

PIMCO ETFs

OBJECTIVE: CORE | AS OF: 31 DECEMBER 2019

TICKER: **BOND**
 FUND INCEPTION DATE: **29 FEBRUARY 2012**
 CUSIP: **72201R775**
 TOTAL NET ASSETS (IN MILLIONS): **\$2,909.1**

Portfolio manager

David Braun



Jerome Schneider



Daniel Hyman

**Basic facts**

Dividend frequency	Monthly
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Fund expenses

Gross Expense Ratio	0.73%
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Adjusted Expense Ratio	0.55%
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The Adjusted Expense Ratio excludes certain investment expenses, such as interest expense from borrowings and repurchase agreements and dividend expense from investments on short sales, incurred directly by the Fund or indirectly through the Fund's investments in underlying PIMCO Funds (if applicable), none of which are paid to PIMCO.

Bond risk measures

Effective maturity (yrs)	8.24
Effective duration (yrs)	5.26
# of Holdings	810

Sector diversification (%)

Market value weighted

US Government - Treasury ¹	7.3
US Government - Agency ²	0.5
Swaps and Liquid Rates ³	0.0
Securitized ⁴	55.8
Invest. Grade Credit	24.3
High Yield Credit	3.0
Non-USD Developed	0.0
Emerging Markets	1.5
Municipal	2.8
Other ⁵	1.7
Net Other Short Duration Instruments ⁶	3.0

Fund description

The PIMCO Active Bond Exchange-Traded Fund (Ticker: BOND) is a diversified portfolio of high quality bonds that is actively managed, seeking current income and long-term capital appreciation, consistent with prudent investment management. BOND invests primarily in investment grade debt securities, and discloses all portfolio holdings on a daily basis. The Fund will seek to maintain a fairly consistent level of dividend income, and generally seeks to manage capital gain distributions. However, there can be no assurance that a change in market conditions or other factors will not result in a significant change in the Fund's distribution rate or that the rate will be sustainable in the future. With a primary benchmark of the Bloomberg Barclays U.S. Aggregate Index, the fund offers a core bond strategy that is designed to capitalize on opportunities across multiple sectors of the fixed income market.

Investor benefits

The ETF structure allows for trading throughout the day, and BOND has the same expense ratio for all investors, regardless of transaction size. Fund shares are publicly traded and conveniently available to any investor who can access a major stock exchange.

Potential benefits of this fund include:

- **Direct access** to PIMCO's portfolio management expertise, including global credit analysis and interest rate forecasting
- Portfolio diversification, income, the opportunity for capital appreciation and excess return in an **actively managed, risk-managed framework**
- An investment strategy **managed for all market environments**, emphasizing both top-down macroeconomic analysis and bottom-up issue selection
- Full **benefits and flexibility** of the ETF vehicle, including intraday pricing, the ability to be traded using limit and stop loss orders as well as on margin, daily portfolio disclosure and low investment minimum (1 share)

The fund advantage

BOND deploys PIMCO's time-tested investment process, which combines top-down and bottom-up strategies. Top-down strategies are driven by our global secular outlook for the forces likely to influence the economy and financial markets over the next three to five years and our cyclical views of six- to 12-month trends. Bottom-up strategies drive our security selection process and facilitate the identification and analysis of potentially undervalued securities. By combining perspectives from both the portfolio and security levels, we strive to add value over time within acceptable levels of portfolio risk. BOND benefits from the firm's expertise in active fixed income investing, economic forecasting, central bank policy analysis and risk management. Since the firm's inception in 1971, PIMCO has been a pioneer in fixed income total return investing, and is now a market leader in active ETF management.

Active Bond Exchange-Traded Fund

AS OF: 31 DECEMBER 2019

Performance (total returns)

	Since Inception	5 yr	3 yr	1 yr	6 mos	3 mos
PIMCO ETF						
NAV	4.37	3.45	4.48	8.69	2.22	0.22
Share price (market price)	4.38	3.50	4.54	8.64	2.27	0.18
Benchmark (%)	2.85	3.05	4.03	8.72	2.45	0.18

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.pimcoetfs.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.

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 may be obtained by contacting your PIMCO representative. Please read the prospectus carefully before you invest.

¹ Includes U.S. Treasury notes, bonds, futures, and inflation-protected securities ² Includes U.S. agencies, FDIC-guaranteed and government-guaranteed corporate securities, and supranationals ³ Includes U.S. dollar denominated interest rate swaps, swaptions, options, and other rate related derivatives. Other portfolio derivatives, where applicable, may be included as part of other sectors based upon their underlying risk characteristics. ⁴ The Securitized bucket will include Agency MBS, non-Agency MBS, CMBS, ABS, CDO, CLO, and Pooled Funds. ⁵ May include municipals, convertibles, preferreds, and yankee bonds. ⁶ 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, uninvested 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.

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 fund. Purchases and redemptions directly with ETFs are only accomplished through creation unit aggregations or "baskets" of shares. Investment policies, management fees and other information can be found in the individual ETF's prospectus.

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, sometimes significantly, 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, among other things, 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.

Buying or selling ETF shares on an exchange may require the payment of brokerage commissions. 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. 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. The performance figures presented reflect the total return performance and reflect changes in share price and reinvestment of dividend and capital gain distributions. All periods longer than one year are annualized.

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. **High-yield**, lower-rated, securities involve greater risk than higher-rated securities; portfolios that invest in them may be subject to greater levels of credit and liquidity risk than portfolios that do not. Equities may decline in value due to both real and perceived general market, economic, and industry conditions. **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. Investing in derivatives could lose more than the amount invested.

Diversification does not ensure against loss. Duration is a measure of a portfolio's price sensitivity expressed in years. **Holdings:** 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. 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 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. 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, and do not represent the returns you would receive if you traded shares at other times. **Premiums** (when market price is above NAV) or **discounts** (when market price is below NAV) reflect 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 discount or premium could be significant. Data in chart format displaying the frequency distribution of discounts and premiums of the Market Price against the NAV can be found for each Fund at www.pimcoetfs.com.

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Investment products

Not FDIC Insured | May Lose Value | Not Bank Guaranteed

Performance characteristics

SEC 30-day yield (%) 2.44%

Trading information

Ticker symbol: BOND
CUSIP: 72201R775
iNav (indicative NAV) ticker: BOND.IV
Lead Market Maker: Virtu Americas LLC
Exchange: NYSE Arca

About the benchmark

Bloomberg Barclays U.S. Aggregate Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

It is not possible to invest directly in an unmanaged index.

About PIMCO

PIMCO is one of the world's premier fixed income investment managers. Since our founding in 1971 in Newport Beach, California, we have continued to bring innovation and expertise to our partnership with clients seeking the best investment solutions. Today our professionals work in 17 offices across the globe, united by a single purpose: creating opportunities for investors in every environment.

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.pimcoetfs.com

PIMCO

ETF FFS BOND 4Q19

PIMCO ETFs

AS OF: 31 MARCH 2020

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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.

ACTIVELY MANAGED ETFs	TICKER	INCEPTION DATE	EXPENSE RATIO (%)	1 YEAR (%)	3 YEARS (%)	5 YEARS (%)	INCEPTION (%)
CORE							
PIMCO Active Bond Exchange-Traded Fund	BOND	29 Feb '12	0.73	5.34	3.98	2.93	4.25
Share price (market price)				4.09	3.64	2.65	4.11
PIMCO Enhanced Low Duration Active Exchange-Traded Fund	LDUR	22 Jan '14	0.86	1.76	2.04	2.05	2.18
Share price (market price)				2.61	2.31	2.22	2.33
PIMCO Enhanced Short Maturity Active ESG Exchange-Traded Fund	EMNT	10 Dec '19	0.50	–	–	–	-0.38
Share price (market price)				–	–	–	-0.76
PIMCO Enhanced Short Maturity Active Exchange-Traded Fund	MINT	16 Nov '09	0.36	0.16	1.43	1.41	1.28
Share price (market price)				-0.06	1.34	1.37	1.25
MUNICIPAL							
PIMCO Intermediate Municipal Bond Active Exchange-Traded Fund	MUNI	30 Nov '09	0.35	3.26	3.44	2.64	3.17
Share price (market price)				3.19	3.46	2.61	3.17
PIMCO Short Term Municipal Bond Active Exchange-Traded Fund	SMMU	01 Feb '10	0.35	1.94	1.82	1.38	1.21
Share price (market price)				2.04	1.92	1.41	1.22
RAFI							
PIMCO RAFI Dynamic Multi-Factor Emerging Markets Equity	MFEM	31 Aug '17	0.50	-23.91	–	–	-11.05
Share price (market price)				-23.85	–	–	-11.10
PIMCO RAFI Dynamic Multi-Factor International Equity	MFDX	31 Aug '17	0.40	-16.39	–	–	-6.24
Share price (market price)				-16.68	–	–	-6.51
PIMCO RAFI Dynamic Multi-Factor U.S. Equity	MFUS	31 Aug '17	0.30	-14.84	–	–	-0.27
Share price (market price)				-14.44	–	–	-0.19
PIMCO RAFI ESG U.S. ETF	RAFE	18 Dec '19	0.45	–	–	–	-24.90
Share price (market price)				–	–	–	-25.20
INDEX ETFs							
CORPORATE							
PIMCO Investment Grade Corporate Bond Index Exchange-Traded Fund	CORP	20 Sep '10	0.20	4.74	4.06	3.36	4.31
Share price (market price)				4.96	4.16	3.43	4.34
PIMCO 0-5 Year High Yield Corporate Bond Index Exchange-Traded Fund	HYS	16 Jun '11	0.56	-9.81	-0.55	1.59	3.36
Share price (market price)				-9.87	-0.54	1.59	3.36

Exchange-Traded Fund Performance

AS OF: 31 MARCH 2020

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INDEX ETFs	TICKER	INCEPTION DATE	EXPENSE RATIO (%)	1 YEAR (%)	3 YEARS (%)	5 YEARS (%)	INCEPTION (%)
TIPS							
PIMCO Broad U.S. TIPS Index Exchange-Traded Fund	TIPZ	03 Sep '09	0.20	7.14	3.49	2.59	3.61
Share price (market price)				6.98	3.45	2.56	3.60
PIMCO 1-5 Year U.S. TIPS Index Exchange-Traded Fund	STPZ	20 Aug '09	0.20	2.28	1.35	1.38	1.66
Share price (market price)				1.95	1.25	1.32	1.63
PIMCO 15+ Year U.S. TIPS Index Exchange-Traded Fund	LTPZ	03 Sep '09	0.20	20.13	8.36	4.93	6.59
Share price (market price)				19.38	8.16	4.81	6.53
TREASURY							
PIMCO 25+ Year Zero Coupon U.S. Treasury Index Exchange-Traded Fund	ZROZ	30 Oct '09	0.15	51.34	19.96	9.76	11.73
Share price (market price)				47.35	18.92	9.24	11.46

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The NAV of the Fund's shares is determined by dividing the total value of the Fund's portfolio investments and other assets, less any liabilities, by the total number of shares outstanding. Fund shares are valued as of the close of regular trading (normally 4:00 p.m., Eastern time) (the "NYSE Close") on each business day. The price used to calculate market returns ("Market Price") of the Fund generally is determined using the midpoint between the highest bid and the lowest offer on the national securities exchange on which shares of the Fund will be primarily listed for trading, as of the time that the Fund's NAV is calculated. The Fund's Market Price may be at, above or below its NAV. The NAV of the Fund will fluctuate with changes in the market value of its portfolio holdings. The Market Price of the Fund will fluctuate in accordance with changes in its NAV, as well as market supply and demand.

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.

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. Build America Bonds issued by state and local governments are taxable issues. Currency rates may fluctuate significantly over short periods of time and may reduce the returns of a portfolio. 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. **Sovereign securities** are generally backed by the issuing government, obligations of U.S. Government agencies and authorities are supported by varying degrees but are generally not backed by the full faith of the U.S. Government; portfolios that invest in such securities are not guaranteed and will fluctuate in value.

Inflation-linked bonds (ILBs) issued by a government are fixed-income securities whose principal value is periodically adjusted according to the rate of inflation; ILBs decline in value when real interest rates rise. Treasury Inflation-Protected Securities (TIPS) are ILBs issued by the U.S. Government. Income from **municipal bonds** may be subject to state and local taxes and at times the alternative minimum tax; a fund **concentrating in a single state** is subject to greater risk of adverse economic conditions and regulatory changes.

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. **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. Investing in derivatives could lose more than the amount invested. All investments contain risk and may lose value.

The value of most bond funds and fixed income securities are impacted by **changes in interest rates**. Bonds and bond funds with longer durations tend to be more sensitive and more volatile than securities with shorter durations; bond prices generally fall as interest rates rise.

Passive funds use an indexing approach and may be affected by a general decline in market segments or asset classes relating to their Underlying Index. Passive funds invest in securities and instruments included in, or representative of, its Underlying Index regardless of the investment merits of the Underlying Index.

Foreign (non-U.S.) fixed income securities will settle in accordance with the normal rules of settlement in the applicable foreign (non-U.S.) market. Foreign holidays that may impact a foreign market may extend the period of time between the date of receipt of a redemption order and the redemption settlement date. Please see the Funds Statement of Additional Information at www.pimco.com.

Premiums (when market price is above NAV) or discounts (when market price is below NAV) reflect 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 discount or premium could be significant. Data in chart format displaying the frequency distribution of discounts and premiums of the Market Price against the NAV can be found on the Premium/Discount tab for each Fund at www.pimco.com.

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