

TICKER:	RAFE
FUND INCEPTION DATE:	18 DECEMBER 2019
CUSIP:	72201R643
TOTAL NET ASSETS (IN MILLIONS):	\$12.1
GROSS EXPENSE RATIO:	0.30%

**Index provider**

Robert Arnott

Christopher Brightman

**Portfolio Characteristics**

	Fund	S&P 500*
Number of Holdings	226	500
P/E (Trailing 12-month)	20.38	28.28
Weighted average market cap (\$mm)	200,643	440,564

**GICS sectors (%)**

	Fund	S&P 500*
Energy	0.0	2.3
Materials	4.7	2.6
Industrials	5.4	8.4
Consumer Discretionary	12.9	12.7
Consumer Staples	9.3	6.5
Health Care	16.0	13.5
Financials	23.3	10.4
Information Technology	18.9	27.6
Communication Services	6.0	10.8
Utilities	1.5	2.8
Real Estate	1.5	2.4
No Classification	0.0	0.0

\*The S&P 500 Index is being shown for illustrative purposes to highlight characteristics of the Fund against a conventional broader market reference point. The S&P 500 Index is not a benchmark included in the Fund's prospectus.

**Fund description**

PIMCO RAFI™ ESG U.S. ETF (Ticker: RAFE) is a smart beta ESG strategy that seeks to track the investment results of the RAFI™ ESG US Index. RAFI™ ESG US Index is designed and managed by smart beta pioneer Research Affiliates™ and seeks to achieve the dual objectives of social responsibility and long-term outperformance of the broad market.

**Investor benefits**

RAFI™ ESG US Index offers an innovative approach to ESG investing that combines a time-tested smart beta strategy with robust ESG metrics. By supplementing traditional ESG measures with Financial Discipline<sup>1</sup> and Diversity<sup>2</sup> and rebalancing positions using the RAFI™ Fundamental Index™<sup>3</sup> approach, RAFI™ ESG US Index, and in turn PIMCO RAFI™ U.S. ESG ETF, offer investors a portfolio consistent with their ESG values at attractive valuations.

Potential benefits of this fund include:

- **Fundamental weighting may result in cheaper<sup>4</sup> valuations:** Fundamental weighting helps avoid significant exposure to more expensive ESG companies
- **Rigorous ESG screens:** Excludes companies in the Tobacco, Gambling, Weapons and Fossil Fuels industries, or companies earning more than 10% of revenue from those industries. RAFE supplements its fossil fuel exclusion by screening out stocks in the Oil & Gas and Oil & Gas Services industries
- **Supplements traditional ESG metrics:** Enhances ESG scoring by incorporating two additional ESG metrics, Financial Discipline and Diversity, metrics linked to good corporate governance and improved return potential

**The fund advantage**

PIMCO believes the RAFI™ ESG US Index is a thoughtful approach to ESG investing, offering investors the potential to achieve both social responsibility and long-term outperformance of the broad market.

The trademarks Fundamental Index™, RAFI™, Research Affiliates Equity™, RAE™, and the Research Affiliates™ trademark and corporate name and all related logos are the exclusive intellectual property of Research Affiliates, LLC and in some cases are registered trademarks in the U.S. and other countries.

<sup>1</sup>RAFI™ ESG's Financial Discipline metric identifies companies with high profitability, low investment, low issuance, and low accruals, four measures that are aligned with long-term value creation and sustainable growth. Research Affiliates™ believes that there is a connection between firm management, corporate outcomes, and investment results; companies that put long-term value ahead of short-term gains for the benefit of management should have better corporate financial performance.

<sup>2</sup>RAFI™ ESG's Diversity metric is calculated using methodology developed by LeaderXXchange, an organization that advises and promotes diversity and sustainability in governance, leadership, and investment. Seven criteria related to gender diversity are assessed in order to calculate each security's Diversity score. Research Affiliates™ believes that incorporating gender diversity metrics result in the potential for greater outperformance because research has shown that gender diversity leads to improved decision-making, greater innovation, and fewer incidences of governance-related controversies.

<sup>3</sup>RAFI™ Fundamental Index™ is a non-price-weighted index strategy that aims to deliver excess returns versus cap-weighted indexes. Security weights are determined using fundamental measures of company size (adjusted sales, cash flow, dividends & buybacks, and book value) rather than price (market cap) and are systematically rebalanced against the market's constantly shifting expectations. The Index is calculated and published by RAFI™ Indices, LLC and Solactive AG.

<sup>4</sup>The terms "cheap" and "rich" as used herein generally refer to a security or asset class that is deemed to be substantially under- or overpriced compared to both its historical average as well as to the investment manager's future expectations. There is no guarantee of future results or that a security's valuation will ensure a profit or protect against a loss.

**IMPORTANT NOTICE**

Please note that the following contains the opinions of the manager as of the date noted, and may not have been updated to reflect real time market developments. All opinions are subject to change without notice.

# RAFI™ ESG U.S. ETF

## Performance (average annual returns %)

	Since Inception	1 yr	6 mos	3 mos
PIMCO ETF				
NAV	6.24	5.41	22.96	15.98
Share price (market price)	5.73	5.25	22.99	16.00
Benchmark (%)	6.59	5.78	23.28	16.16

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](http://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.

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 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.

**A word about risk: 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. **Equities** may decline in value due to both real and perceived general market, economic and industry conditions. **Management and Tracking Error Risk** is the risk that the portfolio manager's investment decisions may not produce the desired results or that the Fund's portfolio may not closely track the Underlying Index for a number of reasons. 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. **Model Risk** is the risk that the investment models used in constructing the Underlying Index may not adequately take into account certain factors and may result in a decline in the value of the Underlying Index and, therefore, the Fund.

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 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.

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.

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 as of that time. **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.

Socially responsible investing is qualitative and subjective by nature, and there is no guarantee that the criteria utilized, or judgment exercised, by PIMCO will reflect the beliefs or values of any one particular investor. Information regarding responsible practices is obtained through voluntary or third-party reporting, which may not be accurate or complete, and PIMCO is dependent on such information to evaluate a company's commitment to, or implementation of, responsible practices. Socially responsible norms differ by region. There is no assurance that the socially responsible investing strategy and techniques employed will be successful. Past performance is not a guarantee or reliable indicator of future results.

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 L.P. in the United States and throughout the world. ©2021, PIMCO.

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

### Investment products

Not FDIC Insured | May Lose Value | Not Bank Guaranteed

AS OF: 31 DECEMBER 2020

### Trading information

Ticker symbol: RAFE  
CUSIP: 72201R643  
iNav (indicative NAV) ticker: RAFE.IV  
Lead Market Maker: Jane Street  
Exchange: NYSE Arca

### About the benchmark

The RAFI™ ESG US Index is a long-only, smart beta index that seeks to achieve the dual objectives of social responsibility and long-horizon outperformance of the broad market. The Index is constructed by RAFI™ Indices, LLC (the "Index Provider") using a rules-based approach within publicly traded U.S. equities to create an integrated ESG strategy which overweights companies that rate well across various ESG (Environmental, Social, and Governance) themes and excludes companies with a major involvement in industries such as tobacco, gaming, weapons and fossil fuels. The strategy supplements traditional ESG metrics with metrics linked to long-term value creation, specifically financial discipline and diversity, for improved return potential.

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

# PIMCO

ETF FFS RAFE 4Q20