PIMCO

Income Fund

PIMCO Funds: Global Investors Series Plc

SHARE CLASS: **E** | AS OF: **31 AUG 2022** | **Monthly Commentary**

Fund information	
Total net assets (in millions)	$58,086.1
Fund type	UCITS
Portfolio manager(s)	Dan Ivascyn Alfred T. Murata Joshua Anderson
Effective duration (yrs)	2.55
Benchmark duration (yrs)	6.36
Average maturity (yrs)	4.55

Class	ISIN	
E	**Accumulation**	**Income**
HKD (U)	—	IE00B92ZW543
USD	IE00B7KFL990	IE00B8K7V925
EUR (H)	IE00B84J9L26	IE00B8N0MW85
SGD (H)	—	IE00B9HH6X13
CHF (H)	IE00BJMZC104	IE00BJMZC096
RMB (H)	—	IE00B8W6D244
GBP (H)	—	IE00BF01VX72
AUD (H)	—	IE00BD8DFW88
JPY (H)	IE00BD0B0257	—
Administrative		
HKD (U)	—	IE00BD0YVF41
USD	IE00BYM81516	IE00B91X6F72
EUR (H)	IE00BYM81J55	IE00BD971T88
SGD (H)	—	IE00B91RQ825
GBP (H)	—	IE00BD0QBF03
AUD (H)	—	IE00BD971V01
Investor		
USD	IE00BV1VS594	IE00B98CPZ00
H Institutional		
EUR (H)	IE00BYW5PR23	—
Institutional		
HKD (U)	—	IE00BYXVW909
USD	IE00B87KCF77	IE00B8JDQ960
EUR (H)	IE00B80G9288	IE00B8D0PH41
SGD (H)	IE00BMB3HX34	IE00BSTL7535
CHF (H)	IE00BT9Q6X66	IE00BYXVWB20
JPY (H)	IE00BD0B0141	—
GBP (H)	—	IE00B8RHFL59
CAD (H)	IE00BYP7YQ74	IE00BFXR7J04
USD	—	IE00BJSF8Z00

(U) = Unhedged, (H) = Hedged

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. The Fund may use or invest in financial derivatives.

Performance summary

The PIMCO GIS Income Fund returned -0.96% (E Class, Accumulation shares)[1] and -5.94% (E Class, Accumulation share net of 5% preliminary charge)[2] in August. Year-to-date the Fund has returned -8.57% (E Class, Accumulation shares)[1] and -13.14% (E Class, Accumulation share net of 5% preliminary charge)[2].

The GIS Income Fund continued to provide investors with attractive monthly distributions through August.The portfolio's duration strategies detracted from performance in August. Specifically, the Fund's US duration positioning detracted from performance as yields rose. However, the Fund's short exposure to UK duration contributed to performance as rates increased in the UK. The higher yielding portion of the portfolio was net positive with the Fund's holdings of Non-Agency mortgage backed securities, emerging market currencies and emerging market debt adding to performance while high yield corporate credit detracted.

Contributors

- Long exposure to EM external and EM local debt, as spreads tightened and through security selection
- Long exposure to select emerging market currencies, as they appreciated against the US dollar
- Short exposure to UK duration, as yields rose
- Holdings of non-Agency Mortgage Backed Securities

Detractors

- Long exposure to US duration, as yields rose
- Holdings of high yield credit, particularly via credit default swap indices, as spreads widened
- Holdings of US Agency Mortgage Backed Securities, as spreads widened
- Long exposure to the Japanese yen, as it depreciated against the US dollar

Performance (Net of Fees)	1 Mos.	3 Mos.	6 Mos.	1 Yr.	3 Yr.	5 Yr.	SI*
E class, Acc (%)[1]	-0.96	-1.50	-4.95	-8.86	0.30	1.24	3.82
Net of 5% Preliminary Charge[2]	-5.94	-6.43	-9.71	-13.40	-1.39	0.21	3.27
E class, Inc (%)[1]	-0.99	-1.52	-4.93	-8.84	0.31	1.24	3.82
Net of 5% Preliminary Charge[2]	-5.98	-6.41	-9.69	-13.37	-1.39	0.21	3.27
Benchmark (%)	-2.83	-2.01	-7.76	-11.52	-2.00	0.52	—

Past Performance is not a guarantee or reliable indicator of future results. The benchmark is the Bloomberg U.S. Aggregate Index. All periods longer than one year are annualised. SI is the performance since inception.

[1] 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.

[2] 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.

** Accumulation class inception date: 30 November 2012*
Income class inception date: 30 November 2012

Portfolio characteristics as of 31 August 2022		
	% Market Value	Duration (years)
Government Related	1.9	-0.78
Securitized [1]	57.9	2.04
Invest. Grade Credit	15.5	0.78
High Yield Credit	21.9	0.20
Emerging Markets	14.4	0.26
Bonds and Other Long Duration Instruments	8.9	0.26
Short Duration Instruments [2]	5.6	0.00
Municipal/Other	1.7	0.01
Net Other Short Duration Instruments [3]	-13.3	0.05

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

[2] 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".

[3] 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 still remain quite low in many markets. Our US duration exposure increased modestly over the month and we still favor US duration provided nominal 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 negative, and a short position to the UK where long end yields remain depressed.

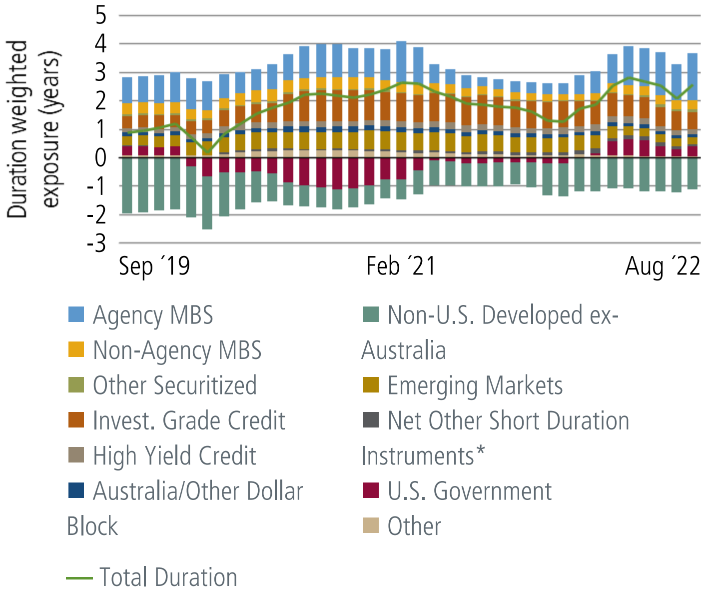
The higher yielding segment is weighted toward senior positions in the capital structure. We seek to be diversified across credit exposures within corporate, securitized, and emerging market debt. Within corporate credit, we continue to take advantage of attractive valuations in financials and favor defensive sectors given the potential for increase in volatility. Within high yield credit, we remain selective 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 US and UK mortgages.

Month in review

Risk appetite declined in August amid hawkish central bank sentiment and sustained inflationary pressure. Global equities fell - with the S&P down 4.1% - credit spreads tightened and natural gas prices gained, with markets in Europe reaching record levels. Developed sovereign yields broadly rose as inflationary risks led to expectations for further monetary policy tightening. In the U.S., the 10-year Treasury yield rose 54 bps to 3.19% as the Fed reiterated its commitment to addressing inflation even at the expense of growth and alluded to another meaningful hike as early as September.

Against this backdrop, performance was negative over the month. Within the higher quality portion of the portfolio, the Fund's exposure to US duration detracted from performance as rates rose. Meanwhile, short exposure to UK duration contributed to performance. The Fund's exposure to Agency mortgage backed securities detracted from performance as Agency spreads widened over the month.

In the higher yielding portion of the portfolio, Non-Agency mortgage backed securities contributed to performance as Non-Agency spreads tightened. The Fund's exposure to emerging market local and external debt contributed to performance. Meanwhile, high yield corporate credit detracted from performance as high yield credit spreads widened.



*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.
Portfolio structure is subject to change without notice and may not be representative of current or future allocations.

Outlook and strategy

Significant uncertainty clouds the outlook as the global economy continues to confront elevated inflation and potential recession risks. In our base case, growth wanes modestly as inflation remains persistent and then moderates gradually. However, there are risks to this outlook including an elevated risk of recession over the medium term, which may be more prolonged due to a less vigorous response by central banks and governments.

Within the Income Strategy, we remain focused on 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.

Management profile

Dan Ivascyn
Managing Director and Group CIO

Alfred T. Murata
Managing Director

Joshua Anderson
Managing Director

2012
30 NOV
INCEPTION DATE

$58.0BN
ASSETS UNDER MANAGEMENT

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.

A multi-sector bond fund targeting a high and consistent level of income

Unified management fee	
E class	1.45% p.a.
Administrative class	1.05% p.a.
Investor class	0.90% p.a.
H Institutional class	0.72% p.a.
Institutional class	0.55% p.a.
	1.45% p.a.

Source: PIMCO, index provider for benchmark data.
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.

All data source: PIMCO and index provider for benchmark data unless otherwise stated.
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A word about risk: Investing in the bond market is subject to certain risks including market, interest-rate, issuer, credit, and inflation risk; 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. Currency rates may fluctuate significantly over short periods of time and may reduce the returns of a portfolio. Build America Bonds issued by state and local governments are taxable issues. 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. 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. **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. **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
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.
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, 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.
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The Company's Prospectus can be obtained from www.fundinfo.com and is available in English, French, German, Italian, Portuguese and Spanish. The KIIDs 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.

[1] MSCI world index
"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)
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.