

# Income Fund

## Fund information

Total Net Assets	76.5 (USD in Billions)
Fund Type	UCITS
Portfolio Manager	Dan Ivascyn, Alfred Murata, Joshua Anderson

Class	ISIN	
E	Accumulation	Income
AUD(H)	—	IE00BD8DFW88
CHF(H)	IE00BJMZC104	IE00BJMZC096
CNH(H)	—	IE00B8W6D244
EUR(H)	IE00B84J9L26	IE00B8N0MW85
GBP(H)	—	IE00BF01VX72
HKD(U)	—	IE00B92ZW543
JPY(H)	IE00BD0B0257	IE000WYGJ8R2
SGD(H)	—	IE00B9HH6X13
USD	IE00B7KFL990	IE00B8K7V925
<b>ADMIN</b>		
AUD(H)	—	IE00BD971V01
EUR(H)	IE00BYM81J55	IE00BD971T88
GBP(H)	—	IE00BD0QBF03
HKD(U)	—	IE00BD0YVF41
SGD(H)	—	IE00B91RQ825
USD	IE00BYM81516	IE00B91X6F72
<b>HINST</b>		
USD	IE00BFMWWL31	IE00BFMWWW48
<b>INST</b>		
AUD(H)	IE00BYVP8G39	IE000ZFRHWI0
CAD(H)	IE00BYP7YQ74	IE00BFXR7J04
CHF(H)	IE00BT9Q6X66	IE00BYXVWB20
CNH(H)	—	IE0005UKH6U4
EUR(H)	IE00B80G9288	IE00B8D0PH41
GBP(H)	IE00BJ09LQ22	IE00B8RHFL59
HKD(U)	—	IE00BYXVW909
JPY(H)	IE000JC25JF4	IE0002DID3E7
NOK(H)	IE00BD364V48	—
SGD(H)	IE00BMB3HX34	IE00BSTL7535
USD	IE00B87KCF77	IE00B8JDQ960
<b>INVT</b>		
AUD(H)	—	IE00BFMFK297
CNH(H)	IE00BFFWC988	—
EUR(H)	IE00BWGCDT37	IE00BWWY53M78
GBP(H)	—	IE00BKDW5N02
HKD(U)	—	IE00022MD518
JPY(H)	IE000DFLVQE2	—
SGD(H)	IE00BKKL2624	IE00BFMFK305
USD	IE00BV1VS594	IE00B98CPZ00

(U) = Unhedged, (H) = Hedged

Morningstar Rating™ ★★★★★

The primary investment objective of the Fund is to seek high current income, consistent with prudent investment management. Long-term capital appreciation is a secondary objective.

## PERFORMANCE SUMMARY

The Income Fund returned 1.22% (E, Accumulation shares) and -3.85% (E, Accumulation shares net of 5% preliminary charge) in March, outperforming the Bloomberg U.S. Aggregate Index by 0.30%. Year-to-date the Fund has returned 1.29% (E, Accumulation shares) and -3.79% (E, Accumulation shares net of 5% preliminary charge), while the benchmark returned -0.78%.

The GIS Income Fund continued to provide investors with consistent and competitive monthly distributions through March.

The portfolio's duration strategies contributed to performance in March, specifically, the fund's exposure to US duration as rates broadly fell in this market. Holdings of corporate credit and exposure to a basket of emerging market currencies also contributed to performance. The overall performance of residential mortgages was positive, as Agency MBS contributed to fund performance during the month.

## Contributors

- Exposure to the US cash interest rate, from carry
- Holdings of US Agency MBS, as spreads tightened, and through carry and selection
- Holdings of investment grade and high yield corporate credit, as spreads tightened, and through carry and selection
- Holdings of EM external debt, as spreads tightened and through selection

## Detractors

- Long exposure to the Japanese yen as it depreciated against the US dollar
- Long exposure to select EM local debt, as yields rose
- Long exposure to US Treasury Inflation-Protected Securities ("TIPS"), as breakeven inflation levels fell
- Short exposure to the Canadian dollar as it appreciated against the US dollar

Performance (Net of Fees)	1 Mo.	3 Mos.	6 Mos.	1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.	SI
E, Acc (%) <sup>1</sup>	1.22	1.29	6.86	6.86	0.62	2.33	3.31	4.08
Net of 5% Preliminary Charge <sup>2</sup>	-3.85	-3.79	1.48	1.48	-1.08	1.28	2.78	3.61
E, Inc (%) <sup>1</sup>	1.26	1.25	6.88	6.95	0.65	2.33	3.31	4.08
Net of 5% Preliminary Charge <sup>2</sup>	-3.81	-3.77	1.50	1.62	-1.06	1.29	2.78	3.61
Benchmark (%)	0.92	-0.78	5.99	1.70	-2.46	0.36	1.54	—

**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.** The benchmark is the Bloomberg U.S. Aggregate Index. All periods longer than one year are annualised. SI is the performance since inception. <sup>1</sup> Performance shown is on a NAV-to-NAV basis in the denominated currency, excluding the preliminary charge and on the assumption that distributions are reinvested, as applicable. <sup>2</sup> Performance shown is on a NAV-to-NAV basis in the denominated currency, taking into account the preliminary charge and on the assumption that distributions are reinvested, as applicable. A preliminary charge of up to 5% may or may not be deducted from the subscription amount depending on the distributor from whom you had purchased shares, as such this may not represent actual performance returns. Investment returns denominated in non-local currency may be exposed to exchange rate fluctuations.

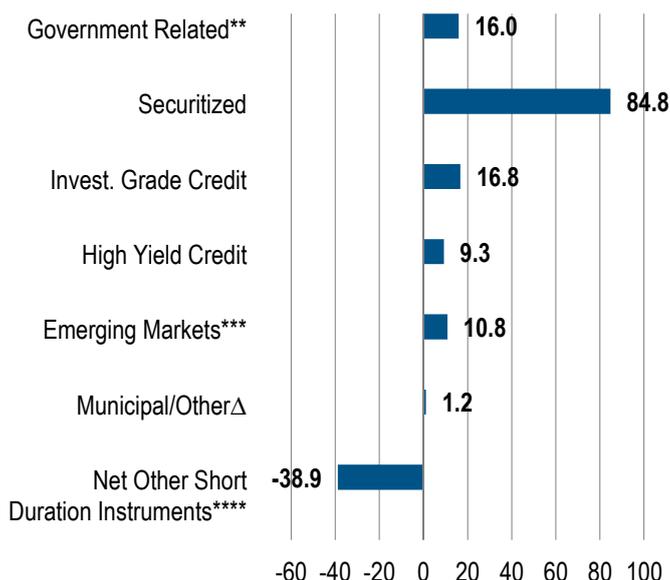
Income inception date: 30 Nov 2012

Accumulation inception date: 30 Nov 2012

## MONTH IN REVIEW

**Equity markets continued their upward trajectory, while bond indices modestly rose as several global central banks sent dovish signals to the market.** U.S. credit spreads tightened, and developed sovereign bond yields fell, while the dollar strengthened. In the U.S., the 10-year Treasury fell 5 bps to 4.20% as the Federal Reserve reaffirmed its expectation of three rate cuts in 2024. In Germany, the 10-year bund yield fell 11 bps to 2.30%. In the U.K., 10-year Gilt yields fell 19 bps to 3.93%, while 10-year Japanese government bond yields rose 2 bps to 0.73%. Against this backdrop, performance was positive over the month. Within the higher quality portion of the portfolio, the fund's exposure to US duration contributed to performance as rates fell in this market. The fund's exposure to investment grade corporate credit and Agency MBS also contributed to performance. Within the higher yielding portion of the portfolio, the fund's exposure to high yield corporate credit and exposure to a basket of emerging market currencies contributed to performance.

## Sector Allocation (% Market Value)

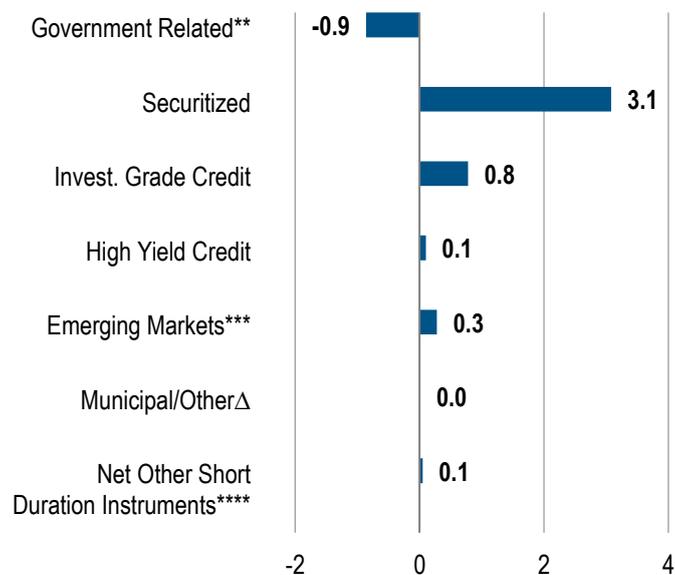


Market Value % may not equal 100 due to rounding.

## PORTFOLIO POSITIONING

The fund can be divided into two broad segments: higher yielding assets, which are expected to benefit when economic growth is robust and higher quality assets, which are expected to perform well in risk-off scenarios. Within the higher quality segment, net portfolio duration decreased over the month as yields fell across the U.S. yield curve. We continue to favor US duration, as nominal rates remain higher relative to other developed countries. Within investment grade corporate credit, we continue to favor systemically important banks given fundamentals and defensive sectors, such as utilities and healthcare. To balance these positions, we maintained our short position to Japanese duration as an advantageous duration hedge. In the higher yielding segment, we seek to stay diversified across corporate, securitized, and emerging market credit. Within high yield credit, we remain selective and mindful of liquidity conditions favoring senior secured bonds. In securitized credit, we continue to look for opportunities to add senior exposure to asset-backed securities.

## Sector Allocation (Duration in Years)



## OUTLOOK AND STRATEGY

Higher savings balances and a slower pass-through of monetary policy in the U.S. relative to other developed markets could, in our view, keep inflation above the Fed's 2% target over the cyclical horizon. We still expect the Fed to start normalizing policy at midyear, similar to other DM central banks; however, the Fed's subsequent rate-cutting path could be more gradual. Additionally, we believe that an economic soft landing is achievable, but both recessionary and inflationary risks remain elevated in the aftermath of unprecedented global shocks to supply and demand. Within the Income Strategy, we are focused on quality, diversification, and seniority in the capital structure. The strategy has an income-oriented approach that aims to be flexible and resilient in times of market volatility over the longer term.

## Fund Statistics

Effective Duration (yrs)	3.44
Benchmark Duration (yrs)	6.21
Estimated Yield to Maturity (%) <sup>⊕</sup>	6.82
Annualised Distribution Yield (%) <sup>†</sup>	6.22
Effective Maturity (yrs)	4.97
Average Credit Quality	AA-

## Unified Management Fee

Administrative	1.05% p.a.
E	1.45% p.a.
H Institutional	0.72% p.a.
Institutional	0.55% p.a.
Investor	0.90% p.a.

Source: PIMCO, index provider for benchmark data.

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

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

Mortgage-Backed Securities (MBS); Emerging Markets (EM); U.S. Federal Reserve Bank (Fed); Bank of Japan (BOJ)

Carry is the rate of interest earned by holding the respective securities

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.

References to Agency and non-agency mortgage-backed securities refer to mortgages issued in the United States.

\*\*\*\*Net Other Short Duration Instruments includes securities and other instruments (except 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.

⊕PIMCO calculates a Fund's Estimated Yield to Maturity by averaging the yield to maturity of each security held in the Fund on a market weighted basis. PIMCO sources each security's yield to maturity from PIMCO's Portfolio Analytics database. When not available in PIMCO's Portfolio Analytics database, PIMCO sources the security's yield to maturity from Bloomberg. When not available in either database, PIMCO will assign a yield to maturity for that security from a PIMCO matrix based on prior data. The source data used in such circumstances is a static metric and PIMCO makes no representation as to the accuracy of the data for the purposes of calculating the Estimated Yield to Maturity. The Estimated Yield to Maturity is provided for illustrative purposes only and should not be relied upon as a primary basis for an investment decision and should not be interpreted as a guarantee or prediction of future performance of the Fund or the likely returns of any investment.

†Annualised distribution yield= ( Dividend Rate \* 12 ) / NAV on ex-dividend day. Annualised Distribution Yield is as of 31/03/2024. Dividend is not guaranteed. A positive distribution yield does not imply a positive return.

Carry is the rate of interest earned by holding the respective securities

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.

ΔWhere permitted by the investment guidelines stated in the portfolios offering documents, "other" may include exposure to, convertibles, preferred, common stock, equity-related securities, and Yankee bonds.

\*\*\*Short duration emerging markets 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. Emerging Markets includes the value of short duration emerging markets instruments previously reported in another category. Performance data shown is the after the effect of fees. All periods longer than one year are annualised.

Investment involves risk including possible loss of the principal amount invested. Past performance is not a guarantee or a reliable indicator of future results and no guarantee is being made that similar returns will be achieved in the future. The value of shares of the Fund and the income accruing to them, if any, may fall or rise. Investment returns denominated in non-local currency may be exposed to exchange rate fluctuations. In an environment where interest rates may trend upward, rising rates will negatively impact most bond funds, and fixed income securities held by a fund are likely to decrease in value. Bond funds and individual bonds with a longer duration (a measure of the expected life of a security) tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. Investors should consider the investment objectives, risks, charges and expenses carefully before investing. This and other information is contained in the Fund's Singapore Prospectus which is available and can be obtained from our website [www.pimco.com.sg](http://www.pimco.com.sg), a Fund distributor or the Singapore Representative. Prospective investors should read the Fund's Singapore Prospectus before deciding whether to subscribe for or purchase shares in any of the Funds. Investors may wish to seek advice from a financial adviser before making a commitment to invest and in the event you choose not to seek advice, you should consider whether the investment is suitable for you.

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 suitable 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.

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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. **Commodities** contain heightened risk, including market, political, regulatory and natural conditions, and may not be appropriate for all investors. **Currency rates** may fluctuate significantly over short periods of time and may reduce the returns of a 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. **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. **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. **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. **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. Income from municipal bonds may be subject to state and local taxes and at times the alternative minimum tax. Swaps are a type of derivative; swaps are increasingly subject to central clearing and exchange-trading. Swaps that are not centrally cleared and exchange-traded may be less liquid than exchange-traded instruments. **Inflation-linked bonds (ILBs)** issued by a government are fixed income securities whose principal value is periodically adjusted according to the rate of inflation; ILBs decline in value when real interest rates rise. **Treasury Inflation-Protected Securities (TIPS)** are ILBs issued by the U.S. government. Certain **U.S. government securities** are backed by the full faith of the 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. **Diversification** does not ensure against loss.

**Benchmark** - Unless referenced in the prospectus, a benchmark or index in this material is not used in the active management of the Fund, in particular for performance comparison purposes.

Where referenced in the prospectus, a benchmark may be used as part of the active management of the Fund including, but not limited to, for duration measurement, as a benchmark which the Fund seeks to outperform, performance comparison purposes and/or relative VaR measurement. Any reference to an index or benchmark in this material, and which is not referenced in the prospectus, is purely for illustrative or informational purposes (such as to provide general financial information or market context) and is not for performance comparison purposes. Please contact your PIMCO representative for further details.

**Correlation** - As outlined under "Benchmark", where disclosed herein and referenced in the prospectus, a benchmark may be used as part of the active management of the Fund. In such instances, certain of the Fund's securities may be components of and may have similar weightings to the benchmark and the Fund may from time to time show a high degree of correlation with the performance of any such benchmark. However the benchmark is not used to define the portfolio composition of the Fund and the Fund may be wholly invested in securities which are not constituents of the benchmark.

Investors should note that a Fund may from time to time show a high degree of correlation with the performance of one or more financial indices not referenced in the prospectus. Such correlation may be coincidental or may arise because any such financial index may be representative of the asset class, market sector or geographic location in which the Fund is invested or uses a similar investment methodology to that used in managing the Fund. **Additional Information** - This material may contain additional information, not explicit in the prospectus, on how the Fund or strategy is currently managed. Such information is current as at the date of the presentation and may be subject to change without notice. **Investment Restrictions** - In accordance with the UCITS regulations and subject to any investment restrictions outlined in the Fund's prospectus, the Fund may invest up to 100% of its net assets in different transferable securities and money market instruments issued or guaranteed by any of the following: OECD Governments (provided the relevant issues are investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC, Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade).

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