**Income Fund**

**CLASS:** INSTITUTIONAL  
**FUND INCEPTION DATE:** 30 MARCH 2007  
**TICKER:** PIMIX  
**CUSIP:** 72201F490  
**TOTAL NET ASSETS (IN MILLIONS):** $107,835.0

**PORTFOLIO MANAGERS**  
Dan Ivascyn, Alfred Murata

**FUND STATISTICS**  
Effective duration (yrs) 2.39  
Effective maturity (yrs) 6.08

**SECTOR DIVERSIFICATION**  
*Duration in years*

- US Government - Treasury: 1.81
- US Government - Agency: 0.00
- Swaps and Liquid Rates: -0.62
- Mortgage: 1.12
- Invest. Grade Credit: 0.21
- High Yield Credit: 0.10
- Non-USD Developed: -0.96
- Emerging Markets: 0.43
- Municipal: 0.07
- Other: 0.19
- Net Other Short Duration Instruments: 0.05

### Fund description

The Income Fund is a portfolio of a broad range of intermediate-duration bonds that is actively managed to maximize current income while maintaining a relatively low risk profile, with a secondary goal of capital appreciation.

### INVESTOR BENEFITS

This fund seeks to meet the needs of investors whose primary goal is a high level of current income. The fund seeks to generate a competitive distribution yield and monthly dividends.

Potential benefits of this fund include:

- **A competitive yield** - Income Fund yield is competitive with many savings vehicles
- **Multiple sources of value** - the fund utilizes a broad opportunity set of fixed income securities
- **The fund seeks to maintain a high level of quality sources of income in both the investment grade and high yield universe**
- **The fund seeks to exploit relative value opportunities arising from what we believe are securities misrated by ratings agencies**
- **Liquidity** - the fund structure is designed to provide liquidity when needed

### THE FUND ADVANTAGE

The fund utilizes multiple sectors of the bond market in an effort to generate a competitive and consistent distribution yield and monthly dividend. Managed to pursue efficient income generation, the strategy also focuses on PIMCO total-return ideas in an effort to maximize capital appreciation and risk-adjusted returns relative to its peers. This approach seeks to provide consistent income over the long term.

### VALUE OF INCOME STRATEGIES

An allocation to PIMCO’s income strategies offers investors the potential for a competitive income stream with long-term capital appreciation. A focus on income can help smooth out return streams during volatile periods and help build total return over the longer term. PIMCO income strategies may also invest in a broad range of securities within the global fixed income opportunity set - from government bonds to investment grade to high yield in domestic, global developed, emerging markets - and, for some strategies, equities. While diversification is not a guarantee against loss, this diversification may prove to be particularly valuable during periods of heightened economic uncertainty.
Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Investment returns for one or more periods may not equal the 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.

Differences in the Fund’s performance versus the Bloomberg Barclays 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 from 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.

**Lipper rankings** *(Multi-Sector Income Funds)*

<table>
<thead>
<tr>
<th>Quartile</th>
<th>10 yrs.</th>
<th>5 yrs.</th>
<th>3 yrs.</th>
<th>1 yr.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund rank</td>
<td>1</td>
<td>5</td>
<td>6</td>
<td>35</td>
</tr>
<tr>
<td>Number of funds</td>
<td>120</td>
<td>201</td>
<td>267</td>
<td>316</td>
</tr>
<tr>
<td>Quartile</td>
<td>1</td>
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<td>1</td>
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</tr>
</tbody>
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* Based on total return performance, with distributions reinvested, and operating expenses deducted.

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 PIMCO representative. Please read them carefully before you invest or send money.

* Includes U.S. Treasury notes, bonds, futures, and inflation-protected securities * Includes U.S. agencies, FDIC-guaranteed and government-guaranteed corporate securities, and supranational issues * Includes U.S. dollar denominated interest rate swaps, swaptions, options, and other rate related derivatives included as part of other sectors based upon underlying risk characteristics.

A word about risk: 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 amortization 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 liquidity risk and may involve higher transaction costs and may result in higher taxes when fund shares are held in a taxable account. The value of mortgage bonds and fixed income securities may be 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. It is important to note that differences exist between the fund’s daily internal accounting records, the fund’s financial statements prepared in accordance with U.S. GAAP, and recordkeeping 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 and the fund’s tax report do not coincide. Actual returns may differ from reported returns.

Differences in the Fund’s performance versus the Bloomberg Barclays U.S. Aggregate Index (“Index”) and related attribution information reflect the performance of the Index and do not represent the performance of any fund. Performance targets and attribution information with respect to particular categories of securities or individual positions may be attributable 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 from 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.

**BASIC FACTS**

- **Total annual operating expenses**: 0.53%
- **Dividend frequency**: Daily accrual

**ABOUT THE BENCHMARK**

Bloomberg 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 weighted by market value, so that 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.

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