Fund description

PIMCO RAFI Dynamic Multi-Factor U.S. Equity ETF (Ticker: MFUS) is a smart beta strategy that seeks to track the investment results of the RAFI Dynamic Multi-Factor U.S. Index. The fund is designed to provide investors with the benefits of dynamically-weighted exposure to multiple equity factors, including value, quality, low volatility, momentum and size - a diversified approach that seeks to improve return potential.

Investor benefits

Incorporating the latest smart beta research from Research Affiliates, MFUS seeks to provide diversification and structural sources of returns through an innovative methodology that introduces a “buy-low, sell-high” discipline to factor investing.

Potential benefits of the fund include:

- Exposure to multiple U.S. equity factors that theory and research have linked to higher returns, a combination that offers a smoother ride than single-factor approaches.
- Stocks in each factor portfolio are weighted by fundamental measures of company size, breaking the link between price and portfolio weight (except in the momentum factor portfolio). Research Affiliates Fundamental Index (RAFI) is an investment approach that systematically rebalances portfolio weights back to fundamental size, allowing mean reversion to drive returns.
- A dynamic weighting process that overweights factors that may be more attractive on a forward-looking basis, reducing the potential risk associated with buying expensive factors.

The fund advantage

PIMCO and Research Affiliates believe that our differentiated approach to multi-factor investing creates the potential for higher returns through both factor portfolio construction and dynamic allocation of the individual factor portfolios. We believe this value conscious approach to factor investing makes MFUS an attractive strategy for smart beta investors, and can serve as a complement to or replacement for traditional equity approaches.
RAFI Dynamic Multi-Factor U.S. Equity

Performance (total returns)

<table>
<thead>
<tr>
<th></th>
<th>Since Inception</th>
<th>1 yr</th>
<th>6 mos</th>
<th>3 mos</th>
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<tbody>
<tr>
<td><strong>PIMCO ETF</strong></td>
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<tr>
<td>NAV</td>
<td>12.28</td>
<td>26.25</td>
<td>8.54</td>
<td>5.25</td>
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<tr>
<td>Share price (market price)</td>
<td>11.79</td>
<td>25.29</td>
<td>7.50</td>
<td>4.14</td>
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<tr>
<td>Benchmark (%)</td>
<td>12.71</td>
<td>26.73</td>
<td>8.72</td>
<td>5.33</td>
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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. 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 methodology and/or timing of transactions by the Fund and the index. There may be certain funds that have experienced high or unusual performance for one or more periods, which may adversely affect performance. The performance figures presented reflect the total return performance and reflect a 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 hold 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.

Investors should consider the investment objectives, risks, charges and expenses of the funds carefully before investing. This information 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.

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. The index is not an appropriate benchmark for determining whether or not a fund is a successful investment and/or whether an investor should purchase or redeem shares. The index is not a representation of the performance of any fund. The index is not designed to be used as a substitute for benchmarking or as a performance measure for any fund. The index may be affected by changes in market conditions and/or the behavior of issuers of the securities included in the index.

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 cost of the underlying instrument. Diversification does not ensure against loss.

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.

Holdings: Current holdings are subject to risk. Holdings are subject to change at any time. An investment in an ETF involves risk including possible loss of the investment. The Fund’s performance may be affected by changes in market conditions and/or the behavior of issuers of the securities included in the index. The index is not an appropriate benchmark for determining whether or not a fund is a successful investment and/or whether an investor should purchase or redeem shares. The index is not a representation of the performance of any fund. The index is not designed to be used as a substitute for benchmarking or as a performance measure for any fund. The index may be affected by changes in market conditions and/or the behavior of issuers of the securities included in the index.

Premiums: Market 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 NAV changing at a premium or discount to NAV.

About the benchmark

The RAFI Dynamic Multi-Factor U.S. index takes time-varying exposures to five return factors; value, quality, low volatility, momentum and size. The index uses recent and historical metrics to tilt toward factor portfolios which are particularly attractive on a forward-looking basis. 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