PIMCO

PIMCO Variable Insurance Trust

Semiannual Report

June 30, 2018

PIMCO High Yield Portfolio

2018

A company of Allianz

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Dear PIMCO Variable Insurance Trust Shareholder,

Following is the PIMCO Variable Insurance Trust Semiannual Report, which covers the six-month reporting period ended June 30, 2018. On the subsequent pages you will find specific details regarding investment results and a discussion of factors that most affected performance over the reporting period.

For the six-month reporting period ended June 30, 2018

The U.S. economy continued to expand during the reporting period. Looking back, U.S. gross domestic product (GDP) expanded at a revised annual pace of 2.3% and 2.2% during the fourth quarter of 2017 and first quarter of 2018, respectively. The Commerce Department’s initial reading — released after the reporting period had ended — showed that second-quarter 2018 GDP grew at an annual pace of 4.1%.

The Federal Reserve (Fed) continued to normalize monetary policy during the reporting period. After raising interest rates three times in 2017, the Fed again raised rates at its March 2018 meeting, pushing the federal funds rate to a range between 1.50% and 1.75%. Finally, at its meeting that concluded on June 13, 2018, the Fed raised rates to a range between 1.75% and 2.00%.

Economic activity outside the U.S. moderated somewhat during the reporting period. Against this backdrop, the European Central Bank (ECB), the Bank of Japan and the Bank of England largely maintained their highly accommodative monetary policies. Other central banks took a more hawkish stance, including the Bank of Canada, as it raised rates in January 2018. Meanwhile, in June 2018, the ECB indicated that it plans to end its quantitative easing program by the end of the year, but it did not expect to raise interest rates “at least through the summer of 2019.”

The U.S. Treasury yield curve flattened during the reporting period, as short-term rates moved up more than their longer-term counterparts. The increase in rates at the short end of the yield curve was mostly due to Fed interest rate hikes. The yield on the benchmark 10-year U.S. Treasury note was 2.85% at the end of the reporting period, up from 2.40% on December 31, 2017. U.S. Treasuries, as measured by the Bloomberg Barclays U.S. Treasury Index, returned -1.08% over the six months ended June 30, 2018. Meanwhile the Bloomberg Barclays U.S. Aggregate Bond Index, a widely used index of U.S. investment grade bonds, returned -1.62% over the period. Riskier fixed income asset classes, including high yield corporate bonds and emerging market debt, generated mixed results versus the broad U.S. market. The ICE BofAML U.S. High Yield Index gained 0.08% over the reporting period, whereas emerging market external debt, as represented by the JPMorgan Emerging Markets Bond Index (EMBI) Global, returned -5.23% over the reporting period. Emerging market local bonds, as represented by the JPMorgan Government Bond Index-Emerging Markets Global Diversified Index (Unhedged), returned -6.44% over the period.

Global equities generated mixed results during the reporting period. The U.S. market rallied sharply during the first month of the period. Supporting the market were improving global growth, overall solid corporate profits and the passage of a tax reform bill late in 2017. Those gains were then erased in February and March 2018. This was partially driven by fears that the Fed may take a more aggressive approach in terms of raising interest rates. In addition, there were concerns over a possible trade war. However, U.S. equities moved modestly higher over the last three months of the period. All told, U.S. equities, as represented by the S&P 500 Index, returned 2.65% during the reporting period. Emerging market equities, as measured by the MSCI Emerging Markets Index, returned -6.66% over the period, whereas global equities, as represented by the MSCI World Index, gained 0.43%. Elsewhere, Japanese equities, as represented by the Nikkei 225 Index (in JPY), returned -1.05% over the reporting period and European equities, as represented by the MSCI Europe Index (in EUR), returned -0.48%.

Commodity prices fluctuated and produced mixed results during the six months ended June 30, 2018. When the reporting period began, crude oil was approximately $60 a barrel. By the end of the period it was roughly $74 a barrel. This ascent was driven in part by planned and observed production cuts by OPEC and the collapse in

Venezuelan oil production, as well as global growth maintaining demand. Elsewhere, gold and copper prices moved lower over the reporting period.

Finally, during the reporting period, there were periods of volatility in the foreign exchange markets, due in part to signs of improving global growth, decoupling central bank policies, and a number of geopolitical events. All told, the U.S. dollar returned 2.73%, 2.26% and -1.71% versus the euro, British pound and Japanese yen, respectively, during the six months ended June 30, 2018.

Thank you for the assets you have placed with us. We deeply value your trust, and will continue to work diligently to meet your broad investment needs.

Sincerely,

Brent R. Harris

Brent R. Harris
Chairman of the Board
PIMCO Variable Insurance Trust

August 22, 2018

Past performance is no guarantee of future results. Unless otherwise noted, index returns reflect the reinvestment of income distributions and capital gains, if any, but do not reflect fees, brokerage commissions or other expenses of investing. It is not possible to invest directly in an unmanaged index.

Important Information About the PIMCO High Yield Portfolio

PIMCO Variable Insurance Trust (the "Trust") is an open-end management investment company that includes the PIMCO High Yield Portfolio (the "Portfolio"). The Portfolio is only available as a funding vehicle under variable life insurance policies or variable annuity contracts issued by insurance companies ("Variable Contracts"). Individuals may not purchase shares of the Portfolio directly. Shares of the Portfolio also may be sold to qualified pension and retirement plans outside of the separate account context.

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 may trend upward, rising rates would negatively impact the performance of most bond funds, and fixed income securities and other instruments held by the Portfolio are likely to decrease in value. A wide variety of factors can cause interest rates to rise (e.g., central bank monetary policies, inflation rates, general economic conditions, etc.). In addition, changes in interest rates can be sudden and unpredictable, and there is no guarantee that management will anticipate such movement accurately. The Portfolio may lose money as a result of movements in interest rates.

As of the date of this report, interest rates in the U.S. and many parts of the world, including certain European countries, are at or near historically low levels. As such, bond funds may currently face an increased exposure to the risks associated with a rising interest rate environment. This is especially true as the Fed ended its quantitative easing program in October 2014 and has begun, and may continue, to raise interest rates. To the extent the Fed continues to raise interest rates, there is a risk that rates across the financial system may rise. Further, while bond markets have steadily grown over the past three decades, dealer inventories of corporate bonds are near historic lows in relation to market size. As a result, there has been a significant reduction in the ability of dealers to "make markets."

Bond funds and individual bonds with a longer duration (a measure used to determine 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. All of the factors mentioned above, individually or collectively, could lead to increased volatility and/or lower liquidity in the fixed income markets or negatively impact the Portfolio's performance or cause the Portfolio to incur losses. As a result, the Portfolio may experience increased shareholder redemptions, which, among other things, could further reduce the net assets of the Portfolio.

The Portfolio may be subject to various risks as described in the Portfolio's prospectus and in the Principal Risks in the Notes to Financial Statements.

The geographical classification of 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. The United States presidential administration's enforcement of tariffs on goods from other countries, with a focus on China, has contributed to international trade tensions and may impact portfolio securities.

On the Portfolio Summary page in this Shareholder Report, the Average Annual Total Return table and Cumulative Returns chart measure performance assuming that any dividend and capital gain distributions were reinvested. The Cumulative Returns chart reflects only Administrative Class performance. Performance may vary by share class based on each class's expense ratios. The Portfolio measures its performance against at least one broad-based securities market index ("benchmark index"). The benchmark index does not take into account fees, expenses, or taxes. The Portfolio's past performance, before and after taxes, is not necessarily an indication of how the Portfolio will perform in the future. There is no assurance that the Portfolio, even if the Portfolio has experienced high or unusual performance for one or more periods, will experience similar levels of performance in the future. High performance is defined as a significant increase in either 1) the Portfolio's total return in excess of that of the Portfolio's benchmark between reporting periods or 2) the Portfolio's total return in excess of the Portfolio's historical returns between reporting periods. Unusual performance is defined as a significant change in the Portfolio's performance as compared to one or more previous reporting periods.

The following table discloses the inception dates of the Portfolio and its respective share classes along with the Portfolio's diversification status as of period end:

Portfolio Name	Portfolio Inception	Institutional Class	Administrative Class	Advisor Class	Diversification Status
PIMCO High Yield Portfolio	04/30/98	07/01/02	04/30/98	03/31/06	Diversified

An investment in the Portfolio is not a bank deposit and is not guaranteed or insured by the Federal Deposit Insurance Corporation ("FDIC") or any other government agency. It is possible to lose money on investments in the Portfolio.

The Trustees are responsible generally for overseeing the management of the Trust. The Trustees authorize the Trust to enter into service agreements with the Adviser, the Distributor, the Administrator 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 Trust and the Portfolio. Shareholders are not parties to or third-party beneficiaries of such service agreements. Neither this Portfolio's prospectus nor summary prospectus, the Trust's Statement of Additional Information ("SAI") any contracts filed as exhibits to the Trust's registration statement, nor any other communications, disclosure documents or regulatory filings (including this report) from or on behalf of the Trust or the Portfolio creates a contract between or among any shareholder of the Portfolio, on the one hand, and the Trust, the Portfolio, a service provider to the Trust or the Portfolio, and/or the Trustees or officers of the Trust, on the other hand. The Trustees (or the Trust and its officers, service providers or other delegates acting under authority of the Trustees) may amend the most recent prospectus or use a new prospectus, summary prospectus or SAI with respect to the Portfolio or the Trust, 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 the Trust or the Portfolio is a party, and interpret the investment objective(s), policies, restrictions and contractual provisions applicable to the Portfolio, 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 is specifically disclosed in the Trust's then-current prospectus or SAI.

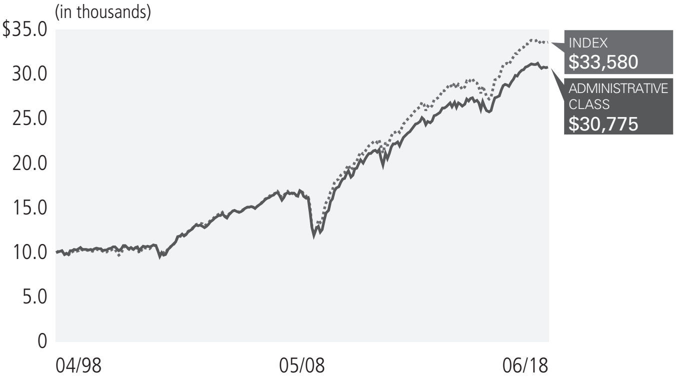
PIMCO has adopted written proxy voting policies and procedures ("Proxy Policy") as required by Rule 206(4)-6 under the Investment Advisers Act of 1940, as amended. The Proxy Policy has been adopted by the Trust as the policies and procedures that PIMCO will use when voting proxies on behalf of the Portfolio. A description of the policies and procedures that PIMCO uses to vote proxies relating to portfolio securities of the Portfolio, and information about how the Portfolio 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 Trust at (888) 87-PIMCO, on the Portfolio's website at www.pimco.com/pvit, and on the Securities and Exchange Commission's ("SEC") website at www.sec.gov.

The Trust files a complete schedule of the Portfolio's holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. A copy of the Portfolio's Form N-Q is available on the SEC's website at www.sec.gov and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. A copy of the Portfolio's Form N-Q is also available without charge, upon request, by calling the Trust at (888) 87-PIMCO and on the Portfolio's website at www.pimco.com/pvit. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

The SEC adopted a rule that generally allows funds to deliver shareholder reports to investors by providing access to such reports online free of charge and by mailing a notice that the report is electronically available. Pursuant to the rule, investors may still elect to receive a complete shareholder report in the mail. PIMCO is evaluating how to make the electronic delivery option available to shareholders in the future.

The Trust is distributed by PIMCO Investments LLC, 1633 Broadway, New York, New York 10019.

Cumulative Returns Through June 30, 2018



$10,000 invested at the end of the month when the Portfolio's Administrative Class commenced operations.

Allocation Breakdown as of 06/30/2018†§

Corporate Bonds & Notes	89.5%
Short-Term Instruments‡	10.0%
Other	0.5%

† % of Investments, at value.

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

‡ Includes Central Funds Used for Cash Management Purposes.

Average Annual Total Return for the period ended June 30, 2018

		6 Months*	1 Year	5 Years	10 Years	Inception≈
	PIMCO High Yield Portfolio Institutional Class	(0.90)%	1.20%	5.01%	6.73%	7.33%
—	PIMCO High Yield Portfolio Administrative Class	(0.97)%	1.05%	4.86%	6.57%	5.73%
	PIMCO High Yield Portfolio Advisor Class	(1.02)%	0.95%	4.75%	6.46%	5.88%
·····	ICE BofAML U.S. High Yield, BB-B Rated, Constrained Index± ♠	(0.47)%	1.85%	5.33%	7.35%	6.19%♦

All Portfolio returns are net of fees and expenses.

* Cumulative return.

≈ For class inception dates please refer to the Important Information.

♦ Average annual total return since 04/30/1998.

± ICE BofAML U.S. High Yield, BB-B Rated, Constrained Index tracks the performance of BB-B Rated U.S. Dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Qualifying bonds are capitalization-weighted provided the total allocation to an individual issuer (defined by Bloomberg tickers) does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro-rata basis. Similarly, the face value of bonds of all other issuers that fall below the 2% cap are increased on a pro-rata basis. Prior to September 25th, 2009, the ICE BofAML Indices were known as the Merrill Lynch Indices.

♠ The Bank of America Merrill Lynch Global Research fixed income index platform was acquired by the Intercontinental Exchange in October 2017 and renamed to ICE BofAML. This change does not impact the manner in which the indices are constructed.

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

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. Shares may be worth more or less than original cost when redeemed. The Portfolio's performance does not reflect the deduction of additional charges and expenses imposed in connection with investing in Variable Contracts, which will reduce returns. Differences in the Portfolio's performance versus the index and related attribution information with respect to particular categories of securities or individual positions may be attributable, in part, to differences in the prices of individual positions (which may be sourced from different pricing vendors or other sources) used by the Portfolio and the index. For performance current to the most recent month-end, visit www.pimco.com/pvit or via (888) 87-PIMCO.

The Portfolio's total annual operating expense ratio in effect as of period end were 0.61% for Institutional Class shares, 0.76% for Administrative Class shares, and 0.86% for Advisor Class shares. Details regarding any changes to the Portfolio's operating expenses, subsequent to period end, can be found in the Portfolio's current prospectus, as supplemented.

Investment Objective and Strategy Overview

PIMCO High Yield Portfolio seeks maximum total return, consistent with preservation of capital and prudent investment management, by investing under normal circumstances at least 80% of its assets in a diversified portfolio of high yield securities ("junk bonds"), which may be represented by forwards or derivatives such as options, futures contracts or swap agreements, rated below investment grade by Moody's Investors Service, Inc. ("Moody's"), or equivalently rated by Standard & Poor's Rating Services ("S&P") or Fitch, Inc. ("Fitch"), or, if unrated, determined by PIMCO to be of comparable quality. The Portfolio may invest up to 20% of its total assets in securities rated Caa or below by Moody's, or equivalently rated by S&P or Fitch, or, if unrated, determined by PIMCO to be of comparable quality. The remainder of the Portfolio's assets may be invested in investment grade Fixed Income Instruments. "Fixed Income Instruments" include bonds, debt securities and other similar instruments issued by various U.S. and non-U.S. public- or private-sector entities. Portfolio strategies may change from time to time. Please refer to the Portfolio's current prospectus for more information regarding the Portfolio's strategy.

Portfolio Insights

The following affected performance during the reporting period:

» Security selection in the healthcare sector contributed to performance, as the portfolio's healthcare holdings outperformed the broader sector.

» Security selection in the retail sector benefited performance, as the portfolio's retail holdings outperformed the broader sector.

» Overweight exposure to healthcare added to performance, as the sector outperformed the broader market.

» Security selection in the telecom sector detracted from performance, as the portfolio's telecom holdings underperformed the broader sector.

» Security selection in the consumer non-cyclical sector weighed on performance, as the portfolio's consumer non-cyclical holdings underperformed the broader sector.

» Security selection in the banking sector detracted from performance, as the portfolio's banking holdings underperformed the broader sector.

Example

As a shareholder of the Portfolio, you incur two types of costs: (1) transaction costs and (2) ongoing costs, including management fees, distribution and/or service (12b-1) fees (if applicable), and other Portfolio expenses. The Example is intended to help you understand your ongoing costs (in dollars) of investing in the Portfolio and to compare these costs with the ongoing costs of investing in other mutual funds.

The Expense Example does not reflect any fees or other expenses imposed by the Variable Contracts. If it did, the expenses reflected in the Expense Example would be higher. The Example is based on an investment of $1,000 invested at the beginning of the period and held from January 1, 2018 to June 30, 2018 unless noted otherwise in the table and footnotes below.

Actual Expenses

The information in the table under the heading "Actual" provides information about actual account values and actual expenses. You may use this information, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by $1,000 (for example, an $8,600 account value divided by $1,000 = 8.60), then multiply the result by the number in the appropriate row for your share class, in the column titled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The information in the table under the heading "Hypothetical (5% return before expenses)" provides information about hypothetical account values and hypothetical expenses based on the Portfolio's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Portfolio's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Portfolio and other portfolios. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other portfolios.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs. Therefore, the information under the heading "Hypothetical (5% return before expenses)" is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different portfolios. In addition, if these transactional costs were included, your costs would have been higher.

Expense ratios may vary period to period because of various factors, such as an increase in expenses that are not covered by the management fees such as fees and expenses of the independent trustees and their counsel, extraordinary expenses and interest expense.

	Actual			Hypothetical (5% return before expenses)			
	Beginning Account Value (01/01/18)	**Ending Account Value (06/30/18)**	**Expenses Paid During Period***	**Beginning Account Value (01/01/18)**	**Ending Account Value (06/30/18)**	**Expenses Paid During Period***	**Net Annualized Expense Ratio****
Institutional Class	$ 1,000.00	$ 991.00	$ 3.06	$ 1,000.00	$ 1,021.72	$ 3.11	0.62%
Administrative Class	1,000.00	990.30	3.80	1,000.00	1,020.98	3.86	0.77
Advisor Class	1,000.00	989.80	4.29	1,000.00	1,020.48	4.36	0.87

* Expenses Paid During Period are equal to the net annualized expense ratio for the class, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period). Overall fees and expenses of investing in the Portfolio will be higher because the example does not reflect variable contract fees and expenses.

** Net Annualized Expense Ratio is reflective of any applicable contractual fee waivers and/or expense reimbursements or voluntary fee waivers. Details regarding fee waivers, if any, can be found in Note 9, Fees and Expenses, in the Notes to Financial Statements.

		Investment Operations			Less Distributions[b]			
Selected Per Share Data for the Year or Period Ended^:	Net Asset Value Beginning of Year or Period	Net Investment Income (Loss)[a]	Net Realized/ Unrealized Gain (Loss)	Total	From Net Investment Income	From Net Realized Capital Gains	Tax Basis Return of Capital	Total
Institutional Class								
01/01/2018 - 06/30/2018+	$ 7.87	$ 0.19	$ (0.26)	$ (0.07)	$ (0.20)	$ 0.00	$ 0.00	$ (0.20)
12/31/2017	7.75	0.38	0.14	0.52	(0.40)	0.00	0.00	(0.40)
12/31/2016	7.26	0.40	0.49	0.89	(0.40)	0.00	0.00	(0.40)
12/31/2015	7.91	0.41	(0.52)	(0.11)	(0.42)	(0.12)	0.00	(0.54)
12/31/2014	8.07	0.42	(0.14)	0.28	(0.44)	0.00	0.00	(0.44)
12/31/2013	8.06	0.43	0.03	0.46	(0.45)	0.00	0.00	(0.45)
Administrative Class								
01/01/2018 - 06/30/2018+	7.87	0.19	(0.27)	(0.08)	(0.19)	0.00	0.00	(0.19)
12/31/2017	7.75	0.37	0.13	0.50	(0.38)	0.00	0.00	(0.38)
12/31/2016	7.26	0.38	0.50	0.88	(0.39)	0.00	0.00	(0.39)
12/31/2015	7.91	0.40	(0.52)	(0.12)	(0.41)	(0.12)	0.00	(0.53)
12/31/2014	8.07	0.41	(0.14)	0.27	(0.43)	0.00	0.00	(0.43)
12/31/2013	8.06	0.42	0.03	0.45	(0.44)	0.00	0.00	(0.44)
Advisor Class								
01/01/2018 - 06/30/2018+	7.87	0.18	(0.26)	(0.08)	(0.19)	0.00	0.00	(0.19)
12/31/2017	7.75	0.36	0.14	0.50	(0.38)	0.00	0.00	(0.38)
12/31/2016	7.26	0.37	0.51	0.88	(0.39)	0.00	0.00	(0.39)
12/31/2015	7.91	0.39	(0.52)	(0.13)	(0.40)	(0.12)	0.00	(0.52)
12/31/2014	8.07	0.40	(0.14)	0.26	(0.42)	0.00	0.00	(0.42)
12/31/2013	8.06	0.41	0.03	0.44	(0.43)	0.00	0.00	(0.43)

^ A zero balance may reflect actual amounts rounding to less than $0.01 or 0.01%.
+ Unaudited
* Annualized
(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, Distributions to Shareholders, in the Notes to Financial Statements for more information.
(c) Ratio of expenses to average net assets includes line of credit expenses.

		Ratios/Supplemental Data						
			Ratios to Average Net Assets					
Net Asset Value End of Year or Period	Total Return	Net Assets End of Year or Period (000s)	Expenses	Expenses Excluding Waivers	Expenses Excluding Interest Expense	Expenses Excluding Interest Expense and Waivers	Net Investment Income (Loss)	Portfolio Turnover Rate
$ 7.60	(0.90)%	$ 9,457	0.62%*	0.62%*	0.60%*	0.60%*	5.04%*	12%
7.87	6.77	10,863	0.61(c)	0.61(c)	0.60	0.60	4.80	25
7.75	12.61	9,937	0.61(c)	0.61(c)	0.60	0.60	5.24	30
7.26	(1.50)	4,450	0.61(c)	0.61(c)	0.60	0.60	5.23	23
7.91	3.49	4,766	0.60(c)	0.60(c)	0.60	0.60	5.20	37
8.07	5.89	4,848	0.60	0.60	0.60	0.60	5.39	41
7.60	(0.97)	957,997	0.77*	0.77*	0.75*	0.75*	4.89*	12
7.87	6.61	1,016,642	0.76(c)	0.76(c)	0.75	0.75	4.64	25
7.75	12.45	1,049,825	0.76(c)	0.76(c)	0.75	0.75	5.09	30
7.26	(1.64)	1,079,951	0.76(c)	0.76(c)	0.75	0.75	5.08	23
7.91	3.34	1,135,929	0.75(c)	0.75(c)	0.75	0.75	5.05	37
8.07	5.73	1,155,248	0.75	0.75	0.75	0.75	5.22	41
7.60	(1.02)	36,951	0.87*	0.87*	0.85*	0.85*	4.79*	12
7.87	6.50	29,721	0.86(c)	0.86(c)	0.85	0.85	4.53	25
7.75	12.34	41,147	0.86(c)	0.86(c)	0.85	0.85	4.96	30
7.26	(1.74)	20,953	0.86(c)	0.86(c)	0.85	0.85	4.95	23
7.91	3.23	18,879	0.85(c)	0.85(c)	0.85	0.85	4.91	37
8.07	5.63	47,764	0.85	0.85	0.85	0.85	5.13	41

Statement of Assets and Liabilities PIMCO High Yield Portfolio

(Unaudited)

(Amounts in thousands†, except per share amounts)	June 30, 2018
Assets:	
Investments, at value	
Investments in securities*	$ 913,600
Investments in Affiliates	98,693
Financial Derivative Instruments	
Exchange-traded or centrally cleared	12
Over the counter	1
Cash	1
Deposits with counterparty	3,035
Foreign currency, at value	77
Receivable for investments sold	55
Receivable for Portfolio shares sold	65
Interest and/or dividends receivable	14,511
Dividends receivable from Affiliates	198
Prepaid expenses	5
Total Assets	1,030,253
Liabilities:	
Borrowings & Other Financing Transactions	
Payable for reverse repurchase agreements	$ 13,735
Financial Derivative Instruments	
Exchange-traded or centrally cleared	89
Over the counter	297
Payable for investments purchased	5,914
Payable for investments in Affiliates purchased	198
Payable for unfunded loan commitments	4,466
Payable for Portfolio shares redeemed	481
Accrued investment advisory fees	215
Accrued supervisory and administrative fees	301
Accrued distribution fees	8
Accrued servicing fees	123
Other liabilities	21
Total Liabilities	25,848
Net Assets	$ 1,004,405
Net Assets Consist of:	
Paid in capital	$ 1,025,835
Undistributed (overdistributed) net investment income	4,760
Accumulated undistributed net realized gain (loss)	(17,940)
Net unrealized appreciation (depreciation)	(8,250)
Net Assets	$ 1,004,405
Net Assets:	
Institutional Class	$ 9,457
Administrative Class	957,997
Advisor Class	36,951
Shares Issued and Outstanding:	
Institutional Class	1,244
Administrative Class	126,037
Advisor Class	4,861
Net Asset Value Per Share Outstanding:	
Institutional Class	$ 7.60
Administrative Class	7.60
Advisor Class	7.60
Cost of investments in securities	$ 921,315
Cost of investments in Affiliates	$ 98,665
Cost of foreign currency held	$ 79
Cost or premiums of financial derivative instruments, net	$ 3,256
* Includes repurchase agreements of:	$ 1,891

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

Statement of Operations PIMCO High Yield Portfolio

(Amounts in thousands†)	Six Months Ended June 30, 2018 (Unaudited)
Investment Income:	
Interest	$ 27,752
Dividends from Investments in Affiliates	939
Total Income	28,691
Expenses:	
Investment advisory fees	1,265
Supervisory and administrative fees	1,770
Servicing fees - Administrative Class	726
Distribution and/or servicing fees - Advisor Class	41
Trustee fees	15
Interest expense	127
Miscellaneous expense	12
Total Expenses	3,956
Net Investment Income (Loss)	24,735
Net Realized Gain (Loss):	
Investments in securities	(288)
Investments in Affiliates	2
Exchange-traded or centrally cleared financial derivative instruments	843
Over the counter financial derivative instruments	(666)
Short sales	15
Foreign currency	35
Net Realized Gain (Loss)	(59)
Net Change in Unrealized Appreciation (Depreciation):	
Investments in securities	(34,674)
Investments in Affiliates	27
Exchange-traded or centrally cleared financial derivative instruments	(803)
Over the counter financial derivative instruments	(109)
Foreign currency assets and liabilities	(2)
Net Change in Unrealized Appreciation (Depreciation)	(35,561)
Net Increase (Decrease) in Net Assets Resulting from Operations	$ (10,885)

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

Statements of Changes in Net Assets PIMCO High Yield Portfolio

(Amounts in thousands[†])	Six Months Ended June 30, 2018 (Unaudited)	Year Ended December 31, 2017
Increase (Decrease) in Net Assets from:		
Operations:		
Net investment income (loss)	$ 24,735	$ 51,469
Net realized gain (loss)	(59)	6,472
Net change in unrealized appreciation (depreciation)	(35,561)	13,750
Net Increase (Decrease) in Net Assets Resulting from Operations	(10,885)	71,691
Distributions to Shareholders:		
From net investment income		
Institutional Class	(272)	(525)
Administrative Class	(24,524)	(51,769)
Advisor Class	(816)	(1,937)
Total Distributions[(a)]	(25,612)	(54,231)
Portfolio Share Transactions:		
Net increase (decrease) resulting from Portfolio share transactions**	(16,324)	(61,143)
Total Increase (Decrease) in Net Assets	(52,821)	(43,683)
Net Assets:		
Beginning of period	1,057,226	1,100,909
End of period*	$ 1,004,405	$ 1,057,226
* Including undistributed (overdistributed) net investment income of:	$ 4,760	$ 5,637

† A zero balance may reflect actual amounts rounding to less than one thousand.
** See Note 13, Shares of Beneficial Interest, in the Notes to Financial Statements.
(a) 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, Distributions to Shareholders, in the Notes to Financial Statements for more information.

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

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
INVESTMENTS IN SECURITIES 91.0%		
LOAN PARTICIPATIONS AND ASSIGNMENTS 0.5%		
Energizer Holdings. Inc.		
TBD% due 05/18/2019 ■	$ 750	$ 750
Financial & Risk U.S. Holdings		
TBD% due 05/31/2019 «■	3,750	3,724
Total Loan Participations and Assignments (Cost $4,466)		**4,474**
CORPORATE BONDS & NOTES 90.2%		
BANKING & FINANCE 8.4%		
Ally Financial, Inc.		
4.125% due 03/30/2020	1,000	1,004
4.625% due 03/30/2025	2,500	2,472
5.125% due 09/30/2024	2,000	2,040
7.500% due 09/15/2020	2,795	2,998
8.000% due 03/15/2020	1,607	1,721
8.000% due 11/01/2031	1,401	1,672
Avolon Holdings Funding Ltd.		
5.500% due 01/15/2023	1,000	1,000
BNP Paribas S.A.		
7.375% due 08/19/2025 •(e)(f)	2,500	2,559
CIT Group, Inc.		
5.000% due 08/15/2022	4,500	4,562
6.125% due 03/09/2028	500	515
CoreCivic, Inc.		
4.625% due 05/01/2023	1,000	975
Credit Agricole S.A.		
7.875% due 01/23/2024 •(e)(f)	4,000	4,090
Credit Suisse Group AG		
6.250% due 12/18/2024 •(e)(f)	2,000	1,960
Equinix, Inc.		
5.375% due 05/15/2027	1,500	1,500
5.875% due 01/15/2026	1,500	1,523
ESH Hospitality, Inc.		
5.250% due 05/01/2025	2,000	1,935
FBM Finance, Inc.		
8.250% due 08/15/2021	2,250	2,354
Freedom Mortgage Corp.		
8.250% due 04/15/2025	1,500	1,481
Greystar Real Estate Partners LLC		
5.750% due 12/01/2025	1,000	973
Howard Hughes Corp.		
5.375% due 03/15/2025	2,500	2,459
Intesa Sanpaolo SpA		
5.017% due 06/26/2024	1,250	1,136
5.710% due 01/15/2026	1,000	915
7.700% due 09/17/2025 •(e)(f)	1,000	937
Jefferies Finance LLC		
6.875% due 04/15/2022	1,500	1,504
7.375% due 04/01/2020	2,000	2,019
Lincoln Finance Ltd.		
7.375% due 04/15/2021	750	777
Lloyds Banking Group PLC		
7.500% due 06/27/2024 •(e)(f)	5,000	5,090
MGM Growth Properties Operating Partnership LP		
4.500% due 09/01/2026	1,000	934
5.625% due 05/01/2024	1,000	1,018
Navient Corp.		
4.875% due 06/17/2019	1,000	1,006
5.000% due 10/26/2020	1,000	1,000
5.875% due 10/25/2024	2,250	2,185
6.125% due 03/25/2024	2,500	2,481
6.500% due 06/15/2022	1,000	1,025
6.625% due 07/26/2021	500	515
6.750% due 06/25/2025	1,000	993
7.250% due 01/25/2022	500	525
8.000% due 03/25/2020	1,000	1,057
Provident Funding Associates LP		
6.375% due 06/15/2025	750	732
Quicken Loans, Inc.		
5.250% due 01/15/2028	$ 1,500	$ 1,389
5.750% due 05/01/2025	1,500	1,476
RHP Hotel Properties LP		
5.000% due 04/15/2023	1,500	1,496
Royal Bank of Scotland Group PLC		
5.125% due 05/28/2024	2,000	2,019
7.500% due 08/10/2020 •(e)(f)	2,000	2,044
8.625% due 08/15/2021 •(e)(f)	1,000	1,065
SBA Communications Corp.		
4.875% due 09/01/2024	1,000	959
Societe Generale S.A.		
7.875% due 12/18/2023 •(e)(f)	2,000	2,050
Springleaf Finance Corp.		
5.625% due 03/15/2023	1,250	1,246
6.875% due 03/15/2025	1,250	1,244
7.125% due 03/15/2026	1,000	998
Tempo Acquisition LLC		
6.750% due 06/01/2025	1,500	1,444
Vantiv LLC		
4.375% due 11/15/2025	1,000	958
		84,030
INDUSTRIALS 73.1%		
Acadia Healthcare Co., Inc.		
5.625% due 02/15/2023	1,000	1,013
6.500% due 03/01/2024	500	515
Adient Global Holdings Ltd.		
4.875% due 08/15/2026	2,500	2,262
ADT Corp.		
3.500% due 07/15/2022	1,000	941
4.125% due 06/15/2023	1,000	940
4.875% due 07/15/2032	1,000	788
6.250% due 10/15/2021	2,000	2,080
Advanced Disposal Services, Inc.		
5.625% due 11/15/2024	1,500	1,496
AECOM		
5.125% due 03/15/2027	1,000	945
5.875% due 10/15/2024	1,250	1,295
Air Medical Group Holdings, Inc.		
6.375% due 05/15/2023	2,500	2,337
Alcoa Nederland Holding BV		
6.125% due 05/15/2028	500	504
6.750% due 09/30/2024	500	530
7.000% due 09/30/2026	250	266
Allison Transmission, Inc.		
5.000% due 10/01/2024	2,000	1,972
Altice Financing S.A.		
6.625% due 02/15/2023	3,000	2,964
7.500% due 05/15/2026	1,000	970
Altice Finco S.A.		
7.625% due 02/15/2025	1,000	896
Altice France S.A.		
6.000% due 05/15/2022	3,000	3,022
6.250% due 05/15/2024	4,000	3,900
7.375% due 05/01/2026	2,000	1,963
Altice Luxembourg S.A.		
7.625% due 02/15/2025 (h)	2,500	2,309
7.750% due 05/15/2022	2,500	2,428
Altice U.S. Finance Corp.		
5.500% due 05/15/2026	1,500	1,451
AMC Networks, Inc.		
4.750% due 12/15/2022	1,000	1,004
4.750% due 08/01/2025	500	482
5.000% due 04/01/2024	2,000	1,975
American Builders & Contractors Supply Co., Inc.		
5.750% due 12/15/2023	1,000	1,028
5.875% due 05/15/2026	1,750	1,730
Amsted Industries, Inc.		
5.000% due 03/15/2022	2,000	2,007
5.375% due 09/15/2024	1,000	998
Antero Resources Corp.		
5.000% due 03/01/2025	1,000	1,000
5.125% due 12/01/2022	$ 1,000	$ 1,008
5.375% due 11/01/2021	1,250	1,270
Apergy Corp.		
6.375% due 05/01/2026	625	636
Aramark Services, Inc.		
5.000% due 02/01/2028	1,500	1,436
5.125% due 01/15/2024	1,500	1,504
Arconic, Inc.		
5.125% due 10/01/2024	2,000	1,993
5.950% due 02/01/2037	1,250	1,212
Ardagh Packaging Finance PLC		
4.250% due 09/15/2022	250	246
6.000% due 02/15/2025	1,500	1,464
7.250% due 05/15/2024	2,000	2,087
Ashland LLC		
4.750% due 08/15/2022	2,000	2,017
6.875% due 05/15/2043	1,500	1,530
Ashtead Capital, Inc.		
4.125% due 08/15/2025	1,000	938
4.375% due 08/15/2027	750	699
Avon International Operations, Inc.		
7.875% due 08/15/2022	1,000	996
B&G Foods, Inc.		
4.625% due 06/01/2021	1,000	988
5.250% due 04/01/2025	1,500	1,417
Ball Corp.		
5.250% due 07/01/2025	1,750	1,792
BBA U.S. Holdings, Inc.		
5.375% due 05/01/2026	875	880
BC Unlimited Liability Co.		
4.250% due 05/15/2024	1,500	1,429
5.000% due 10/15/2025	3,000	2,854
BCD Acquisition, Inc.		
9.625% due 09/15/2023	1,500	1,605
Beacon Roofing Supply, Inc.		
4.875% due 11/01/2025	5,000	4,650
6.375% due 10/01/2023	1,000	1,037
Berry Global, Inc.		
4.500% due 02/15/2026	1,000	935
5.125% due 07/15/2023	1,000	995
6.000% due 10/15/2022	1,000	1,033
Boise Cascade Co.		
5.625% due 09/01/2024	1,000	1,008
Bombardier, Inc.		
7.500% due 12/01/2024	500	528
7.500% due 03/15/2025	2,000	2,092
7.750% due 03/15/2020	500	529
8.750% due 12/01/2021	1,500	1,657
Boyd Gaming Corp.		
6.000% due 08/15/2026	750	743
6.375% due 04/01/2026	1,500	1,522
6.875% due 05/15/2023	1,000	1,051
Brink's Co.		
4.625% due 10/15/2027	1,000	928
Builders FirstSource, Inc.		
5.625% due 09/01/2024	2,000	1,957
BWAY Holding Co.		
5.500% due 04/15/2024	2,500	2,444
Cablevision Systems Corp.		
5.875% due 09/15/2022	2,000	1,990
Caesars Resort Collection LLC		
5.250% due 10/15/2025	4,000	3,795
Callon Petroleum Co.		
6.375% due 07/01/2026	2,000	2,012
Carrizo Oil & Gas, Inc.		
6.250% due 04/15/2023 (h)	1,000	1,018
Cascades, Inc.		
5.500% due 07/15/2022	750	747
Catalent Pharma Solutions, Inc.		
4.875% due 01/15/2026	1,750	1,685
CBS Radio, Inc.		
7.250% due 11/01/2024 (h)	1,500	1,436
CCO Holdings LLC		
5.000% due 02/01/2028	1,000	920

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
5.125% due 02/15/2023	$ 3,000	$ 2,977
5.125% due 05/01/2023	2,000	1,979
5.125% due 05/01/2027	1,000	936
5.250% due 09/30/2022	2,000	2,014
5.375% due 05/01/2025	1,000	970
5.750% due 09/01/2023	2,750	2,777
5.750% due 02/15/2026	3,000	2,955
5.875% due 04/01/2024	1,000	1,008
5.875% due 05/01/2027	1,000	979
Centene Corp.		
4.750% due 01/15/2025	1,000	998
5.625% due 02/15/2021	1,000	1,024
6.125% due 02/15/2024	1,000	1,056
Centene Escrow Corp.		
5.375% due 06/01/2026	500	508
Centennial Resource Production LLC		
5.375% due 01/15/2026	2,000	1,950
Cequel Communications Holdings LLC		
5.125% due 12/15/2021	2,000	1,997
CF Industries, Inc.		
5.150% due 03/15/2034	2,000	1,862
Change Healthcare Holdings LLC		
5.750% due 03/01/2025	3,000	2,850
Chemours Co.		
6.625% due 05/15/2023	1,500	1,575
7.000% due 05/15/2025	1,500	1,616
Cheniere Corpus Christi Holdings LLC		
5.125% due 06/30/2027	2,500	2,487
5.875% due 03/31/2025	2,000	2,087
7.000% due 06/30/2024	1,500	1,641
Cheniere Energy Partners LP		
5.250% due 10/01/2025	2,500	2,445
Chesapeake Energy Corp.		
8.000% due 12/15/2022	1,250	1,317
Churchill Downs, Inc.		
4.750% due 01/15/2028	2,000	1,860
Clear Channel Worldwide Holdings, Inc.		
6.500% due 11/15/2022	2,000	2,045
7.625% due 03/15/2020	2,500	2,494
Clearwater Paper Corp.		
4.500% due 02/01/2023	1,500	1,410
Cleveland-Cliffs, Inc.		
4.875% due 01/15/2024	750	726
5.750% due 03/01/2025	500	476
CNX Midstream Partners LP		
6.500% due 03/15/2026	1,000	975
CNX Resources Corp.		
5.875% due 04/15/2022	1,000	1,008
CommScope Technologies LLC		
5.000% due 03/15/2027	1,000	944
6.000% due 06/15/2025	1,250	1,283
CommScope, Inc.		
5.000% due 06/15/2021	1,000	1,004
5.500% due 06/15/2024	1,250	1,261
Community Health Systems, Inc.		
5.125% due 08/01/2021	1,000	930
6.250% due 03/31/2023	2,500	2,300
8.625% due 01/15/2024 (a)	1,000	1,005
Constellium NV		
5.750% due 05/15/2024	1,000	970
5.875% due 02/15/2026	1,000	968
Continental Resources, Inc.		
5.000% due 09/15/2022	1,500	1,524
Cooper-Standard Automotive, Inc.		
5.625% due 11/15/2026	1,500	1,485
Core & Main LP		
6.125% due 08/15/2025	3,000	2,857
Coty, Inc.		
6.500% due 04/15/2026	1,500	1,443
Covey Park Energy LLC		
7.500% due 05/15/2025	2,375	2,434
CPG Merger Sub LLC		
8.000% due 10/01/2021	2,000	2,030
Crown Americas LLC		
4.250% due 09/30/2026	$ 1,000	$ 918
4.500% due 01/15/2023	2,000	1,965
4.750% due 02/01/2026	1,000	953
CSC Holdings LLC		
5.250% due 06/01/2024	2,000	1,895
5.375% due 02/01/2028	500	464
5.500% due 04/15/2027	1,000	958
6.625% due 10/15/2025	1,000	1,026
10.125% due 01/15/2023	1,000	1,105
DAE Funding LLC		
4.500% due 08/01/2022	1,000	973
5.000% due 08/01/2024	2,000	1,926
Darling Ingredients, Inc.		
5.375% due 01/15/2022	2,000	2,027
DaVita, Inc.		
5.000% due 05/01/2025	2,000	1,887
5.125% due 07/15/2024	2,000	1,944
Dell International LLC		
5.875% due 06/15/2021	500	508
7.125% due 06/15/2024	1,000	1,060
Diamond Offshore Drilling, Inc.		
4.875% due 11/01/2043	750	544
5.700% due 10/15/2039	1,000	805
7.875% due 08/15/2025	1,250	1,300
Diamond Resorts International, Inc.		
7.750% due 09/01/2023	1,500	1,567
Diamondback Energy, Inc.		
4.750% due 11/01/2024	1,000	979
5.375% due 05/31/2025	1,000	1,003
Digicel Group Ltd.		
7.125% due 04/01/2022	1,000	663
Digicel Ltd.		
6.000% due 04/15/2021	1,000	906
DISH DBS Corp.		
5.000% due 03/15/2023	2,500	2,178
5.125% due 05/01/2020	1,000	994
5.875% due 07/15/2022	3,000	2,831
5.875% due 11/15/2024	2,500	2,125
6.750% due 06/01/2021	1,000	1,004
7.750% due 07/01/2026	1,000	880
DJO Finance LLC		
8.125% due 06/15/2021	2,500	2,543
10.750% due 04/15/2020	500	491
DKT Finance ApS		
9.375% due 06/17/2023 (a)	1,000	1,015
DriveTime Automotive Group, Inc.		
8.000% due 06/01/2021	1,000	1,015
Eldorado Resorts, Inc.		
7.000% due 08/01/2023	1,000	1,054
EMC Corp.		
3.375% due 06/01/2023	1,000	936
EMI Music Publishing Group North America Holdings, Inc.		
7.625% due 06/15/2024	1,000	1,085
Endo Dac		
6.000% due 07/15/2023	1,000	828
6.000% due 02/01/2025	1,250	981
Endo Finance LLC		
5.375% due 01/15/2023	1,000	805
5.750% due 01/15/2022	1,000	900
Energizer Gamma Acquisition, Inc.		
6.375% due 07/15/2026 (a)	750	764
Energizer Holdings, Inc.		
5.500% due 06/15/2025	2,500	2,462
Energy Transfer Equity LP		
5.875% due 01/15/2024	1,000	1,028
7.500% due 10/15/2020	2,000	2,137
EnPro Industries, Inc.		
5.875% due 09/15/2022	1,500	1,537
Ensco PLC		
4.500% due 10/01/2024	1,500	1,241
5.200% due 03/15/2025	1,000	834
5.750% due 10/01/2044	2,000	1,420
7.750% due 02/01/2026	1,000	948
Entegris, Inc.		
4.625% due 02/10/2026	$ 2,000	$ 1,915
Envision Healthcare Corp.		
5.125% due 07/01/2022	2,000	2,027
EW Scripps Co.		
5.125% due 05/15/2025	1,000	940
Extraction Oil & Gas, Inc.		
5.625% due 02/01/2026	500	479
7.375% due 05/15/2024	500	526
First Data Corp.		
5.000% due 01/15/2024	3,000	2,989
5.750% due 01/15/2024	3,000	3,009
7.000% due 12/01/2023	3,000	3,132
First Quality Finance Co., Inc.		
4.625% due 05/15/2021	1,000	980
5.000% due 07/01/2025	750	688
First Quantum Minerals Ltd.		
6.500% due 03/01/2024	1,000	968
7.000% due 02/15/2021	1,000	1,012
7.250% due 05/15/2022	1,000	1,015
7.250% due 04/01/2023	1,000	1,003
7.500% due 04/01/2025	750	743
Flex Acquisition Co., Inc.		
6.875% due 01/15/2025	2,000	1,935
FMG Resources Pty. Ltd.		
4.750% due 05/15/2022	250	242
5.125% due 05/15/2024	250	239
Freeport-McMoRan, Inc.		
3.100% due 03/15/2020	1,000	984
3.550% due 03/01/2022	2,000	1,905
3.875% due 03/15/2023	2,000	1,895
4.000% due 11/14/2021	1,500	1,470
5.400% due 11/14/2034	2,500	2,281
Gates Global LLC		
6.000% due 07/15/2022	1,000	1,015
GCP Applied Technologies, Inc.		
5.500% due 04/15/2026	2,000	1,967
GLP Capital LP		
5.250% due 06/01/2025	250	251
5.375% due 11/01/2023	1,500	1,537
5.375% due 04/15/2026	750	744
5.750% due 06/01/2028	375	380
Graphic Packaging International LLC		
4.125% due 08/15/2024	500	483
4.875% due 11/15/2022	500	503
Gray Television, Inc.		
5.125% due 10/15/2024	1,000	958
Griffon Corp.		
5.250% due 03/01/2022	2,250	2,197
Grinding Media, Inc.		
7.375% due 12/15/2023	1,000	1,045
Gulfport Energy Corp.		
6.000% due 10/15/2024	1,500	1,451
6.375% due 05/15/2025	1,500	1,464
6.625% due 05/01/2023	1,000	1,013
Hanesbrands, Inc.		
4.625% due 05/15/2024	2,000	1,960
4.875% due 05/15/2026	1,500	1,455
HCA Healthcare, Inc.		
6.250% due 02/15/2021	3,000	3,120
HCA, Inc.		
4.750% due 05/01/2023	2,000	2,000
5.000% due 03/15/2024	2,500	2,506
5.250% due 04/15/2025	2,000	2,005
5.250% due 06/15/2026	1,500	1,494
5.375% due 02/01/2025	2,000	1,974
5.500% due 06/15/2047	1,500	1,380
5.875% due 05/01/2023	1,750	1,820
7.500% due 02/15/2022	2,000	2,180
HD Supply, Inc.		
5.750% due 04/15/2024 ×	1,500	1,573
Hill-Rom Holdings, Inc.		
5.000% due 02/15/2025	1,250	1,219
Hilton Domestic Operating Co., Inc.		
4.250% due 09/01/2024	1,000	954

 See Accompanying Notes

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
5.125% due 05/01/2026	$ 1,375	$ 1,358
Hilton Worldwide Finance LLC		
4.625% due 04/01/2025	1,000	978
4.875% due 04/01/2027	750	726
HudBay Minerals, Inc.		
7.250% due 01/15/2023	500	518
7.625% due 01/15/2025	500	526
Hughes Satellite Systems Corp.		
5.250% due 08/01/2026	500	471
7.625% due 06/15/2021	1,000	1,067
Huntsman International LLC		
4.875% due 11/15/2020	500	509
5.125% due 11/15/2022	1,000	1,032
IHO Verwaltungs GmbH (4.500% Cash or 5.250% PIK)		
4.500% due 09/15/2023 (b)	2,000	1,922
IHO Verwaltungs GmbH (4.750% Cash or 5.500% PIK)		
4.750% due 09/15/2026 (b)	2,000	1,887
Indigo Natural Resources LLC		
6.875% due 02/15/2026	1,000	973
INEOS Group Holdings S.A.		
5.625% due 08/01/2024 (h)	1,500	1,481
Informatica LLC		
7.125% due 07/15/2023	1,000	1,015
Intelsat Jackson Holdings S.A.		
5.500% due 08/01/2023	1,000	900
7.250% due 10/15/2020	1,000	1,000
7.500% due 04/01/2021	500	499
8.000% due 02/15/2024	2,000	2,105
International Game Technology PLC		
6.250% due 02/15/2022	2,000	2,060
6.500% due 02/15/2025	1,500	1,556
IQVIA, Inc.		
4.875% due 05/15/2023	2,000	2,030
5.000% due 10/15/2026	2,000	1,955
Jagged Peak Energy LLC		
5.875% due 05/01/2026	1,250	1,228
Jaguar Holding Co.		
6.375% due 08/01/2023	4,000	3,991
James Hardie International Finance DAC		
4.750% due 01/15/2025	500	490
5.000% due 01/15/2028	500	475
Jeld-Wen, Inc.		
4.625% due 12/15/2025	2,250	2,149
4.875% due 12/15/2027	1,500	1,399
KAR Auction Services, Inc.		
5.125% due 06/01/2025	1,000	958
KFC Holding Co.		
4.750% due 06/01/2027	750	711
5.000% due 06/01/2024	1,000	990
5.250% due 06/01/2026	2,000	1,975
Kinetic Concepts, Inc.		
7.875% due 02/15/2021	1,500	1,524
12.500% due 11/01/2021	1,250	1,387
KLX, Inc.		
5.875% due 12/01/2022	2,500	2,606
L Brands, Inc.		
5.625% due 02/15/2022	1,000	1,020
Lamb Weston Holdings, Inc.		
4.625% due 11/01/2024	1,000	978
4.875% due 11/01/2026	1,000	975
Lennar Corp.		
4.750% due 11/29/2027	1,250	1,175
5.000% due 06/15/2027	1,500	1,444
5.250% due 06/01/2026	1,250	1,231
5.375% due 10/01/2022	1,000	1,025
5.875% due 11/15/2024	750	778
Level 3 Financing, Inc.		
5.125% due 05/01/2023	1,250	1,230
5.250% due 03/15/2026	1,000	954
5.375% due 01/15/2024	1,000	983
5.375% due 05/01/2025	1,000	965
LHMC Finco SARL		
7.875% due 12/20/2023 (a)	1,000	978
LifePoint Health, Inc.		
5.375% due 05/01/2024	$ 1,000	$ 966
5.500% due 12/01/2021	1,000	1,003
5.875% due 12/01/2023	1,000	999
LIN Television Corp.		
5.875% due 11/15/2022	750	769
Live Nation Entertainment, Inc.		
4.875% due 11/01/2024	1,000	970
LKQ Corp.		
4.750% due 05/15/2023	1,000	1,000
Mallinckrodt International Finance S.A.		
4.750% due 04/15/2023 (h)	1,000	843
5.500% due 04/15/2025	1,000	805
5.625% due 10/15/2023 (h)	1,000	839
5.750% due 08/01/2022	1,750	1,584
Masonite International Corp.		
5.625% due 03/15/2023	2,000	2,054
Matador Resources Co.		
6.875% due 04/15/2023	500	525
MDC Holdings, Inc.		
6.000% due 01/15/2043	1,000	875
MDC Partners, Inc.		
6.500% due 05/01/2024	1,000	873
Meredith Corp.		
6.875% due 02/01/2026	750	742
MGM Resorts International		
4.625% due 09/01/2026	1,000	930
5.750% due 06/15/2025	1,000	1,004
6.000% due 03/15/2023	2,000	2,065
6.625% due 12/15/2021	4,000	4,220
6.750% due 10/01/2020	1,000	1,050
7.750% due 03/15/2022	2,000	2,185
8.625% due 02/01/2019	1,000	1,030
MSCI, Inc.		
5.250% due 11/15/2024	1,000	1,015
5.375% due 05/15/2027	500	501
5.750% due 08/15/2025	1,000	1,035
Mueller Water Products, Inc.		
5.500% due 06/15/2026	1,000	1,010
Murphy Oil Corp.		
5.750% due 08/15/2025	500	500
6.875% due 08/15/2024	1,000	1,052
Murphy Oil USA, Inc.		
6.000% due 08/15/2023	1,000	1,028
Nabors Industries, Inc.		
5.750% due 02/01/2025	2,000	1,895
NCR Corp.		
4.625% due 02/15/2021	1,500	1,492
5.000% due 07/15/2022	2,000	1,990
6.375% due 12/15/2023	500	519
Netflix, Inc.		
4.375% due 11/15/2026 (h)	2,500	2,349
4.875% due 04/15/2028	1,500	1,432
5.875% due 02/15/2025	500	514
Newfield Exploration Co.		
5.375% due 01/01/2026	3,000	3,082
5.625% due 07/01/2024	1,500	1,588
Nexstar Broadcasting, Inc.		
5.625% due 08/01/2024	750	725
NextEra Energy Operating Partners LP		
4.250% due 09/15/2024	500	483
4.500% due 09/15/2027	750	704
Nielsen Co. Luxembourg SARL		
5.000% due 02/01/2025	1,000	955
Nielsen Finance LLC		
5.000% due 04/15/2022	1,750	1,724
Novelis Corp.		
5.875% due 09/30/2026	2,500	2,400
6.250% due 08/15/2024	1,000	1,003
Nufarm Australia Ltd.		
5.750% due 04/30/2026	1,250	1,214
NXP BV		
4.125% due 06/15/2020	1,000	1,013
4.625% due 06/01/2023	1,000	1,014
Olin Corp.		
5.000% due 02/01/2030	$ 750	$ 712
Open Text Corp.		
5.875% due 06/01/2026	1,500	1,534
Ortho-Clinical Diagnostics, Inc.		
6.625% due 05/15/2022	7,750	7,614
Park Aerospace Holdings Ltd.		
4.500% due 03/15/2023	2,000	1,905
5.250% due 08/15/2022	2,000	1,988
5.500% due 02/15/2024	1,250	1,237
Park-Ohio Industries, Inc.		
6.625% due 04/15/2027	1,000	1,018
Party City Holdings, Inc.		
6.125% due 08/15/2023	1,000	1,010
PDC Energy, Inc.		
5.750% due 05/15/2026	500	501
6.125% due 09/15/2024	1,000	1,025
Penn National Gaming, Inc.		
5.625% due 01/15/2027	500	473
Performance Food Group, Inc.		
5.500% due 06/01/2024	500	495
PetSmart, Inc.		
5.875% due 06/01/2025	750	579
7.125% due 03/15/2023	1,500	1,014
Pilgrim's Pride Corp.		
5.750% due 03/15/2025	2,000	1,925
5.875% due 09/30/2027	1,000	930
Pinnacle Entertainment, Inc.		
5.625% due 05/01/2024	750	782
Pinnacle Foods Finance LLC		
5.875% due 01/15/2024	1,000	1,059
Pisces Midco, Inc.		
8.000% due 04/15/2026	2,500	2,417
Platform Specialty Products Corp.		
5.875% due 12/01/2025	1,000	979
6.500% due 02/01/2022	2,000	2,040
Post Holdings, Inc.		
5.000% due 08/15/2026	3,000	2,805
5.500% due 03/01/2025	1,000	979
5.625% due 01/15/2028	1,250	1,177
5.750% due 03/01/2027	2,000	1,935
8.000% due 07/15/2025	750	835
PQ Corp.		
6.750% due 11/15/2022	750	790
Precision Drilling Corp.		
7.750% due 12/15/2023	1,750	1,851
Prestige Brands, Inc.		
5.375% due 12/15/2021	2,750	2,760
6.375% due 03/01/2024	1,500	1,492
Prime Security Services Borrower LLC		
9.250% due 05/15/2023	3,000	3,210
Qorvo, Inc.		
7.000% due 12/01/2025	500	540
Qualitytech LP		
4.750% due 11/15/2025	1,500	1,411
Rackspace Hosting, Inc.		
8.625% due 11/15/2024	1,250	1,259
Range Resources Corp.		
4.875% due 05/15/2025	1,000	943
5.000% due 08/15/2022	750	746
5.000% due 03/15/2023	2,000	1,953
RBS Global, Inc.		
4.875% due 12/15/2025	2,500	2,362
RegionalCare Hospital Partners Holdings, Inc.		
8.250% due 05/01/2023	2,000	2,114
Revlon Consumer Products Corp.		
6.250% due 08/01/2024	750	424
Reynolds Group Issuer, Inc.		
5.125% due 07/15/2023	2,000	1,977
5.750% due 10/15/2020	1,454	1,461
6.875% due 02/15/2021	347	351
7.000% due 07/15/2024	1,000	1,023
Rite Aid Corp.		
6.125% due 04/01/2023	2,000	2,030

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Rivers Pittsburgh Borrower LP		
6.125% due 08/15/2021	$ 1,000	$ 993
Rockies Express Pipeline LLC		
5.625% due 04/15/2020	1,250	1,286
6.000% due 01/15/2019	1,500	1,524
Rowan Cos., Inc.		
4.750% due 01/15/2024	1,000	868
4.875% due 06/01/2022	2,000	1,900
5.850% due 01/15/2044	1,000	745
7.375% due 06/15/2025	1,000	973
RSP Permian, Inc.		
5.250% due 01/15/2025	1,000	1,074
6.625% due 10/01/2022	1,000	1,053
Sabre GLBL, Inc.		
5.250% due 11/15/2023	500	506
5.375% due 04/15/2023	1,500	1,522
Sally Holdings LLC		
5.625% due 12/01/2025 (h)	1,000	928
Schaeffler Finance BV		
4.750% due 05/15/2023	1,250	1,244
Scientific Games International, Inc.		
5.000% due 10/15/2025	1,500	1,432
6.250% due 09/01/2020	1,250	1,256
10.000% due 12/01/2022	1,500	1,603
Scotts Miracle-Gro Co.		
6.000% due 10/15/2023	1,375	1,428
Sealed Air Corp.		
4.875% due 12/01/2022	500	507
5.125% due 12/01/2024	1,000	1,013
5.250% due 04/01/2023	1,500	1,537
5.500% due 09/15/2025	1,000	1,030
Sensata Technologies BV		
4.875% due 10/15/2023	1,500	1,513
5.000% due 10/01/2025	1,000	1,013
5.625% due 11/01/2024	1,250	1,302
Sensata Technologies UK Financing Co. PLC		
6.250% due 02/15/2026	1,500	1,567
ServiceMaster Co. LLC		
5.125% due 11/15/2024	1,750	1,702
Sigma Holdco BV		
5.750% due 05/15/2026	EUR 1,000	1,097
7.875% due 05/15/2026	$ 1,250	1,178
Silversea Cruise Finance Ltd.		
7.250% due 02/01/2025	250	271
Simmons Foods, Inc.		
5.750% due 11/01/2024	1,000	873
Sinclair Television Group, Inc.		
5.125% due 02/15/2027	1,000	925
5.625% due 08/01/2024	2,000	1,990
Sirius XM Radio, Inc.		
5.000% due 08/01/2027	1,500	1,406
5.375% due 04/15/2025	3,000	2,966
Smurfit Kappa Treasury Funding Ltd.		
7.500% due 11/20/2025	500	594
Sotera Health Topco, Inc. (8.125% Cash or 8.875% PIK)		
8.125% due 11/01/2021 (b)	1,000	1,005
Southwestern Energy Co.		
4.100% due 03/15/2022	3,000	2,880
6.700% due 01/23/2025	1,000	983
7.500% due 04/01/2026	1,000	1,040
Spectrum Brands, Inc.		
5.750% due 07/15/2025	1,500	1,489
6.125% due 12/15/2024	1,000	1,015
6.625% due 11/15/2022	1,000	1,035
SPX FLOW, Inc.		
5.625% due 08/15/2024	2,000	1,995
5.875% due 08/15/2026	2,000	1,990
Standard Industries, Inc.		
4.750% due 01/15/2028	1,000	923
5.000% due 02/15/2027	1,000	935
5.375% due 11/15/2024	4,000	3,970
6.000% due 10/15/2025	2,000	2,015
Stars Group Holdings BV		
7.000% due 07/15/2026 (a)	875	886
Station Casinos LLC		
5.000% due 10/01/2025	$ 1,000	$ 943
Steel Dynamics, Inc.		
5.000% due 12/15/2026	1,000	1,003
5.125% due 10/01/2021	1,000	1,011
5.500% due 10/01/2024	500	511
Suburban Propane Partners LP		
5.750% due 03/01/2025	1,000	964
Sunoco LP		
4.875% due 01/15/2023	750	722
5.500% due 02/15/2026	500	475
5.875% due 03/15/2028	500	473
T-Mobile USA, Inc.		
4.500% due 02/01/2026	1,000	935
4.750% due 02/01/2028	1,000	926
5.125% due 04/15/2025	1,000	1,008
6.375% due 03/01/2025	2,000	2,080
6.500% due 01/15/2026	2,000	2,064
Team Health Holdings, Inc.		
6.375% due 02/01/2025	2,750	2,379
Teck Resources Ltd.		
3.750% due 02/01/2023	1,000	953
4.500% due 01/15/2021	2,750	2,764
4.750% due 01/15/2022	1,000	1,007
6.125% due 10/01/2035	2,000	2,020
6.250% due 07/15/2041	1,000	1,000
8.500% due 06/01/2024	500	549
TEGNA, Inc.		
4.875% due 09/15/2021	500	502
5.500% due 09/15/2024	1,000	1,004
Teine Energy Ltd.		
6.875% due 09/30/2022	1,000	1,015
Teleflex, Inc.		
4.875% due 06/01/2026	750	739
Telenet Finance Luxembourg Notes SARL		
5.500% due 03/01/2028	1,400	1,281
Tempur Sealy International, Inc.		
5.500% due 06/15/2026	2,250	2,182
5.625% due 10/15/2023	750	755
Tenet Healthcare Corp.		
4.500% due 04/01/2021	1,000	995
4.625% due 07/15/2024	1,000	951
5.125% due 05/01/2025	2,000	1,909
6.000% due 10/01/2020	1,000	1,031
6.750% due 06/15/2023 (h)	1,500	1,498
7.500% due 01/01/2022	450	470
8.125% due 04/01/2022	1,000	1,047
Tennant Co.		
5.625% due 05/01/2025	1,000	998
Terex Corp.		
5.625% due 02/01/2025	1,000	996
TopBuild Corp.		
5.625% due 05/01/2026	1,500	1,444
TransDigm, Inc.		
6.000% due 07/15/2022	1,000	1,008
6.375% due 06/15/2026	2,000	1,990
6.500% due 07/15/2024	1,500	1,530
Transocean Guardian Ltd.		
5.875% due 01/15/2024 (a)	1,250	1,244
Transocean, Inc.		
6.800% due 03/15/2038 (h)	1,500	1,226
7.500% due 01/15/2026	1,250	1,273
7.500% due 04/15/2031	2,500	2,331
9.000% due 07/15/2023	3,500	3,780
TreeHouse Foods, Inc.		
4.875% due 03/15/2022	1,000	1,006
6.000% due 02/15/2024	1,000	1,027
Tribune Media Co.		
5.875% due 07/15/2022	1,500	1,521
Trinseo Materials Operating S.C.A.		
5.375% due 09/01/2025	2,000	1,987
Triumph Group, Inc.		
4.875% due 04/01/2021	1,500	1,451
7.750% due 08/15/2025	625	620
U.S. Concrete, Inc.		
6.375% due 06/01/2024	$ 2,000	$ 2,010
U.S. Foods, Inc.		
5.875% due 06/15/2024	1,250	1,278
United Rentals North America, Inc.		
4.625% due 07/15/2023	1,000	1,001
4.625% due 10/15/2025	1,000	955
4.875% due 01/15/2028	1,000	931
5.500% due 07/15/2025	1,500	1,517
5.500% due 05/15/2027	1,500	1,459
5.875% due 09/15/2026	500	506
Unitymedia GmbH		
6.125% due 01/15/2025	1,000	1,035
Unitymedia Hessen GmbH & Co. KG		
5.000% due 01/15/2025	3,000	3,052
Univar USA, Inc.		
6.750% due 07/15/2023	1,000	1,034
Univision Communications, Inc.		
5.125% due 05/15/2023	1,500	1,444
5.125% due 02/15/2025	4,000	3,705
6.750% due 09/15/2022	438	449
UPC Holding BV		
5.500% due 01/15/2028	2,000	1,805
UPCB Finance Ltd.		
5.375% due 01/15/2025	1,000	955
USA Compression Partners LP		
6.875% due 04/01/2026	1,250	1,298
USG Corp.		
4.875% due 06/01/2027	1,500	1,537
5.500% due 03/01/2025	1,250	1,295
Valeant Pharmaceuticals International, Inc.		
4.500% due 05/15/2023	EUR 1,500	1,660
5.500% due 03/01/2023	$ 2,500	2,337
5.500% due 11/01/2025	2,500	2,473
5.625% due 12/01/2021	500	494
5.875% due 05/15/2023	3,000	2,829
6.500% due 03/15/2022	500	519
6.750% due 08/15/2021	500	506
7.000% due 03/15/2024	1,125	1,181
7.250% due 07/15/2022	1,000	1,024
7.500% due 07/15/2021	500	509
8.500% due 01/31/2027	1,500	1,526
9.000% due 12/15/2025	1,000	1,041
9.250% due 04/01/2026	1,500	1,562
Valvoline, Inc.		
5.500% due 07/15/2024	500	506
VeriSign, Inc.		
4.625% due 05/01/2023	1,000	1,011
5.250% due 04/01/2025	1,000	1,017
Versum Materials, Inc.		
5.500% due 09/30/2024	1,000	1,016
ViaSat, Inc.		
5.625% due 09/15/2025	1,500	1,417
Videotron Ltd.		
5.125% due 04/15/2027	750	730
5.375% due 06/15/2024	1,000	1,028
Viking Cruises Ltd.		
5.875% due 09/15/2027	1,250	1,184
Virgin Media Finance PLC		
5.750% due 01/15/2025	1,000	941
6.000% due 10/15/2024	1,500	1,433
6.375% due 04/15/2023	2,000	2,010
Virgin Media Secured Finance PLC		
5.250% due 01/15/2026	1,000	929
VOC Escrow Ltd.		
5.000% due 02/15/2028	1,000	950
Wabash National Corp.		
5.500% due 10/01/2025	2,000	1,925
Welbilt, Inc.		
9.500% due 02/15/2024	1,000	1,106
WellCare Health Plans, Inc.		
5.250% due 04/01/2025	1,250	1,247
WESCO Distribution, Inc.		
5.375% due 06/15/2024	1,000	986

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
West Street Merger Sub, Inc.		
6.375% due 09/01/2025	$ 3,000	$ 2,880
Whiting Petroleum Corp.		
5.750% due 03/15/2021	1,000	1,024
6.625% due 01/15/2026	500	516
WildHorse Resource Development Corp.		
6.875% due 02/01/2025	1,000	1,025
Williams Cos., Inc.		
4.550% due 06/24/2024	2,000	2,010
Wind Tre SpA		
5.000% due 01/20/2026	4,000	3,191
WMG Acquisition Corp.		
5.000% due 08/01/2023	1,000	999
5.500% due 04/15/2026	1,000	994
WPX Energy, Inc.		
5.750% due 06/01/2026	500	502
6.000% due 01/15/2022	500	523
8.250% due 08/01/2023	1,000	1,137
WR Grace & Co-Conn		
5.125% due 10/01/2021	1,000	1,025
5.625% due 10/01/2024	1,000	1,046
Wynn Las Vegas LLC		
5.250% due 05/15/2027	2,000	1,872
5.500% due 03/01/2025	1,000	985
Wynn Macau Ltd.		
5.500% due 10/01/2027	1,000	958
XPO Logistics, Inc.		
6.125% due 09/01/2023	500	512
6.500% due 06/15/2022	1,500	1,543
Zayo Group LLC		
5.750% due 01/15/2027	2,000	1,970
6.375% due 05/15/2025	1,000	1,023
Ziggo BV		
5.500% due 01/15/2027	3,000	2,810
		734,507
UTILITIES 8.7%		
AmeriGas Partners LP		
5.500% due 05/20/2025	1,000	974
5.750% due 05/20/2027	500	478
Antero Midstream Partners LP		
5.375% due 09/15/2024	500	506
Blue Racer Midstream LLC		
6.125% due 11/15/2022	2,000	2,030
6.625% due 07/15/2026	625	620
Calpine Corp.		
5.250% due 06/01/2026	750	710
5.375% due 01/15/2023	3,000	2,865
5.750% due 01/15/2025	2,500	2,292
CenturyLink, Inc.		
5.800% due 03/15/2022	2,000	1,990
6.450% due 06/15/2021	1,000	1,033
Covanta Holding Corp.		
5.875% due 03/01/2024	1,025	1,012
5.875% due 07/01/2025	1,000	968
CrownRock LP		
5.625% due 10/15/2025	2,500	2,419
Embarq Corp.		
7.995% due 06/01/2036	1,000	949
Frontier Communications Corp.		
6.875% due 01/15/2025 (h)	1,500	973
7.125% due 03/15/2019	1,000	1,012
8.500% due 04/01/2026	500	484
10.500% due 09/15/2022	1,500	1,369
11.000% due 09/15/2025	1,000	805
Genesis Energy LP		
5.625% due 06/15/2024	1,000	940
6.000% due 05/15/2023	1,250	1,233

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
6.500% due 10/01/2025	$ 1,000	$ 965
6.750% due 08/01/2022	1,500	1,522
Jonah Energy LLC		
7.250% due 10/15/2025	1,250	1,016
NGL Energy Partners LP		
6.125% due 03/01/2025	750	713
7.500% due 11/01/2023	500	507
NGPL PipeCo LLC		
4.375% due 08/15/2022	625	621
4.875% due 08/15/2027	1,250	1,239
Northwestern Bell Telephone		
7.750% due 05/01/2030	1,208	1,286
NRG Energy, Inc.		
6.250% due 07/15/2022	2,500	2,579
6.250% due 05/01/2024	1,000	1,030
6.625% due 01/15/2027	1,500	1,549
NRG Yield Operating LLC		
5.000% due 09/15/2026	1,000	958
NSG Holdings LLC		
7.750% due 12/15/2025	1,257	1,376
Parsley Energy LLC		
5.250% due 08/15/2025	1,000	987
5.375% due 01/15/2025	1,000	997
5.625% due 10/15/2027	1,500	1,492
6.250% due 06/01/2024	1,000	1,040
Sprint Capital Corp.		
8.750% due 03/15/2032	2,500	2,681
Sprint Communications, Inc.		
6.000% due 11/15/2022	1,500	1,491
7.000% due 03/01/2020	1,000	1,040
7.000% due 08/15/2020	2,000	2,075
9.000% due 11/15/2018	556	568
Sprint Corp.		
7.125% due 06/15/2024	1,750	1,771
7.250% due 09/15/2021	3,000	3,127
7.625% due 02/15/2025 (h)	2,000	2,055
7.625% due 03/01/2026	1,000	1,021
7.875% due 09/15/2023	4,000	4,157
Talen Energy Supply LLC		
6.500% due 06/01/2025	1,000	768
Tallgrass Energy Partners LP		
5.500% due 09/15/2024	2,000	2,050
5.500% due 01/15/2028	500	495
Targa Resources Partners LP		
4.125% due 11/15/2019	750	752
4.250% due 11/15/2023	1,000	963
5.000% due 01/15/2028	1,000	933
5.250% due 05/01/2023	2,000	2,005
5.875% due 04/15/2026	1,000	1,009
Telecom Italia Capital S.A.		
6.375% due 11/15/2033	1,000	990
Telecom Italia SpA		
5.303% due 05/30/2024	3,000	2,970
TerraForm Power Operating LLC		
4.250% due 01/31/2023	1,000	968
5.000% due 01/31/2028	1,000	951
6.625% due 06/15/2025 ×	500	534
Vistra Energy Corp.		
7.375% due 11/01/2022	2,000	2,095
7.625% due 11/01/2024	2,000	2,142
8.000% due 01/15/2025	1,000	1,078
8.125% due 01/30/2026	750	818
		87,046
Total Corporate Bonds & Notes (Cost $913,734)		**905,583**
NON-AGENCY MORTGAGE-BACKED SECURITIES 0.1%		
Bear Stearns ALT-A Trust		
3.576% due 11/25/2036 ^~	426	386

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Countrywide Alternative Loan Trust		
2.314% due 05/20/2046 ^•	$ 77	$ 62
Countrywide Home Loan Mortgage Pass-Through Trust		
2.731% due 03/25/2035 •	40	35
3.345% due 05/20/2036 ^~	219	206
GSR Mortgage Loan Trust		
3.924% due 04/25/2035 ~	6	5
IndyMac Mortgage Loan Trust		
6.000% due 07/25/2037	360	333
WaMu Mortgage Pass-Through Certificates Trust		
3.097% due 12/25/2036 ^~	276	264
Washington Mutual Mortgage Pass-Through Certificates Trust		
2.528% due 05/25/2046 •	26	23
Total Non-Agency Mortgage-Backed Securities (Cost $865)		**1,314**
ASSET-BACKED SECURITIES 0.0%		
Credit-Based Asset Servicing & Securitization LLC		
2.161% due 01/25/2037 ^•	82	36
Total Asset-Backed Securities (Cost $57)		**36**
SHORT-TERM INSTRUMENTS 0.2%		
REPURCHASE AGREEMENTS (g) 0.2%		
		1,891
U.S. TREASURY BILLS 0.0%		
1.953% due 09/06/2018 - 10/04/2018 (c)(d)(k)	303	302
Total Short-Term Instruments (Cost $2,193)		**2,193**
Total Investments in Securities (Cost $921,315)		**913,600**
	SHARES	
INVESTMENTS IN AFFILIATES 9.8%		
SHORT-TERM INSTRUMENTS 9.8%		
CENTRAL FUNDS USED FOR CASH MANAGEMENT PURPOSES 9.8%		
PIMCO Short Asset Portfolio	1,005,335	10,060
PIMCO Short-Term Floating NAV Portfolio III	8,965,540	88,633
Total Short-Term Instruments (Cost $98,665)		**98,693**
Total Investments in Affiliates (Cost $98,665)		**98,693**
Total Investments 100.8% (Cost $1,019,980)		**$ 1,012,293**
Financial Derivative Instruments (i)(j) (0.0)% (Cost or Premiums, net $3,256)		**(373)**
Other Assets and Liabilities, net (0.8)%		**(7,515)**
Net Assets 100.0%		**$ 1,004,405**

NOTES TO SCHEDULE OF INVESTMENTS:

* * A zero balance may reflect actual amounts rounding to less than one thousand.
* ^ 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.
* × Coupon represents a rate which changes periodically based on a predetermined schedule. Rate shown is the rate in effect as of period end.
* (a) When-issued security.
* (b) Payment in-kind security.
* (c) Coupon represents a weighted average yield to maturity.
* (d) Zero coupon security.
* (e) Perpetual maturity; date shown, if applicable, represents next contractual call date.
* (f) Contingent convertible security.

BORROWINGS AND OTHER FINANCING TRANSACTIONS

(g) 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[1]
FICC	1.500%	06/29/2018	07/02/2018	$ 1,891	U.S. Treasury Notes 1.875% due 02/28/2022	$ (1,932)	$ 1,891	$ 1,891
Total Repurchase Agreements						**$ (1,932)**	**$ 1,891**	**$ 1,891**

REVERSE REPURCHASE AGREEMENTS:

Counterparty	Borrowing Rate[2]	Settlement Date	Maturity Date	Amount Borrowed[2]	Payable for Reverse Repurchase Agreements
BCY	(1.500)%	05/30/2018	TBD[3]	$ (658)	$ (657)
	(0.500)	09/27/2017	TBD[3]	(707)	(704)
	(0.375)	06/28/2018	TBD[3]	(775)	(775)
	0.250	05/03/2018	TBD[3]	(1,389)	(1,390)
	0.700	06/18/2018	TBD[3]	(2,162)	(2,163)
	0.950	06/18/2018	TBD[3]	(950)	(950)
	1.200	06/18/2018	TBD[3]	(2,570)	(2,571)
	1.300	06/18/2018	TBD[3]	(858)	(859)
	1.450	06/27/2018	TBD[3]	(1,318)	(1,318)
	1.550	06/18/2018	TBD[3]	(431)	(431)
	1.750	06/28/2018	TBD[3]	(1,917)	(1,917)
Total Reverse Repurchase Agreements					**$ (13,735)**

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 June 30, 2018:

Counterparty	Repurchase Agreement Proceeds to be Received[1]	Payable for Reverse Repurchase Agreements	Payable for Sale-Buyback Transactions	Total Borrowings and Other Financing Transactions	Collateral Pledged/(Received)	Net Exposure[4]
Global/Master Repurchase Agreement						
BCY	$ 0	$ (13,735)	$ 0	$ (13,735)	$ 14,821	$ 1,086
FICC	1,891	0	0	1,891	(1,932)	(41)
Total Borrowings and Other Financing Transactions	**$ 1,891**	**$ (13,735)**	**$ 0**			

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
Reverse Repurchase Agreements					
Corporate Bonds & Notes	$ 0	$ 0	$ 0	$ (13,735)	$ (13,735)
Total Borrowings	**$ 0**	**$ 0**	**$ 0**	**$ (13,735)**	**$ (13,735)**
Payable for reverse repurchase agreements					**$ (13,735)**

(h) Securities with an aggregate market value of $14,821 have been pledged as collateral under the terms of the above master agreements as of June 30, 2018.

(1) Includes accrued interest.

(2) The average amount of borrowings outstanding during the period ended June 30, 2018 was $(13,746) at a weighted average interest rate of 0.296%. Average borrowings may include sale-buyback transactions and reverse repurchase agreements, if held during the period.

(3) Open maturity reverse repurchase agreement.

(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 8, Master Netting Arrangements, in the Notes to Financial Statements for more information regarding master netting arrangements.

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

WRITTEN OPTIONS:

OPTIONS ON EXCHANGE-TRADED FUTURES CONTRACTS

Description	Strike Price	Expiration Date	# of Contracts	Notional Amount	Premiums (Received)	Market Value
Put - CBOT U.S. Treasury 10-Year Note August 2018 Futures	$ 118.500	07/27/2018	53	$ 53	$ (13)	$ (2)
Put - CBOT U.S. Treasury 10-Year Note August 2018 Futures	119.000	07/27/2018	136	136	(38)	(13)
Call - CBOT U.S. Treasury 10-Year Note August 2018 Futures	120.000	07/27/2018	53	53	(19)	(29)
Call - CBOT U.S. Treasury 10-Year Note August 2018 Futures	120.500	07/27/2018	136	136	(42)	(45)
					$ (112)	$ (89)
Total Written Options					**$ (112)**	**$ (89)**

SWAP AGREEMENTS:

CREDIT DEFAULT SWAPS ON CREDIT INDICES - SELL PROTECTION[1]

Index/Tranches	Fixed Receive Rate	Payment Frequency	Maturity Date	Notional Amount[2]	Premiums Paid/(Received)	Unrealized Appreciation/ (Depreciation)	Market Value[3]	Variation Margin Asset	Variation Margin Liability
CDX.HY-29 5-Year Index	5.000%	Quarterly	12/20/2022	$ 17,500	$ 1,328	$ (215)	$ 1,113	$ 1	$ 0
CDX.HY-30 5-Year Index	5.000	Quarterly	06/20/2023	33,000	2,150	(175)	1,975	11	0
Total Swap Agreements					**$ 3,478**	**$ (390)**	**$ 3,088**	**$ 12**	**$ 0**

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 June 30, 2018:

	Financial Derivative Assets				Financial Derivative Liabilities			
	Market Value	Variation Margin Asset			Market Value	Variation Margin Liability		
	Purchased Options	Futures	Swap Agreements	Total	Written Options	Futures	Swap Agreements	Total
Total Exchange-Traded or Centrally Cleared	**$ 0**	**$ 0**	**$ 12**	**$ 12**	**$ (89)**	**$ 0**	**$ 0**	**$ (89)**

Cash of $3,035 has been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of June 30, 2018. See Note 8, Master Netting Arrangements, in the Notes to Financial Statements for more information regarding master netting arrangements.

(1) If the Portfolio is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Portfolio 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) The maximum potential amount the Portfolio 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.

(3) 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.

(j) 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
GLM	07/2018	EUR 2,186	$ 2,554	$ 1	$ 0
Total Forward Foreign Currency Contracts				**$ 1**	**$ 0**

WRITTEN OPTIONS:

CREDIT DEFAULT SWAPTIONS ON CREDIT INDICES

Counterparty	Description	Buy/Sell Protection	Exercise Rate	Expiration Date	Notional Amount	Premiums (Received)	Market Value
BPS	Put - OTC CDX.IG-30 5-Year Index	Sell	0.750%	07/18/2018	$ 3,600	$ (4)	$ (1)
BRC	Put - OTC CDX.IG-30 5-Year Index	Sell	0.950	07/18/2018	800	(1)	0
CBK	Put - OTC CDX.IG-30 5-Year Index	Sell	0.850	07/18/2018	1,200	(1)	0
DUB	Put - OTC CDX.IG-30 5-Year Index	Sell	0.950	07/18/2018	1,100	(2)	0
JPM	Put - OTC CDX.HY-30 5-Year Index	Sell	103.000	07/18/2018	6,800	(39)	(10)
	Put - OTC CDX.IG-30 5-Year Index	Sell	0.725	07/18/2018	500	(1)	0
Total Written Options						**$ (48)**	**$ (11)**

SWAP AGREEMENTS:

TOTAL RETURN SWAPS ON INTEREST RATE INDICES

Counterparty	Pay/Receive(1)	Underlying Reference	# of Units	Financing Rate	Payment Frequency	Maturity Date	Notional Amount	Premiums Paid/(Received)	Unrealized Appreciation/ (Depreciation)	Swap Agreements, at Value Asset	Liability
BOA	Receive	iBoxx USD Liquid High Yield Index	1	3-Month USD-LIBOR less a specified spread	Maturity	12/20/2018	$ 5,000	$ (4)	$ (78)	$ 0	$ (82)
	Receive	iBoxx USD Liquid High Yield Index	2	3-Month USD-LIBOR less a specified spread	Maturity	03/20/2019	15,000	(42)	(106)	0	(148)
GST	Receive	iBoxx USD Liquid High Yield Index	2	3-Month USD-LIBOR less a specified spread	Maturity	12/20/2018	10,000	(16)	(40)	0	(56)
Total Swap Agreements								**$ (62)**	**$ (224)**	**$ 0**	**$ (286)**

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 June 30, 2018:

	Financial Derivative Assets				Financial Derivative Liabilities						
Counterparty	Forward Foreign Currency Contracts	Purchased Options	Swap Agreements	Total Over the Counter	Forward Foreign Currency Contracts	Written Options	Swap Agreements	Total Over the Counter	Net Market Value of OTC Derivatives	Collateral Pledged	Net Exposure(2)
BOA	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (230)	$ (230)	$ (230)	$ 13	$ (217)
BPS	0	0	0	0	0	(1)	0	(1)	(1)	0	(1)
GLM	1	0	0	1	0	0	0	0	1	0	1
GST	0	0	0	0	0	0	(56)	(56)	(56)	0	(56)
JPM	0	0	0	0	0	(10)	0	(10)	(10)	0	(10)
Total Over the Counter	**$ 1**	**$ 0**	**$ 0**	**$ 1**	**$ 0**	**$ (11)**	**$ (286)**	**$ (297)**			

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

(1) Receive represents that the Portfolio receives payments for any positive net return on the underlying reference. The Portfolio makes payments for any negative net return on such underlying reference. Pay represents that the Portfolio receives payments for any negative net return on the underlying reference. The Portfolio makes payments for any positive net return on such underlying reference.

(2) 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 8, Master Netting Arrangements, 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 Portfolio's derivative instruments categorized by risk exposure. See Note 7, Principal Risks, in the Notes to Financial Statements on risks of the Portfolio.

Fair Values of Financial Derivative Instruments on the Statement of Assets and Liabilities as of June 30, 2018:

	Derivatives not accounted for as hedging instruments					
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts	Total
Financial Derivative Instruments - Assets						
Exchange-traded or centrally cleared						
Swap Agreements	$ 0	$ 12	$ 0	$ 0	$ 0	$ 12
Over the counter						
Forward Foreign Currency Contracts	$ 0	$ 0	$ 0	$ 1	$ 0	$ 1
	$ 0	$ 12	$ 0	$ 1	$ 0	$ 13
Financial Derivative Instruments - Liabilities						
Exchange-traded or centrally cleared						
Written Options	$ 0	$ 0	$ 0	$ 0	$ 89	$ 89
Over the counter						
Written Options	$ 0	$ 11	$ 0	$ 0	$ 0	$ 11
Swap Agreements	0	0	0	0	286	286
	$ 0	$ 11	$ 0	$ 0	$ 286	$ 297
	$ 0	$ 11	$ 0	$ 0	$ 375	$ 386

The effect of Financial Derivative Instruments on the Statement of Operations for the period ended June 30, 2018:

	Derivatives not accounted for as hedging instruments					
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts	Total
Net Realized Gain (Loss) on Financial Derivative Instruments						
Exchange-traded or centrally cleared						
Written Options	$ 0	$ 0	$ 0	$ 0	$ 126	$ 126
Futures	0	0	0	0	(22)	(22)
Swap Agreements	0	724	0	0	15	739
	$ 0	$ 724	$ 0	$ 0	$ 119	$ 843
Over the counter						
Forward Foreign Currency Contracts	$ 0	$ 0	$ 0	$ (486)	$ 0	$ (486)
Written Options	0	3	0	0	14	17
Swap Agreements	0	0	0	0	(197)	(197)
	$ 0	$ 3	$ 0	$ (486)	$ (183)	$ (666)
	$ 0	$ 727	$ 0	$ (486)	$ (64)	$ 177
Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments						
Exchange-traded or centrally cleared						
Written Options	$ 0	$ 0	$ 0	$ 0	$ 23	$ 23
Swap Agreements	0	(826)	0	0	0	(826)
	$ 0	$ (826)	$ 0	$ 0	$ 23	$ (803)
Over the counter						
Forward Foreign Currency Contracts	$ 0	$ 0	$ 0	$ 132	$ 0	$ 132
Written Options	0	36	0	0	0	36
Swap Agreements	0	0	0	0	(277)	(277)
	$ 0	$ 36	$ 0	$ 132	$ (277)	$ (109)
	$ 0	$ (790)	$ 0	$ 132	$ (254)	$ (912)

FAIR VALUE MEASUREMENTS

The following is a summary of the fair valuations according to the inputs used as of June 30, 2018 in valuing the Portfolio's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 06/30/2018
Investments in Securities, at Value				
Loan Participations and Assignments	$ 0	$ 750	$ 3,724	$ 4,474
Corporate Bonds & Notes				
Banking & Finance	0	84,030	0	84,030
Industrials	0	734,507	0	734,507
Utilities	0	87,046	0	87,046
Non-Agency Mortgage-Backed Securities	0	1,314	0	1,314
Asset-Backed Securities	0	36	0	36
Short-Term Instruments				
Repurchase Agreements	0	1,891	0	1,891
U.S. Treasury Bills	0	302	0	302
	$ 0	$ 909,876	$ 3,724	$ 913,600
Investments in Affiliates, at Value				
Short-Term Instruments				
Central Funds Used for Cash Management Purposes	$ 98,693	$ 0	$ 0	$ 98,693
Total Investments	$ 98,693	$ 909,876	$ 3,724	$ 1,012,293

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 06/30/2018
Financial Derivative Instruments - Assets				
Exchange-traded or centrally cleared	$ 0	$ 12	$ 0	$ 12
Over the counter	0	1	0	1
	$ 0	$ 13	$ 0	$ 13
Financial Derivative Instruments - Liabilities				
Exchange-traded or centrally cleared	0	(89)	0	(89)
Over the counter	0	(297)	0	(297)
	$ 0	$ (386)	$ 0	$ (386)
Total Financial Derivative Instruments	$ 0	$ (373)	$ 0	$ (373)
Totals	$ 98,693	$ 909,503	$ 3,724	$ 1,011,920

There were no significant transfers among Levels 1, 2, or 3 during the period ended June 30, 2018.

1. ORGANIZATION

PIMCO Variable Insurance Trust (the "Trust") was established as a Delaware business trust on October 3, 1997. The Trust is registered under the Investment Company Act of 1940, as amended (the "Act"), as an open-end management investment company. The Trust is designed to be used as an investment vehicle by separate accounts of insurance companies that fund variable annuity contracts and variable life insurance policies and by qualified pension and retirement plans. Information presented in these financial statements pertains to the Institutional Class, Administrative Class and Advisor Class shares of the PIMCO High Yield Portfolio (the "Portfolio") offered by the Trust. Pacific Investment Management Company LLC ("PIMCO") serves as the investment adviser (the "Adviser") for the Portfolio.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Portfolio in the preparation of its financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Portfolio is treated as an investment company under the reporting requirements of U.S. GAAP. The functional and reporting currency for the Portfolio is the U.S. dollar. 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 the Portfolio 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 Statement 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 Statement of Operations. Paydown gains (losses) on mortgage-related and other asset-backed securities, if any, are recorded as components of interest income on the Statement of Operations. Income or short-term capital gain distributions received from registered investment companies, if any, are recorded as dividend income. Long-term capital gain distributions received from registered investment companies, if any, 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 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 Portfolio does 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 gain (loss) and net change in unrealized appreciation (depreciation) from investments on the Statement of Operations. The Portfolio 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. 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 Statement 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 period are included in net change in unrealized appreciation (depreciation) on foreign currency assets and liabilities on the Statement of Operations.

(c) Multiclass Operations Each class offered by the Trust has equal rights as to assets and voting privileges (except that shareholders of a class have exclusive voting rights regarding any matter relating solely to that class of shares). Income and non-class specific expenses are allocated daily to each class on the basis of the relative net assets.

Realized and unrealized capital gains (losses) are allocated daily based on the relative net assets of each class of the Portfolio. Class specific expenses, where applicable, currently include supervisory and administrative and distribution and servicing fees. Under certain circumstances, the per share net asset value ("NAV") of a class of the Portfolio's shares may be different from the per share NAV of another class of shares as a result of the different daily expense accruals applicable to each class of shares.

(d) Distributions to Shareholders Distributions from net investment income, if any, are declared daily and distributed to shareholders monthly. Net realized capital gains earned by the Portfolio, if any, will be distributed no less frequently than once each year.

Income distributions 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 the Portfolio's annual financial statements presented under U.S. GAAP.

If the Portfolio estimates that a portion of its distribution may be comprised of amounts from sources other than net investment income in accordance with its policies and good accounting practices, the Portfolio will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. For these purposes, the Portfolio 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 the Portfolio's daily internal accounting records and practices, the Portfolio's financial statements presented in accordance with U.S. GAAP, and recordkeeping practices under income tax regulations. For instance, the Portfolio's internal accounting records 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 the Portfolio may not issue a Section 19 Notice in situations where the Portfolio'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. Final determination of a distribution's tax character will be provided to shareholders when such information is available.

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 gain (loss) and/or paid in capital to more appropriately conform U.S. GAAP to tax characterizations of distributions.

(e) New Accounting Pronouncements In August 2016, the Financial Accounting Standards Board ("FASB") issued an Accounting Standards Update ("ASU"), ASU 2016-15, which amends Accounting Standards Codification ("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. The Portfolio has adopted the ASU. The implementation of the ASU did not have an impact on the Portfolio's financial statements.

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. The Portfolio has adopted the ASU. The implementation of the ASU did not have an impact on the Portfolio's financial statements.

In March 2017, the FASB issued ASU 2017-08 which provides guidance related to the amortization period for certain purchased callable debt securities held at a premium. The ASU is effective for annual periods beginning after December 15, 2018, and interim periods within those annual periods. The Portfolio has adopted the ASU. The implementation of the ASU did not have an impact on the Portfolio's financial statements.

3. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

(a) Investment Valuation Policies The price of the Portfolio's shares is based on the Portfolio's NAV. The NAV of the Portfolio, or each of its share classes, as applicable, is determined by dividing the total value of portfolio investments and other assets, less any liabilities attributable to the Portfolio or class, by the total number of shares outstanding of the Portfolio or class.

On each day that the New York Stock Exchange ("NYSE") is open, Portfolio shares are ordinarily valued as of the close of regular trading ("NYSE Close"). Information that becomes known to the Portfolio 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 Portfolio reserves the right to change the time as of which its NAV is calculated if the Portfolio closes earlier, or as permitted by the 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 Portfolio's approved pricing services, quotation reporting systems and other third-party sources (together, "Pricing Services"). The Portfolio 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 the Adviser 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 Portfolio's investments in open-end management investment companies, other than exchange-traded funds ("ETFs"), are valued at the NAVs of such investments. Open-end management investment companies may include affiliated funds.

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 Portfolio 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 Portfolio 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 Portfolio may utilize modeling tools provided by third-party vendors to determine fair values of foreign (non-U.S.) securities. For these purposes, any movement in the applicable reference index or instrument ("zero trigger") 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 Trust is not open for business, which may result in the Portfolio'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 Portfolio'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 Trust is not open for business. As a result, to the extent that the Portfolio 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 Portfolio’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 the Adviser 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 Adviser. 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 Portfolio’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 Adviser the responsibility for monitoring significant events that may materially affect the values of the Portfolio’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 Portfolio 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 Trust’s policy is intended to result in a calculation of the Portfolio’s NAV that fairly reflects security values as of the time of pricing, the Trust cannot ensure that fair values determined by the Board or persons acting at their direction would accurately reflect the price that the Portfolio 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 Portfolio may differ from the value that would be realized if the securities were sold. The Portfolio’s use of fair valuation may also help to deter “stale price arbitrage” as discussed under the “Frequent or Excessive Purchases, Exchanges and Redemptions” section in the Portfolio’s prospectus.

(b) Fair Value Hierarchy U.S. GAAP describes fair value as the price that the Portfolio 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.

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 for the Portfolio.

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 Portfolio’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 Portfolio.

(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.

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.

Investments in registered open-end investment companies (other than ETFs) will be valued based upon the NAVs of such investments and are categorized as Level 1 of the fair value hierarchy. Investments in unregistered open-end investment companies will be calculated based upon the NAVs of such investments and are considered Level 1 provided that the NAVs are observable, calculated daily and are the value at which both purchases and sales will be conducted.

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 the Adviser 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.

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.

4. SECURITIES AND OTHER INVESTMENTS

(a) Investments in Affiliates

The Portfolio may invest in the PIMCO Short Asset Portfolio and the PIMCO Short-Term Floating NAV Portfolio III ("Central Funds") to the extent permitted by the Act and rules thereunder. The Central Funds are registered investment companies created for use solely by the series of the Trust and other series of registered investment companies advised by the Adviser, in connection with their cash management activities. The main investments of the Central Funds are money market and short maturity fixed income instruments. The Central Funds may incur expenses related to their investment activities, but do not pay Investment Advisory Fees or Supervisory and Administrative Fees to the

Adviser. The Central Funds are considered to be affiliated with the Portfolio. The tables below show the Portfolio's transactions in and earnings from investments in the affiliated Funds for the period ended June 30, 2018 (amounts in thousands†):

Investment in PIMCO Short Asset Portfolio

Market Value 12/31/2017	Purchases at Cost	Proceeds from Sales	Net Realized Gain (Loss)	Change in Unrealized Appreciation (Depreciation)	Market Value 06/30/2018	Dividend Income(1)	Realized Net Capital Gain Distributions(1)
$ 20,022	$ 25,110	$ (35,083)	$ 7	$ 4	$ 10,060	$ 135	$ 0

Investment in PIMCO Short-Term Floating NAV Portfolio III

Market Value 12/31/2017	Purchases at Cost	Proceeds from Sales	Net Realized Gain (Loss)	Change in Unrealized Appreciation (Depreciation)	Market Value 06/30/2018	Dividend Income(1)	Realized Net Capital Gain Distributions(1)
$ 58,912	$ 214,903	$ (185,200)	$ (5)	$ 23	$ 88,633	$ 804	$ 0

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

(1) The tax characterization of distributions is determined in accordance with Federal income tax regulations and may contain a return of capital. The actual tax characterization of distributions received is determined at the end of the fiscal year of the affiliated fund. See Note 2, Distributions to Shareholders, in the Notes to Financial Statements for more information.

(b) Investments in Securities

The Portfolio may utilize the investments and strategies described below to the extent permitted by the Portfolio's investment policies.

Loan Participations, Assignments and Originations are direct debt instruments which are interests in amounts owed to lenders or lending syndicates by corporate, governmental, or other borrowers. The Portfolio's investments in loans may be in the form of participations in loans or assignments of all or a portion of loans from third parties or investments in or originations of loans by the Portfolio. 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. The Portfolio may invest in multiple series or tranches of a loan, which may have varying terms and carry different associated risks. When the Portfolio 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 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.

The types of loans and related investments in which the Portfolio 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 Portfolio 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 funding. Unfunded loan commitments may include revolving credit facilities, which may obligate the Portfolio 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, the Portfolio 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. The Portfolio may receive a commitment fee based on the undrawn portion of the underlying line of credit portion of a loan. In certain circumstances, the Portfolio 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 Statement of Operations. Unfunded loan commitments are reflected as a liability on the Statements of Assets and Liabilities. As of June 30, 2018, the Portfolio had $4,474,071 in unfunded loan commitments outstanding.

Mortgage-Related and Other Asset-Backed Securities 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 provide a monthly payment which consists of both interest and principal. Interest may be determined by fixed or adjustable rates. 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. The timely payment of principal and interest of certain mortgage-related securities 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 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 auto loans, credit card receivables, home equity loans, and student loans.

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.

Payment In-Kind Securities ("PIKs") may give the issuer the option at each interest payment date of making interest payments in either cash and/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 (depreciation) on investments to interest receivable on the Statement of Assets and Liabilities.

Securities Issued by U.S. Government Agencies or Government-Sponsored Enterprises 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 are purchases or sales made 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 the Portfolio to purchase or sell these securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period. The Portfolio may sell when-issued securities before they are delivered, which may result in a realized gain (loss).

5. BORROWINGS AND OTHER FINANCING TRANSACTIONS

The Portfolio may enter into the borrowings and other financing transactions described below to the extent permitted by the Portfolio's investment policies.

The following disclosures contain information on the Portfolio'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 the Portfolio. The location of these instruments in the Portfolio's financial statements is described below.

(a) Line of Credit The Portfolio entered into a 364-day senior unsecured revolving credit agreement with State Street Bank & Trust Company and other commercial banks to be utilized for temporary purposes to fund shareholder redemptions or for other short-term liquidity purposes. State Street Bank & Trust Company serves as both a bank and as an agent for the other banks that are parties to the agreement. The Portfolio pays financing charges based on a combination of LIBOR-based variable plus a credit spread. The Portfolio also pays a fee of 0.15% per annum on the unused commitment amounts. As of June 30, 2018, if applicable any outstanding borrowings would be disclosed as a payable for line of credit on the Statement of Assets and Liabilities. Commitment, upfront and interest fees, if any, paid by the Portfolio are disclosed as part of the interest expense on the Statement of Operations.

During the period, there were no borrowings on this line of credit. The maximum available commitment and related fees for the revolving credit agreement are:

Maximum Available Commitment*	Expiration Date	Commitment and Upfront Fees
$ 57,000,000	09/04/2018	$ 57,436

* Maximum available commitment prior to renewal on September 5, 2017, for the Portfolio was $60,000,000. The agreement expires on September 4, 2018 unless extended or renewed.

(b) Repurchase Agreements Under the terms of a typical repurchase agreement, the Portfolio purchases an underlying debt obligation (collateral) subject to an obligation of the seller to repurchase, and the Portfolio to resell, the obligation at an agreed-upon price and time. In an open maturity repurchase agreement, there is no pre-determined repurchase date and the agreement can be terminated by the Portfolio or counterparty at any time. The underlying securities for all repurchase agreements are held by the Portfolio's custodian or designated subcustodians under tri-party repurchase agreements and in certain instances will remain in custody with the counterparty. 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 Statement of Assets and Liabilities. Interest earned is recorded as a component of interest income on the Statement of Operations. In periods of increased demand for collateral, the Portfolio may pay a fee for the receipt of collateral, which may result in interest expense to the Portfolio.

(c) Reverse Repurchase Agreements In a reverse repurchase agreement, the Portfolio 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 Portfolio or counterparty at any time. The Portfolio 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 the Portfolio to counterparties are reflected as a liability on the Statement of Assets and Liabilities. Interest payments made by the Portfolio to counterparties are recorded as a component of interest expense on the Statement of Operations. In periods of increased demand for the security, the Portfolio may receive a fee for use of the security by the counterparty, which may result in interest income to the Portfolio. The Portfolio will segregate assets determined to be liquid by the Adviser or will otherwise cover its obligations under reverse repurchase agreements.

6. FINANCIAL DERIVATIVE INSTRUMENTS

The Portfolio may enter into the financial derivative instruments described below to the extent permitted by the Portfolio's investment policies.

The following disclosures contain information on how and why the Portfolio uses financial derivative instruments, and how financial derivative instruments affect the Portfolio's financial position, results of operations and cash flows. The location and fair value amounts of these instruments on the Statement of Assets and Liabilities and the net realized gain (loss) and net change in unrealized appreciation (depreciation) on the Statement of Operations, each categorized by type of financial derivative contract and related risk exposure, are included in a table in the Notes to Schedule of Investments. The financial derivative instruments outstanding as of period end and the amounts of net realized gain (loss) and net change in unrealized appreciation (depreciation) on financial derivative instruments during the period, as disclosed in the Notes to Schedule of Investments, serve as indicators of the volume of financial derivative activity for the Portfolio.

(a) Forward Foreign Currency Contracts may be engaged, in connection with settling planned purchases or sales of securities, to hedge the currency exposure associated with some or all of the Portfolio's securities or as 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 the Portfolio 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. These contracts may involve market risk in excess of the unrealized gain (loss) reflected on the Statement of Assets and Liabilities. In addition, the Portfolio 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) Options Contracts may be written or purchased to enhance returns or to hedge an existing position or future investment. The Portfolio may write call and put options on securities and financial derivative instruments it owns or in which it may invest. Writing put options tends to increase the Portfolio's exposure to the underlying instrument. Writing call options tends to decrease the Portfolio's exposure to the underlying instrument. When the Portfolio writes a call or put, an amount equal to the premium received is recorded and subsequently marked to market to reflect the current value of the option written. These amounts are included on the Statement of Assets and Liabilities. Premiums received from writing options which expire are treated as realized gains. Premiums received from writing options which are exercised or closed are added to the proceeds or offset against amounts paid on the underlying futures, swap, security or currency transaction to determine the realized gain (loss). Certain options may be written with premiums to be determined on a future date. The premiums for these options are based upon implied volatility parameters at specified terms. The Portfolio as a writer of an option has no control over whether the underlying instrument may be sold ("call") or purchased ("put") and as a result bears the market risk of an unfavorable change in the price of the instrument underlying the written option. There is the risk the Portfolio may not be able to enter into a closing transaction because of an illiquid market.

Purchasing call options tends to increase the Portfolio's exposure to the underlying instrument. Purchasing put options tends to decrease the Portfolio's exposure to the underlying instrument. The Portfolio pays a premium which is included as an asset on the Statement of Assets and Liabilities and subsequently marked to market to reflect the current value of the option. Premiums paid for purchasing options which expire are treated as realized losses. Certain options may be purchased with premiums to be determined on a future date. The premiums for these options are based upon implied volatility parameters at specified terms. The risk associated with purchasing put and call options is limited to the premium paid. Premiums paid for purchasing options which are exercised or closed are added to the amounts paid or offset against the proceeds on the underlying investment transaction to determine the realized gain (loss) when the underlying transaction is executed.

Credit Default Swaptions may be written or purchased to hedge exposure to the credit risk of an investment without making a commitment to the underlying instrument. A credit default swaption is an option to sell or buy credit protection on a specific reference by entering into a pre-defined swap agreement by some specified date in the future.

Options on Exchange-Traded Futures Contracts ("Futures Option") may be written or purchased to hedge an existing position or future investment, for speculative purposes or to manage exposure to market movements. A Futures Option is an option contract in which the underlying instrument is a single futures contract.

(c) Swap Agreements are bilaterally negotiated agreements between the Portfolio 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"). The Portfolio 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 Statement of Operations. Daily changes in valuation of centrally cleared swaps ("Swap Variation Margin"), if any, are disclosed within centrally cleared financial derivative instruments on the Statement of Assets and Liabilities. Centrally Cleared and OTC swap payments received or paid at the beginning of the measurement period are included on the Statement 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 gain (loss) on the Statement 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 Statement of Operations. Net periodic payments received or paid by the Portfolio are included as part of realized gain (loss) on the Statement of Operations.

For purposes of applying certain of the Portfolio's investment policies and restrictions, swap agreements, like other derivative instruments, may be valued by the Portfolio at market value, notional value or full exposure value. In the case of a credit default swap, in applying certain of the Portfolio's investment policies and restrictions, the Portfolio 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 the Portfolio's other investment policies and restrictions. For example, the Portfolio may value credit default swaps at full exposure value for purposes of the Portfolio's credit quality guidelines (if any) because such value in general better reflects the Portfolio's actual economic exposure during the term of the credit default swap agreement. As a result, the Portfolio may, at times, have notional exposure to an asset class (before netting) that is greater or lesser than the stated limit or restriction noted in the Portfolio's prospectus. In this context, both the notional amount and the market value may be positive or negative depending on whether the Portfolio is selling or buying protection through the credit default swap. The manner in which certain securities or other instruments are valued by the Portfolio 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 Statement 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 values of the asset upon which the swap is based.

The Portfolio'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 the Portfolio and the counterparty and by the posting of collateral to the Portfolio to cover the Portfolio's exposure to the counterparty.

To the extent the Portfolio 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.

Credit Default Swap Agreements on corporate, loan, sovereign, U.S. municipal or U.S. Treasury issues are entered into to provide a measure of protection against defaults of the issuers (i.e., to reduce risk where the Portfolio 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 swap agreement, undergoes a certain credit event. As a seller of protection on credit default swap agreements, the Portfolio 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, the Portfolio would effectively add leverage to its portfolio because, in addition to its total net assets, the Portfolio would be subject to investment exposure on the notional amount of the swap.

If the Portfolio is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Portfolio 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 the Portfolio is a buyer of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Portfolio 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 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. The Portfolio may use credit default swaps on credit indices to hedge a portfolio of credit default swaps or bonds, which is less expensive than it would be to buy many credit default swaps to achieve a similar effect. Credit default swaps on indices are instruments for protecting investors owning bonds against default, and traders use them to speculate on changes in credit quality.

Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on corporate, loan, sovereign, U.S. municipal or U.S. Treasury issues as of period end, if any, are disclosed in the Notes to Schedule 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 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 amount of future payments (undiscounted) that the Portfolio 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 the Portfolio is the seller of protection are disclosed in the Notes to Schedule 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 the Portfolio for the same referenced entity or entities.

Total Return Swap Agreements are entered into to gain or mitigate exposure to the underlying reference asset. Total return swap agreements involve commitments where single or multiple cash flows are exchanged based on the price of an underlying reference asset and on a fixed or variable interest rate. Total return swap agreements may involve commitments to pay interest in exchange for a market-linked return. One counterparty pays out the total return of a specific underlying reference asset, which may include a single security, a basket of securities, or an index, and in return receives a fixed or variable rate. At the maturity date, a net cash flow is exchanged where the total return is equivalent to the return of the underlying reference asset less a financing rate, if any. As a receiver, the Portfolio would receive payments based on any net positive total return and would owe payments in the event of a net negative total return. As the payer, the Portfolio would owe payments on any net positive total return, and would receive payments in the event of a net negative total return.

7. PRINCIPAL RISKS

The principal risks of investing in the Portfolio, which could adversely affect its net asset value, yield and total return, are listed below. Please see "Description of Principal Risks" in the Portfolio's prospectus for a more detailed description of the risks of investing in the Portfolio.

Interest Rate Risk is the risk that fixed income securities will decline in value because of an increase in interest rates; a portfolio with a longer average portfolio duration will be more sensitive to changes in interest rates than a portfolio with a shorter average portfolio duration.

Call Risk is the risk that an issuer may exercise its right to redeem a fixed income security earlier than expected (a call). Issuers may call outstanding securities prior to their maturity for a number of reasons (e.g., declining interest rates, changes in credit spreads and improvements in the issuer's credit quality). If an issuer calls a security that the Portfolio has invested in, the Portfolio may not recoup the full amount of its initial investment and may be forced to reinvest in lower-yielding securities, securities with greater credit risks or securities with other, less favorable features.

Credit Risk is the risk that the Portfolio could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivative contract, is unable or unwilling to meet its financial obligations.

High Yield Risk is the risk that high yield securities and unrated securities of similar credit quality (commonly known as "junk bonds") are subject to greater levels of credit, call and liquidity risks. High yield securities are considered primarily speculative with respect to the issuer's continuing ability to make principal and interest payments, and may be more volatile than higher-rated securities of similar maturity.

Market Risk is the risk that the value of securities owned by the Portfolio may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.

Issuer Risk is the risk that the value of a security may decline for a reason directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.

Liquidity Risk is the risk that a particular investment may be difficult to purchase or sell and that the Portfolio may be unable to sell illiquid securities at an advantageous time or price or achieve its desired level of exposure to a certain sector. Liquidity risk may result from the lack of an active market, reduced number and capacity of traditional market participants to make a market in fixed income securities, and may be magnified in a rising interest rate environment or other circumstances where investor redemptions from fixed income mutual funds may be higher than normal, causing increased supply in the market due to selling activity.

Derivatives Risk is the risk of investing in derivative instruments (such as futures, swaps and structured securities), including leverage, liquidity, interest rate, market, credit and management risks, mispricing or valuation complexity. Changes in the value of the derivative may not correlate perfectly with, and may be more sensitive to market events than, the underlying asset, rate or index, and the Portfolio could lose more than the initial amount invested. The Portfolio's use of derivatives may result in losses to the Portfolio, a reduction in the Portfolio's returns and/or increased volatility. Over-the-counter ("OTC") derivatives are also subject to the risk that a counterparty to the transaction will not fulfill its contractual obligations to the other party, as many of the protections afforded to centrally-cleared derivative transactions might not be available for OTC derivatives. For derivatives traded on an exchange or through a central counterparty, credit risk resides with the Portfolio's clearing broker, or the clearinghouse itself, rather than with a counterparty in an OTC derivative transaction. Changes in regulation relating to a mutual fund's use of derivatives and related instruments could potentially limit or impact the Portfolio's ability to invest in derivatives, limit the Portfolio's ability to employ certain strategies that use derivatives and/or adversely affect the value of derivatives and the Portfolio's performance.

Equity Risk is the risk that the value of equity securities, such as common stocks and preferred securities, may decline due to general market conditions which are not specifically related to a particular company or to factors affecting a particular industry or industries. Equity securities generally have greater price volatility than fixed income securities.

Mortgage-Related and Other Asset-Backed Securities Risk is the risk of investing in mortgage-related and other asset-backed securities, including interest rate risk, extension risk, prepayment risk, and credit risk.

Foreign (Non-U.S.) Investment Risk is the risk that investing in foreign (non-U.S.) securities may result in the Portfolio experiencing more rapid and extreme changes in value than a portfolio that invests exclusively in securities of U.S. companies, due to smaller markets, differing reporting, accounting and auditing standards, increased risk of delayed settlement of portfolio transactions or loss of certificates of portfolio securities, and the risk of unfavorable foreign government actions, including nationalization, expropriation or confiscatory taxation, currency blockage, or political changes or diplomatic developments. Foreign securities may also be less liquid and more difficult to value than securities of U.S. issuers.

Emerging Markets Risk is the risk of investing in emerging market securities, primarily increased foreign (non-U.S.) investment risk.

Sovereign Debt Risk is the risk that investments in fixed income instruments issued by sovereign entities may decline in value as a result of default or other adverse credit event resulting from an issuer's inability or unwillingness to make principal or interest payments in a timely fashion.

Currency Risk is the risk that foreign (non-U.S.) currencies will change in value relative to the U.S. dollar and affect the Portfolio's investments in foreign (non-U.S.) currencies or in securities that trade in, and receive revenues in, or in derivatives that provide exposure to, foreign (non-U.S.) currencies.

Leveraging Risk is the risk that certain transactions of the Portfolio, such as reverse repurchase agreements, loans of portfolio securities, and the use of when-issued, delayed delivery or forward commitment transactions, or derivative instruments, may give rise to leverage, magnifying gains and losses and causing the Portfolio to be more volatile than if it had not been leveraged. This means that leverage entails a heightened risk of loss.

Management Risk is the risk that the investment techniques and risk analyses applied by PIMCO will not produce the desired results and that legislative, regulatory, or tax restrictions, policies or developments may affect the investment techniques available to PIMCO and the individual portfolio manager in connection with managing the Portfolio. There is no guarantee that the investment objective of the Portfolio will be achieved.

Short Exposure Risk is the risk of entering into short sales, including the potential loss of more money than the actual cost of the investment, and the risk that the third party to the short sale will not fulfill its contractual obligations, causing a loss to the Portfolio.

8. MASTER NETTING ARRANGEMENTS

The Portfolio may be subject to various netting arrangements ("Master Agreements") with select counterparties. 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 the Portfolio 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 Statement of Assets and Liabilities generally presents 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 most 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 depending on the terms outlined in the applicable Master Agreement. Securities and cash pledged as collateral are reflected as assets on the Statement of Assets and Liabilities as either a component of Investments at value (securities) or Deposits with counterparty. Cash collateral received is not typically held in a segregated account and as such is reflected as a liability on the Statement 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. The Portfolio'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 Portfolio and select counterparties. Master Repo Agreements maintain provisions for, among other things, 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 Schedule of Investments.

Master Securities Forward Transaction Agreements ("Master Forward Agreements") govern certain forward settling transactions, such as TBA securities, delayed-delivery or sale-buyback transactions by and between the Portfolio 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 Schedule of Investments.

Customer Account Agreements and related addenda govern cleared derivatives transactions such as futures, options on futures, and cleared OTC derivatives. Such transactions require posting of initial margin as determined by each relevant clearing agency which is segregated in an account at a futures commission merchant ("FCM") registered with the Commodity Futures Trading Commission ("CFTC"). In the United States, counterparty risk may be reduced as creditors of an FCM cannot have a claim to Portfolio assets in the segregated account. Portability of exposure reduces risk to the Portfolio. 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 are disclosed in the Notes to Schedule of Investments.

International Swaps and Derivatives Association, Inc. Master Agreements and Credit Support Annexes ("ISDA Master Agreements") govern bilateral OTC derivative transactions entered into by the Portfolio with 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 Schedule of Investments.

9. FEES AND EXPENSES

(a) Investment Advisory Fee PIMCO is a majority-owned subsidiary of Allianz Asset Management of America L.P. ("Allianz Asset Management") and serves as the Adviser to the Trust, pursuant to an investment advisory contract. The Adviser receives a monthly fee from the Portfolio at an annual rate based on average daily net assets (the "Investment Advisory Fee"). The Investment Advisory Fee for all classes is charged at an annual rate as noted in the table in note (b) below.

(b) Supervisory and Administrative Fee PIMCO serves as administrator (the "Administrator") and provides supervisory and administrative services to the Trust for which it receives a monthly supervisory and administrative fee based on each share class's average daily net assets (the "Supervisory and Administrative Fee"). As the Administrator, PIMCO bears the costs of various third-party services, including audit, custodial, portfolio accounting, legal, transfer agency and printing costs.

The Investment Advisory Fee and Supervisory and Administrative Fees for all classes, as applicable, are charged at the annual rate as noted in the following table (calculated as a percentage of the Portfolio's average daily net assets attributable to each class):

Investment Advisory Fee	Supervisory and Administrative Fee		
All Classes	Institutional Class	Administrative Class	Advisor Class
0.25%	0.35%	0.35%	0.35%

(c) Distribution and Servicing Fees PIMCO Investments LLC, a wholly-owned subsidiary of PIMCO, serves as the distributor ("Distributor") of the Trust's shares.

The Trust has adopted an Administrative Services Plan with respect to the Administrative Class shares of the Portfolio pursuant to Rule 12b-1 under the Act (the "Administrative Plan"). Under the terms of the Administrative Plan, the Trust is permitted to compensate the Distributor, out of the Administrative Class assets of the Portfolio, in an amount up to 0.15% on an annual basis of the average daily net assets of that class, for providing or procuring through financial intermediaries administrative, recordkeeping and investor services for Administrative Class shareholders of the Portfolio.

The Trust has adopted a separate Distribution and Servicing Plan for the Advisor Class shares of the Portfolio (the "Distribution and Servicing Plan"). The Distribution and Servicing Plan has been adopted pursuant to Rule 12b-1 under the Act. The Distribution and Servicing Plan permits the Portfolio to compensate the Distributor for providing or procuring through financial intermediaries distribution, administrative, recordkeeping, shareholder and/or related services with respect to Advisor Class shares. The Distribution and Servicing Plan permits the Portfolio to make total payments at an annual rate of up to 0.25% of its average daily net assets attributable to its Advisor Class shares.

	Distribution Fee	Servicing Fee
Administrative Class	—	0.15%
Advisor Class	0.25%	—

(d) Portfolio Expenses PIMCO provides or procures supervisory and administrative services for shareholders and also bears the costs of various third-party services required by the Portfolio, including audit, custodial, portfolio accounting, legal, transfer agency and printing costs. The Trust is responsible for the following expenses: (i) taxes and governmental fees; (ii) brokerage fees and commissions and other portfolio transaction expenses; (iii) the costs of borrowing money, including interest expense; (iv) fees and expenses of the Trustees who are not "interested persons" of PIMCO or the Trust, and any counsel retained exclusively for their benefit; (v) extraordinary expense, including costs of litigation and indemnification expenses; (vi) organizational expenses; and (vii) any expenses allocated or allocable to a specific class of shares, which include service fees payable with respect to the Administrative Class Shares, and may include certain other expenses as permitted by the Trust's Multi-Class Plan adopted pursuant to Rule 18f-3 under the Act and subject to review and approval by the Trustees. The ratio of expenses to average net assets per share class, as disclosed on the Financial Highlights, may differ from the annual portfolio operating expenses per share class.

Each Trustee, other than those affiliated with PIMCO or its affiliates, receives an annual retainer of $36,850, plus $3,800 for each Board meeting attended in person, $775 for each committee meeting attended and $750 for each Board meeting attended telephonically, plus reimbursement of related expenses. In addition, the audit committee chair receives an additional annual retainer of $6,000, the valuation oversight committee lead receives an additional annual retainer of $4,250 (to the extent there are co-leads of the valuation oversight committee, the annual retainer will be split evenly between the co-leads, so that each co-lead individually receives an additional retainer of $2,125) and the governance committee chair receives an additional annual retainer of $2,750. The Lead Independent Trustee receives an annual retainer of $3,500.

These expenses are allocated on a pro rata basis to each Portfolio of the Trust according to its respective net assets. The Trust pays no compensation directly to any Trustee or any other officer who is affiliated with the Administrator, all of whom receive remuneration for their services to the Trust from the Administrator or its affiliates.

(e) Expense Limitation Pursuant to the Expense Limitation Agreement, PIMCO has agreed to waive a portion of the Portfolio's Supervisory and Administrative Fee, or reimburse the Portfolio, to the extent that the Portfolio's organizational expenses, pro rata share of expenses related to obtaining or maintaining a Legal Entity Identifier and pro rata share of Trustee Fees exceed 0.0049%, the "Expense Limit" (calculated as a percentage of the Portfolio's average daily net assets attributable to each class). The Expense Limitation Agreement will automatically renew for one-year terms unless PIMCO provides written notice to the Trust at least 30 days prior to the end of the then current term.

Under certain conditions, PIMCO may be reimbursed for these waived amounts in future periods, not to exceed thirty-six months after the waiver. At June 30, 2018, there were no recoverable amounts.

10. RELATED PARTY TRANSACTIONS

The Adviser, Administrator, and Distributor are related parties. Fees paid to these parties are disclosed in Note 9, Fees and Expenses, and the accrued related party fee amounts are disclosed on the Statement of Assets and Liabilities.

11. GUARANTEES AND INDEMNIFICATIONS

Under the Trust's organizational documents, each Trustee, officer, employee or other agent of the Trust (including the Trust's investment manager) is indemnified, to the extent permitted by the Act, against certain liabilities that may arise out of performance of their duties to the Portfolio. Additionally, in the normal course of business, the Portfolio enters into contracts that contain a variety of indemnification clauses. The Portfolio's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Portfolio that have not yet occurred. However, the Portfolio has not had prior claims or losses pursuant to these contracts.

12. PURCHASES AND SALES OF SECURITIES

The length of time the Portfolio has held a particular security is not generally a consideration in investment decisions. A change in the securities held by the Portfolio is known as "portfolio turnover." The Portfolio 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 may involve correspondingly greater transaction costs to the Portfolio, 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 the Portfolio'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 June 30, 2018, were as follows (amounts in thousands†):

U.S. Government/Agency		All Other	
Purchases	Sales	Purchases	Sales
$ 5,815	$ 5,806	$ 100,504	$ 112,265

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

13. SHARES OF BENEFICIAL INTEREST

The Trust may issue an unlimited number of shares of beneficial interest with a $0.001 par value. Changes in shares of beneficial interest were as follows (shares and amounts in thousands†):

	Six Months Ended 06/30/2018		Year Ended 12/31/2017	
	Shares	Amount	Shares	Amount
Receipts for shares sold				
Institutional Class	53	$ 406	101	$ 794
Administrative Class	8,934	69,226	37,857	297,942
Advisor Class	4,384	34,079	4,908	38,747
Issued as reinvestment of distributions				
Institutional Class	35	272	66	525
Administrative Class	3,189	24,524	6,559	51,769
Advisor Class	106	816	245	1,937
Cost of shares redeemed				
Institutional Class	(224)	(1,715)	(70)	(549)
Administrative Class	(15,258)	(117,758)	(50,789)	(399,872)
Advisor Class	(3,405)	(26,174)	(6,690)	(52,436)
Net increase (decrease) resulting from Portfolio share transactions	(2,186)	$ (16,324)	(7,813)	$ (61,143)

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

As of June 30, 2018, one shareholder owned 10% or more of the Portfolio's total outstanding shares comprising 66% of the Portfolio, and the shareholder is a related party of the Portfolio. Related parties may include, but are not limited to, the investment adviser and its affiliates, affiliated broker dealers, fund of funds and directors or employees of the Trust or Adviser.

14. REGULATORY AND LITIGATION MATTERS

The Portfolio is not named as a defendant in any material litigation or arbitration proceedings and is not aware of any material litigation or claim pending or threatened against it.

The foregoing speaks only as of the date of this report.

15. FEDERAL INCOME TAX MATTERS

The Portfolio 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 Portfolio 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 Adviser has reviewed the Portfolio's tax positions for all open tax years. As of June 30, 2018, the Portfolio 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 Portfolio files U.S. federal, state, and local tax returns as required. The Portfolio'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.

Shares of the Portfolio currently are sold to segregated asset accounts ("Separate Accounts") of insurance companies that fund variable annuity contracts and variable life insurance policies ("Variable Contracts"). Please refer to the prospectus for the Separate Account and Variable Contract for information regarding Federal income tax treatment of distributions to the Separate Account.

Under the Regulated Investment Company Modernization Act of 2010, the Portfolio 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 its last fiscal year ended December 31, 2017, the Portfolio had the following post-effective capital losses with no expiration (amounts in thousands†):

	Short-Term	Long-Term
PIMCO High Yield Portfolio	$ 0	$ 17,655

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

As of June 30, 2018, 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	Unrealized Appreciation	Unrealized (Depreciation)	Net Unrealized Appreciation/ (Depreciation)(1)
$ 1,023,808	$ 14,922	$ (23,734)	$ (8,812)

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

(1) Primary differences, if any, between book and tax net unrealized appreciation/(depreciation) are attributable to wash sale loss deferrals for Federal income tax purposes.

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

(Unaudited)

Counterparty Abbreviations:

BCY	Barclays Capital, Inc.	**CBK**	Citibank N.A.	**GLM**	Goldman Sachs Bank USA
BOA	Bank of America N.A.	**DUB**	Deutsche Bank AG	**GST**	Goldman Sachs International
BPS	BNP Paribas S.A.	**FICC**	Fixed Income Clearing Corporation	**JPM**	JP Morgan Chase Bank N.A.
BRC	Barclays Bank PLC				

Currency Abbreviations:

EUR	Euro	**USD (or $)**	United States Dollar

Exchange Abbreviations:

CBOT	Chicago Board of Trade	**OTC**	Over the Counter

Index/Spread Abbreviations:

12MTA	12 Month Treasury Average	**CDX.IG**	Credit Derivatives Index - Investment Grade	**US0001M**	1 Month USD Swap Rate
CDX.HY	Credit Derivatives Index - High Yield				

Other Abbreviations:

ALT	Alternate Loan Trust	**PIK**	Payment-in-Kind	**TBD**	To-Be-Determined
DAC	Designated Activity Company	**TBA**	To-Be-Announced	**TBD%**	Interest rate to be determined when loan settles
LIBOR	London Interbank Offered Rate				

General Information

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This report is submitted for the general information of the shareholders of the Portfolio listed on the Report cover.