PIMCO

PIMCO VARIABLE INSURANCE TRUST

# Semiannual Report

June 30, 2019

PIMCO CommodityRealReturn® Strategy Portfolio

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Portfolio's annual and semi-annual shareholder reports will no longer be sent by mail from the insurance company that offers your contract unless you specifically request paper copies of the reports from the insurance company or from your financial intermediary. Instead, the shareholder reports will be made available on a website, and the insurance company will notify you by mail each time a report is posted and provide you with a website link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the insurance company electronically by following the instructions provided by the insurance company.

You may elect to receive all future reports in paper free of charge from the insurance company. You should contact the insurance company if you wish to continue receiving paper copies of your shareholder reports. Your election to receive reports in paper will apply to all portfolio companies available under your contract at the insurance company.

A company of Allianz

# Table of Contents


| | Page |
|---|---|
| Chairman's Letter | 2 |
| Important Information About the PIMCO CommodityRealReturn® Strategy Portfolio | 4 |
| Portfolio Summary | 7 |
| Expense Example | 8 |
| Financial Highlights (Consolidated) | 10 |
| Consolidated Statement of Assets and Liabilities | 12 |
| Consolidated Statement of Operations | 13 |
| Consolidated Statements of Changes in Net Assets | 14 |
| Consolidated Statement of Cash Flows | 15 |
| Consolidated Schedule of Investments | 16 |
| Notes to Financial Statements | 35 |
| Glossary | 55 |

## Dear PIMCO Variable Insurance Trust Shareholder,

Following this letter is the PIMCO Variable Insurance Trust Semiannual Report, which covers the six-month reporting period ended June 30, 2019. On the subsequent pages you will find specific details regarding investment results and discussion of the factors that most affected performance during the reporting period.

## For the six-month reporting period ended June 30, 2019

The U.S. economy continued to expand during the reporting period. Looking back, U.S. gross domestic product ("GDP") grew at an annual pace of 2.2% during the fourth quarter of 2018. For the first quarter of 2019, GDP growth rose to an annual pace of 3.1%. Finally, the Commerce Department's initial reading for second quarter 2019 GDP, released after the reporting period ended, showed that the U.S. economy grew at a 2.1% annual pace.

After raising rates four times in 2018, the Federal Reserve (the "Fed") reversed course and had a "dovish pivot." With its December 2018 rate hike, the Fed increased the federal funds rate to a range between 2.25% and 2.50%. However, at its meeting in January 2019, the Fed tapered its expectations for the pace of rate hikes in 2019. Then, after the Fed's meeting in June 2019, Fed Chair Jerome Powell said, "The case for somewhat more accommodative policy has strengthened." This stance was partially attributed to trade tensions and signs of slowing global growth, including weakening manufacturing data. Finally, at its meeting that concluded on July 31, 2019, after the reporting period ended, the Fed lowered the federal funds rate to a range between 2.00% and 2.25%. This represented the Fed's first rate cut since 2008.

Growth outside the U.S. continued, but the pace generally moderated. According to the International Monetary Fund ("IMF"), global growth is projected to be 3.3% in 2019, versus 3.6% in 2018. From a regional perspective, the U.S. economy is expected to expand 2.3% in 2019, compared to 2.9% in the prior year. Elsewhere, the IMF anticipates 2019 GDP growth in the eurozone, UK and Japan will be 1.3%, 1.2% and 1.0%, respectively. For comparison purposes, these economies expanded 1.8%, 1.4% and 0.8%, respectively, in 2018.

Against this backdrop, the European Central Bank (the "ECB") and the Bank of Japan largely maintained their highly accommodative monetary policies. The ECB ended its quantitative easing program in December 2018 and indicated that it does not expect to raise interest rates, "at least through the first half of 2020." Meanwhile, the Bank of England kept rates on hold for the reporting period.

Both short- and long-term U.S. Treasury yields declined. In our view, falling rates were partially due to signs of moderating global growth, the Fed's dovish pivot and periods of investor risk aversion. The yield on the two-year U.S. Treasury note was 1.75% at the end of the reporting period, compared to 2.48% on December 31, 2018. Meanwhile, the yield on the benchmark 10-year U.S. Treasury note was 2.00% at the end of the reporting period, versus 2.69% on December 31, 2018. The Bloomberg Barclays Global Treasury Index (USD hedged), which tracks fixed-rate, local-currency government debt of investment grade countries, including both developed and emerging markets, returned 5.52%. Meanwhile, the Bloomberg Barclays Global Aggregate Credit Index (USD hedged), a widely used index of global investment grade credit bonds, returned 8.22%. Riskier fixed income asset classes, including high yield corporate bonds and emerging market debt, also generated positive results. The ICE BofAML Developed Markets High Yield Constrained Index (USD hedged), a widely used index of below investment grade bonds, returned 10.05%, whereas emerging market external debt, as represented by the JPMorgan Emerging Markets Bond Index (EMBI) Global (USD hedged), returned 10.60%. Emerging market local bonds, as represented by the JPMorgan Government Bond Index-Emerging Markets Global Diversified Index (Unhedged), returned 8.72%.

Global equities also produced strong results. Despite periods of volatility, U.S. equities moved sharply higher. We believe this rally was driven by a number of factors, including corporate profits that often exceeded expectations and a more accommodative Fed. All told, U.S. equities, as represented by the S&P 500 Index, returned 18.54%. Emerging market equities, as measured by the MSCI Emerging Markets Index, returned 10.59%, whereas global equities, as represented by the MSCI World Index, returned 16.98%. Meanwhile, Japanese equities, as represented by the Nikkei 225 Index (in JPY), returned 7.53%, and European equities, as represented by the MSCI Europe Index (in EUR), returned 16.24%.

Commodity prices fluctuated and largely moved higher. When the reporting period began, Brent crude oil was approximately $54 a barrel, but by the end, it was roughly $67 a barrel. Elsewhere, gold and copper prices also rose.

Finally, there were periods of volatility in the foreign exchange markets, due in part to signs of moderating global growth and changing central bank monetary policies, along with a number of geopolitical events. The U.S. dollar strengthened against a number of other major currencies. For example, the U.S. dollar returned 0.82% and 0.45% versus the euro and British pound, respectively. However, the U.S. dollar fell 1.71% versus the Japanese yen.

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

Sincerely,

Peter G. Strelow
Chairman of the Board
PIMCO Variable Insurance Trust

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.

PIMCO Variable Insurance Trust (the "Trust") is an open-end management investment company that includes the PIMCO CommodityRealReturn® Strategy 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 United States and many parts of the world, including certain European countries, are at or near historically low levels. Thus, the Portfolio currently faces a heightened level of interest rate risk, especially as the Federal Reserve Board ended its quantitative easing program in October 2014 and raised interest rates several times thereafter before lowering them in July 2019. Interest rates may change in the future depending upon the Federal Reserve Board's view of economic growth, inflation, employment and other market factors. To the extent the Federal Reserve Board raises 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.

With respect to certain securities, the Portfolio may make different asset class, sector or geographical classifications for the purpose of monitoring compliance with investment guidelines than the classifications disclosed in this report.

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.

The United Kingdom's decision to leave the European Union may impact Portfolio returns. This decision may cause substantial volatility in foreign exchange markets, lead to weakness in the exchange rate of the British pound, result in a sustained period of market uncertainty, and destabilize some or all of the other European Union member countries and/or the Eurozone.

The Portfolio may invest in certain instruments that rely in some fashion upon the London Interbank Offered Rate ("LIBOR"). LIBOR is an average interest rate, determined by the ICE Benchmark Administration, that banks charge one another for the use of short-term money. The United Kingdom's Financial Conduct Authority, which regulates LIBOR, has announced plans to phase out the use of LIBOR by the end of 2021. There remains uncertainty regarding future utilization of LIBOR and the nature of any replacement rate, and any potential effects of the transition away from LIBOR on the Portfolio or on certain instruments in which the Portfolio invests are not known.

Under the direction of the Federal Housing Finance Agency, the Federal National Mortgage Association ("FNMA") and the Federal Home Loan Mortgage Corporation ("FHLMC") have entered into a joint initiative to develop a common securitization platform for the issuance of a uniform mortgage-backed security (the "Single Security Initiative") that aligns the characteristics of FNMA and FHLMC certificates. The Single Security Initiative was implemented on June 3, 2019, and the effects it may have on the market for mortgage-backed securities are uncertain.

The Portfolio will seek to gain exposure to the commodity markets primarily through investments in leveraged or unleveraged commodity index-linked notes, which are derivative debt instruments with principal and/or coupon payments linked to the performance of commodity indices, and through investments in the PIMCO Cayman Commodity Portfolio I Ltd. (the "Subsidiary"), a wholly-owned subsidiary (as discussed below). The Portfolio may also invest in commodity-linked notes with principal and/or coupon payments linked to the value of particular commodities or commodity futures contracts, or a subset of commodities or commodity futures contracts. These notes are sometimes referred to as "structured notes" because the terms of these notes may be structured by the issuer and the purchaser of the notes. The value of these notes will rise or fall in response to changes in the underlying commodity or related index of investments. These notes expose the Portfolio economically to movements in commodity prices. The Portfolio is intended for long-term investors and an investment in the Portfolio should be no more than a small part of a typical diversified portfolio. The Portfolio's share price is expected to be more volatile than that of other funds. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, changes in interest rates, or factors affecting a particular industry or commodity, such as weather, disease, embargoes, and international economic, political and regulatory developments. These notes also are subject to risks, such as credit, market and interest rate risks, that in general affect the values of debt securities. In addition, these notes are often leveraged, increasing the volatility of each note's market value relative to changes in the underlying commodity, commodity futures contract or commodity index. Therefore, at maturity of the note, the Portfolio may receive more or less principal than it originally invested. The Portfolio might receive interest payments on the note that are more or less than the stated coupon interest payments. The Portfolio may also gain exposure to the commodity markets indirectly by investing in its Subsidiary, which will primarily invest in different commodity-linked derivative instruments than the Portfolio, including swap agreements, commodity options, futures and options on futures.

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 | Class M | Administrative Class | Advisor Class | Diversification Status |
|---|---|---|---|---|---|---|
| PIMCO CommodityRealReturn® Strategy Portfolio | 06/30/04 | 04/30/12 | 11/10/14 | 06/30/04 | 02/28/06 | Diversified |

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

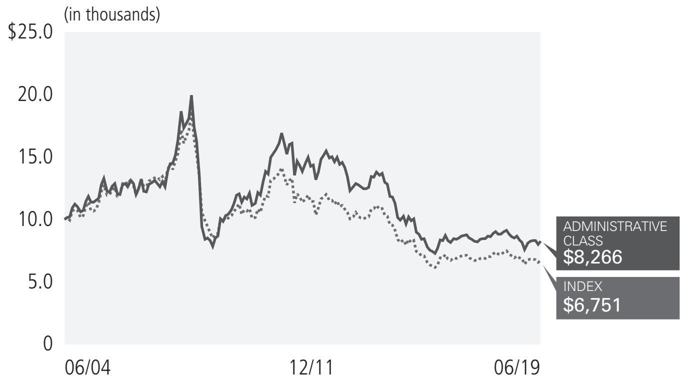
The Portfolio files a complete schedule of its portfolio holdings with the SEC for the first and third quarters of its fiscal year on Form N-PORT. The Portfolio's Form N-PORT reports are available on the SEC's website at www.sec.gov and are available without charge, upon request by calling the Portfolio at (888) 87-PIMCO. Prior to its use of Form N-PORT, the Portfolio filed its complete schedule of its portfolio holdings with the SEC on Form N-Q, which is available online at www.sec.gov.

The SEC adopted a rule that, beginning in 2021, generally will allow shareholder reports to be delivered 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. Instructions for electing to receive paper copies of the Portfolio's shareholder reports going forward may be found on the front cover of this report.

The SEC adopted amendments to certain disclosure requirements relating to open-end investment companies' liquidity risk management programs. Effective December 1, 2019, large fund complexes will be required to include in their shareholder reports a discussion of their liquidity risk management programs' operations over the past year.

# PIMCO CommodityRealReturn® Strategy Portfolio (Consolidated)

## Cumulative Returns Through June 30, 2019




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

## Allocation Breakdown as of 06/30/2019†§

| | |
|---|---|
| U.S. Treasury Obligations | 56.7% |
| U.S. Government Agencies | 12.6% |
| Short-Term Instruments‡ | 10.0% |
| Corporate Bonds & Notes | 7.6% |
| Sovereign Issues | 6.6% |
| Asset-Backed Securities | 4.8% |
| Non-Agency Mortgage-Backed Securities | 1.7% |

† % 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, 2019

| | | 6 Months* | 1 Year | 5 Years | 10 Years | Inception≈ |
|---|---|---|---|---|---|---|
| | PIMCO CommodityRealReturn® Strategy Portfolio Institutional Class | 8.37% | (6.68)% | (9.50)% | — | (7.30)% |
| | PIMCO CommodityRealReturn® Strategy Portfolio Class M | 8.16% | (6.98)% | — | — | (7.44)% |
| — | PIMCO CommodityRealReturn® Strategy Portfolio Administrative Class | 8.27% | (6.80)% | (9.64)% | (1.77)% | (1.26)% |
| | PIMCO CommodityRealReturn® Strategy Portfolio Advisor Class | 8.30% | (6.82)% | (9.72)% | (1.87)% | (2.91)% |
| ····· | Bloomberg Commodity Index Total Return± | 5.06% | (6.75)% | (9.15)% | (3.74)% | (2.58)%◆ |

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 06/30/2004.

± Bloomberg Commodity Index Total Return is an unmanaged index composed of futures contracts on a number of physical commodities. The index is designed to be a highly liquid and diversified benchmark for commodities as an asset class. The futures exposures of the benchmark are collateralized by US T-bills.

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, which includes the Acquired Fund Fees and Expenses (Commodity Subsidiary Expenses), were 1.92% for Institutional Class shares, 2.37% for Class M shares, 2.07% for Administrative Class shares, and 2.17% for Advisor Class shares. Details regarding any changes to the Portfolio's operating expenses, subsequent to peroid end, can be found in the Portfolio's current prospectus, as supplemented.*

## Investment Objective and Strategy Overview

PIMCO CommodityRealReturn® Strategy Portfolio seeks maximum real return, consistent with prudent investment management, by investing under normal circumstances in commodity-linked derivative instruments backed by a portfolio of inflation-indexed securities and other 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. The Portfolio invests in commodity-linked derivative instruments, including commodity index-linked notes, swap agreements, commodity options, futures and options on futures that provide exposure to the investment returns of the commodities markets without investing directly in physical commodities. 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:

» Exposure to commodities contributed to absolute performance, as commodities, as measured by the Bloomberg Commodity Index Total Return, posted positive returns.

» The structural allocation to U.S. short-term Treasury Inflation-Protected Securities (TIPS) as collateral backing the Fund's commodity exposure, contributed to absolute performance, as U.S. short-term TIPS, as measured by the Bloomberg Barclays U.S. 1-5 Year TIPS Index, outperformed U.S. 3-Month Treasury Bills, as measured by ICE BofAML U.S. 3-Month Treasury Bill Index.

» Overweight exposure to energy commodities contributed to relative performance, as the sector, as measured by the Bloomberg Energy Sub-index, posted positive returns.

» Overweight exposure to U.S. real duration contributed to relative performance, as U.S. real yields moved lower.

» Overweight exposure to German nominal duration contributed to relative performance, as German nominal yields moved lower.

» Underweight exposure to French nominal duration detracted from relative performance, as French nominal yields moved lower.

## Example

As a shareholder of the Portfolio, you incur two types of costs: (1) transaction costs and (2) ongoing costs, including investment advisory fees, supervisory and administrative 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, 2019 to June 30, 2019 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 investment advisory fees and supervisory and administrative 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 (01/01/19) | Ending Account Value (06/30/19) | Expenses Paid During Period* | Beginning Account Value (01/01/19) | Ending Account Value (06/30/19) | Expenses Paid During Period* | Net Annualized Expense Ratio** |
| Institutional Class | $ 1,000.00 | $ 1,083.70 | $ 11.10 | $ 1,000.00 | $ 1,014.01 | $ 10.73 | 2.16% |
| Class M | 1,000.00 | 1,081.60 | 13.40 | 1,000.00 | 1,011.79 | 12.95 | 2.61 |
| Administrative Class | 1,000.00 | 1,082.70 | 11.81 | 1,000.00 | 1,013.32 | 11.42 | 2.30 |
| Advisor Class | 1,000.00 | 1,083.00 | 12.33 | 1,000.00 | 1,012.82 | 11.91 | 2.40 |

* 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 180/365 (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.

(THIS PAGE INTENTIONALLY LEFT BLANK)

# Financial Highlights PIMCO CommodityRealReturn® Strategy Portfolio (Consolidated)

| Selected Per Share Data for the Year or Period Ended^: | Net Asset Value Beginning of Year or Period | Investment Operations: Net Investment Income (Loss)[(a)] | Investment Operations: Net Realized/ Unrealized Gain (Loss) | Investment Operations: Total | Less Distributions[(b)]: From Net Investment Income | Less Distributions[(b)]: From Net Realized Capital Gain (Loss) | Less Distributions[(b)]: Total |
|---|---|---|---|---|---|---|---|
| **Institutional Class** | | | | | | | |
| 01/01/2019 - 06/30/2019+ | $ 6.00 | $ 0.06 | $ 0.44 | $ 0.50 | $ (0.19) | $ 0.00 | $ (0.19) |
| 12/31/2018 | 7.14 | 0.16 | (1.14) | (0.98) | (0.16) | 0.00 | (0.16) |
| 12/31/2017 | 7.84 | 0.14 | (0.01) | 0.13 | (0.83) | 0.00 | (0.83) |
| 12/31/2016 | 6.89 | 0.13 | 0.91 | 1.04 | (0.09) | 0.00 | (0.09) |
| 12/31/2015~ | 9.68 | 0.04 | (2.63) | (2.59) | (0.20) | 0.00 | (0.20) |
| 12/31/2014~ | 11.92 | 0.12 | (2.30) | (2.18) | (0.06) | 0.00 | (0.06) |
| **Class M** | | | | | | | |
| 01/01/2019 - 06/30/2019+ | 5.99 | 0.05 | 0.43 | 0.48 | (0.17) | 0.00 | (0.17) |
| 12/31/2018 | 7.12 | 0.13 | (1.13) | (1.00) | (0.13) | 0.00 | (0.13) |
| 12/31/2017 | 7.83 | 0.11 | (0.01) | 0.10 | (0.81) | 0.00 | (0.81) |
| 12/31/2016 | 6.89 | 0.24 | 0.76 | 1.00 | (0.06) | 0.00 | (0.06) |
| 12/31/2015~ | 9.72 | 0.03 | (2.66) | (2.63) | (0.20) | 0.00 | (0.20) |
| 11/10/2014 - 12/31/2014~ | 11.18 | 0.08 | (1.52) | (1.44) | (0.02) | 0.00 | (0.02) |
| **Administrative Class** | | | | | | | |
| 01/01/2019 - 06/30/2019+ | 6.02 | 0.06 | 0.43 | 0.49 | (0.18) | 0.00 | (0.18) |
| 12/31/2018 | 7.16 | 0.15 | (1.14) | (0.99) | (0.15) | 0.00 | (0.15) |
| 12/31/2017 | 7.87 | 0.13 | (0.01) | 0.12 | (0.83) | 0.00 | (0.83) |
| 12/31/2016 | 6.91 | 0.12 | 0.92 | 1.04 | (0.08) | 0.00 | (0.08) |
| 12/31/2015~ | 9.72 | 0.02 | (2.63) | (2.61) | (0.20) | 0.00 | (0.20) |
| 12/31/2014~ | 11.96 | 0.12 | (2.32) | (2.20) | (0.04) | 0.00 | (0.04) |
| **Advisor Class** | | | | | | | |
| 01/01/2019 - 06/30/2019+ | 6.09 | 0.06 | 0.44 | 0.50 | (0.18) | 0.00 | (0.18) |
| 12/31/2018 | 7.24 | 0.15 | (1.16) | (1.01) | (0.14) | 0.00 | (0.14) |
| 12/31/2017 | 7.95 | 0.12 | (0.02) | 0.10 | (0.81) | 0.00 | (0.81) |
| 12/31/2016 | 6.99 | 0.14 | 0.90 | 1.04 | (0.08) | 0.00 | (0.08) |
| 12/31/2015~ | 9.82 | 0.01 | (2.64) | (2.63) | (0.20) | 0.00 | (0.20) |
| 12/31/2014~ | 12.10 | 0.10 | (2.34) | (2.24) | (0.04) | 0.00 | (0.04) |

^ A zero balance may reflect actual amounts rounding to less than $0.01 or 0.01%.
+ Unaudited
* Annualized
~ A one for two reverse share split, effective August 7, 2015, has been retroactively applied.
(a) Per share amounts based on average number of 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.

| 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 |
|---|---|---|---|---|---|---|---|---|
| | | Ratios/Supplemental Data | | | | | | |
| | | | Ratios to Average Net Assets | | | | | |
| $ 6.31 | 8.37% | $ 3,044 | 2.15%* | 2.26%* | 0.74%* | 0.85%* | 1.91%* | 92% |
| 6.00 | (14.05) | 3,000 | 1.77 | 1.92 | 0.74 | 0.89 | 2.32 | 237 |
| 7.14 | 2.40 | 2,883 | 1.25 | 1.39 | 0.74 | 0.88 | 1.92 | 157 |
| 7.84 | 15.22 | 2,813 | 1.03 | 1.17 | 0.74 | 0.88 | 1.82 | 206 |
| 6.89 | (25.57) | 2,513 | 0.91 | 1.02 | 0.74 | 0.85 | 0.46 | 162 |
| 9.68 | (18.35) | 2,233 | 0.78 | 0.91 | 0.74 | 0.87 | 1.08 | 151 |
| | | | | | | | | |
| 6.30 | 8.16 | 432 | 2.60* | 2.71* | 1.19* | 1.30* | 1.46* | 92 |
| 5.99 | (14.33) | 454 | 2.22 | 2.37 | 1.19 | 1.34 | 1.88 | 237 |
| 7.12 | 1.94 | 524 | 1.70 | 1.84 | 1.19 | 1.33 | 1.50 | 157 |
| 7.83 | 14.62 | 526 | 1.48 | 1.62 | 1.19 | 1.33 | 3.27 | 206 |
| 6.89 | (25.91) | 306 | 1.36 | 1.47 | 1.19 | 1.30 | 0.38 | 162 |
| 9.72 | (12.91) | 23 | 1.23* | 1.36* | 1.19* | 1.32* | 0.61* | 151 |
| | | | | | | | | |
| 6.33 | 8.27 | 223,881 | 2.30* | 2.41* | 0.89* | 1.00* | 1.82* | 92 |
| 6.02 | (14.13) | 217,121 | 1.92 | 2.07 | 0.89 | 1.04 | 2.19 | 237 |
| 7.16 | 2.15 | 263,712 | 1.40 | 1.54 | 0.89 | 1.03 | 1.79 | 157 |
| 7.87 | 15.16 | 261,084 | 1.18 | 1.32 | 0.89 | 1.03 | 1.62 | 206 |
| 6.91 | (25.70) | 241,100 | 1.06 | 1.17 | 0.89 | 1.00 | 0.22 | 162 |
| 9.72 | (18.42) | 302,303 | 0.93 | 1.06 | 0.89 | 1.02 | 0.94 | 151 |
| | | | | | | | | |
| 6.41 | 8.30 | 109,399 | 2.40* | 2.51* | 0.99* | 1.10* | 1.73* | 92 |
| 6.09 | (14.20) | 103,329 | 2.02 | 2.17 | 0.99 | 1.14 | 2.09 | 237 |
| 7.24 | 2.05 | 124,551 | 1.50 | 1.64 | 0.99 | 1.13 | 1.69 | 157 |
| 7.95 | 14.87 | 127,029 | 1.28 | 1.42 | 0.99 | 1.13 | 1.82 | 206 |
| 6.99 | (25.66) | 106,999 | 1.16 | 1.27 | 0.99 | 1.10 | 0.14 | 162 |
| 9.82 | (18.62) | 125,905 | 1.03 | 1.16 | 0.99 | 1.12 | 0.85 | 151 |

(Amounts in thousands[†], except per share amounts)

| | |
|---|---|
| **Assets:** | |
| *Investments, at value* | |
| Investments in securities* | $ 566,074 |
| Investments in Affiliates | 88 |
| *Financial Derivative Instruments* | |
| Exchange-traded or centrally cleared | 976 |
| Over the counter | 9,625 |
| Cash | 1 |
| Deposits with counterparty | 2,601 |
| Foreign currency, at value | 1,000 |
| Receivable for investments sold | 441 |
| Receivable for investments sold on a delayed-delivery basis | 10,883 |
| Receivable for TBA investments sold | 116,625 |
| Receivable for Portfolio shares sold | 411 |
| Interest and/or dividends receivable | 1,435 |
| Dividends receivable from Affiliates | 3 |
| Reimbursement receivable from PIMCO | 25 |
| Other assets | 28 |
| **Total Assets** | 710,216 |
| **Liabilities:** | |
| *Borrowings & Other Financing Transactions* | |
| Payable for sale-buyback transactions | $ 176,991 |
| Payable for short sales | 10,678 |
| *Financial Derivative Instruments* | |
| Exchange-traded or centrally cleared | 877 |
| Over the counter | 2,553 |
| Payable for investments purchased | 450 |
| Payable for investments in Affiliates purchased | 3 |
| Payable for TBA investments purchased | 169,634 |
| Deposits from counterparty | 11,887 |
| Payable for Portfolio shares redeemed | 130 |
| Accrued investment advisory fees | 141 |
| Accrued supervisory and administrative fees | 70 |
| Accrued distribution fees | 21 |
| Accrued servicing fees | 25 |
| **Total Liabilities** | 373,460 |
| **Net Assets** | $ 336,756 |
| **Net Assets Consist of:** | |
| Paid in capital | $ 362,251 |
| Distributable earnings (accumulated loss) | (25,495) |
| **Net Assets** | $ 336,756 |
| **Net Assets:** | |
| Institutional Class | $ 3,044 |
| Class M | 432 |
| Administrative Class | 223,881 |
| Advisor Class | 109,399 |
| **Shares Issued and Outstanding:** | |
| Institutional Class | 482 |
| Class M | 69 |
| Administrative Class | 35,343 |
| Advisor Class | 17,061 |
| **Net Asset Value Per Share Outstanding:** | |
| Institutional Class | $ 6.31 |
| Class M | 6.30 |
| Administrative Class | 6.33 |
| Advisor Class | 6.41 |
| Cost of investments in securities | $ 563,486 |
| Cost of investments in Affiliates | $ 88 |
| Cost of foreign currency held | $ 996 |
| Proceeds received on short sales | $ 10,676 |
| Cost or premiums of financial derivative instruments, net | $ 903 |
| * Includes repurchase agreements of: | $ 36,920 |

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

# Consolidated Statement of Operations PIMCO CommodityRealReturn® Strategy Portfolio

| (Amounts in thousands†) | Six Months Ended June 30, 2019 (Unaudited) |
|---|---|
| **Investment Income:** | |
| Interest | $ 6,850 |
| Dividends from Investments in Affiliates | 24 |
| Total Income | 6,874 |
| **Expenses:** | |
| Investment advisory fees | 951 |
| Supervisory and administrative fees | 472 |
| Distribution and/or servicing fees - Class M | 1 |
| Servicing fees - Administrative Class | 166 |
| Distribution and/or servicing fees - Advisor Class | 135 |
| Trustee fees | 2 |
| Interest expense | 2,353 |
| Total Expenses | 4,080 |
| Waiver and/or Reimbursement by PIMCO | (189) |
| Net Expenses | 3,891 |
| **Net Investment Income (Loss)** | 2,983 |
| **Net Realized Gain (Loss):** | |
| Investments in securities | 239 |
| Investments in Affiliates | 2 |
| Exchange-traded or centrally cleared financial derivative instruments | (2,439) |
| Over the counter financial derivative instruments | (7,455) |
| Short sales | (4) |
| Foreign currency | (154) |
| **Net Realized Gain (Loss)** | (9,811) |
| **Net Change in Unrealized Appreciation (Depreciation):** | |
| Investments in securities | 12,139 |
| Investments in Affiliates | (1) |
| Exchange-traded or centrally cleared financial derivative instruments | (1,594) |
| Over the counter financial derivative instruments | 22,813 |
| Foreign currency assets and liabilities | 3 |
| **Net Change in Unrealized Appreciation (Depreciation)** | 33,360 |
| **Net Increase (Decrease) in Net Assets Resulting from Operations** | $ 26,532 |

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

# Consolidated Statements of Changes in Net Assets PIMCO CommodityRealReturn® Strategy Portfolio

| (Amounts in thousands†) | Six Months Ended June 30, 2019 (Unaudited) | Year Ended December 31, 2018 |
|---|---|---|
| **Increase (Decrease) in Net Assets from:** | | |
| **Operations:** | | |
| Net investment income (loss) | $ 2,983 | $ 8,241 |
| Net realized gain (loss) | (9,811) | (20,257) |
| Net change in unrealized appreciation (depreciation) | 33,360 | (42,257) |
| **Net Increase (Decrease) in Net Assets Resulting from Operations** | 26,532 | (54,273) |
| **Distributions to Shareholders:** | | |
| From net investment income and/or net realized capital gains | | |
| Institutional Class | (90) | (67) |
| Class M | (12) | (9) |
| Administrative Class | (6,364) | (5,381) |
| Advisor Class | (3,034) | (2,395) |
| **Total Distributions[(a)]** | (9,500) | (7,852) |
| **Portfolio Share Transactions:** | | |
| Net increase (decrease) resulting from Portfolio share transactions** | (4,180) | (5,641) |
| **Total Increase (Decrease) in Net Assets** | 12,852 | (67,766) |
| **Net Assets:** | | |
| Beginning of period | 323,904 | 391,670 |
| End of period | $ 336,756 | $ 323,904 |

† 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.

# Consolidated Statement of Cash Flows

Six Months Ended June 30, 2019 (Unaudited)

| (Amounts in thousands†) | PIMCO CommodityRealReturn® Strategy Portfolio |
|---|---|
| **Cash Flows Provided by (Used for) Operating Activities:** | |
| Net increase (decrease) in net assets resulting from operations | $ 26,532 |
| **Adjustments to Reconcile Net Increase (Decrease) in Net Assets from Operations to Net Cash Provided by (Used for) Operating Activities:** | |
| Purchases of long-term securities | (449,038) |
| Proceeds from sales of long-term securities | 460,683 |
| (Purchases) Proceeds from sales of short-term portfolio investments, net | 21,032 |
| (Increase) decrease in deposits with counterparty | 807 |
| (Increase) decrease in receivable for investments sold | (23,638) |
| (Increase) decrease in interest and/or dividends receivable | 7 |
| (Increase) decrease in dividends receivable from Affiliates | 1 |
| Proceeds from (Payments on) exchange-traded or centrally cleared financial derivative instruments | (4,305) |
| Proceeds from (Payments on) over the counter financial derivative instruments | (7,544) |
| (Increase) decrease in reimbursement receivable from PIMCO | 6 |
| Increase (decrease) in payable for investments purchased | 49,901 |
| Increase (decrease) in deposits from counterparty | 10,330 |
| Increase (decrease) in accrued investment advisory fees | (18) |
| Increase (decrease) in accrued supervisory and administrative fees | (9) |
| Increase (decrease) in accrued distribution fees | (1) |
| Increase (decrease) in accrued servicing fees | (3) |
| Proceeds from (Payments on) short sales transactions, net | 4,400 |
| Proceeds from (Payments on) foreign currency transactions | (151) |
| *Net Realized (Gain) Loss* | |
| Investments in securities | (239) |
| Investments in Affiliates | (2) |
| Exchange-traded or centrally cleared financial derivative instruments | 2,439 |
| Over the counter financial derivative instruments | 7,455 |
| Short sales | 4 |
| Foreign currency | 154 |
| *Net Change in Unrealized (Appreciation) Depreciation* | |
| Investments in securities | (12,139) |
| Investments in Affiliates | 1 |
| Exchange-traded or centrally cleared financial derivative instruments | 1,594 |
| Over the counter financial derivative instruments | (22,813) |
| Foreign currency assets and liabilities | (3) |
| Net amortization (accretion) on investments | 133 |
| **Net Cash Provided by (Used for) Operating Activities** | 65,576 |
| **Cash Flows Received from (Used for) Financing Activities:** | |
| Proceeds from shares sold | 25,409 |
| Payments on shares redeemed | (38,810) |
| Cash distributions paid* | 0 |
| Proceeds from sale-buyback transactions | 1,422,919 |
| Payments on sale-buyback transactions | (1,475,285) |
| **Net Cash Received from (Used for) Financing Activities** | (65,767) |
| **Net Increase (Decrease) in Cash and Foreign Currency** | (191) |
| **Cash and Foreign Currency:** | |
| Beginning of period | 1,192 |
| End of period | $ 1,001 |
| * Reinvestment of distributions | $ 9,500 |
| **Supplemental Disclosure of Cash Flow Information:** | |
| Interest expense paid during the period | $ 2,511 |

† A zero balance may reflect actual amounts rounding to less than one thousand.
A Statement of Cash Flows is presented when the Portfolio has a significant amount of borrowing during the period, based on the average total borrowing outstanding in relation to total assets or when substantially all of the Portfolio's investments are not classified as Level 1 or 2 in the fair value hierarchy.

# Consolidated Schedule of Investments PIMCO CommodityRealReturn® Strategy Portfolio

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

| | PRINCIPAL AMOUNT (000S) | MARKET VALUE (000S) |
|---|---|---|
| **INVESTMENTS IN SECURITIES 168.1%** | | |
| **CORPORATE BONDS & NOTES 12.8%** | | |
| **BANKING & FINANCE 5.8%** | | |
| **AerCap Ireland Capital DAC** | | |
| 4.250% due 07/01/2020 | $ 700 | $ 710 |
| 4.625% due 10/30/2020 | 100 | 103 |
| **Aircastle Ltd.** | | |
| 5.125% due 03/15/2021 | 1,000 | 1,037 |
| 7.625% due 04/15/2020 | 600 | 622 |
| **Ally Financial, Inc.** | | |
| 4.125% due 03/30/2020 | 150 | 152 |
| 4.250% due 04/15/2021 | 50 | 51 |
| **Banco Bilbao Vizcaya Argentaria S.A.** | | |
| 6.750% due 02/18/2020 •(f)(g) | EUR 400 | 468 |
| **Bank of America Corp.** | | |
| 5.875% due 03/15/2028 •(f) | $ 230 | 240 |
| **Bank of Ireland** | | |
| 7.375% due 06/18/2020 •(f)(g) | EUR 200 | 241 |
| **Cooperatieve Rabobank UA** | | |
| 5.500% due 06/29/2020 •(f)(g) | 200 | 237 |
| 6.625% due 06/29/2021 •(f)(g) | 200 | 252 |
| **Credit Suisse Group Funding Guernsey Ltd.** | | |
| 3.800% due 09/15/2022 | $ 1,100 | 1,140 |
| **Deutsche Bank AG** | | |
| 4.250% due 10/14/2021 | 1,600 | 1,622 |
| **Ford Motor Credit Co. LLC** | | |
| 0.050% due 12/01/2021 ~ | EUR 900 | 1,002 |
| 3.200% due 01/15/2021 | $ 2,100 | 2,107 |
| **Goldman Sachs Group, Inc.** | | |
| 3.610% (US0003M + 1.200%) due 09/15/2020 ~ | 1,400 | 1,414 |
| **ING Bank NV** | | |
| 2.625% due 12/05/2022 | 500 | 510 |
| **John Deere Capital Corp.** | | |
| 2.633% (US0003M + 0.290%) due 06/22/2020 ~ | 1,200 | 1,202 |
| **Lloyds Banking Group PLC** | | |
| 3.186% due 06/21/2021 ~ | 500 | 500 |
| **Mitsubishi UFJ Financial Group, Inc.** | | |
| 4.400% (US0003M + 1.880%) due 03/01/2021 ~ | 247 | 253 |
| **Royal Bank of Scotland Group PLC** | | |
| 3.899% due 06/25/2024 ~ | 400 | 400 |
| 4.519% due 06/25/2024 • | 300 | 313 |
| **State Bank of India** | | |
| 3.539% (US0003M + 0.950%) due 04/06/2020 ~ | 800 | 802 |
| **Toronto-Dominion Bank** | | |
| 2.250% due 03/15/2021 | 800 | 803 |
| **UBS AG** | | |
| 3.031% (US0003M + 0.580%) due 06/08/2020 ~ | 1,000 | 1,005 |
| **UniCredit SpA** | | |
| 7.830% due 12/04/2023 | 2,000 | 2,286 |
| | | 19,472 |
| **INDUSTRIALS 4.9%** | | |
| **BAT Capital Corp.** | | |
| 2.297% due 08/14/2020 | 900 | 898 |
| 3.118% due 08/14/2020 ~ | 600 | 602 |
| **Bayer U.S. Finance LLC** | | |
| 2.979% due 06/25/2021 ~ | 2,100 | 2,087 |
| **Charter Communications Operating LLC** | | |
| 3.579% due 07/23/2020 | 2,700 | 2,724 |
| **Dell International LLC** | | |
| 4.420% due 06/15/2021 | 900 | 927 |
| **Deutsche Telekom International Finance BV** | | |
| 1.950% due 09/19/2021 | 150 | 149 |
| **DISH DBS Corp.** | | |
| 5.125% due 05/01/2020 | 500 | 504 |

| | PRINCIPAL AMOUNT (000S) | MARKET VALUE (000S) |
|---|---|---|
| **Dominion Energy Gas Holdings LLC** | | |
| 3.010% due 06/15/2021 ~ | $ 600 | $ 603 |
| **Enbridge, Inc.** | | |
| 2.984% due 01/10/2020 ~ | 600 | 600 |
| 3.110% (US0003M + 0.700%) due 06/15/2020 ~ | 900 | 903 |
| **Fresenius Medical Care U.S. Finance, Inc.** | | |
| 5.750% due 02/15/2021 | 1,000 | 1,043 |
| **Hyundai Capital America** | | |
| 2.000% due 07/01/2019 | 200 | 200 |
| **Keurig Dr Pepper, Inc.** | | |
| 3.551% due 05/25/2021 | 2,800 | 2,860 |
| 4.057% due 05/25/2023 | 100 | 105 |
| **Kraft Heinz Foods Co.** | | |
| 2.800% due 07/02/2020 | 800 | 801 |
| **Mondelez International Holdings Netherlands BV** | | |
| 2.000% due 10/28/2021 | 500 | 495 |
| **Spectra Energy Partners LP** | | |
| 3.179% (US0003M + 0.700%) due 06/05/2020 ~ | 100 | 100 |
| **Textron, Inc.** | | |
| 3.095% due 11/10/2020 ~ | 690 | 690 |
| **Volkswagen Group of America Finance LLC** | | |
| 4.000% due 11/12/2021 | 200 | 206 |
| | | 16,497 |
| **UTILITIES 2.1%** | | |
| **AT&T, Inc.** | | |
| 3.270% due 06/01/2021 ~ | 600 | 603 |
| 3.547% (US0003M + 0.950%) due 07/15/2021 ~ | 1,100 | 1,110 |
| 5.150% due 02/15/2050 | 300 | 331 |
| 5.300% due 08/15/2058 | 100 | 112 |
| **Consolidated Edison Co. of New York, Inc.** | | |
| 2.749% due 06/25/2021 ~ | 100 | 100 |
| **Duke Energy Corp.** | | |
| 3.028% due 05/14/2021 ~ | 1,200 | 1,203 |
| **National Rural Utilities Cooperative Finance Corp.** | | |
| 2.694% due 06/30/2021 ~ | 100 | 100 |
| **NextEra Energy Capital Holdings, Inc.** | | |
| 2.835% due 09/03/2019 ~ | 690 | 690 |
| 2.921% due 08/21/2020 ~ | 700 | 700 |
| **Petrobras Global Finance BV** | | |
| 5.999% due 01/27/2028 | 883 | 940 |
| 6.125% due 01/17/2022 | 238 | 256 |
| 6.625% due 01/16/2034 | GBP 100 | 142 |
| **Sempra Energy** | | |
| 2.860% due 03/15/2021 ~ | $ 300 | 299 |
| **Southern Power Co.** | | |
| 2.937% due 12/20/2020 ~ | 300 | 300 |
| | | 6,886 |
| **Total Corporate Bonds & Notes (Cost $42,184)** | | **42,855** |
| **U.S. GOVERNMENT AGENCIES 21.3%** | | |
| **Fannie Mae** | | |
| 2.754% due 05/25/2042 • | 3 | 3 |
| 2.804% due 03/25/2049 • | 1,707 | 1,703 |
| 3.682% due 10/01/2044 • | 4 | 4 |
| 4.246% due 01/01/2036 • | 48 | 50 |
| 4.393% due 05/25/2035 | 20 | 21 |
| 4.468% due 07/01/2035 • | 13 | 13 |
| 4.743% due 11/01/2034 • | 15 | 16 |
| 4.780% due 11/01/2035 • | 15 | 16 |
| **Fannie Mae UMBS, TBA** | | |
| 3.500% due 08/01/2049 - 09/01/2049 | 34,680 | 35,434 |
| 4.000% due 08/01/2049 | 27,700 | 28,616 |
| **Freddie Mac** | | |
| 2.534% due 08/25/2031 • | 1 | 1 |
| 2.836% due 07/15/2044 • | 538 | 535 |
| 2.844% due 08/15/2033 - 09/15/2042 • | 1,064 | 1,068 |

| | PRINCIPAL AMOUNT (000S) | MARKET VALUE (000S) |
|---|---|---|
| 3.488% due 02/25/2045 • | $ 48 | $ 48 |
| 4.245% due 09/01/2036 • | 81 | 84 |
| 4.446% due 10/01/2036 • | 48 | 50 |
| 4.536% due 07/01/2036 • | 86 | 90 |
| 4.765% due 01/01/2034 • | 4 | 4 |
| **Ginnie Mae** | | |
| 2.783% due 02/20/2049 • | 1,677 | 1,676 |
| 3.030% due 08/20/2068 • | 703 | 690 |
| 3.629% due 04/20/2067 • | 466 | 475 |
| **NCUA Guaranteed Notes** | | |
| 2.869% due 10/07/2020 • | 204 | 204 |
| 2.979% due 12/08/2020 • | 652 | 654 |
| **Small Business Administration** | | |
| 5.510% due 11/01/2027 | 113 | 123 |
| **Total U.S. Government Agencies (Cost $71,405)** | | **71,578** |
| **U.S. TREASURY OBLIGATIONS 95.2%** | | |
| **U.S. Treasury Bonds** | | |
| 3.000% due 05/15/2045 | 80 | 87 |
| **U.S. Treasury Inflation Protected Securities (e)** | | |
| 0.125% due 04/15/2020 (i) | 70,481 | 69,752 |
| 0.125% due 04/15/2021 (i)(k)(m) | 63,529 | 62,948 |
| 0.125% due 01/15/2022 (m) | 508 | 505 |
| 0.125% due 04/15/2022 (i)(m) | 18,659 | 18,516 |
| 0.125% due 07/15/2022 | 2,663 | 2,656 |
| 0.125% due 01/15/2023 | 2,724 | 2,710 |
| 0.125% due 07/15/2024 | 42 | 42 |
| 0.125% due 07/15/2026 | 3,891 | 3,866 |
| 0.250% due 01/15/2025 | 10,373 | 10,389 |
| 0.375% due 07/15/2023 | 7,343 | 7,405 |
| 0.375% due 07/15/2025 (k) | 2,478 | 2,506 |
| 0.375% due 07/15/2025 | 7,656 | 7,744 |
| 0.375% due 01/15/2027 (m) | 7,806 | 7,863 |
| 0.375% due 07/15/2027 | 125 | 127 |
| 0.500% due 01/15/2028 (i) | 20,227 | 20,567 |
| 0.625% due 07/15/2021 | 2,281 | 2,295 |
| 0.625% due 04/15/2023 | 2,088 | 2,113 |
| 0.625% due 01/15/2024 (k) | 1,778 | 1,810 |
| 0.625% due 01/15/2026 (i) | 16,947 | 17,361 |
| 0.625% due 02/15/2043 (m) | 156 | 151 |
| 0.750% due 07/15/2028 | 1,018 | 1,061 |
| 0.750% due 02/15/2045 | 2,279 | 2,257 |
| 0.875% due 01/15/2029 | 3,228 | 3,400 |
| 1.125% due 01/15/2021 | 5,022 | 5,062 |
| 1.250% due 07/15/2020 (i) | 22,986 | 23,138 |
| 1.375% due 01/15/2020 | 4,322 | 4,314 |
| 1.375% due 02/15/2044 | 110 | 125 |
| 1.375% due 02/15/2044 (m) | 537 | 610 |
| 1.750% due 01/15/2028 | 5,943 | 6,666 |
| 2.000% due 01/15/2026 | 4,624 | 5,147 |
| 2.125% due 02/15/2040 | 414 | 530 |
| 2.125% due 02/15/2041 (m) | 1,027 | 1,324 |
| 2.375% due 01/15/2025 (i) | 14,504 | 16,213 |
| 2.375% due 01/15/2027 (m) | 127 | 146 |
| 2.500% due 01/15/2029 | 4,801 | 5,778 |
| 3.375% due 04/15/2032 | 1,681 | 2,305 |
| 3.875% due 04/15/2029 | 948 | 1,270 |
| **Total U.S. Treasury Obligations (Cost $318,701)** | | **320,759** |
| **NON-AGENCY MORTGAGE-BACKED SECURITIES 2.8%** | | |
| **Alliance Bancorp Trust** | | |
| 2.644% due 07/25/2037 • | 216 | 197 |
| **Banc of America Mortgage Trust** | | |
| 4.491% due 11/25/2035 ^~ | 15 | 15 |
| 4.715% due 06/25/2035 ~ | 49 | 48 |
| **BCAP LLC Trust** | | |
| 5.250% due 08/26/2037 ~ | 248 | 253 |
| **Bear Stearns Adjustable Rate Mortgage Trust** | | |
| 4.333% due 07/25/2036 ^~ | 52 | 50 |
| 4.376% due 03/25/2035 ~ | 51 | 52 |
| 4.855% due 01/25/2035 ~ | 140 | 143 |
| **Citigroup Mortgage Loan Trust** | | |
| 3.258% due 04/25/2066 «~ | 100 | 100 |
| 4.291% due 09/25/2037 ^~ | 265 | 258 |

| | | PRINCIPAL AMOUNT (000S) | MARKET VALUE (000S) |
|---|---|---|---|
| **Civic Mortgage LLC** | | | |
| 4.349% due 11/25/2022 þ | $ | 530 | $ 530 |
| **Countrywide Alternative Loan Trust** | | | |
| 2.524% due 06/25/2036 • | | 691 | 657 |
| 2.578% due 12/20/2046 ^• | | 1,035 | 937 |
| 6.000% due 02/25/2037 ^ | | 165 | 116 |
| **Countrywide Home Loan Mortgage Pass-Through Trust** | | | |
| 3.927% due 08/25/2034 ^~ | | 15 | 14 |
| **Credit Suisse Mortgage Capital Certificates** | | | |
| 2.554% due 09/29/2036 • | | 741 | 703 |
| 5.056% due 10/26/2036 ~ | | 68 | 63 |
| **Eurosail PLC** | | | |
| 1.739% due 06/13/2045 • | GBP | 322 | 407 |
| **First Horizon Alternative Mortgage Securities Trust** | | | |
| 4.391% due 06/25/2034 ~ | $ | 8 | 8 |
| 6.000% due 02/25/2037 ^ | | 57 | 42 |
| **GreenPoint Mortgage Funding Trust** | | | |
| 2.584% due 09/25/2046 • | | 143 | 136 |
| 2.944% due 11/25/2045 • | | 8 | 7 |
| **GS Mortgage Securities Trust** | | | |
| 3.849% due 12/10/2043 | | 152 | 153 |
| **GSR Mortgage Loan Trust** | | | |
| 4.813% due 01/25/2035 ~ | | 21 | 21 |
| **HarborView Mortgage Loan Trust** | | | |
| 2.630% due 03/19/2036 ^• | | 40 | 38 |
| **HomeBanc Mortgage Trust** | | | |
| 2.734% due 10/25/2035 • | | 49 | 50 |
| **IndyMac Mortgage Loan Trust** | | | |
| 4.669% due 11/25/2035 ^~ | | 47 | 47 |
| **JPMorgan Mortgage Trust** | | | |
| 4.491% due 07/25/2035 ~ | | 26 | 27 |
| 4.635% due 08/25/2035 ~ | | 37 | 38 |
| 4.724% due 02/25/2035 ~ | | 58 | 59 |
| **MASTR Adjustable Rate Mortgages Trust** | | | |
| 4.663% due 11/21/2034 ~ | | 16 | 17 |
| **Mellon Residential Funding Corp. Mortgage Pass-Through Certificates** | | | |
| 3.134% due 09/15/2030 • | | 97 | 97 |
| **Residential Accredit Loans, Inc. Trust** | | | |
| 3.864% due 09/25/2045 • | | 99 | 93 |
| **Residential Asset Securitization Trust** | | | |
| 2.804% due 05/25/2035 • | | 84 | 71 |
| **Sequoia Mortgage Trust** | | | |
| 2.583% due 07/20/2036 • | | 173 | 169 |
| **Structured Adjustable Rate Mortgage Loan Trust** | | | |
| 3.904% due 01/25/2035 ^• | | 9 | 9 |
| 4.424% due 12/25/2034 ~ | | 2 | 2 |
| 4.566% due 02/25/2034 ~ | | 11 | 11 |
| **Structured Asset Mortgage Investments Trust** | | | |
| 2.614% due 04/25/2036 • | | 13 | 13 |
| 3.050% due 10/19/2034 • | | 12 | 13 |
| **Towd Point Mortgage Funding PLC** | | | |
| 1.855% due 10/20/2051 ~ | GBP | 1,400 | 1,785 |
| **Vornado DP LLC Trust** | | | |
| 4.004% due 09/13/2028 | $ | 1,500 | 1,522 |
| **WaMu Mortgage Pass-Through Certificates Trust** | | | |
| 3.274% due 05/25/2047 • | | 184 | 175 |
| 3.884% due 08/25/2035 ~ | | 7 | 7 |
| 4.062% due 12/25/2035 ~ | | 98 | 96 |
| **Washington Mutual Mortgage Pass-Through Certificates Trust** | | | |
| 6.500% due 08/25/2035 | | 18 | 17 |
| **Wells Fargo Mortgage-Backed Securities Trust** | | | |
| 4.941% due 06/25/2033 ~ | | 27 | 28 |
| 4.966% due 03/25/2036 ^~ | | 70 | 71 |
| **Total Non-Agency Mortgage-Backed Securities (Cost $8,974)** | | | **9,365** |

## ASSET-BACKED SECURITIES 8.1%

| | | PRINCIPAL AMOUNT (000S) | MARKET VALUE (000S) |
|---|---|---|---|
| **Argent Mortgage Loan Trust** | | | |
| 2.884% due 05/25/2035 • | | 101 | 98 |
| **Argent Securities Trust** | | | |
| 2.554% due 07/25/2036 • | | 380 | 331 |
| 2.564% due 05/25/2036 • | $ | 662 | $ 250 |
| **Atrium Corp.** | | | |
| 3.422% due 04/22/2027 • | | 400 | 399 |
| **Black Diamond CLO Designated Activity Co.** | | | |
| 0.650% due 10/03/2029 • | EUR | 350 | 398 |
| **Brookside Mill CLO Ltd.** | | | |
| 3.408% due 01/17/2028 • | $ | 2,060 | 2,050 |
| **Catamaran CLO Ltd.** | | | |
| 3.432% due 01/27/2028 • | | 600 | 598 |
| **CIFC Funding Ltd.** | | | |
| 3.377% due 04/15/2027 • | | 640 | 640 |
| **CIT Mortgage Loan Trust** | | | |
| 3.780% due 10/25/2037 • | | 578 | 586 |
| **Citigroup Mortgage Loan Trust** | | | |
| 2.634% due 12/25/2036 • | | 49 | 39 |
| **Citigroup Mortgage Loan Trust, Inc.** | | | |
| 2.734% due 10/25/2036 • | | 400 | 386 |
| **CoreVest American Finance Trust** | | | |
| 2.968% due 10/15/2049 | | 151 | 152 |
| **Countrywide Asset-Backed Certificates** | | | |
| 2.594% due 11/25/2037 • | | 906 | 875 |
| 2.654% due 03/25/2037 • | | 200 | 191 |
| 3.871% due 04/25/2036 ~ | | 5 | 5 |
| **Countrywide Asset-Backed Certificates Trust** | | | |
| 3.144% due 08/25/2047 • | | 211 | 210 |
| **Credit-Based Asset Servicing & Securitization LLC** | | | |
| 2.524% due 07/25/2037 • | | 13 | 9 |
| 2.624% due 07/25/2037 • | | 55 | 38 |
| **Flagship Ltd.** | | | |
| 3.712% due 01/20/2026 • | | 156 | 157 |
| **Fremont Home Loan Trust** | | | |
| 2.539% due 10/25/2036 • | | 139 | 131 |
| **GSAA Trust** | | | |
| 6.220% due 03/25/2046 þ | | 71 | 57 |
| **GSAMP Trust** | | | |
| 2.474% due 12/25/2036 • | | 57 | 34 |
| 3.379% due 03/25/2035 ^• | | 125 | 110 |
| **Halcyon Loan Advisors Funding Ltd.** | | | |
| 3.512% due 04/20/2027 • | | 300 | 299 |
| **IndyMac Mortgage Loan Trust** | | | |
| 2.474% due 07/25/2036 • | | 277 | 125 |
| **Jamestown CLO Ltd.** | | | |
| 3.287% due 07/15/2026 • | | 370 | 369 |
| 3.410% due 07/25/2027 • | | 250 | 250 |
| 3.808% due 01/17/2027 • | | 891 | 892 |
| **Jubilee CLO BV** | | | |
| 0.482% due 12/15/2029 • | EUR | 1,950 | 2,212 |
| **Lehman XS Trust** | | | |
| 2.564% due 05/25/2036 • | $ | 152 | 155 |
| 5.354% due 06/25/2036 þ | | 154 | 159 |
| **LoanCore Issuer Ltd.** | | | |
| 3.524% due 05/09/2036 • | | 500 | 502 |
| **Long Beach Mortgage Loan Trust** | | | |
| 2.524% due 08/25/2036 • | | 636 | 332 |
| **Marathon CLO Ltd.** | | | |
| 3.392% due 11/21/2027 • | | 1,920 | 1,912 |
| **Marlette Funding Trust** | | | |
| 2.690% due 09/17/2029 (b) | | 100 | 100 |
| **Morgan Stanley Mortgage Loan Trust** | | | |
| 5.910% due 11/25/2036 þ | | 808 | 346 |
| 6.000% due 02/25/2037 ^~ | | 84 | 67 |
| **Navient Student Loan Trust** | | | |
| 3.554% due 03/25/2066 • | | 491 | 494 |
| **OCP CLO Ltd.** | | | |
| 3.397% due 07/15/2027 • | | 300 | 299 |
| 3.406% due 10/26/2027 • | | 1,020 | 1,018 |
| **Renaissance Home Equity Loan Trust** | | | |
| 3.590% due 09/25/2037 | | 1,062 | 590 |
| **Residential Asset Securities Corp. Trust** | | | |
| 2.634% due 06/25/2036 • | | 400 | 390 |
| 2.734% due 04/25/2036 • | | 200 | 200 |
| **Saxon Asset Securities Trust** | | | |
| 2.714% due 09/25/2047 • | | 229 | 223 |
| **Securitized Asset-Backed Receivables LLC Trust** | | | |
| 2.554% due 07/25/2036 • | $ | 362 | $ 200 |
| 2.564% due 07/25/2036 • | | 170 | 89 |
| 2.654% due 05/25/2036 • | | 613 | 401 |
| **SLM Private Education Loan Trust** | | | |
| 1.850% due 06/17/2030 | | 50 | 50 |
| 4.644% due 06/16/2042 • | | 220 | 223 |
| **SLM Student Loan Trust** | | | |
| 0.000% due 12/15/2023 • | EUR | 4 | 5 |
| 0.000% due 01/25/2024 • | | 164 | 186 |
| 0.000% due 06/17/2024 • | | 58 | 66 |
| 3.130% due 10/25/2064 • | $ | 500 | 494 |
| 4.080% due 04/25/2023 • | | 883 | 893 |
| **SoFi Professional Loan Program LLC** | | | |
| 2.050% due 01/25/2041 | | 301 | 300 |
| **Soundview Home Loan Trust** | | | |
| 2.604% due 06/25/2037 • | | 835 | 626 |
| **SpringCastle Funding Asset-Backed** | | | |
| 3.200% due 05/27/2036 | | 872 | 882 |
| **Structured Asset Securities Corp. Mortgage Loan Trust** | | | |
| 3.940% due 04/25/2035 • | | 168 | 166 |
| **THL Credit Wind River CLO Ltd.** | | | |
| 0.000% due 01/15/2026 •(b) | | 300 | 300 |
| 3.467% due 10/15/2027 • | | 500 | 499 |
| **Venture CLO Ltd.** | | | |
| 3.417% due 04/15/2027 • | | 940 | 939 |
| 3.477% due 07/15/2027 • | | 400 | 400 |
| 3.742% due 10/22/2031 • | | 500 | 500 |
| **Vericrest Opportunity Loan Transferee LLC** | | | |
| 3.125% due 09/25/2047 þ | | 296 | 297 |
| **Voya CLO Ltd.** | | | |
| 3.300% due 07/25/2026 • | | 463 | 462 |
| **Z Capital Credit Partners CLO Ltd.** | | | |
| 3.551% due 07/16/2027 • | | 710 | 709 |
| **Total Asset-Backed Securities (Cost $27,371)** | | | **27,365** |

## SOVEREIGN ISSUES 11.1%

| | | PRINCIPAL AMOUNT (000S) | MARKET VALUE (000S) |
|---|---|---|---|
| **Argentina Government International Bond** | | | |
| 40.244% (BADLARPP) due 10/04/2022 ~ | ARS | 100 | 3 |
| 52.006% (BADLARPP + 2.000%) due 04/03/2022 ~(a) | | 3,393 | 69 |
| 63.705% due 06/21/2020 ~(a) | | 19,527 | 449 |
| **Australia Government International Bond** | | | |
| 1.250% due 02/21/2022 (e) | AUD | 1,811 | 1,321 |
| 3.000% due 09/20/2025 (e) | | 2,074 | 1,740 |
| **Autonomous Community of Catalonia** | | | |
| 4.950% due 02/11/2020 | EUR | 100 | 117 |
| **Brazil Letras do Tesouro Nacional** | | | |
| 0.000% due 01/01/2020 (d) | BRL | 1,164 | 294 |
| **Canadian Government Real Return Bond** | | | |
| 4.250% due 12/01/2026 (e) | CAD | 929 | 928 |
| **France Government International Bond** | | | |
| 1.850% due 07/25/2027 (e) | EUR | 447 | 637 |
| 2.100% due 07/25/2023 (e) | | 2,507 | 3,254 |
| 2.250% due 07/25/2020 (e) | | 1,787 | 2,108 |
| **Italy Buoni Poliennali Del Tesoro** | | | |
| 1.650% due 04/23/2020 (e) | | 201 | 231 |
| 2.350% due 09/15/2024 (e) | | 379 | 464 |
| **Japan Government International Bond** | | | |
| 0.100% due 03/10/2028 (e) | JPY | 189,867 | 1,839 |
| 0.100% due 03/10/2029 (e) | | 82,243 | 797 |
| **Mexico Government International Bond** | | | |
| 7.750% due 05/29/2031 | MXN | 7,972 | 421 |
| **New Zealand Government International Bond** | | | |
| 2.000% due 09/20/2025 (e) | NZD | 2,728 | 2,003 |
| **Peru Government International Bond** | | | |
| 5.940% due 02/12/2029 | PEN | 1,000 | 332 |
| **Qatar Government International Bond** | | | |
| 3.875% due 04/23/2023 | $ | 400 | 420 |
| **Saudi Government International Bond** | | | |
| 4.000% due 04/17/2025 | | 260 | 277 |

See Accompanying Notes

| | | PRINCIPAL AMOUNT (000S) | MARKET VALUE (000S) |
|---|---|---|---|
| **United Kingdom Gilt** | | | |
| 0.125% due 03/22/2026 (e) | GBP | 2,231 | $ 3,382 |
| 0.125% due 08/10/2028 (e) | | 2,053 | 3,295 |
| 1.250% due 11/22/2027 (e) | | 4,275 | 7,344 |
| 1.875% due 11/22/2022 (e) | | 3,908 | 5,778 |
| **Total Sovereign Issues (Cost $38,224)** | | | **37,503** |
| **SHORT-TERM INSTRUMENTS 16.8%** | | | |
| **CERTIFICATES OF DEPOSIT 0.7%** | | | |
| **Barclays Bank PLC** | | | |
| 2.980% due 10/25/2019 ~ | | $ 2,400 | 2,402 |
| **COMMERCIAL PAPER 1.5%** | | | |
| **Bank of Montreal** | | | |
| 1.787% due 07/22/2019 | CAD | 100 | 76 |
| 1.797% due 07/19/2019 | | 100 | 76 |
| 1.806% due 07/31/2019 | | 700 | 534 |
| **Bank of Nova Scotia** | | | |
| 1.773% due 07/22/2019 | | 200 | 153 |
| 1.775% due 07/25/2019 | | 100 | 76 |
| 1.781% due 07/26/2019 | | 100 | 76 |
| 1.785% due 07/22/2019 | | 200 | 153 |
| **Broadcom, Inc.** | | | |
| 2.830% due 07/18/2019 | | $ 250 | 250 |
| 2.910% due 07/09/2019 | | 400 | 400 |
| **Crown Castle International Corp.** | | | |
| 2.800% due 07/17/2019 | | 250 | 250 |
| **Encana Corp.** | | | |
| 3.120% due 07/08/2019 | | 250 | 250 |
| **Energy Transfer Partners LP** | | | |
| 3.040% due 07/08/2019 | | 400 | 400 |
| **HSBC Bank Canada** | | | |
| 1.827% due 07/24/2019 | CAD | 200 | $ 153 |
| 1.828% due 07/25/2019 | | 100 | 76 |
| 1.828% due 07/26/2019 | | 100 | 76 |
| 1.854% due 07/11/2019 | | 700 | 534 |
| **Royal Bank Of Canada** | | | |
| 1.765% due 07/02/2019 | | 100 | 76 |
| 1.773% due 07/22/2019 | | 100 | 76 |
| 1.777% due 07/25/2019 | | 100 | 76 |
| 1.777% due 07/26/2019 | | 200 | 152 |
| 1.795% due 07/31/2019 | | 400 | 305 |
| **Royal Caribbean Cruise** | | | |
| 2.900% due 07/15/2019 | | $ 250 | 250 |
| **Toronto-Dominion Bank** | | | |
| 1.765% due 07/02/2019 | CAD | 400 | 305 |
| 1.787% due 07/22/2019 | | 100 | 76 |
| 1.788% due 07/24/2019 | | 200 | 153 |
| 1.795% due 07/19/2019 | | 100 | 76 |
| | | | 5,078 |
| **REPURCHASE AGREEMENTS (h) 11.0%** | | | |
| | | | 36,920 |
| **U.S. TREASURY BILLS 3.6%** | | | |
| 2.407% due 07/02/2019 - 07/05/2019 (c)(d) | | $ 12,251 | 12,249 |
| **Total Short-Term Instruments (Cost $56,627)** | | | **56,649** |
| **Total Investments in Securities (Cost $563,486)** | | | **566,074** |

| | SHARES | MARKET VALUE (000S) |
|---|---|---|
| **INVESTMENTS IN AFFILIATES 0.0%** | | |
| **SHORT-TERM INSTRUMENTS 0.0%** | | |
| **CENTRAL FUNDS USED FOR CASH MANAGEMENT PURPOSES 0.0%** | | |
| **PIMCO Short-Term Floating NAV Portfolio III** | 8,925 | $ 88 |
| **Total Short-Term Instruments (Cost $88)** | | **88** |
| **Total Investments in Affiliates (Cost $88)** | | **88** |
| **Total Investments 168.1% (Cost $563,574)** | | **$ 566,162** |
| **Financial Derivative Instruments (j)(l) 2.1% (Cost or Premiums, net $903)** | | **7,171** |
| **Other Assets and Liabilities, net (70.2)%** | | **(236,577)** |
| **Net Assets 100.0%** | | **$ 336,756** |

## NOTES TO CONSOLIDATED 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).
- ~ 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.
- þ Coupon represents a rate which changes periodically based on a predetermined schedule or event. Rate shown is the rate in effect as of period end.
- (a) Interest only security.
- (b) When-issued security.
- (c) Coupon represents a weighted average yield to maturity.
- (d) Zero coupon security.
- (e) Principal amount of security is adjusted for inflation.
- (f) Perpetual maturity; date shown, if applicable, represents next contractual call date.
- (g) Contingent convertible security.

## BORROWINGS AND OTHER FINANCING TRANSACTIONS

### (h) REPURCHASE AGREEMENTS:

| Counterparty | Lending Rate | Settlement Date | Maturity Date | Principal Amount | Collateralized By | Collateral (Received) | Repurchase Agreements, at Value | Repurchase Agreement Proceeds to be Received[1] |
|---|---|---|---|---|---|---|---|---|
| BPS | 2.550% | 06/28/2019 | 07/01/2019 | $ 21,900 | U.S. Treasury Notes 2.750% due 04/30/2023 | $ (8,169) | $ 21,900 | $ 21,905 |
| | | | | | U.S. Treasury Inflation Protected Securities 0.125% due 07/15/2026 | (14,213) | | |
| SAL | 2.600 | 06/28/2019 | 07/01/2019 | 13,900 | U.S. Treasury Notes 2.000% due 08/15/2025 | (14,191) | 13,900 | 13,903 |
| SSB | 1.350 | 06/28/2019 | 07/01/2019 | 1,120 | U.S. Treasury Notes 2.000% due 08/31/2021[2] | (1,143) | 1,120 | 1,120 |
| **Total Repurchase Agreements** | | | | | | **$ (37,716)** | **$ 36,920** | **$ 36,928** |

## SALE-BUYBACK TRANSACTIONS:

| Counterparty | Borrowing Rate(3) | Borrowing Date | Maturity Date | Amount Borrowed(3) | Payable for Sale-Buyback Transactions(4) |
|---|---|---|---|---|---|
| BPG | 2.570% | 05/06/2019 | 08/06/2019 | $ (53,720) | $ (53,934) |
| | 2.570 | 05/06/2019 | 08/06/2019 | (26,430) | (26,536) |
| | 2.570 | 05/06/2019 | 08/06/2019 | (15,318) | (15,379) |
| | 2.580 | 06/13/2019 | 07/25/2019 | (1,422) | (1,424) |
| | 2.600 | 04/24/2019 | 07/23/2019 | (46,673) | (46,902) |
| | 2.600 | 04/24/2019 | 07/23/2019 | (9,434) | (9,481) |
| | 2.610 | 06/12/2019 | 07/24/2019 | (1,641) | (1,644) |
| | 2.650 | 05/28/2019 | 07/09/2019 | (2,677) | (2,683) |
| | 2.660 | 05/29/2019 | 07/10/2019 | (723) | (725) |
| | 2.660 | 06/10/2019 | 07/10/2019 | (152) | (152) |
| | 2.660 | 06/11/2019 | 07/10/2019 | (14,700) | (14,722) |
| TDM | 2.550 | 04/03/2019 | 07/03/2019 | (893) | (898) |
| | 2.640 | 06/04/2019 | 07/12/2019 | (2,506) | (2,511) |
| **Total Sale-Buyback Transactions** | | | | | **$ (176,991)** |

## SHORT SALES:

| Description | Coupon | Maturity Date | Principal Amount | Proceeds | Payable for Short Sales |
|---|---|---|---|---|---|
| U.S. Government Agencies (3.2)% | | | | | |
| Fannie Mae UMBS, TBA | 3.000% | 08/01/2049 | $ 10,600 | $ (10,676) | $ (10,678) |
| **Total Short Sales (3.2)%** | | | | **$ (10,676)** | **$ (10,678)** |

## 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, 2019:

| 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(5) |
|---|---|---|---|---|---|---|
| Global/Master Repurchase Agreement | | | | | | |
| BPS | $ 21,905 | $ 0 | $ 0 | $ 21,905 | $ (22,382) | $ (477) |
| SAL | 13,903 | 0 | 0 | 13,903 | (14,191) | (288) |
| SSB | 1,120 | 0 | 0 | 1,120 | (1,143) | (23) |
| Master Securities Forward Transaction Agreement | | | | | | |
| BPG | 0 | 0 | (173,582) | (173,595) | 174,099 | 504 |
| BPS | 0 | 0 | 0 | 0 | (590) | (590) |
| TDM | 0 | 0 | (3,409) | (3,409) | 3,307 | (102) |
| **Total Borrowings and Other Financing Transactions** | **$ 36,928** | **$ 0** | **$ (176,991)** | | | |

## 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 |
|---|---|---|---|---|---|
| **Sale-Buyback Transactions** | | | | | |
| U.S. Treasury Obligations | $ 0 | $ (81,142) | $ (95,849) | $ 0 | $ (176,991) |
| **Total Borrowings** | **$ 0** | **$ (81,142)** | **$ (95,849)** | **$ 0** | **$ (176,991)** |
| **Payable for sale-buyback financing transactions** | | | | | **$ (176,991)** |

**(i) Securities with an aggregate market value of $177,536 have been pledged as collateral under the terms of the above master agreements as of June 30, 2019.**

(1) Includes accrued interest.

(2) Collateral is held in custody by the counterparty.

(3) The average amount of borrowings outstanding during the period ended June 30, 2019 was $(178,205) at a weighted average interest rate of 2.596%. Average borrowings may include reverse repurchase agreements and sale-buyback transactions, if held during the period.

(4) Payable for sale-buyback transactions includes $(354) of deferred price drop.

[5] 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.

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

### PURCHASED OPTIONS:

#### COMMODITY OPTIONS

| Description | Strike Price | Expiration Date | # of Contracts | Notional Amount | Cost | Market Value |
|---|---|---|---|---|---|---|
| Call - NYMEX Crude June 2020 Futures | $ 60.500 | 05/14/2020 | 25 | $ 25 | $ 144 | $ 95 |
| Put - NYMEX Crude June 2020 Futures | 60.500 | 05/14/2020 | 25 | 25 | 144 | 199 |
| | | | | | $ 288 | $ 294 |

#### OPTIONS ON EXCHANGE-TRADED FUTURES CONTRACTS

| Description | Strike Price | Expiration Date | # of Contracts | Notional Amount | Cost | Market Value |
|---|---|---|---|---|---|---|
| Put - CBOT U.S. Treasury 2-Year Note September 2019 Futures | $ 104.000 | 08/23/2019 | 1 | $ 2 | $ 0 | $ 0 |
| Put - CBOT U.S. Treasury 2-Year Note September 2019 Futures | 104.125 | 08/23/2019 | 8 | 16 | 0 | 0 |
| Put - CBOT U.S. Treasury 5-Year Note September 2019 Futures | 108.000 | 08/23/2019 | 134 | 134 | 1 | 0 |
| Put - CBOT U.S. Treasury 10-Year Note September 2019 Futures | 111.500 | 08/23/2019 | 10 | 10 | 0 | 0 |
| Put - CBOT U.S. Treasury 10-Year Note September 2019 Futures | 112.000 | 08/23/2019 | 57 | 57 | 1 | 0 |
| Put - CBOT U.S. Treasury 10-Year Note September 2019 Futures | 115.000 | 08/23/2019 | 13 | 13 | 0 | 0 |
| Call - CBOT U.S. Treasury 30-Year Bond September 2019 Futures | 193.000 | 08/23/2019 | 136 | 136 | 1 | 1 |
| Call - CBOT U.S. Treasury 30-Year Bond September 2019 Futures | 195.000 | 08/23/2019 | 30 | 30 | 1 | 0 |
| Call - CBOT U.S. Treasury 30-Year Bond September 2019 Futures | 200.000 | 08/23/2019 | 5 | 5 | 0 | 0 |
| Put - CBOT U.S. Treasury Ultra Long-Term Bond September 2019 Futures | 103.000 | 08/23/2019 | 7 | 7 | 0 | 0 |
| Put - CBOT U.S. Treasury Ultra Long-Term Bond September 2019 Futures | 112.000 | 08/23/2019 | 16 | 16 | 0 | 0 |
| Put - CBOT U.S. Treasury Ultra Long-Term Bond September 2019 Futures | 114.000 | 08/23/2019 | 2 | 2 | 0 | 0 |
| Put - CBOT U.S. Treasury Ultra Long-Term Bond September 2019 Futures | 125.000 | 08/23/2019 | 10 | 10 | 0 | 0 |
| Put - CBOT U.S. Treasury Ultra Long-Term Bond September 2019 Futures | 127.000 | 08/23/2019 | 1 | 1 | 0 | 0 |
| Put - CBOT U.S. Treasury Ultra Long-Term Bond September 2019 Futures | 128.000 | 08/23/2019 | 8 | 8 | 0 | 0 |
| | | | | | $ 4 | $ 1 |
| **Total Purchased Options** | | | | | **$ 292** | **$ 295** |

### WRITTEN OPTIONS:

#### COMMODITY OPTIONS

| Description | Strike Price | Expiration Date | # of Contracts | Notional Amount | Premiums (Received) | Market Value |
|---|---|---|---|---|---|---|
| Put - ICE Natural Gas August 2019 Futures | $ 32.000 | 07/26/2019 | 10 | $ 310 | $ (5) | $ (29) |
| Put - ICE Natural Gas September 2019 Futures | 32.000 | 08/27/2019 | 5 | 150 | (2) | (11) |
| Put - NDEX Natural Gas October 2019 Futures | 13.000 | 09/26/2019 | 95 | 71 | (21) | (115) |
| Call - NYMEX Crude August 2019 Futures | 67.000 | 07/17/2019 | 12 | 12 | (12) | (1) |
| Call - NYMEX Crude August 2019 Futures | 68.000 | 07/17/2019 | 12 | 12 | (11) | (1) |
| Call - NYMEX Crude September 2019 Futures | 57.000 | 08/15/2019 | 24 | 24 | (40) | (90) |
| Put - NYMEX Natural Gas August 2019 Futures | 2.400 | 07/26/2019 | 12 | 120 | (5) | (16) |
| Put - NYMEX Natural Gas August 2019 Futures | 2.450 | 07/26/2019 | 12 | 120 | (7) | (20) |
| Put - NYMEX Natural Gas September 2019 Futures | 2.150 | 08/27/2019 | 12 | 120 | (6) | (8) |
| Call - NYMEX Natural Gas September 2019 Futures | 2.600 | 08/27/2019 | 12 | 120 | (5) | (3) |
| Call - NYMEX WTI-Brent Crude Spread December 2018 Futures | 5.000 | 10/30/2019 | 1 | 1 | (1) | (1) |
| Call - NYMEX WTI-Brent Crude Spread December 2019 Futures | 5.000 | 08/29/2019 | 1 | 1 | (1) | 0 |
| Put - NYMEX WTI-Brent Crude Spread December 2019 Futures | 9.000 | 10/30/2019 | 1 | 1 | 0 | 0 |
| Call - NYMEX WTI-Brent Crude Spread November 2019 Futures | 5.000 | 09/27/2019 | 1 | 1 | (1) | (1) |
| Put - NYMEX WTI-Brent Crude Spread November 2019 Futures | 9.000 | 09/27/2019 | 1 | 1 | 0 | 0 |
| Put - NYMEX WTI-Brent Crude Spread October 2019 Futures | 9.000 | 08/29/2019 | 1 | 1 | 0 | 0 |
| | | | | | $ (117) | $ (296) |

#### OPTIONS ON EXCHANGE-TRADED FUTURES CONTRACTS

| Description | Strike Price | Expiration Date | # of Contracts | Notional Amount | Premiums (Received) | Market Value |
|---|---|---|---|---|---|---|
| Call - CBOT U.S. Treasury 10-Year Note August 2019 Futures | $ 129.000 | 07/26/2019 | 18 | $ 18 | $ (5) | $ (5) |
| **Total Written Options** | | | | | **$ (122)** | **$ (301)** |

## FUTURES CONTRACTS:

### LONG FUTURES CONTRACTS

| Description | Expiration Month | # of Contracts | Notional Amount | Unrealized Appreciation/ (Depreciation) | Variation Margin Asset | Variation Margin Liability |
|---|---|---|---|---|---|---|
| Aluminum September Futures | 09/2019 | 4 | $ 180 | $ 0 | $ 0 | $ 0 |
| Brent Crude December Futures | 10/2020 | 21 | 1,290 | 53 | 0 | (15) |
| Brent Crude December Futures | 10/2021 | 46 | 2,772 | 49 | 0 | (28) |
| Brent Crude June Futures | 04/2021 | 3 | 182 | 6 | 0 | (2) |
| Brent Crude October Futures | 08/2019 | 5 | 322 | 15 | 0 | (5) |
| Brent Crude September Futures | 07/2019 | 9 | 583 | 20 | 0 | (8) |
| Call Options Strike @ EUR 153.000 on Euro-BTP 10-Year Bond September 2019 Futures(1) | 08/2019 | 62 | 1 | 0 | 0 | 0 |
| Call Options Strike @ EUR 178.000 on Euro-OAT France Government 10-Year Bond September 2019 Futures(1) | 08/2019 | 134 | 2 | 0 | 0 | 0 |
| Call Options Strike @ EUR 113.800 on Euro-Schatz Bond September 2019 Futures(1) | 08/2019 | 600 | 3 | 0 | 3 | (3) |
| Call Options Strike @ EUR 114.000 on Euro-Schatz Bond September 2019 Futures(1) | 08/2019 | 129 | 1 | 0 | 1 | (1) |
| Call Options Strike @ EUR 177.000 on Euro-OAT France Government 10-Year Bond September 2019 Futures(1) | 08/2019 | 6 | 0 | 0 | 0 | 0 |
| Chicago Ethanol (Platts) August Futures | 08/2019 | 6 | 386 | 32 | 0 | (13) |
| Chicago Ethanol (Platts) December Futures | 12/2019 | 2 | 125 | 10 | 0 | (4) |
| Chicago Ethanol (Platts) November Futures | 11/2019 | 2 | 126 | 12 | 0 | (4) |
| Chicago Ethanol (Platts) October Futures | 10/2019 | 2 | 127 | 13 | 0 | (4) |
| Cocoa September Futures | 09/2019 | 10 | 243 | (2) | 0 | (3) |
| Copper September Futures | 09/2019 | 5 | 750 | (37) | 0 | 0 |
| Corn December Futures | 12/2020 | 2 | 42 | 0 | 0 | 0 |
| Corn March Futures | 03/2020 | 5 | 110 | (5) | 0 | (4) |
| Corn May Futures | 05/2020 | 6 | 133 | (6) | 0 | (4) |
| Euro-Bund 10-Year Bond September Futures | 09/2019 | 275 | 54,016 | 559 | 75 | 0 |
| Gas Oil September Futures | 09/2019 | 30 | 1,802 | 112 | 3 | 0 |
| Gold 100 oz. August Futures | 08/2019 | 10 | 1,414 | 95 | 2 | 0 |
| Hard Red Winter Wheat December Futures | 12/2019 | 3 | 73 | 4 | 0 | (3) |
| Hard Red Winter Wheat July Futures | 07/2020 | 1 | 26 | (1) | 0 | (1) |
| Hard Red Winter Wheat September Futures | 09/2019 | 8 | 185 | (7) | 0 | (8) |
| Live Cattle August Futures | 08/2019 | 37 | 1,544 | (54) | 0 | (15) |
| Natural Gas March Futures | 02/2020 | 4 | 104 | (5) | 0 | 0 |
| Natural Gas March Futures | 02/2021 | 1 | 27 | 0 | 0 | 0 |
| Natural Gas May Futures | 04/2020 | 4 | 96 | (7) | 0 | (1) |
| Natural Gas October Futures | 09/2019 | 21 | 485 | (66) | 0 | (3) |
| Natural Gas October Futures | 09/2020 | 3 | 75 | (4) | 0 | 0 |
| Natural Gas September Futures | 08/2019 | 4 | 91 | (2) | 0 | (1) |
| New York Harbor ULSD September Futures | 08/2019 | 3 | 245 | 17 | 0 | (3) |
| Put Options Strike @ EUR 129.750 on Euro-Bobl September 2019 Futures(1) | 08/2019 | 65 | 0 | 0 | 0 | 0 |
| Put Options Strike @ EUR 130.000 on Euro-Bobl September 2019 Futures(1) | 08/2019 | 105 | 1 | 0 | 0 | 0 |
| Put Options Strike @ EUR 154.500 on Euro-Bund 10-Year Bond September 2019 Futures(1) | 08/2019 | 238 | 3 | 0 | 0 | 0 |
| Put Options Strike @ EUR 155.500 on Euro-Bund 10-Year Bond September 2019 Futures(1) | 08/2019 | 9 | 0 | 0 | 0 | 0 |
| Put Options Strike @ EUR 159.000 on Euro-Bund 10-Year Bond September 2019 Futures(1) | 08/2019 | 32 | 0 | 0 | 0 | 0 |
| Put Options Strike @ EUR 161.500 on Euro-Bund 10-Year Bond September 2019 Futures(1) | 08/2019 | 33 | 0 | 0 | 0 | 0 |
| Put Options Strike @ USD 75.000 on Brent Crude September 2019 Futures(1) | 07/2019 | 2 | 1 | (2) | 0 | 0 |
| Soybean March Futures | 03/2020 | 6 | 282 | 14 | 3 | 0 |
| Soybean May Futures | 05/2020 | 3 | 142 | 1 | 1 | 0 |
| Soybean Meal December Futures | 12/2019 | 2 | 65 | 0 | 1 | 0 |
| Soybean November Futures | 11/2019 | 8 | 369 | 4 | 4 | 0 |
| Soybean November Futures | 11/2020 | 2 | 95 | 0 | 1 | 0 |
| Sugar No. 11 October Futures | 09/2019 | 11 | 155 | (1) | 0 | (2) |
| U.S. Treasury 5-Year Note September Futures | 09/2019 | 134 | 15,833 | 266 | 0 | 0 |
| U.S. Treasury 10-Year Note September Futures | 09/2019 | 88 | 11,261 | 186 | 3 | 0 |
| U.S. Treasury Ultra Long-Term Bond September Futures | 09/2019 | 45 | 7,990 | 318 | 5 | (7) |
| Wheat December Futures | 12/2019 | 9 | 242 | (2) | 0 | (8) |
| Wheat September Futures | 09/2019 | 26 | 685 | 9 | 0 | (25) |
| White Sugar October Futures | 09/2019 | 9 | 150 | 0 | 0 | (1) |
| WTI Crude April Futures | 03/2020 | 8 | 455 | 36 | 0 | (7) |
| WTI Crude December Futures | 11/2020 | 80 | 4,402 | (176) | 0 | (63) |
| WTI Crude December Futures | 11/2021 | 2 | 108 | 0 | 0 | (1) |
| WTI Crude February Futures | 01/2020 | 6 | 345 | 15 | 0 | (6) |
| WTI Crude June Futures | 05/2020 | 32 | 1,800 | 2 | 0 | (28) |
| WTI Crude June Futures | 05/2021 | 36 | 1,950 | 48 | 0 | (25) |
| WTI Crude June Futures | 05/2022 | 8 | 428 | 23 | 0 | (5) |
| WTI Crude March Futures | 02/2020 | 10 | 571 | (10) | 0 | (9) |
| WTI Crude May Futures | 04/2020 | 10 | 565 | 42 | 0 | (9) |
| WTI Crude September Futures | 08/2019 | 14 | 819 | 27 | 0 | (14) |
| WTI Crude September Futures | 08/2020 | 1 | 56 | 4 | 0 | (1) |
| WTI Houston (Argus) vs. WTI Trade August Futures | 07/2019 | 1 | 4 | 2 | 0 | 0 |

| Description | Expiration Month | # of Contracts | Notional Amount | Unrealized Appreciation/ (Depreciation) | Variation Margin Asset | Variation Margin Liability |
|---|---|---|---|---|---|---|
| WTI Houston (Argus) vs. WTI Trade December Futures | 11/2019 | 1 | $ 3 | $ 1 | $ 0 | $ 0 |
| WTI Houston (Argus) vs. WTI Trade November Futures | 10/2019 | 1 | 3 | 1 | 0 | 0 |
| WTI Houston (Argus) vs. WTI Trade October Futures | 09/2019 | 1 | 4 | 1 | 0 | 0 |
| WTI Houston (Argus) vs. WTI Trade September Futures | 08/2019 | 1 | 4 | 2 | 0 | 0 |
| | | | | $ 1,612 | $ 102 | $ (344) |

## SHORT FUTURES CONTRACTS

| Description | Expiration Month | # of Contracts | Notional Amount | Unrealized Appreciation/ (Depreciation) | Variation Margin Asset | Variation Margin Liability |
|---|---|---|---|---|---|---|
| Arabica Coffee September Futures | 09/2019 | 3 | $ (123) | $ (2) | $ 0 | $ (3) |
| Australia Government 3-Year Note September Futures | 09/2019 | 22 | (1,776) | (4) | 2 | 0 |
| Australia Government 10-Year Bond September Futures | 09/2019 | 8 | (807) | (10) | 5 | (2) |
| Brent Crude December Futures | 10/2019 | 12 | (766) | (37) | 11 | 0 |
| Brent Crude December Futures | 10/2022 | 27 | (1,621) | (31) | 15 | 0 |
| Brent Crude June Futures | 05/2020 | 23 | (1,439) | (59) | 19 | 0 |
| Brent Crude June Futures | 04/2022 | 12 | (721) | (10) | 7 | 0 |
| Call Options Strike @ EUR 169.500 on Euro-Bund 10-Year Bond August 2019 Futures[(1)] | 07/2019 | 25 | (94) | (62) | 0 | (6) |
| Call Options Strike @ EUR 170.000 on Euro-Bund 10-Year Bond August 2019 Futures[(1)] | 07/2019 | 20 | (65) | (40) | 0 | (5) |
| Call Options Strike @ EUR 134.500 on Euro-Bobl September 2019 Futures[(1)] | 08/2019 | 48 | (20) | (1) | 0 | (3) |
| Call Options Strike @ USD 65.000 on Brent Crude September 2019 Futures[(1)] | 07/2019 | 2 | (5) | (2) | 1 | 0 |
| Call Options Strike @ USD 67.000 on Brent Crude June 2020 Futures[(1)] | 04/2020 | 25 | (112) | 49 | 9 | 0 |
| Call Options Strike @ USD 67.000 on Brent Crude October 2019 Futures[(1)] | 08/2019 | 12 | (27) | (13) | 5 | 0 |
| Call Options Strike @ USD 71.000 on Brent Crude September 2019 Futures[(1)] | 07/2019 | 12 | (7) | 7 | 2 | 0 |
| Call Options Strike @ USD 72.000 on Brent Crude September 2019 Futures[(1)] | 07/2019 | 12 | (5) | 9 | 2 | 0 |
| Copper September Futures | 09/2019 | 9 | (611) | 21 | 1 | 0 |
| Corn December Futures | 12/2019 | 12 | (259) | 14 | 15 | 0 |
| Corn July Futures | 07/2020 | 6 | (134) | 5 | 4 | 0 |
| Corn September Futures | 09/2019 | 78 | (1,657) | 34 | 82 | 0 |
| Cotton No. 2 December Futures | 12/2019 | 13 | (430) | 7 | 0 | 0 |
| Euro-Bobl September Futures | 09/2019 | 5 | (764) | (1) | 0 | (1) |
| Euro-BTP Italy Government Bond September Futures | 09/2019 | 55 | (8,347) | (325) | 0 | (40) |
| Euro-Buxl 30-Year Bond September Futures | 09/2019 | 22 | (5,076) | (174) | 4 | (4) |
| Euro-OAT France Government 10-Year Bond September Futures | 09/2019 | 128 | (23,997) | (489) | 0 | (35) |
| Euro-Schatz September Futures | 09/2019 | 729 | (93,078) | (100) | 0 | (25) |
| Japan Government 10-Year Bond September Futures | 09/2019 | 1 | (1,427) | 2 | 0 | (1) |
| Natural Gas April Futures | 03/2020 | 7 | (169) | 16 | 1 | 0 |
| Natural Gas April Futures | 03/2021 | 1 | (25) | 0 | 0 | 0 |
| Natural Gas August Futures | 07/2019 | 18 | (415) | 11 | 3 | 0 |
| Natural Gas December Futures | 11/2019 | 5 | (130) | 6 | 1 | 0 |
| Natural Gas January Futures | 12/2019 | 20 | (541) | 34 | 2 | 0 |
| Nickel September Futures | 09/2019 | 12 | (915) | (60) | 0 | 0 |
| Platinum October Futures | 10/2019 | 4 | (168) | (6) | 0 | (5) |
| Put Options Strike @ EUR 112.100 on Euro-Schatz Bond September 2019 Futures[(1)] | 08/2019 | 144 | (6) | 7 | 1 | 0 |
| Put Options Strike @ EUR 169.500 on Euro-Bund 10-Year Bond August 2019 Futures[(1)] | 07/2019 | 25 | (2) | 28 | 1 | 0 |
| Put Options Strike @ EUR 170.000 on Euro-Bund 10-Year Bond August 2019 Futures[(1)] | 07/2019 | 20 | (3) | 20 | 1 | 0 |
| Put Options Strike @ USD 67.000 on Brent Crude June 2020 Futures[(1)] | 04/2020 | 25 | (223) | (59) | 0 | (11) |
| RBOB Gasoline September Futures | 08/2019 | 10 | (779) | (85) | 7 | 0 |
| Silver September Futures | 09/2019 | 8 | (614) | (20) | 0 | (2) |
| Soybean January Futures | 01/2020 | 9 | (421) | (12) | 0 | (5) |
| Soybean Oil December Futures | 12/2019 | 35 | (605) | (14) | 0 | (9) |
| U.S. Treasury 30-Year Bond September Futures | 09/2019 | 171 | (26,607) | (992) | 21 | 0 |
| United Kingdom Long Gilt September Futures | 09/2019 | 84 | (13,900) | (71) | 27 | 0 |
| Wheat July Futures | 07/2020 | 1 | (27) | 0 | 1 | 0 |
| WTI Brent Financial August Futures | 08/2019 | 1 | (6) | 3 | 0 | 0 |
| WTI Brent Financial December Futures | 12/2019 | 1 | (6) | 3 | 0 | 0 |
| WTI Brent Financial July Futures | 07/2019 | 1 | (6) | 2 | 0 | 0 |
| WTI Brent Financial November Futures | 11/2019 | 1 | (6) | 3 | 0 | 0 |
| WTI Brent Financial October Futures | 10/2019 | 1 | (6) | 3 | 0 | 0 |
| WTI Brent Financial September Futures | 09/2019 | 1 | (6) | 3 | 0 | 0 |
| WTI Crude August Futures | 07/2020 | 4 | (223) | (16) | 3 | 0 |
| WTI Crude December Futures | 11/2019 | 100 | (5,798) | 235 | 97 | 0 |
| WTI Crude December Futures | 11/2021 | 50 | (2,691) | (66) | 30 | 0 |
| WTI Crude December Futures | 11/2022 | 17 | (911) | 6 | 9 | 0 |
| WTI Crude January Futures | 12/2019 | 5 | (289) | (25) | 5 | 0 |
| WTI Crude July Futures | 06/2020 | 5 | (280) | 7 | 4 | 0 |
| WTI Crude November Futures | 10/2019 | 5 | (291) | (2) | 5 | 0 |
| WTI Crude October Futures | 09/2019 | 3 | (175) | (8) | 3 | 0 |
| WTI Houston (Argus) vs. WTI Trade April Futures | 03/2020 | 1 | (3) | 0 | 0 | 0 |

| Description | Expiration Month | # of Contracts | Notional Amount | Unrealized Appreciation/ (Depreciation) | Variation Margin Asset | Variation Margin Liability |
|---|---|---|---|---|---|---|
| WTI Houston (Argus) vs. WTI Trade February Futures | 01/2020 | 1 | $ (3) | $ 0 | $ 0 | $ 0 |
| WTI Houston (Argus) vs. WTI Trade January Futures | 12/2019 | 1 | (3) | 0 | 0 | 0 |
| WTI Houston (Argus) vs. WTI Trade June Futures | 05/2020 | 1 | (3) | 0 | 0 | 0 |
| WTI Houston (Argus) vs. WTI Trade March Futures | 02/2020 | 1 | (4) | 0 | 0 | 0 |
| WTI Houston (Argus) vs. WTI Trade May Futures | 04/2020 | 1 | (3) | 0 | 0 | 0 |
| WTI Midland vs WTI Trade April Futures | 03/2020 | 1 | 1 | 0 | 0 | 0 |
| WTI Midland vs WTI Trade February Futures | 01/2020 | 1 | 1 | 0 | 0 | 0 |
| WTI Midland vs WTI Trade January Futures | 12/2019 | 1 | 1 | 0 | 0 | 0 |
| WTI Midland vs WTI Trade June Futures | 05/2020 | 1 | 1 | (1) | 0 | 0 |
| WTI Midland vs WTI Trade March Futures | 02/2020 | 1 | 1 | (1) | 0 | 0 |
| WTI Midland vs WTI Trade May Futures | 04/2020 | 1 | 1 | 0 | 0 | 0 |
| Zinc September Futures | 09/2019 | 9 | (563) | (6) | 0 | 0 |
| | | | | $ (2,269) | $ 406 | $ (157) |
| **Total Futures Contracts** | | | | **$ (657)** | **$ 508** | **$ (501)** |

## SWAP AGREEMENTS:

### CREDIT DEFAULT SWAPS ON CORPORATE ISSUES - SELL PROTECTION(2)

| Reference Entity | Fixed Receive Rate | Payment Frequency | Maturity Date | Implied Credit Spread at June 30, 2019(4) | Notional Amount(5) | Premiums Paid/(Received) | Unrealized Appreciation/ (Depreciation) | Market Value(6) | Variation Margin Asset | Variation Margin Liability |
|---|---|---|---|---|---|---|---|---|---|---|
| Daimler AG | 1.000% | Quarterly | 12/20/2020 | 0.173% | EUR 130 | $ 2 | $ 0 | $ 2 | $ 0 | $ 0 |
| Deutsche Bank AG | 1.000 | Quarterly | 12/20/2019 | 0.597 | 100 | 0 | 0 | 0 | 0 | 0 |
| General Electric Co. | 1.000 | Quarterly | 12/20/2020 | 0.244 | $ 100 | (3) | 4 | 1 | 0 | 0 |
| General Electric Co. | 1.000 | Quarterly | 12/20/2023 | 0.809 | 200 | (11) | 13 | 2 | 0 | 0 |
| | | | | | | $ (12) | $ 17 | $ 5 | $ 0 | $ 0 |

### CREDIT DEFAULT SWAPS ON CREDIT INDICES - BUY PROTECTION(3)

| Index/Tranches | Fixed (Pay) Rate | Payment Frequency | Maturity Date | Notional Amount(5) | Premiums Paid/(Received) | Unrealized Appreciation/ (Depreciation) | Market Value(6) | Variation Margin Asset | Variation Margin Liability |
|---|---|---|---|---|---|---|---|---|---|
| CDX.HY-31 5-Year Index | (5.000)% | Quarterly | 12/20/2023 | $ 5,335 | $ (306) | $ (138) | $ (444) | $ 0 | $ (5) |
| CDX.HY-32 5-Year Index | (5.000) | Quarterly | 06/20/2024 | 2,200 | (167) | (1) | (168) | 0 | (2) |
| iTraxx Europe Main 26 5-Year Index | (1.000) | Quarterly | 12/20/2021 | EUR 2,000 | (35) | (13) | (48) | 0 | (1) |
| iTraxx Europe Main 28 5-Year Index | (1.000) | Quarterly | 12/20/2022 | 5,500 | (156) | (1) | (157) | 0 | (6) |
| | | | | | $ (664) | $ (153) | $ (817) | $ 0 | $ (14) |

### INTEREST RATE SWAPS

| Pay/Receive Floating Rate | Floating Rate Index | Fixed Rate | Payment Frequency | Maturity Date | Notional Amount | Premiums Paid/(Received) | Unrealized Appreciation/ (Depreciation) | Market Value | Variation Margin Asset | Variation Margin Liability |
|---|---|---|---|---|---|---|---|---|---|---|
| Receive | 1-Day USD-Federal Funds Rate Compounded-OIS | 2.000% | Annual | 12/15/2047 | $ 1,420 | $ 4 | $ (9) | $ (5) | $ 13 | $ 0 |
| Receive | 1-Day USD-Federal Funds Rate Compounded-OIS | 2.428 | Annual | 12/20/2047 | 300 | 1 | (31) | (30) | 3 | 0 |
| Receive | 1-Day USD-Federal Funds Rate Compounded-OIS | 2.478 | Annual | 12/20/2047 | 693 | 4 | (82) | (78) | 6 | 0 |
| Receive | 1-Day USD-Federal Funds Rate Compounded-OIS | 2.499 | Annual | 12/20/2047 | 290 | 1 | (35) | (34) | 3 | 0 |
| Receive | 3-Month NZD-BBR | 3.250 | Semi-Annual | 03/21/2028 | NZD 1,000 | 3 | (94) | (91) | 1 | 0 |
| Pay | 3-Month USD-LIBOR | 2.250 | Semi-Annual | 12/16/2022 | $ 25,700 | 1,518 | (1,084) | 434 | 0 | (18) |
| Pay | 3-Month USD-LIBOR | 2.250 | Semi-Annual | 12/20/2022 | 6,000 | 8 | 94 | 102 | 0 | (4) |
| Pay | 3-Month USD-LIBOR | 2.000 | Semi-Annual | 06/20/2023 | 13,100 | (506) | 632 | 126 | 0 | (10) |
| Pay | 3-Month USD-LIBOR | 2.678 | Semi-Annual | 10/25/2023 | 1,700 | 0 | 66 | 66 | 0 | (1) |
| Pay | 3-Month USD-LIBOR | 2.670 | Semi-Annual | 11/19/2023 | 2,000 | 0 | 78 | 78 | 0 | (1) |
| Pay | 3-Month USD-LIBOR | 2.681 | Semi-Annual | 12/12/2023 | 2,000 | 0 | 80 | 80 | 0 | (2) |
| Pay | 3-Month USD-LIBOR | 2.500 | Semi-Annual | 12/19/2023 | 3,200 | (26) | 128 | 102 | 0 | (3) |
| Receive(7) | 3-Month USD-LIBOR | 2.400 | Semi-Annual | 03/16/2026 | 1,750 | 9 | (55) | (46) | 1 | 0 |
| Receive(7) | 3-Month USD-LIBOR | 2.300 | Semi-Annual | 04/21/2026 | 4,700 | (20) | (80) | (100) | 4 | 0 |
| Receive(7) | 3-Month USD-LIBOR | 2.300 | Semi-Annual | 04/27/2026 | 5,700 | 59 | (180) | (121) | 5 | 0 |
| Receive(7) | 3-Month USD-LIBOR | 1.850 | Semi-Annual | 07/20/2026 | 6,100 | (42) | 48 | 6 | 5 | 0 |
| Receive(7) | 3-Month USD-LIBOR | 1.850 | Semi-Annual | 07/27/2026 | 2,000 | (3) | 5 | 2 | 2 | 0 |
| Receive(7) | 3-Month USD-LIBOR | 2.000 | Semi-Annual | 07/27/2026 | 8,800 | 205 | (256) | (51) | 7 | 0 |
| Receive | 3-Month USD-LIBOR | 1.750 | Semi-Annual | 12/21/2026 | 5,070 | (102) | 142 | 40 | 7 | 0 |

| Pay/Receive Floating Rate | Floating Rate Index | Fixed Rate | Payment Frequency | Maturity Date | Notional Amount | Premiums Paid/(Received) | Unrealized Appreciation/ (Depreciation) | Market Value | Variation Margin | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Asset | Liability |
| Receive[7] | 3-Month USD-LIBOR | 3.100% | Semi-Annual | 04/17/2028 | $ 8,140 | $ (25) | $ (350) | $ (375) | $ 6 | $ 0 |
| Receive | 3-Month USD-LIBOR | 2.250 | Semi-Annual | 06/20/2028 | 2,600 | 144 | (215) | (71) | 4 | 0 |
| Receive | 3-Month USD-LIBOR | 2.765 | Semi-Annual | 07/18/2028 | 310 | 4 | (28) | (24) | 0 | 0 |
| Receive[7] | 3-Month USD-LIBOR | 3.134 | Semi-Annual | 09/13/2028 | 7,700 | 0 | (348) | (348) | 6 | 0 |
| Receive | 3-Month USD-LIBOR | 2.750 | Semi-Annual | 12/20/2047 | 2,666 | 127 | (424) | (297) | 16 | 0 |
| Receive | 3-Month USD-LIBOR | 2.150 | Semi-Annual | 06/19/2048 | 480 | 48 | (38) | 10 | 3 | 0 |
| Receive | 3-Month USD-LIBOR | 2.500 | Semi-Annual | 06/20/2048 | 2,380 | 286 | (422) | (136) | 14 | 0 |
| Receive | 3-Month USD-LIBOR | 2.969 | Semi-Annual | 10/25/2048 | 310 | 0 | (50) | (50) | 2 | 0 |
| Receive | 3-Month USD-LIBOR | 2.951 | Semi-Annual | 11/19/2048 | 300 | 0 | (48) | (48) | 2 | 0 |
| Receive | 3-Month USD-LIBOR | 2.953 | Semi-Annual | 12/12/2048 | 300 | 0 | (48) | (48) | 2 | 0 |
| Receive | 3-Month USD-LIBOR | 2.750 | Semi-Annual | 12/19/2048 | 200 | 5 | (28) | (23) | 1 | 0 |
| Receive | 3-Month USD-LIBOR | 3.000 | Semi-Annual | 12/19/2048 | 1,700 | 101 | (390) | (289) | 11 | 0 |
| Receive | 6-Month JPY-LIBOR | 0.300 | Semi-Annual | 09/20/2027 | JPY 195,330 | (4) | (48) | (52) | 0 | (1) |
| Pay | CPTFEMU | 1.168 | Maturity | 03/15/2024 | EUR 700 | 2 | 6 | 8 | 0 | (2) |
| Receive | CPTFEMU | 1.710 | Maturity | 03/15/2033 | 400 | (1) | (40) | (41) | 2 | 0 |
| Pay | CPTFEMU | 1.946 | Maturity | 03/15/2048 | 80 | 1 | 20 | 21 | 0 | (1) |
| Pay | CPTFEMU | 1.945 | Maturity | 11/15/2048 | 160 | 0 | 42 | 42 | 0 | 0 |
| Pay | CPTFEMU | 1.950 | Maturity | 11/15/2048 | 240 | 1 | 63 | 64 | 0 | (1) |
| Receive | CPURNSA | 1.958 | Maturity | 03/20/2020 | $ 1,800 | 0 | 0 | 0 | 0 | 0 |
| Receive | CPURNSA | 1.721 | Maturity | 07/15/2020 | 6,290 | 0 | (8) | (8) | 0 | 0 |
| Receive | CPURNSA | 2.168 | Maturity | 07/15/2020 | 2,000 | 0 | (11) | (11) | 0 | 0 |
| Receive | CPURNSA | 2.027 | Maturity | 11/23/2020 | 1,500 | 0 | (4) | (4) | 0 | (2) |
| Receive | CPURNSA | 2.021 | Maturity | 11/25/2020 | 1,500 | 0 | (4) | (4) | 0 | (2) |
| Receive | CPURNSA | 1.875 | Maturity | 03/14/2021 | 2,100 | 0 | (4) | (4) | 0 | (3) |
| Receive | CPURNSA | 1.816 | Maturity | 05/13/2021 | 10,100 | 0 | (13) | (13) | 2 | 0 |
| Receive | CPURNSA | 1.550 | Maturity | 07/26/2021 | 1,100 | 37 | (15) | 22 | 0 | 0 |
| Receive | CPURNSA | 1.603 | Maturity | 09/12/2021 | 770 | 23 | (11) | 12 | 0 | 0 |
| Receive | CPURNSA | 2.069 | Maturity | 07/15/2022 | 700 | 0 | (6) | (6) | 0 | 0 |
| Receive | CPURNSA | 2.210 | Maturity | 02/05/2023 | 3,970 | 0 | (78) | (78) | 0 | (3) |
| Receive | CPURNSA | 2.263 | Maturity | 04/27/2023 | 2,120 | 0 | (55) | (55) | 0 | (1) |
| Receive | CPURNSA | 2.263 | Maturity | 05/09/2023 | 630 | 0 | (16) | (16) | 0 | 0 |
| Receive | CPURNSA | 2.281 | Maturity | 05/10/2023 | 960 | 0 | (27) | (27) | 0 | (2) |
| Pay | CPURNSA | 1.730 | Maturity | 07/26/2026 | 1,100 | (59) | 36 | (23) | 1 | 0 |
| Pay | CPURNSA | 1.762 | Maturity | 08/30/2026 | 1,900 | (93) | 64 | (29) | 2 | 0 |
| Pay | CPURNSA | 1.801 | Maturity | 09/12/2026 | 770 | (36) | 27 | (9) | 1 | 0 |
| Pay | CPURNSA | 2.102 | Maturity | 07/20/2027 | 1,800 | 0 | 32 | 32 | 2 | 0 |
| Pay | CPURNSA | 2.080 | Maturity | 07/25/2027 | 1,300 | 0 | 19 | 19 | 1 | 0 |
| Pay | CPURNSA | 2.122 | Maturity | 08/01/2027 | 1,900 | 0 | 36 | 36 | 2 | 0 |
| Pay | CPURNSA | 2.180 | Maturity | 09/20/2027 | 650 | 0 | 15 | 15 | 1 | 0 |
| Pay | CPURNSA | 2.150 | Maturity | 09/25/2027 | 600 | 0 | 12 | 12 | 1 | 0 |
| Pay | CPURNSA | 2.155 | Maturity | 10/17/2027 | 1,400 | 0 | 29 | 29 | 1 | 0 |
| Pay | CPURNSA | 2.335 | Maturity | 02/05/2028 | 2,010 | 4 | 87 | 91 | 3 | 0 |
| Pay | CPURNSA | 2.353 | Maturity | 05/09/2028 | 630 | 0 | 31 | 31 | 1 | 0 |
| Pay | CPURNSA | 2.360 | Maturity | 05/09/2028 | 950 | 0 | 48 | 48 | 1 | 0 |
| Pay | CPURNSA | 2.364 | Maturity | 05/10/2028 | 960 | 0 | 49 | 49 | 1 | 0 |
| Pay | CPURNSA | 2.370 | Maturity | 06/06/2028 | 1,800 | 0 | 90 | 90 | 2 | 0 |
| Pay | CPURNSA | 2.165 | Maturity | 04/16/2029 | 1,100 | 0 | 25 | 25 | 1 | 0 |
| Pay | CPURNSA | 1.954 | Maturity | 06/03/2029 | 400 | 0 | 1 | 1 | 0 | 0 |
| Receive | FRCPXTOB | 1.000 | Maturity | 04/15/2020 | EUR 170 | 0 | (1) | (1) | 0 | 0 |
| Receive | FRCPXTOB | 1.160 | Maturity | 08/15/2020 | 70 | 0 | (1) | (1) | 0 | 0 |
| Receive | FRCPXTOB | 1.345 | Maturity | 06/15/2021 | 800 | 0 | (12) | (12) | 1 | 0 |
| Receive | FRCPXTOB | 1.030 | Maturity | 03/15/2024 | 1,500 | 0 | (14) | (14) | 3 | 0 |
| Pay | FRCPXTOB | 1.628 | Maturity | 07/15/2028 | 520 | 0 | 39 | 39 | 0 | (1) |
| Pay | FRCPXTOB | 1.910 | Maturity | 01/15/2038 | 390 | 1 | 67 | 68 | 0 | (2) |
| Pay | UKRPI | 3.633 | Maturity | 12/15/2028 | GBP 200 | 0 | 3 | 3 | 0 | 0 |
| Pay | UKRPI | 3.400 | Maturity | 06/15/2030 | 2,100 | 35 | (29) | 6 | 6 | 0 |
| Pay | UKRPI | 3.530 | Maturity | 10/15/2031 | 140 | 4 | (5) | (1) | 0 | 0 |
| Pay | UKRPI | 3.470 | Maturity | 09/15/2032 | 4,710 | 2 | (86) | (84) | 10 | 0 |
| Pay | UKRPI | 3.579 | Maturity | 10/15/2033 | 400 | 0 | 5 | 5 | 1 | 0 |
| Pay | UKRPI | 3.572 | Maturity | 05/15/2034 | 1,020 | 0 | (17) | (17) | 2 | 0 |
| Pay | UKRPI | 3.358 | Maturity | 04/15/2035 | 300 | (7) | 0 | (7) | 1 | 0 |
| Pay | UKRPI | 3.580 | Maturity | 06/15/2039 | 300 | 0 | 0 | 0 | 0 | 0 |
| Pay | UKRPI | 3.590 | Maturity | 06/15/2039 | 350 | 0 | 1 | 1 | 0 | 0 |
| Pay | UKRPI | 3.600 | Maturity | 06/15/2039 | 1,150 | 0 | 8 | 8 | 0 | (1) |
| Receive | UKRPI | 3.428 | Maturity | 03/15/2047 | 350 | 19 | (11) | 8 | 0 | 0 |
| | | | | | | $ 1,732 | $ (2,683) | $ (951) | $ 173 | $ (61) |
| **Total Swap Agreements** | | | | | | **$ 1,056** | **$ (2,819)** | **$ (1,763)** | **$ 173** | **$ (75)** |

## 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, 2019:

| | 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** | $ 295 | $ 508 | $ 173 | $ 976 | $ (301) | $ (501) | $ (75) | $ (877) |

**(k) Securities with an aggregate market value of $1,834 and cash of $2,601 have been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of June 30, 2019.**

(1) Future styled option.

(2) 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.

(3) 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 or underlying securities comprising the referenced index or (ii) receive 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.

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

(5) 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.

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

(7) This instrument has a forward starting effective date. See Note 2, Securities Transactions and Investment Income, in the Notes to Financial Statements for further information

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

### FORWARD FOREIGN CURRENCY CONTRACTS:

| | | | | | | Unrealized Appreciation/ (Depreciation) | |
|---|---|---|---|---|---|---|---|
| Counterparty | Settlement Month | Currency to be Delivered | | Currency to be Received | | Asset | Liability |
| BOA | 07/2019 | $ | 3,036 | AUD | 4,347 | $ 16 | $ 0 |
| | 08/2019 | AUD | 4,347 | $ | 3,039 | 0 | (16) |
| | 09/2019 | KRW | 273,048 | | 237 | 1 | 0 |
| | 09/2019 | SGD | 1,181 | | 863 | 0 | (11) |
| BPS | 07/2019 | CAD | 1,000 | | 760 | 0 | (4) |
| | 07/2019 | EUR | 216 | | 242 | 0 | (3) |
| | 07/2019 | GBP | 3,008 | | 3,835 | 15 | 0 |
| | 07/2019 | JPY | 67,300 | | 630 | 5 | 0 |
| | 07/2019 | $ | 526 | CAD | 700 | 9 | 0 |
| | 07/2019 | | 22,577 | GBP | 17,800 | 28 | 0 |
| | 07/2019 | | 2,017 | NZD | 3,024 | 14 | 0 |
| | 08/2019 | GBP | 17,800 | $ | 22,611 | 0 | (29) |
| | 08/2019 | NZD | 3,024 | | 2,018 | 0 | (15) |
| | 08/2019 | $ | 1,513 | RUB | 98,800 | 40 | 0 |
| | 09/2019 | KRW | 1,704,248 | $ | 1,437 | 0 | (38) |
| | 10/2019 | PEN | 1,068 | | 317 | 0 | (6) |
| BRC | 07/2019 | CAD | 100 | | 76 | 0 | (1) |
| | 10/2019 | MXN | 3,040 | | 155 | 0 | (1) |
| CBK | 07/2019 | AUD | 4,347 | | 3,009 | 0 | (43) |
| | 07/2019 | CAD | 1,928 | | 1,437 | 0 | (36) |
| | 07/2019 | GBP | 1,196 | | 1,515 | 0 | (4) |
| | 07/2019 | JPY | 224,300 | | 2,065 | 2 | (18) |
| | 07/2019 | $ | 1,440 | COP | 4,862,354 | 71 | 0 |
| | 07/2019 | | 13,984 | EUR | 12,304 | 7 | 0 |
| | 08/2019 | EUR | 12,304 | $ | 14,019 | 0 | (8) |
| | 08/2019 | $ | 593 | BRL | 2,282 | 0 | 0 |
| | 09/2019 | COP | 2,774,570 | $ | 859 | 0 | 0 |

| Counterparty | Settlement Month | Currency to be Delivered | | Currency to be Received | | Unrealized Appreciation/ (Depreciation) Asset | Liability |
|---|---|---|---|---|---|---|---|
| GLM | 07/2019 | COP | 4,862,354 | $ | 1,526 | $ 15 | $ 0 |
| | 07/2019 | EUR | 15,402 | | 17,193 | 0 | (320) |
| | 07/2019 | GBP | 1,968 | | 2,505 | 6 | 0 |
| | 10/2019 | $ | 1,519 | COP | 4,862,354 | 0 | (15) |
| HUS | 07/2019 | CAD | 300 | $ | 228 | 0 | (1) |
| | 07/2019 | NZD | 35 | | 23 | 0 | (1) |
| | 07/2019 | $ | 114 | RUB | 7,593 | 6 | 0 |
| | 09/2019 | COP | 2,681,310 | $ | 834 | 4 | 0 |
| | 11/2019 | TWD | 30,106 | | 962 | 0 | (17) |
| JPM | 07/2019 | GBP | 4,006 | | 5,056 | 0 | (31) |
| | 07/2019 | $ | 3,714 | EUR | 3,314 | 54 | 0 |
| | 07/2019 | | 845 | ZAR | 12,300 | 28 | 0 |
| | 08/2019 | MXN | 5,516 | $ | 278 | 0 | (7) |
| | 11/2019 | TWD | 9,674 | | 308 | 0 | (6) |
| | 01/2020 | BRL | 1,164 | | 303 | 5 | 0 |
| MSB | 08/2019 | $ | 999 | BRL | 3,832 | 0 | (4) |
| MYI | 07/2019 | CAD | 1,700 | $ | 1,298 | 0 | (1) |
| | 07/2019 | NZD | 2,989 | | 1,951 | 0 | (57) |
| SCX | 07/2019 | CAD | 700 | | 525 | 0 | (10) |
| | 07/2019 | GBP | 7,622 | | 9,647 | 0 | (32) |
| | 07/2019 | $ | 132 | RUB | 8,759 | 6 | 0 |
| | 09/2019 | | 1,651 | IDR | 24,189,316 | 45 | 0 |
| | 11/2019 | TWD | 12,070 | $ | 386 | 0 | (7) |
| SSB | 07/2019 | CAD | 500 | | 380 | 0 | (3) |
| UAG | 07/2019 | $ | 2,709 | JPY | 291,600 | 0 | (5) |
| | 08/2019 | JPY | 291,600 | $ | 2,716 | 5 | 0 |
| **Total Forward Foreign Currency Contracts** | | | | | | **$ 382** | **$ (750)** |

## PURCHASED OPTIONS:

### CREDIT DEFAULT SWAPTIONS ON CREDIT INDICES

| Counterparty | Description | Buy/Sell Protection | Exercise Rate | Expiration Date | Notional Amount[1] | Cost | Market Value |
|---|---|---|---|---|---|---|---|
| FBF | Put - OTC CDX.IG-32 5-Year Index | Buy | 1.950% | 09/18/2019 | 4,300 | $ 0 | $ 0 |
| GST | Put - OTC CDX.IG-32 5-Year Index | Buy | 1.650 | 08/21/2019 | 5,500 | 1 | 0 |
| | | | | | | $ 1 | $ 0 |

### OPTIONS ON SECURITIES

| Counterparty | Description | Strike Price | Expiration Date | Notional Amount[1] | Cost | Market Value |
|---|---|---|---|---|---|---|
| FAR | Call - OTC Fannie Mae UMBS, TBA 3.000% due 08/01/2049 | $ 108.500 | 08/06/2019 | 6,600 | $ 0 | $ 0 |
| | Put - OTC Fannie Mae UMBS, TBA 3.500% due 08/01/2049 | 72.500 | 08/06/2019 | 13,000 | 1 | 0 |
| | Put - OTC Fannie Mae UMBS, TBA 3.500% due 07/01/2049 | 73.000 | 07/08/2019 | 8,300 | 0 | 0 |
| | Put - OTC Fannie Mae UMBS, TBA 4.000% due 07/01/2049 | 76.500 | 07/08/2019 | 14,600 | 1 | 0 |
| JPM | Put - OTC Fannie Mae UMBS, TBA 3.500% due 07/01/2049 | 70.000 | 07/08/2019 | 11,100 | 0 | 0 |
| SAL | Put - OTC Fannie Mae UMBS, TBA 3.500% due 07/01/2049 | 73.000 | 07/08/2019 | 2,200 | 0 | 0 |
| | Put - OTC Fannie Mae UMBS, TBA 4.000% due 07/01/2049 | 74.500 | 07/08/2019 | 600 | 0 | 0 |
| | | | | | $ 2 | $ 0 |
| **Total Purchased Options** | | | | | **$ 3** | **$ 0** |

## WRITTEN OPTIONS:

### SWAPTIONS ON COMMODITY FORWARDS

| Counterparty | Description | Pay/Receive Reference entity | Exercise Rate | Expiration Date | Notional Amount[1] | Premiums (Received) | Fair Value |
|---|---|---|---|---|---|---|---|
| BPS | Call - OTC FUELCO CAL 20 « | Receive | $ 13.000 | 12/31/2020 | 4 | $ (7) | $ (5) |
| | Call - OTC QSCO CAL20 « | Receive | 21.000 | 12/31/2020 | 12 | (16) | (11) |
| GST | Call - OTC FUELCO CAL 20 « | Receive | 13.000 | 12/31/2020 | 11 | (18) | (15) |
| JPM | Call - Call - OTC QSCO CAL20 « | Receive | 18.100 | 12/31/2020 | 2 | (6) | (4) |
| | | | | | | $ (47) | $ (35) |

## CREDIT DEFAULT SWAPTIONS ON CREDIT INDICES

| Counterparty | Description | Buy/Sell Protection | Exercise Rate | Expiration Date | Notional Amount[1] | Premiums (Received) | Market Value |
|---|---|---|---|---|---|---|---|
| BOA | Put - OTC CDX.IG-32 5-Year Index | Sell | 0.850% | 07/17/2019 | 900 | $ (1) | $ 0 |
| | Put - OTC CDX.IG-32 5-Year Index | Sell | 0.900 | 08/21/2019 | 700 | (1) | 0 |
| BPS | Put - OTC CDX.IG-32 5-Year Index | Sell | 1.000 | 08/21/2019 | 800 | (1) | 0 |
| | Put - OTC CDX.IG-32 5-Year Index | Sell | 1.000 | 09/18/2019 | 1,100 | (1) | (1) |
| BRC | Put - OTC iTraxx Europe 31 5-Year Index | Sell | 0.950 | 09/18/2019 | 1,800 | (4) | (1) |
| CBK | Put - OTC CDX.IG-32 5-Year Index | Sell | 0.950 | 08/21/2019 | 700 | (1) | 0 |
| CKL | Put - OTC iTraxx Europe 31 5-Year Index | Sell | 1.050 | 09/18/2019 | 400 | (1) | 0 |
| DUB | Put - OTC CDX.IG-32 5-Year Index | Sell | 0.950 | 09/18/2019 | 700 | (1) | 0 |
| | Put - OTC CDX.IG-32 5-Year Index | Sell | 1.000 | 09/18/2019 | 700 | (1) | 0 |
| FBF | Put - OTC CDX.IG-32 5-Year Index | Sell | 0.900 | 08/21/2019 | 800 | (1) | 0 |
| | Put - OTC CDX.IG-32 5-Year Index | Sell | 1.050 | 09/18/2019 | 300 | 0 | 0 |
| GST | Put - OTC CDX.IG-31 5-Year Index | Sell | 2.400 | 09/18/2019 | 900 | (1) | 0 |
| | Put - OTC CDX.IG-32 5-Year Index | Sell | 0.900 | 08/21/2019 | 1,400 | (1) | 0 |
| | Put - OTC CDX.IG-32 5-Year Index | Sell | 0.950 | 09/18/2019 | 1,000 | (1) | (1) |
| | Put - OTC iTraxx Europe 30 5-Year Index | Sell | 2.400 | 09/18/2019 | 300 | (1) | 0 |
| | Put - OTC iTraxx Europe 31 5-Year Index | Sell | 1.000 | 09/18/2019 | 800 | (1) | 0 |
| JPM | Put - OTC iTraxx Europe 31 5-Year Index | Sell | 1.050 | 09/18/2019 | 400 | (1) | 0 |
| MYC | Put - OTC CDX.IG-32 5-Year Index | Sell | 0.900 | 08/21/2019 | 700 | (1) | 0 |
| | | | | | | $ (20) | $ (3) |

## INFLATION-CAPPED OPTIONS

| Counterparty | Description | Initial Index | Floating Rate | Expiration Date[2] | Notional Amount[1] | Premiums (Received) | Market Value |
|---|---|---|---|---|---|---|---|
| CBK | Floor - OTC CPURNSA | 216.687 | Maximum of $[(1 + 0.000\%)^{10}$ - (Final Index/Initial Index)] or 0 | 04/07/2020 | 11,500 | $ (102) | $ 0 |
| | Floor - OTC CPURNSA | 217.965 | Maximum of $[(1 + 0.000\%)^{10}$ - (Final Index/Initial Index)] or 0 | 09/29/2020 | 1,000 | (13) | 0 |
| GLM | Cap - OTC CPALEMU | 100.151 | Maximum of [(Final Index/Initial Index - 1) - 3.000%] or 0 | 06/22/2035 | 1,200 | (55) | (2) |
| JPM | Cap - OTC CPURNSA | 234.781 | Maximum of [(Final Index/Initial Index - 1) - 4.000%] or 0 | 05/16/2024 | 600 | (4) | 0 |
| | Floor - OTC YOY CPURNSA | 234.812 | Maximum of [0.000% - (Final Index/Initial Index - 1)] or 0 | 03/24/2020 | 4,600 | (52) | 0 |
| | Floor - OTC YOY CPURNSA | 238.654 | Maximum of [0.000% - (Final Index/Initial Index - 1)] or 0 | 10/02/2020 | 2,000 | (37) | (1) |
| | | | | | | $ (263) | $ (3) |

## INTEREST RATE-CAPPED OPTIONS

| Counterparty | Description | Exercise Rate | Floating Rate Index | Expiration Date | Notional Amount[1] | Premiums (Received) | Market Value |
|---|---|---|---|---|---|---|---|
| MYC | Call - OTC 1-Year Interest Rate Floor | 0.000% | 10-Year USD-ISDA - 2-Year USD-ISDA | 01/02/2020 | 21,600 | $ (16) | $ (2) |
| **Total Written Options** | | | | | | **$ (346)** | **$ (43)** |

## SWAP AGREEMENTS:

## COMMODITY FORWARD SWAPS

| Counterparty | Pay/Receive | Underlying Reference Commodity | Fixed Price Per Unit | Payment Frequency | Maturity Date | # of Units | Premiums Paid/(Received) | Unrealized Appreciation/ (Depreciation) | Swap Agreements, at Value: Asset | Liability |
|---|---|---|---|---|---|---|---|---|---|---|
| BPS | Pay | EURMARGIN 3Q19 | $ 8.640 | Maturity | 09/30/2019 | 1,800 | $ 0 | $ 0 | $ 0 | $ 0 |
| | Receive | EURMARGIN 4Q19 | 6.080 | Maturity | 12/31/2019 | 300 | 0 | 0 | 0 | 0 |
| | Receive | EURMARGIN CAL20 | 10.000 | Maturity | 12/31/2020 | 6,000 | (9) | 3 | 0 | (6) |
| | Pay | EURSIMP 3Q19 | 4.480 | Maturity | 09/30/2019 | 600 | 0 | 0 | 0 | 0 |
| | Pay | FUELCO 4Q19 | 13.500 | Maturity | 12/31/2019 | 1,200 | 0 | 1 | 1 | 0 |
| | Receive | PLATGOLD N9 | 410.750 | Maturity | 07/09/2019 | 300 | 0 | (50) | 0 | (50) |
| CBK | Receive | KCBT Wheat September Futures | 4.710 | Maturity | 08/23/2019 | 10,000 | 0 | (1) | 0 | (1) |
| | Receive | MEHMID CAL20 | 1.840 | Maturity | 12/31/2021 | 4,800 | 0 | 2 | 2 | 0 |
| GST | Receive | CBOT Corn December Futures | 398.750 | Maturity | 11/22/2019 | 10,000 | 0 | 3 | 3 | 0 |
| | Receive | CBOT Corn December Futures | 402.250 | Maturity | 11/22/2019 | 40,000 | 0 | 12 | 12 | 0 |
| | Receive | CBOT Corn December Futures | 403.250 | Maturity | 11/22/2019 | 20,000 | 0 | 6 | 6 | 0 |
| | Pay | CBOT Wheat December Futures | 5.560 | Maturity | 11/22/2019 | 5,000 | 0 | 1 | 1 | 0 |
| | Pay | CBOT Wheat September Futures | 4.865 | Maturity | 08/23/2019 | 20,000 | 0 | (8) | 0 | (8) |
| | Pay | CBOT Wheat September Futures | 4.895 | Maturity | 08/23/2019 | 25,000 | 0 | (9) | 0 | (9) |
| | Pay | CBOT Wheat September Futures | 5.130 | Maturity | 08/23/2019 | 10,000 | 0 | (1) | 0 | (1) |
| | Pay | CBOT Wheat September Futures | 5.153 | Maturity | 08/23/2019 | 35,000 | 0 | (4) | 0 | (4) |

| | | | | | | | | | Swap Agreements, at Value | |
|---|---|---|---|---|---|---|---|---|---|---|
| Counterparty | Pay/Receive | Underlying Reference Commodity | Fixed Price Per Unit | Payment Frequency | Maturity Date | # of Units | Premiums Paid/(Received) | Unrealized Appreciation/ (Depreciation) | Asset | Liability |
| | Pay | CBOT Wheat September Futures | $ 5.348 | Maturity | 08/23/2019 | 5,000 | $ 0 | $ 0 | $ 0 | $ 0 |
| | Receive | COCL CAL19 | 5.300 | Maturity | 12/31/2019 | 1,200 | 0 | (1) | 0 | (1) |
| | Receive | EBOBFUEL CAL20 | 21.600 | Maturity | 12/31/2020 | 2,400 | 0 | 0 | 0 | 0 |
| | Pay | EURMARGIN 3Q19 | 8.288 | Maturity | 09/30/2019 | 2,100 | 0 | (1) | 0 | (1) |
| | Receive | EURMARGIN CAL19 | 7.050 | Maturity | 12/31/2019 | 3,000 | 0 | 1 | 1 | 0 |
| | Receive | KCBT Wheat December Futures | 4.915 | Maturity | 11/22/2019 | 10,000 | 0 | (1) | 0 | (1) |
| | Receive | KCBT Wheat September Futures | 4.620 | Maturity | 08/23/2019 | 10,000 | 0 | 0 | 0 | 0 |
| | Receive | KCBT Wheat September Futures | 4.738 | Maturity | 08/23/2019 | 10,000 | 0 | (1) | 0 | (1) |
| | Receive | LLSDUB CAL20 | 0.300 | Maturity | 12/31/2020 | 1,200 | 0 | 0 | 0 | 0 |
| | Receive | MEHCL CAL19 | 2.650 | Maturity | 12/31/2019 | 1,000 | 0 | 1 | 1 | 0 |
| JPM | Pay | CBOT Soybean November Futures | 948.000 | Maturity | 10/25/2019 | 15,000 | 0 | 4 | 4 | 0 |
| | Pay | CBOT Soybean November Futures | 953.688 | Maturity | 10/25/2019 | 20,000 | 0 | 6 | 6 | 0 |
| | Pay | CBOT Wheat September Futures | 4.740 | Maturity | 08/23/2019 | 15,000 | 0 | (8) | 0 | (8) |
| | Pay | CBOT Wheat September Futures | 5.050 | Maturity | 08/23/2019 | 10,000 | 0 | (2) | 0 | (2) |
| | Receive | EBOBFUEL CAL20 | 21.950 | Maturity | 12/31/2020 | 1,200 | 0 | 0 | 0 | 0 |
| | Receive | EURMARGIN 3Q19 | 7.350 | Maturity | 09/30/2019 | 1,200 | 0 | 2 | 2 | 0 |
| | Receive | EURMARGIN 4Q19 | 5.350 | Maturity | 12/31/2019 | 300 | 0 | 0 | 0 | 0 |
| | Receive | EURMARGIN CAL19 | 6.750 | Maturity | 12/31/2019 | 1,200 | (1) | 2 | 1 | 0 |
| | Receive | EURMARGIN CAL20 | 9.900 | Maturity | 12/31/2020 | 1,200 | 0 | (1) | 0 | (1) |
| | Receive | EURSIMP 3Q19 | 3.370 | Maturity | 09/30/2019 | 600 | 0 | 0 | 0 | 0 |
| | Pay | FUELCO 4Q19 | 13.000 | Maturity | 12/31/2019 | 300 | 0 | 0 | 0 | 0 |
| | Receive | KCBT Wheat September Futures | 4.170 | Maturity | 08/23/2019 | 10,000 | 0 | 4 | 4 | 0 |
| | Receive | KCBT Wheat September Futures | 4.260 | Maturity | 08/23/2019 | 5,000 | 0 | 2 | 2 | 0 |
| | Receive | KCBT Wheat September Futures | 4.750 | Maturity | 08/23/2019 | 5,000 | 0 | (1) | 0 | (1) |
| | Receive | LLSDUB CAL20 | 0.200 | Maturity | 12/31/2020 | 1,200 | 0 | 0 | 0 | 0 |
| MAC | Receive | COCL CAL19 | 5.380 | Maturity | 12/31/2019 | 1,800 | 0 | (1) | 0 | (1) |
| | Receive | EBOBFUEL CAL20 | 22.100 | Maturity | 12/31/2020 | 1,200 | 0 | (1) | 0 | (1) |
| | Receive | EURMARGIN 2Q4Q19 | 6.630 | Maturity | 12/31/2019 | 1,200 | 0 | 1 | 1 | 0 |
| | Pay | EURMARGIN 3Q19 | 8.260 | Maturity | 09/30/2019 | 600 | 0 | 0 | 0 | 0 |
| | Pay | EURMARGIN 3Q19 | 8.630 | Maturity | 09/30/2019 | 600 | 0 | 0 | 0 | 0 |
| | Receive | EURMARGIN 4Q19 | 5.400 | Maturity | 12/31/2019 | 900 | 0 | 1 | 1 | 0 |
| | Receive | EURMARGIN CAL20 | 8.500 | Maturity | 12/31/2020 | 6,000 | 0 | 3 | 3 | 0 |
| | Receive | EURMARGIN CAL20 | 8.950 | Maturity | 12/31/2020 | 2,400 | 0 | 0 | 0 | 0 |
| | Receive | EUROBOBCO CAL21 | 4.950 | Maturity | 12/31/2021 | 1,200 | 0 | 1 | 1 | 0 |
| | Receive | KCBT Wheat September Futures | 4.690 | Maturity | 08/23/2019 | 10,000 | 0 | (1) | 0 | (1) |
| | Receive | MEHCL CAL19 | 2.700 | Maturity | 12/31/2019 | 1,500 | 0 | 2 | 2 | 0 |
| MYC | Receive | EBOBFUEL CAL20 | 21.500 | Maturity | 12/31/2020 | 1,320 | 0 | 0 | 0 | 0 |
| | Receive | EURMARGIN 2H19 | 6.870 | Maturity | 12/31/2019 | 600 | 0 | 0 | 0 | 0 |
| | Receive | EURMARGIN 2H19 | 6.970 | Maturity | 12/31/2019 | 600 | 0 | 0 | 0 | 0 |
| | Receive | EURMARGIN 2H19 | 7.150 | Maturity | 12/31/2019 | 600 | 0 | 0 | 0 | 0 |
| | Receive | EURMARGIN 3Q19 | 7.220 | Maturity | 09/30/2019 | 1,200 | 0 | 2 | 2 | 0 |
| | Pay | EURMARGIN 3Q19 | 8.220 | Maturity | 09/30/2019 | 450 | 0 | 0 | 0 | 0 |
| | Pay | EURMARGIN 3Q19 | 8.250 | Maturity | 09/30/2019 | 450 | 0 | 0 | 0 | 0 |
| | Pay | EURMARGIN 3Q19 | 9.590 | Maturity | 09/30/2019 | 600 | 0 | 0 | 0 | 0 |
| | Receive | EURMARGIN 4Q19 | 6.000 | Maturity | 12/31/2019 | 600 | 0 | 0 | 0 | 0 |
| | Receive | EURMARGIN 4Q19 | 6.060 | Maturity | 12/31/2019 | 1,200 | 0 | 0 | 0 | 0 |
| | Receive | EURMARGIN CAL19 | 8.920 | Maturity | 12/31/2019 | 1,200 | 0 | 0 | 0 | 0 |
| | Receive | EURMARGIN CAL20 | 8.520 | Maturity | 12/31/2020 | 1,200 | 0 | 1 | 1 | 0 |
| | Receive | EURMARGIN CAL20 | 8.580 | Maturity | 12/31/2020 | 16,800 | 0 | 8 | 8 | 0 |
| | Receive | EURMARGIN CAL20 | 8.860 | Maturity | 12/31/2020 | 2,400 | 0 | 1 | 1 | 0 |
| | Receive | EURMARGIN CAL20 | 9.970 | Maturity | 12/31/2020 | 1,200 | 0 | (1) | 0 | (1) |
| | Receive | EUROBOBCO CAL21 | 5.600 | Maturity | 12/31/2021 | 2,400 | 0 | 0 | 0 | 0 |
| | | | | | | | $ (10) | $ (23) | $ 66 | $ (99) |

## CREDIT DEFAULT SWAPS ON SOVEREIGN ISSUES - BUY PROTECTION[3]

| | | | | | | | | | Swap Agreements, at Value[7] | |
|---|---|---|---|---|---|---|---|---|---|---|
| Counterparty | Reference Entity | Fixed (Pay) Rate | Payment Frequency | Maturity Date | Implied Credit Spread at June 30, 2019[5] | Notional Amount[6] | Premiums Paid/(Received) | Unrealized Appreciation/ (Depreciation) | Asset | Liability |
| BOA | Mexico Government International Bond | (1.000)% | Quarterly | 12/20/2023 | 1.002% | $ 150 | $ 1 | $ (1) | $ 0 | $ 0 |
| BPS | Mexico Government International Bond | (1.000) | Quarterly | 12/20/2023 | 1.002 | 350 | 3 | (3) | 0 | 0 |
| BRC | Mexico Government International Bond | (1.000) | Quarterly | 12/20/2023 | 1.002 | 1,750 | 16 | (17) | 0 | (1) |
| GST | Mexico Government International Bond | (1.000) | Quarterly | 12/20/2023 | 1.002 | 200 | 2 | (2) | 0 | 0 |
| HUS | Mexico Government International Bond | (1.000) | Quarterly | 12/20/2023 | 1.002 | 950 | 9 | (9) | 0 | 0 |
| | | | | | | | $ 31 | $ (32) | $ 0 | $ (1) |

## CREDIT DEFAULT SWAPS ON CREDIT INDICES - SELL PROTECTION[(4)]

| Counterparty | Index/Tranches | Fixed Receive Rate | Payment Frequency | Maturity Date | Notional Amount[(6)] | Premiums Paid/(Received) | Unrealized Appreciation/ (Depreciation) | Swap Agreements, at Value[(7)] Asset | Liability |
|---|---|---|---|---|---|---|---|---|---|
| DUB | CMBX.NA.AAA.8 Index | 0.500% | Monthly | 10/17/2057 | $ 800 | $ (42) | $ 51 | $ 9 | $ 0 |
| GST | CMBX.NA.AAA.8 Index | 0.500 | Monthly | 10/17/2057 | 300 | (17) | 21 | 4 | 0 |
| SAL | CMBX.NA.AAA.12 Index | 0.500 | Monthly | 08/17/2061 | 400 | (1) | 0 | 0 | (1) |
| | | | | | | $ (60) | $ 72 | $ 13 | $ (1) |

## INTEREST RATE SWAPS

| Counterparty | Pay/Receive Floating Rate | Floating Rate Index | Fixed Rate | Payment Frequency | Maturity Date | Notional Amount | Premiums Paid/(Received) | Unrealized Appreciation/ (Depreciation) | Swap Agreements, at Value Asset | Liability |
|---|---|---|---|---|---|---|---|---|---|---|
| BRC | Receive | 1-Year ILS-TELBOR | 0.374% | Annual | 06/20/2020 | ILS 2,690 | $ 0 | $ (1) | $ 0 | $ (1) |
| | Pay | 1-Year ILS-TELBOR | 1.950 | Annual | 06/20/2028 | 580 | 0 | 8 | 8 | 0 |
| DUB | Pay | CPURNSA | 2.500 | Maturity | 07/15/2022 | $ 1,200 | 11 | (139) | 0 | (128) |
| | Pay | CPURNSA | 2.560 | Maturity | 05/08/2023 | 13,100 | 0 | (1,452) | 0 | (1,452) |
| GLM | Receive | 1-Year ILS-TELBOR | 0.290 | Annual | 02/16/2020 | ILS 4,990 | 0 | (1) | 0 | (1) |
| | Receive | 1-Year ILS-TELBOR | 0.270 | Annual | 03/21/2020 | 3,110 | 0 | 0 | 0 | 0 |
| | Receive | 1-Year ILS-TELBOR | 0.370 | Annual | 06/20/2020 | 2,080 | 0 | 0 | 0 | 0 |
| | Pay | 1-Year ILS-TELBOR | 1.971 | Annual | 02/16/2028 | 1,050 | 0 | 18 | 18 | 0 |
| | Pay | 1-Year ILS-TELBOR | 1.883 | Annual | 03/21/2028 | 650 | 0 | 9 | 9 | 0 |
| | Pay | 1-Year ILS-TELBOR | 1.998 | Annual | 06/20/2028 | 440 | 0 | 7 | 7 | 0 |
| HUS | Receive | 1-Year ILS-TELBOR | 0.370 | Annual | 06/20/2020 | 1,640 | 0 | 0 | 0 | 0 |
| | Pay | 1-Year ILS-TELBOR | 1.998 | Annual | 06/20/2028 | 350 | 0 | 5 | 5 | 0 |
| JPM | Receive | 1-Year ILS-TELBOR | 0.420 | Annual | 06/20/2020 | 2,570 | 0 | (1) | 0 | (1) |
| | Pay | 1-Year ILS-TELBOR | 2.078 | Annual | 06/20/2028 | 550 | 0 | 9 | 9 | 0 |
| | | | | | | | $ 11 | $ (1,538) | $ 56 | $ (1,583) |

## TOTAL RETURN SWAPS ON COMMODITY INDICES

| Counterparty | Pay/Receive[(8)] | Underlying Reference | # of Units | Financing Rate | Payment Frequency | Maturity Date | Notional Amount | Premiums Paid/(Received) | Unrealized Appreciation/ (Depreciation) | Swap Agreements, at Value Asset | Liability |
|---|---|---|---|---|---|---|---|---|---|---|---|
| BPS | Receive | BCOMF1T Index | 20,831 | 2.225% (3-Month U.S. Treasury Bill rate) | Monthly | 02/14/2020 | $ 6,743 | $ 0 | $ 162 | $ 162 | $ 0 |
| | Receive | BCOMTR Index | 75,228 | 2.205% (3-Month U.S. Treasury Bill rate) | Monthly | 02/14/2020 | 12,320 | 48 | 246 | 294 | 0 |
| | Receive | BCOMTR1 Index | 27,507 | 2.225% (3-Month U.S. Treasury Bill rate) | Monthly | 02/14/2020 | 1,961 | 0 | 47 | 47 | 0 |
| CBK | Receive | BCOMF1T Index | 105 | 2.225% (3-Month U.S. Treasury Bill rate) | Monthly | 02/14/2020 | 34 | 0 | 1 | 1 | 0 |
| | Receive | BCOMTR Index | 135,537 | 2.205% (3-Month U.S. Treasury Bill rate) | Monthly | 02/14/2020 | 22,196 | 0 | 529 | 529 | 0 |
| | Receive | CIXBSTR3 Index[11] | 236,898 | 2.235% (3-Month U.S. Treasury Bill rate) | Monthly | 02/14/2020 | 41,924 | 0 | 996 | 996 | 0 |
| | Receive | CIXBXMB2 Index | 38,897 | 0.170% | Monthly | 02/14/2020 | 4,367 | 0 | (5) | 0 | (5) |
| CIB | Receive | BCOMTR Index | 5,671 | 2.205% (3-Month U.S. Treasury Bill rate) | Monthly | 02/14/2020 | 929 | 0 | 22 | 22 | 0 |
| | Receive | PIMCODB Index | 24,083 | 0.000% | Monthly | 02/14/2020 | 2,298 | 0 | 101 | 101 | 0 |
| FBF | Receive | BCOMTR Index | 125,200 | 2.185% (3-Month U.S. Treasury Bill rate) | Monthly | 02/14/2020 | 20,503 | 0 | 489 | 489 | 0 |
| GST | Receive | BCOMF1T Index | 104,963 | 2.225% (3-Month U.S. Treasury Bill rate) | Monthly | 02/14/2020 | 33,977 | 0 | 817 | 817 | 0 |
| | Receive | CMDSKEWLS Index[12] | 21,638 | 0.250% | Monthly | 02/14/2020 | 3,770 | 0 | 508 | 508 | 0 |
| JPM | Receive | BCOMF1T Index | 672 | 2.235% (3-Month U.S. Treasury Bill rate) | Monthly | 02/14/2020 | 218 | 0 | 5 | 5 | 0 |
| | Receive | BCOMTR Index | 28,872 | 2.215% (3-Month U.S. Treasury Bill rate) | Monthly | 02/14/2020 | 4,728 | 0 | 113 | 113 | 0 |
| | Receive | JMABCT3E Index[13] | 29,759 | 0.150% | Monthly | 02/14/2020 | 3,425 | 0 | (1) | 0 | (1) |
| | Receive | JMABDEWE Index[14] | 6,393 | 0.300% | Monthly | 02/14/2020 | 6,784 | 0 | 321 | 321 | 0 |
| | Receive | JMABFNJ1 Index[15] | 100,063 | 0.350% | Monthly | 02/14/2020 | 9,666 | 0 | 174 | 174 | 0 |
| | Receive | JMABNIC2 Index[16] | 18,470 | 0.170% | Monthly | 02/14/2020 | 7,426 | 0 | 291 | 291 | 0 |
| MAC | Receive | BCOMTR1 Index | 113,048 | 2.215% (3-Month U.S. Treasury Bill rate) | Monthly | 02/14/2020 | 10,306 | 0 | 246 | 246 | 0 |

| Counterparty | Pay/Receive[8] | Underlying Reference | # of Units | Financing Rate | Payment Frequency | Maturity Date | Notional Amount | Premiums Paid/(Received) | Unrealized Appreciation/ (Depreciation) | Swap Agreements, at Value Asset | Swap Agreements, at Value Liability |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Receive | BCOMTR2 Index | 147,836 | 2.215% (3-Month U.S. Treasury Bill rate) | Monthly | 02/14/2020 | $ 12,782 | $ 0 | $ 304 | $ 304 | $ 0 |
| | Receive | MQCP563E Index | 3,643 | 0.950% | Monthly | 02/14/2020 | 459 | 0 | 0 | 0 | 0 |
| | Receive | PIMCODB Index | 24,068 | 0.000% | Monthly | 02/14/2020 | 2,296 | 0 | 101 | 101 | 0 |
| MEI | Receive | BCOMTR2 Index | 292,026 | 2.205% (3-Month U.S. Treasury Bill rate) | Monthly | 02/14/2020 | 35,547 | 0 | 833 | 833 | 0 |
| MYC | Receive | BCOMTR Index | 407,840 | 2.195% (3-Month U.S. Treasury Bill rate) | Monthly | 02/14/2020 | 66,790 | 0 | 1,593 | 1,593 | 0 |
| | Receive | BCOMTR1 Index | 232,041 | 2.235% (3-Month U.S. Treasury Bill rate) | Monthly | 02/14/2020 | 42,061 | 0 | 1,003 | 1,003 | 0 |
| RBC | Receive | RBCAEC0T Index | 50,266 | 2.185% (3-Month U.S. Treasury Bill rate) | Monthly | 02/14/2020 | 2,806 | 0 | 68 | 68 | 0 |
| SOG | Receive | BCOMTR Index | 2,272 | 2.215% (3-Month U.S. Treasury Bill rate) | Monthly | 02/14/2020 | 372 | 0 | 9 | 9 | 0 |
| | | | | | | | | $ 48 | $ 8,973 | $ 9,027 | $ (6) |

## VOLATILITY SWAPS

| Counterparty | Pay/Receive Volatility | Reference Entity | Volatility Strike | Payment Frequency | Maturity Date | Notional Amount | Premiums Paid/(Received) | Unrealized Appreciation/ (Depreciation) | Swap Agreements, at Value Asset | Swap Agreements, at Value Liability |
|---|---|---|---|---|---|---|---|---|---|---|
| GST | Pay | GOLDLNPM Index[9] | 7.023% | Maturity | 07/29/2020 | $ 943 | $ 0 | $ 49 | $ 49 | $ 0 |
| | Pay | GOLDLNPM Index[9] | 7.840 | Maturity | 09/09/2020 | 179 | 0 | 11 | 11 | 0 |
| JPM | Receive | GOLDLNPM Index[9] | 3.861 | Maturity | 07/29/2020 | 865 | 0 | (22) | 0 | (22) |
| | Receive | GOLDLNPM Index[9] | 3.976 | Maturity | 07/29/2020 | 78 | 0 | (2) | 0 | (2) |
| | Receive | GOLDLNPM Index[9] | 4.268 | Maturity | 09/09/2020 | 179 | 0 | (5) | 0 | (5) |
| MYC | Pay | GOLDLNPM Index[9] | 3.294 | Maturity | 07/17/2019 | 303 | 0 | 7 | 7 | 0 |
| | Pay | GOLDLNPM Index[9] | 3.240 | Maturity | 07/26/2019 | 304 | 0 | 7 | 7 | 0 |
| | Pay | GOLDLNPM Index[9] | 3.063 | Maturity | 10/08/2019 | 314 | 0 | 5 | 5 | 0 |
| | Pay | GOLDLNPM Index[9] | 1.960 | Maturity | 05/12/2020 | 179 | 0 | 1 | 1 | 0 |
| | Receive | SLVRLND Index[9] | 3.706 | Maturity | 07/09/2019 | 260 | 0 | (5) | 0 | (5) |
| | Receive | SLVRLND Index[9] | 7.317 | Maturity | 07/17/2019 | 203 | 0 | (11) | 0 | (11) |
| | Receive | SLVRLND Index[9] | 7.398 | Maturity | 07/26/2019 | 202 | 0 | (11) | 0 | (11) |
| | Receive | SLVRLND Index[9] | 7.023 | Maturity | 10/08/2019 | 207 | 0 | (10) | 0 | (10) |
| | Receive | SLVRLND Index[9] | 4.580 | Maturity | 05/12/2020 | 117 | 0 | (2) | 0 | (2) |
| SOG | Pay | GOLDLNPM Index[9] | 1.782 | Maturity | 06/08/2020 | 150 | 0 | 1 | 1 | 0 |
| | Receive | SLVRLND Index[9] | 4.410 | Maturity | 06/08/2020 | 95 | 0 | (2) | 0 | (2) |
| | Receive | SPGCICP Index[9] | 4.000 | Maturity | 07/26/2019 | 50 | 0 | 0 | 0 | 0 |
| | | | | | | | $ 0 | $ 11 | $ 81 | $ (70) |
| **Total Swap Agreements** | | | | | | | **$ 20** | **$ 7,463** | **$ 9,243** | **$ (1,760)** |

## FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER SUMMARY

The following is a summary by counterparty of the market value of OTC financial derivative instruments and collateral pledged/(received) as of June 30, 2019:

| | 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/ (Received) | Net Exposure[10] |
| BOA | $ 17 | $ 0 | $ 0 | $ 17 | $ (27) | $ 0 | $ 0 | $ (27) | $ (10) | $ 0 | $ (10) |
| BPS | 111 | 0 | 504 | 615 | (95) | (17) | (56) | (168) | 447 | (570) | (123) |
| BRC | 0 | 0 | 8 | 8 | (2) | (1) | (2) | (5) | 3 | 0 | 3 |
| CBK | 80 | 0 | 1,528 | 1,608 | (109) | 0 | (6) | (115) | 1,493 | (1,978) | (485) |
| CIB | 0 | 0 | 123 | 123 | 0 | 0 | 0 | 0 | 123 | 0 | 123 |
| DUB | 0 | 0 | 9 | 9 | 0 | 0 | (1,580) | (1,580) | (1,571) | 1,361 | (210) |
| FBF | 0 | 0 | 489 | 489 | 0 | 0 | 0 | 0 | 489 | (630) | (141) |
| GLM | 21 | 0 | 34 | 55 | (335) | (2) | (1) | (338) | (283) | 311 | 28 |
| GST | 0 | 0 | 1,413 | 1,413 | 0 | (16) | (26) | (42) | 1,371 | (1,640) | (269) |
| HUS | 10 | 0 | 5 | 15 | (19) | 0 | 0 | (19) | (4) | 0 | (4) |
| JPM | 87 | 0 | 932 | 1,019 | (44) | (5) | (43) | (92) | 927 | (630) | 297 |
| MAC | 0 | 0 | 659 | 659 | 0 | 0 | (3) | (3) | 656 | (840) | (184) |
| MEI | 0 | 0 | 833 | 833 | 0 | 0 | 0 | 0 | 833 | (930) | (97) |
| MSB | 0 | 0 | 0 | 0 | (4) | 0 | 0 | (4) | (4) | 0 | (4) |
| MYC | 0 | 0 | 2,628 | 2,628 | 0 | (2) | (40) | (42) | 2,586 | (6,935) | (4,349) |
| MYI | 0 | 0 | 0 | 0 | (58) | 0 | 0 | (58) | (58) | 0 | (58) |

| | 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/ (Received)** | **Net Exposure[10]** |
| RBC | $ 0 | $ 0 | $ 68 | $ 68 | $ 0 | $ 0 | $ 0 | $ 0 | $ 68 | $ 0 | $ 68 |
| SAL | 0 | 0 | 0 | 0 | 0 | 0 | (1) | (1) | (1) | 0 | (1) |
| SCX | 51 | 0 | 0 | 51 | (49) | 0 | 0 | (49) | 2 | 0 | 2 |
| SOG | 0 | 0 | 10 | 10 | 0 | 0 | (2) | (2) | 8 | 0 | 8 |
| SSB | 0 | 0 | 0 | 0 | (3) | 0 | 0 | (3) | (3) | 0 | (3) |
| UAG | 5 | 0 | 0 | 5 | (5) | 0 | 0 | (5) | 0 | 0 | 0 |
| **Total Over the Counter** | **$ 382** | **$ 0** | **$ 9,243** | **$ 9,625** | **$ (750)** | **$ (43)** | **$ (1,760)** | **$ (2,553)** | | | |

**(m) Securities with an aggregate market value of $1,792 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of June 30, 2019.**

(1) Notional Amount represents the number of contracts.

(2) YOY options may have a series of expirations.

(3) 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 or underlying securities comprising the referenced index or (ii) receive 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.

(4) 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.

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

(6) 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.

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

(8) 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.

(9) Variance Swap

(10) Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from OTC derivatives can only be netted across transactions governed under the same master agreement with the same legal entity. The Portfolio and Subsidiary are recognized as two separate legal entities. As such, exposure cannot be netted. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting agreements.

(11) The following table represents the individual positions within the total return swap as of June 30, 2019:

| **Referenced Commodity — Long Futures Contracts** | **% of Index** | **Notional Amount** |
|---|---|---|
| Aluminum September 2021 Futures | 4.0% | $ 1,696 |
| Arabica Coffee September 2019 Futures | 2.5 | 1,063 |
| Brent Crude September 2019 Futures | 8.0 | 3,339 |
| Copper September 2019 Futures | 7.2 | 3,033 |
| Corn September 2019 Futures | 6.3 | 2,637 |
| Cotton No. 02 December 2019 Futures | 1.2 | 519 |
| Gas Oil September 2019 Futures | 2.8 | 1,168 |
| Gold 100 oz. August 2019 Futures | 12.9 | 5,404 |
| Hard Red Winter Wheat September 2019 Futures | 1.1 | 478 |
| Lean Hogs August 2019 Futures | 2.2 | 914 |
| Live Cattle August 2019 Futures | 3.3 | 1,396 |
| New York Harbor ULSD September 2019 Futures | 2.3 | 956 |
| Nickel September 2019 Futures | 3.0 | 1,245 |
| NYMEX — Natural Gas September 2021 Futures | 6.4 | 2,667 |
| RBOB Gasoline September 2019 Futures | 3.0 | 1,265 |
| Silver September 2019 Futures | 3.7 | 1,525 |
| Soybean Meal December 2019 Futures | 3.3 | 1,390 |
| Soybean Oil December 2019 Futures | 3.0 | 1,264 |
| Soybeans November 2019 Futures | 5.8 | 2,423 |
| Sugar No. 11 October 2019 Futures | 3.0 | 1,265 |
| Wheat September 2019 Futures | 3.1 | 1,291 |
| WTI Crude September 2019 Futures | 8.8 | 3,697 |
| Zinc September 2019 Futures | 3.1 | 1,289 |
| Total Long Futures Contracts | | $ 41,924 |
| **Total Notional Amount** | | **$ 41,924** |

(12) The following table represents the individual positions within the total return swap as of June 30, 2019:

| Referenced Commodity — Long Futures Contracts | % of Index | Notional Amount | Referenced Commodity — Short Futures Contracts | % of Index | Notional Amount |
|---|---|---|---|---|---|
| Brent Crude September 2019 Futures | 9.3% | $ 352 | Arabica Coffee September 2019 Futures | 1.1% | $ 43 |
| Gas Oil August 2019 Futures | 1.5 | 57 | Corn September 2019 Futures | 2.8 | 107 |
| New York Harbor ULSD August 2019 Futures | 6.3 | 237 | Cotton No. 02 December 2019 Futures | 0.6 | 21 |
| RBOB Gasoline August 2019 Futures | 6.8 | 258 | Hard Red Winter Wheat September 2019 Futures | 0.5 | 19 |
| WTI Crude August 2019 Futures | 9.9 | 372 | Lean Hogs August 2019 Futures | 4.9 | 184 |
| | | | Soybean Meal December 2019 Futures | 1.5 | 56 |
| | | | Soybean Oil December 2019 Futures | 1.4 | 51 |
| | | | Soybeans November 2019 Futures | 7.6 | 285 |
| | | | Sugar No. 11 October 2019 Futures | 6.4 | 242 |
| | | | Wheat September 2019 Futures | 6.3 | 239 |
| Total Long Futures Contracts | | $ 1,276 | Total Short Futures Contracts | | $ 1,247 |
| Cash | 33.1% | $ 1,247 | | | |
| | | $ 2,523 | | | |
| **Total Notional Amount** | | | | | **$ 3,770** |

(13) The following table represents the individual positions within the total return swap as of June 30, 2019:

| Referenced Commodity — Long Futures Contracts | % of Index | Notional Amount | Referenced Commodity — Short Futures Contracts | % of Index | Notional Amount |
|---|---|---|---|---|---|
| Lean Hogs October 2019 Futures | 2.2% | $ 76 | Lean Hogs August 2019 Futures | 2.2% | $ 76 |
| Total Long Futures Contracts | | $ 76 | Total Short Futures Contracts | | $ 76 |
| Cash | 95.6% | $ 3,273 | | | |
| | | $ 3,349 | | | |
| **Total Notional Amount** | | | | | **$ 3,425** |

(14) The following table represents the individual positions within the total return swap as of June 30, 2019:

| Referenced Commodity — Long Futures Contracts | % of Index | Notional Amount | Referenced Commodity — Short Futures Contracts | % of Index | Notional Amount |
|---|---|---|---|---|---|
| Brent Crude September 2019 Futures | 10.2% | $ 693 | Aluminum August 2021 Futures | 2.4% | $ 160 |
| LME — Copper August 2021 Futures | 2.2 | 159 | Arabica Coffee September 2019 Futures | 1.3 | 86 |
| Nickel August 2019 Futures | 2.3 | 159 | Cocoa September 2019 Futures | 1.2 | 83 |
| RBOB Gasoline August 2019 Futures | 4.5 | 304 | Corn September 2019 Futures | 5.6 | 379 |
| Soybean Meal December 2019 Futures | 5.9 | 402 | ICE — Natural Gas August 2019 Futures | 2.2 | 148 |
| Soybeans November 2019 Futures | 8.2 | 555 | Lean Hogs August 2019 Futures | 1.2 | 82 |
| | | | New York Harbor ULSD August 2019 Futures | 9.0 | 608 |
| | | | NYMEX — Natural Gas August 2021 Futures | 2.2 | 147 |
| | | | Wheat September 2019 Futures | 5.7 | 384 |
| | | | Zinc August 2019 Futures | 2.4 | 160 |
| Total Long Futures Contracts | | $ 2,272 | Total Short Futures Contracts | | $ 2,237 |
| Cash | 33.5% | $ 2,275 | | | |
| | | $ 4,547 | | | |
| **Total Notional Amount** | | | | | **$ 6,784** |

(15) The following table represents the individual positions within the total return swap as of June 30, 2019:

| Referenced Commodity — Long Futures Contracts | % of Index | Notional Amount | Referenced Commodity — Short Futures Contracts | % of Index | Notional Amount |
|---|---|---|---|---|---|
| Brent Crude December 2019 Futures | 5.2% | $ 504 | Aluminum November 2021 Futures | 8.2% | $ 788 |
| Cocoa December 2019 Futures | 4.4 | 427 | Arabica Coffee December 2019 Futures | 1.3 | 123 |
| Gas Oil November 2019 Futures | 5.9 | 566 | Corn December 2019 Futures | 2.8 | 274 |
| Lead November 2019 Futures | 6.1 | 592 | Cotton No. 02 December 2019 Futures | 1.7 | 169 |
| LME — Copper November 2021 Futures | 7.5 | 725 | Gold 100 oz. December 2019 Futures | 10.9 | 1,055 |
| New York Harbor ULSD November 2019 Futures | 5.8 | 560 | Nickel November 2019 Futures | 2.9 | 276 |
| RBOB Gasoline November 2019 Futures | 5.3 | 516 | NYMEX — Natural Gas November 2021 Futures | 4.3 | 413 |
| WTI Crude November 2019 Futures | 4.9 | 472 | Platinum October 2019 Futures | 3.7 | 358 |
| | | | Silver December 2019 Futures | 1.5 | 146 |
| | | | Soybeans November 2019 Futures | 7.7 | 745 |
| | | | Sugar No. 11 March 2020 Futures | 4.4 | 426 |
| | | | Wheat December 2019 Futures | 5.5 | 531 |
| Total Long Futures Contracts | | $ 4,362 | Total Short Futures Contracts | | $ 5,304 |
| **Total Notional Amount** | | | | | **$ 9,666** |

(16) The following table represents the individual positions within the total return swap as of June 30, 2019:

| Referenced Commodity — Long Futures Contracts | % of Index | Notional Amount |
|---|---|---|
| Brent Crude November 2019 Futures | 14.2% | $ 1,055 |
| Copper December 2019 Futures | 9.3 | 690 |
| Gas Oil November 2019 Futures | 5.7 | 426 |
| Gold 100 oz. December 2019 Futures | 13.9 | 1,028 |
| Lean Hogs October 2019 Futures | 1.2 | 89 |
| Live Cattle October 2019 Futures | 1.8 | 133 |
| New York Harbor ULSD November 2019 Futures | 5.7 | 426 |
| Nickel November 2019 Futures | 9.8 | 725 |
| RBOB Gasoline November 2019 Futures | 8.4 | 624 |
| Silver December 2019 Futures | 3.9 | 289 |
| Soybean Meal December 2019 Futures | 7.1 | 526 |
| Soybeans November 2019 Futures | 17.1 | 1,273 |
| Sugar No. 11 October 2019 Futures | 1.9 | 142 |
| Total Long Futures Contracts | | $ 7,426 |
| **Total Notional Amount** | | **$ 7,426** |

## 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 Consolidated Statement of Assets and Liabilities as of June 30, 2019:

| | 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 | | | | | | |
| Purchased Options | $ 294 | $ 0 | $ 0 | $ 0 | $ 1 | $ 295 |
| Futures | 359 | 0 | 0 | 0 | 149 | 508 |
| Swap Agreements | 0 | 0 | 0 | 0 | 173 | 173 |
| | $ 653 | $ 0 | $ 0 | $ 0 | $ 323 | $ 976 |
| Over the counter | | | | | | |
| Forward Foreign Currency Contracts | $ 0 | $ 0 | $ 0 | $ 382 | $ 0 | $ 382 |
| Swap Agreements | 9,174 | 13 | 0 | 0 | 56 | 9,243 |
| | $ 9,174 | $ 13 | $ 0 | $ 382 | $ 56 | $ 9,625 |
| | $ 9,827 | $ 13 | $ 0 | $ 382 | $ 379 | $ 10,601 |
| **Financial Derivative Instruments - Liabilities** | | | | | | |
| Exchange-traded or centrally cleared | | | | | | |
| Written Options | $ 296 | $ 0 | $ 0 | $ 0 | $ 5 | $ 301 |
| Futures | 368 | 0 | 0 | 0 | 133 | 501 |
| Swap Agreements | 0 | 14 | 0 | 0 | 61 | 75 |
| | $ 664 | $ 14 | $ 0 | $ 0 | $ 199 | $ 877 |
| Over the counter | | | | | | |
| Forward Foreign Currency Contracts | $ 0 | $ 0 | $ 0 | $ 750 | $ 0 | $ 750 |
| Written Options | 35 | 3 | 0 | 0 | 5 | 43 |
| Swap Agreements | 175 | 2 | 0 | 0 | 1,583 | 1,760 |
| | $ 210 | $ 5 | $ 0 | $ 750 | $ 1,588 | $ 2,553 |
| | $ 874 | $ 19 | $ 0 | $ 750 | $ 1,787 | $ 3,430 |

The effect of Financial Derivative Instruments on the Consolidated Statement of Operations for the period ended June 30, 2019:

| | 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 | | | | | | |
| Purchased Options | $ 0 | $ 0 | $ 0 | $ 0 | $ (9) | $ (9) |
| Written Options | 33 | 0 | 0 | 0 | 24 | 57 |
| Futures | 39 | 0 | 0 | 0 | (2,572) | (2,533) |
| Swap Agreements | 0 | (142) | 0 | 0 | 188 | 46 |
| | $ 72 | $ (142) | $ 0 | $ 0 | $ (2,369) | $ (2,439) |
| Over the counter | | | | | | |
| Forward Foreign Currency Contracts | $ 0 | $ 0 | $ 0 | $ 1,789 | $ 0 | $ 1,789 |
| Purchased Options | 0 | (7) | 0 | 0 | 795 | 788 |
| Written Options | 2 | 43 | 0 | 8 | (644) | (591) |
| Swap Agreements | (9,465) | 16 | 0 | 0 | 8 | (9,441) |
| | $ (9,463) | $ 52 | $ 0 | $ 1,797 | $ 159 | $ (7,455) |
| | $ (9,391) | $ (90) | $ 0 | $ 1,797 | $ (2,210) | $ (9,894) |
| **Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments** | | | | | | |
| Exchange-traded or centrally cleared | | | | | | |
| Purchased Options | $ 6 | $ 0 | $ 0 | $ 0 | $ (2) | $ 4 |
| Written Options | (172) | 0 | 0 | 0 | 14 | (158) |
| Futures | (44) | 0 | 0 | 0 | 540 | 496 |
| Swap Agreements | 0 | (353) | 0 | 0 | (1,583) | (1,936) |
| | $ (210) | $ (353) | $ 0 | $ 0 | $ (1,031) | $ (1,594) |
| Over the counter | | | | | | |
| Forward Foreign Currency Contracts | $ 0 | $ 0 | $ 0 | $ (1,058) | $ 0 | $ (1,058) |
| Purchased Options | 0 | 1 | 0 | 0 | 0 | 1 |
| Written Options | 12 | 26 | 0 | (7) | 6 | 37 |
| Swap Agreements | 23,900 | (42) | 0 | 0 | (25) | 23,833 |
| | $ 23,912 | $ (15) | $ 0 | $ (1,065) | $ (19) | $ 22,813 |
| | $ 23,702 | $ (368) | $ 0 | $ (1,065) | $ (1,050) | $ 21,219 |

## FAIR VALUE MEASUREMENTS

The following is a summary of the fair valuations according to the inputs used as of June 30, 2019 in valuing the Portfolio's assets and liabilities:

| Category and Subcategory | Level 1 | Level 2 | Level 3 | Fair Value at 06/30/2019 |
|---|---|---|---|---|
| **Investments in Securities, at Value** | | | | |
| Corporate Bonds & Notes | | | | |
| Banking & Finance | $ 0 | $ 19,472 | $ 0 | $ 19,472 |
| Industrials | 0 | 16,497 | 0 | 16,497 |
| Utilities | 0 | 6,886 | 0 | 6,886 |
| U.S. Government Agencies | 0 | 71,578 | 0 | 71,578 |
| U.S. Treasury Obligations | 0 | 320,759 | 0 | 320,759 |
| Non-Agency Mortgage-Backed Securities | 0 | 9,265 | 100 | 9,365 |
| Asset-Backed Securities | $ 0 | $ 27,365 | $ 0 | $ 27,365 |
| Sovereign Issues | 0 | 37,503 | 0 | 37,503 |
| Short-Term Instruments | | | | |
| Certificates of Deposit | 0 | 2,402 | 0 | 2,402 |
| Commercial Paper | 0 | 5,078 | 0 | 5,078 |
| Repurchase Agreements | 0 | 36,920 | 0 | 36,920 |
| U.S. Treasury Bills | 0 | 12,249 | 0 | 12,249 |
| | $ 0 | $ 565,974 | $ 100 | $ 566,074 |
| **Investments in Affiliates, at Value** | | | | |
| Short-Term Instruments | | | | |
| Central Funds Used for Cash Management Purposes | $ 88 | $ 0 | $ 0 | $ 88 |
| Total Investments | $ 88 | $ 565,974 | $ 100 | $ 566,162 |

| Category and Subcategory | Level 1 | Level 2 | Level 3 | Fair Value at 06/30/2019 |
|---|---|---|---|---|
| **Short Sales, at Value - Liabilities** | | | | |
| U.S. Government Agencies | $ 0 | $ (10,678) | $ 0 | $ (10,678) |
| **Financial Derivative Instruments - Assets** | | | | |
| Exchange-traded or centrally cleared | 802 | 174 | 0 | 976 |
| Over the counter | 0 | 9,625 | 0 | 9,625 |
| | $ 802 | $ 9,799 | $ 0 | $ 10,601 |
| **Financial Derivative Instruments - Liabilities** | | | | |
| Exchange-traded or centrally cleared | (797) | (80) | 0 | (877) |
| Over the counter | 0 | (2,518) | (35) | (2,553) |
| | $ (797) | $ (2,598) | $ (35) | $ (3,430) |
| Total Financial Derivative Instruments | $ 5 | $ 7,201 | $ (35) | $ 7,171 |
| Totals | $ 93 | $ 562,497 | $ 65 | $ 562,655 |

There were no significant transfers into or out of Level 3 during the period ended June 30, 2019.

## 1. ORGANIZATION

PIMCO Variable Insurance Trust (the "Trust") is a Delaware statutory trust established under a trust instrument dated 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, Class M, Administrative Class and Advisor Class shares of the PIMCO CommodityRealReturn® Strategy 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 Consolidated 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 Consolidated 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 Consolidated 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) Foreign Currency Translation** 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 Consolidated 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 Consolidated 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 Consolidated Statement of Operations.

**(c) Multi-Class 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 and distributed to shareholders quarterly. 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 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 at the Portfolio's fiscal year end, if any, are reflected on the Consolidated Statements of Changes in Net Assets and have been recorded to paid in capital on the Consolidated Statement of Assets and Liabilities. In addition, other amounts have been reclassified between distributable earnings (accumulated loss) and paid in capital on the Consolidated Statement of Assets and Liabilities to more appropriately conform U.S. GAAP to tax characterizations of distributions.

(e) New Accounting Pronouncements In August 2018, the Financial Accounting Standards Board ("FASB") issued an Accounting Standards Update ("ASU"), ASU 2018-13, which modifies certain disclosure requirements for fair value measurements in Accounting Standards Codification ("ASC") 820. The ASU is effective for annual periods beginning after December 15, 2019, and interim periods within those annual periods. At this time, management has elected to early adopt the amendments that allow for removal of certain disclosure requirements. Management plans to adopt the amendments that require additional fair value measurement disclosures for annual periods beginning after December 15, 2019, and interim periods within those annual periods. Management is currently evaluating the impact of these changes on the 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 (normally 4:00 p.m., Eastern time) ("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 U.S. Securities and Exchange Commission ("SEC").

For purposes of calculating a NAV, portfolio securities and other assets for which market quotes are readily available are valued at market value. Market value is generally determined on the basis of official closing prices or the last reported sales prices, or if no sales are reported, based on quotes obtained from established market makers or prices (including evaluated prices) supplied by the 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 are 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 are 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 Board. 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 into and out of Level 3, if material, are disclosed in the Notes to Consolidated 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 Consolidated 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.

Fixed income securities purchased on a delayed-delivery basis or as a repurchase commitment in a sale-buyback transaction are marked to market daily until settlement at the forward settlement date and are categorized as Level 2 of the fair value hierarchy.

Mortgage-related and asset-backed securities are usually issued as separate tranches, or classes, of securities within each deal. These securities are also normally valued by Pricing Services that use broker-dealer quotations, reported trades or valuation estimates from their internal pricing models. The pricing models for these securities usually consider tranche-level attributes, current market data, estimated cash flows and market-based yield spreads for each tranche, and incorporate deal collateral performance, as available. Mortgage-related and asset-backed securities that use similar valuation techniques and inputs as described above are categorized as Level 2 of the fair value hierarchy.

Common stocks, ETFs, exchange-traded notes and financial derivative instruments, such as futures contracts, rights and warrants, or options on futures that are traded on a national securities exchange, are stated at the last reported sale or settlement price on the day of valuation. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized as Level 1 of the fair value hierarchy.

Valuation adjustments may be applied to certain securities that are solely traded on a foreign exchange to account for the market movement between the close of the foreign market and the NYSE Close. These securities are valued using Pricing Services that consider the correlation of the trading patterns of the foreign security to the intraday trading in the U.S. markets for investments. Securities using these valuation adjustments are categorized as Level 2 of the fair value hierarchy. Preferred securities and other equities traded on inactive markets or valued by reference to similar instruments are also categorized as Level 2 of the fair value hierarchy.

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. A complete schedule of portfolio holdings for each affiliate fund is filed with the SEC for the first and third quarters of each fiscal year on Form N-PORT and is available at the SEC's website at www.sec.gov. A copy of each affiliate fund's shareholder report is also available at the SEC's website at www.sec.gov, on the Funds' website at www.pimco.com, or upon request, as applicable. The table below shows the Portfolio's transactions in and earnings from investments in the affiliated Funds for the period ended June 30, 2019 (amounts in thousands†):

### Investment in PIMCO Short-Term Floating NAV Portfolio III

| Market Value 12/31/2018 | Purchases at Cost | Proceeds from Sales | Net Realized Gain (Loss) | Change in Unrealized Appreciation (Depreciation) | Market Value 06/30/2019 | Dividend Income[(1)] | Realized Net Capital Gain Distributions[(1)] |
|---|---|---|---|---|---|---|---|
| $ 4,763 | $ 74,125 | $ (78,801) | $ 2 | $ (1) | $ 88 | $ 24 | $ 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.

**Bank Obligations** in which the Portfolio may invest include certificates of deposit, bankers' acceptances, and fixed time deposits. Certificates of deposit are negotiable certificates issued against Portfolio deposited in a commercial bank for a definite period of time and earning a specified return. Bankers' acceptances are negotiable drafts or bills of exchange, normally drawn by an importer or exporter to pay for specific merchandise, which are "accepted" by a bank, meaning, in effect, that the bank unconditionally agrees to pay the face value of the instrument on maturity. Fixed time deposits are bank obligations payable at a stated maturity date and bearing interest at a fixed rate. Fixed time deposits may be withdrawn on demand by the investor, but may be subject to early withdrawal penalties which vary depending upon market conditions and the remaining maturity of the obligation.

**Delayed-Delivery Transactions** involve a commitment by the Portfolio to purchase or sell securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period. When delayed-delivery transactions are outstanding, the Portfolio will designate or receive as collateral liquid assets in an amount sufficient to meet the purchase price or respective obligations. When purchasing a security on a delayed-delivery basis, the Portfolio assumes the rights and risks of ownership of the security, including the risk of price and yield fluctuations, and takes such fluctuations into account when determining its NAV. The Portfolio may dispose of or renegotiate a delayed-delivery transaction after it is entered into, which may result in a realized gain (loss). When the Portfolio has sold a security on a delayed-delivery basis, the Portfolio does not participate in future gains (losses) with respect to the security.

**Inflation-Indexed Bonds** are fixed income securities whose principal value is periodically adjusted by the rate of inflation. The interest rate on these bonds is generally fixed at issuance at a rate lower than typical bonds. Over the life of an inflation-indexed bond, however, interest will be paid based on a principal value which is adjusted for inflation. Any increase or decrease in the principal amount of an inflation-indexed bond will be included as interest income on the Consolidated Statement of Operations, even though investors do not receive their principal until maturity. Repayment of the original bond principal upon maturity (as adjusted for inflation) is guaranteed in the case of U.S. Treasury Inflation-Protected Securities ("TIPS"). For bonds that do not provide a similar guarantee, the adjusted principal value of the bond repaid at maturity may be less than the original principal.

**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, but not limited to, auto loans, accounts receivable, such as credit card receivables and hospital account receivables, home equity loans, student loans, boat loans, mobile home loans, recreational vehicle loans, manufactured housing loans, aircraft leases, computer leases and syndicated bank loans.

Collateralized Debt Obligations ("CDOs") include Collateralized Bond Obligations ("CBOs"), Collateralized Loan Obligations ("CLOs") and other similarly structured securities. CBOs and CLOs are types of asset-backed securities. A CBO is a trust which is backed by a diversified pool of high risk, below investment grade fixed income securities. A CLO is a trust typically collateralized by a pool of loans, which may include, among others, domestic and foreign senior secured loans, senior unsecured loans, and subordinate corporate loans, including loans that may be rated below investment grade or equivalent unrated loans. The risks of an investment in a CDO depend largely on the type of the collateral securities and the class of the CDO in which the Portfolio invests. In addition to the normal risks associated with fixed income securities discussed elsewhere in this report and the Portfolio's prospectus and statement of additional information (e.g., prepayment risk, credit risk, liquidity risk, market risk, structural risk, legal risk and interest rate risk (which may be exacerbated if the interest rate payable on a structured financing changes based on multiples of changes in interest rates or inversely to changes in interest rates)), CBOs, CLOs and other CDOs carry additional risks including, but not limited to, (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments, (ii) the quality of the collateral may decline in value or default, (iii) the risk that the Portfolio may invest in CBOs, CLOs, or other CDOs that are subordinate to other classes, and (iv) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the issuer or unexpected investment results.

Collateralized Mortgage Obligations ("CMOs") are debt obligations of a legal entity that are collateralized by whole mortgage loans or private mortgage bonds and divided into classes. CMOs are structured into multiple classes, often referred to as "tranches", with each class bearing a different stated maturity and entitled to a different schedule for payments of principal and interest, including prepayments. CMOs may be less liquid and may exhibit greater price volatility than other types of mortgage-related or asset-backed securities.

Stripped Mortgage-Backed Securities ("SMBS") are derivative multi-class mortgage securities. SMBS are usually structured with two classes that receive different proportions of the interest and principal distributions on a pool of mortgage assets. An SMBS will have one class that will receive all of the interest (the interest-only or "IO" class), while the other class will receive the entire principal (the principal-only or "PO" class). Payments received for IOs are included in interest income on the Consolidated Statement of Operations. Because no principal will be received at the maturity of an IO, adjustments are made to the cost of the security on a monthly basis until maturity. These adjustments are included in interest income on the Consolidated Statement of Operations. Payments received for POs are treated as reductions to the cost and par value of the securities.

Perpetual Bonds are fixed income securities with no maturity date but pay a coupon in perpetuity (with no specified ending or maturity date). Unlike typical fixed income securities, there is no obligation for perpetual bonds to repay principal. The coupon payments, however, are mandatory. While perpetual bonds have no maturity date, they may have a callable date in which the perpetuity is eliminated and the issuer may return the principal received on the specified call date. Additionally, a perpetual bond may have additional features, such as interest rate increases at periodic dates or an increase as of a predetermined point in the future.

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 which do not distribute interest on a current basis and tend to be subject to a greater risk than interest-paying securities of similar maturities.

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.

Roll-timing strategies can be used where the Portfolio seeks to extend the expiration or maturity of a position, such as a TBA security on an underlying asset, by closing out the position before expiration and opening a new position with respect to substantially the same underlying asset with a later expiration date. TBA securities purchased or sold are reflected on the Consolidated Statement of Assets and Liabilities as an asset or liability, respectively.

**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) 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 Consolidated Statement of Assets and Liabilities. Interest earned is recorded as a component of interest income on the Consolidated 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.

**(b) Sale-Buybacks** A sale-buyback financing transaction consists of a sale of a security by the Portfolio 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. The Portfolio is not entitled to receive principal and interest payments, if any, made on the security sold to the counterparty during the term of the agreement. The agreed-upon proceeds for securities to be repurchased by the Portfolio are reflected as a liability on the Consolidated Statement of Assets and Liabilities. The Portfolio will recognize net income represented by the price differential between the price received for the transferred security and the agreed-upon repurchase price. This is commonly referred to as the 'price drop'. A price drop consists of (i) the foregone interest and inflationary income adjustments, if any, the Portfolio would have otherwise received had the security not been sold and (ii) the negotiated financing terms between the Portfolio and counterparty. Foregone interest and inflationary income adjustments, if any, are recorded as components of interest income on the Consolidated Statement of Operations. Interest payments based upon negotiated financing terms made by the Portfolio to counterparties are recorded as a component of interest expense on the Consolidated 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 sale-buyback transactions.

**(c) Short Sales** Short sales are transactions in which the Portfolio sells a security that it may not own. The Portfolio may make short sales of securities to (i) offset potential declines in long positions in similar securities, (ii) to increase the flexibility of the Portfolio, (iii) for investment return, (iv) as part of a risk arbitrage strategy, and (v) as part of its overall portfolio management strategies involving the use of derivative instruments. When the Portfolio engages in a short sale, it may borrow the security sold short and deliver it to the counterparty. The Portfolio will ordinarily have to pay a fee or premium to borrow a security and be obligated to repay the lender of the security any dividend or interest that accrues on the security during the period of the loan. Securities sold in short sale transactions and the dividend or interest payable on such securities, if any, are reflected as payable for short sales on the Consolidated Statement of Assets and Liabilities. Short sales expose the Portfolio to the risk that it will be required to cover its short position at a time when the security or other asset has appreciated in value, thus resulting in losses to the Portfolio. A short sale is "against the box" if the Portfolio holds in its portfolio or has the right to acquire the security sold short, or securities identical to the security sold short, at no additional cost. The Portfolio will be subject to additional risks to the extent that it engages in short sales that are not "against the box." The Portfolio's loss on a short sale could theoretically be unlimited in cases where the Portfolio is unable, for whatever reason, to close out its short position.

## 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 Consolidated Statement of Assets and Liabilities and the net realized gain (loss) and net change in unrealized appreciation (depreciation) on the Consolidated Statement of Operations, each categorized by type of financial derivative contract and related risk exposure, are included in a table in the Notes to Consolidated 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 Consolidated 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 Consolidated 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) Futures Contracts are agreements to buy or sell a security or other asset for a set price on a future date and are traded on an exchange. The Portfolio may use futures contracts to manage its exposure to the securities markets or to movements in interest rates and currency values. The primary risks associated with the use of futures contracts are the imperfect correlation between the change in market value of the securities held by the Portfolio and the prices of futures contracts and the possibility of an illiquid market. Futures contracts are valued based upon their quoted daily settlement prices. Upon entering into a futures contract, the Portfolio is required to deposit with its futures broker an amount of cash, U.S. Government and Agency Obligations, or select sovereign debt, in accordance with the initial margin requirements of the broker or exchange. Futures contracts are marked to market daily and based on such movements in the price of the contracts, an appropriate payable or receivable for the change in value may be posted or collected by the Portfolio ("Futures Variation Margin"). Futures Variation Margins, if any, are disclosed within centrally cleared financial derivative instruments on the Consolidated Statement of Assets and Liabilities. Gains (losses) are recognized but not considered realized until the contracts expire or close. Futures contracts involve, to varying degrees, risk of loss in excess of the Futures Variation Margin included within exchange traded or centrally cleared financial derivative instruments on the Consolidated Statement of Assets and Liabilities.

(c) 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 Consolidated 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 Consolidated 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.

Commodity Options are options on commodity futures contracts ("Commodity Option"). The underlying instrument for the Commodity Option is not the commodity itself, but rather a futures contract for that commodity. The exercise of a Commodity Option will not include physical delivery of the underlying commodity but will result in a cash transfer for the amount of the difference between the current market value of the underlying futures contract and the strike price. For an option that is in-the-money, the Portfolio will normally offset its position rather than exercise the option to retain any remaining time value.

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.

Foreign Currency Options may be written or purchased to be used as a short or long hedge against possible variations in foreign exchange rates or to gain exposure to foreign currencies.

Inflation-Capped Options may be written or purchased to enhance returns or for hedging opportunities. The purpose of purchasing inflation-capped options is to protect the Portfolio from inflation erosion above a certain rate on a given notional exposure. A floor can be used to give downside protection to investments in inflation-linked products.

Interest Rate-Capped Options may be written or purchased to enhance returns or for hedging opportunities. The purpose of purchasing interest rate-capped options is to protect the Portfolio from floating rate risk above a certain rate on a given notional exposure. A floor can be used to give downside protection to investments in interest rate linked products.

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.

Options on Securities may be written or purchased to enhance returns or to hedge an existing position or future investment. An option on a security uses a specified security as the underlying instrument for the option contract.

(d) 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 Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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 Consolidated Statement of Operations. Net periodic payments received or paid by the Portfolio are included as part of realized gain (loss) on the Consolidated 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 Consolidated 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.

Commodity Forward Swap Agreements ("Commodity Forwards") are entered into to gain or mitigate exposure to the underlying referenced commodity. Commodity Forwards involve commitments between two parties where cash flows are exchanged at a future date based on the difference between a fixed and variable price with respect to the number of units of the commodity. At the maturity date, a net cash flow is exchanged, where the payoff amount is equivalent to the difference between the fixed and variable price of the underlying commodity multiplied by the number of units. To the extent the difference between the fixed and variable price of the underlying referenced commodity exceeds or falls short of the offsetting payment obligation, the Portfolio will receive a payment from or make a payment to the counterparty.

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 Consolidated 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 Consolidated 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.

Interest Rate Swap Agreements may be entered into to help hedge against interest rate risk exposure and to maintain the Portfolio's ability to generate income at prevailing market rates. The value of the fixed rate bonds that the Portfolio holds may decrease if interest rates rise. To help hedge against this risk and to maintain its ability to generate income at prevailing market rates, the Portfolio may enter into interest rate swap agreements. Interest rate swap agreements involve the exchange by the Portfolio with another party for their respective commitment to pay or receive interest on the notional amount of principal. Certain forms of interest rate swap agreements may include: (i) interest rate caps, under which, in return for a premium, one party agrees to make payments to the other to the extent that interest rates exceed a specified rate, or "cap", (ii) interest rate floors, under which, in return for a premium, one party agrees to make payments to the other to the extent that interest rates fall below a specified rate, or "floor", (iii) interest rate collars, under which a party sells a cap and purchases a floor or vice versa in an attempt to protect itself against interest rate movements exceeding given minimum or maximum levels,

(iv) callable interest rate swaps, under which the buyer pays an upfront fee in consideration for the right to early terminate the swap transaction in whole, at zero cost and at a predetermined date and time prior to the maturity date, (v) spreadlocks, which allow the interest rate swap users to lock in the forward differential (or spread) between the interest rate swap rate and a specified benchmark, or (vi) basis swaps, under which two parties can exchange variable interest rates based on different segments of money markets.

**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.

**Volatility Swap Agreements** are also known as forward volatility agreements and volatility swaps and are agreements in which the counterparties agree to make payments in connection with changes in the volatility (*i.e.*, the magnitude of change over a specified period of time) of an underlying referenced instrument, such as a currency, rate, index, security or other financial instrument. Volatility swaps permit the parties to attempt to hedge volatility risk and/or take positions on the projected future volatility of an underlying referenced instrument. For example, the Portfolio may enter into a volatility swap in order to take the position that the referenced instrument's volatility will increase over a particular period of time. If the referenced instrument's volatility does increase over the specified time, the Portfolio will receive payment from its counterparty based upon the amount by which the referenced instrument's realized volatility level exceeds a volatility level agreed upon by the parties. If the referenced instrument's volatility does not increase over the specified time, the Portfolio will make a payment to the counterparty based upon the amount by which the referenced instrument's realized volatility level falls below the volatility level agreed upon by the parties. At the maturity date, a net cash flow is exchanged, where the payoff amount is equivalent to the difference between the realized price volatility of the referenced instrument and the strike multiplied by the notional amount. As a receiver of the realized price volatility, the Portfolio would receive the payoff amount when the realized price volatility of the referenced instrument is greater than the strike and would owe the payoff amount when the volatility is less than the strike. As a payer of the realized price volatility, the Portfolio would owe the payoff amount when the realized price volatility of the referenced instrument is greater than the strike and would receive the payoff amount when the volatility is less than the strike. Payments on a volatility swap will be greater if they are based upon the mathematical square of volatility (*i.e.*, the measured volatility multiplied by itself, which is referred to as "variance"). This type of volatility swap is frequently referred to as a variance swap.

## 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. Under certain conditions, generally in a market where the value of both commodity-linked derivative instruments and fixed income securities are declining, the Portfolio may experience substantial losses. 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, or is perceived (whether by market participants, rating agencies, pricing services or otherwise) as 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 investments 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.

Model Risk is the risk that the Portfolio's investment models used in making investment allocation decisions may not adequately take into account certain factors, may contain design flaws or faulty assumptions, and may rely on incomplete or inaccurate data, any of which may result in a decline in the value of an investment in the Portfolio.

Commodity Risk is the risk that investing in commodity-linked derivative instruments may subject the Portfolio to greater volatility than investments in traditional securities. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments.

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, including the use of quantitative models or methods, 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.

Tax Risk is the risk that the tax treatment of swap agreements and other derivative instruments, such as commodity-linked derivative instruments, including commodity index-linked notes, swap agreements, commodity options, futures, and options on futures, may be affected by future regulatory or legislative changes that could affect whether income from such investments is "qualifying income" under Subchapter M of the Internal Revenue Code, or otherwise affect the character, timing and/or amount of the Portfolio's taxable income or gains and distributions.

Subsidiary Risk is the risk that, by investing in the CRRS Subsidiary, the Portfolio is indirectly exposed to the risks associated with the CRRS Subsidiary's investments. The CRRS Subsidiary is not registered under the 1940 Act and may not be subject to all the investor protections of the 1940 Act. There is no guarantee that the investment objective of the CRRS Subsidiary 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 Consolidated 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 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 Consolidated 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 Consolidated 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 certain 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 Consolidated Schedule of Investments.

Master Securities Forward Transaction Agreements ("Master Forward Agreements") govern certain forward settling transactions, such as TBA securities, delayed-delivery or certain 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 Consolidated 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 Consolidated 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 Consolidated 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 | Class M | Administrative Class | Advisor Class |
| 0.49% | 0.25% | 0.25% | 0.25% | 0.25% |

**(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 each of the Advisor Class and Class M shares of the Portfolio (the "Distribution and Servicing Plans"). The Distribution and Servicing Plans have been adopted pursuant to Rule 12b-1 under the Act. The Distribution and Servicing Plans permit 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 and Class M shares. The Distribution and Servicing Plans permit 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 or Class M shares, respectively. The Distribution and Servicing Plan for Class M shares also permits the Portfolio to compensate the Distributor for providing or procuring administrative, recordkeeping, and other investor services at an annual rate of up to 0.20% of its average daily net assets attributable to its Class M shares.

| | Distribution Fee | Servicing Fee |
|---|---|---|
| **Class M** | 0.25% | 0.20% |
| **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.

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 amounts waived pursuant to the Expense Limitation Agreement in future periods, not to exceed thirty-six months after the waiver. At June 30, 2019, there were no recoverable amounts.

**(f) Acquired Fund Fees and Expenses** PIMCO Cayman Commodity Portfolio I, Ltd. (the "Commodity Subsidiary") has entered into a separate contract with PIMCO for the management of the Commodity Subsidiary's portfolio pursuant to which the Commodity Subsidiary pays PIMCO a management fee and an administrative services fee at the annual rates of 0.49% and 0.20%, respectively, of its net assets. PIMCO has contractually agreed to waive the Portfolio's Investment Advisory Fee and the Supervisory and Administrative Fee in an amount equal to the management fee and administrative services fee, respectively, paid by the Commodity Subsidiary to PIMCO. This waiver may not be terminated by PIMCO and will remain in effect for as long as PIMCO's contract with the Commodity Subsidiary is in place. The waiver is reflected in the Consolidated Statement of Operations as a component of Waiver and/or Reimbursement by PIMCO. For the period ended June 30, 2019, the amount was $189,072. See Note 14, Basis for Consolidation in the Notes to Financial Statements for more information regarding the Commodity Subsidiary.

## 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 Consolidated Statement of Assets and Liabilities.

The Portfolio is permitted to purchase or sell securities from or to certain related affiliated portfolios under specified conditions outlined in procedures adopted by the Board. The procedures have been designed to ensure that any purchase or sale of securities by the Portfolio from or to another fund or portfolio that are, or could be, considered an affiliate, or an affiliate of an affiliate, by virtue of having a common investment adviser (or affiliated investment advisers), common Trustees and/or common officers complies with Rule 17a-7 under the Act. Further, as defined under the procedures, each transaction is effected at the current market price. Purchases and sales of securities pursuant to Rule 17a-7 under the Act for the period ended June 30, 2019, were as follows (amounts in thousands[†]):

| Purchases | Sales |
|---|---|
| $ 0 | $ 2,072 |

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

## 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, including brokerage commissions or dealer mark-ups and other transaction costs on the sale of securities and reinvestments in other securities, which are borne by the Portfolio. 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 when distributed to shareholders). The transaction costs 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, 2019, were as follows (amounts in thousands†):

| U.S. Government/Agency | | All Other | |
|---|---|---|---|
| Purchases | Sales | Purchases | Sales |
| $ 411,818 | $ 443,189 | $ 31,645 | $ 11,956 |

† 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 06/30/2019 | | Year Ended 12/31/2018 | |
|---|---|---|---|---|
| | Shares | Amount | Shares | Amount |
| **Receipts for shares sold** | | | | |
| Institutional Class | 33 | $ 216 | 225 | $ 1,554 |
| Class M | 2 | 12 | 9 | 57 |
| Administrative Class | 3,151 | 20,174 | 8,319 | 58,104 |
| Advisor Class | 721 | 4,692 | 2,507 | 17,775 |
| **Issued as reinvestment of distributions** | | | | |
| Institutional Class | 15 | 90 | 10 | 67 |
| Class M | 2 | 12 | 1 | 9 |
| Administrative Class | 1,022 | 6,364 | 780 | 5,381 |
| Advisor Class | 481 | 3,034 | 343 | 2,395 |
| **Cost of shares redeemed** | | | | |
| Institutional Class | (66) | (425) | (139) | (953) |
| Class M | (11) | (68) | (8) | (53) |
| Administrative Class | (4,883) | (31,163) | (9,871) | (68,306) |
| Advisor Class | (1,096) | (7,118) | (3,086) | (21,671) |
| **Net increase (decrease) resulting from Portfolio share transactions** | (629) | $ (4,180) | (910) | $ (5,641) |

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

As of June 30, 2019, two shareholders each owned 10% or more of the Portfolio's total outstanding shares comprising 31% of the Portfolio. One of the shareholders is a related party and comprises 13% 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. BASIS FOR CONSOLIDATION

The Commodity Subsidiary, a Cayman Islands exempted company, was incorporated on July 21, 2006, as a wholly owned subsidiary acting as an investment vehicle for the Portfolio in order to effect certain investments for the Portfolio consistent with the Portfolio's investment objectives and policies as specified in its prospectus and statement of additional information. The Portfolio's investment portfolio has been consolidated and includes the portfolio holdings of the Portfolio and the Commodity Subsidiary. The consolidated financial statements include the accounts of the Portfolio and the Commodity Subsidiary. All inter-company transactions and balances have been eliminated. A subscription agreement was entered into between the Portfolio and the Commodity Subsidiary on August 1, 2006, comprising the entire issued share capital of the Commodity Subsidiary, with the intent that the Portfolio will remain the sole shareholder and retain all rights. Under the Memorandum and Articles of Association, shares issued by the Commodity Subsidiary confer upon a shareholder the right to receive notice of, to attend and to vote at general meetings of the Commodity Subsidiary and shall confer upon the shareholder rights in a winding-up or repayment of capital and the right to participate in the profits or assets of the Commodity Subsidiary. The net assets of the Commodity Subsidiary as of period end represented 15.9% of the Portfolio's consolidated net assets.

## 15. 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.

## 16. 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, 2019, 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.

The Portfolio may gain exposure to the commodities markets primarily through index-linked notes, and may invest in other commodity-linked derivative investments, including commodity swap agreements, options, futures contracts, options on futures contracts and foreign funds investing in similar commodity-linked derivatives.

The Portfolio may also gain exposure indirectly to commodity markets by investing in the Commodity Subsidiary, which invests primarily in commodity-linked derivative instruments backed by a portfolio of inflation-indexed securities and/or other fixed income instruments.

One of the requirements for favorable tax treatment as a regulated investment company under the Code is that the Portfolio must derive at least 90% of its gross income from certain qualifying sources of income. The Internal Revenue Service ("IRS") has issued a revenue ruling which holds that income derived from commodity index-linked derivatives, if earned directly by the Portfolio, is not qualifying income under Subchapter M of the Code. The IRS has issued private letter rulings in which the IRS specifically concluded that income derived from an investment in a subsidiary that provides commodity-linked exposure through its investments will be qualifying income. Based on the reasoning in such rulings, the Portfolio will continue to seek to gain exposure to the commodity markets primarily through investments in the Commodity Subsidiary and perhaps through commodity-linked notes.

It should be noted, however, that the IRS currently has ceased the issuance of such rulings. In addition, the IRS also issued a revenue procedure, which states that the IRS will not in the future issue private letter rulings that would require a determination of whether an asset (such as a commodity index-linked note) is a "security" under the 1940 Act. The IRS issued in September 2016 proposed regulations that would have generally treated the Portfolio's income inclusion (under Subpart F of the Code) with respect to the Commodity Subsidiary as qualifying income only if there were a distribution during the same taxable year out of the earnings and profits of the Commodity Subsidiary attributable to such income inclusion. In March 2019, the IRS issued final regulations (so modifying the proposed regulations) providing that (i) it will not rule on the determination of whether a financial instrument or position is a security under the 1940 Act; (ii) any earnings and profits paid out in the same taxable year as earned by a controlled foreign corporation to the Portfolio is treated as qualifying dividends; and (iii) that income inclusion by the Portfolio of its Commodity Subsidiary's earnings would be treated as other qualifying income if derived with respect to the Portfolio's business of investing in stock, securities, or currencies.

There can be no assurance that the IRS will not change its position that income derived from commodity-linked notes and wholly-owned subsidiaries is qualifying income. Furthermore, the tax treatment of commodity-linked notes, other commodity-linked derivatives, and the Portfolio's investments in the Commodity Subsidiary may otherwise be adversely affected by future legislation, court decisions, Treasury Regulations and/or guidance issued by the IRS. Such developments could affect the character, timing and/or amount of the Portfolio's taxable income or any distributions made by the Portfolio or result in the inability of the Portfolio to operate as described in its prospectus.

If, during a taxable year, the Commodity Subsidiary's taxable losses (and other deductible items) exceed its income and gains, the net loss will not pass through to the Portfolio as a deductible amount for income tax purposes. In the event the Commodity Subsidiary's taxable gains exceed its losses and other deductible items during a taxable year, the net gain will pass through to the Portfolio as ordinary income for Federal income tax purposes.

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, a fund is permitted to carry forward any new capital losses for an unlimited period. Additionally, such capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term under previous law.

As of its last fiscal year ended December 31, 2018, the Portfolio had the following post-effective capital losses with no expiration (amounts in thousands†):

| | Short-Term | Long-Term |
|---|---|---|
| PIMCO CommodityRealReturn® Strategy Portfolio | $ 13,841 | $ 23,169 |

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

As of June 30, 2019, 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] |
|---|---|---|---|
| $ 554,921 | $ 19,395 | $ (14,186) | $ 5,209 |

† 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:**

| | | | | | |
|---|---|---|---|---|---|
| **BOA** | Bank of America N.A. | **FBF** | Credit Suisse International | **MYI** | Morgan Stanley & Co. International PLC |
| **BPG** | BNP Paribas Securities Corp. | **GLM** | Goldman Sachs Bank USA | **RBC** | Royal Bank of Canada |
| **BPS** | BNP Paribas S.A. | **GST** | Goldman Sachs International | **SAL** | Citigroup Global Markets, Inc. |
| **BRC** | Barclays Bank PLC | **HUS** | HSBC Bank USA N.A. | **SCX** | Standard Chartered Bank |
| **CBK** | Citibank N.A. | **JPM** | JP Morgan Chase Bank N.A. | **SOG** | Societe Generale Paris |
| **CIB** | Canadian Imperial Bank of Commerce | **MAC** | Macquarie Bank Limited | **SSB** | State Street Bank and Trust Co. |
| **CKL** | Citibank N.A. London | **MEI** | Merrill Lynch International | **TDM** | TD Securities (USA) LLC |
| **DUB** | Deutsche Bank AG | **MSB** | Morgan Stanley Bank, N.A | **UAG** | UBS AG Stamford |
| **FAR** | Wells Fargo Bank National Association | **MYC** | Morgan Stanley Capital Services, Inc. | **UBS** | UBS Securities LLC |

**Currency Abbreviations:**

| | | | | | |
|---|---|---|---|---|---|
| **ARS** | Argentine Peso | **IDR** | Indonesian Rupiah | **PEN** | Peruvian New Sol |
| **AUD** | Australian Dollar | **ILS** | Israeli Shekel | **RUB** | Russian Ruble |
| **BRL** | Brazilian Real | **JPY** | Japanese Yen | **SGD** | Singapore Dollar |
| **CAD** | Canadian Dollar | **KRW** | South Korean Won | **TWD** | Taiwanese Dollar |
| **COP** | Colombian Peso | **MXN** | Mexican Peso | **USD (or $)** | United States Dollar |
| **EUR** | Euro | **NZD** | New Zealand Dollar | **ZAR** | South African Rand |
| **GBP** | British Pound | | | | |

**Exchange Abbreviations:**

| | | | | | |
|---|---|---|---|---|---|
| **CBOT** | Chicago Board of Trade | **KCBT** | Kansas City Board of Trade | **OTC** | Over the Counter |
| **ICE** | IntercontinentalExchange® | **NYMEX** | New York Mercantile Exchange | | |

**Index/Spread Abbreviations:**

| | | | | | |
|---|---|---|---|---|---|
| **BADLARPP** | Argentina Badlar Floating Rate Notes | **CPURNSA** | Consumer Price All Urban Non-Seasonally Adjusted Index | **LLSDUB** | Light Louisiana Sweet Crude Oil vs. Calendar Dubai |
| **BCOMF1T** | Bloomberg Commodity Index 1-Month Forward Total Return | **EBOBFUEL** | Argus Eurobob Oxy Gasoline | **MEHCL** | Custom Commodity Forward Index |
| **BCOMTR** | Bloomberg Commodity Index Total Return | **EURMARGIN** | European Refined Margin | **MEHMID** | Custom Commodity Forward Index |
| **BRENT** | Brent Crude | **EUROBOBCO** | Margin Eurobob Gasoline vs. Brent | **MQCP563E** | Macquarie MQCP563E Custom Commodity Index |
| **CDX.HY** | Credit Derivatives Index - High Yield | **EURSIMP** | Weighted Basket of Refined Products | **PIMCODB** | PIMCO Custom Commodity Basket |
| **CDX.IG** | Credit Derivatives Index - Investment Grade | **FRCPXTOB** | France Consumer Price ex-Tobacco Index | **PLATGOLD** | Platinum-Gold Spread |
| **CIXBSTR3** | Custom Commodity Index | **FUELCO** | 2020 Calendar Margin ICE Fuel Oil vs Brent | **QSCO** | 2020 Calendar Margin ICE Gasoil vs Brent |
| **CIXBXMB** | Custom Commodity Index | **GOLDLNPM** | London Gold Market Fixing Ltd. PM | **RBCAEC0T** | RBC Custom Commodity Index |
| **CMBX** | Commercial Mortgage-Backed Index | **ISDA** | International Swaps and Derivatives Association, Inc. | **SLVRLND** | London Silver Market Fixing Ltd. |
| **CMDSKEWLS** | CBEO SKEW Index is an index derived from the price of S&P 500 tail risk | **JMABCT3E** | J.P. Morgan Custom Commodity Index | **SPGCICP** | S&P Goldman Sachs Commodity Copper Excess Return Index |
| **COCL** | ICE BofAML Large Cap Contingent Capital Index | **JMABDEWE** | J.P. Morgan Custom Commodity Index | **UKRPI** | United Kingdom Retail Prices Index |
| **CPALEMU** | Euro Area All Items Non-Seasonally Adjusted Index | **JMABFNJ1** | J.P. Morgan Custom Commodity Index | **ULSD** | Ultra-Low Sulfur Diesel |
| **CPTFEMU** | Eurozone HICP ex-Tobacco Index | **JMABNIC** | J.P. Morgan Nic Custom Index | **US0003M** | 3 Month USD Swap Rate |

**Other Abbreviations:**

| | | | | | |
|---|---|---|---|---|---|
| **BBR** | Bank Bill Rate | **NCUA** | National Credit Union Administration | **TBA** | To-Be-Announced |
| **BTP** | Buoni del Tesoro Poliennali | **OAT** | Obligations Assimilables du Trésor | **TELBOR** | Tel Aviv Inter-Bank Offered Rate |
| **CLO** | Collateralized Loan Obligation | **OIS** | Overnight Index Swap | **UMBS** | Uniform Mortgage-Backed Security |
| **DAC** | Designated Activity Company | **oz.** | Ounce | **WTI** | West Texas Intermediate |
| **LIBOR** | London Interbank Offered Rate | **RBOB** | Reformulated Blendstock for Oxygenate Blending | **YOY** | Year-Over-Year |

(THIS PAGE INTENTIONALLY LEFT BLANK)

# General Information

**Investment Adviser and Administrator**
Pacific Investment Management Company LLC
650 Newport Center Drive
Newport Beach, CA 92660

**Distributor**
PIMCO Investments LLC
1633 Broadway
New York, NY 10019

**Custodian**
State Street Bank and Trust Company
801 Pennsylvania Avenue
Kansas City, MO 64105

**Transfer Agent**
DST Asset Manager Solutions, Inc.
430 W 7th Street STE 219024
Kansas City, MO 64105-1407

**Legal Counsel**
Dechert LLP
1900 K Street, N.W.
Washington, D.C. 20006

**Independent Registered Public Accounting Firm**
PricewaterhouseCoopers LLP
1100 Walnut Street, Suite 1300
Kansas City, MO 64106

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

pimco.com/pvit

PIMCO

PVIT03SAR_063019