

Institutional Class, Accumulation and Income Shares*For the month ending 31 July 2010***FUND INFORMATION**

Fund Description: The Diversified Income Fund provides efficient access to broad global credit market exposure by investing primarily in a diversified pool of corporate and emerging market fixed-income securities of varying maturities. The Fund holds both non-US dollar denominated fixed income securities and non-US dollar currency positions.

Investor Benefits: This Fund offers a higher yielding alternative to core fixed income portfolios and low correlation to US, Japanese and German government interest rates.

The Fund Advantage: The Fund benefits from a diversified approach to macroeconomic views on credit trends, interest rates, duration, currencies and curve positioning.

BASIC FACTS

	Accumulation	Income
Bloomberg Ticker	PIMIHAC	PIMDINC
ISIN	IE00B13H3C75	IE00B0Y8YW95
Sedol	B13H3C7	B0Y8YW9
Valoren	CH2567487	CH2627627
WKN	A0J4BK	A0J4BJ
Unified Management Fee	0.69%	0.69%
Inception Date	16/05/2006	14/02/2006
Fund Type	UCITS III	
Portfolio Manager	Eve Tournier	
Fund Assets	1.0 (USD in Billions)	
Distribution Income Class Shares	Quarterly	

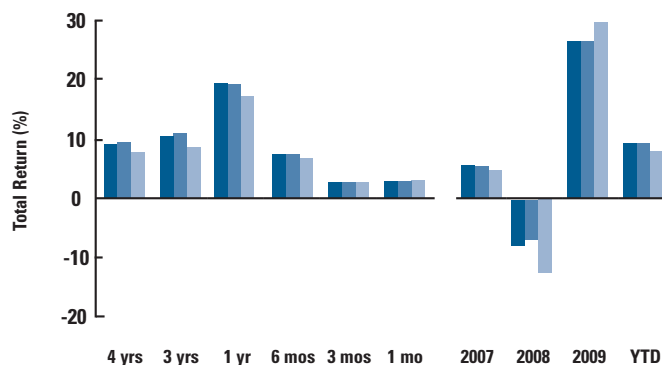
FUND STATISTICS

Effective Duration (yrs)	6.10
Benchmark Duration (yrs)	5.71
Current Yield (%)	5.57
Market Weighted Yield (%)	5.80
Average Coupon (%)	6.03
Effective Maturity (yrs)	9.63
Average Quality	BA+

For questions regarding
the PIMCO Funds:
Global Investors Series plc,
please call +44 (0) 20 7408 8955

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Diversified Income Fund GBP (Hedged)**PERFORMANCE - NET OF FEES**

■ PIMCO Fund - Accum (%)	9.20	10.53	19.39	7.40	2.76	2.88	5.50	-7.75	26.49	9.32
■ PIMCO Fund - Income (%)	9.49	10.95	19.22	7.37	2.72	2.95	5.40	-6.74	26.50	9.26
■ Benchmark (%)	7.85	8.55	17.17	6.72	2.63	2.96	4.68	-12.45	29.69	8.00

The benchmark is 1/3 each-Barclays Capital Global Aggregate Credit Component, BofA Merrill Lynch Global High Yield BB-B Rated Constrained, JPMorgan EMBI Global; GBP Hd. All periods longer than one year are annualised.

MARKET COMMENTARY

- The blended Diversified Income Index (1/3 emerging markets, 1/3 global high yield, and 1/3 global investment grade) returned 3.07 percent during the month
- Emerging market bonds, as represented by the JP Morgan EMBI Global Index, posted their best monthly gain since September of 2009 with a return of 4.12 percent.
- Investment Grade Credits, as measured by the Barclays Capital Global Aggregate Credit Index, posted a gain of 1.53 percent for the month

PORTFOLIO RECAP

- The Fund moderately underperformed its benchmark for the month
- Contributors to portfolio performance included:
 - An overall overweight to the Emerging Market asset class
 - An overweight allocation to Colombia debt
 - An overall underweight allocation to investment grade-rated corporate bonds
- Detractors from portfolio performance included:
 - An underweight allocation to Argentina debt
 - An underweight allocation to Venezuela debt
 - An overweight allocation to the Banking sector

MARKET OUTLOOK AND STRATEGY

- Maintain a defensive overall posture, with a focus on senior positions in the capital structure given our expectations for continued economic weakness
- Maintain an overweight to high quality EM debt given our constructive outlook for economic growth in select EM countries
- Continue to underweight consumer-dependent industries, while favoring credits from sectors that tend to generate stable cash flows and have strong asset coverage

Credit Strategies

Diversified Income	Euro Credit	Global High Yield Bond
Global Investment Grade Credit	High Yield Bond	UK Corporate Bond
UK Long Term Corporate Bond		

MANAGER

PIMCO Global Advisors (Ireland) Limited

INVESTMENT ADVISOR

Pacific Investment Management Company LLC

CONTACT:

PIMCO Europe Ltd

(Registered in England and Wales, Company No. 2604517)

Registered Office

Nations House, 103 Wigmore Street

London, W1U 1QS, England

Tel: +44 (0) 20 7408 8955

GISFundSupport@pimco.com

PIMCO Asia Pte Ltd

501 Orchard Road #08-03, Wheelock Place

Singapore 238880

Tel: +65 6491 8000

AsiaFunds@pimco.com

Pacific Investment Management Company LLC

840 Newport Center Drive

Newport Beach, CA 92660

Tel: + 1 (949) 720 4706

GISFundSupport@pimco.com

ABOUT THE BENCHMARK

1/3 each-Barclays Capital Global Aggregate Credit Component, BofA Merrill Lynch Global High Yield BB-B Rated Constrained, JPMorgan EMBI Global; All GBP Hdgd: The benchmark is an equally weighted blend of the following three indices: Barclays Capital Global Aggregate-Credit Component, BofA Merrill Lynch Global High Yield, BB-B Rated, Constrained Index, JPMorgan EMBI Global, all GBP Hdgd. The Barclays Capital Global Aggregate Index (GBP Hdgd) provides a broad-based measure of the global investment-grade fixed income markets. The index does not reflect deduction for fees, expenses or taxes. The BofA Merrill Lynch Global High Yield BB-B Rated Constrained Index (GBP Hdgd) tracks the performance of below investment grade bonds of corporate issuers domiciled in countries having an investment grade foreign currency long term debt rating (based on a composite of Moodys, S&P, and Fitch). The Index includes bonds denominated in USD, CAD, GBP, EUR (or euro legacy currency), but excludes all multi-currency denominated bonds. Bonds must be rated below investment grade but at least B3 based on a composite of Moodys, S&P, and Fitch. Qualifying bonds are capitalization-weighted provided the total allocation to an individual issuer (defined by Bloomberg tickers) does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro-rata basis. Similarly, the face value of bonds of all other issuers that fall below the 2% cap are increased on a pro-rata basis. The index is re-balanced on the last calendar day of the month. JPMorgan EMBI Global Index (GBP Hdgd) tracks total returns for USD denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities. Brady bonds, loans, Eurobonds and local market instruments. This index only tracks the particular region or country. It is not possible to invest directly in an unmanaged index.

SECTOR DIVERSIFICATION (%)

	DURATION WEIGHTED		MARKET VALUE WEIGHTED	
	PIMCO Fund	Variance to Benchmark	PIMCO Fund	Variance to Benchmark
Invest. Grade Credit	21	-4	26	1
High Yield Credit	14	-10	26	-5
Emerging Markets	29	-16	38	0
Other	28	22	30	24
Net Cash Equivalents	8	8	-20	-20

TOP 5 INDUSTRIES (%)

	MARKET VALUE WEIGHTED	
	PIMCO Fund	Variance to Benchmark
Banks	14	4
Brokerage	5	3
Independent E&P	5	2
Integrated Oil	4	2
Non-Captive Consumer Finance	4	2

TOP 5 CURRENCY EXPOSURE (%)

	MARKET VALUE WEIGHTED
China	2.08
South Korea	1.71
Mexico	1.63
Euro M. Union	-1.14
United Kingdom	-0.84

QUALITY (%)

	MARKET VALUE WEIGHTED	
	PIMCO Fund	Variance to Benchmark
A1/P1	0	0
Below A1/P1	0	0
AAA	0	-5
AA	3	-4
A	18	2
BAA	37	12
BA	23	-6
B	14	-4
Below B	5	5

Negative numbers represent short exposure. Sort is by absolute value.

ABOUT PIMCO

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