

TICKER:	ZROZ
FUND INCEPTION DATE:	30 OCTOBER 2009
CUSIP:	72201R882
TOTAL NET ASSETS (IN MILLIONS):	\$349.7

**Portfolio manager**

Matt Dorsten

Graham Rennison

**Basic facts**

Dividend frequency	Quarterly
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**Fund expenses**

Gross Expense Ratio	0.15%
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**Bond risk measures**

Effective maturity (yrs)	27.36
Effective duration (yrs)	27.36
# of Holdings	20

**Sector diversification (%)**

	Market value weighted
US Government Related <sup>1</sup>	100.5
Net Other Short Duration Instruments <sup>2</sup>	-0.5

<sup>1</sup> May include nominal and inflation-protected Treasuries, Treasury futures and options, agencies, FDIC-guaranteed and government-guaranteed corporate securities, and interest rate swaps.

<sup>2</sup> 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.

**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.

"ICE BofAML" and "The ICE BofAML 1-3 Year US Treasury Index", "The ICE BofAML Long US Treasury Principal STRIPS Index", "The ICE BofAML US Inflation-Linked Treasury Index", "The ICE BofAML 1-5 Year US Inflation-Linked Treasury Index", "The ICE BofAML 15+ Year US Inflation-Linked Treasury Index", "The ICE BofAML 0-5 Year US High Yield Constrained Index" and "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/or 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.

# 25+ Year Zero Coupon U.S. Treasury Index Exchange-Traded Fund

AS OF: 30 SEPTEMBER 2019

## Performance (total returns)

	Since Inception	5 yr	3 yr	1 yr	6 mos	3 mos
PIMCO ETF						
NAV	9.96	9.49	5.09	36.15	22.24	13.35
Share price (market price)	9.97	9.47	5.17	36.31	22.14	13.47
Benchmark (%)	10.07	9.69	5.32	36.07	22.57	13.06

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](http://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.

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.

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 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 environments increase this risk. 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. Certain U.S. Government securities are backed by the full faith of the 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. **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.

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 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.

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 merits of the 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 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](http://www.pimcoetfs.com).

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## Investment products

Not FDIC Insured | May Lose Value | Not Bank Guaranteed

## Performance characteristics

SEC 30-day yield (%) 2.12%

## Trading information

Ticker symbol: ZROZ  
CUSIP: 72201R882  
iNav (indicative NAV) ticker: ZROZ.IV  
Lead Market Maker: Cantor Fitzgerald  
Exchange: NYSE Arca

## About the benchmark

ICE BofAML Long U.S. Treasury Principal STRIPS Index is an unmanaged index comprised of long maturity Separate Trading of Registered Interest and Principal of Securities ("STRIPS") representing the final principal payment of U.S. Treasury bonds. The principal STRIPS comprising the Underlying Index must have 25 years or more remaining term to final maturity and must be stripped from U.S. Treasury bonds having at least \$1 billion in outstanding face value.

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](http://www.pimcoetfs.com)

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