

PIMCO Preferred and Capital Securities Active Exchange-Traded Fund

FUND DESCRIPTION

The PIMCO Preferred and Capital Securities Active Exchange-Traded Fund (Ticker: PRFD) is an actively managed ETF that seeks total return, consistent with prudent investment management, with a secondary objective of income generation. PRFD provides investors with exposure across preferred, capital securities and corporate hybrid markets, focusing on attractive valuations within the market while taking advantage of attractive subordination premia. Through active management, the fund seeks to manage liquidity, duration, and relative value opportunities while maximizing risk-adjusted returns and offering the tax advantages of preferreds and capital securities.

TICKER	PRFD
FUND INCEPTION DATE	18 January 2023
CUSIP	72201R619
TOTAL NET ASSETS (IN MILLIONS)	\$90.2

Portfolio Manager

Philippe Bodereau, Amit Arora, Matthieu Loriferne, Tanuj Dora

Basic facts

Dividend frequency	Monthly
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Fund expenses

Gross Expense Ratio	0.89%
Net Expense Ratio	0.74%
Adjusted Expense Ratio	0.69%

The Net Expense Ratio reflects a contractual fee waiver and/or expense reduction, which is in place through 31 October 2024 and renews automatically for a full year unless terminated by PIMCO in accordance with the terms of the agreement.

The Adjusted Expense Ratio excludes certain investment expenses, such as interest expense from borrowings and repurchase agreements and dividend expense from investments on short sales, incurred directly by the Fund or indirectly through the Fund's investments in underlying PIMCO Funds (if applicable), none of which are paid to PIMCO.

Bond risk measures

Effective Duration (yrs)	4.90
Effective Maturity (yrs)	6.55
Number of securities	135

INVESTOR BENEFITS

Favorable Tax Treatment: Most preferred dividends are taxed at qualified dividend income (QDI) rates, which is considerably less than ordinary income tax rates, potentially providing a compelling after-tax yield relative to other asset classes. ETFs can also generate less tax liability than similarly structured mutual funds

Low Correlation and Diversification: Preferreds include features of both stocks and bonds, and may exhibit low correlation to these asset classes. Preferreds can help mitigate interest rate risk while enhancing return potential when used to diversify from core bonds given their potential to be called by the issuer and/or become floating rate securities. Preferreds may also offer investors portfolios reduced volatility and enhanced income potential when used to diversify from equities

THE FUND ADVANTAGE

Global Approach: PIMCO has meaningful exposure to non-US capital securities, which have tended to offer higher yield with comparable credit quality to US preferreds*. We see better risk-adjusted relative value in fixed-to-float preferreds which trade at attractive spreads and have lower rate sensitivity.

Credit Research Capabilities: We employ a disciplined approach to credit selection in attractively priced non-financial preferreds and corporate hybrids with attractive risk-adjusted return potential, focusing on fundamentally sound US/European banks with investment grade credit quality*

Experienced Team: PRFD is managed by a seasoned team of portfolio managers led by Philippe Bodereau who has 25+ years of experience covering banks. The Fund also leverages PIMCO's 80+ member global credit research team, including 12 dedicated to financials

Value from Access to Liquidity

- PM Sector Specialists at PIMCO trade particular sectors and issuers for the entire firm, including for financials
- Deep Counterparty Relationships with over 30 global counterparties
- Incorporating Liquidity Costs in assessing relative value across issuers and instruments
- Diverse Client Base helps limit exposure to the trends of a particular buyer base
- Direct Engagement with Issuers, leveraging our relative size and expertise in lending to help negotiate favorable structuring of new securities in reverse inquiries and bond put-backs

*The credit quality of a particular security or group of securities does not ensure the stability or safety of an overall portfolio.

Capital Structure

Positioning (% Market Value)	Fund
Senior	3.3
Tier 2	10.5
Tier 2 CoCo	0.6
Tier 1 & Preferred	40.3
Additional Tier 1	27.8
Non-Financials	23.1
Net Short Duration Instruments [¶]	-5.6

Performance characteristics

SEC 30-day yield (%)

Subsidized	5.52%
Unsubsidized	5.37%

The 30 day SEC Yield is computed under an SEC standardized formula based on net income earned over the past 30 days. The Subsidized yield includes contractual expense reimbursements and it would be lower without those reimbursements. The Unsubsidized 30 Day SEC yield excludes contractual expense reimbursements.

Trading information

Ticker symbol	PRFD
CUSIP	72201R619
iNav (indicative NAV) ticker	PRFDIV
Lead Market Maker	GTS Securities LLC
Exchange	NYSE ARCA

Performance (average annual returns %)	QTD	1 Yr.	SI
PIMCO ETF			
NAV	3.49	12.67	4.50
Share price (market price)	3.55	12.66	4.58
Benchmark (%)	4.54	12.57	5.91

About the benchmark

ICE BofA US All Capital Securities Index tracks the performance of fixed rate, US dollar denominated hybrid corporate and preferred securities publicly issued in the US domestic market. Qualifying securities must be rated by Moody's, S&P or Fitch. Floating rate coupon or dividend securities are excluded, but zero, step and rating-dependent coupons are included.

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 www.pimco.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 methodologies used by the Fund and the index. 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.

The performance figures presented reflect the total return performance, unless otherwise noted, and reflect changes in share price and reinvestment of dividend and capital gain distributions. All periods longer than one year are annualized. Periods less than one year are cumulative.

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.pimco.com

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 www.pimco.com. Please read them carefully before you invest.

[¶]Net Other Short Duration Instruments includes securities and other instruments (except instruments tied to emerging markets by country of risk) with an effective duration less than one year and rated investment grade or higher or, if unrated, determined by PIMCO to be of comparable quality, commingled liquidity funds, uninvested cash, interest receivables, net unsettled trades, broker money, short duration derivatives and derivatives offsets. With respect to certain categories of short duration securities, the Adviser reserves the discretion to require a minimum credit rating higher than investment grade for inclusion in this category. Derivatives Offsets includes offsets associated with investments in futures, swaps and other derivatives. Such offsets may be taken at the notional value of the derivative position.

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.

A word about risk: Investing in the **bond market** is subject to certain risks including the risk that fixed income securities will decline in value because of changes in interest rates; the risk that fund shares could trade at prices other than the net asset value; and the risk that the managers investment decisions might not produce the desired results. Investing in **senior loans**, including bank loans, exposes the Fund to heightened credit risk, call risk, settlement risk and liquidity risk. Investing in **foreign-denominated and/or -domiciled securities** may involve heightened risk due to currency fluctuations, and economic and political risks, which may be enhanced in emerging markets. **Currency rates** may fluctuate significantly over short periods of time and may reduce the returns of a portfolio. **High yield, lower-rated securities** involve greater risk than higher-rated securities; portfolios that invest in them may be subject to greater levels of credit and liquidity risk than portfolios that do not. **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.

In order to provide additional information regarding the intra-day value of shares of the Fund, the NYSE Arca, Inc. or a market data vendor disseminates every 15 seconds through the facilities of the Consolidated Tape Association or other widely disseminated means an updated Indicative NAV ("iNAV") for the Fund as calculated by an information provider or market data vendor. The Fund is not involved in or responsible for any aspect of the calculation or dissemination of the iNAV and makes no representation or warranty as to the accuracy of the iNAV. **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 New York Stock Exchange (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 New York Stock Exchange 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.

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. **Premium/Discount** is the difference between the market price and NAV expressed as a percentage of NAV. **Market Price** is the Official Closing Price on NYSE Arca or the New York Stock Exchange, as applicable, 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. **ETFs are subject to secondary market trading risks.** Shares of an ETF will be listed for trading on an exchange, however, there can be no guarantee that an active trading market for such shares will develop or continue. There can be no guarantee that an ETF's exchange listing or ability to trade its shares will continue or remain unchanged. Shares of an ETF may trade on an exchange at prices at, above or below their most recent NAV. The per share NAV of an ETF is calculated at the end of each business day, and fluctuates with changes in the market value of the Fund's holdings. The trading prices of an ETFs shares fluctuate continuously throughout the trading day based on market supply and demand, which may not correlate to NAV. The trading prices of an ETFs shares may differ significantly from NAV during periods of market volatility, which may, among other factors, lead to the Fund's shares trading at a premium or discount to NAV.

Portfolio structure is subject to change without notice and may not be representative of current or future allocations.

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