

PIMCO CORPORATE & INCOME STRATEGY FUND

Form N-CSRS

March 29, 2017

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT**

**INVESTMENT COMPANIES**

Investment Company Act file number: 811-10555

**PIMCO Corporate & Income Strategy Fund**

**(Exact name of registrant as specified in charter)**

**1633 Broadway, New York, NY 10019**

**(Address of principal executive offices)**

**William G. Galipeau**

**Treasurer (Principal Financial & Accounting Officer)**

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**(Name and address of agent for service)**

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**Boston, MA 02199**

Registrant's telephone number, including area code: (844) 337-4626

Date of fiscal year end: July 31

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Date of reporting period: January 31, 2017

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ( OMB ) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

**Item 1. Reports to Shareholders.**

The following is a copy of the report transmitted to shareholders pursuant to Rule 30e-1 under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30e-1).

**PIMCO Closed-End Funds**

## Semiannual Report

*January 31, 2017*

PIMCO Corporate & Income Opportunity Fund

PIMCO Corporate & Income Strategy Fund

PIMCO High Income Fund

PIMCO Income Strategy Fund

PIMCO Income Strategy Fund II

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## Letter from the Chairman of the Board & President

Dear Shareholder,

The global financial markets generated mixed results during the reporting period. Investor sentiment fluctuated as investors reacted to incoming economic data, shifting monetary policy, volatile commodity prices and numerous geopolitical issues.

For the six-month reporting period ended January 31, 2017

The U.S. economy continued to expand during the reporting period, although the pace was relatively modest. Looking back, U.S. gross domestic product ( GDP ), which represents the value of goods and services produced in the country, the broadest measure of economic activity and the principal indicator of economic performance, expanded at a 0.9% annual pace during the second quarter of 2016. GDP grew at a 3.5% annual pace during the third quarter – the strongest reading in two years. Finally, the Commerce Department’s second reading showed that fourth-quarter 2016 GDP grew at an annual pace of 1.9%.

At its meeting in December 2015, the Federal Reserve ( Fed ) took its initial step toward normalizing monetary policy. In particular, the Fed raised interest rates from a range between 0% and 0.25% to a range between 0.25% and 0.50%. During its first seven meetings in 2016, the Fed remained on hold as it monitored incoming economic data, as well as several geopolitical events. Then, in a well-telegraphed move, the Fed again raised interest rates in December 2016 to a range between 0.50% and 0.75%. In its official statement following the Fed’s December 2016 meeting it said, “The Committee expects that economic conditions will evolve in a manner that will warrant only gradual increases in the federal funds rate; the federal funds rate is likely to remain, for some time, below levels that are expected to prevail in the longer run. However, the actual path of the federal funds rate will depend on the economic outlook as informed by incoming data.”

Economic activity outside the U.S. was generally tepid during the reporting period. In the eurozone, growth was modest and inflation remained lower than the European Central Bank’s ( ECB ) target. As a result, the ECB maintained its highly accommodative monetary policy and extended the duration of its bond-buying program through December 2017. In the aftermath of the United Kingdom’s decision to leave the European Union ( Brexit ), the Bank of England lowered rates in October 2016 from 0.50% to 0.25% – an all-time low. Elsewhere, uneven growth in Japan prompted the Bank of Japan to push the rate on current accounts that commercial banks hold to negative territory.

After weakness earlier in 2016, commodity prices generally stabilized and moved higher during the six months ended January 31, 2017. Crude oil rose from approximately \$42 a barrel when the reporting period began, to roughly \$53 at the end of January 2017. Finally, foreign exchange markets fluctuated given economic data, decoupling central bank policy, Brexit, and the surprise outcome from the U.S. November elections that propelled the U.S. dollar higher.

## Outlook

PIMCO’s baseline view is for the aging U.S. economic expansion to continue during the remainder of 2017. PIMCO foresees U.S. GDP growth of 2%–2.5% in 2017, twice the annualized growth rate from the fourth quarter of 2015 through the second quarter of 2016, but below the 3.5% rate during the third quarter of 2016. PIMCO believes business investment will likely increase, helped by higher energy prices and, eventually,

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more clarity on corporate tax reform. In PIMCO's view, consumer spending will be supported by a further decline in unemployment, rising wages and expectations of personal income tax cuts to be enacted by the end of 2017. Meanwhile, PIMCO expects headline Consumer Price Index (CPI) inflation to increase and to converge with core inflation above 2%, with the Fed raising interest rates two or three times during 2017 (with risks to the upside).

Overseas, PIMCO's baseline view is for eurozone growth to be in a 1%–1.5% range as political uncertainty remains elevated ahead of crucial elections in France, Germany, the Netherlands and, potentially, in Italy. While PIMCO believes that headline inflation will rise above 1%, core inflation should make little headway toward the European

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Central Bank's below but close to 2% objective. In the U.K., PIMCO's baseline view is for growth to moderate into a 0.75%–1.5% range, reflecting fairly robust momentum so far, but also the ongoing uncertainty over the impact of Brexit. PIMCO's baseline view in Japan is that fiscal stimulus and recent yen weakening will propel GDP growth into a 0.75%–1.25% range in 2017. However, PIMCO believes inflation will remain subdued and significantly below the Bank of Japan's 2% target. Finally, for China, PIMCO's baseline view is that the public sector credit bubble and its private sector capital outflows will likely remain under control and growth will slow into a 6%–6.5% range as policymakers prioritize financial stability over economic stimulus, ahead of the 19th National Party Congress in the fourth quarter of 2017.

In the following pages of this PIMCO Closed-End Funds Semiannual Report, please find specific details regarding investment performance and a discussion of factors that most affected the Funds' performance over the six months ended January 31, 2017.

Thank you for investing with us. We value your trust and will continue to work diligently to meet your investment needs. If you have questions regarding any of your PIMCO Closed-End Funds investments, please contact your financial advisor or call the Funds' shareholder servicing agent at (844) 33-PIMCO, or (844) 337-4626. We also invite you to visit our website at [www.pimco.com](http://www.pimco.com) to learn more about our views.

Sincerely,

Hans W. Kertess  
Chairman of the Board of Trustees

Peter G. Strelow  
President

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## Important Information About the Funds

We believe that bond funds have an important role to play in a well-diversified investment portfolio. It is important to note, however, that in an environment where interest rates trend upward, rising rates would negatively impact the performance of most bond funds, and fixed-income securities held by a Fund are likely to decrease in value. A number of factors can cause interest rates to rise (e.g., central bank monetary policies, inflation rates, general economic conditions, etc.). Accordingly, changes in interest rates can be sudden, and there is no guarantee that Fund Management will anticipate such movement. As of the date of this report, interest rates in the U.S. are at or near historically low levels. As such, bond funds may currently face an increased exposure to the risks associated with rising interest rates. This is especially true since the Federal Reserve Board has concluded its quantitative easing program and, at its meetings on December 16, 2015 and December 14, 2016, raised interest rates for the first time since 2006. Further, while the U.S. bond market has steadily grown over the past three decades, dealer inventories of corporate bonds have remained relatively stagnant. As a result, there has been a significant reduction in the ability of dealers to make markets in corporate bonds. All of the factors mentioned above, individually or collectively, could lead to increased volatility and/or lower liquidity in the fixed income markets, which could result in increased losses to a Fund. Bond funds and individual bonds with a longer duration (a measure of the sensitivity of a security's price to changes in interest rates) tend to be more sensitive to changes in interest rates, usually making them more volatile than securities or funds with shorter durations. In addition, in the current low interest rate environment, the market price of the Funds common shares may be particularly sensitive to changes in interest rates or the perception that there will be a change in interest rates.

The use of derivatives may subject the Funds to greater volatility than investments in traditional securities. The Funds may use derivative instruments for hedging purposes or as part of an investment strategy. Use of these instruments may involve certain costs and risks such as liquidity risk, interest rate risk, market risk, call risk, credit risk, management risk and the risk that a Fund could not close out a position when it would be most advantageous to do so. Certain derivative transactions may have a leveraging effect on a Fund. For example, a small investment in a derivative instrument may have a significant impact on a Fund's exposure to interest rates, currency exchange rates or other investments. As a result, a relatively small price movement in a derivative instrument may cause an immediate and substantial loss or gain, which translates into heightened volatility in a Fund's net asset value (NAV). A Fund may engage in such transactions regardless of whether the Fund owns the asset, instrument or components of the index underlying a derivative instrument. A Fund may invest a significant portion of its assets in these types of

instruments. If it does, a Fund's investment exposure could far exceed the value of its portfolio securities and its investment performance could be primarily dependent upon securities it does not directly own. Changes in regulation relating to a mutual fund's use of derivatives and related instruments could potentially limit or impact a Fund's ability to invest in derivatives, limit a Fund's ability to employ certain strategies that use derivatives and adversely affect the value or performance of derivatives and a Fund. For instance, in December 2015, the SEC proposed new regulations applicable to a mutual fund's use of derivatives and related instruments. If adopted as proposed, these regulations could significantly limit or impact a Fund's ability to invest in derivatives and other instruments, limit a Fund's ability to employ certain strategies that use derivatives and adversely affect a Fund's performance, efficiency in implementing its strategy, liquidity and ability to pursue its investment objectives and generate income.

Certain Funds' monthly distributions may include, among other sources, payments and premiums (characterized as capital for financial accounting purposes and as ordinary income for tax purposes) generated by certain types of interest rate derivatives.

Strategies involving interest rate derivatives may attempt to capitalize on differences between short-term and long-term interest rates as part of a Fund's duration and yield curve active management strategies. For instance, in the event that long-term interest rates are higher than short-term interest rates, a Fund may elect to pay a floating short-term interest rate and to receive a long-term fixed interest rate for a stipulated period of time, thereby generating payments as a function of the difference between current short-term interest rates and long-term interest rates, so long as the floating short-term interest rate (which may rise) is lower than the fixed long-term interest rate.

A Fund may also enter into opposite sides of multiple interest rate swaps or other derivatives with respect to the same underlying reference instrument (e.g., a 10-year U.S. treasury) that have different effective dates with respect to interest accrual time periods for the principal purpose of generating distributable gains (characterized as ordinary income for tax purposes) and that are not part of the Fund's duration or yield curve management strategies (paired swap transactions). In a paired swap transaction, a Fund would generally enter into one or more interest rate swap agreements whereby the Fund agrees to make regular payments starting at the time the Fund enters into the agreements equal to a floating

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interest rate in return for payments equal to a fixed interest rate (the initial leg ). The Fund would also enter into one or more interest rate swap agreements on the same underlying instrument, but take the opposite position (i.e., in this example, the Fund would make regular payments equal to a fixed interest rate in return for receiving payments equal to a floating interest rate) with respect to a contract whereby the payment obligations do

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not commence until a date following the commencement of the initial leg (the forward leg ).

A Fund's income- and gain-generating strategies may generate current income and gains taxable as ordinary income sufficient to support monthly distributions even in situations when the Fund has experienced a decline in net assets due to, for example, adverse changes in the broad U.S. or non-U.S. equity markets or the Fund's debt investments, or arising from its use of derivatives. For instance, a significant portion of a Fund's monthly distributions may be sourced from paired swap transactions utilized to produce current distributable ordinary income for tax purposes on the initial leg, with the expectation that the Fund will later realize a corresponding capital loss and potential decline in its net asset value with respect to the forward leg (to the extent there are not corresponding offsetting capital gains being generated from other sources). Because some or all of these transactions may generate capital losses without corresponding offsetting capital gains, portions of a Fund's distributions recognized as ordinary income for tax purposes (such as from paired swap transactions) may be economically similar to a taxable return of capital when considered together with such capital losses.

The notional exposure of a Fund's interest rate derivatives may represent a multiple of the Fund's total net assets. There can be no assurance a Fund's strategies involving interest rate derivatives will work as intended and such strategies are subject to the risks related to the use of derivatives generally, as discussed above (see also Notes 6 and 7 in the Notes to Financial Statements for further discussion on the use of derivative instruments and certain of the risks associated therewith).

A Fund's use of leverage creates the opportunity for increased income for the Fund's common shareholders, but also creates special risks. Leverage is a speculative technique that may expose a Fund to greater risk and increased costs. If shorter-term interest rates rise relative to the rate of return on a Fund's portfolio, the interest and other costs of leverage to the Fund could exceed the rate of return on the debt obligations and other investments held by the Fund, thereby reducing return to the Fund's common shareholders. In addition, fees and expenses of any form of leverage used by a Fund will be borne entirely by its common shareholders (and not by preferred shareholders, if any) and will reduce the investment return of the Fund's common shares. There can be no assurance that a Fund's use of leverage will result in a higher yield on its common shares, and it may result in losses. Leverage creates several major types of risks for a Fund's common shareholders, including: (1) the likelihood of greater volatility of net asset value and market price of the Fund's common shares, and of the investment return to the Fund's common shareholders, than a comparable portfolio without leverage; (2) the possibility either that the Fund's common share dividends will fall if the interest and other costs of leverage rise,

or that dividends paid on the Fund's common shares will fluctuate because such costs vary over time; and (3) the effects of leverage in a declining market or a rising interest rate environment, as leverage is likely to cause a greater decline in the net asset value of the Fund's common shares than if the Fund were not leveraged and may result in a greater decline in the market value of the Fund's common shares.

A Fund's investments in and exposure to foreign securities involve special risks. For example, the value of these investments may decline in response to unfavorable political and legal developments, unreliable or untimely information or economic and financial instability. Foreign securities may experience more rapid and extreme changes in value than investments in securities of U.S. issuers. The securities markets of certain foreign countries are relatively small, with a limited number of companies representing a small number of industries. Issuers of foreign securities are usually not subject to the same degree of regulation as U.S. issuers. Reporting, accounting, auditing and custody standards of foreign countries differ, in some cases significantly, from U.S. standards. Also, nationalization, expropriation or other confiscation, currency blockage, political changes or diplomatic developments could adversely affect a Fund's investments in foreign securities. In the event of nationalization, expropriation or other confiscation, a Fund could lose its entire investment in foreign securities. Risks associated with investing in foreign securities may be increased when a Fund invests in emerging markets. For example, if a Fund invests in emerging market debt, it may face increased exposure to interest rate, liquidity, volatility, and redemption risk due to the specific economic, political, geographical, or legal background of the emerging market.

Investments in loans are generally subject to risks similar to those of investments in other types of debt obligations, including, among others, credit risk, interest rate risk, variable and floating rate securities risk, and, as applicable, risks associated with mortgage-related securities. In addition, in many cases loans are subject to the risks associated with below-investment grade securities. In the case of a loan participation or

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assignment, a Fund generally has no right to enforce compliance with the terms of the loan agreement with the borrower. As a result, a Fund may be subject to the credit risk of both the borrower and the lender that is selling the loan agreement. In the event of the insolvency of the lender selling a loan participation, a Fund may be treated as a general creditor of the lender and may not benefit from any set-off between the lender and the borrower. The Funds may be subject to heightened or additional risks and potential liabilities and costs by investing in mezzanine and other subordinated loans or acting as an originator of loans, including those arising under bankruptcy, fraudulent conveyance, equitable subordination, lender liability, environmental and other laws and regulations, and risks and costs associated with debt servicing and taking foreclosure actions

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## Important Information About the Funds (Cont.)

associated with the loans. To the extent that a Fund originates a loan, it may be responsible for all or a substantial portion of the expenses associated with initiating the loan, irrespective of whether the loan transaction is ultimately consummated or closed. This may include significant legal and due diligence expenses, which will be indirectly borne by a Fund and its shareholders.

Mortgage-related and other asset-backed securities often involve risks that are different from or more acute than risks associated with other types of debt instruments. Generally, rising interest rates tend to extend the duration of fixed rate mortgage-related securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, if a Fund holds mortgage-related securities, it may experience additional volatility since individual mortgage holders are less likely to exercise prepayment options, thereby putting additional downward pressure on the value of these securities and potentially causing the Fund to lose money. This is known as extension risk. Mortgage-backed securities can be highly sensitive to rising interest rates, such that even small movements can cause an investing Fund to lose value. Mortgage-backed securities, and in particular those not backed by a government guarantee, are subject to credit risk. In addition, adjustable and fixed rate mortgage-related securities are subject to prepayment risk. When interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the returns of the Funds because the Funds may have to reinvest that money at the lower prevailing interest rates. The Funds' investments in other asset-backed securities are subject to risks similar to those associated with mortgage-related securities, as well as additional risks associated with the nature of the assets and the servicing of those assets. Payment of principal and interest on asset-backed securities may be largely dependent upon the cash flows generated by the assets backing the securities, and asset-backed securities may not have the benefit of any security interest in the related assets.

High-yield bonds (commonly referred to as "junk bonds") typically have a lower credit rating than other bonds. Lower-rated bonds generally involve a greater risk to principal than higher-rated bonds. Further, markets for lower-rated bonds are typically less liquid than for higher-rated bonds, and public information is usually less abundant in such markets. Thus, high yield investments increase the chance that a Fund will lose money on its investment. The Funds may also invest in bonds and other instruments that are not rated, but which PIMCO considers to be equivalent to high-yield investments. The Funds may hold defaulted securities that may involve special considerations including bankruptcy proceedings, other regulatory and legal restrictions affecting the Funds' ability to trade, and the availability of prices from independent pricing services or dealer quotations. Defaulted securities are often illiquid and may not be actively traded. Sale of securities in

bankrupt companies at an acceptable price may be difficult and differences compared to the value of the securities used by the Funds could be material.

Variable and floating rate securities generally are less sensitive to interest rate changes but may decline in value if their interest rates do not rise as much, or as quickly, as interest rates in general. Conversely, floating rate securities will not generally increase in value if interest rates decline. Inverse floating rate securities may decrease in value if interest rates increase. Inverse floating rate securities may also exhibit greater price volatility than a fixed rate obligation with similar credit quality. When a Fund holds variable or floating rate securities, a decrease (or, in the case of inverse floating rate securities, an increase) in market interest rates will adversely affect the income received from such securities and the NAV of the Funds' shares.

The global economic crisis brought several small economies in Europe to the brink of bankruptcy and many other economies into recession and weakened the banking and financial sectors of many European countries. For example, the governments of Greece, Spain, Portugal, and the Republic of Ireland have all experienced large public budget deficits, the effects of which are still yet unknown and may slow the overall recovery of the European economies from the global economic crisis. In addition, due to large public deficits, some European countries may be dependent on assistance from other European governments and institutions or other central banks or supranational agencies such as the International Monetary Fund. Assistance may be dependent on a country's implementation of reforms or reaching a certain level of performance. Failure to reach those objectives or an insufficient level of assistance could result in a deep economic downturn which could significantly affect the value of a Fund's European investments. It is possible that one or more Economic and Monetary Union of the European Union (EMU) member countries could abandon the euro and return to a national currency and/or that the euro will cease to exist as a single currency in its current form. The exit of any country out of the euro may have an extremely destabilizing effect on other eurozone countries and their economies and a negative effect on the global economy as a whole. Such an exit by one country may also increase the possibility that additional

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countries may exit the euro should they face similar financial difficulties. In June 2016, the United Kingdom approved a referendum to leave the European Union. Significant uncertainty remains in the market regarding the ramifications of that development, and the range and potential implications of possible political, regulatory, economic and market outcomes are difficult to predict.

As the use of technology has become more prevalent in the course of business, the Funds have become potentially more susceptible to operational risks through breaches in cyber security. A breach in cyber

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security refers to both intentional and unintentional cyber events that may cause a Fund to lose proprietary information, suffer data corruption, or lose operational capacity. Cyber security breaches may involve unauthorized access to a Fund's digital information systems (e.g., through hacking or malicious software coding), but may also result from outside attacks such as denial-of-service attacks (i.e., efforts to make network services unavailable to intended users). In addition, cyber security breaches of a Fund's third party service providers (including but not limited to advisers, sub-advisers, administrators, transfer agents, custodians, distributors and other third parties) or issuers that a Fund invests in can also subject a Fund to many of the same risks associated with direct cyber security breaches. Cyber security failures or breaches may result in financial losses to a Fund and its shareholders. These failures or breaches may also result in disruptions to business operations, potentially resulting in financial losses; interference with a Fund's ability to calculate its net asset value, process shareholder transactions or otherwise transact business with shareholders; impediments to trading; violations of applicable privacy and other laws; regulatory fines; penalties; reputational damage; reimbursement or other compensation costs; or additional compliance costs. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. Like with operational risk in general, the Funds have established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially since the Funds do not directly control the cyber security systems of issuers or third party service providers. The Funds and their shareholders could be negatively impacted as a result.

The Funds may invest in securities and instruments that are economically tied to Russia. Investments in Russia are subject to various risks such as political, economic, legal, market and currency risks. The risks include uncertain political and economic policies, short-term market volatility, poor accounting standards, corruption and crime, an inadequate regulatory system, and unpredictable taxation. Investments in Russia are particularly subject to the risk that economic sanctions may be imposed by the United States and/or other countries. Such sanctions which may impact companies in many sectors, including energy, financial services and defense, among others may negatively impact the Funds performance and/or ability to achieve their investment objectives. The Russian securities market is characterized by limited volume of trading, resulting in difficulty in obtaining accurate prices. The Russian securities market, as compared to U.S. markets, has significant price volatility, less liquidity, a smaller market capitalization and a smaller number of traded securities. There may be little publicly available information about issuers. Settlement, clearing and registration of securities transactions are subject to risks because of registration systems that may not be subject to effective government

supervision. This may result in significant delays or problems in registering the transfer of securities. Russian securities laws may not recognize foreign nominee accounts held with a custodian bank, and therefore the custodian may be considered the ultimate owner of securities they hold for their clients. Ownership of securities issued by Russian companies is recorded by companies themselves and by registrars instead of through a central registration system. It is possible that the ownership rights of the Funds could be lost through fraud or negligence. While applicable Russian regulations impose liability on registrars for losses resulting from their errors, it may be difficult for the Funds to enforce any rights it may have against the registrar or issuer of the securities in the event of loss of share registration. Adverse currency exchange rates are a risk and there may be a lack of available currency hedging instruments. Investments in Russia may be subject to the risk of nationalization or expropriation of assets. Oil, natural gas, metals, and timber account for a significant portion of Russia's exports, leaving the country vulnerable to swings in world prices.

The common shares of the Funds trade on the New York Stock Exchange. As with any stock, the price of a Fund's common shares will fluctuate with market conditions and other factors. If you sell your common shares of a Fund, the price received may be more or less than your original investment. Shares of closed-end management investment companies frequently trade at a discount from their net asset value. The common shares of a Fund may trade at a price that is less than the initial offering price and/or the net asset value of such shares. Further, if a Fund's shares trade at a price that is more than the initial offering price and/or the net asset value of such shares, including at a substantial premium and/or for an extended period of time, there is no assurance that any such premium will be sustained for any period of time and will not decrease, or that the shares will not trade at a discount to net asset value thereafter.

The Funds may be subject to various risks in addition to those described above. Some of these risks may include, but are not limited to, the following: asset allocation risk, credit risk, stressed securities risk, distressed and defaulted securities risk, corporate bond risk, market risk, issuer risk, liquidity risk, equity securities and related market risk, mortgage-related and other asset-backed securities risk, extension risk, prepayment risk, privately issued mortgage-related securities risk, mortgage market/ subprime risk, foreign (non-U.S.) investment risk, emerging markets risk, currency risk, redenomination risk, non-diversification risk, management risk, municipal bond risk, inflation-indexed security risk, senior debt risk, loans, participations and assignments risk, reinvestment risk, real estate risk, U.S. Government securities risk, foreign (non-U.S.) government securities risk, valuation risk, segregation and cover risk, focused investment risk, credit default swaps risk, event-linked

securities risk, counterparty risk, preferred



## Important Information About the Funds (Cont.)

securities risk, confidential information access risk, other investment companies risk, private placements risk, inflation/deflation risk, regulatory risk, tax risk, recent economic conditions risk, market disruptions and geopolitical risk, potential conflicts of interest involving allocation of investment opportunities, repurchase agreements risk, securities lending risk, zero-coupon bond and payment-in-kind securities risk, portfolio turnover risk, smaller company risk, short sale risk and convertible securities risk. A description of certain of these risks is available in the Notes to Financial Statements of this Report.

On each Fund Summary page in this Shareholder Report, the Average Annual Total Return table measures performance assuming that all dividend and capital gain distributions were reinvested. Total return is calculated by determining the percentage change in NAV or market price (as applicable) in the specified period. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions. Total return for a period of more than one year represents the average annual total return. Performance at market price will differ from results at NAV. Although market price returns tend to reflect investment results over time, during shorter periods returns at market price can also be influenced by factors such as changing views about a Fund, market conditions, supply and demand for the Fund's shares, or changes in the Fund's dividends. Performance shown is net of fees and expenses.

The following table discloses the commencement of operations and diversification status of each Fund:

| <b>Fund Name</b>                          | <b>Commencement<br/>of Operations</b> | <b>Diversification<br/>Status</b> |
|-------------------------------------------|---------------------------------------|-----------------------------------|
| PIMCO Corporate & Income Opportunity Fund | 12/27/02                              | Diversified                       |
| PIMCO Corporate & Income Strategy Fund    | 12/21/01                              | Diversified                       |
| PIMCO High Income Fund                    | 04/30/03                              | Diversified                       |
| PIMCO Income Strategy Fund                | 08/29/03                              | Diversified                       |
| PIMCO Income Strategy Fund II             | 10/29/04                              | Diversified                       |

An investment in a Fund is not a deposit of a bank and is not guaranteed or insured by the Federal Deposit Insurance Corporation or any other government agency. It is possible to lose money on investments in the Funds.

The Trustees are responsible generally for overseeing the management of the Funds. The Trustees authorize the Funds to enter into service agreements with the Investment Manager and other service providers in order to provide, and in some cases authorize service providers to procure through other parties, necessary or desirable services on behalf of the Funds. Shareholders are not parties to or third-party beneficiaries of such service agreements. Neither a Fund's original or any subsequent prospectus or Statement of Additional Information (SAI), any press release or shareholder report, any contracts filed as exhibits

to a Fund's registration statement, nor any other communications, disclosure documents or regulatory filings from or on behalf of a Fund creates a contract between or among any shareholders of a Fund, on the one hand, and the Fund, a service provider to the Fund, and/or the Trustees or officers of the Fund, on the other hand, other than pursuant to any rights under federal or state law that cannot be waived. The Trustees (or the Funds and their officers, service providers or other delegates acting under authority of the Trustees) may amend its most recent or use a new prospectus or SAI with respect to a Fund, adopt and disclose new or amended policies and other changes in press releases and shareholder reports and/or amend, file and/or issue any other communications, disclosure documents or regulatory filings, and may amend or enter into any contracts to which a Fund is a party, and interpret the investment objective(s), policies, restrictions and contractual provisions applicable to any Fund, without shareholder input or approval, except in circumstances in which shareholder approval is specifically required by law (such as changes to fundamental investment policies) or where a shareholder approval requirement was specifically disclosed in a Fund's prospectus, SAI or shareholder report and is otherwise still in effect.

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PIMCO has adopted written proxy voting policies and procedures ( Proxy Policy ) as required by Rule 106(4)-6 under the Investment Advisers Act of 1940. The Proxy Policy has been adopted by the Funds as the policies and procedures that PIMCO will use when voting proxies on behalf of the Funds. A description of the policies and procedures that PIMCO uses to vote proxies relating to portfolio securities of each Fund, and information about how each Fund voted proxies relating to portfolio securities held during the most recent twelve-month period ended June 30, are available without charge, upon request, by calling the Funds at (844) 33-PIMCO (844-337-4626), on the Funds' website at [www.pimco.com](http://www.pimco.com), and on the Securities and Exchange Commission's ( SEC ) website at <http://www.sec.gov>.

Each Fund files a complete schedule of its portfolio holdings with the SEC for the first and third quarters of its fiscal year on Form N-Q. A copy of each Fund's Form N-Q is available on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C., and is available without charge, upon request by calling the Funds at (844) 33-PIMCO (844-337-4626) and on the Funds' website at [www.pimco.com](http://www.pimco.com).

Updated portfolio holdings information about a Fund will be available at [www.pimco.com](http://www.pimco.com) approximately 15 calendar days after such Fund's most recent fiscal quarter end, and will remain accessible until such Fund files a Form N-Q or a shareholder report for the period which includes the date of the information. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

### 8 PIMCO CLOSED-END FUNDS

# PIMCO Corporate & Income Opportunity Fund

Symbol on NYSE - **PTY**

Allocation Breakdown as of 01/31/2017 §

|                                       |       |
|---------------------------------------|-------|
| Corporate Bonds & Notes               | 44.7% |
| Non-Agency Mortgage-Backed Securities | 21.3% |
| Asset-Backed Securities               | 13.4% |
| Short-Term Instruments                | 6.7%  |
| Municipal Bonds & Notes               | 5.5%  |
| Other                                 | 8.4%  |
| % of Investments, at value.           |       |

§ Allocation Breakdown and % of investments exclude securities sold short and financial derivative instruments, if any.

Fund Information (as of January 31, 2017)<sup>(1)</sup>

|                                                |         |
|------------------------------------------------|---------|
| Market Price                                   | \$15.45 |
| NAV                                            | \$13.81 |
| Premium/(Discount) to NAV                      | 11.88%  |
| Market Price Distribution Yield <sup>(2)</sup> | 10.10%  |
| NAV Distribution Yield <sup>(2)</sup>          | 11.30%  |
| Total Effective Leverage <sup>(3)</sup>        | 44%     |

Average Annual Total Return<sup>(1)</sup> for the period ended January 31, 2017

|              | 6 Month* | 1 Year | 5 Year | 10 Year | Commencement<br>of Operations<br>(12/27/02) |
|--------------|----------|--------|--------|---------|---------------------------------------------|
| Market Price | 12.12%   | 33.85% | 10.30% | 12.97%  | 13.76%                                      |
| NAV          | 11.61%   | 23.49% | 14.81% | 14.21%  | 14.14%                                      |

All Fund returns are net of fees and expenses.

\* Cumulative return

<sup>(1)</sup> Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and the principal value of an investment will fluctuate. Total return, market price, NAV, market price distribution yield, and NAV distribution yield will fluctuate with changes in market conditions. For performance current to the most recent month-end, visit [www.pimco.com](http://www.pimco.com) or call (844) 33-PIMCO.

<sup>(2)</sup> Distribution yields are not performance and are calculated by annualizing the most recent distribution per share and dividing by the NAV or market price, as applicable, as of the reported date. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the Fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. If the Fund estimates that a portion of its distribution may be comprised of amounts from sources other than net income, the Fund will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. Please refer to the most recent Section 19 Notice, if applicable, for additional information regarding the estimated

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composition of distributions. Please visit [www.pimco.com](http://www.pimco.com) for most recent Section 19 Notice, if applicable. Final determination of a distribution's tax character will be made on Form 1099 DIV sent to shareholders each January.

- (3) Represents total effective leverage outstanding, as a percentage of total managed assets. Total effective leverage consists of preferred shares, reverse repurchase agreements and other borrowings, credit default swap notional and floating rate notes issued in tender option bond transactions, as applicable (collectively "Total Effective Leverage"). The Fund may engage in other transactions not included in Total Effective Leverage disclosed above that may give rise to a form of leverage, including certain derivative transactions. For the purpose of calculating Total Effective Leverage outstanding as a percentage of total managed assets, total managed assets refer to total assets (including assets attributable to Total Effective Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Total Effective Leverage).

### Investment Objective and Strategy Overview

PIMCO Corporate & Income Opportunity Fund's primary investment objective is to seek maximum total return through a combination of current income and capital appreciation.

### Fund Insights at NAV

The following impacted performance during the reporting period:

- » The Fund's exposure to non-agency mortgage-backed securities contributed to performance, as the asset class generated a positive return.
- » The Fund's exposure to high yield corporate debt contributed to performance, as the asset class generated a positive return.
- » The Fund's exposure to U.S. dollar-denominated Brazilian corporate debt contributed to performance, as the asset class generated a positive return.
- » The Fund's selection of collateralized loan obligations (CLOs) contributed to performance, as select senior tranches outperformed the broader CLO sector.
- » The Fund's selection of agency collateralized mortgage obligations (CMOs) contributed to performance, as select floating-rate positions outperformed the broader agency CMO sector.
- » The Fund's exposure to U.S. duration detracted from performance, as U.S. interest rates increased.
- » The Fund's exposure to the middle of the U.K. yield curve modestly detracted from performance, as intermediate-term U.K. interest rates increased.

# PIMCO Corporate & Income Strategy Fund

Symbol on NYSE - **PCN**

Allocation Breakdown as of 01/31/2017 §

|                                       |       |
|---------------------------------------|-------|
| Corporate Bonds & Notes               | 47.7% |
| Non-Agency Mortgage-Backed Securities | 22.7% |
| Asset-Backed Securities               | 15.0% |
| Municipal Bonds & Notes               | 3.5%  |
| Short-Term Instruments                | 2.2%  |
| Other                                 | 8.9%  |
| % of Investments, at value.           |       |

§ Allocation Breakdown and % of investments exclude securities sold short and financial derivative instruments, if any.

Fund Information (as of January 31, 2017)<sup>(1)</sup>

|                                                |         |
|------------------------------------------------|---------|
| Market Price                                   | \$15.61 |
| NAV                                            | \$14.46 |
| Premium/(Discount) to NAV                      | 7.95%   |
| Market Price Distribution Yield <sup>(2)</sup> | 8.65%   |
| NAV Distribution Yield <sup>(2)</sup>          | 9.34%   |
| Total Effective Leverage <sup>(3)</sup>        | 20%     |

Average Annual Total Return<sup>(1)</sup> for the period ended January 31, 2017

|              | 6 Month* | 1 Year | 5 Year | 10 Year | Commencement<br>of Operations<br>(12/21/01) |
|--------------|----------|--------|--------|---------|---------------------------------------------|
| Market Price | 9.04%    | 30.93% | 10.29% | 11.65%  | 11.87%                                      |
| NAV          | 9.23%    | 18.91% | 13.84% | 12.79%  | 12.13%                                      |

All Fund returns are net of fees and expenses.

\* Cumulative return

<sup>(1)</sup> Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and the principal value of an investment will fluctuate. Total return, market price, NAV, market price distribution yield, and NAV distribution yield will fluctuate with changes in market conditions. For performance current to the most recent month-end, visit [www.pimco.com](http://www.pimco.com) or call (844) 33-PIMCO.

<sup>(2)</sup> Distribution yields are not performance and are calculated by annualizing the most recent distribution per share and dividing by the NAV or market price, as applicable, as of the reported date. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the Fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. If the Fund estimates that a portion of its distribution may be comprised of amounts from sources other than net income, the Fund will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. Please refer to the most recent Section 19 Notice, if applicable, for additional information regarding the estimated composition of distributions. Please visit [www.pimco.com](http://www.pimco.com) for most recent Section 19 Notice, if applicable. Final determination of a distribution's tax character will be made on Form 1099-DIV sent to shareholders each January.

<sup>(3)</sup> Represents total effective leverage outstanding, as a percentage of total managed assets. Total effective leverage consists of preferred shares, reverse repurchase agreements and other borrowings, credit default swap notional and floating rate notes issued in tender option bond transactions, as applicable (collectively "Total Effective Leverage"). The Fund may engage in other transactions not included in Total Effective Leverage disclosed above that may give rise to a form of leverage, including certain derivative transactions. For the purpose of calculating Total Effective Leverage outstanding as a percentage of total managed assets, total managed assets refer to total assets (including assets attributable to Total Effective Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Total Effective Leverage).

## Investment Objective and Strategy Overview

PIMCO Corporate & Income Strategy Fund's primary investment objective is to seek high current income, with capital preservation and appreciation as secondary objectives.

## Fund Insights at NAV

The following impacted performance during the reporting period:

- » The Fund's exposure to non-agency mortgage-backed securities contributed to performance, as the asset class generated a positive return.
- » The Fund's exposure to high yield corporate bonds contributed to performance, as the asset class generated a positive return.
- » The Fund's exposure to U.S. dollar-denominated Brazilian corporate debt contributed to performance, as the asset class generated a positive return.
- » The Fund's selection of collateralized loan obligations (CLOs) contributed to performance, as select senior tranches outperformed the broader CLO sector.
- » The Fund's selection of investment grade banking issuers benefited performance, as select subordinated positions outperformed the broader banking sector.
- » The Fund's exposure to U.S. duration detracted from performance, as U.S. interest rates increased.
- » The Fund's exposure to the middle of the U.K. yield curve modestly detracted from performance, as intermediate-term U.K. interest rates increased.

## 10 PIMCO CLOSED-END FUNDS

# PIMCO High Income Fund

Symbol on NYSE - **PHK**

Allocation Breakdown as of 01/31/2017 §

|                                       |       |
|---------------------------------------|-------|
| Corporate Bonds & Notes               | 54.5% |
| Non-Agency Mortgage-Backed Securities | 13.4% |
| Asset-Backed Securities               | 12.8% |
| Short-Term Instruments                | 8.1%  |
| Municipal Bonds & Notes               | 6.1%  |
| Other                                 | 5.1%  |
| % of Investments, at value.           |       |

§ Allocation Breakdown and % of investments exclude securities sold short and financial derivative instruments, if any.

Fund Information (as of January 31, 2017)<sup>(1)</sup>

|                                                |        |
|------------------------------------------------|--------|
| Market Price                                   | \$9.88 |
| NAV                                            | \$6.57 |
| Premium/(Discount) to NAV                      | 50.38% |
| Market Price Distribution Yield <sup>(2)</sup> | 12.57% |
| NAV Distribution Yield <sup>(2)</sup>          | 18.90% |
| Total Effective Leverage <sup>(3)</sup>        | 28%    |

Average Annual Total Return<sup>(1)</sup> for the period ended January 31, 2017

|              | 6 Month* | 1 Year | 5 Year | 10 Year | Commencement<br>of Operations<br>(04/30/03) |
|--------------|----------|--------|--------|---------|---------------------------------------------|
| Market Price | 5.51%    | 44.74% | 8.51%  | 9.96%   | 11.02%                                      |
| NAV          | 8.87%    | 21.80% | 16.72% | 11.01%  | 11.59%                                      |

All Fund returns are net of fees and expenses.

\* Cumulative return

<sup>(1)</sup> Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and the principal value of an investment will fluctuate. Total return, market price, NAV, market price distribution yield, and NAV distribution yield will fluctuate with changes in market conditions. For performance current to the most recent month-end, visit [www.pimco.com](http://www.pimco.com) or call (844) 33-PIMCO.

<sup>(2)</sup> Distribution yields are not performance and are calculated by annualizing the most recent distribution per share and dividing by the NAV or market price, as applicable, as of the reported date. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the Fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. If the Fund estimates that a portion of its distribution may be comprised of amounts from sources other than net income, the Fund will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. Please refer to the most recent Section 19 Notice, if applicable, for additional information regarding the estimated

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composition of distributions. Please visit [www.pimco.com](http://www.pimco.com) for most recent Section 19 Notice, if applicable. Final determination of a distribution's tax character will be made on Form 1099 DIV sent to shareholders each January.

- (3) Represents total effective leverage outstanding, as a percentage of total managed assets. Total effective leverage consists of preferred shares, reverse repurchase agreements and other borrowings, credit default swap notional and floating rate notes issued in tender option bond transactions, as applicable (collectively "Total Effective Leverage"). The Fund may engage in other transactions not included in Total Effective Leverage disclosed above that may give rise to a form of leverage, including certain derivative transactions. For the purpose of calculating Total Effective Leverage outstanding as a percentage of total managed assets, total managed assets refer to total assets (including assets attributable to Total Effective Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Total Effective Leverage).

### Investment Objective and Strategy Overview

PIMCO High Income Fund's primary investment objective is to seek high current income, with capital appreciation as a secondary objective.

### Fund Insights at NAV

The following impacted performance during the reporting period:

- » The Fund's exposure to non-agency mortgage-backed securities contributed to performance, as the asset class generated a positive return.
- » The Fund's exposure to high yield corporate bonds contributed to performance, as the asset class generated a positive return.
- » The Fund's exposure to U.S. dollar-denominated Brazilian corporate debt contributed to performance, as the asset class generated a positive return.
- » The Fund's selection of collateralized loan obligations (CLOs) contributed to performance, as select senior tranches outperformed the broader CLO sector.
- » The Fund's selection of investment grade financial issuers benefited performance, as select subordinated banking positions and senior brokerage positions outperformed the broader financial sector.
- » The Fund's exposure to U.S. duration detracted from performance, as U.S. interest rates increased.
- » The Fund's exposure to the middle of the U.K. yield curve modestly detracted from performance, as intermediate-term U.K. interest rates increased.



# PIMCO Income Strategy Fund

Symbol on NYSE - **PFL**

Allocation Breakdown as of 01/31/2017 §

|                                       |       |
|---------------------------------------|-------|
| Corporate Bonds & Notes               | 52.5% |
| Asset-Backed Securities               | 19.0% |
| Non-Agency Mortgage-Backed Securities | 13.0% |
| Short-Term Instruments                | 4.0%  |
| Municipal Bonds & Notes               | 4.0%  |
| Other                                 | 7.5%  |
| % of Investments, at value.           |       |

§ Allocation Breakdown and % of investments exclude securities sold short and financial derivative instruments, if any.

Fund Information (as of January 31, 2017)<sup>(1)</sup>

|                                                |         |
|------------------------------------------------|---------|
| Market Price                                   | \$10.87 |
| NAV                                            | \$10.97 |
| Premium/(Discount) to NAV                      | (0.91)% |
| Market Price Distribution Yield <sup>(2)</sup> | 9.94%   |
| NAV Distribution Yield <sup>(2)</sup>          | 9.85%   |
| Total Effective Leverage <sup>(3)</sup>        | 26%     |

Average Annual Total Return<sup>(1)</sup> for the period ended January 31, 2017

|              | 6 Month* | 1 Year | 5 Year | 10 Year | Commencement<br>of Operations<br>(08/29/03) |
|--------------|----------|--------|--------|---------|---------------------------------------------|
| Market Price | 9.12%    | 29.93% | 10.27% | 5.23%   | 6.15%                                       |
| NAV          | 9.55%    | 20.75% | 11.94% | 6.41%   | 6.65%                                       |

All Fund returns are net of fees and expenses.

\* Cumulative return

<sup>(1)</sup> Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and the principal value of an investment will fluctuate. Total return, market price, NAV, market price distribution yield, and NAV distribution yield will fluctuate with changes in market conditions. For performance current to the most recent month-end, visit [www.pimco.com](http://www.pimco.com) or call (844) 33-PIMCO.

<sup>(2)</sup> Distribution yields are not performance and are calculated by annualizing the most recent distribution per share and dividing by the NAV or market price, as applicable, as of the reported date. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the Fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. If the Fund estimates that a portion of its distribution may be comprised of amounts from sources other than net income, the Fund will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. Please refer to the most recent Section 19 Notice, if applicable, for additional information regarding the estimated

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composition of distributions. Please visit [www.pimco.com](http://www.pimco.com) for most recent Section 19 Notice, if applicable. Final determination of a distribution's tax character will be made on Form 1099 DIV sent to shareholders each January.

- (3) Represents total effective leverage outstanding, as a percentage of total managed assets. Total effective leverage consists of preferred shares, reverse repurchase agreements and other borrowings, credit default swap notional and floating rate notes issued in tender option bond transactions, as applicable (collectively "Total Effective Leverage"). The Fund may engage in other transactions not included in Total Effective Leverage disclosed above that may give rise to a form of leverage, including certain derivative transactions. For the purpose of calculating Total Effective Leverage outstanding as a percentage of total managed assets, total managed assets refer to total assets (including assets attributable to Total Effective Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Total Effective Leverage).

### Investment Objective and Strategy Overview

PIMCO Income Strategy Fund's primary investment objective is to seek high current income, consistent with the preservation of capital.

### Fund Insights at NAV

The following impacted performance during the reporting period:

- » The Fund's exposure to non-agency mortgage-backed securities contributed to performance, as the asset class generated a positive return.
- » The Fund's exposure to high yield corporate bonds contributed to performance, as the asset class generated a positive return.
- » The Fund's exposure to U.S. dollar-denominated Brazilian corporate debt contributed to performance, as the asset class generated a positive return.
- » The Fund's selection of agency collateralized mortgage obligations (CMOs) contributed to performance, as select floating-rate positions outperformed the broader agency CMO sector.
- » The Fund's selection of investment grade banking issuers benefited performance, as select subordinated positions outperformed the broader banking sector.
- » The Fund's selection of collateralized loan obligations (CLOs) contributed to performance, as select senior tranches outperformed the broader CLO sector.
- » The Fund's exposure to U.S. duration detracted from performance, as U.S. interest rates increased.
- » The Fund's exposure to the middle of the U.K. yield curve modestly detracted from performance, as intermediate-term U.K. interest rates increased.

## 12 PIMCO CLOSED-END FUNDS

## PIMCO Income Strategy Fund II

Symbol on NYSE - **PFN**

Allocation Breakdown as of 01/31/2017 §

|                                       |       |
|---------------------------------------|-------|
| Corporate Bonds & Notes               | 45.5% |
| Non-Agency Mortgage-Backed Securities | 19.6% |
| Asset-Backed Securities               | 16.1% |
| Municipal Bonds & Notes               | 5.5%  |
| Short-Term Instruments                | 5.0%  |
| Other                                 | 8.3%  |

% of Investments, at value.

§ Allocation Breakdown and % of investments exclude securities sold short and financial derivative instruments, if any.

Fund Information (as of January 31, 2017)<sup>(1)</sup>

|                                                |         |
|------------------------------------------------|---------|
| Market Price                                   | \$9.79  |
| NAV                                            | \$9.83  |
| Premium/(Discount) to NAV                      | (0.41)% |
| Market Price Distribution Yield <sup>(2)</sup> | 9.81%   |
| NAV Distribution Yield <sup>(2)</sup>          | 9.77%   |
| Total Effective Leverage <sup>(3)</sup>        | 24%     |

Average Annual Total Return<sup>(1)</sup> for the period ended January 31, 2017

|              | 6 Month* | 1 Year | 5 Year | 10 Year | Commencement<br>of Operations<br>(10/29/04) |
|--------------|----------|--------|--------|---------|---------------------------------------------|
| Market Price | 9.64%    | 29.13% | 11.14% | 4.70%   | 5.19%                                       |
| NAV          | 9.69%    | 19.58% | 12.33% | 5.15%   | 5.59%                                       |

All Fund returns are net of fees and expenses.

\* Cumulative return

<sup>(1)</sup> Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and the principal value of an investment will fluctuate. Total return, market price, NAV, market price distribution yield, and NAV distribution yield will fluctuate with changes in market conditions. For performance current to the most recent month-end, visit [www.pimco.com](http://www.pimco.com) or call (844) 33-PIMCO.

<sup>(2)</sup> Distribution yields are not performance and are calculated by annualizing the most recent distribution per share and dividing by the NAV or market price, as applicable, as of the reported date. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the Fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. If the Fund estimates that a portion of its distribution may be comprised of amounts from sources other than net income, the Fund will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. Please refer to the most recent Section 19 Notice, if applicable, for additional information regarding the estimated

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composition of distributions. Please visit [www.pimco.com](http://www.pimco.com) for most recent Section 19 Notice, if applicable. Final determination of a distribution's tax character will be made on Form 1099 DIV sent to shareholders each January.

- (3) Represents total effective leverage outstanding, as a percentage of total managed assets. Total effective leverage consists of preferred shares, reverse repurchase agreements and other borrowings, credit default swap notional and floating rate notes issued in tender option bond transactions, as applicable (collectively "Total Effective Leverage"). The Fund may engage in other transactions not included in Total Effective Leverage disclosed above that may give rise to a form of leverage, including certain derivative transactions. For the purpose of calculating Total Effective Leverage outstanding as a percentage of total managed assets, total managed assets refer to total assets (including assets attributable to Total Effective Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Total Effective Leverage).

### Investment Objective and Strategy Overview

PIMCO Income Strategy Fund II's primary investment objective is to seek high current income, consistent with the preservation of capital.

### Fund Insights at NAV

The following impacted performance during the reporting period:

- » The Fund's exposure to non-agency mortgage-backed securities contributed to performance, as the asset class generated a positive return.
- » The Fund's exposure to high yield corporate bonds contributed to performance, as the asset class generated a positive return.
- » The Fund's exposure to U.S. dollar-denominated Brazilian corporate debt contributed to performance, as the asset class generated a positive return.
- » The Fund's selection of agency collateralized mortgage obligations (CMOs) contributed to performance, as select floating-rate positions outperformed the broader agency CMO sector.
- » The Fund's selection of investment grade banking issuers benefited performance, as select subordinated positions outperformed the broader banking sector.
- » The Fund's selection of collateralized loan obligations (CLOs) contributed to performance, as select senior tranches outperformed the broader CLO sector.
- » The Fund's exposure to U.S. duration detracted from performance, as U.S. interest rates increased.
- » The Fund's exposure to the middle of the U.K. yield curve modestly detracted from performance, as intermediate-term U.K. interest rates increased.

## Financial Highlights

|                                           | Investment Operations                                  |                                      |                                     | Less Distributions to Preferred Shareholders <sup>(b)</sup> |                            |                                 | Less Distributions to Common Shareholders <sup>(b)</sup>                |                            |                                 |                             |                       |
|-------------------------------------------|--------------------------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------------------------------|----------------------------|---------------------------------|-------------------------------------------------------------------------|----------------------------|---------------------------------|-----------------------------|-----------------------|
|                                           |                                                        |                                      |                                     |                                                             |                            |                                 | Net Increase (Decrease) in Net Assets Applicable to Common Shareholders |                            |                                 |                             |                       |
|                                           | Net Asset Value Beginning of Year Investment or Period | Net Investment Income <sup>(a)</sup> | Net Realized/Unrealized Gain (Loss) |                                                             | From Net Investment Income | From Net Realized Capital Gains | Resulting from Operations                                               | From Net Investment Income | From Net Realized Capital Gains | Tax Basis Return of Capital | Total                 |
| PIMCO Corporate & Income Opportunity Fund |                                                        |                                      |                                     |                                                             |                            |                                 |                                                                         |                            |                                 |                             |                       |
| 08/01/2016 - 01/31/2017+                  | \$ 13.27                                               | \$ 0.60                              | \$ 0.91                             |                                                             | \$ (0.02)                  | \$ 0.00                         | \$ 1.49                                                                 | \$ (0.95)                  | \$ 0.00                         | \$ 0.00                     | \$ (0.95)             |
| 07/31/2016                                | 14.23                                                  | 1.30                                 | (0.65)                              |                                                             | (0.02)                     | 0.00                            | 0.63                                                                    | (1.59)                     | 0.00                            | 0.00                        | (1.59)                |
| 12/01/2014 - 07/31/2015 <sup>(g)</sup>    | 15.41                                                  | 0.68                                 | (0.33)                              |                                                             | (0.00)^                    | 0.00                            | 0.35                                                                    | (1.69)                     | 0.00                            | 0.00                        | (1.69) <sup>(i)</sup> |
| 11/30/2014                                | 16.62                                                  | 1.14                                 | 1.06                                |                                                             | (0.00)^                    | (0.01)                          | 2.19                                                                    | (1.56)                     | (1.84)                          | 0.00                        | (3.40)                |
| 11/30/2013                                | 17.58                                                  | 1.43                                 | 0.19                                |                                                             | (0.00)^                    | (0.00)^                         | 1.62                                                                    | (1.82)                     | (0.76)                          | 0.00                        | (2.58)                |
| 11/30/2012                                | 14.22                                                  | 1.68                                 | 3.87                                |                                                             | (0.01)                     | 0.00                            | 5.54                                                                    | (2.18)                     | 0.00                            | 0.00                        | (2.18)                |
| 11/30/2011                                | 16.29                                                  | 1.88                                 | (1.87)                              |                                                             | (0.01)                     | 0.00                            | 0.00                                                                    | (2.07)                     | 0.00                            | 0.00                        | (2.07)                |
| PIMCO Corporate & Income Strategy Fund    |                                                        |                                      |                                     |                                                             |                            |                                 |                                                                         |                            |                                 |                             |                       |
| 08/01/2016 - 01/31/2017+                  | \$ 14.28                                               | \$ 0.55                              | \$ 0.73                             |                                                             | \$ (0.00)^                 | \$ 0.00                         | \$ 1.28                                                                 | \$ (1.10)                  | \$ 0.00                         | \$ 0.00                     | \$ (1.10)             |
| 07/31/2016                                | 14.75                                                  | 1.24                                 | (0.84) <sup>(k)</sup>               |                                                             | (0.01)                     | 0.00                            | 0.39 <sup>(l)</sup>                                                     | (1.37)                     | 0.00                            | 0.00                        | (1.37)                |
| 11/01/2014 - 07/31/2015 <sup>(h)</sup>    | 15.60                                                  | 0.73                                 | (0.21)                              |                                                             | (0.00)^                    | 0.00                            | 0.52                                                                    | (1.37)                     | 0.00                            | 0.00                        | (1.37) <sup>(j)</sup> |
| 10/31/2014                                | 16.04                                                  | 0.99                                 | 0.87                                |                                                             | (0.00)^                    | (0.00)^                         | 1.86                                                                    | (1.35)                     | (0.95)                          | 0.00                        | (2.30)                |
| 10/31/2013                                | 15.90                                                  | 1.28                                 | 0.44                                |                                                             | (0.01)                     | 0.00                            | 1.71                                                                    | (1.57)                     | 0.00                            | 0.00                        | (1.57)                |
| 10/31/2012                                | 13.67                                                  | 1.57                                 | 2.47                                |                                                             | (0.01)                     | 0.00                            | 4.03                                                                    | (1.80)                     | 0.00                            | 0.00                        | (1.80)                |
| 10/31/2011                                | 15.51                                                  | 1.72                                 | (1.87)                              |                                                             | (0.01)                     | 0.00                            | (0.16)                                                                  | (1.68)                     | 0.00                            | 0.00                        | (1.68)                |
| PIMCO High Income Fund                    |                                                        |                                      |                                     |                                                             |                            |                                 |                                                                         |                            |                                 |                             |                       |
| 08/01/2016 - 01/31/2017+                  | \$ 6.63                                                | \$ 0.34                              | \$ 0.22                             |                                                             | \$ (0.00)^                 | \$ 0.00                         | \$ 0.56                                                                 | \$ (0.62)                  | \$ 0.00                         | \$ 0.00                     | \$ (0.62)             |
| 07/31/2016                                | 7.37                                                   | 0.74                                 | (0.48) <sup>(k)</sup>               |                                                             | (0.00)^                    | 0.00                            | 0.26 <sup>(l)</sup>                                                     | (1.18)                     | 0.00                            | (0.08)                      | (1.26)                |
| 04/01/2015 - 07/31/2015 <sup>(i)</sup>    | 7.59                                                   | 0.21                                 | 0.06                                |                                                             | (0.00)^                    | 0.00                            | 0.27                                                                    | (0.33)                     | 0.00                            | (0.16)                      | (0.49) <sup>(j)</sup> |
| 03/31/2015                                | 8.23                                                   | 0.94                                 | (0.12)                              |                                                             | (0.00)^                    | 0.00                            | 0.82                                                                    | (1.46)                     | 0.00                            | 0.00                        | (1.46)                |
| 03/31/2014                                | 8.65                                                   | 0.84                                 | 0.20                                |                                                             | (0.00)^                    | 0.00                            | 1.04                                                                    | (1.35)                     | 0.00                            | (0.11)                      | (1.46)                |
| 03/31/2013                                | 7.87                                                   | 0.81                                 | 1.43                                |                                                             | (0.00)^                    | 0.00                            | 2.24                                                                    | (1.42)                     | 0.00                            | (0.04)                      | (1.46)                |
| 03/31/2012                                | 9.42                                                   | 0.96                                 | (1.05)                              |                                                             | (0.00)^                    | 0.00                            | (0.09)                                                                  | (1.39)                     | 0.00                            | (0.07)                      | (1.46)                |
| PIMCO Income Strategy Fund                |                                                        |                                      |                                     |                                                             |                            |                                 |                                                                         |                            |                                 |                             |                       |
| 08/01/2016 - 01/31/2017+                  | \$ 10.53                                               | \$ 0.43                              | \$ 0.57                             |                                                             | \$ (0.02)                  | \$ 0.00                         | \$ 0.98                                                                 | \$ (0.54)                  | \$ 0.00                         | \$ 0.00                     | \$ (0.54)             |
| 07/31/2016                                | 11.46                                                  | 0.88                                 | (0.70)                              |                                                             | (0.03)                     | 0.00                            | 0.15                                                                    | (1.08)                     | 0.00                            | 0.00                        | (1.08)                |
| 07/31/2015                                | 12.15                                                  | 0.79                                 | (0.34)                              |                                                             | (0.03)                     | 0.00                            | 0.42                                                                    | (1.22)                     | 0.00                            | 0.00                        | (1.22)                |
| 07/31/2014                                | 11.70                                                  | 0.79                                 | 0.78                                |                                                             | (0.04)                     | 0.00                            | 1.53                                                                    | (1.08)                     | 0.00                            | 0.00                        | (1.08)                |
| 07/31/2013                                | 11.35                                                  | 0.92                                 | 0.87                                |                                                             | (0.04)                     | 0.00                            | 1.75                                                                    | (1.40)                     | 0.00                            | 0.00                        | (1.40)                |
| 07/31/2012                                | 11.39                                                  | 1.16                                 | (0.04)                              |                                                             | (0.05)                     | 0.00                            | 1.07                                                                    | (1.11)                     | 0.00                            | 0.00                        | (1.11)                |
| PIMCO Income Strategy Fund II             |                                                        |                                      |                                     |                                                             |                            |                                 |                                                                         |                            |                                 |                             |                       |
| 08/01/2016 - 01/31/2017+                  | \$ 9.42                                                | \$ 0.41                              | \$ 0.49                             |                                                             | \$ (0.01)                  | \$ 0.00                         | \$ 0.89                                                                 | \$ (0.48)                  | \$ 0.00                         | \$ 0.00                     | \$ (0.48)             |
| 07/31/2016                                | 10.27                                                  | 0.87                                 | (0.67)                              |                                                             | (0.02)                     | 0.00                            | 0.18                                                                    | (1.03)                     | 0.00                            | 0.00                        | (1.03)                |
| 07/31/2015                                | 10.88                                                  | 0.70                                 | (0.29)                              |                                                             | (0.03)                     | 0.00                            | 0.38                                                                    | (1.11)                     | 0.00                            | 0.00                        | (1.11)                |
| 07/31/2014                                | 10.29                                                  | 0.72                                 | 0.87                                |                                                             | (0.04)                     | 0.00                            | 1.55                                                                    | (0.96)                     | 0.00                            | 0.00                        | (0.96)                |
| 07/31/2013                                | 10.23                                                  | 0.88                                 | 0.68                                |                                                             | (0.04)                     | 0.00                            | 1.52                                                                    | (1.46)                     | 0.00                            | 0.00                        | (1.46)                |
| 07/31/2012                                | 10.04                                                  | 1.03                                 | 0.03                                |                                                             | (0.04)                     | 0.00                            | 1.02                                                                    | (0.83)                     | 0.00                            | 0.00                        | (0.83)                |

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\* Annualized

^ Reflects an amount rounding to less than one cent.

(a) Per share amounts based on average number of common shares outstanding during the year or period.

(b) The tax characterization of distributions is determined in accordance with federal income tax regulations. The actual tax characterization of distributions paid is determined at the end of the fiscal year. See Note 2 in the Notes to Financial Statements for more information.

(c) See Note 12 in the Notes to Financial Statements.

(d) Total investment return is calculated assuming a purchase of a common share at the market price on the first day and a sale of a common share at the market price on the last day of each year or period reported. Dividends and distributions, if any, are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Funds' dividend reinvestment plan. Total investment return does not reflect brokerage commissions in connection with the purchase or sale of Fund shares.

(e) Calculated on the basis of income and expenses applicable to both common and preferred shares relative to the average net assets of common shareholders. The expense ratio and net investment income do not reflect the effects of dividend payments to preferred shareholders.

(f) Interest expense primarily relates to participation in borrowing and financing transactions. See Note 5 in the Notes to Financial Statements for more information.

(g) Fiscal year end changed from November 30<sup>th</sup> to July 31<sup>st</sup>.

(h) Fiscal year end changed from October 31<sup>st</sup> to July 31<sup>st</sup>.

(i) Fiscal year end changed from March 31<sup>st</sup> to July 31<sup>st</sup>.

(j) Total distributions for the period ended July 31, 2015 may be lower than prior fiscal years due to fiscal year end changes resulting in a reduction of the amount of days in the period ended July 31, 2015.

(k) The amount previously reported in the Funds' Annual Report has been revised due to a misstatement. The misstatement was not considered material to the prior period Annual Report. In the Funds' Annual Report, PIMCO Corporate & Income Strategy Fund and PIMCO High Income Fund reported amounts of (0.33) and (0.22), respectively.

(l) The amount previously reported in the Funds' Annual Report has been revised due to a misstatement. The misstatement was not considered material to the prior period Annual Report. In the Funds' Annual Report, PIMCO Corporate & Income Strategy Fund and PIMCO High Income Fund reported amounts of 0.90 and 0.52, respectively.

### 14 PIMCO CLOSED-END FUNDS

See Accompanying Notes

| Common Share                                                                                                          |                                                |                                             |                                              |                                                                    | Ratios/Supplemental Data                                 |                                            |        |                                                       |                               |     |
|-----------------------------------------------------------------------------------------------------------------------|------------------------------------------------|---------------------------------------------|----------------------------------------------|--------------------------------------------------------------------|----------------------------------------------------------|--------------------------------------------|--------|-------------------------------------------------------|-------------------------------|-----|
|                                                                                                                       |                                                |                                             |                                              |                                                                    | Ratios to Average Net Assets                             |                                            |        |                                                       |                               |     |
| Increase<br>Resulting from<br>Tender<br>and<br>Repurchase<br>of<br>Auction-Rate<br>Preferred<br>Shares <sup>(c)</sup> | Net Asset<br>Value End of<br>Year or<br>Period | Market Price<br>End of<br>Year or<br>Period | Total<br>Investment<br>Return <sup>(d)</sup> | Net Assets<br>Applicable<br>to<br>Common<br>Shareholders<br>(000s) | Expenses Excluding<br>Interest<br>Expense <sup>(e)</sup> |                                            |        | Preferred<br>Shares<br>Asset<br>Coverage<br>Per Share | Portfolio<br>Turnover<br>Rate |     |
|                                                                                                                       |                                                |                                             |                                              |                                                                    | Expenses <sup>(e)(f)</sup>                               | Net<br>Investment<br>Income <sup>(e)</sup> |        |                                                       |                               |     |
| \$                                                                                                                    | 0.00                                           | \$ 13.81                                    | \$ 15.45                                     | 12.12%                                                             | 991,181                                                  | 1.01%*                                     | 0.85%* | 8.80%*                                                | 129,122                       | 22% |
|                                                                                                                       | 0.00                                           | 13.27                                       | 14.75                                        | 16.09                                                              | 946,843                                                  | 0.89                                       | 0.85   | 9.93                                                  | 124,468                       | 45  |
|                                                                                                                       | 0.16                                           | 14.23                                       | 14.31                                        | (13.61)                                                            | 1,006,484                                                | 0.91*                                      | 0.90*  | 7.01*                                                 | 130,743                       | 34  |
|                                                                                                                       | 0.00                                           | 15.41                                       | 18.50                                        | 26.04                                                              | 1,082,000                                                | 0.91                                       | 0.91   | 7.36                                                  | 108,229                       | 44  |
|                                                                                                                       | 0.00                                           | 16.62                                       | 17.75                                        | (0.15)                                                             | 1,149,779                                                | 0.91                                       | 0.91   | 8.49                                                  | 113,443                       | 118 |
|                                                                                                                       | 0.00                                           | 17.58                                       | 20.37                                        | 36.86                                                              | 1,205,090                                                | 1.05                                       | 0.93   | 10.63                                                 | 117,697                       | 29  |
|                                                                                                                       | 0.00                                           | 14.22                                       | 16.78                                        | 9.24                                                               | 967,195                                                  | 1.09                                       | 0.94   | 11.76                                                 | 99,399                        | 53  |
|                                                                                                                       |                                                |                                             |                                              |                                                                    |                                                          |                                            |        |                                                       |                               |     |
| \$                                                                                                                    | 0.00                                           | \$ 14.46                                    | \$ 15.61                                     | 9.04%                                                              | 563,695                                                  | 1.17%*                                     | 0.94%* | 7.53%*                                                | 278,772                       | 23% |
|                                                                                                                       | 0.51                                           | 14.28                                       | 15.43                                        | 24.21                                                              | 553,569                                                  | 1.10                                       | 1.02   | 8.91                                                  | 274,223                       | 43  |
|                                                                                                                       | 0.00                                           | 14.75                                       | 13.71                                        | (7.12)                                                             | 570,122                                                  | 1.07*                                      | 1.07*  | 6.51*                                                 | 109,336                       | 40  |
|                                                                                                                       | 0.00                                           | 15.60                                       | 16.18                                        | 8.84                                                               | 599,980                                                  | 1.09                                       | 1.09   | 6.32                                                  | 113,753                       | 48  |
|                                                                                                                       | 0.00                                           | 16.04                                       | 17.15                                        | 3.48                                                               | 612,225                                                  | 1.10                                       | 1.09   | 7.91                                                  | 115,565                       | 108 |
|                                                                                                                       | 0.00                                           | 15.90                                       | 18.17                                        | 33.21                                                              | 603,483                                                  | 1.32                                       | 1.14   | 11.03                                                 | 114,270                       | 28  |
|                                                                                                                       | 0.00                                           | 13.67                                       | 15.27                                        | 4.78                                                               | 515,041                                                  | 1.30                                       | 1.16   | 11.56                                                 | 101,188                       | 32  |
|                                                                                                                       |                                                |                                             |                                              |                                                                    |                                                          |                                            |        |                                                       |                               |     |
| \$                                                                                                                    | 0.00                                           | \$ 6.57                                     | \$ 9.88                                      | 5.51%                                                              | 838,173                                                  | 1.26%*                                     | 0.90%* | 10.21%*                                               | 230,459                       | 18% |
|                                                                                                                       | 0.26                                           | 6.63                                        | 10.03                                        | 19.92                                                              | 841,102                                                  | 1.08                                       | 0.95   | 11.20                                                 | 231,185                       | 42  |
|                                                                                                                       | 0.00                                           | 7.37                                        | 9.71                                         | (18.40)                                                            | 925,598                                                  | 1.05*                                      | 1.03*  | 8.14*                                                 | 104,245                       | 8   |
|                                                                                                                       | 0.00                                           | 7.59                                        | 12.48                                        | 12.30                                                              | 949,880                                                  | 1.18                                       | 1.02   | 11.53                                                 | 106,324                       | 58  |
|                                                                                                                       | 0.00                                           | 8.23                                        | 12.56                                        | 15.51                                                              | 1,021,120                                                | 1.14                                       | 1.03   | 10.14                                                 | 112,424                       | 159 |
|                                                                                                                       | 0.00                                           | 8.65                                        | 12.35                                        | 8.53                                                               | 1,063,863                                                | 1.06                                       | 1.05   | 10.00                                                 | 116,082                       | 70  |
|                                                                                                                       | 0.00                                           | 7.87                                        | 12.84                                        | 3.28                                                               | 960,496                                                  | 1.16                                       | 1.07   | 11.76                                                 | 107,233                       | 24  |
|                                                                                                                       |                                                |                                             |                                              |                                                                    |                                                          |                                            |        |                                                       |                               |     |
| \$                                                                                                                    | 0.00                                           | \$ 10.97                                    | \$ 10.87                                     | 9.12%                                                              | 277,765                                                  | 1.33%*                                     | 1.18%* | 7.99%*                                                | 160,384                       | 22% |
|                                                                                                                       | 0.00                                           | 10.53                                       | 10.48                                        | 12.41                                                              | 266,347                                                  | 1.17                                       | 1.13   | 8.49                                                  | 154,837                       | 38  |
|                                                                                                                       | 0.11                                           | 11.46                                       | 10.39                                        | (2.62)                                                             | 289,909                                                  | 1.30                                       | 1.25   | 6.67                                                  | 166,328                       | 67  |
|                                                                                                                       | 0.00                                           | 12.15                                       | 11.87                                        | 9.95                                                               | 306,475                                                  | 1.19                                       | 1.18   | 6.71                                                  | 122,004                       | 113 |
|                                                                                                                       | 0.00                                           | 11.70                                       | 11.83                                        | 5.69                                                               | 294,017                                                  | 1.24                                       | 1.21   | 7.59                                                  | 118,058                       | 63  |
|                                                                                                                       | 0.00                                           | 11.35                                       | 11.52                                        | 12.02                                                              | 283,285                                                  | 1.85                                       | 1.65   | 10.93                                                 | 114,654                       | 23  |
|                                                                                                                       |                                                |                                             |                                              |                                                                    |                                                          |                                            |        |                                                       |                               |     |
| \$                                                                                                                    | 0.00                                           | \$ 9.83                                     | \$ 9.79                                      | 9.64%                                                              | 581,071                                                  | 1.29%*                                     | 1.12%* | 8.37%*                                                | 182,094                       | 15% |
|                                                                                                                       | 0.00                                           | 9.42                                        | 9.39                                         | 11.92                                                              | 556,840                                                  | 1.14                                       | 1.07   | 9.25                                                  | 175,544                       | 38  |
|                                                                                                                       | 0.12                                           | 10.27                                       | 9.41                                         | (0.12)                                                             | 606,974                                                  | 1.16                                       | 1.13   | 6.58                                                  | 189,105                       | 63  |
|                                                                                                                       | 0.00                                           | 10.88                                       | 10.50                                        | 12.39                                                              | 642,119                                                  | 1.14                                       | 1.14   | 6.79                                                  | 124,695                       | 119 |
|                                                                                                                       | 0.00                                           | 10.29                                       | 10.24                                        | 6.80                                                               | 605,843                                                  | 1.16                                       | 1.14   | 8.20                                                  | 119,060                       | 71  |
|                                                                                                                       | 0.00                                           | 10.23                                       | 10.96                                        | 16.33                                                              | 597,683                                                  | 1.48                                       | 1.37   | 10.87                                                 | 117,792                       | 17  |

## Statements of Assets and Liabilities

January 31, 2017 (Unaudited)

|                                                                                             | PIMCO<br>Corporate &<br>Income<br>Opportunity<br>Fund | PIMCO<br>Corporate &<br>Income<br>Strategy<br>Fund | PIMCO High<br>Income Fund | PIMCO Income<br>Strategy<br>Fund | PIMCO Income<br>Strategy<br>Fund II |
|---------------------------------------------------------------------------------------------|-------------------------------------------------------|----------------------------------------------------|---------------------------|----------------------------------|-------------------------------------|
| (Amounts in thousands, except per share amounts)                                            |                                                       |                                                    |                           |                                  |                                     |
| <b>Assets:</b>                                                                              |                                                       |                                                    |                           |                                  |                                     |
| <i>Investments, at value</i>                                                                |                                                       |                                                    |                           |                                  |                                     |
| Investments in securities*                                                                  | \$ 1,326,021                                          | \$ 697,129                                         | \$ 1,161,940              | \$ 361,023                       | \$ 733,372                          |
| <i>Financial Derivative Instruments</i>                                                     |                                                       |                                                    |                           |                                  |                                     |
| Exchange-traded or centrally cleared                                                        | 2,828                                                 | 1,537                                              | 5,270                     | 855                              | 1,975                               |
| Over the counter                                                                            | 962                                                   | 485                                                | 3,969                     | 299                              | 583                                 |
| Cash                                                                                        | 118                                                   | 1                                                  | 1                         | 0                                | 0                                   |
| Deposits with counterparty                                                                  | 93,445                                                | 5,814                                              | 8,946                     | 5,292                            | 7,597                               |
| Foreign currency, at value                                                                  | 647                                                   | 53                                                 | 624                       | 689                              | 419                                 |
| Receivable for investments sold                                                             | 21,228                                                | 13,714                                             | 23,316                    | 2,286                            | 9,605                               |
| Interest and/or dividends receivable                                                        | 12,781                                                | 6,344                                              | 12,584                    | 3,820                            | 6,570                               |
| Other assets                                                                                | 5                                                     | 3                                                  | 40                        | 2                                | 6                                   |
| <b>Total Assets</b>                                                                         | <b>1,458,035</b>                                      | <b>725,080</b>                                     | <b>1,216,690</b>          | <b>374,266</b>                   | <b>760,127</b>                      |
| <b>Liabilities:</b>                                                                         |                                                       |                                                    |                           |                                  |                                     |
| <i>Borrowings &amp; Other Financing Transactions</i>                                        |                                                       |                                                    |                           |                                  |                                     |
| Payable for reverse repurchase agreements                                                   | \$ 149,643                                            | \$ 87,974                                          | \$ 226,859                | \$ 34,842                        | \$ 63,539                           |
| <i>Financial Derivative Instruments</i>                                                     |                                                       |                                                    |                           |                                  |                                     |
| Exchange-traded or centrally cleared                                                        | 3,251                                                 | 1,597                                              | 6,686                     | 958                              | 2,297                               |
| Over the counter                                                                            | 43,654                                                | 3,158                                              | 7,970                     | 2,334                            | 4,759                               |
| Payable for investments purchased                                                           | 21,747                                                | 8,270                                              | 17,723                    | 4,400                            | 10,269                              |
| Deposits from counterparty                                                                  | 460                                                   | 0                                                  | 3,466                     | 0                                | 170                                 |
| Distributions payable to common shareholders                                                | 9,328                                                 | 4,386                                              | 13,195                    | 2,278                            | 4,728                               |
| Distributions payable to preferred shareholders                                             | 36                                                    | 7                                                  | 13                        | 17                               | 21                                  |
| Accrued management fees                                                                     | 631                                                   | 395                                                | 561                       | 247                              | 479                                 |
| Other liabilities                                                                           | 154                                                   | 73                                                 | 69                        | 150                              | 344                                 |
| <b>Total Liabilities</b>                                                                    | <b>228,904</b>                                        | <b>105,860</b>                                     | <b>276,542</b>            | <b>45,226</b>                    | <b>86,606</b>                       |
| <b>Preferred Shares (\$0.00001 par value and \$25,000 liquidation preference per share)</b> | <b>237,950</b>                                        | <b>55,525</b>                                      | <b>101,975</b>            | <b>51,275</b>                    | <b>92,450</b>                       |
| <b>Net Assets Applicable to Common Shareholders</b>                                         | <b>\$ 991,181</b>                                     | <b>\$ 563,695</b>                                  | <b>\$ 838,173</b>         | <b>\$ 277,765</b>                | <b>\$ 581,071</b>                   |
| <b>Net Assets Applicable to Common Shareholders Consist of:</b>                             |                                                       |                                                    |                           |                                  |                                     |
| Common Shares:                                                                              |                                                       |                                                    |                           |                                  |                                     |
| Par value (\$0.00001 per share)                                                             | \$ 1                                                  | \$ 0                                               | \$ 1                      | \$ 0                             | \$ 1                                |
| Paid in capital in excess of par                                                            | 1,040,387                                             | 574,254                                            | 1,500,516                 | 419,625                          | 950,673                             |
| Undistributed (overdistributed) net investment income                                       | (14,574)                                              | (12,540)                                           | (53,144)                  | (2,039)                          | 1,392                               |
| Accumulated undistributed net realized (loss)                                               | (197,904)                                             | (70,807)                                           | (545,039)                 | (158,668)                        | (416,174)                           |
| Net unrealized appreciation (depreciation)                                                  | 163,271                                               | 72,788                                             | (64,161)                  | 18,847                           | 45,179                              |
| <b>Net Assets Applicable to Common Shareholders</b>                                         | <b>\$ 991,181</b>                                     | <b>\$ 563,695</b>                                  | <b>\$ 838,173</b>         | <b>\$ 277,765</b>                | <b>\$ 581,071</b>                   |
| <b>Net Asset Value Per Common Share</b>                                                     | <b>\$ 13.81</b>                                       | <b>\$ 14.46</b>                                    | <b>\$ 6.57</b>            | <b>\$ 10.97</b>                  | <b>\$ 9.83</b>                      |
| <b>Common Shares Issued and Outstanding</b>                                                 | <b>71,750</b>                                         | <b>38,990</b>                                      | <b>127,534</b>            | <b>25,313</b>                    | <b>59,103</b>                       |
| <b>Preferred Shares Issued and Outstanding</b>                                              | <b>10</b>                                             | <b>2</b>                                           | <b>4</b>                  | <b>2</b>                         | <b>4</b>                            |
| Cost of investments in securities                                                           | \$ 1,310,901                                          | \$ 695,269                                         | \$ 1,171,271              | \$ 362,115                       | \$ 738,293                          |
| Cost of foreign currency held                                                               | \$ 643                                                | \$ 53                                              | \$ 629                    | \$ 686                           | \$ 424                              |
| Cost or premiums of financial derivative instruments, net                                   | \$ (57,609)                                           | \$ (1,210)                                         | \$ (1,282)                | \$ (801)                         | \$ (1,679)                          |
| * Includes repurchase agreements of:                                                        | \$ 11,582                                             | \$ 8,056                                           | \$ 48,400                 | \$ 2,581                         | \$ 21,636                           |



A zero balance may reflect actual amounts rounding to less than one thousand.

**16 PIMCO CLOSED-END FUNDS**

See Accompanying Notes

## Statements of Operations

Six Months Ended January 31, 2017 (Unaudited)

|                                                                                               | PIMCO<br>Corporate &<br>Income<br>Opportunity<br>Fund | PIMCO<br>Corporate &<br>Income<br>Strategy<br>Fund | PIMCO High<br>Income Fund | PIMCO Income<br>Strategy<br>Fund | PIMCO Income<br>Strategy<br>Fund II |
|-----------------------------------------------------------------------------------------------|-------------------------------------------------------|----------------------------------------------------|---------------------------|----------------------------------|-------------------------------------|
| (Amounts in thousands)                                                                        |                                                       |                                                    |                           |                                  |                                     |
| <b>Investment Income:</b>                                                                     |                                                       |                                                    |                           |                                  |                                     |
| Interest, net of foreign taxes*                                                               | \$ 47,360                                             | \$ 24,135                                          | \$ 48,122                 | \$ 12,565                        | \$ 27,032                           |
| Dividends                                                                                     | 518                                                   | 471                                                | 231                       | 188                              | 627                                 |
| Total Income                                                                                  | 47,878                                                | 24,606                                             | 48,353                    | 12,753                           | 27,659                              |
| <b>Expenses:</b>                                                                              |                                                       |                                                    |                           |                                  |                                     |
| Management fees                                                                               | 3,957                                                 | 2,520                                              | 3,595                     | 1,529                            | 3,056                               |
| Trustee fees and related expenses                                                             | 90                                                    | 51                                                 | 81                        | 25                               | 50                                  |
| Interest expense                                                                              | 796                                                   | 639                                                | 1,526                     | 209                              | 488                                 |
| Auction agent fees and commissions                                                            | 118                                                   | 49                                                 | 73                        | 31                               | 54                                  |
| Auction rate preferred shares related expenses                                                | 12                                                    | 27                                                 | 22                        | 21                               | 22                                  |
| Total Expenses                                                                                | 4,973                                                 | 3,286                                              | 5,297                     | 1,815                            | 3,670                               |
| <b>Net Investment Income</b>                                                                  | <b>42,905</b>                                         | <b>21,320</b>                                      | <b>43,056</b>             | <b>10,938</b>                    | <b>23,989</b>                       |
| <b>Net Realized Gain (Loss):</b>                                                              |                                                       |                                                    |                           |                                  |                                     |
| Investments in securities                                                                     | (6,636)                                               | (2,977)                                            | 7,450                     | (283)                            | (2,139)                             |
| Exchange-traded or centrally cleared financial derivative instruments                         | 19,121                                                | 4,903                                              | 91,164                    | 19,805                           | 46,966                              |
| Over the counter financial derivative instruments                                             | 12,447                                                | 7,993                                              | 18,233                    | 4,121                            | 7,706                               |
| Foreign currency                                                                              | (64)                                                  | (47)                                               | (84)                      | (36)                             | 31                                  |
| <b>Net Realized Gain</b>                                                                      | <b>24,868</b>                                         | <b>9,872</b>                                       | <b>116,763</b>            | <b>23,607</b>                    | <b>52,564</b>                       |
| <b>Net Change in Unrealized Appreciation (Depreciation):</b>                                  |                                                       |                                                    |                           |                                  |                                     |
| Investments in securities                                                                     | 27,234                                                | 23,390                                             | 21,007                    | 9,242                            | 17,885                              |
| Exchange-traded or centrally cleared financial derivative instruments                         | (957)                                                 | (3,635)                                            | (109,184)                 | (17,509)                         | (39,508)                            |
| Over the counter financial derivative instruments                                             | 13,848                                                | (1,201)                                            | (1,597)                   | (894)                            | (1,520)                             |
| Foreign currency assets and liabilities                                                       | (133)                                                 | 33                                                 | 98                        | 13                               | 15                                  |
| <b>Net Change in Unrealized Appreciation (Depreciation)</b>                                   | <b>39,992</b>                                         | <b>18,587</b>                                      | <b>(89,676)</b>           | <b>(9,148)</b>                   | <b>(23,128)</b>                     |
| <b>Net Increase in Net Assets Resulting from Operations</b>                                   | <b>\$ 107,765</b>                                     | <b>\$ 49,779</b>                                   | <b>\$ 70,143</b>          | <b>\$ 25,397</b>                 | <b>\$ 53,425</b>                    |
| <b>Distributions on Preferred Shares from Net Investment Income</b>                           | <b>\$ (1,103)</b>                                     | <b>\$ (193)</b>                                    | <b>\$ (378)</b>           | <b>\$ (458)</b>                  | <b>\$ (825)</b>                     |
| <b>Net Increase in Net Assets Applicable to Common Shareholders Resulting from Operations</b> | <b>\$ 106,662</b>                                     | <b>\$ 49,586</b>                                   | <b>\$ 69,765</b>          | <b>\$ 24,939</b>                 | <b>\$ 52,600</b>                    |
| * Foreign tax withholdings                                                                    | \$ 0                                                  | \$ 2                                               | \$ 7                      | \$ 0                             | \$ 0                                |

A zero balance may reflect actual amounts rounding to less than one thousand.

## Statements of Changes in Net Assets

|                                                                                               | PIMCO<br>Corporate & Income Opportunity Fund           |                             | PIMCO<br>Corporate & Income Strategy Fund              |                             |
|-----------------------------------------------------------------------------------------------|--------------------------------------------------------|-----------------------------|--------------------------------------------------------|-----------------------------|
|                                                                                               | Six Months Ended<br>January 31,<br>2017<br>(Unaudited) | Year Ended<br>July 31, 2016 | Six Months Ended<br>January 31,<br>2017<br>(Unaudited) | Year Ended<br>July 31, 2016 |
| (Amounts in thousands)                                                                        |                                                        |                             |                                                        |                             |
| <b>Increase (Decrease) in Net Assets from:</b>                                                |                                                        |                             |                                                        |                             |
| <b>Operations:</b>                                                                            |                                                        |                             |                                                        |                             |
| Net investment income                                                                         | \$ 42,905                                              | \$ 92,254                   | \$ 21,320                                              | \$ 47,966                   |
| Net realized gain (loss)                                                                      | 24,868                                                 | (89,368)                    | 9,872                                                  | (44,520)                    |
| Net change in unrealized appreciation (depreciation)                                          | 39,992                                                 | 43,914                      | 18,587                                                 | 11,894                      |
| Net Increase in Net Assets Resulting from Operations                                          | 107,765                                                | 46,800                      | 49,779                                                 | 15,340                      |
| Distributions on preferred shares from net investment income <sup>(a)</sup>                   | (1,103)                                                | (1,253)                     | (193)                                                  | (275)                       |
| <b>Net Increase in Net Assets Applicable to Common Shareholders Resulting from Operations</b> | <b>106,662</b>                                         | <b>45,547</b>               | <b>49,586</b>                                          | <b>15,065</b>               |
| <b>Distributions to Common Shareholders:</b>                                                  |                                                        |                             |                                                        |                             |
| From net investment income                                                                    | (67,984)                                               | (112,955)                   | (42,564)                                               | (53,009)                    |
| Tax basis return of capital                                                                   | 0                                                      | 0                           | 0                                                      | 0                           |
| <b>Total Distributions to Common Shareholders<sup>(a)</sup></b>                               | <b>(67,984)</b>                                        | <b>(112,955)</b>            | <b>(42,564)</b>                                        | <b>(53,009)</b>             |
| <b>Preferred Share Transactions:</b>                                                          |                                                        |                             |                                                        |                             |
| Net Increase resulting from tender and repurchase of Auction-Rate Preferred Shares            | 0                                                      | 0                           | 0                                                      | 19,858                      |
| <b>Common Share Transactions**:</b>                                                           |                                                        |                             |                                                        |                             |
| Issued as reinvestment of distributions                                                       | 5,660                                                  | 7,767                       | 3,104                                                  | 1,533                       |
| <b>Total Increase (Decrease) in Net Assets</b>                                                | <b>44,338</b>                                          | <b>(59,641)</b>             | <b>10,126</b>                                          | <b>(16,553)</b>             |
| <b>Net Assets Applicable to Common Shareholders:</b>                                          |                                                        |                             |                                                        |                             |
| Beginning of period                                                                           | 946,843                                                | 1,006,484                   | 553,569                                                | 570,122                     |
| End of period*                                                                                | \$ 991,181                                             | \$ 946,843                  | \$ 563,695                                             | \$ 553,569                  |
| * Including undistributed (overdistributed) net investment income of:                         | \$ (14,574)                                            | \$ 11,608                   | \$ (12,540)                                            | \$ 8,897                    |
| <b>** Common Share Transactions:</b>                                                          |                                                        |                             |                                                        |                             |
| Shares issued as reinvestment of distributions                                                | 411                                                    | 583                         | 215                                                    | 110                         |

A zero balance may reflect actual amounts rounding to less than one thousand.

<sup>(a)</sup> The tax characterization of distributions is determined in accordance with federal income tax regulations. The actual tax characterization of distributions paid is determined at the end of the fiscal year. See Note 2 in the Notes to Financial Statements for more information.

| PIMCO<br>High Income Fund                           |                             | PIMCO<br>Income Strategy Fund                       |                             | PIMCO<br>Income Strategy Fund II                    |                                            |
|-----------------------------------------------------|-----------------------------|-----------------------------------------------------|-----------------------------|-----------------------------------------------------|--------------------------------------------|
| Six Months Ended<br>January 31, 2017<br>(Unaudited) | Year Ended<br>July 31, 2016 | Six Months Ended<br>January 31, 2017<br>(Unaudited) | Year Ended<br>July 31, 2016 | Six Months Ended<br>January 31, 2017<br>(Unaudited) | Year Ended<br>July 31, 2016<br>(Unaudited) |
|                                                     |                             |                                                     |                             |                                                     |                                            |
| \$ 43,056                                           | \$ 93,715                   | \$ 10,938                                           | \$ 22,312                   | \$ 23,989                                           | \$ 51,163                                  |
| 116,763                                             | 42,044                      | 23,607                                              | (27,474)                    | 52,564                                              | (66,963)                                   |
| (89,676)                                            | (103,962)                   | (9,148)                                             | 9,720                       | (23,128)                                            | 27,977                                     |
| 70,143                                              | 31,797                      | 25,397                                              | 4,558                       | 53,425                                              | 12,177                                     |
| (378)                                               | (528)                       | (458)                                               | (797)                       | (825)                                               | (1,437)                                    |
| 69,765                                              | 31,269                      | 24,939                                              | 3,761                       | 52,600                                              | 10,740                                     |
|                                                     |                             |                                                     |                             |                                                     |                                            |
| (78,979)                                            | (149,487)                   | (13,668)                                            | (27,324)                    | (28,369)                                            | (60,876)                                   |
| 0                                                   | (9,562)                     | 0                                                   | 0                           | 0                                                   | 0                                          |
| (78,979)                                            | (159,049)                   | (13,668)                                            | (27,324)                    | (28,369)                                            | (60,876)                                   |
|                                                     |                             |                                                     |                             |                                                     |                                            |
| 0                                                   | 32,304                      | 0                                                   | 0                           | 0                                                   | 0                                          |
|                                                     |                             |                                                     |                             |                                                     |                                            |
| 6,285                                               | 10,980                      | 147                                                 | 1                           | 0                                                   | 2                                          |
| (2,929)                                             | (84,496)                    | 11,418                                              | (23,562)                    | 24,231                                              | (50,134)                                   |
|                                                     |                             |                                                     |                             |                                                     |                                            |
| 841,102                                             | 925,598                     | 266,347                                             | 289,909                     | 556,840                                             | 606,974                                    |
| \$ 838,173                                          | \$ 841,102                  | \$ 277,765                                          | \$ 266,347                  | \$ 581,071                                          | \$ 556,840                                 |
| \$ (53,144)                                         | \$ (16,843)                 | \$ (2,039)                                          | \$ 1,149                    | \$ 1,392                                            | \$ 6,597                                   |
|                                                     |                             |                                                     |                             |                                                     |                                            |
| 699                                                 | 1,307                       | 13                                                  | 0                           | 0                                                   | 0                                          |

## Statements of Cash Flows

Six Months Ended January 31, 2017 (Unaudited)

|                                                                                                               | PIMCO<br>Corporate &<br>Income<br>Strategy<br>Fund | PIMCO High<br>Income Fund |
|---------------------------------------------------------------------------------------------------------------|----------------------------------------------------|---------------------------|
| (Amounts in thousands)                                                                                        |                                                    |                           |
| <b>Cash Flows Provided by (Used for) Operating Activities:</b>                                                |                                                    |                           |
| Net Increase in Net Assets Resulting from Operations                                                          | \$ 49,779                                          | \$ 70,143                 |
| <b>Adjustments to Reconcile Net Increase in Net Assets from Operations to Net Cash Provided by (Used for)</b> |                                                    |                           |
| <b>Operating Activities:</b>                                                                                  |                                                    |                           |
| Purchases of long-term securities                                                                             | (169,473)                                          | (213,678)                 |
| Proceeds from sales of long-term securities                                                                   | 178,126                                            | 232,572                   |
| (Purchases) Proceeds from sales of short-term portfolio investments, net                                      | 4,726                                              | (64,433)                  |
| Decrease in deposits with counterparty                                                                        | 2,825                                              | 12,524                    |
| (Increase) decrease in receivable for investments sold                                                        | 4,402                                              | (23,195)                  |
| (Increase) decrease in interest and/or dividends receivable                                                   | (212)                                              | 288                       |
| Proceeds from (Payments on) exchange-traded or centrally cleared financial derivative instruments             | 1,319                                              | (17,879)                  |
| Proceeds from over the counter financial derivative instruments                                               | 8,037                                              | 16,495                    |
| Increase (decrease) in payable for investments purchased                                                      | (3,752)                                            | 10,095                    |
| Increase (decrease) in deposits from counterparty                                                             | (1,820)                                            | 41                        |
| (Decrease) in accrued management fees                                                                         | (18)                                               | (39)                      |
| Proceeds from (Payments on) foreign currency transactions                                                     | (14)                                               | 14                        |
| (Decrease) in other liabilities                                                                               | (97)                                               | (134)                     |
| <i>Net Realized (Gain) Loss</i>                                                                               |                                                    |                           |
| Investments in securities                                                                                     | 2,977                                              | (7,450)                   |
| Exchange-traded or centrally cleared financial derivative instruments                                         | (4,903)                                            | (91,164)                  |
| Over the counter financial derivative instruments                                                             | (7,993)                                            | (18,233)                  |
| Foreign currency                                                                                              | 47                                                 | 84                        |
| <i>Net Change in Unrealized (Appreciation) Depreciation</i>                                                   |                                                    |                           |
| Investments in securities                                                                                     | (23,390)                                           | (21,007)                  |
| Exchange-traded or centrally cleared financial derivative instruments                                         | 3,635                                              | 109,184                   |
| Over the counter financial derivative instruments                                                             | 1,201                                              | 1,597                     |
| Foreign currency assets and liabilities                                                                       | (33)                                               | (98)                      |
| Net amortization (accretion) on investments                                                                   | (2,329)                                            | (3,319)                   |
| <b>Net Cash Provided by (Used for) Operating Activities</b>                                                   | <b>43,040</b>                                      | <b>(7,592)</b>            |
| <b>Cash Flows Received from (Used for) Financing Activities:</b>                                              |                                                    |                           |
| (Decrease) in overdraft due to custodian                                                                      | 0                                                  | (23)                      |
| Cash distributions paid to common shareholders*                                                               | (39,436)                                           | (72,621)                  |
| Cash distributions paid to preferred shareholders                                                             | (191)                                              | (374)                     |
| Proceeds from reverse repurchase agreements                                                                   | 268,880                                            | 643,858                   |
| Payments on reverse repurchase agreements                                                                     | (272,307)                                          | (562,879)                 |
| <b>Net Cash Received from (Used for) Financing Activities</b>                                                 | <b>(43,054)</b>                                    | <b>7,961</b>              |
| <b>Net Increase (Decrease) in Cash and Foreign Currency</b>                                                   | <b>(14)</b>                                        | <b>369</b>                |
| <b>Cash and Foreign Currency:</b>                                                                             |                                                    |                           |
| Beginning of period                                                                                           | 68                                                 | 256                       |
| End of period                                                                                                 | \$ 54                                              | \$ 625                    |
| * Reinvestment of distributions to common shareholders                                                        | \$ 3,104                                           | \$ 6,285                  |
| <b>Supplemental Disclosure of Cash Flow Information:</b>                                                      |                                                    |                           |
| Interest expense paid during the period                                                                       | \$ 358                                             | \$ 1,283                  |

A zero balance may reflect actual amounts rounding to less than one thousand.



## Schedule of Investments PIMCO Corporate &amp; Income Opportunity Fund

January 31, 2017 (Unaudited)

|                                                    | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|----------------------------------------------------|-------------------------------|---------------------------|
| <b>INVESTMENTS IN SECURITIES 133.8%</b>            |                               |                           |
| <b>BANK LOAN OBLIGATIONS 4.3%</b>                  |                               |                           |
| <b>Avolon</b>                                      |                               |                           |
| TBD% due 07/20/2020                                | \$ 80                         | \$ 81                     |
| <b>Avolon Holdings Ltd.</b>                        |                               |                           |
| TBD% due 01/13/2022                                | 610                           | 619                       |
| <b>BJ's Wholesale Club, Inc.</b>                   |                               |                           |
| TBD% due 01/26/2024                                | 100                           | 100                       |
| <b>BMC Software Finance, Inc.</b>                  |                               |                           |
| 5.000% due 09/10/2020                              | 980                           | 979                       |
| <b>CH Hold Corp.</b>                               |                               |                           |
| TBD% due 01/18/2024                                | 300                           | 303                       |
| <b>Charter Communications Operating LLC</b>        |                               |                           |
| 3.020% due 01/03/2021                              | 370                           | 371                       |
| <b>Concordia International Corp.</b>               |                               |                           |
| 5.250% due 10/21/2021                              | 2,487                         | 1,960                     |
| <b>Fortescue Metals Group Ltd.</b>                 |                               |                           |
| 3.750% due 06/30/2019                              | 1,539                         | 1,550                     |
| <b>iHeartCommunications, Inc.</b>                  |                               |                           |
| 7.528% due 01/30/2019                              | 8,198                         | 6,892                     |
| <b>Lightstone Generation LLC</b>                   |                               |                           |
| TBD% due 11/22/2023                                | 2,900                         | 2,941                     |
| <b>Prestige Brands, Inc.</b>                       |                               |                           |
| TBD% due 01/26/2024                                | 200                           | 202                       |
| <b>Sequa Corp.</b>                                 |                               |                           |
| 5.250% due 06/19/2017                              | 10,777                        | 10,336                    |
| <b>Sprint Communications, Inc.</b>                 |                               |                           |
| TBD% due 01/13/2024                                | 2,800                         | 2,800                     |
| <b>Team Health Holdings, Inc.</b>                  |                               |                           |
| TBD% due 01/17/2024                                | 600                           | 600                       |
| <b>Vistra Operations Co. LLC</b>                   |                               |                           |
| 4.017% due 12/14/2023                              | 1,100                         | 1,112                     |
| <b>Westmoreland Coal Co.</b>                       |                               |                           |
| 7.500% due 12/16/2020                              | 12,896                        | 11,575                    |
| <b>Ziggo Secured Finance BV</b>                    |                               |                           |
| TBD% due 04/23/2025                                | EUR 150                       | 164                       |
| <b>Total Bank Loan Obligations (Cost \$43,663)</b> |                               | <b>42,585</b>             |
| <b>CORPORATE BONDS &amp; NOTES 59.9%</b>           |                               |                           |
| <b>BANKING &amp; FINANCE 24.9%</b>                 |                               |                           |
| <b>AGFC Capital Trust</b>                          |                               |                           |
| 2.772% due 01/15/2067                              | \$ 1,800                      | 990                       |
| <b>Ally Financial, Inc.</b>                        |                               |                           |
| 8.000% due 11/01/2031                              | 8,291                         | 9,887                     |
| 8.000% due 11/01/2031 (j)                          | 2,521                         | 3,006                     |
| <b>Banco Bilbao Vizcaya Argentaria S.A.</b>        |                               |                           |
| 6.750% due 02/18/2020 (g)                          | EUR 3,400                     | 3,508                     |
| 8.875% due 04/14/2021 (g)                          | 400                           | 467                       |
| <b>Banco do Brasil S.A.</b>                        |                               |                           |
| 6.250% due 04/15/2024 (g)                          | \$ 4,200                      | 3,381                     |
| 9.000% due 06/18/2024 (g)(j)                       | 9,298                         | 9,437                     |
| <b>Banco Espirito Santo S.A.</b>                   |                               |                           |
| 2.625% due 05/08/2017 ^                            | EUR 500                       | 173                       |

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|                                             |     |                  |               |
|---------------------------------------------|-----|------------------|---------------|
| 4.000% due 01/21/2019 ^                     |     | 5,000            | 1,727         |
| 4.750% due 01/15/2018 ^                     |     | 1,000            | 345           |
| <b>Banco Santander S.A.</b>                 |     |                  |               |
| 6.250% due 09/11/2021 (g)                   |     | 400              | 415           |
| <b>Barclays PLC</b>                         |     |                  |               |
| 6.500% due 09/15/2019 (g)                   |     | 1,600            | 1,736         |
| 8.000% due 12/15/2020 (g)                   |     | 200              | 234           |
| <b>Blackstone CQP Holdco LP</b>             |     |                  |               |
| 9.296% due 03/19/2019                       | \$  | 16,393           | 16,536        |
| <b>BNP Paribas S.A.</b>                     |     |                  |               |
| 7.375% due 08/19/2025 (g)                   |     | 6,650            | 6,741         |
| <b>Cantor Commercial Real Estate Co. LP</b> |     |                  |               |
| 7.750% due 02/15/2018                       |     | 2,940            | 2,942         |
| <b>Cantor Fitzgerald LP</b>                 |     |                  |               |
| 6.500% due 06/17/2022 (j)                   |     | 10,000           | 10,890        |
| <b>CBL &amp; Associates LP</b>              |     |                  |               |
| 5.950% due 12/15/2026                       |     | 3,700            | 3,671         |
|                                             |     | <b>PRINCIPAL</b> | <b>MARKET</b> |
|                                             |     | <b>AMOUNT</b>    | <b>VALUE</b>  |
|                                             |     | <b>(000S)</b>    | <b>(000S)</b> |
| <b>Cooperatieve Rabobank UA</b>             |     |                  |               |
| 6.625% due 06/29/2021 (g)                   | EUR | 1,800            | \$ 2,087      |
| <b>Credit Agricole S.A.</b>                 |     |                  |               |
| 7.500% due 06/23/2026 (g)                   | GBP | 670              | 859           |
| 7.875% due 01/23/2024 (g)(j)                | \$  | 11,400           | 11,640        |
| <b>Credit Suisse Group AG</b>               |     |                  |               |
| 7.500% due 12/11/2023 (g)                   |     | 2,336            | 2,478         |
| <b>Deutsche Bank AG</b>                     |     |                  |               |
| 4.250% due 10/14/2021 (j)                   |     | 3,600            | 3,619         |
| <b>EPR Properties</b>                       |     |                  |               |
| 4.750% due 12/15/2026                       |     | 5,400            | 5,369         |
| <b>Flagstar Bancorp, Inc.</b>               |     |                  |               |
| 6.125% due 07/15/2021                       |     | 6,000            | 6,407         |
| <b>GSPA Monetization Trust</b>              |     |                  |               |
| 6.422% due 10/09/2029 (j)                   |     | 8,966            | 9,895         |
| <b>Hexion U.S. Finance Corp.</b>            |     |                  |               |
| 10.375% due 02/01/2022 (b)                  |     | 124              | 127           |
| 13.750% due 02/01/2022 (b)                  |     | 98               | 99            |
| <b>HSBC Holdings PLC</b>                    |     |                  |               |
| 6.000% due 09/29/2023 (g)                   | EUR | 4,977            | 5,678         |
| <b>Jefferies Finance LLC</b>                |     |                  |               |
| 6.875% due 04/15/2022                       | \$  | 1,900            | 1,853         |
| 7.375% due 04/01/2020                       |     | 3,525            | 3,578         |
| 7.500% due 04/15/2021                       |     | 2,391            | 2,418         |
| <b>Jefferies LoanCore LLC</b>               |     |                  |               |
| 6.875% due 06/01/2020 (j)                   |     | 10,500           | 10,237        |
| <b>Lloyds Bank PLC</b>                      |     |                  |               |
| 12.000% due 12/16/2024 (g)(j)               |     | 4,270            | 5,668         |
| <b>Lloyds Banking Group PLC</b>             |     |                  |               |
| 7.875% due 06/27/2029 (g)                   | GBP | 600              | 813           |
| <b>MPT Operating Partnership LP</b>         |     |                  |               |
| 5.250% due 08/01/2026                       | \$  | 2,203            | 2,170         |
| <b>Nationwide Building Society</b>          |     |                  |               |
| 10.250% due 06/29/2049 (g)                  | GBP | 21               | 3,624         |
| <b>Navient Corp.</b>                        |     |                  |               |
| 5.500% due 01/15/2019 (j)                   | \$  | 4,950            | 5,074         |
| 5.625% due 08/01/2033                       |     | 228              | 181           |
| <b>Neuberger Berman Group LLC</b>           |     |                  |               |
| 4.875% due 04/15/2045 (j)                   |     | 3,400            | 2,717         |
| <b>Novo Banco S.A.</b>                      |     |                  |               |
| 5.000% due 04/04/2019                       | EUR | 371              | 303           |
| 5.000% due 04/23/2019                       |     | 152              | 125           |
| 5.000% due 05/14/2019                       |     | 315              | 258           |
| 5.000% due 05/21/2019                       |     | 73               | 60            |
| 5.000% due 05/23/2019                       |     | 213              | 174           |
| <b>Omega Healthcare Investors, Inc.</b>     |     |                  |               |
| 4.375% due 08/01/2023 (j)                   | \$  | 2,600            | 2,603         |
| <b>OneMain Financial Holdings LLC</b>       |     |                  |               |
| 6.750% due 12/15/2019                       |     | 2,116            | 2,203         |
| <b>PHH Corp.</b>                            |     |                  |               |



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|                                                           |     |                                        |    |                                    |
|-----------------------------------------------------------|-----|----------------------------------------|----|------------------------------------|
| 6.375% due 08/15/2021                                     |     | 3,580                                  |    | 3,634                              |
| 7.375% due 09/01/2019                                     |     | 3,050                                  |    | 3,347                              |
| <b>Provident Funding Associates LP</b>                    |     |                                        |    |                                    |
| 6.750% due 06/15/2021                                     |     | 4,750                                  |    | 4,821                              |
| <b>Rio Oil Finance Trust</b>                              |     |                                        |    |                                    |
| 9.250% due 07/06/2024                                     |     | 6,097                                  |    | 6,021                              |
| 9.750% due 01/06/2027                                     |     | 235                                    |    | 231                                |
| <b>Royal Bank of Scotland Group PLC</b>                   |     |                                        |    |                                    |
| 7.500% due 08/10/2020 (g)(j)                              |     | 6,840                                  |    | 6,652                              |
| 8.000% due 08/10/2025 (g)(j)                              |     | 10,735                                 |    | 10,561                             |
| 8.625% due 08/15/2021 (g)                                 |     | 2,900                                  |    | 3,002                              |
| <b>Sberbank of Russia Via SB Capital S.A.</b>             |     |                                        |    |                                    |
| 6.125% due 02/07/2022                                     |     | 500                                    |    | 545                                |
| <b>Spirit Realty LP</b>                                   |     |                                        |    |                                    |
| 4.450% due 09/15/2026 (j)                                 |     | 2,600                                  |    | 2,497                              |
| <b>Springleaf Finance Corp.</b>                           |     |                                        |    |                                    |
| 5.250% due 12/15/2019                                     |     | 2,680                                  |    | 2,700                              |
| 8.250% due 12/15/2020                                     |     | 6,680                                  |    | 7,189                              |
| <b>Stearns Holdings LLC</b>                               |     |                                        |    |                                    |
| 9.375% due 08/15/2020                                     |     | 600                                    |    | 606                                |
| <b>Tesco Property Finance PLC</b>                         |     |                                        |    |                                    |
| 6.052% due 10/13/2039                                     | GBP | 1,342                                  |    | 1,806                              |
|                                                           |     | <b>PRINCIPAL<br/>AMOUNT<br/>(000S)</b> |    | <b>MARKET<br/>VALUE<br/>(000S)</b> |
| <b>TIG FinCo PLC</b>                                      |     |                                        |    |                                    |
| 8.500% due 03/02/2020                                     | GBP | 1,154                                  | \$ | 1,498                              |
| 8.750% due 04/02/2020 (j)                                 |     | 14,604                                 |    | 17,729                             |
| <b>WP Carey, Inc.</b>                                     |     |                                        |    |                                    |
| 4.250% due 10/01/2026 (j)                                 | \$  | 5,000                                  |    | 4,932                              |
|                                                           |     |                                        |    | 246,174                            |
| <b>INDUSTRIALS 29.0%</b>                                  |     |                                        |    |                                    |
| <b>ADT Corp.</b>                                          |     |                                        |    |                                    |
| 4.875% due 07/15/2032 (j)                                 |     | 7,366                                  |    | 5,967                              |
| <b>Aeropuertos Argentina S.A.</b>                         |     |                                        |    |                                    |
| 6.875% due 02/01/2027 (b)                                 |     | 800                                    |    | 810                                |
| <b>Altice Financing S.A.</b>                              |     |                                        |    |                                    |
| 7.500% due 05/15/2026 (j)                                 |     | 6,700                                  |    | 7,089                              |
| <b>American Airlines Pass-Through Trust</b>               |     |                                        |    |                                    |
| 4.950% due 08/15/2026                                     |     | 3,400                                  |    | 3,460                              |
| <b>BCD Acquisition, Inc.</b>                              |     |                                        |    |                                    |
| 9.625% due 09/15/2023                                     |     | 1,280                                  |    | 1,376                              |
| <b>BMC Software Finance, Inc.</b>                         |     |                                        |    |                                    |
| 8.125% due 07/15/2021                                     |     | 3,031                                  |    | 2,940                              |
| <b>Boxer Parent Co., Inc. (9.000% Cash or 9.750% PIK)</b> |     |                                        |    |                                    |
| 9.000% due 10/15/2019 (c)(j)                              |     | 8,226                                  |    | 8,020                              |
| <b>Caesars Entertainment Operating Co., Inc.</b>          |     |                                        |    |                                    |
| 9.000% due 02/15/2020 ^                                   |     | 26,699                                 |    | 29,809                             |
| <b>Carlson Travel, Inc.</b>                               |     |                                        |    |                                    |
| 6.750% due 12/15/2023                                     |     | 300                                    |    | 312                                |
| <b>Cheniere Corpus Christi Holdings LLC</b>               |     |                                        |    |                                    |
| 5.875% due 03/31/2025                                     |     | 400                                    |    | 425                                |
| <b>Chesapeake Energy Corp.</b>                            |     |                                        |    |                                    |
| 4.272% due 04/15/2019                                     |     | 157                                    |    | 157                                |
| <b>Concordia International Corp.</b>                      |     |                                        |    |                                    |
| 9.000% due 04/01/2022                                     |     | 533                                    |    | 454                                |
| <b>Diamond Resorts International, Inc.</b>                |     |                                        |    |                                    |
| 10.750% due 09/01/2024                                    |     | 4,300                                  |    | 4,322                              |
| <b>DriveTime Automotive Group, Inc.</b>                   |     |                                        |    |                                    |
| 8.000% due 06/01/2021                                     |     | 9,300                                  |    | 9,230                              |
| <b>Enterprise Inns PLC</b>                                |     |                                        |    |                                    |
| 6.375% due 09/26/2031                                     | GBP | 1,000                                  |    | 1,300                              |
| <b>Forbes Energy Services Ltd.</b>                        |     |                                        |    |                                    |
| 9.000% due 06/15/2019 ^                                   | \$  | 3,458                                  |    | 2,092                              |
| <b>Ford Motor Co.</b>                                     |     |                                        |    |                                    |
| 7.700% due 05/15/2097 (j)                                 |     | 31,901                                 |    | 37,225                             |
| <b>Fresh Market, Inc.</b>                                 |     |                                        |    |                                    |

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|                                             |     |        |        |
|---------------------------------------------|-----|--------|--------|
| 9.750% due 05/01/2023                       |     | 12,200 | 10,889 |
| <b>Greene King Finance PLC</b>              |     |        |        |
| 5.702% due 12/15/2034                       | GBP | 350    | 409    |
| <b>Hampton Roads PPV LLC</b>                |     |        |        |
| 6.171% due 06/15/2053                       | \$  | 1,800  | 1,847  |
| <b>Harvest Operations Corp.</b>             |     |        |        |
| 2.330% due 04/14/2021                       |     | 5,778  | 5,680  |
| <b>HCA, Inc.</b>                            |     |        |        |
| 4.500% due 02/15/2027                       |     | 1,550  | 1,533  |
| 7.500% due 11/15/2095                       |     | 4,800  | 4,620  |
| <b>iHeartCommunications, Inc.</b>           |     |        |        |
| 9.000% due 09/15/2022                       |     | 5,810  | 4,379  |
| <b>Intelsat Jackson Holdings S.A.</b>       |     |        |        |
| 7.250% due 04/01/2019                       |     | 3,700  | 3,198  |
| <b>Intelsat Luxembourg S.A.</b>             |     |        |        |
| 7.750% due 06/01/2021                       |     | 11,443 | 4,034  |
| 8.125% due 06/01/2023                       |     | 1,939  | 654    |
| <b>Intrepid Aviation Group Holdings LLC</b> |     |        |        |
| 6.875% due 02/15/2019                       |     | 12,290 | 11,245 |
| <b>Kinder Morgan Energy Partners LP</b>     |     |        |        |
| 6.375% due 03/01/2041 (j)                   |     | 800    | 894    |
| <b>Kinder Morgan, Inc.</b>                  |     |        |        |
| 7.750% due 01/15/2032 (j)                   |     | 3,100  | 3,879  |
| 7.800% due 08/01/2031 (j)                   |     | 6,000  | 7,529  |
| <b>Kinetic Concepts, Inc.</b>               |     |        |        |
| 9.625% due 10/01/2021                       |     | 11,600 | 12,450 |
| <b>Koppers, Inc.</b>                        |     |        |        |
| 6.000% due 02/15/2025                       |     | 25     | 26     |

See Accompanying Notes

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**Schedule of Investments PIMCO Corporate & Income Opportunity Fund (Cont.)**

|                                                | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|------------------------------------------------|-------------------------------|---------------------------|
| <b>Mallinckrodt International Finance S.A.</b> |                               |                           |
| 4.750% due 04/15/2023                          | \$ 6,000                      | \$ 4,946                  |
| 5.500% due 04/15/2025                          | 1,560                         | 1,351                     |
| <b>MDC Partners, Inc.</b>                      |                               |                           |
| 6.500% due 05/01/2024                          | 2,000                         | 1,750                     |
| <b>N&amp;W Global Vending SpA</b>              |                               |                           |
| 7.000% due 10/15/2023                          | EUR 1,360                     | 1,549                     |
| <b>Park Aerospace Holdings Ltd.</b>            |                               |                           |
| 5.250% due 08/15/2022 (b)                      | \$ 470                        | 482                       |
| 5.500% due 02/15/2024 (b)                      | 240                           | 247                       |
| <b>Petroleos Mexicanos</b>                     |                               |                           |
| 5.375% due 03/13/2022                          | 100                           | 102                       |
| 6.500% due 03/13/2027                          | 446                           | 460                       |
| <b>Prime Security Services Borrower LLC</b>    |                               |                           |
| 9.250% due 05/15/2023                          | 4,195                         | 4,557                     |
| <b>QVC, Inc.</b>                               |                               |                           |
| 5.450% due 08/15/2034                          | 1,650                         | 1,511                     |
| <b>Radiate Holdco LLC</b>                      |                               |                           |
| 6.625% due 02/15/2025 (b)                      | 108                           | 108                       |
| <b>Russian Railways via RZD Capital PLC</b>    |                               |                           |
| 7.487% due 03/25/2031                          | GBP 1,500                     | 2,220                     |
| <b>Sabine Pass Liquefaction LLC</b>            |                               |                           |
| 5.875% due 06/30/2026                          | \$ 4,300                      | 4,795                     |
| <b>Safeway, Inc.</b>                           |                               |                           |
| 7.250% due 02/01/2031 (j)                      | 9,392                         | 9,275                     |
| <b>Scientific Games International, Inc.</b>    |                               |                           |
| 10.000% due 12/01/2022                         | 3,750                         | 3,861                     |
| <b>Sequa Corp.</b>                             |                               |                           |
| 7.000% due 12/15/2017                          | 13,090                        | 7,200                     |
| <b>SFR Group S.A.</b>                          |                               |                           |
| 6.250% due 05/15/2024 (j)                      | 12,500                        | 12,625                    |
| 7.375% due 05/01/2026 (j)                      | 2,200                         | 2,266                     |
| <b>Silversea Cruise Finance Ltd.</b>           |                               |                           |
| 7.250% due 02/01/2025                          | 36                            | 37                        |
| <b>Soho House Bond Ltd.</b>                    |                               |                           |
| 9.125% due 10/01/2018                          | GBP 4,650                     | 6,002                     |
| <b>Spanish Broadcasting System, Inc.</b>       |                               |                           |
| 12.500% due 04/15/2017                         | \$ 1,100                      | 1,097                     |
| <b>Spirit Issuer PLC</b>                       |                               |                           |
| 3.067% due 12/28/2031                          | GBP 1,855                     | 2,198                     |
| 6.582% due 12/28/2027                          | 2,500                         | 3,462                     |
| <b>Tech Data Corp.</b>                         |                               |                           |
| 3.700% due 02/15/2022                          | \$ 60                         | 60                        |
| 4.950% due 02/15/2027                          | 70                            | 70                        |
| <b>Tembec Industries, Inc.</b>                 |                               |                           |
| 9.000% due 12/15/2019                          | 2,100                         | 2,137                     |
| <b>Tennessee Merger Sub, Inc.</b>              |                               |                           |
| 6.375% due 02/01/2025 (b)                      | 177                           | 174                       |
| <b>Transocean, Inc.</b>                        |                               |                           |
| 9.000% due 07/15/2023                          | 1,193                         | 1,276                     |
| <b>Trinidad Drilling Ltd.</b>                  |                               |                           |
| 6.625% due 02/15/2025 (b)                      | 56                            | 57                        |
| <b>UAL Pass-Through Trust</b>                  |                               |                           |
| 7.336% due 01/02/2021                          | 1,795                         | 1,887                     |
| <b>UCP, Inc.</b>                               |                               |                           |
| 8.500% due 10/21/2017                          | 10,900                        | 10,842                    |
| <b>Unique Pub Finance Co. PLC</b>              |                               |                           |
| 5.659% due 06/30/2027                          | GBP 6,961                     | 9,375                     |
| <b>Virgin Media Secured Finance PLC</b>        |                               |                           |
| 5.000% due 04/15/2027 (b)                      | 900                           | 1,125                     |

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|                                                                                                      |                                        |                                    |
|------------------------------------------------------------------------------------------------------|----------------------------------------|------------------------------------|
| <b>Zayo Group LLC</b>                                                                                |                                        |                                    |
| 5.750% due 01/15/2027                                                                                | \$                                     | 57 58                              |
|                                                                                                      |                                        | 287,416                            |
| <b>UTILITIES 6.0%</b>                                                                                |                                        |                                    |
| <b>Frontier Communications Corp.</b>                                                                 |                                        |                                    |
| 11.000% due 09/15/2025                                                                               |                                        | 940 954                            |
| <b>Gazprom OAO Via Gaz Capital S.A.</b>                                                              |                                        |                                    |
| 9.250% due 04/23/2019                                                                                |                                        | 11,200 12,725                      |
| <b>Illinois Power Generating Co.</b>                                                                 |                                        |                                    |
| 6.300% due 04/01/2020 ^                                                                              |                                        | 4,570 1,714                        |
| 7.000% due 04/15/2018 ^                                                                              |                                        | 8,855 3,321                        |
|                                                                                                      | <b>PRINCIPAL<br/>AMOUNT<br/>(000S)</b> | <b>MARKET<br/>VALUE<br/>(000S)</b> |
| 7.950% due 06/01/2032 ^                                                                              | \$                                     | 1,175 \$ 435                       |
| <b>Mountain States Telephone &amp; Telegraph Co.</b>                                                 |                                        |                                    |
| 7.375% due 05/01/2030 (j)                                                                            |                                        | 15,730 16,536                      |
| <b>Odebrecht Drilling Norbe Ltd.</b>                                                                 |                                        |                                    |
| 6.350% due 06/30/2022                                                                                |                                        | 501 234                            |
| <b>Odebrecht Offshore Drilling Finance Ltd.</b>                                                      |                                        |                                    |
| 6.625% due 10/01/2023                                                                                |                                        | 4,787 1,664                        |
| 6.750% due 10/01/2023                                                                                |                                        | 4,542 1,544                        |
| <b>Petrobras Global Finance BV</b>                                                                   |                                        |                                    |
| 6.125% due 01/17/2022                                                                                |                                        | 308 319                            |
| 6.250% due 12/14/2026                                                                                | GBP                                    | 6,100 7,399                        |
| 6.625% due 01/16/2034                                                                                |                                        | 800 911                            |
| 6.750% due 01/27/2041                                                                                | \$                                     | 4,100 3,671                        |
| 7.375% due 01/17/2027                                                                                |                                        | 380 397                            |
| <b>Sprint Capital Corp.</b>                                                                          |                                        |                                    |
| 6.900% due 05/01/2019                                                                                |                                        | 2,000 2,140                        |
| <b>Terraform Global Operating LLC</b>                                                                |                                        |                                    |
| 9.750% due 08/15/2022                                                                                |                                        | 4,290 4,751                        |
| <b>TerraForm Power Operating LLC</b>                                                                 |                                        |                                    |
| 6.375% due 02/01/2023                                                                                |                                        | 1,075 1,110                        |
|                                                                                                      |                                        | 59,825                             |
| <b>Total Corporate Bonds &amp; Notes (Cost \$589,109)</b>                                            |                                        | <b>593,415</b>                     |
| <b>CONVERTIBLE BONDS &amp; NOTES 0.7%</b>                                                            |                                        |                                    |
| <b>INDUSTRIALS 0.7%</b>                                                                              |                                        |                                    |
| <b>DISH Network Corp.</b>                                                                            |                                        |                                    |
| 3.375% due 08/15/2026                                                                                |                                        | 5,900 6,921                        |
| <b>Total Convertible Bonds &amp; Notes<br/>(Cost \$5,900)</b>                                        |                                        | <b>6,921</b>                       |
| <b>MUNICIPAL BONDS &amp; NOTES 7.3%</b>                                                              |                                        |                                    |
| <b>CALIFORNIA 3.8%</b>                                                                               |                                        |                                    |
| <b>Riverside County, California Redevelopment Successor Agency Tax Allocation Bonds, Series 2010</b> |                                        |                                    |
| 7.500% due 10/01/2030                                                                                |                                        | 3,425 3,693                        |
| <b>San Diego Redevelopment Agency, California Tax Allocation Bonds, Series 2010</b>                  |                                        |                                    |
| 7.750% due 09/01/2040                                                                                |                                        | 21,545 24,602                      |
| <b>Stockton Public Financing Authority, California Revenue Bonds, (BABs), Series 2009</b>            |                                        |                                    |
| 7.942% due 10/01/2038                                                                                |                                        | 8,500 9,352                        |
|                                                                                                      |                                        | 37,647                             |
| <b>ILLINOIS 2.5%</b>                                                                                 |                                        |                                    |
| <b>Chicago, Illinois General Obligation Bonds, (BABs), Series 2010</b>                               |                                        |                                    |
| 7.517% due 01/01/2040                                                                                |                                        | 23,700 24,229                      |
| <b>Chicago, Illinois General Obligation Bonds, Series 2017</b>                                       |                                        |                                    |
| 7.045% due 01/01/2029 (b)                                                                            |                                        | 200 204                            |

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24,433

**VIRGINIA 0.1%**

**Tobacco Settlement Financing Corp., Virginia Revenue Bonds, Series 2007**

|                       |       |       |
|-----------------------|-------|-------|
| 6.706% due 06/01/2046 | 1,400 | 1,128 |
|-----------------------|-------|-------|

**WEST VIRGINIA 0.9%**

**Tobacco Settlement Finance Authority, West Virginia Revenue Bonds, Series 2007**

|                       |        |       |
|-----------------------|--------|-------|
| 7.467% due 06/01/2047 | 10,710 | 9,521 |
|-----------------------|--------|-------|

**Total Municipal Bonds & Notes (Cost \$67,811)**

**72,729**

**U.S. GOVERNMENT AGENCIES 3.2%**

**Fannie Mae**

|                           |       |     |
|---------------------------|-------|-----|
| 3.000% due 01/25/2042 (a) | 1,417 | 139 |
|---------------------------|-------|-----|

|                           |       |     |
|---------------------------|-------|-----|
| 3.500% due 02/25/2033 (a) | 3,385 | 487 |
|---------------------------|-------|-----|

**PRINCIPAL  
AMOUNT  
(000S)**

**MARKET  
VALUE  
(000S)**

|                       |        |        |
|-----------------------|--------|--------|
| 5.021% due 01/25/2029 | \$ 800 | \$ 849 |
|-----------------------|--------|--------|

|                           |       |     |
|---------------------------|-------|-----|
| 5.329% due 07/25/2040 (a) | 1,653 | 229 |
|---------------------------|-------|-----|

**Freddie Mac**

|                       |        |       |
|-----------------------|--------|-------|
| 2.563% due 11/25/2055 | 14,708 | 8,274 |
|-----------------------|--------|-------|

|                           |       |     |
|---------------------------|-------|-----|
| 6.333% due 02/15/2034 (a) | 2,848 | 536 |
|---------------------------|-------|-----|

|                       |       |       |
|-----------------------|-------|-------|
| 7.534% due 07/15/2039 | 3,126 | 3,392 |
|-----------------------|-------|-------|

|                       |       |       |
|-----------------------|-------|-------|
| 8.321% due 12/25/2027 | 4,447 | 4,976 |
|-----------------------|-------|-------|

|                       |       |       |
|-----------------------|-------|-------|
| 8.697% due 03/15/2044 | 1,485 | 1,714 |
|-----------------------|-------|-------|

|                       |       |       |
|-----------------------|-------|-------|
| 9.944% due 02/15/2036 | 5,434 | 7,126 |
|-----------------------|-------|-------|

|                       |     |     |
|-----------------------|-----|-----|
| 9.954% due 04/15/2044 | 373 | 451 |
|-----------------------|-----|-----|

|                        |       |       |
|------------------------|-------|-------|
| 11.521% due 03/25/2025 | 2,371 | 2,899 |
|------------------------|-------|-------|

**Ginnie Mae**

|                           |    |    |
|---------------------------|----|----|
| 3.000% due 12/20/2042 (a) | 74 | 12 |
|---------------------------|----|----|

|                                        |       |     |
|----------------------------------------|-------|-----|
| 3.500% due 09/16/2041 - 06/20/2042 (a) | 2,004 | 295 |
|----------------------------------------|-------|-----|

|                           |       |     |
|---------------------------|-------|-----|
| 5.973% due 01/20/2042 (a) | 3,054 | 407 |
|---------------------------|-------|-----|

**Total U.S. Government Agencies (Cost \$29,673)**

**31,786**

**NON-AGENCY MORTGAGE-BACKED SECURITIES 28.5%**

**Banc of America Alternative Loan Trust**

|                         |     |     |
|-------------------------|-----|-----|
| 6.000% due 01/25/2036 ^ | 263 | 225 |
|-------------------------|-----|-----|

|                         |       |       |
|-------------------------|-------|-------|
| 6.000% due 04/25/2036 ^ | 4,697 | 4,157 |
|-------------------------|-------|-------|

**Banc of America Funding Trust**

|                       |     |     |
|-----------------------|-----|-----|
| 5.500% due 01/25/2036 | 237 | 244 |
|-----------------------|-----|-----|

|                         |     |     |
|-------------------------|-----|-----|
| 6.000% due 07/25/2037 ^ | 743 | 582 |
|-------------------------|-----|-----|

**BCAP LLC Trust**

|                       |       |       |
|-----------------------|-------|-------|
| 3.068% due 03/27/2036 | 3,856 | 2,080 |
|-----------------------|-------|-------|

|                       |     |    |
|-----------------------|-----|----|
| 4.242% due 07/26/2037 | 671 | 23 |
|-----------------------|-----|----|

|                       |       |     |
|-----------------------|-------|-----|
| 5.078% due 03/26/2037 | 2,209 | 670 |
|-----------------------|-------|-----|

|                       |       |       |
|-----------------------|-------|-------|
| 7.000% due 12/26/2036 | 6,766 | 5,898 |
|-----------------------|-------|-------|

|                       |       |       |
|-----------------------|-------|-------|
| 8.089% due 10/26/2036 | 5,699 | 5,331 |
|-----------------------|-------|-------|

**Bear Stearns ALT-A Trust**

|                         |     |     |
|-------------------------|-----|-----|
| 3.110% due 11/25/2036 ^ | 972 | 796 |
|-------------------------|-----|-----|

|                       |       |       |
|-----------------------|-------|-------|
| 3.200% due 08/25/2046 | 6,367 | 4,954 |
|-----------------------|-------|-------|

|                         |       |       |
|-------------------------|-------|-------|
| 3.201% due 08/25/2036 ^ | 4,289 | 3,176 |
|-------------------------|-------|-------|

|                       |     |     |
|-----------------------|-----|-----|
| 3.422% due 11/25/2034 | 417 | 398 |
|-----------------------|-----|-----|

|                         |       |       |
|-------------------------|-------|-------|
| 3.477% due 09/25/2035 ^ | 1,594 | 1,316 |
|-------------------------|-------|-------|

**Bear Stearns Asset-Backed Securities Trust**

|                       |        |        |
|-----------------------|--------|--------|
| 1.171% due 04/25/2037 | 22,019 | 16,127 |
|-----------------------|--------|--------|

**Bear Stearns Commercial Mortgage Securities Trust**

|                       |     |     |
|-----------------------|-----|-----|
| 5.714% due 04/12/2038 | 370 | 285 |
|-----------------------|-----|-----|

**Bear Stearns Mortgage Funding Trust**

|                       |       |       |
|-----------------------|-------|-------|
| 7.500% due 08/25/2036 | 2,776 | 2,666 |
|-----------------------|-------|-------|

**Chase Mortgage Finance Trust**

|                         |    |    |
|-------------------------|----|----|
| 3.189% due 12/25/2035 ^ | 29 | 28 |
|-------------------------|----|----|

|                         |       |       |
|-------------------------|-------|-------|
| 6.000% due 02/25/2037 ^ | 2,478 | 2,013 |
|-------------------------|-------|-------|

|                         |     |     |
|-------------------------|-----|-----|
| 6.000% due 03/25/2037 ^ | 530 | 454 |
|-------------------------|-----|-----|

|                         |       |       |
|-------------------------|-------|-------|
| 6.000% due 07/25/2037 ^ | 1,971 | 1,637 |
|-------------------------|-------|-------|

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|                                                            |        |        |
|------------------------------------------------------------|--------|--------|
| <b>Chase Mortgage Trust</b>                                |        |        |
| 3.750% due 12/25/2045                                      | 899    | 840    |
| <b>Citigroup Mortgage Loan Trust, Inc.</b>                 |        |        |
| 3.174% due 04/25/2037 ^                                    | 4,383  | 3,574  |
| 3.842% due 11/25/2035                                      | 18,164 | 10,331 |
| 4.404% due 03/25/2037 ^                                    | 1,376  | 1,186  |
| 6.000% due 11/25/2036                                      | 15,197 | 10,804 |
| <b>Citigroup/Deutsche Bank Commercial Mortgage Trust</b>   |        |        |
| 5.398% due 12/11/2049                                      | 399    | 361    |
| <b>CitiMortgage Alternative Loan Trust</b>                 |        |        |
| 5.750% due 04/25/2037 ^                                    | 3,683  | 3,185  |
| <b>Commercial Mortgage Loan Trust</b>                      |        |        |
| 6.096% due 12/10/2049                                      | 3,476  | 2,204  |
| <b>Countrywide Alternative Loan Resecuritization Trust</b> |        |        |
| 6.000% due 08/25/2037 ^                                    | 2,781  | 2,170  |
| <b>Countrywide Alternative Loan Trust</b>                  |        |        |
| 0.987% due 03/20/2046                                      | 6,416  | 4,825  |
| 1.041% due 08/25/2035                                      | 402    | 263    |
| 4.266% due 06/25/2047                                      | 4,624  | 3,766  |
| 4.479% due 04/25/2037 ^ (a)                                | 29,896 | 4,638  |
| 5.250% due 05/25/2021 ^                                    | 23     | 22     |
| 5.500% due 03/25/2035                                      | 763    | 605    |
| 5.500% due 09/25/2035 ^                                    | 6,504  | 5,878  |
| 5.500% due 03/25/2036 ^                                    | 250    | 195    |
| 5.750% due 01/25/2035                                      | 891    | 898    |
| 5.750% due 02/25/2035                                      | 987    | 957    |

## 22 PIMCO CLOSED-END FUNDS

See Accompanying Notes

January 31, 2017 (Unaudited)

|                                                             | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|-------------------------------------------------------------|-------------------------------|---------------------------|
| 6.000% due 02/25/2035                                       | \$ 898                        | \$ 918                    |
| 6.000% due 04/25/2036                                       | 2,369                         | 1,748                     |
| 6.000% due 05/25/2036 ^                                     | 2,598                         | 2,039                     |
| 6.000% due 02/25/2037 ^                                     | 884                           | 611                       |
| 6.000% due 02/25/2037                                       | 3,253                         | 2,578                     |
| 6.000% due 04/25/2037 ^                                     | 8,988                         | 6,378                     |
| 6.000% due 08/25/2037 ^                                     | 23,749                        | 18,752                    |
| 6.250% due 10/25/2036 ^                                     | 3,481                         | 2,742                     |
| 6.250% due 12/25/2036 ^                                     | 4,363                         | 3,222                     |
| 6.500% due 08/25/2036 ^                                     | 1,130                         | 764                       |
| 6.500% due 09/25/2036 ^                                     | 585                           | 493                       |
| 18.806% due 02/25/2036                                      | 2,599                         | 3,164                     |
| <b>Countrywide Home Loan Mortgage Pass-Through Trust</b>    |                               |                           |
| 5.500% due 07/25/2037 ^                                     | 962                           | 805                       |
| 6.000% due 04/25/2036 ^                                     | 754                           | 682                       |
| <b>Credit Suisse Commercial Mortgage Trust</b>              |                               |                           |
| 5.870% due 09/15/2040                                       | 5,500                         | 5,199                     |
| <b>Credit Suisse Mortgage Capital Mortgage-Backed Trust</b> |                               |                           |
| 5.750% due 04/25/2036 ^                                     | 2,004                         | 1,573                     |
| <b>Epic Drummond Ltd.</b>                                   |                               |                           |
| 0.000% due 01/25/2022                                       | EUR 656                       | 697                       |
| <b>Fannie Mae</b>                                           |                               |                           |
| 4.316% due 07/25/2029                                       | \$ 2,210                      | 2,247                     |
| 6.516% due 07/25/2029                                       | 2,010                         | 2,151                     |
| <b>First Horizon Alternative Mortgage Securities Trust</b>  |                               |                           |
| 6.000% due 08/25/2036 ^                                     | 2,975                         | 2,521                     |
| <b>GS Mortgage Securities Trust</b>                         |                               |                           |
| 5.622% due 11/10/2039                                       | 2,700                         | 2,522                     |
| <b>GSR Mortgage Loan Trust</b>                              |                               |                           |
| 3.215% due 11/25/2035 ^                                     | 2,313                         | 2,124                     |
| 3.356% due 03/25/2037 ^                                     | 4,393                         | 3,818                     |
| 5.500% due 05/25/2036 ^                                     | 362                           | 344                       |
| <b>IndyMac Mortgage Loan Trust</b>                          |                               |                           |
| 6.500% due 07/25/2037 ^                                     | 7,045                         | 4,312                     |
| <b>JPMorgan Alternative Loan Trust</b>                      |                               |                           |
| 2.939% due 03/25/2037                                       | 13,879                        | 11,433                    |
| <b>JPMorgan Chase Commercial Mortgage Securities Trust</b>  |                               |                           |
| 5.623% due 05/12/2045                                       | 2,873                         | 2,477                     |
| <b>JPMorgan Mortgage Trust</b>                              |                               |                           |
| 3.069% due 06/25/2036 ^                                     | 1,398                         | 1,231                     |
| 3.111% due 10/25/2035                                       | 77                            | 74                        |
| 3.154% due 01/25/2037 ^                                     | 1,827                         | 1,638                     |
| 3.297% due 02/25/2036 ^                                     | 3,158                         | 2,814                     |
| <b>Lehman Mortgage Trust</b>                                |                               |                           |
| 6.000% due 07/25/2036 ^                                     | 5,600                         | 4,348                     |
| 6.000% due 07/25/2037 ^                                     | 372                           | 334                       |
| 25.184% due 11/25/2035 ^                                    | 327                           | 473                       |
| <b>Lehman XS Trust</b>                                      |                               |                           |
| 0.991% due 06/25/2047                                       | 5,246                         | 4,049                     |
| <b>MASTR Alternative Loan Trust</b>                         |                               |                           |
| 6.750% due 07/25/2036                                       | 4,163                         | 2,935                     |
| <b>Merrill Lynch Mortgage Investors Trust</b>               |                               |                           |
| 3.019% due 03/25/2036 ^                                     | 4,444                         | 3,069                     |
| <b>Mesdag Delta BV</b>                                      |                               |                           |
| 0.094% due 01/25/2020                                       | EUR 2,135                     | 2,181                     |
| <b>RBSSP Resecuritization Trust</b>                         |                               |                           |
| 0.976% due 10/27/2036                                       | \$ 3,609                      | 312                       |
| 0.996% due 08/27/2037                                       | 8,000                         | 2,265                     |

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|                                                                                    |                                        |                                    |
|------------------------------------------------------------------------------------|----------------------------------------|------------------------------------|
| <b>Residential Accredit Loans, Inc. Trust</b>                                      |                                        |                                    |
| 0.961% due 08/25/2036                                                              | 1,465                                  | 1,154                              |
| 1.001% due 05/25/2037 ^                                                            | 537                                    | 132                                |
| 6.000% due 08/25/2036 ^                                                            | 966                                    | 818                                |
| 6.000% due 05/25/2037 ^                                                            | 3,103                                  | 2,796                              |
| <b>Residential Asset Securitization Trust</b>                                      |                                        |                                    |
| 5.750% due 02/25/2036 ^                                                            | 516                                    | 403                                |
| 6.000% due 02/25/2037 ^                                                            | 2,567                                  | 2,009                              |
| 6.250% due 09/25/2037 ^                                                            | 5,711                                  | 3,902                              |
| <b>Residential Funding Mortgage Securities, Inc. Trust</b>                         |                                        |                                    |
| 3.894% due 02/25/2037                                                              | 4,187                                  | 3,388                              |
| <b>Structured Adjustable Rate Mortgage Loan Trust</b>                              |                                        |                                    |
| 3.139% due 07/25/2035 ^                                                            | 3,144                                  | 2,718                              |
| 3.235% due 11/25/2036 ^                                                            | 7,047                                  | 5,444                              |
| 3.254% due 01/25/2036 ^                                                            | 9,194                                  | 6,983                              |
| 3.502% due 07/25/2036 ^                                                            | 1,602                                  | 1,272                              |
| 4.850% due 03/25/2037 ^                                                            | 1,288                                  | 900                                |
|                                                                                    | <b>PRINCIPAL<br/>AMOUNT<br/>(000S)</b> | <b>MARKET<br/>VALUE<br/>(000S)</b> |
| <b>Structured Asset Mortgage Investments Trust</b>                                 |                                        |                                    |
| 0.891% due 08/25/2036                                                              | \$ 254                                 | \$ 205                             |
| <b>Suntrust Adjustable Rate Mortgage Loan Trust</b>                                |                                        |                                    |
| 3.097% due 04/25/2037 ^                                                            | 1,132                                  | 964                                |
| 3.408% due 02/25/2037 ^                                                            | 978                                    | 873                                |
| 3.979% due 02/25/2037 ^                                                            | 10,326                                 | 8,780                              |
| <b>WaMu Mortgage Pass-Through Certificates Trust</b>                               |                                        |                                    |
| 2.616% due 07/25/2037 ^                                                            | 1,141                                  | 943                                |
| 3.627% due 02/25/2037 ^                                                            | 1,577                                  | 1,496                              |
| 4.326% due 07/25/2037 ^                                                            | 2,631                                  | 2,418                              |
| 5.972% due 10/25/2036 ^                                                            | 2,291                                  | 1,824                              |
| <b>Washington Mutual Mortgage Pass-Through Certificates Trust</b>                  |                                        |                                    |
| 1.436% due 05/25/2047 ^                                                            | 575                                    | 34                                 |
| 6.000% due 10/25/2035 ^                                                            | 2,159                                  | 1,712                              |
| 6.000% due 03/25/2036 ^                                                            | 3,217                                  | 3,065                              |
| 6.000% due 02/25/2037                                                              | 7,755                                  | 6,777                              |
| <b>Total Non-Agency Mortgage-Backed Securities (Cost \$277,063)</b>                |                                        | <b>282,809</b>                     |
| <b>ASSET-BACKED SECURITIES 17.9%</b>                                               |                                        |                                    |
| <b>Airspeed Ltd.</b>                                                               |                                        |                                    |
| 1.037% due 06/15/2032                                                              | 5,838                                  | 4,594                              |
| <b>Ameritrust Mortgage Securities, Inc. Asset-Backed Pass-Through Certificates</b> |                                        |                                    |
| 2.121% due 03/25/2033                                                              | 94                                     | 91                                 |
| <b>BlueMountain CLO Ltd.</b>                                                       |                                        |                                    |
| 6.472% due 04/13/2027                                                              | 1,000                                  | 981                                |
| <b>CIFC Funding Ltd.</b>                                                           |                                        |                                    |
| 0.000% due 05/24/2026 (e)                                                          | 4,100                                  | 3,018                              |
| 0.000% due 07/22/2026                                                              | 3,000                                  | 1,844                              |
| <b>Citigroup Mortgage Loan Trust, Inc.</b>                                         |                                        |                                    |
| 0.931% due 12/25/2036                                                              | 7,584                                  | 4,712                              |
| 1.171% due 11/25/2046                                                              | 8,862                                  | 7,612                              |
| <b>Cork Street CLO Designated Activity Co.</b>                                     |                                        |                                    |
| 0.000% due 11/27/2028 (e)                                                          | EUR 2,667                              | 2,438                              |
| 3.600% due 11/27/2028                                                              | 1,197                                  | 1,296                              |
| 4.500% due 11/27/2028                                                              | 1,047                                  | 1,135                              |
| 6.200% due 11/27/2028                                                              | 1,296                                  | 1,409                              |
| <b>Countrywide Asset-Backed Certificates</b>                                       |                                        |                                    |
| 0.941% due 03/25/2037                                                              | \$ 4,990                               | 4,655                              |
| 0.971% due 06/25/2047                                                              | 19,738                                 | 15,209                             |
| 1.081% due 09/25/2037 ^                                                            | 19,068                                 | 9,450                              |
| 3.246% due 08/25/2033                                                              | 307                                    | 249                                |
| <b>Credit-Based Asset Servicing and Securitization LLC</b>                         |                                        |                                    |
| 4.010% due 12/25/2035 ^                                                            | 127                                    | 125                                |
| <b>First Franklin Mortgage Loan Trust</b>                                          |                                        |                                    |
| 0.931% due 10/25/2036                                                              | 5,785                                  | 4,181                              |
| <b>Fremont Home Loan Trust</b>                                                     |                                        |                                    |
| 0.921% due 01/25/2037                                                              | 7,591                                  | 4,034                              |
| <b>Glacier Funding CDO Ltd.</b>                                                    |                                        |                                    |



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|                                                                           |                                        |         |                                    |
|---------------------------------------------------------------------------|----------------------------------------|---------|------------------------------------|
| 1.146% due 08/04/2035                                                     |                                        | 8,819   | 2,465                              |
| <b>Grosvenor Place CLO BV</b>                                             |                                        |         |                                    |
| 0.000% due 04/30/2029                                                     | EUR                                    | 750     | 667                                |
| <b>IndyMac Home Equity Mortgage Loan Asset-Backed Trust</b>               |                                        |         |                                    |
| 0.931% due 07/25/2037                                                     | \$                                     | 3,760   | 2,339                              |
| <b>JPMorgan Mortgage Acquisition Trust</b>                                |                                        |         |                                    |
| 5.830% due 07/25/2036 ^                                                   |                                        | 150     | 83                                 |
| <b>Lehman XS Trust</b>                                                    |                                        |         |                                    |
| 6.290% due 06/24/2046                                                     |                                        | 4,421   | 4,079                              |
| <b>Long Beach Mortgage Loan Trust</b>                                     |                                        |         |                                    |
| 1.071% due 01/25/2036                                                     |                                        | 8,000   | 5,698                              |
| <b>Merrill Lynch Mortgage Investors Trust</b>                             |                                        |         |                                    |
| 4.063% due 03/25/2037                                                     |                                        | 7,779   | 2,588                              |
| <b>Morgan Stanley ABS Capital, Inc. Trust</b>                             |                                        |         |                                    |
| 0.921% due 10/25/2036                                                     |                                        | 8,438   | 5,286                              |
| <b>Morgan Stanley Mortgage Loan Trust</b>                                 |                                        |         |                                    |
| 6.250% due 07/25/2047 ^                                                   |                                        | 1,563   | 1,116                              |
| <b>Park Place Securities, Inc. Asset-Backed Pass-Through Certificates</b> |                                        |         |                                    |
| 1.421% due 07/25/2035                                                     |                                        | 6,000   | 3,621                              |
|                                                                           | <b>PRINCIPAL<br/>AMOUNT<br/>(000S)</b> |         | <b>MARKET<br/>VALUE<br/>(000S)</b> |
| <b>Renaissance Home Equity Loan Trust</b>                                 |                                        |         |                                    |
| 5.612% due 04/25/2037                                                     | \$                                     | 11,774  | \$ 5,579                           |
| 7.238% due 09/25/2037 ^                                                   |                                        | 9,813   | 5,921                              |
| <b>Residential Asset Securities Corp. Trust</b>                           |                                        |         |                                    |
| 1.336% due 08/25/2034                                                     |                                        | 11,526  | 9,287                              |
| <b>Securitized Asset-Backed Receivables LLC Trust</b>                     |                                        |         |                                    |
| 1.051% due 03/25/2036                                                     |                                        | 12,150  | 6,197                              |
| <b>SLM Student Loan Trust</b>                                             |                                        |         |                                    |
| 0.000% due 01/25/2042 (e)                                                 |                                        | 7       | 6,980                              |
| 0.000% due 10/28/2029 (e)                                                 |                                        | 8       | 7,453                              |
| <b>Sound Point CLO Ltd.</b>                                               |                                        |         |                                    |
| 5.891% due 01/23/2027                                                     |                                        | 1,000   | 935                                |
| <b>South Coast Funding Ltd.</b>                                           |                                        |         |                                    |
| 1.482% due 08/10/2038                                                     |                                        | 20,837  | 4,303                              |
| <b>Taberna Preferred Funding Ltd.</b>                                     |                                        |         |                                    |
| 1.158% due 08/05/2036                                                     |                                        | 807     | 581                                |
| 1.158% due 08/05/2036 ^                                                   |                                        | 15,628  | 11,252                             |
| 1.241% due 12/05/2036                                                     |                                        | 495     | 356                                |
| 1.281% due 02/05/2036                                                     |                                        | 9,451   | 7,277                              |
| <b>Tropic CDO Ltd.</b>                                                    |                                        |         |                                    |
| 1.923% due 04/15/2034                                                     |                                        | 25,000  | 16,000                             |
| <b>Total Asset-Backed Securities<br/>(Cost \$179,517)</b>                 |                                        |         | <b>177,096</b>                     |
| <b>SOVEREIGN ISSUES 2.1%</b>                                              |                                        |         |                                    |
| <b>Argentine Government International Bond</b>                            |                                        |         |                                    |
| 2.260% due 12/31/2038                                                     | EUR                                    | 300     | 191                                |
| 3.875% due 01/15/2022                                                     |                                        | 300     | 315                                |
| 5.000% due 01/15/2027                                                     |                                        | 1,200   | 1,185                              |
| 5.625% due 01/26/2022                                                     | \$                                     | 240     | 241                                |
| 6.875% due 01/26/2027                                                     |                                        | 420     | 416                                |
| 7.820% due 12/31/2033                                                     | EUR                                    | 5,023   | 5,530                              |
| <b>Autonomous Community of Catalonia</b>                                  |                                        |         |                                    |
| 4.900% due 09/15/2021                                                     |                                        | 2,650   | 3,026                              |
| <b>Republic of Greece Government International Bond</b>                   |                                        |         |                                    |
| 3.800% due 08/08/2017                                                     | JPY                                    | 695,000 | 5,956                              |
| 4.750% due 04/17/2019                                                     | EUR                                    | 600     | 598                                |
| <b>Saudi Government International Bond</b>                                |                                        |         |                                    |
| 3.250% due 10/26/2026                                                     | \$                                     | 400     | 382                                |
| 4.500% due 10/26/2046                                                     |                                        | 2,600   | 2,549                              |
| <b>Total Sovereign Issues (Cost \$19,986)</b>                             |                                        |         | <b>20,389</b>                      |

## SHARES

COMMON STOCKS 0.1%

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## FINANCIALS 0.1%

|                          |         |     |
|--------------------------|---------|-----|
| <b>TIG FinCo PLC (h)</b> | 794,831 | 740 |
|--------------------------|---------|-----|

**Total Common Stocks (Cost \$1,179)** **740**

## PREFERRED SECURITIES 0.8%

### BANKING & FINANCE 0.8%

#### Farm Credit Bank of Texas

|                            |       |       |
|----------------------------|-------|-------|
| 10.000% due 12/15/2020 (g) | 6,945 | 8,351 |
|----------------------------|-------|-------|

#### Morgan Stanley

|                           |       |    |
|---------------------------|-------|----|
| 5.850% due 04/15/2027 (g) | 2,950 | 74 |
|---------------------------|-------|----|

**Total Preferred Securities (Cost \$7,873)** **8,425**

## SHORT-TERM INSTRUMENTS 9.0%

### REPURCHASE AGREEMENTS (i) 1.2%

11,582

## SHORT-TERM NOTES 0.3%

### Federal Home Loan Bank

|                           |    |       |       |
|---------------------------|----|-------|-------|
| 0.492% due 02/13/2017 (f) | \$ | 3,000 | 3,000 |
|---------------------------|----|-------|-------|

See Accompanying Notes

SEMIANNUAL REPORT JANUARY 31, 2017 23

**Schedule of Investments PIMCO Corporate & Income Opportunity Fund (Cont.)**

|                                                                                              | <b>PRINCIPAL<br/>AMOUNT<br/>(000S)</b> | <b>MARKET<br/>VALUE<br/>(000S)</b> |
|----------------------------------------------------------------------------------------------|----------------------------------------|------------------------------------|
| <b>U.S. TREASURY BILLS 7.5%</b>                                                              |                                        |                                    |
| 0.468% due 02/02/2017 - 03/16/2017 (d)(e)(l)(n)                                              | \$ 74,573                              | \$ 74,544                          |
| <b>Total Short-Term Instruments<br/>(Cost \$89,127)</b>                                      |                                        | <b>89,126</b>                      |
| <b>Total Investments in Securities<br/>(Cost \$1,310,901)</b>                                |                                        | <b>1,326,021</b>                   |
| <b>Total Investments 133.8%<br/>(Cost \$1,310,901)</b>                                       |                                        | <b>\$ 1,326,021</b>                |
| <b>Financial Derivative Instruments (k)(m) (4.4)%<br/>(Cost or Premiums, net \$(57,609))</b> |                                        | <b>(43,115)</b>                    |
| <b>Preferred Shares (24.0)%</b>                                                              |                                        | <b>(237,950)</b>                   |
| <b>Other Assets and Liabilities, net (5.4)%</b>                                              |                                        | <b>(53,775)</b>                    |
| <b>Net Assets Applicable to Common Shareholders 100.0%</b>                                   |                                        | <b>\$ 991,181</b>                  |

**NOTES TO SCHEDULE OF INVESTMENTS (AMOUNTS IN THOUSANDS\*):**

- \* A zero balance may reflect actual amounts rounding to less than one thousand.  
 ^ Security is in default.  
 (a) Interest only security.  
 (b) When-issued security.  
 (c) Payment in-kind security.  
 (d) Coupon represents a weighted average yield to maturity.  
 (e) Zero coupon security.  
 (f) Coupon represents a yield to maturity.  
 (g) Perpetual maturity; date shown, if applicable, represents next contractual call date.

**(h) RESTRICTED SECURITIES:**

| <b>Issuer Description</b> | <b>Acquisition<br/>Date</b> | <b>Cost</b> | <b>Market<br/>Value</b> | <b>Market Value<br/>as Percentage<br/>of Net Assets</b> |
|---------------------------|-----------------------------|-------------|-------------------------|---------------------------------------------------------|
| TIG FinCo PLC             | 04/02/2015                  | \$ 1,179    | \$ 740                  | 0.07%                                                   |

**BORROWINGS AND OTHER FINANCING TRANSACTIONS****(i) REPURCHASE AGREEMENTS:**

| Counterparty                       | Lending Rate | Settlement Date | Maturity Date | Principal Amount | Collateralized By                                        | Collateral (Received) | Repurchase Agreements, at Value | Repurchase Agreement Proceeds to be Received <sup>(1)</sup> |
|------------------------------------|--------------|-----------------|---------------|------------------|----------------------------------------------------------|-----------------------|---------------------------------|-------------------------------------------------------------|
| JPS                                | 0.620%       | 01/31/2017      | 02/01/2017    | \$ 3,800         | U.S. Treasury Bonds 3.125% due 08/15/2044                | \$ (3,881)            | \$ 3,800                        | \$ 3,800                                                    |
|                                    | 0.690        | 01/31/2017      | 02/01/2017    | 5,200            | Ginnie Mae 3.000% due 01/20/2047                         | (5,393)               | 5,200                           | 5,200                                                       |
| SSB                                | 0.010        | 01/31/2017      | 02/01/2017    | 2,582            | U.S. Treasury Bonds 1.000% due 08/15/2044 <sup>(2)</sup> | (2,636)               | 2,582                           | 2,582                                                       |
| <b>Total Repurchase Agreements</b> |              |                 |               |                  |                                                          | <b>\$ (11,910)</b>    | <b>\$ 11,582</b>                | <b>\$ 11,582</b>                                            |

<sup>(1)</sup> Includes accrued interest.

<sup>(2)</sup> Collateral is held in custody by the counterparty.

#### REVERSE REPURCHASE AGREEMENTS:

| Counterparty | Borrowing Rate <sup>(3)</sup> | Settlement Date | Maturity Date | Amount Borrowed <sup>(3)</sup> | Payable for Reverse Repurchase Agreements |
|--------------|-------------------------------|-----------------|---------------|--------------------------------|-------------------------------------------|
| BCY          | 0.000%                        | 12/16/2016      | 12/16/2017    | \$ (1,912)                     | \$ (1,912)                                |
| BPS          | 1.740                         | 12/01/2016      | 03/02/2017    | (2,030)                        | (2,036)                                   |
|              | 1.780                         | 12/08/2016      | 03/08/2017    | (9,254)                        | (9,279)                                   |
|              | 1.890                         | 01/31/2017      | 05/01/2017    | (1,375)                        | (1,375)                                   |

#### 24 PIMCO CLOSED-END FUNDS

See Accompanying Notes

January 31, 2017 (Unaudited)

| Counterparty | Borrowing Rate <sup>(3)</sup> | Settlement Date | Maturity Date | Amount Borrowed <sup>(3)</sup> | Payable for Reverse Repurchase Agreements |
|--------------|-------------------------------|-----------------|---------------|--------------------------------|-------------------------------------------|
| MSC          | 1.520%                        | 01/19/2017      | 04/19/2017    | \$ (8,988)                     | \$ (8,993)                                |
| RDR          | 1.330                         | 11/28/2016      | 02/28/2017    | (3,384)                        | (3,392)                                   |
|              | 1.170                         | 01/17/2017      | 02/13/2017    | (5,112)                        | (5,115)                                   |
|              | 1.350                         | 01/20/2017      | 04/07/2017    | (4,803)                        | (4,805)                                   |
| SOG          | 1.650                         | 12/01/2016      | 02/27/2017    | (16,662)                       | (16,709)                                  |
|              | 1.600                         | 01/27/2017      | 04/26/2017    | (6,077)                        | (6,078)                                   |
| UBS          | 1.700                         | 11/02/2016      | 02/02/2017    | (7,358)                        | (7,390)                                   |
|              | 1.100                         | 11/18/2016      | 02/20/2017    | GBP (1,805)                    | (2,276)                                   |
|              | 1.220                         | 11/21/2016      | 02/22/2017    | \$ (10,250)                    | (10,275)                                  |
|              | 1.300                         | 11/22/2016      | 02/22/2017    | (13,185)                       | (13,219)                                  |
|              | 1.470                         | 11/25/2016      | 02/27/2017    | (2,540)                        | (2,547)                                   |
|              | 1.520                         | 11/25/2016      | 02/27/2017    | (4,271)                        | (4,283)                                   |
|              | 1.730                         | 11/28/2016      | 02/28/2017    | (4,945)                        | (4,961)                                   |
|              | 1.650                         | 12/15/2016      | 02/02/2017    | (5,122)                        | (5,133)                                   |
|              | 1.650                         | 12/16/2016      | 02/02/2017    | (5,862)                        | (5,875)                                   |
|              | 1.850                         | 12/28/2016      | 03/14/2017    | (7,915)                        | (7,929)                                   |
|              | 1.360                         | 01/06/2017      | 04/07/2017    | (7,578)                        | (7,585)                                   |
|              | 1.780                         | 02/02/2017      | 05/02/2017    | (10,814)                       | (10,814)                                  |
|              | 1.830                         | 02/02/2017      | 05/02/2017    | (7,662)                        | (7,662)                                   |

**Total Reverse Repurchase Agreements** **\$ (149,643)**

<sup>(3)</sup> The average amount of borrowings outstanding during the period ended January 31, 2017 was \$(113,437) at a weighted average interest rate of 1.341%. Average borrowings includes sale-buyback transactions, of which there were none open at period end.

## BORROWINGS AND OTHER FINANCING TRANSACTIONS SUMMARY

The following is a summary by counterparty of the market value of Borrowings and Other Financing Transactions and collateral pledged/(received) as of January 31, 2017:

(j) Securities with an aggregate market value of \$170,233 have been pledged as collateral under the terms of the following master agreements as of January 31, 2017.

| Counterparty                       | Repurchase Agreement Proceeds to be Received | Payable for Reverse Repurchase Agreements | Payable for Sale-Buyback Transactions | Total Borrowings and Other Financing Transactions | Collateral Pledged/(Received) | Net Exposure <sup>(4)</sup> |
|------------------------------------|----------------------------------------------|-------------------------------------------|---------------------------------------|---------------------------------------------------|-------------------------------|-----------------------------|
| Global/Master Repurchase Agreement |                                              |                                           |                                       |                                                   |                               |                             |
| BCY                                | \$ 0                                         | \$ (1,912)                                | \$ 0                                  | \$ (1,912)                                        | \$ 2,205                      | \$ 293                      |
| BPS                                | 0                                            | (12,690)                                  | 0                                     | (12,690)                                          | 15,758                        | 3,068                       |
| JPS                                | 9,000                                        | 0                                         | 0                                     | 9,000                                             | (9,138)                       | (138)                       |
| MSC                                | 0                                            | (8,993)                                   | 0                                     | (8,993)                                           | 9,875                         | 882                         |
| RDR                                | 0                                            | (13,312)                                  | 0                                     | (13,312)                                          | 13,811                        | 499                         |
| SOG                                | 0                                            | (22,787)                                  | 0                                     | (22,787)                                          | 24,682                        | 1,895                       |

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|                                                          |                  |                     |             |          |         |        |
|----------------------------------------------------------|------------------|---------------------|-------------|----------|---------|--------|
| SSB                                                      | 2,582            | 0                   | 0           | 2,582    | (2,636) | (54)   |
| UBS                                                      | 0                | (89,949)            | 0           | (89,949) | 101,428 | 11,479 |
| <b>Total Borrowings and Other Financing Transactions</b> | <b>\$ 11,582</b> | <b>\$ (149,643)</b> | <b>\$ 0</b> |          |         |        |

<sup>(4)</sup> Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from borrowings and other financing transactions can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

## CERTAIN TRANSFERS ACCOUNTED FOR AS SECURED BORROWINGS

### Remaining Contractual Maturity of the Agreements

|                                      | Overnight and Continuous | Up to 30 days      | 31-90 days         | Greater Than 90 days | Total               |
|--------------------------------------|--------------------------|--------------------|--------------------|----------------------|---------------------|
| <b>Reverse Repurchase Agreements</b> |                          |                    |                    |                      |                     |
| Corporate Bonds & Notes              | \$ 0                     | \$ (83,211)        | \$ (46,044)        | \$ (1,912)           | \$ (131,167)        |
| <b>Total Borrowings</b>              | <b>\$ 0</b>              | <b>\$ (83,211)</b> | <b>\$ (46,044)</b> | <b>\$ (1,912)</b>    | <b>\$ (131,167)</b> |

Gross amount of recognized liabilities for reverse repurchase agreements<sup>(5)</sup> \$ (131,167)

<sup>(5)</sup> Unsettled reverse repurchase agreements liability of \$(18,476) is outstanding at period end.

See Accompanying Notes

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**Schedule of Investments PIMCO Corporate & Income Opportunity Fund (Cont.)****(k) FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED****SWAP AGREEMENTS:****CREDIT DEFAULT SWAPS ON CORPORATE ISSUES - SELL PROTECTION<sup>(1)</sup>**

| Reference Entity | Fixed<br>Receive Rate | Maturity<br>Date | Implied<br>Credit Spread at<br>January 31, 2017 <sup>(2)</sup> | Notional<br>Amount <sup>(3)</sup> | Market<br>Value <sup>(4)</sup> | Unrealized<br>Appreciation | Variation Margin |           |
|------------------|-----------------------|------------------|----------------------------------------------------------------|-----------------------------------|--------------------------------|----------------------------|------------------|-----------|
|                  |                       |                  |                                                                |                                   |                                |                            | Asset            | Liability |
| Navient Corp.    | 5.000%                | 12/20/2021       | 4.278%                                                         | \$ 15,900                         | \$ 579                         | \$ 609                     | \$ 66            | \$ 0      |

**CREDIT DEFAULT SWAPS ON CREDIT INDICES - SELL PROTECTION<sup>(1)</sup>**

| Index/Tranches         | Fixed<br>Receive Rate | Maturity<br>Date | Notional<br>Amount <sup>(3)</sup> | Market<br>Value <sup>(4)</sup> | Unrealized<br>Appreciation | Variation Margin |           |
|------------------------|-----------------------|------------------|-----------------------------------|--------------------------------|----------------------------|------------------|-----------|
|                        |                       |                  |                                   |                                |                            | Asset            | Liability |
| CDX.HY-26 5-Year Index | 5.000%                | 06/20/2021       | \$ 2,772                          | \$ 217                         | \$ 90                      | \$ 0             | \$ 0      |
| CDX.HY-27 5-Year Index | 5.000                 | 12/20/2021       | 27,423                            | 1,876                          | 672                        | 0                | (68)      |
| CDX.IG-27 5-Year Index | 1.000                 | 12/20/2021       | 25,800                            | 428                            | 109                        | 0                | (11)      |
|                        |                       |                  |                                   | \$ 2,521                       | \$ 871                     | \$ 0             | \$ (79)   |

<sup>(1)</sup> If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash, securities or other deliverable obligations equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.

<sup>(2)</sup> Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on corporate or sovereign issues as of period end serve as indicators of the current status of the payment/performance risk and represent the likelihood or risk of default for the credit derivative. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

<sup>(3)</sup> The maximum potential amount the Fund could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.

<sup>(4)</sup> The prices and resulting values for credit default swap agreements on credit indices serve as indicators of the current status of the payment/performance risk and represent the likelihood of an expected liability (or profit) for the credit derivative should the notional amount of the swap agreement be closed/sold as of the period end. Increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the referenced indices' credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

**INTEREST RATE SWAPS**

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| Pay/Receive<br>Floating Rate | Floating Rate Index     | Fixed Rate | Maturity<br>Date | Notional<br>Amount | Market<br>Value | Unrealized<br>Appreciation/<br>(Depreciation) | Variation Margin  |                            |
|------------------------------|-------------------------|------------|------------------|--------------------|-----------------|-----------------------------------------------|-------------------|----------------------------|
|                              |                         |            |                  |                    |                 |                                               | Asset             | Liability                  |
| Pay                          | 1-Year BRL-CDI          | 11.250%    | 01/04/2021       | BRL 105,000        | \$ (503)        | \$ 777                                        | \$ 0              | \$ (5)                     |
| Pay                          | 1-Year BRL-CDI          | 11.500     | 01/04/2021       | 22,400             | (28)            | 195                                           | 0                 | (1)                        |
| Pay                          | 3-Month USD-LIBOR       | 2.750      | 06/17/2025       | \$ 145,380         | 5,433           | (3,760)                                       | 381               | 0                          |
| Pay                          | 3-Month USD-LIBOR       | 2.250      | 06/15/2026       | 44,400             | (335)           | (2,434)                                       | 130               | 0                          |
| Pay                          | 3-Month USD-LIBOR       | 3.500      | 06/19/2044       | 305,100            | 52,417          | 62,370                                        | 2,213             | 0                          |
| Receive                      | 3-Month USD-LIBOR       | 2.500      | 06/15/2046       | 469,700            | 12,475          | 74,457                                        | 0                 | (3,166)                    |
| Pay                          | 6-Month<br>AUD-BBR-BBSW | 3.500      | 06/17/2025       | AUD 13,400         | 517             | 185                                           | 38                | 0                          |
|                              |                         |            |                  |                    |                 | \$ 69,976                                     | \$ 131,790        | \$ 2,762 \$ (3,172)        |
| <b>Total Swap Agreements</b> |                         |            |                  |                    |                 | <b>\$ 73,076</b>                              | <b>\$ 133,270</b> | <b>\$ 2,828 \$ (3,251)</b> |

**FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED SUMMARY**

The following is a summary of the market value and variation margin of Exchange-Traded or Centrally Cleared Financial Derivative Instruments as of January 31, 2017:

- (l) Securities with an aggregate market value of \$26,399 and cash of \$93,445 have been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of January 31, 2017. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

|                                                   | Financial Derivative Assets |             |                 |                 | Financial Derivative Liabilities |             |                   |                   |
|---------------------------------------------------|-----------------------------|-------------|-----------------|-----------------|----------------------------------|-------------|-------------------|-------------------|
|                                                   | Variation Margin            |             |                 |                 | Variation Margin                 |             |                   |                   |
|                                                   | Market Value                |             | Asset           |                 | Market Value                     |             | Liability         |                   |
|                                                   | Purchased                   | Futures     | Swap            | Total           | Written                          | Futures     | Swap              | Total             |
| <b>Total Exchange-Traded or Centrally Cleared</b> | <b>\$ 0</b>                 | <b>\$ 0</b> | <b>\$ 2,828</b> | <b>\$ 2,828</b> | <b>\$ 0</b>                      | <b>\$ 0</b> | <b>\$ (3,251)</b> | <b>\$ (3,251)</b> |

**26 PIMCO CLOSED-END FUNDS**

See Accompanying Notes



January 31, 2017 (Unaudited)

**(m) FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER****FORWARD FOREIGN CURRENCY CONTRACTS:**

| Counterparty                                    | Settlement Month | Currency to be Delivered |         | Currency to be Received |         | Unrealized Appreciation/ (Depreciation) |                   |
|-------------------------------------------------|------------------|--------------------------|---------|-------------------------|---------|-----------------------------------------|-------------------|
|                                                 |                  |                          |         |                         |         | Asset                                   | Liability         |
| BOA                                             | 02/2017          | BRL                      | 1,644   | \$                      | 526     | \$ 4                                    | \$ 0              |
|                                                 | 02/2017          | EUR                      | 36,379  |                         | 37,887  | 0                                       | (1,384)           |
|                                                 | 02/2017          | \$                       | 496     | BRL                     | 1,645   | 26                                      | 0                 |
| BPS                                             | 02/2017          | EUR                      | 93      | \$                      | 100     | 0                                       | (1)               |
|                                                 | 02/2017          | GBP                      | 163     |                         | 198     | 0                                       | (7)               |
| CBK                                             | 02/2017          | EUR                      | 1,447   |                         | 1,556   | 0                                       | (6)               |
|                                                 | 02/2017          | \$                       | 8,604   | EUR                     | 8,093   | 133                                     | 0                 |
|                                                 | 02/2017          |                          | 9,693   | GBP                     | 7,725   | 25                                      | 0                 |
|                                                 | 02/2017          |                          | 6,165   | JPY                     | 704,349 | 73                                      | 0                 |
|                                                 | 03/2017          | EUR                      | 293     | \$                      | 314     | 0                                       | (3)               |
|                                                 | 03/2017          | GBP                      | 7,725   |                         | 9,698   | 0                                       | (25)              |
|                                                 | 03/2017          | JPY                      | 704,349 |                         | 6,171   | 0                                       | (72)              |
| FBF                                             | 02/2017          | GBP                      | 80      |                         | 99      | 0                                       | (2)               |
| GLM                                             | 02/2017          | BRL                      | 629     |                         | 198     | 0                                       | (2)               |
|                                                 | 02/2017          | EUR                      | 1,707   |                         | 1,826   | 0                                       | (17)              |
|                                                 | 02/2017          | GBP                      | 1,333   |                         | 1,633   | 0                                       | (44)              |
|                                                 | 02/2017          | \$                       | 201     | BRL                     | 629     | 0                                       | (1)               |
|                                                 | 03/2017          | GBP                      | 878     | \$                      | 1,092   | 0                                       | (13)              |
| IND                                             | 02/2017          |                          | 42,372  |                         | 51,910  | 0                                       | (1,394)           |
| JPM                                             | 02/2017          | AUD                      | 946     |                         | 689     | 0                                       | (28)              |
|                                                 | 02/2017          | BRL                      | 640     |                         | 198     | 0                                       | (5)               |
|                                                 | 02/2017          | GBP                      | 379     |                         | 475     | 0                                       | (2)               |
|                                                 | 02/2017          | JPY                      | 704,349 |                         | 5,999   | 0                                       | (239)             |
|                                                 | 02/2017          | \$                       | 205     | BRL                     | 640     | 0                                       | (2)               |
|                                                 | 02/2017          |                          | 34,444  | EUR                     | 32,206  | 322                                     | 0                 |
|                                                 | 03/2017          | EUR                      | 32,206  | \$                      | 34,484  | 0                                       | (318)             |
| MSB                                             | 02/2017          | GBP                      | 323     |                         | 393     | 0                                       | (13)              |
| SCX                                             | 02/2017          | EUR                      | 2,287   |                         | 2,451   | 0                                       | (17)              |
|                                                 | 02/2017          | GBP                      | 1,354   |                         | 1,703   | 0                                       | 0                 |
| SOG                                             | 02/2017          |                          | 401     |                         | 494     | 0                                       | (10)              |
| TOR                                             | 02/2017          | EUR                      | 93      |                         | 98      | 0                                       | (2)               |
|                                                 | 02/2017          | GBP                      | 78      |                         | 95      | 0                                       | (3)               |
| UAG                                             | 02/2017          | \$                       | 48,587  | GBP                     | 38,758  | 170                                     | 0                 |
|                                                 | 03/2017          | GBP                      | 38,758  | \$                      | 48,613  | 0                                       | (168)             |
| <b>Total Forward Foreign Currency Contracts</b> |                  |                          |         |                         |         | <b>\$ 753</b>                           | <b>\$ (3,778)</b> |

**SWAP AGREEMENTS:****CREDIT DEFAULT SWAPS ON CORPORATE AND SOVEREIGN ISSUES - SELL PROTECTION<sup>(1)</sup>**

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| Counterparty | Reference Entity                        | Fixed<br>Receive Rate | Maturity<br>Date | Implied<br>Credit Spread at<br>January 31, 2017 <sup>(2)</sup> | Notional<br>Amount <sup>(3)</sup> | Premiums<br>(Received) | Unrealized<br>Appreciation/<br>(Depreciation) | Swap Agreements,<br>at Value | Asset    | Liability  |
|--------------|-----------------------------------------|-----------------------|------------------|----------------------------------------------------------------|-----------------------------------|------------------------|-----------------------------------------------|------------------------------|----------|------------|
| BPS          | Banco Espirito Santo S.A.               | 5.000%                | 09/20/2020       | 17.421%                                                        | EUR 3,000                         | \$ (115)               | \$ (716)                                      | \$ 0                         | \$ (831) |            |
|              | Petrobras Global Finance<br>BV          | 1.000                 | 12/20/2024       | 4.214                                                          | \$ 1,800                          | (352)                  | (6)                                           | 0                            |          | (358)      |
| BRC          | Springleaf Finance Corp.                | 5.000                 | 12/20/2021       | 4.423                                                          | 2,700                             | (40)                   | 121                                           | 81                           |          | 0          |
| DUB          | Petroleos Mexicanos                     | 1.000                 | 12/20/2021       | 3.026                                                          | 100                               | (9)                    | 0                                             | 0                            |          | (9)        |
| GST          | Petrobras Global Finance<br>BV          | 1.000                 | 09/20/2020       | 2.864                                                          | 20                                | (3)                    | 2                                             | 0                            |          | (1)        |
|              | Petrobras Global Finance<br>BV          | 1.000                 | 12/20/2024       | 4.214                                                          | 2,400                             | (476)                  | (2)                                           | 0                            |          | (478)      |
| HUS          | Petrobras Global Finance<br>BV          | 1.000                 | 12/20/2019       | 2.314                                                          | 500                               | (41)                   | 23                                            | 0                            |          | (18)       |
|              | Petrobras Global Finance<br>BV          | 1.000                 | 09/20/2020       | 2.864                                                          | 60                                | (8)                    | 4                                             | 0                            |          | (4)        |
|              | Petrobras Global Finance<br>BV          | 1.000                 | 12/20/2024       | 4.214                                                          | 3,000                             | (623)                  | 25                                            | 0                            |          | (598)      |
| JPM          | Banco Espirito Santo S.A.               | 5.000                 | 09/20/2020       | 17.421                                                         | EUR 5,000                         | (207)                  | (1,179)                                       | 0                            |          | (1,386)    |
|              | Russia Government<br>International Bond | 1.000                 | 06/20/2019       | 0.86                                                           | \$ 28,600                         | (1,957)                | 2,085                                         | 128                          |          | 0          |
|              | Russia Government<br>International Bond | 1.000                 | 12/20/2020       | 1.422                                                          | 1,300                             | (149)                  | 130                                           | 0                            |          | (19)       |
| MYC          | Banco Espirito Santo S.A.               | 5.000                 | 09/20/2020       | 17.421                                                         | EUR 3,000                         | (28)                   | (803)                                         | 0                            |          | (831)      |
|              | Petrobras Global Finance<br>BV          | 1.000                 | 12/20/2019       | 2.314                                                          | \$ 14,500                         | (1,342)                | 832                                           | 0                            |          | (510)      |
|              |                                         |                       |                  |                                                                |                                   | \$ (5,350)             | \$ 516                                        | \$ 209                       |          | \$ (5,043) |

See Accompanying Notes

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**Schedule of Investments PIMCO Corporate & Income Opportunity Fund (Cont.)****CREDIT DEFAULT SWAPS ON CREDIT INDICES - SELL PROTECTION<sup>(1)</sup>**

| Counterparty                 | Index/Tranches       | Fixed<br>Receive Rate | Maturity<br>Date | Notional<br>Amount <sup>(3)</sup> | Premiums<br>(Received) | Unrealized<br>Appreciation/<br>(Depreciation) | Swap Agreements,<br>at Value <sup>(4)</sup><br>Asset | Liability          |
|------------------------------|----------------------|-----------------------|------------------|-----------------------------------|------------------------|-----------------------------------------------|------------------------------------------------------|--------------------|
| BOA                          | ABX.HE.AAA.6-2 Index | 0.110%                | 05/25/2046       | \$ 63,515                         | \$ (12,415)            | \$ 4,324                                      | \$ 0                                                 | \$ (8,091)         |
| BRC                          | ABX.HE.AAA.6-2 Index | 0.110                 | 05/25/2046       | 79,116                            | (16,147)               | 6,068                                         | 0                                                    | (10,079)           |
| DUB                          | CMBX.NA.BBB-.6 Index | 3.000                 | 05/11/2063       | 2,900                             | (159)                  | (20)                                          | 0                                                    | (179)              |
|                              | CMBX.NA.BBB-.8 Index | 3.000                 | 10/17/2057       | 4,400                             | (507)                  | (33)                                          | 0                                                    | (540)              |
|                              | CMBX.NA.BBB-.9 Index | 3.000                 | 09/17/2058       | 2,600                             | (325)                  | 51                                            | 0                                                    | (274)              |
| GST                          | ABX.HE.AAA.6-2 Index | 0.110                 | 05/25/2046       | 5,558                             | (1,142)                | 427                                           | 0                                                    | (715)              |
|                              | CMBX.NA.BB.6 Index   | 5.000                 | 05/11/2063       | 2,900                             | (392)                  | 4                                             | 0                                                    | (388)              |
|                              | CMBX.NA.BBB-.6 Index | 3.000                 | 05/11/2063       | 6,500                             | (358)                  | (42)                                          | 0                                                    | (400)              |
|                              | CMBX.NA.BBB-.7 Index | 3.000                 | 01/17/2047       | 1,100                             | (56)                   | (1)                                           | 0                                                    | (57)               |
|                              | CMBX.NA.BBB-.9 Index | 3.000                 | 09/17/2058       | 6,400                             | (797)                  | 121                                           | 0                                                    | (676)              |
| MEI                          | ABX.HE.AAA.6-2 Index | 0.110                 | 05/25/2046       | 76,576                            | (15,080)               | 5,325                                         | 0                                                    | (9,755)            |
| MYC                          | ABX.HE.AAA.6-2 Index | 0.110                 | 05/25/2046       | 19,849                            | (3,785)                | 1,214                                         | 0                                                    | (2,571)            |
|                              | CMBX.NA.BBB-.6 Index | 3.000                 | 05/11/2063       | 9,500                             | (548)                  | (37)                                          | 0                                                    | (585)              |
|                              | CMBX.NA.BBB-.7 Index | 3.000                 | 01/17/2047       | 2,200                             | (97)                   | (17)                                          | 0                                                    | (114)              |
|                              | CMBX.NA.BBB-.8 Index | 3.000                 | 10/17/2057       | 1,100                             | (127)                  | (8)                                           | 0                                                    | (135)              |
|                              | CMBX.NA.BBB-.9 Index | 3.000                 | 09/17/2058       | 2,600                             | (324)                  | 50                                            | 0                                                    | (274)              |
|                              |                      |                       |                  |                                   | \$ (52,259)            | \$ 17,426                                     | \$ 0                                                 | \$ (34,833)        |
| <b>Total Swap Agreements</b> |                      |                       |                  |                                   | <b>\$ (57,609)</b>     | <b>\$ 17,942</b>                              | <b>\$ 209</b>                                        | <b>\$ (39,876)</b> |

- (1) If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash, securities or other deliverable obligations equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.
- (2) Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on corporate or sovereign issues as of period end serve as indicators of the current status of the payment/performance risk and represent the likelihood or risk of default for the credit derivative. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.
- (3) The maximum potential amount the Fund could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.
- (4) The prices and resulting values for credit default swap agreements on credit indices serve as indicators of the current status of the payment/performance risk and represent the likelihood of an expected liability (or profit) for the credit derivative should the notional amount of the swap agreement be closed/sold as of the period end. Increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the referenced indices' credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

**FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER SUMMARY**

The following is a summary by counterparty of the market value of OTC financial derivative instruments and collateral pledged/(received) as of January 31, 2017:

(n)

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Securities with an aggregate market value of \$41,283 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of January 31, 2017.

| Counterparty | Financial Derivative Assets        |                   |                 |                        |                                    | Financial Derivative Liabilities |                 |                        |            |          | Net Market Value of OTC Derivatives | Collateral Pledged/ (Received) | Net Exposure <sup>(5)</sup> |
|--------------|------------------------------------|-------------------|-----------------|------------------------|------------------------------------|----------------------------------|-----------------|------------------------|------------|----------|-------------------------------------|--------------------------------|-----------------------------|
|              | Forward Foreign Currency Contracts | Purchased Options | Swap Agreements | Total Over the Counter | Forward Foreign Currency Contracts | Written Options                  | Swap Agreements | Total Over the Counter |            |          |                                     |                                |                             |
|              |                                    |                   |                 |                        |                                    |                                  |                 |                        |            |          |                                     |                                |                             |
| BOA          | \$ 30                              | \$ 0              | \$ 0            | \$ 30                  | \$ (1,384)                         | \$ 0                             | \$ (8,091)      | \$ (9,475)             | \$ (9,445) | \$ 9,160 | \$ (285)                            |                                |                             |
| BPS          | 0                                  | 0                 | 0               | 0                      | (8)                                | 0                                | (1,189)         | (1,197)                | (1,197)    | 1,258    | 61                                  |                                |                             |
| BRC          | 0                                  | 0                 | 81              | 81                     | 0                                  | 0                                | (10,079)        | (10,079)               | (9,998)    | 10,276   | 278                                 |                                |                             |
| CBK          | 231                                | 0                 | 0               | 231                    | (106)                              | 0                                | 0               | (106)                  | 125        | 0        | 125                                 |                                |                             |
| DUB          | 0                                  | 0                 | 0               | 0                      | 0                                  | 0                                | (1,002)         | (1,002)                | (1,002)    | 3        | (999)                               |                                |                             |
| FBF          | 0                                  | 0                 | 0               | 0                      | (2)                                | 0                                | 0               | (2)                    | (2)        | 0        | (2)                                 |                                |                             |
| GLM          | 0                                  | 0                 | 0               | 0                      | (77)                               | 0                                | 0               | (77)                   | (77)       | 0        | (77)                                |                                |                             |
| GST          | 0                                  | 0                 | 0               | 0                      | 0                                  | 0                                | (2,715)         | (2,715)                | (2,715)    | 2,498    | (217)                               |                                |                             |
| HUS          | 0                                  | 0                 | 0               | 0                      | 0                                  | 0                                | (620)           | (620)                  | (620)      | 750      | 130                                 |                                |                             |
| IND          | 0                                  | 0                 | 0               | 0                      | (1,394)                            | 0                                | 0               | (1,394)                | (1,394)    | 1,132    | (262)                               |                                |                             |
| JPM          | 322                                | 0                 | 128             | 450                    | (594)                              | 0                                | (1,405)         | (1,999)                | (1,549)    | 1,447    | (102)                               |                                |                             |
| MEI          | 0                                  | 0                 | 0               | 0                      | 0                                  | 0                                | (9,755)         | (9,755)                | (9,755)    | 9,835    | 80                                  |                                |                             |
| MSB          | 0                                  | 0                 | 0               | 0                      | (13)                               | 0                                | 0               | (13)                   | (13)       | 0        | (13)                                |                                |                             |
| MYC          | 0                                  | 0                 | 0               | 0                      | 0                                  | 0                                | (5,020)         | (5,020)                | (5,020)    | 4,426    | (594)                               |                                |                             |
| SCX          | 0                                  | 0                 | 0               | 0                      | (17)                               | 0                                | 0               | (17)                   | (17)       | 0        | (17)                                |                                |                             |
| SOG          | 0                                  | 0                 | 0               | 0                      | (10)                               | 0                                | 0               | (10)                   | (10)       | 0        | (10)                                |                                |                             |

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See Accompanying Notes

January 31, 2017 (Unaudited)

| Counterparty           | Financial Derivative Assets |           |            |          | Financial Derivative Liabilities |         |             |             | Net      |             |            |                         |
|------------------------|-----------------------------|-----------|------------|----------|----------------------------------|---------|-------------|-------------|----------|-------------|------------|-------------------------|
|                        | Forward                     |           |            | Total    | Forward                          |         |             | Total       | Net      | Collateral  |            |                         |
|                        | Foreign                     | Purchased | Swap       | Over the | Foreign                          | Written | Swap        | Over the    | Market   | OTC         | Pledged/   | Net                     |
|                        | Currency                    | Options   | Agreements | Counter  | Currency                         | Options | Agreements  | Counter     | Value of | Derivatives | (Received) | Exposure <sup>(5)</sup> |
| TOR                    | \$ 0                        | \$ 0      | \$ 0       | \$ 0     | \$ (5)                           | \$ 0    | \$ 0        | \$ (5)      | \$ (5)   | \$ 0        | \$ 0       | \$ (5)                  |
| UAG                    | 170                         | 0         | 0          | 170      | (168)                            | 0       | 0           | (168)       | 2        | 0           | 0          | 2                       |
| Total Over the Counter | \$ 753                      | \$ 0      | \$ 209     | \$ 962   | \$ (3,778)                       | \$ 0    | \$ (39,876) | \$ (43,654) |          |             |            |                         |

<sup>(5)</sup> Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from OTC financial derivative instruments can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

## FAIR VALUE OF FINANCIAL DERIVATIVE INSTRUMENTS

The following is a summary of the fair valuation of the Fund's derivative instruments categorized by risk exposure. See Note 7, Principal Risks, in the Notes to Financial Statements on risks of the Fund.

Fair Values of Financial Derivative Instruments on the Statements of Assets and Liabilities as of January 31, 2017:

|                                                | Derivatives not accounted for as hedging instruments |                     |                     |                                  |                            |          |
|------------------------------------------------|------------------------------------------------------|---------------------|---------------------|----------------------------------|----------------------------|----------|
|                                                | Commodity<br>Contracts                               | Credit<br>Contracts | Equity<br>Contracts | Foreign<br>Exchange<br>Contracts | Interest<br>Rate Contracts | Total    |
| Financial Derivative Instruments - Assets      |                                                      |                     |                     |                                  |                            |          |
| Exchange-traded or centrally cleared           |                                                      |                     |                     |                                  |                            |          |
| Swap Agreements                                | \$ 0                                                 | \$ 66               | \$ 0                | \$ 0                             | \$ 2,762                   | \$ 2,828 |
| Over the counter                               |                                                      |                     |                     |                                  |                            |          |
| Forward Foreign Currency Contracts             | \$ 0                                                 | \$ 0                | \$ 0                | \$ 753                           | \$ 0                       | \$ 753   |
| Swap Agreements                                | 0                                                    | 209                 | 0                   | 0                                | 0                          | 209      |
|                                                | \$ 0                                                 | \$ 209              | \$ 0                | \$ 753                           | \$ 0                       | \$ 962   |
|                                                | \$ 0                                                 | \$ 275              | \$ 0                | \$ 753                           | \$ 2,762                   | \$ 3,790 |
| Financial Derivative Instruments - Liabilities |                                                      |                     |                     |                                  |                            |          |
| Exchange-traded or centrally cleared           |                                                      |                     |                     |                                  |                            |          |
| Swap Agreements                                | \$ 0                                                 | \$ 79               | \$ 0                | \$ 0                             | \$ 3,172                   | \$ 3,251 |
| Over the counter                               |                                                      |                     |                     |                                  |                            |          |
| Forward Foreign Currency Contracts             | \$ 0                                                 | \$ 0                | \$ 0                | \$ 3,778                         | \$ 0                       | \$ 3,778 |
| Swap Agreements                                | 0                                                    | 39,876              | 0                   | 0                                | 0                          | 39,876   |

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|  |      |           |      |          |          |           |
|--|------|-----------|------|----------|----------|-----------|
|  | \$ 0 | \$ 39,876 | \$ 0 | \$ 3,778 | \$ 0     | \$ 43,654 |
|  | \$ 0 | \$ 39,955 | \$ 0 | \$ 3,778 | \$ 3,172 | \$ 46,905 |

The effect of Financial Derivative Instruments on the Statements of Operations for the period ended January 31, 2017:

|                                                                                                 | Derivatives not accounted for as hedging instruments |                     |                     |                                  |                            |            |
|-------------------------------------------------------------------------------------------------|------------------------------------------------------|---------------------|---------------------|----------------------------------|----------------------------|------------|
|                                                                                                 | Commodity<br>Contracts                               | Credit<br>Contracts | Equity<br>Contracts | Foreign<br>Exchange<br>Contracts | Interest<br>Rate Contracts | Total      |
| <b>Net Realized Gain (Loss) on Financial Derivative Instruments</b>                             |                                                      |                     |                     |                                  |                            |            |
| Exchange-traded or centrally cleared                                                            |                                                      |                     |                     |                                  |                            |            |
| Swap Agreements                                                                                 | \$ 0                                                 | \$ 2,339            | \$ 0                | \$ 0                             | \$ 16,782                  | \$ 19,121  |
| Over the counter                                                                                |                                                      |                     |                     |                                  |                            |            |
| Forward Foreign Currency Contracts                                                              | \$ 0                                                 | \$ 0                | \$ 0                | \$ 12,404                        | \$ 0                       | \$ 12,404  |
| Swap Agreements                                                                                 | 0                                                    | 2,504               | 0                   | 0                                | (2,461)                    | 43         |
|                                                                                                 | \$ 0                                                 | \$ 2,504            | \$ 0                | \$ 12,404                        | \$ (2,461)                 | \$ 12,447  |
|                                                                                                 | \$ 0                                                 | \$ 4,843            | \$ 0                | \$ 12,404                        | \$ 14,321                  | \$ 31,568  |
| <b>Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments</b> |                                                      |                     |                     |                                  |                            |            |
| Exchange-traded or centrally cleared                                                            |                                                      |                     |                     |                                  |                            |            |
| Swap Agreements                                                                                 | \$ 0                                                 | \$ 603              | \$ 0                | \$ 0                             | \$ (1,560)                 | \$ (957)   |
| Over the counter                                                                                |                                                      |                     |                     |                                  |                            |            |
| Forward Foreign Currency Contracts                                                              | \$ 0                                                 | \$ 0                | \$ 0                | \$ (3,136)                       | \$ 0                       | \$ (3,136) |
| Swap Agreements                                                                                 | 0                                                    | 14,673              | 0                   | 0                                | 2,311                      | 16,984     |
|                                                                                                 | \$ 0                                                 | \$ 14,673           | \$ 0                | \$ (3,136)                       | \$ 2,311                   | \$ 13,848  |
|                                                                                                 | \$ 0                                                 | \$ 15,276           | \$ 0                | \$ (3,136)                       | \$ 751                     | \$ 12,891  |

See Accompanying Notes

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**Schedule of Investments PIMCO Corporate & Income Opportunity Fund (Cont.)****FAIR VALUE MEASUREMENTS**

The following is a summary of the fair valuations according to the inputs used as of January 31, 2017 in valuing the Fund's assets and liabilities:

| Category and Subcategory                   | Level 1  | Level 2      | Level 3   | Fair Value at 01/31/2017 |
|--------------------------------------------|----------|--------------|-----------|--------------------------|
| <b>Investments in Securities, at Value</b> |          |              |           |                          |
| Bank Loan Obligations                      | \$ 2,800 | \$ 27,907    | \$ 11,878 | \$ 42,585                |
| Corporate Bonds & Notes                    |          |              |           |                          |
| Banking & Finance                          | 0        | 236,279      | 9,895     | 246,174                  |
| Industrials                                | 0        | 276,574      | 10,842    | 287,416                  |
| Utilities                                  | 0        | 59,825       | 0         | 59,825                   |
| Convertible Bonds & Notes                  |          |              |           |                          |
| Industrials                                | 0        | 6,921        | 0         | 6,921                    |
| Municipal Bonds & Notes                    |          |              |           |                          |
| California                                 | 0        | 37,647       | 0         | 37,647                   |
| Illinois                                   | 0        | 24,433       | 0         | 24,433                   |
| Virginia                                   | 0        | 1,128        | 0         | 1,128                    |
| West Virginia                              | 0        | 9,521        | 0         | 9,521                    |
| U.S. Government Agencies                   | 0        | 23,512       | 8,274     | 31,786                   |
| Non-Agency Mortgage-Backed Securities      | 0        | 282,809      | 0         | 282,809                  |
| Asset-Backed Securities                    | 0        | 162,663      | 14,433    | 177,096                  |
| Sovereign Issues                           | 0        | 20,389       | 0         | 20,389                   |
| Common Stocks                              |          |              |           |                          |
| Financials                                 | 0        | 0            | 740       | 740                      |
| Preferred Securities                       |          |              |           |                          |
| Banking & Finance                          | 0        | 8,425        | 0         | 8,425                    |
| Short-Term Instruments                     |          |              |           |                          |
| Repurchase Agreements                      | 0        | 11,582       | 0         | 11,582                   |
| Short-Term Notes                           | 0        | 3,000        | 0         | 3,000                    |
| U.S. Treasury Bills                        | 0        | 74,544       | 0         | 74,544                   |
| Total Investments                          | \$ 2,800 | \$ 1,267,159 | \$ 56,062 | \$ 1,326,021             |

| Category and Subcategory                              | Level 1 | Level 2     | Level 3 | Fair Value at 01/31/2017 |
|-------------------------------------------------------|---------|-------------|---------|--------------------------|
| <b>Financial Derivative Instruments - Assets</b>      |         |             |         |                          |
| Exchange-traded or centrally cleared                  | \$ 0    | \$ 2,828    | \$ 0    | \$ 2,828                 |
| Over the counter                                      | 0       | 962         | 0       | 962                      |
|                                                       | \$ 0    | \$ 3,790    | \$ 0    | \$ 3,790                 |
| <b>Financial Derivative Instruments - Liabilities</b> |         |             |         |                          |
| Exchange-traded or centrally cleared                  | 0       | (3,251)     | 0       | (3,251)                  |
| Over the counter                                      | 0       | (43,654)    | 0       | (43,654)                 |
|                                                       | \$ 0    | \$ (46,905) | \$ 0    | \$ (46,905)              |
| Total Financial Derivative Instruments                | \$ 0    | \$ (43,115) | \$ 0    | \$ (43,115)              |

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Totals \$ 2,800 \$ 1,224,044 \$ 56,062 \$ 1,282,906

There were no significant transfers among Levels 1 and 2 during the period ended January 31, 2017.

The following is a reconciliation of the fair valuations using significant unobservable inputs (Level 3) for the Fund during the period ended January 31, 2017:

| Category and Subcategory                   | Beginning Balance at 07/31/2016 | Net Purchases | Net Sales | Accrued Discounts/ (Premiums) | Realized Gain/ (Loss) | Net Change in Unrealized Appreciation/Transfers into (Depreciation) <sup>(1)</sup> | Transfers out of Level 3 | Ending Balance at 01/31/2017 | Net Change in Unrealized Appreciation/ (Depreciation) on Investments Held at 01/31/2017 <sup>(1)</sup> |
|--------------------------------------------|---------------------------------|---------------|-----------|-------------------------------|-----------------------|------------------------------------------------------------------------------------|--------------------------|------------------------------|--------------------------------------------------------------------------------------------------------|
| <b>Investments in Securities, at Value</b> |                                 |               |           |                               |                       |                                                                                    |                          |                              |                                                                                                        |
| Bank Loan Obligations                      | \$ 5,670                        | \$ 4,752      | \$ (51)   | \$ 123                        | \$ 4                  | \$ 1,380                                                                           | \$ 0                     | \$ 11,878                    | \$ 1,506                                                                                               |
| <b>Corporate Bonds &amp; Notes</b>         |                                 |               |           |                               |                       |                                                                                    |                          |                              |                                                                                                        |
| Banking & Finance                          | 10,421                          | 0             | (142)     | 3                             | 1                     | (388)                                                                              | 0                        | 9,895                        | (365)                                                                                                  |
| Industrials                                | 10,850                          | 0             | 0         | 7                             | 0                     | (15)                                                                               | 0                        | 10,842                       | (15)                                                                                                   |
| <b>U.S. Government</b>                     |                                 |               |           |                               |                       |                                                                                    |                          |                              |                                                                                                        |
| Agencies                                   | 7,929                           | 0             | (71)      | 32                            | 29                    | 355                                                                                | 0                        | 8,274                        | 350                                                                                                    |
| Asset-Backed Securities                    | 17,050                          | 0             | 0         | 0                             | 0                     | (2,617)                                                                            | 0                        | 14,433                       | (2,617)                                                                                                |
| <b>Common Stocks</b>                       |                                 |               |           |                               |                       |                                                                                    |                          |                              |                                                                                                        |
| Financials                                 | 505                             | 0             | 0         | 0                             | 0                     | 235                                                                                | 0                        | 740                          | 235                                                                                                    |
| Totals                                     | \$ 52,425                       | \$ 4,752      | \$ (264)  | \$ 165                        | \$ 34                 | \$ (1,050)                                                                         | \$ 0                     | \$ 56,062                    | \$ (906)                                                                                               |

## 30 PIMCO CLOSED-END FUNDS

See Accompanying Notes



January 31, 2017 (Unaudited)

The following is a summary of significant unobservable inputs used in the fair valuations of assets and liabilities categorized within Level 3 of the fair value hierarchy:

| Category and Subcategory                   | Ending<br>Balance<br>at 01/31/2017 | Valuation<br>Technique                    | Unobservable<br>Inputs | Input Value(s)<br>(% Unless<br>Noted<br>Otherwise) |
|--------------------------------------------|------------------------------------|-------------------------------------------|------------------------|----------------------------------------------------|
| <b>Investments in Securities, at Value</b> |                                    |                                           |                        |                                                    |
| Bank Loan Obligations                      | \$ 11,878                          | Third Party Vendor                        | Broker Quote           | 89.750-101.000                                     |
| <b>Corporate Bonds &amp; Notes</b>         |                                    |                                           |                        |                                                    |
| Banking & Finance                          | 9,895                              | Proxy Pricing                             | Base Price             | 110.500                                            |
| Industrials                                | 10,842                             | Proxy Pricing                             | Base Price             | 99.500                                             |
| U.S. Government Agencies                   | 8,274                              | Proxy Pricing                             | Base Price             | 56.094                                             |
| Asset-Backed Securities                    | 14,433                             | Proxy Pricing                             | Base Price             | 89,450-99,920                                      |
| <b>Common Stocks</b>                       |                                    |                                           |                        |                                                    |
| Financials                                 | 740                                | Other Valuation Techniques <sup>(2)</sup> |                        |                                                    |
| Total                                      | \$ 56,062                          |                                           |                        |                                                    |

<sup>(1)</sup> Any difference between Net Change in Unrealized Appreciation/(Depreciation) and Net Change in Unrealized Appreciation/(Depreciation) on Investments Held at January 31, 2017 may be due to an investment no longer held or categorized as Level 3 at period end.

<sup>(2)</sup> Includes valuation techniques not defined in the Notes to Financial Statements as securities valued using such techniques are not considered significant to the Fund.

See Accompanying Notes

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## Schedule of Investments PIMCO Corporate &amp; Income Strategy Fund

|                                                    | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|----------------------------------------------------|-------------------------------|---------------------------|
| <b>INVESTMENTS IN SECURITIES 123.7%</b>            |                               |                           |
| <b>BANK LOAN OBLIGATIONS 2.7%</b>                  |                               |                           |
| <b>Avolon</b>                                      |                               |                           |
| TBD% due 07/20/2020                                | \$ 50                         | \$ 51                     |
| <b>Avolon Holdings Ltd.</b>                        |                               |                           |
| TBD% due 01/13/2022                                | 350                           | 355                       |
| <b>BMC Software Finance, Inc.</b>                  |                               |                           |
| TBD% due 09/10/2020                                | 500                           | 499                       |
| <b>iHeartCommunications, Inc.</b>                  |                               |                           |
| 7.528% due 01/30/2019                              | 5,800                         | 4,876                     |
| <b>Sequa Corp.</b>                                 |                               |                           |
| 5.250% due 06/19/2017                              | 6,074                         | 5,826                     |
| <b>Sprint Communications, Inc.</b>                 |                               |                           |
| TBD% due 01/13/2024                                | 1,600                         | 1,600                     |
| <b>Team Health Holdings, Inc.</b>                  |                               |                           |
| TBD% due 01/17/2024                                | 300                           | 300                       |
| <b>Westmoreland Coal Co.</b>                       |                               |                           |
| 7.500% due 12/16/2020                              | 2,095                         | 1,880                     |
| <b>Total Bank Loan Obligations (Cost \$15,973)</b> |                               | <b>15,387</b>             |
| <b>CORPORATE BONDS &amp; NOTES 58.9%</b>           |                               |                           |
| <b>BANKING &amp; FINANCE 28.2%</b>                 |                               |                           |
| <b>AGFC Capital Trust</b>                          |                               |                           |
| 2.772% due 01/15/2067                              | 2,300                         | 1,265                     |
| <b>Ally Financial, Inc.</b>                        |                               |                           |
| 8.000% due 11/01/2031 (k)                          | 6,486                         | 7,735                     |
| <b>Banco Bilbao Vizcaya Argentaria S.A.</b>        |                               |                           |
| 6.750% due 02/18/2020 (h)                          | EUR 600                       | 619                       |
| <b>Banco do Brasil S.A.</b>                        |                               |                           |
| 6.250% due 04/15/2024 (h)                          | \$ 4,460                      | 3,590                     |
| 9.000% due 06/18/2024 (h)                          | 3,827                         | 3,884                     |
| <b>Banco Espirito Santo S.A.</b>                   |                               |                           |
| 2.625% due 05/08/2017 ^                            | EUR 1,100                     | 380                       |
| 4.000% due 01/21/2019 ^                            | 4,300                         | 1,485                     |
| 4.750% due 01/15/2018 ^                            | 5,100                         | 1,762                     |
| <b>Banco Santander S.A.</b>                        |                               |                           |
| 6.250% due 09/11/2021 (h)                          | 1,300                         | 1,348                     |
| <b>Barclays PLC</b>                                |                               |                           |
| 6.500% due 09/15/2019 (h)                          | 700                           | 759                       |
| 8.000% due 12/15/2020 (h)                          | 2,100                         | 2,453                     |
| <b>Blackstone CQP Holdco LP</b>                    |                               |                           |
| 9.296% due 03/19/2019                              | \$ 9,620                      | 9,704                     |
| <b>BNP Paribas S.A.</b>                            |                               |                           |
| 7.375% due 08/19/2025 (h)                          | 4,020                         | 4,075                     |
| <b>Cantor Commercial Real Estate Co. LP</b>        |                               |                           |
| 7.750% due 02/15/2018                              | 1,640                         | 1,641                     |
| <b>Cantor Fitzgerald LP</b>                        |                               |                           |
| 6.500% due 06/17/2022 (k)                          | 8,000                         | 8,712                     |
| <b>Credit Agricole S.A.</b>                        |                               |                           |
| 7.875% due 01/23/2024 (h)(k)                       | 7,530                         | 7,689                     |
| <b>Credit Suisse Group AG</b>                      |                               |                           |
| 7.500% due 12/11/2023 (h)(k)                       | 7,105                         | 7,537                     |
| <b>Deutsche Bank AG</b>                            |                               |                           |
| 4.250% due 10/14/2021 (k)                          | 2,000                         | 2,011                     |
| <b>EPR Properties</b>                              |                               |                           |
| 4.750% due 12/15/2026 (k)                          | 3,100                         | 3,082                     |
| <b>Flagstar Bancorp, Inc.</b>                      |                               |                           |
| 6.125% due 07/15/2021                              | 3,500                         | 3,737                     |

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|                                               |     |                                        |                                    |
|-----------------------------------------------|-----|----------------------------------------|------------------------------------|
| <b>GSPA Monetization Trust</b>                |     |                                        |                                    |
| 6.422% due 10/09/2029 (k)                     |     | 4,747                                  | 5,239                              |
| <b>Hexion U.S. Finance Corp.</b>              |     |                                        |                                    |
| 10.375% due 02/01/2022 (c)                    |     | 70                                     | 72                                 |
| 13.750% due 02/01/2022 (c)                    |     | 56                                     | 57                                 |
| <b>HSBC Holdings PLC</b>                      |     |                                        |                                    |
| 6.000% due 09/29/2023 (h)                     | EUR | 3,193                                  | 3,643                              |
| <b>Jefferies Finance LLC</b>                  |     |                                        |                                    |
| 6.875% due 04/15/2022                         | \$  | 1,000                                  | 975                                |
| 7.375% due 04/01/2020                         |     | 2,100                                  | 2,131                              |
| 7.500% due 04/15/2021                         |     | 1,444                                  | 1,460                              |
| <b>Jefferies LoanCore LLC</b>                 |     |                                        |                                    |
| 6.875% due 06/01/2020 (k)                     |     | 6,100                                  | 5,947                              |
|                                               |     | <b>PRINCIPAL<br/>AMOUNT<br/>(000S)</b> | <b>MARKET<br/>VALUE<br/>(000S)</b> |
| <b>Lloyds Banking Group PLC</b>               |     |                                        |                                    |
| 7.625% due 06/27/2023 (h)                     | GBP | 2,166                                  | \$ 2,907                           |
| 7.875% due 06/27/2029 (h)                     |     | 1,500                                  | 2,033                              |
| <b>MPT Operating Partnership LP</b>           |     |                                        |                                    |
| 5.250% due 08/01/2026                         | \$  | 1,283                                  | 1,264                              |
| <b>Nationwide Building Society</b>            |     |                                        |                                    |
| 10.250% due 06/29/2049 (h)                    | GBP | 12                                     | 2,096                              |
| <b>Navient Corp.</b>                          |     |                                        |                                    |
| 5.500% due 01/15/2019 (k)                     | \$  | 7,425                                  | 7,611                              |
| 5.625% due 08/01/2033                         |     | 2,339                                  | 1,860                              |
| <b>Novo Banco S.A.</b>                        |     |                                        |                                    |
| 5.000% due 04/04/2019                         | EUR | 298                                    | 244                                |
| 5.000% due 04/23/2019                         |     | 508                                    | 417                                |
| 5.000% due 05/14/2019                         |     | 402                                    | 329                                |
| 5.000% due 05/21/2019                         |     | 225                                    | 184                                |
| 5.000% due 05/23/2019                         |     | 224                                    | 183                                |
| <b>Omega Healthcare Investors, Inc.</b>       |     |                                        |                                    |
| 4.375% due 08/01/2023 (k)                     | \$  | 1,500                                  | 1,502                              |
| <b>OneMain Financial Holdings LLC</b>         |     |                                        |                                    |
| 6.750% due 12/15/2019                         |     | 1,349                                  | 1,405                              |
| <b>PHH Corp.</b>                              |     |                                        |                                    |
| 6.375% due 08/15/2021                         |     | 570                                    | 579                                |
| 7.375% due 09/01/2019                         |     | 700                                    | 768                                |
| <b>Rio Oil Finance Trust</b>                  |     |                                        |                                    |
| 9.250% due 07/06/2024                         |     | 4,137                                  | 4,085                              |
| 9.750% due 01/06/2027                         |     | 235                                    | 231                                |
| <b>Royal Bank of Scotland Group PLC</b>       |     |                                        |                                    |
| 7.500% due 08/10/2020 (h)                     |     | 4,070                                  | 3,958                              |
| 8.000% due 08/10/2025 (h)                     |     | 6,390                                  | 6,286                              |
| 8.625% due 08/15/2021 (h)                     |     | 1,700                                  | 1,759                              |
| <b>Santander UK Group Holdings PLC</b>        |     |                                        |                                    |
| 7.375% due 06/24/2022 (h)                     | GBP | 3,520                                  | 4,539                              |
| <b>Sberbank of Russia Via SB Capital S.A.</b> |     |                                        |                                    |
| 5.717% due 06/16/2021                         | \$  | 1,900                                  | 2,038                              |
| 6.125% due 02/07/2022                         |     | 1,500                                  | 1,636                              |
| <b>Spirit Realty LP</b>                       |     |                                        |                                    |
| 4.450% due 09/15/2026 (k)                     |     | 1,600                                  | 1,537                              |
| <b>Springleaf Finance Corp.</b>               |     |                                        |                                    |
| 5.250% due 12/15/2019                         |     | 335                                    | 338                                |
| 8.250% due 12/15/2020                         |     | 2,700                                  | 2,906                              |
| <b>Tesco Property Finance PLC</b>             |     |                                        |                                    |
| 7.623% due 07/13/2039                         | GBP | 422                                    | 632                                |
| <b>TIG FinCo PLC</b>                          |     |                                        |                                    |
| 8.500% due 03/02/2020                         |     | 252                                    | 327                                |
| 8.750% due 04/02/2020                         |     | 10,389                                 | 12,611                             |
|                                               |     |                                        | 159,257                            |
| <b>INDUSTRIALS 23.3%</b>                      |     |                                        |                                    |
| <b>ADT Corp.</b>                              |     |                                        |                                    |
| 4.875% due 07/15/2032                         | \$  | 1,722                                  | 1,395                              |
| <b>Aeropuertos Argentina S.A.</b>             |     |                                        |                                    |
| 6.875% due 02/01/2027 (c)                     |     | 500                                    | 506                                |

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|                                                           |                  |               |
|-----------------------------------------------------------|------------------|---------------|
| <b>Altice Financing S.A.</b>                              |                  |               |
| 7.500% due 05/15/2026                                     | 1,800            | 1,905         |
| <b>BCD Acquisition, Inc.</b>                              |                  |               |
| 9.625% due 09/15/2023                                     | 780              | 839           |
| <b>BMC Software Finance, Inc.</b>                         |                  |               |
| 8.125% due 07/15/2021                                     | 1,688            | 1,637         |
| <b>Boxer Parent Co., Inc. (9.000% Cash or 9.750% PIK)</b> |                  |               |
| 9.000% due 10/15/2019 (d)(k)                              | 4,342            | 4,233         |
| <b>Caesars Entertainment Operating Co., Inc.</b>          |                  |               |
| 8.500% due 02/15/2020 ^                                   | 3,246            | 3,627         |
| 9.000% due 02/15/2020 ^                                   | 1,854            | 2,067         |
| 11.250% due 06/01/2017 ^                                  | 8,039            | 8,782         |
| <b>Chesapeake Energy Corp.</b>                            |                  |               |
| 4.272% due 04/15/2019                                     | 115              | 115           |
| <b>Concordia International Corp.</b>                      |                  |               |
| 9.000% due 04/01/2022                                     | 355              | 303           |
| <b>Continental Airlines Pass-Through Trust</b>            |                  |               |
| 9.798% due 10/01/2022                                     | 947              | 1,052         |
| <b>DriveTime Automotive Group, Inc.</b>                   |                  |               |
| 8.000% due 06/01/2021 (k)                                 | 4,100            | 4,069         |
|                                                           | <b>PRINCIPAL</b> | <b>MARKET</b> |
|                                                           | <b>AMOUNT</b>    | <b>VALUE</b>  |
|                                                           | <b>(000S)</b>    | <b>(000S)</b> |
| <b>Forbes Energy Services Ltd.</b>                        |                  |               |
| 9.000% due 06/15/2019 ^                                   | \$ 608           | \$ 368        |
| <b>Ford Motor Co.</b>                                     |                  |               |
| 7.700% due 05/15/2097 (k)                                 | 7,830            | 9,137         |
| <b>Fresh Market, Inc.</b>                                 |                  |               |
| 9.750% due 05/01/2023                                     | 5,650            | 5,043         |
| <b>Harvest Operations Corp.</b>                           |                  |               |
| 2.330% due 04/14/2021                                     | 4,332            | 4,259         |
| <b>HCA, Inc.</b>                                          |                  |               |
| 7.500% due 11/15/2095                                     | 1,200            | 1,155         |
| <b>iHeartCommunications, Inc.</b>                         |                  |               |
| 9.000% due 09/15/2022                                     | 3,440            | 2,593         |
| <b>Intelsat Jackson Holdings S.A.</b>                     |                  |               |
| 7.250% due 04/01/2019                                     | 2,100            | 1,815         |
| <b>Intelsat Luxembourg S.A.</b>                           |                  |               |
| 7.750% due 06/01/2021                                     | 6,692            | 2,359         |
| 8.125% due 06/01/2023                                     | 1,121            | 378           |
| <b>Intrepid Aviation Group Holdings LLC</b>               |                  |               |
| 6.875% due 02/15/2019                                     | 7,070            | 6,469         |
| <b>Kinder Morgan Energy Partners LP</b>                   |                  |               |
| 6.375% due 03/01/2041 (k)                                 | 400              | 447           |
| <b>Kinder Morgan, Inc.</b>                                |                  |               |
| 7.800% due 08/01/2031 (k)                                 | 3,580            | 4,493         |
| <b>Kinetic Concepts, Inc.</b>                             |                  |               |
| 9.625% due 10/01/2021                                     | 6,800            | 7,298         |
| <b>Koppers, Inc.</b>                                      |                  |               |
| 6.000% due 02/15/2025                                     | 15               | 16            |
| <b>Mallinckrodt International Finance S.A.</b>            |                  |               |
| 4.750% due 04/15/2023                                     | 960              | 791           |
| 5.500% due 04/15/2025                                     | 770              | 667           |
| <b>MDC Partners, Inc.</b>                                 |                  |               |
| 6.500% due 05/01/2024                                     | 1,200            | 1,050         |
| <b>N&amp;W Global Vending SpA</b>                         |                  |               |
| 7.000% due 10/15/2023                                     | EUR 880          | 1,003         |
| <b>Park Aerospace Holdings Ltd.</b>                       |                  |               |
| 5.250% due 08/15/2022 (c)                                 | \$ 270           | 277           |
| 5.500% due 02/15/2024 (c)                                 | 140              | 144           |
| <b>Prime Security Services Borrower LLC</b>               |                  |               |
| 9.250% due 05/15/2023 (k)                                 | 2,475            | 2,688         |
| <b>QVC, Inc.</b>                                          |                  |               |
| 5.450% due 08/15/2034                                     | 900              | 824           |
| 5.950% due 03/15/2043                                     | 1,600            | 1,463         |
| <b>Radiate Holdco LLC</b>                                 |                  |               |
| 6.625% due 02/15/2025 (c)                                 | 61               | 61            |
| <b>Russian Railways via RZD Capital PLC</b>               |                  |               |
| 7.487% due 03/25/2031                                     | GBP 1,000        | 1,480         |
| <b>Safeway, Inc.</b>                                      |                  |               |

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|                                          |     |       |       |
|------------------------------------------|-----|-------|-------|
| 7.250% due 02/01/2031                    | \$  | 1,345 | 1,328 |
| <b>Sequa Corp.</b>                       |     |       |       |
| 7.000% due 12/15/2017                    |     | 7,480 | 4,114 |
| <b>SFR Group S.A.</b>                    |     |       |       |
| 7.375% due 05/01/2026 (k)                |     | 5,340 | 5,500 |
| <b>Silversea Cruise Finance Ltd.</b>     |     |       |       |
| 7.250% due 02/01/2025                    |     | 21    | 22    |
| <b>Soho House Bond Ltd.</b>              |     |       |       |
| 9.125% due 10/01/2018                    | GBP | 2,700 | 3,485 |
| <b>Spanish Broadcasting System, Inc.</b> |     |       |       |
| 12.500% due 04/15/2017                   | \$  | 2,100 | 2,095 |
| <b>Spirit Issuer PLC</b>                 |     |       |       |
| 3.067% due 12/28/2031                    | GBP | 1,000 | 1,185 |
| 6.582% due 12/28/2027                    |     | 1,400 | 1,939 |
| <b>Tech Data Corp.</b>                   |     |       |       |
| 3.700% due 02/15/2022                    | \$  | 30    | 30    |
| 4.950% due 02/15/2027                    |     | 40    | 40    |
| <b>Tembec Industries, Inc.</b>           |     |       |       |
| 9.000% due 12/15/2019 (k)                |     | 2,200 | 2,238 |
| <b>Tennessee Merger Sub, Inc.</b>        |     |       |       |
| 6.375% due 02/01/2025 (c)                |     | 99    | 97    |
| <b>Times Square Hotel Trust</b>          |     |       |       |
| 8.528% due 08/01/2026                    |     | 1,738 | 2,055 |
| <b>Transocean, Inc.</b>                  |     |       |       |
| 9.000% due 07/15/2023                    |     | 724   | 774   |

32 PIMCO CLOSED-END FUNDS

See Accompanying Notes

January 31, 2017 (Unaudited)

|                                         | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|-----------------------------------------|-------------------------------|---------------------------|
| <b>Trinidad Drilling Ltd.</b>           |                               |                           |
| 6.625% due 02/15/2025 (c)               | \$ 32                         | \$ 33                     |
| <b>UCP, Inc.</b>                        |                               |                           |
| 8.500% due 10/21/2017                   | 6,000                         | 5,968                     |
| <b>Unique Pub Finance Co. PLC</b>       |                               |                           |
| 5.659% due 06/30/2027                   | GBP 3,738                     | 5,034                     |
| 6.542% due 03/30/2021                   | 1,687                         | 2,296                     |
| <b>Virgin Media Secured Finance PLC</b> |                               |                           |
| 5.000% due 04/15/2027 (c)               | 600                           | 750                       |
| <b>Westmoreland Coal Co.</b>            |                               |                           |
| 8.750% due 01/01/2022                   | \$ 5,955                      | 5,449                     |
| <b>Zayo Group LLC</b>                   |                               |                           |
| 5.750% due 01/15/2027                   | 30                            | 31                        |

131,271

**UTILITIES 7.4%**

|                                                      |           |       |
|------------------------------------------------------|-----------|-------|
| <b>Gazprom Neft OAO Via GPN Capital S.A.</b>         |           |       |
| 4.375% due 09/19/2022 (k)                            | 8,800     | 8,799 |
| 4.375% due 09/19/2022                                | 280       | 280   |
| 6.000% due 11/27/2023 (k)                            | 4,900     | 5,255 |
| <b>Illinois Power Generating Co.</b>                 |           |       |
| 6.300% due 04/01/2020 ^                              | 6,400     | 2,400 |
| 7.000% due 04/15/2018 ^                              | 1,900     | 713   |
| 7.950% due 06/01/2032 ^                              | 700       | 259   |
| <b>Mountain States Telephone &amp; Telegraph Co.</b> |           |       |
| 7.375% due 05/01/2030                                | 8,200     | 8,620 |
| <b>Odebrecht Drilling Norbe Ltd.</b>                 |           |       |
| 6.350% due 06/30/2022                                | 286       | 134   |
| <b>Odebrecht Offshore Drilling Finance Ltd.</b>      |           |       |
| 6.625% due 10/01/2023                                | 2,650     | 921   |
| 6.750% due 10/01/2023                                | 2,860     | 972   |
| <b>Petrobras Global Finance BV</b>                   |           |       |
| 6.125% due 01/17/2022                                | 175       | 181   |
| 6.250% due 12/14/2026                                | GBP 4,800 | 5,822 |
| 6.625% due 01/16/2034                                | 100       | 114   |
| 6.750% due 01/27/2041                                | \$ 2,300  | 2,059 |
| 7.375% due 01/17/2027                                | 220       | 230   |
| <b>Sprint Capital Corp.</b>                          |           |       |
| 6.900% due 05/01/2019                                | 1,100     | 1,177 |
| <b>Terraform Global Operating LLC</b>                |           |       |
| 9.750% due 08/15/2022                                | 2,760     | 3,057 |
| <b>TerraForm Power Operating LLC</b>                 |           |       |
| 6.375% due 02/01/2023                                | 625       | 645   |

41,638

|                                                           |                |
|-----------------------------------------------------------|----------------|
| <b>Total Corporate Bonds &amp; Notes (Cost \$336,125)</b> | <b>332,166</b> |
|-----------------------------------------------------------|----------------|

**CONVERTIBLE BONDS & NOTES 0.7%****INDUSTRIALS 0.7%**

|                                                           |       |              |
|-----------------------------------------------------------|-------|--------------|
| <b>DISH Network Corp.</b>                                 |       |              |
| 3.375% due 08/15/2026                                     | 3,400 | 3,989        |
| <b>Total Convertible Bonds &amp; Notes (Cost \$3,400)</b> |       | <b>3,989</b> |

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## MUNICIPAL BONDS & NOTES 4.3%

### CALIFORNIA 0.9%

#### Riverside County, California Redevelopment Successor Agency Tax Allocation Bonds, Series 2010

|                       |       |       |
|-----------------------|-------|-------|
| 7.750% due 10/01/2037 | 1,220 | 1,302 |
|-----------------------|-------|-------|

#### Stockton Public Financing Authority, California Revenue Bonds, (BABs), Series 2009

|                       |       |       |
|-----------------------|-------|-------|
| 7.942% due 10/01/2038 | 3,400 | 3,741 |
|-----------------------|-------|-------|

5,043

### ILLINOIS 2.3%

#### Chicago, Illinois General Obligation Bonds, (BABs), Series 2010

|                       |        |        |
|-----------------------|--------|--------|
| 7.517% due 01/01/2040 | 12,700 | 12,984 |
|-----------------------|--------|--------|

PRINCIPAL  
AMOUNT  
(000S)

MARKET  
VALUE  
(000S)

#### Chicago, Illinois General Obligation Bonds, Series 2017

|                           |        |        |
|---------------------------|--------|--------|
| 7.045% due 01/01/2029 (c) | \$ 110 | \$ 112 |
|---------------------------|--------|--------|

13,096

### VIRGINIA 0.1%

#### Tobacco Settlement Financing Corp., Virginia Revenue Bonds, Series 2007

|                       |     |     |
|-----------------------|-----|-----|
| 6.706% due 06/01/2046 | 785 | 632 |
|-----------------------|-----|-----|

### WEST VIRGINIA 1.0%

#### Tobacco Settlement Finance Authority, West Virginia Revenue Bonds, Series 2007

|                       |       |       |
|-----------------------|-------|-------|
| 7.467% due 06/01/2047 | 5,995 | 5,330 |
|-----------------------|-------|-------|

#### Total Municipal Bonds & Notes (Cost \$23,392)

24,101

## U.S. GOVERNMENT AGENCIES 4.1%

### Fannie Mae

|                           |        |        |
|---------------------------|--------|--------|
| 3.000% due 02/25/2043 (a) | 62,311 | 13,058 |
|---------------------------|--------|--------|

|                       |     |     |
|-----------------------|-----|-----|
| 5.021% due 01/25/2029 | 400 | 424 |
|-----------------------|-----|-----|

### Freddie Mac

|                       |       |       |
|-----------------------|-------|-------|
| 2.563% due 11/25/2055 | 8,292 | 4,664 |
|-----------------------|-------|-------|

|                       |       |       |
|-----------------------|-------|-------|
| 8.321% due 12/25/2027 | 3,298 | 3,690 |
|-----------------------|-------|-------|

|                        |     |     |
|------------------------|-----|-----|
| 11.521% due 03/25/2025 | 741 | 906 |
|------------------------|-----|-----|

#### Total U.S. Government Agencies (Cost \$20,652)

22,742

## NON-AGENCY MORTGAGE-BACKED SECURITIES 28.1%

### Banc of America Alternative Loan Trust

|                         |       |       |
|-------------------------|-------|-------|
| 5.500% due 10/25/2035 ^ | 5,133 | 4,553 |
|-------------------------|-------|-------|

|                         |     |     |
|-------------------------|-----|-----|
| 6.000% due 01/25/2036 ^ | 142 | 121 |
|-------------------------|-----|-----|

### Banc of America Funding Trust

|                         |     |     |
|-------------------------|-----|-----|
| 6.000% due 07/25/2037 ^ | 384 | 301 |
|-------------------------|-----|-----|

### Banc of America Mortgage Trust

|                       |     |     |
|-----------------------|-----|-----|
| 3.117% due 03/25/2035 | 125 | 113 |
|-----------------------|-----|-----|

|                         |       |       |
|-------------------------|-------|-------|
| 5.500% due 11/25/2035 ^ | 2,295 | 2,247 |
|-------------------------|-------|-------|

|                         |     |     |
|-------------------------|-----|-----|
| 6.000% due 03/25/2037 ^ | 487 | 444 |
|-------------------------|-----|-----|

|                       |     |     |
|-----------------------|-----|-----|
| 6.500% due 09/25/2033 | 215 | 212 |
|-----------------------|-----|-----|

### BCAP LLC Trust

|                       |       |       |
|-----------------------|-------|-------|
| 3.068% due 03/27/2036 | 2,229 | 1,202 |
|-----------------------|-------|-------|

|                       |       |       |
|-----------------------|-------|-------|
| 3.259% due 08/28/2037 | 6,643 | 5,230 |
|-----------------------|-------|-------|

|                       |       |     |
|-----------------------|-------|-----|
| 5.078% due 03/26/2037 | 1,156 | 351 |
|-----------------------|-------|-----|

|                       |       |       |
|-----------------------|-------|-------|
| 8.419% due 07/26/2036 | 1,687 | 1,664 |
|-----------------------|-------|-------|

### Bear Stearns ALT-A Trust

|                         |       |       |
|-------------------------|-------|-------|
| 1.271% due 01/25/2036 ^ | 1,695 | 1,518 |
|-------------------------|-------|-------|

|                         |       |       |
|-------------------------|-------|-------|
| 3.083% due 11/25/2035 ^ | 7,805 | 7,102 |
|-------------------------|-------|-------|

|                         |       |       |
|-------------------------|-------|-------|
| 3.104% due 09/25/2047 ^ | 7,633 | 5,450 |
|-------------------------|-------|-------|

|                         |       |       |
|-------------------------|-------|-------|
| 3.110% due 11/25/2036 ^ | 4,963 | 4,065 |
|-------------------------|-------|-------|

|                         |       |     |
|-------------------------|-------|-----|
| 3.201% due 08/25/2036 ^ | 1,196 | 885 |
|-------------------------|-------|-----|

|                         |     |     |
|-------------------------|-----|-----|
| 3.477% due 09/25/2035 ^ | 825 | 681 |
|-------------------------|-----|-----|

### Bear Stearns Commercial Mortgage Securities Trust

|                       |     |     |
|-----------------------|-----|-----|
| 5.714% due 04/12/2038 | 210 | 162 |
|-----------------------|-----|-----|

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|                                                            |                                        |                                    |
|------------------------------------------------------------|----------------------------------------|------------------------------------|
| <b>Bear Stearns Mortgage Funding Trust</b>                 |                                        |                                    |
| 7.500% due 08/25/2036                                      | 1,495                                  | 1,435                              |
| <b>Chase Mortgage Finance Trust</b>                        |                                        |                                    |
| 3.189% due 12/25/2035 ^                                    | 14                                     | 14                                 |
| 6.000% due 07/25/2037 ^                                    | 1,014                                  | 842                                |
| <b>Chase Mortgage Trust</b>                                |                                        |                                    |
| 3.750% due 12/25/2045                                      | 539                                    | 504                                |
| <b>Citigroup Mortgage Loan Trust, Inc.</b>                 |                                        |                                    |
| 3.174% due 04/25/2037 ^                                    | 323                                    | 264                                |
| 4.593% due 09/25/2037 ^                                    | 3,398                                  | 2,773                              |
| <b>Citigroup/Deutsche Bank Commercial Mortgage Trust</b>   |                                        |                                    |
| 5.398% due 12/11/2049                                      | 227                                    | 205                                |
| <b>Commercial Mortgage Loan Trust</b>                      |                                        |                                    |
| 6.096% due 12/10/2049                                      | 1,973                                  | 1,251                              |
| <b>Countrywide Alternative Loan Resecuritization Trust</b> |                                        |                                    |
| 6.000% due 08/25/2037 ^                                    | 1,411                                  | 1,101                              |
| <b>Countrywide Alternative Loan Trust</b>                  |                                        |                                    |
| 5.500% due 03/25/2035                                      | 393                                    | 311                                |
| 5.500% due 03/25/2036 ^                                    | 200                                    | 156                                |
| 5.750% due 01/25/2035                                      | 485                                    | 489                                |
| 5.750% due 02/25/2035                                      | 535                                    | 519                                |
|                                                            | <b>PRINCIPAL<br/>AMOUNT<br/>(000S)</b> | <b>MARKET<br/>VALUE<br/>(000S)</b> |
| 5.750% due 03/25/2037 ^                                    | \$ 979                                 | \$ 847                             |
| 6.000% due 02/25/2035                                      | 1,262                                  | 1,289                              |
| 6.000% due 04/25/2036                                      | 1,347                                  | 994                                |
| 6.000% due 02/25/2037 ^                                    | 7,057                                  | 4,882                              |
| 6.000% due 04/25/2037 ^                                    | 1,565                                  | 1,111                              |
| 6.000% due 07/25/2037 ^                                    | 383                                    | 370                                |
| 6.250% due 12/25/2036 ^                                    | 1,880                                  | 1,389                              |
| 6.500% due 08/25/2036 ^                                    | 633                                    | 428                                |
| <b>Countrywide Home Loan Mortgage Pass-Through Trust</b>   |                                        |                                    |
| 3.019% due 09/20/2036 ^                                    | 387                                    | 311                                |
| 6.000% due 07/25/2037                                      | 2,329                                  | 1,881                              |
| <b>Credit Suisse Commercial Mortgage Trust</b>             |                                        |                                    |
| 5.870% due 09/15/2040                                      | 3,200                                  | 3,025                              |
| <b>Credit Suisse Mortgage Capital Certificates</b>         |                                        |                                    |
| 3.193% due 10/26/2036                                      | 7,449                                  | 4,602                              |
| <b>Epic Drummond Ltd.</b>                                  |                                        |                                    |
| 0.000% due 01/25/2022                                      | EUR 383                                | 407                                |
| <b>Fannie Mae</b>                                          |                                        |                                    |
| 4.316% due 07/25/2029                                      | \$ 1,260                               | 1,281                              |
| 6.516% due 07/25/2029                                      | 1,150                                  | 1,231                              |
| <b>First Horizon Alternative Mortgage Securities Trust</b> |                                        |                                    |
| 6.000% due 08/25/2036 ^                                    | 5,877                                  | 4,980                              |
| <b>GS Mortgage Securities Trust</b>                        |                                        |                                    |
| 5.622% due 11/10/2039                                      | 1,500                                  | 1,401                              |
| <b>GSR Mortgage Loan Trust</b>                             |                                        |                                    |
| 3.285% due 08/25/2034                                      | 614                                    | 588                                |
| 5.500% due 05/25/2036 ^                                    | 543                                    | 516                                |
| 6.000% due 02/25/2036 ^                                    | 3,721                                  | 3,007                              |
| <b>HarborView Mortgage Loan Trust</b>                      |                                        |                                    |
| 1.009% due 01/19/2036 ^                                    | 5,423                                  | 3,626                              |
| 3.367% due 06/19/2036 ^                                    | 9,093                                  | 5,717                              |
| <b>IndyMac Mortgage Loan Trust</b>                         |                                        |                                    |
| 6.500% due 07/25/2037 ^                                    | 3,623                                  | 2,218                              |
| <b>Jefferies Resecuritization Trust</b>                    |                                        |                                    |
| 6.000% due 05/26/2036                                      | 16,450                                 | 11,681                             |
| <b>JPMorgan Alternative Loan Trust</b>                     |                                        |                                    |
| 3.013% due 03/25/2037 ^                                    | 2,274                                  | 2,031                              |
| 6.000% due 12/25/2035 ^                                    | 2,307                                  | 2,105                              |
| <b>JPMorgan Chase Commercial Mortgage Securities Trust</b> |                                        |                                    |
| 5.623% due 05/12/2045                                      | 1,654                                  | 1,426                              |
| <b>JPMorgan Mortgage Trust</b>                             |                                        |                                    |
| 3.154% due 01/25/2037 ^                                    | 950                                    | 852                                |
| 3.176% due 04/25/2037                                      | 13                                     | 12                                 |
| 3.297% due 02/25/2036 ^                                    | 3,812                                  | 3,396                              |
| <b>LB-UBS Commercial Mortgage Trust</b>                    |                                        |                                    |
| 5.407% due 11/15/2038                                      | 917                                    | 708                                |



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|                                                            |           |       |
|------------------------------------------------------------|-----------|-------|
| 5.562% due 02/15/2040                                      | 1,798     | 1,343 |
| <b>Lehman Mortgage Trust</b>                               |           |       |
| 6.000% due 07/25/2036 ^                                    | 1,184     | 920   |
| 6.000% due 07/25/2037 ^                                    | 256       | 229   |
| <b>Lehman XS Trust</b>                                     |           |       |
| 0.991% due 06/25/2047                                      | 3,088     | 2,384 |
| <b>MASTR Alternative Loan Trust</b>                        |           |       |
| 6.750% due 07/25/2036                                      | 2,140     | 1,509 |
| <b>Merrill Lynch Mortgage Investors Trust</b>              |           |       |
| 3.019% due 03/25/2036 ^                                    | 917       | 633   |
| <b>Mesdag Delta BV</b>                                     |           |       |
| 0.000% due 01/25/2020                                      | EUR 1,299 | 1,327 |
| <b>Residential Accredit Loans, Inc. Trust</b>              |           |       |
| 1.001% due 05/25/2037 ^                                    | \$ 265    | 65    |
| 4.184% due 12/26/2034 ^                                    | 2,473     | 1,965 |
| 6.000% due 08/25/2036 ^                                    | 463       | 393   |
| <b>Residential Asset Mortgage Products Trust</b>           |           |       |
| 6.500% due 12/25/2031                                      | 709       | 719   |
| <b>Residential Asset Securitization Trust</b>              |           |       |
| 6.000% due 11/25/2036 ^                                    | 3,144     | 2,171 |
| 6.250% due 09/25/2037 ^                                    | 2,954     | 2,018 |
| 6.250% due 06/25/2046                                      | 1,528     | 1,270 |
| <b>Residential Funding Mortgage Securities, Inc. Trust</b> |           |       |
| 3.894% due 02/25/2037                                      | 2,217     | 1,794 |
| 6.500% due 03/25/2032                                      | 230       | 240   |
| <b>Sequoia Mortgage Trust</b>                              |           |       |
| 3.362% due 02/20/2047                                      | 492       | 445   |
| 4.724% due 07/20/2037 ^                                    | 1,046     | 928   |

See Accompanying Notes

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**Schedule of Investments PIMCO Corporate & Income Strategy Fund (Cont.)**

|                                                                     | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|---------------------------------------------------------------------|-------------------------------|---------------------------|
| <b>Structured Adjustable Rate Mortgage Loan Trust</b>               |                               |                           |
| 3.139% due 07/25/2035 ^                                             | \$ 1,086                      | \$ 938                    |
| 3.228% due 07/25/2036 ^                                             | 8,406                         | 5,833                     |
| 3.235% due 11/25/2036 ^                                             | 3,684                         | 2,846                     |
| 3.254% due 01/25/2036 ^                                             | 2,893                         | 2,198                     |
| 3.502% due 07/25/2036 ^                                             | 845                           | 671                       |
| 4.850% due 03/25/2037 ^                                             | 3,817                         | 2,666                     |
| <b>Suntrust Adjustable Rate Mortgage Loan Trust</b>                 |                               |                           |
| 3.097% due 04/25/2037 ^                                             | 862                           | 734                       |
| 3.408% due 02/25/2037 ^                                             | 511                           | 456                       |
| <b>WaMu Mortgage Pass-Through Certificates Trust</b>                |                               |                           |
| 2.616% due 07/25/2037 ^                                             | 598                           | 494                       |
| 3.627% due 02/25/2037 ^                                             | 788                           | 748                       |
| 4.326% due 07/25/2037 ^                                             | 1,396                         | 1,283                     |
| 5.972% due 10/25/2036 ^                                             | 3,054                         | 2,432                     |
| <b>Washington Mutual Mortgage Pass-Through Certificates Trust</b>   |                               |                           |
| 1.436% due 05/25/2047 ^                                             | 284                           | 17                        |
| 6.000% due 10/25/2035 ^                                             | 2,273                         | 1,802                     |
| <b>Wells Fargo Mortgage-Backed Securities Trust</b>                 |                               |                           |
| 2.997% due 07/25/2036 ^                                             | 553                           | 525                       |
| 3.090% due 05/25/2036 ^                                             | 100                           | 96                        |
| <b>Total Non-Agency Mortgage-Backed Securities (Cost \$156,859)</b> |                               | <b>158,569</b>            |
| <b>ASSET-BACKED SECURITIES 18.6%</b>                                |                               |                           |
| <b>ACE Securities Corp. Home Equity Loan Trust</b>                  |                               |                           |
| 1.161% due 02/25/2036                                               | 29,616                        | 11,299                    |
| <b>Airspeed Ltd.</b>                                                |                               |                           |
| 1.037% due 06/15/2032                                               | 3,366                         | 2,649                     |
| <b>Argent Securities Trust</b>                                      |                               |                           |
| 0.961% due 03/25/2036                                               | 4,174                         | 2,205                     |
| <b>Bear Stearns Asset-Backed Securities Trust</b>                   |                               |                           |
| 0.911% due 10/25/2036 ^                                             | 6,046                         | 5,579                     |
| 6.500% due 10/25/2036 ^                                             | 381                           | 292                       |
| <b>BlueMountain CLO Ltd.</b>                                        |                               |                           |
| 6.472% due 04/13/2027                                               | 1,000                         | 981                       |
| <b>CIFC Funding Ltd.</b>                                            |                               |                           |
| 0.000% due 05/24/2026 (f)                                           | 2,300                         | 1,693                     |
| 0.000% due 07/22/2026                                               | 1,500                         | 922                       |
| <b>Citigroup Mortgage Loan Trust, Inc.</b>                          |                               |                           |
| 0.931% due 12/25/2036                                               | 4,457                         | 2,769                     |
| <b>Countrywide Asset-Backed Certificates</b>                        |                               |                           |
| 0.911% due 06/25/2047 ^                                             | 1,915                         | 1,390                     |
| 0.941% due 03/25/2037                                               | 2,947                         | 2,749                     |
| 1.491% due 01/25/2036                                               | 4,000                         | 3,386                     |
| <b>First Franklin Mortgage Loan Trust</b>                           |                               |                           |
| 1.401% due 09/25/2035                                               | 3,949                         | 2,081                     |
| 1.746% due 05/25/2036                                               | 7,817                         | 3,474                     |
| <b>Fremont Home Loan Trust</b>                                      |                               |                           |
| 1.701% due 06/25/2035 ^                                             | 6,000                         | 4,741                     |
| <b>Grosvenor Place CLO BV</b>                                       |                               |                           |
| 0.000% due 04/30/2029                                               | EUR 500                       | 445                       |
| <b>Highbridge Loan Management Ltd.</b>                              |                               |                           |
| 6.331% due 05/05/2027                                               | \$ 500                        | 489                       |
| <b>HSI Asset Securitization Corp. Trust</b>                         |                               |                           |
| 0.000% due 10/25/2036 (b)(f)                                        | 3,522                         | 1,592                     |
| <b>IndyMac Home Equity Mortgage Loan Asset-Backed Trust</b>         |                               |                           |
| 0.931% due 07/25/2037                                               | 11,592                        | 7,212                     |
| <b>JPMorgan Mortgage Acquisition Corp.</b>                          |                               |                           |

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|                                                                           |                  |        |                |
|---------------------------------------------------------------------------|------------------|--------|----------------|
| 1.061% due 01/25/2036                                                     |                  | 783    | 733            |
|                                                                           | <b>PRINCIPAL</b> |        | <b>MARKET</b>  |
|                                                                           | <b>AMOUNT</b>    |        | <b>VALUE</b>   |
|                                                                           | <b>(000S)</b>    |        | <b>(000S)</b>  |
| <b>JPMorgan Mortgage Acquisition Trust</b>                                |                  |        |                |
| 0.916% due 11/25/2036                                                     | \$               | 5,379  | \$ 4,463       |
| 4.805% due 10/25/2030 ^                                                   |                  | 7,062  | 5,183          |
| <b>Lehman XS Trust</b>                                                    |                  |        |                |
| 5.170% due 08/25/2035 ^                                                   |                  | 377    | 364            |
| <b>Long Beach Mortgage Loan Trust</b>                                     |                  |        |                |
| 1.071% due 01/25/2036                                                     |                  | 5,000  | 3,566          |
| <b>Magnetite Ltd.</b>                                                     |                  |        |                |
| 6.173% due 04/15/2027                                                     |                  | 1,000  | 968            |
| <b>Merrill Lynch Mortgage Investors Trust</b>                             |                  |        |                |
| 0.916% due 04/25/2037                                                     |                  | 597    | 336            |
| <b>Morgan Stanley ABS Capital, Inc. Trust</b>                             |                  |        |                |
| 0.921% due 06/25/2036                                                     |                  | 1,785  | 1,547          |
| <b>Morgan Stanley Mortgage Loan Trust</b>                                 |                  |        |                |
| 6.250% due 07/25/2047 ^                                                   |                  | 834    | 595            |
| <b>Park Place Securities, Inc. Asset-Backed Pass-Through Certificates</b> |                  |        |                |
| 1.291% due 08/25/2035                                                     |                  | 5,000  | 3,851          |
| 2.541% due 10/25/2034                                                     |                  | 573    | 506            |
| <b>Residential Asset Mortgage Products Trust</b>                          |                  |        |                |
| 1.851% due 12/25/2033                                                     |                  | 221    | 205            |
| 1.971% due 01/25/2035 ^                                                   |                  | 2,920  | 2,077          |
| <b>SLM Student Loan Trust</b>                                             |                  |        |                |
| 0.000% due 10/28/2029 (f)                                                 |                  | 3      | 3,035          |
| 0.000% due 01/25/2042 (f)                                                 |                  | 4      | 3,989          |
| <b>Soundview Home Loan Trust</b>                                          |                  |        |                |
| 1.021% due 08/25/2037                                                     |                  | 2,000  | 1,467          |
| <b>South Coast Funding Ltd.</b>                                           |                  |        |                |
| 1.482% due 08/10/2038                                                     |                  | 10,593 | 2,188          |
| <b>Taberna Preferred Funding Ltd.</b>                                     |                  |        |                |
| 1.158% due 08/05/2036                                                     |                  | 478    | 344            |
| 1.158% due 08/05/2036 ^                                                   |                  | 8,845  | 6,368          |
| 1.469% due 07/05/2035                                                     |                  | 9,303  | 7,070          |
| <b>Total Asset-Backed Securities</b>                                      |                  |        |                |
| <b>(Cost \$103,489)</b>                                                   |                  |        | <b>104,803</b> |
| <b>SOVEREIGN ISSUES 2.0%</b>                                              |                  |        |                |
| <b>Argentine Government International Bond</b>                            |                  |        |                |
| 2.260% due 12/31/2038                                                     | EUR              | 150    | 94             |
| 3.875% due 01/15/2022                                                     |                  | 200    | 210            |
| 5.000% due 01/15/2027                                                     |                  | 700    | 691            |
| 5.625% due 01/26/2022                                                     | \$               | 160    | 161            |
| 6.875% due 01/26/2027                                                     |                  | 280    | 277            |
| 7.820% due 12/31/2033                                                     | EUR              | 2,972  | 3,273          |
| <b>Autonomous Community of Catalonia</b>                                  |                  |        |                |
| 4.900% due 09/15/2021                                                     |                  | 1,500  | 1,713          |
| <b>Republic of Greece Government International Bond</b>                   |                  |        |                |
| 3.000% due 02/24/2023                                                     |                  | 142    | 121            |
| 3.000% due 02/24/2024                                                     |                  | 142    | 119            |
| 3.000% due 02/24/2025                                                     |                  | 142    | 116            |
| 3.000% due 02/24/2026                                                     |                  | 142    | 114            |
| 3.000% due 02/24/2027                                                     |                  | 142    | 112            |
| 3.000% due 02/24/2028                                                     |                  | 142    | 107            |
| 3.000% due 02/24/2029                                                     |                  | 142    | 104            |
| 3.000% due 02/24/2030                                                     |                  | 142    | 101            |
| 3.000% due 02/24/2031                                                     |                  | 142    | 100            |
| 3.000% due 02/24/2032                                                     |                  | 142    | 98             |
| 3.000% due 02/24/2033                                                     |                  | 142    | 96             |
| 3.000% due 02/24/2034                                                     |                  | 142    | 94             |
| 3.000% due 02/24/2035                                                     |                  | 142    | 93             |
| 3.000% due 02/24/2036                                                     |                  | 142    | 92             |
| 3.000% due 02/24/2037                                                     |                  | 142    | 91             |
| 3.000% due 02/24/2038                                                     |                  | 142    | 90             |
|                                                                           | <b>PRINCIPAL</b> |        | <b>MARKET</b>  |
|                                                                           | <b>AMOUNT</b>    |        | <b>VALUE</b>   |

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|                                            |     | (000S) | (000S) |
|--------------------------------------------|-----|--------|--------|
| 3.000% due 02/24/2039                      | EUR | 142    | \$ 90  |
| 3.000% due 02/24/2040                      |     | 142    | 90     |
| 3.000% due 02/24/2041                      |     | 142    | 90     |
| 3.000% due 02/24/2042                      |     | 142    | 89     |
| 3.800% due 08/08/2017                      | JPY | 47,000 | 403    |
| 4.750% due 04/17/2019                      | EUR | 400    | 398    |
| <b>Saudi Government International Bond</b> |     |        |        |
| 3.250% due 10/26/2026                      | \$  | 200    | 191    |
| 4.500% due 10/26/2046                      |     | 1,600  | 1,568  |

**Total Sovereign Issues (Cost \$10,688)** **10,986**

**SHARES**

**COMMON STOCKS 0.0%**

**FINANCIALS 0.0%**

|                          |         |     |
|--------------------------|---------|-----|
| <b>TIG FinCo PLC (i)</b> | 182,606 | 170 |
|--------------------------|---------|-----|

**Total Common Stocks (Cost \$271)** **170**

**PREFERRED SECURITIES 1.6%**

**BANKING & FINANCE 1.6%**

|                                  |  |       |       |
|----------------------------------|--|-------|-------|
| <b>Farm Credit Bank of Texas</b> |  |       |       |
| 10.000% due 12/15/2020 (h)       |  | 7,450 | 8,959 |
| <b>Morgan Stanley</b>            |  |       |       |
| 5.850% due 04/15/2027 (h)        |  | 1,675 | 42    |

**Total Preferred Securities (Cost \$9,205)** **9,001**

**SHORT-TERM INSTRUMENTS 2.7%**

**REPURCHASE AGREEMENTS (j) 1.4%**

8,056

**PRINCIPAL  
AMOUNT  
(000S)**

**SHORT-TERM NOTES 0.4%**

|                               |    |       |       |
|-------------------------------|----|-------|-------|
| <b>Federal Home Loan Bank</b> |    |       |       |
| 0.512% due 02/17/2017 (g)     | \$ | 1,500 | 1,499 |
| 0.533% due 03/10/2017 (f)(g)  |    | 400   | 400   |

1,899

**U.S. TREASURY BILLS 0.9%**

|                                                 |  |       |       |
|-------------------------------------------------|--|-------|-------|
| 0.478% due 02/23/2017 - 03/16/2017 (e)(f)(m)(o) |  | 5,262 | 5,260 |
|-------------------------------------------------|--|-------|-------|

**Total Short-Term Instruments (Cost \$15,215)** **15,215**

**Total Investments in Securities (Cost \$695,269)** **697,129**

**Total Investments 123.7% (Cost \$695,269)** **\$ 697,129**

**Financial Derivative**

**Instruments (l)(n) (0.5)%**

**(Cost or Premiums, net \$(1,210))** **(2,733)**

**Preferred Shares (9.9)%** **(55,525)**

**Other Assets and Liabilities, net (13.3)%** **(75,176)**

**Net Assets Applicable to Common Shareholders 100.0%** **\$ 563,695**

**NOTES TO SCHEDULE OF INVESTMENTS (AMOUNTS IN THOUSANDS\*):**

\* A zero balance may reflect actual amounts rounding to less than one thousand.

^ Security is in default.

(a) Interest only security.

(b) Principal only security.

(c) When-issued security.

**34 PIMCO CLOSED-END FUNDS**

See Accompanying Notes

January 31, 2017 (Unaudited)

- (d) Payment in-kind security.  
(e) Coupon represents a weighted average yield to maturity.  
(f) Zero coupon security.  
(g) Coupon represents a yield to maturity.  
(h) Perpetual maturity; date shown, if applicable, represents next contractual call date.

(i) RESTRICTED SECURITIES:

| Issuer Description | Acquisition Date | Cost   | Market Value | Market Value as Percentage of Net Assets |
|--------------------|------------------|--------|--------------|------------------------------------------|
| TIG FinCo PLC      | 04/02/2015       | \$ 271 | \$ 170       | 0.03%                                    |

BORROWINGS AND OTHER FINANCING TRANSACTIONS

(j) REPURCHASE AGREEMENTS:

| Counterparty                       | Lending Rate | Settlement Date | Maturity Date | Principal Amount | Collateralized By                                        | Collateral (Received) | Repurchase Agreements, at Value | Repurchase Agreement Proceeds to be Received <sup>(1)</sup> |
|------------------------------------|--------------|-----------------|---------------|------------------|----------------------------------------------------------|-----------------------|---------------------------------|-------------------------------------------------------------|
| JPS                                | 0.690%       | 01/31/2017      | 02/01/2017    | \$ 7,000         | Ginnie Mae 3.000% due 01/20/2047                         | \$ (7,260)            | \$ 7,000                        | \$ 7,000                                                    |
| SSB                                | 0.010        | 01/31/2017      | 02/01/2017    | 1,056            | U.S. Treasury Notes 1.000% due 05/15/2018 <sup>(2)</sup> | (1,078)               | 1,056                           | 1,056                                                       |
| <b>Total Repurchase Agreements</b> |              |                 |               |                  |                                                          | <b>\$ (8,338)</b>     | <b>\$ 8,056</b>                 | <b>\$ 8,056</b>                                             |

<sup>(1)</sup> Includes accrued interest.

<sup>(2)</sup> Collateral is held in custody by the counterparty

REVERSE REPURCHASE AGREEMENTS:

| Counterparty | Borrowing Rate <sup>(3)</sup> | Settlement Date | Maturity Date | Amount Borrowed <sup>(3)</sup> | Payable for Reverse Repurchase Agreements |
|--------------|-------------------------------|-----------------|---------------|--------------------------------|-------------------------------------------|
| BCY          | 0.000%                        | 12/16/2016      | 12/16/2017    | \$ (529)                       | \$ (529)                                  |
| JML          | 1.850                         | 01/10/2017      | 02/08/2017    | (11,284)                       | (11,297)                                  |
| MSC          | 1.400                         | 11/02/2016      | 02/02/2017    | (13,388)                       | (13,435)                                  |

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|     |       |            |            |          |          |
|-----|-------|------------|------------|----------|----------|
|     | 1.530 | 02/02/2017 | 05/02/2017 | (12,600) | (12,600) |
| RBC | 1.880 | 08/25/2016 | 02/27/2017 | (6,772)  | (6,829)  |
|     | 1.540 | 11/14/2016 | 02/14/2017 | (1,322)  | (1,326)  |
| RDR | 1.390 | 12/27/2016 | 03/22/2017 | (8,089)  | (8,100)  |
|     | 1.380 | 01/19/2017 | 04/12/2017 | (6,368)  | (6,371)  |
| UBS | 1.730 | 11/14/2016 | 02/14/2017 | (4,470)  | (4,487)  |
|     | 1.630 | 11/22/2016 | 02/03/2017 | (1,898)  | (1,904)  |
|     | 1.300 | 11/22/2016 | 02/22/2017 | (3,247)  | (3,255)  |
|     | 1.470 | 11/25/2016 | 02/27/2017 | (2,035)  | (2,041)  |
|     | 1.730 | 12/01/2016 | 03/02/2017 | (4,682)  | (4,696)  |
|     | 1.810 | 12/14/2016 | 03/14/2017 | (3,907)  | (3,917)  |
|     | 1.710 | 12/15/2016 | 02/21/2017 | (4,149)  | (4,158)  |
|     | 1.730 | 12/15/2016 | 03/02/2017 | (419)    | (420)    |
|     | 1.890 | 01/20/2017 | 04/21/2017 | (2,607)  | (2,609)  |

**Total Reverse Repurchase Agreements** **\$ (87,974)**

<sup>(3)</sup> The average amount of borrowings outstanding during the period ended January 31, 2017 was \$(83,972) at a weighted average interest rate of 1.478%. Average borrowings includes sale-buyback transactions, of which there were none open at period end.

See Accompanying Notes

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**Schedule of Investments PIMCO Corporate & Income Strategy Fund (Cont.)****BORROWINGS AND OTHER FINANCING TRANSACTIONS SUMMARY**

The following is a summary by counterparty of the market value of Borrowings and Other Financing Transactions and collateral pledged/(received) as of January 31, 2017:

(k) Securities with an aggregate market value of \$98,598 have been pledged as collateral under the terms of the following master agreements as of January 31, 2017.

| Counterparty                                             | Repurchase Agreement Proceeds to be Received | Payable for Reverse Repurchase Agreements | Payable for Sale-Buyback Transactions | Total Borrowings and Other Financing Transactions | Collateral Pledged/(Received) | Net Exposure <sup>(4)</sup> |
|----------------------------------------------------------|----------------------------------------------|-------------------------------------------|---------------------------------------|---------------------------------------------------|-------------------------------|-----------------------------|
| Global/Master Repurchase Agreement                       |                                              |                                           |                                       |                                                   |                               |                             |
| BCY                                                      | \$ 0                                         | \$ (529)                                  | \$ 0                                  | \$ (529)                                          | \$ 379                        | \$ (150)                    |
| JML                                                      | 0                                            | (11,297)                                  | 0                                     | (11,297)                                          | 13,945                        | 2,648                       |
| JPS                                                      | 7,000                                        | 0                                         | 0                                     | 7,000                                             | (7,260)                       | (260)                       |
| MSC                                                      | 0                                            | (26,035)                                  | 0                                     | (26,035)                                          | 27,326                        | 1,291                       |
| RBC                                                      | 0                                            | (8,155)                                   | 0                                     | (8,155)                                           | 9,098                         | 943                         |
| RDR                                                      | 0                                            | (14,471)                                  | 0                                     | (14,471)                                          | 14,775                        | 304                         |
| SSB                                                      | 1,056                                        | 0                                         | 0                                     | 1,056                                             | (1,078)                       | (22)                        |
| UBS                                                      | 0                                            | (27,487)                                  | 0                                     | (27,487)                                          | 31,941                        | 4,454                       |
| <b>Total Borrowings and Other Financing Transactions</b> | <b>\$ 8,056</b>                              | <b>\$ (87,974)</b>                        | <b>\$ 0</b>                           |                                                   |                               |                             |

<sup>(4)</sup> Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from borrowings and other financing transactions can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

**CERTAIN TRANSFERS ACCOUNTED FOR AS SECURED BORROWINGS****Remaining Contractual Maturity of the Agreements**

|                                                                                               | Overnight and Continuous | Up to 30 days      | 31-90 days         | Greater Than 90 days | Total              |
|-----------------------------------------------------------------------------------------------|--------------------------|--------------------|--------------------|----------------------|--------------------|
| <b>Reverse Repurchase Agreements</b>                                                          |                          |                    |                    |                      |                    |
| Corporate Bonds & Notes                                                                       | \$ 0                     | \$ (53,848)        | \$ (20,997)        | \$ (529)             | \$ (75,374)        |
| <b>Total Borrowings</b>                                                                       | <b>\$ 0</b>              | <b>\$ (53,848)</b> | <b>\$ (20,997)</b> | <b>\$ (529)</b>      | <b>\$ (75,374)</b> |
| <b>Gross amount of recognized liabilities for reverse repurchase agreements<sup>(5)</sup></b> |                          |                    |                    |                      | <b>\$ (75,374)</b> |



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(5) Unsettled reverse repurchase agreements liability of \$(12,600) is outstanding at period end.

## (I) FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED

### SWAP AGREEMENTS:

#### CREDIT DEFAULT SWAPS ON CORPORATE ISSUES - SELL PROTECTION<sup>(1)</sup>

| Reference Entity | Fixed<br>Receive Rate | Maturity<br>Date | Implied<br>Credit Spread at<br>January 31, 2017 <sup>(2)</sup> | Notional<br>Amount <sup>(3)</sup> | Market<br>Value <sup>(4)</sup> | Unrealized<br>Appreciation/<br>(Depreciation) | Variation Margin<br>Asset | Liability |
|------------------|-----------------------|------------------|----------------------------------------------------------------|-----------------------------------|--------------------------------|-----------------------------------------------|---------------------------|-----------|
| Navient Corp.    | 5.000%                | 12/20/2021       | 4.278%                                                         | \$ 600                            | \$ 22                          | \$ 0                                          | \$ 2                      | \$ 0      |

#### CREDIT DEFAULT SWAPS ON CREDIT INDICES - SELL PROTECTION<sup>(1)</sup>

| Index/Tranches         | Fixed<br>Receive Rate | Maturity<br>Date | Notional<br>Amount <sup>(3)</sup> | Market<br>Value <sup>(4)</sup> | Unrealized<br>Appreciation | Variation Margin<br>Asset | Liability |
|------------------------|-----------------------|------------------|-----------------------------------|--------------------------------|----------------------------|---------------------------|-----------|
| CDX.HY-26 5-Year Index | 5.000%                | 06/20/2021       | \$ 1,386                          | \$ 108                         | \$ 45                      | \$ 0                      | \$ 0      |
| CDX.HY-27 5-Year Index | 5.000                 | 12/20/2021       | 990                               | 68                             | 11                         | 0                         | (3)       |
|                        |                       |                  |                                   | \$ 176                         | \$ 56                      | \$ 0                      | \$ (3)    |

(1) If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash, securities or other deliverable obligations equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.

(2) Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on corporate issues as of period end serve as indicators of the current status of the payment/performance risk and represent the likelihood or risk of default for the credit derivative. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

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- (3) The maximum potential amount the Fund could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.
- (4) The prices and resulting values for credit default swap agreements on credit indices serve as indicators of the current status of the payment/performance risk and represent the likelihood of an expected liability (or profit) for the credit derivative should the notional amount of the swap agreement be closed/sold as of the period end. Increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the referenced indices' credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

## INTEREST RATE SWAPS

| Pay/Receive<br>Floating Rate | Floating Rate Index     | Fixed Rate | Maturity<br>Date | Notional<br>Amount | Market<br>Value | Unrealized<br>Appreciation/<br>(Depreciation) | Variation Margin |            |
|------------------------------|-------------------------|------------|------------------|--------------------|-----------------|-----------------------------------------------|------------------|------------|
|                              |                         |            |                  |                    |                 |                                               | Asset            | Liability  |
| Pay                          | 3-Month USD-LIBOR       | 2.000%     | 12/16/2020       | \$ 59,300          | \$ 418          | \$ (1,128)                                    | \$ 49            | \$ 0       |
| Pay                          | 3-Month USD-LIBOR       | 2.000      | 06/15/2021       | 36,800             | 180             | (1,068)                                       | 37               | 0          |
| Pay                          | 3-Month USD-LIBOR       | 2.750      | 06/17/2025       | 75,590             | 2,825           | (1,838)                                       | 198              | 0          |
| Pay                          | 3-Month USD-LIBOR       | 3.500      | 06/19/2044       | 169,400            | 29,103          | 34,629                                        | 1,229            | 0          |
| Receive                      | 3-Month USD-LIBOR       | 2.250      | 12/21/2046       | 234,240            | 21,544          | 41,642                                        | 0                | (1,594)    |
| Pay                          | 6-Month<br>AUD-BBR-BBSW | 3.500      | 06/17/2025       | AUD 7,600          | 293             | 105                                           | 22               | 0          |
|                              |                         |            |                  |                    | \$ 54,363       | \$ 72,342                                     | \$ 1,535         | \$ (1,594) |
| Total Swap Agreements        |                         |            |                  |                    | \$ 54,561       | \$ 72,398                                     | \$ 1,537         | \$ (1,597) |

## FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED SUMMARY

The following is a summary of the market value and variation margin of Exchange-Traded or Centrally Cleared Financial Derivative Instruments as of January 31, 2017:

- (m) Securities with an aggregate market value of \$2,347 and cash of \$5,814 have been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of January 31, 2017. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

|                                            | Financial Derivative Assets |         |                             |          | Financial Derivative Liabilities |         |                                 |            |
|--------------------------------------------|-----------------------------|---------|-----------------------------|----------|----------------------------------|---------|---------------------------------|------------|
|                                            | Variation Margin            |         |                             |          | Variation Margin                 |         |                                 |            |
|                                            | Market Value                |         | Asset<br>Swap<br>Agreements | Total    | Market Value                     |         | Liability<br>Swap<br>Agreements | Total      |
|                                            | Purchased<br>Options        | Futures |                             |          | Written<br>Options               | Futures |                                 |            |
| Total Exchange-Traded or Centrally Cleared | \$ 0                        | \$ 0    | \$ 1,537                    | \$ 1,537 | \$ 0                             | \$ 0    | \$ (1,597)                      | \$ (1,597) |

## (n) FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER

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FORWARD FOREIGN CURRENCY CONTRACTS:

| Counterparty                                    | Settlement Month | Currency to be Delivered | Currency to be Received | Unrealized Appreciation/ (Depreciation) |                   |
|-------------------------------------------------|------------------|--------------------------|-------------------------|-----------------------------------------|-------------------|
|                                                 |                  |                          |                         | Asset                                   | Liability         |
| BOA                                             | 02/2017          | EUR 24,949               | \$ 25,983               | \$ 0                                    | \$ (949)          |
|                                                 | 02/2017          | GBP 46                   | 57                      | 0                                       | (1)               |
| BPS                                             | 02/2017          | EUR 107                  | 112                     | 0                                       | (4)               |
|                                                 | 02/2017          | GBP 46                   | 56                      | 0                                       | (2)               |
| CBK                                             | 02/2017          | EUR 935                  | 1,005                   | 0                                       | (4)               |
|                                                 | 02/2017          | \$ 4,814                 | EUR 4,528               | 73                                      | 0                 |
|                                                 | 03/2017          | EUR 195                  | \$ 209                  | 0                                       | (2)               |
| GLM                                             | 02/2017          | 825                      | 881                     | 0                                       | (10)              |
|                                                 | 02/2017          | GBP 4,659                | 5,691                   | 0                                       | (170)             |
|                                                 | 02/2017          | JPY 45,200               | 388                     | 0                                       | (12)              |
|                                                 | 02/2017          | \$ 784                   | GBP 637                 | 17                                      | 0                 |
|                                                 | 03/2017          | GBP 594                  | \$ 739                  | 0                                       | (9)               |
| IND                                             | 02/2017          | 29,801                   | 36,509                  | 0                                       | (980)             |
| JPM                                             | 02/2017          | AUD 194                  | 141                     | 0                                       | (6)               |
|                                                 | 02/2017          | GBP 2,771                | 3,343                   | 0                                       | (143)             |
|                                                 | 02/2017          | \$ 24,671                | EUR 23,068              | 231                                     | 0                 |
|                                                 | 03/2017          | EUR 23,068               | \$ 24,699               | 0                                       | (228)             |
| MSB                                             | 02/2017          | GBP 229                  | 279                     | 0                                       | (9)               |
| SCX                                             | 02/2017          | EUR 1,076                | 1,156                   | 0                                       | (5)               |
| SOG                                             | 02/2017          | GBP 182                  | 224                     | 0                                       | (4)               |
| TOR                                             | 02/2017          | EUR 423                  | 447                     | 0                                       | (10)              |
| UAG                                             | 02/2017          | GBP 227                  | 279                     | 0                                       | (7)               |
|                                                 | 02/2017          | \$ 46,620                | GBP 37,189              | 164                                     | 0                 |
|                                                 | 03/2017          | GBP 37,189               | \$ 46,645               | 0                                       | (161)             |
| <b>Total Forward Foreign Currency Contracts</b> |                  |                          |                         | <b>\$ 485</b>                           | <b>\$ (2,716)</b> |

See Accompanying Notes

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**Schedule of Investments PIMCO Corporate & Income Strategy Fund (Cont.)****SWAP AGREEMENTS:****CREDIT DEFAULT SWAPS ON CORPORATE ISSUES - SELL PROTECTION<sup>(1)</sup>**

| Counterparty                 | Reference Entity            | Fixed<br>Receive Rate | Maturity<br>Date | Implied<br>Credit Spread at<br>January 31, 2017 <sup>(2)</sup> | Notional<br>Amount <sup>(3)</sup> | Premiums<br>(Received) | Unrealized<br>Appreciation/<br>(Depreciation) | Swap Agreements,<br>at Value | Asset           | Liability |
|------------------------------|-----------------------------|-----------------------|------------------|----------------------------------------------------------------|-----------------------------------|------------------------|-----------------------------------------------|------------------------------|-----------------|-----------|
| BPS                          | Banco Espirito Santo S.A.   | 5.000%                | 12/20/2021       | 16.522%                                                        | EUR 100                           | \$ (28)                | \$ (3)                                        | \$ 0                         | \$ (31)         |           |
|                              | Petrobras Global Finance BV | 1.000                 | 12/20/2019       | 2.314                                                          | \$ 2,400                          | (247)                  | 163                                           | 0                            | (84)            |           |
| GST                          | Petrobras Global Finance BV | 1.000                 | 12/20/2019       | 2.314                                                          | 8,900                             | (912)                  | 599                                           | 0                            | (313)           |           |
|                              | Petrobras Global Finance BV | 1.000                 | 09/20/2020       | 2.864                                                          | 10                                | (1)                    | 0                                             | 0                            | (1)             |           |
|                              | Petrobras Global Finance BV | 1.000                 | 12/20/2021       | 3.528                                                          | 100                               | (16)                   | 5                                             | 0                            | (11)            |           |
| HUS                          | Petrobras Global Finance BV | 1.000                 | 09/20/2020       | 2.864                                                          | 40                                | (6)                    | 4                                             | 0                            | (2)             |           |
|                              |                             |                       |                  |                                                                |                                   | \$ (1,210)             | \$ 768                                        | \$ 0                         | \$ (442)        |           |
| <b>Total Swap Agreements</b> |                             |                       |                  |                                                                |                                   | <b>\$ (1,210)</b>      | <b>\$ 768</b>                                 | <b>\$ 0</b>                  | <b>\$ (442)</b> |           |

- (1) If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash, securities or other deliverable obligations equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.
- (2) Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on corporate issues as of period end serve as indicators of the current status of the payment/performance risk and represent the likelihood or risk of default for the credit derivative. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.
- (3) The maximum potential amount the Fund could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.

**FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER SUMMARY**

The following is a summary by counterparty of the market value of OTC financial derivative instruments and collateral pledged/(received) as of January 31, 2017:

- (o) Securities with an aggregate market value of \$1,789 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of January 31, 2017.

| Counterparty | Financial Derivative Assets                 |                      |                    |                              | Financial Derivative Liabilities            |                    |                    |                              | Net                                          |                                      |                                |
|--------------|---------------------------------------------|----------------------|--------------------|------------------------------|---------------------------------------------|--------------------|--------------------|------------------------------|----------------------------------------------|--------------------------------------|--------------------------------|
|              | Forward<br>Foreign<br>Currency<br>Contracts | Purchased<br>Options | Swap<br>Agreements | Total<br>Over the<br>Counter | Forward<br>Foreign<br>Currency<br>Contracts | Written<br>Options | Swap<br>Agreements | Total<br>Over the<br>Counter | Net<br>Market<br>Value of OTC<br>Derivatives | Collateral<br>Pledged/<br>(Received) | Net<br>Exposure <sup>(4)</sup> |
| BOA          | \$ 0                                        | \$ 0                 | \$ 0               | \$ 0                         | \$ (950)                                    | \$ 0               | \$ 0               | \$ (950)                     | \$ (950)                                     | \$ 594                               | \$ (356)                       |

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|     |     |   |   |     |       |   |       |       |       |     |       |
|-----|-----|---|---|-----|-------|---|-------|-------|-------|-----|-------|
| BPS | 0   | 0 | 0 | 0   | (6)   | 0 | (115) | (121) | (121) | 0   | (121) |
| CBK | 73  | 0 | 0 | 73  | (6)   | 0 | 0     | (6)   | 67    | 0   | 67    |
| GLM | 17  | 0 | 0 | 17  | (201) | 0 | 0     | (201) | (184) | 0   | (184) |
| GST | 0   | 0 | 0 | 0   | 0     | 0 | (325) | (325) | (325) | 398 | 73    |
| HUS | 0   | 0 | 0 | 0   | 0     | 0 | (2)   | (2)   | (2)   | 0   | (2)   |
| IND | 0   | 0 | 0 | 0   | (980) | 0 | 0     | (980) | (980) | 798 | (182) |
| JPM | 231 | 0 | 0 | 231 | (377) | 0 | 0     | (377) | (146) | 0   | (146) |
| MSB | 0   | 0 | 0 | 0   | (9)   | 0 | 0     | (9)   | (9)   | 0   | (9)   |
| SCX | 0   | 0 | 0 | 0   | (5)   | 0 | 0     | (5)   | (5)   | 0   | (5)   |
| SOG | 0   | 0 | 0 | 0   | (4)   | 0 | 0     | (4)   | (4)   | 0   | (4)   |
| TOR | 0   | 0 | 0 | 0   | (10)  | 0 | 0     | (10)  | (10)  | 0   | (10)  |
| UAG | 164 | 0 | 0 | 164 | (168) | 0 | 0     | (168) | (4)   | 0   | (4)   |

**Total Over the Counter**      \$ 485    \$ 0    \$ 0    \$ 485      \$ (2,716)    \$ 0    \$ (442)    \$ (3,158)

<sup>(4)</sup> Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from OTC financial derivative instruments can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

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See Accompanying Notes

January 31, 2017 (Unaudited)

# FAIR VALUE OF FINANCIAL DERIVATIVE INSTRUMENTS

The following is a summary of the fair valuation of the Fund's derivative instruments categorized by risk exposure. See Note 7, Principal Risks, in the Notes to Financial Statements on risks of the Fund.

Fair Values of Financial Derivative Instruments on the Statements of Assets and Liabilities as of January 31, 2017:

|                                                       | Derivatives not accounted for as hedging instruments |                     |                     |                                  |                            |          |
|-------------------------------------------------------|------------------------------------------------------|---------------------|---------------------|----------------------------------|----------------------------|----------|
|                                                       | Commodity<br>Contracts                               | Credit<br>Contracts | Equity<br>Contracts | Foreign<br>Exchange<br>Contracts | Interest<br>Rate Contracts | Total    |
| <b>Financial Derivative Instruments - Assets</b>      |                                                      |                     |                     |                                  |                            |          |
| Exchange-traded or centrally cleared                  |                                                      |                     |                     |                                  |                            |          |
| Swap Agreements                                       | \$ 0                                                 | \$ 2                | \$ 0                | \$ 0                             | \$ 1,535                   | \$ 1,537 |
| Over the counter                                      |                                                      |                     |                     |                                  |                            |          |
| Forward Foreign Currency Contracts                    | \$ 0                                                 | \$ 0                | \$ 0                | \$ 485                           | \$ 0                       | \$ 485   |
|                                                       | \$ 0                                                 | \$ 2                | \$ 0                | \$ 485                           | \$ 1,535                   | \$ 2,022 |
| <b>Financial Derivative Instruments - Liabilities</b> |                                                      |                     |                     |                                  |                            |          |
| Exchange-traded or centrally cleared                  |                                                      |                     |                     |                                  |                            |          |
| Swap Agreements                                       | \$ 0                                                 | \$ 3                | \$ 0                | \$ 0                             | \$ 1,594                   | \$ 1,597 |
| Over the counter                                      |                                                      |                     |                     |                                  |                            |          |
| Forward Foreign Currency Contracts                    | \$ 0                                                 | \$ 0                | \$ 0                | \$ 2,716                         | \$ 0                       | \$ 2,716 |
| Swap Agreements                                       | 0                                                    | 442                 | 0                   | 0                                | 0                          | 442      |
|                                                       | \$ 0                                                 | \$ 442              | \$ 0                | \$ 2,716                         | \$ 0                       | \$ 3,158 |
|                                                       | \$ 0                                                 | \$ 445              | \$ 0                | \$ 2,716                         | \$ 1,594                   | \$ 4,755 |

The effect of Financial Derivative Instruments on the Statements of Operations for the period ended January 31, 2017:

|                                                              | Derivatives not accounted for as hedging instruments |                     |                     |                                  |                            |          |
|--------------------------------------------------------------|------------------------------------------------------|---------------------|---------------------|----------------------------------|----------------------------|----------|
|                                                              | Commodity<br>Contracts                               | Credit<br>Contracts | Equity<br>Contracts | Foreign<br>Exchange<br>Contracts | Interest<br>Rate Contracts | Total    |
| <b>Net Realized Gain on Financial Derivative Instruments</b> |                                                      |                     |                     |                                  |                            |          |
| Exchange-traded or centrally cleared                         |                                                      |                     |                     |                                  |                            |          |
| Swap Agreements                                              | \$ 0                                                 | \$ 1,216            | \$ 0                | \$ 0                             | \$ 3,687                   | \$ 4,903 |

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Over the counter

|                                    |      |      |      |          |      |          |
|------------------------------------|------|------|------|----------|------|----------|
| Forward Foreign Currency Contracts | \$ 0 | \$ 0 | \$ 0 | \$ 7,935 | \$ 0 | \$ 7,935 |
| Swap Agreements                    | 0    | 58   | 0    | 0        | 0    | 58       |

|  |      |       |      |          |      |          |
|--|------|-------|------|----------|------|----------|
|  | \$ 0 | \$ 58 | \$ 0 | \$ 7,935 | \$ 0 | \$ 7,993 |
|--|------|-------|------|----------|------|----------|

|  |      |          |      |          |          |           |
|--|------|----------|------|----------|----------|-----------|
|  | \$ 0 | \$ 1,274 | \$ 0 | \$ 7,935 | \$ 3,687 | \$ 12,896 |
|--|------|----------|------|----------|----------|-----------|

## Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments

Exchange-traded or centrally cleared

|                 |      |          |      |      |            |            |
|-----------------|------|----------|------|------|------------|------------|
| Swap Agreements | \$ 0 | \$ (523) | \$ 0 | \$ 0 | \$ (3,112) | \$ (3,635) |
|-----------------|------|----------|------|------|------------|------------|

Over the counter

|                                    |      |      |      |            |      |            |
|------------------------------------|------|------|------|------------|------|------------|
| Forward Foreign Currency Contracts | \$ 0 | \$ 0 | \$ 0 | \$ (2,176) | \$ 0 | \$ (2,176) |
| Swap Agreements                    | 0    | 975  | 0    | 0          | 0    | 975        |

|  |      |        |      |            |      |            |
|--|------|--------|------|------------|------|------------|
|  | \$ 0 | \$ 975 | \$ 0 | \$ (2,176) | \$ 0 | \$ (1,201) |
|--|------|--------|------|------------|------|------------|

|  |      |        |      |            |            |            |
|--|------|--------|------|------------|------------|------------|
|  | \$ 0 | \$ 452 | \$ 0 | \$ (2,176) | \$ (3,112) | \$ (4,836) |
|--|------|--------|------|------------|------------|------------|

See Accompanying Notes

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**Schedule of Investments PIMCO Corporate & Income Strategy Fund (Cont.)****FAIR VALUE MEASUREMENTS**

The following is a summary of the fair valuations according to the inputs used as of January 31, 2017 in valuing the Fund's assets and liabilities:

| <b>Category and Subcategory</b>            | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Fair Value at 01/31/2017</b> |
|--------------------------------------------|----------------|----------------|----------------|---------------------------------|
| <b>Investments in Securities, at Value</b> |                |                |                |                                 |
| Bank Loan Obligations                      | \$ 1,600       | \$ 11,907      | \$ 1,880       | \$ 15,387                       |
| <b>Corporate Bonds &amp; Notes</b>         |                |                |                |                                 |
| Banking & Finance                          | 0              | 154,018        | 5,239          | 159,257                         |
| Industrials                                | 0              | 125,303        | 5,968          | 131,271                         |
| Utilities                                  | 0              | 41,638         | 0              | 41,638                          |
| <b>Convertible Bonds &amp; Notes</b>       |                |                |                |                                 |
| Industrials                                | 0              | 3,989          | 0              | 3,989                           |
| <b>Municipal Bonds &amp; Notes</b>         |                |                |                |                                 |
| California                                 | 0              | 5,043          | 0              | 5,043                           |
| Illinois                                   | 0              | 13,096         | 0              | 13,096                          |
| Virginia                                   | 0              | 632            | 0              | 632                             |
| West Virginia                              | 0              | 5,330          | 0              | 5,330                           |
| U.S. Government Agencies                   | 0              | 18,078         | 4,664          | 22,742                          |
| Non-Agency Mortgage-Backed Securities      | 0              | 158,569        | 0              | 158,569                         |
| Asset-Backed Securities                    | 0              | 97,779         | 7,024          | 104,803                         |
| Sovereign Issues                           | 0              | 10,986         | 0              | 10,986                          |
| <b>Common Stocks</b>                       |                |                |                |                                 |
| Financials                                 | 0              | 0              | 170            | 170                             |
| <b>Preferred Securities</b>                |                |                |                |                                 |
| Banking & Finance                          | 0              | 9,001          | 0              | 9,001                           |
| <b>Short-Term Instruments</b>              |                |                |                |                                 |
| Repurchase Agreements                      | 0              | 8,056          | 0              | 8,056                           |
| Short-Term Notes                           | 0              | 1,899          | 0              | 1,899                           |
| U.S. Treasury Bills                        | 0              | 5,260          | 0              | 5,260                           |
| <br>Total Investments                      | <br>\$ 1,600   | <br>\$ 670,584 | <br>\$ 24,945  | <br>\$ 697,129                  |

| <b>Category and Subcategory</b>                       | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Fair Value at 01/31/2017</b> |
|-------------------------------------------------------|----------------|----------------|----------------|---------------------------------|
| <b>Financial Derivative Instruments - Assets</b>      |                |                |                |                                 |
| Exchange-traded or centrally cleared                  | \$ 0           | \$ 1,537       | \$ 0           | \$ 1,537                        |
| Over the counter                                      | 0              | 485            | 0              | 485                             |
|                                                       | \$ 0           | \$ 2,022       | \$ 0           | \$ 2,022                        |
| <b>Financial Derivative Instruments - Liabilities</b> |                |                |                |                                 |
| Exchange-traded or centrally cleared                  | 0              | (1,597)        | 0              | (1,597)                         |
| Over the counter                                      | 0              | (3,158)        | 0              | (3,158)                         |
|                                                       | \$ 0           | \$ (4,755)     | \$ 0           | \$ (4,755)                      |



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|                                        |    |       |    |         |    |        |    |         |
|----------------------------------------|----|-------|----|---------|----|--------|----|---------|
| Total Financial Derivative Instruments | \$ | 0     | \$ | (2,733) | \$ | 0      | \$ | (2,733) |
| Totals                                 | \$ | 1,600 | \$ | 667,851 | \$ | 24,945 | \$ | 694,396 |

There were no significant transfers among Levels 1 and 2 during the period ended January 31, 2017.

The following is a reconciliation of the fair valuations using significant unobservable inputs (Level 3) for the Fund during the period ended January 31, 2017:

| Category and Subcategory                   | Beginning Balance at 07/31/2016 | Net Purchases | Net Sales | Accrued Discounts/ (Premiums) | Realized Gain/(Loss) | Net Change in Unrealized Appreciation/ (Depreciation) <sup>(1)</sup> | Transfers in Level 3 | Transfers out of Level 3 | Ending Balance at 01/31/2017 | Net Change in Unrealized Appreciation/ (Depreciation) on Investments Held at 01/31/2017 <sup>(1)</sup> |
|--------------------------------------------|---------------------------------|---------------|-----------|-------------------------------|----------------------|----------------------------------------------------------------------|----------------------|--------------------------|------------------------------|--------------------------------------------------------------------------------------------------------|
| <b>Investments in Securities, at Value</b> |                                 |               |           |                               |                      |                                                                      |                      |                          |                              |                                                                                                        |
| Bank Loan Obligations                      | \$ 0                            | \$ 1,675      | \$ (5)    | \$ 24                         | \$ 1                 | \$ 185                                                               | \$ 0                 | \$ 0                     | \$ 1,880                     | \$ 185                                                                                                 |
| Corporate Bonds & Notes                    |                                 |               |           |                               |                      |                                                                      |                      |                          |                              |                                                                                                        |
| Banking & Finance                          | 5,517                           | 0             | (75)      | 1                             | 1                    | (205)                                                                | 0                    | 0                        | 5,239                        | (193)                                                                                                  |
| Industrials                                | 5,973                           | 0             | 0         | 4                             | 0                    | (9)                                                                  | 0                    | 0                        | 5,968                        | (9)                                                                                                    |
| U.S. Government Agencies                   | 4,470                           | 0             | (40)      | 18                            | 16                   | 200                                                                  | 0                    | 0                        | 4,664                        | 198                                                                                                    |
| Asset-Backed Securities                    | 8,165                           | 0             | 0         | 0                             | 0                    | (1,141)                                                              | 0                    | 0                        | 7,024                        | (1,141)                                                                                                |
| Common Stocks                              |                                 |               |           |                               |                      |                                                                      |                      |                          |                              |                                                                                                        |
| Financials                                 | 116                             | 0             | 0         | 0                             | 0                    | 54                                                                   | 0                    | 0                        | 170                          | 54                                                                                                     |
| Totals                                     | \$ 24,241                       | \$ 1,675      | \$ (120)  | \$ 47                         | \$ 18                | \$ (916)                                                             | \$ 0                 | \$ 0                     | \$ 24,945                    | \$ (906)                                                                                               |

## 40 PIMCO CLOSED-END FUNDS

See Accompanying Notes

January 31, 2017 (Unaudited)

The following is a summary of significant unobservable inputs used in the fair valuations of assets and liabilities categorized within Level 3 of the fair value hierarchy:

| Category and Subcategory                   | Ending<br>Balance<br>at 01/31/2017 | Valuation<br>Technique                    | Unobservable<br>Inputs | Input Value(s)<br>(% Unless<br>Noted<br>Otherwise) |
|--------------------------------------------|------------------------------------|-------------------------------------------|------------------------|----------------------------------------------------|
| <b>Investments in Securities, at Value</b> |                                    |                                           |                        |                                                    |
| Bank Loan Obligations                      | \$ 1,880                           | Third Party Vendor                        | Broker Quote           | 89.750                                             |
| Corporate Bonds & Notes                    |                                    |                                           |                        |                                                    |
| Banking & Finance                          | 5,239                              | Proxy Pricing                             | Base Price             | 110.500                                            |
| Industrials                                | 5,968                              | Proxy Pricing                             | Base Price             | 99.500                                             |
| U.S. Government Agencies                   | 4,664                              | Proxy Pricing                             | Base Price             | 56.094                                             |
| Asset-Backed Securities                    | 7,024                              | Proxy Pricing                             | Base Price             | 89,450-99,920                                      |
| Common Stocks                              |                                    |                                           |                        |                                                    |
| Financials                                 | 170                                | Other Valuation Techniques <sup>(2)</sup> |                        |                                                    |
| Total                                      | \$ 24,945                          |                                           |                        |                                                    |

<sup>(1)</sup> Any difference between Net Change in Unrealized Appreciation/(Depreciation) and Net Change in Unrealized Appreciation/(Depreciation) on Investments Held at January 31, 2017 may be due to an investment no longer held or categorized as Level 3 at period end.

<sup>(2)</sup> Includes valuation techniques not defined in the Notes to Financial Statements as securities valued using such techniques are not considered significant to the Fund.

See Accompanying Notes

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## Schedule of Investments PIMCO High Income Fund

|                                                    | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|----------------------------------------------------|-------------------------------|---------------------------|
| <b>INVESTMENTS IN SECURITIES 138.6%</b>            |                               |                           |
| <b>BANK LOAN OBLIGATIONS 1.9%</b>                  |                               |                           |
| <b>BJ's Wholesale Club, Inc.</b>                   |                               |                           |
| TBD% due 01/26/2024                                | \$ 100                        | \$ 100                    |
| <b>iHeartCommunications, Inc.</b>                  |                               |                           |
| 7.528% due 01/30/2019                              | 10,450                        | 8,786                     |
| <b>Sequa Corp.</b>                                 |                               |                           |
| 5.250% due 06/19/2017                              | 3,457                         | 3,316                     |
| <b>Vistra Operations Co. LLC</b>                   |                               |                           |
| 4.017% due 12/14/2023                              | 900                           | 910                       |
| <b>Westmoreland Coal Co.</b>                       |                               |                           |
| 7.500% due 12/16/2020                              | 3,192                         | 2,865                     |
| <b>Total Bank Loan Obligations (Cost \$17,007)</b> |                               | <b>15,977</b>             |
| <b>CORPORATE BONDS &amp; NOTES 75.6%</b>           |                               |                           |
| <b>BANKING &amp; FINANCE 38.4%</b>                 |                               |                           |
| <b>AGFC Capital Trust</b>                          |                               |                           |
| 2.772% due 01/15/2067                              | 27,410                        | 15,075                    |
| <b>Ally Financial, Inc.</b>                        |                               |                           |
| 8.000% due 11/01/2031 (i)                          | 4,962                         | 5,917                     |
| <b>Atlantic Marine Corps Communities LLC</b>       |                               |                           |
| 5.383% due 02/15/2048 (i)                          | 4,610                         | 4,374                     |
| <b>Banco Bilbao Vizcaya Argentaria S.A.</b>        |                               |                           |
| 6.750% due 02/18/2020 (f)                          | EUR 3,000                     | 3,096                     |
| <b>Banco do Brasil S.A.</b>                        |                               |                           |
| 6.250% due 04/15/2024 (f)                          | \$ 7,350                      | 5,917                     |
| 9.000% due 06/18/2024 (f)                          | 9,239                         | 9,378                     |
| <b>Banco Espirito Santo S.A.</b>                   |                               |                           |
| 2.625% due 05/08/2017 ^                            | EUR 1,900                     | 656                       |
| 4.000% due 01/21/2019 ^                            | 5,800                         | 2,004                     |
| 4.750% due 01/15/2018 ^                            | 6,400                         | 2,211                     |
| <b>Banco Santander S.A.</b>                        |                               |                           |
| 6.250% due 09/11/2021 (f)                          | 2,300                         | 2,385                     |
| <b>Barclays PLC</b>                                |                               |                           |
| 6.500% due 09/15/2019 (f)                          | 600                           | 651                       |
| 7.875% due 09/15/2022 (f)                          | GBP 7,210                     | 9,351                     |
| 8.000% due 12/15/2020 (f)                          | EUR 7,340                     | 8,574                     |
| <b>Blackstone CQP Holdco LP</b>                    |                               |                           |
| 9.296% due 03/19/2019                              | \$ 8,248                      | 8,320                     |
| <b>BNP Paribas S.A.</b>                            |                               |                           |
| 7.375% due 08/19/2025 (f)                          | 4,000                         | 4,055                     |
| <b>Cantor Fitzgerald LP</b>                        |                               |                           |
| 6.500% due 06/17/2022 (i)                          | 13,100                        | 14,265                    |
| <b>CBL &amp; Associates LP</b>                     |                               |                           |
| 5.950% due 12/15/2026 (i)                          | 3,200                         | 3,175                     |
| <b>Co-operative Group Holdings Ltd.</b>            |                               |                           |
| 7.500% due 07/08/2026                              | GBP 3,000                     | 4,516                     |
| <b>Cooperatieve Rabobank UA</b>                    |                               |                           |
| 6.625% due 06/29/2021 (f)                          | EUR 1,600                     | 1,855                     |
| <b>Credit Agricole S.A.</b>                        |                               |                           |
| 7.500% due 06/23/2026 (f)                          | GBP 400                       | 513                       |
| 7.875% due 01/23/2024 (f)(i)                       | \$ 2,750                      | 2,808                     |
| 7.875% due 01/23/2024 (f)                          | 1,700                         | 1,736                     |
| <b>Doctors Co.</b>                                 |                               |                           |
| 6.500% due 10/15/2023 (i)                          | 10,000                        | 10,965                    |
| <b>Flagstar Bancorp, Inc.</b>                      |                               |                           |
| 6.125% due 07/15/2021 (i)                          | 5,300                         | 5,659                     |
| <b>GSPA Monetization Trust</b>                     |                               |                           |

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|                                                           |     |                                        |                                    |
|-----------------------------------------------------------|-----|----------------------------------------|------------------------------------|
| 6.422% due 10/09/2029 (i)                                 |     | 7,911                                  | 8,731                              |
| <b>Hexion U.S. Finance Corp.</b>                          |     |                                        |                                    |
| 10.375% due 02/01/2022 (b)                                |     | 104                                    | 107                                |
| 13.750% due 02/01/2022 (b)                                |     | 83                                     | 84                                 |
| <b>HSBC Holdings PLC</b>                                  |     |                                        |                                    |
| 6.000% due 09/29/2023 (f)                                 | EUR | 2,600                                  | 2,966                              |
| <b>International Lease Finance Corp.</b>                  |     |                                        |                                    |
| 6.980% due 10/15/2018                                     | \$  | 18,000                                 | 18,758                             |
| <b>Jefferies Finance LLC</b>                              |     |                                        |                                    |
| 7.375% due 04/01/2020                                     |     | 1,200                                  | 1,218                              |
| <b>Jefferies LoanCore LLC</b>                             |     |                                        |                                    |
| 6.875% due 06/01/2020 (i)                                 |     | 17,000                                 | 16,575                             |
|                                                           |     | <b>PRINCIPAL<br/>AMOUNT<br/>(000S)</b> | <b>MARKET<br/>VALUE<br/>(000S)</b> |
| <b>Lloyds Bank PLC</b>                                    |     |                                        |                                    |
| 12.000% due 12/16/2024 (f)(i)                             | \$  | 19,040                                 | \$ 25,276                          |
| <b>Lloyds Banking Group PLC</b>                           |     |                                        |                                    |
| 7.875% due 06/27/2029 (f)                                 | GBP | 200                                    | 271                                |
| <b>Midwest Family Housing LLC</b>                         |     |                                        |                                    |
| 6.631% due 01/01/2051 (i)                                 | \$  | 4,891                                  | 4,166                              |
| <b>MPT Operating Partnership LP</b>                       |     |                                        |                                    |
| 5.250% due 08/01/2026                                     |     | 1,949                                  | 1,920                              |
| <b>Nationwide Building Society</b>                        |     |                                        |                                    |
| 10.250% due 06/29/2049 (f)                                | GBP | 19                                     | 3,250                              |
| <b>Navient Corp.</b>                                      |     |                                        |                                    |
| 5.625% due 08/01/2033 (i)                                 | \$  | 25,904                                 | 20,594                             |
| <b>Novo Banco S.A.</b>                                    |     |                                        |                                    |
| 5.000% due 04/04/2019                                     | EUR | 439                                    | 359                                |
| 5.000% due 04/23/2019                                     |     | 745                                    | 612                                |
| 5.000% due 05/14/2019                                     |     | 792                                    | 648                                |
| 5.000% due 05/21/2019                                     |     | 387                                    | 316                                |
| 5.000% due 05/23/2019                                     |     | 384                                    | 314                                |
| <b>Omega Healthcare Investors, Inc.</b>                   |     |                                        |                                    |
| 4.375% due 08/01/2023 (i)                                 | \$  | 2,300                                  | 2,302                              |
| <b>PHH Corp.</b>                                          |     |                                        |                                    |
| 6.375% due 08/15/2021 (i)                                 |     | 3,350                                  | 3,400                              |
| 7.375% due 09/01/2019 (i)                                 |     | 1,990                                  | 2,184                              |
| <b>Provident Funding Associates LP</b>                    |     |                                        |                                    |
| 6.750% due 06/15/2021                                     |     | 1,300                                  | 1,319                              |
| <b>Rio Oil Finance Trust</b>                              |     |                                        |                                    |
| 9.250% due 07/06/2024                                     |     | 25,729                                 | 25,408                             |
| <b>Royal Bank of Scotland Group PLC</b>                   |     |                                        |                                    |
| 7.500% due 08/10/2020 (f)(i)                              |     | 7,040                                  | 6,846                              |
| 8.000% due 08/10/2025 (f)(i)                              |     | 7,660                                  | 7,536                              |
| 8.625% due 08/15/2021 (f)                                 |     | 2,500                                  | 2,587                              |
| <b>Santander UK Group Holdings PLC</b>                    |     |                                        |                                    |
| 7.375% due 06/24/2022 (f)                                 | GBP | 6,363                                  | 8,205                              |
| <b>Spirit Realty LP</b>                                   |     |                                        |                                    |
| 4.450% due 09/15/2026 (i)                                 | \$  | 2,300                                  | 2,209                              |
| <b>Tesco Property Finance PLC</b>                         |     |                                        |                                    |
| 5.411% due 07/13/2044                                     | GBP | 4,434                                  | 5,433                              |
| 6.052% due 10/13/2039                                     |     | 4,653                                  | 6,260                              |
| <b>TIG FinCo PLC</b>                                      |     |                                        |                                    |
| 8.500% due 03/02/2020                                     |     | 987                                    | 1,282                              |
| 8.750% due 04/02/2020                                     |     | 11,215                                 | 13,614                             |
|                                                           |     |                                        | 322,206                            |
| <b>INDUSTRIALS 31.6%</b>                                  |     |                                        |                                    |
| <b>ADT Corp.</b>                                          |     |                                        |                                    |
| 4.875% due 07/15/2032                                     | \$  | 2,656                                  | 2,151                              |
| <b>BCD Acquisition, Inc.</b>                              |     |                                        |                                    |
| 9.625% due 09/15/2023                                     |     | 1,200                                  | 1,290                              |
| <b>BMC Software Finance, Inc.</b>                         |     |                                        |                                    |
| 8.125% due 07/15/2021 (i)                                 |     | 2,827                                  | 2,742                              |
| <b>Boxer Parent Co., Inc. (9.000% Cash or 9.750% PIK)</b> |     |                                        |                                    |
| 9.000% due 10/15/2019 (c)(i)                              |     | 8,132                                  | 7,929                              |
| <b>Caesars Entertainment Operating Co., Inc.</b>          |     |                                        |                                    |

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|                                                |     |                                        |                                    |
|------------------------------------------------|-----|----------------------------------------|------------------------------------|
| 9.000% due 02/15/2020 ^                        |     | 18,786                                 | 20,946                             |
| 11.250% due 06/01/2017 ^                       |     | 10,528                                 | 11,502                             |
| <b>Chesapeake Energy Corp.</b>                 |     |                                        |                                    |
| 4.272% due 04/15/2019                          |     | 120                                    | 120                                |
| <b>Concordia International Corp.</b>           |     |                                        |                                    |
| 9.000% due 04/01/2022                          |     | 444                                    | 379                                |
| <b>Diamond Resorts International, Inc.</b>     |     |                                        |                                    |
| 10.750% due 09/01/2024 (i)                     |     | 3,800                                  | 3,819                              |
| <b>DriveTime Automotive Group, Inc.</b>        |     |                                        |                                    |
| 8.000% due 06/01/2021 (i)                      |     | 11,130                                 | 11,047                             |
| <b>Enterprise Inns PLC</b>                     |     |                                        |                                    |
| 6.000% due 10/06/2023                          | GBP | 500                                    | 659                                |
| 6.875% due 05/09/2025                          |     | 6,600                                  | 8,862                              |
| <b>Forbes Energy Services Ltd.</b>             |     |                                        |                                    |
| 9.000% due 06/15/2019 ^                        | \$  | 3,527                                  | 2,134                              |
| <b>Ford Motor Co.</b>                          |     |                                        |                                    |
| 7.700% due 05/15/2097 (i)                      |     | 16,610                                 | 19,382                             |
| <b>Fresh Market, Inc.</b>                      |     |                                        |                                    |
| 9.750% due 05/01/2023 (i)                      |     | 9,300                                  | 8,300                              |
|                                                |     | <b>PRINCIPAL<br/>AMOUNT<br/>(000S)</b> | <b>MARKET<br/>VALUE<br/>(000S)</b> |
| <b>General Shopping Finance Ltd.</b>           |     |                                        |                                    |
| 10.000% due 03/03/2017 (f)(i)                  | \$  | 5,300                                  | \$ 3,880                           |
| <b>General Shopping Investments Ltd.</b>       |     |                                        |                                    |
| 12.000% due 03/20/2017 ^ (f)                   |     | 2,500                                  | 725                                |
| <b>Hampton Roads PPV LLC</b>                   |     |                                        |                                    |
| 6.621% due 06/15/2053                          |     | 20,354                                 | 18,264                             |
| <b>Harvest Operations Corp.</b>                |     |                                        |                                    |
| 2.330% due 04/14/2021                          |     | 22,056                                 | 21,682                             |
| <b>HCA, Inc.</b>                               |     |                                        |                                    |
| 7.500% due 11/15/2095 (i)                      |     | 3,462                                  | 3,332                              |
| <b>Hellenic Railways Organization S.A.</b>     |     |                                        |                                    |
| 4.028% due 03/17/2017                          | EUR | 300                                    | 321                                |
| <b>iHeartCommunications, Inc.</b>              |     |                                        |                                    |
| 9.000% due 09/15/2022 (i)                      | \$  | 6,800                                  | 5,125                              |
| <b>Intelsat Luxembourg S.A.</b>                |     |                                        |                                    |
| 7.750% due 06/01/2021                          |     | 5,615                                  | 1,979                              |
| 8.125% due 06/01/2023                          |     | 5,704                                  | 1,925                              |
| <b>Intrepid Aviation Group Holdings LLC</b>    |     |                                        |                                    |
| 6.875% due 02/15/2019                          |     | 11,650                                 | 10,660                             |
| <b>Kinder Morgan Energy Partners LP</b>        |     |                                        |                                    |
| 6.950% due 01/15/2038 (i)                      |     | 1,000                                  | 1,188                              |
| <b>Koppers, Inc.</b>                           |     |                                        |                                    |
| 6.000% due 02/15/2025                          |     | 25                                     | 26                                 |
| <b>Mallinckrodt International Finance S.A.</b> |     |                                        |                                    |
| 4.750% due 04/15/2023                          |     | 400                                    | 330                                |
| <b>N&amp;W Global Vending SpA</b>              |     |                                        |                                    |
| 7.000% due 10/15/2023                          | EUR | 100                                    | 114                                |
| <b>Petroleos de Venezuela S.A.</b>             |     |                                        |                                    |
| 8.500% due 11/02/2017                          | \$  | 33                                     | 29                                 |
| <b>Prime Security Services Borrower LLC</b>    |     |                                        |                                    |
| 9.250% due 05/15/2023 (i)                      |     | 3,600                                  | 3,910                              |
| <b>Russian Railways via RZD Capital PLC</b>    |     |                                        |                                    |
| 7.487% due 03/25/2031                          | GBP | 18,100                                 | 26,783                             |
| <b>Safeway, Inc.</b>                           |     |                                        |                                    |
| 7.250% due 02/01/2031 (i)                      | \$  | 5,348                                  | 5,281                              |
| <b>Sequa Corp.</b>                             |     |                                        |                                    |
| 7.000% due 12/15/2017                          |     | 17,343                                 | 9,539                              |
| <b>Silversea Cruise Finance Ltd.</b>           |     |                                        |                                    |
| 7.250% due 02/01/2025                          |     | 31                                     | 32                                 |
| <b>Spanish Broadcasting System, Inc.</b>       |     |                                        |                                    |
| 12.500% due 04/15/2017                         |     | 4,220                                  | 4,209                              |
| <b>Tech Data Corp.</b>                         |     |                                        |                                    |
| 3.700% due 02/15/2022                          |     | 50                                     | 50                                 |
| 4.950% due 02/15/2027                          |     | 60                                     | 60                                 |
| <b>Tembec Industries, Inc.</b>                 |     |                                        |                                    |
| 9.000% due 12/15/2019 (i)                      |     | 21,675                                 | 22,054                             |
| <b>Tennessee Merger Sub, Inc.</b>              |     |                                        |                                    |
| 6.375% due 02/01/2025 (b)                      |     | 149                                    | 146                                |

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|                                   |           |         |
|-----------------------------------|-----------|---------|
| <b>Transocean, Inc.</b>           |           |         |
| 9.000% due 07/15/2023             | 1,021     | 1,092   |
| <b>Trinidad Drilling Ltd.</b>     |           |         |
| 6.625% due 02/15/2025 (b)         | 47        | 48      |
| <b>UCP, Inc.</b>                  |           |         |
| 8.500% due 10/21/2017             | 10,300    | 10,245  |
| <b>Unique Pub Finance Co. PLC</b> |           |         |
| 5.659% due 06/30/2027             | GBP 298   | 401     |
| <b>Westmoreland Coal Co.</b>      |           |         |
| 8.750% due 01/01/2022             | \$ 10,638 | 9,734   |
| <b>Zayo Group LLC</b>             |           |         |
| 5.750% due 01/15/2027             | 45        | 46      |
|                                   |           | 264,472 |

## UTILITIES 5.6%

|                                      |        |       |
|--------------------------------------|--------|-------|
| <b>CenturyLink, Inc.</b>             |        |       |
| 7.200% due 12/01/2025                | 1,122  | 1,083 |
| <b>Frontier Communications Corp.</b> |        |       |
| 11.000% due 09/15/2025               | 840    | 852   |
| <b>Illinois Power Generating Co.</b> |        |       |
| 6.300% due 04/01/2020 ^              | 30     | 11    |
| 7.000% due 04/15/2018 ^              | 16,800 | 6,300 |
| 7.950% due 06/01/2032 ^              | 900    | 333   |

## 42 PIMCO CLOSED-END FUNDS

See Accompanying Notes

January 31, 2017 (Unaudited)

|                                                                                                  | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|--------------------------------------------------------------------------------------------------|-------------------------------|---------------------------|
| <b>Mountain States Telephone &amp; Telegraph Co.</b>                                             |                               |                           |
| 7.375% due 05/01/2030                                                                            | \$ 15,200                     | \$ 15,979                 |
| <b>NRG REMA LLC</b>                                                                              |                               |                           |
| 9.237% due 07/02/2017                                                                            | 78                            | 65                        |
| <b>Odebrecht Drilling Norbe Ltd.</b>                                                             |                               |                           |
| 6.350% due 06/30/2022                                                                            | 4,576                         | 2,139                     |
| <b>Odebrecht Offshore Drilling Finance Ltd.</b>                                                  |                               |                           |
| 6.625% due 10/01/2023                                                                            | 5,001                         | 1,738                     |
| 6.750% due 10/01/2023                                                                            | 10,835                        | 3,684                     |
| <b>Petrobras Global Finance BV</b>                                                               |                               |                           |
| 6.250% due 12/14/2026                                                                            | GBP 8,600                     | 10,432                    |
| 6.625% due 01/16/2034                                                                            | 200                           | 228                       |
| 7.375% due 01/17/2027                                                                            | \$ 320                        | 334                       |
| <b>Terraform Global Operating LLC</b>                                                            |                               |                           |
| 9.750% due 08/15/2022 (i)                                                                        | 3,200                         | 3,544                     |
|                                                                                                  |                               | 46,722                    |
| <b>Total Corporate Bonds &amp; Notes (Cost \$642,389)</b>                                        |                               | <b>633,400</b>            |
| <b>CONVERTIBLE BONDS &amp; NOTES 0.7%</b>                                                        |                               |                           |
| <b>INDUSTRIALS 0.7%</b>                                                                          |                               |                           |
| <b>DISH Network Corp.</b>                                                                        |                               |                           |
| 3.375% due 08/15/2026                                                                            | 5,100                         | 5,983                     |
| <b>Total Convertible Bonds &amp; Notes (Cost \$5,100)</b>                                        |                               | <b>5,983</b>              |
| <b>MUNICIPAL BONDS &amp; NOTES 8.4%</b>                                                          |                               |                           |
| <b>CALIFORNIA 2.4%</b>                                                                           |                               |                           |
| <b>Anaheim Redevelopment Agency, California Tax Allocation Bonds, (AGM Insured), Series 2007</b> |                               |                           |
| 6.506% due 02/01/2031                                                                            | 2,000                         | 2,284                     |
| <b>Sacramento County, California Revenue Bonds, Series 2013</b>                                  |                               |                           |
| 7.250% due 08/01/2025                                                                            | 1,500                         | 1,747                     |
| <b>San Diego Redevelopment Agency, California Tax Allocation Bonds, Series 2010</b>              |                               |                           |
| 7.625% due 09/01/2030                                                                            | 7,500                         | 8,564                     |
| 7.750% due 09/01/2040                                                                            | 6,500                         | 7,422                     |
| <b>San Diego Tobacco Settlement Funding Corp., California Revenue Bonds, Series 2006</b>         |                               |                           |
| 7.125% due 06/01/2032                                                                            | 275                           | 316                       |
|                                                                                                  |                               | 20,333                    |
| <b>DISTRICT OF COLUMBIA 1.2%</b>                                                                 |                               |                           |
| <b>District of Columbia Revenue Bonds, Series 2011</b>                                           |                               |                           |
| 7.625% due 10/01/2035                                                                            | 9,740                         | 9,926                     |
| <b>ILLINOIS 2.4%</b>                                                                             |                               |                           |
| <b>Chicago, Illinois General Obligation Bonds, (BABs), Series 2010</b>                           |                               |                           |
| 6.257% due 01/01/2040                                                                            | 11,000                        | 9,587                     |
| 7.517% due 01/01/2040                                                                            | 9,805                         | 10,024                    |
|                                                                                                  |                               | 19,611                    |
| <b>NEW YORK 0.2%</b>                                                                             |                               |                           |
| <b>Erie Tobacco Asset Securitization Corp., New York Revenue Bonds, Series 2005</b>              |                               |                           |

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|                       |       |       |
|-----------------------|-------|-------|
| 6.000% due 06/01/2028 | 1,960 | 1,960 |
|-----------------------|-------|-------|

## TEXAS 1.0%

### El Paso Downtown Development Corp., Texas Revenue Bonds, Series 2013

|                       |       |       |
|-----------------------|-------|-------|
| 7.250% due 08/15/2043 | 7,535 | 8,546 |
|-----------------------|-------|-------|

## VIRGINIA 0.1%

### Tobacco Settlement Financing Corp., Virginia Revenue Bonds, Series 2007

|                       |       |       |
|-----------------------|-------|-------|
| 6.706% due 06/01/2046 | 1,375 | 1,107 |
|-----------------------|-------|-------|

PRINCIPAL  
AMOUNT  
(000S)

MARKET  
VALUE  
(000S)

## WEST VIRGINIA 1.1%

### Tobacco Settlement Finance Authority, West Virginia Revenue Bonds, Series 2007

|                       |           |          |
|-----------------------|-----------|----------|
| 7.467% due 06/01/2047 | \$ 10,080 | \$ 8,961 |
|-----------------------|-----------|----------|

## Total Municipal Bonds & Notes (Cost \$68,258)

70,444

## U.S. GOVERNMENT AGENCIES 2.3%

### Fannie Mae

|                           |     |    |
|---------------------------|-----|----|
| 3.500% due 09/25/2027 (a) | 589 | 69 |
|---------------------------|-----|----|

|                                           |        |    |
|-------------------------------------------|--------|----|
| 5.899% due 10/25/2017 -<br>01/25/2018 (a) | 13,208 | 93 |
|-------------------------------------------|--------|----|

|                       |     |     |
|-----------------------|-----|-----|
| 8.458% due 10/25/2041 | 762 | 884 |
|-----------------------|-----|-----|

|                        |     |     |
|------------------------|-----|-----|
| 10.000% due 01/25/2034 | 219 | 254 |
|------------------------|-----|-----|

|                        |     |     |
|------------------------|-----|-----|
| 12.916% due 05/25/2043 | 848 | 870 |
|------------------------|-----|-----|

### Freddie Mac

|                       |        |       |
|-----------------------|--------|-------|
| 2.563% due 11/25/2055 | 14,313 | 8,051 |
|-----------------------|--------|-------|

|                           |     |    |
|---------------------------|-----|----|
| 4.000% due 08/15/2020 (a) | 493 | 24 |
|---------------------------|-----|----|

|                           |       |     |
|---------------------------|-------|-----|
| 4.500% due 10/15/2037 (a) | 1,087 | 109 |
|---------------------------|-------|-----|

|                           |       |     |
|---------------------------|-------|-----|
| 5.000% due 06/15/2033 (a) | 1,968 | 293 |
|---------------------------|-------|-----|

|                           |       |     |
|---------------------------|-------|-----|
| 5.333% due 07/15/2035 (a) | 1,432 | 179 |
|---------------------------|-------|-----|

|                           |       |     |
|---------------------------|-------|-----|
| 5.433% due 02/15/2042 (a) | 2,530 | 352 |
|---------------------------|-------|-----|

|                           |     |     |
|---------------------------|-----|-----|
| 6.373% due 08/15/2036 (a) | 907 | 195 |
|---------------------------|-----|-----|

|                       |     |     |
|-----------------------|-----|-----|
| 9.944% due 12/15/2043 | 406 | 441 |
|-----------------------|-----|-----|

|                       |       |       |
|-----------------------|-------|-------|
| 9.971% due 10/25/2027 | 4,342 | 5,295 |
|-----------------------|-------|-------|

|                        |    |    |
|------------------------|----|----|
| 11.466% due 05/15/2033 | 63 | 77 |
|------------------------|----|----|

### Ginnie Mae

|                                           |       |     |
|-------------------------------------------|-------|-----|
| 3.500% due 06/20/2042 -<br>03/20/2043 (a) | 3,857 | 547 |
|-------------------------------------------|-------|-----|

|                           |     |    |
|---------------------------|-----|----|
| 4.500% due 07/20/2042 (a) | 310 | 53 |
|---------------------------|-----|----|

|                           |     |     |
|---------------------------|-----|-----|
| 5.000% due 09/20/2042 (a) | 545 | 104 |
|---------------------------|-----|-----|

|                           |        |       |
|---------------------------|--------|-------|
| 5.473% due 02/20/2042 (a) | 12,461 | 1,206 |
|---------------------------|--------|-------|

## Total U.S. Government Agencies (Cost \$24,852)

19,096

## NON-AGENCY MORTGAGE-BACKED SECURITIES 18.6%

### Adjustable Rate Mortgage Trust

|                       |       |       |
|-----------------------|-------|-------|
| 0.941% due 05/25/2036 | 4,952 | 2,762 |
|-----------------------|-------|-------|

### Banc of America Alternative Loan Trust

|                             |       |       |
|-----------------------------|-------|-------|
| 4.829% due 06/25/2046 ^ (a) | 8,668 | 1,215 |
|-----------------------------|-------|-------|

### Banc of America Funding Trust

|                         |     |     |
|-------------------------|-----|-----|
| 6.000% due 07/25/2037 ^ | 666 | 522 |
|-------------------------|-----|-----|

|                       |        |       |
|-----------------------|--------|-------|
| 6.250% due 10/26/2036 | 11,218 | 8,696 |
|-----------------------|--------|-------|

### Banc of America Mortgage Trust

|                         |    |    |
|-------------------------|----|----|
| 3.211% due 02/25/2036 ^ | 26 | 24 |
|-------------------------|----|----|

### BCAP LLC Trust

|                       |       |     |
|-----------------------|-------|-----|
| 5.078% due 03/26/2037 | 2,172 | 659 |
|-----------------------|-------|-----|

|                       |       |       |
|-----------------------|-------|-------|
| 6.000% due 05/26/2037 | 7,074 | 4,631 |
|-----------------------|-------|-------|

|                       |       |       |
|-----------------------|-------|-------|
| 7.504% due 10/26/2036 | 7,416 | 6,419 |
|-----------------------|-------|-------|

|                       |       |       |
|-----------------------|-------|-------|
| 8.076% due 09/26/2036 | 7,073 | 6,293 |
|-----------------------|-------|-------|

|                        |       |       |
|------------------------|-------|-------|
| 11.961% due 06/26/2036 | 2,861 | 1,160 |
|------------------------|-------|-------|

### Bear Stearns Adjustable Rate Mortgage Trust

|                       |     |     |
|-----------------------|-----|-----|
| 3.293% due 11/25/2034 | 107 | 101 |
|-----------------------|-----|-----|

### Bellemeade Re Ltd.

|                       |       |       |
|-----------------------|-------|-------|
| 7.071% due 07/25/2025 | 1,250 | 1,274 |
|-----------------------|-------|-------|



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|                                                             |                                        |                                    |
|-------------------------------------------------------------|----------------------------------------|------------------------------------|
| <b>Chase Mortgage Finance Trust</b>                         |                                        |                                    |
| 3.179% due 09/25/2036 ^                                     | 157                                    | 141                                |
| 3.189% due 12/25/2035 ^                                     | 30                                     | 29                                 |
| 5.500% due 05/25/2036 ^                                     | 8                                      | 7                                  |
| <b>Citigroup Mortgage Loan Trust, Inc.</b>                  |                                        |                                    |
| 1.106% due 07/25/2036                                       | 4                                      | 5                                  |
| 3.161% due 07/25/2037 ^                                     | 190                                    | 175                                |
| 3.292% due 08/25/2037 ^                                     | 863                                    | 725                                |
| 3.842% due 11/25/2035                                       | 16,621                                 | 9,453                              |
| 6.500% due 09/25/2036                                       | 4,942                                  | 3,789                              |
| <b>Citigroup/Deutsche Bank Commercial Mortgage Trust</b>    |                                        |                                    |
| 5.398% due 12/11/2049                                       | 15,271                                 | 13,820                             |
| <b>Commercial Mortgage Loan Trust</b>                       |                                        |                                    |
| 6.096% due 12/10/2049                                       | 2,051                                  | 1,300                              |
| <b>Countrywide Alternative Loan Trust</b>                   |                                        |                                    |
| 1.021% due 12/25/2046                                       | 3,223                                  | 2,099                              |
| 3.175% due 07/25/2046 ^                                     | 234                                    | 225                                |
| 3.490% due 02/25/2037 ^                                     | 419                                    | 367                                |
| 4.229% due 04/25/2035 (a)                                   | 5,480                                  | 605                                |
| 4.825% due 07/25/2021 ^                                     | 366                                    | 345                                |
|                                                             | <b>PRINCIPAL<br/>AMOUNT<br/>(000S)</b> | <b>MARKET<br/>VALUE<br/>(000S)</b> |
| 5.500% due 03/25/2036 ^                                     | \$ 362                                 | \$ 283                             |
| 6.000% due 02/25/2037 ^                                     | 7,363                                  | 5,099                              |
| 6.250% due 12/25/2036 ^                                     | 3,945                                  | 2,913                              |
| 6.500% due 06/25/2036 ^                                     | 1,143                                  | 826                                |
| <b>Countrywide Home Loan Mortgage Pass-Through Trust</b>    |                                        |                                    |
| 3.019% due 09/20/2036 ^                                     | 683                                    | 549                                |
| 3.121% due 09/25/2047 ^                                     | 74                                     | 69                                 |
| 4.579% due 12/25/2036 (a)                                   | 4,119                                  | 603                                |
| <b>Credit Suisse Commercial Mortgage Trust</b>              |                                        |                                    |
| 5.683% due 02/15/2039                                       | 1,000                                  | 932                                |
| 5.870% due 09/15/2040                                       | 4,800                                  | 4,537                              |
| <b>Credit Suisse First Boston Mortgage Securities Corp.</b> |                                        |                                    |
| 6.000% due 01/25/2036                                       | 2,373                                  | 1,805                              |
| <b>Epic Drummond Ltd.</b>                                   |                                        |                                    |
| 0.000% due 01/25/2022                                       | EUR 611                                | 649                                |
| <b>Grifonas Finance PLC</b>                                 |                                        |                                    |
| 0.088% due 08/28/2039                                       | 5,690                                  | 4,776                              |
| <b>HarborView Mortgage Loan Trust</b>                       |                                        |                                    |
| 3.007% due 08/19/2036 ^                                     | \$ 571                                 | 429                                |
| 3.353% due 08/19/2036 ^                                     | 34                                     | 31                                 |
| <b>IM Pastor Fondo de Titulacion Hipotecaria</b>            |                                        |                                    |
| 0.000% due 03/22/2043                                       | EUR 7,590                              | 6,567                              |
| <b>JPMorgan Alternative Loan Trust</b>                      |                                        |                                    |
| 3.013% due 03/25/2037 ^                                     | \$ 8,929                               | 7,977                              |
| <b>JPMorgan Chase Commercial Mortgage Securities Trust</b>  |                                        |                                    |
| 5.623% due 05/12/2045                                       | 2,437                                  | 2,102                              |
| <b>JPMorgan Mortgage Trust</b>                              |                                        |                                    |
| 5.849% due 01/25/2037 ^ (a)                                 | 23,398                                 | 6,045                              |
| <b>LB-UBS Commercial Mortgage Trust</b>                     |                                        |                                    |
| 5.407% due 11/15/2038                                       | 1,411                                  | 1,090                              |
| 5.562% due 02/15/2040                                       | 2,787                                  | 2,081                              |
| <b>Lehman XS Trust</b>                                      |                                        |                                    |
| 0.991% due 06/25/2047                                       | 4,770                                  | 3,682                              |
| <b>Nomura Asset Acceptance Corp. Alternative Loan Trust</b> |                                        |                                    |
| 3.501% due 04/25/2036 ^                                     | 7,321                                  | 5,299                              |
| <b>RBSSP Resecuritization Trust</b>                         |                                        |                                    |
| 8.884% due 06/26/2037                                       | 5,036                                  | 3,720                              |
| <b>Residential Asset Securitization Trust</b>               |                                        |                                    |
| 6.250% due 10/25/2036 ^                                     | 687                                    | 620                                |
| 6.250% due 09/25/2037 ^                                     | 5,573                                  | 3,809                              |
| 6.500% due 08/25/2036 ^                                     | 936                                    | 520                                |
| <b>Structured Adjustable Rate Mortgage Loan Trust</b>       |                                        |                                    |
| 3.084% due 04/25/2047                                       | 872                                    | 676                                |
| 3.254% due 01/25/2036 ^                                     | 230                                    | 175                                |
| <b>Structured Asset Mortgage Investments Trust</b>          |                                        |                                    |
| 0.961% due 07/25/2046 ^                                     | 15,105                                 | 11,124                             |
| <b>WaMu Mortgage Pass-Through Certificates Trust</b>        |                                        |                                    |

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|                                                                   |        |       |
|-------------------------------------------------------------------|--------|-------|
| 2.513% due 05/25/2037 ^                                           | 195    | 157   |
| <b>Washington Mutual Mortgage Pass-Through Certificates Trust</b> |        |       |
| 5.909% due 04/25/2037 (a)                                         | 14,606 | 3,965 |
| 6.500% due 03/25/2036 ^                                           | 8,634  | 6,426 |

**Total Non-Agency Mortgage-Backed Securities (Cost \$148,829)** **156,377**

## ASSET-BACKED SECURITIES 17.7%

|                                                    |           |       |
|----------------------------------------------------|-----------|-------|
| <b>ACE Securities Corp. Home Equity Loan Trust</b> |           |       |
| 0.911% due 07/25/2036                              | 5,318     | 3,661 |
| <b>Airspeed Ltd.</b>                               |           |       |
| 1.037% due 06/15/2032                              | 4,944     | 3,890 |
| <b>Apidos CLO</b>                                  |           |       |
| 0.000% due 07/22/2026                              | 3,000     | 1,634 |
| <b>Argent Securities Trust</b>                     |           |       |
| 0.961% due 03/25/2036                              | 6,439     | 3,402 |
| <b>CIFC Funding Ltd.</b>                           |           |       |
| 0.000% due 05/24/2026 (e)                          | 4,000     | 2,944 |
| 0.000% due 07/22/2026                              | 3,000     | 1,844 |
| <b>Citigroup Mortgage Loan Trust, Inc.</b>         |           |       |
| 0.871% due 12/25/2036                              | 11,620    | 7,164 |
| 0.931% due 12/25/2036                              | 6,786     | 4,216 |
| <b>Cork Street CLO Designated Activity Co.</b>     |           |       |
| 0.000% due 11/27/2028 (e)                          | EUR 2,667 | 2,438 |
| 3.600% due 11/27/2028                              | 1,197     | 1,296 |

See Accompanying Notes

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**Schedule of Investments PIMCO High Income Fund (Cont.)**

|                                                            |     | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|------------------------------------------------------------|-----|-------------------------------|---------------------------|
| 4.500% due 11/27/2028                                      | EUR | 1,047                         | \$ 1,135                  |
| 6.200% due 11/27/2028                                      |     | 1,296                         | 1,409                     |
| <b>Countrywide Asset-Backed Certificates</b>               |     |                               |                           |
| 4.820% due 07/25/2036                                      | \$  | 13,700                        | 11,343                    |
| <b>Countrywide Asset-Backed Certificates Trust</b>         |     |                               |                           |
| 1.026% due 09/25/2046                                      |     | 15,000                        | 7,050                     |
| <b>Duke Funding Ltd.</b>                                   |     |                               |                           |
| 1.521% due 08/07/2033                                      |     | 19,716                        | 8,005                     |
| <b>Glacier Funding CDO Ltd.</b>                            |     |                               |                           |
| 1.146% due 08/04/2035                                      |     | 7,769                         | 2,171                     |
| <b>GLG Euro CLO</b>                                        |     |                               |                           |
| 0.000% due 04/15/2028                                      | EUR | 4,150                         | 3,905                     |
| <b>Grosvenor Place CLO BV</b>                              |     |                               |                           |
| 0.000% due 04/30/2029                                      |     | 1,000                         | 889                       |
| <b>Halcyon Loan Advisors European Funding BV</b>           |     |                               |                           |
| 0.000% due 01/15/2027 (e)                                  |     | 1,100                         | 1,117                     |
| <b>Long Beach Mortgage Loan Trust</b>                      |     |                               |                           |
| 0.961% due 02/25/2036                                      | \$  | 1,695                         | 1,130                     |
| <b>Merrill Lynch Mortgage Investors Trust</b>              |     |                               |                           |
| 0.916% due 04/25/2037                                      |     | 994                           | 560                       |
| 4.063% due 03/25/2037                                      |     | 4,129                         | 1,373                     |
| <b>Morgan Stanley Mortgage Loan Trust</b>                  |     |                               |                           |
| 2.568% due 11/25/2036 ^                                    |     | 918                           | 446                       |
| 5.965% due 09/25/2046 ^                                    |     | 8,624                         | 4,845                     |
| <b>NovaStar Mortgage Funding Trust</b>                     |     |                               |                           |
| 0.931% due 10/25/2036                                      |     | 37,586                        | 21,659                    |
| <b>People's Financial Realty Mortgage Securities Trust</b> |     |                               |                           |
| 0.931% due 09/25/2036                                      |     | 23,049                        | 7,188                     |
| <b>Putnam Structured Product Funding Ltd.</b>              |     |                               |                           |
| 9.092% due 02/25/2037                                      |     | 717                           | 728                       |
| <b>Renaissance Home Equity Loan Trust</b>                  |     |                               |                           |
| 5.812% due 11/25/2036                                      |     | 9,568                         | 5,562                     |
| 6.998% due 09/25/2037 ^                                    |     | 8,228                         | 4,967                     |
| 7.238% due 09/25/2037 ^                                    |     | 6,938                         | 4,187                     |
| <b>Sherwood Funding CDO Ltd.</b>                           |     |                               |                           |
| 1.067% due 11/06/2039                                      |     | 34,624                        | 9,044                     |
| <b>South Coast Funding Ltd.</b>                            |     |                               |                           |
| 1.482% due 08/10/2038                                      |     | 27,555                        | 5,690                     |
| <b>Taberna Preferred Funding Ltd.</b>                      |     |                               |                           |
| 1.158% due 08/05/2036                                      |     | 717                           | 516                       |
| 1.158% due 08/05/2036 ^                                    |     | 14,045                        | 10,112                    |
| <b>Trainer Wortham First Republic CBO Ltd.</b>             |     |                               |                           |
| 2.081% due 11/06/2038                                      |     | 888                           | 881                       |
|                                                            |     | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
| <b>Washington Mutual Asset-Backed Certificates Trust</b>   |     |                               |                           |
| 0.921% due 05/25/2036                                      | \$  | 294                           | \$ 218                    |
| <b>Total Asset-Backed Securities (Cost \$151,223)</b>      |     |                               | <b>148,619</b>            |
| <b>SOVEREIGN ISSUES 1.8%</b>                               |     |                               |                           |
| <b>Argentine Government International Bond</b>             |     |                               |                           |
| 7.820% due 12/31/2033                                      | EUR | 7,930                         | 8,731                     |
| <b>Autonomous Community of Catalonia</b>                   |     |                               |                           |
| 4.900% due 09/15/2021                                      |     | 2,350                         | 2,683                     |
| <b>Republic of Greece Government International Bond</b>    |     |                               |                           |
| 3.000% due 02/24/2023                                      |     | 25                            | 21                        |
| 3.000% due 02/24/2024                                      |     | 25                            | 21                        |

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|                       |       |       |
|-----------------------|-------|-------|
| 3.000% due 02/24/2025 | 25    | 20    |
| 3.000% due 02/24/2026 | 25    | 20    |
| 3.000% due 02/24/2027 | 25    | 20    |
| 3.000% due 02/24/2028 | 25    | 19    |
| 3.000% due 02/24/2029 | 25    | 18    |
| 3.000% due 02/24/2030 | 25    | 18    |
| 3.000% due 02/24/2031 | 25    | 18    |
| 3.000% due 02/24/2032 | 25    | 17    |
| 3.000% due 02/24/2033 | 25    | 17    |
| 3.000% due 02/24/2034 | 25    | 17    |
| 3.000% due 02/24/2035 | 25    | 16    |
| 3.000% due 02/24/2036 | 25    | 16    |
| 3.000% due 02/24/2037 | 25    | 16    |
| 3.000% due 02/24/2038 | 25    | 16    |
| 3.000% due 02/24/2039 | 25    | 16    |
| 3.000% due 02/24/2040 | 25    | 16    |
| 3.000% due 02/24/2041 | 25    | 16    |
| 3.000% due 02/24/2042 | 25    | 16    |
| 4.750% due 04/17/2019 | 3,000 | 2,989 |

**Total Sovereign Issues (Cost \$14,398)** **14,757**

## SHARES

### COMMON STOCKS 0.1%

#### FINANCIALS 0.1%

**TIG FinCo PLC (g)** 828,934 772

### UTILITIES 0.0%

**Warren Resources, Inc.** 23,043 84

**Total Common Stocks (Cost \$2,839)** **856**

## SHARES

## MARKET VALUE (000S)

### PREFERRED SECURITIES 0.3%

#### BANKING & FINANCE 0.3%

##### Farm Credit Bank of Texas

10.000% due 12/15/2020 (f) 2,190 \$ 2,633

##### Morgan Stanley

5.850% due 04/15/2027 (f) 2,500 63

**Total Preferred Securities (Cost \$2,641)** **2,696**

### SHORT-TERM INSTRUMENTS 11.2%

#### REPURCHASE AGREEMENTS (h) 5.8%

48,400

## PRINCIPAL AMOUNT (000S)

### U.S. TREASURY BILLS 5.4%

0.461% due 02/02/2017 - 03/16/2017 (d)(e)(k)(m) \$ 45,347 45,335

**Total Short-Term Instruments (Cost \$93,735)** **93,735**

**Total Investments in Securities (Cost \$1,171,271)** **1,161,940**

**Total Investments 138.6% (Cost \$1,171,271)** **\$ 1,161,940**

#### Financial Derivative

##### Instruments (j)(l) (0.6)%

(Cost or Premiums, net \$(1,282)) (5,417)

**Preferred Shares (12.2)%** **(101,975)**

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|                                            |           |
|--------------------------------------------|-----------|
| Other Assets and Liabilities, net (25.8) % | (216,375) |
|--------------------------------------------|-----------|

|                                                     |    |         |
|-----------------------------------------------------|----|---------|
| Net Assets Applicable to Common Shareholders 100.0% | \$ | 838,173 |
|-----------------------------------------------------|----|---------|

## NOTES TO SCHEDULE OF INVESTMENTS (AMOUNTS IN THOUSANDS\*):

- \* A zero balance may reflect actual amounts rounding to less than one thousand.
- ^ Security is in default.
- (a) Interest only security.
- (b) When-issued security.
- (c) Payment in-kind security.
- (d) Coupon represents a weighted average yield to maturity.
- (e) Zero coupon security.
- (f) Perpetual maturity; date shown, if applicable, represents next contractual call date.

## (g) RESTRICTED SECURITIES:

| Issuer Description | Acquisition Date | Cost     | Market Value | Market Value as Percentage of Net Assets |
|--------------------|------------------|----------|--------------|------------------------------------------|
| TIG FinCo PLC      | 04/02/2015       | \$ 1,229 | \$ 772       | 0.09%                                    |

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See Accompanying Notes

January 31, 2017 (Unaudited)

**BORROWINGS AND OTHER FINANCING TRANSACTIONS****(h) REPURCHASE AGREEMENTS:**

| Counterparty                       | Lending Rate | Settlement Date | Maturity Date | Principal Amount | Collateralized By                                                  | Collateral (Received) | Repurchase Agreements, at Value | Repurchase Agreement Proceeds to be Received <sup>(1)</sup> |
|------------------------------------|--------------|-----------------|---------------|------------------|--------------------------------------------------------------------|-----------------------|---------------------------------|-------------------------------------------------------------|
| BPG                                | 0.690%       | 01/31/2017      | 02/01/2017    | \$ 42,800        | U.S. Treasury Inflation Protected Securities 0.125% due 01/15/2023 | \$ (43,759)           | \$ 42,800                       | \$ 42,801                                                   |
| SSB                                | 0.010        | 01/31/2017      | 02/01/2017    | 5,600            | U.S. Treasury Notes 1.000% due 05/15/2018 <sup>(2)</sup>           | (5,714)               | 5,600                           | 5,600                                                       |
| <b>Total Repurchase Agreements</b> |              |                 |               |                  |                                                                    | <b>\$ (49,473)</b>    | <b>\$ 48,400</b>                | <b>\$ 48,401</b>                                            |

<sup>(1)</sup> Includes accrued interest.<sup>(2)</sup> Collateral is held in custody by the counterparty.**REVERSE REPURCHASE AGREEMENTS:**

| Counterparty | Borrowing Rate <sup>(3)</sup> | Borrowing Date | Maturity Date | Amount Borrowed <sup>(3)</sup> | Payable for Reverse Repurchase Agreements |
|--------------|-------------------------------|----------------|---------------|--------------------------------|-------------------------------------------|
| BCY          | 0.000%                        | 12/16/2016     | 12/16/2017    | \$ (3,504)                     | \$ (3,504)                                |
| BPS          | 1.670                         | 11/15/2016     | 02/15/2017    | (3,179)                        | (3,190)                                   |
|              | 1.740                         | 01/23/2017     | 03/02/2017    | (241)                          | (241)                                     |
|              | 1.780                         | 01/23/2017     | 03/08/2017    | (759)                          | (759)                                     |
|              | 1.830                         | 01/30/2017     | 02/03/2017    | (22,751)                       | (22,753)                                  |
|              | 1.830                         | 02/03/2017     | 04/06/2017    | (22,515)                       | (22,515)                                  |
| DEU          | 2.000                         | 12/16/2016     | 03/16/2017    | (5,581)                        | (5,596)                                   |
| MSC          | 1.400                         | 11/29/2016     | 02/28/2017    | (18,168)                       | (18,213)                                  |
| RBC          | 1.540                         | 11/14/2016     | 02/14/2017    | (6,695)                        | (6,718)                                   |
|              | 1.590                         | 11/14/2016     | 02/14/2017    | (5,581)                        | (5,600)                                   |
|              | 1.777                         | 08/04/2016     | 02/06/2017    | (12,578)                       | (12,690)                                  |
|              | 1.940                         | 12/07/2016     | 06/07/2017    | (13,771)                       | (13,813)                                  |
|              | 1.940                         | 12/12/2016     | 06/07/2017    | (2,859)                        | (2,867)                                   |
|              | 1.970                         | 12/15/2016     | 06/12/2017    | (7,432)                        | (7,452)                                   |
|              | 2.020                         | 12/15/2016     | 06/12/2017    | (3,109)                        | (3,117)                                   |
|              | 2.020                         | 01/09/2017     | 07/10/2017    | (4,508)                        | (4,514)                                   |
| RDR          | 1.300                         | 11/03/2016     | 02/03/2017    | (18,043)                       | (18,102)                                  |
|              | 1.380                         | 01/19/2017     | 04/12/2017    | (3,044)                        | (3,045)                                   |
| RTA          | 1.691                         | 01/19/2017     | 04/21/2017    | (8,107)                        | (8,112)                                   |
|              | 1.691                         | 01/20/2017     | 04/21/2017    | (6,861)                        | (6,865)                                   |

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|     |       |            |            |          |          |
|-----|-------|------------|------------|----------|----------|
| UBS | 1.230 | 11/14/2016 | 02/14/2017 | (3,303)  | (3,312)  |
|     | 1.320 | 11/25/2016 | 02/27/2017 | (2,075)  | (2,080)  |
|     | 1.380 | 11/30/2016 | 03/02/2017 | (6,968)  | (6,985)  |
|     | 1.390 | 12/02/2016 | 03/02/2017 | (10,103) | (10,127) |
|     | 1.470 | 11/25/2016 | 02/27/2017 | (2,783)  | (2,791)  |
|     | 1.730 | 11/28/2016 | 02/28/2017 | (5,090)  | (5,106)  |
|     | 1.730 | 12/01/2016 | 03/02/2017 | (8,207)  | (8,231)  |
|     | 1.730 | 12/16/2016 | 03/02/2017 | (809)    | (811)    |
|     | 1.850 | 12/28/2016 | 03/14/2017 | (17,718) | (17,750) |

**Total Reverse Repurchase Agreements** **\$ (226,859)**

<sup>(3)</sup> The average amount of borrowings outstanding during the period ended January 31, 2017 was \$(196,972) at a weighted average interest rate of 1.502%.

## BORROWINGS AND OTHER FINANCING TRANSACTIONS SUMMARY

The following is a summary by counterparty of the market value of Borrowings and Other Financing Transactions and collateral pledged/(received) as of January 31, 2017:

(i) Securities with an aggregate market value of \$260,240 and cash of \$330 has been pledged as collateral under the terms of the following master agreements as of January 31, 2017.

| Counterparty                       | Repurchase Agreement Proceeds to be Received | Payable for Reverse Repurchase Agreements | Payable for Sale-Buyback Transactions | Total Borrowings and Other Financing Transactions | Collateral Pledged/(Received) | Net Exposure <sup>(4)</sup> |
|------------------------------------|----------------------------------------------|-------------------------------------------|---------------------------------------|---------------------------------------------------|-------------------------------|-----------------------------|
| Global/Master Repurchase Agreement |                                              |                                           |                                       |                                                   |                               |                             |
| BCY                                | \$ 0                                         | \$ (3,504)                                | \$ 0                                  | \$ (3,504)                                        | \$ 4,047                      | \$ 543                      |
| BPG                                | 42,801                                       | 0                                         | 0                                     | 42,801                                            | (43,754)                      | (953)                       |
| BPS                                | 0                                            | (49,458)                                  | 0                                     | (49,458)                                          | 56,087                        | 6,629                       |

See Accompanying Notes

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**Schedule of Investments PIMCO High Income Fund (Cont.)**

| Counterparty                                             | Repurchase Agreement Proceeds to be Received | Payable for Reverse Repurchase Agreements | Payable for Sale-Buyback Transactions | Total Borrowings and Other Financing Transactions | Collateral Pledged/(Received) | Net Exposure <sup>(4)</sup> |
|----------------------------------------------------------|----------------------------------------------|-------------------------------------------|---------------------------------------|---------------------------------------------------|-------------------------------|-----------------------------|
| DEU                                                      | \$ 0                                         | \$ (5,596)                                | \$ 0                                  | \$ (5,596)                                        | \$ 7,080                      | \$ 1,484                    |
| MSC                                                      | 0                                            | (18,213)                                  | 0                                     | (18,213)                                          | 19,469                        | 1,256                       |
| RBC                                                      | 0                                            | (56,771)                                  | 0                                     | (56,771)                                          | 62,938                        | 6,167                       |
| RDR                                                      | 0                                            | (21,147)                                  | 0                                     | (21,147)                                          | 21,737                        | 590                         |
| RTA                                                      | 0                                            | (14,977)                                  | 0                                     | (14,977)                                          | 17,044                        | 2,067                       |
| SSB                                                      | 5,600                                        | 0                                         | 0                                     | 5,600                                             | (5,714)                       | (114)                       |
| UBS                                                      | 0                                            | (57,193)                                  | 0                                     | (57,193)                                          | 65,661                        | 8,468                       |
| <b>Total Borrowings and Other Financing Transactions</b> | <b>\$ 48,401</b>                             | <b>\$ (226,859)</b>                       | <b>\$ 0</b>                           |                                                   |                               |                             |

<sup>(4)</sup> Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from borrowings and other financing transactions can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

**CERTAIN TRANSFERS ACCOUNTED FOR AS SECURED BORROWINGS****Remaining Contractual Maturity of the Agreements**

|                                                                                               | Overnight and Continuous | Up to 30 days       | 31-90 days         | Greater Than 90 days | Total               |
|-----------------------------------------------------------------------------------------------|--------------------------|---------------------|--------------------|----------------------|---------------------|
| <b>Reverse Repurchase Agreements</b>                                                          |                          |                     |                    |                      |                     |
| Corporate Bonds & Notes                                                                       | \$ 0                     | \$ (126,950)        | \$ (42,127)        | \$ (35,267)          | \$ (204,344)        |
| <b>Total Borrowings</b>                                                                       | <b>\$ 0</b>              | <b>\$ (126,950)</b> | <b>\$ (42,127)</b> | <b>\$ (35,267)</b>   | <b>\$ (204,344)</b> |
| <b>Gross amount of recognized liabilities for reverse repurchase agreements<sup>(5)</sup></b> |                          |                     |                    |                      | <b>\$ (204,344)</b> |

<sup>(5)</sup> Unsettled reverse repurchase agreements liability of \$(22,515) is outstanding at period end.

**(j) FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED****SWAP AGREEMENTS:****INTEREST RATE SWAPS**



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| Pay/Receive<br>Floating Rate | Floating Rate Index | Fixed Rate | Maturity<br>Date | Notional<br>Amount | Market<br>Value   | Unrealized<br>Appreciation/<br>(Depreciation) | Variation Margin |                   |
|------------------------------|---------------------|------------|------------------|--------------------|-------------------|-----------------------------------------------|------------------|-------------------|
|                              |                     |            |                  |                    |                   |                                               | Asset            | Liability         |
| Pay                          | 3-Month USD-LIBOR   | 1.550%     | 01/20/2022       | \$ 660,000         | \$ (13,889)       | \$ (13,888)                                   | \$ 790           | \$ 0              |
| Receive*                     | 3-Month USD-LIBOR   | 1.500      | 06/21/2027       | 222,500            | 19,139            | 1,102                                         | 0                | (687)             |
| Pay                          | 3-Month USD-LIBOR   | 3.500      | 06/19/2044       | 617,800            | 106,139           | (77,930)                                      | 4,480            | 0                 |
| Receive                      | 3-Month USD-LIBOR   | 2.250      | 12/21/2046       | 68,300             | 5,633             | 11,835                                        | 0                | (456)             |
| Receive*                     | 3-Month USD-LIBOR   | 1.750      | 06/21/2047       | 840,100            | 175,096           | 26,768                                        | 0                | (5,543)           |
|                              |                     |            |                  |                    | \$ 292,118        | \$ (52,113)                                   | \$ 5,270         | \$ (6,686)        |
| <b>Total Swap Agreements</b> |                     |            |                  |                    | <b>\$ 292,118</b> | <b>\$ (52,113)</b>                            | <b>\$ 5,270</b>  | <b>\$ (6,686)</b> |

\* This instrument has a forward starting effective date. See Note 2(a) in the Notes to Financial Statements for further information.

**FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED SUMMARY**

The following is a summary of the market value and variation margin of Exchange-Traded or Centrally Cleared Financial Derivative Instruments as of January 31, 2017:

- (k) Securities with an aggregate market value of \$19,299 and cash of \$8,616 have been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of January 31, 2017. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

|                                                   | Financial Derivative Assets |             |                 |                 | Financial Derivative Liabilities |             |                   |                   |
|---------------------------------------------------|-----------------------------|-------------|-----------------|-----------------|----------------------------------|-------------|-------------------|-------------------|
|                                                   | Variation Margin            |             |                 |                 | Variation Margin                 |             |                   |                   |
|                                                   | Market Value                |             | Asset           |                 | Market Value                     |             | Liability         |                   |
|                                                   | Purchased                   | Futures     | Swaps           | Total           | Written                          | Futures     | Swaps             | Total             |
| <b>Total Exchange-Traded or Centrally Cleared</b> | <b>\$ 0</b>                 | <b>\$ 0</b> | <b>\$ 5,270</b> | <b>\$ 5,270</b> | <b>\$ 0</b>                      | <b>\$ 0</b> | <b>\$ (6,686)</b> | <b>\$ (6,686)</b> |

January 31, 2017 (Unaudited)

**(I) FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER****FORWARD FOREIGN CURRENCY CONTRACTS:**

| Counterparty                                    | Settlement Month | Currency to be Delivered | Currency to be Received | Unrealized Appreciation/ (Depreciation) |                   |
|-------------------------------------------------|------------------|--------------------------|-------------------------|-----------------------------------------|-------------------|
|                                                 |                  |                          |                         | Asset                                   | Liability         |
| BOA                                             | 02/2017          | BRL                      | 797                     | \$ 243                                  | \$ 0              |
|                                                 | 02/2017          | EUR                      | 54,143                  | 56,388                                  | 0                 |
|                                                 | 02/2017          | GBP                      | 202                     | 250                                     | 0                 |
|                                                 | 02/2017          | \$                       | 255                     | BRL                                     | 797               |
| BPS                                             | 02/2017          | EUR                      | 236                     | \$ 249                                  | 0                 |
|                                                 | 02/2017          | GBP                      | 206                     | 251                                     | 0                 |
| CBK                                             | 02/2017          |                          | 148                     | 182                                     | 0                 |
|                                                 | 02/2017          | \$                       | 4,113                   | EUR                                     | 3,858             |
|                                                 | 02/2017          |                          | 101,581                 | GBP                                     | 80,961            |
|                                                 | 03/2017          | EUR                      | 8,169                   | \$ 8,751                                | 0                 |
| FBF                                             | 03/2017          | GBP                      | 80,961                  | 101,634                                 | 0                 |
|                                                 | 02/2017          |                          | 67                      | 83                                      | 0                 |
| GLM                                             | 02/2017          | EUR                      | 466                     | 497                                     | 0                 |
|                                                 | 02/2017          | GBP                      | 270                     | 331                                     | 0                 |
| JPM                                             | 02/2017          | \$                       | 55,040                  | EUR                                     | 51,463            |
|                                                 | 03/2017          | EUR                      | 51,463                  | \$ 55,103                               | 0                 |
| MSB                                             | 02/2017          | GBP                      | 544                     | 662                                     | 0                 |
| SCX                                             | 02/2017          | EUR                      | 236                     | 250                                     | 0                 |
| SOG                                             | 02/2017          | GBP                      | 78,721                  | 97,117                                  | 0                 |
| TOR                                             | 02/2017          | EUR                      | 627                     | 663                                     | 0                 |
|                                                 | 02/2017          | GBP                      | 528                     | 645                                     | 0                 |
| UAG                                             | 02/2017          |                          | 275                     | 338                                     | 0                 |
| <b>Total Forward Foreign Currency Contracts</b> |                  |                          |                         | <b>\$ 833</b>                           | <b>\$ (4,941)</b> |

**SWAP AGREEMENTS:****CREDIT DEFAULT SWAPS ON CORPORATE ISSUES - SELL PROTECTION<sup>(1)</sup>**

| Counterparty | Reference Entity            | Fixed Receive Rate | Maturity Date | Implied Credit Spread at January 31, 2017 <sup>(2)</sup> | Notional Amount <sup>(3)</sup> | Premiums Paid/(Received) | Unrealized Appreciation/ (Depreciation) | Swap Agreements, at Value |            |
|--------------|-----------------------------|--------------------|---------------|----------------------------------------------------------|--------------------------------|--------------------------|-----------------------------------------|---------------------------|------------|
|              |                             |                    |               |                                                          |                                |                          |                                         | Asset                     | Liability  |
| BPS          | Banco Espirito Santo S.A.   | 5.000%             | 09/20/2020    | 17.421%                                                  | EUR 5,000                      | \$ 0                     | \$ (1,386)                              | \$ 0                      | \$ (1,386) |
|              | Banco Espirito Santo S.A.   | 5.000              | 12/20/2021    | 16.522                                                   | 100                            | (28)                     | (3)                                     | 0                         | (31)       |
|              | Petrobras Global Finance BV | 1.000              | 12/20/2024    | 4.214                                                    | \$ 1,700                       | (332)                    | (6)                                     | 0                         | (338)      |
| GST          |                             | 1.000              | 12/20/2024    | 4.214                                                    | 2,200                          | (437)                    | (1)                                     | 0                         | (438)      |

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|     |                             |       |            |        |         |            |            |      |            |
|-----|-----------------------------|-------|------------|--------|---------|------------|------------|------|------------|
|     | Petrobras Global Finance BV |       |            |        |         |            |            |      |            |
| HUS | Petrobras Global Finance BV | 1.000 | 12/20/2024 | 4.214  | 2,800   | (581)      | 23         | 0    | (558)      |
| JPM | Banco Espirito Santo S.A.   | 5.000 | 12/20/2021 | 16.522 | EUR 200 | (54)       | (8)        | 0    | (62)       |
|     |                             |       |            |        |         | \$ (1,432) | \$ (1,381) | \$ 0 | \$ (2,813) |

- (1) If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash, securities or other deliverable obligations equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.
- (2) Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on corporate issues as of period end serve as indicators of the current status of the payment/performance risk and represent the likelihood or risk of default for the credit derivative. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.
- (3) The maximum potential amount the Fund could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.

## INTEREST RATE SWAPS

| Counterparty                 | Pay/Receive   |                     | Fixed Rate | Maturity Date | Notional Amount | Premiums Paid/(Received) | Unrealized Swap Agreements, at Value |                 |                   |
|------------------------------|---------------|---------------------|------------|---------------|-----------------|--------------------------|--------------------------------------|-----------------|-------------------|
|                              | Floating Rate | Floating Rate Index |            |               |                 |                          | Appreciation                         | Asset           | Liability         |
| DUB                          | Pay           | 3-Month USD-LIBOR   | 2.500%     | 03/22/2022    | \$ 1,000,000    | \$ 470                   | \$ 2,666                             | \$ 3,136        | \$ 0              |
| GLM                          | Pay           | 3-Month USD-LIBOR   | 2.300      | 04/26/2022    | 1,000,000       | (320)                    | 104                                  | 0               | (216)             |
|                              |               |                     |            |               |                 | \$ 150                   | \$ 2,770                             | \$ 3,136        | \$ (216)          |
| <b>Total Swap Agreements</b> |               |                     |            |               |                 | <b>\$ (1,282)</b>        | <b>\$ 1,389</b>                      | <b>\$ 3,136</b> | <b>\$ (3,029)</b> |

See Accompanying Notes

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# Schedule of Investments **PIMCO High Income Fund** (Cont.)

## FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER SUMMARY

The following is a summary by counterparty of the market value of OTC financial derivative instruments and collateral pledged/(received) as of January 31, 2017:

(m) Securities with an aggregate market value of \$6,453 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of January 31, 2017.

| Counterparty                  | Financial Derivative Assets                 |                      |                    |                              | Financial Derivative Liabilities            |                    |                    |                              | Net                                   |                                      |                                |  |
|-------------------------------|---------------------------------------------|----------------------|--------------------|------------------------------|---------------------------------------------|--------------------|--------------------|------------------------------|---------------------------------------|--------------------------------------|--------------------------------|--|
|                               | Forward<br>Foreign<br>Currency<br>Contracts | Purchased<br>Options | Swap<br>Agreements | Total<br>Over the<br>Counter | Forward<br>Foreign<br>Currency<br>Contracts | Written<br>Options | Swap<br>Agreements | Total<br>Over the<br>Counter | Market<br>Value of OTC<br>Derivatives | Collateral<br>Pledged/<br>(Received) | Net<br>Exposure <sup>(4)</sup> |  |
| BOA                           | \$ 0                                        | \$ 0                 | \$ 0               | \$ 0                         | \$ (2,076)                                  | \$ 0               | \$ 0               | \$ (2,076)                   | \$ (2,076)                            | \$ 1,610                             | \$ (466)                       |  |
| BPS                           | 0                                           | 0                    | 0                  | 0                            | (15)                                        | 0                  | (1,755)            | (1,770)                      | (1,770)                               | 1,772                                | 2                              |  |
| CBK                           | 319                                         | 0                    | 0                  | 319                          | (343)                                       | 0                  | 0                  | (343)                        | (24)                                  | 0                                    | (24)                           |  |
| DUB                           | 0                                           | 0                    | 3,136              | 3,136                        | 0                                           | 0                  | 0                  | 0                            | 3,136                                 | (4,375)                              | (1,239)                        |  |
| FBF                           | 0                                           | 0                    | 0                  | 0                            | (2)                                         | 0                  | 0                  | (2)                          | (2)                                   | 0                                    | (2)                            |  |
| GLM                           | 0                                           | 0                    | 0                  | 0                            | (15)                                        | 0                  | (216)              | (231)                        | (231)                                 | 768                                  | 537                            |  |
| GST                           | 0                                           | 0                    | 0                  | 0                            | 0                                           | 0                  | (438)              | (438)                        | (438)                                 | 454                                  | 16                             |  |
| HUS                           | 0                                           | 0                    | 0                  | 0                            | 0                                           | 0                  | (558)              | (558)                        | (558)                                 | 688                                  | 130                            |  |
| JPM                           | 514                                         | 0                    | 0                  | 514                          | (509)                                       | 0                  | (62)               | (571)                        | (57)                                  | 0                                    | (57)                           |  |
| MSB                           | 0                                           | 0                    | 0                  | 0                            | (22)                                        | 0                  | 0                  | (22)                         | (22)                                  | 0                                    | (22)                           |  |
| MYC                           | 0                                           | 0                    | 0                  | 0                            | 0                                           | 0                  | 0                  | 0                            | 0                                     | (140)                                | (140)                          |  |
| SCX                           | 0                                           | 0                    | 0                  | 0                            | (5)                                         | 0                  | 0                  | (5)                          | (5)                                   | 0                                    | (5)                            |  |
| SOG                           | 0                                           | 0                    | 0                  | 0                            | (1,913)                                     | 0                  | 0                  | (1,913)                      | (1,913)                               | 1,162                                | (751)                          |  |
| TOR                           | 0                                           | 0                    | 0                  | 0                            | (33)                                        | 0                  | 0                  | (33)                         | (33)                                  | 0                                    | (33)                           |  |
| UAG                           | 0                                           | 0                    | 0                  | 0                            | (8)                                         | 0                  | 0                  | (8)                          | (8)                                   | 0                                    | (8)                            |  |
| <b>Total Over the Counter</b> | <b>\$ 833</b>                               | <b>\$ 0</b>          | <b>\$ 3,136</b>    | <b>\$ 3,969</b>              | <b>\$ (4,941)</b>                           | <b>\$ 0</b>        | <b>\$ (3,029)</b>  | <b>\$ (7,970)</b>            |                                       |                                      |                                |  |

<sup>(4)</sup> Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from OTC financial derivative instruments can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

## FAIR VALUE OF FINANCIAL DERIVATIVE INSTRUMENTS

The following is a summary of the fair valuation of the Fund's derivative instruments categorized by risk exposure. See Note 7, Principal Risks, in the Notes to Financial Statements on risks of the Fund.

Fair Values of Financial Derivative Instruments on the Statements of Assets and Liabilities as of January 31, 2017:

**Derivatives not accounted for as hedging instruments**

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|                                                       | Commodity<br>Contracts | Credit<br>Contracts | Equity<br>Contracts | Foreign<br>Exchange<br>Contracts | Interest<br>Rate Contracts | Total     |
|-------------------------------------------------------|------------------------|---------------------|---------------------|----------------------------------|----------------------------|-----------|
| <b>Financial Derivative Instruments - Assets</b>      |                        |                     |                     |                                  |                            |           |
| Exchange-traded or centrally cleared                  |                        |                     |                     |                                  |                            |           |
| Swap Agreements                                       | \$ 0                   | \$ 0                | \$ 0                | \$ 0                             | \$ 5,270                   | \$ 5,270  |
| Over the counter                                      |                        |                     |                     |                                  |                            |           |
| Forward Foreign Currency Contracts                    | \$ 0                   | \$ 0                | \$ 0                | \$ 833                           | \$ 0                       | \$ 833    |
| Swap Agreements                                       | 0                      | 0                   | 0                   | 0                                | 3,136                      | 3,136     |
|                                                       | \$ 0                   | \$ 0                | \$ 0                | \$ 833                           | \$ 3,136                   | \$ 3,969  |
|                                                       | \$ 0                   | \$ 0                | \$ 0                | \$ 833                           | \$ 8,406                   | \$ 9,239  |
| <b>Financial Derivative Instruments - Liabilities</b> |                        |                     |                     |                                  |                            |           |
| Exchange-traded or centrally cleared                  |                        |                     |                     |                                  |                            |           |
| Swap Agreements                                       | \$ 0                   | \$ 0                | \$ 0                | \$ 0                             | \$ 6,686                   | \$ 6,686  |
| Over the counter                                      |                        |                     |                     |                                  |                            |           |
| Forward Foreign Currency Contracts                    | \$ 0                   | \$ 0                | \$ 0                | \$ 4,941                         | \$ 0                       | \$ 4,941  |
| Swap Agreements                                       | 0                      | 2,813               | 0                   | 0                                | 216                        | 3,029     |
|                                                       | \$ 0                   | \$ 2,813            | \$ 0                | \$ 4,941                         | \$ 216                     | \$ 7,970  |
|                                                       | \$ 0                   | \$ 2,813            | \$ 0                | \$ 4,941                         | \$ 6,902                   | \$ 14,656 |

48 PIMCO CLOSED-END FUNDS

See Accompanying Notes

January 31, 2017 (Unaudited)

The effect of Financial Derivative Instruments on the Statements of Operations for the period ended January 31, 2017:

|                                                                                          | Derivatives not accounted for as hedging instruments |                     |                     |                                  |                            |    |           |
|------------------------------------------------------------------------------------------|------------------------------------------------------|---------------------|---------------------|----------------------------------|----------------------------|----|-----------|
|                                                                                          | Commodity<br>Contracts                               | Credit<br>Contracts | Equity<br>Contracts | Foreign<br>Exchange<br>Contracts | Interest<br>Rate Contracts |    | Total     |
| Net Realized Gain on Financial Derivative Instruments                                    |                                                      |                     |                     |                                  |                            |    |           |
| Exchange-traded or centrally cleared                                                     |                                                      |                     |                     |                                  |                            |    |           |
| Swap Agreements                                                                          | \$ 0                                                 | \$ 2,419            | \$ 0                | \$ 0                             | \$ 88,745                  | \$ | 91,164    |
| Over the counter                                                                         |                                                      |                     |                     |                                  |                            |    |           |
| Forward Foreign Currency Contracts                                                       | \$ 0                                                 | \$ 0                | \$ 0                | \$ 11,419                        | \$ 0                       | \$ | 11,419    |
| Swap Agreements                                                                          | 0                                                    | 1,390               | 0                   | 0                                | 5,424                      |    | 6,814     |
|                                                                                          | \$ 0                                                 | \$ 1,390            | \$ 0                | \$ 11,419                        | \$ 5,424                   | \$ | 18,233    |
|                                                                                          | \$ 0                                                 | \$ 3,809            | \$ 0                | \$ 11,419                        | \$ 94,169                  | \$ | 109,397   |
| Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments |                                                      |                     |                     |                                  |                            |    |           |
| Exchange-traded or centrally cleared                                                     |                                                      |                     |                     |                                  |                            |    |           |
| Swap Agreements                                                                          | \$ 0                                                 | \$ (1,570)          | \$ 0                | \$ 0                             | \$ (107,614)               | \$ | (109,184) |
| Over the counter                                                                         |                                                      |                     |                     |                                  |                            |    |           |
| Forward Foreign Currency Contracts                                                       | \$ 0                                                 | \$ 0                | \$ 0                | \$ (3,899)                       | \$ 0                       | \$ | (3,899)   |
| Swap Agreements                                                                          | 0                                                    | 1,006               | 0                   | 0                                | 1,296                      |    | 2,302     |
|                                                                                          | \$ 0                                                 | \$ 1,006            | \$ 0                | \$ (3,899)                       | \$ 1,296                   | \$ | (1,597)   |
|                                                                                          | \$ 0                                                 | \$ (564)            | \$ 0                | \$ (3,899)                       | \$ (106,318)               | \$ | (110,781) |

## FAIR VALUE MEASUREMENTS

The following is a summary of the fair valuations according to the inputs used as of January 31, 2017 in valuing the Fund's assets and liabilities:

| Category and Subcategory                   | Level 1 | Level 2   | Level 3  | Fair<br>Value at<br>01/31/2017 |
|--------------------------------------------|---------|-----------|----------|--------------------------------|
| <b>Investments in Securities, at Value</b> |         |           |          |                                |
| Bank Loan Obligations                      | \$ 0    | \$ 13,112 | \$ 2,865 | \$ 15,977                      |
| Corporate Bonds & Notes                    |         |           |          |                                |
| Banking & Finance                          | 0       | 313,475   | 8,731    | 322,206                        |
| Industrials                                | 0       | 254,227   | 10,245   | 264,472                        |
| Utilities                                  | 0       | 46,722    | 0        | 46,722                         |
| Convertible Bonds & Notes                  |         |           |          |                                |

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|                                       |   |         |       |         |
|---------------------------------------|---|---------|-------|---------|
| Industrials                           | 0 | 5,983   | 0     | 5,983   |
| Municipal Bonds & Notes               |   |         |       |         |
| California                            | 0 | 20,333  | 0     | 20,333  |
| District of Columbia                  | 0 | 9,926   | 0     | 9,926   |
| Illinois                              | 0 | 19,611  | 0     | 19,611  |
| New York                              | 0 | 1,960   | 0     | 1,960   |
| Texas                                 | 0 | 8,546   | 0     | 8,546   |
| Virginia                              | 0 | 1,107   | 0     | 1,107   |
| West Virginia                         | 0 | 8,961   | 0     | 8,961   |
| U.S. Government Agencies              | 0 | 11,045  | 8,051 | 19,096  |
| Non-Agency Mortgage-Backed Securities | 0 | 156,377 | 0     | 156,377 |
| Asset-Backed Securities               | 0 | 148,619 | 0     | 148,619 |
| Sovereign Issues                      | 0 | 14,757  | 0     | 14,757  |
| Common Stocks                         |   |         |       |         |
| Financials                            | 0 | 0       | 772   | 772     |
| Utilities                             | 0 | 0       | 84    | 84      |
| Preferred Securities                  |   |         |       |         |
| Banking & Finance                     | 0 | 2,696   | 0     | 2,696   |

| Category and Subcategory | Level 1 | Level 2   | Level 3 | Fair Value at 01/31/2017 |
|--------------------------|---------|-----------|---------|--------------------------|
| Short-Term Instruments   |         |           |         |                          |
| Repurchase Agreements    | \$ 0    | \$ 48,400 | \$ 0    | \$ 48,400                |
| U.S. Treasury Bills      | 0       | 45,335    | 0       | 45,335                   |

|                   |      |              |           |              |
|-------------------|------|--------------|-----------|--------------|
| Total Investments | \$ 0 | \$ 1,131,192 | \$ 30,748 | \$ 1,161,940 |
|-------------------|------|--------------|-----------|--------------|

## Financial Derivative Instruments - Assets

|                                      |      |          |      |          |
|--------------------------------------|------|----------|------|----------|
| Exchange-traded or centrally cleared | 0    | 5,270    | 0    | 5,270    |
| Over the counter                     | 0    | 3,969    | 0    | 3,969    |
|                                      | \$ 0 | \$ 9,239 | \$ 0 | \$ 9,239 |

## Financial Derivative Instruments - Liabilities

|                                      |      |             |      |             |
|--------------------------------------|------|-------------|------|-------------|
| Exchange-traded or centrally cleared | 0    | (6,686)     | 0    | (6,686)     |
| Over the counter                     | 0    | (7,970)     | 0    | (7,970)     |
|                                      | \$ 0 | \$ (14,656) | \$ 0 | \$ (14,656) |

|                                        |      |            |      |            |
|----------------------------------------|------|------------|------|------------|
| Total Financial Derivative Instruments | \$ 0 | \$ (5,417) | \$ 0 | \$ (5,417) |
|----------------------------------------|------|------------|------|------------|

|        |      |              |           |              |
|--------|------|--------------|-----------|--------------|
| Totals | \$ 0 | \$ 1,125,775 | \$ 30,748 | \$ 1,156,523 |
|--------|------|--------------|-----------|--------------|

There were no significant transfers among Levels 1 and 2 during the period ended January 31, 2017.

See Accompanying Notes

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**Schedule of Investments PIMCO High Income Fund (Cont.)**

January 31, 2017 (Unaudited)

The following is a reconciliation of the fair valuations using significant unobservable inputs (Level 3) for the Fund during the period ended January 31, 2017:

| Category and Subcategory                   | Beginning<br>Balance<br>at 07/31/2016 | Net<br>Purchases | Net<br>Sales    | Accrued<br>Discounts/ Realized<br>(Premium)/Gain/(Loss) | Net<br>Change in<br>Unrealized<br>Appreciation/Depreciation | Transfers in<br>(Level 3) | Transfers out<br>(Level 3) | Ending<br>Balance<br>at 01/31/2017 | Net<br>Change in<br>Unrealized<br>Appreciation/<br>(Depreciation)<br>on Investments<br>Held at<br>01/31/2017 <sup>(1)</sup> |
|--------------------------------------------|---------------------------------------|------------------|-----------------|---------------------------------------------------------|-------------------------------------------------------------|---------------------------|----------------------------|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| <b>Investments in Securities, at Value</b> |                                       |                  |                 |                                                         |                                                             |                           |                            |                                    |                                                                                                                             |
| Bank Loan Obligations                      | \$ 0                                  | \$ 2,552         | \$ (8)          | \$ 36                                                   | \$ 2                                                        | \$ 283                    | \$ 0                       | \$ 2,865                           | \$ 283                                                                                                                      |
| Corporate Bonds & Notes                    |                                       |                  |                 |                                                         |                                                             |                           |                            |                                    |                                                                                                                             |
| Banking & Finance                          | 9,195                                 | 0                | (125)           | 2                                                       | 1                                                           | (342)                     | 0                          | 8,731                              | (322)                                                                                                                       |
| Industrials                                | 10,253                                | 0                | 0               | 7                                                       | 0                                                           | (15)                      | 0                          | 10,245                             | (15)                                                                                                                        |
| U.S. Government Agencies                   | 7,716                                 | 0                | (70)            | 32                                                      | 28                                                          | 345                       | 0                          | 8,051                              | 341                                                                                                                         |
| Non-Agency Mortgage-Backed Securities      | 1,235                                 | 0                | 0               | 0                                                       | 0                                                           | 39                        | (1,274)                    | 0                                  | 0                                                                                                                           |
| Common Stocks                              |                                       |                  |                 |                                                         |                                                             |                           |                            |                                    |                                                                                                                             |
| Financials                                 | 527                                   | 0                | 0               | 0                                                       | 0                                                           | 245                       | 0                          | 772                                | 245                                                                                                                         |
| Utilities                                  | 0                                     | 1,610            | 0               | 0                                                       | 0                                                           | (1,526)                   | 0                          | 84                                 | (1,526)                                                                                                                     |
| <b>Totals</b>                              | <b>\$ 28,926</b>                      | <b>\$ 4,162</b>  | <b>\$ (203)</b> | <b>\$ 77</b>                                            | <b>\$ 31</b>                                                | <b>\$ (971)</b>           | <b>\$ 0</b>                | <b>\$ 30,748</b>                   | <b>\$ (994)</b>                                                                                                             |

The following is a summary of significant unobservable inputs used in the fair valuations of assets and liabilities categorized within Level 3 of the fair value hierarchy:

| Category and Subcategory                   | Ending<br>Balance<br>at 01/31/2017 | Valuation<br>Technique                    | Unobservable<br>Inputs | Input Value(s)<br>(% Unless<br>Noted<br>Otherwise) |
|--------------------------------------------|------------------------------------|-------------------------------------------|------------------------|----------------------------------------------------|
| <b>Investments in Securities, at Value</b> |                                    |                                           |                        |                                                    |
| Bank Loan Obligations                      | \$ 2,865                           | Third Party Vendor                        | Broker Quote           | 89.750                                             |
| Corporate Bonds & Notes                    |                                    |                                           |                        |                                                    |
| Banking & Finance                          | 8,731                              | Proxy Pricing                             | Base Price             | 110.500                                            |
| Industrials                                | 10,245                             | Proxy Pricing                             | Base Price             | 99.500                                             |
| U.S. Government Agencies                   | 8,051                              | Proxy Pricing                             | Base Price             | 56.094                                             |
| Common Stocks                              |                                    |                                           |                        |                                                    |
| Financials                                 | 772                                | Other Valuation Techniques <sup>(2)</sup> |                        |                                                    |
| Utilities                                  | 84                                 | Other Valuation Techniques <sup>(2)</sup> |                        |                                                    |
| <b>Total</b>                               | <b>\$ 30,748</b>                   |                                           |                        |                                                    |



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- (1) Any difference between Net Change in Unrealized Appreciation/(Depreciation) and Net Change in Unrealized Appreciation/(Depreciation) on Investments Held at January 31, 2017 may be due to an investment no longer held or categorized as Level 3 at period end.
- (2) Includes valuation techniques not defined in the Notes to Financial Statements as securities valued using such techniques are not considered significant to the Fund.

**50 PIMCO CLOSED-END FUNDS**

See Accompanying Notes

Schedule of Investments **PIMCO Income Strategy Fund**

January 31, 2017 (Unaudited)

|                                                   | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|---------------------------------------------------|-------------------------------|---------------------------|
| <b>INVESTMENTS IN SECURITIES 130.0%</b>           |                               |                           |
| <b>BANK LOAN OBLIGATIONS 3.2%</b>                 |                               |                           |
| <b>Avolon</b>                                     |                               |                           |
| TBD% due 07/20/2020                               | \$ 20                         | \$ 20                     |
| <b>Avolon Holdings Ltd.</b>                       |                               |                           |
| TBD% due 01/13/2022                               | 170                           | 172                       |
| <b>BMC Software Finance, Inc.</b>                 |                               |                           |
| TBD% due 09/10/2020                               | 200                           | 200                       |
| <b>iHeartCommunications, Inc.</b>                 |                               |                           |
| 7.528% due 01/30/2019                             | 3,100                         | 2,606                     |
| <b>Save-A-Lot</b>                                 |                               |                           |
| 7.000% due 12/05/2023                             | 1,100                         | 1,097                     |
| <b>Sequa Corp.</b>                                |                               |                           |
| 5.250% due 06/19/2017                             | 3,106                         | 2,980                     |
| <b>Sprint Communications, Inc.</b>                |                               |                           |
| TBD% due 01/13/2024                               | 800                           | 800                       |
| <b>Team Health Holdings, Inc.</b>                 |                               |                           |
| TBD% due 01/17/2024                               | 200                           | 200                       |
| <b>Westmoreland Coal Co.</b>                      |                               |                           |
| 7.500% due 12/16/2020                             | 997                           | 895                       |
| <b>Total Bank Loan Obligations (Cost \$9,267)</b> |                               | <b>8,970</b>              |
| <b>CORPORATE BONDS &amp; NOTES 68.3%</b>          |                               |                           |
| <b>BANKING &amp; FINANCE 34.1%</b>                |                               |                           |
| <b>Ally Financial, Inc.</b>                       |                               |                           |
| 8.000% due 11/01/2031                             | 2,227                         | 2,656                     |
| <b>Banco Bilbao Vizcaya Argentaria S.A.</b>       |                               |                           |
| 6.750% due 02/18/2020 (g)                         | EUR 1,000                     | 1,032                     |
| <b>Banco do Brasil S.A.</b>                       |                               |                           |
| 6.250% due 04/15/2024 (g)                         | \$ 1,700                      | 1,368                     |
| 9.000% due 06/18/2024 (g)                         | 2,219                         | 2,252                     |
| <b>Banco Espirito Santo S.A.</b>                  |                               |                           |
| 2.625% due 05/08/2017 ^                           | EUR 1,400                     | 484                       |
| 4.000% due 01/21/2019 ^                           | 3,800                         | 1,313                     |
| 4.750% due 01/15/2018 ^                           | 1,200                         | 415                       |
| <b>Banco Santander S.A.</b>                       |                               |                           |
| 6.250% due 09/11/2021 (g)                         | 500                           | 519                       |
| <b>Barclays Bank PLC</b>                          |                               |                           |
| 14.000% due 06/15/2019 (g)                        | GBP 3,700                     | 5,731                     |
| <b>Barclays PLC</b>                               |                               |                           |
| 6.500% due 09/15/2019 (g)                         | EUR 200                       | 217                       |
| <b>Blackstone CQP Holdco LP</b>                   |                               |                           |
| 9.296% due 03/19/2019                             | \$ 4,608                      | 4,648                     |
| <b>BNP Paribas S.A.</b>                           |                               |                           |
| 7.375% due 08/19/2025 (g)(j)                      | 2,100                         | 2,129                     |
| <b>Cantor Commercial Real Estate Co. LP</b>       |                               |                           |
| 7.750% due 02/15/2018                             | 750                           | 750                       |
| <b>Cantor Fitzgerald LP</b>                       |                               |                           |
| 6.500% due 06/17/2022 (j)                         | 3,000                         | 3,267                     |
| <b>CBL &amp; Associates LP</b>                    |                               |                           |
| 5.950% due 12/15/2026                             | 1,000                         | 992                       |
| <b>Co-operative Group Holdings Ltd.</b>           |                               |                           |
| 7.500% due 07/08/2026                             | GBP 3,050                     | 4,591                     |

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**Cooperatieve Rabobank UA**

|                           |     |     |     |
|---------------------------|-----|-----|-----|
| 6.625% due 06/29/2021 (g) | EUR | 400 | 464 |
|---------------------------|-----|-----|-----|

**Credit Agricole S.A.**

|                           |    |       |       |
|---------------------------|----|-------|-------|
| 7.875% due 01/23/2024 (g) | \$ | 1,600 | 1,634 |
|---------------------------|----|-------|-------|

**Credit Suisse Group AG**

|                           |  |       |       |
|---------------------------|--|-------|-------|
| 7.500% due 12/11/2023 (g) |  | 3,540 | 3,755 |
|---------------------------|--|-------|-------|

**Deutsche Bank AG**

|                           |  |       |       |
|---------------------------|--|-------|-------|
| 4.250% due 10/14/2021 (j) |  | 3,700 | 3,720 |
|---------------------------|--|-------|-------|

**EPR Properties**

|                       |  |       |       |
|-----------------------|--|-------|-------|
| 4.750% due 12/15/2026 |  | 1,500 | 1,491 |
|-----------------------|--|-------|-------|

**Flagstar Bancorp, Inc.**

|                       |  |       |       |
|-----------------------|--|-------|-------|
| 6.125% due 07/15/2021 |  | 1,700 | 1,815 |
|-----------------------|--|-------|-------|

**GSPA Monetization Trust**

|                       |  |       |       |
|-----------------------|--|-------|-------|
| 6.422% due 10/09/2029 |  | 2,286 | 2,522 |
|-----------------------|--|-------|-------|

**Hexion U.S. Finance Corp.**

|                            |  |    |    |
|----------------------------|--|----|----|
| 10.375% due 02/01/2022 (b) |  | 35 | 36 |
|----------------------------|--|----|----|

|                            |  |    |    |
|----------------------------|--|----|----|
| 13.750% due 02/01/2022 (b) |  | 28 | 28 |
|----------------------------|--|----|----|

**PRINCIPAL  
AMOUNT  
(000S)**

**MARKET  
VALUE  
(000S)**

**HSBC Holdings PLC**

|                           |     |       |          |
|---------------------------|-----|-------|----------|
| 6.000% due 09/29/2023 (g) | EUR | 1,800 | \$ 2,053 |
|---------------------------|-----|-------|----------|

**Jefferies Finance LLC**

|                       |    |       |       |
|-----------------------|----|-------|-------|
| 6.875% due 04/15/2022 | \$ | 3,800 | 3,705 |
|-----------------------|----|-------|-------|

|                       |  |     |     |
|-----------------------|--|-----|-----|
| 7.375% due 04/01/2020 |  | 200 | 203 |
|-----------------------|--|-----|-----|

|                       |  |     |     |
|-----------------------|--|-----|-----|
| 7.500% due 04/15/2021 |  | 200 | 202 |
|-----------------------|--|-----|-----|

**Lloyds Bank PLC**

|                            |  |     |     |
|----------------------------|--|-----|-----|
| 12.000% due 12/16/2024 (g) |  | 300 | 398 |
|----------------------------|--|-----|-----|

**MPT Operating Partnership LP**

|                       |  |     |     |
|-----------------------|--|-----|-----|
| 5.250% due 08/01/2026 |  | 618 | 609 |
|-----------------------|--|-----|-----|

**Nationwide Building Society**

|                            |     |   |     |
|----------------------------|-----|---|-----|
| 10.250% due 06/29/2049 (g) | GBP | 6 | 950 |
|----------------------------|-----|---|-----|

**Navient Corp.**

|                       |    |     |     |
|-----------------------|----|-----|-----|
| 4.875% due 06/17/2019 | \$ | 200 | 202 |
|-----------------------|----|-----|-----|

|                           |  |       |       |
|---------------------------|--|-------|-------|
| 5.500% due 01/15/2019 (j) |  | 4,030 | 4,131 |
|---------------------------|--|-------|-------|

|                       |  |     |    |
|-----------------------|--|-----|----|
| 5.625% due 08/01/2033 |  | 100 | 80 |
|-----------------------|--|-----|----|

**Novo Banco S.A.**

|                       |     |     |    |
|-----------------------|-----|-----|----|
| 5.000% due 04/04/2019 | EUR | 101 | 83 |
|-----------------------|-----|-----|----|

|                       |  |     |     |
|-----------------------|--|-----|-----|
| 5.000% due 04/23/2019 |  | 311 | 256 |
|-----------------------|--|-----|-----|

|                       |  |     |     |
|-----------------------|--|-----|-----|
| 5.000% due 05/14/2019 |  | 206 | 168 |
|-----------------------|--|-----|-----|

|                       |  |     |    |
|-----------------------|--|-----|----|
| 5.000% due 05/21/2019 |  | 115 | 94 |
|-----------------------|--|-----|----|

|                       |  |     |    |
|-----------------------|--|-----|----|
| 5.000% due 05/23/2019 |  | 115 | 94 |
|-----------------------|--|-----|----|

**Omega Healthcare Investors, Inc.**

|                       |    |     |     |
|-----------------------|----|-----|-----|
| 4.375% due 08/01/2023 | \$ | 700 | 701 |
|-----------------------|----|-----|-----|

**OneMain Financial Holdings LLC**

|                       |  |     |     |
|-----------------------|--|-----|-----|
| 6.750% due 12/15/2019 |  | 544 | 566 |
|-----------------------|--|-----|-----|

|                       |  |    |    |
|-----------------------|--|----|----|
| 7.250% due 12/15/2021 |  | 25 | 26 |
|-----------------------|--|----|----|

**PHH Corp.**

|                       |  |       |       |
|-----------------------|--|-------|-------|
| 6.375% due 08/15/2021 |  | 1,080 | 1,096 |
|-----------------------|--|-------|-------|

|                       |  |     |     |
|-----------------------|--|-----|-----|
| 7.375% due 09/01/2019 |  | 300 | 329 |
|-----------------------|--|-----|-----|

**Rio Oil Finance Trust**

|                       |  |       |       |
|-----------------------|--|-------|-------|
| 9.250% due 07/06/2024 |  | 4,182 | 4,130 |
|-----------------------|--|-------|-------|

**Royal Bank of Scotland Group PLC**

|                              |  |       |       |
|------------------------------|--|-------|-------|
| 7.500% due 08/10/2020 (g)(j) |  | 1,600 | 1,556 |
|------------------------------|--|-------|-------|

|                              |  |       |       |
|------------------------------|--|-------|-------|
| 8.000% due 08/10/2025 (g)(j) |  | 3,000 | 2,951 |
|------------------------------|--|-------|-------|

|                           |  |     |     |
|---------------------------|--|-----|-----|
| 8.625% due 08/15/2021 (g) |  | 800 | 828 |
|---------------------------|--|-----|-----|

**Santander UK Group Holdings PLC**

|                           |     |       |       |
|---------------------------|-----|-------|-------|
| 7.375% due 06/24/2022 (g) | GBP | 1,800 | 2,321 |
|---------------------------|-----|-------|-------|

**Spirit Realty LP**

|                       |    |     |     |
|-----------------------|----|-----|-----|
| 4.450% due 09/15/2026 | \$ | 700 | 672 |
|-----------------------|----|-----|-----|

**Springleaf Finance Corp.**

|                       |  |       |       |
|-----------------------|--|-------|-------|
| 5.250% due 12/15/2019 |  | 2,627 | 2,647 |
|-----------------------|--|-------|-------|

|                       |  |       |       |
|-----------------------|--|-------|-------|
| 8.250% due 12/15/2020 |  | 4,060 | 4,370 |
|-----------------------|--|-------|-------|

**Tesco Property Finance PLC**

|                       |     |       |       |
|-----------------------|-----|-------|-------|
| 5.411% due 07/13/2044 | GBP | 2,143 | 2,626 |
|-----------------------|-----|-------|-------|

|                       |  |       |       |
|-----------------------|--|-------|-------|
| 6.052% due 10/13/2039 |  | 1,253 | 1,685 |
|-----------------------|--|-------|-------|

**TIG FinCo PLC**

|                       |  |     |     |
|-----------------------|--|-----|-----|
| 8.500% due 03/02/2020 |  | 111 | 145 |
|-----------------------|--|-----|-----|

|                       |  |       |       |
|-----------------------|--|-------|-------|
| 8.750% due 04/02/2020 |  | 4,532 | 5,502 |
|-----------------------|--|-------|-------|

**WP Carey, Inc.**

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|                                                           |                  |               |        |
|-----------------------------------------------------------|------------------|---------------|--------|
| 4.250% due 10/01/2026 (j)                                 | \$               | 1,400         | 1,381  |
|                                                           |                  |               | 94,589 |
| <b>INDUSTRIALS 26.3%</b>                                  |                  |               |        |
| <b>ADT Corp.</b>                                          |                  |               |        |
| 4.875% due 07/15/2032                                     |                  | 661           | 535    |
| <b>Aeropuertos Argentina S.A.</b>                         |                  |               |        |
| 6.875% due 02/01/2027 (b)                                 |                  | 300           | 304    |
| <b>Altice Financing S.A.</b>                              |                  |               |        |
| 7.500% due 05/15/2026                                     |                  | 1,700         | 1,799  |
| <b>BCD Acquisition, Inc.</b>                              |                  |               |        |
| 9.625% due 09/15/2023                                     |                  | 480           | 516    |
| <b>BMC Software Finance, Inc.</b>                         |                  |               |        |
| 8.125% due 07/15/2021                                     |                  | 866           | 840    |
| <b>Boxer Parent Co., Inc. (9.000% Cash or 9.750% PIK)</b> |                  |               |        |
| 9.000% due 10/15/2019 (c)(j)                              |                  | 2,204         | 2,149  |
| <b>Caesars Entertainment Operating Co., Inc.</b>          |                  |               |        |
| 8.500% due 02/15/2020 ^                                   |                  | 590           | 660    |
| 9.000% due 02/15/2020 ^                                   |                  | 3,792         | 4,227  |
| 11.250% due 06/01/2017 ^                                  |                  | 1,957         | 2,138  |
| <b>Cheniere Corpus Christi Holdings LLC</b>               |                  |               |        |
| 5.875% due 03/31/2025                                     |                  | 100           | 106    |
|                                                           | <b>PRINCIPAL</b> | <b>MARKET</b> |        |
|                                                           | <b>AMOUNT</b>    | <b>VALUE</b>  |        |
|                                                           | <b>(000S)</b>    | <b>(000S)</b> |        |
| <b>Chesapeake Energy Corp.</b>                            |                  |               |        |
| 4.272% due 04/15/2019                                     | \$               | 62            | \$ 62  |
| <b>Concordia International Corp.</b>                      |                  |               |        |
| 9.000% due 04/01/2022                                     |                  | 89            | 76     |
| <b>Continental Airlines Pass-Through Trust</b>            |                  |               |        |
| 9.798% due 10/01/2022                                     |                  | 758           | 841    |
| <b>Diamond Resorts International, Inc.</b>                |                  |               |        |
| 10.750% due 09/01/2024                                    |                  | 1,200         | 1,206  |
| <b>Enterprise Inns PLC</b>                                |                  |               |        |
| 6.875% due 02/15/2021                                     | GBP              | 2,360         | 3,242  |
| <b>Forbes Energy Services Ltd.</b>                        |                  |               |        |
| 9.000% due 06/15/2019 ^                                   | \$               | 712           | 431    |
| <b>Ford Motor Co.</b>                                     |                  |               |        |
| 7.700% due 05/15/2097 (j)                                 |                  | 9,030         | 10,537 |
| <b>Fresh Market, Inc.</b>                                 |                  |               |        |
| 9.750% due 05/01/2023                                     |                  | 3,313         | 2,957  |
| <b>Harvest Operations Corp.</b>                           |                  |               |        |
| 2.330% due 04/14/2021                                     |                  | 1,827         | 1,796  |
| <b>HCA, Inc.</b>                                          |                  |               |        |
| 4.500% due 02/15/2027                                     |                  | 400           | 396    |
| 7.500% due 11/15/2095                                     |                  | 1,050         | 1,011  |
| <b>iHeartCommunications, Inc.</b>                         |                  |               |        |
| 9.000% due 09/15/2022                                     |                  | 1,000         | 754    |
| <b>Intelsat Jackson Holdings S.A.</b>                     |                  |               |        |
| 7.250% due 04/01/2019                                     |                  | 1,000         | 864    |
| <b>Intelsat Luxembourg S.A.</b>                           |                  |               |        |
| 7.750% due 06/01/2021                                     |                  | 3,279         | 1,156  |
| 8.125% due 06/01/2023                                     |                  | 524           | 177    |
| <b>Intrepid Aviation Group Holdings LLC</b>               |                  |               |        |
| 6.875% due 02/15/2019                                     |                  | 3,430         | 3,138  |
| <b>Kinder Morgan Energy Partners LP</b>                   |                  |               |        |
| 6.375% due 03/01/2041                                     |                  | 200           | 224    |
| <b>Kinder Morgan, Inc.</b>                                |                  |               |        |
| 7.750% due 01/15/2032 (j)                                 |                  | 800           | 1,001  |
| 7.800% due 08/01/2031 (j)                                 |                  | 1,600         | 2,008  |
| <b>Kinetic Concepts, Inc.</b>                             |                  |               |        |
| 9.625% due 10/01/2021                                     |                  | 3,300         | 3,542  |
| <b>Koppers, Inc.</b>                                      |                  |               |        |
| 6.000% due 02/15/2025                                     |                  | 10            | 10     |
| <b>Mallinckrodt International Finance S.A.</b>            |                  |               |        |
| 4.750% due 04/15/2023                                     |                  | 480           | 396    |
| 5.500% due 04/15/2025                                     |                  | 380           | 329    |
| <b>MDC Partners, Inc.</b>                                 |                  |               |        |

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|                                             |     |       |       |
|---------------------------------------------|-----|-------|-------|
| 6.500% due 05/01/2024                       |     | 600   | 525   |
| <b>N&amp;W Global Vending SpA</b>           |     |       |       |
| 7.000% due 10/15/2023                       | EUR | 430   | 490   |
| <b>Park Aerospace Holdings Ltd.</b>         |     |       |       |
| 5.250% due 08/15/2022 (b)                   | \$  | 130   | 133   |
| 5.500% due 02/15/2024 (b)                   |     | 70    | 72    |
| <b>Petroleos Mexicanos</b>                  |     |       |       |
| 5.375% due 03/13/2022                       |     | 40    | 41    |
| 6.500% due 03/13/2027                       |     | 124   | 128   |
| <b>Prime Security Services Borrower LLC</b> |     |       |       |
| 9.250% due 05/15/2023                       |     | 1,240 | 1,347 |
| <b>Radiate Holdco LLC</b>                   |     |       |       |
| 6.625% due 02/15/2025 (b)                   |     | 30    | 30    |
| <b>Russian Railways via RZD Capital PLC</b> |     |       |       |
| 7.487% due 03/25/2031                       | GBP | 700   | 1,036 |
| <b>Sabine Pass Liquefaction LLC</b>         |     |       |       |
| 5.875% due 06/30/2026                       | \$  | 1,200 | 1,338 |
| <b>Safeway, Inc.</b>                        |     |       |       |
| 7.250% due 02/01/2031                       |     | 470   | 464   |
| <b>Scientific Games International, Inc.</b> |     |       |       |
| 10.000% due 12/01/2022                      |     | 1,030 | 1,061 |
| <b>Sequa Corp.</b>                          |     |       |       |
| 7.000% due 12/15/2017                       |     | 3,804 | 2,092 |
| <b>SFR Group S.A.</b>                       |     |       |       |
| 7.375% due 05/01/2026                       |     | 2,558 | 2,635 |
| <b>Silversea Cruise Finance Ltd.</b>        |     |       |       |
| 7.250% due 02/01/2025                       |     | 10    | 10    |
| <b>Soho House Bond Ltd.</b>                 |     |       |       |
| 9.125% due 10/01/2018                       | GBP | 1,300 | 1,678 |

See Accompanying Notes

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**Schedule of Investments PIMCO Income Strategy Fund (Cont.)**

|                                                 | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|-------------------------------------------------|-------------------------------|---------------------------|
| <b>Spanish Broadcasting System, Inc.</b>        |                               |                           |
| 12.500% due 04/15/2017                          | \$ 1,000                      | \$ 998                    |
| <b>Spirit Issuer PLC</b>                        |                               |                           |
| 3.067% due 12/28/2031                           | GBP 500                       | 592                       |
| 6.582% due 12/28/2027                           | 700                           | 969                       |
| <b>Tech Data Corp.</b>                          |                               |                           |
| 3.700% due 02/15/2022                           | \$ 20                         | 20                        |
| 4.950% due 02/15/2027                           | 20                            | 20                        |
| <b>Tembec Industries, Inc.</b>                  |                               |                           |
| 9.000% due 12/15/2019                           | 1,100                         | 1,119                     |
| <b>Tennessee Merger Sub, Inc.</b>               |                               |                           |
| 6.375% due 02/01/2025 (b)                       | 49                            | 48                        |
| <b>Transocean, Inc.</b>                         |                               |                           |
| 9.000% due 07/15/2023                           | 248                           | 265                       |
| <b>Trinidad Drilling Ltd.</b>                   |                               |                           |
| 6.625% due 02/15/2025 (b)                       | 16                            | 16                        |
| <b>Unique Pub Finance Co. PLC</b>               |                               |                           |
| 5.659% due 06/30/2027                           | GBP 1,917                     | 2,583                     |
| 6.542% due 03/30/2021                           | 562                           | 765                       |
| <b>Virgin Media Secured Finance PLC</b>         |                               |                           |
| 5.000% due 04/15/2027 (b)                       | 300                           | 375                       |
| <b>Westmoreland Coal Co.</b>                    |                               |                           |
| 8.750% due 01/01/2022                           | \$ 3,026                      | 2,769                     |
| <b>Zayo Group LLC</b>                           |                               |                           |
| 5.750% due 01/15/2027                           | 15                            | 15                        |
|                                                 |                               | 73,062                    |
| <b>UTILITIES 7.9%</b>                           |                               |                           |
| <b>Frontier Communications Corp.</b>            |                               |                           |
| 11.000% due 09/15/2025                          | 340                           | 345                       |
| <b>Gazprom Neft OAO Via GPN Capital S.A.</b>    |                               |                           |
| 6.000% due 11/27/2023 (j)                       | 6,600                         | 7,078                     |
| 6.000% due 11/27/2023                           | 800                           | 858                       |
| <b>Illinois Power Generating Co.</b>            |                               |                           |
| 6.300% due 04/01/2020 ^                         | 1,420                         | 533                       |
| 7.000% due 04/15/2018 ^                         | 2,600                         | 975                       |
| 7.950% due 06/01/2032 ^                         | 300                           | 111                       |
| <b>Northwestern Bell Telephone</b>              |                               |                           |
| 7.750% due 05/01/2030                           | 7,000                         | 7,671                     |
| <b>Odebrecht Drilling Norbe Ltd.</b>            |                               |                           |
| 6.350% due 06/30/2022                           | 215                           | 100                       |
| <b>Odebrecht Offshore Drilling Finance Ltd.</b> |                               |                           |
| 6.625% due 10/01/2023                           | 1,282                         | 446                       |
| 6.750% due 10/01/2023                           | 1,893                         | 643                       |
| <b>Petrobras Global Finance BV</b>              |                               |                           |
| 6.125% due 01/17/2022                           | 86                            | 89                        |
| 6.625% due 01/16/2034                           | GBP 100                       | 114                       |
| 6.750% due 01/27/2041                           | \$ 1,200                      | 1,074                     |
| 7.375% due 01/17/2027                           | 100                           | 104                       |
| <b>Sprint Capital Corp.</b>                     |                               |                           |
| 6.900% due 05/01/2019                           | 600                           | 642                       |
| <b>Terraform Global Operating LLC</b>           |                               |                           |
| 9.750% due 08/15/2022                           | 750                           | 831                       |
| <b>TerraForm Power Operating LLC</b>            |                               |                           |
| 6.375% due 02/01/2023                           | 300                           | 310                       |
|                                                 |                               | 21,924                    |

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|                                                                                                      |                  |               |                |
|------------------------------------------------------------------------------------------------------|------------------|---------------|----------------|
| <b>Total Corporate Bonds &amp; Notes</b>                                                             |                  |               |                |
| <b>(Cost \$194,876)</b>                                                                              |                  |               | <b>189,575</b> |
| <b>CONVERTIBLE BONDS &amp; NOTES 0.7%</b>                                                            |                  |               |                |
| <b>INDUSTRIALS 0.7%</b>                                                                              |                  |               |                |
| <b>DISH Network Corp.</b>                                                                            |                  |               |                |
| 3.375% due 08/15/2026                                                                                | 1,600            |               | 1,877          |
| <b>Total Convertible Bonds &amp; Notes</b>                                                           |                  |               | <b>1,877</b>   |
| <b>(Cost \$1,600)</b>                                                                                |                  |               |                |
|                                                                                                      | <b>PRINCIPAL</b> | <b>MARKET</b> |                |
|                                                                                                      | <b>AMOUNT</b>    | <b>VALUE</b>  |                |
|                                                                                                      | <b>(000S)</b>    | <b>(000S)</b> |                |
| <b>MUNICIPAL BONDS &amp; NOTES 5.1%</b>                                                              |                  |               |                |
| <b>CALIFORNIA 0.9%</b>                                                                               |                  |               |                |
| <b>Riverside County, California Redevelopment Successor Agency Tax Allocation Bonds, Series 2010</b> |                  |               |                |
| 7.500% due 10/01/2030                                                                                | \$ 600           | \$            | 647            |
| <b>Stockton Public Financing Authority, California Revenue Bonds, (BABs), Series 2009</b>            |                  |               |                |
| 7.942% due 10/01/2038                                                                                | 1,600            |               | 1,761          |
|                                                                                                      |                  |               | <b>2,408</b>   |
| <b>ILLINOIS 2.2%</b>                                                                                 |                  |               |                |
| <b>Chicago, Illinois General Obligation Bonds, (BABs), Series 2010</b>                               |                  |               |                |
| 7.517% due 01/01/2040                                                                                | 6,000            |               | 6,134          |
| <b>Chicago, Illinois General Obligation Bonds, Series 2017</b>                                       |                  |               |                |
| 7.045% due 01/01/2029 (b)                                                                            | 60               |               | 61             |
|                                                                                                      |                  |               | <b>6,195</b>   |
| <b>VIRGINIA 0.1%</b>                                                                                 |                  |               |                |
| <b>Tobacco Settlement Financing Corp., Virginia Revenue Bonds, Series 2007</b>                       |                  |               |                |
| 6.706% due 06/01/2046                                                                                | 395              |               | 318            |
| <b>WEST VIRGINIA 1.9%</b>                                                                            |                  |               |                |
| <b>Tobacco Settlement Finance Authority, West Virginia Revenue Bonds, Series 2007</b>                |                  |               |                |
| 7.467% due 06/01/2047                                                                                | 6,025            |               | 5,356          |
| <b>Total Municipal Bonds &amp; Notes (Cost \$13,892)</b>                                             |                  |               | <b>14,277</b>  |
| <b>U.S. GOVERNMENT AGENCIES 2.0%</b>                                                                 |                  |               |                |
| <b>Fannie Mae</b>                                                                                    |                  |               |                |
| 3.500% due 12/25/2032 (a)                                                                            | 776              |               | 106            |
| 4.000% due 11/25/2042 (a)                                                                            | 2,775            |               | 473            |
| 5.021% due 01/25/2029                                                                                | 200              |               | 212            |
| 12.687% due 12/25/2040                                                                               | 132              |               | 192            |
| <b>Freddie Mac</b>                                                                                   |                  |               |                |
| 2.563% due 11/25/2055                                                                                | 4,146            |               | 2,332          |
| 8.321% due 12/25/2027                                                                                | 1,499            |               | 1,677          |
| 8.458% due 11/15/2040                                                                                | 231              |               | 227            |
| 11.521% due 03/25/2025                                                                               | 296              |               | 363            |
| <b>Total U.S. Government Agencies (Cost \$5,378)</b>                                                 |                  |               | <b>5,582</b>   |
| <b>NON-AGENCY MORTGAGE-BACKED SECURITIES 16.8%</b>                                                   |                  |               |                |
| <b>Banc of America Alternative Loan Trust</b>                                                        |                  |               |                |
| 6.000% due 01/25/2036 ^                                                                              | 61               |               | 52             |
| <b>Banc of America Funding Trust</b>                                                                 |                  |               |                |
| 6.000% due 08/25/2036 ^                                                                              | 2,020            |               | 1,974          |
| <b>BCAP LLC Trust</b>                                                                                |                  |               |                |
| 3.068% due 03/27/2036                                                                                | 1,045            |               | 564            |
| 5.078% due 03/26/2037                                                                                | 555              |               | 168            |
| 11.961% due 06/26/2036                                                                               | 252              |               | 102            |
| <b>Bear Stearns ALT-A Trust</b>                                                                      |                  |               |                |

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|                                                               |                  |               |
|---------------------------------------------------------------|------------------|---------------|
| 1.091% due 06/25/2046 ^                                       | 2,593            | 2,239         |
| 3.104% due 09/25/2047 ^                                       | 3,647            | 2,604         |
| 3.110% due 11/25/2036 ^                                       | 278              | 227           |
| 3.477% due 09/25/2035 ^                                       | 403              | 333           |
| <b>Bear Stearns Commercial Mortgage Securities Trust</b>      |                  |               |
| 5.714% due 04/12/2038                                         | 100              | 77            |
| <b>Bear Stearns Mortgage Funding Trust</b>                    |                  |               |
| 7.500% due 08/25/2036                                         | 717              | 688           |
| <b>Chase Mortgage Finance Trust</b>                           |                  |               |
| 3.189% due 12/25/2035 ^                                       | 6                | 6             |
| 6.000% due 02/25/2037 ^                                       | 619              | 503           |
| 6.000% due 07/25/2037 ^                                       | 394              | 327           |
| 6.250% due 10/25/2036 ^                                       | 1,176            | 977           |
| <b>Chase Mortgage Trust</b>                                   |                  |               |
| 3.750% due 12/25/2045                                         | 270              | 252           |
|                                                               | <b>PRINCIPAL</b> | <b>MARKET</b> |
|                                                               | <b>AMOUNT</b>    | <b>VALUE</b>  |
|                                                               | <b>(000S)</b>    | <b>(000S)</b> |
| <b>Citicorp Mortgage Securities Trust</b>                     |                  |               |
| 5.500% due 04/25/2037                                         | \$ 75            | \$ 74         |
| <b>Citigroup/Deutsche Bank Commercial Mortgage Trust</b>      |                  |               |
| 5.398% due 12/11/2049                                         | 109              | 99            |
| <b>Commercial Mortgage Loan Trust</b>                         |                  |               |
| 6.096% due 12/10/2049                                         | 939              | 596           |
| <b>Countrywide Alternative Loan Resecuritization Trust</b>    |                  |               |
| 6.000% due 05/25/2036 ^                                       | 1,654            | 1,386         |
| 6.000% due 08/25/2037 ^                                       | 706              | 551           |
| <b>Countrywide Alternative Loan Trust</b>                     |                  |               |
| 1.121% due 05/25/2037 ^                                       | 257              | 138           |
| 2.953% due 04/25/2036 ^                                       | 712              | 491           |
| 5.500% due 03/25/2035                                         | 196              | 156           |
| 5.500% due 12/25/2035 ^                                       | 2,153            | 1,793         |
| 5.500% due 03/25/2036 ^                                       | 100              | 78            |
| 5.750% due 01/25/2035                                         | 234              | 235           |
| 6.000% due 02/25/2035                                         | 228              | 233           |
| 6.000% due 08/25/2036 ^                                       | 306              | 268           |
| 6.000% due 04/25/2037 ^                                       | 783              | 556           |
| 6.250% due 11/25/2036 ^                                       | 494              | 436           |
| 6.250% due 12/25/2036 ^                                       | 1,143            | 844           |
| 6.500% due 08/25/2036 ^                                       | 317              | 214           |
| <b>Countrywide Home Loan Mortgage Pass-Through Trust</b>      |                  |               |
| 3.299% due 02/20/2035                                         | 36               | 36            |
| 5.500% due 10/25/2035 ^                                       | 483              | 433           |
| 6.250% due 09/25/2036 ^                                       | 389              | 329           |
| <b>Credit Suisse Commercial Mortgage Trust</b>                |                  |               |
| 5.870% due 09/15/2040                                         | 1,500            | 1,418         |
| <b>Deutsche Mortgage Securities, Inc. Mortgage Loan Trust</b> |                  |               |
| 2.706% due 06/25/2034                                         | 2,030            | 1,512         |
| <b>Epic Drummond Ltd.</b>                                     |                  |               |
| 0.000% due 01/25/2022                                         | EUR 188          | 200           |
| <b>Fannie Mae</b>                                             |                  |               |
| 4.316% due 07/25/2029                                         | \$ 620           | 630           |
| 6.516% due 07/25/2029                                         | 570              | 610           |
| <b>GS Mortgage Securities Trust</b>                           |                  |               |
| 5.622% due 11/10/2039                                         | 700              | 654           |
| <b>GSR Mortgage Loan Trust</b>                                |                  |               |
| 5.500% due 05/25/2036 ^                                       | 76               | 72            |
| 6.000% due 02/25/2036 ^                                       | 2,968            | 2,398         |
| <b>HarborView Mortgage Loan Trust</b>                         |                  |               |
| 1.489% due 01/19/2035                                         | 223              | 207           |
| 3.213% due 07/19/2035                                         | 38               | 34            |
| <b>IndyMac Mortgage Loan Trust</b>                            |                  |               |
| 6.500% due 07/25/2037 ^                                       | 1,771            | 1,084         |
| <b>JPMorgan Alternative Loan Trust</b>                        |                  |               |
| 3.013% due 03/25/2037 ^                                       | 1,137            | 1,016         |
| 3.194% due 03/25/2036 ^                                       | 1,269            | 1,007         |
| <b>JPMorgan Chase Commercial Mortgage Securities Trust</b>    |                  |               |
| 5.623% due 05/12/2045                                         | 783              | 676           |
| <b>JPMorgan Mortgage Trust</b>                                |                  |               |
| 3.154% due 01/25/2037 ^                                       | 365              | 328           |



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|                                                            |       |       |
|------------------------------------------------------------|-------|-------|
| 3.297% due 02/25/2036 ^                                    | 338   | 301   |
| <b>LB-UBS Commercial Mortgage Trust</b>                    |       |       |
| 5.407% due 11/15/2038                                      | 439   | 339   |
| 5.562% due 02/15/2040                                      | 809   | 604   |
| <b>Lehman XS Trust</b>                                     |       |       |
| 0.991% due 06/25/2047                                      | 1,477 | 1,140 |
| <b>Merrill Lynch Mortgage Investors Trust</b>              |       |       |
| 3.019% due 03/25/2036 ^                                    | 1,203 | 831   |
| <b>Morgan Stanley Mortgage Loan Trust</b>                  |       |       |
| 5.962% due 06/25/2036                                      | 2,828 | 1,387 |
| <b>Residential Asset Securitization Trust</b>              |       |       |
| 5.750% due 02/25/2036 ^                                    | 656   | 512   |
| 6.000% due 07/25/2037 ^                                    | 842   | 580   |
| 6.250% due 09/25/2037 ^                                    | 1,429 | 977   |
| <b>Residential Funding Mortgage Securities, Inc. Trust</b> |       |       |
| 4.190% due 08/25/2036 ^                                    | 1,155 | 1,023 |
| 6.000% due 09/25/2036 ^                                    | 151   | 141   |
| 6.000% due 06/25/2037 ^                                    | 1,980 | 1,815 |
| <b>Structured Adjustable Rate Mortgage Loan Trust</b>      |       |       |
| 3.235% due 11/25/2036 ^                                    | 1,255 | 970   |
| 3.254% due 01/25/2036 ^                                    | 991   | 753   |

52 PIMCO CLOSED-END FUNDS

See Accompanying Notes

January 31, 2017 (Unaudited)

|                                                                    | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|--------------------------------------------------------------------|-------------------------------|---------------------------|
| 3.502% due 07/25/2036 ^                                            | \$ 415                        | \$ 330                    |
| 4.850% due 03/25/2037 ^                                            | 382                           | 267                       |
| <b>Suntrust Adjustable Rate Mortgage Loan Trust</b>                |                               |                           |
| 3.097% due 04/25/2037 ^                                            | 1,222                         | 1,040                     |
| 3.408% due 02/25/2037 ^                                            | 213                           | 190                       |
| <b>WaMu Mortgage Pass-Through Certificates Trust</b>               |                               |                           |
| 2.098% due 12/25/2046                                              | 343                           | 333                       |
| 3.627% due 02/25/2037 ^                                            | 394                           | 374                       |
| 5.972% due 10/25/2036 ^                                            | 584                           | 465                       |
| <b>Wells Fargo Mortgage-Backed Securities Trust</b>                |                               |                           |
| 2.997% due 07/25/2036 ^                                            | 217                           | 206                       |
| 5.750% due 03/25/2037 ^                                            | 202                           | 199                       |
| 6.000% due 06/25/2037 ^                                            | 114                           | 114                       |
| <b>Total Non-Agency Mortgage-Backed Securities (Cost \$44,435)</b> |                               | <b>46,776</b>             |
| <b>ASSET-BACKED SECURITIES 24.7%</b>                               |                               |                           |
| <b>Airspeed Ltd.</b>                                               |                               |                           |
| 1.037% due 06/15/2032                                              | 1,630                         | 1,283                     |
| <b>Argent Securities Trust</b>                                     |                               |                           |
| 0.961% due 03/25/2036                                              | 8,169                         | 4,316                     |
| <b>Asset-Backed Funding Certificates Trust</b>                     |                               |                           |
| 0.921% due 10/25/2036                                              | 7,189                         | 6,243                     |
| <b>Bear Stearns Asset-Backed Securities Trust</b>                  |                               |                           |
| 6.500% due 10/25/2036 ^                                            | 238                           | 183                       |
| <b>BlueMountain CLO Ltd.</b>                                       |                               |                           |
| 6.472% due 04/13/2027                                              | 1,000                         | 981                       |
| <b>CIFC Funding Ltd.</b>                                           |                               |                           |
| 0.000% due 05/24/2026 (e)                                          | 1,200                         | 883                       |
| 0.000% due 07/22/2026                                              | 1,000                         | 615                       |
| <b>Citigroup Mortgage Loan Trust, Inc.</b>                         |                               |                           |
| 0.921% due 12/25/2036                                              | 3,953                         | 2,112                     |
| 0.931% due 12/25/2036                                              | 2,129                         | 1,323                     |
| <b>Countrywide Asset-Backed Certificates</b>                       |                               |                           |
| 0.911% due 06/25/2047 ^                                            | 898                           | 652                       |
| 0.971% due 06/25/2047                                              | 5,679                         | 4,376                     |
| 1.016% due 09/25/2046 ^                                            | 3,189                         | 2,650                     |
| <b>Grosvenor Place CLO BV</b>                                      |                               |                           |
| 0.000% due 04/30/2029                                              | EUR 250                       | 222                       |
| <b>GSAMP Trust</b>                                                 |                               |                           |
| 1.031% due 02/25/2046                                              | \$ 4,584                      | 3,808                     |
| 1.746% due 03/25/2035 ^                                            | 7,497                         | 5,037                     |
| <b>Highbridge Loan Management Ltd.</b>                             |                               |                           |
| 6.331% due 05/05/2027                                              | 1,000                         | 977                       |
| <b>JPMorgan Mortgage Acquisition Corp.</b>                         |                               |                           |
| 1.061% due 01/25/2036                                              | 391                           | 367                       |
| <b>JPMorgan Mortgage Acquisition Trust</b>                         |                               |                           |
| 1.076% due 04/25/2036                                              | 6,000                         | 4,511                     |
| <b>Lehman XS Trust</b>                                             |                               |                           |
| 6.290% due 06/24/2046                                              | 2,476                         | 2,284                     |
|                                                                    | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
| <b>MASTR Asset-Backed Securities Trust</b>                         |                               |                           |
| 5.233% due 11/25/2035                                              | \$ 51                         | \$ 51                     |
| <b>Merrill Lynch Mortgage Investors Trust</b>                      |                               |                           |
| 0.916% due 04/25/2037                                              | 298                           | 168                       |
| <b>Morgan Stanley Mortgage Loan Trust</b>                          |                               |                           |
| 0.891% due 04/25/2037                                              | 4,038                         | 1,921                     |

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|                                                       |        |        |
|-------------------------------------------------------|--------|--------|
| 6.250% due 07/25/2047 ^                               | 417    | 298    |
| <b>Residential Asset Mortgage Products Trust</b>      |        |        |
| 1.051% due 09/25/2036                                 | 365    | 322    |
| <b>Residential Asset Securities Corp. Trust</b>       |        |        |
| 1.241% due 09/25/2035                                 | 13,627 | 11,301 |
| <b>Securitized Asset-Backed Receivables LLC Trust</b> |        |        |
| 0.911% due 05/25/2036                                 | 5,997  | 3,577  |
| <b>SLM Student Loan Trust</b>                         |        |        |
| 0.000% due 10/28/2029 (e)                             | 1      | 1,214  |
| 0.000% due 01/25/2042 (e)                             | 2      | 1,994  |
| <b>South Coast Funding Ltd.</b>                       |        |        |
| 1.482% due 08/10/2038                                 | 6,017  | 1,242  |
| <b>Taberna Preferred Funding Ltd.</b>                 |        |        |
| 1.158% due 08/05/2036                                 | 239    | 172    |
| 1.158% due 08/05/2036 ^                               | 4,482  | 3,227  |
| <b>Trainer Wortham First Republic CBO Ltd.</b>        |        |        |
| 2.081% due 11/06/2038                                 | 273    | 271    |

**Total Asset-Backed Securities**  
(Cost \$67,391) **68,581**

**SOVEREIGN ISSUES 2.9%**

|                                                         |     |         |       |
|---------------------------------------------------------|-----|---------|-------|
| <b>Argentine Government International Bond</b>          |     |         |       |
| 2.260% due 12/31/2038                                   | EUR | 150     | 96    |
| 5.000% due 01/15/2027                                   |     | 200     | 197   |
| 5.625% due 01/26/2022                                   | \$  | 180     | 181   |
| 6.875% due 01/26/2027                                   |     | 140     | 139   |
| 7.820% due 12/31/2033                                   | EUR | 1,514   | 1,667 |
| <b>Autonomous Community of Catalonia</b>                |     |         |       |
| 4.750% due 06/04/2018                                   |     | 1,700   | 1,921 |
| 4.900% due 09/15/2021                                   |     | 700     | 799   |
| <b>Republic of Greece Government International Bond</b> |     |         |       |
| 3.800% due 08/08/2017                                   | JPY | 201,000 | 1,722 |
| 4.750% due 04/17/2019                                   | EUR | 300     | 299   |
| <b>Saudi Government International Bond</b>              |     |         |       |
| 3.250% due 10/26/2026                                   | \$  | 200     | 191   |
| 4.500% due 10/26/2046                                   |     | 800     | 784   |

**Total Sovereign Issues (Cost \$7,899)** **7,996**

**SHARES**

**COMMON STOCKS 0.0%**

**FINANCIALS 0.0%**

|                          |        |    |
|--------------------------|--------|----|
| <b>TIG FinCo PLC (h)</b> | 91,836 | 86 |
|--------------------------|--------|----|

**Total Common Stocks (Cost \$136)** **86**

**SHARES**

**MARKET  
VALUE  
(000S)**

**PREFERRED SECURITIES 1.1%**

**BANKING & FINANCE 1.1%**

|                                  |       |    |       |
|----------------------------------|-------|----|-------|
| <b>Farm Credit Bank of Texas</b> |       |    |       |
| 10.000% due 12/15/2020 (g)       | 2,465 | \$ | 2,964 |
| <b>Morgan Stanley</b>            |       |    |       |
| 5.850% due 04/15/2027 (g)        | 825   |    | 21    |

**Total Preferred Securities (Cost \$2,923)** **2,985**

**SHORT-TERM INSTRUMENTS 5.2%**

**REPURCHASE AGREEMENTS (i) 0.9%**

2,581

**PRINCIPAL  
AMOUNT  
(000S)**

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## SHORT-TERM NOTES 3.3%

### Federal Home Loan Bank

|                                           |    |       |       |
|-------------------------------------------|----|-------|-------|
| 0.507% due 02/14/2017 (f)                 | \$ | 2,500 | 2,500 |
| 0.517% due 02/10/2017 (f)                 |    | 1,300 | 1,300 |
| 0.528% due 02/01/2017 (f)                 |    | 400   | 400   |
| 0.528% due 03/08/2017 (e)(f)              |    | 1,300 | 1,299 |
| 0.533% due 03/10/2017 - 03/14/2017 (e)(f) |    | 1,000 | 999   |
| 0.538% due 03/31/2017 (e)(f)              |    | 2,600 | 2,598 |

9,096

## U.S. TREASURY BILLS 1.0%

|                                              |  |       |       |
|----------------------------------------------|--|-------|-------|
| 0.471% due 02/09/2017 - 03/16/2017 (d)(e)(m) |  | 2,642 | 2,641 |
|----------------------------------------------|--|-------|-------|

### Total Short-Term Instruments

(Cost \$14,318) 14,318

### Total Investments in Securities

(Cost \$362,115) 361,023

### Total Investments 130.0%

(Cost \$362,115) \$ 361,023

### Financial Derivative

Instruments (k)(l) (0.8)%

(Cost or Premiums, net \$(801)) (2,138)

Preferred Shares (18.5)% (51,275)

Other Assets and Liabilities, net (10.7)% (29,845)

Net Assets Applicable to Common Shareholders 100.0% \$ 277,765

## NOTES TO SCHEDULE OF INVESTMENTS (AMOUNTS IN THOUSANDS\*):

- \* A zero balance may reflect actual amounts rounding to less than one thousand.
- ^ Security is in default.
- (a) Interest only security.
- (b) When-issued security.
- (c) Payment in-kind security.
- (d) Coupon represents a weighted average yield to maturity.
- (e) Zero coupon security.
- (f) Coupon represents a yield to maturity.
- (g) Perpetual maturity; date shown, if applicable, represents next contractual call date.

See Accompanying Notes

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**Schedule of Investments PIMCO Income Strategy Fund (Cont.)****(h) RESTRICTED SECURITIES:**

| Issuer Description | Acquisition Date | Cost   | Market Value | Market Value as Percentage of Net Assets |
|--------------------|------------------|--------|--------------|------------------------------------------|
| TIG FinCo PLC      | 04/02/2015       | \$ 136 | \$ 86        | 0.03%                                    |

**BORROWINGS AND OTHER FINANCING TRANSACTIONS****(i) REPURCHASE AGREEMENTS:**

| Counterparty                       | Lending Rate | Settlement Date | Maturity Date | Principal Amount | Collateralized By                                        | Collateral (Received) | Repurchase Agreements, at Value | Repurchase Agreement Proceeds to be Received <sup>(1)</sup> |
|------------------------------------|--------------|-----------------|---------------|------------------|----------------------------------------------------------|-----------------------|---------------------------------|-------------------------------------------------------------|
| JPS                                | 0.690%       | 01/31/2017      | 02/01/2017    | \$ 1,100         | Ginnie Mae 3.000% due 01/20/2047                         | \$ (1,141)            | \$ 1,100                        | \$ 1,100                                                    |
| SSB                                | 0.010        | 01/31/2017      | 02/01/2017    | 1,481            | U.S. Treasury Notes 1.000% due 05/15/2018 <sup>(2)</sup> | (1,513)               | 1,481                           | 1,481                                                       |
| <b>Total Repurchase Agreements</b> |              |                 |               |                  |                                                          | <b>\$ (2,654)</b>     | <b>\$ 2,581</b>                 | <b>\$ 2,581</b>                                             |

<sup>(1)</sup> Includes accrued interest.<sup>(2)</sup> Collateral is held in custody by the counterparty.**REVERSE REPURCHASE AGREEMENTS:**

| Counterparty | Borrowing Rate <sup>(3)</sup> | Borrowing Date | Maturity Date | Amount Borrowed <sup>(3)</sup> | Payable for Reverse Repurchase Agreements |
|--------------|-------------------------------|----------------|---------------|--------------------------------|-------------------------------------------|
| BCY          | 0.000%                        | 12/16/2016     | 12/16/2017    | \$ (651)                       | \$ (651)                                  |
| JML          | 1.850                         | 01/10/2017     | 02/08/2017    | (5,663)                        | (5,669)                                   |
| RBC          | 1.910                         | 11/02/2016     | 05/01/2017    | (3,710)                        | (3,728)                                   |
| RDR          | 1.300                         | 11/03/2016     | 02/03/2017    | (5,070)                        | (5,087)                                   |
|              | 1.370                         | 12/13/2016     | 03/13/2017    | (5,734)                        | (5,745)                                   |
|              | 1.450                         | 02/03/2017     | 05/02/2017    | (1,898)                        | (1,898)                                   |
| UBS          | 1.730                         | 11/28/2016     | 02/28/2017    | (1,157)                        | (1,161)                                   |
|              | 1.380                         | 11/30/2016     | 03/02/2017    | (4,217)                        | (4,227)                                   |
|              | 1.850                         | 12/28/2016     | 03/14/2017    | (2,343)                        | (2,347)                                   |
|              | 1.750                         | 01/06/2017     | 02/22/2017    | (1,856)                        | (1,858)                                   |

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|       |            |            |         |         |
|-------|------------|------------|---------|---------|
| 1.360 | 01/06/2017 | 04/07/2017 | (2,469) | (2,471) |
|-------|------------|------------|---------|---------|

**Total Reverse Repurchase Agreements** **\$ (34,842)**

(3) The average amount of borrowings outstanding during the period ended January 31, 2017 was \$(29,550) at a weighted average interest rate of 1.355%.

## BORROWINGS AND OTHER FINANCING TRANSACTIONS SUMMARY

The following is a summary by counterparty of the market value of Borrowings and Other Financing Transactions and collateral pledged/(received) as of January 31, 2017:

(j) Securities with an aggregate market value of \$38,749 have been pledged as collateral under the terms of the following master agreements as of January 31, 2017.

| Counterparty                                             | Repurchase Agreement Proceeds to be Received | Payable for Reverse Repurchase Agreements | Payable for Sale-Buyback Transactions | Total Borrowings and Other Financing Transactions | Collateral Pledged/(Received) | Net Exposure <sup>(4)</sup> |
|----------------------------------------------------------|----------------------------------------------|-------------------------------------------|---------------------------------------|---------------------------------------------------|-------------------------------|-----------------------------|
| Global/Master Repurchase Agreement                       |                                              |                                           |                                       |                                                   |                               |                             |
| BCY                                                      | \$ 0                                         | \$ (651)                                  | \$ 0                                  | \$ (651)                                          | \$ 506                        | \$ (145)                    |
| JML                                                      | 0                                            | (5,669)                                   | 0                                     | (5,669)                                           | 7,029                         | 1,360                       |
| JPS                                                      | 1,100                                        | 0                                         | 0                                     | 1,100                                             | (1,135)                       | (41)                        |
| RBC                                                      | 0                                            | (3,728)                                   | 0                                     | (3,728)                                           | 4,191                         | 463                         |
| RDR                                                      | 0                                            | (12,730)                                  | 0                                     | (12,730)                                          | 13,219                        | 489                         |
| SSB                                                      | 1,481                                        | 0                                         | 0                                     | 1,481                                             | (1,514)                       | (33)                        |
| UBS                                                      | 0                                            | (12,064)                                  | 0                                     | (12,064)                                          | 13,076                        | 1,012                       |
| <b>Total Borrowings and Other Financing Transactions</b> | <b>\$ 2,581</b>                              | <b>\$ (34,842)</b>                        | <b>\$ 0</b>                           |                                                   |                               |                             |

<sup>(4)</sup>Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from borrowings and other financing transactions can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

## 54 PIMCO CLOSED-END FUNDS

See Accompanying Notes

January 31, 2017 (Unaudited)

**CERTAIN TRANSFERS ACCOUNTED FOR AS SECURED BORROWINGS****Remaining Contractual Maturity of the Agreements**

|                                                                                         | Overnight and<br>Continuous | Up to 30 days      | 31-90 days         | Greater Than 90 days | Total              |
|-----------------------------------------------------------------------------------------|-----------------------------|--------------------|--------------------|----------------------|--------------------|
| <b>Reverse Repurchase Agreements</b>                                                    |                             |                    |                    |                      |                    |
| Corporate Bonds & Notes                                                                 | \$ 0                        | \$ (18,002)        | \$ (14,291)        | \$ (651)             | \$ (32,944)        |
| <b>Total Borrowings</b>                                                                 | <b>\$ 0</b>                 | <b>\$ (18,002)</b> | <b>\$ (14,291)</b> | <b>\$ (651)</b>      | <b>\$ (32,944)</b> |
| Gross amount of recognized liabilities for reverse repurchase agreements <sup>(5)</sup> |                             |                    |                    |                      | \$ (32,944)        |

<sup>(5)</sup> Unsettled reverse repurchase agreements liability of \$(1,898) is outstanding at period end.**(k) FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED****SWAP AGREEMENTS:****CREDIT DEFAULT SWAPS ON CORPORATE ISSUES - SELL PROTECTION<sup>(1)</sup>**

| Reference Entity | Fixed<br>Receive Rate | Maturity<br>Date | Implied<br>Credit Spread at<br>January 31, 2017 <sup>(2)</sup> | Notional<br>Amount <sup>(3)</sup> | Market<br>Value <sup>(4)</sup> | Unrealized<br>Appreciation/<br>(Depreciation) | Variation Margin<br>Asset | Liability |
|------------------|-----------------------|------------------|----------------------------------------------------------------|-----------------------------------|--------------------------------|-----------------------------------------------|---------------------------|-----------|
| Navient Corp.    | 5.000%                | 12/20/2021       | 4.278%                                                         | \$ 300                            | \$ 11                          | \$ 0                                          | \$ 1                      | \$ 0      |

**CREDIT DEFAULT SWAPS ON CREDIT INDICES - SELL PROTECTION<sup>(1)</sup>**

| Index/Tranches         | Fixed<br>Receive Rate | Maturity<br>Date | Notional<br>Amount <sup>(3)</sup> | Market<br>Value <sup>(4)</sup> | Unrealized<br>Appreciation | Variation Margin<br>Asset | Liability |
|------------------------|-----------------------|------------------|-----------------------------------|--------------------------------|----------------------------|---------------------------|-----------|
| CDX.HY-24 5-Year Index | 5.000%                | 06/20/2020       | \$ 4,365                          | \$ 369                         | \$ 29                      | \$ 0                      | (1)       |
| CDX.HY-25 5-Year Index | 5.000                 | 12/20/2020       | 1,666                             | 140                            | 146                        | 0                         | (2)       |
| CDX.HY-26 5-Year Index | 5.000                 | 06/20/2021       | 396                               | 31                             | 13                         | 0                         | 0         |
| CDX.HY-27 5-Year Index | 5.000                 | 12/20/2021       | 772                               | 41                             | 5                          | 0                         | (2)       |

\$ 581 \$ 193 \$ 0 \$ (5)

- (1) If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash, securities or other deliverable obligations equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.
- (2) Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on corporate issues as of period end serve as indicators of the current status of the payment/performance risk and represent the likelihood or risk of default for the credit derivative. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.
- (3) The maximum potential amount the Fund could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.
- (4) The prices and resulting values for credit default swap agreements on credit indices serve as indicators of the current status of the payment/performance risk and represent the likelihood of an expected liability (or profit) for the credit derivative should the notional amount of the swap agreement be closed/sold as of the period end. Increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the referenced indices' credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

## INTEREST RATE SWAPS

| Pay/Receive<br>Floating Rate | Floating Rate Index     | Fixed Rate | Maturity<br>Date | Notional<br>Amount | Market<br>Value | Unrealized<br>Appreciation/<br>(Depreciation) | Variation Margin |                        |
|------------------------------|-------------------------|------------|------------------|--------------------|-----------------|-----------------------------------------------|------------------|------------------------|
|                              |                         |            |                  |                    |                 |                                               | Asset            | Liability              |
| Pay                          | 3-Month USD-LIBOR       | 2.750%     | 06/17/2025       | \$ 70,420          | \$ 2,632        | \$ (1,605)                                    | \$ 185           | \$ 0                   |
| Pay                          | 3-Month USD-LIBOR       | 2.250      | 06/15/2026       | 15,300             | (115)           | (839)                                         | 45               | 0                      |
| Pay                          | 3-Month USD-LIBOR       | 3.500      | 06/19/2044       | 83,100             | 14,277          | 16,989                                        | 603              | 0                      |
| Receive                      | 3-Month USD-LIBOR       | 2.250      | 12/21/2046       | 12,600             | 1,039           | 2,185                                         | 0                | (84)                   |
| Receive*                     | 3-Month USD-LIBOR       | 1.750      | 06/21/2047       | 131,700            | 27,449          | 4,197                                         | 0                | (869)                  |
| Pay                          | 6-Month<br>AUD-BBR-BBSW | 3.000      | 12/17/2019       | AUD 6,200          | 105             | 12                                            | 10               | 0                      |
| Pay                          | 6-Month<br>AUD-BBR-BBSW | 3.500      | 06/17/2025       | 3,900              | 150             | 54                                            | 11               | 0                      |
|                              |                         |            |                  |                    |                 | \$ 45,537                                     | \$ 20,993        | \$ 854 \$ (953)        |
| <b>Total Swap Agreements</b> |                         |            |                  |                    |                 | <b>\$ 46,129</b>                              | <b>\$ 21,186</b> | <b>\$ 855 \$ (958)</b> |

\* This instrument has a forward starting effective date. See Note 2(a) in the Notes to Financial Statements for further information.

See Accompanying Notes

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**Schedule of Investments PIMCO Income Strategy Fund (Cont.)****FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED SUMMARY**

The following is a summary of the market value and variation margin of Exchange-Traded or Centrally Cleared Financial Derivative Instruments as of January 31, 2017:

Cash of \$5,292 has been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of January 31, 2017. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

|                                            | Financial Derivative Assets<br>Variation Margin |         |            |        | Financial Derivative Liabilities<br>Variation Margin |         |            |          |
|--------------------------------------------|-------------------------------------------------|---------|------------|--------|------------------------------------------------------|---------|------------|----------|
|                                            | Market Value                                    |         | Asset      |        | Market Value                                         |         | Liability  |          |
|                                            | Purchased                                       | Futures | Swap       | Total  | Written                                              | Futures | Swap       | Total    |
|                                            | Options                                         |         | Agreements |        | Options                                              |         | Agreements |          |
| Total Exchange-Traded or Centrally Cleared | \$ 0                                            | \$ 0    | \$ 855     | \$ 855 | \$ 0                                                 | \$ 0    | \$ (958)   | \$ (958) |

**(I) FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER****FORWARD FOREIGN CURRENCY CONTRACTS:**

| Counterparty | Settlement Month | Currency to be Delivered |         | Currency to be Received |      | Unrealized Appreciation/ (Depreciation) |           |
|--------------|------------------|--------------------------|---------|-------------------------|------|-----------------------------------------|-----------|
|              |                  |                          |         |                         |      | Asset                                   | Liability |
| AZD          | 02/2017          | AUD                      | 37      | \$ 27                   | \$ 0 | \$ 0                                    | (1)       |
| BOA          | 02/2017          | BRL                      | 354     | 108                     | 0    | 0                                       | (4)       |
|              | 02/2017          | EUR                      | 12,925  | 13,461                  | 0    | 0                                       | (492)     |
|              | 02/2017          | GBP                      | 68      | 84                      | 0    | 0                                       | (1)       |
|              | 02/2017          | \$ 113                   | BRL     | 354                     | 0    | 0                                       | (1)       |
| BPS          | 02/2017          | EUR                      | 26      | \$ 28                   | 0    | 0                                       | 0         |
|              | 02/2017          | GBP                      | 46      | 56                      | 0    | 0                                       | (2)       |
| CBK          | 02/2017          | EUR                      | 395     | 425                     | 0    | 0                                       | (2)       |
|              | 02/2017          | GBP                      | 45      | 55                      | 0    | 0                                       | (1)       |
|              | 02/2017          | \$ 2,197                 | EUR     | 2,066                   | 33   | 0                                       | 0         |
|              | 02/2017          | 1,775                    | JPY     | 202,842                 | 21   | 0                                       | 0         |
|              | 03/2017          | JPY                      | 202,842 | \$ 1,777                | 0    | 0                                       | (21)      |
| FBF          | 02/2017          | GBP                      | 22      | 27                      | 0    | 0                                       | (1)       |
| GLM          | 02/2017          | EUR                      | 190     | 203                     | 0    | 0                                       | (2)       |
|              | 02/2017          | GBP                      | 375     | 456                     | 0    | 0                                       | (16)      |
|              | 03/2017          |                          | 230     | 286                     | 0    | 0                                       | (3)       |
| IND          | 02/2017          |                          | 27,274  | 33,413                  | 0    | 0                                       | (897)     |
| JPM          | 02/2017          | AUD                      | 290     | 211                     | 0    | 0                                       | (8)       |
|              | 02/2017          | JPY                      | 202,842 | 1,728                   | 0    | 0                                       | (69)      |
|              | 02/2017          | \$ 12,949                | EUR     | 12,107                  | 121  | 0                                       | 0         |
|              | 03/2017          | EUR                      | 12,107  | \$ 12,963               | 0    | 0                                       | (120)     |
| MSB          | 02/2017          | GBP                      | 90      | 110                     | 0    | 0                                       | (4)       |

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|                                                 |         |     |        |     |        |               |                   |
|-------------------------------------------------|---------|-----|--------|-----|--------|---------------|-------------------|
| SCX                                             | 02/2017 | EUR | 566    |     | 608    | 0             | (3)               |
| SOG                                             | 02/2017 | GBP | 90     |     | 111    | 0             | (2)               |
| TOR                                             | 02/2017 | EUR | 261    |     | 276    | 0             | (6)               |
|                                                 | 02/2017 | GBP | 132    |     | 161    | 0             | (5)               |
| UAG                                             | 02/2017 | \$  | 35,279 | GBP | 28,142 | 124           | 0                 |
|                                                 | 03/2017 | GBP | 28,142 | \$  | 35,298 | 0             | (122)             |
| <b>Total Forward Foreign Currency Contracts</b> |         |     |        |     |        | <b>\$ 299</b> | <b>\$ (1,783)</b> |

SWAP AGREEMENTS:

CREDIT DEFAULT SWAPS ON CORPORATE ISSUES - SELL PROTECTION<sup>(1)</sup>

| Counterparty | Reference Entity            | Fixed<br>Receive Rate | Maturity<br>Date | Implied                                             | Notional<br>Amount <sup>(3)</sup> | Unrealized             |                                 | Swap Agreements,  |           |
|--------------|-----------------------------|-----------------------|------------------|-----------------------------------------------------|-----------------------------------|------------------------|---------------------------------|-------------------|-----------|
|              |                             |                       |                  | Credit Spread at<br>January 31, 2017 <sup>(2)</sup> |                                   | Premiums<br>(Received) | Appreciation/<br>(Depreciation) | at Value<br>Asset | Liability |
| BPS          | Petrobras Global Finance BV | 1.000%                | 12/20/2024       | 4.214%                                              | \$ 500                            | \$ (98)                | \$ (2)                          | \$ 0              | \$ (100)  |
| GST          | Petrobras Global Finance BV | 1.000                 | 12/20/2024       | 4.214                                               | 700                               | (139)                  | (1)                             | 0                 | (140)     |
| HUS          | Petrobras Global Finance BV | 1.000                 | 12/20/2019       | 2.314                                               | 200                               | (16)                   | 9                               | 0                 | (7)       |
|              | Petrobras Global Finance BV | 1.000                 | 09/20/2020       | 2.864                                               | 20                                | (3)                    | 2                               | 0                 | (1)       |
|              | Petrobras Global Finance BV | 1.000                 | 12/20/2024       | 4.214                                               | 800                               | (166)                  | 7                               | 0                 | (159)     |

56 PIMCO CLOSED-END FUNDS

See Accompanying Notes

January 31, 2017 (Unaudited)

| Counterparty                 | Reference Entity            | Fixed<br>Receive Rate | Maturity<br>Date | Implied<br>Credit Spread at<br>January 31, 2017 <sup>(2)</sup> | Notional<br>Amount <sup>(3)</sup> | Premiums<br>(Received) | Unrealized<br>Appreciation/<br>(Depreciation) | Swap Agreements,<br>at Value | Asset           | Liability |
|------------------------------|-----------------------------|-----------------------|------------------|----------------------------------------------------------------|-----------------------------------|------------------------|-----------------------------------------------|------------------------------|-----------------|-----------|
| MYC                          | Petrobras Global Finance BV | 1.000%                | 12/20/2019       | 2.314%                                                         | \$ 4,100                          | \$ (379)               | \$ 235                                        | \$ 0                         | \$ (144)        |           |
|                              |                             |                       |                  |                                                                |                                   | \$ (801)               | \$ 250                                        | \$ 0                         | \$ (551)        |           |
| <b>Total Swap Agreements</b> |                             |                       |                  |                                                                |                                   | <b>\$ (801)</b>        | <b>\$ 250</b>                                 | <b>\$ 0</b>                  | <b>\$ (551)</b> |           |

- (1) If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash, securities or other deliverable obligations equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.
- (2) Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on corporate issues as of period end serve as indicators of the current status of the payment/performance risk and represent the likelihood or risk of default for the credit derivative. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.
- (3) The maximum potential amount the Fund could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.

# FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER SUMMARY

The following is a summary by counterparty of the market value of OTC financial derivative instruments and collateral pledged as of January 31, 2017:

- (m) Securities with an aggregate market value of \$1,900 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of January 31, 2017.

| Counterparty | Financial Derivative Assets              |                      |                    |                              | Financial Derivative Liabilities         |                    |                    |                              | Net Market                  |                       |                                |
|--------------|------------------------------------------|----------------------|--------------------|------------------------------|------------------------------------------|--------------------|--------------------|------------------------------|-----------------------------|-----------------------|--------------------------------|
|              | Forward<br>Foreign<br>Currency Contracts | Purchased<br>Options | Swap<br>Agreements | Total<br>Over the<br>Counter | Forward<br>Foreign<br>Currency Contracts | Written<br>Options | Swap<br>Agreements | Total<br>Over the<br>Counter | Value of OTC<br>Derivatives | Collateral<br>Pledged | Net<br>Exposure <sup>(4)</sup> |
| AZD          | \$ 0                                     | \$ 0                 | \$ 0               | \$ 0                         | \$ (1)                                   | \$ 0               | \$ 0               | \$ (1)                       | \$ (1)                      | \$ 0                  | \$ (1)                         |
| BOA          | 0                                        | 0                    | 0                  | 0                            | (498)                                    | 0                  | 0                  | (498)                        | (498)                       | 292                   | (206)                          |
| BPS          | 0                                        | 0                    | 0                  | 0                            | (2)                                      | 0                  | (100)              | (102)                        | (102)                       | 0                     | (102)                          |
| CBK          | 54                                       | 0                    | 0                  | 54                           | (24)                                     | 0                  | 0                  | (24)                         | 30                          | 0                     | 30                             |
| FBF          | 0                                        | 0                    | 0                  | 0                            | (1)                                      | 0                  | 0                  | (1)                          | (1)                         | 0                     | (1)                            |
| GLM          | 0                                        | 0                    | 0                  | 0                            | (21)                                     | 0                  | 0                  | (21)                         | (21)                        | 0                     | (21)                           |
| GST          | 0                                        | 0                    | 0                  | 0                            | 0                                        | 0                  | (140)              | (140)                        | (140)                       | 267                   | 127                            |
| HUS          | 0                                        | 0                    | 0                  | 0                            | 0                                        | 0                  | (167)              | (167)                        | (167)                       | 401                   | 234                            |
| IND          | 0                                        | 0                    | 0                  | 0                            | (897)                                    | 0                  | 0                  | (897)                        | (897)                       | 726                   | (171)                          |
| JPM          | 121                                      | 0                    | 0                  | 121                          | (197)                                    | 0                  | 0                  | (197)                        | (76)                        | 0                     | (76)                           |
| MSB          | 0                                        | 0                    | 0                  | 0                            | (4)                                      | 0                  | 0                  | (4)                          | (4)                         | 0                     | (4)                            |
| MYC          | 0                                        | 0                    | 0                  | 0                            | 0                                        | 0                  | (144)              | (144)                        | (144)                       | 215                   | 71                             |
| SCX          | 0                                        | 0                    | 0                  | 0                            | (3)                                      | 0                  | 0                  | (3)                          | (3)                         | 0                     | (3)                            |
| SOG          | 0                                        | 0                    | 0                  | 0                            | (2)                                      | 0                  | 0                  | (2)                          | (2)                         | 0                     | (2)                            |
| TOR          | 0                                        | 0                    | 0                  | 0                            | (11)                                     | 0                  | 0                  | (11)                         | (11)                        | 0                     | (11)                           |
| UAG          | 124                                      | 0                    | 0                  | 124                          | (122)                                    | 0                  | 0                  | (122)                        | 2                           | 0                     | 2                              |

|                               |        |      |      |        |            |      |          |            |
|-------------------------------|--------|------|------|--------|------------|------|----------|------------|
| <b>Total Over the Counter</b> | \$ 299 | \$ 0 | \$ 0 | \$ 299 | \$ (1,783) | \$ 0 | \$ (551) | \$ (2,334) |
|-------------------------------|--------|------|------|--------|------------|------|----------|------------|

(4) Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from OTC financial derivative instruments can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

## FAIR VALUE OF FINANCIAL DERIVATIVE INSTRUMENTS

The following is a summary of the fair valuation of the Fund's derivative instruments categorized by risk exposure. See Note 7, Principal Risks, in the Notes to Financial Statements on risks of the Fund.

Fair Values of Financial Derivative Instruments on the Statements of Assets and Liabilities as of January 31, 2017:

|                                           | Derivatives not accounted for as hedging instruments |                     |                     |                                  |                            | Total    |
|-------------------------------------------|------------------------------------------------------|---------------------|---------------------|----------------------------------|----------------------------|----------|
|                                           | Commodity<br>Contracts                               | Credit<br>Contracts | Equity<br>Contracts | Foreign<br>Exchange<br>Contracts | Interest<br>Rate Contracts |          |
| Financial Derivative Instruments - Assets |                                                      |                     |                     |                                  |                            |          |
| Exchange-traded or centrally cleared      |                                                      |                     |                     |                                  |                            |          |
| Swap Agreements                           | \$ 0                                                 | \$ 1                | \$ 0                | \$ 0                             | \$ 854                     | \$ 855   |
| Over the counter                          |                                                      |                     |                     |                                  |                            |          |
| Forward Foreign Currency Contracts        | \$ 0                                                 | \$ 0                | \$ 0                | \$ 299                           | \$ 0                       | \$ 299   |
|                                           | \$ 0                                                 | \$ 1                | \$ 0                | \$ 299                           | \$ 854                     | \$ 1,154 |

See Accompanying Notes

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**Schedule of Investments PIMCO Income Strategy Fund (Cont.)**

|                                                | Derivatives not accounted for as hedging instruments |                     |                     |                                  |                            | Total    |
|------------------------------------------------|------------------------------------------------------|---------------------|---------------------|----------------------------------|----------------------------|----------|
|                                                | Commodity<br>Contracts                               | Credit<br>Contracts | Equity<br>Contracts | Foreign<br>Exchange<br>Contracts | Interest<br>Rate Contracts |          |
| Financial Derivative Instruments - Liabilities |                                                      |                     |                     |                                  |                            |          |
| Exchange-traded or centrally cleared           |                                                      |                     |                     |                                  |                            |          |
| Swap Agreements                                | \$ 0                                                 | \$ 5                | \$ 0                | \$ 0                             | \$ 953                     | \$ 958   |
| Over the counter                               |                                                      |                     |                     |                                  |                            |          |
| Forward Foreign Currency Contracts             | \$ 0                                                 | \$ 0                | \$ 0                | \$ 1,783                         | \$ 0                       | \$ 1,783 |
| Swap Agreements                                | 0                                                    | 551                 | 0                   | 0                                | 0                          | 551      |
|                                                | \$ 0                                                 | \$ 551              | \$ 0                | \$ 1,783                         | \$ 0                       | \$ 2,334 |
|                                                | \$ 0                                                 | \$ 556              | \$ 0                | \$ 1,783                         | \$ 953                     | \$ 3,292 |

The effect of Financial Derivative Instruments on the Statements of Operations for the period ended January 31, 2017:

|                                                                                          | Derivatives not accounted for as hedging instruments |                     |                     |                                  |                            |             | Total |
|------------------------------------------------------------------------------------------|------------------------------------------------------|---------------------|---------------------|----------------------------------|----------------------------|-------------|-------|
|                                                                                          | Commodity<br>Contracts                               | Credit<br>Contracts | Equity<br>Contracts | Foreign<br>Exchange<br>Contracts | Interest<br>Rate Contracts |             |       |
| Net Realized Gain on Financial Derivative Instruments                                    |                                                      |                     |                     |                                  |                            |             |       |
| Exchange-traded or centrally cleared                                                     |                                                      |                     |                     |                                  |                            |             |       |
| Swap Agreements                                                                          | \$ 0                                                 | \$ 229              | \$ 0                | \$ 0                             | \$ 19,576                  | \$ 19,805   |       |
| Over the counter                                                                         |                                                      |                     |                     |                                  |                            |             |       |
| Forward Foreign Currency Contracts                                                       | \$ 0                                                 | \$ 0                | \$ 0                | \$ 4,089                         | \$ 0                       | \$ 4,089    |       |
| Swap Agreements                                                                          | 0                                                    | 32                  | 0                   | 0                                | 0                          | 32          |       |
|                                                                                          | \$ 0                                                 | \$ 32               | \$ 0                | \$ 4,089                         | \$ 0                       | \$ 4,121    |       |
|                                                                                          | \$ 0                                                 | \$ 261              | \$ 0                | \$ 4,089                         | \$ 19,576                  | \$ 23,926   |       |
| Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments |                                                      |                     |                     |                                  |                            |             |       |
| Exchange-traded or centrally cleared                                                     |                                                      |                     |                     |                                  |                            |             |       |
| Swap Agreements                                                                          | \$ 0                                                 | \$ 77               | \$ 0                | \$ 0                             | \$ (17,586)                | \$ (17,509) |       |
| Over the counter                                                                         |                                                      |                     |                     |                                  |                            |             |       |
| Forward Foreign Currency Contracts                                                       | \$ 0                                                 | \$ 0                | \$ 0                | \$ (1,498)                       | \$ 0                       | \$ (1,498)  |       |
| Swap Agreements                                                                          | 0                                                    | 604                 | 0                   | 0                                | 0                          | 604         |       |
|                                                                                          | \$ 0                                                 | \$ 604              | \$ 0                | \$ (1,498)                       | \$ 0                       | \$ (894)    |       |
|                                                                                          | \$ 0                                                 | \$ 681              | \$ 0                | \$ (1,498)                       | \$ (17,586)                | \$ (18,403) |       |

**FAIR VALUE MEASUREMENTS**

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The following is a summary of the fair valuations according to the inputs used as of January 31, 2017 in valuing the Fund's assets and liabilities:

| Category and Subcategory                              | Level 1 | Level 2    | Level 3  | Fair Value at 01/31/2017 |
|-------------------------------------------------------|---------|------------|----------|--------------------------|
| <b>Investments in Securities, at Value</b>            |         |            |          |                          |
| Bank Loan Obligations                                 | \$ 800  | \$ 7,275   | \$ 895   | \$ 8,970                 |
| <b>Corporate Bonds &amp; Notes</b>                    |         |            |          |                          |
| Banking & Finance                                     | 0       | 92,067     | 2,522    | 94,589                   |
| Industrials                                           | 0       | 73,062     | 0        | 73,062                   |
| Utilities                                             | 0       | 21,924     | 0        | 21,924                   |
| <b>Convertible Bonds &amp; Notes</b>                  |         |            |          |                          |
| Industrials                                           | 0       | 1,877      | 0        | 1,877                    |
| <b>Municipal Bonds &amp; Notes</b>                    |         |            |          |                          |
| California                                            | 0       | 2,408      | 0        | 2,408                    |
| Illinois                                              | 0       | 6,195      | 0        | 6,195                    |
| Virginia                                              | 0       | 318        | 0        | 318                      |
| West Virginia                                         | 0       | 5,356      | 0        | 5,356                    |
| U.S. Government Agencies                              | 0       | 3,250      | 2,332    | 5,582                    |
| Non-Agency Mortgage-Backed Securities                 | 0       | 46,776     | 0        | 46,776                   |
| Asset-Backed Securities                               | 0       | 65,373     | 3,208    | 68,581                   |
| Sovereign Issues                                      | 0       | 7,996      | 0        | 7,996                    |
| <b>Common Stocks</b>                                  |         |            |          |                          |
| Financials                                            | 0       | 0          | 86       | 86                       |
| Preferred Securities                                  |         |            |          |                          |
| Banking & Finance                                     | 0       | 2,985      | 0        | 2,985                    |
| <b>Short-Term Instruments</b>                         |         |            |          |                          |
| Repurchase Agreements                                 | \$ 0    | \$ 2,581   | \$ 0     | \$ 2,581                 |
| Short-Term Notes                                      | 0       | 9,096      | 0        | 9,096                    |
| U.S. Treasury Bills                                   | 0       | 2,641      | 0        | 2,641                    |
| <b>Total Investments</b>                              |         |            |          |                          |
|                                                       | \$ 800  | \$ 351,180 | \$ 9,043 | \$ 361,023               |
| <b>Financial Derivative Instruments - Assets</b>      |         |            |          |                          |
| Exchange-traded or centrally cleared                  | 0       | 855        | 0        | 855                      |
| Over the counter                                      | 0       | 299        | 0        | 299                      |
|                                                       | \$ 0    | \$ 1,154   | \$ 0     | \$ 1,154                 |
| <b>Financial Derivative Instruments - Liabilities</b> |         |            |          |                          |
| Exchange-traded or centrally cleared                  | 0       | (958)      | 0        | (958)                    |
| Over the counter                                      | 0       | (2,334)    | 0        | (2,334)                  |
|                                                       | \$ 0    | \$ (3,292) | \$ 0     | \$ (3,292)               |
| <b>Total Financial Derivative Instruments</b>         |         |            |          |                          |
|                                                       | \$ 0    | \$ (2,138) | \$ 0     | \$ (2,138)               |
| <b>Totals</b>                                         |         |            |          |                          |
|                                                       | \$ 800  | \$ 349,042 | \$ 9,043 | \$ 358,885               |

There were no significant transfers among Levels 1 and 2 during the period ended January 31, 2017.



January 31, 2017 (Unaudited)

The following is a reconciliation of the fair valuations using significant unobservable inputs (Level 3) for the Fund during the period ended January 31, 2017:

| Category and Subcategory                   | Beginning Balance at 07/31/2016 | Net Purchases | Net Sales      | Accrued Discounts/ (Premiums) | Realized Gain/(Loss) | Net Change in Unrealized Appreciation/Transfers into Level 3 | Transfers out of Level 3 | Ending Balance at 01/31/2017 | Net Change in Unrealized Appreciation/ (Depreciation) on Investments Held at 01/31/2017 <sup>(1)</sup> |
|--------------------------------------------|---------------------------------|---------------|----------------|-------------------------------|----------------------|--------------------------------------------------------------|--------------------------|------------------------------|--------------------------------------------------------------------------------------------------------|
| <b>Investments in Securities, at Value</b> |                                 |               |                |                               |                      |                                                              |                          |                              |                                                                                                        |
| Bank Loan Obligations                      | \$ 0                            | \$ 798        | \$ (3)         | \$ 11                         | \$ 1                 | \$ 88                                                        | \$ 0                     | \$ 895                       | \$ 88                                                                                                  |
| Corporate Bonds & Notes                    |                                 |               |                |                               |                      |                                                              |                          |                              |                                                                                                        |
| Banking & Finance                          | 2,656                           | 0             | (36)           | 1                             | 0                    | (99)                                                         | 0                        | 2,522                        | (93)                                                                                                   |
| U.S. Government Agencies                   | 2,235                           | 0             | (20)           | 9                             | 8                    | 100                                                          | 0                        | 2,332                        | 99                                                                                                     |
| Asset-Backed Securities                    | 3,692                           | 0             | 0              | 0                             | 0                    | (484)                                                        | 0                        | 3,208                        | (483)                                                                                                  |
| Common Stocks                              |                                 |               |                |                               |                      |                                                              |                          |                              |                                                                                                        |
| Financials                                 | 58                              | 0             | 0              | 0                             | 1                    | 27                                                           | 0                        | 86                           | 27                                                                                                     |
| <b>Totals</b>                              | <b>\$ 8,641</b>                 | <b>\$ 798</b> | <b>\$ (59)</b> | <b>\$ 21</b>                  | <b>\$ 10</b>         | <b>\$ (368)</b>                                              | <b>\$ 0</b>              | <b>\$ 9,043</b>              | <b>\$ (362)</b>                                                                                        |

The following is a summary of significant unobservable inputs used in the fair valuations of assets and liabilities categorized within Level 3 of the fair value hierarchy:

| Category and Subcategory                   | Ending Balance at 01/31/2017 | Valuation Technique                       | Unobservable Inputs | Input Value(s) (% Unless Noted Otherwise) |
|--------------------------------------------|------------------------------|-------------------------------------------|---------------------|-------------------------------------------|
| <b>Investments in Securities, at Value</b> |                              |                                           |                     |                                           |
| Bank Loan Obligations                      | \$ 895                       | Third Party Vendor                        | Broker Quote        | 89.750                                    |
| Corporate Bonds & Notes                    |                              |                                           |                     |                                           |
| Banking & Finance                          | 2,522                        | Proxy Pricing                             | Base Price          | 110.500                                   |
| U.S. Government Agencies                   | 2,332                        | Proxy Pricing                             | Base Price          | 56.094                                    |
| Asset-Backed Securities                    | 3,208                        | Proxy Pricing                             | Base Price          | 89,450-99,920                             |
| Common Stocks                              |                              |                                           |                     |                                           |
| Financials                                 | 86                           | Other Valuation Techniques <sup>(2)</sup> |                     |                                           |
| <b>Total</b>                               | <b>\$ 9,043</b>              |                                           |                     |                                           |

<sup>(1)</sup> Any difference between Net Change in Unrealized Appreciation/(Depreciation) and Net Change in Unrealized Appreciation/(Depreciation) on Investments Held at January 31, 2017 may be due to an investment no longer held or categorized as Level 3 at period end.

<sup>(2)</sup> Includes valuation techniques not defined in the Notes to Financial Statements as securities valued using such techniques are not considered significant to the Fund.





## Schedule of Investments PIMCO Income Strategy Fund II

|                                                    | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|----------------------------------------------------|-------------------------------|---------------------------|
| <b>INVESTMENTS IN SECURITIES 126.2%</b>            |                               |                           |
| <b>BANK LOAN OBLIGATIONS 2.9%</b>                  |                               |                           |
| <b>iHeartCommunications, Inc.</b>                  |                               |                           |
| 7.528% due 01/30/2019                              | \$ 6,800                      | \$ 5,717                  |
| <b>Lightstone Generation LLC</b>                   |                               |                           |
| TBD% due 11/22/2023                                | 2,000                         | 2,027                     |
| <b>Sequa Corp.</b>                                 |                               |                           |
| 5.250% due 06/19/2017                              | 6,459                         | 6,195                     |
| <b>Team Health Holdings, Inc.</b>                  |                               |                           |
| TBD% due 01/17/2024                                | 400                           | 400                       |
| <b>Vistra Operations Co. LLC</b>                   |                               |                           |
| 4.017% due 12/14/2023                              | 600                           | 607                       |
| <b>Westmoreland Coal Co.</b>                       |                               |                           |
| 7.500% due 12/16/2020                              | 2,095                         | 1,880                     |
| <b>Total Bank Loan Obligations (Cost \$17,479)</b> |                               | <b>16,826</b>             |
| <b>CORPORATE BONDS &amp; NOTES 57.4%</b>           |                               |                           |
| <b>BANKING &amp; FINANCE 28.3%</b>                 |                               |                           |
| <b>AGFC Capital Trust</b>                          |                               |                           |
| 2.772% due 01/15/2067                              | 1,800                         | 990                       |
| <b>Ally Financial, Inc.</b>                        |                               |                           |
| 8.000% due 11/01/2031                              | 4,610                         | 5,497                     |
| <b>Banco Bilbao Vizcaya Argentaria S.A.</b>        |                               |                           |
| 6.750% due 02/18/2020 (h)                          | EUR 1,600                     | 1,651                     |
| <b>Banco do Brasil S.A.</b>                        |                               |                           |
| 6.250% due 04/15/2024 (h)                          | \$ 3,700                      | 2,978                     |
| 9.000% due 06/18/2024 (h)                          | 4,509                         | 4,577                     |
| <b>Banco Espirito Santo S.A.</b>                   |                               |                           |
| 2.625% due 05/08/2017 ^                            | EUR 3,000                     | 1,036                     |
| 4.000% due 01/21/2019 ^                            | 8,100                         | 2,798                     |
| 4.750% due 01/15/2018 ^                            | 2,300                         | 795                       |
| <b>Banco Santander S.A.</b>                        |                               |                           |
| 6.250% due 09/11/2021 (h)                          | 1,600                         | 1,659                     |
| <b>Barclays Bank PLC</b>                           |                               |                           |
| 7.625% due 11/21/2022                              | \$ 4,400                      | 4,826                     |
| <b>Barclays PLC</b>                                |                               |                           |
| 6.500% due 09/15/2019 (h)                          | EUR 1,900                     | 2,061                     |
| 7.875% due 09/15/2022 (h)                          | GBP 415                       | 538                       |
| 8.000% due 12/15/2020 (h)                          | EUR 4,100                     | 4,789                     |
| <b>Blackstone CQP Holdco LP</b>                    |                               |                           |
| 9.296% due 03/19/2019                              | \$ 5,413                      | 5,461                     |
| <b>BNP Paribas S.A.</b>                            |                               |                           |
| 7.375% due 08/19/2025 (h)(k)                       | 4,110                         | 4,167                     |
| <b>Cantor Commercial Real Estate Co. LP</b>        |                               |                           |
| 7.750% due 02/15/2018                              | 1,650                         | 1,651                     |
| <b>Cantor Fitzgerald LP</b>                        |                               |                           |
| 6.500% due 06/17/2022                              | 8,500                         | 9,256                     |
| <b>CBL &amp; Associates LP</b>                     |                               |                           |
| 5.950% due 12/15/2026                              | 2,200                         | 2,183                     |
| <b>Co-operative Group Holdings Ltd.</b>            |                               |                           |
| 7.500% due 07/08/2026                              | GBP 6,150                     | 9,257                     |
| <b>Cooperatieve Rabobank UA</b>                    |                               |                           |
| 6.625% due 06/29/2021 (h)                          | EUR 1,200                     | 1,391                     |
| <b>Credit Agricole S.A.</b>                        |                               |                           |
| 7.875% due 01/23/2024 (h)                          | \$ 3,500                      | 3,573                     |
| <b>Credit Suisse Group AG</b>                      |                               |                           |

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|                                         |     |                                        |                                    |
|-----------------------------------------|-----|----------------------------------------|------------------------------------|
| 7.500% due 12/11/2023 (h)               |     | 7,243                                  | 7,683                              |
| <b>Flagstar Bancorp, Inc.</b>           |     |                                        |                                    |
| 6.125% due 07/15/2021                   |     | 3,500                                  | 3,737                              |
| <b>GSPA Monetization Trust</b>          |     |                                        |                                    |
| 6.422% due 10/09/2029 (k)               |     | 4,747                                  | 5,239                              |
| <b>Hexion U.S. Finance Corp.</b>        |     |                                        |                                    |
| 10.375% due 02/01/2022 (c)              |     | 73                                     | 75                                 |
| 13.750% due 02/01/2022 (c)              |     | 58                                     | 59                                 |
| <b>HSBC Holdings PLC</b>                |     |                                        |                                    |
| 6.000% due 09/29/2023 (h)               | EUR | 3,530                                  | 4,027                              |
| <b>Jefferies Finance LLC</b>            |     |                                        |                                    |
| 6.875% due 04/15/2022 (k)               | \$  | 6,850                                  | 6,679                              |
| 7.375% due 04/01/2020                   |     | 400                                    | 406                                |
| 7.500% due 04/15/2021                   |     | 347                                    | 351                                |
|                                         |     | <b>PRINCIPAL<br/>AMOUNT<br/>(000S)</b> | <b>MARKET<br/>VALUE<br/>(000S)</b> |
| <b>Jefferies LoanCore LLC</b>           |     |                                        |                                    |
| 6.875% due 06/01/2020                   | \$  | 200                                    | 195                                |
| <b>Lloyds Banking Group PLC</b>         |     |                                        |                                    |
| 7.625% due 06/27/2023 (h)               | GBP | 2,300                                  | 3,087                              |
| <b>MPT Operating Partnership LP</b>     |     |                                        |                                    |
| 5.250% due 08/01/2026                   | \$  | 1,292                                  | 1,273                              |
| <b>Nationwide Building Society</b>      |     |                                        |                                    |
| 10.250% due 06/29/2049 (h)              | GBP | 13                                     | 2,130                              |
| <b>Navient Corp.</b>                    |     |                                        |                                    |
| 4.875% due 06/17/2019                   | \$  | 500                                    | 505                                |
| 5.500% due 01/15/2019                   |     | 8,300                                  | 8,508                              |
| 5.625% due 08/01/2033                   |     | 148                                    | 118                                |
| <b>Novo Banco S.A.</b>                  |     |                                        |                                    |
| 5.000% due 04/04/2019                   | EUR | 311                                    | 254                                |
| 5.000% due 04/23/2019                   |     | 653                                    | 537                                |
| 5.000% due 05/14/2019                   |     | 431                                    | 352                                |
| 5.000% due 05/21/2019                   |     | 241                                    | 197                                |
| 5.000% due 05/23/2019                   |     | 240                                    | 196                                |
| <b>Omega Healthcare Investors, Inc.</b> |     |                                        |                                    |
| 4.375% due 08/01/2023 (k)               | \$  | 1,500                                  | 1,502                              |
| <b>OneMain Financial Holdings LLC</b>   |     |                                        |                                    |
| 6.750% due 12/15/2019                   |     | 1,353                                  | 1,409                              |
| <b>PHH Corp.</b>                        |     |                                        |                                    |
| 6.375% due 08/15/2021                   |     | 570                                    | 579                                |
| 7.375% due 09/01/2019                   |     | 700                                    | 768                                |
| <b>Rio Oil Finance Trust</b>            |     |                                        |                                    |
| 9.250% due 07/06/2024                   |     | 1,500                                  | 1,482                              |
| <b>Royal Bank of Scotland Group PLC</b> |     |                                        |                                    |
| 7.500% due 08/10/2020 (h)(k)            |     | 4,080                                  | 3,968                              |
| 8.000% due 08/10/2025 (h)(k)            |     | 5,190                                  | 5,106                              |
| 8.625% due 08/15/2021 (h)               |     | 1,700                                  | 1,759                              |
| <b>Santander UK Group Holdings PLC</b>  |     |                                        |                                    |
| 7.375% due 06/24/2022 (h)               | GBP | 4,100                                  | 5,287                              |
| <b>Spirit Realty LP</b>                 |     |                                        |                                    |
| 4.450% due 09/15/2026 (k)               | \$  | 1,500                                  | 1,441                              |
| <b>Springleaf Finance Corp.</b>         |     |                                        |                                    |
| 5.250% due 12/15/2019                   |     | 675                                    | 680                                |
| 8.250% due 12/15/2020                   |     | 3,100                                  | 3,336                              |
| <b>Tesco Property Finance PLC</b>       |     |                                        |                                    |
| 5.411% due 07/13/2044                   | GBP | 4,434                                  | 5,433                              |
| 6.052% due 10/13/2039                   |     | 2,622                                  | 3,527                              |
| <b>TIG FinCo PLC</b>                    |     |                                        |                                    |
| 8.500% due 03/02/2020                   |     | 687                                    | 891                                |
| 8.750% due 04/02/2020                   |     | 8,604                                  | 10,445                             |
|                                         |     |                                        | 164,355                            |
| <b>INDUSTRIALS 22.3%</b>                |     |                                        |                                    |
| <b>ADT Corp.</b>                        |     |                                        |                                    |
| 4.875% due 07/15/2032                   | \$  | 662                                    | 536                                |
| <b>Aeropuertos Argentina S.A.</b>       |     |                                        |                                    |
| 6.875% due 02/01/2027 (c)               |     | 500                                    | 506                                |

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|                                                           |     |                  |               |
|-----------------------------------------------------------|-----|------------------|---------------|
| <b>Altice Financing S.A.</b>                              |     |                  |               |
| 7.500% due 05/15/2026                                     |     | 3,600            | 3,809         |
| <b>BCD Acquisition, Inc.</b>                              |     |                  |               |
| 9.625% due 09/15/2023                                     |     | 780              | 839           |
| <b>BMC Software Finance, Inc.</b>                         |     |                  |               |
| 8.125% due 07/15/2021                                     |     | 1,800            | 1,746         |
| <b>Boxer Parent Co., Inc. (9.000% Cash or 9.750% PIK)</b> |     |                  |               |
| 9.000% due 10/15/2019 (d)(k)                              |     | 4,650            | 4,534         |
| <b>Caesars Entertainment Operating Co., Inc.</b>          |     |                  |               |
| 8.500% due 02/15/2020 ^                                   |     | 1,475            | 1,649         |
| 9.000% due 02/15/2020 ^                                   |     | 2,262            | 2,522         |
| 11.250% due 06/01/2017 ^                                  |     | 9,662            | 10,556        |
| <b>Chesapeake Energy Corp.</b>                            |     |                  |               |
| 4.272% due 04/15/2019                                     |     | 134              | 134           |
| <b>Concordia International Corp.</b>                      |     |                  |               |
| 9.000% due 04/01/2022                                     |     | 355              | 303           |
| <b>Diamond Resorts International, Inc.</b>                |     |                  |               |
| 10.750% due 09/01/2024                                    |     | 2,500            | 2,512         |
| <b>DriveTime Automotive Group, Inc.</b>                   |     |                  |               |
| 8.000% due 06/01/2021                                     |     | 800              | 794           |
| <b>Forbes Energy Services Ltd.</b>                        |     |                  |               |
| 9.000% due 06/15/2019 ^                                   |     | 1,164            | 704           |
|                                                           |     | <b>PRINCIPAL</b> | <b>MARKET</b> |
|                                                           |     | <b>AMOUNT</b>    | <b>VALUE</b>  |
|                                                           |     | <b>(000S)</b>    | <b>(000S)</b> |
| <b>Ford Motor Co.</b>                                     |     |                  |               |
| 7.700% due 05/15/2097 (k)                                 | \$  | 10,460           | \$ 12,206     |
| <b>Fresh Market, Inc.</b>                                 |     |                  |               |
| 9.750% due 05/01/2023                                     |     | 8,000            | 7,140         |
| <b>Harvest Operations Corp.</b>                           |     |                  |               |
| 2.330% due 04/14/2021                                     |     | 3,317            | 3,261         |
| <b>HCA, Inc.</b>                                          |     |                  |               |
| 4.500% due 02/15/2027                                     |     | 940              | 929           |
| 7.500% due 11/15/2095                                     |     | 1,200            | 1,155         |
| <b>Hellenic Railways Organization S.A.</b>                |     |                  |               |
| 4.028% due 03/17/2017                                     | EUR | 1,400            | 1,496         |
| <b>iHeartCommunications, Inc.</b>                         |     |                  |               |
| 9.000% due 09/15/2022                                     | \$  | 3,450            | 2,600         |
| <b>Intelsat Luxembourg S.A.</b>                           |     |                  |               |
| 7.750% due 06/01/2021                                     |     | 6,888            | 2,428         |
| 8.125% due 06/01/2023                                     |     | 1,135            | 383           |
| <b>Intrepid Aviation Group Holdings LLC</b>               |     |                  |               |
| 6.875% due 02/15/2019                                     |     | 7,420            | 6,789         |
| <b>Kinder Morgan Energy Partners LP</b>                   |     |                  |               |
| 6.375% due 03/01/2041 (k)                                 |     | 400              | 447           |
| <b>Kinder Morgan, Inc.</b>                                |     |                  |               |
| 7.800% due 08/01/2031 (k)                                 |     | 3,500            | 4,392         |
| <b>Kinetic Concepts, Inc.</b>                             |     |                  |               |
| 9.625% due 10/01/2021                                     |     | 6,800            | 7,298         |
| <b>Koppers, Inc.</b>                                      |     |                  |               |
| 6.000% due 02/15/2025                                     |     | 16               | 17            |
| <b>Mallinckrodt International Finance S.A.</b>            |     |                  |               |
| 4.750% due 04/15/2023                                     |     | 300              | 247           |
| <b>N&amp;W Global Vending SpA</b>                         |     |                  |               |
| 7.000% due 10/15/2023                                     | EUR | 880              | 1,003         |
| <b>Petroleos Mexicanos</b>                                |     |                  |               |
| 5.375% due 03/13/2022                                     | \$  | 90               | 92            |
| 6.500% due 03/13/2027                                     |     | 256              | 264           |
| <b>Prime Security Services Borrower LLC</b>               |     |                  |               |
| 9.250% due 05/15/2023 (k)                                 |     | 2,445            | 2,656         |
| <b>Russian Railways via RZD Capital PLC</b>               |     |                  |               |
| 7.487% due 03/25/2031                                     | GBP | 1,300            | 1,924         |
| <b>Sabine Pass Liquefaction LLC</b>                       |     |                  |               |
| 5.875% due 06/30/2026 (k)                                 | \$  | 2,500            | 2,787         |
| <b>Safeway, Inc.</b>                                      |     |                  |               |
| 7.250% due 02/01/2031                                     |     | 245              | 242           |
| <b>Scientific Games International, Inc.</b>               |     |                  |               |
| 10.000% due 12/01/2022                                    |     | 2,150            | 2,214         |
| <b>Sequa Corp.</b>                                        |     |                  |               |
| 7.000% due 12/15/2017                                     |     | 7,918            | 4,355         |

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**SFR Group S.A.**

|                           |  |       |       |
|---------------------------|--|-------|-------|
| 7.375% due 05/01/2026 (k) |  | 5,564 | 5,731 |
|---------------------------|--|-------|-------|

**Silversea Cruise Finance Ltd.**

|                       |  |    |    |
|-----------------------|--|----|----|
| 7.250% due 02/01/2025 |  | 21 | 22 |
|-----------------------|--|----|----|

**Soho House Bond Ltd.**

|                       |     |       |       |
|-----------------------|-----|-------|-------|
| 9.125% due 10/01/2018 | GBP | 2,700 | 3,485 |
|-----------------------|-----|-------|-------|

**Spanish Broadcasting System, Inc.**

|                        |    |       |       |
|------------------------|----|-------|-------|
| 12.500% due 04/15/2017 | \$ | 2,100 | 2,095 |
|------------------------|----|-------|-------|

**Spirit Issuer PLC**

|                       |     |       |       |
|-----------------------|-----|-------|-------|
| 3.067% due 12/28/2031 | GBP | 1,000 | 1,185 |
|-----------------------|-----|-------|-------|

|                       |  |       |       |
|-----------------------|--|-------|-------|
| 6.582% due 12/28/2027 |  | 1,000 | 1,385 |
|-----------------------|--|-------|-------|

**Tech Data Corp.**

|                       |    |    |    |
|-----------------------|----|----|----|
| 3.700% due 02/15/2022 | \$ | 30 | 30 |
|-----------------------|----|----|----|

|                       |  |    |    |
|-----------------------|--|----|----|
| 4.950% due 02/15/2027 |  | 40 | 40 |
|-----------------------|--|----|----|

**Tembec Industries, Inc.**

|                       |  |       |       |
|-----------------------|--|-------|-------|
| 9.000% due 12/15/2019 |  | 2,400 | 2,442 |
|-----------------------|--|-------|-------|

**Tennessee Merger Sub, Inc.**

|                           |  |     |     |
|---------------------------|--|-----|-----|
| 6.375% due 02/01/2025 (c) |  | 106 | 104 |
|---------------------------|--|-----|-----|

**Transocean, Inc.**

|                       |  |     |     |
|-----------------------|--|-----|-----|
| 9.000% due 07/15/2023 |  | 734 | 785 |
|-----------------------|--|-----|-----|

**Trinidad Drilling Ltd.**

|                           |  |    |    |
|---------------------------|--|----|----|
| 6.625% due 02/15/2025 (c) |  | 33 | 34 |
|---------------------------|--|----|----|

**UCP, Inc.**

|                       |  |       |       |
|-----------------------|--|-------|-------|
| 8.500% due 10/21/2017 |  | 2,000 | 1,989 |
|-----------------------|--|-------|-------|

**Unique Pub Finance Co. PLC**

|                       |     |       |       |
|-----------------------|-----|-------|-------|
| 5.659% due 06/30/2027 | GBP | 3,935 | 5,300 |
|-----------------------|-----|-------|-------|

|                       |  |       |       |
|-----------------------|--|-------|-------|
| 6.542% due 03/30/2021 |  | 1,312 | 1,786 |
|-----------------------|--|-------|-------|

January 31, 2017 (Unaudited)

|                              | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|------------------------------|-------------------------------|---------------------------|
| <b>Westmoreland Coal Co.</b> |                               |                           |
| 8.750% due 01/01/2022        | \$ 6,335                      | \$ 5,797                  |
| <b>Zayo Group LLC</b>        |                               |                           |
| 5.750% due 01/15/2027        | 34                            | 35                        |
|                              |                               | 129,714                   |

**UTILITIES 6.8%**

|                                                 |          |        |
|-------------------------------------------------|----------|--------|
| <b>Frontier Communications Corp.</b>            |          |        |
| 11.000% due 09/15/2025                          | 570      | 579    |
| <b>Gazprom Neft OAO Via GPN Capital S.A.</b>    |          |        |
| 6.000% due 11/27/2023 (k)                       | 13,900   | 14,907 |
| <b>Illinois Power Generating Co.</b>            |          |        |
| 6.300% due 04/01/2020 ^                         | 3,035    | 1,138  |
| 7.000% due 04/15/2018 ^                         | 5,400    | 2,025  |
| 7.950% due 06/01/2032 ^                         | 700      | 259    |
| <b>Northwestern Bell Telephone</b>              |          |        |
| 7.750% due 05/01/2030                           | 12,625   | 13,835 |
| <b>Odebrecht Drilling Norbe Ltd.</b>            |          |        |
| 6.350% due 06/30/2022                           | 358      | 167    |
| <b>Odebrecht Offshore Drilling Finance Ltd.</b> |          |        |
| 6.625% due 10/01/2023                           | 3,932    | 1,366  |
| 6.750% due 10/01/2023                           | 4,294    | 1,460  |
| <b>Petrobras Global Finance BV</b>              |          |        |
| 6.125% due 01/17/2022                           | 181      | 188    |
| 6.625% due 01/16/2034                           | GBP 100  | 114    |
| 6.750% due 01/27/2041                           | \$ 2,400 | 2,149  |
| 7.375% due 01/17/2027                           | 220      | 229    |
| <b>Sprint Capital Corp.</b>                     |          |        |
| 6.900% due 05/01/2019                           | 1,100    | 1,177  |
|                                                 |          | 39,593 |

**Total Corporate Bonds & Notes (Cost \$348,107)****333,662****CONVERTIBLE BONDS & NOTES 0.7%****INDUSTRIALS 0.7%**

|                                                           |       |              |
|-----------------------------------------------------------|-------|--------------|
| <b>DISH Network Corp.</b>                                 |       |              |
| 3.375% due 08/15/2026                                     | 3,400 | 3,989        |
| <b>Total Convertible Bonds &amp; Notes (Cost \$3,400)</b> |       | <b>3,989</b> |

**MUNICIPAL BONDS & NOTES 6.9%****CALIFORNIA 1.2%**

|                                                                                                           |       |       |
|-----------------------------------------------------------------------------------------------------------|-------|-------|
| <b>Riverside County, California Redevelopment Successor Agency Tax Allocation Bonds, Series 2010</b>      |       |       |
| 7.500% due 10/01/2030                                                                                     | 1,200 | 1,294 |
| <b>San Francisco, California City &amp; County Redevelopment Agency Tax Allocation Bonds, Series 2009</b> |       |       |
| 8.406% due 08/01/2039                                                                                     | 1,650 | 2,108 |
| <b>Stockton Public Financing Authority, California Revenue Bonds, (BABs), Series 2009</b>                 |       |       |
| 7.942% due 10/01/2038                                                                                     | 3,500 | 3,851 |
|                                                                                                           |       | 7,253 |

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## ILLINOIS 0.1%

### Chicago, Illinois General Obligation Bonds, Series 2015

|                       |     |     |
|-----------------------|-----|-----|
| 7.375% due 01/01/2033 | 180 | 186 |
| 7.750% due 01/01/2042 | 330 | 335 |
|                       |     | 521 |

## OHIO 3.6%

### Ohio State University Revenue Bonds, Series 2011

|                       |        |        |
|-----------------------|--------|--------|
| 4.800% due 06/01/2111 | 21,000 | 20,690 |
|-----------------------|--------|--------|

## VIRGINIA 0.1%

### Tobacco Settlement Financing Corp., Virginia Revenue Bonds, Series 2007

|                       |     |     |
|-----------------------|-----|-----|
| 6.706% due 06/01/2046 | 835 | 673 |
|-----------------------|-----|-----|

PRINCIPAL  
AMOUNT  
(000S)

MARKET  
VALUE  
(000S)

## WEST VIRGINIA 1.9%

### Tobacco Settlement Finance Authority, West Virginia Revenue Bonds, Series 2007

|                       |    |        |    |        |
|-----------------------|----|--------|----|--------|
| 7.467% due 06/01/2047 | \$ | 12,535 | \$ | 11,144 |
|-----------------------|----|--------|----|--------|

### Total Municipal Bonds & Notes (Cost \$36,514)

40,281

## U.S. GOVERNMENT AGENCIES 2.2%

### Fannie Mae

|                           |       |     |
|---------------------------|-------|-----|
| 3.500% due 02/25/2042 (a) | 1,228 | 164 |
| 4.500% due 11/25/2042 (a) | 3,224 | 594 |
| 5.021% due 01/25/2029     | 400   | 424 |
| 5.479% due 01/25/2040 (a) | 454   | 82  |

### Freddie Mac

|                           |       |       |
|---------------------------|-------|-------|
| 2.563% due 11/25/2055     | 8,785 | 4,942 |
| 3.000% due 02/15/2033 (a) | 2,632 | 316   |
| 3.500% due 12/15/2032 (a) | 4,448 | 672   |
| 8.321% due 12/25/2027     | 2,898 | 3,243 |
| 9.944% due 09/15/2035     | 844   | 1,262 |
| 11.521% due 03/25/2025    | 741   | 906   |

### Ginnie Mae

|                                        |     |     |
|----------------------------------------|-----|-----|
| 3.500% due 06/20/2042 - 10/20/2042 (a) | 966 | 140 |
| 4.000% due 10/16/2042 - 10/20/2042 (a) | 587 | 82  |

### Total U.S. Government Agencies (Cost \$12,134)

12,827

## NON-AGENCY MORTGAGE-BACKED SECURITIES 24.7%

### Banc of America Alternative Loan Trust

|                         |     |     |
|-------------------------|-----|-----|
| 6.000% due 01/25/2036 ^ | 142 | 121 |
|-------------------------|-----|-----|

### Banc of America Funding Corp.

|                       |       |       |
|-----------------------|-------|-------|
| 6.000% due 01/25/2037 | 8,613 | 6,648 |
|-----------------------|-------|-------|

### Banc of America Funding Trust

|                         |       |       |
|-------------------------|-------|-------|
| 3.734% due 01/20/2047 ^ | 1,653 | 1,409 |
|-------------------------|-------|-------|

### BCAP LLC Trust

|                        |        |        |
|------------------------|--------|--------|
| 1.897% due 08/26/2037  | 14,150 | 9,028  |
| 3.218% due 05/26/2037  | 1,971  | 645    |
| 3.259% due 08/28/2037  | 6,763  | 5,325  |
| 3.728% due 05/26/2036  | 116    | 2      |
| 4.242% due 07/26/2037  | 12,775 | 11,015 |
| 4.625% due 09/26/2036  | 5,391  | 4,399  |
| 5.078% due 03/26/2037  | 1,156  | 351    |
| 5.750% due 12/26/2035  | 5,141  | 4,273  |
| 6.250% due 11/26/2036  | 5,490  | 4,777  |
| 11.961% due 06/26/2036 | 504    | 204    |

### Bear Stearns ALT-A Trust

|                         |       |       |
|-------------------------|-------|-------|
| 1.271% due 01/25/2036 ^ | 1,716 | 1,536 |
| 3.104% due 09/25/2047 ^ | 7,708 | 5,504 |
| 3.110% due 11/25/2036 ^ | 555   | 455   |
| 3.195% due 11/25/2035   | 8,834 | 7,665 |
| 3.477% due 09/25/2035 ^ | 843   | 696   |

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|                                                             |                  |               |
|-------------------------------------------------------------|------------------|---------------|
| <b>Chase Mortgage Finance Trust</b>                         |                  |               |
| 3.189% due 12/25/2035 ^                                     | 13               | 12            |
| 5.500% due 05/25/2036 ^                                     | 52               | 45            |
| <b>Chase Mortgage Trust</b>                                 |                  |               |
| 3.750% due 12/25/2045                                       | 539              | 504           |
| <b>Citicorp Mortgage Securities Trust</b>                   |                  |               |
| 5.500% due 04/25/2037                                       | 150              | 149           |
| 6.000% due 09/25/2037                                       | 1,501            | 1,558         |
| <b>Commercial Mortgage Loan Trust</b>                       |                  |               |
| 6.096% due 12/10/2049                                       | 2,161            | 1,370         |
| <b>Countrywide Alternative Loan Resecuritization Trust</b>  |                  |               |
| 6.000% due 05/25/2036 ^                                     | 3,397            | 2,847         |
| 6.000% due 08/25/2037 ^                                     | 1,470            | 1,147         |
| <b>Countrywide Alternative Loan Trust</b>                   |                  |               |
| 2.953% due 04/25/2036 ^                                     | 1,470            | 1,013         |
| 5.500% due 03/25/2035                                       | 404              | 321           |
| 5.500% due 01/25/2036                                       | 958              | 802           |
| 5.500% due 03/25/2036 ^                                     | 162              | 127           |
| 5.750% due 01/25/2035                                       | 485              | 489           |
| 5.750% due 02/25/2035                                       | 535              | 518           |
| 5.750% due 12/25/2036 ^                                     | 1,014            | 720           |
| 6.000% due 02/25/2035                                       | 474              | 484           |
|                                                             | <b>PRINCIPAL</b> | <b>MARKET</b> |
|                                                             | <b>AMOUNT</b>    | <b>VALUE</b>  |
|                                                             | <b>(000S)</b>    | <b>(000S)</b> |
| 6.000% due 04/25/2036                                       | \$ 697           | \$ 514        |
| 6.000% due 04/25/2037 ^                                     | 2,362            | 1,650         |
| 6.250% due 11/25/2036 ^                                     | 1,016            | 896           |
| 6.250% due 12/25/2036 ^                                     | 737              | 544           |
| 6.500% due 08/25/2036 ^                                     | 633              | 428           |
| <b>Countrywide Home Loan Mortgage Pass-Through Trust</b>    |                  |               |
| 1.351% due 03/25/2035 ^                                     | 6,058            | 4,571         |
| 6.000% due 07/25/2037                                       | 2,450            | 1,978         |
| 6.250% due 09/25/2036 ^                                     | 801              | 676           |
| <b>Credit Suisse First Boston Mortgage Securities Corp.</b> |                  |               |
| 6.000% due 11/25/2035 ^                                     | 637              | 514           |
| <b>Credit Suisse Mortgage Capital Certificates</b>          |                  |               |
| 3.193% due 10/26/2036                                       | 7,496            | 4,631         |
| <b>Credit Suisse Mortgage Capital Mortgage-Backed Trust</b> |                  |               |
| 5.750% due 04/25/2036 ^                                     | 216              | 170           |
| <b>Epic Drummond Ltd.</b>                                   |                  |               |
| 0.000% due 01/25/2022                                       | EUR 390          | 414           |
| <b>First Horizon Alternative Mortgage Securities Trust</b>  |                  |               |
| 6.000% due 08/25/2036 ^                                     | \$ 1,596         | 1,353         |
| <b>First Horizon Mortgage Pass-Through Trust</b>            |                  |               |
| 3.000% due 11/25/2035 ^                                     | 487              | 402           |
| 3.122% due 05/25/2037 ^                                     | 532              | 441           |
| <b>GS Mortgage Securities Trust</b>                         |                  |               |
| 5.622% due 11/10/2039                                       | 1,600            | 1,494         |
| <b>IndyMac Mortgage Loan Trust</b>                          |                  |               |
| 6.500% due 07/25/2037 ^                                     | 3,744            | 2,292         |
| <b>JPMorgan Alternative Loan Trust</b>                      |                  |               |
| 3.013% due 03/25/2037 ^                                     | 1,563            | 1,396         |
| 3.182% due 05/25/2036 ^                                     | 2,519            | 1,954         |
| 3.194% due 03/25/2036 ^                                     | 2,680            | 2,127         |
| <b>JPMorgan Chase Commercial Mortgage Securities Trust</b>  |                  |               |
| 5.623% due 05/12/2045                                       | 1,741            | 1,501         |
| <b>JPMorgan Mortgage Trust</b>                              |                  |               |
| 3.111% due 10/25/2035                                       | 398              | 384           |
| 3.297% due 02/25/2036 ^                                     | 586              | 522           |
| 6.500% due 09/25/2035                                       | 132              | 130           |
| <b>LB-UBS Commercial Mortgage Trust</b>                     |                  |               |
| 5.407% due 11/15/2038                                       | 927              | 716           |
| 5.562% due 02/15/2040                                       | 1,888            | 1,410         |
| <b>Lehman Mortgage Trust</b>                                |                  |               |
| 6.000% due 07/25/2036 ^                                     | 1,184            | 920           |
| 6.000% due 07/25/2037 ^                                     | 1,448            | 1,299         |
| 6.500% due 09/25/2037 ^                                     | 3,435            | 2,568         |
| <b>Lehman XS Trust</b>                                      |                  |               |
| 0.991% due 06/25/2047                                       | 3,119            | 2,408         |



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## MASTR Asset Securitization Trust

|                         |     |     |
|-------------------------|-----|-----|
| 6.500% due 11/25/2037 ^ | 620 | 478 |
|-------------------------|-----|-----|

## Merrill Lynch Mortgage Investors Trust

|                         |       |       |
|-------------------------|-------|-------|
| 3.019% due 03/25/2036 ^ | 2,344 | 1,619 |
|-------------------------|-------|-------|

## Nomura Asset Acceptance Corp. Alternative Loan Trust

|                         |    |    |
|-------------------------|----|----|
| 4.976% due 05/25/2035 ^ | 15 | 12 |
|-------------------------|----|----|

## RBSSP Resecuritization Trust

|                       |       |       |
|-----------------------|-------|-------|
| 0.916% due 02/26/2047 | 4,682 | 4,516 |
|-----------------------|-------|-------|

## Residential Accredited Loans, Inc. Trust

|                         |       |       |
|-------------------------|-------|-------|
| 4.184% due 12/26/2034 ^ | 1,486 | 1,181 |
|-------------------------|-------|-------|

|                         |     |     |
|-------------------------|-----|-----|
| 6.000% due 08/25/2036 ^ | 463 | 393 |
|-------------------------|-----|-----|

## Residential Asset Securitization Trust

|                         |       |       |
|-------------------------|-------|-------|
| 5.750% due 02/25/2036 ^ | 1,356 | 1,060 |
|-------------------------|-------|-------|

|                         |       |       |
|-------------------------|-------|-------|
| 6.000% due 07/25/2037 ^ | 1,789 | 1,233 |
|-------------------------|-------|-------|

|                         |       |       |
|-------------------------|-------|-------|
| 6.250% due 09/25/2037 ^ | 3,049 | 2,083 |
|-------------------------|-------|-------|

## Residential Funding Mortgage Securities, Inc. Trust

|                       |       |       |
|-----------------------|-------|-------|
| 4.020% due 09/25/2035 | 1,515 | 1,342 |
|-----------------------|-------|-------|

|                         |       |       |
|-------------------------|-------|-------|
| 4.190% due 08/25/2036 ^ | 2,008 | 1,778 |
|-------------------------|-------|-------|

## Structured Adjustable Rate Mortgage Loan Trust

|                         |       |       |
|-------------------------|-------|-------|
| 3.235% due 11/25/2036 ^ | 3,684 | 2,846 |
|-------------------------|-------|-------|

|                         |       |       |
|-------------------------|-------|-------|
| 3.254% due 01/25/2036 ^ | 2,972 | 2,258 |
|-------------------------|-------|-------|

|                         |     |     |
|-------------------------|-----|-----|
| 3.502% due 07/25/2036 ^ | 845 | 671 |
|-------------------------|-----|-----|

## Suntrust Adjustable Rate Mortgage Loan Trust

|                         |     |     |
|-------------------------|-----|-----|
| 3.408% due 02/25/2037 ^ | 425 | 380 |
|-------------------------|-----|-----|

## WaMu Mortgage Pass-Through Certificates Trust

|                         |     |     |
|-------------------------|-----|-----|
| 3.627% due 02/25/2037 ^ | 788 | 748 |
|-------------------------|-----|-----|

|                         |       |       |
|-------------------------|-------|-------|
| 4.242% due 05/25/2037 ^ | 1,795 | 1,653 |
|-------------------------|-------|-------|

|                         |       |       |
|-------------------------|-------|-------|
| 4.326% due 07/25/2037 ^ | 1,373 | 1,262 |
|-------------------------|-------|-------|

|                         |       |     |
|-------------------------|-------|-----|
| 5.972% due 10/25/2036 ^ | 1,168 | 930 |
|-------------------------|-------|-----|

See Accompanying Notes

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**Schedule of Investments PIMCO Income Strategy Fund II (Cont.)**

|                                                                         | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|-------------------------------------------------------------------------|-------------------------------|---------------------------|
| <b>Wells Fargo Mortgage-Backed Securities Trust</b>                     |                               |                           |
| 2.997% due 07/25/2036 ^                                                 | \$ 454                        | \$ 431                    |
| 5.750% due 03/25/2037 ^                                                 | 404                           | 399                       |
| <b>Total Non-Agency Mortgage-Backed Securities<br/>(Cost \$138,588)</b> |                               | <b>143,735</b>            |
| <b>ASSET-BACKED SECURITIES 20.3%</b>                                    |                               |                           |
| <b>Airspeed Ltd.</b>                                                    |                               |                           |
| 1.037% due 06/15/2032                                                   | 3,418                         | 2,690                     |
| <b>Apidos CLO</b>                                                       |                               |                           |
| 0.000% due 07/22/2026                                                   | 1,500                         | 817                       |
| <b>Argent Securities Trust</b>                                          |                               |                           |
| 0.961% due 03/25/2036                                                   | 4,204                         | 2,221                     |
| <b>Bear Stearns Asset-Backed Securities Trust</b>                       |                               |                           |
| 0.911% due 10/25/2036 ^                                                 | 6,446                         | 5,949                     |
| 6.500% due 10/25/2036 ^                                                 | 381                           | 292                       |
| <b>CIFC Funding Ltd.</b>                                                |                               |                           |
| 0.000% due 05/24/2026 (f)                                               | 2,400                         | 1,766                     |
| 0.000% due 07/22/2026                                                   | 1,500                         | 922                       |
| <b>Citigroup Mortgage Loan Trust, Inc.</b>                              |                               |                           |
| 0.921% due 12/25/2036                                                   | 16,692                        | 8,918                     |
| 0.931% due 12/25/2036                                                   | 4,491                         | 2,790                     |
| <b>Cork Street CLO Designated Activity Co.</b>                          |                               |                           |
| 0.000% due 11/27/2028 (f) EUR                                           | 2,366                         | 2,163                     |
| 3.600% due 11/27/2028                                                   | 1,062                         | 1,149                     |
| 4.500% due 11/27/2028                                                   | 929                           | 1,007                     |
| 6.200% due 11/27/2028                                                   | 1,150                         | 1,250                     |
| <b>Countrywide Asset-Backed Certificates</b>                            |                               |                           |
| 0.911% due 12/25/2046 \$                                                | 17,114                        | 12,430                    |
| 0.911% due 06/25/2047 ^                                                 | 1,915                         | 1,390                     |
| 0.941% due 03/25/2037                                                   | 2,947                         | 2,749                     |
| 0.971% due 06/25/2047                                                   | 11,905                        | 9,174                     |
| <b>Countrywide Asset-Backed Certificates Trust</b>                      |                               |                           |
| 1.521% due 11/25/2035                                                   | 4,008                         | 3,103                     |
| <b>Fremont Home Loan Trust</b>                                          |                               |                           |
| 0.921% due 01/25/2037                                                   | 16,035                        | 8,520                     |
| <b>Grosvenor Place CLO BV</b>                                           |                               |                           |
| 0.000% due 04/30/2029 EUR                                               | 500                           | 445                       |
| <b>HSI Asset Securitization Corp. Trust</b>                             |                               |                           |
| 0.000% due 10/25/2036 (b)(f) \$                                         | 3,522                         | 1,592                     |
| <b>IndyMac Home Equity Mortgage Loan Asset-Backed Trust</b>             |                               |                           |
| 0.931% due 07/25/2037                                                   | 3,525                         | 2,193                     |
| <b>JPMorgan Mortgage Acquisition Corp.</b>                              |                               |                           |
| 1.061% due 01/25/2036                                                   | 807                           | 756                       |
| <b>Lehman XS Trust</b>                                                  |                               |                           |
| 6.290% due 06/24/2046                                                   | 4,175                         | 3,852                     |
|                                                                         | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
| <b>Long Beach Mortgage Loan Trust</b>                                   |                               |                           |
| 1.071% due 01/25/2036 \$                                                | 5,000                         | \$ 3,566                  |
| <b>MASTR Asset-Backed Securities Trust</b>                              |                               |                           |
| 5.233% due 11/25/2035                                                   | 104                           | 104                       |
| <b>Merrill Lynch Mortgage Investors Trust</b>                           |                               |                           |
| 0.916% due 04/25/2037                                                   | 597                           | 336                       |
| <b>Morgan Stanley Mortgage Loan Trust</b>                               |                               |                           |
| 6.250% due 07/25/2047 ^                                                 | 834                           | 595                       |
| <b>SLM Student Loan Trust</b>                                           |                               |                           |

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|                                                               |        |                |
|---------------------------------------------------------------|--------|----------------|
| 0.000% due 10/28/2029 (f)                                     | 1      | 1,290          |
| 0.000% due 01/25/2042 (f)                                     | 4      | 3,989          |
| <b>South Coast Funding Ltd.</b>                               |        |                |
| 1.482% due 08/10/2038                                         | 12,754 | 2,634          |
| <b>Specialty Underwriting &amp; Residential Finance Trust</b> |        |                |
| 1.271% due 09/25/2036                                         | 14,080 | 11,353         |
| <b>Taberna Preferred Funding Ltd.</b>                         |        |                |
| 1.158% due 08/05/2036                                         | 478    | 344            |
| 1.158% due 08/05/2036 ^                                       | 9,443  | 6,799          |
| 1.241% due 12/05/2036                                         | 5,463  | 3,933          |
| 1.469% due 07/05/2035                                         | 6,146  | 4,671          |
| <b>Total Asset-Backed Securities (Cost \$117,431)</b>         |        | <b>117,752</b> |

## SOVEREIGN ISSUES 2.4%

|                                                  |     |         |        |
|--------------------------------------------------|-----|---------|--------|
| SOVEREIGN ISSUES IN %                            |     |         |        |
| Argentine Government International Bond          |     |         |        |
| 7.820% due 12/31/2033                            | EUR | 5,033   | 5,542  |
| Autonomous Community of Catalonia                |     |         |        |
| 4.900% due 09/15/2021                            |     | 1,500   | 1,713  |
| Autonomous Community of Valencia                 |     |         |        |
| 2.057% due 09/03/2017                            |     | 2,500   | 2,721  |
| Republic of Greece Government International Bond |     |         |        |
| 3.800% due 08/08/2017                            | JPY | 204,000 | 1,748  |
| 4.750% due 04/17/2019                            | EUR | 300     | 299    |
| Saudi Government International Bond              |     |         |        |
| 3.250% due 10/26/2026                            | \$  | 200     | 191    |
| 4.500% due 10/26/2046                            |     | 1,600   | 1,568  |
| Total Sovereign Issues (Cost \$14,121)           |     |         | 13,782 |

## SHARES

### COMMON STOCKS 0.1%

|                                         |         |            |
|-----------------------------------------|---------|------------|
| <b>FINANCIALS 0.1%</b>                  |         |            |
| <b>TIG FinCo PLC (i)</b>                | 496,900 | 462        |
| <b>Total Common Stocks (Cost \$737)</b> |         | <b>462</b> |

## SHARES

## MARKET VALUE (000S)

### PREFERRED SECURITIES 2.3%

|                                                   |        |               |
|---------------------------------------------------|--------|---------------|
| <b>BANKING &amp; FINANCE 2.3%</b>                 |        |               |
| <b>Farm Credit Bank of Texas</b>                  |        |               |
| 10.000% due 12/15/2020 (h)                        | 10,950 | \$ 13,168     |
| <b>Morgan Stanley</b>                             |        |               |
| 5.850% due 04/15/2027 (h)                         | 1,725  | 43            |
| <b>Total Preferred Securities (Cost \$12,937)</b> |        | <b>13,211</b> |

### SHORT-TERM INSTRUMENTS 6.3%

|                                       |  |        |
|---------------------------------------|--|--------|
| <b>REPURCHASE AGREEMENTS (j) 3.7%</b> |  |        |
|                                       |  | 21,636 |

## PRINCIPAL AMOUNT (000S)

### SHORT-TERM NOTES 0.8%

|                           |    |       |       |
|---------------------------|----|-------|-------|
| Federal Home Loan Bank    |    |       |       |
| 0.477% due 02/28/2017 (g) | \$ | 1,200 | 1,200 |
| 0.503% due 02/23/2017 (g) |    | 1,900 | 1,899 |
| 0.517% due 02/10/2017 (g) |    | 1,600 | 1,600 |
|                           |    |       | 4,699 |

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## U.S. TREASURY BILLS 1.8%

|                                                 |        |        |
|-------------------------------------------------|--------|--------|
| 0.462% due 02/02/2017 - 03/16/2017 (e)(f)(m)(o) | 10,514 | 10,510 |
|-------------------------------------------------|--------|--------|

## Total Short-Term Instruments

|                 |  |        |
|-----------------|--|--------|
| (Cost \$36,845) |  | 36,845 |
|-----------------|--|--------|

## Total Investments in Securities

|                  |  |         |
|------------------|--|---------|
| (Cost \$738,293) |  | 733,372 |
|------------------|--|---------|

## Total Investments 126.2%

|                  |    |         |
|------------------|----|---------|
| (Cost \$738,293) | \$ | 733,372 |
|------------------|----|---------|

## Financial Derivative

## Instruments (l)(n) (0.8)%

|                                   |  |         |
|-----------------------------------|--|---------|
| (Cost or Premiums, net \$(1,679)) |  | (4,498) |
|-----------------------------------|--|---------|

|                          |  |          |
|--------------------------|--|----------|
| Preferred Shares (15.9)% |  | (92,450) |
|--------------------------|--|----------|

|                                          |  |          |
|------------------------------------------|--|----------|
| Other Assets and Liabilities, net (9.5)% |  | (55,353) |
|------------------------------------------|--|----------|

|                                                     |    |         |
|-----------------------------------------------------|----|---------|
| Net Assets Applicable to Common Shareholders 100.0% | \$ | 581,071 |
|-----------------------------------------------------|----|---------|

## NOTES TO SCHEDULE OF INVESTMENTS (AMOUNTS IN THOUSANDS\*):

\* A zero balance may reflect actual amounts rounding to less than one thousand.

^ Security is in default.

(a) Interest only security.

(b) Principal only security.

(c) When-issued security.

(d) Payment in-kind security.

(e) Coupon represents a weighted average yield to maturity.

(f) Zero coupon security.

(g) Coupon represents a yield to maturity.

(h) Perpetual maturity; date shown, if applicable, represents next contractual call date.

## (i) RESTRICTED SECURITIES:

| Issuer Description | Acquisition Date | Cost   | Market Value | Market Value as Percentage of Net Assets |
|--------------------|------------------|--------|--------------|------------------------------------------|
| TIG FinCo PLC      | 04/02/2015       | \$ 737 | \$ 462       | 0.08%                                    |

## 62 PIMCO CLOSED-END FUNDS

See Accompanying Notes

January 31, 2017 (Unaudited)

**BORROWINGS AND OTHER FINANCING TRANSACTIONS****(j) REPURCHASE AGREEMENTS:**

| Counterparty                       | Lending Rate | Settlement Date | Maturity Date | Principal Amount | Collateralized By                                        | Collateral (Received) | Repurchase Agreements, at Value | Repurchase Agreement Proceeds to be Received <sup>(1)</sup> |
|------------------------------------|--------------|-----------------|---------------|------------------|----------------------------------------------------------|-----------------------|---------------------------------|-------------------------------------------------------------|
| DEU                                | 0.690%       | 01/31/2017      | 02/01/2017    | \$ 18,000        | U.S. Treasury Bonds 3.125% due 02/15/2043                | \$ (18,577)           | \$ 18,000                       | \$ 18,000                                                   |
| SSB                                | 0.010        | 01/31/2017      | 02/01/2017    | 3,636            | U.S. Treasury Notes 1.000% due 05/15/2018 <sup>(2)</sup> | (3,709)               | 3,636                           | 3,636                                                       |
| <b>Total Repurchase Agreements</b> |              |                 |               |                  |                                                          | <b>\$ (22,286)</b>    | <b>\$ 21,636</b>                | <b>\$ 21,636</b>                                            |

<sup>(1)</sup> Includes accrued interest.<sup>(2)</sup> Collateral is held in custody by the counterparty.**REVERSE REPURCHASE AGREEMENTS:**

| Counterparty                               | Borrowing Rate <sup>(3)</sup> | Settlement Date | Maturity Date | Amount Borrowed <sup>(3)</sup> | Payable for Reverse Repurchase Agreements |
|--------------------------------------------|-------------------------------|-----------------|---------------|--------------------------------|-------------------------------------------|
| BCY                                        | 0.000%                        | 12/16/2016      | 12/16/2017    | \$ (814)                       | \$ (814)                                  |
| JML                                        | 1.850                         | 01/10/2017      | 02/08/2017    | (8,580)                        | (8,590)                                   |
| MSC                                        | 1.400                         | 11/02/2016      | 02/02/2017    | (4,889)                        | (4,906)                                   |
|                                            | 1.530                         | 02/02/2017      | 05/02/2017    | (4,758)                        | (4,758)                                   |
| RBC                                        | 1.810                         | 08/05/2016      | 02/06/2017    | (5,279)                        | (5,327)                                   |
|                                            | 1.810                         | 09/02/2016      | 02/06/2017    | (2,272)                        | (2,289)                                   |
|                                            | 1.950                         | 12/16/2016      | 06/12/2017    | (1,932)                        | (1,937)                                   |
|                                            | 2.020                         | 01/09/2017      | 07/10/2017    | (5,300)                        | (5,307)                                   |
| RDR                                        | 1.300                         | 11/03/2016      | 02/03/2017    | (4,194)                        | (4,208)                                   |
|                                            | 1.450                         | 02/03/2017      | 05/02/2017    | (4,152)                        | (4,152)                                   |
| UBS                                        | 1.300                         | 11/22/2016      | 02/22/2017    | (3,156)                        | (3,164)                                   |
|                                            | 1.730                         | 11/28/2016      | 02/28/2017    | (2,950)                        | (2,959)                                   |
|                                            | 1.750                         | 12/09/2016      | 02/22/2017    | (3,536)                        | (3,545)                                   |
|                                            | 1.850                         | 12/28/2016      | 03/14/2017    | (4,053)                        | (4,060)                                   |
|                                            | 1.360                         | 01/06/2017      | 04/07/2017    | (7,515)                        | (7,523)                                   |
| <b>Total Reverse Repurchase Agreements</b> |                               |                 |               |                                | <b>\$ (63,539)</b>                        |

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(3) The average amount of borrowings outstanding during the period ended January 31, 2017 was \$(67,099) at a weighted average interest rate of 1.397%. Average borrowings includes reverse repurchase agreements and sale-buyback transactions, of which there were none open at period end.

## BORROWINGS AND OTHER FINANCING TRANSACTIONS SUMMARY

The following is a summary by counterparty of the market value of Borrowings and Other Financing Transactions and collateral pledged/(received) as of January 31, 2017:

(k) Securities with an aggregate market value of \$71,354 have been pledged as collateral under the terms of the following master agreements as of January 31, 2017.

| Counterparty                                             | Repurchase Agreement Proceeds to be Received | Payable for Reverse Repurchase Agreements | Payable for Sale-Buyback Transactions | Total Borrowings and Other Financing Transactions | Collateral Pledged/(Received) | Net Exposure <sup>(4)</sup> |
|----------------------------------------------------------|----------------------------------------------|-------------------------------------------|---------------------------------------|---------------------------------------------------|-------------------------------|-----------------------------|
| Global/Master Repurchase Agreement                       |                                              |                                           |                                       |                                                   |                               |                             |
| BCY                                                      | \$ 0                                         | \$ (814)                                  | \$ 0                                  | \$ (814)                                          | \$ 938                        | \$ 124                      |
| DEU                                                      | 18,000                                       | 0                                         | 0                                     | 18,000                                            | (18,057)                      | (57)                        |
| JML                                                      | 0                                            | (8,590)                                   | 0                                     | (8,590)                                           | 10,650                        | 2,060                       |
| MSC                                                      | 0                                            | (9,664)                                   | 0                                     | (9,664)                                           | 9,824                         | 160                         |
| RBC                                                      | 0                                            | (14,860)                                  | 0                                     | (14,860)                                          | 16,504                        | 1,644                       |
| RDR                                                      | 0                                            | (8,360)                                   | 0                                     | (8,360)                                           | 8,659                         | 299                         |
| SSB                                                      | 3,636                                        | 0                                         | 0                                     | 3,636                                             | (3,709)                       | (73)                        |
| UBS                                                      | 0                                            | (21,251)                                  | 0                                     | (21,251)                                          | 23,360                        | 2,109                       |
| <b>Total Borrowings and Other Financing Transactions</b> | <b>\$ 21,636</b>                             | <b>\$ (63,539)</b>                        | <b>\$ 0</b>                           |                                                   |                               |                             |

(4) Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from borrowings and other financing transactions can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

See Accompanying Notes

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**Schedule of Investments PIMCO Income Strategy Fund II (Cont.)****CERTAIN TRANSFERS ACCOUNTED FOR AS SECURED BORROWINGS****Remaining Contractual Maturity of the Agreements**

|                                                                                               | Overnight and<br>Continuous | Up to 30 days      | 31-90 days         | Greater Than 90 days | Total              |
|-----------------------------------------------------------------------------------------------|-----------------------------|--------------------|--------------------|----------------------|--------------------|
| <b>Reverse Repurchase Agreements</b>                                                          |                             |                    |                    |                      |                    |
| Corporate Bonds & Notes                                                                       | \$ 0                        | \$ (34,988)        | \$ (11,583)        | \$ (8,058)           | \$ (54,629)        |
| <b>Total Borrowings</b>                                                                       | <b>\$ 0</b>                 | <b>\$ (34,988)</b> | <b>\$ (11,583)</b> | <b>\$ (8,058)</b>    | <b>\$ (54,629)</b> |
| <b>Gross amount of recognized liabilities for reverse repurchase agreements<sup>(5)</sup></b> |                             |                    |                    |                      | <b>\$ (54,629)</b> |

<sup>(5)</sup> Unsettled reverse repurchase agreements liability of \$(8,910) is outstanding at period end.

**(I) FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED****CREDIT DEFAULT SWAPS ON CREDIT INDICES - SELL PROTECTION<sup>(1)</sup>**

| Index/Tranches         | Fixed<br>Receive Rate | Maturity<br>Date | Notional<br>Amount <sup>(2)</sup> | Market<br>Value <sup>(3)</sup> | Unrealized<br>Appreciation | Variation Margin<br>Asset | Liability |
|------------------------|-----------------------|------------------|-----------------------------------|--------------------------------|----------------------------|---------------------------|-----------|
| CDX.HY-24 5-Year Index | 5.000%                | 06/20/2020       | \$ 8,827                          | \$ 747                         | \$ 59                      | \$ 0                      | \$ (1)    |
| CDX.HY-25 5-Year Index | 5.000                 | 12/20/2020       | 7,860                             | 649                            | 639                        | 0                         | (12)      |
| CDX.HY-26 5-Year Index | 5.000                 | 06/20/2021       | 1,287                             | 101                            | 42                         | 0                         | 0         |
| CDX.HY-27 5-Year Index | 5.000                 | 12/20/2021       | 2,673                             | 135                            | 14                         | 0                         | (5)       |
|                        |                       |                  |                                   | \$ 1,632                       | \$ 754                     | \$ 0                      | \$ (18)   |

<sup>(1)</sup> If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash, securities or other deliverable obligations equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.

<sup>(2)</sup> The maximum potential amount the Fund could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.

<sup>(3)</sup> The prices and resulting values for credit default swap agreements on credit indices serve as indicators of the current status of the payment/performance risk and represent the likelihood of an expected liability (or profit) for the credit derivative should the notional amount of the swap agreement be closed/sold as of the period end. Increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the referenced indices' credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

**INTEREST RATE SWAPS**

| Pay/Receive<br>Floating Rate | Floating Rate Index     | Fixed Rate | Maturity<br>Date | Notional<br>Amount | Market<br>Value   | Unrealized<br>Appreciation/<br>(Depreciation) | Variation Margin |                   |
|------------------------------|-------------------------|------------|------------------|--------------------|-------------------|-----------------------------------------------|------------------|-------------------|
|                              |                         |            |                  |                    |                   |                                               | Asset            | Liability         |
| Pay                          | 3-Month USD-LIBOR       | 2.750%     | 06/17/2025       | \$ 149,020         | \$ 5,569          | \$ (3,522)                                    | \$ 390           | \$ 0              |
| Pay                          | 3-Month USD-LIBOR       | 2.250      | 06/15/2026       | 26,800             | (202)             | (1,469)                                       | 79               | 0                 |
| Pay                          | 3-Month USD-LIBOR       | 3.500      | 06/19/2044       | 201,500            | 34,618            | 41,191                                        | 1,461            | 0                 |
| Receive                      | 3-Month USD-LIBOR       | 2.250      | 12/21/2046       | 31,900             | 2,631             | 5,533                                         | 0                | (213)             |
| Receive*                     | 3-Month USD-LIBOR       | 1.750      | 06/21/2047       | 313,100            | 65,257            | 9,976                                         | 0                | (2,066)           |
| Pay                          | 6-Month<br>AUD-BBR-BBSW | 3.000      | 12/17/2019       | AUD 12,900         | 219               | 26                                            | 22               | 0                 |
| Pay                          | 6-Month<br>AUD-BBR-BBSW | 3.500      | 06/17/2025       | 8,100              | 313               | 112                                           | 23               | 0                 |
|                              |                         |            |                  |                    | \$ 108,405        | \$ 51,847                                     | \$ 1,975         | \$ (2,279)        |
| <b>Total Swap Agreements</b> |                         |            |                  |                    | <b>\$ 110,037</b> | <b>\$ 52,601</b>                              | <b>\$ 1,975</b>  | <b>\$ (2,297)</b> |

\* This instrument has a forward starting effective date. See Note 2(a) in the Notes to Financial Statements for further information.

#### FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED SUMMARY

The following is a summary of the market value and variation margin of Exchange-Traded or Centrally Cleared Financial Derivative Instruments as of January 31, 2017:

- (m) Securities with an aggregate market value of \$3,985 and cash of \$7,597 have been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of January 31, 2017. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

|                                                   | Financial Derivative Assets |             |                  |                 | Financial Derivative Liabilities |             |                   |                   |
|---------------------------------------------------|-----------------------------|-------------|------------------|-----------------|----------------------------------|-------------|-------------------|-------------------|
|                                                   | Market Value                |             | Variation Margin |                 | Market Value                     |             | Variation Margin  |                   |
|                                                   | Purchased                   |             | Asset            |                 | Written                          |             | Liability         |                   |
|                                                   | Options                     | Futures     | Swap             | Total           | Options                          | Futures     | Swap              | Total             |
| <b>Total Exchange-Traded or Centrally Cleared</b> | <b>\$ 0</b>                 | <b>\$ 0</b> | <b>\$ 1,975</b>  | <b>\$ 1,975</b> | <b>\$ 0</b>                      | <b>\$ 0</b> | <b>\$ (2,297)</b> | <b>\$ (2,297)</b> |



January 31, 2017 (Unaudited)

**(n) FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER****FORWARD FOREIGN CURRENCY CONTRACTS:**

| Counterparty                             | Settlement Month | Currency to be Delivered |         | Currency to be Received |         | Unrealized Appreciation/ (Depreciation) |            |
|------------------------------------------|------------------|--------------------------|---------|-------------------------|---------|-----------------------------------------|------------|
|                                          |                  |                          |         |                         |         | Asset                                   | Liability  |
| BOA                                      | 02/2017          | BRL                      | 884     | \$                      | 267     | \$ 0                                    | \$ (14)    |
|                                          | 02/2017          | EUR                      | 34,815  |                         | 36,258  | 0                                       | (1,325)    |
|                                          | 02/2017          | GBP                      | 94      |                         | 116     | 0                                       | (2)        |
|                                          | 02/2017          | \$                       | 283     | BRL                     | 884     | 0                                       | (2)        |
| BPS                                      | 02/2017          | EUR                      | 109     | \$                      | 117     | 0                                       | (1)        |
|                                          | 02/2017          | GBP                      | 95      |                         | 115     | 0                                       | (4)        |
| CBK                                      | 02/2017          |                          | 79      |                         | 97      | 0                                       | (2)        |
|                                          | 02/2017          | \$                       | 1,218   | EUR                     | 1,135   | 7                                       | 0          |
|                                          | 02/2017          |                          | 1,788   | JPY                     | 204,255 | 21                                      | 0          |
|                                          | 03/2017          | EUR                      | 3,910   | \$                      | 4,189   | 0                                       | (36)       |
|                                          | 03/2017          | JPY                      | 204,255 |                         | 1,789   | 0                                       | (21)       |
|                                          | 02/2017          | GBP                      | 94      |                         | 116     | 0                                       | (2)        |
| GLM                                      | 02/2017          | EUR                      | 273     |                         | 290     | 0                                       | (5)        |
|                                          | 02/2017          | GBP                      | 3,631   |                         | 4,431   | 0                                       | (137)      |
| HUS                                      | 02/2017          | BRL                      | 884     |                         | 283     | 2                                       | 0          |
|                                          | 02/2017          | \$                       | 278     | BRL                     | 884     | 2                                       | 0          |
|                                          | 03/2017          | BRL                      | 884     | \$                      | 276     | 0                                       | (2)        |
| IND                                      | 02/2017          | GBP                      | 38,203  |                         | 46,802  | 0                                       | (1,257)    |
| JPM                                      | 02/2017          | AUD                      | 1,326   |                         | 966     | 0                                       | (39)       |
|                                          | 02/2017          | GBP                      | 2,382   |                         | 2,873   | 0                                       | (123)      |
|                                          | 02/2017          | JPY                      | 204,255 |                         | 1,740   | 0                                       | (69)       |
|                                          | 02/2017          | \$                       | 36,759  | EUR                     | 34,371  | 344                                     | 0          |
|                                          | 03/2017          | EUR                      | 34,371  | \$                      | 36,802  | 0                                       | (340)      |
| MSB                                      | 02/2017          | GBP                      | 142     |                         | 173     | 0                                       | (6)        |
| SCX                                      | 02/2017          | EUR                      | 218     |                         | 227     | 0                                       | (8)        |
|                                          | 02/2017          | \$                       | 308     | EUR                     | 293     | 9                                       | 0          |
| SOG                                      | 02/2017          | GBP                      | 141     | \$                      | 174     | 0                                       | (4)        |
| TOR                                      | 02/2017          | EUR                      | 492     |                         | 520     | 0                                       | (11)       |
|                                          | 02/2017          | GBP                      | 184     |                         | 225     | 0                                       | (7)        |
| UAG                                      | 02/2017          | \$                       | 56,468  | GBP                     | 45,045  | 198                                     | 0          |
|                                          | 03/2017          | GBP                      | 45,045  | \$                      | 56,499  | 0                                       | (195)      |
| Total Forward Foreign Currency Contracts |                  |                          |         |                         |         | \$ 583                                  | \$ (3,612) |

**SWAP AGREEMENTS:****CREDIT DEFAULT SWAPS ON CORPORATE ISSUES - SELL PROTECTION<sup>(1)</sup>**

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| Counterparty                 | Reference Entity            | Fixed<br>Receive Rate | Maturity<br>Date | Implied<br>Credit Spread at<br>January 31, 2017 <sup>(2)</sup> | Notional<br>Amount <sup>(3)</sup> | Premiums<br>(Received) | Unrealized<br>Appreciation/<br>(Depreciation) | Swap Agreements,<br>at Value | Asset             | Liability |
|------------------------------|-----------------------------|-----------------------|------------------|----------------------------------------------------------------|-----------------------------------|------------------------|-----------------------------------------------|------------------------------|-------------------|-----------|
| BPS                          | Petrobras Global Finance BV | 1.000%                | 12/20/2024       | 4.214%                                                         | \$ 1,000                          | \$ (195)               | \$ (4)                                        | \$ 0                         | \$ (199)          |           |
| GST                          | Petrobras Global Finance BV | 1.000                 | 09/20/2020       | 2.864                                                          | 10                                | (1)                    | 0                                             | 0                            |                   | (1)       |
|                              | Petrobras Global Finance BV | 1.000                 | 12/20/2021       | 3.528                                                          | 100                               | (16)                   | 5                                             | 0                            |                   | (11)      |
|                              | Petrobras Global Finance BV | 1.000                 | 12/20/2024       | 4.214                                                          | 1,400                             | (278)                  | (1)                                           | 0                            |                   | (279)     |
| HUS                          | Petrobras Global Finance BV | 1.000                 | 12/20/2019       | 4.214                                                          | 300                               | (25)                   | 15                                            | 0                            |                   | (10)      |
|                              | Petrobras Global Finance BV | 1.000                 | 09/20/2020       | 4.214                                                          | 40                                | (6)                    | 4                                             | 0                            |                   | (2)       |
|                              | Petrobras Global Finance BV | 1.000                 | 12/20/2024       | 4.214                                                          | 1,700                             | (353)                  | 14                                            | 0                            |                   | (339)     |
| MYC                          | Petrobras Global Finance BV | 1.000                 | 12/20/2019       | 4.214                                                          | 8,700                             | (805)                  | 499                                           | 0                            |                   | (306)     |
|                              |                             |                       |                  |                                                                |                                   | \$ (1,679)             | \$ 532                                        | \$ 0                         | \$ (1,147)        |           |
| <b>Total Swap Agreements</b> |                             |                       |                  |                                                                |                                   | <b>\$ (1,679)</b>      | <b>\$ 532</b>                                 | <b>\$ 0</b>                  | <b>\$ (1,147)</b> |           |

- (1) If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash, securities or other deliverable obligations equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.
- (2) Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on corporate issues as of period end serve as indicators of the current status of the payment/performance risk and represent the likelihood or risk of default for the credit derivative. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

See Accompanying Notes

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## Schedule of Investments PIMCO Income Strategy Fund II (Cont.)

(3) The maximum potential amount the Fund could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.

### FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER SUMMARY

The following is a summary by counterparty of the market value of OTC financial derivative instruments and collateral pledged/(received) as of January 31, 2017:

(o) Securities with an aggregate market value of \$3,070 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of January 31, 2017.

| Counterparty                  | Financial Derivative Assets        |                   |                 |                        | Financial Derivative Liabilities   |                 |                   |                        | Net Market Value of OTC Derivatives | Collateral Pledged/(Received) | Net Exposure <sup>(4)</sup> |
|-------------------------------|------------------------------------|-------------------|-----------------|------------------------|------------------------------------|-----------------|-------------------|------------------------|-------------------------------------|-------------------------------|-----------------------------|
|                               | Forward Foreign Currency Contracts | Purchased Options | Swap Agreements | Total Over the Counter | Forward Foreign Currency Contracts | Written Options | Swap Agreements   | Total Over the Counter |                                     |                               |                             |
| BOA                           | \$ 0                               | \$ 0              | \$ 0            | \$ 0                   | \$ (1,343)                         | \$ 0            | \$ 0              | \$ (1,343)             | \$ (1,343)                          | \$ 1,059                      | \$ (284)                    |
| BPS                           | 0                                  | 0                 | 0               | 0                      | (5)                                | 0               | (199)             | (204)                  | (204)                               | 0                             | (204)                       |
| CBK                           | 28                                 | 0                 | 0               | 28                     | (59)                               | 0               | 0                 | (59)                   | (31)                                | 0                             | (31)                        |
| FBF                           | 0                                  | 0                 | 0               | 0                      | (2)                                | 0               | 0                 | (2)                    | (2)                                 | 0                             | (2)                         |
| GLM                           | 0                                  | 0                 | 0               | 0                      | (142)                              | 0               | 0                 | (142)                  | (142)                               | 0                             | (142)                       |
| GST                           | 0                                  | 0                 | 0               | 0                      | 0                                  | 0               | (291)             | (291)                  | (291)                               | 292                           | 1                           |
| HUS                           | 4                                  | 0                 | 0               | 4                      | (2)                                | 0               | (351)             | (353)                  | (349)                               | 358                           | 9                           |
| IND                           | 0                                  | 0                 | 0               | 0                      | (1,257)                            | 0               | 0                 | (1,257)                | (1,257)                             | 1,022                         | (235)                       |
| JPM                           | 344                                | 0                 | 0               | 344                    | (571)                              | 0               | 0                 | (571)                  | (227)                               | 0                             | (227)                       |
| MSB                           | 0                                  | 0                 | 0               | 0                      | (6)                                | 0               | 0                 | (6)                    | (6)                                 | 0                             | (6)                         |
| MYC                           | 0                                  | 0                 | 0               | 0                      | 0                                  | 0               | (306)             | (306)                  | (306)                               | 170                           | (136)                       |
| SCX                           | 9                                  | 0                 | 0               | 9                      | (8)                                | 0               | 0                 | (8)                    | 1                                   | 0                             | 1                           |
| SOG                           | 0                                  | 0                 | 0               | 0                      | (4)                                | 0               | 0                 | (4)                    | (4)                                 | 0                             | (4)                         |
| TOR                           | 0                                  | 0                 | 0               | 0                      | (18)                               | 0               | 0                 | (18)                   | (18)                                | 0                             | (18)                        |
| UAG                           | 198                                | 0                 | 0               | 198                    | (195)                              | 0               | 0                 | (195)                  | 3                                   | 0                             | 3                           |
| <b>Total Over the Counter</b> | <b>\$ 583</b>                      | <b>\$ 0</b>       | <b>\$ 0</b>     | <b>\$ 583</b>          | <b>\$ (3,612)</b>                  | <b>\$ 0</b>     | <b>\$ (1,147)</b> | <b>\$ (4,759)</b>      |                                     |                               |                             |

(4) Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from OTC financial derivative instruments can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

### FAIR VALUE OF FINANCIAL DERIVATIVE INSTRUMENTS

The following is a summary of the fair valuation of the Fund's derivative instruments categorized by risk exposure. See Note 7, Principal Risks, in the Notes to Financial Statements on risks of the Fund.

Fair Values of Financial Derivative Instruments on the Statements of Assets and Liabilities as of January 31, 2017:

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|                                                | Derivatives not accounted for as hedging instruments |                     |                     |                                  |                            | Total    |
|------------------------------------------------|------------------------------------------------------|---------------------|---------------------|----------------------------------|----------------------------|----------|
|                                                | Commodity<br>Contracts                               | Credit<br>Contracts | Equity<br>Contracts | Foreign<br>Exchange<br>Contracts | Interest<br>Rate Contracts |          |
| Financial Derivative Instruments - Assets      |                                                      |                     |                     |                                  |                            |          |
| Exchange-traded or centrally cleared           |                                                      |                     |                     |                                  |                            |          |
| Swap Agreements                                | \$ 0                                                 | \$ 0                | \$ 0                | \$ 0                             | \$ 1,975                   | \$ 1,975 |
| Over the counter                               |                                                      |                     |                     |                                  |                            |          |
| Forward Foreign Currency Contracts             | \$ 0                                                 | \$ 0                | \$ 0                | \$ 583                           | \$ 0                       | \$ 583   |
|                                                | \$ 0                                                 | \$ 0                | \$ 0                | \$ 583                           | \$ 1,975                   | \$ 2,558 |
| Financial Derivative Instruments - Liabilities |                                                      |                     |                     |                                  |                            |          |
| Exchange-traded or centrally cleared           |                                                      |                     |                     |                                  |                            |          |
| Swap Agreements                                | \$ 0                                                 | \$ 18               | \$ 0                | \$ 0                             | \$ 2,279                   | \$ 2,297 |
| Over the counter                               |                                                      |                     |                     |                                  |                            |          |
| Forward Foreign Currency Contracts             | \$ 0                                                 | \$ 0                | \$ 0                | \$ 3,612                         | \$ 0                       | \$ 3,612 |
| Swap Agreements                                | 0                                                    | 1,147               | 0                   | 0                                | 0                          | 1,147    |
|                                                | \$ 0                                                 | \$ 1,147            | \$ 0                | \$ 3,612                         | \$ 0                       | \$ 4,759 |
|                                                | \$ 0                                                 | \$ 1,165            | \$ 0                | \$ 3,612                         | \$ 2,279                   | \$ 7,056 |

January 31, 2017 (Unaudited)

The effect of Financial Derivative Instruments on the Statements of Operations for the period ended January 31, 2017:

|                                                                                          | Derivatives not accounted for as hedging instruments |                     |                     |                                  |                            |  |             |
|------------------------------------------------------------------------------------------|------------------------------------------------------|---------------------|---------------------|----------------------------------|----------------------------|--|-------------|
|                                                                                          | Commodity<br>Contracts                               | Credit<br>Contracts | Equity<br>Contracts | Foreign<br>Exchange<br>Contracts | Interest<br>Rate Contracts |  | Total       |
| Net Realized Gain on Financial Derivative Instruments                                    |                                                      |                     |                     |                                  |                            |  |             |
| Exchange-traded or centrally cleared                                                     |                                                      |                     |                     |                                  |                            |  |             |
| Swap Agreements                                                                          | \$ 0                                                 | \$ 639              | \$ 0                | \$ 0                             | \$ 46,327                  |  | \$ 46,966   |
| Over the counter                                                                         |                                                      |                     |                     |                                  |                            |  |             |
| Forward Foreign Currency Contracts                                                       | \$ 0                                                 | \$ 0                | \$ 0                | \$ 7,553                         | \$ 0                       |  | \$ 7,553    |
| Swap Agreements                                                                          | 0                                                    | 153                 | 0                   | 0                                | 0                          |  | 153         |
|                                                                                          | \$ 0                                                 | \$ 153              | \$ 0                | \$ 7,553                         | \$ 0                       |  | \$ 7,706    |
|                                                                                          | \$ 0                                                 | \$ 792              | \$ 0                | \$ 7,553                         | \$ 46,327                  |  | \$ 54,672   |
| Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments |                                                      |                     |                     |                                  |                            |  |             |
| Exchange-traded or centrally cleared                                                     |                                                      |                     |                     |                                  |                            |  |             |
| Swap Agreements                                                                          | \$ 0                                                 | \$ 265              | \$ 0                | \$ 0                             | \$ (39,773)                |  | \$ (39,508) |
| Over the counter                                                                         |                                                      |                     |                     |                                  |                            |  |             |
| Forward Foreign Currency Contracts                                                       | \$ 0                                                 | \$ 0                | \$ 0                | \$ (2,780)                       | \$ 0                       |  | \$ (2,780)  |
| Swap Agreements                                                                          | 0                                                    | 1,260               | 0                   | 0                                | 0                          |  | 1,260       |
|                                                                                          | \$ 0                                                 | \$ 1,260            | \$ 0                | \$ (2,780)                       | \$ 0                       |  | \$ (1,520)  |
|                                                                                          | \$ 0                                                 | \$ 1,525            | \$ 0                | \$ (2,780)                       | \$ (39,773)                |  | \$ (41,028) |

## FAIR VALUE MEASUREMENTS

The following is a summary of the fair valuations according to the inputs used as of January 31, 2017 in valuing the Fund's assets and liabilities:

| Category and Subcategory                   | Level 1 | Level 2   | Level 3  | Fair Value at 01/31/2017 |
|--------------------------------------------|---------|-----------|----------|--------------------------|
| <b>Investments in Securities, at Value</b> |         |           |          |                          |
| Bank Loan Obligations                      | \$ 0    | \$ 14,946 | \$ 1,880 | \$ 16,826                |
| Corporate Bonds & Notes                    |         |           |          |                          |
| Banking & Finance                          | 0       | 159,116   | 5,239    | 164,355                  |
| Industrials                                | 0       | 127,725   | 1,989    | 129,714                  |

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|                                       |   |         |       |         |
|---------------------------------------|---|---------|-------|---------|
| Utilities                             | 0 | 39,593  | 0     | 39,593  |
| Convertible Bonds & Notes             |   |         |       |         |
| Industrials                           | 0 | 3,989   | 0     | 3,989   |
| Municipal Bonds & Notes               |   |         |       |         |
| California                            | 0 | 7,253   | 0     | 7,253   |
| Illinois                              | 0 | 521     | 0     | 521     |
| Ohio                                  | 0 | 20,690  | 0     | 20,690  |
| Virginia                              | 0 | 673     | 0     | 673     |
| West Virginia                         | 0 | 11,144  | 0     | 11,144  |
| U.S. Government Agencies              | 0 | 7,885   | 4,942 | 12,827  |
| Non-Agency Mortgage-Backed Securities | 0 | 143,735 | 0     | 143,735 |
| Asset-Backed Securities               | 0 | 112,473 | 5,279 | 117,752 |
| Sovereign Issues                      | 0 | 13,782  | 0     | 13,782  |
| Common Stocks                         |   |         |       |         |
| Financials                            | 0 | 0       | 462   | 462     |
| Preferred Securities                  |   |         |       |         |
| Banking & Finance                     | 0 | 13,211  | 0     | 13,211  |

| Category and Subcategory | Level 1 | Level 2   | Level 3 | Fair Value at 01/31/2017 |
|--------------------------|---------|-----------|---------|--------------------------|
| Short-Term Instruments   |         |           |         |                          |
| Repurchase Agreements    | \$ 0    | \$ 21,636 | \$ 0    | \$ 21,636                |
| Short-Term Notes         | 0       | 4,699     | 0       | 4,699                    |
| U.S. Treasury Bills      | 0       | 10,510    | 0       | 10,510                   |

|                   |      |            |           |            |
|-------------------|------|------------|-----------|------------|
| Total Investments | \$ 0 | \$ 713,581 | \$ 19,791 | \$ 733,372 |
|-------------------|------|------------|-----------|------------|

## Financial Derivative Instruments - Assets

|                                      |      |          |      |          |
|--------------------------------------|------|----------|------|----------|
| Exchange-traded or centrally cleared | 0    | 1,975    | 0    | 1,975    |
| Over the counter                     | 0    | 583      | 0    | 583      |
|                                      | \$ 0 | \$ 2,558 | \$ 0 | \$ 2,558 |

## Financial Derivative Instruments - Liabilities

|                                      |      |            |      |            |
|--------------------------------------|------|------------|------|------------|
| Exchange-traded or centrally cleared | 0    | (2,297)    | 0    | (2,297)    |
| Over the counter                     | 0    | (4,759)    | 0    | (4,759)    |
|                                      | \$ 0 | \$ (7,056) | \$ 0 | \$ (7,056) |

|                                        |      |            |      |            |
|----------------------------------------|------|------------|------|------------|
| Total Financial Derivative Instruments | \$ 0 | \$ (4,498) | \$ 0 | \$ (4,498) |
|----------------------------------------|------|------------|------|------------|

|        |      |            |           |            |
|--------|------|------------|-----------|------------|
| Totals | \$ 0 | \$ 709,083 | \$ 19,791 | \$ 728,874 |
|--------|------|------------|-----------|------------|

There were no significant transfers among Levels 1 and 2 during the period ended January 31, 2017.

See Accompanying Notes

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**Schedule of Investments PIMCO Income Strategy Fund II (Cont.)**

January 31, 2017 (Unaudited)

The following is a reconciliation of the fair valuations using significant unobservable inputs (Level 3) for the Fund during the period ended January 31, 2017:

| Category and Subcategory                   | Beginning<br>Balance<br>at 07/31/2016 | Net<br>Purchases | Net<br>Sales | Accrued<br>Discounts/<br>(Premiums) | Realized<br>Gain/(Loss) | Net<br>Change in<br>Unrealized<br>Appreciation/<br>(Depreciation) <sup>(1)</sup> | Transfers in<br>Level 3 | Transfers out<br>of Level 3 | Ending<br>Balance<br>at 01/31/2017 | Net Change in<br>Unrealized<br>Appreciation/<br>(Depreciation)<br>on Investments<br>Held at<br>01/31/2017 <sup>(1)</sup> |
|--------------------------------------------|---------------------------------------|------------------|--------------|-------------------------------------|-------------------------|----------------------------------------------------------------------------------|-------------------------|-----------------------------|------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| <b>Investments in Securities, at Value</b> |                                       |                  |              |                                     |                         |                                                                                  |                         |                             |                                    |                                                                                                                          |
| Bank Loan Obligations                      | \$ 0                                  | \$ 1,675         | \$ (5)       | \$ 24                               | \$ 1                    | \$ 185                                                                           | \$ 0                    | \$ 0                        | \$ 1,880                           | \$ 186                                                                                                                   |
| <b>Corporate Bonds &amp; Notes</b>         |                                       |                  |              |                                     |                         |                                                                                  |                         |                             |                                    |                                                                                                                          |
| Banking & Finance                          | 5,517                                 | 0                | (75)         | 1                                   | 1                       | (205)                                                                            | 0                       | 0                           | 5,239                              | (193)                                                                                                                    |
| Industrials                                | 1,991                                 | 0                | 0            | 1                                   | 0                       | (3)                                                                              | 0                       | 0                           | 1,989                              | (3)                                                                                                                      |
| U.S. Government Agencies                   | 4,736                                 | 0                | (44)         | 20                                  | 17                      | 213                                                                              | 0                       | 0                           | 4,942                              | 209                                                                                                                      |
| Asset-Backed Securities                    | 5,917                                 | 0                | 0            | 0                                   | 0                       | (638)                                                                            | 0                       | 0                           | 5,279                              | (639)                                                                                                                    |
| <b>Common Stocks</b>                       |                                       |                  |              |                                     |                         |                                                                                  |                         |                             |                                    |                                                                                                                          |
| Financials                                 | 316                                   | 0                | 0            | 0                                   | 0                       | 146                                                                              | 0                       | 0                           | 462                                | 146                                                                                                                      |
| Totals                                     | \$ 18,477                             | \$ 1,675         | \$ (124)     | \$ 46                               | \$ 19                   | \$ (302)                                                                         | \$ 0                    | \$ 0                        | \$ 19,791                          | \$ (294)                                                                                                                 |

The following is a summary of significant unobservable inputs used in the fair valuations of assets and liabilities categorized within Level 3 of the fair value hierarchy:

| Category and Subcategory                   | Ending<br>Balance<br>at 01/31/2017 | Valuation<br>Technique                    | Unobservable<br>Inputs | Input Value(s)<br>(% Unless<br>Noted<br>Otherwise) |
|--------------------------------------------|------------------------------------|-------------------------------------------|------------------------|----------------------------------------------------|
| <b>Investments in Securities, at Value</b> |                                    |                                           |                        |                                                    |
| Bank Loan Obligations                      | \$ 1,880                           | Third Party Vendor                        | Broker Quote           | 89.750                                             |
| <b>Corporate Bonds &amp; Notes</b>         |                                    |                                           |                        |                                                    |
| Banking & Finance                          | 5,239                              | Proxy Pricing                             | Base Price             | 110.500                                            |
| Industrials                                | 1,989                              | Proxy Pricing                             | Base Price             | 99.500                                             |
| U.S. Government Agencies                   | 4,942                              | Proxy Pricing                             | Base Price             | 56.094                                             |
| Asset-Backed Securities                    | 5,279                              | Proxy Pricing                             | Base Price             | 89,450-99,920                                      |
| <b>Common Stocks</b>                       |                                    |                                           |                        |                                                    |
| Financials                                 | 462                                | Other Valuation Techniques <sup>(2)</sup> |                        |                                                    |
| Total                                      | \$ 19,791                          |                                           |                        |                                                    |

<sup>(1)</sup> Any difference between Net Change in Unrealized Appreciation/(Depreciation) and Net Change in Unrealized Appreciation/(Depreciation) on Investments Held at January 31, 2017 may be due to an investment no longer held or categorized as Level 3 at period end.

<sup>(2)</sup>

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Includes valuation techniques not defined in the Notes to Financial Statements as securities valued using such techniques are not considered significant to the Fund.

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See Accompanying Notes



## Notes to Financial Statements

January 31, 2017 (Unaudited)

### 1. ORGANIZATION

PIMCO Corporate & Income Opportunity Fund, PIMCO Corporate & Income Strategy Fund, PIMCO High Income Fund, PIMCO Income Strategy Fund and PIMCO Income Strategy Fund II (each a Fund and collectively the Funds) are organized as closed-end management investment companies registered under the Investment Company Act of 1940, as amended, and the rules and regulations thereunder (the Act). Each Fund was organized as a Massachusetts business trust on the dates shown in the table below. Pacific Investment Management Company LLC (PIMCO or the Manager) serves as the Funds' investment manager.

| Fund Name                                 | Formation Date     |
|-------------------------------------------|--------------------|
| PIMCO Corporate & Income Opportunity Fund | September 13, 2002 |
| PIMCO Corporate & Income Strategy Fund    | October 17, 2001   |
| PIMCO High Income Fund                    | February 18, 2003  |
| PIMCO Income Strategy Fund                | June 19, 2003      |
| PIMCO Income Strategy Fund II             | June 30, 2004      |

Each Fund has authorized an unlimited number of Common Shares at a par value of \$0.00001 per share.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by each Fund in the preparation of its financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Each Fund is treated as an investment company under the reporting requirements of U.S. GAAP. The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

(a) **Securities Transactions and Investment Income** Securities transactions are recorded as of the trade date for financial reporting purposes. Securities purchased or sold on a when-issued or delayed-delivery basis may be settled beyond a standard settlement period for the security after the trade date. Realized gains (losses) from securities sold are recorded on the identified cost basis. Dividend income is recorded on the ex-dividend date, except certain dividends from foreign securities where the ex-dividend date may have passed, which are recorded as soon as a Fund is informed of the ex-dividend date. Interest income, adjusted for the accretion of discounts and amortization of premiums, is recorded on the accrual basis from settlement date, with the exception of securities with a forward starting effective date, where interest income is recorded on the accrual basis

from effective date. For convertible securities, premiums attributable to the conversion feature are not amortized. Estimated tax liabilities on certain foreign securities are recorded on an accrual basis and are reflected as components of interest income or net change in unrealized appreciation (depreciation) on investments on the Statements of Operations, as appropriate. Tax liabilities realized as a result of such security sales are reflected as a component of net realized gain (loss) on investments on the Statements of Operations. Paydown gains (losses) on mortgage-related and other asset-backed securities are recorded as components of interest income on the Statements of Operations. Income or

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short-term capital gain distributions received from underlying funds are recorded as dividend income. Long-term capital gain distributions received from underlying funds are recorded as realized gains.

Debt obligations may be placed on non-accrual status and related interest income may be reduced by ceasing current accruals and writing off interest receivable when the collection of all or a portion of interest has become doubtful based on consistently applied procedures. A debt obligation is removed from non-accrual status when the issuer resumes interest payments or when collectability of interest is probable.

(b) Cash and Foreign Currency The functional and reporting currency for the Funds is the U.S. dollar. The market values of foreign securities, currency holdings and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the current exchange rates each business day. Purchases and sales of securities and income and expense items denominated in foreign currencies, if any, are translated into U.S. dollars at the exchange rate in effect on the transaction date. The Funds do not separately report the effects of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized and net changes in unrealized appreciation (depreciation) from investments on the Statements of Operations. The Funds may invest in foreign currency-denominated securities and may engage in foreign currency transactions either on a spot (cash) basis at the rate prevailing in the currency exchange market at the time or through a forward foreign currency contract (see Note 6, Financial Derivative Instruments). Realized foreign exchange gains (losses) arising from sales of spot foreign currencies, currency gains (losses) realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid are included in net realized gain (loss) on foreign currency transactions on the Statements of Operations. Net unrealized foreign exchange gains (losses) arising from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting

**Notes to Financial Statements (Cont.)**

period are included in net change in unrealized appreciation or depreciation on foreign currency assets and liabilities on the Statements of Operations.

(c) Distributions Common Shares The following table shows the anticipated frequency of distributions from net investment income and gains from the sale of portfolio securities and other sources to common shareholders.

| Fund Name                                 | Distribution Frequency |             |
|-------------------------------------------|------------------------|-------------|
|                                           | Declared               | Distributed |
| PIMCO Corporate & Income Opportunity Fund | Monthly                | Monthly     |
| PIMCO Corporate & Income Strategy Fund    | Monthly                | Monthly     |
| PIMCO High Income Fund                    | Monthly                | Monthly     |
| PIMCO Income Strategy Fund                | Monthly                | Monthly     |
| PIMCO Income Strategy Fund II             | Monthly                | Monthly     |

Net realized capital gains earned by each Fund, if any, will be distributed no less frequently than once each year.

A Fund may engage in investment strategies, including the use of derivatives, to, among other things, generate current, distributable income even if such strategies could potentially result in declines in the Fund's net asset value (NAV). A Fund's income and gain-generating strategies, including certain derivatives strategies, may generate current income and gains taxable as ordinary income sufficient to support monthly distributions even in situations when the Fund has experienced a decline in net assets due to, for example, adverse changes in the broad U.S. or non-U.S. equity markets or the Fund's debt investments, or arising from its use of derivatives. A Fund may enter into opposite sides of interest rate swap and other derivatives for the principal purpose of generating distributable gains on the one side (characterized as ordinary income for tax purposes) that are not part of the Fund's duration or yield curve management strategies (paired swap transactions), and with a substantial possibility that the Fund will experience a corresponding capital loss and decline in NAV with respect to the opposite side transaction (to the extent it does not have corresponding offsetting capital gains). Consequently, common shareholders may receive distributions and owe tax at a time when their investment in a Fund has declined in value, which tax may be at ordinary income rates, and which may be economically similar to a taxable return of capital. The tax treatment of certain derivatives may be open to different interpretations. Any recharacterization of payments made or received by a Fund pursuant to derivatives potentially could affect the amount, timing or character of Fund distributions. In addition, the tax treatment of such investment strategies may be changed by regulation or otherwise.

Income and capital gain distributions are determined in accordance with income tax regulations which may differ from U.S. GAAP. Differences between tax regulations and U.S. GAAP may cause timing differences between income and capital gain recognition. Further, the

character of investment income and capital gains may be different for certain transactions under the two methods of accounting. As a result, income distributions and capital gain distributions declared during a fiscal period may differ significantly from the net investment income (loss) and realized gains (losses) reported on each Fund's annual financial statements presented under U.S. GAAP.

If a Fund estimates that a portion of one of its dividend distributions may be comprised of amounts from sources other than net income, the Fund will notify shareholders of record of the estimated composition of such distribution through a Section 19 Notice. For these purposes, a Fund estimates the source or sources from which a distribution is paid, to the close of the period as of which it is paid, in reference to its internal accounting records and related accounting practices. If, based on such accounting records and practices, it is estimated that a particular distribution does not include capital gains or paid-in surplus or other capital sources, a Section 19 Notice generally would not be issued. It is important to note that differences exist between a Fund's daily internal accounting records and practices, the Fund's financial statements presented in accordance with U.S. GAAP, and recordkeeping practices under income tax regulations. For instance, the Fund's internal accounting records

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and practices may take into account, among other factors, tax-related characteristics of certain sources of distributions that differ from treatment under U.S. GAAP. Examples of such differences may include, among others, the treatment of paydowns on mortgage-backed securities purchased at a discount and periodic payments under interest rate swap contracts. Accordingly, among other consequences, it is possible that a Fund may not issue a Section 19 Notice in situations where the Fund's financial statements prepared later and in accordance with U.S. GAAP and/or the final tax character of those distributions might later report that the sources of those distributions included capital gains and/or a return of capital. Please visit [www.pimco.com](http://www.pimco.com) for the most recent Section 19 Notice, if applicable, for additional information regarding the estimated composition of distributions. Final determination of a distribution's tax character will be reported on Form 1099 DIV sent to shareholders each January.

Distributions classified as a tax basis return of capital, if any, are reflected on the Statements of Changes in Net Assets and have been recorded to paid in capital. In addition, other amounts have been reclassified between undistributed (overdistributed) net investment income (loss), accumulated undistributed (overdistributed) net realized gains (losses) and/or paid in capital to more appropriately conform U.S. GAAP to tax characterizations of distributions.

(d) New Accounting Pronouncements In August 2014, the Financial Accounting Standards Board ( FASB ) issued an Accounting Standards Update ( ASU2014-15 requiring management to evaluate whether

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there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern. The ASU is effective prospectively for annual periods ending after December 15, 2016, and interim periods thereafter. The Funds have adopted the ASU. The ASU did not have an impact on the Funds' financial statements.

In May 2015, the FASB issued ASU 2015-07 which removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the NAV per share practical expedient. The ASU also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the NAV per share practical expedient. The ASU is effective for annual periods beginning after December 15, 2015 and interim periods within those annual periods. The ASU did not have an impact on the Funds' financial statements.

In August 2016, the FASB issued ASU 2016-15 which amends ASC 230 to clarify guidance on the classification of certain cash receipts and cash payments in the statement of cash flows. The ASU is effective for annual periods beginning after December 15, 2017, and interim periods within those annual periods. At this time, management is evaluating the implications of these changes on the financial statements.

In October 2016, the U.S. Securities and Exchange Commission (SEC) adopted new rules and forms, and amendments to certain current rules and forms, to modernize reporting and disclosure of information by registered investment companies. The amendments to Regulation S-X will require standardized, enhanced disclosure about derivatives in investment company financial statements, and will also change the rules governing the form and content of such financial statements. The amendments to Regulation S-X take effect on August 1, 2017. At this time, management is assessing the anticipated impact of these regulatory developments.

In November 2016, the FASB issued ASU 2016-18 which amends ASC 230 to provide guidance on the classification and presentation of changes in restricted cash and restricted cash equivalents on the statement of cash flows. The ASU is effective for annual periods beginning after December 15, 2017, and interim periods within those annual periods. At this time, management is evaluating the implications of these changes on the financial statements.

### 3. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

(a) Investment Valuation Policies The NAV of a Fund's shares is determined by dividing the total value of portfolio investments and other assets attributable to that Fund less any liabilities by the total number of shares outstanding of that Fund.

On each day that the New York Stock Exchange (NYSE) is open, Fund shares are ordinarily valued as of the close of regular trading (NYSE Close). Information that becomes known to the Funds or their agents after the time as of which NAV has been calculated on a particular day will not generally be used to retroactively adjust the price of a security or the NAV determined earlier that day. Each Fund reserves the right to change the time as of which its respective NAV is calculated if the Fund closes earlier, or as permitted by the SEC.

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For purposes of calculating NAV, portfolio securities and other assets for which market quotes are readily available are valued at market value. Market value is generally determined on the basis of official closing prices or the last reported sales prices, or if no sales are reported, based on quotes obtained from established market makers or prices (including evaluated prices) supplied by the Funds' approved pricing services, quotation reporting systems and other third-party sources (together, "Pricing Services"). The Funds will normally use pricing data for domestic equity securities received shortly after the NYSE Close and do not normally take into account trading, clearances or settlements that take place after the NYSE Close. A foreign (non-U.S.) equity security traded on a foreign exchange or on more than one exchange is typically valued using pricing information from the exchange considered by PIMCO to be the primary exchange. A foreign (non-U.S.) equity security will be valued as of the close of trading on the foreign exchange, or the NYSE Close, if the NYSE Close occurs before the end of trading on the foreign exchange. Domestic and foreign (non-U.S.) fixed income securities, non-exchange traded derivatives, and equity options are normally valued on the basis of quotes obtained from brokers and dealers or Pricing Services using data reflecting the earlier closing of the principal markets for those securities. Prices obtained from Pricing Services may be based on, among other things, information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. Certain fixed income securities purchased on a delayed-delivery basis are marked to market daily until settlement at the forward settlement date. Exchange-traded options, except equity options, futures and options on futures are valued at the settlement price determined by the relevant exchange. Swap agreements are valued on the basis of bid quotes obtained from brokers and dealers or market-based prices supplied by Pricing Services or other pricing sources. A Fund's investments in open-end management investment companies, other than exchange-traded funds ("ETFs"), are valued at the NAVs of such investments.

If a foreign (non-U.S.) equity security's value has materially changed after the close of the security's primary exchange or principal market

## Notes to Financial Statements (Cont.)

but before the NYSE Close, the security may be valued at fair value based on procedures established and approved by the Board of Trustees (the Board). Foreign (non-U.S.) equity securities that do not trade when the NYSE is open are also valued at fair value. With respect to foreign (non-U.S.) equity securities, a Fund may determine the fair value of investments based on information provided by Pricing Services and other third-party vendors, which may recommend fair value or adjustments with reference to other securities, indices or assets. In considering whether fair valuation is required and in determining fair values, a Fund may, among other things, consider significant events (which may be considered to include changes in the value of U.S. securities or securities indices) that occur after the close of the relevant market and before the NYSE Close. A Fund may utilize modeling tools provided by third-party vendors to determine fair values of non-U.S. securities. Foreign exchanges may permit trading in foreign (non-U.S.) equity securities on days when a Fund is not open for business, which may result in a Fund's portfolio investments being affected when shareholders are unable to buy or sell shares.

Senior secured floating rate loans for which an active secondary market exists to a reliable degree will be valued at the mean of the last available bid/ask prices in the market for such loans, as provided by a Pricing Service. Senior secured floating rate loans for which an active secondary market does not exist to a reliable degree will be valued at fair value, which is intended to approximate market value. In valuing a senior secured floating rate loan at fair value, the factors considered may include, but are not limited to, the following: (a) the creditworthiness of the borrower and any intermediate participants, (b) the terms of the loan, (c) recent prices in the market for similar loans, if any, and (d) recent prices in the market for instruments of similar quality, rate, period until next interest rate reset and maturity.

Investments valued in currencies other than the U.S. dollar are converted to the U.S. dollar using exchange rates obtained from Pricing Services. As a result, the value of such investments and, in turn, the NAV of a Fund's shares may be affected by changes in the value of currencies in relation to the U.S. dollar. The value of investments traded in markets outside the United States or denominated in currencies other than the U.S. dollar may be affected significantly on a day that a Fund is not open for business. As a result, to the extent that a Fund holds foreign (non-U.S.) investments, the value of those investments may change at times when shareholders are unable to buy or sell shares and the value of such investments will be reflected in the Fund's next calculated NAV.

Investments for which market quotes or market-based valuations are not readily available are valued at fair value as determined in good faith by the Board or persons acting at their direction. The Board has adopted methods for valuing securities and other assets in

circumstances where market quotes are not readily available, and has delegated to PIMCO the responsibility for applying the fair valuation methods. In the event that market quotes or market-based valuations are not readily available, and the security or asset cannot be valued pursuant to a Board approved valuation method, the value of the security or asset will be determined in good faith by the Valuation Oversight Committee of the Board (Valuation Oversight Committee), generally based on recommendations provided by the Manager. Market quotes are considered not readily available in circumstances where there is an absence of current or reliable market-based data (e.g., trade information, bid/ask information, indicative market quotations (Broker Quotes), Pricing Services' prices), including where events occur after the close of the relevant market, but prior to the NYSE Close, that materially affect the values of a Fund's securities or assets. In addition, market quotes are considered not readily available when, due to extraordinary circumstances, the exchanges or markets on which the securities trade do not open for trading for the entire day and no other market prices are available. The Board has delegated to the Manager the responsibility for monitoring significant events that may materially affect the values of a Fund's securities or assets and for determining whether the value of the applicable securities or assets should be reevaluated in light of such significant events.

When a Fund uses fair valuation to determine the value of a portfolio security or other asset for purposes of calculating its NAV, such investments will not be priced on the basis of quotes from the primary market in which they are traded, but rather may be priced by another method that the Board or persons acting at their direction believe reflects fair value. Fair valuation may require subjective determinations about the value of a security. While the Funds' policy is intended to result in a calculation of a Fund's NAV that fairly reflects security values as of the time of pricing, the Funds cannot ensure that fair values determined by the Board or persons acting at their direction would accurately reflect the price that a Fund could obtain for a security if it were to dispose of that security as of the time of pricing (for instance, in a forced or distressed sale). The prices used by a Fund may differ from the value that would be realized if the securities were sold.

(b) Fair Value Hierarchy U.S. GAAP describes fair value as the price that a Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. It establishes a fair value hierarchy that prioritizes inputs to valuation methods and requires disclosure of the fair value hierarchy, separately for each major category of assets and liabilities, that segregates fair value measurements into levels (Level 1, 2, or 3). The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those

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securities. Levels 1, 2, and 3 of the fair value hierarchy are defined as follows:

Level 1 Quoted prices in active markets or exchanges for identical assets and liabilities.

Level 2 Significant other observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market corroborated inputs.

Level 3 Significant unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available, which may include assumptions made by the Board or persons acting at their direction that are used in determining the fair value of investments.

Assets or liabilities categorized as Level 2 or 3 as of period end have been transferred between Levels 2 and 3 since the prior period due to changes in the method utilized in valuing the investments. Transfers from Level 3 to Level 2 are a result of the availability of current and reliable market-based data provided by Pricing Services or other valuation techniques which utilize significant observable inputs. In accordance with the requirements of U.S. GAAP, the amounts of transfers between Levels 1 and 2 and transfers into and out of Level 3, if material, are disclosed in the Notes to Schedule of Investments of each respective Fund.

For fair valuations using significant unobservable inputs, U.S. GAAP requires a reconciliation of the beginning to ending balances for reported fair values that presents changes attributable to realized gain (loss), unrealized appreciation (depreciation), purchases and sales, accrued discounts (premiums), and transfers into and out of the Level 3 category during the period. The end of period value is used for the transfers between Levels of a Fund's assets and liabilities. Additionally, U.S. GAAP requires quantitative information regarding the significant unobservable inputs used in the determination of fair value of assets or liabilities categorized as Level 3 in the fair value hierarchy. In accordance with the requirements of U.S. GAAP, a fair value hierarchy, and if material, a Level 3 reconciliation and details of significant unobservable inputs, have been included in the Notes to Schedule of Investments for each respective Fund.

#### (c) Valuation Techniques and the Fair Value Hierarchy

Level 1 and Level 2 trading assets and trading liabilities, at fair value The valuation methods (or techniques) and significant inputs used in determining the fair values of portfolio securities or other assets and liabilities categorized as Level 1 and Level 2 of the fair value hierarchy are as follows:

Fixed income securities including corporate, convertible and municipal bonds and notes, U.S. government agencies, U.S. treasury obligations, sovereign issues, bank loans, convertible preferred securities and non-U.S. bonds are normally valued on the basis of quotes obtained from brokers and dealers or Pricing Services that use broker-dealer quotations, reported trades or valuation estimates from their internal pricing models. The Pricing Services' internal models use inputs that are observable such as issuer details, interest rates, yield curves, prepayment speeds, credit risks/spreads, default rates and quoted prices for similar assets. Securities that use similar valuation techniques and inputs as described above are categorized as Level 2 of the fair value hierarchy.

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Fixed income securities purchased on a delayed-delivery basis or as a repurchase commitment in a sale-buyback transaction are marked to market daily until settlement at the forward settlement date and are categorized as Level 2 of the fair value hierarchy.

Mortgage-related and asset-backed securities are usually issued as separate tranches, or classes, of securities within each deal. These securities are also normally valued by Pricing Services that use broker-dealer quotations, reported trades or valuation estimates from their internal pricing models. The pricing models for these securities usually consider tranche-level attributes, current market data, estimated cash flows and market-based yield spreads for each tranche, and incorporate deal collateral performance, as available. Mortgage-related and asset-backed securities that use similar valuation techniques and inputs as described above are categorized as Level 2 of the fair value hierarchy.

Common stocks, ETFs, exchange-traded notes and financial derivative instruments, such as futures contracts, rights and warrants, or options on futures that are traded on a national securities exchange, are stated at the last reported sale or settlement price on the day of valuation. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized as Level 1 of the fair value hierarchy.

Valuation adjustments may be applied to certain securities that are solely traded on a foreign exchange to account for the market movement between the close of the foreign market and the NYSE Close. These securities are valued using Pricing Services that consider the correlation of the trading patterns of the foreign security to the intraday trading in the U.S. markets for investments. Securities using these valuation adjustments are categorized as Level 2 of the fair value hierarchy. Preferred securities and other equities traded on inactive markets or valued by reference to similar instruments are also categorized as Level 2 of the fair value hierarchy.

Short-term debt instruments (such as commercial paper) having a remaining maturity of 60 days or less may be valued at amortized cost,

## Notes to Financial Statements (Cont.)

so long as the amortized cost of such short-term debt instrument is approximately the same as the fair value of the instrument as determined without the use of amortized cost valuation. Short-term debt instruments having a remaining maturity of 60 days or less are categorized as Level 2 of the fair value hierarchy.

Equity exchange-traded options and over the counter financial derivative instruments, such as foreign currency contracts and options contracts, derive their value from underlying asset prices, indices, reference rates, and other inputs or a combination of these factors. These contracts are normally valued on the basis of quotes obtained from a quotation reporting system, established market makers or Pricing Services (normally determined as of the NYSE Close). Depending on the product and the terms of the transaction, financial derivative instruments can be valued by Pricing Services using a series of techniques, including simulation pricing models. The pricing models use inputs that are observed from actively quoted markets such as quoted prices, issuer details, indices, bid/ask spreads, interest rates, implied volatilities, yield curves, dividends and exchange rates. Financial derivative instruments that use similar valuation techniques and inputs as described above are categorized as Level 2 of the fair value hierarchy.

Centrally cleared swaps and over the counter swaps derive their value from underlying asset prices, indices, reference rates, and other inputs or a combination of these factors. They are valued using a broker-dealer bid quotation or on market-based prices provided by Pricing Services or other pricing sources (normally determined as of the NYSE close). Centrally cleared swaps and over the counter swaps can be valued by Pricing Services using a series of techniques, including simulation pricing models. The pricing models may use inputs that are observed from actively quoted markets such as the overnight index swap rate ( OIS ), London Interbank Offered Rate ( LIBOR ) forward rate, interest rates, yield curves and credit spreads. These securities are categorized as Level 2 of the fair value hierarchy.

Level 3 trading assets and trading liabilities, at fair value When a fair valuation method is applied by PIMCO that uses significant unobservable inputs, investments will be priced by a method that the Board or persons acting at their direction believe reflects fair value and are categorized as Level 3 of the fair value hierarchy. The valuation techniques and significant inputs used in determining the fair values of portfolio assets and liabilities categorized as Level 3 of the fair value hierarchy are as follows:

Proxy pricing procedures set the base price of a fixed income security and subsequently adjust the price proportionally to market value changes of a pre-determined security deemed to be comparable in duration, generally a U.S. Treasury or sovereign note based on country of issuance. The base price may be a broker-dealer quote, transaction

price, or an internal value as derived by analysis of market data. The base price of the security may be reset on a periodic basis based on the availability of market data and procedures approved by the Valuation Oversight Committee. Significant changes in the unobservable inputs of the proxy pricing process (the base price) would result in direct and proportional changes in the fair value of the security. These securities are categorized as Level 3 of the fair value hierarchy.

If third-party evaluated vendor pricing is not available or not deemed to be indicative of fair value, the Manager may elect to obtain Broker Quotes directly from the broker-dealer or passed through from a third-party vendor. In the event that fair value is based upon a single sourced Broker Quote, these securities are categorized as Level 3 of the fair value hierarchy. Broker Quotes are typically received from established market participants. Although independently received, the Manager does not have the transparency to view the underlying inputs which support the market quotation. Significant changes in the Broker Quote would have direct and proportional changes in the fair value of the security.

The validity of the fair value is reviewed by the Manager on a periodic basis and may be amended in accordance with a Fund's valuation procedures.

#### 4. SECURITIES AND OTHER INVESTMENTS

##### (a) Investments in Securities

**Loan Participations, Assignments and Originations** Certain Funds may invest in direct debt instruments which are interests in amounts owed to lenders or lending syndicates by corporate, governmental, or other borrowers. A Fund's investments in loans may be in the form of direct investments, participations in loans or assignments of all or a portion of loans from third parties or exposure to investments in or originations of loans through investments in a mutual fund or other pooled investment vehicle. A loan is often administered by a bank or other financial institution (the "agent") that acts as agent for all holders. The agent administers the terms of the loan, as specified in the loan agreement. A Fund may invest in multiple series or tranches of a loan, which may have varying terms and carry different associated risks. A Fund generally has no right to enforce compliance with the terms of the loan agreement with the borrower. As a result, a Fund may be subject to the credit risk of both the borrower and the agent that is selling the loan agreement.

In the event of the insolvency of the agent selling a participation, a Fund may be treated as a general creditor of the agent and may not benefit from any set-off between the agent and the borrower. When a Fund purchases assignments from agents it acquires direct rights against the borrowers of the loans. These loans may include participations in bridge loans, which are loans taken out by borrowers

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for a short period (typically less than one year) pending arrangement of more permanent financing through, for example, the issuance of bonds, frequently high yield bonds issued for the purpose of acquisitions.

Investments in loans are generally subject to risks similar to those of investments in other types of debt obligations, including, among others, credit risk, interest rate risk, variable and floating rate securities risk, and risks associated with mortgage-related securities. In addition, in many cases loans are subject to the risks associated with below-investment grade securities. The Funds may be subject to heightened or additional risks and potential liabilities and costs by investing in mezzanine and other subordinated loans or acting as an originator of loans, including those arising under bankruptcy, fraudulent conveyance, equitable subordination, lender liability, environmental and other laws and regulations, and risks and costs associated with debt servicing and taking foreclosure actions associated with the loans. To the extent that a Fund originates a loan, it may be responsible for all or a substantial portion of the expenses associated with initiating the loan. This may include significant legal and due diligence expenses, which will be indirectly borne by a Fund and its shareholders. A Fund may pay fees and expenses associated with originating a loan, including significant legal and due diligence expenses, irrespective of whether the loan transaction is ultimately consummated or closed.

Additionally, because loans are not ordinarily registered with the SEC or any state securities commission or listed on any securities exchange, there is usually less publicly available information about such instruments. In addition, loans may not be considered securities for purposes of the anti-fraud provisions under the federal securities laws and, as a result, as a purchaser of these instruments, a Fund may not be entitled to the anti-fraud protections of the federal securities laws. In the course of investing in such instruments, a Fund may come into possession of material nonpublic information and, because of prohibitions on trading in securities of issuers while in possession of such information, the Fund may be unable to enter into a transaction in a publicly-traded security of that issuer when it would otherwise be advantageous for the Fund to do so. Alternatively, a Fund may choose not to receive material nonpublic information about an issuer of such loans, with the result that the Fund may have less information about such issuers than other investors who transact in such assets.

The types of loans and related investments in which the Funds may invest include, among others, senior loans, subordinated loans (including second lien loans, B-Notes and mezzanine loans), whole loans, commercial real estate and other commercial loans and structured loans. The Funds may originate loans or acquire direct interests in loans through primary loan distributions and/or in private transactions. In the case of subordinated loans, there may be

significant indebtedness ranking ahead of the borrower's obligation to the holder of such a loan, including in the event of the borrower's insolvency. Mezzanine loans are typically secured by a pledge of an equity interest in the mortgage borrower that owns the real estate rather than an interest in a mortgage.

Investments in loans may include unfunded loan commitments, which are contractual obligations for future funding. Unfunded loan commitments may include revolving credit facilities, which may obligate a Fund to supply additional cash to the borrower on demand. Unfunded loan commitments represent a future obligation in full, even though a percentage of the committed amount may not be utilized by the borrower. When investing in a loan participation, a Fund has the right to receive payments of principal, interest and any fees to which it is entitled only from the agent selling the loan agreement and only upon receipt of payments by the agent from the borrower. Because investing in unfunded loan commitments creates a future obligation for a Fund to provide funding to a borrower upon demand in exchange for a fee, the Fund will segregate or earmark liquid assets with the Fund's custodian in amounts sufficient to satisfy any such future obligations. A Fund may receive a commitment fee based on the undrawn portion of the underlying line of credit portion of a loan. In certain circumstances, a Fund may receive a penalty fee upon the prepayment of a loan by a borrower. Fees earned or paid are recorded as a component of interest income or interest expense, respectively, on the Statements of Operations. As of January 31, 2017, the Funds had no unfunded loan commitments outstanding.

**Mortgage-Related and Other Asset-Backed Securities** Certain Funds may invest in mortgage-related and other asset-backed securities that directly or indirectly represent a participation in, or are secured by and payable from, loans on real property. Mortgage-related securities are created from pools of residential or commercial mortgage loans, including mortgage loans made by savings and loan institutions, mortgage bankers, commercial banks and others. These securities typically provide a monthly payment which consists of both principal and interest. Interest may be determined by fixed or adjustable rates. In times of declining interest rates, there is a greater likelihood that a Fund's higher yielding securities will be pre-paid with the Fund being unable to reinvest the proceeds in an investment with as great a yield. The rate of prepayments on underlying mortgages will affect the price and volatility of a mortgage-related security, and may have the effect of shortening or extending the effective duration of the security relative to what was anticipated at the time of purchase. Interest-only and principal-only securities are especially sensitive to interest rate changes, which can affect not only their prices but can also change the income flows and repayment assumptions about those investments. The timely payment of principal and interest of certain mortgage-related securities

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is guaranteed with the full faith and credit of the U.S. Government. Pools created and guaranteed by non-governmental issuers, including government-sponsored corporations, may be supported by various forms of insurance or guarantees, but there can be no assurance that private insurers or guarantors can meet their obligations under the insurance policies or guarantee arrangements. Many of the risks of investing in mortgage-related securities secured by commercial mortgage loans ( CMBS ) reflect the effects of local and other economic conditions on real estate markets, the ability of tenants to make lease payments, and the ability of a property to attract and retain tenants. These securities may be less liquid and may exhibit greater price volatility than other types of mortgage-related or other asset-backed securities. Other asset-backed securities are created from many types of assets, including without limitation, auto loans, credit card receivables, home equity loans, and student loans. The Funds may invest in any level of the capital structure of an issuer of mortgage-backed or asset-backed securities, including the equity or first loss tranche.

Collateralized Debt Obligations ( CDOs ) include Collateralized Bond Obligations ( CBOs ), Collateralized Loan Obligations ( CLOs ) and other similarly structured securities. CBOs and CLOs are types of asset-backed securities. A CBO is a trust which is typically backed by a diversified pool of high risk, below investment grade fixed income securities. A CLO is a trust typically collateralized by a pool of loans, which may include, among others, domestic and foreign senior secured loans, senior unsecured loans, and subordinate corporate loans, including loans that may be rated below investment grade or equivalent unrated loans. For both CBOs and CLOs, the cash flows from the trust are split into two or more portions, called tranches, varying in risk and yield. The riskiest portion is the equity tranche which bears the bulk of defaults from the bonds or loans in the trust and serves to protect the other, more senior tranches from default in all but the most severe circumstances. Since it is partially protected from defaults, a senior tranche from a CBO trust or CLO trust typically has higher ratings and lower yields than the underlying securities, and can be rated investment grade. Despite the protection from the equity tranche, CBO or CLO tranches can experience substantial losses due to actual defaults, increased sensitivity to defaults due to collateral default and disappearance of protecting tranches, market anticipation of defaults and aversion to CBO or CLO securities as a class. The risks of an investment in a CDO depend largely on the type of the collateral securities and the class of the CDO in which a Fund invests. CDOs carry additional risks including, but not limited to, (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments, (ii) the collateral may decline in value or default, (iii) a Fund may invest in CDOs that are subordinate to other classes, and (iv) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the issuer or unexpected investment results.

Collateralized Mortgage Obligations ( CMOs ) are debt obligations of a legal entity that are collateralized by whole mortgage loans or private mortgage bonds and divided into classes. CMOs are structured into multiple classes, often referred to as tranches, with each class bearing a different stated maturity and entitled to a different schedule for payments of principal and interest, including prepayments. CMOs may be less liquid and may exhibit greater price volatility than other types of mortgage-related or asset-backed securities.

As CMOs have evolved, some classes of CMO bonds have become more common. For example, a Fund may invest in parallel-pay and planned amortization class ( PAC ) CMOs and multi-class pass-through certificates. Parallel-pay CMOs and multi-class pass-through certificates are structured to provide payments of principal on each payment date to more than one class. These simultaneous payments are taken into account in calculating the stated maturity date or final distribution date of each class, which, as with other CMO and multi-class pass-through structures, must be retired by its stated maturity date or final distribution date but may be retired earlier. PACs generally require payments of a specified amount of principal on each payment date. PACs are parallel-pay CMOs with the required principal amount on such securities having the highest priority after interest has been paid to all classes. Any CMO or multi-class pass-through structure that includes PAC securities must also have support tranches known as support bonds, companion bonds or non-PAC bonds which lend or absorb principal cash flows to allow the PAC securities to maintain their stated maturities and final distribution dates within a range of actual prepayment experience. These support tranches are subject to a higher level of maturity risk compared to other mortgage-related securities, and usually provide a higher yield to compensate investors. If principal cash flows are received in amounts outside a pre-determined range such that the support bonds cannot lend or absorb sufficient cash flows to the PAC securities as intended, the PAC securities are subject to heightened maturity risk. A Fund may invest in various tranches of CMO bonds, including support bonds and equity or first loss tranches (see Collateralized Debt Obligations above).

Stripped Mortgage-Backed Securities ( SMBS ) are derivative multi-class mortgage securities. SMBS are usually structured with two classes that receive different proportions of the interest and principal distributions on a pool of mortgage assets. An SMBS will have one class that will receive all of the interest (the interest-only or IO class), while the other class will receive the entire principal (the principal-only or PO class). IOs and POs can be extremely volatile in response to changes in interest rates. As interest rates rise and fall, the value of IOs tends to move in

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the same direction as interest rates. POs perform best when prepayments on the underlying mortgages rise since this increases the rate at which the principal is returned and the yield to

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maturity on the PO. When payments on mortgages underlying a PO are slower than anticipated, the life of the PO is lengthened and the yield to maturity is reduced. The yield to maturity on an IO class is extremely sensitive to the rate of principal payments (including prepayments) on the related underlying mortgage assets, and a rapid rate of principal payments may have a material adverse effect on a Fund's yield to maturity from these securities. If the underlying mortgage assets experience greater than anticipated prepayments of principal, the Funds may fail to recoup some or all of its initial investment in these securities even if the security is in one of the highest rating categories.

Payments received for IOs are included in interest income on the Statements of Operations. Because no principal will be received at the maturity of an IO, adjustments are made to the cost of the security on a monthly basis until maturity. These adjustments are included in interest income on the Statements of Operations. Payments received for POs are treated as reductions to the cost and par value of the securities.

**Payment In-Kind Securities** Certain Funds may invest in payment in-kind securities (PIKs). PIKs may give the issuer the option at each interest payment date of making interest payments in either cash or additional debt securities. Those additional debt securities usually have the same terms, including maturity dates and interest rates, and associated risks as the original bonds. The daily market quotations of the original bonds may include the accrued interest (referred to as a dirty price) and require a pro rata adjustment from the unrealized appreciation or depreciation on investments to interest receivable on the Statements of Assets and Liabilities.

**Restricted Securities** Certain Funds may invest in securities that are subject to legal or contractual restrictions on resale. These securities may generally be sold privately, but are required to be registered or exempted from such registration before being sold to the public. Private placement securities are generally considered to be restricted except for those securities traded between qualified institutional investors under the provisions of Rule 144A of the Securities Act of 1933. Disposal of restricted securities may involve time-consuming negotiations and expenses, and prompt sale at an acceptable price may be difficult to achieve. Restricted securities held by the Funds at January 31, 2017 are disclosed in the Notes to Schedules of Investments.

**U.S. Government Agencies or Government-Sponsored Enterprises** Certain Funds may invest in securities of U.S. Government agencies or government-sponsored enterprises. U.S. Government securities are obligations of and, in certain cases, guaranteed by, the U.S. Government, its agencies or instrumentalities. Some U.S. Government securities, such as Treasury bills, notes and bonds, and securities guaranteed by the Government National Mortgage Association (GNMA or Ginnie Mae), are supported by the full faith

and credit of the U.S. Government; others, such as those of the Federal Home Loan Banks, are supported by the right of the issuer to borrow from the U.S. Department of the Treasury (the U.S. Treasury); and others, such as those of the Federal National Mortgage Association (FNMA or Fannie Mae), are supported by the discretionary authority of the U.S. Government to purchase the agency's obligations.

U.S. Government securities may include zero coupon securities. Zero coupon securities do not distribute interest on a current basis and tend to be subject to a greater risk than interest-paying securities. Government-related guarantors (i.e., not backed by the full faith and credit of the U.S. Government) include FNMA and the Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac). FNMA is a government-sponsored corporation. FNMA purchases conventional (i.e., not insured or guaranteed by any government agency) residential mortgages from a list of approved seller/servicers which include state and federally chartered savings and loan associations, mutual savings banks, commercial banks and credit unions and mortgage bankers. Pass-through securities issued by FNMA are guaranteed as to timely payment of principal and interest by FNMA, but are not backed by the full faith and credit of the U.S. Government. FHLMC issues Participation Certificates (PCs), which are pass-through securities, each representing an undivided interest in a pool of residential mortgages. FHLMC guarantees the timely payment of interest and ultimate collection of principal, but PCs are not backed by the full faith and credit of the U.S. Government.

**When-Issued Transactions** Certain Funds may purchase or sell securities on a when-issued basis. These transactions are made conditionally because a security, although authorized, has not yet been issued in the market. Transactions to purchase or sell securities on a when-issued basis involve a commitment by a Fund to purchase or sell these securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period. A Fund may sell when-issued securities before they are delivered, which may result in a realized gain (loss).

## 5. BORROWINGS AND OTHER FINANCING TRANSACTIONS

The following disclosures contain information on a Fund's ability to lend or borrow cash or securities to the extent permitted under the Act, which may be viewed as borrowing or financing transactions by a Fund. The location of these instruments in each Fund's financial statements is described below. For a detailed description of credit and counterparty risks that can be associated with borrowings and other financing transactions, please see Note 7 Principal Risks.

(a) **Repurchase Agreements** Certain Funds may engage in repurchase agreements. Under the terms of a typical repurchase agreement, a Fund

**Notes to Financial Statements (Cont.)**

purchases an underlying debt obligation (collateral) subject to an obligation of the seller to repurchase, and a Fund to resell, the obligation at an agreed-upon price and time. The underlying securities for all repurchase agreements are held by a Fund's custodian or designated subcustodians under tri-party repurchase agreements. The market value of the collateral must be equal to or exceed the total amount of the repurchase obligations, including interest. Repurchase agreements, if any, including accrued interest, are included on the Statements of Assets and Liabilities. Interest earned is recorded as a component of interest income on the Statements of Operations. In periods of increased demand for collateral, a Fund may pay a fee for the receipt of collateral, which may result in interest expense to the Fund.

(b) **Reverse Repurchase Agreements** Certain Funds may enter into reverse repurchase agreements. In a reverse repurchase agreement, a Fund delivers a security in exchange for cash to a financial institution, the counterparty, with a simultaneous agreement to repurchase the same or substantially the same security at an agreed upon price and date. In an open maturity reverse repurchase agreement, there is no pre-determined repurchase date and the agreement can be terminated by the Fund or counterparty at any time. A Fund is entitled to receive principal and interest payments, if any, made on the security delivered to the counterparty during the term of the agreement. Cash received in exchange for securities delivered plus accrued interest payments to be made by a Fund to counterparties are reflected as a liability on the Statements of Assets and Liabilities. Interest payments made by a Fund to counterparties are recorded as a component of interest expense on the Statements of Operations. In periods of increased demand for the security, a Fund may receive a fee for use of the security by the counterparty, which may result in interest income to the Fund. In the event the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, a Fund's use of the proceeds of the agreement may be restricted pending a determination by the other party, or its trustee or receiver, whether to enforce the Fund's obligation to repurchase the securities. Reverse repurchase agreements involve leverage risk and also the risk that the market value of the securities to be repurchased may decline below the repurchase price (see Note 7, Principal Risks).

(c) **Sale-Buybacks** Certain Funds may enter into financing transactions referred to as sale-buybacks. A sale-buyback transaction consists of a sale of a security by a Fund to a financial institution, the counterparty, with a simultaneous agreement to repurchase the same or substantially the same security at an agreed-upon price and date. A Fund is not entitled to receive principal and interest payments, if any, made on the security sold to the counterparty during the term of the agreement. The agreed-upon proceeds for securities to be repurchased by a Fund are reflected as a liability on the Statements of Assets and Liabilities. A

Fund will recognize net income represented by the price differential between the price received for the transferred security and the agreed-upon repurchase price. This is commonly referred to as the price drop. A price drop consists of (i) the foregone interest and inflationary income adjustments, if any, a Fund would have otherwise received had the security not been sold and (ii) the negotiated financing terms between a Fund and counterparty. Foregone interest and inflationary income adjustments, if any, are recorded as components of interest income on the Statements of Operations. Interest payments based upon negotiated financing terms made by a Fund to counterparties are recorded as a component of interest expense on the Statements of Operations. In periods of increased demand for the security, a Fund may receive a fee for use of the security by the counterparty, which may result in interest income to a Fund. Sale-buybacks involve leverage risk and also the risk that the market value of the securities to be repurchased may decline below the repurchase price (see Note 7, Principal Risks).

**6. FINANCIAL DERIVATIVE INSTRUMENTS**

The following disclosures contain information on how and why the Funds may use financial derivative instruments, the credit-risk-related contingent features in certain financial derivative instruments, and how financial derivative instruments affect the Funds' financial position, results of operations and cash flows. The location and fair value amounts of these instruments on the Statements of Assets and Liabilities and of the realized appreciation (depreciation) and changes in unrealized appreciation (depreciation) related to such instruments on the Statements of Operations, each categorized by type of financial derivative contract and related risk exposure, are included in a table in the Notes to Schedules of Investments. The financial derivative instruments outstanding as of period end and the amounts of realized and changes in unrealized appreciation (depreciation) on financial derivative instruments during the period, as disclosed in the Notes to Schedules of Investments, serve as indicators of the volume of financial derivative activity for the Funds.

PIMCO Corporate & Income Opportunity Fund is subject to regulation as a commodity pool under the Commodity Exchange Act pursuant to recent rule changes by the Commodity Futures Trading Commission (the CFTC ). The Manager has registered with the CFTC as a Commodity Pool Operator and a Commodity Trading Adviser with respect to the Fund, and is a member of the National Futures Association. As a result, additional CFTC-mandated disclosure, reporting and recordkeeping obligations apply to PIMCO Corporate & Income Opportunity Fund. Compliance with the CFTC's regulatory requirements could increase PIMCO Corporate & Income Opportunity Fund's expenses, adversely affecting its total return.

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(a) **Forward Foreign Currency Contracts** Certain Funds may enter into forward foreign currency contracts in connection with settling planned purchases or sales of securities, to hedge the currency exposure associated with some or all of a Fund's securities or as a part of an investment strategy. A forward foreign currency contract is an agreement between two parties to buy and sell a currency at a set price on a future date. The market value of a forward foreign currency contract fluctuates with changes in foreign currency exchange rates. Forward foreign currency contracts are marked to market daily, and the change in value is recorded by a Fund as an unrealized gain (loss).

Realized gains (losses) are equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed and are recorded upon delivery or receipt of the currency. The contractual obligations of a buyer or seller of a forward foreign currency contract may generally be satisfied by taking or making physical delivery of the underlying currency, establishing an opposite position in the contract and recognizing the profit or loss on both positions simultaneously on the delivery date or, in some instances, paying a cash settlement before the designated date of delivery. These contracts may involve market risk in excess of the unrealized gain (loss) reflected on the Statements of Assets and Liabilities. Although forwards may be intended to minimize the risk of loss due to a decline in the value of the hedged currencies, at the same time, they tend to limit any potential gain which might result should the value of such currencies increase. In addition, a Fund could be exposed to risk if the counterparties are unable to meet the terms of the contracts or if the value of the currency changes unfavorably to the U.S. dollar. To mitigate such risk, cash or securities may be exchanged as collateral pursuant to the terms of the underlying contracts.

(b) **Swap Agreements** Certain Funds may invest in swap agreements. Swap agreements are bilaterally negotiated agreements between a Fund and a counterparty to exchange or swap investment cash flows, assets, foreign currencies or market-linked returns at specified, future intervals. Swap agreements may be privately negotiated in the over the counter market (OTC swaps) or may be cleared through a third party, known as a central counterparty or derivatives clearing organization (Centrally Cleared Swaps). A Fund may enter into asset, credit default, cross-currency, interest rate, total return, variance and other forms of swap agreements to manage its exposure to credit, currency, interest rate, commodity, equity and inflation risk. In connection with these agreements, securities or cash may be identified as collateral or margin in accordance with the terms of the respective swap agreements to provide assets of value and recourse in the event of default or bankruptcy/insolvency.

Centrally Cleared Swaps are marked to market daily based upon valuations as determined from the underlying contract or in accordance

with the requirements of the central counterparty or derivatives clearing organization. Changes in market value, if any, are reflected as a component of net change in unrealized appreciation (depreciation) on the Statements of Operations. Daily changes in valuation of centrally cleared swaps, if any, are recorded as variation margin on the Statements of Assets and Liabilities. OTC swap payments received or paid at the beginning of the measurement period are included on the Statements of Assets and Liabilities and represent premiums paid or received upon entering into the swap agreement to compensate for differences between the stated terms of the swap agreement and prevailing market conditions (credit spreads, currency exchange rates, interest rates, and other relevant factors). Upfront premiums received (paid) are initially recorded as liabilities (assets) and subsequently marked to market to reflect the current value of the swap. These upfront premiums are recorded as realized gains (losses) on the Statements of Operations upon termination or maturity of the swap. A liquidation payment received or made at the termination of the swap is recorded as realized gain (loss) on the Statements of Operations. Net periodic payments received or paid by a Fund are included as part of realized gains (losses) on the Statements of Operations.

For purposes of applying a Fund's investment policies and restrictions, swap agreements are generally valued by a Fund at market value. In the case of a credit default swap, however, in applying certain of a Fund's investment policies and restrictions, the Funds will value the credit default swap at its notional value or its full exposure value (i.e., the sum of the notional amount for the contract plus the market value), but may value the credit default swap at market value for purposes of applying certain of a Fund's other investment policies and restrictions. For example, a Fund may value credit default swaps at full exposure value for purposes of a Fund's credit quality guidelines (if any) because such value reflects

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a Fund's actual economic exposure during the term of the credit default swap agreement. In this context, both the notional amount and the market value may be positive or negative depending on whether a Fund is selling or buying protection through the credit default swap. The manner in which certain securities or other instruments are valued by a Fund for purposes of applying investment policies and restrictions may differ from the manner in which those investments are valued by other types of investors.

Entering into swap agreements involves, to varying degrees, elements of interest, credit, market and documentation risk in excess of the amounts recognized on the Statements of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreements may default on its obligation to perform or disagree as to the meaning of contractual terms in the agreements and that there may be unfavorable changes in interest rates or the asset upon which the swap is based.

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A Fund's maximum risk of loss from counterparty credit risk is the discounted net value of the cash flows to be received from the counterparty over the contract's remaining life, to the extent that amount is positive. The risk may be mitigated by having a master netting arrangement between a Fund and the counterparty and by the posting of collateral to a Fund to cover a Fund's exposure to the counterparty.

**Credit Default Swap Agreements** A Fund may use credit default swaps on corporate, loan, sovereign, U.S. municipal or U.S. Treasury issues to provide a measure of protection against defaults of the issuers (i.e., to reduce risk where a Fund owns or has exposure to the referenced obligation) or to take an active long or short position with respect to the likelihood of a particular issuer's default. Credit default swap agreements involve one party making a stream of payments (referred to as the buyer of protection) to another party (the seller of protection) in exchange for the right to receive a specified return in the event that the referenced entity, obligation or index, as specified in the agreement, undergoes a certain credit event. As a seller of protection on credit default swap agreements, a Fund will generally receive from the buyer of protection a fixed rate of income throughout the term of the swap provided that there is no credit event. As the seller, a Fund would effectively add leverage to its portfolio because, in addition to its total net assets, a Fund would be subject to investment exposure on the notional amount of the swap.

If a Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, a Fund will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation, other deliverable obligations or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index. If a Fund is a buyer of protection and a credit event occurs, as defined under the terms of that particular swap agreement, a Fund will either (i) receive from the seller of protection an amount equal to the notional amount of the swap and deliver the referenced obligation, other deliverable obligations or underlying securities comprising the referenced index or (ii) receive a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index. Recovery values are estimated by market makers considering either industry standard recovery rates or entity specific factors and considerations until a credit event occurs. If a credit event has occurred, the recovery value is determined by a facilitated auction whereby a minimum number of allowable broker bids, together with a specified

valuation method, are used to calculate the settlement value. The ability to deliver other obligations may result in a cheapest-to-deliver option (the buyer of protection's right to choose the deliverable obligation with the lowest value following a credit event).

Credit default swap agreements on corporate or sovereign issues involve one party making a stream of payments to another party in exchange for the right to receive a specified return in the event of a default or other credit event. If a credit event occurs and cash settlement is not elected, a variety of other deliverable obligations may be delivered in lieu of the specific referenced obligation. The ability to deliver other obligations may result in a cheapest-to-deliver option (the buyer of protection's right to choose the deliverable obligation with the lowest value following a credit event).

Credit default swap agreements on credit indices involve one party making a stream of payments to another party in exchange for the right to receive a specified return in the event of a write-down, principal shortfall, interest shortfall or default of all or part of the referenced entities comprising the credit index. A credit index is a basket of credit instruments or exposures designed to be representative of some part of the credit market as a whole. These indices are made up of reference credits that are judged by a poll of dealers to be the most liquid entities in the credit default swap market based on the sector of the index. Components of the indices may include, but are not limited to, investment grade securities, high yield securities, asset-backed securities, emerging markets, and/or various credit ratings within each sector. Credit indices are traded using credit default swaps with standardized terms including a fixed spread and standard maturity dates. An index credit default swap references all the names in the index, and if there is a default, the credit event is settled based on that name's weight in the index. The composition of the indices changes periodically, usually every six months, and for most indices, each name has an equal weight in the index. Credit default swaps on credit indices may be used to hedge a portfolio of credit default swaps or bonds, which is less expensive than it would be to buy many credit default

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swaps to achieve a similar effect or to take an active long or short position with respect to the likelihood of a particular referenced obligation's default. Credit default swaps on indices are instruments often used to attempt to protect investors owning bonds against default, but may also be used for speculative purposes.

Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on corporate, sovereign or U.S. municipal issues as of period end are disclosed in the Notes to Schedules of Investments. They serve as an indicator of the current status of payment/performance risk and represent the likelihood or risk of default for the reference entity. The implied credit spread of a particular referenced entity reflects the cost

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of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement. For credit default swap agreements on asset-backed securities and credit indices, the quoted market prices and resulting values serve as the indicator of the current status of the payment/ performance risk. Increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

The maximum potential undiscounted amount of future payments that a Fund as a seller of protection could be required to make under a credit default swap agreement equals the notional amount of the agreement. Notional amounts of each individual credit default swap agreement outstanding as of period end for which a Fund is the seller of protection are disclosed in the Notes to Schedules of Investments. These potential amounts would be partially offset by any recovery values of the respective referenced obligations, upfront payments received upon entering into the agreement, or net amounts received from the settlement of buy protection credit default swap agreements entered into by a Fund for the same referenced entity or entities.

**Interest Rate Swap Agreements** Certain Funds are subject to interest rate risk exposure in the normal course of pursuing their investment objectives. If a Fund holds fixed rate bonds, the value of these bonds may decrease if interest rates rise. To help hedge against this risk and to maintain its ability to generate income at prevailing market rates, a Fund may enter into interest rate swap agreements. Interest rate swap agreements involve the exchange by a Fund with another party for their respective commitment to pay or receive interest on the notional amount of principal. Certain forms of interest rate swap agreements may include: (i) interest rate caps, under which, in return for a premium, one party agrees to make payments to the other to the extent that interest rates exceed a specified rate, or "cap", (ii) interest rate floors, under which, in return for a premium, one party agrees to make payments to the other to the extent that interest rates fall below a specified rate, or "floor", (iii) interest rate collars, under which a party sells a cap and purchases a floor or vice versa in an attempt to protect itself against interest rate movements exceeding given minimum or maximum levels, (iv) callable interest rate swaps, under which the buyer pays an upfront fee in consideration for the right to early terminate the swap transaction in whole, at zero cost and at a predetermined date and time prior to the maturity date, (v) spreadlocks, which allow the interest rate swap users to lock in the forward differential (or spread) between the interest rate swap rate and a specified benchmark, or

(vi) basis swaps, under which two parties can exchange variable interest rates based on different segments of money markets.

**Asset Segregation** Certain of the transactions described above can be viewed as constituting a form of borrowing or financing transaction by a Fund. In such event, a Fund may but is not required to cover its commitment under such transactions by segregating or earmarking assets in accordance with procedures adopted by the Board, in which case such transactions will not be considered "senior securities" by the Fund. With respect to forwards, futures contracts, options and swaps that are contractually permitted or required to cash settle (i.e., where physical delivery of the underlying reference asset is not required), a Fund (other than PTY) is permitted to segregate or earmark liquid assets equal to the Fund's daily marked-to-market net obligation under the derivative instrument, if any, rather than the derivative's full notional value. By segregating or earmarking liquid assets equal to only its net marked-to-market obligation under derivatives that are required to cash settle, a Fund will have the ability to employ leverage to a greater extent than if a Fund were to segregate or earmark liquid assets equal to the full notional value of the derivative. For PTY, with respect to forwards and futures contracts and interest rate swaps that are contractually required to cash settle (i.e., where physical delivery of the underlying reference asset is not permitted or physical settlement is not otherwise involved), the Fund is permitted to segregate or earmark liquid assets equal to the Fund's daily marked-to-market net obligation under the derivative instrument, if any, rather than the derivative's full notional value, but will segregate full notional value, as applicable, with respect to other derivative instruments (including written credit default swaps, written total return swaps and written options) that contractually require or permit physical delivery of securities or other underlying assets.

## 7. PRINCIPAL RISKS

In the normal course of business, the Funds trade financial instruments and enter into financial transactions where risk of potential loss exists due to such things as changes in the market (market risk) or failure or inability of the other party to a transaction to perform (credit and counterparty risk). See below for a detailed description of select principal risks. For a more comprehensive list of potential risks the Funds may be subject to, please see the Important Information About the Funds.

**Market Risks** A Fund's investments in financial derivatives and other financial instruments expose the Fund to various risks such as, but not limited to, interest rate, foreign currency, equity and commodity risks.

Interest rate risk is the risk that fixed income securities and other instruments held by a Fund will decline in value because of changes in interest rates. As nominal interest rates rise, the value of certain fixed

**Notes to Financial Statements (Cont.)**

income securities held by a Fund is likely to decrease. A nominal interest rate can be described as the sum of a real interest rate and an expected inflation rate. Interest rate changes can be sudden and unpredictable, and a Fund may lose money if these changes are not anticipated by Fund management. A Fund may not be able to hedge against changes in interest rates or may choose not to do so for cost or other reasons. In addition, any hedges may not work as intended.

Fixed income securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. Duration is a measure used to determine the sensitivity of a security's price to changes in interest rates that incorporates a security's yield, coupon, final maturity and call features, among other characteristics. Duration is useful primarily as a measure of the sensitivity of a fixed income security's market price to interest rate (i.e. yield) movements. All other things remaining equal, for each one percentage point increase in interest rates, the value of a portfolio of fixed income investments would generally be expected to decline by one percent for every year of the portfolio's average duration above zero. For example, the value of a portfolio of fixed income securities with an average duration of three years would generally be expected to decline by approximately 3% if interest rates rose by one percentage point. Convexity is an additional measure used to understand a security's interest rate sensitivity. Convexity measures the rate of change of duration in response to changes in interest rates and may be positive or negative. Securities with negative convexity may experience greater losses during periods of rising interest rates, and accordingly Funds holding such securities may be subject to a greater risk of losses in periods of rising interest rates. A wide variety of factors can cause interest rates to rise (e.g., central bank monetary policies, inflation rates, general economic conditions). At present, the U.S. is experiencing historically low interest rates. This, combined with recent economic recovery, the Federal Reserve Board's conclusion of its quantitative easing program, and recent increases in interest rates for the first time since 2006, could potentially increase the probability of an upward interest rate environment in the near future. During periods of very low or negative interest rates, a Fund may be unable to maintain positive returns. Changing interest rates, including rates that fall below zero, may have unpredictable effects on markets, may result in heightened market volatility and may detract from Fund performance to the extent a Fund is exposed to such interest rates. Rising interest rates may result in a decline in value of a Fund's fixed-income investments and in periods of volatility. Further, while U.S. bond markets have steadily grown over the past three decades, dealer market making ability has remained relatively stagnant. As a result, dealer inventories of certain types of bonds and similar instruments, which provide a core indication of the ability of financial intermediaries to make markets, are at or near historic lows in relation to market

size. Because market makers provide stability to a market through their intermediary services, the significant reduction in dealer inventories could potentially lead to decreased liquidity and increased volatility in the fixed income markets. Such issues may be exacerbated during periods of economic uncertainty. All of these factors, collectively and/or individually, could cause a Fund to lose value.

Foreign (non-U.S.) securities in this report are classified by the country of incorporation of a holding. In certain instances, a security's country of incorporation may be different from its country of economic exposure. If a Fund invests directly in foreign (non-U.S.) currencies or in securities that trade in, and receive revenues in, foreign (non-U.S.) currencies, or in financial derivatives that provide exposure to foreign (non-U.S.) currencies, it will be subject to the risk that those currencies will decline in value relative to the base currency of the Fund, or, in the case of hedging positions, that the Fund's base currency will decline in value relative to the currency being hedged. Currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates, intervention (or the failure to intervene) by U.S. or foreign governments, central banks or supranational entities such as the International Monetary Fund, or by the imposition of currency controls or other political developments in the United States or abroad. As a result, a Fund's investments in foreign currency denominated securities may reduce the Fund's returns.

The market values of a Fund's investments may decline due to general market conditions which are not specifically related to a particular company or issuer, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment. They may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Equity securities and equity related investments generally have greater market price volatility than fixed income securities, although under certain market conditions fixed income securities may have comparable or greater price volatility. Credit ratings downgrades may also negatively affect securities held by a Fund. Even when markets perform well, there is no assurance that the investments held by a Fund will increase in value along with the broader market. In addition, market risk includes the risk that geopolitical events will disrupt the economy on a national or global level.

**Credit and Counterparty Risks** A Fund will be exposed to credit risk to parties with whom it trades and will also bear the risk of settlement default. A Fund seeks to minimize concentrations of credit risk by undertaking transactions with a large number of counterparties on recognized and reputable exchanges, where applicable. Over the counter ( OTC ) derivative transactions are subject to the risk that a counterparty to the transaction will not fulfill its contractual obligations

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to the other party, as many of the protections afforded to centrally cleared derivative transactions might not be available for OTC derivative transactions. For derivatives traded on an exchange or through a central counterparty, credit risk resides with the Fund's clearing broker, or the clearinghouse itself, rather than with a counterparty in an OTC derivative transaction. A Fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a financial derivatives contract, repurchase agreement or a loan of portfolio securities, is unable or unwilling to make timely principal and/or interest payments, or to otherwise honor its obligations. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings.

Similar to credit risk, a Fund may be exposed to counterparty risk, or the risk that an institution or other entity with which a Fund has unsettled or open transactions will default. PIMCO, as Manager, seeks to minimize counterparty risks to a Fund in a number of ways. Prior to entering into transactions with a new counterparty, the PIMCO Counterparty Risk Committee conducts an extensive credit review of such counterparty and must approve the use of such counterparty. Furthermore, pursuant to the terms of the underlying contract, to the extent that unpaid amounts owed to a Fund exceed a predetermined threshold, such counterparty is required to advance collateral to a Fund in the form of cash or securities equal in value to the unpaid amount owed to the Fund. A Fund may invest such collateral in securities or other instruments and will typically pay interest to the counterparty on the collateral received. If the unpaid amount owed to a Fund subsequently decreases, the Fund would be required to return to the counterparty all or a portion of the collateral previously advanced to the Fund. PIMCO's attempts to minimize counterparty risk may, however, be unsuccessful.

All transactions in listed securities are settled/paid for upon delivery using approved counterparties. The risk of default is considered minimal, as delivery of securities sold is only made once a Fund has received payment. Payment is made on a purchase once the securities have been delivered by the counterparty. The trade will fail if either party fails to meet its obligation.

To the extent a Fund has a policy to limit the net amount owed to or to be received from a single counterparty under existing swap agreements, such limitation only applies to counterparties to OTC swaps and does not apply to centrally cleared swaps where the counterparty is a central counterparty or derivatives clearing organization.

**Master Netting Arrangements** The Funds may be subject to various netting arrangements with select counterparties ( "Master Agreements" ). Master Agreements govern the terms of certain transactions, and are intended to reduce the counterparty risk

associated with relevant transactions by specifying credit protection mechanisms and providing standardization that is intended to improve legal certainty. Each type of Master Agreement governs certain types of transactions. Different types of transactions may be traded out of different legal entities or affiliates of a particular organization, resulting in the need for multiple agreements with a single counterparty. As the Master Agreements are specific to unique operations of different asset types, they allow a Fund to close out and net its total exposure to a counterparty in the event of a default with respect to all the transactions governed under a single Master Agreement with a counterparty. For financial reporting purposes the Statements of Assets and Liabilities generally present derivative assets and liabilities on a gross basis, which reflects the full risks and exposures prior to netting.

Master Agreements can also help limit counterparty risk by specifying collateral posting arrangements at pre-arranged exposure levels. Under the Master Agreements, collateral is routinely transferred if the total net exposure to certain transactions (net of existing collateral already in place) governed under the relevant Master Agreement with a counterparty in a given account exceeds a specified threshold, which typically ranges from zero to \$250,000 depending on the counterparty and the type of Master Agreement. United States Treasury Bills and U.S. dollar cash are generally the preferred forms of collateral, although other forms of AAA rated paper or sovereign securities may be used. Securities and cash pledged as collateral are reflected as assets on the Statements of Assets and Liabilities as either a component of Investments at value

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(securities) or Deposits with counterparty (cash). Cash collateral received is typically not held in a segregated account and as such is reflected as a liability on the Statements of Assets and Liabilities as Deposits from counterparty. The market value of any securities received as collateral is not reflected as a component of NAV. A Fund's overall exposure to counterparty risk can change substantially within a short period, as it is affected by each transaction subject to the relevant Master Agreement.

Master Repurchase Agreements and Global Master Repurchase Agreements (individually and collectively "Master Repo Agreements") govern repurchase, reverse repurchase, and sale-buyback transactions between the Funds and select counterparties. Master Repo Agreements maintain provisions for, among other things, transaction initiation, income payments, events of default, and maintenance of collateral. The market value of transactions under the Master Repo Agreement, collateral pledged or received, and the net exposure by counterparty as of period end are disclosed in the Notes to Schedules of Investments.

Master Securities Forward Transaction Agreements ("Master Forward Agreements") govern the considerations and factors surrounding the settlement of certain forward settling transactions, such as TBA securities, delayed-delivery or sale-buyback transactions by and

## Notes to Financial Statements (Cont.)

between a Fund and select counterparties. The Master Forward Agreements maintain provisions for, among other things, transaction initiation and confirmation, payment and transfer, events of default, termination, and maintenance of collateral. The market value of forward settling transactions, collateral pledged or received, and the net exposure by counterparty as of period end is disclosed in the Notes to Schedules of Investments.

Customer Account Agreements and related addenda govern cleared derivatives transactions such as futures, options on futures, and cleared OTC derivatives. Cleared derivatives transactions require posting of initial margin as determined by each relevant clearing agency which is segregated at a broker account registered with the CFTC, or the applicable regulator. In the United States, counterparty risk may be reduced as creditors of a futures broker do not have a claim to Fund assets in the segregated account. Portability of exposure reduces risk to the Funds. Variation margin, or changes in market value, are exchanged daily, but may not be netted between futures and cleared OTC derivatives unless the parties have agreed to a separate arrangement in respect of portfolio margining. The market value or accumulated unrealized appreciation (depreciation), initial margin posted, and any unsettled variation margin as of period end is disclosed in the Notes to Schedule of Investments.

International Swaps and Derivatives Association, Inc. Master Agreements and Credit Support Annexes ( ISDA Master Agreements ) govern OTC financial derivative transactions entered into by a Fund and select counterparties. ISDA Master Agreements maintain provisions for general obligations, representations, agreements, collateral posting and events of default or termination. Events of termination include conditions that may entitle counterparties to elect to terminate early and cause settlement of all outstanding transactions under the applicable ISDA Master Agreement. Any election to terminate early could be material to the financial statements. In limited circumstances, the ISDA Master Agreement may contain additional provisions that add counterparty protection beyond coverage of existing daily exposure if the counterparty has a decline in credit quality below a predefined level. These amounts, if any, may be segregated with a third-party custodian. The market value of OTC financial derivative instruments, collateral received or pledged, and net exposure by counterparty as of period end are disclosed in the Notes to Schedules of Investments.

## 8. FEES AND EXPENSES

(a) Management Fee Pursuant to the Investment Management Agreement with PIMCO (the Agreement ), and subject to the supervision of the Board, PIMCO is responsible for providing to each Fund investment guidance and policy direction in connection with the management of the Fund, including oral and written research, analysis,

advice, and statistical and economic data and information. In addition, pursuant to the Agreement and subject to the general supervision of the Board, PIMCO, at its expense, provides or causes to be furnished most other supervisory and administrative services the Funds require, including but not limited to, expenses of most third-party service providers (e.g., audit, custodial, legal, transfer agency, printing) and other expenses, such as those associated with insurance, proxy solicitations and mailings for shareholder meetings, New York Stock Exchange listing and related fees, tax services, valuation services and other services the Funds require for their daily operations.

Pursuant to the Agreement, PIMCO receives an annual fee, payable monthly, at the annual rates shown in the table below:

| Fund Name                                 | Annual Rate          |
|-------------------------------------------|----------------------|
| PIMCO Corporate & Income Opportunity Fund | 0.65% <sup>(1)</sup> |
| PIMCO Corporate & Income Strategy Fund    | 0.81% <sup>(1)</sup> |
| PIMCO High Income Fund                    | 0.76% <sup>(1)</sup> |

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|                               |                      |
|-------------------------------|----------------------|
| PIMCO Income Strategy Fund    | 0.86% <sup>(2)</sup> |
| PIMCO Income Strategy Fund II | 0.83% <sup>(2)</sup> |

- (1) Management fees calculated based on the Fund's average daily NAV (including daily net assets attributable to any preferred shares of the Fund that may be outstanding).
- (2) Management fees calculated based on the Fund's average weekly total managed assets. Total managed assets includes total assets of each Fund (including any assets attributable to any preferred shares or other forms of leverage that may be outstanding) minus accrued liabilities (other than liabilities representing leverage).

(b) Fund Expenses Each Fund bears other expenses, which may vary and affect the total level of expenses paid by shareholders, such as (i) salaries and other compensation or expenses, including travel expenses of any of the Fund's executive officers and employees, if any, who are not officers, directors, shareholders, members, partners or employees of PIMCO or its subsidiaries or affiliates; (ii) taxes and governmental fees, if any, levied against the Fund; (iii) brokerage fees and commissions and other portfolio transaction expenses incurred by or for the Fund (including, without limitation, fees and expenses of outside legal counsel or third-party consultants retained in connection with reviewing, negotiating and structuring specialized loan and other investments made by the Fund, subject to specific or general authorization by the Fund's Board); (iv) expenses of the Fund's securities lending (if any), including any securities lending agent fees, as governed by a separate securities lending agreement; (v) costs, including interest expense, of borrowing money or engaging in other types of leverage financing, including, without limitation, through the use by the Fund of reverse repurchase agreements, tender option bonds, bank borrowings and credit facilities; (vi) costs, including dividend and/or interest expenses and other costs (including, without limitation, offering and related legal costs, fees to brokers, fees to auction agents, fees to transfer agents, fees to ratings agencies and fees to auditors associated with satisfying ratings agency requirements).

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for preferred shares or other securities issued by the Fund and other related requirements in the Fund's organizational documents) associated with the Fund's issuance, offering, redemption and maintenance of preferred shares, commercial paper or other senior securities for the purpose of incurring leverage; (vii) fees and expenses of any underlying funds or other pooled investment vehicles in which the Fund invests; (viii) dividend and interest expenses on short positions taken by the Fund; (ix) fees and expenses, including travel expenses, and fees and expenses of legal counsel retained for their benefit, of Trustees who are not officers, employees, partners, shareholders or members of PIMCO or its subsidiaries or affiliates; (x) extraordinary expenses, including extraordinary legal expenses, that may arise, including expenses incurred in connection with litigation, proceedings, other claims, and the legal obligations of the Fund to indemnify its Trustees, officers, employees, shareholders, distributors, and agents with respect thereto; (xi) organizational and offering expenses of the Fund, including with respect to share offerings, such as rights offerings and shelf offerings, following the Fund's initial offering, and expenses associated with tender offers and other share repurchases and redemptions; and (xii) expenses of the Fund which are capitalized in accordance with U.S. GAAP.

Each of the Trustees of the Funds who is not an interested person under Section 2(a)(19) of the Act, (the Independent Trustees) also serves as a trustee of a number of other closed-end funds for which PIMCO serves as investment manager (together with the Funds, the PIMCO Closed-End Funds), as well as PIMCO Flexible Credit Income Fund, a closed end management investment company managed by PIMCO that is operated as an interval fund (the PIMCO-Managed Interval Fund), PIMCO Managed Accounts Trust, an open-end investment company with multiple series for which PIMCO serves as investment adviser and administrator (PMAT) and, together with the PIMCO Closed-End Funds and the PIMCO-Managed Interval Fund, the PIMCO-Managed Funds). In addition, each of the Independent Trustees also serves as a trustee of certain investment companies (together, the Allianz-Managed Funds), for which Allianz Global Investors Fund Management (AGIFM), an affiliate of PIMCO that served as the investment manager of the PIMCO Managed Funds prior to the close of business on September 5, 2014, serves as investment adviser.

Each Independent Trustee currently receives annual compensation of \$225,000 for his or her service on the Boards of the PIMCO-Managed Funds, payable quarterly. The Independent Chairman of the Boards receives an additional \$75,000 per year, payable quarterly. The Audit Oversight Committee Chairman receives an additional \$50,000 annually, payable quarterly. Trustees are also reimbursed for meeting-related expenses.

Each Trustee's compensation for his or her service as a Trustee on the Boards of the PIMCO Managed Funds and other costs in connection

with joint meetings of such Funds are allocated among the PIMCO-Managed Funds, as applicable, on the basis of fixed percentages between PMAT and the PIMCO Closed-End Funds. Trustee compensation and other costs will then be further allocated pro rata among the individual PIMCO-Managed Funds within each grouping based on each such PIMCO-Managed Fund's relative net assets.

## 9. RELATED PARTY TRANSACTIONS

The Manager is a related party. Fees payable to this party are disclosed in Note 8 and the accrued related party fee amounts are disclosed on the Statements of Assets and Liabilities.

Certain Funds are permitted to purchase or sell securities from or to certain related affiliated funds under specified conditions outlined in procedures adopted by the Board. The procedures have been designed to ensure that any purchase or sale of securities by the Funds from or to another fund or portfolio that are, or could be, considered an affiliate by virtue of having a common investment adviser (or affiliated investment

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advisers), common Trustees and/or common officers complies with Rule 17a-7 of the Act. Further, as defined under the procedures, each transaction is effected at the current market price. During the period ended January 31, 2017, as indicated below, the Funds below engaged in purchases and sales of securities pursuant to Rule 17a-7 of the Act (amounts in thousands):

|                                           | <b>Purchases</b> | <b>Sales</b> |
|-------------------------------------------|------------------|--------------|
| PIMCO Corporate & Income Opportunity Fund | \$ 30,803        | \$ 78,572    |
| PIMCO Corporate & Income Strategy Fund    | 14,509           | 50,016       |
| PIMCO High Income Fund                    | 14,537           | 54,842       |
| PIMCO Income Strategy Fund                | 11,184           | 10,564       |
| PIMCO Income Strategy Fund II             | 9,262            | 16,152       |

### 10. GUARANTEES AND INDEMNIFICATIONS

Under each Fund's organizational documents, each Trustee and officer is indemnified, to the extent permitted by the Act, against certain liabilities that may arise out of performance of their duties to the Funds. Additionally, in the normal course of business, the Funds enter into contracts that contain a variety of indemnification clauses. The Funds' maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Funds that have not yet occurred. However, the Funds have not had prior claims or losses pursuant to these contracts.

### 11. PURCHASES AND SALES OF SECURITIES

The length of time a Fund has held a particular security is not generally a consideration in investment decisions. A change in the securities held by a Fund is known as portfolio turnover. Each Fund may engage in frequent and active trading of portfolio securities to achieve its investment objective, particularly during periods of volatile market movements. High portfolio turnover involves correspondingly greater

**Notes to Financial Statements (Cont.)**

transaction costs to a Fund, including brokerage commissions or dealer mark-ups and other transaction costs on the sale of securities and reinvestments in other securities. Such sales may also result in realization of taxable capital gains, including short-term capital gains (which are generally taxed at ordinary income tax rates). The transaction costs and tax effects associated with portfolio turnover may adversely affect a Fund's performance. The portfolio turnover rates are reported in the Financial Highlights.

Purchases and sales of securities (excluding short-term investments) for the period ended January 31, 2017, as indicated below, were as follows (amounts in thousands):

| Fund Name                                 | U.S. Government/Agency |          | All Other  |            |
|-------------------------------------------|------------------------|----------|------------|------------|
|                                           | Purchases              | Sales    | Purchases  | Sales      |
| PIMCO Corporate & Income Opportunity Fund | \$ 7,020               | \$ 4,875 | \$ 384,695 | \$ 264,146 |
| PIMCO Corporate & Income Strategy Fund    | 4,110                  | 2,348    | 165,364    | 153,449    |
| PIMCO High Income Fund                    | 0                      | 5,685    | 200,257    | 186,507    |
| PIMCO Income Strategy Fund                | 1,990                  | 1,124    | 93,861     | 72,865     |
| PIMCO Income Strategy Fund II             | 1,700                  | 3,231    | 126,394    | 98,802     |

A zero balance may reflect actual amounts rounding to less than one thousand.

**12. AUCTION-RATE PREFERRED SHARES**

Each series of Auction-Rate Preferred Shares ( ARPS ) outstanding of each Fund has a liquidation preference of \$25,000 per share plus any accumulated, unpaid dividends. Dividends are accumulated daily at an annual rate that is typically reset every seven days through auction procedures (or through default procedures in the event of failed auctions). Distributions of net realized capital gains, if any, are paid annually.

For the period ended January 31, 2017, the annualized dividend rates on the ARPS ranged from:

| Fund Name                                 | Shares<br>Issued and<br>Outstanding | High   | Low    | As of<br>January 31, 2017 |
|-------------------------------------------|-------------------------------------|--------|--------|---------------------------|
| PIMCO Corporate & Income Opportunity Fund |                                     |        |        |                           |
| Series M                                  | 1,884                               | 1.342% | 0.662% | 1.342%                    |
| Series T                                  | 1,770                               | 1.342% | 0.722% | 1.342%                    |
| Series W                                  | 1,847                               | 1.342% | 0.622% | 1.342%                    |
| Series TH                                 | 2,033                               | 1.342% | 0.682% | 1.342%                    |
| Series F                                  | 1,984                               | 1.342% | 0.582% | 1.342%                    |
| PIMCO Corporate & Income Strategy Fund    |                                     |        |        |                           |
| Series M                                  | 406                                 | 1.007% | 0.497% | 1.007%                    |
| Series T                                  | 449                                 | 1.007% | 0.542% | 1.007%                    |
| Series W                                  | 473                                 | 1.007% | 0.467% | 1.007%                    |
| Series TH                                 | 434                                 | 1.007% | 0.512% | 1.007%                    |
| Series F                                  | 459                                 | 1.007% | 0.437% | 1.007%                    |
| PIMCO High Income Fund                    |                                     |        |        |                           |
| Series M                                  | 688                                 | 1.074% | 0.530% | 1.074%                    |

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|           |     |        |        |        |
|-----------|-----|--------|--------|--------|
| Series T  | 958 | 1.074% | 0.578% | 1.074% |
| Series W  | 738 | 1.074% | 0.498% | 1.074% |
| Series TH | 757 | 1.074% | 0.546% | 1.074% |
| Series F  | 938 | 1.074% | 0.466% | 1.074% |

## PIMCO Income Strategy Fund

|           |     |        |        |        |
|-----------|-----|--------|--------|--------|
| Series T  | 766 | 1.973% | 1.689% | 1.972% |
| Series W  | 699 | 1.973% | 1.689% | 1.973% |
| Series TH | 586 | 1.974% | 1.689% | 1.973% |

## PIMCO Income Strategy Fund II

|           |     |        |        |        |
|-----------|-----|--------|--------|--------|
| Series M  | 721 | 1.973% | 1.687% | 1.970% |
| Series T  | 881 | 1.973% | 1.689% | 1.972% |
| Series W  | 671 | 1.973% | 1.689% | 1.973% |
| Series TH | 753 | 1.974% | 1.689% | 1.973% |
| Series F  | 672 | 1.974% | 1.691% | 1.972% |

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Each Fund is subject to certain limitations and restrictions while ARPS are outstanding. Failure to comply with these limitations and restrictions could preclude a Fund from declaring or paying any dividends or distributions to common shareholders or repurchasing common shares and/or could trigger the mandatory redemption of ARPS at their liquidation preference plus any accumulated, unpaid dividends.

Preferred shareholders of each Fund, who are entitled to one vote per share, generally vote together with the common shareholders of the Fund but vote separately as a class to elect two Trustees of the Fund and on certain matters adversely affecting the rights of the ARPS.

Since mid-February 2008, holders of ARPS issued by the Funds have been directly impacted by a lack of liquidity, which has similarly affected ARPS holders in many of the nation's closed-end funds. Since then, regularly scheduled auctions for ARPS issued by the Funds have consistently failed because of insufficient demand (bids to buy shares) to meet the supply (shares offered for sale) at each auction. In a failed auction, ARPS holders cannot sell all, and may not be able to sell any, of their shares tendered for sale. While repeated auction failures have affected the liquidity for ARPS, they do not constitute a default or automatically alter the credit quality of the ARPS, and ARPS holders have continued to receive dividends at the defined maximum rate, as defined in the table below:

| Fund Name                                    | Applicable %  |   | Reference Rate                                         | Maximum Rate           |
|----------------------------------------------|---------------|---|--------------------------------------------------------|------------------------|
| PIMCO Corporate & Income Opportunity Fund    | 200%          | x | 7-day AA Financial Composite<br>Commercial Paper Rates | = Maximum Rate for PTY |
| PIMCO Corporate & Income Strategy Fund       | 150%          | x | 7-day AA Financial Composite<br>Commercial Paper Rates | = Maximum Rate for PCN |
| PIMCO High Income Fund                       | 160%          | x | 7-day AA Financial Composite<br>Commercial Paper Rates | = Maximum Rate for PHK |
|                                              | 150%          | x | 7-Day USD LIBOR                                        | =                      |
| PIMCO Income Strategy Fund <sup>(1)</sup>    | The higher of |   | OR                                                     | Maximum Rate for PFL   |
|                                              | 1.25%         | + | 7-Day USD LIBOR                                        | =                      |
|                                              | 150%          | x | 7-Day USD LIBOR                                        | =                      |
| PIMCO Income Strategy Fund II <sup>(1)</sup> | The higher of |   | OR                                                     | Maximum Rate for PFN   |
|                                              | 1.25%         | + | 7-Day USD LIBOR                                        | =                      |

<sup>(1)</sup> The Maximum Rate is the higher of a) the product of the Applicable % and Reference Rate or b) 1.25% plus the Reference Rate.

The maximum rate is a function of short-term interest rates and is typically higher than the rate that would have otherwise been set through a successful auction. If the Funds' ARPS auctions continue to fail and the maximum rate payable on the ARPS rises as a result of changes in short-term interest rates, returns for the Fund's common shareholders could be adversely affected.

### 13. REGULATORY AND LITIGATION MATTERS

The Funds are not named as defendants in any material litigation or arbitration proceedings and are not aware of any material litigation or claim pending or threatened against them.

PIMCO, the investment manager of the PIMCO Total Return Active Exchange-Traded Fund ( BOND ), has entered into a settlement agreement with the SEC that relates to BOND.

The settlement relates to disclosures regarding BOND's performance attribution during the first four months of its existence in 2012 and the valuation of 43 smaller-sized positions of non-agency mortgage-backed securities using third-party vendor prices, as well as PIMCO's policies and procedures related to these matters.

The settlement resolves the SEC's investigation of BOND.

The foregoing speaks only as of the date of this report.

### 14. FEDERAL INCOME TAX MATTERS

Each Fund intends to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code (the Code) and distribute all of its taxable income and net realized gains, if applicable, to shareholders. Accordingly, no provision for Federal income taxes has been made.

The Funds may be subject to local withholding taxes, including those imposed on realized capital gains. Any applicable foreign capital gains tax is accrued daily based upon net unrealized gains, and may be payable following the sale of any applicable investments.

In accordance with U.S. GAAP, the Manager has reviewed the Funds' tax positions for all open tax years. As of January 31, 2017, the Funds have recorded no liability for net unrecognized tax benefits relating to uncertain income tax positions they have taken or expect to take in future tax returns.

## Notes to Financial Statements (Cont.)

Each Fund files U.S. tax returns. While the statute of limitations remains open to examine the Funds' U.S. tax returns filed for the fiscal years from 2013-2016, no examinations are in progress or anticipated at this time. The Funds are not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

As of their last fiscal year ended July 31, 2016, the Funds had accumulated capital losses expiring in the following years (amounts in thousands):

|                                           | Expiration of Accumulated Capital Losses |            |            |
|-------------------------------------------|------------------------------------------|------------|------------|
|                                           | 07/31/2017                               | 07/31/2018 | 07/31/2019 |
| PIMCO Corporate & Income Opportunity Fund | \$ 0                                     | \$ 0       | \$ 0       |
| PIMCO Corporate & Income Strategy Fund    | 0                                        | 0          | 0          |
| PIMCO High Income Fund                    | 488,807                                  | 0          | 0          |
| PIMCO Income Strategy Fund                | 21,867                                   | 106,315    | 0          |
| PIMCO Income Strategy Fund II             | 67,542                                   | 277,492    | 0          |

A zero balance may reflect actual amounts rounding to less than one thousand.

Under the Regulated Investment Company Modernization Act of 2010, a fund is permitted to carry forward any new capital losses for an unlimited period. Additionally, such capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term under previous law.

As of their last fiscal year ended July 31, 2016, the Funds had the following post-effective capital losses with no expiration (amounts in thousands):

|                                           | Short-Term | Long-Term |
|-------------------------------------------|------------|-----------|
| PIMCO Corporate & Income Opportunity Fund | \$ 221,288 | \$ 0      |
| PIMCO Corporate & Income Strategy Fund    | 80,651     | 0         |
| PIMCO High Income Fund                    | 174,485    | 0         |
| PIMCO Income Strategy Fund                | 54,139     | 0         |
| PIMCO Income Strategy Fund II             | 123,808    | 0         |

A zero balance may reflect actual amounts rounding to less than one thousand.

As of January 31, 2017 the aggregate cost and the net unrealized appreciation (depreciation) of investments for Federal income tax purposes are as follows (amounts in thousands):

|                                           | Federal Tax Cost | Aggregate Gross Unrealized Appreciation | Aggregate Gross Unrealized (Depreciation) | Net Unrealized Appreciation (Depreciation) <sup>(1)</sup> |
|-------------------------------------------|------------------|-----------------------------------------|-------------------------------------------|-----------------------------------------------------------|
| PIMCO Corporate & Income Opportunity Fund | \$ 1,310,901     | \$ 64,002                               | \$ (48,882)                               | \$ 15,120                                                 |

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|                                        |           |        |          |         |
|----------------------------------------|-----------|--------|----------|---------|
| PIMCO Corporate & Income Strategy Fund | 695,269   | 35,094 | (33,234) | 1,860   |
| PIMCO High Income Fund                 | 1,171,271 | 70,498 | (79,829) | (9,331) |
| PIMCO Income Strategy Fund             | 362,122   | 15,457 | (16,556) | (1,099) |
| PIMCO Income Strategy Fund II          | 738,293   | 35,681 | (40,602) | (4,921) |

(1) Primary differences, if any, between book and tax net unrealized appreciation/(depreciation) on investments are attributable to open wash sale loss deferrals, sale/buyback transactions, treasury inflation-protected securities (TIPS), security litigation payments, and Lehman securities for federal income purposes.

### 15. SUBSEQUENT EVENTS

In preparing these financial statements, the Funds' management has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were issued.

On February 1, 2017, the following distributions were declared to common shareholders payable March 1, 2017 to shareholders of record on February 13, 2017:

|                                           |    |                           |
|-------------------------------------------|----|---------------------------|
| PIMCO Corporate & Income Opportunity Fund | \$ | 0.130000 per common share |
| PIMCO Corporate & Income Strategy Fund    | \$ | 0.112500 per common share |
| PIMCO High Income Fund                    | \$ | 0.080699 per common share |
| PIMCO Income Strategy Fund                | \$ | 0.090000 per common share |
| PIMCO Income Strategy Fund II             | \$ | 0.080000 per common share |

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January 31, 2017 (Unaudited)

On March 1, 2017, the following distributions were declared to common shareholders payable April 3, 2017 to shareholders of record on March 13, 2017:

|                                           |    |                           |
|-------------------------------------------|----|---------------------------|
| PIMCO Corporate & Income Opportunity Fund | \$ | 0.130000 per common share |
| PIMCO Corporate & Income Strategy Fund    | \$ | 0.112500 per common share |
| PIMCO High Income Fund                    | \$ | 0.080699 per common share |
| PIMCO Income Strategy Fund                | \$ | 0.090000 per common share |
| PIMCO Income Strategy Fund II             | \$ | 0.080000 per common share |

On March 23, 2017, the Securities and Exchange Commission declared effective a registration statement filed using the shelf registration process for PIMCO Corporate & Income Opportunity Fund (for purposes

of this paragraph, the Fund ). Pursuant to its shelf registration, the Fund may offer, from time to time, in one or more offerings, up to 14,500,000 common shares. The Fund may not sell any of its common shares at a price below the net asset value of such common shares at the time of each sale, exclusive of any distribution commission or discount. Any proceeds from the Fund's offering of its common shares will be invested in accordance with its investment objective and policies as set forth in its effective registration statement.

There were no other subsequent events identified that require recognition or disclosure.

**Glossary:** (abbreviations that may be used in the preceding statements)

(Unaudited)

**Counterparty Abbreviations:**

|            |                                         |            |                                                    |            |                                       |
|------------|-----------------------------------------|------------|----------------------------------------------------|------------|---------------------------------------|
| <b>AZD</b> | Australia and New Zealand Banking Group | <b>GLM</b> | Goldman Sachs Bank USA                             | <b>MYC</b> | Morgan Stanley Capital Services, Inc. |
| <b>BCY</b> | Barclays Capital, Inc.                  | <b>GST</b> | Goldman Sachs International                        | <b>RBC</b> | Royal Bank of Canada                  |
| <b>BOA</b> | Bank of America N.A.                    | <b>HUS</b> | HSBC Bank USA N.A.                                 | <b>RDR</b> | RBC Capital Markets                   |
| <b>BPG</b> | BNP Paribas Securities Corp.            | <b>IND</b> | Crédit Agricole Corporate and Investment Bank S.A. | <b>RTA</b> | Bank of New York Mellon Corp.         |
| <b>BPS</b> | BNP Paribas S.A.                        | <b>JML</b> | JP Morgan Securities Plc                           | <b>SCX</b> | Standard Chartered Bank               |
| <b>BRC</b> | Barclays Bank PLC                       | <b>JPM</b> | JPMorgan Chase Bank N.A.                           | <b>SOG</b> | Societe Generale                      |
| <b>CBK</b> | Citibank N.A.                           | <b>JPS</b> | JPMorgan Securities, Inc.                          | <b>SSB</b> | State Street Bank and Trust Co.       |
| <b>DEU</b> | Deutsche Bank Securities, Inc.          | <b>MEI</b> | Merrill Lynch International                        | <b>TOR</b> | Toronto Dominion Bank                 |
| <b>DUB</b> | Deutsche Bank AG                        | <b>MSB</b> | Morgan Stanley Bank, N.A.                          | <b>UAG</b> | UBS AG Stamford                       |
| <b>FBF</b> | Credit Suisse International             | <b>MSC</b> | Morgan Stanley & Co., Inc.                         | <b>UBS</b> | UBS Securities LLC                    |

**Currency Abbreviations:**

|            |                   |            |               |                    |                      |
|------------|-------------------|------------|---------------|--------------------|----------------------|
| <b>AUD</b> | Australian Dollar | <b>EUR</b> | Euro          | <b>JPY</b>         | Japanese Yen         |
| <b>BRL</b> | Brazilian Real    | <b>GBP</b> | British Pound | <b>USD (or \$)</b> | United States Dollar |

**Exchange Abbreviations:**

|            |                  |
|------------|------------------|
| <b>OTC</b> | Over the Counter |
|------------|------------------|

**Index/Spread Abbreviations:**

|               |                                           |               |                                           |             |                                  |
|---------------|-------------------------------------------|---------------|-------------------------------------------|-------------|----------------------------------|
| <b>ABX.HE</b> | Asset-Backed Securities Index Home Equity | <b>CDX.IG</b> | Credit Derivatives Index Investment Grade | <b>CMBX</b> | Commercial Mortgage-Backed Index |
| <b>CDX.HY</b> | Credit Derivatives Index High Yield       |               |                                           |             |                                  |

**Other Abbreviations:**

|             |                       |             |                                |              |                                |
|-------------|-----------------------|-------------|--------------------------------|--------------|--------------------------------|
| <b>ABS</b>  | Asset-Backed Security | <b>BBSW</b> | Bank Bill Swap Reference Rate  | <b>CLO</b>   | Collateralized Loan Obligation |
| <b>ALT</b>  | Alternate Loan Trust  | <b>CBO</b>  | Collateralized Bond Obligation | <b>LIBOR</b> | London Interbank Offered Rate  |
| <b>BABs</b> | Build America Bonds   | <b>CDI</b>  | Brazil Interbank Deposit Rate  | <b>PIK</b>   | Payment-in-Kind                |
| <b>BBR</b>  | Bank Bill Rate        | <b>CDO</b>  | Collateralized Debt Obligation |              |                                |

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## **General Information**

### **Investment Manager**

Pacific Investment Management Company LLC

1633 Broadway

New York, NY 10019

### **Custodian**

State Street Bank and Trust Company

801 Pennsylvania Avenue

Kansas City, MO 64105

### **Transfer Agent, Dividend Paying Agent and Registrar**

American Stock Transfer & Trust Company, LLC

6201 15th Avenue

Brooklyn, NY 11219

### **Legal Counsel**

Ropes & Gray LLP

Prudential Tower

800 Boylston Street

Boston, MA 02199

### **Independent Registered Public Accounting Firm**

PricewaterhouseCoopers LLP

1100 Walnut Street, Suite 1300

Kansas City, MO 64106

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This report is submitted for the general information of the shareholders of PIMCO Corporate & Income Opportunity Fund, PIMCO Corporate & Income Strategy Fund, PIMCO High Income Fund, PIMCO Income Strategy Fund and PIMCO Income Strategy Fund II.

CEF4011SAR\_013117

**Item 2. Code of Ethics.**

The information required by this Item 2 is only required in an annual report on this Form N-CSR.

**Item 3. Audit Committee Financial Expert.**

The information required by this Item 3 is only required in an annual report on this Form N-CSR.

**Item 4. Principal Accountant Fees and Services.**

The information required by this Item 4 is only required in an annual report on this Form N-CSR.

**Item 5. Audit Committee of Listed Registrants.**

The information required by this Item 5 is only required in an annual report on this Form N-CSR.

**Item 6. Schedule of Investments.**

The Schedule of Investments is included as part of the reports to shareholders under Item 1.

**Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.**

The information required by this Item 7 is only required in an annual report on this Form N-CSR.

**Item 8. Portfolio Managers of Closed-End Management Investment Companies.**

Not applicable.

**Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.**

None.

**Item 10. Submission of Matters to a Vote of Security Holders.**

There have been no material changes to the procedures by which shareholders may recommend nominees to the Fund's Board of Trustees since the Fund last provided disclosure in response to this item.

**Item 11. Controls and Procedures.**

- (a) The principal executive officer and principal financial & accounting officer have concluded that the Registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the 1940 Act)) provide reasonable assurances that material information relating to the Registrant is made known to them by appropriate persons based on their evaluation of these controls and procedures as of a date within 90 days of the filing of this report.
- (b) There were no changes in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

**Item 12. Exhibits.**

- (a)(1) Exhibit 99.CODE Code of Ethics is not applicable for semiannual reports.
- (a)(2) Exhibit 99.CERT Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- (b) Exhibit 99.906CERT Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

**Signatures**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PIMCO Corporate & Income Strategy Fund

By: /s/ PETER G. STRELOW

Peter G. Strelow  
President (Principal Executive Officer)

Date: March 29, 2017

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ PETER G. STRELOW

Peter G. Strelow  
President (Principal Executive Officer)

Date: March 29, 2017

By: /s/ WILLIAM G. GALIPEAU

William G. Galipeau  
Treasurer (Principal Financial & Accounting Officer)

Date: March 29, 2017