PIMCO Short Term Municipal Bond Active Exchange-Traded Fund

**FUND DESCRIPTION**

The Short Term Municipal Bond Active Exchange-Traded Fund is an actively managed exchange-traded fund (ETF). Designed for investors seeking tax-exempt income, the fund consists of a diversified portfolio of primarily short duration, high credit quality bonds which carry interest income that is exempt from federal tax and in some cases state tax. With this fund, investors will see the names of the bonds owned daily. In the municipal bond market, we believe issuer-specific credit analysis is critical. Unlike index funds that typically rely solely on a rating agency for credit analysis, PIMCO applies extensive research on each municipal bond we own in the fund. We believe it is imperative to analyze each issuer, both at purchase and on an ongoing basis, to avoid what we believe are municipalities of deteriorating credit quality as we look to preserve investors’ capital. Active management not only enables the fund to invest in only the issuers and securities we like, but also allows us to change the portfolio structure should credit conditions change. In addition, active management allows for management of capital gains and losses, working to minimize the tax effect of gains, while harvesting losses when available.

**INVESTOR BENEFITS**

The ETF structure allows for trading throughout the day and has the same expense ratio for all investors, regardless of size. Fund shares are publicly traded, offering accessibility to any investor who can access a major stock exchange. Additionally, ETFs offer increased transparency by disclosing underlying holdings in the portfolio on a daily basis.

Potential benefits of this fund include:

- Access to PIMCO’s credit expertise in an actively managed municipal portfolio
- Potential to avoid credit losses that may arise in an unmanaged index ETF
- Active management of capital gains and losses
- A nationally diversified portfolio of primarily high quality, AMT-free bonds
- Access to PIMCO’s institutional pricing power in the municipal market

**THE FUND ADVANTAGE**

PIMCO’s proprietary portfolio management systems and 20-plus years of municipal bond experience give this fund what we feel is a distinct edge in navigating the municipal bond market. Unlike passive index strategies which typically outsource credit decisions to rating agencies, PIMCO conducts continuous surveillance of credits owned in the portfolio. With bond investing, picking “the winners” sometimes just means that you just get your money back, but avoiding defaults is of paramount importance. This is the reason why thorough credit analysis and active management may make sense for municipal bond investing.
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 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
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.

ETFs are subject to certain risks, including the possibility that the NAV may be greater or less than the market price of the Fund’s shares, frequent trading may detract significantly from investment returns. Investment in Fund shares may not be advisable for all investors, nor may it be appropriate for all investors. No part of this material may be reproduced in any form without the prior written consent of PIMCO.

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. No part of this material may be reproduced in any form, or referred to in any other publication, without express written permission.

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ETFs ("ETF") are 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. Income from municipal bonds is exempt from federal income tax, but may be subject to state and local taxes and at times the alternative minimum tax; a strategy concentrating in a single or limited number of states or invests a substantial portion of its assets in the bonds of similar municipal projects is subject to greater risk of adverse economic conditions and regulatory changes. 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.

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 Arca") 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. 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 of as 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 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. 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. 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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Not FDIC Insured | May Lose Value | Not Bank Guaranteed