

PIMCO Dynamic Income Fund  
Form N-Q  
November 27, 2018

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED**  
**MANAGEMENT INVESTMENT COMPANY**

<b>Investment Company Act File Number:</b>	<b>811-22673</b>
<b>Registrant Name:</b>	<b>PIMCO Dynamic Income Fund</b>
Address of Principal Executive Offices:	1633 Broadway New York, NY 10019
Name and Address of Agent for Service:	Trent W. Walker 650 Newport Center Drive Newport Beach, CA 92660
Registrant's telephone number, including area code:	(844) 337-4626
Date of Fiscal Year End:	June 30
Date of Reporting Period:	September 30, 2018

**Item 1. Schedule of Investments**

**Consolidated Schedule of Investments****PIMCO Dynamic Income Fund**

September 30, 2018 (Unaudited)

(Amounts in thousands\*, except number of shares, contracts and units, if any)

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>INVESTMENTS IN SECURITIES 159.8% ☐</b>		
<b>LOAN PARTICIPATIONS AND ASSIGNMENTS 6.8%</b>		
<b>AkzoNobel Finance Co. LLC</b>		
TBD% due 09/20/2025	EUR 600	\$ 704
<b>AkzoNobel U.S. LLC</b>		
TBD% due 09/20/2025	\$ 700	704
<b>Alphabet Holding Co., Inc.</b>		
5.742% due 09/26/2024	297	288
<b>Altice France S.A.</b>		
6.158% due 08/14/2026	700	695
<b>Avantor, Inc.</b>		
6.242% due 11/21/2024	159	161
<b>Banff Merger Sub, Inc.</b>		
TBD% due 06/21/2019	31,100	30,983
<b>BMC Software Finance, Inc.</b>		
5.492% due 09/10/2022	2,143	2,159
<b>California Resources Corp.</b>		
6.962% due 12/31/2022 «	100	102
<b>CenturyLink, Inc.</b>		
4.992% due 01/31/2025	399	397
<b>Community Health Systems, Inc.</b>		
5.563% due 01/27/2021	2,490	2,459
<b>Concordia International Corp.</b>		
TBD% due 09/06/2024	4,100	4,038
<b>Drillship Kithira Owners, Inc.</b>		
8.000% due 09/20/2024 «	5,799	6,111
<b>Dubai World</b>		
1.750% - 2.000% due 09/30/2022	17,031	16,037
<b>Energizer Holdings, Inc.</b>		
TBD% due 05/18/2019	200	200
<b>Envision Healthcare Corp.</b>		
TBD% due 09/26/2025	1,300	1,297
<b>Financial &amp; Risk U.S. Holdings, Inc.</b>		
TBD% due 09/14/2025	EUR 2,000	2,340
TBD% due 09/17/2025	\$ 2,600	2,597
<b>FrontDoor, Inc.</b>		

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4.750% due 08/14/2025		70	71
<b>Frontier Communications Corp.</b>			
6.000% due 06/15/2024		2,772	2,726
<b>Genworth Financial, Inc.</b>			
6.648% due 03/07/2023		50	51
<b>Herbalife Nutrition LLC</b>			
5.492% due 08/09/2025		100	101
<b>IRB Holding Corp.</b>			
3.250% - 5.460% due 02/05/2025		100	100
<b>Klockner-Pentaplast of America, Inc.</b>			
4.750% due 06/30/2022	EUR	100	110
<b>Marriott Ownership Resorts, Inc.</b>			
4.492% due 08/29/2025	\$	150	152
<b>McDermott Technology Americas, Inc.</b>			
7.242% due 05/12/2025		5,175	5,247
<b>MH Sub LLC</b>			
5.915% due 09/13/2024		267	270
<b>Ministry of Finance of Tanzania</b>			
7.825% due 12/10/2019 «		400	397
<b>Multi Color Corp.</b>			
4.492% due 10/31/2024		39	39
<b>Neiman Marcus Group Ltd.</b>			
5.370% due 10/25/2020		3,109	2,892
<b>Parexel International Corp.</b>			
4.992% due 09/27/2024		99	99
<b>PetSmart, Inc.</b>			
5.120% due 03/11/2022		369	325
<b>Ply Gem Industries, Inc.</b>			
6.087% due 04/12/2025		499	503
<b>Preylock Reitman Santa Cruz Mezz LLC</b>			
7.633% (LIBOR03M + 5.500%) due 11/09/2022 «(k)		5,540	5,550
<b>Sequa Mezzanine Holdings LLC</b>			
7.186% due 11/28/2021		80	79
11.200% due 04/28/2022 «		18,925	18,735
<b>Stars Group Holdings BV</b>			
5.886% due 07/10/2025		299	302
<b>Syniverse Holdings, Inc.</b>			
7.148% due 03/09/2023		139	140

<b>TerraForm Power Operating LLC</b>		
4.216% due 11/08/2022	99	100
<b>Traverse Midstream Partners LLC</b>		
6.600% due 09/27/2024	91	91
<b>Verifone Systems, Inc.</b>		
6.322% due 08/20/2025	300	302
<b>Verscend Holding Corp.</b>		
6.742% due 08/27/2025	440	442
<b>West Corp.</b>		
6.242% due 10/10/2024	71	71
<b>Total Loan Participations and Assignments</b>		110,167
(Cost \$110,274)		

**CORPORATE BONDS & NOTES 29.6%****BANKING & FINANCE 11.4%****AGFC Capital Trust**

4.089% (US0003M + 1.750%) due 01/15/2067 ~(m)	12,900	6,708
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**Ally Financial, Inc.**

8.000% due 11/01/2031	17	20
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**Ambac Assurance Corp.**

5.100% due 06/07/2020	184	252
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**Ambac LSNI LLC**

7.396% due 02/12/2023	1,708	1,732
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**Ardonagh Midco PLC**

8.375% due 07/15/2023	GBP	16,600	21,100
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**Athene Holding Ltd.**

4.125% due 01/12/2028 (m)	\$	126	118
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**Avolon Holdings Funding Ltd.**

5.500% due 01/15/2023		418	425
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**AXA Equitable Holdings, Inc.**

4.350% due 04/20/2028 (m)		318	308
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5.000% due 04/20/2048 (m)		186	174
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**Banco Bilbao Vizcaya Argentaria S.A.**

6.750% due 02/18/2020 (i)(j)	EUR	200	242
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**Barclays Bank PLC**

7.625% due 11/21/2022 (j)(m)	\$	10,100	10,967
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**Barclays PLC**

3.250% due 01/17/2033	GBP	400	473
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6.500% due 09/15/2019 (i)(j)(m)	EUR	2,300	2,757
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7.250% due 03/15/2023 (i)(j)(m)	GBP	2,500	3,374
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7.875% due 09/15/2022 (i)(j)(m)		1,200	1,659
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8.000% due 12/15/2020 (i)(j)(m)	EUR	2,400	3,077
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**BNP Paribas S.A.**

7.000% due 08/16/2028 (i)(j)	\$	300	303
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**Brookfield Finance, Inc.**

3.900% due 01/25/2028 (m)		212	202
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4.700% due 09/20/2047 (m)		182	175
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<b>Cantor Fitzgerald LP</b>			
7.875% due 10/15/2019 (m)		6,540	6,793
<b>CBL &amp; Associates LP</b>			
5.950% due 12/15/2026		30	25
<b>Credit Suisse Group AG</b>			
7.250% due 09/12/2025 (i)(j)		400	402
7.500% due 07/17/2023 (i)(j)(m)		800	825
<b>Emerald Bay S.A.</b>			
0.000% due 10/08/2020 (g)	EUR	63	69
<b>Equinix, Inc.</b>			
2.875% due 03/15/2024		300	353
2.875% due 10/01/2025		100	115
2.875% due 02/01/2026		300	344
<b>Fortress Transportation &amp; Infrastructure Investors LLC</b>			
6.500% due 10/01/2025 (m)	\$	700	697
6.750% due 03/15/2022 (m)		928	955
<b>Freedom Mortgage Corp.</b>			
8.250% due 04/15/2025		154	150
<b>Growthpoint Properties International Pty. Ltd.</b>			
5.872% due 05/02/2023		300	303
<b>High Street Funding Trust</b>			
4.682% due 02/15/2048		100	99
<b>HSBC Holdings PLC</b>			
5.875% due 09/28/2026 (i)(j)	GBP	800	1,051
6.500% due 03/23/2028 (i)(j)	\$	1,220	1,179
<b>Hunt Cos., Inc.</b>			
6.250% due 02/15/2026		60	56
<b>Intrepid Aviation Group Holdings LLC</b>			
8.500% due 08/15/2021 (m)		7,900	7,959
<b>iStar, Inc.</b>			
4.625% due 09/15/2020		32	32
5.250% due 09/15/2022		114	113
<b>Jefferies Finance LLC</b>			
6.875% due 04/15/2022 (m)		700	707
7.250% due 08/15/2024		200	195
7.500% due 04/15/2021 (m)		2,500	2,569

<b>Kennedy-Wilson, Inc.</b>			
5.875% due 04/01/2024		162	160
<b>Life Storage LP</b>			
3.875% due 12/15/2027		68	64
<b>Lloyds Banking Group PLC</b>			
7.625% due 06/27/2023 (i)(j)	GBP	1,500	2,119
7.875% due 06/27/2029 (i)(j)(m)		14,473	21,539
<b>LoanCore Capital Markets LLC</b>			
6.875% due 06/01/2020 (m)	\$	3,800	3,849
<b>Meiji Yasuda Life Insurance Co.</b>			
5.100% due 04/26/2048		600	605
<b>MetLife, Inc.</b>			
5.875% due 03/15/2028 (i)		22	23
<b>Nationstar Mortgage LLC</b>			
6.500% due 07/01/2021 (m)		1,932	1,939
<b>Nationwide Building Society</b>			
10.250% ~(i)	GBP	53	10,327
<b>Navient Corp.</b>			
6.500% due 06/15/2022 (m)	\$	1,784	1,855
<b>Oppenheimer Holdings, Inc.</b>			
6.750% due 07/01/2022		104	106
<b>Pinnacol Assurance</b>			
8.625% due 06/25/2034 «(k)		10,200	10,645
<b>Preferred Term Securities Ltd.</b>			
2.714% (US0003M + 0.380%) due 09/23/2035 ~		475	453
<b>Provident Funding Associates LP</b>			
6.375% due 06/15/2025		58	58
<b>Royal Bank of Scotland Group PLC</b>			
7.500% due 08/10/2020 (i)(j)(m)		5,789	5,941
8.000% due 08/10/2025 (i)(j)(m)		4,575	4,858
8.625% due 08/15/2021 (i)(j)(m)		4,120	4,424
<b>Santander UK Group Holdings PLC</b>			
6.750% due 06/24/2024 (i)(j)(m)	GBP	9,200	12,378
7.375% due 06/24/2022 (i)(j)(m)		1,700	2,333
<b>Societe Generale S.A.</b>			
6.750% due 04/06/2028 (i)(j)	\$	400	374
7.375% due 12/31/2099 (c)(j)		1,600	1,594
<b>Springleaf Finance Corp.</b>			
5.625% due 03/15/2023 (m)		2,900	2,896
6.125% due 05/15/2022 (m)		1,463	1,512
6.875% due 03/15/2025		269	270
<b>Stichting AK Rabobank Certificaten</b>			
6.500% (i)	EUR	440	594
<b>Tesco Property Finance PLC</b>			
6.052% due 10/13/2039 (m)	GBP	3,247	4,950
<b>Toll Road Investors Partnership LP</b>			
0.000% due 02/15/2045 (g)	\$	11,877	2,820
<b>Unigel Luxembourg S.A.</b>			

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10.500% due 01/22/2024 (m)		1,470	1,503
<b>Unique Pub Finance Co. PLC</b>			
5.659% due 06/30/2027	GBP	1,870	2,697
6.542% due 03/30/2021		2,878	3,948
<b>WeWork Cos., Inc.</b>			
7.875% due 05/01/2025	\$	188	184
			186,075

**INDUSTRIALS 14.7%**

<b>Air Canada Pass-Through Trust</b>			
3.700% due 07/15/2027		56	54
<b>Altice Financing S.A.</b>			
6.625% due 02/15/2023 (m)		5,900	5,959
<b>Altice France S.A.</b>			
5.875% due 02/01/2027	EUR	2,300	2,791
<b>Altice Luxembourg S.A.</b>			
7.250% due 05/15/2022		1,600	1,856
<b>Associated Materials LLC</b>			
9.000% due 01/01/2024 (m)	\$	12,770	13,345
<b>Bacardi Ltd.</b>			
4.450% due 05/15/2025		200	200
4.700% due 05/15/2028		300	298
<b>Baffinland Iron Mines Corp.</b>			
8.750% due 07/15/2026 (m)		3,600	3,627
<b>Banff Merger Sub, Inc.</b>			
9.750% due 09/01/2026		308	313
<b>BMC Software Finance, Inc.</b>			
8.125% due 07/15/2021 (m)		5,450	5,577
<b>Buffalo Thunder Development Authority</b>			
0.000% due 11/15/2029 «(k)		2,483	2
11.000% due 12/09/2022 ^(d)		5,598	2,827
<b>Caesars Resort Collection LLC</b>			
5.250% due 10/15/2025		18	17
<b>Centene Corp.</b>			
5.375% due 06/01/2026		31	32



<b>Charles River Laboratories International, Inc.</b>			
5.500% due 04/01/2026		64	65
<b>Charter Communications Operating LLC</b>			
4.200% due 03/15/2028		320	307
<b>Cheniere Energy Partners LP</b>			
5.250% due 10/01/2025		77	77
<b>Chesapeake Energy Corp.</b>			
5.589% (US0003M + 3.250%) due 04/15/2019 ~		57	57
<b>Clear Channel Worldwide Holdings, Inc.</b>			
6.500% due 11/15/2022 (m)		1,650	1,692
7.625% due 03/15/2020 (m)		9,110	9,167
<b>Cleveland-Cliffs, Inc.</b>			
4.875% due 01/15/2024		80	79
<b>Community Health Systems, Inc.</b>			
5.125% due 08/01/2021 (m)		6,281	6,140
6.250% due 03/31/2023 (m)		20,707	19,749
8.625% due 01/15/2024 (m)		1,228	1,276
<b>CSN Islands Corp.</b>			
6.875% due 09/21/2019 (m)		500	499
<b>CSN Resources S.A.</b>			
6.500% due 07/21/2020 (m)		2,635	2,566
6.500% due 07/21/2020		707	689
<b>Diamond Resorts International, Inc.</b>			
10.750% due 09/01/2024 (m)		5,500	5,417
<b>EMC Corp.</b>			
2.650% due 06/01/2020		8	8
<b>Enterprise Merger Sub, Inc.</b>			
8.750% due 10/15/2026 (c)		12,000	12,000
<b>Exela Intermediate LLC</b>			
10.000% due 07/15/2023		267	286
<b>Financial &amp; Risk U.S. Holdings, Inc.</b>			
4.500% due 05/15/2026 (c)	EUR	400	464
6.250% due 05/15/2026 (c)	\$	450	450
<b>First Quantum Minerals Ltd.</b>			
6.500% due 03/01/2024 (m)		3,902	3,585
6.875% due 03/01/2026 (m)		4,282	3,902
7.000% due 02/15/2021 (m)		1,640	1,625
<b>Fresh Market, Inc.</b>			
9.750% due 05/01/2023 (m)		8,520	6,390
<b>frontdoor, Inc.</b>			
6.750% due 08/15/2026		160	165
<b>Frontier Finance PLC</b>			
8.000% due 03/23/2022	GBP	10,500	14,115
<b>Full House Resorts, Inc.</b>			
8.575% due 01/31/2024 «	\$	794	773
<b>General Electric Co.</b>			
5.000% due 01/21/2021 (i)		427	417
<b>Hilton Domestic Operating Co., Inc.</b>			

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5.125% due 05/01/2026	339	339
<b>iHeartCommunications, Inc.</b>		
9.000% due 12/15/2019 ^(d)	11,000	8,332
9.000% due 03/01/2021 ^(d)	17,900	13,425
9.000% due 09/15/2022 ^(d)	4,000	3,035
10.625% due 03/15/2023 ^(d)	8,500	6,460
11.250% due 03/01/2021 ^(d)	3,550	2,689
<b>IHS Markit Ltd.</b>		
4.000% due 03/01/2026	12	12
<b>Intelsat Connect Finance S.A.</b>		
9.500% due 02/15/2023	434	433
<b>Intelsat Jackson Holdings S.A.</b>		
5.500% due 08/01/2023 (m)	1,500	1,387
7.500% due 04/01/2021	1,590	1,618
8.000% due 02/15/2024	295	311
8.500% due 10/15/2024	3,035	3,065
9.750% due 07/15/2025	269	285
<b>Intelsat Luxembourg S.A.</b>		
7.750% due 06/01/2021 (m)	11,672	11,380
8.125% due 06/01/2023 (m)	8,785	7,841
<b>International Game Technology PLC</b>		
6.250% due 01/15/2027	2,050	2,081
<b>Mallinckrodt International Finance S.A.</b>		
5.500% due 04/15/2025	318	270
<b>Marriott Ownership Resorts, Inc.</b>		
6.500% due 09/15/2026	192	198
<b>Metinvest BV</b>		
7.750% due 04/23/2023	350	337
8.500% due 04/23/2026 (m)	2,600	2,484
<b>Ortho-Clinical Diagnostics, Inc.</b>		
6.625% due 05/15/2022	172	169
<b>Pacific Drilling First Lien Escrow Issuer Ltd.</b>		
8.375% due 10/01/2023	800	828
<b>Park Aerospace Holdings Ltd.</b>		
3.625% due 03/15/2021	190	186
4.500% due 03/15/2023	380	372
5.250% due 08/15/2022 (m)	5,329	5,402
5.500% due 02/15/2024 (m)	3,882	3,984

<b>Pelabuhan Indonesia Persero PT</b>			
4.500% due 05/02/2023		500	499
<b>Petroleos Mexicanos</b>			
6.500% due 03/13/2027		430	440
6.750% due 09/21/2047		120	115
<b>PetSmart, Inc.</b>			
5.875% due 06/01/2025		243	200
<b>Platin GmbH</b>			
6.875% due 06/15/2023	EUR	1,200	1,404
<b>QVC, Inc.</b>			
5.950% due 03/15/2043 (m)	\$	2,100	1,908
<b>Radiate Holdco LLC</b>			
6.875% due 02/15/2023		160	155
<b>Rockpoint Gas Storage Canada Ltd.</b>			
7.000% due 03/31/2023		18	18
<b>Safeway, Inc.</b>			
7.250% due 02/01/2031		510	488
<b>Sands China Ltd.</b>			
4.600% due 08/08/2023 (m)		600	601
5.125% due 08/08/2025 (m)		600	599
5.400% due 08/08/2028 (m)		800	798
<b>Scientific Games International, Inc.</b>			
3.375% due 02/15/2026	EUR	100	111
<b>Shelf Drilling Holdings Ltd.</b>			
8.250% due 02/15/2025	\$	87	90
<b>Spirit Issuer PLC</b>			
5.472% due 12/28/2034 (m)	GBP	12,120	16,592
<b>Starfruit Finco BV</b>			
6.500% due 10/01/2026 (c)	EUR	100	118
8.000% due 10/01/2026 (c)	\$	200	203
<b>Sunoco LP</b>			
4.875% due 01/15/2023		164	163
<b>Syngenta Finance NV</b>			
4.441% due 04/24/2023		200	199
4.892% due 04/24/2025		200	197
5.182% due 04/24/2028		300	287
<b>T-Mobile USA, Inc.</b>			
4.750% due 02/01/2028		47	44
<b>Telenet Finance Luxembourg Notes SARL</b>			
5.500% due 03/01/2028		200	189
<b>Teva Pharmaceutical Finance Netherlands BV</b>			
1.700% due 07/19/2019		90	89
3.250% due 04/15/2022	EUR	800	969
<b>Transocean Pontus Ltd.</b>			
6.125% due 08/01/2025	\$	402	410
<b>Triumph Group, Inc.</b>			
4.875% due 04/01/2021		227	220
5.250% due 06/01/2022		84	80

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<b>United Group BV</b>			
4.375% due 07/01/2022	EUR	200	240
4.875% due 07/01/2024		200	240
<b>Univision Communications, Inc.</b>			
5.125% due 05/15/2023	\$	464	445
5.125% due 02/15/2025		138	129
<b>UPCB Finance Ltd.</b>			
3.625% due 06/15/2029	EUR	430	498
<b>Verscend Escrow Corp.</b>			
9.750% due 08/15/2026 (m)	\$	3,720	3,846
<b>ViaSat, Inc.</b>			
5.625% due 09/15/2025		218	207
<b>VOC Escrow Ltd.</b>			
5.000% due 02/15/2028		131	127
<b>WellCare Health Plans, Inc.</b>			
5.375% due 08/15/2026		218	222
<b>Wind Tre SpA</b>			
2.625% due 01/20/2023	EUR	400	439
2.750% due 01/20/2024		400	435
3.125% due 01/20/2025		200	213
5.000% due 01/20/2026	\$	200	175
<b>Wynn Macau Ltd.</b>			
4.875% due 10/01/2024		300	283
5.500% due 10/01/2027		300	282
			240,748

**UTILITIES 3.5%**

<b>AT&amp;T, Inc.</b>			
4.900% due 08/15/2037 (m)		836	801
5.450% due 03/01/2047 (m)		130	130
<b>Gazprom Neft OAO Via GPN Capital S.A.</b>			
4.375% due 09/19/2022 (m)		2,000	1,960
6.000% due 11/27/2023 (m)		25,400	26,285
<b>Odebrecht Drilling Norbe Ltd.</b>			
6.350% due 12/01/2021		2,093	2,058

<b>Odebrecht Offshore Drilling Finance Ltd.</b>		
6.720% due 12/01/2022	10,930	10,357
<b>Petrobras Global Finance BV</b>		
5.999% due 01/27/2028	332	307
6.125% due 01/17/2022 (m)	292	302
6.250% due 12/14/2026	GBP 1,500	1,980
6.625% due 01/16/2034	700	890
6.850% due 06/05/2115	\$ 560	482
7.375% due 01/17/2027 (m)	1,648	1,672
<b>Rio Oil Finance Trust</b>		
8.200% due 04/06/2028	330	338
9.250% due 07/06/2024 (m)	5,060	5,400
9.250% due 07/06/2024	166	178
9.750% due 01/06/2027 (m)	2,434	2,621
<b>Sprint Corp.</b>		
7.625% due 03/01/2026 (m)	549	582
		56,343
Total Corporate Bonds & Notes (Cost \$472,475)		483,166
<b>CONVERTIBLE BONDS &amp; NOTES 0.4%</b>		
<b>INDUSTRIALS 0.4%</b>		
<b>Caesars Entertainment Corp.</b>		
5.000% due 10/01/2024	4,394	7,168
Total Convertible Bonds & Notes (Cost \$8,201)		7,168
<b>MUNICIPAL BONDS &amp; NOTES 0.5%</b>		
<b>ILLINOIS 0.1%</b>		
<b>Chicago, Illinois General Obligation Bonds, Series 2015</b>		
7.375% due 01/01/2033	430	469
7.750% due 01/01/2042	760	815
<b>Illinois State General Obligation Bonds, (BABs), Series 2010</b>		
6.725% due 04/01/2035	70	74
7.350% due 07/01/2035	50	55
<b>Illinois State General Obligation Bonds, Series 2003</b>		
5.100% due 06/01/2033	580	558
		1,971
<b>WEST VIRGINIA 0.4%</b>		
<b>Tobacco Settlement Finance Authority, West Virginia Revenue Bonds, Series 2007</b>		
0.000% due 06/01/2047 (g)	95,900	5,822

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Total Municipal Bonds & Notes 7,793  
(Cost \$7,241)

**U.S. GOVERNMENT AGENCIES 4.8%**

**Fannie Mae**

3.704% due 07/25/2041 (a)	4,553	533
3.854% due 10/25/2040 (a)(m)	6,980	689
4.134% due 12/25/2037 (a)	227	23
4.304% due 09/25/2037 (a)(m)	856	109
4.434% due 11/25/2036 (a)	128	14
4.504% due 06/25/2037 (a)	545	72
4.764% due 03/25/2038 (a)	1,847	293
4.784% due 02/25/2038 (a)(m)	1,173	196
4.884% due 06/25/2023 (a)(m)	1,355	97
5.766% due 07/25/2029	1,830	2,000
7.389% due 01/25/2041 (m)	5,985	6,621
7.966% due 07/25/2029	2,460	2,989

**Freddie Mac**

0.000% due 04/25/2045 - 11/25/2050 (b)(g)(m)	64,209	44,563
0.100% due 02/25/2046 - 11/25/2050 (a)	634,812	2,528
0.200% due 04/25/2045 (a)	12,268	10
2.080% due 11/25/2045 ~(a)	23,213	3,324
4.252% due 05/15/2037 (a)	173	18
4.312% due 07/15/2036 (a)	2,421	339
4.422% due 09/15/2036 (a)(m)	886	128
4.542% due 04/15/2036 (a)	1,192	100
5.622% due 09/15/2036 (a)(m)	1,443	267
7.366% due 10/25/2029	4,500	5,293
8.239% due 09/15/2041	602	690
11.216% due 03/25/2029	2,095	2,519
11.479% due 09/15/2034	103	110
12.716% due 10/25/2028	498	668
12.966% due 03/25/2025	3,204	4,405

Total U.S. Government Agencies 78,598  
(Cost \$76,189)

**NON-AGENCY MORTGAGE-BACKED SECURITIES****64.3%****Alba PLC**

1.057% due 12/15/2038 GBP 8,542 10,075

**American Home Mortgage Assets Trust**

2.506% due 08/25/2037 ^ (m) \$ 11,171 10,235

2.756% due 11/25/2035 (m) 1,975 1,906

**American Home Mortgage Investment Trust**

2.816% due 09/25/2045 (m) 6,045 5,923

3.116% due 02/25/2044 9,739 8,246

**Banc of America Alternative Loan Trust**

2.616% due 05/25/2035 ^ 721 612

6.000% due 06/25/2037 250 231

6.000% due 06/25/2046 111 102

**Banc of America Funding Trust**

0.000% due 06/26/2035 ~(m) 8,214 8,169

2.276% due 08/25/2047 ^~ 5,792 4,463

2.375% due 04/20/2047 ^ (m) 12,484 11,326

2.615% due 02/20/2035 4,612 4,497

3.587% due 01/20/2047 ^~ 207 185

3.651% due 01/25/2035 ~ 356 354

3.768% due 03/20/2036 ^~(m) 1,595 1,391

6.119% due 07/26/2036 ~ 12,344 5,843

**Banc of America Mortgage Trust**

3.596% due 01/25/2036 ~ 703 669

3.622% due 10/20/2046 ^~ 180 119

**Bancaja Fondo de Titulizacion de Activos**

0.195% due 10/25/2037 EUR 1,909 2,194

**Barclays Commercial Mortgage Securities Trust**

7.158% due 08/15/2027 \$ 9,900 9,788

**Bayview Commercial Asset Trust**

2.646% due 08/25/2034 122 122

**BCAP LLC Trust**

3.518% due 04/26/2037 ~(m) 13,348 11,512

3.647% due 07/26/2045 ~(m) 7,018 6,288

3.772% due 11/26/2035 ~(m) 6,861 6,726

3.906% due 02/26/2036 ~ 6,331 4,934

4.055% due 07/26/2035 ~ 1,266 1,245

4.077% due 03/26/2035 ~(m) 5,164 5,032

4.185% due 06/26/2036 ~ 5,571 5,005

4.562% due 10/26/2035 ~ 5,403 5,205

5.500% due 12/26/2035 ~(m) 6,237 4,881

6.000% due 08/26/2037 ~ 3,193 2,809

**Bear Stearns Adjustable Rate Mortgage Trust**

3.916% due 06/25/2047 ^~(m) 3,338 3,087

**Bear Stearns ALT-A Trust**

2.416% due 02/25/2034 (m) 6,174 5,553

3.612% due 11/25/2035 ^~(m) 16,618 13,630

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4.162% due 09/25/2035 ^~(m)	9,515	6,918
<b>BRAD Resecuritization Trust</b>		
2.186% due 03/12/2021 «	21,860	953
6.550% due 03/12/2021 «	4,087	4,052
<b>BSPRT Issuer Ltd.</b>		
6.408% due 06/15/2027	6,000	6,077
<b>CD Commercial Mortgage Trust</b>		
5.398% due 12/11/2049 ~(m)	64	47
<b>CD Mortgage Trust</b>		
5.688% due 10/15/2048	8,974	4,623
<b>Chase Mortgage Finance Trust</b>		
3.439% due 01/25/2036 ~	9,681	8,889
3.654% due 03/25/2037 ^~(m)	2,688	2,635
<b>Citigroup Commercial Mortgage Trust</b>		
5.779% due 12/10/2049 ~	409	279
<b>Citigroup Mortgage Loan Trust</b>		
3.710% due 03/25/2036 ^	423	408
3.860% due 10/25/2035 ^~	2,816	2,823
3.923% due 02/25/2036 ~	9,149	8,373
4.186% due 09/25/2037 ^~(m)	6,316	6,105
<b>Commercial Mortgage Loan Trust</b>		
6.253% due 12/10/2049 ~(m)	8,831	5,462
<b>Commercial Mortgage Trust</b>		
5.377% due 12/10/2046	47	47
5.505% due 03/10/2039 ~	410	268
<b>Countrywide Alternative Loan Trust</b>		
0.790% due 12/25/2035 ~(a)	13,347	527
1.618% due 12/25/2035 ~(a)	8,332	484
2.406% due 09/25/2046 ^ (m)	12,652	11,508
2.466% due 06/25/2037 (m)	15,156	11,141
2.946% due 11/25/2035 (m)	16,015	16,159
3.695% due 06/25/2047 ~	197	166
4.934% due 07/25/2036 (a)	11,228	2,690
5.500% due 02/25/2020	37	37



5.500% due 07/25/2035 ^(m)		1,487	1,270
5.500% due 11/25/2035 ^(m)		700	638
5.500% due 01/25/2036 ^		135	135
5.500% due 04/25/2037 (m)		2,620	2,133
5.750% due 01/25/2036		227	185
5.750% due 01/25/2037 ^		8,258	7,372
5.750% due 04/25/2037 ^(m)		2,283	2,136
6.000% due 08/01/2036 ^		389	336
6.000% due 11/25/2036 ^(m)		380	326
6.000% due 12/25/2036		212	148
6.000% due 01/25/2037 ^		1,801	1,648
6.000% due 02/25/2037 ^(m)		1,101	738
6.000% due 03/25/2037 ^		3,229	2,196
6.000% due 03/25/2037 ^(m)		10,480	7,126
6.000% due 04/25/2037 ^		6,509	4,513
6.000% due 07/25/2037 ^		846	828
6.000% due 09/25/2037		9,857	6,415
25.705% due 05/25/2037 ^		1,051	1,537
<b>Countrywide Home Loan Mortgage Pass-Through Trust</b>			
2.556% due 03/25/2036		1,788	846
2.816% due 03/25/2035		223	206
3.392% due 11/20/2035 ~(m)		12,758	11,999
3.967% due 06/25/2047 ^~(m)		5,876	5,568
4.086% due 03/25/2046 ^		9,767	6,489
5.000% due 11/25/2035 ^		50	39
5.500% due 12/25/2034		122	119
5.500% due 11/25/2035 ^		60	54
6.000% due 07/25/2037 ^		258	218
6.000% due 08/25/2037 (m)		5,803	4,782
6.000% due 08/25/2037 ^		3	2
<b>Credit Suisse Mortgage Capital Certificates</b>			
3.600% due 02/27/2047 ~(m)		50,102	30,872
3.882% due 07/26/2037 ~(m)		12,135	11,260
3.923% due 06/25/2036 ~(m)		9,272	9,020
3.931% due 04/26/2035 ~(m)		16,051	15,717
7.000% due 08/26/2036		15,439	7,118
7.000% due 08/27/2036		3,663	2,209
<b>Credit Suisse Mortgage Capital Mortgage-Backed Trust</b>			
5.896% due 04/25/2036 Ø		7,432	5,171
6.500% due 07/26/2036 ^(m)		12,198	6,640
<b>Debussy DTC PLC</b>			
5.930% due 07/12/2025	GBP	21,250	27,670
8.250% due 07/12/2025		5,000	6,452
<b>Deutsche ALT-A Securities, Inc. Mortgage Loan Trust</b>			
6.000% due 10/25/2021 ^	\$	499	452
<b>Epic Drummond Ltd.</b>			
0.137% due 01/25/2022	EUR	329	380
<b>Eurosail PLC</b>			

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0.000% due 06/13/2045 ~	GBP	2	2,779
1.800% (BP0003M + 1.000%) due 06/13/2045 ~		6,962	8,712
2.050% (BP0003M + 1.250%) due 06/13/2045 ~		7,228	8,938
2.550% (BP0003M + 1.750%) due 06/13/2045 ~		4,458	5,412
4.300% (BP0003M + 3.500%) due 06/13/2045 ~		1,595	1,979
<b>First Horizon Alternative Mortgage Securities Trust</b>			
4.145% due 08/25/2035 ^~	\$	1,644	316
4.884% due 11/25/2036 (a)		1,190	282
<b>First Horizon Mortgage Pass-Through Trust</b>			
5.500% due 08/25/2037 ^		459	368
<b>Fondo de Titulizacion de Activos UCI</b>			
0.000% due 06/16/2049	EUR	1,402	1,546
<b>GC Pastor Hipotecario FTA</b>			
0.000% due 06/21/2046		5,795	5,865
<b>GreenPoint Mortgage Funding Trust</b>			
2.416% due 12/25/2046 ^	\$	4,555	4,303
<b>Grifonas Finance PLC</b>			
0.014% due 08/28/2039	EUR	10,236	10,874
<b>GS Mortgage Securities Corp.</b>			
4.744% due 10/10/2032 ~	\$	10,000	9,141
4.744% due 10/10/2032 ~(m)		2,800	2,416
<b>GSR Mortgage Loan Trust</b>			
4.581% due 11/25/2035 ~		201	168
6.500% due 08/25/2036 ^		882	619
<b>HarborView Mortgage Loan Trust</b>			
2.408% due 03/19/2036 (m)		17,140	15,927
2.668% due 01/19/2036 (m)		8,217	6,635
2.815% due 06/20/2035 (m)		9,822	9,778
3.065% due 06/20/2035		2,267	2,231
<b>Hipocat FTA</b>			
0.000% due 10/24/2039	EUR	5,504	6,217
0.000% due 01/15/2050		7,059	7,757
<b>IM Pastor Fondo de Titulacion Hipotecaria</b>			
0.000% due 03/22/2043		2,006	2,076
<b>Impac CMB Trust</b>			
2.936% due 10/25/2034	\$	250	246
<b>Impac Secured Assets Trust</b>			
2.326% due 05/25/2037 ^		9	8

<b>IndyMac Mortgage Loan Trust</b>		
2.416% due 11/25/2046	7,044	6,516
2.466% due 02/25/2037 (m)	4,243	3,067
2.516% due 07/25/2036	589	488
3.258% due 03/25/2037 ~	37	35
3.676% due 06/25/2037 ^~(m)	4,741	4,108
3.771% due 02/25/2035 ~	377	365
<b>JPMorgan Alternative Loan Trust</b>		
2.416% due 06/25/2037 (m)	33,028	19,149
3.573% due 11/25/2036 ^~(m)	1,447	1,592
5.960% due 12/25/2036 ^Ø(m)	8,907	8,344
<b>JPMorgan Chase Commercial Mortgage Securities Trust</b>		
2.066% due 06/15/2045 ~(a)(m)	44,655	1,703
5.771% due 01/12/2043 ~	1,328	1,346
5.896% due 12/15/2044 ~(m)	3,593	3,590
<b>JPMorgan Mortgage Trust</b>		
3.835% due 06/25/2037 ^~(m)	4,742	4,684
3.973% due 10/25/2036 ~	965	841
<b>Lavender Trust</b>		
5.500% due 09/26/2035 ~	4,891	4,755
6.000% due 11/26/2036 (m)	13,972	13,935
<b>LB-UBS Commercial Mortgage Trust</b>		
0.407% due 02/15/2040 ~(a)	9,920	4
5.959% due 02/15/2040 ~	1,244	1,243
<b>Lehman Mortgage Trust</b>		
5.500% due 11/25/2035 ^	68	65
6.000% due 08/25/2036 ^	1,092	1,060
6.000% due 09/25/2036 ^	668	591
6.500% due 09/25/2037 ^	4,305	2,825
7.250% due 09/25/2037 ^(m)	32,834	14,958
<b>Lehman XS Trust</b>		
2.496% due 07/25/2037 (m)	21,645	15,255
2.716% due 07/25/2047	3,262	2,451
<b>MASTR Adjustable Rate Mortgages Trust</b>		
2.416% due 05/25/2047 (m)	18,756	15,906
2.896% due 05/25/2047 ^	4,336	2,694
<b>MASTR Alternative Loan Trust</b>		
2.566% due 03/25/2036	20,690	3,990
2.616% due 03/25/2036	27,347	5,347
<b>Merrill Lynch Mortgage Investors Trust</b>		
3.826% due 05/25/2036 ~	6,923	6,711
<b>Morgan Stanley Capital Trust</b>		
6.328% due 06/11/2049 ~	992	1,001
<b>Morgan Stanley Re-REMIC Trust</b>		
3.842% due 01/26/2035 ~(m)	9,003	8,865
3.842% due 02/26/2037 ~(m)	5,149	5,241
3.994% due 07/26/2035 ~(m)	26,634	26,365
4.486% due 09/26/2035 ~	3,964	4,039

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6.000% due 04/26/2036 (m)		7,969	8,740
<b>Mortgage Equity Conversion Asset Trust</b>			
4.000% due 07/25/2060 «		2,303	2,142
<b>Motel 6 Trust</b>			
9.085% due 08/15/2019 (m)		18,591	18,911
<b>Natixis Commercial Mortgage Securities Trust</b>			
4.408% due 11/15/2034		985	989
5.158% due 11/15/2034		1,280	1,288
6.158% due 11/15/2034		555	556
<b>Newgate Funding PLC</b>			
0.931% due 12/15/2050	EUR	1,860	2,077
0.997% due 12/15/2050	GBP	1,648	1,996
1.181% due 12/15/2050	EUR	3,551	3,932
2.047% due 12/15/2050	GBP	2,807	3,526
<b>Nomura Resecuritization Trust</b>			
7.947% due 09/26/2035 ~	\$	3,976	3,876
<b>NovaStar Mortgage Funding Trust</b>			
2.406% due 09/25/2046		509	472
<b>RBSSP Resecuritization Trust</b>			
3.873% due 05/26/2037 ~(m)		7,018	6,507
4.184% due 07/26/2045 ~(m)		20,150	20,117
6.000% due 03/26/2036 ^		6,861	5,738
<b>Residential Accredited Loans, Inc. Trust</b>			
2.396% due 07/25/2036		10,734	7,116
2.406% due 05/25/2037 (m)		16,303	15,654
2.845% due 01/25/2046 ^		6,106	5,628
5.316% due 01/25/2036 ~		640	575
6.000% due 08/25/2035 ^		836	786
6.000% due 06/25/2036		339	311
6.000% due 09/25/2036 ^(m)		5,150	3,653
7.000% due 10/25/2037 (m)		9,907	8,698
<b>Residential Asset Securitization Trust</b>			
5.500% due 07/25/2035		848	732
6.250% due 08/25/2037 ^		4,355	2,090
<b>Residential Funding Mortgage Securities, Inc. Trust</b>			
5.264% due 08/25/2036 ^~(m)		1,587	1,392
5.850% due 11/25/2035 ^		160	157
6.000% due 04/25/2037 ^		1,400	1,324

<b>Rite Aid Pass-Through Certificates</b>		
6.783% due 01/02/2021 «~	8,948	8,974
<b>RiverView HECM Trust</b>		
3.080% due 05/25/2047 « (m)	7,658	6,988
<b>Sequoia Mortgage Trust</b>		
2.535% due 07/20/2036	2,358	1,435
3.365% due 10/20/2027	988	949
<b>Structured Adjustable Rate Mortgage Loan Trust</b>		
3.706% due 02/25/2037 ^~	12,429	10,809
3.851% due 04/25/2047 ~(m)	2,264	1,785
4.093% due 08/25/2036 ~	3,442	1,631
<b>Structured Asset Mortgage Investments Trust</b>		
2.406% due 07/25/2046 ^ (m)	16,371	14,130
2.556% due 03/25/2037 ^	1,064	581
3.804% due 02/25/2036 ~(m)	5,326	4,999
<b>SunTrust Alternative Loan Trust</b>		
4.934% due 04/25/2036 ^ (a)	4,907	1,197
<b>TBW Mortgage-Backed Trust</b>		
6.500% due 07/25/2036 (m)	20,670	11,251
<b>Theatre Hospitals PLC</b>		
3.753% due 10/15/2031	GBP 5,558	6,991
3.753% due 10/15/2031 (m)	11,279	14,369
4.503% due 10/15/2031	790	1,001
<b>Wachovia Bank Commercial Mortgage Trust</b>		
5.691% due 10/15/2048 ~	\$ 2,113	2,142
<b>WaMu Mortgage Pass-Through Certificates Trust</b>		
2.139% due 07/25/2047 ^	754	634
2.501% due 07/25/2047 (m)	21,850	20,330
2.595% due 06/25/2047 ^	4,825	2,160
2.636% due 06/25/2044	240	236
2.725% due 10/25/2046 ^	467	442
3.462% due 02/25/2037 ^~	268	261
3.524% due 03/25/2037 ^~(m)	4,106	3,969
<b>Washington Mutual Mortgage Pass-Through Certificates Trust</b>		
2.456% due 01/25/2047 ^ (m)	12,044	11,031
2.816% due 07/25/2036 ^	6,901	4,900
6.000% due 04/25/2037 ^	3,550	3,447
<b>Wells Fargo Alternative Loan Trust</b>		
4.491% due 07/25/2037 ^~	3,701	3,482
5.750% due 07/25/2037 ^(m)	375	353
<b>Wells Fargo Mortgage Loan Trust</b>		
4.216% due 04/27/2036 ~(m)	16,670	15,616
<b>Wells Fargo Mortgage-Backed Securities Trust</b>		
6.000% due 07/25/2036 ^	160	161
6.000% due 09/25/2036 ^	319	308
6.000% due 04/25/2037 ^	1,129	1,140
6.000% due 06/25/2037 ^	233	234

Total Non-Agency Mortgage-Backed Securities 1,050,632  
(Cost \$875,791)

<b>ASSET-BACKED SECURITIES 40.9%</b>			
<b>ACE Securities Corp. Home Equity Loan Trust</b>			
3.176% due 08/25/2035		5,981	2,638
<b>Aegis Asset-Backed Securities Trust Mortgage Pass-Through Certificates</b>			
4.316% due 09/25/2034		740	725
<b>Airspeed Ltd.</b>			
2.428% due 06/15/2032		6,956	6,489
<b>American Money Management Corp. CLO Ltd.</b>			
9.307% due 12/09/2026 (m)		4,200	4,242
<b>Asset-Backed Funding Certificates Trust</b>			
3.266% due 03/25/2034		1,207	1,130
<b>Bear Stearns Asset-Backed Securities Trust</b>			
2.766% due 06/25/2036 (m)		8,846	8,773
3.040% due 10/25/2036 ~		4,873	3,604
<b>C-BASS CBO Corp.</b>			
2.573% due 09/06/2041		27,723	2,916
<b>Citigroup Mortgage Loan Trust</b>			
2.376% due 12/25/2036 (m)		17,760	11,753
2.436% due 12/25/2036 (m)		10,197	5,398
2.916% due 11/25/2046		2,100	1,608
4.944% due 03/25/2036 ^Ø(m)		2,203	1,559
5.852% due 05/25/2036 ^Ø		506	299
<b>Citigroup Mortgage Loan Trust, Inc.</b>			
2.476% due 03/25/2037 (m)		23,119	21,203
<b>Conseco Finance Corp.</b>			
7.060% due 02/01/2031 ~		4,573	4,533
7.500% due 03/01/2030 ~(m)		8,173	5,846
<b>Conseco Finance Securitizations Corp.</b>			
9.163% due 03/01/2033 ~		8,611	8,113
<b>Cork Street CLO Designated Activity Co.</b>			
0.000% due 11/27/2028 ~	EUR	2,667	3,223
3.600% due 11/27/2028		1,197	1,395
4.500% due 11/27/2028		1,047	1,222
6.200% due 11/27/2028		1,296	1,512

<b>Coronado CDO Ltd.</b>			
3.821% due 09/04/2038	\$	11,700	8,363
6.000% due 09/04/2038		1,800	1,485
<b>Countrywide Asset-Backed Certificates</b>			
2.346% due 12/25/2036 ^ (m)		14,028	12,944
2.386% due 06/25/2047 (m)		3,226	3,206
2.416% due 06/25/2037 ^ (m)		9,400	8,481
2.416% due 06/25/2047 (m)		23,780	21,028
2.476% due 01/25/2046 ^		34,703	18,908
2.636% due 06/25/2036 ^ (m)		8,000	7,573
3.016% due 03/25/2033		14	13
4.451% due 02/25/2036 ~		66	67
4.773% due 07/25/2036 ~(m)		367	371
5.505% due 04/25/2036 ~		133	132
5.588% due 08/25/2036 ~		137	137
<b>Countrywide Asset-Backed Certificates Trust</b>			
2.456% due 03/25/2047 (m)		7,655	6,806
2.946% due 04/25/2036 (m)		21,300	21,048
3.566% due 11/25/2035		4,937	1,194
4.527% due 10/25/2046 ^~		2,731	2,555
<b>Countrywide Home Equity Loan Trust</b>			
5.657% due 03/25/2034 ~		133	134
<b>Credera Americas LLC</b>			
4.567% due 08/31/2020		22,300	22,326
<b>Credit-Based Asset Servicing &amp; Securitization LLC</b>			
6.250% due 10/25/2036 Ø(m)		10,800	11,173
<b>CSAB Mortgage-Backed Trust</b>			
5.500% due 05/25/2037 ^(m)		4,280	3,975
<b>ECAF Ltd.</b>			
4.947% due 06/15/2040		2,369	2,382
<b>EMC Mortgage Loan Trust</b>			
2.666% due 12/25/2042		10	10
3.156% due 04/25/2042 (m)		3,287	3,256
5.591% due 04/25/2042		2,813	2,501
<b>First Franklin Mortgage Loan Trust</b>			
2.686% due 11/25/2036		5,000	4,454
2.716% due 12/25/2035 (m)		23,487	22,007
<b>Glacier Funding CDO Ltd.</b>			
2.611% due 08/04/2035		10,274	2,622
<b>GMAC Mortgage Corp. Home Equity Loan Trust</b>			
6.749% due 12/25/2037 Ø		3,329	3,304
<b>GSAMP Trust</b>			
4.091% due 06/25/2034		1,387	1,340
<b>Hart, Inc.</b>			
0.010% due 12/15/2022 «		7,500	6,345
<b>Hout Bay Corp.</b>			
2.360% due 07/05/2041		35,500	10,828
<b>IndyMac Home Equity Mortgage Loan Asset-Backed Trust</b>			

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6.152% due 12/25/2031 ^Ø	604	201
<b>JPMorgan Mortgage Acquisition Corp.</b>		
2.836% due 12/25/2035 (m)	16,459	15,904
<b>KGS-Alpha SBA COOF Trust</b>		
1.090% due 04/25/2038 <<~(a)	2,432	64
<b>Lehman XS Trust</b>		
6.170% due 06/24/2046 Ø	2,796	2,809
<b>Long Beach Mortgage Loan Trust</b>		
2.406% due 02/25/2036 (m)	10,671	9,010
2.736% due 08/25/2045 (m)	29,302	28,639
2.921% due 11/25/2035 (m)	15,292	12,668
3.266% due 02/25/2034	136	135
3.266% due 06/25/2035 (m)	32,300	31,517
<b>MASTR Asset-Backed Securities Trust</b>		
2.366% due 03/25/2036 (m)	8,573	6,207
2.786% due 01/25/2036	400	393
<b>Mid-State Capital Corp. Trust</b>		
6.742% due 10/15/2040 (m)	5,594	6,377
<b>Morgan Stanley ABS Capital, Inc. Trust</b>		
2.316% due 11/25/2036	1,763	1,227
2.546% due 02/25/2037	6,146	4,016
3.251% due 01/25/2035	2,020	920
<b>Morgan Stanley Home Equity Loan Trust</b>		
2.446% due 04/25/2037 (m)	31,309	21,281
<b>National Collegiate Commutation Trust</b>		
0.000% due 03/25/2038	14,500	7,920
1.000% due 03/25/2038	23,300	12,728
<b>Oakwood Mortgage Investors, Inc.</b>		
7.840% due 11/15/2029 ~	3,252	3,433
8.490% due 10/15/2030 ^	1,256	470
<b>Ocean Trails CLO</b>		
7.438% due 08/13/2025	1,500	1,504
<b>Option One Mortgage Loan Trust</b>		
2.576% due 01/25/2036 (m)	20,000	17,816
<b>Popular ABS Mortgage Pass-Through Trust</b>		
3.466% due 08/25/2035	3,663	3,793
<b>Residential Asset Mortgage Products Trust</b>		
3.191% due 04/25/2034 (m)	4,904	4,808



<b>Residential Asset Securities Corp. Trust</b>			
2.456% due 08/25/2036 (m)		11,000	8,623
<b>Saxon Asset Securities Trust</b>			
2.666% due 11/25/2037		13,000	12,398
<b>SLM Student Loan EDC Repackaging Trust</b>			
0.000% due 10/28/2029 «(g)		11	11,710
<b>SLM Student Loan Trust</b>			
0.000% due 01/25/2042 «(g)		9	6,218
<b>SoFi Professional Loan Program LLC</b>			
0.000% due 03/25/2036 «(g)		80	1,218
0.000% due 01/25/2039 «(g)		9,180	4,268
0.000% due 05/25/2040 «(g)		9,300	5,198
0.000% due 07/25/2040 «(g)		47	2,760
0.000% due 09/25/2040 «(g)		4,003	2,558
<b>Soloso CDO Ltd.</b>			
2.659% due 10/07/2037		4,800	4,104
<b>Sorin Real Estate CDO Ltd.</b>			
2.869% due 10/28/2046		968	970
<b>Sound Point CLO Ltd.</b>			
7.197% due 01/23/2027		1,000	1,001
<b>Soundview Home Loan Trust</b>			
2.496% due 06/25/2037		8,712	6,658
2.716% due 03/25/2036 (m)		16,905	16,174
<b>South Coast Funding Ltd.</b>			
2.597% due 01/06/2041		155,879	44,486
<b>Structured Asset Securities Corp.</b>			
8.216% due 05/25/2032 ^ (m)		7,389	6,182
<b>Symphony CLO Ltd.</b>			
6.939% due 07/14/2026 (m)		4,400	4,400
<b>Tropic CDO Ltd.</b>			
2.659% due 07/15/2036		5,240	4,848
3.219% due 07/15/2034 (m)		22,500	21,487
Total Asset-Backed Securities			668,250
(Cost \$605,222)			

**SOVEREIGN ISSUES 2.8%**

<b>Argentina Government International Bond</b>			
2.260% due 12/31/2038 Ø	EUR	13,491	9,324
3.375% due 01/15/2023		400	400
3.875% due 01/15/2022		3,000	3,166
5.250% due 01/15/2028		300	280
6.250% due 11/09/2047		200	178
7.820% due 12/31/2033		13,601	15,114
30.131% (BADLARPP) due 10/04/2022 ~	ARS	138	5
37.717% (BADLARPP + 2.000%) due 04/03/2022 ~		146,454	3,388
43.077% (ARLLMONP) due 06/21/2020 ~		370,982	10,477
45.240% (BADLARPP + 2.500%) due 03/11/2019 ~		6,625	160

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45.375% (BADLARPP + 3.250%) due 03/01/2020 ~		2,300	56
<b>Autonomous Community of Catalonia</b>			
4.900% due 09/15/2021	EUR	50	62
4.950% due 02/11/2020		50	61
<b>Peru Government International Bond</b>			
6.350% due 08/12/2028	PEN	6,600	2,120
<b>Venezuela Government International Bond</b>			
6.000% due 12/09/2020 ^(d)	\$	590	159
8.250% due 10/13/2024 ^(d)		136	37
9.250% due 09/15/2027 ^(d)		734	203
Total Sovereign Issues			45,190
(Cost \$65,354)			

SHARES

<b>COMMON STOCKS 1.9%</b>			
<b>CONSUMER DISCRETIONARY 0.8%</b>			
Caesars Entertainment Corp. (e)		1,283,486	13,156
Desarrolladora Homex S.A.B. de C.V. (e)		719,113	12
Urbi Desarrollos Urbanos S.A.B. de C.V. (e)		95,515	18
			13,186
<b>ENERGY 0.7%</b>			
Dommo Energia S.A. «(e)(k)		14,555,779	3,851
Dommo Energia S.A. SP - ADR «		2,627	94
Ocean Rig UDW, Inc. (e)		237,414	8,219
			12,164
<b>FINANCIALS 0.1%</b>			
TIG FinCo PLC «(k)		662,196	1,087



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Total Investments in Securities  
(Cost \$2,379,066)

<b>Total Investments 159.8%</b> <b>(Cost \$2,379,066)</b>	<b>\$ 2,609,223</b>
<b>Financial Derivative Instruments (n)(o) (0.6)%</b> <b>(Cost or Premiums, net \$(34,839))</b>	<b>(9,597)</b>
<b>Other Assets and Liabilities, net (59.2)%</b>	<b>(966,682)</b>
<b>Net Assets 100.0%</b>	<b>\$ 1,632,944</b>

**Notes to Consolidated Schedule of Investments:**

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

All or a portion of this security is owned by PIMCO ClosedEnd - PDILS I LLC, which is a 100% owned subsidiary of the Fund.

✕ The geographical classification of foreign (non-U.S.) securities in this report, if any, 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.

^ Security is in default.

« Security valued using significant unobservable inputs (Level 3).

All or a portion of this amount represent unfunded loan commitments. The interest rate for the unfunded portion will be determined at the time of funding. See Note 4, Securities and Other Investments, in the Notes to Financial Statements for more information regarding unfunded loan commitments.

~ Variable or Floating rate security. Rate shown is the rate in effect as of period end. Certain variable rate securities are not based on a published reference rate and spread, rather are determined by the issuer or agent and are based on current market conditions. Reference rate is as of reset date, which may vary by security. These securities may not indicate a reference rate and/or spread in their description.

Rate shown is the rate in effect as of period end. The rate may be based on a fixed rate, a capped rate or a floor rate and may convert to a variable or floating rate in the future. These securities do not indicate a reference rate and spread in their description.

Ø Coupon represents a rate which changes periodically based on a predetermined schedule or event. Rate shown is the rate in effect as of period end.

(a) Interest only security.

(b) Principal only security.

(c) When-issued security.

- (d) Security is not accruing income as of the date of this report.**
- (e) Security did not produce income within the last twelve months.**
- (f) Coupon represents a weighted average yield to maturity.**
- (g) Zero coupon security.**
- (h) Coupon represents a yield to maturity.**
- (i) Perpetual maturity; date shown, if applicable, represents next contractual call date.**
- (j) Contingent convertible security.**
- (k) Restricted Securities:**

Issuer Description	Acquisition Date	Cost	Market Value	Market Value as Percentage of Net Assets
Buffalo Thunder Development Authority 0.000% due 11/15/2029	12/08/2014	\$ 0	\$ 2	0.00%
Dommo Energia S.A.	12/21/2017 - 12/26/2017	380	3,851	0.24
Eneva S.A.	12/21/2017	43	33	0.00
Pinnacol Assurance 8.625% due 06/25/2034	06/23/2014	10,200	10,645	0.65
Preylock Reitman Santa Cruz Mezz LLC 7.633% due 11/09/2022	04/09/2018	5,540	5,550	0.34
TIG FinCo PLC	04/02/2015	982	1,087	0.07
		\$ 17,145	\$ 21,168	1.30%

### Borrowings and Other Financing Transactions

#### (l) Repurchase Agreements:

Counterparty	Lending Rate	Settlement Date	Maturity Date	Principal Amount	Collateralized By	Collateral (Received)	Repurchase Agreements, at Value	Repurchase Proceeds to be Received <sup>(1)</sup>
FICC	1.750%	09/28/2018	10/01/2018	\$ 6,638	U.S. Treasury Notes 1.250% due 07/31/2023	\$ (6,774)	\$ 6,638	\$ 6,639
IND	2.340	09/28/2018	10/01/2018	68,200	U.S. Treasury Notes 2.500% due 05/15/2024	(69,521)	68,200	68,213
<b>Total Repurchase Agreements</b>						<b>\$ (76,295)</b>	<b>\$ 74,838</b>	<b>\$ 74,852</b>

## Reverse Repurchase Agreements:

Counterparty	Borrowing Rate <sup>(2)</sup>	Settlement Date	Maturity Date	Amount Borrowed <sup>(2)</sup>	Payable for Reverse Repurchase Agreements
BPS	1.080%	09/17/2018	10/15/2018	GBP (2,073)	\$ (2,703)
	1.080	09/28/2018	10/29/2018	(1,661)	(2,165)
	2.920	08/29/2018	11/29/2018	\$ (687)	(689)
	2.940	09/19/2018	12/19/2018	(9,009)	(9,018)
	3.321	09/04/2018	12/04/2018	(62,555)	(62,711)
	3.333	07/11/2018	10/11/2018	(2,519)	(2,538)
	3.339	09/19/2018	12/19/2018	(15,843)	(15,861)
BRC	0.250	07/26/2018	TBD <sup>(3)</sup>	(304)	(304)
	2.850	08/31/2018	12/03/2018	(2,450)	(2,456)
	2.940	07/11/2018	10/11/2018	(2,462)	(2,478)
	2.950	09/27/2018	TBD <sup>(3)</sup>	(11,431)	(11,435)
	2.950	09/27/2018	TBD <sup>(3)</sup>	(14,202)	(14,207)
	2.980	09/14/2018	12/14/2018	(4,115)	(4,121)
	3.311	08/20/2018	11/20/2018	(10,237)	(10,276)
	3.335	07/25/2018	10/25/2018	(15,299)	(15,395)
	3.348	08/02/2018	11/02/2018	(6,237)	(6,272)
	3.366	09/21/2018	12/21/2018	(22,428)	(22,449)
	3.686	01/17/2018	01/17/2019	(2,769)	(2,791)
	4.337	04/13/2018	07/05/2019	(1,792)	(1,811)
	4.381	06/27/2017	TBD <sup>(3)</sup>	(27,448)	(27,461)
4.381	01/05/2018	06/27/2019	(4,046)	(4,048)	
JML	0.900	09/28/2018	12/28/2018	GBP (11,617)	(15,143)
	1.050	08/15/2018	11/15/2018	(3,332)	(4,349)
JPS	3.237	07/11/2018	10/11/2018	\$ (16,041)	(16,159)
MSB	3.611	08/27/2018	08/27/2019	(42,263)	(42,411)
	3.617	08/29/2018	08/29/2019	(65,890)	(66,108)
	3.693	05/01/2018	05/01/2019	(39,908)	(40,158)
	3.741	02/05/2018	02/05/2019	(13,316)	(13,392)
NOM	2.800	09/10/2018	10/10/2018	(2,926)	(2,931)
	2.800	09/13/2018	10/11/2018	(21,916)	(21,947)
	2.800	09/17/2018	10/17/2018	(1,943)	(1,945)
	2.800	09/21/2018	10/23/2018	(888)	(889)
	4.366	08/04/2017	TBD <sup>(3)</sup>	(21,953)	(22,102)
RBC	3.440	07/18/2018	10/18/2018	(106)	(107)
	3.570	04/12/2018	10/12/2018	(15,913)	(16,184)
	3.650	05/15/2018	11/15/2018	(6,506)	(6,598)
RCE	1.700	09/18/2018	01/18/2019	GBP (14,112)	(18,405)
RCY	2.960	09/19/2018	12/19/2018	\$ (532)	(532)
	3.000	08/02/2018	11/02/2018	(5,219)	(5,245)
RDR	2.530	09/10/2018	12/10/2018	(6,671)	(6,681)
	2.540	09/19/2018	12/19/2018	(1,064)	(1,065)
RTA	3.337	07/09/2018	10/09/2018	(10,624)	(10,707)



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	3.460	04/05/2018	10/05/2018		(36,835)	(37,469)
	3.460	04/06/2018	10/09/2018		(2,931)	(2,981)
	3.499	05/21/2018	11/21/2018		(13,051)	(13,220)
	3.513	05/07/2018	11/07/2018		(23,884)	(24,227)
	3.517	05/14/2018	11/14/2018		(29,981)	(30,391)
	3.519	04/26/2018	10/26/2018		(18,355)	(18,638)
	3.519	07/16/2018	01/16/2019		(4,397)	(4,430)
	3.609	08/22/2018	02/22/2019		(2,752)	(2,763)
	3.642	09/24/2018	03/25/2019		(4,107)	(4,110)
	4.043	10/31/2017	TBD <sup>(3)</sup>		(1,710)	(1,722)
SBI	3.235	07/24/2018	10/24/2018		(1,795)	(1,806)
	3.369	08/14/2018	11/14/2018		(22,063)	(22,162)
SOG	0.150	09/27/2018	10/29/2018	EUR	(4,284)	(4,974)
	2.850	07/11/2018	10/11/2018	\$	(1,467)	(1,476)
	2.850	07/25/2018	10/25/2018		(24,474)	(24,606)
	2.880	09/04/2018	12/04/2018		(9,032)	(9,051)
	2.887	07/12/2018	01/11/2019		(2,585)	(2,602)
	2.890	09/14/2018	12/14/2018		(1,160)	(1,162)
	3.264	08/14/2018	11/14/2018		(32,392)	(32,533)
	3.265	08/16/2018	11/16/2018		(7,469)	(7,500)
	3.269	08/13/2018	11/13/2018		(9,521)	(9,563)
	3.293	08/08/2018	11/08/2018		(21,594)	(21,701)
	3.382	09/14/2018	03/14/2019		(12,985)	(13,006)
	3.437	04/27/2018	10/29/2018		(6,211)	(6,250)
UBS	1.550	07/27/2018	10/26/2018	GBP	(8,582)	(11,217)
	2.530	09/13/2018	12/13/2018	\$	(753)	(754)
	2.760	08/31/2018	12/03/2018		(5,111)	(5,123)
	2.780	08/14/2018	11/14/2018		(4,185)	(4,200)
	2.780	09/12/2018	12/12/2018		(35,977)	(36,030)
	2.780	09/13/2018	12/13/2018		(482)	(483)
	2.780	09/14/2018	12/12/2018		(520)	(521)
	2.820	09/21/2018	12/19/2018		(29,229)	(29,252)
	2.900	08/02/2018	11/02/2018		(10,455)	(10,505)
	3.290	07/25/2018	10/25/2018		(1,499)	(1,508)
<b>Total Reverse Repurchase Agreements</b>					<b>\$ (932,183)</b>	

**(m) Securities with an aggregate market value of \$1,204,836 have been pledged as collateral under the terms of master agreements as of September 30, 2018.**

(1) *Includes accrued interest.*

(2) *The average amount of borrowings outstanding during the period ended September 30, 2018 was \$(953,986) at a weighted average interest rate of 3.094%. Average borrowings may include sale-buyback transactions and reverse repurchase agreements, if held during the period.*

(3) *Open maturity reverse repurchase agreement.*

**(n) Financial Derivative Instruments: Exchange-Traded or Centrally Cleared**

Swap Agreements:

Credit Default Swaps on Corporate Issues - Sell Protection <sup>(1)</sup>

Reference Entity	Fixed Receive Rate	Payment Frequency	Maturity Date	Implied Credit Spread at September 30, 2018 <sup>(2)</sup>	Notional Amount <sup>(3)</sup>	Premiums Paid/Received	Unrealized Depreciation	Market Value <sup>(4)</sup>	Variation Margin	
									Asset	Liability
Frontier Communications Corp.	5.000%	Quarterly	06/20/2020	9.222%	\$ 14,700	\$ (506)	\$ (418)	\$ (924)	\$ 0	\$ (68)
Frontier Communications Corp.	5.000	Quarterly	06/20/2022	12.826	1,200	(162)	(83)	(245)	0	(9)
Navient Corp.	5.000	Quarterly	12/20/2021	1.372	4,600	230	285	515	4	0
						\$ (438)	\$ (216)	\$ (654)	\$ 4	\$ (77)

Interest Rate Swaps

Pay/Receive	Floating Rate	Floating Rate Index	Fixed Rate	Payment Frequency	Maturity Date	Notional Amount	Premiums Paid/Received	Unrealized Depreciation	Market Value
Pay <sup>(5)</sup>	3-Month	USD-LIBOR	2.750%	Semi-Annual	12/19/2023	\$ 262,100	\$ (2,249)	\$ (2,094)	\$ (4,343)
Pay	3-Month	USD-LIBOR	1.750	Semi-Annual	12/21/2023	177,200	3,327	(13,959)	(10,632)
Pay	3-Month	USD-LIBOR	1.750	Semi-Annual	12/21/2026	303,000	7,433	(36,369)	(28,936)
Pay	3-Month	USD-LIBOR	2.500	Semi-Annual	12/20/2027	91,250	1,072	(5,139)	(4,067)
Pay <sup>(5)</sup>	3-Month	USD-LIBOR	3.000	Semi-Annual	12/19/2028	132,600	(138)	(1,738)	(1,876)
Receive	3-Month	USD-LIBOR	2.500	Semi-Annual	06/15/2036	19,800	(1,952)	3,723	1,771
Receive	3-Month	USD-LIBOR	2.750	Semi-Annual	03/20/2043	76,400	(255)	6,056	5,801
Receive	3-Month	USD-LIBOR	3.750	Semi-Annual	06/18/2044	12,200	(2,516)	1,137	(1,379)
Receive	3-Month	USD-LIBOR	3.500	Semi-Annual	12/17/2044	44,200	(6,956)	3,955	(3,001)
Receive	3-Month	USD-LIBOR	3.250	Semi-Annual	06/17/2045	45,600	(3,730)	2,741	(1,000)
Receive	3-Month	USD-LIBOR	2.750	Semi-Annual	12/16/2045	3,800	(52)	318	266
Receive	3-Month	USD-LIBOR	2.500	Semi-Annual	06/20/2048	3,100	288	107	395
Receive <sup>(5)</sup>	3-Month	USD-LIBOR	3.000	Semi-Annual	12/19/2048	138,300	2,392	2,494	4,886
Receive <sup>(5)</sup>	6-Month	EUR-EURIBOR	1.250	Annual	12/19/2028	EUR 1,200	(21)	(8)	(29)
Receive <sup>(5)</sup>	6-Month	EUR-EURIBOR	1.000	Annual	03/20/2029	20,400	84	126	210
Receive <sup>(5)</sup>	6-Month	GBP-LIBOR	1.500	Semi-Annual	03/20/2029	GBP 52,170	897	419	1,316
Receive <sup>(5)</sup>	6-Month	GBP-LIBOR	1.750	Semi-Annual	03/20/2049	2,600	(16)	24	8
							\$ (2,392)	\$ (38,207)	\$ (40,599)
<b>Total Swap Agreements</b>							<b>\$ (2,830)</b>	<b>\$ (38,423)</b>	<b>\$ (41,253)</b>

**Cash of \$638,604 have been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of September 30, 2018.**

- (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 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.*
- (5) *This instrument has a forward starting effective date.*

**(o) Financial Derivative Instruments: Over the Counter**

**Forward Foreign Currency Contracts:**

Counterparty	Settlement Month	Unrealized Appreciation/(Depreciation) Currency to				
		Currency to be Delivered		be Received	Asset Liability	
BOA	11/2018	GBP	1,141	\$ 1,492	\$ 2 \$ 0	
BPS	10/2018	ARS	42,845	1,125	90 0	
	10/2018	GBP	1,141	1,501	14 0	
	10/2018	\$	2,014	ARS 81,172	0 (74)	
	11/2018		241	10,044	0 (11)	
	11/2018		15,891	MXN 307,220	416 0	
	12/2018	PEN	7,631	\$ 2,292	0 (11)	
BRC	12/2018	ARS	2,130	51	4 0	
CBK	10/2018	EUR	83,067	97,108	663 0	
	10/2018	\$	146	ARS 4,390	0 (42)	
	10/2018		2,907	EUR 2,492	0 (14)	
	10/2018		2,384	GBP 1,812	0 (22)	
	11/2018		1,224	EUR 1,053	2 0	
DUB	10/2018		868	ARS 33,485	0 (63)	
	12/2018		184	7,823	0 (12)	
GLM	10/2018		35	1,369	0 (3)	
	11/2018	GBP	952	\$ 1,252	9 0	
	11/2018	\$	1,059	RUB 68,216	0 (22)	
HUS	10/2018	BRL	24,736	\$ 6,026	0 (99)	
	10/2018	\$	382	ARS 14,706	0 (29)	
	10/2018		5,995	BRL 24,736	130 0	
	11/2018	BRL	24,736	\$ 5,978	0 (132)	
JPM	10/2018	EUR	1,129	1,328	17 0	
	10/2018	\$	43	ARS 1,689	0 (2)	
	10/2018		170,415	GBP 129,358	0 (1,809)	
	11/2018	GBP	129,358	\$ 170,647	1,809 0	
	01/2019	\$	150	ARS 5,689	0 (28)	
NGF	10/2018		210	7,036	0 (46)	
	12/2018		419	16,853	0 (48)	
RBC	10/2018	GBP	12,202	\$ 15,872	0 (32)	
SCX	11/2018	\$	11,334	RUB 761,052	231 0	
SOG	10/2018	GBP	118,968	\$ 153,322	0 (1,742)	
SSB	11/2018	ARS	180,651	5,699	1,568 0	
TOR	10/2018	\$	94,869	EUR 80,575	0 (1,317)	
	11/2018	EUR	80,575	\$ 95,098	1,320 0	
UAG	10/2018	\$	3,969	RUB 269,510	140 0	
<b>Total Forward Foreign Currency Contracts</b>					<b>\$ 6,415</b>	<b>\$ (5,558)</b>

**Swap Agreements:****Credit Default Swaps on Corporate Issues - Sell Protection <sup>(1)</sup>**

Swap Agreements, (4)										
Counterparty	Reference Entity	Fixed Receive Rate	Payment Frequency	Maturity Date	Implied Credit Spread at September 30, 2018	Notional Amount (\$)	Premiums Paid/ Received	Unrealized Appreciation/ Depreciation	Asset	Liability
BPS	Petrobras Global Finance BV	1.000%	Quarterly	06/20/2021	2.217%	\$ 4,600	\$ (1,243)	\$ 1,101	\$ 0	\$ (1
	Petrobras Global Finance BV	1.000	Quarterly	12/20/2021	2.404	100	(15)	11	0	
BRC	Petrobras Global Finance BV	1.000	Quarterly	06/20/2021	2.217	800	(218)	193	0	(
GST	Petrobras Global Finance BV	1.000	Quarterly	06/20/2021	2.217	3,931	(1,070)	948	0	(1
	Petrobras Global Finance BV	1.000	Quarterly	12/20/2021	2.404	500	(78)	57	0	(
	Springleaf Finance Corp.	5.000	Quarterly	06/20/2022	1.674	900	49	56	105	
HUS	Petrobras Global Finance BV	1.000	Quarterly	09/20/2020	1.852	240	(34)	30	0	
	Petrobras Global Finance BV	1.000	Quarterly	06/20/2021	2.217	7,200	(1,968)	1,745	0	(2
							\$ (4,577)	\$ 4,141	\$ 105	\$ (5

Credit Default Swaps on Credit Indices - Sell Protection <sup>(1)</sup>

Counterparty	Index/Tranches	Fixed Receive Rate	Payment Frequency	Maturity Date	Notional Amount <sup>(3)</sup>	Premiums Unrealized		Swap Agreements, a	
						Paid/ (Received)	Appreciation/ (Depreciation)	Asset	Liability <sup>(4)</sup>
DUB	CMBX.NA.BBB-.6 Index	3.000%	Monthly	05/11/2063	\$ 2,700	\$ (178)	\$ (139)	\$ 0	\$ (3)
	CMBX.NA.BBB-.9 Index	3.000	Monthly	09/17/2058	3,500	(439)	232	0	(2)
FBF	ABX.HE.AA.6-2 Index	0.170	Monthly	05/25/2046	27,019	(24,013)	16,452	0	(7,5)
	CMBX.NA.BBB-.10 Index	3.000	Monthly	11/17/2059	100	(11)	6	0	
	CMBX.NA.BBB-.6 Index	3.000	Monthly	05/11/2063	400	(48)	1	0	
	CMBX.NA.BBB-.7 Index	3.000	Monthly	01/17/2047	600	(55)	21	0	
	CMBX.NA.BBB-.8 Index	3.000	Monthly	10/17/2057	1,500	(234)	125	0	(1)
GST	CMBX.NA.A.6 Index	2.000	Monthly	05/11/2063	5,400	(275)	210	0	
	CMBX.NA.BB.6 Index	5.000	Monthly	05/11/2063	2,200	(294)	(163)	0	(4)
	CMBX.NA.BBB-.6 Index	3.000	Monthly	05/11/2063	6,600	(361)	(414)	0	(7)
	CMBX.NA.BBB-.9 Index	3.000	Monthly	09/17/2058	6,700	(839)	442	0	(3)
MYC	CMBX.NA.BBB-.10 Index	3.000	Monthly	11/17/2059	700	(86)	51	0	
	CMBX.NA.BBB-.6 Index	3.000	Monthly	05/11/2063	2,200	(117)	(141)	0	(2)
	CMBX.NA.BBB-.9 Index	3.000	Monthly	09/17/2058	3,900	(482)	251	0	(2)
						\$ (27,432)	\$ 16,934	\$ 0	\$ (10,4)
<b>Total Swap Agreements</b>						<b>\$ (32,009)</b>	<b>\$ 21,075</b>	<b>\$ 105</b>	<b>\$ (11,0)</b>

(p) Securities with an aggregate market value of \$13,968 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of September 30, 2018.

(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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- (4) *The prices and resulting values for credit default swap agreements 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.*

#### **Fair Value Measurements**

**The following is a summary of the fair valuations according to the inputs used as of September 30, 2018 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 09/30/2018</b>
<b>Investments in Securities, at Value</b>				
Loan Participations and Assignments	\$ 1,297	\$ 77,975	\$ 30,895	\$ 110,167
<b>Corporate Bonds &amp; Notes</b>				
Banking & Finance	0	175,430	10,645	186,075
Industrials	12,000	227,973	775	240,748
Utilities	0	56,343	0	56,343
<b>Convertible Bonds &amp; Notes</b>				
Industrials	0	7,168	0	7,168
<b>Municipal Bonds &amp; Notes</b>				
Illinois	0	1,971	0	1,971
West Virginia	0	5,822	0	5,822
U.S. Government Agencies	0	78,598	0	78,598
Non-Agency Mortgage-Backed Securities	0	1,027,523	23,109	1,050,632
Asset-Backed Securities	0	627,911	40,339	668,250
Sovereign Issues	0	45,190	0	45,190
<b>Common Stocks</b>				
Consumer Discretionary	13,186	0	0	13,186
Energy	8,219	0	3,945	12,164
Financials	0	0	1,087	1,087
Utilities	33	0	4,776	4,809
<b>Real Estate Investment Trusts</b>				



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Real Estate	12,856	0	0	12,856
<b>Short-Term Instruments</b>				
Repurchase Agreements	0	74,838	0	74,838
Short-Term Notes	0	14,768	0	14,768
Argentina Treasury Bills	0	3,255	0	3,255
U.S. Treasury Bills	0	21,296	0	21,296
<b>Total Investments</b>	<b>\$ 47,591</b>	<b>\$ 2,446,061</b>	<b>\$ 115,571</b>	<b>\$ 2,609,223</b>
<b>Financial Derivative Instruments -</b>				
<b>Assets</b>				
Exchange-traded or centrally cleared	0	762	0	762
Over the counter	0	6,520	0	6,520
	<b>\$ 0</b>	<b>\$ 7,282</b>	<b>\$ 0</b>	<b>\$ 7,282</b>
<b>Financial Derivative Instruments -</b>				
<b>Liabilities</b>				
Exchange-traded or centrally cleared	0	(282)	0	(282)
Over the counter	0	(16,597)	0	(16,597)
	<b>\$ 0</b>	<b>\$ (16,879)</b>	<b>\$ 0</b>	<b>\$ (16,879)</b>
<b>Total Financial Derivative Instruments</b>	<b>\$ 0</b>	<b>\$ (9,597)</b>	<b>\$ 0</b>	<b>\$ (9,597)</b>
<b>Totals</b>	<b>\$ 47,591</b>	<b>\$ 2,436,464</b>	<b>\$ 115,571</b>	<b>\$ 2,599,626</b>

**There were no significant transfers among Levels 1 and 2 during the period ended September 30, 2018.**

The following is a reconciliation of the fair valuations using significant unobservable inputs (Level 3) for the Fund during the period ended September 30, 2018:

Category and Subcategory	Beginning Balance at 06/30/2018	Net Purchases	Net Sales	Accrued Discounts (Premiums)	Realized Gain (Loss)	Unrealized Appreciation/ (Depreciation)	Transfers into Level 3	Transfers out of Level 3	Ending Balance at 09/30/2018	Net Change in Unrealized Appreciation/ (Depreciation) on Investments Held at 09/30/2018 <sup>(1)</sup>
<b>Investments in Securities, at Value</b>										
Loan Participations and Assignments	\$ 16,305	\$ 9,413	\$ (109)	\$ (16)	\$ 1	\$ (351)	\$ 5,652	\$ 0	\$ 30,895	\$ (356)
Corporate Bonds & Notes										
Banking & Finance	20,271	0	(9,700)	0	42	32	0	0	10,645	56
Industrials	764	0	(2)	1	0	12	0	0	775	12
Non-Agency Mortgage-Backed Securities	23,705	0	(596)	3	37	(40)	0	0	23,109	(27)
Asset-Backed Securities	40,927	0	0	76	0	(664)	0	0	40,339	(664)
Common Stocks										
Energy	4,077	0	0	0	0	(133)	0	0	3,944	(133)
Financials	1,049	0	0	0	0	39	0	0	1,088	39
Utilities	4,147	0	0	0	0	629	0	0	4,776	629
Totals	\$ 111,245	\$ 9,413	\$ (10,407)	\$ 64	\$ 80	\$ (476)	\$ 5,652	\$ 0	\$ 115,571	\$ (444)

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 09/30/2018	Valuation Technique	Unobservable Inputs	Input Value(s) (% Unless Noted Otherwise)
<b>Investments in Securities, at Value</b>				
Loan Participations and Assignments	\$ 6,213	Third Party Vendor	Broker Quote	102.125 - 105.375
	397	Proxy Pricing	Base Price	99.293
	5,550	Discounted Cash Flow	Discount Rate	7.76

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	18,735	Third Party Vendor	Broker Quote	99.000
Corporate Bonds & Notes		Reference		
Banking & Finance	10,645	Instrument	OAS Spread	500.644 bps
Industrials	2	Proxy Pricing	Base Price	0.069
	773	Reference		
		Instrument	Yield	10.040
Non-Agency Mortgage-Backed Securities	13,979	Proxy Pricing	Base Price	4.357 - 100.207
	9,130	Third Party Vendor	Broker Quote	91.250 - 93.000
Asset-Backed Securities	40,339	Proxy Pricing	Base Price	2.625 - 105,187.592
Common Stocks				
Energy	3,944	Other Valuation Techniques <sup>(2)</sup>		
Financials	1,088	Discounted Cash Flow	Discounted Rate	\$ 1.260
Utilities	4,776	Indicative Market Quotation	Broker Quote	\$ 36.500
Total	\$ 115,571			

<sup>(1)</sup> Any difference between Net Change in Unrealized Appreciation/(Depreciation) and Net Change in Unrealized Appreciation/(Depreciation) on Investments Held at September 30, 2018 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 Supplementary Notes to Schedule of Investments as securities valued using such techniques are not considered significant to the Fund.

**See Accompanying Notes**

## Notes to Financial Statements

### 1. BASIS FOR CONSOLIDATION

PDILS I LLC, (the **Subsidiary**), a Delaware limited liability company was formed as a wholly owned subsidiary acting as an investment vehicle for the PIMCO Dynamic Income Fund (the **Fund**) in order to effect certain investments for the Fund consistent with the Fund's investment objectives and policies in effect from time to time. PIMCO Dynamic Income Fund's investment portfolio has been consolidated and includes the portfolio holdings of the PIMCO Dynamic Income Fund and the Subsidiary. Accordingly, the consolidated financial statements include the accounts of the Fund and the Subsidiary. All inter-company transactions and balances have been eliminated. This structure was established so that certain loans could be held by a separate legal entity from the Fund. See the table below for details regarding the structure, incorporation and relationship as of the period end of the Subsidiary (amounts in thousands).

<b>Date of Formation</b>	<b>Fund Net Assets</b>	<b>Subsidiary Net Assets</b>	<b>% of Fund Net Assets</b>
03/12/2013	\$ 1,632,944	\$ 5,576	0.3%

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

### 2. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

**(a) Investment Valuation Policies** The net asset value ( **NAV** ) of the 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 the 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 Fund or its 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. The Fund reserves the right to change the time as of which its NAV is calculated if the Fund closes earlier, or as permitted by the U.S. Securities and Exchange Commission ( **SEC** ).

For purposes of calculating a 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 Fund's approved pricing services, quotation reporting systems and other third-party sources (together, **Pricing Services** ). The Fund will normally use pricing data for domestic equity securities received shortly after the NYSE Close and does not normally take into account trading, clearances or settlements that take place after the NYSE Close. If market value pricing is used, 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 Pacific Investment Management Company LLC ( **PIMCO** or the **Manager** ) 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. The 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 but before the NYSE Close, the security may be valued at fair value based on procedures established and approved by the Board of Trustees of the Trust (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, the 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, the 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. The Fund may utilize modeling tools provided by third-party vendors to determine fair values of non-U.S. securities. For these purposes, any movement in the applicable reference index or instrument (zero trigger) relating to the non-U.S. security being fair valued between the earlier close of the applicable foreign market and the NYSE Close may be deemed to be a significant event, prompting the application of the pricing model (effectively resulting in daily fair valuations). Foreign exchanges may permit trading in foreign (non-U.S.) equity securities on days when the Fund is not open for business, which may result in the 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 the 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 the Fund is not open for business. As a result, to the extent that the 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 the 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 the 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 the 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 Fund's policy is intended to result in a calculation of the Fund's NAV that fairly reflects security values as of the time of pricing, the Fund cannot ensure that fair values determined by the Board or persons acting at their direction would accurately reflect the price that the 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 the 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 the 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 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.

Any assets or liabilities categorized as Level 1 or 2 as of period end that have been transferred between Levels 1 and 2 since the prior period are due to changes in the method utilized in valuing the investments. Transfers from Level 1 to Level 2 are a result of a change, in the normal course of business, from the use of an exchange traded price or a trade price on the initial purchase date (Level 1) to methods used by Pricing Services including valuation adjustments 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 close of the NYSE (Level 2). 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 2 to Level 3 are a result of a change, in the normal course of business, from the use of methods used by Pricing Services (Level 2) to the use of a Broker Quote or valuation

technique which utilizes significant unobservable inputs due to an absence of current or reliable market-based data (Level 3). 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 Consolidated Schedule of Investments for the 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 the 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 the 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.

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.

Equity exchange-traded options and over the counter financial derivative instruments, such as forward 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 (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.

Discounted cash flow valuation uses an internal analysis based on the Manager's expectation of future income and expenses, capital structure, exit multiples of a security, and other unobservable inputs which may include contractual



and factual loan factors, estimated future payments and credit rating. Significant changes in the unobservable inputs of the models 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.

Reference instrument valuation estimates fair value by utilizing the correlation of the security to one or more broad-based securities, market indices, and/or other financial instruments, whose pricing information is readily available. Unobservable inputs may include those used in algorithm formulas based on percentage change in the reference instruments and/or weights of each reference instrument. Significant changes in the unobservable inputs 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.

Commercial real estate loans may be valued primarily based on either the income approach, employing a discounted cash flow model, which is based on the expectations of principal and interest payments, fees and costs, as well as among other factors, historical loan and underlying collateral activity, expected payment timing, the credit quality of the borrower and operating forecast of the underlying property.

Short-term debt instruments (such as commercial paper) having a remaining maturity of 60 days or less may be valued at amortized cost, so long as the amortized cost value of such short-term debt instruments is approximately the same as the fair value of the instrument as determined without the use of amortized cost valuation. These securities are categorized as Level 2 or Level 3 of the fair value hierarchy depending on the source of the base price.

### **3. FEDERAL INCOME TAX MATTERS**

The 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 Fund 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 Fund's tax positions for all open tax years. As of September 30, 2018, the Fund has recorded no liability for net unrecognized tax benefits relating to uncertain income tax positions it has taken or expects to take in future tax returns.

The Fund files U.S. federal, state, and local tax returns as required. The Fund's tax returns are subject to examination by relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return but which can be extended to six years in certain circumstances. Tax returns for open years have incorporated no uncertain tax positions that require a provision for income taxes.

**GLOSSARY: (abbreviations that may be used in the preceding statements)**

(Unaudited)

## Counterparty Abbreviations:

BOA	Bank of America N.A.	IND	Crédit Agricole Corporate and Investment Bank S.A.	RCY	Royal Bank of Canada
BPS	BNP Paribas S.A.	JML	JP Morgan Securities Plc	RDR	RBC Capital Markets LLC
BRC	Barclays Bank PLC	JPM	JP Morgan Chase Bank N.A.	RTA	Bank of New York Mellon Corp.
CBK	Citibank N.A.	JPS	JP Morgan Securities, Inc.	SBI	Citigroup Global Markets Ltd.
DUB	Deutsche Bank AG	MSB	Morgan Stanley Bank, N.A.	SCX	Standard Chartered Bank
FBF	Credit Suisse International	MYC	Morgan Stanley Capital Services, Inc.	SOG	Societe Generale
FICC	Fixed Income Clearing Corporation	NGF	Nomura Global Financial Products, Inc.	SSB	State Street Bank and Trust Co.
GLM	Goldman Sachs Bank USA	NOM	Nomura Securities International Inc.	TOR	Toronto Dominion Bank
GST	Goldman Sachs International	RBC	Royal Bank of Canada	UAG	UBS AG Stamford
HUS	HSBC Bank USA N.A.	RCE	Royal Bank of Canada Europe Limited	UBS	UBS Securities LLC

## Currency Abbreviations:

ARS	Argentine Peso	GBP	British Pound	RUB	Russian Ruble
BRL	Brazilian Real	MXN	Mexican Peso	USD (or \$)	United States Dollar
EUR	Euro	PEN	Peruvian New Sol		

## Exchange Abbreviations:

OTC	Over the Counter
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## Index/Spread Abbreviations:

ABX.HE	Asset-Backed Securities Index - Home Equity	BP0003M	3 Month GBP-LIBOR	LIBOR03M	3 Month USD-LIBOR
ARLLMONP	Argentina Blended Policy Rate	CMBX	Commercial Mortgage-Backed Index	US0003M	3 Month USD Swap Rate
BADLARPP	Argentina Badlar Floating Rate Notes				

## Other Abbreviations:

ABS	Asset-Backed Security	CDO	Collateralized Debt Obligation	SP - ADR	Sponsored American Depositary Receipt
ADR	American Depositary Receipt	CLO	Collateralized Loan Obligation	TBA	To-Be-Announced
ALT	Alternate Loan Trust	EURIBOR	Euro Interbank Offered Rate	TBD	To-Be-Determined
BABs	Build America Bonds	LIBOR		TBD%	

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			London Interbank Offered Rate	Interest rate to be determined when loan settles
CBO	Collateralized Bond Obligation	REMIC	Real Estate Mortgage Investment Conduit	

**Item 2. 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) (17 CFR 270.30a-3(c))), are effective based on their evaluation of these controls and procedures as of a date within 90 days of the filing date 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 (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 3. Exhibits**

A separate certification for each principal executive officer and principal financial & accounting officer of the registrant as required by Rule 30a-2 under the 1940 Act is attached as Exhibit 99.CERT.

**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 Dynamic Income Fund

By: /s/ Peter G. Strelow  
Peter G. Strelow  
President (Principal Executive Officer)

Date: November 27, 2018

By: /s/ Trent W. Walker  
Trent W. Walker  
Treasurer (Principal Financial & Accounting Officer)

Date: November 27, 2018

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: November 27, 2018

By: /s/ Trent W. Walker  
Trent W. Walker  
Treasurer (Principal Financial & Accounting Officer)

Date: November 27, 2018