

# PIMCO's Short-Term and Low Duration Strategies: Improve Yield Potential, Guard Against Rising Rates

PIMCO offers an array of actively managed mutual funds and ETFs that provide more attractive return potential than cash, while defending against interest rate risk. The matrix below provides a comparison of three such investment solutions: PIMCO Enhanced Short Maturity Active ETF, Low Duration Active ETF and Low Duration Fund.

	Enhanced Short Maturity Active ETF (MINT)	Low Duration Active ETF (LDUR)	Low Duration Fund
<b>Macro</b>			
Duration	0–1 year	1–3 years	1–3 years
<b>Max sector guidelines</b>			
High yield	0%	10%	10%
Developed non-U.S.	0%	30%	30%
Emerging markets	5% <sup>1</sup>	10%	10%
Currency exposure	0%	20%	20%
<b>Derivatives</b>			
Allowed	Forwards allowed	No limit on derivatives	No limit on derivatives
Prohibited	Futures, options and swaps		
<b>Other</b>			
Minimum in fixed income	At least 80% invested in fixed income securities	At least 65% invested in fixed income securities	At least 65% invested in fixed income securities
Equity-related	No preferred / up to 2% convertible	No common / up to 10% preferred, convertible and other equity-related securities	No common / up to 10% preferred, convertible and other equity-related securities
<b>Fees</b>			
Share Classes Available	Single share class	Single share class	Inst., Admin., A, C, D, P, R
Institutional	0.35%	0.57% <sup>3</sup> / 0.49% <sup>4</sup>	0.46%
Administrative			0.71%
A share <sup>2</sup>			0.80%
C share			1.10%
D share			0.75%
P share			0.56%
R share			1.05%

<sup>1</sup> The limits shown are not specified in the prospectus and should be considered only as general investment guidelines under normal and non-defensive portfolio operating conditions

<sup>2</sup> Does not include 2.25% maximum sales charge

<sup>3</sup> LDUR total expenses include the accounting treatment of certain investments (e.g., reverse repurchase agreements). The interest expense on these investments is required to be treated as a fund expense for accounting purposes and is not payable to PIMCO. The Total Annual Fund Operating Expenses excluding interest expense is 0.55%.

<sup>4</sup> LDUR net total expenses reflect a contractual expense reduction agreement through 31 October 2016.

The principal value invested is not guaranteed and the fund may lose value.

*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, which may be obtained by visiting [pimco.com](http://pimco.com) or contacting your PIMCO representative. Please read the prospectus carefully before you invest.*

**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 fund. Purchases and redemptions directly with ETFs are only accomplished through creation unit aggregations or "baskets" of shares. Investment policies, management fees and other information can be found in the individual ETF's prospectus.

**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 the current low interest rate environment increases this risk. Current 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. **Sovereign securities** are generally backed by the issuing government, obligations of U.S. Government agencies and authorities are supported by varying degrees but are generally not backed by the full faith of the U.S. Government; portfolios that invest in such securities are not guaranteed and will fluctuate in value. **Mortgage and asset-backed securities** may be sensitive to changes in interest rates, subject to early repayment risk, and their value may fluctuate in response to the market's perception of issuer creditworthiness; while generally supported by some form of government or private guarantee there is no assurance that private guarantors will meet their obligations. **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.

Effective duration is the duration for a bond with an embedded option when the value is calculated to include the expected change in cash flow caused by the option as interest rates change. Gov't Related may include nominal and inflation-protected Treasuries, agencies, interest rate swaps, Treasury futures and options, and FDIC-guaranteed corporate securities.

Premiums (when market price is above NAV) or discounts (when market price is below NAV) reflect the differences (expressed as a percentage) between the NAV and the Market Price of the Fund on a given day, generally at the time the NAV is calculated. A discount or premium could be significant. Data in chart format displaying the frequency distribution of discounts and premiums of the Market Price against the NAV can be found on the Premium/Discount tab for each Fund at [pimcoetfs.com](http://pimcoetfs.com).

Current holdings are subject to risk. Holdings are subject to change at any time. 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 ETF's shares fluctuate continuously throughout the trading day based on market supply and demand, which may not correlate to NAV.

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.

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