

DECEMBER 2023

PIMCO's UCITS ETF Range: For European and Global Investors

Seeking to deliver High Performance
Fixed Income in an ETF Wrapper

Marketing Material: For Professional Investor Use Only

A global leader in fixed income and ETFs



Active UCITS ETFs

- PIMCO Euro Short Maturity
- PIMCO Sterling Short Maturity
- PIMCO US Dollar Short Maturity
- PIMCO Covered Bond
- PIMCO Euro Low Duration Corporate Bond
- PIMCO US Low Duration Corporate Bond

Smart Passive UCITS ETFs

- PIMCO US Short-Term High Yield Corporate Bond Index
- PIMCO Euro Short-Term High Yield Corporate Bond Index
- PIMCO Emerging Markets Advantage Local Bond Index

EMEA investors are rapidly adopting (fixed income) ETFs

As ETFs celebrate over two decades in Europe, their advantages are being recognized by investors across the spectrum. Nowhere is this more true than with fixed income.

ETF growth in Europe over the last three years has outpaced that of mutual funds by a factor of 16. Furthermore, fixed income ETFs continue to grow while their corresponding fixed income mutual funds decline.

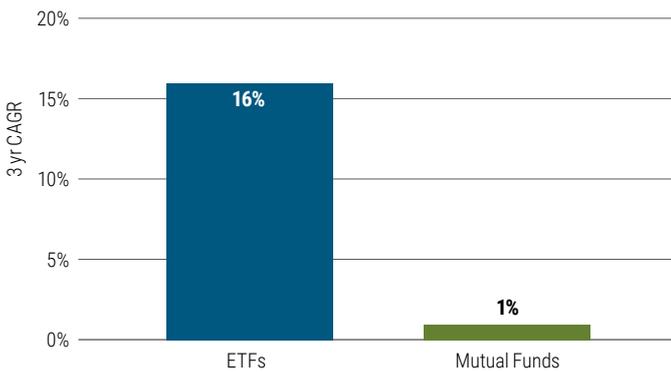
ETFs address important needs for fixed income investors

- ETFs offer investors an intuitive way to gain access to **instant and diversified allocations of bonds**.
- They **trade efficiently** on an open exchange, and **no minimum investment levels or additional costs**.
- They offer **greater levels of transparency** than traditional mutual funds and are **priced continuously** throughout each trading day.

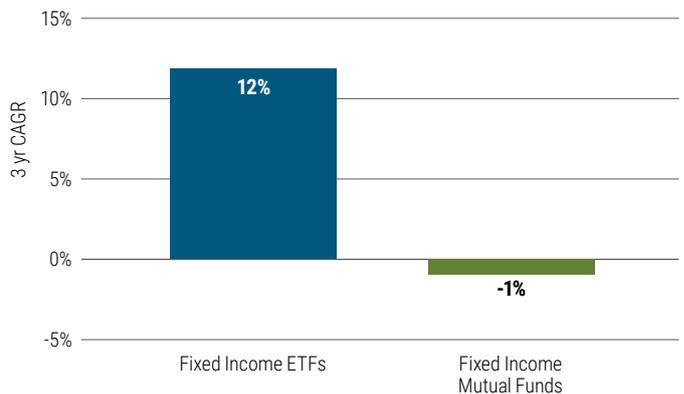
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Fixed income ETFs are growing faster than their fixed income mutual fund peers.
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Figure 1: European ETF adaption outpaces mutual funds

ETFs and mutual funds AUM Growth



Fixed income ETFs vs fixed income mutual funds AUM growth



Source: PIMCO and Morningstar. As of 31 December 2023. All data is for the Morningstar open-end and ETF ex-Fund of Funds, ex-Feeder universe for Europe.

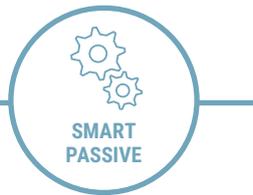
PIMCO's innovative approach has made it one of EMEA's largest ETF managers

PIMCO aims to deliver its fixed income expertise in whatever form makes most sense for its clients – and increasingly that means ETFs.



PIMCO's active ETFs

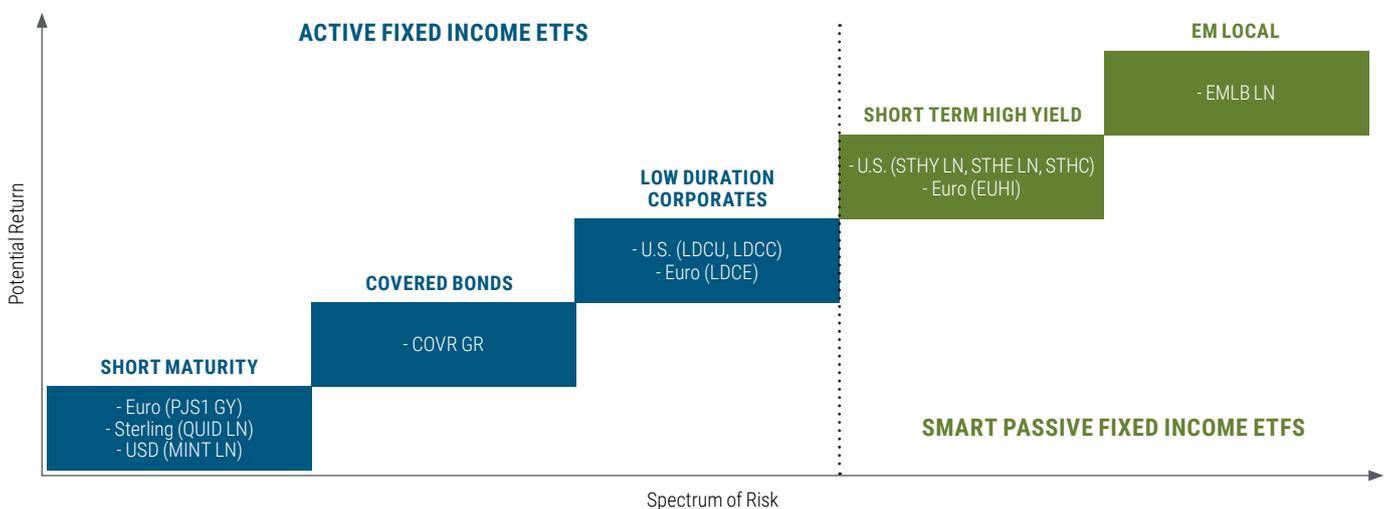
- PIMCO's **global investment process is vehicle agnostic**, a combination of macroeconomic insights and rigorous bottom-up analysis that has been tested across virtually every market environment, and which has made PIMCO a leader in fixed income for 50+ years.
- PIMCO's active ETFs are powered by the same **portfolio manager teams, broad and deep credit resources, proprietary analytics, and risk management** that are used to manage PIMCO's \$1.7 tn in assets under management (as of 30 September 2023).



PIMCO's smart passive ETFs

- PIMCO's **smart index construction** is designed to reduce transaction costs and be representative, relevant, and sustainable – minimizing unnecessary portfolio turnover, identifying more cost-effective exposures, and avoiding bonds that are credit-impaired.
- PIMCO's **risk factor optimization** recreates indices intelligently and cost-effectively using proprietary analytics.
- PIMCO's **execution capabilities** minimize transaction costs, while cash creations and redemptions allow for additional flexibility and liquidity beyond traditional in-kind creations and redemptions.

Figure 2: The PIMCO UCITS ETF franchise: offering strategies across the spectrum of fixed income



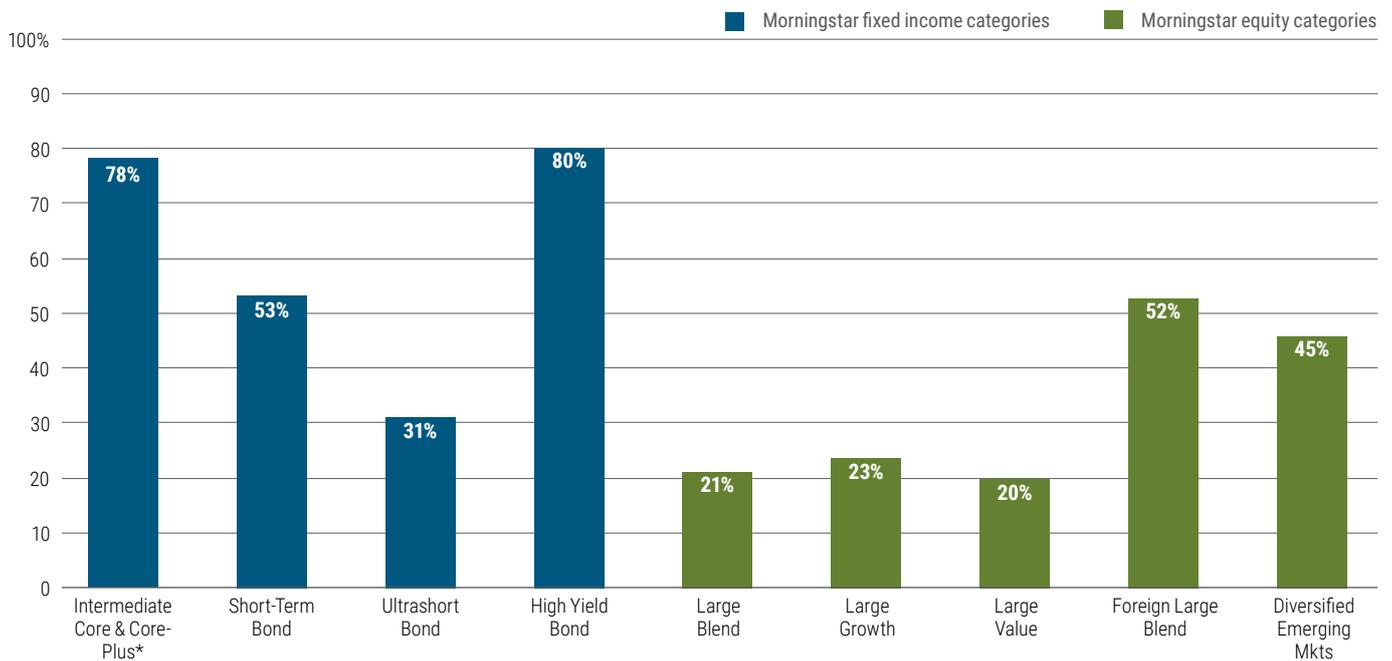
Source: PIMCO. For illustrative purposes only.

ETFs are not passive by nature and active bond management has a history of outperformance

The persistent underperformance of active equity funds over the last ten years explains much of the growing preference for passive equity investments—and passive equity ETFs. **But the story with bonds is different:**

- Fixed income indices are generally far larger than equity indices, with less-liquid underlying securities. After factoring in trading costs and fees, passive fixed income ETFs virtually guarantee underperformance in their attempt to “mirror” their indices. Smart index construction represents an attempt to improve on pure passive exposures and mitigate trading costs.
- Because bond markets and bond indices are far less efficient than their equity peers, active approaches have a better chance to deliver index-beating returns in fixed income. In fact, across the major bond categories, 64% of active fixed income funds (including active ETFs) outperformed their passive peers, net of fees, over the last 10 years. For equities, the corresponding number is 36%.

Figure 3: Percentage of active funds within each category that outperform the passive median fund (10-year horizon)



Source: PIMCO and Morningstar Direct. As of 31 December 2023.

Past performance is not a guarantee nor a reliable indicator of future performance.

For illustrative purposes only.

Note that in the case of some categories, the percentage of active funds that outperform the median passive fund is lower than the percentage of active funds that outperform their primary prospective benchmarks. The explanation for this is the range of benchmarks included in Morningstar categories. Some categories (such as Intermediate-Term Bond) contain funds with largely the same prospectus benchmark; others, such as Short-Term Bond, contain funds with a range of benchmarks. Based on Morningstar U.S. Fund categories (Institutional shares only). * Combines the Morningstar U.S. Fund Intermediate Core and Core-Plus categories.

PIMCO's UCITS ETF range

We manage these portfolios to deliver exposure to either U.S., European or U.K. fixed income markets, and allow clients to choose both accumulating (reinvesting) and income (distributing) share classes. We offer these portfolios in a variety of currencies, including USD, EUR, CHF, and GBP.

	ACTIVE				SMART PASSIVE				
	Cash management			Covered bond	Corporate		High yield		Emerging markets
Fund name	PIMCO Euro Short Maturity UCITS ETF	PIMCO Sterling Short Maturity UCITS ETF	PIMCO US Dollar Short Maturity UCITS ETF	PIMCO Covered Bond UCITS ETF	PIMCO Euro Low Duration Corporate Bond UCITS ETF	PIMCO US Low Duration Corporate Bond UCITS ETF	PIMCO US Short-Term High Yield Corporate Bond Index UCITS ETF	PIMCO Euro Short-Term High Yield Corporate Bond Index UCITS ETF	PIMCO Emerging Markets Advantage Local Bond Index UCITS ETF
Common name	Short Term Euro	Short Term Sterling	Short Term USD	Covered Bond	Low Duration Euro Corporate	Low Duration US Corporate	Short-Term HY	Euro Short-Term HY	EM Advantage
ISIN	IE00B5ZR2157	IE00B622SG73	IE00B67B7N93	IE00BF8HV717	IE00BP9F2J32	IE00BP9F2H18	IE00B7N3YW49	IE00BD8D5H32	IE00BH3X8336
Exchange ticker	PJS1, PJSR	QUID	MINT, MIST	COVR	LDCE	LDCU, LDCC	STHY, STEA, STHC, STHE, STHS, STYC	EUHI, EUHA	EMLB, EMLI
Portfolio manager	Konstantin Veit		Jerome Schneider	Patrick Schneider	Andreas Berndt	Mark Kiesel	David Forgash	Bruce Nicholson	Dhawan Davidson
Benchmark	ICE BofA 3-Month German Government Bill Index	ICE BofA ML Sterling Government Bill Index	FTSE 3-month Treasury Bill	Barclays Euro Agg. Securitised-Covered, 3% Cap Index	ICE BofA ML 1-5 Year Euro Corporate Index	ICE BofA ML 1-5 Year US Corporate Index	ICE BofA ML 0-5 Year US High Yield Constrained Index	ICE BofA ML 0-5 Year Euro Developed Markets High Yield 2% Constrained Index	PIMCO Emerging Markets Advantage Local Currency Bond Index
AUM (\$mn)	2,686	198	2,074	21	111	94	1,418	138	144
Fees*	0.35%	0.35%	0.35%	0.43%	0.49%	0.54%	0.60%	0.50%	0.60%
Benefits	Investors can potentially enhance cash returns by slightly extending quality and maturity criteria for non-immediate cash allocations Tier 2 cash strategy solution			Potential for higher return / yield and lower volatility / duration risk vs. Euro govts Diversification vs. traditional asset classes	Credit exposure with less sensitivity to interest rate risk Short-dated corporate bonds can provide enhanced yield potential and additional diversification benefits vs. government bonds		The Funds offer the opportunity to gain exposure to different sectors of the economy Offers enhanced yield potential to compensate investors for additional credit risk		Seeks to better represent the economic output of emerging market nations by weighting eligible countries based on their share of world GDP

Source: PIMCO, as of 31 December 2023.

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Share value can go up as well as down and any capital invested in the Fund may be at risk. The Funds may use derivatives for hedging or as part of their investment strategies, which may involve certain costs and risks. For more details on the funds' potential risks, please read the Key Investor Information Document.

* Fees may vary by share class

As the rise of ETFs transforms the landscape for European and Global investors, PIMCO remains committed to delivering fixed income leadership and expertise in whatever vehicle best fits their needs.

Contact your PIMCO representative to learn more about our ETF offerings or visit [**PIMCO.com**](https://www.pimco.com)

Important information**Marketing Communication**

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Your capital is at risk. You may not get back the amount you invested. Past performance is not a guarantee or reliable indicator of future results and no guarantee is being made that similar returns will be achieved in the future.

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UCITS ETF's units / shares purchased on the secondary market cannot usually be sold directly back to UCITS ETF. Investors must buy and sell units / shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current net asset value when buying units / shares and may receive less than the current net asset value when selling them.

Additional Information/Documentation

A Prospectus is available for PIMCO Funds and UCITS Key Investor Information Documents (KIIDs) (for UK investors) and Packaged retail and insurance-based investment products (PRIIPS) key information document (KIDs) are available for each share class of each the sub-funds of the Company. The Company's Prospectus can be obtained from www.fundinfo.com and is available in English, French, German, Italian, Portuguese and Spanish. The KIIDs and KIDs can be obtained from www.fundinfo.com and are available in one of the official languages of each of the EU Member States into which each sub-fund has been notified for marketing under the Directive 2009/65/EC (the UCITS Directive). In addition, a summary of investor rights is available from www.pimco.com. The summary is available in English.

The sub-funds of the Company are currently notified for marketing into a number of EU Member States under the UCITS Directive. PIMCO Global Advisors (Ireland) Limited can terminate such notifications for any share class and/or sub-fund of the Company at any time using the process contained in Article 93a of the UCITS Directive."

Risks

There are risks involved in making investments into collective investment schemes, the following risks are relevant to an investment into Funds:

- 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.
- Equities** may decline in value due to both real and perceived general market, economic and industry conditions. 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.
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- 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.
- 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 while generally supported by a government, government-agency or private guarantor there is no assurance that the guarantor will meet its obligations.
- Entering into **short sales** includes the potential for loss of more money than the actual cost of the investment, and the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to the portfolio.
- 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.