

TICKER:	HYS
FUND INCEPTION DATE:	16 JUNE 2011
CUSIP:	72201R783
TOTAL NET ASSETS (IN MILLIONS):	\$1,618.0

**Portfolio manager**

Matt Dorsten

Graham Rennison



**Basic facts**

Dividend frequency	Monthly
--------------------	---------

**Fund expenses**

Gross Expense Ratio	0.56%
---------------------	-------

Adjusted Expense Ratio	0.55%
------------------------	-------

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 maturity (yrs)	2.91
Effective duration (yrs)	1.57
# of Holdings	351

**Top 5 industry diversification (%)**

	Market value weighted
Healthcare	7.4
Technology	6.3
Independent E&P	5.1
Media Cable	4.4
Noncaptive Consumer Finance	4.3

**Fund description**

The 0-5 Year High Yield Corporate Bond Index Exchange-Traded Fund is designed to capture, before fees and expenses, continuous exposure to the short maturity segment of the high yield corporate bond sector. The fund tracks The ICE BofAML 0-5 Year US High Yield Constrained Index, and aims to achieve the yield, volatility level, and low or negative correlations with other asset classes inherent in short maturity high yield.

**Investor benefits**

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

Potential benefits of this fund include:

- **Attractive yield opportunity** - Refer to SEC Yield on page 2.
- **Alternative to equities** - High yield bonds sit between investment grade bonds and equities on the risk-return spectrum. High yield bonds and equities tend to respond in a similar way to the overall market environment, which can lead to similar return profiles over a full market cycle. However, returns on high yield bonds tend to be less volatile because the income component of the return is typically larger, providing an added measure of stability absent default.
- **Advantages of shorter maturities** - A short-term high yield strategy may have lower volatility than a broad maturity high yield strategy, a lower correlation to equities and an even greater inverse correlation to Treasuries. The fund had a duration of 1.5 years on September 30, 2019, compared with 2.9 years for a broad high yield index (as represented by The ICE BofAML US High Yield Index).
- **Portfolio Optimization and Credit Screen** - The PIMCO Indexing approach includes an optimization process that first applies liquidity/transaction cost filters to exclude bonds that are illiquid or cost prohibitive to trade and then attempts to match risk metrics -- such as duration, market-weighted spread, and carry -- to those in the index. As a final step, bonds deemed to be credit impaired based on PIMCO's own internal credit analysis are excluded to the extent possible while still maintaining close tracking to the index.

**The fund advantage**

As a market leader and innovator in high yield bond investing, PIMCO recognizes that investors may benefit from owning specific segments of the high yield maturity spectrum. PIMCO's expertise in high yield management, a practice which began in the mid 1980s at the inception of the high yield market, led to the creation of this fund. This fund seeks to avail investors of the potential benefits of short maturity high yield bond exposure.

"ICE BofAML" and "The ICE BofAML 1-3 Year US Treasury Index", "The ICE BofAML Long US Treasury Principal STRIPS Index", "The ICE BofAML US Inflation-Linked Treasury Index", "The ICE BofAML 1-5 Year US Inflation-Linked Treasury Index", "The ICE BofAML 15+ Year US Inflation-Linked Treasury Index", "The ICE BofAML 0-5 Year US High Yield Constrained Index" and "The ICE BofAML US Corporate Index" (collectively, the "ICE BofAML Indexes") are reprinted with permission. © Copyright 2019 Merrill Lynch, Pierce, Fenner & Smith Incorporated ("ICE BofAML"). All rights reserved. "ICE BofAML" and the ICE BofAML Indexes are service marks of ICE BofAML and/or its affiliates and have been licensed for use for certain purposes by PIMCO on behalf of the Funds that are based on the ICE BofAML Indexes, and are not issued, sponsored, endorsed or promoted by ICE BofAML and/or ICE BofAML's affiliates nor is ICE BofAML and/or ICE BofAML's affiliates an adviser to the Funds. ICE BofAML and ICE BofAML's affiliates make no representation, express or implied, regarding the advisability of investing in the Funds or the ICE BofAML Indexes and do not guarantee the quality, accuracy or completeness of the ICE BofAML Indexes, index values or any index related data included herein, provided herewith or derived therefrom and assume no liability in connection with their use. As the index provider, ICE BofAML is licensing certain trademarks, the ICE BofAML Indexes and trade names which are composed by ICE BofAML without regard to PIMCO, the Funds or any investor. ICE BofAML and ICE BofAML's affiliates do not provide investment advice to PIMCO or the Funds and are not responsible for the performance of the Funds. ICE BofAML compiles and publishes the ICE BofAML Indexes. PIMCO has entered into a license agreement with ICE BofAML to use each Underlying Index.

# 0-5 Year High Yield Corporate Bond Index Exchange-Traded Fund

AS OF: 30 SEPTEMBER 2019

## Performance (total returns)

	Since Inception	5 yr	3 yr	1 yr	6 mos	3 mos
PIMCO ETF						
NAV	5.15	4.36	5.26	4.05	2.32	0.46
Share price (market price)	5.13	4.40	5.17	4.10	2.11	0.51
Benchmark (%)	5.63	4.67	5.59	3.70	2.09	0.51

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](http://www.pimcoetfs.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.

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 fund is managed by Matt Dorsten and Graham Rennison. Prior to 21 October 2019, the fund was managed by Matt Dorsten, Mitchell Handa and Graham Rennison.

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. 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, sometimes significantly, 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, among other things, which may not correlate to NAV. The trading prices of an ETF's 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. Buying or selling ETF shares on an exchange may require the payment of brokerage commissions. 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. 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. 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. **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. 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. **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. 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. **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 use of leverage may cause a portfolio to liquidate positions when it may not be advantageous to do so to satisfy its obligations or to meet segregation requirements. Leverage, including borrowing, may cause a portfolio to be more volatile than if the portfolio had not been leveraged. **Diversification** does not ensure against loss. **Holdings:** 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. 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. The Fund uses an indexing approach and may be affected by a general decline in market segments or asset classes relating to its Underlying Index. The Fund invests in securities and instruments included in, or representative of, its Underlying Index regardless of the investment merits of the Underlying Index. **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 NYSE Arca (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 NYSE Arca is open, and do not reflect security transactions or Fund shares created or redeemed on the date stated. 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, and do not represent the returns you would receive if you traded shares at other times. **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](http://www.pimcoetfs.com).

No part of this material may be reproduced in any form, or referred to in any other publication, without express written permission. PIMCO is a trademark of Allianz Asset Management of America L.P. in the United States and throughout the world. ©2019, PIMCO. PIMCO Investments LLC, distributor, 1633 Broadway, New York, NY, 10019 is a company of PIMCO.

## Investment products

Not FDIC Insured | May Lose Value | Not Bank Guaranteed

## Performance characteristics

SEC 30-day yield (%) 4.12%

## Trading information

Ticker symbol: HYS  
 CUSIP: 72201R783  
 iNav (indicative NAV) ticker: HYS.IV  
 Lead Market Maker: Virtu Americas LLC  
 Exchange: NYSE Arca

## About the benchmark

The ICE BofAML 0-5 Year US High Yield Constrained Index tracks the performance of short-term U.S. dollar denominated below investment grade corporate debt issued in the U.S. domestic market with less than five years remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$250 million, issued publicly. Prior to September 30, 2016, securities with minimum amount outstanding of \$100 million qualified. Allocations to an individual issuer will not exceed 2%.

It is not possible to invest directly in an unmanaged index.

## About PIMCO

PIMCO is one of the world's premier fixed income investment managers. Since our founding in 1971 in Newport Beach, California, we have continued to bring innovation and expertise to our partnership with clients seeking the best investment solutions. Today our professionals work in 17 offices across the globe, united by a single purpose: creating opportunities for investors in every environment.

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](http://www.pimcoetfs.com)

PIMCO