PIMCO Active Bond ETF (BOND) broadens the fixed income toolkit in seeking to provide both stronger returns and better risk-adjusted returns than the benchmark – an active approach that can help investors avoid passive risks that are even more pronounced in today’s environment.

1. PASSIVE FIXED INCOME INVESTORS ARE TAKING ON MORE RISK FOR LESS RETURN

The composition of the Bloomberg Barclays U.S. Aggregate Index (BBAG) – the benchmark for many passive core bond ETFs – has changed meaningfully over the past 10 years and passive investors trying to mirror the index are taking on significantly more interest rate risk and credit risk, while earning a lower yield.

Passive investors are exposed to a traditional core benchmark that reflects a deteriorating risk-return profile

Source: Bloomberg Barclays U.S. Aggregate Bond Index (BBAG) duration, credit and yield statistics as of 31 December 2008 and 31 December 2019. See page 2 for index description. Within the BBAG, the share of credit - and BBB credit - has increased since 2008. All other credits include A, AA or AAA.

2. A DIVERSIFIED APPROACH DESIGNED FOR BETTER RISK-RETURN OPPORTUNITIES

Rather than accepting the risks that come with investing passively in core fixed income, BOND actively selects risk exposures to seek stronger returns. The fund can invest in securities and sectors outside the BBAG, giving it the flexibility to employ multiple sources of return while diversifying risks. BOND’s diversification has helped the fund deliver both higher returns and better risk-adjusted returns than its benchmark and its active and passive peers, since inception.


Diversification does not ensure against loss.
The fund has outperformed its benchmark across most time periods. BOND has delivered positive alpha over most major time periods and has been in the top decile of its peer group since inception.


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 pimco.com or by calling 888.400.4ETF.

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, which may be obtained by contacting your investment professional or PIMCO representative or by visiting pimco.com. Please read them carefully before you invest or send money.

The 30-day SEC yield is an annualized yield based on the most recent 30 day period. Yields fluctuate and are not guaranteed.

Past performance is not a guarantee or a reliable indicator of future results. 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.

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.

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.

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.

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