PIMCO

PIMCO Municipal Income Opportunity Managed Account

Available via Premium Access Strategies (PAS). Exclusively for Merrill Advisors. PIMCO offers a range of Municipal Bond Ladders for Managed Accounts.

Highlights

- Aims to deliver tax - efficient returns by investing in municipal bonds that are exempt from Federal taxes. Municipal bonds may be subject to state and local taxes
- Benefits from PIMCO's proprietary credit research, a key advantage in a municipal bond market that has become increasingly complex and subject to credit risk
- Seeks to take advantage of PIMCO's substantial market presence, which may result in economies of scale and greater, more efficient access to opportunities
- Use of a PIMCO-managed commingled fund within the portfolio allows for greater flexibility and diversification potential, and the ability to invest selectively in high yield municipal bonds

This managed account is designed to help investors pursue attractive, tax-efficient income while emphasizing capital appreciation

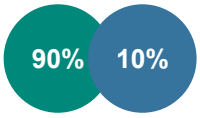
Portfolio Construction

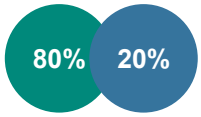
The PIMCO Municipal Income Opportunity Managed Account is an actively managed portfolio of municipal bonds. It provides access to a commingled fund to enhance diversification, invest more opportunistically in high yield municipal securities, and tap into idiosyncratic investment opportunities.

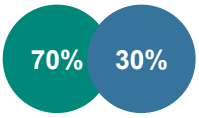
This approach aims to increase yield and total return potential while having the ability to hedge against downside risk relative to standard SMAs. The strategy is designed to help investors pursue attractive, tax-efficient income while emphasizing capital appreciation.

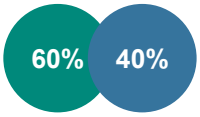
The commingled fund, which can comprise 10-40% of the overall portfolio, provides separately managed account investors with access to active management. This allows portfolio managers seek to exploit the inefficiencies of the tax-exempt market and pursue market dislocations and opportunities more effectively.

Broad guidelines enable PIMCO PMs to express their best ideas based on the firm's outlook and core investment themes. The flexibility to source relative value opportunities across states, sectors, obligors, and across the credit stack, given the ability of the commingled fund to allocate up to 80% in high yield exposure, seeks to enhance yield and alpha potential for investors. Lastly, investments in a broad number of securities may smooth income distributions over time through monthly commingled fund distributions.









For illustrative purposes only. Illustrations reflect sample varying allocations of 10-40% to the PIMCO Commingled Fund.

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The managed account strategies described in this material are offered by Pacific Investment Management Company LLC and are available exclusively through financial professionals. Managed accounts have a minimum asset level and may not be appropriate for all investors. Financial professionals seeking more information should contact their managed accounts department or call their PIMCO representative. The managed account portfolio consists of individual securities and a select combination of proprietary, commingled vehicles. These vehicles are available only through managed accounts utilizing the managed account strategy and are available by prospectus only.

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. Individual results may vary as a result of market conditions, trading costs and other factors, which may be unique to each account. 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.

A word about risk: 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. Income from **municipal bonds** is exempt from federal income tax and may be subject to state and local taxes and at times the alternative minimum tax; a strategy concentrating in a single or limited number of states is subject to greater risk of adverse economic conditions and regulatory changes. **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. **Diversification** does not ensure against loss. The **credit quality** of a particular security or group of securities does not ensure the stability or safety of the overall portfolio. The quality ratings of individual issues/issuers are provided to indicate the creditworthiness of such issues/issuers and generally range from AAA, Aaa, or AAA (highest) to D, C, or D (lowest) for S&P, Moody's and Fitch, respectively.

It is not possible to invest in an unmanaged index.

Individual municipal bonds may not be tax-advantaged depending on the bond issuer and your state of residence. Bonds issued in U.S. territories are federal tax exempt, and state tax exempt. The interest on municipal bonds may be determined to be taxable after purchase. Bond prices rise and fall daily, and municipal bonds are subject to various risks, including changes in interest rates, call risk, market conditions, and default risk.

PIMCO Municipal Income Opportunity Managed Account: Maximum fee on all assets: 3.00%.

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