PIMCO

Income Fund

SHARE CLASS: **INSTITUTIONAL** | AS OF: **30 NOVEMBER 2021** | **Monthly Commentary**

Fund information		
Fund inception date		30 March 2007
Strategy		Income
Total Net Assets (in millions)		$144,634.0
Portfolio manager(s)		Dan Ivascyn Alfred Murata Joshua Anderson
Effective duration (yrs)		1.12
Benchmark duration (yrs)		6.78
Effective maturity (yrs)		2.32
Class	CUSIP	Ticker
Institutional	72201F490	PIMIX

Expenses	
Gross Expense Ratio (%)	0.62
Adjusted Expense Ratio (%)	0.50

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.

REFINITIV LIPPER FUND AWARDS
2021 WINNER UNITED STATES

The Lipper Fund Awards recognized the Income Fund, Institutional for the 10 year performance period out of 42 funds under the Multi-Sector Income Funds Classification.

Performance summary

The PIMCO Income Fund returned –0.50% after fees in November, and year-to-date the Fund has returned 1.49% after fees.

The Income Fund continued to provide investors with attractive monthly distributions through November.

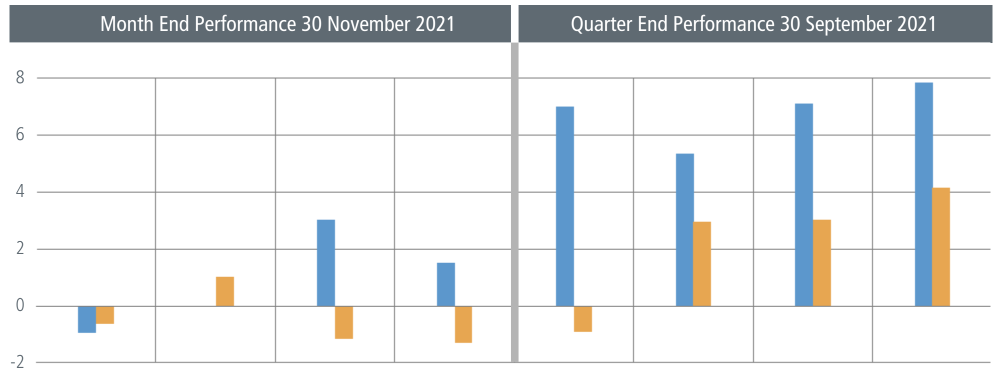
The higher yielding portion of the portfolio was negative in November. The Fund's holdings of Non-agency MBS detracted from performance as spreads widened. The portfolio's currency exposures also detracted as a handful of emerging market currencies depreciated versus the US Dollar. Meanwhile, exposure to emerging market local debt contributed to performance as emerging market local yields generally decreased.

Contributors

- Exposure to Italian duration as rates fell
- Exposure to emerging market local debt
- Exposure to US Duration as rates fell

Detractors

- Exposure to a basket of emerging market currencies, including the Russian ruble and Mexican peso
- Exposure to investment grade and high yield corporate credit
- Short exposure to UK duration
- Exposure to emerging market external debt



	Month End Performance 30 November 2021				Quarter End Performance 30 September 2021			
	3 Mos.	6 Mos.	1 Yr.	YTD	1 Yr.	5 Yr.	10 Yr.	Since Inception
PIMCO Income Fund net of fees (%)	-0.92	-0.01	3.02	1.49	7.00	5.33	7.08	7.81
Bloomberg U.S. Aggregate Index (%)	-0.60	1.02	-1.15	-1.29	-0.90	2.94	3.01	4.12

Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Investment return and the principal value of an investment will fluctuate. Shares may be worth more or less than original cost when redeemed. Current performance may be lower or higher than performance shown. For performance current to the most recent month-end, visit PIMCO.com or by calling 888.87.PIMCO.

For the periods prior to the inception date of a share class, performance information is based on the performance of the Fund's oldest class shares, adjusted to reflect the fees and expenses paid by that class of shares.

Differences in the Fund's performance versus the Bloomberg U.S. Aggregate Index (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.

The minimum initial investment for institutional class shares is $1 million; however, it may be modified for certain financial intermediaries who submit trades on behalf of eligible investors.

IMPORTANT NOTICE
Please note that this material contains the opinions of the manager as of the date noted, and may not have been updated to reflect real time market developments. All opinions are subject to change without notice.

Portfolio characteristics as of 30 November 2021	% Market Value	Duration (years)
Government-Related	**-12.2**	**-0.73**
U.S. Treasury ¹	-5.3	0.20
U.S. Agency ²	0.0	0.00
Swaps and Liquid Rates ³	-6.9	-0.93
Securitized ⁴	**45.7**	**1.21**
Agency MBS	9.0	0.27
Non-Agency MBS	30.2	0.88
CMBS	4.2	0.02
Asset Backed Securities	1.8	0.02
Other	0.4	0.01
Investment Grade Credit	**11.5**	**0.79**
High Yield Credit	**14.2**	**0.17**
Non-U.S. Developed	**-0.8**	**-0.98**
Emerging Markets	**26.7**	**0.48**
Bonds and Other Long Duration Instruments	24.8	0.49
Short Duration Instruments ⁵	1.9	-0.01
Other	**2.9**	**0.11**
Net Other Short Duration Instruments ⁶	**12.1**	**0.06**

Portfolio structure is subject to change without notice and may not be representative of current or future allocations.
MV% may not equal 100 due to rounding.

[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] Includes U.S. dollar denominated interest rate swaps, swaptions, options, and other rate related derivatives. Other portfolio derivatives, where applicable, may be included as part of other sectors based upon their underlying risk characteristics.

[4] The Securitized bucket will include Agency MBS, non-Agency MBS, CMBS, ABS, CDO, CLO, and Pooled Funds.

[5] 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".

[6] Net Other Short Duration Instruments includes securities and other instruments (except those instruments 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.

Portfolio positioning

The Fund is divided into two general segments: higher yielding assets that are expected to benefit when economic growth is robust and higher quality assets expected to benefit if economic growth is weak.

Within the higher quality segment, we remain cautious overall as real rates in many markets are close to zero or negative. Our U.S. duration exposure decreased slightly over the month but we still favor U.S. duration as rates remain higher relative to other developed countries. To balance these positions, we look to hedge some of our duration exposure with a short position in Japan where real yields are already negative.

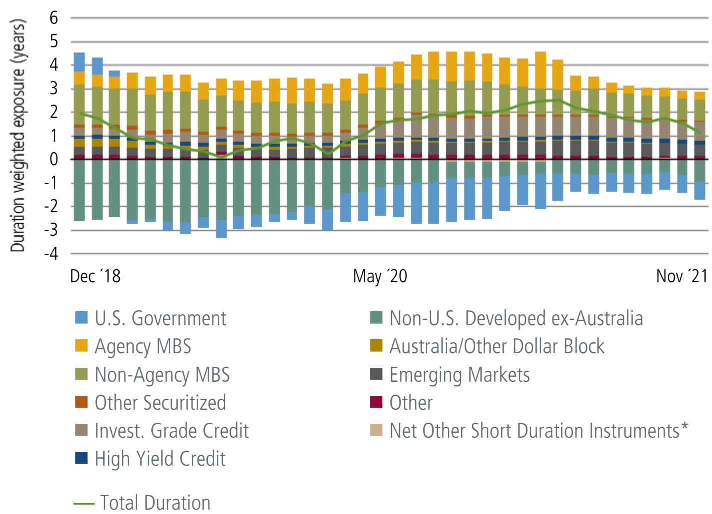
The higher yielding segment is weighted toward senior positions in the capital structure. We seek to be diversified across credit exposures within corporate, securitized, and emerging market debt. Within investment grade corporate credit, we continue to take advantage of attractive valuations in certain sectors tied to the ongoing economic recovery. Within high yield credit, we remain cautious given current valuations and are mindful of liquidity conditions during stress market environments. We continue to look for opportunities to add senior securitized credit exposure, particularly in non-Agency U.S. and UK mortgages, which feature strong "bend but don't break" resilience.

Month in review

Risk appetite declined in November as concerns about the new Omicron variant as well as elevated inflation weighed on sentiment. Global equities sold off - the MSCI World index fell 2.2% - and credit spreads widened while the dollar strengthened. Oil prices fell on news that the U.S. and a number of other countries will release oil from the Strategic Petroleum Reserve. Developed sovereign yields were volatile intra-month and broadly ended lower, with 10-year yields in the U.K. and Germany both falling more than 20bps amid concerns over rising Covid cases in Europe. Meanwhile, the U.S 10-year yield fell 11 bps to 1.44% even as the Fed began tapering assets at a monthly pace of $15 billion.

Against this backdrop, performance was negative over the month. The Fund's holdings of investment grade corporate credit and Agency mortgage backed securities detracted from performance as spreads widened. However, exposure to European and US duration contributed to performance as developed market yields generally fell.

The higher yielding portion of the portfolio was negative in November. The Fund's holdings of Non-agency MBS detracted from performance as spreads widened. The portfolio's currency exposures also detracted as a handful of emerging market currencies depreciated versus the US Dollar. Meanwhile, exposure to emerging market local debt contributed to performance as emerging market local yields generally decreased.



*Prior to 31 December 2014 these categories were reported separately.
Portfolio allocations and other information in the charts are based on the fund's net assets. These percentages may differ from those used for the fund's compliance calculations, including the fund's prospectus, regulatory, and other investment limitations and policies, which may be based on total assets of the fund or other measurements, may include or exclude various categories of investments from those covered in the portfolio allocation categories shown in this report, and may be based on different classifications and measurements of the fund's investments and other criteria.

Outlook and strategy

Our baseline view signals for a strong but uneven global growth recovery across regions over the next few quarters given the differing pace of vaccine rollouts and level of fiscal support in individual countries. We believe this rebound in growth will likely give way to a synchronized growth moderation in 2022 although still at an above-trend pace. Despite near-term inflation pressures investors have seen in the market, we believe inflation is likely to remain below central bank targets over the longer-term horizon. Given the historically tight level of spreads across asset classes, the Income Strategy will continue to search for opportunities in global markets with a focus on maintaining liquidity and flexibility in our portfolios to respond to events and opportunities.

Within the Income Strategy, we remain focused on diversification and staying senior in the capital structure, emphasizing bend but not break investments, which may experience some price volatility but seek to avoid defaults.

Management profile

Dan Ivascyn
Managing Director and Group CIO

Alfred Murata
Managing Director

Joshua Anderson
Managing Director

2007
30 MAR
INCEPTION DATE

★★★★
MORNINGSTAR RATING

Category: **Multisector Bond**
Number of funds in category: **276**
Criteria: **Risk-Adjusted Return**

Targets high, consistent income

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 and summary prospectus, if available, which may be obtained by contacting your financial advisor or PIMCO representative or by visiting www.pimco.com. Please read them carefully before you invest or send money.

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.

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 low interest rate environments increase 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. 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. **Equities** may decline in value due to both real and perceived general market, economic, and industry conditions. **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. **Portfolio turnover** may indicate higher transactions costs and may result in higher taxes when fund shares are held in a taxable account.

It is important to note that differences exist between the fund's daily internal accounting records and practices, the fund's financial statements prepared in accordance with U.S. GAAP, and reporting practices under income tax regulations. It is possible that the fund may not issue a Section 19 Notice in situations where the fund's financial statements prepared later and in accordance with U.S. GAAP or the final tax character of those distributions might later report that the sources of those distributions included capital gains and/or a return of capital. Please see the fund's most recent shareholder report for more details.

Although the Fund may seek to maintain stable distributions, the Fund's distribution rates may be affected by numerous factors, including but not limited to changes in realized and projected market returns, fluctuations in market interest rates, Fund performance, and other factors. There can be no assurance that a change in market conditions or other factors will not result in a change in the Fund's distribution rate or that the rate will be sustainable in the future.

For instance, during periods of low or declining interest rates, the Fund's distributable income and dividend levels may decline for many reasons. For example, the Fund may have to deploy uninvested assets (whether from purchases of Fund shares, proceeds from matured, traded or called debt obligations or other sources) in new, lower yielding instruments. Additionally, payments from certain instruments that may be held by the Fund (such as variable and floating rate securities) may be negatively impacted by declining interest rates, which may also lead to a decline in the Fund's distributable income and dividend levels.

Past rankings are no guarantee of future rankings. The Lipper Fund Awards are based on the Lipper Leader for Consistent Return rating, which is a risk-adjusted performance measure calculated over 36, 60 and 120 months. The fund with the highest Lipper Leader for Consistent Return (Effective Return) value in each eligible classification wins the Lipper Fund Award. For more information, see lipperfundawards.com. Although Lipper makes reasonable efforts to ensure the accuracy and reliability of the data contained herein, the accuracy is not guaranteed by Lipper. Lipper Fund Awards from Refinitiv, © 2021 Refinitiv. All rights reserved. Used under license. Used by permission and protected by the Copyright Laws of the United States. The printing, copying, redistribution, or retransmission of this Content without express written permission is prohibited.

Morningstar Rating™ as of 30 November 2021 for the Institutional series; other classes may have different performance characteristics. The PIMCO Income Fund was rated against the following numbers of Multisector Bond funds over the following time periods: Overall 4 Stars (276 funds rated); 3 Yrs. 3 Stars (276 funds rated); 5 Yrs. 4 Stars (237 funds rated); 10 Yrs. 5 stars (128 funds rated). **Past performance is no guarantee of future results.** The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Morningstar, Inc.® 2021. All rights reserved. The information contained herein: (1) is proprietary to Morningstar (2) may not be copied or distributed and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

Duration is a measure of a portfolio's price sensitivity expressed in years. 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.

Bloomberg 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.

Statements concerning financial market trends or portfolio strategies are based on current market conditions, which will fluctuate. There is no guarantee that these investment strategies will work under all market conditions or are appropriate for all investors and each investor should evaluate their ability to invest for the long term, especially during periods of downturn in the market. Outlook and strategies are subject to change without notice. Performance reflects changes in share price, reinvestment of dividends and capital gains distributions. All periods longer than one year are annualized. This material contains the current opinions of the manager but not necessarily those of PIMCO and such opinions are subject to change without notice. This material has been distributed for informational purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed.

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Mortgage Backed Securities (MBS); U.S. Federal Reserve Bank (Fed)

Currency rates may fluctuate significantly over short periods of time and may reduce the returns of a portfolio.

"Bend-but-not-break" refers to credits that PIMCO would not expect to default in a credit-stressed environment.

Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital ("ROC") of your investment in the Fund. If the Fund estimates that a portion of its distribution may be comprised of amounts from sources other than net investment income in accordance with its policies and good accounting practices, the Fund will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. The amounts and composition of distributions reported on any Section 19 Notice issued by the Fund are only estimates and should not be used for tax reporting purposes. The actual amounts and composition of distributions for tax reporting purposes will depend upon the Fund's investment experience during its entire fiscal year and may be subject to changes based on tax regulations. Final determination of a distribution's tax character will be reported on Form 1099 DIV sent to shareholders for the calendar year.

PIMCO