

Your Global Investment Authority

PIMCO ETFs

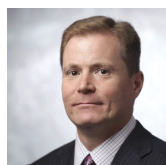
OBJECTIVE: CORE | AS OF: 31 DECEMBER 2014

TICKER: **BOND**
 FUND INCEPTION DATE: **29 FEBRUARY 2012**
 CUSIP: **72201R775**
 FUND ASSETS (IN MILLIONS): **\$2,367.2**

Portfolio manager

Scott Mather

Mark Kiesel



Mihir Worah



Basic facts

Total expenses	0.56%
Total annual expenses ex-interest	0.55%
Dividend frequency	Monthly

Bond risk measures

Effective maturity (yrs)	7.92
Effective duration (yrs)	5.20
# of Holdings	497

Sector diversification (%)

	Market value weighted
Government - Treasury ¹	36
Government - Agency ²	0
Mortgage	11
Invest. Grade Credit	23
High Yield Credit	6
Non-U.S. Developed	-2
Emerging Markets	8
Bonds and Other Long Duration Instruments	4
Short Duration Instruments ³	4
Municipal	2
Other	0
Net Other Short Duration Instruments ⁴	14

Fund description

The PIMCO Total Return Active Exchange-Traded Fund (Ticker: BOND) is a diversified portfolio of high quality bonds that is actively managed in an effort to maximize return in a risk-controlled framework. BOND invests primarily in investment grade debt securities, and discloses all portfolio holdings on a daily basis. The average portfolio duration normally varies within two years (plus or minus) of the benchmark Barclays U.S. Aggregate Index. The fund offers a core bond strategy that is designed to capitalize on opportunities across multiple sectors of the fixed income market.

Investor benefits

The ETF structure allows for trading throughout the day, and BOND has the same expense ratio for all investors, regardless of transaction size. Fund shares are publicly traded and conveniently available to any investor who can access a major stock exchange.

Potential benefits of this fund include:

- **Direct access** to PIMCO's portfolio management expertise, including global credit analysis and interest rate forecasting
- Portfolio diversification, income, the opportunity for capital appreciation and excess return in an **actively managed, risk-controlled framework**
- An investment strategy **managed for all market environments**, emphasizing both top-down macroeconomic analysis and bottom-up issue selection
- Full **benefits and flexibility** of the ETF vehicle, including intraday pricing, the ability to be traded using limit and stop loss orders as well as on margin, daily portfolio disclosure and low investment minimum (1 share)

The fund advantage

The Total Return Active Exchange-Traded Fund deploys PIMCO's time-tested investment process, which combines top-down and bottom-up strategies. Top-down strategies are driven by our global secular outlook for the forces likely to influence the economy and financial markets over the next three to five years and our cyclical views of six- to 12-month trends. Bottom-up strategies drive our security selection process and facilitate the identification and analysis of potentially undervalued securities. By combining perspectives from both the portfolio and security levels, we strive to add value over time within acceptable levels of portfolio risk. BOND benefits from the firm's expertise in active fixed income investing, economic forecasting, central bank policy analysis and risk management. Since the firm's inception in 1971, PIMCO has been a pioneer in fixed income total return investing, and is now a market leader in active ETF management.

Total Return Active Exchange-Traded Fund

AS OF: 31 DECEMBER 2014

Performance (total returns)

	Since Inception	1 yr	6 mos	3 mos
PIMCO ETF				
NAV	6.01	6.87	2.48	1.95
Share price (market price)	5.94	6.65	2.10	1.78
Benchmark (%)	2.51	5.97	1.96	1.79

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.pimcoetfs.com or by calling 888.400.4ETF.

Full range of investment strategies

PIMCO offers access to these other investment strategies. To learn more, please visit www.pimco.com/investments.

Alternatives	Asset Allocation	Core
Credit	Emerging Markets	Equity
Global	Inflation Protection	Tax Efficient

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.

¹ Includes U.S. Treasury notes, bonds, futures, and inflation-protected securities ² Includes U.S. agencies, FDIC-guaranteed and government-guaranteed corporate securities, and supranationals ³ Short Duration Instruments includes an emerging market security or other instrument economically tied to an emerging market country by country of risk with an effective duration less than one year and rated investment grade or higher or if unrated, determined to be similar quality by PIMCO. Includes the value of short duration emerging markets instruments previously reported in "Cash Equivalents". ⁴ Net Other Short Duration Instruments includes securities and other instruments (except instruments those 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.

Scott Mather, Mark Kiesel and Mihir Worah began managing the fund on 26 September 2014.

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 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.

The value of most bond funds and fixed income securities are impacted by **changes in interest rates**. Bonds and bond funds with longer durations tend to be more sensitive and more volatile than securities with shorter durations; bond prices generally fall as interest rates rise. Duration is a measure of a portfolio's price sensitivity expressed in years.

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 www.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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Investment products

Not FDIC Insured	May Lose Value	Not Bank Guaranteed
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Performance characteristics

SEC 30-day yield (%) 1.92%

Trading information

Ticker symbol: BOND
 CUSIP: 72201R775
 iNav (indicative NAV) ticker: BOND.IV
 Lead Market Maker: Knight Clearing Services LLC
 Exchange: NYSE Arca

About the benchmark

Barclays U.S. Aggregate Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis. It is not possible to invest directly in an unmanaged index.

About PIMCO

PIMCO is a leading global investment management firm, with offices in 12 countries throughout the Americas, Europe and Asia. Founded in 1971, PIMCO offers a wide range of innovative solutions to help millions of investors worldwide meet their needs. Our goal is to provide attractive returns while maintaining a strong culture of risk management and long-term discipline. PIMCO is owned by Allianz S.E., a leading global diversified financial services provider.

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.pimcoetfs.com

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