment grade corporate credit • U.S. interest rate positioning • Select holdings of securitized credit	• There were no notable detractors

KEY STATISTCS

	Fund	Benchmark
Base Currency	USD	
Market Value (mm)	158	
Duration (Years)	0.39	0.22
Avg. Maturity (Years)	0.44	
Mortgage Spread (bps)	0.74	0.00
Corporate Spread (bps)	0.45	0.00
Sw ap Spread (bps)	0.00	0.00
EM Spread (bps)	0.04	0.00
Covered Bond Spread (bps)	0.00	0.00
Sovereign Related Spread (bps)	0.04	0.00

NOTE: Portfolio structure is subject to change without notice and may not be representative of current or future allocations.
Spread compares U.S. treasuries with a given security type, such as mortgages, corporate credit, swaps, etc.

SOURCE FOR ALL GRAPHS (UNLESS OTHERWISE STATED): PIMCO. As of 31 December 2020 unless otherwise stated

* Inception date: 10 December 2019

Past performance is not a guarantee or a reliable indicator of future results.

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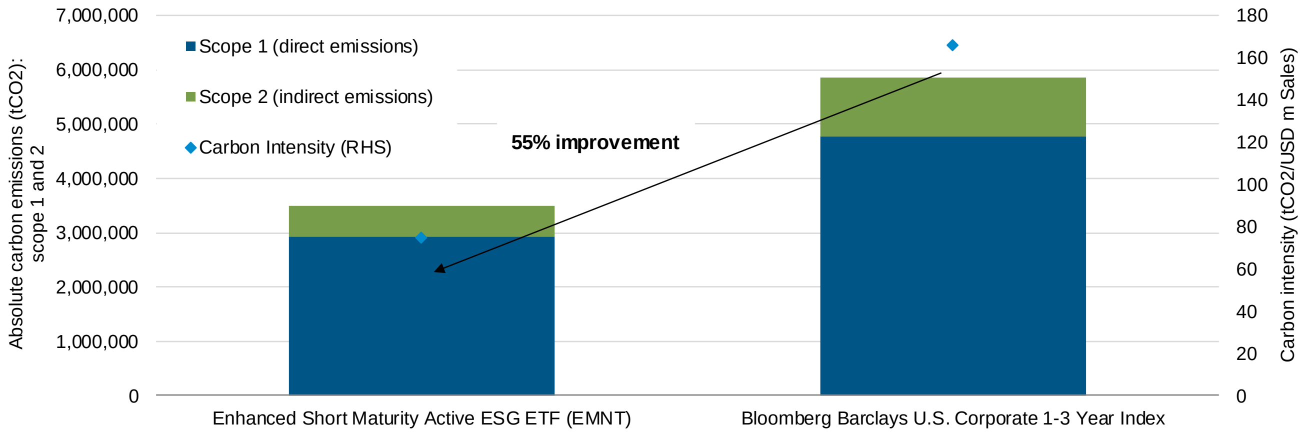
ESG CHARACTERISTICS

	Enhanced Short Maturity Active ESG ETF (EMNT)	Enhanced Short Maturity Active ETF (MINT)	Market Average*
Number of corporate issuers	69	148	511
Average MSCI ESG score (corporates)	6.87	5.65	5.77
Average PIMCO ESG score (corporates)	3.36	3.13	3.17
Average PIMCO ESG score (mortgages)	4.71	3.11	0.00
Green / Social bond exposure (%MV)	6.5%	1.2%	1.3%
Carbon Intensity of utilities ((Scope 1, 2 tCO2 e)/Revenues in USD m)	693	1,601	1,936
Carbon Intensity of ex-utilities ((Scope 1, 2 tCO2 e)/Revenues in USD m)	50	25	73

NOTE: ESG scores based on corporate and mortgage exposure. **MSCI ESG scores** are based on a 1-10 score with 1 being poor and 10 being excellent. These scores correspond to a rating between best (AAA) and worst (CCC) of the underlying MSCI rated corporate portfolio holdings. **Average MSCI ESG Score** is calculated as the weighted average of all the rated securities (corporates only) in the Fund, using MSCI rating data. This number may differ from ESG scores calculated by other providers. **PIMCO ESG scores** are based on a 1-5 scale with 1 being poor and 5 being excellent. **Average PIMCO ESG Score** is calculated as the weighted average of all the rated securities in the Fund. Percentage of PIMCO EMNT, MINT, and benchmark market value with an MSCI Rating: 61.5%, 67.3%, and 99.4% respectively as of 31 December 2020. PIMCO Enhanced Short Maturity Active ETF is included to illustrate how PIMCO's Enhanced Short Maturity Active ESG ETF may differ due to the optimization of ESG
*Bloomberg Barclays U.S. Corporate 1-3Y Index included to compare EMNT to market average

CARBON INTENSITY



Fund's average corporate issuer emits 3,320,754 less tons of CO2 than the benchmark's, which is equivalent to:

126,264,421 Incandescent lamps switched to LEDs,

OR

55,345,905 Tree seedlings grown for 10 years,

OR

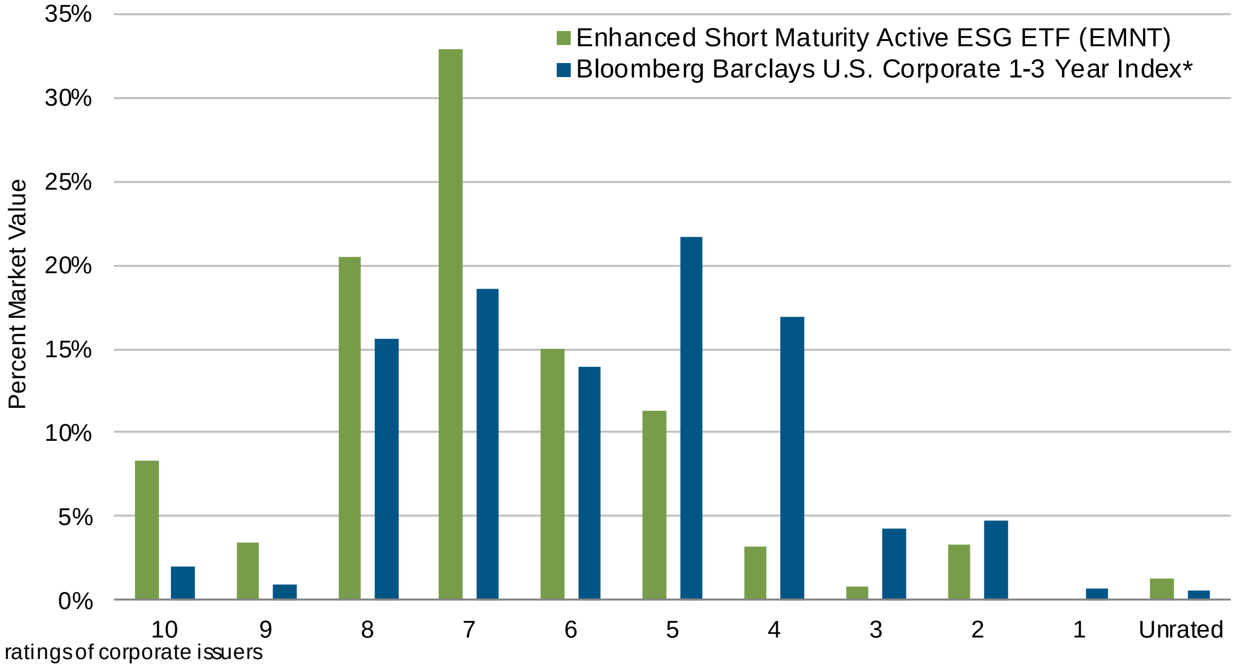
717,226 Passenger vehicles taken off the road in one year,

OR

383,017 Homes powered by clean energy for one year in the United States

Corporate bonds only. Scope 1 emissions are the direct emissions of a company. Scope 2 emissions are indirect carbon emissions. Absolute carbon emission analysis takes the total emission per issuer into consideration. Utilities' Green Bonds are given 10% of the parent company's CO2e intensity. Source: MSCI. Reported by companies or estimated.

CORPORATE EXPOSURE

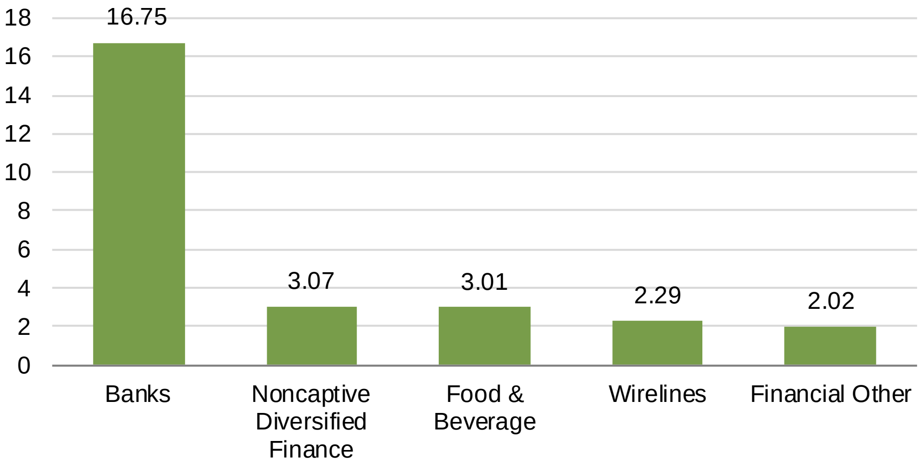


MSCI ESG ratings of corporate issuers

NOTE: MSCI ESG scores are based on a 1-10 score with 1 being poor and 10 being excellent. These scores correspond to a rating between best (AAA) and worst (CCC) of the underlying MSCI rated corporate portfolio holdings. MSCI ESG scores measure an issuer's ESG quality on a AAA-CCC scale relative to peers within a specific industry. MSCI letter ratings normalize these scores across sectors to provide a portfolio-level view of ESG quality.

*Bloomberg Barclays U.S. Corporate 1-3Y Index included to compare EMNT to market average

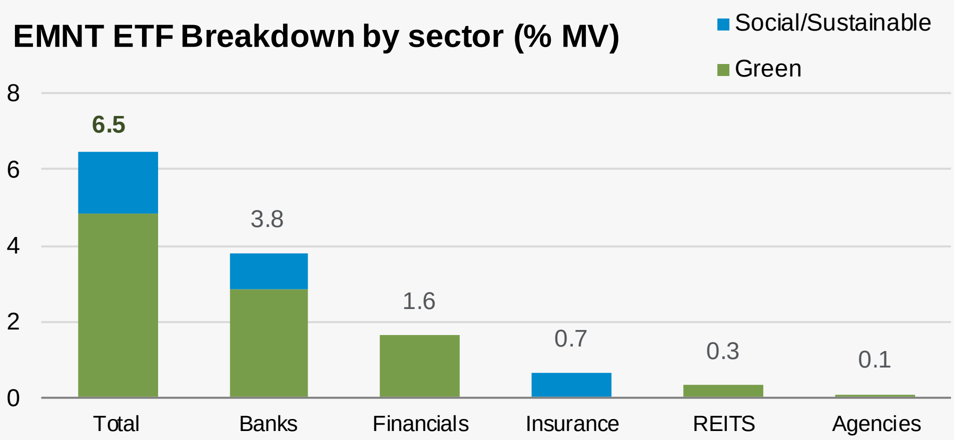
Top industry exposures (% MV)



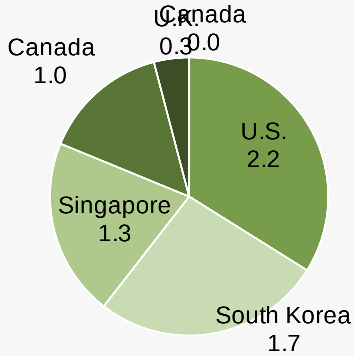
- The portfolio continues to favor best-in-class **banking** names based on ESG measures
- In our credit assessments for banks, we score 13 major ESG factors and compile an overall ESG score weighted according to the impact of each on investments in the banking sector
- Exposure to the **healthcare**, **construction** and **manufacturing** sectors is oriented towards strong ESG performers focused on clean technology, environmental management and product safety
- We continue to identify attractively priced **green bonds** with strong characteristics

GREEN BOND EXPOSURE

EMNT ETF Breakdown by sector (% MV)



Fund Breakdown by region (% MV)



SECTOR EXPOSURE

	Fund		Benchmark		Variance	
	MV %	DUR yrs	MV %	DUR yrs	MV %	DUR yrs
Covered Bonds and Pfandbriefe	0.00	0.00	0.00	0.00	0.00	0.00
Local Authorities	0.00	0.00	0.00	0.00	0.00	0.00
Agencies & Supranationals	0.00	0.00	0.00	0.00	0.00	0.00
Municipals	0.48	0.01	0.00	0.00	0.48	0.01
Securitized	26.95	0.06	0.00	0.00	26.95	0.06
Investment Grade Credit	44.45	0.23	0.00	0.00	44.45	0.23
High Yield Credit	0.00	0.00	0.00	0.00	0.00	0.00
EM External	5.25	0.01	0.00	0.00	5.25	0.01
EM Local	0.00	0.00	0.00	0.00	0.00	0.00
Government Related*	17.74	0.05	100.00	0.22	-82.26	-0.17
Inflation Linked	0.00	0.00	0.00	0.00	0.00	0.00
Net Other Short Duration Instruments**	5.12	0.03	0.00	0.00	5.12	0.03
Other***	0.00	0.00	0.00	0.00	0.00	0.00

NOTE: Structural ESG sectors include bonds issued for a social purpose. In the active ESG sector, PIMCO employs its proprietary credit and ESG analysis to focus on best-in-class issuers from an ESG perspective.
Portfolio structure is subject to change without notice and may not be representative of current or future allocations.
* Government Related includes securities such as government bonds, derivatives, and other sovereign related securities.
** Net Other Short Duration Instruments includes securities and other instruments (except those instruments tied to emerging markets by country of risk) with an effective duration less than one year and rated investment grade or higher or, if unrated, determined by PIMCO to be of comparable quality, commingled liquidity funds, un-invested cash, interest receivables, net unsettled trades, broker money, short duration derivatives and derivatives offsets. With respect to certain categories of short duration securities, the Adviser reserves the discretion to require a minimum credit rating higher than investment grade for inclusion in this category. Derivatives Offsets includes offsets associated with investments in futures, swaps and other derivatives. Such offsets may be taken at the notional value of the derivative position.
***Other includes Convertibles, Euro/Yankees, Preferred stock, Municipal, Supra national, and Pooled funds

SOCIAL AT THE CENTER OF ESG

Olivia Albrecht
Head of ESG Business Strategy

Del Anderson
Credit Analyst

The social pillar of environmental, social, and governance (ESG) investing is all about people: employees, customers, and suppliers. The outbreak of COVID-19, followed by global demonstrations calling for action on racial injustice and social inequality is arguably the clearest example of a sustainability crisis in the 21st century, and has propelled the S of ESG to the top of corporate and investor agendas. This crisis continues to disproportionately affect the most vulnerable communities in the world, exposing and exacerbating the impacts of inequality across regions.

Watching recent events unfold, we recognize our research and engagement approach should continue to improve. PIMCO is committed to deepening our analysis of material social factors into our fundamental research, while engaging companies on issues of equality, diversity, and human capital management. Moreover, we are active in building and driving greater social bond issuance, particularly social bonds seeking to address near-term COVID-19 response and recovery efforts for disadvantaged groups.

Deeper Dive: Trending 'S' factors

As we actively engage with bond issuers, our credit research team is tracking five major social themes that have emerged with the outbreak of COVID-19. In many cases, these themes affect creditworthiness and drive new social bond issuance.

1. **Health and well-being are key priorities:** Many companies have responded to ensure workers, especially those in essential industries, have equipment and space needed to operate safely. Beyond physical protections, companies are also improving healthcare options encompassing telehealth, mental health counselling, and child care.

2. **Work is being reallocated:** Tens of millions of people in the U.S. alone have filed for unemployment, and a much higher number are estimated to be out of work globally. Hourly wage, service workers, people with children, and minorities appear to be disproportionately affected. It is unrealistic to think that all of these workers will return to the same job, in the same capacity. There will likely be winners and losers in the redistribution of work as the recovery progresses.

3. **The way many people work may change permanently:** According to 2020 Gallup polls, more than 60% of employed Americans say they have worked from home during the pandemic, up from c.30% before widespread "shelter-in-place" orders; three in five workers say they prefer to work from home as much as possible even after public health restrictions are lifted. Employers are starting to think differently about working styles with greater flexibility becoming a higher priority.

4. **Supply chains will need to be de-risked:**. A key outcome of PIMCO's most recent Cyclical Forum was that firms may try to reduce the risks and complexity of global supply chains, with a key step being improved transparency beyond large, first-tier suppliers – critical to managing production stoppages.

5. **Cybersecurity and privacy defenses will increase in importance:** A sharp increase in employees working remotely and customers shopping online increases risks surrounding data and privacy breaches. A 2020 Verizon report noted VPN usage is up over 80% and collaboration tool usage is up over 1,200% compared to a typical pre-COVID day. Many companies are focused on making the accelerated transformation to digital safer.

The bottom line is that many companies will require capital to successfully manage these five social themes, and we believe that many will come to the bond market to raise capital through debt financing. We are committed to actively engaging with companies through this crisis.

To view our full Viewpoint article, please see Social at the Center of ESG.

PIMCO ESG PHILOSOPHY & PROCESS

At PIMCO our approach to ESG investing rests on two pillars. First, we fully integrate ESG analysis in our firm wide investment process. We do this because we believe it makes good investment sense, consistent with our goal of generating strong risk-adjusted returns for clients. Second, our dedicated investment platform, PIMCO ESG, includes a range of portfolios designed for investors who wish to target positive social and environmental change.

PIMCO ESG

PIMCO ESG portfolios are founded on the belief that investors can achieve both financial returns and positive impact. Our ESG portfolios are managed in an effort to outperform their benchmarks (e.g., BBG Barclays Global Aggregate index) by tapping into PIMCO's time-tested investment process, utilizing our global resources and incorporating consistent macro risk factors, like duration, yield curve and credit positioning, as other PIMCO portfolios. In addition, PIMCO ESG portfolios utilize the three building blocks of exclusions, evaluation and engagement to influence positive change

Exclusions

PIMCO ESG portfolios exclude issuers deemed to be fundamentally misaligned with sustainability principles. Core exclusions include issuers focused on tobacco manufacturing, the production of controversial weapons, pornographic material and the production or distribution of coal. These are supplemented by a dynamic list of issuers that we have identified as having business practices misaligned with ESG principles or which have failed to demonstrate a willingness to improve or respond to PIMCO's engagement efforts.

Evaluation

As well as excluding "worst-in-class" companies, PIMCO ESG portfolios emphasize "best-in-class" companies. These are identified through a proprietary ESG scoring system which considers how an issuer currently fares relative to its peers in the industry, and whether its ESG practices are on an improving or deteriorating trajectory. The result of this is that issuers already incorporating sound ESG practices are more likely to be held in our ESG portfolios.

Engagement

The final building block of PIMCO ESG is constructive and collaborative engagement with issuers to influence ESG practices over time. We believe that allocating capital toward issuers willing to improve the sustainability of their business practices can generate a greater impact than simply excluding those issuers with poor ESG metrics and favouring those with strong metrics. As such, PIMCO ESG portfolios will overweight issuers that demonstrate a clear willingness to move toward better ESG-related practices, consistent with meeting the UN Sustainable Development Goals (SDGs).

EXCLUDE

Restrict investment in issuers fundamentally misaligned with sustainability practices

Examples of exclusions

- Controversial weapons
- Tobacco
- Pornography
- Coal

EVALUATE

Emphasize best-in-class ESG issuers and prime ESG engagement candidates in portfolio construction

Attributes of best-in-class issuers

- Good environmental practices
- Strong corporate governance
- Industry-leading social policies

ENGAGE

Engage collaboratively with issuers to change ESG-related business practices

Sample engagement questions

- Are you developing a framework for climate risk reporting?
- What is your policy on parental leave?
- Do you have a culture and conduct committee?

For illustrative purposes only

All data as at 31 December 2020 unless otherwise specified.

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, which maybe obtained by contacting your PIMCO representative. Please read the prospectus carefully before you invest.

Past performance is not a guarantee or reliable indicator of future results. 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.

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.

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.

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.

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 NYSE Arca (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 NYSE Arca 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.

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.

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Premiums or discounts are the differences (expressed as a percentage) between the NAV and the Market Price of the Fund on a given day, generally at the time the NAV is calculated. A premium is the amount that the Fund is trading above the reported NAV, expressed as a percentage of the NAV. A discount is the amount that the Fund is trading below the reported NAV, expressed as a percentage of the NAV. A discount or premium could be significant. The daily premium/discount is the difference between the daily market price for shares of the Fund and the Fund's net asset value. For purposes of the premium/discount information, market price is determined using NYSE Arca's Official Closing Price or if it more accurately reflects market price at the time as of which NAV is calculated, the midpoint between the national best bid and national best offer as of that time. Market price for purposes of other information is calculated as follows: (i) for time periods preceding December 17, 2020, the midpoint between the highest bid and the lowest offer on the listing exchange, as of the time that the Fund's NAV is calculated and (ii) for the time periods starting December 17, 2020, the NYSE Arca's Official Closing Price or, if it more accurately reflects market price at the time as of which NAV is calculated, the midpoint between the national best bid and national best offer as of that time.

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.

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 ETF's shares fluctuate continuously throughout the trading day based on market supply and demand, which may not correlate to NAV. The trading prices of an ETF's 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.

A word about risk: 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 manager's investment decisions might not produce the desired results. 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. **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. **Diversification** does not ensure against loss.

Socially responsible investing is qualitative and subjective by nature, and there is no guarantee that the criteria utilized, or judgment exercised, by PIMCO will reflect the beliefs or values of any one particular investor. Information regarding responsible practices is obtained through voluntary or third-party reporting, which may not be accurate or complete, and PIMCO is dependent on such information to evaluate a company's commitment to, or implementation of, responsible practices. Socially responsible norms differ by region. There is no assurance that the socially responsible investing strategy and techniques employed will be successful. Past performance is not a guarantee or reliable indicator of future results.

Statements concerning financial market trends or portfolio strategies are based on current market conditions, which will fluctuate. There is no guarantee that these investment strategies will work under all market conditions or are appropriate for all investors and each investor should evaluate their ability to invest for the long term, especially during periods of downturn in the market. Outlook and strategies are subject to change without notice.

The MSCI ESG Ratings model measures risk exposure and risk management. To score well on a Key Issue, management needs to be commensurate with the level of exposure: a company with high exposure must also have very strong management, whereas a company with limited exposure can have a more modest approach. Conversely, a highly exposed company with poor management will score worse than a company with the same management practices but lower exposure to the risk. While Key Issues are identified by looking quantitatively at each industry as a whole, individual companies' exposure to each issue will vary. MSCI ESG Ratings calculate each company's exposure to key ESG risks based on a granular breakdown of its business: its core product or business segments, the locations of its operations, and other relevant measures such as outsourced production or reliance on government contracts. Risk exposure is scored on a 0-10 scale, with 0 representing no exposure and 10 representing very high exposure. The Risk Exposure Score and Risk Management Score are combined such that a higher level of exposure requires a higher level of demonstrated management capability in order to achieve the same overall Key Issue Score. Key Issue scores are also on a 0-10 scale, where 0 is very poor and 10 is very good. The ESG Ratings model is industry relative and uses a weighted average approach. Key Issue weights are set at the GICS Sub-Industry level (8-digit) based on each industry's relative external impact and the time horizon associated with each risk. Key Issues and weights undergo a formal review and feedback process at the end of each calendar year. Corporate Governance is always material and therefore always weighted and analyzed for all companies. Where there are company-specific exceptions, weights depart from the industry standard weights but remain in proportion. For each company a Weighted Average Key Issue Score is calculated based on the underlying Key Issue scores and weights. To arrive at a final letter rating, the Weighted Average Key Issue Score is normalized by industry. The range of scores for each industry is established annually by taking a rolling three-year average of the top and bottom scores among the MSCI ACWI Index constituents; the values are set at the 97.5th and 2.5th percentile. Using these ranges, the Weighted Average Key Issue Score is converted to an Industry Adjusted Score from 0-10, where zero is worst and 10 is best.

Duration is a measure of a portfolio's price sensitivity expressed in years.

FTSE 3-Month Treasury Bill Index is an unmanaged index representing monthly return equivalents of yield averages of the last 3 month Treasury Bill issues.

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. This material has been distributed for informational purposes only. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed.

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