

July
2010

614115103
CUSIP number
MTS
Ticker Symbol

Investment Style: Investment-Grade Corporate Debt

Investment Objective

This fund seeks a high level of current income as is consistent with prudent investment risks, from a diversified portfolio consisting primarily of debt securities.

Important Risk Information

Closed-end funds, unlike open-end funds, are not continuously offered. There is a public offering and, once issued, shares of closed-end funds are bought and sold in the open market through a stock exchange. Shares of closed-end funds frequently trade at a discount to the net asset value. The price of the fund's shares is determined by a number of factors, several of which are beyond the control of the fund. Therefore, the fund cannot predict whether its shares will trade at, below or above net asset value. Yields and market value will fluctuate in response to changing interest rates and may be affected by the prepayment of mortgage-backed securities. The fund's investments in foreign securities may be subject to changes in currency exchange rates. The fund's investments are subject to interest-rate risk such that when interest rates rise, the prices of the fund's holdings, and thus the value of the fund can decline and the investor can lose principal value. All of these factors may result in greater share price volatility.

Performance Information

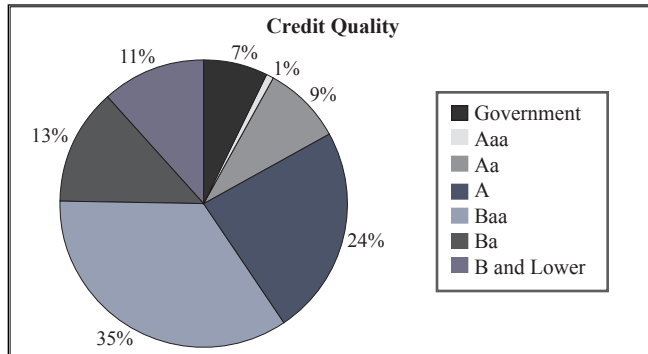
All performance shown is historical, assumes reinvestment of all dividend and capital gain distributions and does not guarantee future results. Investment return and principal value fluctuate with changing market conditions, so that, when sold, shares may be worth more or less than the original cost. Current performance may be lower or higher than the performance data quoted. Please visit www.montgomerystreetincome.com or call (877) 437-3938 and speak to a representative to obtain the fund's most recent performance.

Performance History

	Average Annual Total Returns*				Cumulative Returns*			
	1-Year	3-Year	5-Year	10-Year	YTD	1-Month	3-Month	Inception Date
Market Price	16.19%	4.89%	4.33%	6.82%	12.37%	4.02%	3.75%	2/14/73
Net Asset Value	11.07%	3.84%	3.57%	5.99%	6.08%	2.88%	2.21%	2/14/73

Fund Statistics

Total Net Assets	\$176 Million
Shares Outstanding	10,366,234
Primary Exchange	NYSE



Credit Quality breakdown is subject to change.

The credit quality ratings represent the lower of Moody's Investors Services Inc. ("Moody's") or Standard and Poor's Corporation ("S&P") credit ratings. The ratings of Moody's and S&P represent their opinions as to the quality of the securities they rate. Ratings are relative and subjective and are not absolute standards of quality. The fund's credit quality does not remove risk of an increase in interest rate or illiquidity in the market.

* Net asset value total return reflects changes in the fund's net asset value during each period. Both market price and net asset value total return methodologies assume that dividends and capital gain distributions, if any, were reinvested. These figures will differ depending on the level of any discount from or premium to net asset value at which the fund's shares traded during the period.

Returns reflect a fee and/or expense waiver in effect for certain periods. Without this waiver, returns would have been lower and any rankings/ratings might have been less favorable. See the most recent stockholder report for details.

Largest Holdings

Holding	% of Net Assets
1. Merrill Lynch & Co. Inc., 6.88%, 04/25/18	2.9%
2. FCE Bank Plc, 7.13%, 01/16/12	2.3%
3. Altria Group Inc., 9.70%, 11/10/18	2.2%
4. CIT Group Inc., 7.00%, 05/01/13	2.2%
5. Citigroup Inc., 6.01%, 01/15/15	2.1%
6. American Express Credit Corp., 7.30%, 08/20/13	1.8%
7. Rockies Express Pipeline LLC, 6.25%, 07/15/13	1.8%
8. Kinder Morgan Energy Partners LP, 9.00%, 02/01/19	1.8%
9. American International Group Inc., 4.95%, 03/20/12	1.7%
10. TransCapitalInvest Ltd., 8.70%, 08/07/18	1.5%
Total	20.3%

Portfolio holdings are subject to change. Net assets includes long-term and short-term securities holdings.

Yield Information

SEC 30-Day Yield	4.48%
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Geographic Distribution

United States	81%
United Kingdom	5%
Luxembourg	3%
Netherlands	2%
Ireland	2%
Other	7%

Geographic distribution is subject to change. Percentage represents long-term securities only and does not include short-term securities.

Portfolio Characteristics

Portfolio Composition by Security Type

Corporate	83%
US Government Agency-Sponsored Pass-Through	0%†
US Government	2%
Sovereign	0%†
Collateralized Mortgage Obligations	4%
Commercial and Non-Agency Mortgage-Backed	11%

† Percentage represents less than 0.50%.

Portfolio composition is subject to change. Percentage represents long-term securities only and does not include short-term investments.

Average coupon	6.52%
Average maturity/duration	
Average maturity	5.98 Years
Average duration	4.48 Years

Industry Distributions

Financials	47%
Non-US Government Agency Backed Securities	15%
Energy	12%
Materials	9%
Consumer Discretionary	4%
Consumer Staples	4%
Health Care	3%
Telecommunication Services	3%
Government Securities	2%
Utilities	1%
Government and Agency Obligations	0%†

† Percentage represents less than 0.50%.

Industry distribution is subject to change. Percentage represents long-term securities only and does not include short-term securities.

Market and Net Asset Value Data

Month-End	Market Price	NAV	Discount
Jul-10	\$16.10	\$17.00	5.3%
Jun-10	\$15.69	\$16.75	6.3%
May-10	\$15.35	\$16.46	6.7%
Apr-10	\$15.73	\$16.86	6.7%
Mar-10	\$15.42	\$16.79	8.2%
Feb-10	\$15.22	\$16.71	8.9%
Jan-10	\$14.75	\$16.66	11.5%
Dec-09	\$14.68	\$16.42	10.6%
Nov-09	\$14.60	\$16.64	12.3%
Oct-09	\$14.57	\$16.46	11.5%
Sep-09	\$15.01	\$16.53	9.2%
Aug-09	\$14.78	\$16.30	9.3%

Prices and net asset values fluctuate and are not guaranteed.

Dividends and Capital Gain Distributions

Payable Date	Ordinary Income	ST Gains	LT Gains
07/31/2010	\$0.2200	-	-
04/30/2010	\$0.1700	-	-
12/31/2009	\$0.1600	-	-
10/31/2009	\$0.1900	-	-
07/31/2009	\$0.2100	-	-
04/30/2009	\$0.2100	-	-
12/31/2008	\$0.2700	-	-
10/31/2008	\$0.2600	-	-
07/31/2008	\$0.2600	-	-
04/30/2008	\$0.2600	-	-
12/31/2007	\$0.2800	-	-

Dividends and capital gain distributions fluctuate and are not guaranteed.

Investment Team

Mark R. Kiesel and Saumil H. Parikh of Pacific Investment Management Company LLC ("PIMCO") are responsible for the day-to-day investment management of the Fund. Mr. Kiesel and Mr. Parikh have over 16 and 11 years, respectively, of investment experience.

**NOT FDIC INSURED MAY LOSE VALUE
NO BANK GUARANTEE NOT A DEPOSIT
NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY**

The data is provided for information purposes only and is not intended for trading purposes.