PIMCO Income Fund

PERFORMANCE SUMMARY

The PIMCO Income Fund (the "Fund") returned -0.45% (Wholesale Class, net of fees) in February outperforming the Bloomberg Global Aggregate Bond Index hedged into AUD by 0.35%. Year-to-date the Fund has returned 0.00% (Wholesale Class, net of fees), while the benchmark returned -1.11%.
The Fund continued to provide investors with consistent and competitive monthly distributions through February.
The portfolio's duration strategies detracted from performance in February, specifically, the fund's exposure to US duration as rates broadly rose in this market. Meanwhile, holdings of corporate credit and exposure to Treasury inflation-protected securities (TIPS) contributed to performance. The overall performance of residential mortgages was positive, as non-Agency Mortgage Backed Securities (MBS) contributed to fund performance during the month.

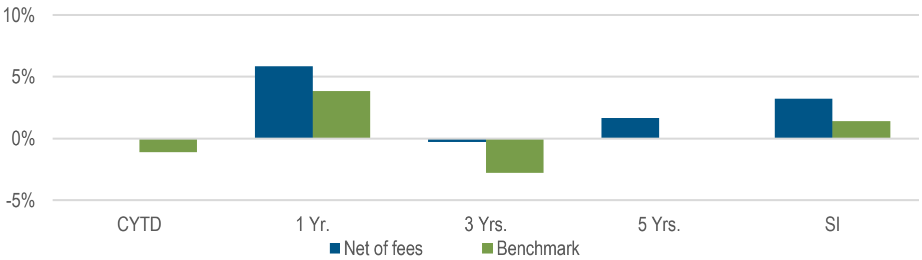
Contributors

- Exposure to the cash interest rate in the US, from carry
- Holdings of investment grade and high yield corporate credit, as spreads tightened, and through carry and selection
- Holdings of securitized credit, primarily non-Agency MBS
- Long exposure to US TIPS, as breakeven inflation levels rose

Detractors

- Long exposure to US duration, as yields rose
- Long exposures to the Japanese yen and South African rand, as they depreciated against the US dollar
- Holdings of US Agency MBS, as spreads widened

Performance (Net of Fees)



Performance	CYTD	1 mos.	3 mos.	FYTD	1 Yr.	3 Yrs.	5 Yrs.	SI
Net of fees (%)	0.00	-0.45	2.64	4.10	5.83	-0.30	1.68	3.23
Benchmark (%)	-1.11	-0.80	1.87	2.02	3.86	-2.78	0.06	1.39
Outerperformance (%)	1.11	0.35	0.77	2.09	1.97	2.48	1.62	1.84

Past performance is not a reliable indicator of future results

Returns for periods longer than 1 year are annualised

Net of Fees - Fund performance is quoted net of fees and expenses and assumes the reinvestment of all distributions but does not take into account personal income tax
SI is the performance since inception. Inception date is 28/10/2015

The benchmark is the Bloomberg Global Aggregate Bond Index hedged into AUD

Key Facts

Bloomberg Ticker	-
ISIN	AU60ETL04586
APIR	ETL0458AU
Inception date	28 October 2015
Distribution	Monthly
Management Fee[1]	0.78% p.a.
Portfolio Managers	Daniel J. Ivascyn, Alfred Murata, Joshua Anderson
Total Net Assets	1.3 (AUD in Billions)

[1]In addition to the Management Fee there may be other fees and costs associated with an investment in this fund. For a detailed explanation on fees and costs please refer to the Product Disclosure Statement.

Investment Statistics

Fund Duration (yrs)	3.57
Benchmark Duration (yrs)	6.63
Estimated Yield to Maturity (%)⊕	5.92
Average Coupon (%)	4.46
Effective Maturity (yrs)	5.14

⊕Yield to Maturity **(YTM)** is the estimated annual rate of return that would be received if the Fund's current securities were all held to their maturity and all coupons and principal were made as contracted. YTM does not account for fees or taxes. YTM is not a forecast, and is not a guarantee of, the future return of the Fund. The Fund's actual return will depend on a range of factors, including fluctuations in the value of the Fund's securities held from time to time.

Risk Profile
Unit value can go up as well as down and any capital invested in the fund may be at risk. The fund may invest in foreign denominated and/or domiciled securities which involve potentially higher risks including currency fluctuations and political or economic developments. These may be enhanced when investing in emerging markets. Funds that invest in high-yield, lower-rated securities, will generally involve greater volatility and risk to principal than investments in higher-rated securities. The fund may use derivatives for hedging or as part of its investment strategy which may involve certain costs and risks. Portfolios investing in derivatives could lose more than the principal amount invested. For more details on the fund's potential risks, please read the PDS.

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.

Investment Adviser
PIMCO Australia Pty Ltd
Level 19, 5 Martin Place
Sydney, NSW, 2000
1300 113 547
investorservices@au.pimco.com

Newport Beach Headquarters
650 Newport Center Drive
Newport Beach, CA 92660

PORTFOLIO POSITIONING

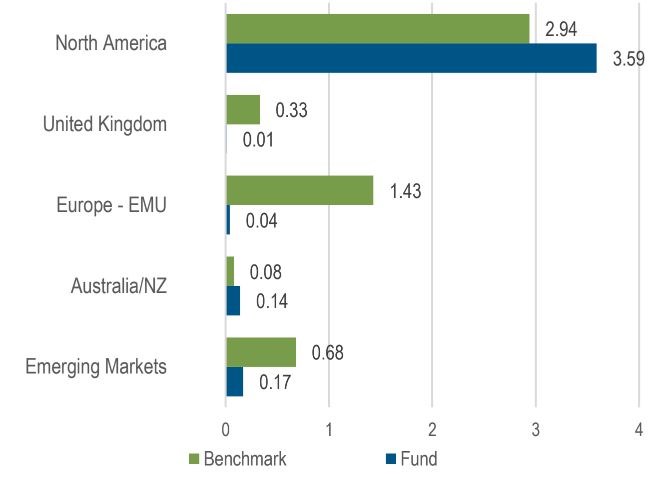
The fund can be divided into two broad segments: higher yielding assets, which are expected to benefit when economic growth is robust and higher quality assets, which are expected to perform well in risk-off scenarios.

Within the higher quality segment, net portfolio duration was increased over the month as yields rose across the U.S. yield curve. We continue to favour US duration, as nominal rates remain higher relative to other developed countries. Within investment grade corporate credit, we continue to favour 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, securitised, and emerging market credit. Within high yield credit, we remain selective and mindful of liquidity conditions favoring senior secured bonds. In securitised credit, we continue to look for opportunities to add senior exposure to asset-backed securities.

Regional Exposure (by currency, Dur in Yrs)



MONTH IN REVIEW

Tech stocks led a broad market rally fueled by advancements in artificial intelligence, while bond indexes faced challenges as yields rose. U.S. credit spreads tightened, and developed sovereign bond yields rose, while the dollar strengthened. In the U.S., the 10-year Treasury rose 34 basis points (bps) to 4.25% as unexpectedly resilient inflation and strong economic data challenged market expectations of rapid rate cuts. In Germany, the 10-year bond yield rose 25 bps to 2.41%. In the U.K., 10-year Gilt yields rose 33 bps to 4.12%, while 10-year Japanese government bond yields fell 2 bps to 0.71%.

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 in this market. The fund’s exposure to investment grade corporate credit contributed to performance, while Agency MBS slightly detracted over the month.

Within the higher yielding portion of the portfolio, the fund’s exposure to high yield corporate credit and non-Agency MBS contributed to performance. Exposure to emerging markets through debt and currencies also moderately contributed to performance.

OUTLOOK AND STRATEGY

Further disinflation and the potential for interest rate cuts later this year, in our view, raise the prospects for a soft landing. However, this is not to say that we believe that the path toward a soft landing is the only possible path. It is our view that the tighter-for-longer strategy that central banks have been communicating along with the strong possibility of stagnation in developed market supply and demand growth leave recession risks elevated.

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.

To the extent this publication includes references to Pacific Investment Management Co LLC **(PIMCO LLC)** and/or any information regarding funds issued by PIMCO LLC and/or its associates, such references are to PIMCO LLC (and/or it associates, as the context requires) as the investment manager of the fund, and not as the issuer of the fund. **PIMCO LLC is exempt from the requirement to hold an Australian financial services licence under the Corporations Act 2001. PIMCO LLC is regulated by the Securities and Exchange Commission under US law, which differ from Australian law. PIMCO LLC is only authorised to provide financial services to wholesale clients in Australia.**

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 material and may be subject to change without notice.

Benchmark; Unless otherwise stated in the prospectus or in the relevant key investor information document, the Fund referenced in this material is not managed against a particular benchmark or index, and any reference to a particular benchmark or index in this material is made solely for risk or performance comparison purposes.

Beta: Beta is a measure of price sensitivity to market movements. Market beta is 1.

Charts: Performance results for certain charts and graphs may be limited by date ranges specified on those charts and graphs; different time periods may produce different results. Charts are provided for illustrative purposes and are not indicative of the past or future performance of any PIMCO product.

Correlation: Correlation is a statistical measure of how two securities move in relation to each other. The correlation of various indexes or securities against one another or against inflation is based upon data over a certain time period. These correlations may vary substantially in the future or over different time periods that can result in greater volatility.

Credit Quality: The credit quality of a particular security or group of securities does not ensure the stability or safety of an overall portfolio. The quality ratings of individual issues/issuers are provided to indicate the credit worthiness of such issues/issuer and generally range from AAA, Aaa, or AAA (highest) to D, C, or D (lowest) for S

Diversification: Diversification does not ensure against losses.

Duration: Duration is the measure of a bond's price sensitivity to interest rates and is expressed in years.

Fluctuation: There can be no guarantee that the trends above will continue. Statements concerning financial market trends are based on current market conditions, which will fluctuate.

Forecast: These forecasts are predictive in nature. Actual results may differ materially from these projections.

All periods longer than one year are annualised.

Certain information contained in this material constitutes “forward-looking statements,” which can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “target,” “project,” “estimate,” “intend,” “continue,” or “believe,” or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of any investment may differ from those reflected or contemplated in such forward-looking statements. Prospective investors should not rely on these forward-looking statements when making an investment decision.

Index: It is not possible to invest directly in an unmanaged index.

Investment Strategies: There is no guarantee that these investment strategies will work under all market conditions and each investor should evaluate their ability to invest for a long-term especially during periods of downturn in the market. No representation is being made that any account, product, or strategy will or is likely to achieve profits, losses, or results similar to those shown.

Opinions: The materials contain statements of opinion and belief. Any views expressed herein are those of PIMCO as of the date indicated, are based on information available to PIMCO as of such date, and are subject to change, without notice, based on market and other conditions. No representation is made or assurance given that such views are correct. PIMCO has no duty or obligation to update the information contained herein.

Certain information contained herein concerning economic trends and/or data is based on or derived from information provided by independent third-party sources. PIMCO believes that the sources from which such information has been obtained are reliable; however, it cannot guarantee the accuracy of such information and has not independently verified the accuracy or completeness of such information or the assumptions on which such information is based.

Outlook: 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.

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 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. Commodities contain heightened risk, including market, political, regulatory and natural conditions, and may not be suitable 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, governmentagency 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 exchangetraded 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.

Securities Referenced: References to specific securities and their issuers are for illustrative purposes only and are not intended and should not be interpreted as recommendations to purchase or sell such securities.

No guarantee is being made that the structure or actual account holdings of any account will remain the same. PIMCO may or may not own the securities referenced and, if such securities are owned, no representation is being made that such securities will continue to be held.

Strategy Availability: Strategy availability may be limited to certain investment vehicles; not all investment vehicles may be available to all investors. Please contact your PIMCO representative for more information.

Interest rate strategies encompass the Fund's duration, yield curve, and convexity strategies.

Benchmark: Bloomberg Global Aggregate Bond Index hedged into AUD.

The Bloomberg Global Aggregate Bond Index hedged into AUD is an unmanaged market index representative of the total return performance of major world bond markets on a AUD hedged basis. It is not possible to invest in an unmanaged 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); 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.