Investment Grade Corporate Bond Index Exchange-Traded Fund

Objective: Credit | As of: 30 September 2019

Ticker: CORP
Fund Inception Date: 20 September 2010
CUSIP: 72201R817
Total Net Assets (in millions): $650.5

Portfolio manager
Matt Dorsten
Graham Rennison

Basic facts
Dividend frequency: Monthly

Fund expenses
Gross Expense Ratio: 0.20%

Bond risk measures
Effective maturity (yrs): 11.31
Effective duration (yrs): 7.25
# of Holdings: 576

Top 5 industry diversification (%)
Markets value weighted
Banks: 19.2
Technology: 8.6
Electric Utility: 7.7
Pharmaceuticals: 5.4
Pipelines: 5.2

Fund description
The Investment Grade Corporate Bond Index Exchange-Traded Fund is an exchange-traded fund (ETF) that seeks to provide efficient and optimized exposure to the investment grade corporate sector. The fund seeks to provide total return that closely corresponds, before fees and expenses, to the total return of The ICE BofAML US Corporate Index.

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

Potential benefits of this fund include:
- Efficient exposure to the broad US investment grade corporate sector, with a strong emphasis on liquidity and execution.
- Portfolio Optimization: The PIMCO Indexing approach includes an optimization process that first applies liquidity/transaction cost filters to exclude bonds that are illiquid or cost prohibitive to trade and then attempts to match risk metrics -- such as duration, market-weighted spread, and carry -- to those in the index.
- Credit Screen: Bonds deemed to be credit impaired based on PIMCO's own internal credit analysis are excluded to the extent possible while still maintaining close tracking to the index.

The fund advantage
PIMCO's expertise in fixed income management may reduce tracking error and provide a solid foundation for robust secondary market trading. Index replication is a natural extension of PIMCO's investment platform, and index ETFs facilitate access to PIMCO's execution and risk management expertise. An allocation to US investment grade corporate bonds may be beneficial as part of a diversified portfolio. Corporate bonds may provide excess yield relative to government securities in exchange for an increase in risk profile, and might serve as a lower volatility corporate investment than equities.

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Investment Grade Corporate Bond Index Exchange-Traded Fund

Performance (total returns)

<table>
<thead>
<tr>
<th>Fund</th>
<th>Since Inception</th>
<th>5 yr</th>
<th>3 yr</th>
<th>1 yr</th>
<th>6 mos</th>
<th>3 mos</th>
</tr>
</thead>
<tbody>
<tr>
<td>PIMCO ETF</td>
<td>4.86</td>
<td>4.68</td>
<td>4.34</td>
<td>12.91</td>
<td>7.52</td>
<td>3.13</td>
</tr>
<tr>
<td>Share price (market price)</td>
<td>4.85</td>
<td>4.68</td>
<td>4.26</td>
<td>12.81</td>
<td>7.44</td>
<td>3.00</td>
</tr>
<tr>
<td>Benchmark (%)</td>
<td>4.96</td>
<td>4.65</td>
<td>4.51</td>
<td>12.87</td>
<td>7.55</td>
<td>3.07</td>
</tr>
</tbody>
</table>

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.

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 a shorter period of time, will be able to maintain this performance level in the future.

In order to provide additional information regarding the intra-day value of shares of the Fund, the NYSE Arca, Inc. or a market data provider may calculate the iNAV. The iNAV (net asset value per share) represents an ETF’s per-share value. The per-share value of an ETF is calculated by dividing the total value of assets held by the ETF by the number of shares outstanding. The iNAV is calculated several times during the trading day to reflect changes in the NAV. There is no assurance that an ETF’s iNAV accurately reflects the net asset value of the ETF at any point in time.

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.

The Fund is managed by Matt Dorsten and Graham Rennison. Prior to 21 October 2019, the fund was managed by Matt Dorsten, Mitchell Handa and Graham Rennison. The fund is the investment company that has been the subject of a legal action by the SEC.

ETFs are subject to secondary market trading risks. Shares of an ETF will be listed for trading on an exchange, which is subject to the risk that an ETF’s shares will not develop or continue an active trading market. This could be significant if 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, 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 fluctuate continuously throughout the trading day based on market supply and demand, among other things, which may not correlate to NAV. The trading price of an ETF’s shares may differ significantly from NAV during periods of market volatility, which may, among other factors, lead to wider spreads between the Fund’s share price and the ETF’s NAV.

Buying or selling ETF shares on an exchange may require the payment of brokerage commissions. Because of 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 risks, including market, interest rate, issuer, credit, inflation, risk and liquidity risk. The value of most bonds and bond strategies are impacted by changes in interest rates. Bonds and bond strategies with longer durations tend to be more sensitive and volatile than those with shorter durations; bond prices generally fall as interest rates rise, and current interest rate levels may reduce the value of an investment. Reductions in bond counterparty capacity may contribute to decreased market liquidity and increased price volatility. Bond investments may be worth more or less than the original cost when redeemed.

In foreign denominated and/or domiciled securities may be subject to 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 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 risks and costs such as liquidity, interest rate, market, credit, management and indexation risk. A position in a derivative could lose more than the amount invested. Diversification does not ensure against loss. Effective duration is the duration for a bond with an embedded option when the value is calculated to include the expected change in cash flow caused by the option as interest rates change. 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 provider 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.

The Fund uses an indexing approach and may be affected by a general decline in market segments or asset classes relating to its underlying index. The Fund invests in securities and instruments included in, or representative of, its Underlying Index regardless of the investment merit of the securities included in its Underlying Index.

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 held by the Fund, plus cash and accrued interest, by the number of ETF shares outstanding. If an ETF uses leverage, it will have a higher or lower NAV than its NAV would be if it did not use leverage.

The net asset value of an ETF is calculated at the NAV 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 the NYSE Arca (normally 4:00 P.M. Eastern Time) on 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 price or NAV changes that occur after 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 on the last business day for which a Fund’s return is calculated. The return of a Fund is calculated using the close (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 at the time the NAV is calculated. An 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 (%) 2.75%

Trading information

Ticker symbol: CORP CUSIP: 77201R817
iNAV (indicative NAV) ticker: CORP.IV Lead Market Maker: Virtu Americas LLC Exchange: NYSE Arca

About the benchmark

ICE BofAML US Corporate Index is an unmanaged index comprised of U.S. dollar denominated investment grade, fixed rate corporate debt securities publicly issued in the U.S. domestic market with at least one year remaining term to final maturity and at least $250 million outstanding. It is not possible to invest directly in an unmanaged index.

About PIMCO

PIMCO is one of the world’s premier fixed income 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.