

PIMCO ETFs

OBJECTIVE: CORE FIXED INCOME | AS OF: 31 DECEMBER 2023

Fund information

Fund ticker	BOND
Fund cusip	72201R775
iNAV (indicative NAV) ticker	BOND.IV
Exchange	NYSE Arca
Total Net Assets (MM)	\$3,983.2
NAV (month-end)	\$92.44
Shares outstanding	43,090,000

Trading information (quarterly averages)

Bid/ask spread	
as of market close (%)	0.03

Trading information (monthly averages)

Premium/discount	
as of market close (%)	-0.02
Average daily volume	
in shares	382,043

Portfolio manager

David Braun



Jerome Schneider



Daniel Hyman



The fund is managed by an expert team of veteran fixed income investors: David Braun is a senior member of PIMCO's liability driven investment portfolio management team; Jerome Schneider is head of our short-term and funding desk and Daniel Hymen is co-head of PIMCO's agency mortgage portfolio management team. The team draws on PIMCO's time-tested investment process: our rigorously developed global macro outlook, bottom-up credit analysis and research teams' deep reservoir of specialized investment expertise.

Performance summary

The PIMCO Active Bond Exchange-Traded Fund returned 3.88% (NAV returns) in December, outperforming the Bloomberg US Aggregate Total Return Unhedged USD Index by 0.05%. Year-to-date the Fund has returned 6.33% (NAV returns), outperforming the benchmark by 0.80%.

Indications of slowing inflation and a cooling labor market led market participants to price in an accelerated path of rate cuts for 2024, prompting a broad rally across the global bond market. Risk sentiment rebounded, with the MSCI World rising 11.53%, while the dollar weakened. The Fed paused rate hikes for the third consecutive time, while the central bank's dot plot pointed to the potential for 75 bps of cuts in 2024. Global developed central banks broadly maintained hawkish stances, with both the ECB and BoE signaling that rates would remain restrictive for longer. Meanwhile, the BoJ maintained its negative interest rate policy and left its dovish guidance unchanged.

Contributors include:

- An overweight to Agency MBS, as spreads tightened
- An overweight to U.S. duration, particularly in November, as yields fell

Detractors include:

- Selection within non-Agency MBS
- Selection within investment grade corporate credit, particularly industrials

MONTH-END PERFORMANCE AS OF 31 DEC '23

	1-mo	3-mos	YTD	SI*
Active Bond Exchange-Traded Fund NAV Total Returns (%)	3.88	6.62	6.33	2.63
Active Bond Exchange-Traded Fund Market Price Returns (%)	3.84	6.75	6.48	2.63
Bloomberg Barclays U.S. Aggregate Index (%)	3.83	6.82	5.53	1.63

QUARTER-END PERFORMANCE AS OF 31 DEC '23

	1-yr	3-yr	5-yr	SI*
Active Bond Exchange-Traded Fund NAV Total Returns (%)	6.33	-3.32	1.12	2.63
Active Bond Exchange-Traded Fund Market Price Returns (%)	6.48	-3.36	1.10	2.63
Bloomberg Barclays U.S. Aggregate Index (%)	5.53	-3.31	1.10	1.63

*Fund inception date: 29 February 2012

EXPENSES

Gross Expense Ratio (%)	0.58
-------------------------	------

Adjusted Expense Ratio (%)	0.55
----------------------------	------

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 or call 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.

* SI = Since inception. Index performance comparisons begin on 29 February 2012. Performance assumes reinvestment of dividends and capital gains distributions. Taxes on distributions or redemptions have not been deducted.

Active Bond Exchange-Traded Fund (BOND)

AS OF 31 DECEMBER 2023

Portfolio positioning

The fund is modestly underweight U.S. duration versus the benchmark but remains tactical given current valuations and economic fundamentals.

The Fund is modestly overweight investment grade corporate credit. The Fund is overweight Agency MBS with a focus on higher coupons that typically we think are less likely to be impacted by the Fed's balance sheet contraction. The Fund continues to favor high quality securitized credit, including residential non-Agency mortgages, given the potential benefits of structural seniority.

Quarter in review

Interest rate strategies contributed to relative performance, driven by overweight exposure to U.S. duration, as yields fell in November. Spread sector strategies contributed to relative performance, as an overweight to Agency MBS as spreads tightened, contributed to relative performance. Currency strategies were neutral to relative performance over the quarter.

Outlook and strategy

Further disinflation and the potential for a faster cutting cycle should, in our view, raise the prospects for a soft landing. However, this is not to say that we believe that the path toward a soft landing is the only possible path. It is our view that the tighter-for-longer strategy that central banks have been communicating along with the strong possibility of stagnation in developed market supply and demand growth leave recession risks elevated.

The Fund is modestly underweight headline duration relative to its benchmark. The Fund has trimmed its U.S. duration, but remains tactical given current valuations and economic fundamentals. The Fund continues to have a bias towards high quality corporate credit. The Fund has a preference for senior positions in non-Agency mortgages given the historically fundamental strength and the de-leveraging nature of the asset. The Fund continues to be overweight Agency MBS, favoring higher coupons that we think are less likely to be impacted by the Fed's balance sheet unwind.

U.S. interest rate strategies encompass the Fund's duration, yield curve, convexity strategies and instrument selection.

Mortgage-Backed Securities (MBS)

Dot Plot, issued by the policy-setting Federal Open Market Committee (FOMC) through Summary of Economic Projections (SEP) four times a year, maps out each members' projections for where interest rates will be in up to three years (and over the longer-run).

Currency rates may fluctuate significantly over short periods of time and may reduce the returns of a portfolio.

Summary information

Effective duration (yrs)	5.73
Benchmark duration (yrs)	6.14
Effective maturity (yrs)	8.82

Portfolio characteristics

	% of MV	% of duration
Government-Related	13.7	23.4
U.S. Treasury ¹	12.4	22.2
U.S. Agency ²	0.3	0.8
Swaps and Liquid Rates ³	1.0	0.4
Securitized⁴	61.1	53.1
Agency MBS	46.2	43.8
Non-Agency MBS	8.5	6.1
CMBS	1.6	1.1
Asset Backed Securities	3.2	1.4
Other	1.5	0.6
Investment Grade Credit	21.3	20.3
High Yield Credit	0.6	0.2
Non-U.S. Developed	0.1	0.0
Emerging Markets	0.4	0.4
Bonds and Other Long Duration Instruments	0.0	0.0
Short Duration Instruments ⁵	1.2	2.4
Other⁶	2.5	2.5
Net Other Short Duration Instruments⁷	0.3	0.0

Effective duration is a calculation for bonds with embedded options. For a portfolio of bonds, average effective maturity is the weighted average of the maturities of the underlying bonds. Duration is a measure of a portfolio's sensitivity to price, expressed in years.

Allocation mix is subject to change and may not be representative of current or future allocations.

Allocation percentages may not equal 100 due to rounding.

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 Short Duration Instruments includes an emerging market security or other instrument economically tied to an emerging market country by country of risk with an effective duration less than one year and rated investment grade or higher or if unrated, determined to be similar quality by PIMCO. Includes the value of short duration emerging markets instruments previously reported in "Cash Equivalents".

⁶ Other may include municipals, convertibles, preferreds, and yankee bonds.

⁷ 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 or take into account other pertinent factors 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.

Active Bond Exchange-Traded Fund (BOND)

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.

Past performance is not a guarantee or a 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.

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.

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.

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 or New York Stock Exchange's, as applicable, 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 or New York Stock Exchange's, as applicable, 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** 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 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 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.

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.

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.

Bloomberg 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. is not possible to invest in an unmanaged index.

The **issuers** referenced are examples of issuers PIMCO considers to be well known and that may fall into the stated sectors. References to specific issuers are not intended and should not be interpreted as recommendations to purchase, sell or hold securities of those issuers. PIMCO products and strategies may or may not include the securities of the issuers referenced and, if such securities are included, no representation is being made that such securities will continue to be included.

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. 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. ©2024, PIMCO.

PIMCO Investments LLC, distributor, 1633 Broadway, New York, NY 10019, is a company of PIMCO.