



P I M C O

PIMCO VARIABLE INSURANCE TRUST

Annual Report

December 31, 2019

PIMCO High Yield 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.

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Dear PIMCO Variable Insurance Trust Shareholder,

Following this letter is the PIMCO Variable Insurance Trust Annual Report, which covers the 12-month reporting period ended December 31, 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 12-month reporting period ended December 31, 2019

The U.S. economy continued to expand during the reporting period. U.S. gross domestic product ("GDP") grew at an annual pace of 3.1% and 2.0% during the first and second quarters of 2019, respectively. For the third quarter of 2019, GDP growth rose to an annual pace of 2.1%. Finally, the Commerce Department's initial reading for fourth 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." At the Fed's meeting in January 2019, the central bank 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." Following the Fed's meeting that concluded on July 31, 2019, the Fed lowered the federal funds rate by 0.25% to a range between 2.00% and 2.25%. This represented the Fed's first rate cut since 2008. At the Fed's meeting that ended on September 18, 2019, the Fed again reduced the federal funds rate by 0.25% to a range between 1.75% and 2.00%. Finally, at the Fed's meeting that concluded on October 30, 2019, the Fed lowered the federal funds rate to a range between 1.50% and 1.75%.

Economic activity outside the U.S. continued to expand, but the pace of expansion generally moderated. According to the International Monetary Fund's ("IMF") January 2020 *World Economic Outlook Update*, released after the reporting period ended, global growth is projected to have been 2.9% in 2019, versus 3.6% in 2018. From a regional perspective, the IMF expects the U.S. economy to expand 2.3% in 2019, compared to 2.9% in the prior calendar year. Elsewhere, the IMF anticipates that 2019 GDP growth in the eurozone, U.K. and Japan will be 1.2%, 1.3% and 1.0%, respectively. For comparison purposes, these economies expanded 1.9%, 1.3% and 0.3%, respectively, in 2018.

Against this backdrop, in September 2019, the European Central Bank (the "ECB") cut its deposit rate from -0.4% to -0.5% — a record low — and restarted bond purchases of €20 billion a month in November 2019. Elsewhere, the Bank of Japan largely maintained its highly accommodative monetary policies. The Bank of England kept rates on hold, although there was speculation that it may reduce rates given uncertainties related to Brexit. However, in December 2019, Prime Minister Boris Johnson won the general election, likely paving the way for a faster Brexit resolution.

The U.S. Treasury yield curve steepened as two-year Treasury rates declined more than their 10-year counterparts. 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 benchmark 10-year U.S. Treasury note was 1.92% 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 7.25%. Meanwhile, the Bloomberg Barclays Global Aggregate Credit Index (USD Hedged), a widely used index of global investment grade bonds, returned 11.85%. 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 14.53%, whereas emerging market external debt, as represented by the JPMorgan Emerging Markets Bond Index (EMBI) Global (USD Hedged), returned 14.42%. Emerging market local bonds, as represented by the JPMorgan Government Bond Index-Emerging Markets Global Diversified Index (Unhedged), returned 13.47%.

Global equities produced positive results and, despite periods of volatility, U.S. equities rose sharply. We believe the increase in U.S. equities was driven by a number of factors, including corporate profits that often exceeded lowered expectations, a more accommodative Fed, and the "Phase 1" trade agreement between the U.S. and China. All told, U.S. equities, as represented by the S&P 500 Index, returned 31.49%. Emerging market equities, as measured by the MSCI Emerging Markets Index, returned 18.42%, whereas global equities, as represented by the MSCI World Index, returned 27.67%. Meanwhile, Japanese equities, as represented by the Nikkei 225 Index (in JPY), returned 20.69% and European equities, as represented by the MSCI Europe Index (in EUR), returned 26.05%.

Commodity prices fluctuated, but generally rose during the reporting period. When the reporting period began, Brent crude oil was approximately \$54 a barrel. It rose to roughly \$66 a barrel at the end of the period. Elsewhere, copper and gold prices moved higher.

Finally, there were periods of volatility in the foreign exchange markets, due in part, in our view, to signs of moderating global growth, trade conflicts, and changing central bank monetary policies, along with a number of geopolitical events. The U.S. dollar returned 2.22% versus the euro, but the U.S. dollar fell 0.99% and 3.94% versus the yen and the British pound, respectively.

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,

A handwritten signature in dark ink, appearing to read "Peter Strelow", with a long horizontal flourish extending to the right.

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.

Important Information About the PIMCO High Yield Portfolio

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

We believe that bond funds have an important role to play in a well-diversified investment portfolio. It is important to note, however, that in an environment where interest rates may trend upward, rising rates would negatively impact the performance of most bond funds, and fixed income securities and other instruments held by the Portfolio are likely to decrease in value. A wide variety of factors can cause interest rates or yields of U.S. Treasury securities (or yields of other types of bonds) 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 risk associated with rising interest rates and/or bond yields. This could be driven by a variety of factors, including but not limited to central bank monetary policies, changing inflation or real growth rates, general economic conditions, increasing bond issuances or reduced market demand for low yielding investments. 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.

Classifications of the Portfolio’s portfolio holdings in this report are made according to financial reporting standards. The classification of a particular portfolio holding as shown in the Allocation Breakdown and Schedule of Investments sections of this report may differ from the classification used for the Portfolio’s compliance calculations, including those used in the Portfolio’s prospectus, investment objectives, regulatory, and other investment limitations and policies, which may be based on different asset class, sector or geographical classifications. The Portfolio is separately monitored for compliance with respect to prospectus and regulatory requirements.

The geographical classification of foreign (non-U.S.) securities in this report, if any, are classified by the country of incorporation of a holding. In certain instances, a security’s country of incorporation may be different from its country of economic exposure.

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. The transition may result in a reduction in the value of certain instruments held by the Portfolio or a reduction in the effectiveness of related Portfolio transactions such as hedges. There remains uncertainty regarding future utilization of LIBOR and the nature of any replacement rate (e.g., the Secured Overnight Financing Rate, which is intended to replace U.S. dollar LIBOR and measures the cost of overnight borrowings through repurchase agreement transactions collateralized with U.S. Treasury securities), 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 and could result in losses to the Portfolio.

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.

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. Historical performance for the Portfolio or a share class thereof may have been positively impacted by fee waivers or expense limitations in place during some or all of the periods shown, if applicable. Future performance (including total return or yield) and distributions may be negatively impacted by the expiration or reduction of any such fee waivers or expense limitations.

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

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

An investment in the Portfolio is not a bank deposit and is not guaranteed or insured by the Federal Deposit Insurance Corporation 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 portfolio holdings information with the SEC on Form N-PORT within 60 days of the end of each fiscal quarter. The Portfolio’s complete schedule of securities holdings as of the end of each fiscal quarter will be made available to the public on the SEC’s website at www.sec.gov and on PIMCO’s website at www.pimco.com/pvit, and will be made available, upon request, by calling PIMCO at

Important Information About the PIMCO High Yield Portfolio (Cont.)

(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.

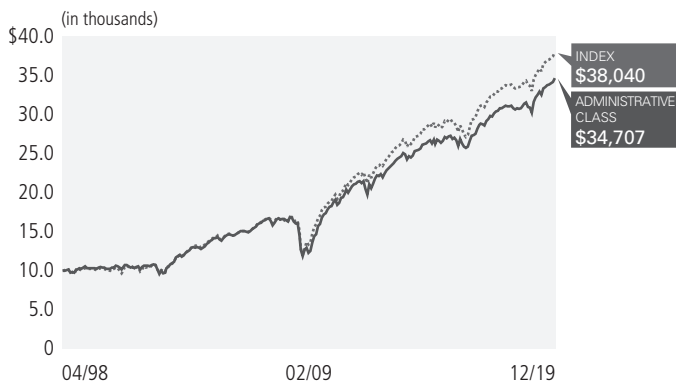
The SEC adopted a rule that, beginning in 2021, generally will allow shareholder reports to be delivered to investors by providing access to such reports online free of charge and by mailing a notice that the report is electronically available. Pursuant to the rule, investors may still elect to receive 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 are required to include in their shareholder reports, following the period in which a fund's Board of Trustees reviews the required written report from the liquidity risk management program's administrator regarding such program's operation and effectiveness, a discussion of such program's operations over the past year.

The SEC has issued a proposed rule relating to a registered investment company's use of derivatives and related instruments that, if adopted, could potentially require funds to reduce their use of leverage and/or observe more stringent asset coverage and related requirements than are currently imposed by the Investment Company Act of 1940, as amended, and the rules and regulations thereunder.

PIMCO High Yield Portfolio

Cumulative Returns Through December 31, 2019



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

Allocation Breakdown as of December 31, 2019[§]

Corporate Bonds & Notes	87.0%
Short-Term Instruments [†]	5.8%
U.S. Treasury Obligations	5.0%
Loan Participations and Assignments	2.1%
Other	0.1%

[†] % 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.

Investment Objective and Strategy Overview

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

Average Annual Total Return for the period ended December 31, 2019

	1 Year	5 Years	10 Years	Inception [≈]
PIMCO High Yield Portfolio Institutional Class	14.90%	5.81%	7.04%	7.43%
— PIMCO High Yield Portfolio Administrative Class	14.72%	5.66%	6.88%	5.91%
PIMCO High Yield Portfolio Advisor Class	14.61%	5.55%	6.77%	6.14%
**** ICE BofAML U.S. High Yield, BB-B Rated, Constrained Index [‡]	15.11%	6.11%	7.40%	6.36% ♦

All Portfolio returns are net of fees and expenses and include applicable fee waivers and/or expense limitations. Absent any applicable fee waivers and/or expense limitations, performance would have been lower and there can be no assurance that any such waivers or limitations will continue in the future.

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

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

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

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

Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and the principal value of an investment will fluctuate. Shares may be worth more or less than original cost when redeemed. The Portfolio's performance does not reflect the deduction of additional charges and expenses imposed in connection with investing in Variable Contracts, which will reduce returns. Differences in the Portfolio's performance versus the index and related attribution information with respect to particular categories of securities or individual positions may be attributable, in part, to differences in the prices of individual positions (which may be sourced from different pricing vendors or other sources) used by the Portfolio and the index. For performance current to the most recent month-end, visit www.pimco.com/pvit or via (888) 87-PIMCO.

The Portfolio's total annual operating expense ratio in effect as of period end were 0.63% for Institutional Class shares, 0.78% for Administrative Class shares, and 0.88% for Advisor Class shares. Details regarding any changes to the Portfolio's operating expenses, subsequent to period end, can be found in the Portfolio's current prospectus, as supplemented.

Portfolio Insights

The following affected performance (on a gross basis) during the reporting period:

- » Underweight exposure to the energy sector contributed to performance, as the energy sector underperformed the broader market.
- » Security selection in finance & insurance contributed to performance, as the Fund's finance & insurance positions outperformed the broader sector.
- » Security selection in media, entertainment & publishing contributed to performance, as the Fund's media, entertainment & publishing positions outperformed the broader sector.
- » Underweight exposure to the finance & insurance sector and the telecommunications sector detracted from performance, as these sectors outperformed the broader market.
- » Security selection in healthcare detracted from performance, as the Fund's energy positions underperformed the broader sector.

Expense Example PIMCO High Yield Portfolio

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 July 1, 2019 to December 31, 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)			Net Annualized Expense Ratio**
	Beginning Account Value (07/01/19)	Ending Account Value (12/31/19)	Expenses Paid During Period*	Beginning Account Value (07/01/19)	Ending Account Value (12/31/19)	Expenses Paid During Period*	
Institutional Class	\$ 1,000.00	\$ 1,041.00	\$ 3.21	\$ 1,000.00	\$ 1,022.20	\$ 3.18	0.62%
Administrative Class	1,000.00	1,040.20	3.98	1,000.00	1,021.44	3.94	0.77
Advisor Class	1,000.00	1,039.70	4.50	1,000.00	1,020.93	4.46	0.87

* Expenses Paid During Period are equal to the net annualized expense ratio for the class, multiplied by the average account value over the period, multiplied by 185/365 (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.

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Financial Highlights PIMCO High Yield Portfolio

	Investment Operations				Less Distributions ^(c)		
	Net Asset Value Beginning of Year ^(a)	Net Investment Income (Loss) ^(b)	Net Realized/Unrealized Gain (Loss)	Total	From Net Investment Income	From Net Realized Capital Gain	Total
Selected Per Share Data for the Year Ended [^] :							
Institutional Class							
12/31/2019	\$ 7.28	\$ 0.39	\$ 0.68	\$ 1.07	\$ (0.40)	\$ 0.00	\$ (0.40)
12/31/2018	7.87	0.39	(0.58)	(0.19)	(0.40)	0.00	(0.40)
12/31/2017	7.75	0.38	0.14	0.52	(0.40)	0.00	(0.40)
12/31/2016	7.26	0.40	0.49	0.89	(0.40)	0.00	(0.40)
12/31/2015	7.91	0.41	(0.52)	(0.11)	(0.42)	(0.12)	(0.54)
Administrative Class							
12/31/2019	7.28	0.37	0.68	1.05	(0.38)	0.00	(0.38)
12/31/2018	7.87	0.38	(0.58)	(0.20)	(0.39)	0.00	(0.39)
12/31/2017	7.75	0.37	0.13	0.50	(0.38)	0.00	(0.38)
12/31/2016	7.26	0.38	0.50	0.88	(0.39)	0.00	(0.39)
12/31/2015	7.91	0.40	(0.52)	(0.12)	(0.41)	(0.12)	(0.53)
Advisor Class							
12/31/2019	7.28	0.37	0.68	1.05	(0.38)	0.00	(0.38)
12/31/2018	7.87	0.37	(0.58)	(0.21)	(0.38)	0.00	(0.38)
12/31/2017	7.75	0.36	0.14	0.50	(0.38)	0.00	(0.38)
12/31/2016	7.26	0.37	0.51	0.88	(0.39)	0.00	(0.39)
12/31/2015	7.91	0.39	(0.52)	(0.13)	(0.40)	(0.12)	(0.52)

[^] A zero balance may reflect actual amounts rounding to less than \$0.01 or 0.01%.

^(a) Includes adjustments required by U.S. GAAP and may differ from net asset values and performance reported elsewhere by the Portfolio.

^(b) Per share amounts based on average number of shares outstanding during the year.

^(c) The tax characterization of distributions is determined in accordance with Federal income tax regulations. See Note 2, Distributions to Shareholders, in the Notes to Financial Statements for more information.

^(d) Ratio of expenses to average net assets includes line of credit expenses.

Ratios/Supplemental Data								
Ratios to Average Net Assets								
Net Asset Value End of Year ^(a)	Total Return ^(a)	Net Assets End of Year or (000s)	Expenses	Expenses Excluding Waivers	Expenses Excluding Interest Expense	Expenses Excluding Interest Expense and Waivers	Net Investment Income (Loss)	Portfolio Turnover Rate
\$ 7.95	14.90%	\$ 11,169	0.63% ^(d)	0.63% ^(d)	0.60%	0.60%	4.97%	30%
7.28	(2.50)	9,211	0.63 ^(d)	0.63 ^(d)	0.60	0.60	5.11	17
7.87	6.77	10,863	0.61 ^(d)	0.61 ^(d)	0.60	0.60	4.80	25
7.75	12.61	9,937	0.61 ^(d)	0.61 ^(d)	0.60	0.60	5.24	30
7.26	(1.50)	4,450	0.61 ^(d)	0.61 ^(d)	0.60	0.60	5.23	23
7.95	14.72	895,701	0.78 ^(d)	0.78 ^(d)	0.75	0.75	4.83	30
7.28	(2.65)	847,818	0.78 ^(d)	0.78 ^(d)	0.75	0.75	4.96	17
7.87	6.61	1,016,642	0.76 ^(d)	0.76 ^(d)	0.75	0.75	4.64	25
7.75	12.45	1,049,825	0.76 ^(d)	0.76 ^(d)	0.75	0.75	5.09	30
7.26	(1.64)	1,079,951	0.76 ^(d)	0.76 ^(d)	0.75	0.75	5.08	23
7.95	14.61	33,523	0.88 ^(d)	0.88 ^(d)	0.85	0.85	4.73	30
7.28	(2.75)	16,190	0.88 ^(d)	0.88 ^(d)	0.85	0.85	4.83	17
7.87	6.50	29,721	0.86 ^(d)	0.86 ^(d)	0.85	0.85	4.53	25
7.75	12.34	41,147	0.86 ^(d)	0.86 ^(d)	0.85	0.85	4.96	30
7.26	(1.74)	20,953	0.86 ^(d)	0.86 ^(d)	0.85	0.85	4.95	23

Statement of Assets and Liabilities PIMCO High Yield Portfolio

December 31, 2019

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

Assets:	
<i>Investments, at value</i>	
Investments in securities*	\$ 873,274
Investments in Affiliates	53,790
<i>Financial Derivative Instruments</i>	
Over the counter	558
Deposits with counterparty	1,812
Foreign currency, at value	76
Receivable for investments sold	34
Receivable for Portfolio shares sold	661
Interest and/or dividends receivable	12,473
Dividends receivable from Affiliates	120
Prepaid expenses	16
Total Assets	942,814
Liabilities:	
<i>Financial Derivative Instruments</i>	
Exchange-traded or centrally cleared	\$ 19
Over the counter	15
Payable for investments purchased	990
Payable for investments in Affiliates purchased	93
Deposits from counterparty	290
Payable for Portfolio shares redeemed	392
Overdraft due to custodian	6
Accrued investment advisory fees	199
Accrued supervisory and administrative fees	278
Accrued distribution fees	7
Accrued servicing fees	114
Other liabilities	18
Total Liabilities	2,421
Net Assets	\$ 940,393
Net Assets Consist of:	
Paid in capital	\$ 921,370
Distributable earnings (accumulated loss)	19,023
Net Assets	\$ 940,393
Net Assets:	
Institutional Class	\$ 11,169
Administrative Class	895,701
Advisor Class	33,523
Shares Issued and Outstanding:	
Institutional Class	1,405
Administrative Class	112,679
Advisor Class	4,217
Net Asset Value Per Share Outstanding^(a):	
Institutional Class	\$ 7.95
Administrative Class	7.95
Advisor Class	7.95
Cost of investments in securities	\$ 845,089
Cost of investments in Affiliates	\$ 53,733
Cost of foreign currency held	\$ 76
Cost or premiums of financial derivative instruments, net	\$ 2,674
* Includes repurchase agreements of:	\$ 203

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

^(a) Includes adjustments required by U.S. GAAP and may differ from net asset values and performance reported elsewhere by the Portfolio.

Statement of Operations PIMCO High Yield Portfolio

(Amounts in thousands[†])

Year Ended
December 31, 2019

Investment Income:

Interest	\$ 50,598
Dividends from Investments in Affiliates	2,232
Total Income	52,830

Expenses:

Investment advisory fees	2,354
Supervisory and administrative fees	3,296
Servicing fees - Administrative Class	1,352
Distribution and/or servicing fees - Advisor Class	75
Trustee fees	22
Interest expense	260
Miscellaneous expense	12
Total Expenses	7,371

Net Investment Income (Loss)

45,459

Net Realized Gain (Loss):

Investments in securities	(1,660)
Investments in Affiliates	47
Exchange-traded or centrally cleared financial derivative instruments	1,416
Over the counter financial derivative instruments	2,699
Short sales	5
Foreign currency	(1)

Net Realized Gain (Loss)

2,506

Net Change in Unrealized Appreciation (Depreciation):

Investments in securities	76,404
Investments in Affiliates	42
Exchange-traded or centrally cleared financial derivative instruments	2,021
Over the counter financial derivative instruments	1,019
Foreign currency assets and liabilities	1

Net Change in Unrealized Appreciation (Depreciation)

79,487

Net Increase (Decrease) in Net Assets Resulting from Operations

\$ 127,452

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

Statements of Changes in Net Assets PIMCO High Yield Portfolio

(Amounts in thousands[†])

	Year Ended December 31, 2019	Year Ended December 31, 2018
Increase (Decrease) in Net Assets from:		
Operations:		
Net investment income (loss)	\$ 45,459	\$ 49,183
Net realized gain (loss)	2,506	1,276
Net change in unrealized appreciation (depreciation)	79,487	(76,669)
Net Increase (Decrease) in Net Assets Resulting from Operations	127,452	(26,210)
Distributions to Shareholders:		
From net investment income and/or net realized capital gains		
Institutional Class	(535)	(525)
Administrative Class	(44,700)	(48,606)
Advisor Class	(1,450)	(1,472)
Total Distributions^(a)	(46,685)	(50,603)
Portfolio Share Transactions:		
Net increase (decrease) resulting from Portfolio share transactions*	(13,593)	(107,194)
Total Increase (Decrease) in Net Assets	67,174	(184,007)
Net Assets:		
Beginning of year	873,219	1,057,226
End of year	\$ 940,393	\$ 873,219

[†] 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. See Note 2, Distributions to Shareholders, in the Notes to Financial Statements for more information.

Schedule of Investments PIMCO High Yield Portfolio

December 31, 2019

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

	PRINCIPAL AMOUNT (000s)	MARKET VALUE (000s)		PRINCIPAL AMOUNT (000s)	MARKET VALUE (000s)		PRINCIPAL AMOUNT (000s)	MARKET VALUE (000s)
INVESTMENTS IN SECURITIES 92.9%								
LOAN PARTICIPATIONS AND ASSIGNMENTS 2.1%								
API Group, Inc. 4.299% (LIBOR03M + 2.500%) due 10/01/2026 ~			\$ 1,250	\$ 1,262				
CommScope, Inc. 5.049% (LIBOR03M + 3.250%) due 04/06/2026 ~			998	1,005				
Diamond Sports Group LLC 5.030% (LIBOR03M + 3.250%) due 08/24/2026 ~			998	998				
Emerald TopCo, Inc. 5.299% (LIBOR03M + 3.500%) due 07/24/2026 ~			748	754				
Envision Healthcare Corp. 5.549% (LIBOR03M + 3.750%) due 10/10/2025 ~			1,985	1,700				
Getty Images, Inc. 6.313% (LIBOR03M + 4.500%) due 02/19/2026 ~			1,733	1,740				
NCI Building Systems, Inc. 5.486% (LIBOR03M + 3.750%) due 04/12/2025 ~			1,000	1,000				
Sotera Health Holdings LLC 6.289% (LIBOR03M + 4.500%) due 12/11/2026 ~			6,500	6,530				
Starfruit Finco BV 4.960% (LIBOR03M + 3.250%) due 10/01/2025 ~			1,000	1,002				
U.S. Renal Care, Inc. 6.813% (LIBOR03M + 5.000%) due 06/26/2026 ~			2,494	2,479				
Western Institutional Review Board, Inc. TBD% due 12/03/2026 «			1,000	1,001				
Total Loan Participations and Assignments (Cost \$19,431)				19,471				
CORPORATE BONDS & NOTES 85.8%								
BANKING & FINANCE 7.1%								
Allied Universal Holdco LLC 6.625% due 07/15/2026			1,000	1,077				
Ally Financial, Inc. 5.125% due 09/30/2024 7.500% due 09/15/2020 8.000% due 03/15/2020 8.000% due 11/01/2031			1,000 2,795 1,607 1,401	1,105 2,901 1,622 1,940				
Barclays PLC 7.750% due 09/15/2023 •(b)(c)			1,000	1,093				
BNP Paribas S.A. 7.375% due 08/19/2025 •(b)(c)			2,000	2,309				
CIT Group, Inc. 5.000% due 08/15/2022 6.125% due 03/09/2028			3,000 500	3,187 591				
Credit Acceptance Corp. 5.125% due 12/31/2024			750	781				
Credit Agricole S.A. 7.875% due 01/23/2024 •(b)(c)			2,000	2,285				
Credit Suisse Group AG 6.250% due 12/18/2024 •(b)(c) 7.500% due 07/17/2023 •(b)(c)			2,000 500	2,182 548				
ESH Hospitality, Inc. 4.625% due 10/01/2027 5.250% due 05/01/2025			1,000 2,000	1,014 2,072				
Fortress Transportation & Infrastructure Investors LLC 6.500% due 10/01/2025			1,500	1,588				
Freedom Mortgage Corp. 8.250% due 04/15/2025			1,000	983				
Greystar Real Estate Partners LLC 5.750% due 12/01/2025			1,000	1,040				
Howard Hughes Corp. 5.375% due 03/15/2025			2,500	2,612				
ING Groep NV 5.750% due 11/16/2026 •(b)(c)			\$ 1,000	\$ 1,054				
Intesa Sanpaolo SpA 5.017% due 06/26/2024 5.710% due 01/15/2026 7.700% due 09/17/2025 •(b)(c)			1,250 1,000 1,000	1,313 1,082 1,085				
iStar, Inc. 4.250% due 08/01/2025			1,500	1,520				
Lloyds Banking Group PLC 7.500% due 06/27/2024 •(b)(c)			4,000	4,427				
MGM Growth Properties Operating Partnership LP 4.500% due 09/01/2026 5.625% due 05/01/2024 5.750% due 02/01/2027			1,000 1,000 750	1,055 1,092 839				
Navient Corp. 5.000% due 10/26/2020 5.875% due 10/25/2024 6.125% due 03/25/2024 6.500% due 06/15/2022 6.625% due 07/26/2021 6.750% due 06/25/2025 7.250% due 01/25/2022 8.000% due 03/25/2020			1,000 1,000 1,500 1,000 500 500 500 333	1,016 1,072 1,631 1,086 530 553 544 337				
Quicken Loans, Inc. 5.250% due 01/15/2028 5.750% due 05/01/2025			1,500 1,500	1,556 1,554				
RHP Hotel Properties LP 5.000% due 04/15/2023			1,500	1,534				
Royal Bank of Scotland Group PLC 7.500% due 08/10/2020 •(b)(c)			2,000	2,047				
Ryman Hospitality Properties, Inc. 4.750% due 10/15/2027			1,000	1,034				
Springleaf Finance Corp. 5.375% due 11/15/2029 5.625% due 03/15/2023 6.125% due 03/15/2024 6.625% due 01/15/2028 6.875% due 03/15/2025 7.125% due 03/15/2026			1,000 1,250 1,000 750 1,500 1,000	1,046 1,350 1,098 848 1,710 1,158				
				66,101				
INDUSTRIALS 69.8%								
Acadia Healthcare Co., Inc. 5.625% due 02/15/2023 6.500% due 03/01/2024			1,500 500	1,528 520				
Adient Global Holdings Ltd. 4.875% due 08/15/2026			1,750	1,566				
Adient U.S. LLC 7.000% due 05/15/2026			250	273				
ADT Security Corp. 3.500% due 07/15/2022 4.125% due 06/15/2023 4.875% due 07/15/2032 6.250% due 10/15/2021			500 1,000 1,000 2,000	510 1,033 920 2,114				
Advanced Disposal Services, Inc. 5.625% due 11/15/2024			1,500	1,564				
Air Medical Group Holdings, Inc. 6.375% due 05/15/2023			2,500	2,245				
Albertsons Cos. LLC 6.625% due 06/15/2024 7.500% due 03/15/2026			1,000 1,500	1,049 1,687				
Alcoa Nederland Holding BV 6.125% due 05/15/2028 6.750% due 09/30/2024 7.000% due 09/30/2026			500 500 250	542 527 273				
Allison Transmission, Inc. 5.000% due 10/01/2024			2,000	2,052				
Altice Financing S.A. 6.625% due 02/15/2023 7.500% due 05/15/2026			2,000 1,250	2,039 1,346				
Altice Finco S.A. 7.625% due 02/15/2025			1,000	1,038				
Altice France S.A. 5.500% due 01/15/2028 7.375% due 05/01/2026 8.125% due 02/01/2027			\$ 1,000 2,500 1,000	\$ 1,029 2,689 1,128				
Altice Luxembourg S.A. 7.625% due 02/15/2025			1,000	1,043				
AMC Networks, Inc. 4.750% due 12/15/2022 4.750% due 08/01/2025 5.000% due 04/01/2024			1,000 500 1,000	1,011 503 1,023				
American Builders & Contractors Supply Co., Inc. 4.000% due 01/15/2028 5.875% due 05/15/2026			1,000 1,750	1,017 1,863				
Amsted Industries, Inc. 4.625% due 05/15/2030 5.375% due 09/15/2024 5.625% due 07/01/2027			1,000 1,000 500	1,010 1,029 531				
Antero Resources Corp. 5.125% due 12/01/2022			1,000	894				
Aramark Services, Inc. 5.000% due 02/01/2028 5.125% due 01/15/2024			1,500 1,500	1,583 1,542				
Arconic, Inc. 5.125% due 10/01/2024 5.950% due 02/01/2037			2,000 1,000	2,181 1,113				
Ardagh Packaging Finance PLC 4.125% due 08/15/2026 5.250% due 08/15/2027 6.000% due 02/15/2025			750 1,000 1,500	770 1,054 1,577				
Ascend Learning LLC 6.875% due 08/01/2025			1,500	1,579				
Ascent Resources Utica Holdings LLC 7.000% due 11/01/2026			1,000	800				
Ashland LLC 4.750% due 08/15/2022 6.875% due 05/15/2043			2,000 1,000	2,095 1,148				
Avantor, Inc. 6.000% due 10/01/2024 9.000% due 10/01/2025			1,000 1,250	1,068 1,400				
Avon International Capital PLC 6.500% due 08/15/2022			750	780				
Avon International Operations, Inc. 7.875% due 08/15/2022			1,000	1,045				
B.C. Unlimited Liability Co. 3.875% due 01/15/2028 4.250% due 05/15/2024 5.000% due 10/15/2025			1,000 1,000 3,000	1,004 1,027 3,104				
Ball Corp. 5.250% due 07/01/2025			1,500	1,674				
Bausch Health Americas, Inc. 8.500% due 01/31/2027 9.250% due 04/01/2026			2,000 1,500	2,281 1,726				
Bausch Health Cos., Inc. 5.000% due 01/30/2028 5.250% due 01/30/2030 5.500% due 03/01/2023 5.500% due 11/01/2025 5.750% due 08/15/2027 5.875% due 05/15/2023 6.125% due 04/15/2025 6.500% due 03/15/2022 7.000% due 03/15/2024 7.000% due 01/15/2028 7.250% due 05/30/2029 9.000% due 12/15/2025			1,000 875 497 2,500 1,000 1,160 1,750 500 1,250 1,000 1,000 1,000	1,029 910 501 2,618 1,087 1,171 1,812 512 1,303 1,102 1,144 1,140				
BCD Acquisition, Inc. 9.625% due 09/15/2023			1,500	1,549				
Beacon Roofing Supply, Inc. 4.875% due 11/01/2025			5,000	5,035				
Berry Global, Inc. 4.500% due 02/15/2026 5.125% due 07/15/2023 6.000% due 10/15/2022			1,000 1,000 750	1,029 1,029 766				
Boise Cascade Co. 5.625% due 09/01/2024			1,000	1,043				

Schedule of Investments PIMCO High Yield Portfolio (Cont.)

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)		PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)		PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Bombardier, Inc.			Clear Channel Worldwide Holdings, Inc.			Digicel Group Two Ltd. (7.125% Cash and 2.000% PIK)		
5.750% due 03/15/2022	\$ 250	\$ 259	9.250% due 02/15/2024	\$ 1,489	\$ 1,652	9.125% due 04/01/2024 (a)	\$ 1,014	\$ 158
7.500% due 12/01/2024	750	790	Cleveland-Cliffs, Inc.			DISH DBS Corp.		
7.500% due 03/15/2025	2,000	2,067	4.875% due 01/15/2024	500	512	5.000% due 03/15/2023	2,000	2,057
7.875% due 04/15/2027	1,500	1,547	5.875% due 06/01/2027	500	481	5.875% due 07/15/2022	2,500	2,654
8.750% due 12/01/2021	2,000	2,196	CNX Midstream Partners LP			5.875% due 11/15/2024	2,000	2,048
Boyd Gaming Corp.			6.500% due 03/15/2026	1,000	925	6.750% due 06/01/2021	500	527
4.750% due 12/01/2027	1,000	1,041	CNX Resources Corp.			7.750% due 07/01/2026	1,250	1,327
6.000% due 08/15/2026	750	807	5.875% due 04/15/2022	500	502	DKT Finance ApS		
6.375% due 04/01/2026	1,000	1,078	Colfax Corp.			9.375% due 06/17/2023	1,000	1,067
Bruin E&P Partners LLC			6.000% due 02/15/2024	500	532	Dun & Bradstreet Corp.		
8.875% due 08/01/2023	1,000	653	6.375% due 02/15/2026	500	546	6.875% due 08/15/2026	2,000	2,211
Builders FirstSource, Inc.			CommScope Technologies LLC			Eagle Holding Co. LLC (7.750% Cash or 8.500% PIK)		
5.625% due 09/01/2024	1,741	1,814	5.000% due 03/15/2027	1,000	943	7.750% due 05/15/2022 (a)	1,500	1,526
Cablevision Systems Corp.			6.000% due 06/15/2025	1,250	1,255	eG Global Finance PLC		
5.875% due 09/15/2022	2,000	2,159	CommScope, Inc.			6.750% due 02/07/2025	750	763
Caesars Resort Collection LLC			5.500% due 06/15/2024	1,250	1,269	Eldorado Resorts, Inc.		
5.250% due 10/15/2025	4,000	4,145	6.000% due 03/01/2026	250	266	6.000% due 09/15/2026	750	827
Callon Petroleum Co.			8.250% due 03/01/2027	750	791	7.000% due 08/01/2023	1,000	1,047
6.375% due 07/01/2026	1,500	1,526	Community Health Systems, Inc.			Element Solutions, Inc.		
Camelot Finance S.A.			5.125% due 08/01/2021	1,250	1,253	5.875% due 12/01/2025	1,750	1,835
4.500% due 11/01/2026	1,000	1,029	6.250% due 03/31/2023	2,500	2,544	EMC Corp.		
Cascades, Inc.			8.000% due 03/15/2026	875	903	3.375% due 06/01/2023	1,000	1,022
5.125% due 01/15/2026	500	515	8.625% due 01/15/2024	1,000	1,063	Endo Dac		
5.375% due 01/15/2028	500	515	Connect Finco SARL			6.000% due 07/15/2023	819	594
Catalent Pharma Solutions, Inc.			6.750% due 10/01/2026	1,250	1,333	6.000% due 02/01/2025	750	508
4.875% due 01/15/2026	2,000	2,076	Constellium SE			Energizer Holdings, Inc.		
5.000% due 07/15/2027	1,000	1,049	5.750% due 05/15/2024	1,000	1,030	5.500% due 06/15/2025	2,500	2,599
CCO Holdings LLC			5.875% due 02/15/2026	1,000	1,060	6.375% due 07/15/2026	1,500	1,600
4.750% due 03/01/2030	1,000	1,022	Cooper-Standard Automotive, Inc.			7.750% due 01/15/2027	375	420
5.000% due 02/01/2028	1,000	1,051	5.625% due 11/15/2026	1,500	1,418	EnLink Midstream Partners LP		
5.125% due 02/15/2023	2,000	2,025	Core & Main Holdings LP (8.625% Cash or 9.375% PIK)			4.150% due 06/01/2025	1,500	1,413
5.125% due 05/01/2023	2,000	2,045	8.625% due 09/15/2024 (a)	625	652	5.450% due 06/01/2047	750	608
5.125% due 05/01/2027	1,000	1,057	Core & Main LP			Entegris, Inc.		
5.250% due 09/30/2022	2,000	2,026	6.125% due 08/15/2025	4,000	4,160	4.625% due 02/10/2026	1,500	1,555
5.375% due 05/01/2025	1,000	1,035	Cornerstone Building Brands, Inc.			Entercom Media Corp.		
5.375% due 06/01/2029	1,500	1,604	8.000% due 04/15/2026	3,500	3,658	6.500% due 05/01/2027	250	268
5.750% due 09/01/2023	2,750	2,810	Coty, Inc.			7.250% due 11/01/2024	1,500	1,583
5.750% due 02/15/2026	3,000	3,171	6.500% due 04/15/2026	1,500	1,583	EW Scripps Co.		
5.875% due 04/01/2024	1,000	1,036	Covey Park Energy LLC			5.125% due 05/15/2025	1,000	1,025
5.875% due 05/01/2027	1,000	1,060	7.500% due 05/15/2025	2,000	1,726	Extraction Oil & Gas, Inc.		
Cedar Fair LP			CPG Merger Sub LLC			5.625% due 02/01/2026	250	151
5.250% due 07/15/2029	1,250	1,349	8.000% due 10/01/2021	2,000	2,011	7.375% due 05/15/2024	500	314
Centene Corp.			Crown Americas LLC			Fairstone Financial, Inc.		
4.250% due 12/15/2027	750	773	4.250% due 09/30/2026	1,000	1,052	7.875% due 07/15/2024	1,500	1,617
4.625% due 12/15/2029	1,500	1,584	4.500% due 01/15/2023	1,000	1,054	First Quality Finance Co., Inc.		
4.750% due 01/15/2025	1,000	1,041	4.750% due 02/01/2026	1,000	1,059	5.000% due 07/01/2025	750	783
5.375% due 06/01/2026	500	532	CSC Holdings LLC			Flex Acquisition Co., Inc.		
6.125% due 02/15/2024	1,000	1,039	5.250% due 06/01/2024	2,000	2,159	6.875% due 01/15/2025	1,750	1,767
Centennial Resource Production LLC			5.375% due 02/01/2028	500	534	7.875% due 07/15/2026	500	505
5.375% due 01/15/2026	2,500	2,463	5.500% due 05/15/2026	2,000	2,122	Freeport-McMoRan, Inc.		
CF Industries, Inc.			5.500% due 04/15/2027	1,000	1,076	3.550% due 03/01/2022	1,484	1,505
5.150% due 03/15/2034	2,000	2,239	5.750% due 01/15/2030	2,500	2,672	3.875% due 03/15/2023	2,000	2,041
Change Healthcare Holdings LLC			6.500% due 02/01/2029	1,000	1,117	5.000% due 09/01/2027	875	920
5.750% due 03/01/2025	3,000	3,090	6.625% due 10/15/2025	1,000	1,064	5.250% due 09/01/2029	750	805
Chemours Co.			DaVita, Inc.			5.400% due 11/14/2034	2,500	2,625
6.625% due 05/15/2023	1,500	1,509	5.000% due 05/01/2025	1,500	1,546	GCP Applied Technologies, Inc.		
7.000% due 05/15/2025	1,500	1,514	5.125% due 07/15/2024	1,500	1,541	5.500% due 04/15/2026	2,000	2,106
Cheniere Corpus Christi Holdings LLC			DCP Midstream Operating LP			goeasys Ltd.		
5.125% due 06/30/2027	1,000	1,107	5.125% due 05/15/2029	1,000	1,039	5.375% due 12/01/2024	1,000	1,020
5.875% due 03/31/2025	1,000	1,127	5.375% due 07/15/2025	1,500	1,635	Graphic Packaging International LLC		
7.000% due 06/30/2024	1,000	1,154	Dell International LLC			4.125% due 08/15/2024	500	520
Cheniere Energy Partners LP			5.875% due 06/15/2021	331	337	4.875% due 11/15/2022	500	525
4.500% due 10/01/2029	625	643	7.125% due 06/15/2024	1,000	1,056	Gray Television, Inc.		
5.250% due 10/01/2025	2,500	2,611	Diamond Offshore Drilling, Inc.			5.125% due 10/15/2024	1,000	1,040
5.625% due 10/01/2026	500	530	4.875% due 11/01/2043	750	411	Grinding Media, Inc.		
Churchill Downs, Inc.			5.700% due 10/15/2039	1,000	588	7.375% due 12/15/2023	1,000	1,021
4.750% due 01/15/2028	2,000	2,074	7.875% due 08/15/2025	1,000	873	Gulfport Energy Corp.		
5.500% due 04/01/2027	750	796	Diamond Resorts International, Inc.			6.000% due 10/15/2024	1,000	713
Cirsa Finance International SARL			7.750% due 09/01/2023	1,500	1,547	6.375% due 05/15/2025	750	478
7.875% due 12/20/2023	900	956	Diamond Sports Group LLC			6.625% due 05/01/2023	500	423
Clean Harbors, Inc.			5.375% due 08/15/2026	2,000	2,027	H-Food Holdings LLC		
4.875% due 07/15/2027	750	791	6.625% due 08/15/2027	2,000	1,949	8.500% due 06/01/2026	2,000	1,876
5.125% due 07/15/2029	375	403	Diamondback Energy, Inc.					
			5.375% due 05/31/2025	750	787			

	PRINCIPAL AMOUNT (000s)	MARKET VALUE (000s)		PRINCIPAL AMOUNT (000s)	MARKET VALUE (000s)		PRINCIPAL AMOUNT (000s)	MARKET VALUE (000s)
Hanesbrands, Inc.			Lennar Corp.			Nielsen Finance LLC		
4.625% due 05/15/2024	\$ 1,000	\$ 1,057	4.750% due 11/29/2027	\$ 1,000	\$ 1,079	5.000% due 04/15/2022	\$ 2,000	\$ 2,011
4.875% due 05/15/2026	1,500	1,591	5.000% due 06/15/2027	1,500	1,632	Noble Holding International Ltd.		
Harsco Corp.			5.250% due 06/01/2026	1,250	1,372	7.875% due 02/01/2026	1,500	1,092
5.750% due 07/31/2027	1,000	1,069	5.375% due 10/01/2022	1,000	1,070	Novelis Corp.		
HCA Healthcare, Inc.			5.875% due 11/15/2024	750	837	5.875% due 09/30/2026	2,500	2,666
6.250% due 02/15/2021	3,000	3,134	Level 3 Financing, Inc.			6.250% due 08/15/2024	1,500	1,577
HCA, Inc.			5.125% due 05/01/2023	1,250	1,260	Nufarm Australia Ltd.		
5.375% due 02/01/2025	2,000	2,216	5.250% due 03/15/2026	1,000	1,042	5.750% due 04/30/2026	750	741
5.875% due 05/01/2023	2,000	2,215	5.375% due 01/15/2024	1,000	1,019	Open Text Corp.		
7.500% due 02/15/2022	2,000	2,214	5.375% due 05/01/2025	1,000	1,037	5.875% due 06/01/2026	1,500	1,608
Herc Holdings, Inc.			Live Nation Entertainment, Inc.			Ortho-Clinical Diagnostics, Inc.		
5.500% due 07/15/2027	750	791	4.875% due 11/01/2024	1,000	1,038	6.625% due 05/15/2022	6,500	6,476
Hertz Corp.			LKQ Corp.			Outfront Media Capital LLC		
6.000% due 01/15/2028	500	501	4.750% due 05/15/2023	1,000	1,016	5.000% due 08/15/2027	1,000	1,049
7.125% due 08/01/2026	1,000	1,085	Magnolia Oil & Gas Operating LLC			Panther BF Aggregator LP		
Hill-Rom Holdings, Inc.			6.000% due 08/01/2026	1,250	1,285	6.250% due 05/15/2026	1,000	1,079
5.000% due 02/15/2025	1,250	1,304	Marriott Ownership Resorts, Inc.			8.500% due 05/15/2027	1,250	1,330
Hilton Domestic Operating Co., Inc.			4.750% due 01/15/2028	500	513	Par Pharmaceutical, Inc.		
4.250% due 09/01/2024	1,000	1,022	6.500% due 09/15/2026	1,000	1,091	7.500% due 04/01/2027	750	748
4.875% due 01/15/2030	1,000	1,062	Masonite International Corp.			Park-Ohio Industries, Inc.		
5.125% due 05/01/2026	1,375	1,451	5.375% due 02/01/2028	1,500	1,587	6.625% due 04/15/2027	1,000	1,021
Hilton Worldwide Finance LLC			Matador Resources Co.			Parkland Fuel Corp.		
4.625% due 04/01/2025	1,000	1,030	5.875% due 09/15/2026	1,000	1,005	5.875% due 07/15/2027	1,750	1,876
4.875% due 04/01/2027	750	798	Mattel, Inc.			Party City Holdings, Inc.		
Hughes Satellite Systems Corp.			5.875% due 12/15/2027	1,000	1,056	6.125% due 08/15/2023	1,000	878
5.250% due 08/01/2026	500	550	Mauser Packaging Solutions Holding Co.			6.625% due 08/01/2026	500	354
7.625% due 06/15/2021	1,000	1,070	5.500% due 04/15/2024	2,500	2,581	PDC Energy, Inc.		
IAA, Inc.			MDC Holdings, Inc.			5.750% due 05/15/2026	1,000	1,000
5.500% due 06/15/2027	750	798	6.000% due 01/15/2043	1,000	1,042	6.125% due 09/15/2024	1,000	1,015
IHO Verwaltungs GmbH (4.750% Cash or 5.500% PIK)			MDC Partners, Inc.			Performance Food Group, Inc.		
4.750% due 09/15/2026 (a)	2,000	2,045	6.500% due 05/01/2024	750	681	5.500% due 06/01/2024	500	514
IHO Verwaltungs GmbH (6.000% Cash or 6.750% PIK)			MEG Energy Corp.			5.500% due 10/15/2027	500	536
6.000% due 05/15/2027 (a)	500	531	6.375% due 01/30/2023	1,000	1,005	PetSmart, Inc.		
IHO Verwaltungs GmbH (6.375% Cash or 7.125% PIK)			7.000% due 03/31/2024	1,000	1,008	5.875% due 06/01/2025	750	766
6.375% due 05/15/2029 (a)	500	539	MGM China Holdings Ltd.			Pilgrim's Pride Corp.		
Indigo Natural Resources LLC			5.875% due 05/15/2026	500	531	5.750% due 03/15/2025	1,000	1,036
6.875% due 02/15/2026	1,000	943	MGM Resorts International			5.875% due 09/30/2027	1,000	1,083
INEOS Group Holdings S.A.			4.625% due 09/01/2026	1,000	1,062	Post Holdings, Inc.		
5.625% due 08/01/2024	1,000	1,029	5.500% due 04/15/2027	500	556	5.000% due 08/15/2026	3,000	3,174
Intelsat Jackson Holdings S.A.			5.750% due 06/15/2025	1,000	1,123	5.500% due 03/01/2025	1,000	1,050
5.500% due 08/01/2023	1,000	861	6.000% due 03/15/2023	2,000	2,199	5.500% due 12/15/2029	1,000	1,068
8.000% due 02/15/2024	2,000	2,057	7.750% due 03/15/2022	2,000	2,234	5.625% due 01/15/2028	1,250	1,349
International Game Technology PLC			MPH Acquisition Holdings LLC			5.750% due 03/01/2027	2,000	2,150
6.250% due 02/15/2022	1,000	1,057	7.125% due 06/01/2024	2,000	1,940	8.000% due 07/15/2025	750	805
6.250% due 01/15/2027	500	563	MSCI, Inc.			PQ Corp.		
6.500% due 02/15/2025	1,500	1,687	4.000% due 11/15/2029	1,000	1,016	6.750% due 11/15/2022	750	777
IQVIA, Inc.			5.250% due 11/15/2024	375	386	Precision Drilling Corp.		
5.000% due 10/15/2026	2,000	2,115	5.375% due 05/15/2027	500	540	7.750% due 12/15/2023	750	750
5.000% due 05/15/2027	1,000	1,060	5.750% due 08/15/2025	1,000	1,051	Prestige Brands, Inc.		
Jagged Peak Energy LLC			Murphy Oil Corp.			5.125% due 01/15/2028	1,000	1,050
5.875% due 05/01/2026	1,500	1,552	5.750% due 08/15/2025	500	524	6.375% due 03/01/2024	1,000	1,042
Jaguar Holding Co.			6.875% due 08/15/2024	1,000	1,057	Prime Security Services Borrower LLC		
6.375% due 08/01/2023	4,000	4,139	Murphy Oil USA, Inc.			5.250% due 04/15/2024	1,000	1,060
Jeld-Wen, Inc.			4.750% due 09/15/2029	1,000	1,058	5.750% due 04/15/2026	1,000	1,089
4.625% due 12/15/2025	1,500	1,549	Nabors Industries, Inc.			9.250% due 05/15/2023	710	746
4.875% due 12/15/2027	1,750	1,794	5.750% due 02/01/2025	2,000	1,806	Qorvo, Inc.		
Kaiser Aluminum Corp.			NCR Corp.			5.500% due 07/15/2026	1,500	1,600
4.625% due 03/01/2028	1,000	1,028	5.000% due 07/15/2022	2,000	2,024	Qualitytech LP		
KAR Auction Services, Inc.			6.375% due 12/15/2023	500	514	4.750% due 11/15/2025	1,500	1,559
5.125% due 06/01/2025	1,000	1,042	Netflix, Inc.			Rackspace Hosting, Inc.		
KFC Holding Co.			4.375% due 11/15/2026	2,500	2,567	8.625% due 11/15/2024	1,000	980
4.750% due 06/01/2027	750	791	4.875% due 04/15/2028	1,500	1,562	Range Resources Corp.		
5.000% due 06/01/2024	1,000	1,038	4.875% due 06/15/2030	1,000	1,017	4.875% due 05/15/2025	1,000	858
5.250% due 06/01/2026	2,000	2,115	5.375% due 11/15/2029	500	533	5.000% due 08/15/2022	500	491
Kinetic Concepts, Inc.			5.875% due 02/15/2025	500	559	5.000% due 03/15/2023	750	692
12.500% due 11/01/2021	1,250	1,290	Nexstar Broadcasting, Inc.			RBS Global, Inc.		
LABL Escrow Issuer LLC			5.625% due 08/01/2024	750	783	4.875% due 12/15/2025	2,000	2,070
6.750% due 07/15/2026	2,000	2,129	5.625% due 07/15/2027	1,750	1,847	Refinitiv U.S. Holdings, Inc.		
Lamb Weston Holdings, Inc.			NextEra Energy Operating Partners LP			6.250% due 05/15/2026	2,000	2,186
4.625% due 11/01/2024	1,000	1,063	4.250% due 07/15/2024	625	652	8.250% due 11/15/2026	3,000	3,384
4.875% due 11/01/2026	1,000	1,062	4.250% due 09/15/2024	500	521	RegionalCare Hospital Partners Holdings, Inc.		
			4.500% due 09/15/2027	750	784	8.250% due 05/01/2023	2,000	2,116
			Nielsen Co. Luxembourg SARL					
			5.000% due 02/01/2025	1,500	1,549			

Schedule of Investments PIMCO High Yield Portfolio (Cont.)

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)		PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)		PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Revlon Consumer Products Corp.			Station Casinos LLC			U.S. Foods, Inc.		
6.250% due 08/01/2024	\$ 750	\$ 358	5.000% due 10/01/2025	\$ 1,000	\$ 1,020	5.875% due 06/15/2024	\$ 1,250	\$ 1,290
Reynolds Group Issuer, Inc.			Steel Dynamics, Inc.			United Rentals North America, Inc.		
5.125% due 07/15/2023	2,000	2,052	5.000% due 12/15/2026	1,000	1,064	4.625% due 10/15/2025	1,000	1,030
5.750% due 10/15/2020	1,454	1,457	5.125% due 10/01/2021	1,000	1,001	4.875% due 01/15/2028	1,000	1,043
7.000% due 07/15/2024	1,000	1,036	5.500% due 10/01/2024	500	515	5.500% due 07/15/2025	1,500	1,562
Rowan Cos., Inc.			Sunoco LP			5.500% due 05/15/2027	1,500	1,611
4.875% due 06/01/2022	500	366	4.875% due 01/15/2023	750	769	5.875% due 09/15/2026	500	538
5.850% due 01/15/2044	1,000	493	5.500% due 02/15/2026	500	520	6.500% due 12/15/2026	500	550
Sabre GLBL, Inc.			5.875% due 03/15/2028	500	532	Univar Solutions USA, Inc.		
5.250% due 11/15/2023	500	514	T-Mobile USA, Inc.			5.125% due 12/01/2027	1,000	1,046
5.375% due 04/15/2023	1,500	1,540	4.500% due 02/01/2026	1,000	1,027	Univision Communications, Inc.		
Scientific Games International, Inc.			4.750% due 02/01/2028	1,000	1,050	5.125% due 05/15/2023	1,500	1,500
5.000% due 10/15/2025	1,500	1,575	5.125% due 04/15/2025	1,000	1,037	5.125% due 02/15/2025	3,750	3,717
7.000% due 05/15/2028	750	804	6.375% due 03/01/2025	2,000	2,071	UPC Holding BV		
Scripps Escrow, Inc.			6.500% due 01/15/2026	2,000	2,148	5.500% due 01/15/2028	2,000	2,031
5.875% due 07/15/2027	750	787	Team Health Holdings, Inc.			UPCB Finance Ltd.		
Sealed Air Corp.			6.375% due 02/01/2025	2,500	1,676	5.375% due 01/15/2025	1,000	1,030
4.875% due 12/01/2022	500	531	TEGNA, Inc.			USA Compression Partners LP		
5.125% due 12/01/2024	1,000	1,080	4.875% due 09/15/2021	500	502	6.875% due 04/01/2026	1,250	1,315
5.250% due 04/01/2023	1,500	1,602	5.000% due 09/15/2029	1,000	1,019	6.875% due 09/01/2027	500	522
5.500% due 09/15/2025	1,000	1,103	5.500% due 09/15/2024	1,000	1,036	Valaris PLC		
Select Medical Corp.			Teine Energy Ltd.			5.750% due 10/01/2044	1,000	453
6.250% due 08/15/2026	1,000	1,084	6.875% due 09/30/2022	750	752	VeriSign, Inc.		
Sensata Technologies BV			Teleflex, Inc.			4.625% due 05/01/2023	1,000	1,018
4.875% due 10/15/2023	1,500	1,601	4.875% due 06/01/2026	750	786	5.250% due 04/01/2025	1,000	1,104
5.000% due 10/01/2025	1,000	1,088	Telenet Finance Luxembourg Notes SARL			ViaSat, Inc.		
5.625% due 11/01/2024	1,250	1,394	5.500% due 03/01/2028	1,400	1,507	5.625% due 09/15/2025	1,500	1,548
Sensata Technologies UK Financing Co. PLC			Tempo Acquisition LLC			5.625% due 04/15/2027	250	268
6.250% due 02/15/2026	1,500	1,619	6.750% due 06/01/2025	2,500	2,587	Viking Cruises Ltd.		
Sensata Technologies, Inc.			Tempur Sealy International, Inc.			5.875% due 09/15/2027	1,250	1,338
4.375% due 02/15/2030	500	511	5.500% due 06/15/2026	1,000	1,056	Virgin Media Finance PLC		
ServiceMaster Co. LLC			5.625% due 10/15/2023	750	774	5.750% due 01/15/2025	1,000	1,032
5.125% due 11/15/2024	1,250	1,299	Tenet Healthcare Corp.			6.000% due 10/15/2024	1,000	1,033
Sigma Holdco BV			4.625% due 07/15/2024	1,000	1,026	Virgin Media Secured Finance PLC		
5.750% due 05/15/2026	EUR 1,000	1,134	4.625% due 09/01/2024	1,125	1,174	5.500% due 05/15/2029	1,500	1,591
7.875% due 05/15/2026	\$ 3,000	3,006	4.875% due 01/01/2026	500	524	VOC Escrow Ltd.		
Signature Aviation U.S. Holdings, Inc.			5.125% due 05/01/2025	2,000	2,065	5.000% due 02/15/2028	1,000	1,049
5.375% due 05/01/2026	1,000	1,055	5.125% due 11/01/2027	500	529	Wabash National Corp.		
Simmons Foods, Inc.			6.250% due 02/01/2027	2,000	2,155	5.500% due 10/01/2025	1,500	1,504
5.750% due 11/01/2024	1,000	1,007	6.750% due 06/15/2023	2,000	2,202	Welbilt, Inc.		
7.750% due 01/15/2024	500	540	8.125% due 04/01/2022	3,500	3,878	9.500% due 02/15/2024	1,000	1,063
Sinclair Television Group, Inc.			Tennant Co.			WellCare Health Plans, Inc.		
5.125% due 02/15/2027	1,000	1,030	5.625% due 05/01/2025	1,000	1,048	5.250% due 04/01/2025	1,250	1,303
5.500% due 03/01/2030	1,000	1,024	Terex Corp.			5.375% due 08/15/2026	1,000	1,067
5.625% due 08/01/2024	2,000	2,062	5.625% due 02/01/2025	1,000	1,034	WESCO Distribution, Inc.		
Sirius XM Radio, Inc.			Teva Pharmaceutical Finance Netherlands BV			5.375% due 06/15/2024	1,000	1,040
5.000% due 08/01/2027	1,000	1,057	2.200% due 07/21/2021	389	377	West Street Merger Sub, Inc.		
5.375% due 04/15/2025	2,000	2,071	3.150% due 10/01/2026	1,750	1,461	6.375% due 09/01/2025	3,500	3,500
5.500% due 07/01/2029	500	542	TopBuild Corp.			Whiting Petroleum Corp.		
Southwestern Energy Co.			5.625% due 05/01/2026	2,000	2,096	6.625% due 01/15/2026	500	342
7.500% due 04/01/2026	2,000	1,855	TransDigm, Inc.			WMG Acquisition Corp.		
7.750% due 10/01/2027	500	464	5.500% due 11/15/2027	2,750	2,786	5.000% due 08/01/2023	1,000	1,025
Spectrum Brands, Inc.			6.250% due 03/15/2026	1,750	1,898	5.500% due 04/15/2026	1,000	1,055
5.000% due 10/01/2029	750	777	6.375% due 06/15/2026	2,000	2,125	WPX Energy, Inc.		
5.750% due 07/15/2025	1,500	1,569	6.500% due 07/15/2024	1,500	1,550	5.250% due 10/15/2027	1,000	1,057
6.125% due 12/15/2024	1,000	1,035	Transocean Guardian Ltd.			5.750% due 06/01/2026	500	535
Speedway Motorsports LLC			5.875% due 01/15/2024	1,113	1,140	8.250% due 08/01/2023	1,000	1,153
4.875% due 11/01/2027	1,375	1,397	Transocean Pontus Ltd.			WR Grace & Co-Conn		
SPX FLOW, Inc.			6.125% due 08/01/2025	890	914	5.125% due 10/01/2021	1,000	1,044
5.625% due 08/15/2024	2,000	2,088	Transocean, Inc.			5.625% due 10/01/2024	1,000	1,108
5.875% due 08/15/2026	2,000	2,121	6.800% due 03/15/2038	2,000	1,425	Wyndham Destinations, Inc.		
Standard Industries, Inc.			7.250% due 11/01/2025	1,000	982	4.625% due 03/01/2030	1,000	1,004
4.750% due 01/15/2028	1,000	1,027	7.500% due 01/15/2026	1,250	1,237	Wynn Las Vegas LLC		
5.000% due 02/15/2027	1,000	1,045	7.500% due 04/15/2031	2,250	1,749	5.250% due 05/15/2027	2,000	2,128
5.375% due 11/15/2024	3,000	3,090	TreeHouse Foods, Inc.			5.500% due 03/01/2025	1,000	1,074
6.000% due 10/15/2025	2,000	2,107	4.875% due 03/15/2022	1,000	1,007	Wynn Macau Ltd.		
Staples, Inc.			6.000% due 02/15/2024	1,000	1,038	5.500% due 10/01/2027	1,000	1,042
7.500% due 04/15/2026	2,500	2,598	Triumph Group, Inc.			Wynn Resorts Finance LLC		
Starfruit Finco BV			6.250% due 09/15/2024	500	527	5.125% due 10/01/2029	1,000	1,076
8.000% due 10/01/2026	4,000	4,250	7.750% due 08/15/2025	750	784	XPO Logistics, Inc.		
Stars Group Holdings BV			Trivium Packaging Finance BV			6.500% due 06/15/2022	1,125	1,148
7.000% due 07/15/2026	875	950	5.500% due 08/15/2026	1,500	1,583	Zayo Group LLC		
			U.S. Concrete, Inc.			5.750% due 01/15/2027	1,750	1,783
			6.375% due 06/01/2024	1,250	1,307	6.375% due 05/15/2025	1,000	1,033

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Ziggo Bond Co. BV		
6.000% due 01/15/2027	\$ 1,000	\$ 1,057
Ziggo BV		
4.875% due 01/15/2030	500	517
5.500% due 01/15/2027	3,000	3,193
		<u>656,495</u>
UTILITIES 8.9%		
Antero Midstream Partners LP		
5.375% due 09/15/2024	500	465
5.750% due 03/01/2027	500	441
Archrock Partners LP		
6.250% due 04/01/2028	1,000	1,033
Blue Racer Midstream LLC		
6.125% due 11/15/2022	2,000	1,964
6.625% due 07/15/2026	1,000	908
Calpine Corp.		
4.500% due 02/15/2028	1,000	1,010
5.125% due 03/15/2028	1,125	1,151
5.250% due 06/01/2026	750	783
5.375% due 01/15/2023	2,500	2,535
5.750% due 01/15/2025	2,000	2,058
CenturyLink, Inc.		
5.800% due 03/15/2022	2,000	2,106
6.450% due 06/15/2021	1,000	1,049
Clearway Energy Operating LLC		
4.750% due 03/15/2028	500	508
5.000% due 09/15/2026	1,500	1,553
Covanta Holding Corp.		
5.875% due 03/01/2024	1,025	1,057
5.875% due 07/01/2025	1,000	1,058
6.000% due 01/01/2027	500	529
Crestwood Midstream Partners LP		
5.625% due 05/01/2027	1,000	1,016
CrownRock LP		
5.625% due 10/15/2025	2,500	2,556
Embarq Corp.		
7.995% due 06/01/2036	1,000	1,059
Endeavor Energy Resources LP		
5.750% due 01/30/2028	2,000	2,106
Genesis Energy LP		
6.000% due 05/15/2023	1,250	1,241
6.500% due 10/01/2025	1,000	970
6.750% due 08/01/2022	1,000	1,012
Jonah Energy LLC		
7.250% due 10/15/2025	1,000	298
NGL Energy Partners LP		
6.125% due 03/01/2025	750	709
7.500% due 11/01/2023	500	503
NGPL PipeCo LLC		
4.375% due 08/15/2022	625	649
NRG Energy, Inc.		
5.250% due 06/15/2029	1,000	1,083
6.625% due 01/15/2027	1,500	1,630
NSG Holdings LLC		
7.750% due 12/15/2025	1,068	1,183
Parsley Energy LLC		
5.250% due 08/15/2025	1,000	1,030
5.375% due 01/15/2025	1,000	1,032

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
5.625% due 10/15/2027	\$ 1,500	\$ 1,589
6.250% due 06/01/2024	1,000	1,043
Sprint Capital Corp.		
8.750% due 03/15/2032	2,500	3,039
Sprint Communications, Inc.		
6.000% due 11/15/2022	1,500	1,576
7.000% due 03/01/2020	1,000	1,007
7.000% due 08/15/2020	1,000	1,022
Sprint Corp.		
7.125% due 06/15/2024	2,000	2,162
7.250% due 09/15/2021	3,000	3,178
7.625% due 02/15/2025	2,000	2,200
7.625% due 03/01/2026	1,000	1,105
7.875% due 09/15/2023	4,000	4,422
Talen Energy Supply LLC		
6.500% due 06/01/2025	1,000	856
6.625% due 01/15/2028	500	511
7.250% due 05/15/2027	1,000	1,054
Tallgrass Energy Partners LP		
5.500% due 09/15/2024	2,000	2,015
5.500% due 01/15/2028	500	491
Targa Resources Partners LP		
4.250% due 11/15/2023	1,000	1,012
5.000% due 01/15/2028	1,000	1,022
5.250% due 05/01/2023	2,000	2,024
5.500% due 03/01/2030	1,000	1,029
5.875% due 04/15/2026	1,000	1,064
6.500% due 07/15/2027	750	823
6.875% due 01/15/2029	750	834
Telecom Italia Capital S.A.		
6.375% due 11/15/2033	1,000	1,112
Telecom Italia SpA		
5.303% due 05/30/2024	2,000	2,155
TerraForm Power Operating LLC		
4.250% due 01/31/2023	1,000	1,032
4.750% due 01/15/2030	500	510
5.000% due 01/31/2028	1,000	1,059
Vistra Operations Co. LLC		
5.000% due 07/31/2027	1,000	1,047
5.500% due 09/01/2026	1,500	1,593
5.625% due 02/15/2027	2,000	2,111
		<u>83,982</u>
Total Corporate Bonds & Notes (Cost \$778,414)		<u>806,578</u>
U.S. TREASURY OBLIGATIONS 4.9%		
U.S. Treasury Notes		
1.250% due 08/31/2024 (f)	5,800	5,685
1.500% due 09/30/2024	2,500	2,477
2.250% due 11/15/2024	36,800	37,739
Total U.S. Treasury Obligations (Cost \$46,277)		<u>45,901</u>
NON-AGENCY MORTGAGE-BACKED SECURITIES 0.1%		
Bear Stearns ALT-A Trust		
3.937% due 11/25/2036 ^~	362	329
Countrywide Alternative Loan Trust		
1.995% due 05/20/2046 ^•	62	53

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Countrywide Home Loan Mortgage Pass-Through Trust		
2.432% due 03/25/2035 •	\$ 31	\$ 29
3.598% due 05/20/2036 ^~	166	160
GSR Mortgage Loan Trust		
4.460% due 04/25/2035 ~	3	3
IndyMac Mortgage Loan Trust		
6.000% due 07/25/2037 ^	297	291
WaMu Mortgage Pass-Through Certificates Trust		
3.337% due 12/25/2036 ^~	213	204
Washington Mutual Mortgage Pass-Through Certificates Trust		
3.209% due 05/25/2046 ^•	21	18
Total Non-Agency Mortgage-Backed Securities (Cost \$710)		<u>1,087</u>
ASSET-BACKED SECURITIES 0.0%		
Credit-Based Asset Servicing & Securitization Trust		
1.862% due 01/25/2037 ^•	76	34
Total Asset-Backed Securities (Cost \$54)		<u>34</u>
SHORT-TERM INSTRUMENTS 0.0%		
REPURCHASE AGREEMENTS (d) 0.0%		
		<u>203</u>
Total Short-Term Instruments (Cost \$203)		<u>203</u>
Total Investments in Securities (Cost \$845,089)		<u>873,274</u>
SHARES		
INVESTMENTS IN AFFILIATES 5.7%		
SHORT-TERM INSTRUMENTS 5.7%		
CENTRAL FUNDS USED FOR CASH MANAGEMENT PURPOSES 5.7%		
PIMCO Short-Term Floating NAV Portfolio III	5,437,158	53,790
Total Short-Term Instruments (Cost \$53,733)		<u>53,790</u>
Total Investments in Affiliates (Cost \$53,733)		<u>53,790</u>
Total Investments 98.6% (Cost \$898,822)		<u>\$ 927,064</u>
Financial Derivative Instruments (e)(g) 0.1% (Cost or Premiums, net \$2,674)		<u>524</u>
Other Assets and Liabilities, net 1.3%		<u>12,805</u>
Net Assets 100.0%		<u>\$ 940,393</u>

NOTES TO SCHEDULE OF INVESTMENTS:

- * A zero balance may reflect actual amounts rounding to less than one thousand.
- ^ Security is in default.
- « Security valued using significant unobservable inputs (Level 3).
- ~ 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.

Schedule of Investments PIMCO High Yield Portfolio (Cont.)

- (a) Payment in-kind security.
- (b) Perpetual maturity; date shown, if applicable, represents next contractual call date.
- (c) Contingent convertible security.

BORROWINGS AND OTHER FINANCING TRANSACTIONS

(d) REPURCHASE AGREEMENTS:

Counterparty	Lending Rate	Settlement Date	Maturity Date	Principal Amount	Collateralized By	Collateral (Received)	Repurchase Agreements, at Value	Repurchase Agreement Proceeds to be Received ⁽¹⁾
FICC	1.250%	12/31/2019	01/02/2020	\$ 203	U.S. Treasury Bonds 2.875% due 08/15/2045	\$ (211)	\$ 203	\$ 203
Total Repurchase Agreements						\$ (211)	\$ 203	\$ 203

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 December 31, 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 ⁽²⁾
Global/Master Repurchase Agreement						
FICC	\$ 203	\$ 0	\$ 0	\$ 203	\$ (211)	\$ (8)
Total Borrowings and Other Financing Transactions	\$ 203	\$ 0	\$ 0			

⁽¹⁾ Includes accrued interest.

⁽²⁾ 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.

The average amount of borrowings outstanding during the period ended December 31, 2019 was \$(4,735) at a weighted average interest rate of 1.423%. Average borrowings may include reverse repurchase agreements and sale-buyback transactions, if held during the period.

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

SWAP AGREEMENTS:

CREDIT DEFAULT SWAPS ON CREDIT INDICES - SELL PROTECTION⁽¹⁾

Index/Tranches	Fixed Receive Rate	Payment Frequency	Maturity Date	Notional Amount ⁽²⁾	Premiums Paid/(Received)	Unrealized Appreciation/(Depreciation)	Market Value ⁽³⁾	Variation Margin	
								Asset	Liability
CDX.HY-31 5-Year Index	5.000%	Quarterly	12/20/2023	\$ 9,600	\$ 553	\$ 318	\$ 871	\$ 0	\$ (3)
CDX.HY-32 5-Year Index	5.000	Quarterly	06/20/2024	28,910	2,086	819	2,905	0	(15)
CDX.HY-33 5-Year Index	5.000	Quarterly	12/20/2024	2,475	186	56	242	0	(1)
Total Swap Agreements					\$ 2,825	\$ 1,193	\$ 4,018	\$ 0	\$ (19)

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 December 31, 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	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (19)	\$ (19)		

(f) Securities with an aggregate market value of \$519 and cash of \$1,812 have been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of December 31, 2019. See Note 8, Master Netting Arrangements, in the Notes to Financial Statements for more information.

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

- ⁽²⁾ The maximum potential amount the Portfolio could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.
- ⁽³⁾ The prices and resulting values for credit default swap agreements 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 underlying referenced instrument's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

(g) FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER

FORWARD FOREIGN CURRENCY CONTRACTS:

Counterparty	Settlement Month	Currency to be Delivered	Currency to be Received	Unrealized Appreciation/ (Depreciation)	
				Asset	Liability
BPS	01/2020	EUR 852	\$ 941	\$ 0	\$ (15)
Total Forward Foreign Currency Contracts				\$ 0	\$ (15)

SWAP AGREEMENTS:

TOTAL RETURN SWAPS ON INTEREST RATE INDICES

Counterparty	Pay/Receive ⁽¹⁾	Underlying Reference	# of Units	Financing Rate	Payment Frequency	Maturity Date	Notional Amount	Premiums Paid/(Received)	Unrealized Appreciation/ (Depreciation)	Swap Agreements, at Value	
										Asset	Liability
BRC	Receive	iBoxx USD Liquid High Yield Index	N/A	1.908% (3-Month USD-LIBOR)	Maturity	03/20/2020	\$ 4,600	\$ (16)	\$ 120	\$ 104	\$ 0
GST	Receive	iBoxx USD Liquid High Yield Index	N/A	1.908% (3-Month USD-LIBOR plus a specified spread)	Maturity	06/22/2020	27,900	(135)	589	454	0
Total Swap Agreements								\$ (151)	\$ 709	\$ 558	\$ 0

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 December 31, 2019:

Counterparty	Financial Derivative Assets				Financial Derivative Liabilities				Net Market Value of OTC Derivatives	Collateral Pledged/ (Received)	Net Exposure ⁽²⁾
	Forward Foreign Currency Contracts	Purchased Options	Swap Agreements	Total Over the Counter	Forward Foreign Currency Contracts	Written Options	Swap Agreements	Total Over the Counter			
BPS	\$ 0	\$ 0	\$ 0	\$ 0	\$ (15)	\$ 0	\$ 0	\$ (15)	\$ (15)	\$ 0	\$ (15)
BRC	0	0	104	104	0	0	0	0	104	0	104
GST	0	0	454	454	0	0	0	0	454	(290)	164
Total Over the Counter	\$ 0	\$ 0	\$ 558	\$ 558	\$ (15)	\$ 0	\$ 0	\$ (15)			

- ⁽¹⁾ Receive represents that the Portfolio receives payments for any positive net return on the underlying reference. The Portfolio makes payments for any negative net return on such underlying reference. Pay represents that the Portfolio receives payments for any negative net return on the underlying reference. The Portfolio makes payments for any positive net return on such underlying reference.
- ⁽²⁾ Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from OTC financial derivative instruments can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 8, Master Netting Arrangements, in the Notes to Financial Statements for more information.

Schedule of Investments PIMCO High Yield Portfolio (Cont.)

FAIR VALUE OF FINANCIAL DERIVATIVE INSTRUMENTS

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

Fair Values of Financial Derivative Instruments on the Statement of Assets and Liabilities as of December 31, 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						
Over the counter						
Swap Agreements	\$ 0	\$ 0	\$ 0	\$ 0	\$ 558	\$ 558
Financial Derivative Instruments - Liabilities						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ 19	\$ 0	\$ 0	\$ 0	\$ 19
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 15	\$ 0	\$ 15
	\$ 0	\$ 19	\$ 0	\$ 15	\$ 0	\$ 34

The effect of Financial Derivative Instruments on the Statement of Operations for the period ended December 31, 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						
Written Options	\$ 0	\$ 0	\$ 0	\$ 0	\$ 124	\$ 124
Futures	0	0	0	0	(15)	(15)
Swap Agreements	0	1,257	0	0	50	1,307
	\$ 0	\$ 1,257	\$ 0	\$ 0	\$ 159	\$ 1,416
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 52	\$ 0	\$ 52
Swap Agreements	0	0	0	0	2,647	2,647
	\$ 0	\$ 0	\$ 0	\$ 52	\$ 2,647	\$ 2,699
	\$ 0	\$ 1,257	\$ 0	\$ 52	\$ 2,806	\$ 4,115
Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments						
Exchange-traded or centrally cleared						
Written Options	\$ 0	\$ 0	\$ 0	\$ 0	\$ 60	\$ 60
Swap Agreements	0	1,961	0	0	0	1,961
	\$ 0	\$ 1,961	\$ 0	\$ 0	\$ 60	\$ 2,021
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ (9)	\$ 0	\$ (9)
Swap Agreements	0	0	0	0	1,028	1,028
	\$ 0	\$ 0	\$ 0	\$ (9)	\$ 1,028	\$ 1,019
	\$ 0	\$ 1,961	\$ 0	\$ (9)	\$ 1,088	\$ 3,040

FAIR VALUE MEASUREMENTS

The following is a summary of the fair valuations according to the inputs used as of December 31, 2019 in valuing the Portfolio's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 12/31/2019	Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 12/31/2019
Investments in Securities, at Value					Financial Derivative Instruments - Assets				
Loan Participations and Assignments	\$ 0	\$ 18,470	\$ 1,001	\$ 19,471	Over the counter	\$ 0	\$ 558	\$ 0	\$ 558
Corporate Bonds & Notes									
Banking & Finance	0	66,101	0	66,101	Financial Derivative Instruments - Liabilities				
Industrials	0	656,495	0	656,495	Exchange-traded or centrally cleared	0	(19)	0	(19)
Utilities	0	83,982	0	83,982	Over the counter	0	(15)	0	(15)
U.S. Treasury Obligations	0	45,901	0	45,901		\$ 0	\$ (34)	\$ 0	\$ (34)
Non-Agency Mortgage-Backed Securities	0	1,087	0	1,087	Total Financial Derivative Instruments	\$ 0	\$ 524	\$ 0	\$ 524
Asset-Backed Securities	0	34	0	34					
Short-Term Instruments					Totals	\$ 53,790	\$ 872,797	\$ 1,001	\$ 927,588
Repurchase Agreements	0	203	0	203					
	\$ 0	\$ 872,273	\$ 1,001	\$ 873,274					
Investments in Affiliates, at Value									
Short-Term Instruments									
Central Funds Used for Cash Management Purposes	\$ 53,790	\$ 0	\$ 0	\$ 53,790					
Total Investments	\$ 53,790	\$ 872,273	\$ 1,001	\$ 927,064					

There were no significant transfers into or out of Level 3 during the period ended December 31, 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, Administrative Class and Advisor Class shares of the PIMCO High Yield Portfolio (the “Portfolio”) offered by the Trust. Pacific Investment Management Company LLC (“PIMCO”) serves as the investment adviser (the “Adviser”) for the Portfolio.

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Securities Transactions and Investment Income Securities transactions are recorded as of the trade date for financial reporting purposes. Securities purchased or sold on a when-issued or delayed-delivery basis may be settled beyond a standard settlement period for the security after the trade date. Realized gains (losses) from securities sold are recorded on the identified cost basis. Dividend income is recorded on the ex-dividend date, except certain dividends from foreign securities where the ex-dividend date may have passed, which are recorded as soon as the Portfolio is informed of the ex-dividend date. Interest income, adjusted for the accretion of discounts and amortization of premiums, is recorded on the accrual basis from settlement date, with the exception of securities with a forward starting effective date, where interest income is recorded on the accrual basis from effective date. For convertible securities, premiums attributable to the conversion feature are not amortized. Estimated tax liabilities on certain foreign securities are recorded on an accrual basis and are reflected as components of interest income or net change in unrealized appreciation (depreciation) on investments on the Statement of

Operations, as appropriate. Tax liabilities realized as a result of such security sales are reflected as a component of net realized gain (loss) on investments on the Statement of Operations. Paydown gains (losses) on mortgage-related and other asset-backed securities, if any, are recorded as components of interest income on the Statement of Operations. Income or short-term capital gain distributions received from registered investment companies, if any, are recorded as dividend income. Long-term capital gain distributions received from registered investment companies, if any, are recorded as realized gains.

Debt obligations may be placed on non-accrual status and related interest income may be reduced by ceasing current accruals and writing off interest receivable when the collection of all or a portion of interest has become doubtful based on consistently applied procedures. A debt obligation is removed from non-accrual status when the issuer resumes interest payments or when collectability of interest is probable.

(b) 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 Statement of Operations. The Portfolio may invest in foreign currency-denominated securities and may engage in foreign currency transactions either on a spot (cash) basis at the rate prevailing in the currency exchange market at the time or through a forward foreign currency contract. Realized foreign exchange gains (losses) arising from sales of spot foreign currencies, currency gains (losses) realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid are included in net realized gain (loss) on foreign currency transactions on the Statement of Operations. Net unrealized foreign exchange gains (losses) arising from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period are included in net change in unrealized appreciation (depreciation) on foreign currency assets and liabilities on the Statement of Operations.

(c) 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 daily and distributed to shareholders monthly. In addition, the Portfolio distributes any net capital gains it earns from the sale of portfolio securities to shareholders no less frequently than annually.

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 Statements of Changes in Net Assets and have been recorded to paid in capital on the Statement of Assets and Liabilities. In addition, other amounts have been reclassified between distributable earnings (accumulated loss) and paid in capital on the 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 issued an Accounting Standards Update ("ASU"), ASU 2018-13, which modifies certain disclosure requirements for fair value measurements in Accounting Standards Codification 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 ASU and the changes are incorporated in 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 Schedule of Investments for the Portfolio.

For fair valuations using significant unobservable inputs, U.S. GAAP requires a reconciliation of the beginning to ending balances for reported fair values that presents changes attributable to realized gain (loss), unrealized appreciation (depreciation), purchases and sales, accrued discounts (premiums), and transfers into and out of the Level 3 category during the period. The end of period value is used for the transfers between Levels of the Portfolio's assets and liabilities. Additionally, U.S. GAAP requires quantitative information regarding the significant unobservable inputs used in the determination of fair value of assets or liabilities categorized as Level 3 in the fair value hierarchy. In accordance with the requirements of U.S. GAAP, a fair value hierarchy, and if material, a Level 3 reconciliation and details of significant unobservable inputs, have been included in the Notes to Schedule of Investments for the Portfolio.

(c) Valuation Techniques and the Fair Value Hierarchy

Level 1 and Level 2 trading assets and trading liabilities, at fair value
The valuation methods (or "techniques") and significant inputs used in determining the fair values of portfolio securities or other assets and liabilities categorized as Level 1 and Level 2 of the fair value hierarchy are as follows:

Fixed income securities including corporate, convertible and municipal bonds and notes, U.S. government agencies, U.S. treasury obligations, sovereign issues, bank loans, convertible preferred securities and non-U.S. bonds are normally valued on the basis of quotes obtained from brokers and dealers or Pricing Services that use broker-dealer quotations, reported trades or valuation estimates from their internal pricing models. The Pricing Services' internal models use inputs that are observable such as issuer details, interest rates, yield curves, prepayment speeds, credit risks/spreads, default rates and quoted prices for similar assets. Securities that use similar valuation techniques and inputs as described above are categorized as Level 2 of the fair value hierarchy.

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

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

Equity exchange-traded options and over the counter financial derivative instruments, such as forward foreign currency contracts and options contracts derive their value from underlying asset prices, indices, reference rates, and other inputs or a combination of these factors. These contracts are normally valued on the basis of quotes obtained from a quotation reporting system, established market makers or Pricing Services (normally determined as of the NYSE Close). Depending on the product and the terms of the transaction, financial derivative instruments can be valued by Pricing Services using a series of techniques, including simulation pricing models. The pricing models use inputs that are observed from actively quoted markets such as quoted prices, issuer details, indices, bid/ask spreads, interest rates,

implied volatilities, yield curves, dividends and exchange rates. Financial derivative instruments that use similar valuation techniques and inputs as described above are categorized as Level 2 of the fair value hierarchy.

Centrally cleared swaps and over the counter swaps derive their value from underlying asset prices, indices, reference rates, and other inputs or a combination of these factors. They are valued using a broker-dealer bid quotation or on market-based prices provided by Pricing Services (normally determined as of the NYSE Close). Centrally cleared swaps and over the counter swaps can be valued by Pricing Services using a series of techniques, including simulation pricing models. The pricing models may use inputs that are observed from actively quoted markets such as the overnight index swap rate, 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 tables below show the Portfolio's transactions in and earnings from investments in the affiliated Funds for the period ended December 31, 2019 (amounts in thousands¹):

Investment in PIMCO Short Asset Portfolio

Market Value 12/31/2018	Purchases at Cost	Proceeds from Sales	Net Realized Gain (Loss)	Change in Unrealized Appreciation (Depreciation)	Market Value 12/31/2019	Dividend Income ⁽¹⁾	Realized Net Capital Gain Distributions ⁽¹⁾
\$ 0	\$ 20,013	\$ (20,015)	\$ 2	\$ 0	\$ 0	\$ 24	\$ 0

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 12/31/2019	Dividend Income ⁽¹⁾	Realized Net Capital Gain Distributions ⁽¹⁾
\$ 81,295	\$ 337,908	\$ (365,500)	\$ 45	\$ 42	\$ 53,790	\$ 2,208	\$ 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.

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.

Loans and Other Indebtedness, Loan Participations and Assignments are direct debt instruments which are interests in amounts owed to lenders or lending syndicates by corporate, governmental, or other borrowers. The Portfolio's investments in loans may be in the form of participations in loans or assignments of all or a portion of loans from third parties or investments in or originations of loans by the Portfolio. A loan is often administered by a bank or other financial institution (the "agent") that acts as agent for all holders. The agent administers the terms of the loan, as specified in the loan agreement. The Portfolio may invest in multiple series or tranches of a loan, which may have varying terms and carry different associated risks. When the Portfolio purchases assignments from agents it acquires direct rights against the borrowers of the loans. These loans may include participations in bridge loans, which are loans taken out by borrowers for a short period (typically less than one year) pending arrangement of more permanent financing through, for example, the issuance of bonds, frequently high yield bonds issued for the purpose of acquisitions.

The types of loans and related investments in which the Portfolio may invest include, among others, senior loans, subordinated loans

(including second lien loans, B-Notes and mezzanine loans), whole loans, commercial real estate and other commercial loans and structured loans. The Portfolio may originate loans or acquire direct interests in loans through primary loan distributions and/or in private transactions. In the case of subordinated loans, there may be significant indebtedness ranking ahead of the borrower's obligation to the holder of such a loan, including in the event of the borrower's insolvency. Mezzanine loans are typically secured by a pledge of an equity interest in the mortgage borrower that owns the real estate rather than an interest in a mortgage.

Investments in loans may include unfunded loan commitments, which are contractual obligations for funding. Unfunded loan commitments may include revolving credit facilities, which may obligate the Portfolio to supply additional cash to the borrower on demand. Unfunded loan commitments represent a future obligation in full, even though a percentage of the committed amount may not be utilized by the borrower. When investing in a loan participation, the Portfolio has the right to receive payments of principal, interest and any fees to which it is entitled only from the agent selling the loan agreement and only upon receipt of payments by the agent from the borrower. The Portfolio may receive a commitment fee based on the undrawn portion of the underlying line of credit portion of a loan. In certain circumstances, the Portfolio may receive a penalty fee upon the prepayment of a loan by a borrower. Fees earned or paid are recorded as a component of interest income or interest expense, respectively, on the Statement of Operations. Unfunded loan commitments are reflected as a liability on the Statement of Assets and Liabilities.

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

Payment In-Kind Securities may give the issuer the option at each interest payment date of making interest payments in either cash and/or additional debt securities. Those additional debt securities usually have the same terms, including maturity dates and interest rates, and associated risks as the original bonds. The daily market quotations of the original bonds may include the accrued interest (referred to as a dirty price) and require a pro rata adjustment from the unrealized appreciation (depreciation) on investments to interest receivable on the Statement of Assets and Liabilities.

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, 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.

When-Issued Transactions are purchases or sales made on a when-issued basis. These transactions are made conditionally because a security, although authorized, has not yet been issued in the market. Transactions to purchase or sell securities on a when-issued basis involve a commitment by the Portfolio to purchase or sell these securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period. The Portfolio may sell when-issued securities before they are delivered, which may result in a realized gain (loss).

5. BORROWINGS AND OTHER FINANCING TRANSACTIONS

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

The following disclosures contain information on the Portfolio's ability to lend or borrow cash or securities to the extent permitted under the Act, which may be viewed as borrowing or financing transactions by the Portfolio. The location of these instruments in the Portfolio's financial statements is described below.

(a) Line of Credit The Portfolio entered into a 364-day senior unsecured revolving credit agreement with State Street Bank & Trust Company and other commercial banks to be utilized for temporary purposes to fund shareholder redemptions or for other short-term liquidity purposes. State Street Bank & Trust Company serves as both a bank and as an agent for the other banks that are parties to the agreement. The Portfolio pays financing charges based on a combination of a LIBOR-based variable rate plus a credit spread. The Portfolio also pays a fee of 0.15% per annum on the unused commitment amounts. As of December 31, 2019, if applicable any outstanding borrowings would be disclosed as a payable for line of credit on the Statement of Assets and Liabilities. Interest and commitment and upfront fees, if any, paid by the Portfolio are disclosed as part of the interest expense on the Statement of Operations.

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

Maximum Available Commitment*	Expiration Date	Commitment and Upfront Fees
\$ 47,000,000	09/02/2020	\$ 99,410

* Maximum available commitment prior to renewal on September 3, 2019, for the Portfolio was \$50,000,000. The agreement expires on September 2, 2020 unless extended or renewed.

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

(c) Reverse Repurchase Agreements In a reverse repurchase agreement, the Portfolio delivers a security in exchange for cash to a financial institution, the counterparty, with a simultaneous agreement to repurchase the same or substantially the same security at an agreed upon price and date. In an open maturity reverse repurchase agreement, there is no pre-determined repurchase date and the agreement can be terminated by the Portfolio or counterparty at any time. The Portfolio is entitled to receive principal and interest payments, if any, made on the security delivered to the counterparty during the term of the agreement. Cash received in exchange for securities delivered plus accrued interest payments to be made by the Portfolio to counterparties are reflected as a liability on the Statement of Assets and Liabilities. Interest payments made by the Portfolio to counterparties are recorded as a component of interest expense on the Statement of Operations. In periods of increased demand for the security, the Portfolio may receive a fee for use of the security by the counterparty, which may result in interest income to the Portfolio. The Portfolio will segregate assets determined to be liquid by the Adviser or will otherwise cover its obligations under reverse repurchase agreements.

(d) 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.

(e) Interfund Lending In accordance with an exemptive order (the "Order") from the SEC, each Portfolio of the Trust may participate in a joint lending and borrowing facility for temporary purposes (the

“Interfund Lending Program”), subject to compliance with the terms and conditions of the Order, and to the extent permitted by each Portfolio’s investment policies and restrictions. Each Portfolio is currently permitted to borrow under the Interfund Lending Program. A lending portfolio may lend in aggregate up to 15% of its current net assets at the time of the loan, but may not lend more than 5% of its net assets to any one borrowing portfolio through the Interfund Lending Program. A borrowing portfolio may not borrow through the Interfund Lending Program or from any other source if its total outstanding borrowings immediately after the borrowing would be more than 33 1/3% of its total assets (or any lower threshold provided for by the portfolio’s investment restrictions). If a borrowing portfolio’s total outstanding borrowings exceed 10% of its total assets, each of its outstanding interfund loans will be subject to collateralization of at least 102% of the outstanding principal value of the loan. All interfund loans are for temporary or emergency purposes and the interfund loan rate to be charged will be the average of the highest current overnight repurchase agreement rate available to a lending portfolio and the bank loan rate, as calculated according to a formula established by the Board. During the period ended December 31, 2019, the Portfolio did not participate in the Interfund Lending Program.

6. FINANCIAL DERIVATIVE INSTRUMENTS

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

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

(a) Forward Foreign Currency Contracts may be engaged, in connection with settling planned purchases or sales of securities, to hedge the currency exposure associated with some or all of the Portfolio’s securities or as part of an investment strategy. A forward foreign currency contract is an agreement between two parties to buy and sell a currency at a set price on a future date. The market value of

a forward foreign currency contract fluctuates with changes in foreign currency exchange rates. Forward foreign currency contracts are marked to market daily, and the change in value is recorded by the Portfolio as an unrealized gain (loss). Realized gains (losses) are equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed and are recorded upon delivery or receipt of the currency. These contracts may involve market risk in excess of the unrealized gain (loss) reflected on the Statement of Assets and Liabilities. In addition, the Portfolio could be exposed to risk if the counterparties are unable to meet the terms of the contracts or if the value of the currency changes unfavorably to the U.S. dollar. To mitigate such risk, cash or securities may be exchanged as collateral pursuant to the terms of the underlying contracts.

(b) 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 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 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 Statement of Assets and Liabilities.

Premiums received from writing options which expire are treated as realized gains. Premiums received from writing options which are exercised or closed are added to the proceeds or offset against amounts paid on the underlying futures, swap, security or currency transaction to determine the realized gain (loss). Certain options may be written with premiums to be determined on a future date. The premiums for these options are based upon implied volatility parameters at specified terms. The Portfolio as a writer of an option has no control over whether the underlying instrument may be sold ("call") or purchased ("put") and as a result bears the market risk of an unfavorable change in the price of the instrument underlying the written option. There is the risk the Portfolio may not be able to enter into a closing transaction because of an illiquid market.

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

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.

(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 Statement of Operations. Daily changes in valuation of centrally cleared swaps ("Swap Variation Margin"), if any, are disclosed within centrally cleared financial derivative instruments on the Statement of Assets and Liabilities. Centrally Cleared and OTC swap payments received or paid at the beginning of the measurement period are included on the Statement of Assets and Liabilities and represent premiums paid or received upon entering into the swap agreement to compensate for differences between the stated terms of the swap agreement and prevailing market conditions (credit spreads, currency exchange rates, interest rates, and other relevant factors). Upfront premiums received (paid) are initially recorded as liabilities (assets) and subsequently marked to market to reflect the current value of the swap. These upfront premiums are recorded as realized gain (loss) on the Statement of Operations upon termination or maturity of the swap. A liquidation payment received or made at the termination of the swap is recorded as realized gain (loss) on the Statement of Operations. Net periodic payments received or paid by the Portfolio are included as part of realized gain (loss) on the Statement of Operations.

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

Entering into swap agreements involves, to varying degrees, elements of interest, credit, market and documentation risk in excess of the amounts recognized on the Statement of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreements may default on its obligation to perform or disagree as to the meaning of contractual terms in the agreements and that there may be unfavorable changes in interest rates or the values of the asset upon which the swap is based.

The Portfolio's maximum risk of loss from counterparty credit risk is the discounted net value of the cash flows to be received from the counterparty over the contract's remaining life, to the extent that amount is positive. The risk may be mitigated by having a master netting arrangement between the Portfolio and the counterparty and by the posting of collateral to the Portfolio to cover the Portfolio's exposure to the counterparty.

To the extent the Portfolio has a policy to limit the net amount owed to or to be received from a single counterparty under existing swap agreements, such limitation only applies to counterparties to OTC swaps and does not apply to centrally cleared swaps where the counterparty is a central counterparty or derivatives clearing organization.

Credit Default Swap Agreements on corporate, loan, sovereign, U.S. municipal or U.S. Treasury issues are entered into to provide a measure of protection against defaults of the issuers (*i.e.*, to reduce risk where the Portfolio owns or has exposure to the referenced obligation) or to take an active long or short position with respect to the likelihood of a particular issuer's default. Credit default swap agreements involve one party making a stream of payments (referred to as the buyer of protection) to another party (the seller of protection) in exchange for the right to receive a specified return in the event that the referenced entity, obligation or index, as specified in the swap agreement, undergoes a certain credit event. As a seller of protection on credit default swap agreements, the Portfolio will generally receive from the buyer of protection a fixed rate of income throughout the term of the swap provided that there is no credit event. As the seller, the Portfolio would effectively add leverage to its portfolio because, in addition to its total net assets, the Portfolio would be subject to investment exposure on the notional amount of the swap.

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

securities comprising the referenced index. If the Portfolio is a buyer of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Portfolio will either (i) receive from the seller of protection an amount equal to the notional amount of the swap and deliver the referenced obligation, other deliverable obligations or underlying securities comprising the referenced index or (ii) receive a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index. Recovery values are estimated by market makers considering either industry standard recovery rates or entity specific factors and considerations until a credit event occurs. If a credit event has occurred, the recovery value is determined by a facilitated auction whereby a minimum number of allowable broker bids, together with a specified valuation method, are used to calculate the settlement value. The ability to deliver other obligations may result in a cheapest-to-deliver option (the buyer of protection's right to choose the deliverable obligation with the lowest value following a credit event).

Credit default swap agreements on credit indices involve one party making a stream of payments to another party in exchange for the right to receive a specified return in the event of a write-down, principal shortfall, interest shortfall or default of all or part of the referenced entities comprising the credit index. A credit index is a basket of credit instruments or exposures designed to be representative of some part of the credit market as a whole. These indices are made up of reference credits that are judged by a poll of dealers to be the most liquid entities in the credit default swap market based on the sector of the index. Components of the indices may include, but are not limited to, investment grade securities, high yield securities, asset-backed securities, emerging markets, and/or various credit ratings within each sector. Credit indices are traded using credit default swaps with standardized terms including a fixed spread and standard maturity dates. An index credit default swap references all the names in the index, and if there is a default, the credit event is settled based on that name's weight in the index. The composition of the indices changes periodically, usually every six months, and for most indices, each name has an equal weight in the index. The Portfolio may use credit default swaps on credit indices to hedge a portfolio of credit default swaps or bonds, which is less expensive than it would be to buy many credit default swaps to achieve a similar effect. Credit default swaps on indices are instruments for protecting investors owning bonds against default, and traders use them to speculate on changes in credit quality.

Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on corporate, loan, sovereign, U.S. municipal or U.S. Treasury issues as of period end, if any, are disclosed in the Notes to Schedule of

Investments. They serve as an indicator of the current status of payment/performance risk and represent the likelihood or risk of default for the reference entity. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement. For credit default swap agreements on asset-backed securities and credit indices, the quoted market prices and resulting values serve as the indicator of the current status of the payment/performance risk. Increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

The maximum potential amount of future payments (undiscounted) that the Portfolio as a seller of protection could be required to make under a credit default swap agreement equals the notional amount of the agreement. Notional amounts of each individual credit default swap agreement outstanding as of period end for which the Portfolio is the seller of protection are disclosed in the Notes to Schedule of Investments. These potential amounts would be partially offset by any recovery values of the respective referenced obligations, upfront payments received upon entering into the agreement, or net amounts received from the settlement of buy protection credit default swap agreements entered into by the Portfolio for the same referenced entity or entities.

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

7. PRINCIPAL RISKS

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

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

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

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

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

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

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

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

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

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

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

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

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

8. MASTER NETTING ARRANGEMENTS

The Portfolio may be subject to various netting arrangements ("Master Agreements") with select counterparties. Master Agreements govern the terms of certain transactions, and are intended to reduce the counterparty risk associated with relevant transactions by specifying credit protection mechanisms and providing standardization that is intended to improve legal certainty. Each type of Master Agreement governs certain types of transactions. Different types of transactions may be traded out of different legal entities or affiliates of a particular organization, resulting in the need for multiple agreements with a single counterparty. As the Master Agreements are specific to unique operations of different asset types, they allow the Portfolio to close out and net its total exposure to a counterparty in the event of a default with respect to all the transactions governed under a single Master

Agreement with a counterparty. For financial reporting purposes the Statement of Assets and Liabilities generally presents derivative assets and liabilities on a gross basis, which reflects the full risks and exposures prior to netting.

Master Agreements can also help limit counterparty risk by specifying collateral posting arrangements at pre-arranged exposure levels. Under most Master Agreements, collateral is routinely transferred if the total net exposure to certain transactions (net of existing collateral already in place) governed under the relevant Master Agreement with a counterparty in a given account exceeds a specified threshold, which typically ranges from zero to \$250,000 depending on the counterparty and the type of Master Agreement. United States Treasury Bills and U.S. dollar cash are generally the preferred forms of collateral, although other securities may be used depending on the terms outlined in the applicable Master Agreement. Securities and cash pledged as collateral are reflected as assets on the Statement of Assets and Liabilities as either a component of Investments at value (securities) or Deposits with counterparty. Cash collateral received is not typically held in a segregated account and as such is reflected as a liability on the Statement of Assets and Liabilities as Deposits from counterparty. The market value of any securities received as collateral is not reflected as a component of NAV. The Portfolio's overall exposure to counterparty risk can change substantially within a short period, as it is affected by each transaction subject to the relevant Master Agreement.

Master Repurchase Agreements and Global Master Repurchase Agreements (individually and collectively "Master Repo Agreements") govern repurchase, reverse repurchase, and 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 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 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. 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 generally exchanged daily, but may not be netted between futures and cleared OTC derivatives unless the parties have agreed to a separate arrangement in respect of portfolio margining. The market value or accumulated unrealized appreciation (depreciation), initial margin posted, and any unsettled variation margin as of period end are disclosed in the Notes to Schedule of Investments.

International Swaps and Derivatives Association, Inc. Master Agreements and Credit Support Annexes ("ISDA Master Agreements") govern bilateral OTC derivative transactions entered into by the Portfolio with select counterparties. ISDA Master Agreements maintain provisions for general obligations, representations, agreements, collateral posting and events of default or termination. Events of termination include conditions that may entitle counterparties to elect to terminate early and cause settlement of all outstanding transactions under the applicable ISDA Master Agreement. Any election to terminate early could be material to the financial statements. In limited circumstances, the ISDA Master Agreement may contain additional provisions that add counterparty protection beyond coverage of existing daily exposure if the counterparty has a decline in credit quality below a predefined level. These amounts, if any, may be segregated with a third-party custodian. The market value of OTC financial derivative instruments, collateral received or pledged, and net exposure by counterparty as of period end are disclosed in the Notes to Schedule of Investments.

9. FEES AND EXPENSES

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

(b) Supervisory and Administrative Fee PIMCO serves as administrator (the "Administrator") and provides supervisory and administrative services to the Trust for which it receives a monthly supervisory and administrative fee based on each share class's average daily net assets (the "Supervisory and Administrative Fee"). As the

Notes to Financial Statements (Cont.)

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		
	Institutional Class	Administrative Class	Advisor Class
All Classes	0.35%	0.35%	0.35%

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

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

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

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

(d) **Portfolio Expenses** PIMCO provides or procures supervisory and administrative services for shareholders and also bears the costs of various third-party services required by the Portfolio, including audit, custodial, portfolio accounting, legal, transfer agency and printing costs. The Trust is responsible for the following expenses: (i) taxes and governmental fees; (ii) brokerage fees and commissions and other portfolio transaction expenses; (iii) the costs of borrowing money, including interest expense; (iv) fees and expenses of the Trustees who

are not "interested persons" of PIMCO or the Trust, and any counsel retained exclusively for their benefit, except for PIMCO All Asset Portfolio and PIMCO All Asset All Authority Portfolio; (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.

In any month in which the investment advisory contract or supervision and administration agreement is in effect, PIMCO is entitled to reimbursement by the Portfolio of any portion of the supervisory and administrative fee waived or reimbursed as set forth above (the "Reimbursement Amount") during the previous thirty-six months from the time of the waiver, provided that such amount paid to PIMCO will not: i) together with any organizational expenses, pro rata share of expenses related to obtaining or maintaining a Legal Entity Identifier and pro rata Trustee fees, exceed, for such month, the Expense Limit (or the amount of the expense limit in place at the time the amount being recouped was originally waived if lower than the Expense Limit); ii) exceed the total Reimbursement Amount; or iii) include any amounts previously reimbursed to PIMCO. At December 31, 2019, there were no recoverable amounts.

10. RELATED PARTY TRANSACTIONS

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

11. GUARANTEES AND INDEMNIFICATIONS

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

12. PURCHASES AND SALES OF SECURITIES

The length of time the Portfolio has held a particular security is not generally a consideration in investment decisions. A change in the securities held by the Portfolio is known as "portfolio turnover." The Portfolio may engage in frequent and active trading of portfolio securities to achieve its investment objective, particularly during periods

of volatile market movements. High portfolio turnover may involve correspondingly greater transaction costs, 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 December 31, 2019, were as follows (amounts in thousands[†]):

U.S. Government/Agency		All Other	
Purchases	Sales	Purchases	Sales
\$ 46,364	\$ 0	\$ 205,502	\$ 256,220

[†] 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[†]):

	Year Ended 12/31/2019		Year Ended 12/31/2018	
	Shares	Amount	Shares	Amount
Receipts for shares sold				
Institutional Class	169	\$ 1,302	81	\$ 627
Administrative Class	22,414	173,827	16,429	126,024
Advisor Class	7,096	54,885	5,954	46,010
Issued as reinvestment of distributions				
Institutional Class	69	535	69	525
Administrative Class	5,741	44,700	6,377	48,606
Advisor Class	186	1,450	193	1,472
Cost of shares redeemed				
Institutional Class	(99)	(769)	(264)	(2,020)
Administrative Class	(32,016)	(248,564)	(35,438)	(269,894)
Advisor Class	(5,290)	(40,959)	(7,698)	(58,544)
Net increase (decrease) resulting from Portfolio share transactions	(1,730)	\$ (13,593)	(14,297)	\$ (107,194)

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

As of December 31, 2019, one shareholder owned 10% or more of the Portfolio's total outstanding shares comprising 60% of the Portfolio, and the shareholder is a related party of the Portfolio. Related parties may include, but are not limited to, the investment adviser and its affiliates, affiliated broker dealers, fund of funds and directors or employees of the Trust or Adviser.

14. REGULATORY AND LITIGATION MATTERS

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

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

15. FEDERAL INCOME TAX MATTERS

The Portfolio intends to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code (the "Code") and distribute all of its taxable income and net realized gains, if applicable, to shareholders. Accordingly, no provision for Federal income taxes has been made.

The Portfolio may be subject to local withholding taxes, including those imposed on realized capital gains. Any applicable foreign capital gains tax is accrued daily based upon net unrealized gains, and may be payable following the sale of any applicable investments.

In accordance with U.S. GAAP, the Adviser has reviewed the Portfolio's tax positions for all open tax years. As of December 31, 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.

As of December 31, 2019, the components of distributable taxable earnings are as follows (amounts in thousands[†]):

	Undistributed Ordinary Income ⁽¹⁾	Undistributed Long-Term Capital Gains	Net Tax Basis Unrealized Appreciation/ (Depreciation) ⁽²⁾	Other Book-to-Tax Accounting Differences ⁽³⁾	Accumulated Capital Losses ⁽⁴⁾	Qualified Late-Year Loss Deferral - Capital ⁽⁵⁾	Qualified Late-Year Loss Deferral - Ordinary ⁽⁶⁾
PIMCO High Yield Portfolio	\$ 5,168	\$ 0	\$ 29,893	\$ 0	\$ (16,038)	\$ 0	\$ 0

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

⁽¹⁾ Includes undistributed short-term capital gains, if any.

⁽²⁾ Adjusted for open wash sale loss deferrals and the accelerated recognition of unrealized gain or loss on certain forward contracts for federal income tax, purposes. Also adjusted for differences between book and tax realized and unrealized gain (loss) on swap contracts, interest accrual on defaulted securities and Lehman securities.

⁽³⁾ Represents differences in income tax regulations and financial accounting principles generally accepted in the United States of America.

⁽⁴⁾ Capital losses available to offset future net capital gains expire in varying amounts as shown below.

⁽⁵⁾ Capital losses realized during the period November 1, 2019 through December 31, 2019 which the Portfolio elected to defer to the following taxable year pursuant to income tax regulations.

⁽⁶⁾ Specified losses realized during the period November 1, 2019 through December 31, 2019 which the Portfolio elected to defer to the following taxable year pursuant to income tax regulations.

Under the Regulated Investment Company Modernization Act of 2010, a portfolio is permitted to carry forward any new capital losses for an unlimited period. Additionally, such capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term under previous law.

As of December 31, 2019, the Portfolio had the following post-effective capital losses with no expiration (amounts in thousands[†]):

	Short-Term	Long-Term
PIMCO High Yield Portfolio	\$ 0	\$ 16,038

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

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

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

As of December 31, 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)⁽⁷⁾
PIMCO High Yield Portfolio	\$ 901,734	\$ 40,146	\$ (10,254)	\$ 29,892

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

⁽⁷⁾ Primary differences, if any, between book and tax net unrealized appreciation/(depreciation) on investments are attributable to open wash sale loss deferrals, unrealized gain or loss on certain forward contracts, realized and unrealized gain (loss) swap contracts, interest accrual on defaulted securities and Lehman securities.

For the fiscal year ended December 31, 2019 and December 31, 2018, respectively, the Portfolio made the following tax basis distributions (amounts in thousands[†]):

	December 31, 2019			December 31, 2018		
	Ordinary Income Distributions⁽⁸⁾	Long-Term Capital Gain Distributions	Return of Capital⁽⁹⁾	Ordinary Income Distributions⁽⁸⁾	Long-Term Capital Gain Distributions	Return of Capital⁽⁹⁾
PIMCO High Yield Portfolio	\$ 46,685	\$ 0	\$ 0	\$ 50,603	\$ 0	\$ 0

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

⁽⁸⁾ Includes short-term capital gains distributed, if any.

⁽⁹⁾ A portion of the distributions made represents a tax return of capital. Return of capital distributions have been reclassified from undistributed net investment income to paid-in capital to more appropriately conform financial accounting to tax accounting.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of PIMCO Variable Insurance Trust and Shareholders of PIMCO High Yield Portfolio

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of PIMCO High Yield Portfolio (one of the portfolios constituting PIMCO Variable Insurance Trust, hereafter referred to as the "Portfolio") as of December 31, 2019, the related statement of operations for the year ended December 31, 2019, the statement of changes in net assets for each of the two years in the period ended December 31, 2019, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2019 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Portfolio as of December 31, 2019, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2019 and the financial highlights for each of the five years in the period ended December 31, 2019 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Portfolio's management. Our responsibility is to express an opinion on the Portfolio's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Portfolio in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2019 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
Kansas City, Missouri

February 20, 2020

We have served as the auditor of one or more investment companies in PIMCO Variable Insurance Trust since 1998.

Counterparty Abbreviations:

BPS	BNP Paribas S.A.	FICC	Fixed Income Clearing Corporation	GST	Goldman Sachs International
BRC	Barclays Bank PLC				

Currency Abbreviations:

EUR	Euro	USD (or \$)	United States Dollar
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Exchange Abbreviations:

OTC	Over the Counter
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Index/Spread Abbreviations:

CDX.HY	Credit Derivatives Index - High Yield	LIBOR03M	3 Month USD-LIBOR
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Other Abbreviations:

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

Federal Income Tax Information

(Unaudited)

As required by the Internal Revenue Code (the "Code") and Treasury Regulations, if applicable, shareholders must be notified regarding the status of qualified dividend income and the dividend received deduction.

Dividend Received Deduction. Corporate shareholders are generally entitled to take the dividend received deduction on the portion of a Portfolio's dividend distribution that qualifies under tax law. The percentage of the following Portfolio's fiscal 2019 ordinary income dividend that qualifies for the corporate dividend received deduction is set forth in the table below.

Qualified Dividend Income. Under the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act"), the percentage of ordinary dividends paid during the calendar year designated as "qualified dividend income", as defined in the Act, subject to reduced tax rates in 2019 is set forth for the Fund in the table below.

Qualified Interest Income and Qualified Short-Term Capital Gain (for non-U.S. resident shareholders only). Under the American Jobs Creation Act of 2004, the amounts of ordinary dividends paid during the fiscal year ended December 31, 2019 considered to be derived from "qualified interest income," as defined in Section 871(k)(1)(E) of the Code, and therefore designated as interest-related dividends, as defined in Section 871(k)(1)(C) of the Code are set forth in the table below. Further, the amounts of ordinary dividends paid during the fiscal year ended December 31, 2019 considered to be derived from "qualified short-term capital gain," as defined in Section 871(k)(2)(D) of the Code, and therefore designated as qualified short-term gain dividends, as defined by Section 871(k)(2)(C) of the Code are also set forth in the table below.

	Dividend Received Deduction %	Qualified Dividend Income %	Qualified Interest Income (000s[†])	Qualified Short-Term Capital Gain (000s[†])
PIMCO High Yield Portfolio	0.00%	0.00%	\$ 46,685	\$ 0

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

Shareholders are advised to consult their own tax advisor with respect to the tax consequences of their investment in the Trust. In January 2020, you will be advised on IRS Form 1099-DIV as to the federal tax status of the dividends and distributions received by you in calendar year 2019.

Management of the Trust

(Unaudited)

The charts below identify the Trustees and executive officers of the Trust. Unless otherwise indicated, the address of all persons below is 650 Newport Center Drive, Newport Beach, CA 92660.

The Portfolio's Statement of Additional Information includes more information about the Trustees and Officers. To request a free copy, call PIMCO at (888) 87-PIMCO or visit the Portfolio's website at www.pimco.com/pvit.

Name, Year of Birth and Position Held with Trust*	Term of Office and Length of Time Served†	Principal Occupation(s) During Past 5 Years	Number of Funds in Fund Complex Overseen by Trustee	Other Public Company and Investment Company Directorships Held by Trustee During the Past 5 Years
Interested Trustees¹				
Peter G. Strelow (1970) <i>Chairman of the Board and Trustee</i>	05/2017 to present Chairman of the Board - 02/2019 to present	Managing Director and Co-Chief Operating Officer, PIMCO. President of the Trust, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds. Formerly, Chief Administrative Officer, PIMCO.	149	Chairman and Trustee, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT.
Brent R. Harris (1959) <i>Trustee</i>	08/1997 to present	Managing Director, PIMCO. Senior Vice President of the Trust, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT. Formerly, member of Executive Committee, PIMCO.	149	Trustee, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT; Director, StocksPLUS® Management, Inc; and member of Board of Governors, Investment Company Institute. Formerly, Chairman, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT.
Independent Trustees				
George E. Borst (1948) <i>Trustee</i>	04/2015 to present	Executive Advisor, McKinsey & Company (since 10/14); Formerly, Executive Advisor, Toyota Financial Services (10/13-12/14); and CEO, Toyota Financial Services (1/01-9/13).	149	Trustee, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT; Director, MarineMax Inc.
Jennifer Holden Dunbar (1963) <i>Trustee</i>	04/2015 to present	Managing Director, Dunbar Partners, LLC (business consulting and investments). Formerly, Partner, Leonard Green & Partners, L.P.	149	Trustee, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT; Director, PS Business Parks; Director, Big 5 Sporting Goods Corporation.
Kym M. Hubbard (1957) <i>Trustee</i>	02/2017 to present	Formerly, Global Head of Investments, Chief Investment Officer and Treasurer, Ernst & Young.	149	Trustee, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT; Director, State Auto Financial Corporation.
Gary F. Kennedy (1955) <i>Trustee</i>	04/2015 to present	Formerly, Senior Vice President, General Counsel and Chief Compliance Officer, American Airlines and AMR Corporation (now American Airlines Group) (1/03-1/14).	149	Trustee, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT.
Peter B. McCarthy (1950) <i>Trustee</i>	04/2015 to present	Formerly, Assistant Secretary and Chief Financial Officer, United States Department of Treasury; Deputy Managing Director, Institute of International Finance.	149	Trustee, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT.
Ronald C. Parker (1951) <i>Lead Independent Trustee</i>	07/2009 to present Lead Independent Trustee - 02/2017 to present	Director of Roseburg Forest Products Company. Formerly, Chairman of the Board, The Ford Family Foundation; and President, Chief Executive Officer, Hampton Affiliates (forestry products).	149	Lead Independent Trustee, PIMCO Funds and PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT.

* Unless otherwise noted, the information for the individuals listed is as of December 31, 2019.

¹ Mr. Harris and Mr. Strelow are "interested persons" of the Trust (as that term is defined in the 1940 Act) because of their affiliations with PIMCO.

† Trustees serve until their successors are duly elected and qualified.

Executive Officers

Name, Year of Birth and Position Held with Trust*	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years†
Eric D. Johnson (1970) <i>President</i>	06/2019 to present	Executive Vice President, PIMCO. President, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
David C. Flattum (1964) <i>Chief Legal Officer</i>	05/2019 to present	Managing Director and General Counsel, PIMCO. Chief Legal Officer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT. Formerly, Managing Director, Chief Operating Officer and General Counsel, Allianz Asset Management of America L.P.
Keisha Audain-Pressley (1975)** <i>Chief Compliance Officer</i>	01/2020 to present	Executive Vice President and Deputy Chief Compliance Officer, PIMCO. Chief Compliance Officer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
Brent R. Harris (1959) <i>Senior Vice President</i>	03/2010 to present	Managing Director, PIMCO. Senior Vice President, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT. Formerly, member of Executive Committee, PIMCO.
Joshua D. Ratner (1976)** <i>Senior Vice President</i>	05/2019 to present	Executive Vice President and Head of U.S. Operations, PIMCO. Senior Vice President, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
Peter G. Strelow (1970) <i>Senior Vice President</i>	06/2019 to present	Managing Director and Co-Chief Operating Officer, PIMCO. Senior Vice President, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds. Formerly, Chief Administrative Officer, PIMCO.
Ryan G. Leshaw (1980) <i>Vice President, Senior Counsel and Secretary</i>	11/2018 to present	Senior Vice President and Senior Counsel, PIMCO. Vice President, Senior Counsel and Secretary, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT. Chief Legal Officer, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds. Formerly, Associate, Willkie Farr & Gallagher LLP.
Wu-Kwan Kit (1981) <i>Assistant Secretary</i>	08/2017 to present	Senior Vice President and Senior Counsel, PIMCO. Assistant Secretary, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT. Vice President, Senior Counsel and Secretary, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds. Formerly, Assistant General Counsel, VanEck Associates Corp.
Stacie D. Anctil (1969) <i>Vice President</i>	05/2015 to present	Executive Vice President, PIMCO. Vice President, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
Brian J. Pittluck (1977) <i>Vice President</i>	01/2020 to present	Senior Vice President, PIMCO. Vice President, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
Bradley A. Todd (1960) <i>Treasurer</i>	06/2019 to present	Senior Vice President, PIMCO. Treasurer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds. Formerly, Consultant, EY.
Bijal Y. Parikh (1978) <i>Deputy Treasurer</i>	01/2020 to present	Senior Vice President, PIMCO. Deputy Treasurer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT. Assistant Treasurer, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
Erik C. Brown (1967)** <i>Assistant Treasurer</i>	02/2001 to present	Executive Vice President, PIMCO. Assistant Treasurer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
Brandon T. Evans (1982) <i>Assistant Treasurer</i>	05/2019 to present	Vice President, PIMCO. Assistant Treasurer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
Colleen D. Miller (1980)** <i>Assistant Treasurer</i>	02/2017 to present	Senior Vice President, PIMCO. Assistant Treasurer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
Christopher M. Morin (1980) <i>Assistant Treasurer</i>	08/2016 to present	Senior Vice President, PIMCO. Assistant Treasurer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
Jason J. Nagler (1982)** <i>Assistant Treasurer</i>	05/2015 to present	Senior Vice President, PIMCO. Assistant Treasurer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.
H. Jessica Zhang (1973)** <i>Assistant Treasurer</i>	01/2020 to present	Senior Vice President, PIMCO. Assistant Treasurer, PIMCO Funds, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, PIMCO-Sponsored Interval Funds and PIMCO-Sponsored Closed-End Funds.

* Unless otherwise noted, the information for the individuals listed is as of January 1, 2020.

† The term "PIMCO-Sponsored Closed-End Funds" as used herein includes: PIMCO California Municipal Income Fund, PIMCO California Municipal Income Fund II, PIMCO California Municipal Income Fund III, PIMCO Municipal Income Fund, PIMCO Municipal Income Fund II, PIMCO Municipal Income Fund III, PIMCO New York Municipal Income Fund, PIMCO New York Municipal Income Fund II, PIMCO New York Municipal Income Fund III, PCM Fund Inc., PIMCO Corporate & Income Opportunity Fund, PIMCO Corporate & Income Strategy Fund, PIMCO Dynamic Credit and Mortgage Income Fund, PIMCO Dynamic Income Fund, PIMCO Energy and Tactical Credit Opportunities Fund, PIMCO Global StocksPLUS® & Income Fund, PIMCO High Income Fund, PIMCO Income Opportunity Fund, PIMCO Income Strategy Fund, PIMCO Income Strategy Fund II and PIMCO Strategic Income Fund, Inc.; the term "PIMCO-Sponsored Interval Funds" as used herein includes: PIMCO Flexible Credit Income Fund and PIMCO Flexible Municipal Income Fund.

** The address of these officers is Pacific Investment Management Company LLC, 1633 Broadway, New York, New York 10019.

The Trust^{2,3} considers customer privacy to be a fundamental aspect of its relationships with shareholders and is committed to maintaining the confidentiality, integrity and security of its current, prospective and former shareholders' non-public personal information. The Trust has developed policies that are designed to protect this confidentiality, while allowing shareholder needs to be served.

OBTAINING PERSONAL INFORMATION

In the course of providing shareholders with products and services, the Trust and certain service providers to the Trust, such as the Trust's investment advisers or sub-advisers ("Advisers"), may obtain non-public personal information about shareholders, which may come from sources such as account applications and other forms, from other written, electronic or verbal correspondence, from shareholder transactions, from a shareholder's brokerage or financial advisory firm, financial advisor or consultant, and/or from information captured on applicable websites.

RESPECTING YOUR PRIVACY

As a matter of policy, the Trust does not disclose any non-public personal information provided by shareholders or gathered by the Trust to non-affiliated third parties, except as required or permitted by law or as necessary for such third parties to perform their agreements with respect to the Trust. As is common in the industry, non-affiliated companies may from time to time be used to provide certain services, such as preparing and mailing prospectuses, reports, account statements and other information, conducting research on shareholder satisfaction and gathering shareholder proxies. The Trust or its affiliates may also retain non-affiliated companies to market the Trust's shares or products which use the Trust's shares and enter into joint marketing arrangements with them and other companies. These companies may have access to a shareholder's personal and account information, but are permitted to use this information solely to provide the specific service or as otherwise permitted by law. In most cases, the shareholders will be clients of a third party, but the Trust may also provide a shareholder's personal and account information to the shareholder's respective brokerage or financial advisory firm and/or financial advisor or consultant.

SHARING INFORMATION WITH THIRD PARTIES

The Trust reserves the right to disclose or report personal or account information to non-affiliated third parties in limited circumstances where the Trust believes in good faith that disclosure is required under law, to cooperate with regulators or law enforcement authorities, to protect its rights or property, or upon reasonable request by any fund advised by PIMCO in which a shareholder has invested. In addition, the Trust may disclose information about a shareholder or a shareholder's accounts to a non-affiliated third party at the shareholder's request or with the consent of the shareholder.

SHARING INFORMATION WITH AFFILIATES

The Trust may share shareholder information with its affiliates in connection with servicing shareholders' accounts, and subject to applicable law may provide shareholders with information about products and services that the Trust or its Advisers, distributors or their affiliates ("Service Affiliates") believe may be of interest to such shareholders. The information that the Trust may share may include,

for example, a shareholder's participation in the Trust or in other investment programs sponsored by a Service Affiliate, a shareholder's ownership of certain types of accounts (such as IRAs), information about the Trust's experiences or transactions with a shareholder, information captured on applicable websites, or other data about a shareholder's accounts, subject to applicable law. The Trust's Service Affiliates, in turn, are not permitted to share shareholder information with non-affiliated entities, except as required or permitted by law.

PROCEDURES TO SAFEGUARD PRIVATE INFORMATION

The Trust takes seriously the obligation to safeguard shareholder non-public personal information. In addition to this policy, the Trust has implemented procedures that are designed to restrict access to a shareholder's non-public personal information to internal personnel who need to know that information to perform their jobs, such as servicing shareholder accounts or notifying shareholders of new products or services. Physical, electronic and procedural safeguards are in place to guard a shareholder's non-public personal information.

INFORMATION COLLECTED FROM WEBSITES

Websites maintained by the Trust or its service providers may use a variety of technologies to collect information that help the Trust and its service providers understand how the website is used. Information collected from your web browser (including small files stored on your device that are commonly referred to as "cookies") allow the websites to recognize your web browser and help to personalize and improve your user experience and enhance navigation of the website. In addition, the Trust or its Service Affiliates may use third parties to place advertisements for the Trust on other websites, including banner advertisements. Such third parties may collect anonymous information through the use of cookies or action tags (such as web beacons). The information these third parties collect is generally limited to technical and web navigation information, such as your IP address, web pages visited and browser type, and does not include personally identifiable information such as name, address, phone number or email address. If you are a registered user of the Trust's website, the Trust or their service providers or third party firms engaged by the Trust or their service providers may collect or share information submitted by you, which may include personally identifiable information. This information can be useful to the Trust when assessing and offering services and website features. You can change your cookie preferences by changing the setting on your web browser to delete or reject cookies. If you delete or reject cookies, some website pages may not function properly. The Trust does not look for web browser "do not track" requests.

CHANGES TO THE PRIVACY POLICY

From time to time, the Trust may update or revise this privacy policy. If there are changes to the terms of this privacy policy, documents containing the revised policy on the relevant website will be updated.

¹ Amended as of February 15, 2017.

² PIMCO Investments LLC ("PI") serves as the Trust's distributor. This Privacy Policy applies to the activities of PI to the extent that PI regularly effects or engages in transactions with or for a Trust shareholder who is the record owner of such shares. For purposes of this Privacy Policy, references to "the Trust" shall include PI when acting in this capacity.

³ When distributing this Policy, the Trust may combine the distribution with any similar distribution of its investment adviser's privacy policy. The distributed, combined policy may be written in the first person (i.e., by using "we" instead of "the Trust").

Approval of Investment Advisory Contract and Other Agreements

Approval of Renewal of the Amended and Restated Investment Advisory Contract, Supervision and Administration Agreement and Amended and Restated Asset Allocation Sub-Advisory Agreement

At a meeting held on August 20-21, 2019, the Board of Trustees (the "Board") of PIMCO Variable Insurance Trust (the "Trust"), including the Trustees who are not "interested persons" of the Trust under the Investment Company Act of 1940, as amended (the "Independent Trustees"), considered and unanimously approved the renewal of the Amended and Restated Investment Advisory Contract (the "Investment Advisory Contract") between the Trust, on behalf of each of the Trust's series (each, a "Portfolio," and collectively, the "Portfolios"), and Pacific Investment Management Company LLC ("PIMCO") for an additional one-year term through August 31, 2020. The Board also considered and unanimously approved the renewal of the Supervision and Administration Agreement (together with the Investment Advisory Contract, the "Agreements") between the Trust, on behalf of the Portfolios, and PIMCO for an additional one-year term through August 31, 2020. In addition, the Board considered and unanimously approved the renewal of the Amended and Restated Asset Allocation Sub-Advisory Agreement (the "Asset Allocation Agreement") between PIMCO, on behalf of PIMCO All Asset Portfolio and PIMCO All Asset All Authority Portfolio, each a series of the Trust, and Research Affiliates, LLC ("Research Affiliates") for an additional one-year term through August 31, 2020.

The information, material factors and conclusions that formed the basis for the Board's approvals are summarized below.

1. INFORMATION RECEIVED

(a) **Materials Reviewed:** During the course of the past year, the Trustees received a wide variety of materials relating to the services provided by PIMCO and Research Affiliates to the Trust. At each of its quarterly meetings, the Board reviewed the Portfolios' investment performance and a significant amount of information relating to Portfolio operations, including shareholder services, valuation and custody, the Portfolios' compliance program and other information relating to the nature, extent and quality of services provided by PIMCO and Research Affiliates to the Trust and each of the Portfolios, as applicable. In considering whether to approve the renewal of the Agreements and the Asset Allocation Agreement, the Board reviewed additional information, including, but not limited to, comparative industry data with regard to investment performance, advisory and supervisory and administrative fees and expenses, financial information for PIMCO and, where relevant, Research Affiliates, information regarding the profitability to PIMCO of its relationship with the Portfolios, information about the personnel providing investment management services, other advisory services and supervisory and

administrative services to the Portfolios, and information about the fees charged and services provided to other clients with similar investment mandates as the Portfolios, where applicable. In addition, the Board reviewed materials provided by counsel to the Trust and the Independent Trustees, which included, among other things, a memorandum outlining legal duties of the Board in considering the renewal of the Agreements and the Asset Allocation Agreement.

(b) **Review Process:** In connection with considering the renewal of the Agreements and the Asset Allocation Agreement, the Board reviewed written materials prepared by PIMCO and, where applicable, Research Affiliates in response to requests from counsel to the Trust and the Independent Trustees encompassing a wide variety of topics. The Board requested and received assistance and advice regarding, among other things, applicable legal standards from counsel to the Trust and the Independent Trustees, and reviewed comparative fee and performance data prepared at the Board's request by Broadridge Financial Solutions, Inc. ("Broadridge"), an independent provider of investment company performance information and fee and expense data. The Board received presentations from PIMCO and, where applicable, Research Affiliates, on matters related to the Agreements and the Asset Allocation Agreement and met both as a full Board and in a separate session of the Independent Trustees, without management present, at the August 20-21, 2019 meeting. The Independent Trustees also met in-person and telephonically with counsel to the Trust and the Independent Trustees, including an in-person meeting on July 17, 2019, and conducted a telephonic meeting with management and counsel to the Trust and Independent Trustees, to discuss the materials presented and other matters deemed relevant to their consideration of the renewal of the Agreements and the Asset Allocation Agreement. In connection with its review of the Agreements and the Asset Allocation Agreement, the Board received comparative information on the performance, the risk-adjusted performance and the fees and expenses of other peer group funds and share classes. The Independent Trustees also requested and received supplemental information, including information regarding Portfolio performance and profitability.

The approval determinations were made on the basis of each Trustee's business judgment after consideration and evaluation of all the information presented. Individual Trustees may have given different weight to certain factors and assigned various degrees of materiality to information received in connection with the approval process. In deciding to approve the renewal of the Agreements and the Asset Allocation Agreement, the Board did not identify any single factor or particular information that, in isolation, was controlling. The discussion below is intended to summarize the broad factors and information that figured prominently in the Board's consideration of the renewal of the Agreements and the Asset Allocation Agreement, but is not intended to summarize all of the factors considered by the Board.

2. NATURE, EXTENT AND QUALITY OF SERVICES

(a) **PIMCO, Research Affiliates, their Personnel, and Resources:** The Board considered the depth and quality of PIMCO's investment management process, including, but not limited to: the experience, capability and integrity of its senior management and other personnel; the overall financial strength and stability of its organization; and the ability of its organizational structure to address changes in the Portfolios' asset levels. The Board also considered the various services in addition to portfolio management that PIMCO provides under the Investment Advisory Contract. The Board noted that PIMCO makes available to its investment professionals a variety of resources and systems relating to investment management, compliance, trading, performance and portfolio accounting. The Board also noted PIMCO's commitment to enhancing and investing in its global infrastructure, technology capabilities, risk management processes and the specialized talent needed to provide the array of services required of a mutual fund sponsor, to stay at the forefront of the competitive investment management industry and to strengthen its ability to deliver services under the Agreements. The Board considered PIMCO's policies, procedures and systems reasonably designed to assure compliance with applicable laws and regulations and its commitment to further developing and strengthening these programs, its oversight of matters that may involve conflicts of interest between the Portfolios' investments and those of other accounts managed by PIMCO, and its efforts to keep the Trustees informed about matters relevant to the Portfolios and their shareholders. The Board also considered PIMCO's continuous investment in new disciplines and talented personnel, which has enhanced PIMCO's services to the Portfolios and has allowed PIMCO to introduce innovative new portfolios over time. In addition, the Board considered the nature, extent and quality of services provided by PIMCO to the wholly-owned subsidiaries of certain applicable Portfolios.

In addition, the Trustees considered new services and service enhancements that PIMCO has implemented, including, but not limited to: upgrading the global network and infrastructure to support trading and risk management systems; enhancing and continuing to expand capabilities within the pre-trade compliance platform; enhancing flexible client reporting capabilities to support increased differentiation within local markets; developing new application and database frameworks to support new trading strategies; making portfolio data, performance and portfolio analysis available on the cloud to improve system performance for internal users and develop a new self-service client portal; enhancing the enterprise risk management function, including PIMCO's Global Risk Committee, cybersecurity program and global business continuity functions; continuing oversight by the Americas Fund Oversight Committee, which provides senior-level oversight and supervision focused on new and ongoing fund-related

business opportunities; expanding engagement with a third party service provider to provide certain additional fund administration services subject to PIMCO's oversight; expanding the Fund Treasurer's Office; enhancing a proprietary application to provide portfolio managers with more timely and high quality income reporting; developing a global tax management application that will enable investment professionals to access foreign market and security tax information on a real-time basis; upgrading a proprietary application to allow shareholder subscription and redemption data to pass to portfolio managers more quickly and efficiently; completing work on structured data filings for Form N-PORT and Form N-CEN to ensure operational readiness and successfully meet applicable filing dates; implementing a contingent NAV process; continuing to advocate in the public policy arena; and continuing to expand the pricing portal and the proprietary performance reconciliation tool. Similarly, the Board considered the asset allocation services provided by Research Affiliates to the PIMCO All Asset Portfolio and PIMCO All Asset All Authority Portfolio. The Board further considered PIMCO's oversight of Research Affiliates in connection with Research Affiliates providing asset allocation services to the All Asset Portfolio and All Asset All Authority Portfolio. The Board also considered the depth and quality of Research Affiliates' investment management and research capabilities, the experience and capabilities of its portfolio management personnel and the overall financial strength of the organization.

Ultimately, the Board concluded that the nature, extent and quality of services provided or procured by PIMCO under the Agreements and provided by Research Affiliates under the Asset Allocation Agreement are likely to continue to benefit the Portfolios and their respective shareholders, as applicable.

(b) **Other Services:** The Board also considered the nature, extent and quality of supervisory and administrative services provided by PIMCO to the Portfolios under the Supervision and Administration Agreement.

The Board considered the terms of the Supervision and Administration Agreement, under which the Trust pays for the supervisory and administrative services provided pursuant to that agreement under what is essentially an all-in fee structure (the "unified fee"). In return, PIMCO provides or procures certain supervisory and administrative services and bears the costs of various third party services required by the Portfolios, including, but not limited to, audit, custodial, portfolio accounting, ordinary legal, transfer agency, sub-accounting and printing costs. The Board noted that the scope and complexity, as well as the costs, of the supervisory and administrative services provided by PIMCO under the Supervision and Administration Agreement continue to increase. The Board considered PIMCO's provision of supervisory and administrative services and its supervision of the Trust's third party service providers to assure that these service providers continue to provide a high level of service relative to alternatives available in the market.

Ultimately, the Board concluded that the nature, extent and quality of the services provided by PIMCO has benefited, and will likely continue to benefit, the Portfolios and their shareholders.

3. INVESTMENT PERFORMANCE

The Board reviewed information from PIMCO concerning the Portfolios' performance, as available, over short- and long-term periods ended March 31, 2019 and other performance data, as available, over short- and long-term periods ended June 30, 2019 (the "PIMCO Report") and from Broadridge concerning the Portfolios' performance, as available, over short- and long-term periods ended March 31, 2019 (the "Lipper Report").

The Board considered information regarding both the short- and long-term investment performance of each Portfolio relative to its peer group and relevant benchmark index as provided to the Board in advance of each of its quarterly meetings throughout the year, including the PIMCO Report and Lipper Report, which were provided in advance of the August 20-21, 2019 meeting. The Trustees reviewed information indicating that classes of each Portfolio would have substantially similar performance to that of the Administrative Class of the relevant Portfolio on a relative basis because all of the classes are invested in the same portfolio of investments and that differences in performance among classes could principally be attributed to differences in the supervisory and administrative fees and distribution and servicing expenses of each class. The Board noted that, due to differences (such as specific investment strategies or fee structures) between certain of the Portfolios and their so-called peers in the Lipper categories, performance comparisons may not be particularly relevant to the consideration of Portfolio performance but found the comparative information supported its overall evaluation.

The Board noted that performance for a majority of the Portfolios has been mixed compared to their respective benchmark indexes over the five-year period ended March 31, 2019. The Board noted that, as of March 31, 2019, 91%, 25% and 91% of the Trust's assets (based on Administrative Class performance) outperformed their respective benchmarks on a net-of-fees basis over the three-, five- and ten-year periods, respectively. The Board also discussed actions that have been taken by PIMCO to attempt to improve performance and took note of PIMCO's plans to monitor performance going forward.

The Board ultimately concluded, within the context of all of its considerations in connection with the Agreements, that PIMCO's performance record and process in managing the Portfolios indicates that its continued management is likely to benefit the Portfolios and their shareholders, and merits the approval of the renewal of the Agreements.

4. ADVISORY FEES, SUPERVISORY AND ADMINISTRATIVE FEES AND TOTAL EXPENSES

The Board considered that PIMCO seeks to price new funds and classes to scale at the outset with reference to the total expense ratios of the respective Lipper median, if available, while providing a premium for innovative investment offerings. PIMCO reported to the Board that, in proposing fees for any Portfolio or class of shares, it considers a number of factors, including, but not limited to, the type and complexity of the services provided, the cost of providing services, the risk assumed by PIMCO in the development of products and the provision of services and the competitive marketplace for financial products.

In addition, PIMCO reported to the Board that it periodically reviews the fees charged to the Portfolios and that PIMCO may propose advisory fee or supervisory and administrative fee changes where (i) a Portfolio's long-term performance warrants additional consideration; (ii) there is a notable aid to market position; (iii) a Portfolio's fee does not reflect the current level of supervision or administrative fees provided to the Portfolio; or (iv) PIMCO would like to change a Portfolio's overall strategic positioning.

The Board reviewed the advisory fees, supervisory and administrative fees and total expenses of the Portfolios (each as a percentage of average net assets) and compared such amounts with the average and median fee and expense levels of other similar funds. The Board also reviewed information relating to the sub-advisory fees paid to Research Affiliates with respect to applicable Portfolios, taking into account that PIMCO compensates Research Affiliates from the advisory fees paid by such Portfolios to PIMCO. With respect to advisory fees, the Board reviewed data from the Lipper Report that compared the average and median advisory fees of other funds in a "Peer Group" of comparable funds, as well as the universe of other similar funds. The Board reviewed materials indicating that a number of Portfolios have total expense ratios that fall below the average and median expense ratios in their Peer Group and Lipper universe. In addition, the Board considered fee waivers in place for certain of the Portfolios and also noted the fee waivers in place with respect to the advisory fee and supervisory and administrative fee that might result from investments by applicable Portfolios in their respective wholly-owned subsidiaries. The Board also considered that PIMCO reviews the Portfolios' fee levels and carefully considers changes where appropriate.

The Board also reviewed data comparing the Portfolios' advisory fees to the fee rates PIMCO charges to separate accounts, private funds, collective investment trusts and sub-advised clients with similar investment strategies. In cases where the fees for other clients were lower than those charged to the Portfolios, the Trustees noted that the differences in fees were attributable to various factors, including, but

not limited to, differences in the advisory and other services provided by PIMCO to the Portfolios, differences in the number or extent of the services provided by PIMCO to the Portfolios, the manner in which similar portfolios may be managed, different requirements with respect to liquidity management and the implementation of other regulatory requirements, and the fact that separate accounts may have other contractual arrangements or arrangements across PIMCO strategies that justify different levels of fees. The Board considered that, with respect to collective investment trusts, PIMCO performs fewer or less extensive services because collective investment trusts are generally exempt from SEC regulation; investors in a collective investment trust may receive shareholder services from a trustee bank, rather than PIMCO; collective investment trusts have less regulatory disclosure; and the management structure of collective investment trusts differs from that of funds. The Trustees also considered that PIMCO faces increased entrepreneurial, legal and regulatory risk in sponsoring and managing mutual funds and ETFs as compared to separate accounts, external sub-advised funds or other investment products.

Regarding advisory fees charged by PIMCO in its capacity as sub-adviser to third party/unaffiliated funds, the Trustees took into account that such fees may be lower than the fees charged by PIMCO to serve as adviser to the Portfolios. The Trustees also took into account that there are various reasons for any such differences in fees, including, but not limited to, the fact that PIMCO may be subject to varying levels of entrepreneurial risk and regulatory requirements, differing legal liabilities on a contract-by-contract basis and different servicing requirements when PIMCO does not serve as the sponsor of a fund and is not principally responsible for all aspects of a fund's investment program and operations as compared to when PIMCO serves as investment adviser and sponsor.

The Board considered the Portfolios' supervisory and administrative fees, comparing them to similar funds managed by other investment advisers in the Lipper Report. The Board also considered that as the Portfolios' business has become increasingly complex and the number of Portfolios has grown over time, PIMCO has provided an increasingly broad array of fund supervisory and administrative functions. In addition, the Board considered the Trust's unified fee structure, under which the Trust pays for the supervisory and administrative services it requires for one set fee. In return for this unified fee, PIMCO provides or procures supervisory and administrative services and bears the costs of various third party services required by the Portfolios, including audit, custodial, portfolio accounting, ordinary legal, transfer agency, sub-accounting and printing costs. The Board further considered that many other funds pay for comparable services separately, and thus it is difficult to directly compare the Trust's unified supervisory and administrative fees with the fees paid by other funds for administrative services alone. The Board also considered that the unified supervisory

and administrative fee leads to Portfolio fees that are fixed over the contract period, rather than variable. The Board noted that, although the unified fee structure does not have breakpoints, it implicitly reflects economies of scale by fixing the absolute level of Portfolio fees at competitive levels over the contract period even if the Portfolios' operating costs rise when assets remain flat or decrease. Other factors the Board considered in assessing the unified fee include PIMCO's approach of pricing Portfolios to scale at inception and reinvesting in other important areas of the business that support the Portfolios. The Board considered that the Portfolios' unified fee structure meant that fees were not impacted by recent outflows in certain Portfolios, unlike funds without a unified fee structure, which may see increased expense ratios when fixed costs, such as service provider costs, are passed through to a smaller asset base. The Board considered historical advisory and supervisory and administrative fee reductions implemented for different Portfolios and classes, noting that the unified fee can be increased or decreased in subsequent contractual periods and is subject to the periodic reviews discussed above. The Board noted that, with few exceptions, PIMCO has generally maintained Portfolio fees at the same level as implemented when the unified fee was adopted, and has reduced fees for a number of Portfolios in prior years. The Board concluded that the Portfolios' supervisory and administrative fees were reasonable in relation to the value of the services provided, including the services provided to different classes of shareholders, and that the expenses assumed contractually by PIMCO under the Supervision and Administration Agreement represent, in effect, a cap on overall Portfolio fees during the contractual period, which is beneficial to the Portfolios and their shareholders.

The Board considered the Portfolios' total expenses and discussed with PIMCO those Portfolios and/or classes of Portfolios that had above median total expenses. Upon comparing the Portfolios' total expenses to other funds in the "Peer Groups" provided by the Lipper Report, the Board found total expenses of each Portfolio to be reasonable.

The Trustees also considered the advisory fees charged to the Portfolios that operate as funds of funds (the "Funds of Funds") and the advisory services provided in exchange for such fees. The Trustees determined that such services were in addition to the advisory services provided to the underlying funds in which the Funds of Funds may invest and, therefore, such services were not duplicative of the advisory services provided to the underlying funds. The Board also considered the various fee waiver agreements in place for the Funds of Funds. The Board noted that PIMCO is continuing waivers for these Funds of Funds, as well as for certain other Portfolios of the Trust.

Based on the information presented by PIMCO and Research Affiliates, members of the Board determined, in the exercise of their business judgment, that the level of the advisory fees and supervisory and

administrative fees charged by PIMCO under the Agreements, that the fees charged by to PIMCO Research Affiliates under the Asset Allocation Agreement, and that the total expenses of each Portfolio, are reasonable.

5. ADVISER COSTS, LEVEL OF PROFITS AND ECONOMIES OF SCALE

The Board reviewed information regarding PIMCO's costs of providing services to, as well as the resulting level of profits attributable to the Portfolios. To the extent applicable, the Board also reviewed information regarding the portion of a Portfolio's advisory fee retained by PIMCO, following the payment of sub-advisory fees to Research Affiliates, with respect to the Portfolio. Additionally, the Board discussed PIMCO's pre-distribution profit margin ranges with respect to the Portfolios, as compared to the prior year. The Board further noted PIMCO's engagement of a third party to review and to make recommendations regarding PIMCO's processes supporting its profitability estimation materials. The Board also noted that it had received information regarding the structure and manner in which PIMCO's investment professionals were compensated, and PIMCO's view of the relationship of such compensation to the attraction and retention of quality personnel. The Board considered PIMCO's investment in global infrastructure, technology capabilities, risk management processes and qualified personnel to reinforce and offer new services and to accommodate changing regulatory requirements.

With respect to potential economies of scale, the Board noted that PIMCO shares the benefits of economies of scale with the Portfolios and their shareholders in a number of ways, including investing in portfolio and trade operations management, firm technology, middle and back office support, legal and compliance, and fund administration logistics, senior management supervision, governance and oversight of those services, and through fee reductions or waivers, the pricing of Portfolios to scale from inception, and the enhancement of services provided to the Portfolios in return for fees paid. The Board reviewed the history of the Portfolios' fee structure. The Board considered that the Portfolios' unified fee rates had been set competitively and/or priced to scale from inception, had been held steady during the contractual period at that scaled competitive rate for most Portfolios as assets grew, or as assets declined in the case of some Portfolios, and continued to be competitive compared with peers. The Board also considered that the unified fee is a transparent means of informing a Portfolio's shareholders of the fees associated with the Portfolio, and that the Portfolio bears certain expenses that are not covered by the advisory fee or the unified fee. The Board further considered the challenges that arise when managing large funds, which can result in certain "diseconomies" of scale and noted that PIMCO has continued to reinvest in many areas of the business to support the Portfolios.

The Trustees considered that the unified fee has provided inherent economies of scale because a Portfolio maintains competitive fixed fees over the annual contract period even if the particular Portfolio's assets decline and/or operating costs rise. The Trustees further considered that, in contrast, breakpoints may be a proxy for charging higher fees on lower asset levels and that when a fund's assets decline, breakpoints may reverse, which causes expense ratios to increase. The Trustees also considered that, unlike the Portfolios' unified fee structure, funds with "pass through" administrative fee structures may experience increased expense ratios when fixed dollar fees are charged against declining fund assets. The Trustees also considered that the unified fee protects shareholders from a rise in operating costs that may result from, among other things, PIMCO's investments in various business enhancements and infrastructure, including those referenced above. The Trustees noted that PIMCO's investments in these areas are extensive.

The Board concluded that the Portfolios' cost structures were reasonable and that PIMCO is appropriately sharing economies of scale, if any, through the Portfolios' unified fee structure, generally pricing Portfolios to scale at inception and reinvesting in its business to provide enhanced and expanded services to the Portfolios and their shareholders.

6. ANCILLARY BENEFITS

The Board considered other benefits realized by PIMCO and its affiliates as a result of PIMCO's relationship with the Trust. Such benefits may include possible ancillary benefits to PIMCO's institutional investment management business due to the reputation and market penetration of the Trust or third party service providers' relationship-level fee concessions, which decrease fees paid by PIMCO. The Board also considered that affiliates of PIMCO provide distribution and/or shareholder services to the Portfolios and their shareholders, for which they may be compensated through distribution and servicing fees paid pursuant to the Portfolios' Rule 12b-1 plans or otherwise. The Board reviewed PIMCO's soft dollar policies and procedures, noting that while PIMCO has the authority to receive the benefit of research provided by broker-dealers executing portfolio transactions on behalf of the Portfolios, it has adopted a policy not to enter into contractual soft dollar arrangements.

7. CONCLUSIONS

Based on their review, including their comprehensive consideration and evaluation of each of the broad factors and information summarized above, the Independent Trustees and the Board as a whole concluded that the nature, extent and quality of the services rendered to the Portfolios by PIMCO and Research Affiliates supported the renewal of the Agreements and the Asset Allocation Agreement. The Independent

Trustees and the Board as a whole concluded that the Agreements and the Asset Allocation Agreement continued to be fair and reasonable to the Portfolios and their shareholders, that the Portfolios' shareholders received reasonable value in return for the fees paid to PIMCO by the Portfolios under the Agreements and the fees paid to Research Affiliates by PIMCO under the Asset Allocation Agreement, and that the renewal of the Agreements and the Asset Allocation Agreement was in the best interests of the Portfolios and their shareholders.

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General Information

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This report is submitted for the general information of the shareholders of the PIMCO Variable Insurance Trust.

pimco.com/pvit

P I M C O