

PIMCO RAFI™ ESG U.S. ETF

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Combining ESG with Smart Beta

Investors are increasingly considering incorporating ESG issues into their investment guidelines, but uncertainty remains about the tradeoff between social responsibility and investment performance. PIMCO RAFI™ ESG U.S. ETF is designed to address this dilemma.

By integrating ESG metrics with a time-tested smart beta strategy, RAFI™ ESG US Index aims to help investors achieve the dual objectives of social responsibility and long-term outperformance of the broad market.

KEY CHARACTERISTICS

Ticker: RAFE

Benchmark: RAFI™ ESG US Index

Gross expense ratio: 0.30%

Fund Launch Date: 12/19/2019

INVESTMENT OBJECTIVE

Seeks to provide total return that closely corresponds, before fees and expenses, to the total return of the RAFI ESG US Index.

ABOUT RESEARCH AFFILIATES

Founded in 2002 by Rob Arnott, Research Affiliates is an established leader in smart beta strategies and, as PIMCO's first sub-advisor, has partnered with PIMCO on equity strategies since 2005. Research Affiliates has been managing ESG index strategies since 2005 and is a signatory of Principles of Responsible Investing (PRI).

RAFI Fundamental Index

Time-tested smart beta strategy

Selects and weights stocks based on economic measures of company size rather than market capitalization



Robust ESG Metrics



Environmental

Social

Governance

Financial
Discipline

Diversity



Innovative smart beta ESG strategy

RAFI™ ESG US Index offers an innovative approach to ESG investing by incorporating two elements that go beyond typical ESG approaches:

1. Begins with the RAFI™ Fundamental Index methodology, a time-tested smart beta strategy built on the principles of contrarian investing and disciplined rebalancing.
2. Supplements standard ESG metrics with both Financial Discipline and Diversity for improved quality, governance and return potential.

Performance (net, %)	1 yr	5 yr	S.I.	Inception Date
PIMCO RAFI ESG US ETF (NAV)	5.40	-	6.05	19 Dec 2019
PIMCO RAFI ESG US ETF (Market Price)	5.34	-	6.00	

30 Day SEC Yield (unsubsidized): 1.98%

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 <http://www.pimco.com> or call 888-400-4ETF.

As of 31 December 2020. SEC Yield as of 14 January 2021.

SOURCE: Research Affiliates, PIMCO

Performance shown is after-fees for the ETF. Performance is average annual returns.

Smart beta refers to a benchmark designed to deliver a better risk and return trade-off than conventional market cap weighted indices.

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PIMCO RAFI™ ESG U.S. ETF: A sustainable portfolio with the potential for excess returns

RAFI™ ESG has attractive characteristics relative to cap-weighted ESG indexes

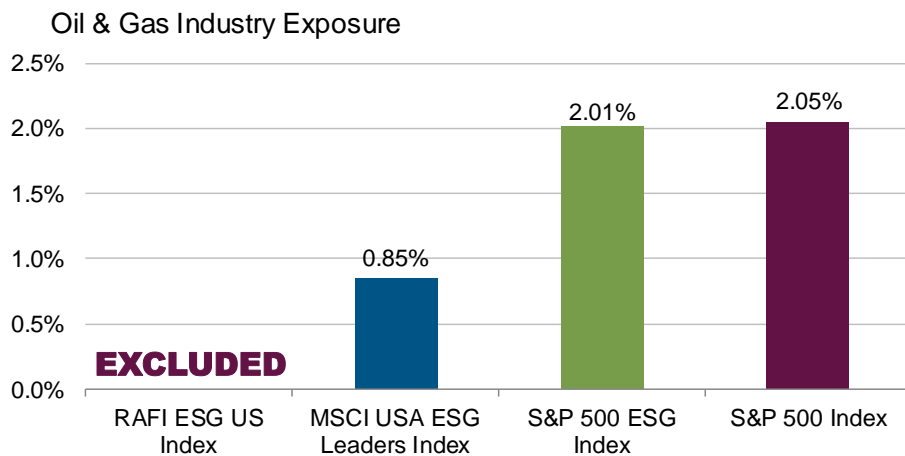
Index	Number of Constituents	Dividend Yield	P/E	P/B
PIMCO RAFI ESG ETF*	226	2.37%	22.22	2.41
S&P 500 ESG Index	296	1.54%	34.79	4.34
MSCI USA ESG Leaders Index	266	1.53%	30.70	5.32
S&P 500 Index	505	1.52%	34.24	3.70

- ESG companies are often high-quality companies that trade at premium valuations
- Utilizing the Fundamental Index approach, RAFI ESG avoids significant overweights to the most expensive ESG companies

*The ETF dividend yield is a characteristic of the underlying ETF holdings. The ETF dividend yield is payable to the Fund and not distributed directly to investors.

As of 31 December 2020. *Most recent publicly available ETF data, as of 14 January 2021. SOURCE: PIMCO, S&P Indices, Bloomberg.

RAFI™ ESG US Index's rigorous ESG standards result in improved sustainability



- RAFI™ ESG US Index excludes companies that have a major involvement in fossil fuels
- Some ESG indexes do not exclude fossil fuels and contain exposure to oil & gas companies

	Carbon Footprint (t CO ₂ eq)	% Change vs. Index
S&P 500 Index	5,618,170	-
S&P 500 ESG Index	4,345,714	-22.7%
MSCI USA ESG Leaders Index	2,201,383	-60.8%
RAFI ESG US Index	2,542,241	-54.8%

- RAFI™ ESG US Index has a significantly-reduced carbon footprint

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 and summary prospectus, if available. Encourage your clients to read them carefully.

Past performance is not a guarantee or reliable indicator of future results. The performance figures presented reflect the total return performance, unless otherwise noted (after fees) and reflect changes in share price and reinvestment of dividend and capital gain distributions. 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. **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. **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. **Premium/Discount** is the difference between the market price and NAV expressed as a percentage of NAV. **ETF shares may be bought or sold throughout the day** at their market price on the exchange on which they are listed. However, there can be no guarantee that an active trading market for PIMCO ETF shares will develop or be maintained, or that their listing will continue or remain unchanged. **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. **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. 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.

A word about risk: Equities may decline in value due to both real and perceived general market, economic and industry conditions. **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. **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. Investing in derivatives could lose more than the amount invested.

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.**

There is no guarantee that these investment strategies will work under all market conditions or are appropriate for all investors and each investor should evaluate their ability to invest long-term, especially during periods of downturn in the market.

RAFI ESG U.S. 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.

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