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PIMCO U.S. Government Bond Ladder Managed Account

Available via Premium Access Strategies (PAS). Exclusively for Merrill Advisors

Highlights

- Capital preservation: The portfolio is constructed solely of U.S. Treasury Fixed Income Securities, which are supported by the full faith and credit of the U.S. Government, whose maturities are staggered across maturity ranges
- Maximize income: The portfolio seeks to maximize income within the strategy objectives
- Maintain a high degree of liquidity: The portfolio aims to be able to efficiently accommodate liquidity needs upon request
- Minimum Account Size: $500,000

This managed account aims to deliver a source of predictable income while preserving capital by investing in U.S. Treasury fixed income securities with laddered maturities of 0-18 months, 0-3, 0-5, and 0-10 years

Government Bond Philosophy

By evenly investing in fixed income securities across the yield curve, portfolios seek to spread interest-rate risk evenly across the investment horizon.

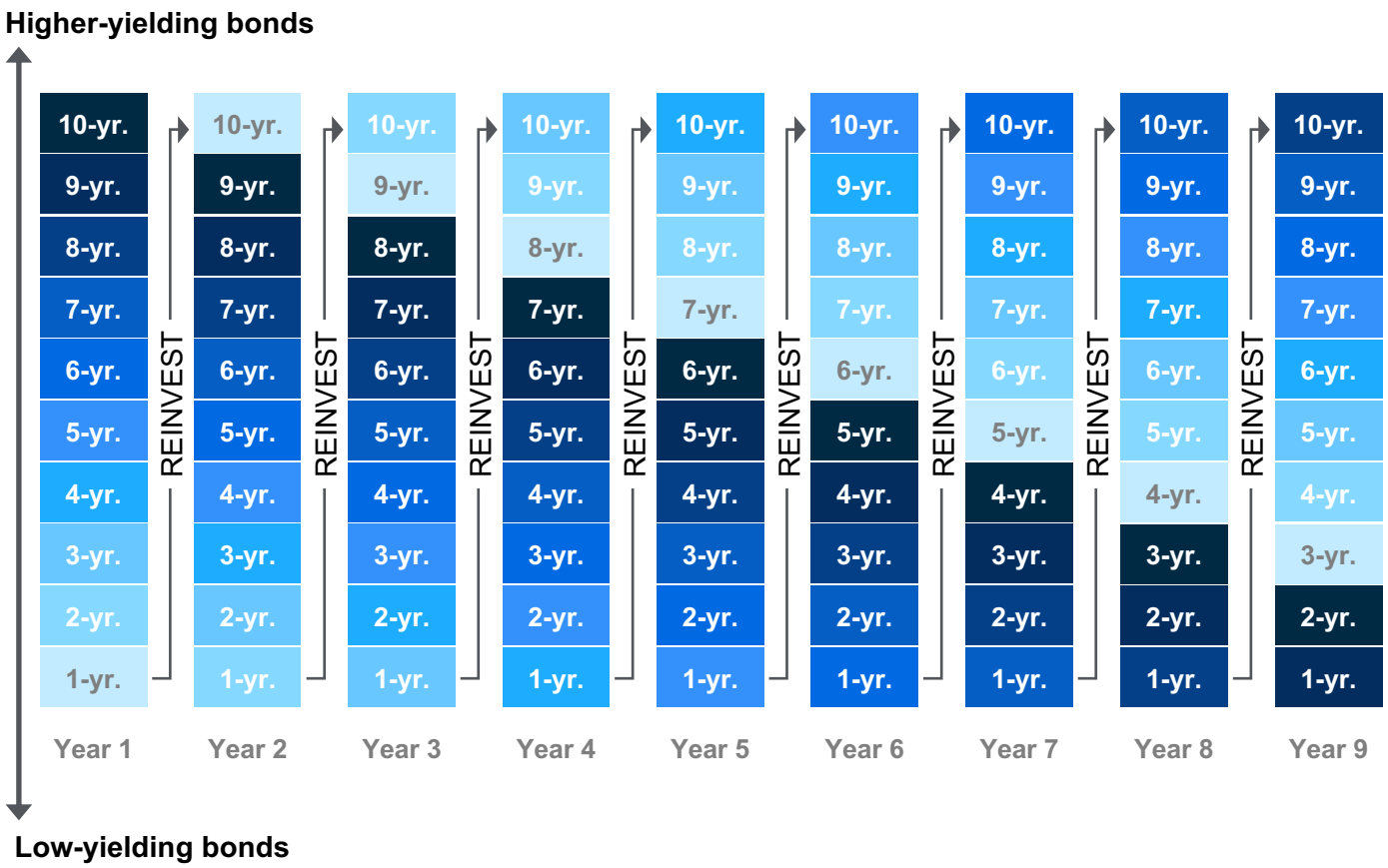
We maintain a disciplined approach of continually reinvesting proceeds of maturing bonds at the longest end of the ladder, enabling us to consistently invest in bonds with what we believe to be attractive at-market yields.

Portfolio Construction

PIMCO U.S. Government Bond Ladders are constructed using U.S. Treasury Fixed Income Securities with laddered maturities of 0-18 months, 0-3, 0-5, and 0-10 years.

HOW THE U.S. GOVERNMENT BOND LADDER WORKS

U.S. Government Bond Ladder is a portfolio of bonds that mature at regular intervals, typically in annual increments. As a bond matures, the principal is reinvested in the longest maturity at the end of the ladder – as shown in the chart below, which uses PIMCO 1-10 Year U.S Government Bond Ladder as an example.



Source: PIMCO. **For illustrative purposes only.**

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Past performance is not a guarantee or a reliable indicator of future results. More information on Wrap Program fees are described in Part 2A of PIMCO's Form ADV. SMA portfolios will be charged a wrap fee which is all-inclusive of advisory, trading, custodial and administrative fees. Actual fees will vary by client. Individual account holdings will vary depending on the size of an account, cash flows and account restrictions. Portfolio holdings are subject to change daily without notice. At any time an individual account managed in this strategy may or may not include securities held by another portfolio. Consequently, any particular account may have portfolio characteristics and performance that differ from another individual account in this strategy.

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 low 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.

The **credit quality** of a particular security or group of securities does not ensure the stability or safety of an overall portfolio. The Quality ratings of individual issues/issuers are provided to indicate thecredit worthiness of such issues/issuer and generally range from AAA, Aaa, or AAA (highest) to D, C, or D (lowest) for S&P, Moody's, and Fitch respectively.

U.S. Government Bond Ladder Managed Account Fee Schedule: Maximum fee on all assets: 3.00%

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.

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