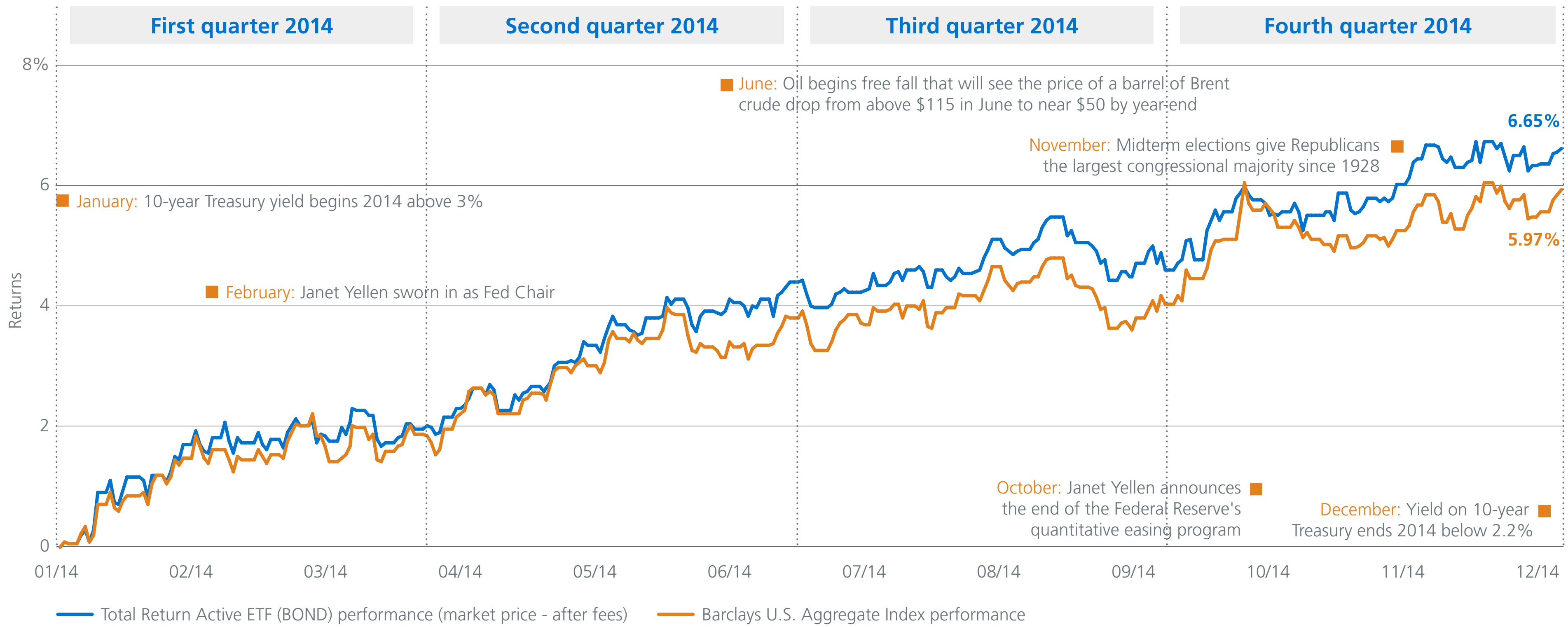
PIMCO

Your Global Investment Authority

Total Return Active Exchange-Traded Fund (BOND): 2014 in Review

2014 TOTAL RETURN ACTIVE ETF (BOND) AND BARCLAYS U.S. AGGREGATE INDEX RETURNS



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 atpimcoetfs.com or call 888.400.4ETF.

PIMCO Total Return Active ETF (ticker: BOND) returned **6.65%** (market price - after fees), versus the Barclays U.S. Aggregate Index, which returned **5.97%**. **See the reverse side for a detailed quarter-by-quarter breakdown of the drivers of PIMCO Total Return Active ETF returns over the last 12 months.**

2014 was marked by pivotal economic events and noteworthy surprises. Particularly significant for fixed income markets: U.S. interest rates fell even as the economy strengthened and the Federal Reserve wound down its quantitative easing program. The rally in U.S. Treasury bonds, a microcosm of a broader rally in traditional safe-havens like the U.K., Germany and Japan, was partly influenced by global developments. While the U.S. economy appeared to be gathering momentum, global growth concerns emerged as the eurozone and Japan economies, in particular, faltered. Increasing tensions in Eastern Europe and the Middle East and fears over the Ebola outbreak heightened investor anxiety and contributed to bouts of risk-off sentiment. In addition, the magnitude of the fourth quarter's unexpected and dramatic collapse in oil prices – down more than 50% from mid-year levels – unsettled commodity markets and the energy industry and pressured inflation lower around the globe. As economies diverged, so did monetary policies in the developed world: the Fed appeared poised to tighten its stance even as the European Central Bank and the Bank of Japan expanded their programs to stimulate growth and fend off disinflationary pressures. As a result, the U.S. dollar strengthened against virtually all its developed market counterparts. Not all the effects of the fall in oil prices were negative, as it also presented potential spillover benefits for consumers' disposable income. In equities, the stock market sustained its uptrend, particularly in the U.S., where consumer net worth reached new highs in the first half of 2014, driven by improving housing and labor markets.

Average annual total returns (as of 31 December 2014)	1 yr.	Inception (29 Feb. 2012)
PIMCO Total Return Active ETF (BOND) NAV total returns	6.87%	6.01%
PIMCO Total Return Active ETF (BOND) market price returns	6.65%	5.94%
Barclays U.S. Aggregate Index (BAGG)	5.97%	2.51%

If this material is used after 31 March 2015, it must be accompanied by the most recent Performance Supplement. *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 atpimcoetfs.com or call 888.400.4ETF.*

QUARTERLY PERFORMANCE AND ATTRIBUTION

First quarter 2014

BOND NAV total returns: 2.14%

BOND market price returns: 2.03%

BAGG returns: 1.84%

Positive for returns:

- Tactical exposures to Italian and Spanish debt
- Allocation to non-agency mortgages
- Exposure to Build America Bonds (BABs)
- Modest exposure to high yield corporate bonds

Negative or neutral for returns:

- Underweight to long end of U.S. yield curve
- Holdings of Treasury Inflation-Protected Securities (TIPS)
- Currency positioning, specifically long U.S. dollar positions versus the Japanese yen
- Positioning in agency mortgage-backed securities (MBS)

Second quarter 2014

BOND NAV total returns: 2.10%

BOND market price returns: 2.37

BAGG returns: 2.04%

Positive for returns:

- Tactical exposures to Italian and Spanish debt
- Holdings of TIPS
- Modest exposure to high yield corporate bonds
- Allocation to non-agency mortgages

Negative or neutral for returns:

- Underweight to long end of U.S. yield curve
- Underweight to agency MBS

Third quarter 2014

BOND NAV total returns: 0.52%

BOND market price returns: 0.32%

BAGG returns: 0.17%

Positive for returns:

- Currency positioning, specifically long U.S. dollar positions versus the euro and yen
- Allocation to non-agency mortgages
- Tactical exposures to Italian and Spanish debt

Negative or neutral for returns:

- Holdings of TIPS
- Underweight to long end of U.S. yield curve
- Exposure to high yield corporate bonds

Fourth quarter 2014

BOND NAV total returns: 1.95%

BOND market price returns: 1.78%

BAGG returns: 1.79%

Positive for returns:

- Underweight to investment-grade corporate bonds and holdings of select high yield corporate bonds
- Currency positioning, specifically long U.S. dollar positions versus the euro and yen
- Exposure to local rates in Mexico

Negative or neutral for returns:

- Underweight to long end of U.S. yield curve
- Holdings of TIPS
- Underweight to front end of U.K. yield curve

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 contacting your PIMCO representative. Please read the prospectus carefully before you invest.

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.

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 manager's investment decisions might not produce the desired results.

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 are bought and sold at market price (not net asset value (NAV). Brokerage commissions will reduce returns. Investment policies, management fees and other information can be found in the individual ETF's prospectus.

Foreign (non-U.S.) fixed income securities will settle in accordance with the normal rules of settlement in the applicable foreign (non-U.S.) market. Foreign holidays that may impact a foreign market may extend the period of time between the date of receipt of a redemption order and the redemption settlement date. Please see the Funds Statement of Additional Information at www.pimcoetfs.com.

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 for each fund at www.pimcoetfs.com.

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 manager's investment decisions might not produce the desired results. 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. **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. **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.

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