Fund description

The 25+ Year Zero Coupon U.S. Treasury Index Exchange-Traded Fund is an exchange-traded fund (ETF) that aims to capture the returns of The ICE BofAML Long US Treasury Principal STRIPS Index. By tracking the index, the fund aims to achieve, before fees and expenses, the yield and duration exposure inherent in this index.

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.

Potential benefits of this fund include:

- High level of sensitivity to changes in yields, without the use of leverage
- Efficient deployment of capital by maximizing duration per dollar invested
- A liquid basket that includes only Principal STRIPS, which may trade more easily than Coupon STRIPS, potentially reducing bid-ask spreads and premium/discount to NAV
- Quarterly index and portfolio rebalancing schedule matched to quarterly dividend payments, which may reduce trading expenses
- Ability to sell short for those who believe rates will rise

The fund advantage

With the benefit of more than 40 years of investment experience and 22 years of experience managing long duration bond portfolios, PIMCO has designed an ETF that seeks to maximize duration per dollar allocated without using financial leverage. For the capital constrained investor, higher interest rate sensitivity may be used as a tool to capitalize on expected interest rate movements or for efficient management of interest rate-sensitive liabilities.

Basic facts

- Dividend frequency: Quarterly
- Gross Expense Ratio: 0.15%
- Effective maturity (yrs): 27.36
- Effective duration (yrs): 27.36
- # of Holdings: 20

Sector diversification (%)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Market value weighted</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Government Related</td>
<td>100.5</td>
</tr>
<tr>
<td>Net Other Short Duration</td>
<td>-0.5</td>
</tr>
</tbody>
</table>

* May include nominal and inflation-protected Treasuries, Treasury futures and options, agencies, FDIC guaranteed and government-guaranteed corporate securities, and interest rate swaps.
† Net Other Short Duration Instruments includes securities and other instruments (except instruments those 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.

"ICE BofAML," "ICE BofAML 1-3 Year US Treasury Index," "ICE BofAML Long US Treasury Principal STRIPS Index," "ICE BofAML US Inflation-Linked Treasury Index," "ICE BofAML 1-5 Year US Inflation-Linked Treasury Index," "ICE BofAML 15+ Year US Inflation-Linked Treasury Index," "The ICE BofAML US High Yield Constrained Index," "The ICE BofAML US Corporate Index," collectively, the "ICE BofAML Indexes" are reprinted with permission. © Copyright 2019 Merrill Lynch, Pierce, Fenner & Smith Incorporated ("ICE BofAML"). All rights reserved. "ICE BofAML" and the ICE BofAML Indexes are service marks of ICE BofAML and its affiliates and have been licensed for use for certain purposes by PIMCO on behalf of the Funds that are based on the ICE BofAML Indexes, and are not issued, sponsored, endorsed or promoted by ICE BofAML and/or ICE BofAML’s affiliates nor is ICE BofAML and/or ICE BofAML’s affiliates an adviser to the Funds. ICE BofAML and ICE BofAML’s affiliates make no representation, express or implied, regarding the advisability of investing in the Funds or the ICE BofAML Indexes and do not guarantee the quality, accuracy or completeness of the ICE BofAML Indexes, index values or any index related data included herein, provided herewith or derived therefrom and assume no liability in connection with their use. As the index provider, ICE BofAML is licensing certain trademarks, the ICE BofAML Indexes and trade names which are composed by ICE BofAML without regard to PIMCO, the Funds or any investor. ICE BofAML and ICE BofAML’s affiliates do not provide investment advice to PIMCO or the Funds and are not responsible for the performance of the Funds. ICE BofAML compiles and publishes the ICE BofAML Indexes. PIMCO has entered into a license agreement with ICE BofAML to use each Underlying Index.
Performance (total returns)

<table>
<thead>
<tr>
<th>Performance (total returns)</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></td>
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<tr>
<td>NAV</td>
<td>9.96</td>
<td>9.49</td>
<td>5.09</td>
<td>36.15</td>
<td>22.24</td>
<td>13.35</td>
</tr>
<tr>
<td>Share price (market price)</td>
<td>9.97</td>
<td>9.47</td>
<td>5.17</td>
<td>36.31</td>
<td>22.14</td>
<td>13.47</td>
</tr>
<tr>
<td>Benchmark (%)</td>
<td>10.07</td>
<td>9.69</td>
<td>5.32</td>
<td>36.07</td>
<td>22.57</td>
<td>13.06</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. 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 during 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.

The fund is managed by Matt Dorsten and Graham Rennie. Prior to 21 October 2019, the fund was managed by Matt Dorsten, Mitchell Mandar and Graham Rennie.

ETFs are subject to higher volatility as they are more closely tied to market price changes, whereas funds are not. ETFs have limited trading history, since they are only able to be traded on the market on days that the market is open. The data displayed in the chart is subject to delay and may not reflect recent changes in the ETF’s performance.

Performance data for the PIMCO 25+ Year Zero Coupon U. S. Treasury Index Exchange-Traded Fund ETF FFS ZROZ 3Q19

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.