

PIMCO Dynamic Income Fund  
Form N-CSR  
August 26, 2016

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT**

**INVESTMENT COMPANIES**

Investment Company Act file number: 811-22673

**PIMCO Dynamic Income Fund**

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

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

**(Address of principal executive offices)**

**William G. Galipeau**

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

**650 Newport Center Drive**

**Newport Beach, CA 92660**

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

Copies to:

**David C. Sullivan**

**Ropes & Gray LLP**

**Prudential Tower**

**800 Boylston Street**

**Boston, MA 02199**

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

Date of fiscal year end: June 30

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

Date of reporting period: June 30, 2016

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

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

**Item 1. Reports to Shareholders.**

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

**PIMCO Closed-End Funds**

# Annual Report

*June 30, 2016*

PCM Fund, Inc.

PIMCO Global StocksPLUS<sup>®</sup> & Income Fund

PIMCO Income Opportunity Fund

PIMCO Strategic Income Fund, Inc.

PIMCO Dynamic Credit and Mortgage Income Fund

(formerly PIMCO Dynamic Credit Income Fund)

PIMCO Dynamic Income Fund

**Table of Contents**

	Page
<u>Letter from the Chairman of the Board &amp; President</u>	2
<u>Important Information About the Funds</u>	4
<u>Financial Highlights</u>	16
<u>Statements of Assets and Liabilities</u>	18
<u>Consolidated Statements of Assets and Liabilities</u>	19
<u>Statements of Operations</u>	20
<u>Consolidated Statements of Operations</u>	21
<u>Statements of Changes in Net Assets</u>	22
<u>Consolidated Statements of Changes in Net Assets</u>	24
<u>Statements of Cash Flows</u>	25
<u>Consolidated Statements of Cash Flows</u>	26
<u>Notes to Financial Statements</u>	89
<u>Report of Independent Registered Public Accounting Firm</u>	112
<u>Glossary</u>	113
<u>Federal Income Tax Information</u>	114
<u>Shareholder Meeting Results</u>	115
<u>Investment Strategy Updates</u>	116
<u>Dividend Reinvestment Plan</u>	118
<u>Management of the Funds</u>	120
<u>Approval of Investment Management Agreement</u>	123
<u>Privacy Policy</u>	130

Fund	Fund Summary	Schedule of Investments
<u>PCM Fund, Inc.</u>	9	27
<u>PIMCO Global StocksPLUS® &amp; Income Fund</u>	10	34
<u>PIMCO Income Opportunity Fund</u>	11	45
<u>PIMCO Strategic Income Fund, Inc.</u>	12	56
<u>PIMCO Dynamic Credit and Mortgage Income Fund<sup>(1)</sup></u>	13	65
<u>PIMCO Dynamic Income Fund<sup>(1)</sup></u>	14	79

<sup>(1)</sup> Consolidated Schedule of Investments

## Letter from the Chairman of the Board & President

Dear Shareholder,

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

Outside of the reporting period, PIMCO announced on July 19, 2016 that the firm's Managing Directors have appointed Emmanuel (Manny) Roman as PIMCO's next Chief Executive Officer. PIMCO's current CEO Douglas Hodge will assume a new role as Managing Director and Senior Advisor when Mr. Roman joins PIMCO on November 1st. The announcement of Mr. Roman as PIMCO's CEO is the culmination of a process undertaken by the firm to hire a senior executive who would add leadership and strategic insights combined with a deep appreciation of PIMCO's diversified global businesses, investment process and focus on superior investment performance and client service. Mr. Roman's appointment has the full support of the firm's leadership including Mr. Hodge, PIMCO's President Jay Jacobs, the firm's Executive Committee and its Managing Directors. Mr. Roman has nearly 30 years of experience in the investment industry, with expertise in fixed income and proven executive leadership, most recently as CEO of Man Group PLC, one of the world's largest publicly traded alternative asset managers and leader in liquid, high-alpha investment strategies.

For the 12-month reporting period ended June 30, 2016

Despite a number of headwinds, the U.S. economy was resilient and continued to expand during the reporting period. That being said, the pace was far from robust. Looking back, U.S. gross domestic product (GDP), which represents the value of goods and services produced in the country, the broadest measure of economic activity and the principal indicator of economic performance, expanded at a 2.0% annual pace during the third quarter of 2015. Economic activity then decelerated, as GDP grew at a revised 0.9% and 0.8% annual pace during the fourth quarter of 2015 and first quarter of 2016, respectively. Finally, the Commerce Department's initial reading released after the reporting period had ended showed that second quarter 2016 GDP grew at an annual pace of 1.2%.

At its meeting in December 2015, the Federal Reserve (Fed) took its initial step toward normalizing monetary policy. In particular, the Fed raised interest rates from a range between 0% and 0.25% to a range between 0.25% and 0.50%. However, since that time the Fed has remained on hold. In its official statement following the Fed's June 2016 meeting it said, "The Committee expects that economic conditions will evolve in a manner that will warrant only gradual increases in the federal funds rate; the federal funds rate is likely to remain, for some time, below levels that are expected to prevail in the longer run."

Economic activity outside the U.S. was mixed during the reporting period. In the eurozone, underlying economies gradually improved from low levels due to better domestic demand, while low inflation remained a concern. Against this backdrop, the European Central Bank (ECB) introduced additional easing measures, including the purchase of corporate bonds in an attempt to stimulate growth and spur inflation. The Bank of Japan also continued to pursue highly accommodative monetary policy. While the Bank of England kept rates on hold, British voters' decision in June 2016 to leave the European Union (Brexit) led to speculation that the country's central bank would lower rates in the near future. Elsewhere, economic activity in China moderated, which impacted growth in many emerging market economies.

Commodity prices were highly volatile during the reporting period. Crude oil declined from \$59 to \$37 during the first half of the period and then rallied to \$48 at the end of June 2016. Finally, foreign exchange markets fluctuated given economic data, central bank policy and, most

recently, Brexit, which sent the pound sharply lower.

**2 PIMCO CLOSED-END FUNDS**

## Outlook

PIMCO's baseline view is for a version of today's status quo to continue and evolve gradually for the next three to five years. More specifically, PIMCO foresees U.S. GDP growth at or slightly above trend of 1.5% to 2% per year, inflation fluctuating around the 2% Fed's target, the Fed gradually lifting the federal funds rate to the New Neutral range of 2% to 3% nominal and fiscal policy providing modest positive support to aggregate demand.

Overseas, PIMCO's baseline view for the eurozone is for lackluster, trend-like growth between 1% and 1.5% per year, with inflation remaining somewhat below 2%. In terms of monetary policy, PIMCO sees the ECB continuing to do the heavy lifting and eventually even pursuing an extension of the quantitative easing (QE) program. PIMCO's baseline view sees modest positive support for European growth from fiscal policy, over the next three to five years. Finally, for China, PIMCO's baseline view is that of a managed slowdown, with growth between 5% and 6% and inflation around 2%.

In the following pages of this PIMCO Closed-End Funds Annual Report, please find specific details regarding investment performance and a discussion of factors that most affected the Funds' performance over the 12 months ended June 30, 2016.

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

Sincerely,

Hans W. Kertess  
Chairman of the Board

Peter G. Strelow  
President



---

## Important Information About the Funds

We believe that bond funds have an important role to play in a well-diversified investment portfolio. It is important to note, however, that in an environment where interest rates trend upward, rising rates would negatively impact the performance of most bond funds, and fixed-income securities held by a Fund are likely to decrease in value. A number of factors can cause interest rates to rise (e.g., central bank monetary policies, inflation rates, general economic conditions, etc.). Accordingly, changes in interest rates can be sudden, and there is no guarantee that Fund Management will anticipate such movement. As of the date of this report, interest rates in the U.S. are at or near historically low levels. As such, bond funds may currently face an increased exposure to the risks associated with rising interest rates. This is especially true since the Federal Reserve Board has concluded its quantitative easing program and, at its meeting on December 16, 2015, raised interest rates for the first time since 2006 from a target range of 0% to 0.25% to a target range of 0.25% to 0.50%. Further, while the U.S. bond market has steadily grown over the past three decades, dealer inventories of corporate bonds have remained relatively stagnant. As a result, there has been a significant reduction in the ability of dealers to make markets in corporate bonds. All of the factors mentioned above, individually or collectively, could lead to increased volatility and/or lower liquidity in the fixed income markets, which could result in increased losses to a Fund. Bond funds and individual bonds with a longer duration (a measure of the sensitivity of a security's price to changes in interest rates) tend to be more sensitive to changes in interest rates, usually making them more volatile than securities or funds with shorter durations. In addition, in the current low interest rate environment, the market price of the Funds' common shares may be particularly sensitive to changes in interest rates or the perception that there will be a change in interest rates.

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

could far exceed the value of its portfolio securities and its investment performance could be primarily dependent upon securities it does not directly own. Changes in regulation relating to a mutual fund's use of derivatives and related instruments could potentially limit or impact a Fund's ability to invest in derivatives, limit a Fund's ability to employ certain strategies that use derivatives and adversely affect the value or performance of derivatives and a Fund.

PIMCO Global StocksPLUS® & Income Fund's ( PGP ) monthly distributions are expected to include, among other possible sources, interest income from its debt portfolio and payments and premiums (characterized as capital for financial accounting purposes and as ordinary income for tax purposes) generated by certain types of interest rate derivatives.

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

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

## Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

rate swap agreements on the same underlying instrument, but take the opposite position (*i.e.*, in this example, the Fund would make regular payments equal to a fixed interest rate in return for receiving payments equal to a floating interest rate) with respect to a contract whereby the payment obligations do not commence until a date following the commencement of the initial leg (the forward leg).

A Fund's income- and gain-generating strategies may generate current income and gains taxable as ordinary income sufficient to support monthly distributions even in situations when the Fund has experienced

### **4 PIMCO CLOSED-END FUNDS**

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

PGP's index option strategy, to the extent utilized, seeks to generate payments and premiums from writing options that may offset some or all of the capital losses incurred as a result of paired swaps transactions. However, the Fund may use paired swap transactions to support monthly distributions where the index option strategy does not produce an equivalent amount of offsetting gains, including without limitation when such strategy is not being used to a significant extent. In addition, gains (if any) generated from the index option strategy may be offset by the Fund's realized capital losses, including any available capital loss carryforwards. PGP currently has significant capital loss carryforwards, some of which will expire at particular dates, and to the extent that the Fund's capital losses exceed capital gains, the Fund cannot use its capital loss carryforwards to offset capital gains.

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

A Fund's use of leverage creates the opportunity for increased income for the Fund's common shareholders, but also creates special risks. Leverage is a speculative technique that may expose a Fund to greater risk and increased costs. If shorter-term interest rates rise relative to the rate of return on a Fund's portfolio, the interest and other costs to the Fund of leverage could exceed the rate of return on the debt obligations and other investments held by the Fund, thereby reducing return to the Fund's common shareholders. In addition, fees and expenses of any form of leverage used by a Fund will be borne entirely by its common shareholders (and not by preferred shareholders, if any) and will reduce the investment return of the Fund's common shares. There can be no assurance that a Fund's use of leverage will result in a

higher yield on its common shares, and it may result in losses. Leverage creates several major types of risks for a Fund's common shareholders, including: (1) the likelihood of greater volatility of net asset value and market price of the Fund's common shares, and of the investment return to the Fund's common shareholders, than a comparable portfolio without leverage; (2) the possibility either that the Fund's common share dividends will fall if the interest and other costs of leverage rise, or that dividends paid on the Fund's common shares will fluctuate because such costs vary over time; and (3) the effects of leverage in a declining market or a rising interest rate environment, as leverage is likely to cause a greater decline in the net asset value of the Fund's common shares than if the Fund were not leveraged and may result in a greater decline in the market value of the Fund's common shares.

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

## Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

Investments in loans are generally subject to risks similar to those of investments in other types of debt obligations, including, among others, credit risk, interest rate risk, variable and floating rate securities risk, and, as applicable, risks associated with mortgage-related securities. In addition, in many cases loans are subject to the risks associated with below-investment grade securities. In the case of a loan participation or assignment, a Fund generally has no right to enforce compliance with the terms of the loan agreement with the borrower. As a result, a Fund may be subject to the credit risk of both the borrower and the lender that is selling the loan agreement. In the event of the insolvency of the lender selling a loan participation, a Fund may be treated as a general creditor of the lender and may not benefit from any set-off between the lender and the borrower. The Funds may be subject to heightened or additional risks and potential liabilities and

---

## Important Information About the Funds (Cont.)

costs by investing in mezzanine and other subordinated loans or acting as an originator of loans, including those arising under bankruptcy, fraudulent conveyance, equitable subordination, lender liability, environmental and other laws and regulations, and risks and costs associated with debt servicing and taking foreclosure actions associated with the loans. To the extent that a Fund originates a loan, it may be responsible for all or a substantial portion of the expenses associated with initiating the loan, irrespective of whether the loan transaction is ultimately consummated or closed. This may include significant legal and due diligence expenses, which will be indirectly borne by a Fund and its shareholders.

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

High-yield bonds (commonly referred to as junk bonds) typically have a lower credit rating than other bonds. Lower-rated bonds generally involve a greater risk to principal than higher-rated bonds. Further, markets for lower-rated bonds are typically less liquid than for higher rated bonds, and public information is usually less abundant in such markets. Thus, high yield investments increase the chance that a Fund will lose money on its investment. The Funds may also invest in bonds and other instruments that are not rated, but which PIMCO considers to be equivalent to high-yield investments. The Funds may hold defaulted securities that may involve special considerations including bankruptcy

proceedings, other regulatory and legal restrictions affecting the Funds' ability to trade, and the availability of prices from independent pricing services or dealer quotations. Defaulted securities are often illiquid and may not be actively traded. Sale of securities in bankrupt companies at an acceptable price may be difficult and differences compared to the value of the securities used by the Funds could be material.

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

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

## Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

current form. The exit of any country out of the euro may have an extremely destabilizing effect on other eurozone countries and their economies and a negative effect on the global economy as a whole. Such an exit by one country may also increase the possibility that additional countries may exit the euro should they face similar financial difficulties. In June 2016, the United Kingdom approved a referendum to leave the European Union. Significant uncertainty remains in the market regarding the ramifications of that development, and the range and potential implications of possible political, regulatory, economic and market outcomes are difficult to predict.

### **6 PIMCO CLOSED-END FUNDS**

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

The Funds may invest in securities and instruments that are economically tied to Russia. Investments in Russia are subject to various risks such as political, economic, legal, market and currency risks. The risks include uncertain political and economic policies, short term market volatility, poor accounting standards, corruption and crime, an inadequate regulatory system, and unpredictable taxation. Investments in Russia are particularly subject to the risk that economic sanctions may be imposed by the United States and/or other countries. Such sanctions which may impact companies in many sectors, including energy, financial services and defense, among others may negatively impact the Funds performance and/or ability to achieve their investment objectives. The Russian securities market is characterized by limited volume of trading, resulting in difficulty in obtaining accurate prices. The Russian securities market, as compared to U.S. markets, has significant price volatility, less liquidity, a smaller market capitalization and a smaller number of traded securities. There may be little publicly available information about issuers. Settlement, clearing and

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

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

The Funds may be subject to various risks in addition to those described above. Some of these risks may include, but are not limited to, the following: asset allocation risk, credit risk, stressed securities risk, distressed and defaulted securities risk, corporate bond risk, market risk, issuer risk, liquidity risk, equity securities and related market risk, mortgage-related and other asset-backed securities risk, extension risk, prepayment risk, privately issued mortgage-related securities risk, mortgage market/ subprime risk, foreign (non-U.S.) investment risk, emerging

## Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

markets risk, currency risk, redenomination risk, non- diversification risk, management risk, municipal bond risk, inflation- indexed security risk, senior debt risk, loans, participations and assignments risk, reinvestment risk, real estate risk, U.S. Government securities risk, foreign (non-U.S.) government securities risk, valuation risk, segregation and cover risk, focused investment risk, credit default

swaps risk, event-linked securities risk, counterparty risk, preferred

**ANNUAL REPORT** JUNE 30, 2016 **7**



**Important Information About the Funds (Cont.)**

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

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

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

<b>Fund Name</b>	<b>Commencement of Operations</b>	<b>Diversification Status</b>
PCM Fund, Inc.	09/02/93	Diversified
PIMCO Global StocksPLUS & Income Fund	05/31/05	Diversified
PIMCO Income Opportunity Fund	11/30/07	Diversified
PIMCO Strategic Income Fund, Inc.	02/24/94	Diversified
PIMCO Dynamic Credit and Mortgage Income Fund	01/31/13	Diversified
PIMCO Dynamic Income Fund	05/30/12	Diversified

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

The Trustees/Directors<sup>1</sup> are responsible generally for overseeing the management of the Funds. The Trustees authorize the Funds to enter into service agreements with the Investment Manager and other service providers in order to provide, and in some cases authorize service providers to procure through other parties, necessary or desirable services on behalf of the Funds. Shareholders are not parties to or third-party beneficiaries of such service agreements. Neither a Fund's original or any subsequent prospectus or Statement of Additional

Information (SAI), any press release or shareholder report, any contracts filed as exhibits to a Fund's registration statement, nor any other communications, disclosure documents or regulatory filings from or on behalf of a Fund creates a contract between or among any shareholder of a Fund, on the one hand, and the Fund, a service provider to the Fund, and/or the Trustees or officers of the Fund, on the other hand. The Trustees (or the Funds and their officers, service providers or other delegates acting under authority of the Trustees) may amend its most recent or use a new prospectus or SAI with respect to a Fund, adopt and disclose new or amended policies and other changes in press releases and shareholder reports and/or amend, file and/or issue any other communications, disclosure documents or regulatory filings, and may amend or enter into any contracts to which a Fund is a party, and interpret the investment objective(s), policies, restrictions and contractual provisions applicable to any Fund, without shareholder input or approval, except in circumstances in which shareholder approval is specifically required by law (such as changes to fundamental investment policies) or where a shareholder approval requirement was specifically disclosed in a Fund's prospectus, SAI or shareholder report and is otherwise still in effect.

## Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

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

Each Fund files a complete schedule of its portfolio holdings with the SEC for the first and third quarters of its fiscal year on Form N-Q. A copy of each Fund s Form N-Q is available on the SEC s website at <http://www.sec.gov> and may be reviewed and copied at the SEC s Public Reference Room in Washington, D.C., and is available without charge, upon request by calling the Funds at (844) 33-PIMCO (844-337-4626) and on the Funds website at [www.pimco.com](http://www.pimco.com). Updated portfolio holdings information about a Fund will be available at [www.pimco.com](http://www.pimco.com) approximately 15 calendar days after such Fund s most recent fiscal quarter end, and will remain accessible until such Fund files a Form N-Q or a shareholder report for the period which includes the date of the information. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

<sup>1</sup> Hereinafter, the terms Trustee or Trustees used herein shall refer to a Director or Directors of applicable Funds.

### **8 PIMCO CLOSED-END FUNDS**

PCM Fund, Inc.

Symbol on NYSE - **PCM**

Allocation Breakdown

Non-Agency Mortgage-Backed Securities	38.7%
Asset-Backed Securities	34.1%
Corporate Bonds & Notes	16.0%
Short-Term Instruments	6.4%
Bank Loan Obligations	2.8%
Other	2.0%

% of Investments, at value as of 06/30/2016. Financial derivative instruments, if any, are excluded.

Fund Information (as of June 30, 2016)<sup>(1)</sup>

Market Price	\$9.72
NAV	\$9.71
Premium/(Discount) to NAV	0.10%
Market Price Distribution Yield <sup>(2)</sup>	9.88%
NAV Distribution Yield <sup>(2)</sup>	9.89%
Total Effective Leverage <sup>(3)</sup>	46%

Average Annual Total Return<sup>(1)</sup> for the period ended June 30, 2016

	1 Year	5 Year	10 Year	Commencement of Operations (09/02/93)
Market Price	6.91%	6.82%	7.68%	8.20%
NAV	0.14%	9.20%	9.80%	8.78%

All Fund returns are net of fees and expenses.

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

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

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

## Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

managed assets, total managed assets refer to total assets (including assets attributable to Total Effective Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Total Effective Leverage).

### Investment Objective and Strategy Overview

- » PCM's primary investment objective is to seek to achieve high current income. Capital gains from the disposition of investments are a secondary objective of the Fund.

### Fund Insights at NAV

Following are key factors impacting the Fund's performance during the reporting period:

- » The Fund's exposure to U.S. interest rates was the primary contributor to performance, as interest rates rallied significantly.
- » The Fund's allocation to commercial mortgage-backed securities ( CMBS ) contributed to performance. The sector performed well, with the Barclays Non-Agency Investment Grade CMBS Index outperforming like-duration Treasuries.
- » The Fund's allocation to non-agency mortgage-backed securities contributed to returns. The sector continued to benefit from an improving U.S. housing market and limited outstanding supply.
- » The Fund's allocation to intermediate-term investment grade corporate bonds was a modest contributor to performance. The sector performed well, with the Barclays Intermediate U.S. Corporate Index outperforming like-duration Treasuries.
- » The Fund's allocation to high yield corporate bonds was the primary detractor from performance. The asset class faced headwinds from lower energy prices, financial market volatility and mutual fund withdrawals, while subordinate bonds from financial issuers experienced weakness following the outcome of the U.K.'s referendum to leave the European Union.

**PIMCO Global StocksPLUS® & Income Fund**

Symbol on NYSE - **PGP**

Allocation Breakdown

Non-Agency Mortgage-Backed Securities	39.3%
Corporate Bonds & Notes	31.9%
Short-Term Instruments	13.4%
Asset-Backed Securities	10.5%
U.S. Government Agencies	1.9%
Other	3.0%

% of Investments, at value as of 06/30/2016. Financial derivative instruments, if any, are excluded.

Fund Information (as of June 30, 2016)<sup>(1)</sup>

Market Price	\$19.53
NAV	\$9.76
Premium/(Discount) to NAV	100.10%
Market Price Distribution Yield <sup>(2)</sup>	11.27%
NAV Distribution Yield <sup>(2)</sup>	22.54%
Total Effective Leverage <sup>(3)</sup>	45%

Average Annual Total Return<sup>(1)</sup> for the period ended June 30, 2016

	1 Year	5 Year	10 Year	Commencement of Operations (05/31/05)
Market Price	31.38%	7.98%	13.19%	12.62%
NAV	(7.04)%	9.97%	10.14%	10.78%

All Fund returns are net of fees and expenses.

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

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

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

## Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

managed assets, total managed assets refer to total assets (including assets attributable to Total Effective Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Total Effective Leverage).

### Investment Objective and Strategy Overview

- » PIMCO Global StocksPLUS® & Income Fund's primary investment objective is to seek total return comprised of current income, current gains and long-term capital appreciation.

### Fund Insights at NAV

Following are key factors impacting the Fund's performance during the reporting period:

- » A yield curve steepening strategy, implemented through U.S. dollar interest rate swaps, was the primary detractor from performance, as the swap curve flattened.
- » Exposure to the MSCI EAFE Index through equity index derivatives detracted from absolute returns. International equities (as represented by the MSCI EAFE Index) declined 10.83% over the 12 months ended June 30, 2016.
- » The Fund's allocation to high yield corporate bonds detracted from performance. The asset class faced headwinds from lower energy prices, financial market volatility and mutual fund withdrawals, while subordinate bonds from financial issuers experienced weakness following the outcome of the U.K.'s referendum to leave the European Union.
- » Exposure to residential non-agency mortgage-backed securities added modestly to performance, as these securities benefited from an improving housing market and limited outstanding supply.
- » The Fund's allocation to commercial mortgage-backed securities (CMBS) contributed to performance. The sector performed well, with the Barclays Investment Grade Non-Agency CMBS Index outperforming like-duration Treasuries.
- » The Fund's use of paired swap transactions during the reporting period supported the Fund's monthly distributions, but generally resulted in a decline in the Fund's net asset value.

### 10 PIMCO CLOSED-END FUNDS

**PIMCO Income Opportunity Fund**

Symbol on NYSE - **PKO**

Allocation Breakdown

Corporate Bonds & Notes	33.4%
Asset-Backed Securities	26.6%
Non-Agency Mortgage-Backed Securities	26.0%
Short-Term Instruments	5.6%
Convertible Preferred Securities	3.4%
Other	5.0%

% of Investments, at value as of 06/30/2016. Financial derivative instruments, if any, are excluded.

Fund Information (as of June 30, 2016)<sup>(1)</sup>

Market Price	\$23.00
NAV	\$22.59
Premium/(Discount) to NAV	1.81%
Market Price Distribution Yield <sup>(2)</sup>	9.91%
NAV Distribution Yield <sup>(2)</sup>	10.09%
Total Effective Leverage <sup>(3)</sup>	43%

Average Annual Total Return<sup>(1)</sup> for the period ended June 30, 2016

	1 Year	5 Year	Commencement of Operations (11/30/07)
Market Price	7.87%	8.30%	11.06%
NAV	(1.83)%	9.36%	11.40%

All Fund returns are net of fees and expenses.

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

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

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

## Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

managed assets, total managed assets refer to total assets (including assets attributable to Total Effective Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Total Effective Leverage).

### Investment Objective and Strategy Overview

- » PIMCO Income Opportunity Fund's investment objective is to seek current income as a primary focus and also capital appreciation.

### Fund Insights at NAV

Following are key factors impacting the Fund's performance during the reporting period:

- » The Fund's allocation to high yield corporate bonds was the primary detractor from performance. The asset class faced headwinds from lower energy prices, financial market volatility and mutual fund withdrawals, while subordinate bonds from financial issuers experienced weakness following the outcome of the U.K.'s referendum to leave the European Union.
- » Within the high yield corporate bond market, exposure to financials, industrials, capital goods, telecommunications and utility credits detracted from results.
- » Exposure to local and hard currency-denominated Brazilian debt was a major detractor from returns. Brazil was negatively impacted by its slowing economy, high inflation and a political crisis.
- » The Fund's exposure to U.S. interest rates benefited performance, as interest rates rallied. This positive impact, however, was partially offset by strategies designed to benefit from rising long-term interest rates, as the yield curve flattened.
- » The Fund's exposure to U.S. dollar-denominated Russian quasi-sovereign bonds contributed to returns. Spreads on these issues continued to retrace much of the widening that occurred in recent years, as geopolitical tensions in the region eased and investor sentiment improved.



**PIMCO Strategic Income Fund, Inc.**

Symbol on NYSE - **RCS**

Allocation Breakdown

U.S. Government Agencies	59.5%
Non-Agency Mortgage-Backed Securities	14.1%
Corporate Bonds & Notes	8.4%
U.S. Treasury Obligations	8.1%
Asset-Backed Securities	6.4%
Short-Term Instruments	1.7%
Other	1.8%

% of Investments, at value as of 06/30/2016. Financial derivative instruments, if any, are excluded.

Fund Information (as of June 30, 2016)<sup>(1)</sup>

Market Price	\$9.61
NAV	\$7.89
Premium/(Discount) to NAV	21.80%
Market Price Distribution Yield <sup>(2)</sup>	9.99%
NAV Distribution Yield <sup>(2)</sup>	12.17%
Total Effective Leverage <sup>(3)</sup>	25%

Average Annual Total Return<sup>(1)</sup> for the period ended June 30, 2016

	1 Year	5 Year	10 Year	Commencement of Operations (02/24/94)
Market Price	24.14%	8.41%	11.23%	9.34%
NAV	4.06%	8.55%	10.85%	8.63%

All Fund returns are net of fees and expenses.

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

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

<sup>(3)</sup> Represents total effective leverage outstanding, as a percentage of total managed assets. Total effective leverage consists of preferred shares, reverse repurchase agreements and other borrowings, credit default swap notional and floating rate notes issued in tender option bond transactions, as applicable (collectively Total Effective Leverage). The Fund may engage in other transactions not included in Total Effective Leverage disclosed above that may give rise

## Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

to a form of leverage, including certain derivative transactions. For the purpose of calculating Total Effective Leverage outstanding as a percentage of total managed assets, total managed assets refer to total assets (including assets attributable to Total Effective Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Total Effective Leverage).

### Investment Objective and Strategy Overview

- » The primary investment objective of PIMCO Strategic Income Fund, Inc. is to seek to generate a level of income that is higher than that generated by high quality, intermediate-term U.S. debt securities. The Fund also seeks capital appreciation to the extent consistent with this objective.

### Fund Insights at NAV

Following are key factors impacting the Fund's performance during the reporting period:

- » The Fund's allocation to agency mortgage-backed securities was the primary contributor to performance, as the sector benefited from continued Federal Reserve reinvestment activity.
- » The Fund's exposure to U.S. dollar-denominated Russian quasi-sovereign bonds contributed to returns. Spreads on these issues continued to retrace much of the widening that occurred in recent years, as geopolitical tensions in the region eased and investor sentiment improved.
- » The Fund's allocation to select high yield energy corporate bonds added to performance despite weakness in broader high yield corporate bond and commodity markets.
- » The Fund's allocation to intermediate-term investment grade corporate bonds was a modest contributor to performance. The sector performed well, with the Barclays Intermediate U.S. Corporate Index outperforming like-duration Treasuries.
- » The Fund's exposure to European residential mortgage-backed securities detracted from performance following the outcome of the U.K.'s referendum to leave the European Union.

## 12 PIMCO CLOSED-END FUNDS

**PIMCO Dynamic Credit and Mortgage Income Fund**

Symbol on NYSE - **PCI**

Allocation Breakdown

Asset-Backed Securities	42.6%
Corporate Bonds & Notes	24.9%
Non-Agency Mortgage-Backed Securities	23.8%
Short-Term Instruments	5.5%
Bank Loan Obligations	2.0%
Other	1.2%

% of Investments, at value as of 06/30/2016. Financial derivative instruments, if any, are excluded.

Fund Information (as of June 30, 2016)<sup>(1)</sup>

Market Price	\$19.13
NAV	\$20.43
Premium/(Discount) to NAV	(6.36)%
Market Price Distribution Yield <sup>(2)</sup>	10.29%
NAV Distribution Yield <sup>(2)</sup>	9.64%
Total Effective Leverage <sup>(3)</sup>	47%

Average Annual Total Return<sup>(1)</sup> for the period ended June 30, 2016

	1 Year	Commencement of Operations (01/31/13)
Market Price	6.69%	2.52%
NAV	(1.36)%	5.15%

All Fund returns are net of fees and expenses.

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

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

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

## Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

managed assets, total managed assets refer to total assets (including assets attributable to Total Effective Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Total Effective Leverage).

### Investment Objective and Strategy Overview

- » PIMCO Dynamic Credit and Mortgage Income Fund s (formerly PIMCO Dynamic Credit Income Fund) primary investment objective is to seek current income and capital appreciation is a secondary objective.

### Fund Insights at NAV

Following are key factors impacting the Fund s performance during the reporting period:

- » The Fund s allocation to high yield corporate bonds was the primary detractor from performance. The asset class faced headwinds from lower energy prices, financial market volatility and mutual fund withdrawals, while subordinate bonds from financial issuers experienced weakness following the outcome of the U.K. s referendum to leave the European Union.
- » Exposure to local and hard currency-denominated Brazilian debt was a significant detractor from returns. Brazil was negatively impacted by its slowing economy, high inflation and a political crisis.
- » The Fund s exposure to U.S. interest rates strongly benefited performance, as interest rates rallied. This positive impact, however, was partially offset by strategies designed to benefit from rising long-term interest rates, as the yield curve flattened.
- » The Fund s allocation to commercial mortgage-backed securities ( CMBS ) contributed to performance. The sector performed well, with the Barclays Investment Grade Non-Agency CMBS Index outperforming like-duration Treasuries.
- » The Fund s allocation to intermediate-term investment grade corporate bonds contributed to performance. The sector performed well, with the Barclays Intermediate U.S. Corporate Index outperforming like-duration Treasuries.

**PIMCO Dynamic Income Fund**

Symbol on NYSE - **PDI**

Allocation Breakdown

Non-Agency Mortgage-Backed Securities	54.5%
Asset-Backed Securities	24.7%
Corporate Bonds & Notes	11.7%
Short-Term Instruments	5.6%
U.S. Government Agencies	1.3%
Other	2.2%

% of Investments, at value as of 06/30/2016. Financial derivative instruments, if any, are excluded.

Fund Information (as of June 30, 2016)<sup>(1)</sup>

Market Price	\$27.57
NAV	\$26.56
Premium/(Discount) to NAV	3.80%
Market Price Distribution Yield <sup>(2)</sup>	9.60%
NAV Distribution Yield <sup>(2)</sup>	9.96%
Total Effective Leverage <sup>(3)</sup>	47%

Average Annual Total Return<sup>(1)</sup> for the period ended June 30, 2016

	1 Year	Commencement of Operations (05/30/12)
Market Price	13.75%	16.54%
NAV	1.79%	16.91%

All Fund returns are net of fees and expenses.

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

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

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

## Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

managed assets, total managed assets refer to total assets (including assets attributable to Total Effective Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Total Effective Leverage).

### Investment Objective and Strategy Overview

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

### Fund Insights at NAV

Following are key factors impacting the Fund's performance during the reporting period:

- » The Fund's exposure to U.S. interest rates was the primary contributor to performance as interest rates rallied significantly.
- » The Fund's allocation to non-agency mortgage-backed securities contributed to returns. The sector continued to benefit from an improving U.S. housing market and limited outstanding supply.
- » The Fund's allocation to commercial mortgage-backed securities ( CMBS ) contributed to performance. The sector performed well, with the Barclays Investment Grade Non-Agency CMBS Index outperforming like-duration Treasuries.
- » The Fund's allocation to intermediate-term investment grade corporate bonds was a modest contributor to performance. The sector performed well, with the Barclays Intermediate U.S. Corporate Index outperforming like-duration Treasuries.
- » The Fund's exposure to U.S. dollar-denominated Russian quasi-sovereign bonds contributed to returns. Spreads on these issues continued to retrace much of the widening that occurred in recent years, as geopolitical tensions in the region eased and investor sentiment improved.
- » The Fund's allocation to high yield corporate bonds was the primary detractor from performance. The asset class faced headwinds from lower energy prices, financial market volatility and mutual fund withdrawals, while subordinate bonds from financial issuers experienced weakness following the outcome of the U.K.'s referendum to leave the European Union.

### 14 PIMCO CLOSED-END FUNDS

(THIS PAGE INTENTIONALLY LEFT BLANK)

ANNUAL REPORT JUNE 30, 2016 15

## Financial Highlights

	Investment Operations					Less Distributions <sup>(b)</sup>				
	Net Asset Value Beginning of Year or Period	Net Investment Income <sup>(a)</sup>	Net Realized/ Unrealized		Total	From Net Investment Income	From Net	Tax	Return of Capital	Total
Gain (Loss)				Realized			Basis			
						Capital				
<b>PCM Fund, Inc.</b>										
06/30/2016	\$ 10.68	\$ 1.22	\$ (1.23)	\$ (0.01)	\$ (0.96)	\$ 0.00	\$ 0.00	\$ 0.00	\$ (0.96)	
01/01/2015 - 06/30/2015 <sup>(e)</sup>	10.72	0.44	0.00 <sup>^</sup>	0.44	(0.48)	0.00	0.00	0.00	(0.48) <sup>(i)</sup>	
12/31/2014	11.17	0.94	(0.34)	0.60	(1.05)	0.00	0.00	0.00	(1.05)	
12/31/2013	11.35	1.12	(0.20)	0.92	(1.10)	0.00	0.00	0.00	(1.10)	
12/31/2012	9.48	1.06	1.93	2.99	(1.12)	0.00	0.00	0.00	(1.12)	
12/31/2011	9.88	1.13	(0.47)	0.66	(1.06)	0.00	0.00	0.00	(1.06)	
<b>PIMCO Global StocksPLUS® &amp; Income Fund</b>										
06/30/2016	\$ 12.88	\$ 1.15	\$ (2.07)	\$ (0.92)	\$ (2.02)	\$ 0.00	\$ (0.18)	\$ (2.20)		
04/01/2015 - 06/30/2015 <sup>(f)</sup>	12.82	0.34	0.27	0.61	(0.55)	0.00	0.00	(0.55) <sup>(i)</sup>		
03/31/2015	14.72	1.15	(0.85)	0.30	(2.20)	0.00	0.00	(2.20)		
03/31/2014	14.32	1.39	1.21	2.60	(2.20)	0.00	0.00	(2.20)		
03/31/2013	12.57	1.38	2.57	3.95	(2.20)	0.00	0.00	(2.20)		
03/31/2012	14.88	1.61	(1.72)	(0.11)	(2.20)	0.00	0.00	(2.20)		
<b>PIMCO Income Opportunity Fund</b>										
06/30/2016	\$ 25.94	\$ 2.33	\$ (2.89)	\$ (0.56)	\$ (2.28)	\$ (0.51)	\$ 0.00	\$ (2.79)		
11/01/2014 - 06/30/2015 <sup>(g)</sup>	28.38	1.54	(0.86)	0.68	(2.34)	(0.77)	(0.01)	(3.12) <sup>(i)</sup>		
10/31/2014	28.67	2.71	(0.12)	2.59	(2.88)	0.00	0.00	(2.88)		
10/31/2013	27.86	2.87	0.77	3.64	(2.83)	0.00	0.00	(2.83)		
10/31/2012	24.62	2.61	3.69	6.30	(3.06)	0.00	0.00	(3.06)		
10/31/2011	26.97	3.24	(2.20)	1.04	(3.39)	0.00	0.00	(3.39)		
<b>PIMCO Strategic Income Fund, Inc.</b>										
06/30/2016	\$ 8.58	\$ 0.76	\$ (0.45)	\$ 0.31	\$ (1.00)	\$ 0.00	\$ 0.00	\$ (1.00)		
02/01/2015 - 06/30/2015 <sup>(h)</sup>	8.57	0.30	0.11	0.41	(0.40)	0.00	0.00	(0.40) <sup>(i)</sup>		
01/31/2015	9.24	0.90	(0.55)	0.35	(1.02)	0.00	0.00	(1.02)		
01/31/2014	9.66	0.99	(0.30)	0.69	(1.11)	0.00	0.00	(1.11)		
01/31/2013	8.91	1.05	0.95	2.00	(1.25)	0.00	0.00	(1.25)		
01/31/2012	9.97	1.36	(1.03)	0.33	(1.39)	0.00	0.00	(1.39)		
<b>PIMCO Dynamic Credit and Mortgage Income Fund (Consolidated)</b>										
06/30/2016	\$ 23.00	\$ 2.01	\$ (2.40)	\$ (0.39)	\$ (2.18)	\$ 0.00	\$ 0.00	\$ (2.18)		
01/01/2015 - 06/30/2015 <sup>(e)</sup>	22.83	0.76	0.35	1.11	(0.94)	0.00	0.00	(0.94) <sup>(i)</sup>		
12/31/2014	24.04	1.79	(0.53)	1.26	(2.47)	0.00	0.00	(2.47)		
01/31/2013 - 12/31/2013	23.88	1.33	0.76	2.09	(1.68)	(0.24)	0.00	(1.92)		
<b>PIMCO Dynamic Income Fund (Consolidated)</b>										
06/30/2016	\$ 31.38	\$ 3.87	\$ (3.45)	\$ 0.42	\$ (4.25)	\$ (0.99)	\$ 0.00	\$ (5.24)		
04/01/2015 - 06/30/2015 <sup>(f)</sup>	30.74	0.80	0.47	1.27	(0.63)	0.00	0.00	(0.63) <sup>(i)</sup>		
03/31/2015	32.11	3.25	(0.49)	2.76	(4.13)	0.00	0.00	(4.13)		
03/31/2014	30.69	3.70	1.24	4.94	(3.29)	(0.23)	0.00	(3.52)		
05/30/2012 - 03/31/2013	23.88	2.79	6.50	9.29	(2.18)	(0.27)	0.00	(2.45)		

\* Annualized

<sup>^</sup> Reflects an amount rounding to less than one cent.<sup>(a)</sup> Per share amounts based on average number of shares outstanding during the year or period.<sup>(b)</sup> The tax characterization of distributions is determined in accordance with federal income tax regulations. See Note 2(c) in the Notes to Financial Statements for more information.



## Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

- (c) Total investment return is calculated assuming a purchase of a share at the market price on the first day and a sale of a share at the market price on the last day of each year reported. Dividends and distributions, if any, are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Funds dividend reinvestment plan. Total investment return does not reflect brokerage commissions in connection with the purchase or sale of Fund shares.
- (d) Interest expense primarily relates to participation in borrowing and financing transactions. See Note 5 in the Notes to Financial Statements for more information.
- (e) Fiscal year end changed from December 31<sup>st</sup> to June 30<sup>th</sup>.
- (f) Fiscal year end changed from March 31<sup>st</sup> to June 30<sup>th</sup>.
- (g) Fiscal year end changed from October 31<sup>st</sup> to June 30<sup>th</sup>.
- (h) Fiscal year end changed from January 31<sup>st</sup> to June 30<sup>th</sup>.
- (i) Total distributions for the period ended June 30, 2015 may be lower than prior fiscal years due to fiscal year end changes resulting in a reduction of the amount of days in the period ended June 30, 2015.

### 16 PIMCO CLOSED-END FUNDS

See Accompanying Notes

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

Offering Cost Charged to Paid in Capital in Excess of Par	Common Share				Ratios/Supplemental Data Ratios to Average Net Assets				
	Net Assets Value End of Year or Period	Market Price End of Year or Period	Total Investment Return <sup>(c)</sup>	Net Assets End of Year or Period (000s)	Expenses <sup>(d)</sup>	Expenses Excluding Interest Expense <sup>(d)</sup>	Net Investment Income	Portfolio Turnover Rate	
\$ N/A	\$ 9.71	\$ 9.72	6.91%	\$ 112,099	2.69%	1.58%	12.25%	12%	
N/A	10.68	10.05	(1.28)	123,235	2.26*	1.54*	8.32*	20	
N/A	10.72	10.65	0.34	123,633	1.89	1.40	8.38	11	
N/A	11.17	11.65	6.49	128,672	2.05	1.52	9.75	6	
N/A	11.35	12.02	23.34	130,461	2.59	1.76	10.05	13	
N/A	9.48	10.77	10.43	108,810	2.44	1.75	11.30	26	
\$ N/A	\$ 9.76	\$ 19.53	31.38%	\$ 103,627	2.75%	1.82%	10.56%	26%	
N/A	12.88	16.92	(21.82)	135,468	2.34*	1.72*	10.35*	3	
N/A	12.82	22.27	4.05	134,594	2.30	1.78	8.29	92	
N/A	14.72	23.67	19.44	153,393	1.94	1.67	9.62	197	
N/A	14.32	21.95	21.57	148,170	2.64	2.10	10.75	33	
N/A	12.57	20.18	(8.00)	128,952	2.71	2.12	12.70	90	
\$ N/A	\$ 22.59	\$ 23.00	7.87%	\$ 338,292	2.63%	1.73%	9.99%	16%	
N/A	25.94	24.20	0.22	388,353	2.43*	1.79*	8.93*	14	
N/A	28.38	27.26	4.39	424,632	2.01	1.65	9.44	175	
N/A	28.67	28.90	6.81	426,561	1.93	1.66	10.03	65	
N/A	27.86	29.85	26.98	411,976	2.29	1.86	10.38	57	
N/A	24.62	26.45	11.68	359,909	2.44	1.93	12.40	194	
\$ N/A	\$ 7.89	\$ 9.61	24.14%	\$ 332,051	1.27%	0.96%	9.43%	39%	
N/A	8.58	8.69	(5.81)	357,692	1.16*	0.96*	8.58*	17	
N/A	8.57	9.65	5.92	355,942	1.18	0.98	10.01	90	
N/A	9.24	10.12	(4.58)	379,762	1.39	1.00	10.48	208	
N/A	9.66	11.84	12.21	392,317	1.55	1.00	11.14	293	
N/A	8.91	11.80	28.34	357,712	1.48	1.01	14.27	147	
\$ N/A	\$ 20.43	\$ 19.13	6.69%	\$ 2,804,003	3.20%	2.03%	9.63%	26%	
N/A	23.00	20.18	2.23	3,155,689	2.63*	1.97*	6.71*	31	
(0.00)^	22.83	20.65	2.68	3,132,146	2.36	1.91	7.29	35	
(0.01)	24.04	22.48	(2.79)	3,298,673	1.52*	1.42*	6.06*	76	
\$ N/A	\$ 26.56	\$ 27.57	13.75%	\$ 1,222,499	3.60%	2.12%	13.67%	13%	
N/A	31.38	29.21	2.87	1,426,891	2.83*	2.01*	10.23*	5	
N/A	30.74	29.00	9.04	1,397,987	3.12	2.12	9.98	10	
N/A	32.11	30.32	9.62	1,458,961	3.15	2.17	11.90	18	
(0.03)	30.69	31.10	35.21	1,393,099	2.91*	2.04*	12.04*	16	

## Statements of Assets and Liabilities

June 30, 2016

	PCM Fund, Inc.	PIMCO Global StocksPLUS® & Income Fund	PIMCO Income Opportunity Fund	PIMCO Strategic Income Fund, Inc.
(Amounts in thousands, except per share amounts)				
<b>Assets:</b>				
<i>Investments, at value</i>				
Investments in securities*	\$ 193,010	\$ 164,613	\$ 557,766	\$ 848,893
<i>Financial Derivative Instruments</i>				
Exchange-traded or centrally cleared	17	1,231	220	796
Over the counter	0	392	2,827	2,494
Cash	422	2	90	79
Deposits with counterparty	1,596	19,201	2,479	2,154
Foreign currency, at value	0	53	344	485
Receivable for investments sold	5,553	2,345	5,176	11
Receivable for mortgage dollar rolls	0	0	0	268,511
Interest and/or dividends receivable	1,051	1,225	3,490	2,926
Other assets	2	2	3	3
<b>Total Assets</b>	<b>201,651</b>	<b>189,064</b>	<b>572,395</b>	<b>1,126,352</b>
<b>Liabilities:</b>				
<i>Borrowings &amp; Other Financing Transactions</i>				
Payable for reverse repurchase agreements	\$ 86,869	\$ 78,833	\$ 220,193	\$ 103,332
Payable for sale-buyback transactions	0	0	0	39,895
Payable for mortgage dollar rolls	0	0	0	268,511
<i>Financial Derivative Instruments</i>				
Exchange-traded or centrally cleared	6	1,211	9	22
Over the counter	1,580	1,656	5,728	2,054
Payable for investments purchased	0	1,600	2,274	14
Payable for TBA investments purchased	0	0	0	370,541
Deposits from counterparty	0	20	2,561	6,001
Distributions payable to common shareholders	924	1,946	2,846	3,369
Accrued management fees	143	165	479	258
Other liabilities	30	6	13	304
<b>Total Liabilities</b>	<b>89,552</b>	<b>85,437</b>	<b>234,103</b>	<b>794,301</b>
<b>Net Assets</b>	<b>\$ 112,099</b>	<b>\$ 103,627</b>	<b>\$ 338,292</b>	<b>\$ 332,051</b>
<b>Net Asset Consist of:</b>				
Shares:				
Par value (\$0.001 per share), (\$0.00001 per share), (\$0.00001 per share), (\$0.00001 per share)	\$ 12	\$ 0	\$ 0	\$ 0
Paid in capital in excess of par	125,582	231,876	343,299	367,626
Undistributed (overdistributed) net investment income	4,244	(2,326)	(4,500)	(1,926)
Accumulated undistributed net realized (loss)	(15,925)	(136,224)	(7,035)	(51,825)
Net unrealized appreciation (depreciation)	(1,814)	10,301	6,528	18,176
<b>Net Assets Applicable to Common Shareholders</b>	<b>\$ 112,099</b>	<b>\$ 103,627</b>	<b>\$ 338,292</b>	<b>\$ 332,051</b>
<b>Common Shares Issued and Outstanding</b>	<b>11,542</b>	<b>10,614</b>	<b>14,977</b>	<b>42,116</b>
<b>Net Asset Value Per Common Share</b>	<b>\$ 9.71</b>	<b>\$ 9.76</b>	<b>\$ 22.59</b>	<b>\$ 7.89</b>
Cost of investments in securities	\$ 194,952	\$ 157,664	\$ 551,852	\$ 822,455
Cost of foreign currency held	\$ 0	\$ 53	\$ 350	\$ 469
Cost or premiums of financial derivative instruments, net	\$ (1,628)	\$ (1,488)	\$ (5,360)	\$ (701)
* Includes repurchase agreements of:	\$ 5,100	\$ 2,005	\$ 24,770	\$ 12,099

## Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

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

### 18 PIMCO CLOSED-END FUNDS

See Accompanying Notes

## Consolidated Statements of Assets and Liabilities

June 30, 2016

	PIMCO Dynamic Credit and Mortgage Income Fund	PIMCO Dynamic Income Fund
(Amounts in thousands, except per share amounts)		
<b>Assets:</b>		
<i>Investments, at value</i>		
Investments in securities*	\$ 5,055,464	\$ 2,257,021
<i>Financial Derivative Instruments</i>		
Exchange-traded or centrally cleared	4,504	2,039
Over the counter	20,666	12,378
Cash	737	153
Deposits with counterparty	103,212	29,710
Receivable for investments sold	66,882	5,464
Interest and/or dividends receivable	26,606	9,888
Other assets	12	5
<b>Total Assets</b>	<b>5,278,083</b>	<b>2,316,658</b>
<b>Liabilities:</b>		
<i>Borrowings &amp; Other Financing Transactions</i>		
Payable for reverse repurchase agreements	\$ 2,380,836	\$ 1,028,000
<i>Financial Derivative Instruments</i>		
Exchange-traded or centrally cleared	1,944	691
Over the counter	14,687	21,637
Payable for investments purchased	29,193	19,299
Deposits from counterparty	19,376	12,099
Distributions payable to common shareholders	22,513	10,148
Overdraft due to custodian	593	112
Accrued management fees	4,831	2,124
Other liabilities	107	49
<b>Total Liabilities</b>	<b>2,474,080</b>	<b>1,094,159</b>
<b>Net Assets Applicable to Common Shareholders</b>	<b>\$ 2,804,003</b>	<b>\$ 1,222,499</b>
<b>Composition of Net Assets Applicable to Common Shareholders:</b>		
Par value (\$0.00001 per share)	\$ 1	\$ 0
Paid in capital in excess of par	3,274,226	1,101,390
Undistributed (overdistributed) net investment income	40,338	35,233
Accumulated undistributed net realized (loss)	(233,853)	(23,016)
Net unrealized appreciation (depreciation)	(276,709)	108,892
<b>Net Assets Applicable to Common Shareholders</b>	<b>\$ 2,804,003</b>	<b>\$ 1,222,499</b>
<b>Common Shares Issued and Outstanding</b>	<b>137,221</b>	<b>46,025</b>
<b>Net Asset Value Per Common Share</b>	<b>\$ 20.43</b>	<b>\$ 26.56</b>
Cost of investments in securities	\$ 5,384,161	\$ 2,156,321
Cost or premiums of financial derivative instruments, net	\$ (6,270)	\$ (31,172)
* Includes repurchase agreements of:	\$ 242,219	\$ 104,632

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

## Statements of Operations

Year Ended June 30, 2016

	<b>PIMCO</b>			
		<b>Global</b>	<b>PIMCO</b>	<b>PIMCO</b>
		<b>StocksPLUS®</b>	<b>Income</b>	<b>Strategic</b>
	<b>PCM Fund,</b>	<b>Income</b>	<b>Opportunity</b>	<b>Income Fund,</b>
(Amounts in thousands)	<b>Inc.</b>	<b>Fund</b>	<b>Fund</b>	<b>Inc.</b>
<b>Investment Income:</b>				
Interest, net of foreign taxes*	\$ 17,127	\$ 15,237	\$ 42,980	\$ 36,295
Dividends	5	25	1,180	14
<b>Total Income</b>	<b>17,132</b>	<b>15,262</b>	<b>44,160</b>	<b>36,309</b>
<b>Expenses:</b>				
Management fees	1,803	2,069	5,991	3,238
Trustee fees and related expenses	17	18	51	49
Interest expense	1,271	1,067	3,158	1,035
Miscellaneous expense	0	1	18	10
<b>Total Expenses</b>	<b>3,091</b>	<b>3,155</b>	<b>9,218</b>	<b>4,332</b>
<b>Net Investment Income</b>	<b>14,041</b>	<b>12,107</b>	<b>34,942</b>	<b>31,977</b>
<b>Net Realized Gain (Loss):</b>				
Investments in securities	1,799	1,107	1,587	1,374
Exchange-traded or centrally cleared financial derivative instruments	(307)	241	(3,674)	(19,203)
Over the counter financial derivative instruments	3,355	(5,653)	7,197	3,046
Foreign currency	0	20	603	(16)
<b>Net Realized Gain (Loss)</b>	<b>4,847</b>	<b>(4,285)</b>	<b>5,713</b>	<b>(14,799)</b>
<b>Net Change in Unrealized Appreciation (Depreciation):</b>				
Investments in securities	(15,877)	(12,306)	(40,454)	3,003
Exchange-traded or centrally cleared financial derivative instruments	108	(6,122)	(2,667)	(8,868)
Over the counter financial derivative instruments	(3,220)	(275)	(7,756)	1,321
Foreign currency assets and liabilities	0	691	1,731	55
<b>Net Change in Unrealized (Depreciation)</b>	<b>(18,989)</b>	<b>(18,012)</b>	<b>(49,146)</b>	<b>(4,489)</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>\$ (101)</b>	<b>\$ (10,190)</b>	<b>\$ (8,491)</b>	<b>\$ 12,689</b>
* Foreign tax withholdings	\$ 0	\$ 0	\$ 1	\$ 0

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

20 PIMCO CLOSED-END FUNDS

See Accompanying Notes

## Consolidated Statements of Operations

Year Ended June 30, 2016

	PIMCO	
	Dynamic	
	Credit and	PIMCO
	Mortgage	Dynamic
(Amounts in thousands)	Income Fund	Income Fund
<b>Investment Income:</b>		
Interest, net of foreign taxes*	\$ 368,116	\$ 222,967
Dividends	7	622
<b>Total Income</b>	<b>368,123</b>	<b>223,589</b>
<b>Expenses:</b>		
Management fees	57,918	27,247
Trustee fees and related expenses	427	199
Interest expense	33,458	19,102
Miscellaneous expense	93	61
<b>Total Expenses</b>	<b>91,896</b>	<b>46,609</b>
<b>Net Investment Income</b>	<b>276,227</b>	<b>176,980</b>
<b>Net Realized Gain (Loss):</b>		
Investments in securities	(84,858)	(23,907)
Exchange-traded or centrally cleared financial derivative instruments	(25,410)	3,245
Over the counter financial derivative instruments	25,586	20,502
Foreign currency	(3,641)	(37)
<b>Net Realized (Loss)</b>	<b>(88,323)</b>	<b>(197)</b>
<b>Net Change in Unrealized Appreciation (Depreciation):</b>		
Investments in securities	(276,391)	(135,465)
Exchange-traded or centrally cleared financial derivative instruments	8,980	(25,040)
Over the counter financial derivative instruments	(3,083)	(594)
Foreign currency assets and liabilities	30,476	3,872
<b>Net Change in Unrealized (Depreciation)</b>	<b>(240,018)</b>	<b>(157,227)</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>\$ (52,114)</b>	<b>\$ 19,556</b>
* Foreign tax withholdings	\$ 12	\$ 0

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

## Statements of Changes in Net Assets

	PCM Fund, Inc.			PIMCO Global StocksPLUS® & Income Fund		
	Year Ended June 30, 2016	For the Period January 1, 2015 - June 30, 2015 <sup>(a)</sup>	Year Ended December 31, 2014	Year Ended June 30, 2016	For the Period April 1, 2015 - June 30, 2015 <sup>(b)</sup>	Year Ended March 31, 2015
(Amounts in thousands)						
<b>Increase (Decrease) in Net Assets from:</b>						
<b>Operations:</b>						
Net investment income	\$ 14,041	\$ 5,058	\$ 10,813	\$ 12,107	\$ 3,559	\$ 12,039
Net realized gain (loss)	4,847	5,586	64	(4,285)	8,310	(19,967)
Net change in unrealized appreciation (depreciation)	(18,989)	(5,577)	(4,000)	(18,012)	(5,604)	10,460
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>(101)</b>	<b>5,067</b>	<b>6,877</b>	<b>(10,190)</b>	<b>6,265</b>	<b>2,532</b>
<b>Distributions to Common Shareholders:</b>						
From net investment income	(11,077)	(5,537)	(12,094)	(21,340)	(5,782)	(23,021)
From net realized capital gains	0	0	0	0	0	0
Tax basis return of capital	0	0	0	(1,918)	0	0
<b>Total Distributions to Common Shareholders<sup>(e)</sup></b>	<b>(11,077)</b>	<b>(5,537)<sup>(d)</sup></b>	<b>(12,094)</b>	<b>(23,258)</b>	<b>(5,782)<sup>(d)</sup></b>	<b>(23,021)</b>
<b>Common Share Transactions**:</b>						
Issued as reinvestment of distributions	42	72	178	1,607	391	1,690
<b>Total Increase (Decrease) in Net Assets</b>	<b>(11,136)</b>	<b>(398)</b>	<b>(5,039)</b>	<b>(31,841)</b>	<b>874</b>	<b>(18,799)</b>
<b>Net Assets Applicable to Common Shareholders:</b>						
Beginning of year or period	123,235	123,633	128,672	135,468	134,594	153,393
End of year or period*	\$ 112,099	\$ 123,235	\$ 123,633	\$ 103,627	\$ 135,468	\$ 134,594
* Including undistributed (overdistributed) net investment income of:	\$ 4,244	\$ (681)	\$ (540)	\$ (2,326)	\$ (1,169)	\$ (3,939)
<b>** Common Share Transactions:</b>						
Shares issued as reinvestment of distributions	4	7	16	96	18	78

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

(a) Fiscal year end changed from December 31<sup>st</sup> to June 30<sup>th</sup>.

(b) Fiscal year end changed from March 31<sup>st</sup> to June 30<sup>th</sup>.

(c) Fiscal year end changed from October 31<sup>st</sup> to June 30<sup>th</sup>.

(d) Fiscal year end changed from January 31<sup>st</sup> to June 30<sup>th</sup>.

(e) The tax characterization of distributions is determined in accordance with federal income tax regulations. See Note 2(c) in the Notes to Financial Statements for more information.

(f) Total distributions for the period ended June 30, 2015 may be lower than prior fiscal years due to fiscal year end changes resulting in a reduction of the amount of days in the period ended June 30, 2015.



Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

PIMCO Income Opportunity Fund			PIMCO Strategic Income Fund, Inc.		
Year Ended	For the Period	Year Ended	Year Ended	For the Period	Year Ended
June 30, 2016	November 1, 2014 - June 30, 2015 <sup>(c)</sup>	October 31, 2014	June 30, 2016	February 1, 2015 - June 30, 2015 <sup>(d)</sup>	January 31, 2015
\$ 34,942	\$ 23,106	\$ 40,467	\$ 31,977	\$ 12,571	\$ 37,303
5,713	(3,967)	18,425	(14,799)	11,358	15,398
(49,146)	(9,047)	(20,170)	(4,489)	(7,166)	(38,494)
(8,491)	10,092	38,722	12,689	16,763	14,207
(34,129)	(34,865)	(42,972)	(41,907)	(16,651)	(42,226)
(7,634)	(11,498)	0	0	0	0
0	(224)	0	0	0	0
(41,763)	(46,587) <sup>(f)</sup>	(42,972)	(41,907)	(16,651) <sup>(f)</sup>	(42,226)
193	216	2,321	3,577	1,638	4,199
(50,061)	(36,279)	(1,929)	(25,641)	1,750	(23,820)
388,353	424,632	426,561	357,692	355,942	379,762
\$ 338,292	\$ 388,353	\$ 424,632	\$ 332,051	\$ 357,692	\$ 355,942
\$ (4,500)	\$ (5,419)	\$ 6,094	\$ (1,926)	\$ 3,365	\$ 2,692
9	8	82	416	182	432

## Consolidated Statements of Changes in Net Assets

	PIMCO Dynamic Credit and Mortgage Income Fund			PIMCO Dynamic Income Fund		
	Year Ended	For the Period	Year Ended	Year Ended	For the Period	Year Ended
	June 30, 2016	January 1, 2015 - June 30, 2015 <sup>(a)</sup>	December 31, 2014	June 30, 2016	April 1, 2015 - June 30, 2015 <sup>(b)</sup>	March 31, 2015
(Amounts in thousands)						
<b>Increase (Decrease) in Net Assets from:</b>						
<b>Operations:</b>						
Net investment income	\$ 276,227	\$ 104,043	\$ 245,912	\$ 176,980	\$ 36,172	\$ 147,564
Net realized gain (loss)	(88,323)	29,622	12,922	(197)	37,320	76,891
Net change in unrealized appreciation (depreciation)	(240,018)	18,523	(85,852)	(157,227)	(15,937)	(99,042)
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>(52,114)</b>	<b>152,188</b>	<b>172,982</b>	<b>19,556</b>	<b>57,555</b>	<b>125,413</b>
<b>Distributions to Common Shareholders:</b>						
From net investment income	(299,572)	(128,645)	(339,486)	(193,676)	(28,651)	(187,696)
From net realized capital gains	0	0	0	(45,024)	0	0
<b>Total Distributions to Common Shareholders<sup>(c)</sup></b>	<b>(299,572)</b>	<b>(128,645)<sup>(d)</sup></b>	<b>(339,486)</b>	<b>(238,700)</b>	<b>(28,651)<sup>(d)</sup></b>	<b>(187,696)</b>
<b>Common Share Transactions<sup>**</sup>:</b>						
Offering costs charged to paid in capital in excess of par	0	0	(23)	0	0	0
Issued as reinvestment of distributions	0	0	0	14,752	0	1,309
Net increase (decrease) resulting from common share transactions	0	0	(23)	14,752	0	1,309
<b>Total Increase (Decrease) in Net Assets</b>	<b>(351,686)</b>	<b>23,543</b>	<b>(166,527)</b>	<b>(204,392)</b>	<b>28,904</b>	<b>(60,974)</b>
<b>Net Assets Applicable to Common Shareholders:</b>						
Beginning of year or period	3,155,689	3,132,146	3,298,673	1,426,891	1,397,987	1,458,961
End of year or period*	\$ 2,804,003	\$ 3,155,689	\$ 3,132,146	\$ 1,222,499	\$ 1,426,891	\$ 1,397,987
* Including undistributed (overdistributed) net investment income of:	\$ 40,338	\$ (9,006)	\$ (24,101)	\$ 35,233	\$ 35,117	\$ 22,795
<b>** Common Share Transactions:</b>						
Shares issued as reinvestment of distributions	0	0	0	546	0	41

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

(a) Fiscal year end changed from December 31<sup>st</sup> to June 30<sup>th</sup>.

(b) Fiscal year end changed from March 31<sup>st</sup> to June 30<sup>th</sup>.

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

(d) Total distributions for the period ended June 30, 2015 may be lower than prior fiscal years due to fiscal year end changes resulting in a reduction of the amount of days in the period ended June 30, 2015.

## Statements of Cash Flows

Year Ended June 30, 2016

(Amounts in thousands)	PCM Fund, Inc.	PIMCO Global StocksPLUS® & Income Fund	PIMCO Income Opportunity Fund	PIMCO Strategic Income Fund, Inc.
<b>Cash Flows Provided by Operating Activities:</b>				
Net increase (decrease) in net assets resulting from operations	\$ (101)	\$ (10,190)	\$ (8,491)	\$ 12,689
<b>Adjustments to Reconcile Net Increase (Decrease) in Net Assets from Operations to Net Cash Provided by Operating Activities:</b>				
Purchases of long-term securities	(36,851)	(42,314)	(87,780)	(328,129)
Proceeds from sales of long-term securities	45,783	50,220	140,747	391,185
(Purchases) Proceeds from sales of short-term portfolio investments, net	(6,451)	5,806	1,577	4,408
(Increase) decrease in deposits with counterparty	(974)	(3,659)	(663)	6,808
(Increase) decrease in receivable for investments sold	(2,964)	(210)	4,284	3,061
Decrease in interest and/or dividends receivable	160	16	1,121	771
(Payments on) exchange-traded or centrally cleared financial derivative instruments	(200)	(5,297)	(6,438)	(28,663)
Proceeds from (Payments on) over the counter financial derivative instruments	91	(7,583)	(3,224)	3,004
(Increase) decrease in other assets	0	0	(1)	3
Increase (decrease) in payable for investments purchased	(7)	1,112	1,162	48,778
Increase (decrease) in deposits from counterparty	0	(197)	(658)	4,331
(Decrease) in accrued management fees	(17)	(26)	(133)	(23)
Proceeds from foreign currency transactions	0	9	540	39
(Decrease) in other liabilities	(58)	(53)	(81)	(313)
<i>Net Realized (Gain) Loss</i>				
Investments in securities	(1,799)	(1,107)	(1,587)	(1,374)
Exchange-traded or centrally cleared financial derivative instruments	307	(241)	3,674	19,203
Over the counter financial derivative instruments	(3,355)	5,653	(7,197)	(3,046)
Foreign currency	0	(20)	(603)	16
<i>Net Change in Unrealized (Appreciation) Depreciation</i>				
Investments in securities	15,877	12,306	40,454	(3,003)
Exchange-traded or centrally cleared financial derivative instruments	(108)	6,122	2,667	8,868
Over the counter financial derivative instruments	3,220	275	7,756	(1,321)
Foreign currency assets and liabilities	0	(691)	(1,731)	(55)
Net amortization (accretion) on investments	(3)	182	(2,756)	(235)
<b>Net Cash Provided by Operating Activities</b>	<b>12,550</b>	<b>10,113</b>	<b>82,639</b>	<b>137,002</b>
<b>Cash Flows (Used for) Financing Activities:</b>				
Cash dividend paid*	(11,034)	(21,633)	(41,568)	(38,297)
Proceeds from reverse repurchase agreements	281,055	259,829	857,220	621,881
Payments on reverse repurchase agreements	(282,231)	(249,140)	(898,618)	(656,749)
Proceeds from sale-buyback transactions	0	0	0	4,284,091
Payments on sale-buyback transactions	0	0	0	(4,348,000)
Proceeds from mortgage dollar rolls	0	0	0	4,217,534
Payments on mortgage dollar rolls	0	0	0	(4,217,380)
Proceeds from deposits from counterparty	430	428	1,777	0
Payments on deposits from counterparty	(430)	(428)	(2,325)	0
<b>Net Cash (Used for) Financing Activities</b>	<b>(12,210)</b>	<b>(10,944)</b>	<b>(83,514)</b>	<b>(136,920)</b>
<b>Net Increase (Decrease) in Cash and Foreign Currency</b>	<b>340</b>	<b>(831)</b>	<b>(875)</b>	<b>82</b>
<b>Cash and Foreign Currency:</b>				
Beginning of year	82	886	1,309	482
End of year	\$ 422	\$ 55	\$ 434	\$ 564
* Reinvestment of distributions	\$ 42	\$ 1,607	\$ 193	\$ 3,577

## Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

### Supplemental Disclosure of Cash Flow Information:

Interest expense paid during the year	\$	1,108	\$	916	\$	2,851	\$	1,157
---------------------------------------	----	-------	----	-----	----	-------	----	-------

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

## Consolidated Statements of Cash Flows

Year Ended June 30, 2016

(Amounts in thousands)	PIMCO Dynamic Credit and Mortgage Income Fund	PIMCO Dynamic Income Fund
<b>Cash Flows Provided by Operating Activities:</b>		
Net increase (decrease) in net assets resulting from operations	\$ (52,114)	\$ 19,556
<b>Adjustments to Reconcile Net Increase (Decrease) in Net Assets from Operations to Net Cash Provided by Operating Activities:</b>		
Purchases of long-term securities	(1,723,845)	(514,007)
Proceeds from sales of long-term securities	1,664,438	454,082
(Purchases) from sales of short-term portfolio investments, net	(25,992)	(4,624)
(Increase) in deposits with counterparty	(83,354)	(4,023)
Decrease in receivable for investments sold	109,335	2,153
Decrease in interest and/or dividends receivable	9,952	4,406
(Payments on) exchange-traded or centrally cleared financial derivative instruments	(16,810)	(22,820)
Proceeds from over the counter financial derivative instruments	18,645	24,395
Decrease in other assets	4	3
Increase (decrease) in payable for investments purchased	(68,128)	17,398
(Decrease) in deposits from counterparty	(8,048)	(20)
(Decrease) in accrued management fees	(1,327)	(308)
(Payments on) foreign currency transactions	(4,675)	(68)
(Decrease) in other liabilities	(216)	(110)
<i>Net Realized (Gain) Loss</i>		
Investments in securities	84,858	23,907
Exchange-traded or centrally cleared financial derivative instruments	25,410	(3,245)
Over the counter financial derivative instruments	(25,586)	(20,502)
Foreign currency	3,641	37
<i>Net Change in Unrealized (Appreciation) Depreciation</i>		
Investments in securities	276,391	135,465
Exchange-traded or centrally cleared financial derivative instruments	(8,980)	25,040
Over the counter financial derivative instruments	3,083	594
Foreign currency assets and liabilities	(30,476)	(3,872)
Net amortization (accretion) on investments	(29,295)	(14,489)
<b>Net Cash Provided by Operating Activities</b>	<b>116,911</b>	<b>118,948</b>
<b>Cash Flows (Used for) Financing Activities:</b>		
Increase in overdraft due to custodian	593	112
Cash dividend paid*	(298,500)	(223,351)
Proceeds from reverse repurchase agreements	8,580,639	3,211,883
Payments on reverse repurchase agreements	(8,425,520)	(3,120,138)
Proceeds from deposits from counterparty	50,713	4,890
Payments on deposits from counterparty	(48,186)	(6,451)
<b>Net Cash (Used for) Financing Activities</b>	<b>(140,261)</b>	<b>(133,055)</b>
<b>Net (Decrease) in Cash and Foreign Currency</b>	<b>(23,350)</b>	<b>(14,107)</b>
<b>Cash and Foreign Currency:</b>		
Beginning of year	24,087	14,260
End of year	\$ 737	\$ 153
* Reinvestment of distributions	\$ 0	\$ 14,752
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Interest expense paid during the year	\$ 26,852	\$ 16,179

## Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

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

### 26 PIMCO CLOSED-END FUNDS

See Accompanying Notes

## Schedule of Investments PCM Fund, Inc.

June 30, 2016

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>INVESTMENTS IN SECURITIES 172.2%</b>		
<b>BANK LOAN OBLIGATIONS 4.9%</b>		
<b>Cactus Wellhead LLC</b>		
7.000% due 07/31/2020	\$ 491	\$ 333
<b>Energy Future Intermediate Holding Co. LLC</b>		
4.250% due 12/19/2016	2,274	2,274
<b>iHeartCommunications, Inc.</b>		
7.210% due 01/30/2019	3,000	2,205
<b>Sequa Corp.</b>		
5.250% due 06/19/2017	826	650
<b>Total Bank Loan Obligations (Cost \$6,532)</b>		<b>5,462</b>
<b>CORPORATE BONDS &amp; NOTES 27.5%</b>		
<b>BANKING &amp; FINANCE 10.0%</b>		
<b>Blackstone CQP Holdco LP</b>		
9.296% due 03/19/2019	3,701	3,701
<b>Cantor Fitzgerald LP</b>		
7.875% due 10/15/2019 (i)	740	832
<b>Communications Sales &amp; Leasing, Inc.</b>		
8.250% due 10/15/2023 (i)	600	610
<b>Exeter Finance Corp.</b>		
9.750% due 05/20/2019	800	754
<b>Jefferies Finance LLC</b>		
7.500% due 04/15/2021	187	169
<b>Jefferies LoanCore LLC</b>		
6.875% due 06/01/2020 (i)	800	704
<b>KGH Intermediate Holdco LLC</b>		
8.500% due 08/08/2019 (g)	1,435	1,335
<b>Navient Corp.</b>		
5.500% due 01/15/2019 (i)	845	852
8.450% due 06/15/2018 (i)	711	771
<b>Springleaf Finance Corp.</b>		
8.250% due 12/15/2020	800	804
<b>Toll Road Investors Partnership LP</b>		
0.000% due 02/15/2045 (d)	2,631	678
		11,210
<b>INDUSTRIALS 15.4%</b>		
<b>Ancestry.com Holdings LLC (9.625% Cash or 10.375% PIK)</b>		
9.625% due 10/15/2018 (b)(i)	255	259
<b>BMC Software Finance, Inc.</b>		
8.125% due 07/15/2021	72	54
<b>Boxer Parent Co., Inc. (9.000% Cash or 9.750% PIK)</b>		
9.000% due 10/15/2019 (b)(i)	1,017	864
<b>Caesars Entertainment Operating Co., Inc.</b>		
8.500% due 02/15/2020 (f)(i)	3,143	2,907
9.000% due 02/15/2020 (f)	182	169
<b>California Resources Corp.</b>		
8.000% due 12/15/2022	573	408
<b>Chesapeake Energy Corp.</b>		
3.878% due 04/15/2019	20	15
<b>CVS Pass-Through Trust</b>		

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

5.880% due 01/10/2028 (i)	1,361	1,537
7.507% due 01/10/2032 (i)	851	1,073
<b>Diamond 1 Finance Corp.</b>		
5.450% due 06/15/2023	26	27
6.020% due 06/15/2026	25	26
<b>Forbes Energy Services Ltd.</b>		
9.000% due 06/15/2019 (i)	1,900	827
<b>Global Geophysical Services, Inc.</b>		
10.500% due 05/01/2017 ^	285	0
<b>Intrepid Aviation Group Holdings LLC</b>		
6.875% due 02/15/2019 (i)	1,700	1,504
<b>JC Penney Corp., Inc.</b>		
5.875% due 07/01/2023	100	101
<b>Prime Security Services Borrower LLC</b>		
9.250% due 05/15/2023	800	850

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>Reynolds Group Issuer, Inc.</b>		
4.127% due 07/15/2021	\$ 100	\$ 101
7.000% due 07/15/2024	100	103
<b>Scientific Games International, Inc.</b>		
10.000% due 12/01/2022 (i)	650	531
<b>Sequa Corp.</b>		
7.000% due 12/15/2017	1,140	302
<b>Spanish Broadcasting System, Inc.</b>		
12.500% due 04/15/2017 (i)	2,290	2,256
<b>UAL Pass-Through Trust</b>		
6.636% due 01/02/2024 (i)	592	629
9.750% due 07/15/2018 (i)	323	335
10.400% due 05/01/2018 (i)	168	173
<b>UCP, Inc.</b>		
8.500% due 10/21/2017	1,300	1,309
<b>Warren Resources, Inc.</b>		
9.000% due 08/01/2022 ^	1,000	11
<b>Westmoreland Coal Co.</b>		
8.750% due 01/01/2022 (i)	1,264	951

17,322

**UTILITIES 2.1%**

<b>Frontier Communications Corp.</b>		
10.500% due 09/15/2022	150	159
11.000% due 09/15/2025	150	157
<b>Illinois Power Generating Co.</b>		
6.300% due 04/01/2020 (i)	1,515	599
7.950% due 06/01/2032 (i)	1,024	399
<b>Sprint Corp.</b>		
7.125% due 06/15/2024 (i)	1,246	992

2,306

**Total Corporate Bonds & Notes (Cost \$35,306)**

**30,838**

**MUNICIPAL BONDS & NOTES 1.2%**

**ARKANSAS 0.5%**

<b>Little Rock Municipal Property Owners Multipurpose Improvement District No. 10, Arkansas Special Tax Bonds, Series 2007</b>		
7.200% due 03/01/2032	515	501

**WEST VIRGINIA 0.7%**

<b>Tobacco Settlement Finance Authority, West Virginia Revenue Bonds, Series 2007</b>		
7.467% due 06/01/2047	845	805

**Total Municipal Bonds & Notes (Cost \$1,306)**

**1,306**

**U.S. GOVERNMENT AGENCIES 2.1%**

<b>Freddie Mac</b>		
--------------------	--	--



Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

0.100% due 05/25/2020 (a)	14,213	40
0.734% due 01/25/2021 (a)	2,686	61
0.841% due 10/25/2020 (a)	8,703	219
3.615% due 06/25/2041 (a)(i)	10,500	1,640
7.996% due 12/25/2027	450	430

**Total U.S. Government Agencies**  
(Cost \$2,227) **2,390**

**NON-AGENCY MORTGAGE-BACKED SECURITIES 66.6%**

<b>Adjustable Rate Mortgage Trust</b>		
2.956% due 01/25/2036 ^	258	221
<b>Banc of America Alternative Loan Trust</b>		
6.246% due 04/25/2037 ^	346	298
<b>Banc of America Commercial Mortgage Trust</b>		
5.695% due 07/10/2046	400	390
<b>Banc of America Funding Trust</b>		
2.907% due 12/20/2034	486	450
3.195% due 03/20/2036	161	144
5.806% due 03/25/2037 ^	164	143
7.000% due 10/25/2037 ^	906	554

**PRINCIPAL  
AMOUNT  
(000S)**      **MARKET  
VALUE  
(000S)**

<b>Banc of America Mortgage Trust</b>		
2.871% due 11/25/2034	\$ 346	\$ 345
3.100% due 06/20/2031	464	473
3.396% due 06/25/2035	219	213
<b>BCAP LLC Trust</b>		
0.638% due 07/26/2036	87	67
<b>BCRR Trust</b>		
5.858% due 07/17/2040	1,000	1,022
<b>Bear Stearns ALT-A Trust</b>		
0.623% due 04/25/2037	1,169	871
2.826% due 11/25/2036 ^	1,030	711
2.860% due 08/25/2036 ^	847	730
2.952% due 05/25/2036	58	41
2.999% due 05/25/2036 ^	382	292
3.062% due 08/25/2036 ^	415	307
3.095% due 01/25/2047	72	53
3.828% due 09/25/2034	225	222
4.012% due 07/25/2035 ^	192	159
<b>Bear Stearns Commercial Mortgage Securities Trust</b>		
5.910% due 06/11/2040 (i)	1,503	1,536
<b>BRAD Resecuritization Trust</b>		
2.180% due 03/12/2021	2,424	178
6.550% due 03/12/2021	453	468
<b>CBA Commercial Small Balance Commercial Mortgage</b>		
5.540% due 01/25/2039 ^	638	474
<b>Chase Mortgage Finance Trust</b>		
6.000% due 03/25/2037 ^	318	274
<b>Citigroup Commercial Mortgage Trust</b>		
0.816% due 05/15/2043 (a)	1,175	0
5.901% due 12/10/2049 (i)	2,500	2,574
<b>Citigroup Mortgage Loan Trust, Inc.</b>		
2.777% due 11/25/2036 ^	237	207
2.861% due 10/25/2035	871	704
3.022% due 08/25/2035 ^	145	136
3.561% due 11/25/2035	1,916	1,072
<b>Citigroup Mortgage Loan Trust, Inc. Mortgage Pass-Through Certificates</b>		
2.909% due 09/25/2035 ^	290	249
<b>CitiMortgage Alternative Loan Trust</b>		
5.500% due 04/25/2022 ^	61	62
<b>COBALT Commercial Mortgage Trust</b>		
5.223% due 08/15/2048 (i)	1,007	1,010
<b>Commercial Mortgage Trust</b>		
6.302% due 07/10/2046 (i)	690	755
<b>Countrywide Alternative Loan Trust</b>		
0.733% due 02/25/2037	342	251

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

0.743% due 02/25/2036 ^	1,056	670
1.437% due 12/25/2035 (i)	1,862	1,460
5.500% due 03/25/2035	843	687
6.000% due 11/25/2035 ^	221	84
6.000% due 04/25/2036 ^ (i)	4,599	3,386
<b>Countrywide Home Loan Mortgage Pass-Through Trust</b>		
1.093% due 03/25/2035	248	188
2.592% due 02/20/2036 ^	19	17
2.699% due 09/20/2036 ^	199	147
2.774% due 09/25/2047 ^	802	695
6.000% due 05/25/2037 ^	448	371
<b>Credit Suisse First Boston Mortgage Securities Corp.</b>		
7.000% due 02/25/2033	93	98
<b>Credit Suisse Mortgage Capital Mortgage-Backed Trust</b>		
5.896% due 04/25/2036	330	234
6.000% due 07/25/2036	1,850	1,377
6.500% due 05/25/2036 ^	223	139
<b>FFCA Secured Franchise Loan Trust</b>		
0.961% due 09/18/2027 (a)	2,069	51
<b>First Horizon Alternative Mortgage Securities Trust</b>		
2.513% due 08/25/2035 ^	116	28
<b>First Horizon Mortgage Pass-Through Trust</b>		
2.936% due 04/25/2035	108	106
<b>GS Mortgage Securities Trust</b>		
1.585% due 08/10/2043 (a)	14,514	706
2.658% due 05/10/2045 (a)	5,884	474
6.215% due 08/10/2043 (i)	1,670	1,759
<b>GSR Mortgage Loan Trust</b>		
2.903% due 03/25/2047 (i)	1,718	1,427

See Accompanying Notes

ANNUAL REPORT JUNE 30, 2016 27

## Schedule of Investments PCM Fund, Inc. (Cont.)

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>HarborView Mortgage Loan Trust</b>		
0.698% due 01/19/2036	\$ 1,018	\$ 693
<b>IndyMac Mortgage Loan Trust</b>		
1.253% due 11/25/2034	165	138
3.159% due 05/25/2036	254	181
3.356% due 06/25/2037	625	579
<b>JPMorgan Alternative Loan Trust</b>		
6.500% due 03/25/2036	1,578	1,293
<b>JPMorgan Chase Commercial Mortgage Securities Corp.</b>		
1.594% due 03/12/2039 (a)	533	6
<b>JPMorgan Chase Commercial Mortgage Securities Trust</b>		
0.628% due 02/15/2046 (a)	61,000	1,477
5.794% due 02/12/2051 (i)	1,056	1,097
5.887% due 02/12/2049 (i)	1,359	1,390
6.131% due 02/15/2051	16	16
6.450% due 05/12/2034 (i)	2,111	2,147
<b>JPMorgan Commercial Mortgage-Backed Securities Trust</b>		
5.702% due 03/18/2051 (i)	4,100	4,148
<b>JPMorgan Mortgage Trust</b>		
2.948% due 07/25/2035	144	144
<b>LB Commercial Mortgage Trust</b>		
5.600% due 10/15/2035	177	180
6.118% due 07/15/2044 (i)	814	845
<b>LB-UBS Commercial Mortgage Trust</b>		
5.347% due 11/15/2038 (i)	806	808
5.407% due 11/15/2038 (i)	710	555
5.518% due 02/15/2040	200	203
5.562% due 02/15/2040 (i)	720	543
<b>Lehman Mortgage Trust</b>		
5.000% due 08/25/2021 ^	486	475
5.930% due 04/25/2036	267	238
6.000% due 05/25/2037 ^	580	563
<b>Luminent Mortgage Trust</b>		
0.616% due 12/25/2036	996	796
<b>MASTR Adjustable Rate Mortgages Trust</b>		
2.904% due 11/25/2035 ^	695	528
<b>MASTR Asset Securitization Trust</b>		
6.000% due 06/25/2036 ^	726	697
<b>Merrill Lynch Mortgage Investors Trust</b>		
0.873% due 07/25/2030	311	284
1.113% due 11/25/2029	159	154
2.790% due 11/25/2035	275	268
<b>Morgan Stanley Capital Trust</b>		
0.435% due 11/12/2049 (a)	46,306	80
5.447% due 02/12/2044 (i)	2,000	2,024
5.692% due 04/15/2049	315	321
5.809% due 12/12/2049 (i)	462	480
<b>Morgan Stanley Capital, Inc. Trust</b>		
6.010% due 11/15/2030 (i)	777	794
<b>Morgan Stanley Mortgage Loan Trust</b>		
2.941% due 01/25/2035 ^	329	160
6.000% due 08/25/2037 ^	362	315
<b>Morgan Stanley Resecuritization Trust</b>		
5.320% due 03/26/2037	5,538	4,327
<b>Regal Trust</b>		
2.178% due 09/29/2031	196	182
<b>Residential Accredited Loans, Inc. Trust</b>		
3.982% due 01/25/2036 ^	558	449
6.000% due 08/25/2035 ^	368	334
6.500% due 09/25/2037 ^	372	321

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

<b>Residential Asset Securitization Trust</b>		
6.000% due 03/25/2037 ^	301	204
<b>Residential Funding Mortgage Securities, Inc. Trust</b>		
6.000% due 06/25/2036 ^	398	362
<b>Royal Bank of Scotland Capital Funding Trust</b>		
5.223% due 08/16/2048 (i)	1,000	1,002
5.336% due 05/16/2047 (i)	1,000	1,005
6.068% due 02/17/2051	2,744	2,795
<b>Structured Adjustable Rate Mortgage Loan Trust</b>		
2.821% due 01/25/2036 ^(i)	457	345
3.073% due 04/25/2036 ^	552	425
4.361% due 11/25/2036 ^	188	180
4.829% due 09/25/2036 ^	347	304
	<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>Structured Asset Mortgage Investments Trust</b>		
0.663% due 08/25/2036 ^	\$ 1,157	\$ 870
<b>Structured Asset Securities Corp. Trust</b>		
5.000% due 05/25/2035	63	63
<b>TBW Mortgage-Backed Trust</b>		
6.000% due 07/25/2036 ^	201	146
<b>Wachovia Bank Commercial Mortgage Trust</b>		
0.835% due 10/15/2041 (a)	2,409	1
5.509% due 04/15/2047 (i)	823	835
<b>WaMu Commercial Mortgage Securities Trust</b>		
5.972% due 03/23/2045 (i)	1,000	999
<b>WaMu Mortgage Pass-Through Certificates Trust</b>		
0.943% due 06/25/2044	693	603
2.506% due 12/25/2036 ^(i)	553	481
<b>Washington Mutual Mortgage Pass-Through Certificates Trust</b>		
6.500% due 08/25/2036 ^(i)	1,960	1,432
<b>Wells Fargo Alternative Loan Trust</b>		
5.500% due 07/25/2022	49	49
<b>Wells Fargo-RBS Commercial Mortgage Trust</b>		
0.990% due 02/15/2044 (a)(i)	18,222	544
<b>Total Non-Agency Mortgage-Backed Securities (Cost \$67,237)</b>		<b>74,638</b>
<b>ASSET-BACKED SECURITIES 58.8%</b>		
<b>Asset-Backed Securities Corp. Home Equity Loan Trust</b>		
1.548% due 02/25/2035 (i)	2,676	2,196
2.178% due 12/25/2034 (i)	2,174	1,939
3.698% due 06/21/2029	156	149
<b>Associates Manufactured Housing Pass-Through Certificates</b>		
7.150% due 03/15/2028	425	507
<b>Bayview Financial Acquisition Trust</b>		
0.734% due 12/28/2036	203	196
<b>Bear Stearns Asset-Backed Securities Trust</b>		
0.833% due 04/25/2036	3,000	1,907
0.833% due 06/25/2036	28	27
2.922% due 07/25/2036	412	389
5.500% due 12/25/2035	77	65
<b>Bombardier Capital Mortgage Securitization Corp.</b>		
7.830% due 06/15/2030	1,190	657
<b>Centex Home Equity Loan Trust</b>		
0.953% due 01/25/2035	1,558	1,258
<b>Citigroup Mortgage Loan Trust, Inc.</b>		
0.613% due 12/25/2036 (i)	2,174	1,401
0.673% due 12/25/2036	1,119	625
0.713% due 03/25/2037 (i)	5,454	4,196
0.889% due 11/25/2045 (i)	5,300	4,868
<b>Conseco Finance Securitizations Corp.</b>		
7.960% due 05/01/2031	391	288
9.163% due 03/01/2033	960	857
<b>Countrywide Asset-Backed Certificates</b>		
0.583% due 12/25/2036 ^	1,659	1,502
0.593% due 06/25/2035 (i)	3,168	2,296

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

0.593% due 01/25/2037	1,147	776
0.593% due 06/25/2047 ^ (i)	3,579	2,577
0.603% due 04/25/2047 (i)	1,584	1,297
0.653% due 06/25/2037 ^ (i)	1,000	681
0.653% due 09/25/2047	1,188	753
0.693% due 05/25/2036 (i)	9,175	3,992
2.103% due 06/25/2035 (i)	4,000	3,026
5.329% due 10/25/2032 ^ (i)	948	789
<b>EMC Mortgage Loan Trust</b>		
1.521% due 02/25/2041	344	336
<b>Fremont Home Loan Trust</b>		
0.633% due 04/25/2036 (i)	1,606	1,402
<b>GE Capital Mortgage Services, Inc. Trust</b>		
6.705% due 04/25/2029	151	130
<b>GSAMP Trust</b>		
2.253% due 06/25/2035 (i)	2,200	1,808
	<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>HSI Asset Securitization Corp. Trust</b>		
0.563% due 04/25/2037	\$ 3,905	\$ 2,216
<b>IndyMac Home Equity Mortgage Loan Asset-Backed Trust</b>		
0.693% due 04/25/2037 (i)	5,802	3,708
<b>Keystone Owner Trust</b>		
9.000% due 01/25/2029	56	36
<b>Lehman XS Trust</b>		
5.420% due 11/25/2035 ^	374	373
<b>MASTR Asset-Backed Securities Trust</b>		
0.563% due 08/25/2036 (i)	3,861	1,896
<b>Morgan Stanley ABS Capital, Inc. Trust</b>		
1.233% due 12/25/2034	216	175
<b>Renaissance Home Equity Loan Trust</b>		
7.238% due 09/25/2037 ^ (i)	4,337	2,544
<b>Residential Asset Mortgage Products Trust</b>		
1.193% due 09/25/2032	51	45
1.548% due 12/25/2033	811	747
<b>Residential Asset Securities Corp. Trust</b>		
0.913% due 06/25/2031 (i)	1,748	1,636
1.143% due 08/25/2035 (i)	4,350	3,035
<b>Securitized Asset-Backed Receivables LLC Trust</b>		
0.903% due 10/25/2035 (i)	5,500	4,246
<b>Southern Pacific Secured Asset Corp.</b>		
0.793% due 07/25/2029	20	19
<b>Structured Asset Investment Loan Trust</b>		
2.178% due 10/25/2034	1,986	1,670
4.953% due 10/25/2033	68	45
<b>UCFC Manufactured Housing Contract</b>		
7.900% due 01/15/2028 ^	560	547
<b>UPS Capital Business Credit</b>		
6.177% due 04/15/2026	1,856	37
<b>Total Asset-Backed Securities (Cost \$69,833)</b>		<b>65,865</b>
	<b>SHARES</b>	
<b>COMMON STOCKS 0.1%</b>		
<b>ENERGY 0.1%</b>		
SemGroup Corp. A	2,654	86
<b>Total Common Stocks (Cost \$74)</b>		<b>86</b>
<b>WARRANTS 0.0%</b>		
<b>INDUSTRIALS 0.0%</b>		
Global Geophysical Services, Inc. - Exp. 05/01/2049	1,239	0
<b>Total Warrants (Cost \$12)</b>		<b>0</b>

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

**SHORT-TERM INSTRUMENTS 11.0%**

**REPURCHASE AGREEMENTS (h) 4.5%**

5,100

**PRINCIPAL  
AMOUNT  
(000S)**

**SHORT-TERM NOTES 5.0%**

**Federal Home Loan Bank**

0.279% due 07/01/2016 (d)(e)	\$	1,100	1,100
0.294% due 07/06/2016 - 07/08/2016 (d)(e)		300	300
0.300% due 07/08/2016 (d)(e)		300	300
0.314% due 08/05/2016 - 08/11/2016 (d)(e)		2,400	2,399
0.316% due 08/05/2016 (d)(e)		100	100
0.325% due 08/10/2016 - 08/12/2016 (d)(e)		1,100	1,100
0.340% due 07/07/2016 (d)(e)		200	200
0.345% due 07/29/2016 (d)(e)		100	100

5,599

**28 PIMCO CLOSED-END FUNDS**

See Accompanying Notes

June 30, 2016

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>U.S. TREASURY BILLS 1.5%</b>		
0.152% due		
07/21/2016 (c)(d)(l)	\$ 1,726	\$ 1,726
<b>Total Short-Term Instruments</b> (Cost \$12,425)		12,425
<b>Total Investments in Securities (Cost \$194,952)</b>		<b>193,010</b>
<b>Total Investments 172.2%</b> (Cost \$194,952)		<b>\$ 193,010</b>
<b>Financial Derivative</b> <b>Instruments (j)(k) (1.4)%</b>		
(Cost or Premiums, net \$(1,628))		(1,569)
<b>Other Assets and Liabilities, net (70.8)%</b>		<b>(79,342)</b>
<b>Net Assets 100.0%</b>		<b>\$ 112,099</b>

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

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

^ Security is in default.

(a) Interest only security.

(b) Payment in-kind security.

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

(d) Zero coupon security.

(e) Coupon represents a yield to maturity.

(f) Security is subject to a forbearance agreement entered into by the Fund which forbears the Fund from taking action to, among other things, accelerate and collect payments on the subject note with respect to specified events of default.

**(g) RESTRICTED SECURITIES:**

Issuer Description	Coupon	Maturity Date	Acquisition Date	Cost	Market Value	Market Value as Percentage of Net Assets
KGH Intermediate Holdco LLC	8.500%	08/08/2019	08/07/2014	\$ 1,415	\$ 1,335	1.19%

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

**BORROWINGS AND OTHER FINANCING TRANSACTIONS**

**(h) REPURCHASE AGREEMENTS:**

Counterparty	Lending Rate	Settlement Date	Maturity Date	Principal Amount	Collateralized By	Collateral (Received)	Repurchase Agreements, at Value	Repurchase Agreement Proceeds to be Received (1)
BCY	0.750%	06/30/2016	07/01/2016	\$ 5,100	U.S. Treasury Notes 1.250% due 06/30/2023	\$ (5,209)	\$ 5,100	\$ 5,100
<b>Total Repurchase Agreements</b>						<b>\$ (5,209)</b>	<b>\$ 5,100</b>	<b>\$ 5,100</b>

(1) Includes accrued interest.

**REVERSE REPURCHASE AGREEMENTS:**

Counterparty	Borrowing Rate (3)	Borrowing Date	Maturity Date	Amount Borrowed (3)	Payable for Reverse Repurchase Agreements
BCY	(0.250)%	02/18/2016	TBD (2)	\$ (268)	\$ (268)
	0.900	11/24/2015	TBD (2)	(1,512)	(1,520)
	1.880	04/07/2016	07/05/2016	(321)	(322)
	1.904	07/05/2016	10/05/2016	(327)	(327)
	2.125	04/01/2016	07/01/2016	(4,008)	(4,030)
	2.146	07/01/2016	10/03/2016	(2,871)	(2,871)
	2.181	06/03/2016	09/06/2016	(1,141)	(1,143)
	2.475	10/01/2015	10/03/2016	(2,258)	(2,272)
BOS	2.265	07/05/2016	08/05/2016	(1,782)	(1,782)
	2.531	04/08/2016	07/05/2016	(1,782)	(1,793)
DEU	1.400	04/04/2016	07/05/2016	(294)	(295)
	1.400	04/08/2016	07/08/2016	(2,062)	(2,069)
	1.400	04/28/2016	07/28/2016	(1,115)	(1,118)
	1.400	05/03/2016	08/03/2016	(1,097)	(1,099)
	1.450	06/01/2016	09/01/2016	(2,293)	(2,296)
	1.500	06/09/2016	09/09/2016	(956)	(957)
	1.550	07/05/2016	10/05/2016	(327)	(327)

See Accompanying Notes

ANNUAL REPORT JUNE 30, 2016 29



## Schedule of Investments PCM Fund, Inc. (Cont.)

Counterparty	Borrowing Rate <sup>(3)</sup>	Borrowing Date	Maturity Date	Amount Borrowed <sup>(3)</sup>	Payable for
					Reverse Repurchase Agreements
FOB	2.195%	06/10/2016	07/08/2016	\$ (1,171)	\$ (1,172)
GSC	1.846	06/09/2016	07/08/2016	(910)	(911)
JPS	1.382	05/09/2016	08/08/2016	(1,421)	(1,424)
	1.431	06/03/2016	09/06/2016	(1,376)	(1,378)
	1.578	04/14/2016	07/08/2016	(1,273)	(1,277)
	2.181	06/03/2016	09/06/2016	(1,556)	(1,559)
MSC	1.600	04/19/2016	07/19/2016	(3,537)	(3,548)
RBC	1.630	06/01/2016	12/01/2016	(588)	(589)
RDR	1.060	05/27/2016	08/24/2016	(746)	(747)
	1.670	02/03/2016	08/03/2016	(891)	(897)
	1.930	05/23/2016	11/22/2016	(1,067)	(1,069)
	2.120	02/03/2016	08/03/2016	(786)	(793)
RTA	1.732	07/27/2015	07/26/2016	(3,254)	(3,307)
	1.917	04/06/2016	10/07/2016	(2,307)	(2,318)
	2.055	02/04/2016	02/03/2017	(1,820)	(1,835)
	2.209	04/15/2016	04/13/2017	(2,566)	(2,578)
	2.211	03/15/2016	03/14/2017	(971)	(977)
	2.224	05/09/2016	05/08/2017	(2,643)	(2,652)
	2.227	05/12/2016	05/11/2017	(5,422)	(5,439)
	2.230	05/09/2016	05/08/2017	(1,474)	(1,479)
	2.231	03/15/2016	03/14/2017	(1,373)	(1,382)
	2.276	05/27/2016	11/28/2016	(828)	(830)
SAL	1.427	04/07/2016	07/05/2016	(2,229)	(2,236)
	1.476	05/19/2016	08/19/2016	(1,776)	(1,779)
	1.478	05/13/2016	08/15/2016	(2,180)	(2,184)
	1.537	05/02/2016	08/02/2016	(2,193)	(2,199)
SOG	1.290	04/14/2016	07/14/2016	(863)	(865)
	1.310	06/01/2016	09/01/2016	(660)	(661)
	1.350	05/24/2016	08/24/2016	(704)	(705)
	2.350	03/11/2016	09/09/2016	(1,196)	(1,205)
UBS	1.530	04/20/2016	07/20/2016	(657)	(659)
	1.530	04/21/2016	07/21/2016	(1,156)	(1,159)
	2.080	05/09/2016	08/09/2016	(2,597)	(2,605)
	2.104	05/20/2016	08/22/2016	(3,627)	(3,636)
	2.133	05/04/2016	08/04/2016	(2,084)	(2,091)
	2.154	05/20/2016	08/22/2016	(2,229)	(2,235)
<b>Total Reverse Repurchase Agreements</b>					<b>\$ (86,869)</b>

(2) Open maturity reverse repurchase agreement.

(3) The average amount of borrowings outstanding during the period ended June 30, 2016 was \$(84,229) at a weighted average interest rate of 1.478%.

## 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 as of June 30, 2016:

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

- (i) Securities with an aggregate market value of \$102,905 and cash of \$1,110 have been pledged as collateral under the terms of the following master agreements as of June 30, 2016.

Counterparty	Repurchase Agreement Proceeds to be Received	Payable for Reverse Repurchase Agreements	Payable for Sale-Buyback Transactions	Total Borrowings and Other Financing Transactions	Collateral Pledged	Net Exposure <sup>(4)</sup>
Global/Master Repurchase Agreement						
BCY	\$ 5,100	\$ (12,753)	\$ 0	\$ (7,653)	\$ 8,435	\$ 782
BOS	0	(3,575)	0	(3,575)	2,008	(1,567)
DEU	0	(8,161)	0	(8,161)	8,702	541
FOB	0	(1,172)	0	(1,172)	1,808	636
GSC	0	(911)	0	(911)	1,223	312
JPS	0	(5,638)	0	(5,638)	6,597	959
MSC	0	(3,548)	0	(3,548)	4,215	667
RBC	0	(589)	0	(589)	651	62
RDR	0	(3,506)	0	(3,506)	4,007	501
RTA	0	(22,797)	0	(22,797)	31,198	8,401
SAL	0	(8,398)	0	(8,398)	9,678	1,280
SOG	0	(3,436)	0	(3,436)	4,099	663
UBS	0	(12,385)	0	(12,385)	15,904	3,519
<b>Total Borrowings and Other Financing Transactions</b>	<b>\$ 5,100</b>	<b>\$ (86,869)</b>	<b>\$ 0</b>			

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

30 PIMCO CLOSED-END FUNDS

See Accompanying Notes

June 30, 2016

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

	Overnight and Continuous	Up to 30 days	31-90 days	Greater Than 90 days	Total
<b>Reverse Repurchase Agreements</b>					
Asset-Backed Securities	\$ 0	\$ (5,391)	\$ (11,771)	\$ (14,516)	\$ (31,678)
Corporate Bonds & Notes	0	(6,165)	(6,465)	(2,377)	(15,007)
Non-Agency Mortgage-Backed Securities	(4,030)	(9,177)	(12,212)	(8,315)	(33,734)
U.S. Government Agencies	0	0	(1,143)	0	(1,143)
<b>Total Borrowings</b>	<b>\$ (4,030)</b>	<b>\$ (20,733)</b>	<b>\$ (31,591)</b>	<b>\$ (25,208)</b>	<b>\$ (81,562)</b>
<b>Gross amount of recognized liabilities for reverse repurchase agreements <sup>(5)</sup></b>					<b>\$ (81,562)</b>

<sup>(5)</sup> Unsettled reverse repurchase agreements liability of \$(5,307) is outstanding at period end.

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

Pay/Receive	Floating Rate Index	Fixed Rate	Maturity Date	Notional Amount	Market Value	Unrealized Appreciation/ (Depreciation)	Variation Margin	
Floating Rate							Asset	Liability
Pay	3-Month USD-LIBOR	2.000%	12/16/2020	\$ 1,900	\$ 89	\$ 35	\$ 0	\$ 0
Pay	3-Month USD-LIBOR	2.750	06/17/2025	3,620	445	233	0	(6)
Receive	3-Month USD-LIBOR	2.500	06/15/2046	1,600	(258)	(187)	17	0
					\$ 276	\$ 81	\$ 17	\$ (6)
<b>Total Swap Agreements</b>					<b>\$ 276</b>	<b>\$ 81</b>	<b>\$ 17</b>	<b>\$ (6)</b>

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

## Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

The following is a summary of the market value and variation margin of Exchange-Traded or Centrally Cleared Financial Derivative Instruments as of June 30, 2016:

Cash of \$486 has been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of June 30, 2016. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

	Financial Derivative Assets				Financial Derivative Liabilities			
	Variation Margin				Variation Margin			
	Market Value		Asset		Market Value		Liability	
	Purchased	Futures	Swaps	Total	Written	Futures	Swaps	Total
<b>Total Exchange-Traded or Centrally Cleared</b>	\$ 0	\$ 0	\$ 17	\$ 17	\$ 0	\$ 0	\$ (6)	\$ (6)

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

#### SWAP AGREEMENTS:

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

Counterparty	Index/Tranches	Fixed Receive Rate	Maturity Date	Notional Amount <sup>(2)</sup>	Unrealized Swap Agreements, at Value <sup>(3)</sup>			
					Premiums (Received)	Appreciation/ (Depreciation)	Asset	Liability
GST	ABX.HE.AA.6-1 Index	0.320%	07/25/2045	\$ 6,431	\$ (1,281)	\$ 55	\$ 0	\$ (1,226)
	ABX.HE.PENAAA.7-1 Index	0.090	08/25/2037	1,785	(347)	(7)	0	(354)
					\$ (1,628)	\$ 48	\$ 0	\$ (1,580)
<b>Total Swap Agreements</b>					<b>\$ (1,628)</b>	<b>\$ 48</b>	<b>\$ 0</b>	<b>\$ (1,580)</b>

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

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

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

See Accompanying Notes

ANNUAL REPORT JUNE 30, 2016 31

**Schedule of Investments PCM Fund, Inc. (Cont.)**

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

The following is a summary by counterparty of the market value of OTC financial derivative instruments and collateral pledged as of June 30, 2016:

- (l) Securities with an aggregate market value of \$1,726 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of June 30, 2016.

Counterparty	Financial Derivative Assets				Financial Derivative Liabilities				Net Market Value of OTC Derivatives	Collateral Pledged	Net Exposure <sup>(4)</sup>
	Forward Foreign Contracts	Purchased Options	Swap Agreements	Total Over the Counter	Forward Foreign Contracts	Written Options	Swap Agreements	Total Over the Counter			
GST	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (1,580)	\$ (1,580)	\$ (1,580)	\$ 1,726	\$ 146

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

**FAIR VALUE OF FINANCIAL DERIVATIVE INSTRUMENTS**

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

Fair Values of Financial Derivative Instruments on the Statements of Assets and Liabilities as of June 30, 2016:

	Derivatives not accounted for as hedging instruments					Total
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts	
<b>Financial Derivative Instruments - Assets</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ 0	\$ 0	\$ 0	\$ 17	\$ 17
<b>Financial Derivative Instruments - Liabilities</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6	\$ 6
Over the counter						
Swap Agreements	\$ 0	\$ 1,580	\$ 0	\$ 0	\$ 0	\$ 1,580

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

\$ 0    \$ 1,580    \$ 0    \$ 0    \$ 6    \$ 1,586

The effect of Financial Derivative Instruments on the Statements of Operations for the period ended June 30, 2016:

	Derivatives not accounted for as hedging instruments					Total
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts	
<b>Net Realized Gain (Loss) on Financial Derivative Instruments</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ 0	\$ 0	\$ 0	\$ (307)	\$ (307)
Over the counter						
Swap Agreements	\$ 0	\$ 3,220	\$ 0	\$ 0	\$ 135	\$ 3,355
	\$ 0	\$ 3,220	\$ 0	\$ 0	\$ (172)	\$ 3,048
<b>Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ 0	\$ 0	\$ 0	\$ 108	\$ 108
Over the counter						
Swap Agreements	\$ 0	\$ (3,108)	\$ 0	\$ 0	\$ (112)	\$ (3,220)
	\$ 0	\$ (3,108)	\$ 0	\$ 0	\$ (4)	\$ (3,112)

32 PIMCO CLOSED-END FUNDS

See Accompanying Notes

June 30, 2016

**FAIR VALUE MEASUREMENTS**

The following is a summary of the fair valuations according to the inputs used as of June 30, 2016 in valuing the Fund's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair
				Value at 06/30/2016
<b>Investments in Securities, at Value</b>				
Bank Loan Obligations	\$ 0	\$ 5,129	\$ 333	\$ 5,462
<b>Corporate Bonds &amp; Notes</b>				
Banking & Finance	0	9,121	2,089	11,210
Industrials	0	16,013	1,309	17,322
Utilities	0	2,306	0	2,306
<b>Municipal Bonds &amp; Notes</b>				
Arkansas	0	501	0	501
West Virginia	0	805	0	805
U.S. Government Agencies	0	2,390	0	2,390
Non-Agency Mortgage-Backed Securities	0	73,941	697	74,638
Asset-Backed Securities	0	65,792	73	65,865
<b>Common Stocks</b>				
Energy	86	0	0	86
<b>Short-Term Instruments</b>				
Repurchase Agreements	0	5,100	0	5,100
Short-Term Notes	0	5,599	0	5,599
<b>Fair</b>				
Category and Subcategory	Level 1	Level 2	Level 3	Value at 06/30/2016
U.S. Treasury Bills	\$ 0	\$ 1,726	\$ 0	\$ 1,726
Total Investments	\$ 86	\$ 188,423	\$ 4,501	\$ 193,010
<b>Financial Derivative Instruments - Assets</b>				
Exchange-traded or centrally cleared	\$ 0	\$ 17	\$ 0	\$ 17
<b>Financial Derivative Instruments - Liabilities</b>				
Exchange-traded or centrally cleared	0	(6)	0	(6)
Over the counter	0	(1,580)	0	(1,580)
	\$ 0	\$ (1,586)	\$ 0	\$ (1,586)
Totals	\$ 86	\$ 186,854	\$ 4,501	\$ 191,441

## Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

There were no significant transfers between Levels 1 and 2 during the period ended June 30, 2016.

The following is a reconciliation of the fair valuations using significant unobservable inputs (Level 3) for the Fund during the period ended June 30, 2016:

Category and Subcategory	Beginning Balance at 06/30/2015	Net Purchases	Net Sales	Accrued Discounts/ (Premiums)	Realized Gain/(Loss)	Net Change in Unrealized Appreciation/ (Depreciation) <sup>(1)</sup>	Transfers into Level 3	Transfers out of Level 3	Ending Balance at 06/30/2016	Net Change in Unrealized Appreciation/ (Depreciation) on Investments Held at 06/30/2016 <sup>(1)</sup>
<b>Investments in Securities, at Value</b>										
Bank Loan Obligations	\$ 424	\$ 0	\$ (6)	\$ 2	\$ 0	\$ (87)	\$ 0	\$ 0	\$ 333	\$ (88)
<b>Corporate Bonds &amp; Notes</b>										
Banking & Finance	6,039	352	(441)	0	1	(161)	0	(3,701)	2,089	(73)
Industrials	1,825	0	(151)	2	0	(32)	0	(335)	1,309	2
<b>Non-Agency</b>										
Mortgage-Backed Securities	672	0	(36)	4	2	5	50	0	697	6
Asset-Backed Securities	75	0	0	6	0	(8)	0	0	73	(8)
<b>Warrants</b>										
Industrials	12	0	0	0	0	(12)	0	0	0	0
<b>Totals</b>	<b>\$ 9,047</b>	<b>\$ 352</b>	<b>\$ (634)</b>	<b>\$ 14</b>	<b>\$ 3</b>	<b>\$ (295)</b>	<b>\$ 50</b>	<b>\$ (4,036)</b>	<b>\$ 4,501</b>	<b>\$ (161)</b>

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

Category and Subcategory	Ending Balance at 06/30/2016	Valuation Technique	Unobservable Inputs	Input Value(s)  (% Unless Noted Otherwise)
<b>Investments in Securities, at Value</b>				
Bank Loan Obligations	\$ 333	Third Party Vendor	Broker Quote	68.00
<b>Corporate Bonds &amp; Notes</b>				
Banking & Finance	2,089	Reference Instrument	Spread movement	37.00-324.53 bps
Industrials	1,309	Proxy Pricing	Base Price	100.09
<b>Non-Agency</b>				
Mortgage-Backed Securities	51	Other Valuation Techniques <sup>(2)</sup>		
	646	Proxy Pricing	Base Price	7.30-102.63
Asset-Backed Securities	73	Proxy Pricing	Base Price	2.00-63.90
<b>Total</b>	<b>\$ 4,501</b>			

<sup>(1)</sup> Any difference between Net Change in Unrealized Appreciation/(Depreciation) and Net Change in Unrealized Appreciation/(Depreciation) on Investments Held at June 30, 2016 may be due to an investment no longer held or categorized as Level 3 at period end.

<sup>(2)</sup>



## Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

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

See Accompanying Notes

**ANNUAL REPORT** JUNE 30, 2016 **33**

## Schedule of Investments PIMCO Global StocksPLUS® &amp; Income Fund

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>INVESTMENTS IN SECURITIES 158.9%</b>		
<b>BANK LOAN OBLIGATIONS 0.9%</b>		
<b>iHeartCommunications, Inc.</b>		
7.210% due 01/30/2019	\$ 200	\$ 147
<b>OGX (13.000% PIK)</b>		
13.000% due 04/10/2049 (b)	133	109
<b>Sequa Corp.</b>		
5.250% due 06/19/2017	908	715
<b>Total Bank Loan Obligations (Cost \$1,177)</b>		<b>971</b>
<b>CORPORATE BONDS &amp; NOTES 50.7%</b>		
<b>BANKING &amp; FINANCE 26.3%</b>		
<b>AGFC Capital Trust</b>		
6.000% due 01/15/2067 (j)	1,000	470
<b>Australia &amp; New Zealand Banking Group Ltd.</b>		
6.750% due 06/15/2026 (f)	300	310
<b>Banco Bilbao Vizcaya Argentaria S.A.</b>		
6.750% due 02/18/2020 (f)	EUR 200	191
<b>Banco do Brasil S.A.</b>		
9.000% due 06/18/2024 (f)	\$ 387	302
<b>Banco Espirito Santo S.A.</b>		
4.000% due 01/21/2019 ^	EUR 200	61
4.750% due 01/15/2018 ^	100	31
<b>Barclays Bank PLC</b>		
14.000% due 06/15/2019 (f)	GBP 100	162
<b>Barclays PLC</b>		
6.500% due 09/15/2019 (f)	EUR 200	198
7.875% due 09/15/2022 (f)(j)	GBP 1,250	1,503
<b>Blackstone CQP Holdco LP</b>		
9.296% due 03/19/2019	\$ 3,544	3,544
<b>BNP Paribas S.A.</b>		
7.375% due 08/19/2025 (f)(j)	1,100	1,078
<b>Communications Sales &amp; Leasing, Inc.</b>		
8.250% due 10/15/2023 (j)	400	407
<b>Cooperatieve Rabobank UA</b>		
6.875% due 03/19/2020 (i)	EUR 1,000	1,301
11.000% due 06/30/2019 (f)(j)	\$ 1,135	1,358
<b>Credit Agricole S.A.</b>		
7.500% due 06/23/2026 (f)(j)	GBP 700	840
7.875% due 01/23/2024 (f)	\$ 200	192
<b>Exeter Finance Corp.</b>		
9.750% due 05/20/2019	900	848
<b>HSBC Holdings PLC</b>		
5.250% due 09/16/2022 (f)(j)	EUR 1,000	1,003
6.000% due 09/29/2023 (f)	200	214
<b>Jefferies Finance LLC</b>		
7.500% due 04/15/2021 (j)	\$ 767	691
<b>Jefferies LoanCore LLC</b>		
6.875% due 06/01/2020 (j)	1,400	1,232
<b>KGH Intermediate Holdco LLC</b>		
8.500% due 08/08/2019 (h)	1,817	1,691
<b>Lloyds Banking Group PLC</b>		
7.625% due 06/27/2023 (f)(j)	GBP 1,400	1,766
<b>Nationwide Building Society</b>		
10.250% due (f)	2	363
<b>Navient Corp.</b>		
8.450% due 06/15/2018 (j)	\$ 811	880
<b>PHH Corp.</b>		

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

7.375% due 09/01/2019		260		258
<b>Pinnacol Assurance</b>				
8.625% due 06/25/2034 (h)		1,100		1,220
<b>Rio Oil Finance Trust</b>				
9.250% due 07/06/2024		1,337		1,154
<b>Royal Bank of Scotland Group PLC</b>				
7.500% due 08/10/2020 (f)(j)		1,930		1,780
8.000% due 08/10/2025 (f)(j)		300		280
<b>Santander UK Group Holdings PLC</b>				
7.375% due 06/24/2022 (f)(j)	GBP	500		622
<b>Springleaf Finance Corp.</b>				
8.250% due 12/15/2020	\$	230		231
		<b>PRINCIPAL AMOUNT (000S)</b>		<b>MARKET VALUE (000S)</b>
<b>TIG FinCo PLC</b>				
8.500% due 03/02/2020	GBP	132	\$	177
8.750% due 04/02/2020 (j)		678		668
<b>Toll Road Investors Partnership LP</b>				
0.000% due 02/15/2045 (d)	\$	756		195
				27,221
<b>INDUSTRIALS 20.6%</b>				
<b>Altice Financing S.A.</b>				
7.500% due 05/15/2026 (j)		500		492
<b>Ancestry.com Holdings LLC (9.625% Cash or 10.375% PIK)</b>				
9.625% due 10/15/2018 (b)(j)		264		268
<b>BMC Software Finance, Inc.</b>				
8.125% due 07/15/2021		87		66
<b>Boxer Parent Co., Inc. (9.000% Cash or 9.750% PIK)</b>				
9.000% due 10/15/2019 (b)(j)		1,221		1,038
<b>Caesars Entertainment Operating Co., Inc.</b>				
8.500% due 02/15/2020 (g)(j)		3,667		3,392
9.000% due 02/15/2020 (g)(j)		183		170
<b>Chesapeake Energy Corp.</b>				
3.878% due 04/15/2019		20		15
<b>Corp. GEO S.A.B. de C.V.</b>				
9.250% due 06/30/2020 ^		470		0
<b>CVS Pass-Through Trust</b>				
5.880% due 01/10/2028 (j)		519		586
<b>Diamond 1 Finance Corp.</b>				
5.450% due 06/15/2023		25		26
6.020% due 06/15/2026		23		24
<b>DISH DBS Corp.</b>				
7.750% due 07/01/2026		300		311
<b>DriveTime Automotive Group, Inc.</b>				
8.000% due 06/01/2021 (j)		770		711
<b>Enterprise Inns PLC</b>				
6.875% due 05/09/2025	GBP	10		13
<b>Forbes Energy Services Ltd.</b>				
9.000% due 06/15/2019	\$	292		127
<b>Fresh Market, Inc.</b>				
9.750% due 05/01/2023 (j)		600		565
<b>Global Geophysical Services, Inc.</b>				
10.500% due 05/01/2017 ^		357		0
<b>Harvest Operations Corp.</b>				
2.330% due 04/14/2021		846		850
<b>iHeartCommunications, Inc.</b>				
9.000% due 03/01/2021 (j)		690		489
9.000% due 09/15/2022 (j)		1,000		697
<b>Intelsat Luxembourg S.A.</b>				
7.750% due 06/01/2021 (j)		1,310		328
8.125% due 06/01/2023		54		14
<b>Intrepid Aviation Group Holdings LLC</b>				
6.875% due 02/15/2019 (j)		1,890		1,673
<b>JC Penney Corp., Inc.</b>				
5.875% due 07/01/2023		100		101
<b>Micron Technology, Inc.</b>				

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

7.500% due 09/15/2023 (j)		300	321
<b>Millar Western Forest Products Ltd.</b>			
8.500% due 04/01/2021		30	14
<b>Numericable SFR S.A.</b>			
7.375% due 05/01/2026		827	819
<b>OGX Austria GmbH</b>			
8.375% due 04/01/2022 ^		2,050	0
8.500% due 06/01/2018 ^		1,400	0
<b>Prime Security Services Borrower LLC</b>			
9.250% due 05/15/2023 (j)		800	850
<b>Reynolds Group Issuer, Inc.</b>			
4.127% due 07/15/2021		200	201
7.000% due 07/15/2024		100	103
<b>Scientific Games International, Inc.</b>			
10.000% due 12/01/2022 (j)		700	572
<b>Sequa Corp.</b>			
7.000% due 12/15/2017		1,166	309
		<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>Spanish Broadcasting System, Inc.</b>			
12.500% due 04/15/2017 (j)	\$	500	\$ 492
<b>Tembec Industries, Inc.</b>			
9.000% due 12/15/2019 (j)		2,600	2,028
<b>UAL Pass-Through Trust</b>			
6.636% due 01/02/2024 (j)		1,481	1,572
10.400% due 05/01/2018 (j)		168	173
<b>Unique Pub Finance Co. PLC</b>			
5.659% due 06/30/2027	GBP	677	900
<b>Westmoreland Coal Co.</b>			
8.750% due 01/01/2022 (j)	\$	1,415	1,065
			21,375
<b>UTILITIES 3.8%</b>			
<b>Frontier Communications Corp.</b>			
10.500% due 09/15/2022		150	159
11.000% due 09/15/2025		150	156
<b>Illinois Power Generating Co.</b>			
6.300% due 04/01/2020 (j)		480	190
7.950% due 06/01/2032 (j)		800	312
<b>Odebrecht Drilling Norbe Ltd.</b>			
6.350% due 06/30/2022		750	218
<b>Odebrecht Offshore Drilling Finance Ltd.</b>			
6.625% due 10/01/2023		798	150
<b>Petrobras Global Finance BV</b>			
6.750% due 01/27/2041 (j)		1,796	1,450
6.850% due 06/05/2115		263	201
6.875% due 01/20/2040 (j)		551	450
7.875% due 03/15/2019 (j)		440	455
<b>Sierra Hamilton LLC</b>			
12.250% due 12/15/2018		100	78
<b>Sprint Capital Corp.</b>			
6.875% due 11/15/2028		100	79
			3,898
<b>Total Corporate Bonds &amp; Notes</b>			
<b>(Cost \$60,152)</b>			<b>52,494</b>

**MUNICIPAL BONDS & NOTES 1.7%**

**ILLINOIS 0.1%**

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

7.375% due 01/01/2033		40	43
7.750% due 01/01/2042		70	71

114

## Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

### WEST VIRGINIA 1.6%

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

7.467% due 06/01/2047	1,690	1,611
-----------------------	-------	-------

#### Total Municipal Bonds & Notes

(Cost \$1,701)		1,725
----------------	--	-------

### U.S. GOVERNMENT AGENCIES 3.1%

#### Fannie Mae

5.597% due 03/25/2037 (a)	585	102
5.697% due 11/25/2039 (a)	506	91
5.753% due 10/25/2028	100	102
5.847% due 01/25/2038 (a)	738	117
5.927% due 03/25/2037 (a)	592	118
5.947% due 12/25/2037 (a)(j)	869	111
5.957% due 06/25/2037 (a)	250	40
5.987% due 04/25/2037 (a)	523	100
5.997% due 04/25/2037 (a)(j)	1,356	284
6.147% due 11/25/2035 (a)	232	39
6.347% due 11/25/2036 (a)(j)	2,776	627
6.747% due 02/25/2037 (a)	525	108
7.000% due 12/25/2023	146	164
7.500% due 06/01/2032	45	48
7.800% due 06/25/2026	3	3
10.107% due 12/25/2042	92	108
13.565% due 08/25/2022 (j)	167	222

#### Freddie Mac

0.841% due 10/25/2020 (a)(j)	10,426	263
5.998% due 03/15/2037 (a)	958	185

### 34 PIMCO CLOSED-END FUNDS

See Accompanying Notes

June 30, 2016

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
6.128% due 09/15/2036 (a)	\$ 580	\$ 117
6.138% due 09/15/2036 (a)(j)	1,298	273
7.000% due 08/15/2023	7	8
<b>Total U.S. Government Agencies (Cost \$2,791)</b>		<b>3,230</b>
<b>U.S. TREASURY OBLIGATIONS 1.0%</b>		
<b>U.S. Treasury Notes</b>		
1.500% due 08/31/2018 (l)(n)	1,000	1,019
<b>Total U.S. Treasury Obligations (Cost \$999)</b>		<b>1,019</b>
<b>NON-AGENCY MORTGAGE-BACKED SECURITIES 62.4%</b>		
<b>Banc of America Alternative Loan Trust</b>		
15.943% due 09/25/2035 ^ (j)	2,223	2,733
<b>Banc of America Funding Trust</b>		
2.907% due 12/20/2034 (j)	486	450
3.070% due 03/20/2036 (j)	693	640
5.846% due 01/25/2037 ^	312	265
<b>Banc of America Mortgage Trust</b>		
6.000% due 07/25/2046 ^	4	3
<b>Banc of America/Merrill Lynch Commercial Mortgage, Inc.</b>		
5.956% due 03/11/2041 (j)	1,967	2,111
<b>BCAP LLC Trust</b>		
6.250% due 11/26/2036	55	55
<b>BCRR Trust</b>		
5.858% due 07/17/2040 (j)	3,000	3,065
<b>Bear Stearns Adjustable Rate Mortgage Trust</b>		
3.167% due 07/25/2036 ^	381	327
<b>Bear Stearns ALT-A Trust</b>		
2.819% due 04/25/2035	323	283
2.902% due 09/25/2035	221	186
3.000% due 11/25/2035 ^	134	100
<b>Bear Stearns Commercial Mortgage Securities Trust</b>		
5.574% due 02/11/2041	1,000	991
<b>Bear Stearns Structured Products, Inc. Trust</b>		
2.690% due 12/26/2046	418	312
2.878% due 01/26/2036 (j)	1,156	907
<b>BRAD Resecuritization Trust</b>		
2.180% due 03/12/2021	2,032	149
6.550% due 03/12/2021	380	392
<b>CBA Commercial Small Balance Commercial Mortgage</b>		
5.540% due 01/25/2039 ^	638	474
<b>Charlotte Gateway Village LLC</b>		
6.410% due 12/01/2016	128	129
<b>Chevy Chase Funding LLC Mortgage-Backed Certificates</b>		
0.753% due 08/25/2035	172	154
0.793% due 10/25/2034	13	12
<b>Citigroup Mortgage Loan Trust, Inc.</b>		
3.038% due 03/25/2037 ^ (j)	621	495
3.561% due 11/25/2035	1,825	1,021
<b>Commercial Mortgage Trust</b>		
0.202% due 10/10/2046 (a)(j)	77,000	763
6.302% due 07/10/2046	760	831
<b>Countrywide Alternative Loan Trust</b>		

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

0.658% due 05/20/2046 ^ <sup>(j)</sup>	966	613
0.693% due 12/25/2046 ^	208	68
0.783% due 10/25/2035 (j)	1,059	788
0.803% due 05/25/2036 ^ <sup>(j)</sup>	2,242	1,087
2.649% due 10/25/2035 ^	235	187
2.952% due 02/25/2037 ^	340	286
5.500% due 08/25/2034 (j)	641	632
5.500% due 02/25/2036 ^	34	28
5.500% due 03/25/2036 ^ <sup>(j)</sup>	661	471
6.250% due 09/25/2034	97	98
6.697% due 07/25/2036 (a) <sup>(j)</sup>	1,609	513
18.553% due 07/25/2035 (j)	1,332	1,813
<b>Countrywide Home Mortgage Pass-Through Trust</b>		
0.693% due 03/25/2036	250	198
1.093% due 03/25/2035 (j)	1,236	1,014
1.233% due 02/25/2035	156	117
2.592% due 02/20/2036 ^ <sup>(j)</sup>	1,768	604
2.693% due 10/20/2035 ^	268	229
	<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
2.724% due 10/20/2035 ^	\$ 198	\$ 153
2.807% due 03/25/2037 ^	491	380
2.964% due 10/20/2035	583	498
3.002% due 08/25/2034	296	266
5.500% due 08/25/2035 ^	43	37
<b>Credit Suisse Commercial Mortgage Trust</b>		
5.849% due 02/15/2039	130	118
6.268% due 02/15/2041 (j)	2,000	2,082
<b>Credit Suisse Mortgage Capital Mortgage-Backed Trust</b>		
6.000% due 11/25/2036	297	275
<b>DBUS Mortgage Trust</b>		
4.652% due 11/10/2046	700	473
<b>First Horizon Alternative Mortgage Securities Trust</b>		
2.589% due 11/25/2036 ^ <sup>(j)</sup>	603	466
<b>First Horizon Mortgage Pass-Through Trust</b>		
2.731% due 01/25/2037 ^ <sup>(j)</sup>	1,151	1,013
<b>GMAC Mortgage Corp. Loan Trust</b>		
3.500% due 06/25/2034	157	155
<b>GS Mortgage Securities Trust</b>		
6.215% due 08/10/2043 (j)	730	769
<b>GSR Mortgage Loan Trust</b>		
2.980% due 04/25/2035	402	385
3.079% due 05/25/2035	208	190
5.500% due 06/25/2036 ^	67	62
<b>HarborView Mortgage Loan Trust</b>		
1.048% due 04/19/2034	31	28
2.313% due 11/19/2034	147	115
2.954% due 02/25/2036 ^	59	49
3.163% due 08/19/2036 ^	23	20
<b>HSI Asset Loan Obligation Trust</b>		
2.823% due 01/25/2037 ^ <sup>(j)</sup>	555	423
<b>IndyMac Mortgage Loan Trust</b>		
0.716% due 06/25/2037 ^ <sup>(j)</sup>	1,862	1,328
0.733% due 03/25/2035	52	45
2.778% due 06/25/2037 ^ <sup>(j)</sup>	764	539
<b>JPMBB Commercial Mortgage Securities Trust</b>		
0.285% due 11/15/2045 (a) <sup>(j)</sup>	76,047	1,408
<b>JPMorgan Chase Commercial Mortgage Securities Corp.</b>		
5.727% due 05/15/2041 (i)	1,500	1,520
<b>JPMorgan Mortgage Trust</b>		
2.782% due 04/25/2037 ^ <sup>(j)</sup>	1,213	941
5.500% due 01/25/2036 ^	77	71
5.500% due 06/25/2037 ^	63	62
<b>Luminent Mortgage Trust</b>		
0.616% due 12/25/2036 (j)	922	737
0.653% due 10/25/2046 (j)	833	710
<b>MASTR Adjustable Rate Mortgages Trust</b>		
2.904% due 11/25/2035 ^	987	751
3.279% due 10/25/2034	319	281

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

<b>Merrill Lynch Alternative Note Asset Trust</b>			
0.523% due 01/25/2037		315	133
<b>Merrill Lynch/Countrywide Commercial Mortgage Trust</b>			
5.378% due 08/12/2048 (j)		808	817
<b>Morgan Stanley Capital Trust</b>			
5.569% due 12/15/2044 (j)		1,277	1,321
<b>Opteum Mortgage Acceptance Corp. Trust</b>			
0.723% due 07/25/2036		357	231
<b>Prime Mortgage Trust</b>			
6.097% due 11/25/2036 (a)		5,807	794
<b>Provident Funding Mortgage Loan Trust</b>			
3.022% due 10/25/2035		132	131
<b>RBSSP Resecuritization Trust</b>			
5.000% due 09/26/2036 (j)		2,419	1,450
<b>Residential Accredited Loans, Inc. Trust</b>			
3.341% due 12/26/2034 ^		333	257
3.982% due 01/25/2036 ^(j)		1,147	922
6.000% due 09/25/2035 (j)		573	427
6.000% due 08/25/2036 ^		400	334
<b>Residential Asset Mortgage Products Trust</b>			
7.500% due 12/25/2031		111	113
<b>Royal Bank of Scotland Capital Funding Trust</b>			
6.068% due 02/17/2051 (j)		3,000	3,056
<b>Structured Adjustable Rate Mortgage Loan Trust</b>			
1.855% due 05/25/2035 ^(j)		2,676	1,881
		<b>PRINCIPAL</b>	<b>MARKET</b>
		<b>AMOUNT</b>	<b>VALUE</b>
		<b>(000S)</b>	<b>(000S)</b>
2.821% due 01/25/2036 ^	\$	507	\$ 383
2.859% due 09/25/2036 ^		448	296
3.073% due 04/25/2036 ^		552	425
3.082% due 09/25/2035		123	102
4.361% due 11/25/2036 ^		188	180
<b>Structured Asset Mortgage Investments Trust</b>			
0.683% due 02/25/2036		512	411
0.733% due 02/25/2036 ^		415	340
<b>Suntrust Adjustable Rate Mortgage Loan Trust</b>			
2.993% due 01/25/2037 ^		181	169
<b>Theatre Hospitals PLC</b>			
3.588% due 10/15/2031 (j)	GBP	1,057	1,345
<b>Wachovia Bank Commercial Mortgage Trust</b>			
5.935% due 01/15/2041 (j)	\$	1,500	1,555
6.147% due 02/15/2051 (j)		2,500	2,604
<b>WaMu Commercial Mortgage Securities Trust</b>			
5.972% due 03/23/2045 (j)		1,000	999
<b>WaMu Mortgage Pass-Through Certificates Trust</b>			
0.743% due 07/25/2045		144	135
1.167% due 01/25/2047		139	125
2.506% due 12/25/2036 ^(j)		618	538
4.411% due 07/25/2037 ^		173	157
<b>Washington Mutual Mortgage Pass-Through Certificates Trust</b>			
1.207% due 04/25/2047 ^		848	75
<b>Wells Fargo Mortgage-Backed Securities Trust</b>			
6.000% due 03/25/2037 ^		388	382
<b>Wells Fargo-RBS Commercial Mortgage Trust</b>			
0.507% due 12/15/2046 (a)		30,000	681
<b>Total Non-Agency Mortgage-Backed Securities (Cost \$51,340)</b>			<b>64,713</b>

**ASSET-BACKED SECURITIES 16.6%**

<b>Apidos CLO</b>			
0.000% due 07/22/2026		500	261
<b>Bear Stearns Asset-Backed Securities Trust</b>			
6.500% due 08/25/2036 ^(j)		693	435
22.003% due 03/25/2036 ^(j)		2,072	2,630
<b>Bombardier Capital Mortgage Securitization Corp.</b>			
7.830% due 06/15/2030		1,428	788
<b>Carrington Mortgage Loan Trust</b>			



Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

0.603% due 08/25/2036	100	62
<b>Centex Home Equity Loan Trust</b>		
0.903% due 06/25/2035	236	205
<b>Citigroup Mortgage Loan Trust, Inc.</b>		
0.613% due 12/25/2036 (j)	2,095	1,350
0.613% due 01/25/2037	240	135
5.972% due 01/25/2037 ^(j)	745	535
<b>Conseco Finance Securitizations Corp.</b>		
7.960% due 05/01/2031	439	324
<b>Countrywide Asset-Backed Certificates</b>		
0.583% due 12/25/2036 ^(j)	1,843	1,669
0.603% due 01/25/2037	81	77
0.603% due 04/25/2047 (j)	1,537	1,259
1.003% due 09/25/2034	116	112
5.329% due 10/25/2032 ^(j)	948	789
<b>EMC Mortgage Loan Trust</b>		
1.393% due 05/25/2039	454	436
<b>Lehman XS Trust</b>		
5.101% due 05/25/2037 ^	313	419
5.420% due 11/25/2035 ^	274	274
<b>MASTR Asset-Backed Securities Trust</b>		
5.233% due 11/25/2035	103	103
<b>Morgan Stanley ABS Capital, Inc. Trust</b>		
0.513% due 05/25/2037	154	96
<b>Residential Asset Mortgage Products Trust</b>		
1.133% due 03/25/2033	59	53
5.572% due 06/25/2032	89	88
<b>Soundview Home Loan Trust</b>		
0.513% due 11/25/2036	212	85
<b>South Coast Funding Ltd.</b>		
0.890% due 01/06/2041	509	144
0.890% due 01/06/2041 (j)	14,337	4,050

See Accompanying Notes

ANNUAL REPORT JUNE 30, 2016 35

**Schedule of Investments PIMCO Global StocksPLUS® & Income Fund (Cont.)**

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>Structured Asset Securities Corp. Mortgage Loan Trust</b>		
0.603% due 05/25/2036 (j)	364	352
0.753% due 06/25/2035 (j)	500	442
<b>Washington Mutual Asset-Backed Certificates Trust</b>		
0.513% due 10/25/2036	120	62
<b>Total Asset-Backed Securities (Cost \$16,260)</b>		<b>17,235</b>
<b>SOVEREIGN ISSUES 0.9%</b>		
<b>Costa Rica Government International Bond</b>		
7.000% due 04/04/2044 (j)	300	301
<b>Republic of Greece Government International Bond</b>		
3.000% due 02/24/2023	EUR 33	28
3.000% due 02/24/2024	33	27
3.000% due 02/24/2025	33	26
3.000% due 02/24/2026	33	26
3.000% due 02/24/2027	33	25
3.000% due 02/24/2028	33	25
3.000% due 02/24/2029	33	24
3.000% due 02/24/2030	33	24
3.000% due 02/24/2031	33	24
3.000% due 02/24/2032	33	24
3.000% due 02/24/2033	33	23
3.000% due 02/24/2034	33	23
3.000% due 02/24/2035	33	23
3.000% due 02/24/2036	33	23
3.000% due 02/24/2037	33	23
3.000% due 02/24/2038	33	22
3.000% due 02/24/2039	33	22
3.000% due 02/24/2040	33	22
3.000% due 02/24/2041	33	22
3.000% due 02/24/2042	33	22
4.750% due 04/17/2019	100	101
<b>Total Sovereign Issues (Cost \$810)</b>		<b>880</b>
	SHARES	MARKET VALUE (000S)
<b>COMMON STOCKS 0.1%</b>		
<b>ENERGY 0.0%</b>		
OGX Petroleo e Gas S.A. SP - ADR	54,706	\$ 0
<b>FINANCIALS 0.1%</b>		
TIG FinCo PLC (h)	103,539	66
<b>Total Common Stocks (Cost \$154)</b>		<b>66</b>
<b>WARRANTS 0.0%</b>		
<b>INDUSTRIALS 0.0%</b>		
Global Geophysical Services, Inc. - Exp. 05/01/2049	1,552	0
<b>Total Warrants (Cost \$15)</b>		<b>0</b>
<b>PREFERRED SECURITIES 0.3%</b>		

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

**BANKING & FINANCE 0.3%**

<b>AgriBank FCB</b>		
6.875% due 01/01/2024 (f)	2,500	264
<b>Total Preferred Securities (Cost \$250)</b>		<b>264</b>

**SHORT-TERM INSTRUMENTS 21.2%**  
**REPURCHASE AGREEMENTS (i) 1.9%**

2,005

**PRINCIPAL  
AMOUNT  
(000S)**

**SHORT-TERM NOTES 8.1%**

	\$	300	300
	<b>PRINCIPAL AMOUNT (000S)</b>		<b>MARKET VALUE (000S)</b>
<b>Federal Home Loan Bank</b>			
0.304% due 08/29/2016 (d)(e)			
0.314% due 08/05/2016 - 08/11/2016 (d)(e)	\$	4,700	\$ 4,699
0.325% due 08/12/2016 (d)(e)		3,400	3,399
			<b>8,398</b>

**U.S. TREASURY BILLS 11.2%**

0.192% due 07/21/2016 - 12/08/2016 (c)(d)(l)(n)	11,617	11,613
----------------------------------------------------	--------	--------

**Total Short-Term Instruments  
(Cost \$22,015)**

**22,016**

**Total Investments in Securities  
(Cost \$157,664)**

**164,613**

**Total Investments 158.9%**

<b>(Cost \$157,664)</b>	<b>\$</b>	<b>164,613</b>
<b>Financial Derivative Instruments (k)(m) (1.2)%</b>		
<b>(Cost or Premiums, net \$(1,488))</b>		<b>(1,244)</b>
<b>Other Assets and Liabilities, net (57.7)%</b>		<b>(59,742)</b>

**Net Assets 100.0%** **\$ 103,627**

**NOTES TO SCHEDULE OF INVESTMENTS (AMOUNTS IN THOUSANDS\*, EXCEPT NUMBER OF CONTRACTS AND UNITS):**

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

^ Security is in default.

(a) Interest only security.

(b) Payment in-kind security.

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

(d) Zero coupon security.

(e) Coupon represents a yield to maturity.

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

(g) Security is subject to a forbearance agreement entered into by the Fund which forbears the Fund from taking action to, among other things, accelerate and collect payments on the subject note with respect to specified events of default.

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

(h) RESTRICTED SECURITIES:

Issuer Description	Acquisition Date	Cost	Market Value	Market Value as Percentage of Net Assets
KGH Intermediate Holdco LLC 8.500% due 08/08/2019	08/07/2014	\$ 1,792	\$ 1,691	1.63%
Pinnacol Assurance 8.625% due 06/25/2034	06/23/2014	1,100	1,220	1.18
TIG FinCo PLC	04/02/2015	154	66	0.06
		\$ 3,046	\$ 2,977	2.87%

36 PIMCO CLOSED-END FUNDS

See Accompanying Notes

June 30, 2016

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

Counterparty	Lending Rate	Settlement Date	Maturity Date	Principal Amount	Collateralized By	Collateral (Received)	Repurchase Agreements, at Value	Repurchase Agreement Proceeds to be Received <sup>(1)</sup>
BCY	0.750%	06/30/2016	07/01/2016	\$ 700	U.S. Treasury Notes 1.250% due 06/30/2023	\$ (716)	\$ 700	\$ 700
SSB	0.010	06/30/2016	07/01/2016	1,305	U.S. Treasury Notes 2.375% due 12/31/2020	(1,331)	1,305	1,305
<b>Total Repurchase Agreements</b>						<b>\$ (2,047)</b>	<b>\$ 2,005</b>	<b>\$ 2,005</b>

<sup>(1)</sup> Includes accrued interest.**REVERSE REPURCHASE AGREEMENTS:**

Counterparty	Borrowing Rate <sup>(3)</sup>	Borrowing Date	Maturity Date	Amount Borrowed <sup>(3)</sup>	Payable for Reverse Repurchase Agreements
BCY	0.900%	11/24/2015	TBD <sup>(2)</sup>	\$ (1,908)	\$ (1,918)
	1.385	04/22/2016	07/22/2016	(336)	(337)
	1.490	05/19/2016	08/17/2016	(493)	(494)
	1.750	05/12/2016	08/12/2016	(480)	(481)
	2.125	04/01/2016	07/01/2016	(538)	(541)
	2.126	05/17/2016	08/17/2016	(2,109)	(2,115)
	2.135	04/22/2016	07/22/2016	(2,114)	(2,123)
	2.146	07/01/2016	10/03/2016	(494)	(494)
	2.475	10/01/2015	10/03/2016	(1,142)	(1,149)
BOS	2.561	06/08/2016	09/08/2016	(2,228)	(2,232)
	2.606	06/17/2016	09/16/2016	(1,314)	(1,315)
BPG	2.731	03/16/2016	03/16/2017	(929)	(937)
BPS	0.150	05/17/2016	08/17/2016	EUR (758)	(842)
	1.000	05/18/2016	08/18/2016	GBP (944)	(1,259)
	1.285	04/22/2016	07/22/2016	\$ (1,051)	(1,054)
	1.350	04/28/2016	07/27/2016	(1,290)	(1,293)
	1.420	05/12/2016	08/08/2016	(1,613)	(1,616)
DBL	2.807	06/09/2016	09/12/2016	(1,900)	(1,903)
DEU	1.300	04/14/2016	07/14/2016	(786)	(788)
	1.400	04/08/2016	07/08/2016	(502)	(504)
	1.400	04/29/2016	07/29/2016	(628)	(630)

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

	1.400	05/17/2016	08/17/2016		(2,148)	(2,152)
	1.450	06/01/2016	09/01/2016		(2,792)	(2,795)
	1.500	06/06/2016	09/02/2016		(1,719)	(1,721)
	1.500	06/09/2016	09/09/2016		(619)	(620)
	1.500	06/20/2016	09/09/2016		(2,544)	(2,545)
	1.850	04/21/2016	07/21/2016		(1,205)	(1,209)
FOB	2.195	06/10/2016	07/08/2016		(2,300)	(2,303)
JPS	1.482	05/09/2016	08/08/2016		(1,872)	(1,876)
	1.881	06/03/2016	09/06/2016		(1,256)	(1,258)
MSC	1.550	06/10/2016	09/12/2016		(1,850)	(1,852)
	1.600	05/09/2016	08/02/2016		(2,633)	(2,639)
	1.700	06/10/2016	09/12/2016		(1,195)	(1,196)
RDR	1.030	05/18/2016	08/17/2016		(297)	(297)
	1.410	05/27/2016	08/24/2016		(3,176)	(3,180)
	2.260	01/14/2016	01/13/2017		(1,040)	(1,051)
RTA	1.697	07/02/2015	07/01/2016		(1,615)	(1,643)
	2.039	12/21/2015	12/20/2016		(1,742)	(1,761)
	2.065	02/09/2016	02/03/2017		(3,467)	(3,495)
	2.207	03/11/2016	03/10/2017		(1,718)	(1,730)
	2.230	05/06/2016	05/05/2017		(2,046)	(2,053)
	2.230	07/01/2016	06/30/2017		(1,441)	(1,441)
SAL	1.476	05/18/2016	08/18/2016		(612)	(613)
	1.480	04/15/2016	07/15/2016		(579)	(581)
SOG	1.290	05/20/2016	08/22/2016		(467)	(468)
UBS	0.350	06/06/2016	09/06/2016	EUR	(1,021)	(1,133)
	0.950	05/17/2016	07/13/2016	GBP	(2,107)	(2,809)
	1.150	05/18/2016	08/18/2016		(484)	(645)
	1.260	06/06/2016	07/06/2016		(808)	(1,076)
	1.430	06/03/2016	09/06/2016	\$	(954)	(955)
	1.480	05/09/2016	08/09/2016		(239)	(240)
	1.540	04/28/2016	07/28/2016		(1,285)	(1,288)

See Accompanying Notes

ANNUAL REPORT JUNE 30, 2016 37

**Schedule of Investments PIMCO Global StocksPLUS® & Income Fund (Cont.)**

Counterparty	Borrowing Rate <sup>(3)</sup>	Borrowing Date	Maturity Date	Amount Borrowed <sup>(3)</sup>	Payable for Reverse Repurchase Agreements
	1.680%	06/03/2016	09/06/2016	\$ (719)	\$ (720)
	2.242	01/04/2016	07/05/2016	(3,422)	(3,460)
	2.342	01/04/2016	07/05/2016	(860)	(870)
	2.392	01/04/2016	07/05/2016	(1,120)	(1,133)
<b>Total Reverse Repurchase Agreements</b>					<b>\$ (78,833)</b>

<sup>(2)</sup> Open maturity reverse repurchase agreement.

<sup>(3)</sup> The average amount of borrowings outstanding during the period ended June 30, 2016 was \$(70,790) at a weighted average interest rate of 1.472%.

**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 (received)/pledged as of June 30, 2016:

(j) Securities with an aggregate market value of \$97,744 have been pledged as collateral under the terms of the following master agreements as of June 30, 2016.

Counterparty	Repurchase		Payable for Sale-Buyback Transactions	Total		Net Exposure <sup>(4)</sup>
	Agreement Proceeds to be Received	Payable for Reverse Repurchase Agreements		Borrowings and Other Financing Transactions	Collateral (Received)/Pledged	
Global/Master Repurchase Agreement						
BCY	\$ 700	\$ (9,652)	\$ 0	\$ (8,952)	\$ 10,840	\$ 1,888
BOS	0	(3,547)	0	(3,547)	5,412	1,865
BPG	0	(937)	0	(937)	1,014	77
BPS	0	(6,064)	0	(6,064)	7,108	1,044
DBL	0	(1,903)	0	(1,903)	4,050	2,147
DEU	0	(12,964)	0	(12,964)	14,791	1,827
FOB	0	(2,303)	0	(2,303)	3,666	1,363
JPS	0	(3,134)	0	(3,134)	3,602	468
MSC	0	(5,687)	0	(5,687)	6,793	1,106
RDR	0	(4,528)	0	(4,528)	5,011	483
RTA	0	(12,123)	0	(12,123)	14,010	1,887
SAL	0	(1,194)	0	(1,194)	1,532	338
SOG	0	(468)	0	(468)	489	21
SSB	1,305	0	0	1,305	(1,331)	(26)
UBS	0	(14,329)	0	(14,329)	17,642	3,313
<b>Total Borrowings and Other Financing Transactions</b>	<b>\$ 2,005</b>	<b>\$ (78,833)</b>	<b>\$ 0</b>			

## Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

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

### CERTAIN TRANSFERS ACCOUNTED FOR AS SECURED BORROWINGS

#### Remaining Contractual Maturity of the Agreements

	Overnight and Continuous	Up to 30 days	31-90 days	Greater Than 90 days	Total
<b>Reverse Repurchase Agreements</b>					
Asset-Backed Securities	\$ 0	\$ (3,460)	\$ (1,903)	\$ (1,761)	\$ (7,124)
Corporate Bonds & Notes	0	(8,521)	(18,743)	(1,918)	(29,182)
Non-Agency Mortgage-Backed Securities	(2,184)	(8,086)	(18,276)	(10,415)	(38,961)
Sovereign Issues	0	0	(240)	0	(240)
U.S. Government Agencies	0	(1,391)	0	0	(1,391)
<b>Total Borrowings</b>	<b>\$ (2,184)</b>	<b>\$ (21,458)</b>	<b>\$ (39,162)</b>	<b>\$ (14,094)</b>	<b>\$ (76,898)</b>

**Gross amount of recognized liabilities for reverse repurchase agreements <sup>(5)</sup>** **\$ (76,898)**

<sup>(5)</sup> Unsettled reverse repurchase agreements liability of \$(1,935) is outstanding at period end.

### 38 PIMCO CLOSED-END FUNDS

See Accompanying Notes



June 30, 2016

**(k) FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED****PURCHASED OPTIONS:****OPTIONS ON EXCHANGE-TRADED FUTURES CONTRACTS**

Description	Strike Price	Expiration Date	# of Contracts	Cost	Market Value
Put - CME S&P 500 Index July Futures	1,960.000	07/15/2016	95	\$ 357	\$ 57
<b>Total Purchased Options</b>				<b>\$ 357</b>	<b>\$ 57</b>

**WRITTEN OPTIONS:****OPTIONS ON EXCHANGE-TRADED FUTURES CONTRACTS**

Description	Strike Price	Expiration Date	# of Contracts	Premiums (Received)	Market Value
Call - CME S&P 500 Index July Futures	2,065.000	07/15/2016	95	\$ (917)	\$ (917)
<b>Total Written Options</b>				<b>\$ (917)</b>	<b>\$ (917)</b>

**FUTURES CONTRACTS:**

Description	Type	Expiration		# of Contracts	Unrealized	Variation Margin	
		Month			Appreciation/ (Depreciation)	Asset	Liability
E-mini S&P 500 Index September Futures	Long	09/2016		16	\$ (5)	\$ 19	\$ 0
S&P 500 Index September Futures	Long	09/2016		99	63	579	0
<b>Total Futures Contracts</b>					<b>\$ 58</b>	<b>\$ 598</b>	<b>\$ 0</b>

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

SWAP AGREEMENTS:

Pay/Receive	Floating Rate	Floating Rate Index	Fixed Rate	Maturity Date	Notional Amount	Market Value	Unrealized Appreciation/ (Depreciation)	Variation Margin	
								Asset	Liability
Pay		3-Month CAD-Bank Bill	3.300%	06/19/2024	CAD 4,900	\$ 648	\$ 81	\$ 4	\$ 0
Receive		3-Month CAD-Bank Bill	3.500	06/20/2044	1,600	(515)	(119)	0	(3)
Pay		3-Month USD-LIBOR	2.750	06/19/2023	\$ 304,100	32,617	5,724	0	(265)
Pay		3-Month USD-LIBOR	3.000	06/18/2024	19,700	2,658	462	0	(26)
Receive		3-Month USD-LIBOR *	1.750	12/21/2026	277,000	(8,050)	(2,719)	572	0
						\$ 27,358	\$ 3,429	\$ 576	\$ (294)
<b>Total Swap Agreements</b>						<b>\$ 27,358</b>	<b>\$ 3,429</b>	<b>\$ 576</b>	<b>\$ (294)</b>

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

FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED SUMMARY

The following is a summary of the market value and variation margin of Exchange-Traded or Centrally Cleared Financial Derivative Instruments as of June 30, 2016:

- (l) Securities with an aggregate market value of \$8,176 and cash of \$19,201 have been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of June 30, 2016. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

	Financial Derivative Assets				Financial Derivative Liabilities			
	Variation Margin				Variation Margin			
	Market Value	Asset		Total	Market Value	Liability		Total
Purchased Options	Futures	Swap Agreements	Written Options		Futures	Swap Agreements		
<b>Total Exchange-Traded or Centrally Cleared</b>	\$ 57	\$ 598	\$ 576	\$ 1,231	\$ (917)	\$ 0	\$ (294)	\$ (1,211)

See Accompanying Notes

ANNUAL REPORT JUNE 30, 2016 39

## Schedule of Investments PIMCO Global StocksPLUS® &amp; Income Fund (Cont.)

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

## FORWARD FOREIGN CURRENCY CONTRACTS:

Counterparty	Settlement Month	Currency to be Delivered	Currency to be Received	Unrealized Appreciation/ (Depreciation)	
				Asset	Liability
AZD	08/2016	AUD 14	\$ 10	\$ 0	\$ 0
	08/2016	JPY 4,519	41	0	(3)
BOA	07/2016	GBP 2,087	3,060	282	0
	07/2016	\$ 1,170	EUR 1,062	8	0
	07/2016	2,955	GBP 2,221	2	0
	08/2016	EUR 1,062	\$ 1,172	0	(8)
	08/2016	GBP 2,221	2,956	0	(2)
	08/2016	\$ 139	AUD 184	0	(2)
BPS	08/2016	AUD 14	\$ 10	0	0
	08/2016	JPY 21,674	200	0	(10)
BRC	07/2016	\$ 729	EUR 659	3	0
	08/2016	EUR 659	\$ 730	0	(2)
CBK	07/2016	22	25	0	0
	07/2016	GBP 252	358	22	0
	07/2016	ILS 38	10	0	0
	08/2016	CHF 59	60	0	0
	08/2016	NOK 82	10	0	0
	08/2016	SEK 255	31	1	0
DUB	07/2016	GBP 66	97	9	0
GLM	07/2016	EUR 2,139	2,390	16	0
	07/2016	\$ 668	EUR 587	0	(17)
	08/2016	AUD 177	\$ 131	0	(1)
	08/2016	JPY 82,679	812	12	(1)
HUS	07/2016	GBP 130	171	0	(2)
	07/2016	\$ 177	GBP 125	0	(11)
	08/2016	AUD 67	\$ 49	0	(1)
	08/2016	HKD 326	42	0	0
	08/2016	SGD 14	10	0	0
JPM	07/2016	\$ 61	GBP 43	0	(4)
	08/2016	CAD 43	\$ 34	0	0
	08/2016	CHF 21	21	0	0
	08/2016	\$ 118	CHF 113	0	(2)
MSB	08/2016	699	JPY 73,850	17	0
	07/2016	EUR 776	\$ 853	0	(8)
	07/2016	GBP 117	169	13	0
	07/2016	\$ 353	EUR 314	0	(5)
	07/2016	247	GBP 166	0	(26)
	08/2016	86	CHF 82	0	(2)
NAB	07/2016	129	EUR 117	0	0
	08/2016	EUR 117	\$ 130	0	0
RBC	08/2016	AUD 71	52	0	(1)
SCX	07/2016	\$ 224	EUR 198	0	(5)
	07/2016	141	GBP 97	0	(11)
	08/2016	CHF 176	\$ 181	0	0
	08/2016	JPY 23,500	220	0	(7)
SOG	08/2016	\$ 194	JPY 20,642	6	0
	08/2016	CHF 61	\$ 63	0	0
	08/2016	HKD 155	20	0	0

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

UAG	08/2016	CHF	21	21	0	0
	08/2016	DKK	138	21	1	0
<b>Total Forward Foreign Currency Contracts</b>					<b>\$ 392</b>	<b>\$ (131)</b>

**WRITTEN OPTIONS:**

**TRANSACTIONS IN WRITTEN CALL AND PUT OPTIONS FOR THE PERIOD ENDED JUNE 30, 2016:**

	<b>Balance at Beginning of Period</b>	<b>Sales</b>	<b>Closing Buys</b>	<b>Expirations</b>	<b>Exercised</b>	<b>Balance at End of Period</b>
# of Contracts	123	1,504	(1,298)	(234)	0	95
Premiums	\$ (824)	\$ (11,548)	\$ 9,751	\$ 1,704	\$ 0	\$ (917)

**40 PIMCO CLOSED-END FUNDS**

See Accompanying Notes

June 30, 2016

**SWAP AGREEMENTS:**

**CREDIT DEFAULT SWAPS ON ASSET-BACKED SECURITIES - SELL PROTECTION <sup>(1)</sup>**

Counterparty	Reference Obligation	Fixed Receive Rate	Maturity Date	Notional Amount <sup>(2)</sup>	Premiums Paid/(Received)	Unrealized Depreciation	Swap Agreements, at Value <sup>(3)</sup>	
							Asset	Liability
BOA	Long Beach Mortgage Loan Trust 1-Month USD-LIBOR plus 6.250% due 07/25/2033	6.250%	07/25/2033	\$ 384	\$ 0	\$ (17)	\$ 0	\$ (17)

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

Counterparty	Index/Tranches	Fixed Receive Rate	Maturity Date	Notional Amount <sup>(2)</sup>	Premiums (Received)	Unrealized Appreciation/Depreciation	Swap Agreements, at Value <sup>(3)</sup>		
							Asset	Liability	
GST	ABX.HE.AA.6-1 Index	0.320%	07/25/2045	\$ 2,858	\$ (569)	\$ 25	\$ 0	\$ (544)	
	ABX.HE.PENAAA.7-1 Index	0.090	08/25/2037	1,904	(369)	(7)	0	(376)	
						\$ (938)	\$ 18	\$ 0	\$ (920)

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

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

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

**INTEREST RATE SWAPS**

Counterparty	Pay/Receive		Fixed Rate	Maturity Date	Notional Amount	Premiums Paid	Unrealized Depreciation	Swap Agreements, at Value	
	Floating Rate	Floating Rate Index						Asset	Liability
BPS	Pay	1-Year BRL-CDI	12.055%	01/04/2021	BRL 3,600	\$ 10	\$ (16)	\$ 0	\$ (6)

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

TOTAL RETURN SWAPS ON EQUITY INDICES

Counterparty	Pay/Receive <sup>(4)</sup>	Underlying Reference	# of Units	Financing Rate	Maturity Date	Notional Amount	Premiums Paid/(Received)	Unrealized Depreciation	Swap Agreements, at Value	Asset	Liability
FBF	Receive	NDDUEAFE Index	2,232	3-Month USD-LIBOR less a specified spread	05/11/2017	\$ 10,431	\$ 0	\$ (151)	\$ 0	\$ 0	\$ (151)
	Receive	NDDUEAFE Index	8,937	3-Month USD-LIBOR less a specified spread	06/07/2017	41,648	0	(431)	0		(431)
									\$ (582)	\$ 0	\$ (582)
<b>Total Swap Agreements</b>							<b>\$ (928)</b>	<b>\$ (597)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (1,525)</b>

<sup>(4)</sup> Receive represents that the Fund receives payments for any positive return on the underlying reference. The Fund makes payments for any negative return on such underlying reference. Pay represents that the Fund receives payments for any negative return on the underlying reference. The Fund makes payments for any positive return on such underlying reference.

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 (received)/pledged as of June 30, 2016:

(n) Securities with an aggregate market value of \$2,096 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of June 30, 2016.

Counterparty	Financial Derivative Assets				Financial Derivative Liabilities				Total Over the Value of OTC(Received)/ Derivatives	Collateral Pledged	Net Exposure <sup>(5)</sup>
	Forward Foreign Currency Contracts	Purchased Options	Swap Agreements	Total Over the Counter	Forward Foreign Currency Contracts	Written Options	Swap Agreements	Total Over the Counter			
AZD	\$ 0	\$ 0	\$ 0	\$ 0	\$ (3)	\$ 0	\$ 0	\$ (3)	\$ (3)	\$ 0	\$ (3)
BOA	292	0	0	292	(12)	0	(17)	(29)	263	0	263
BPS	0	0	0	0	(10)	0	(6)	(16)	(16)	0	(16)
BRC	3	0	0	3	(2)	0	0	(2)	1	0	1
CBK	23	0	0	23	0	0	0	0	23	0	23
DUB	9	0	0	9	0	0	0	0	9	(20)	(11)

See Accompanying Notes

ANNUAL REPORT JUNE 30, 2016 41

**Schedule of Investments PIMCO Global StocksPLUS® & Income Fund (Cont.)**

Counterparty	Financial Derivative Assets				Financial Derivative Liabilities				Net Market Value of OTC Derivatives	Collateral (Received)/ Pledged	Net Exposure <sup>(5)</sup>
	Forward Foreign Currency Contracts	Purchased Options	Swap Agreements	Total Over the Counter	Forward Foreign Currency Contracts	Written Options	Swap Agreements	Total Over the Counter			
FBF	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (582)	\$ (582)	\$ (582)	\$ 1,057	\$ 475
GLM	28	0	0	28	(19)	0	0	(19)	9	0	9
GST	0	0	0	0	0	0	(920)	(920)	(920)	1,039	119
HUS	0	0	0	0	(14)	0	0	(14)	(14)	0	(14)
JPM	17	0	0	17	(6)	0	0	(6)	11	0	11
MSB	13	0	0	13	(41)	0	0	(41)	(28)	0	(28)
RBC	0	0	0	0	(1)	0	0	(1)	(1)	0	(1)
SCX	6	0	0	6	(23)	0	0	(23)	(17)	0	(17)
UAG	1	0	0	1	0	0	0	0	1	0	1
<b>Total Over the Counter</b>	<b>\$ 392</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 392</b>	<b>\$ (131)</b>	<b>\$ 0</b>	<b>\$ (1,525)</b>	<b>\$ (1,656)</b>			

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

**FAIR VALUE OF FINANCIAL DERIVATIVE INSTRUMENTS**

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

Fair Values of Financial Derivative Instruments on the Statements of Assets and Liabilities as of June 30, 2016:

	Derivatives not accounted for as hedging instruments						Total
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts		
<b>Financial Derivative Instruments - Assets</b>							
Exchange-traded or centrally cleared							
Purchased Options	\$ 0	\$ 0	\$ 57	\$ 0	\$ 0	\$ 57	
Futures	0	0	598	0	0	598	
Swap Agreements	0	0	0	0	576	576	
	\$ 0	\$ 0	\$ 655	\$ 0	\$ 576	\$ 1,231	
Over the counter							
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 392	\$ 0	\$ 392	
	\$ 0	\$ 0	\$ 655	\$ 392	\$ 576	\$ 1,623	
<b>Financial Derivative Instruments - Liabilities</b>							
Exchange-traded or centrally cleared							

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

Written Options	\$ 0	\$ 0	\$ 917	\$ 0	\$ 0	\$ 917
Swap Agreements	0	0	0	0	294	294
	\$ 0	\$ 0	\$ 917	\$ 0	\$ 294	\$ 1,211
<b>Over the counter</b>						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 131	\$ 0	\$ 131
Swap Agreements	0	937	582	0	6	1,525
	\$ 0	\$ 937	\$ 582	\$ 131	\$ 6	\$ 1,656
	\$ 0	\$ 937	\$ 1,499	\$ 131	\$ 300	\$ 2,867

The effect of Financial Derivative Instruments on the Statements of Operations for the period ended June 30, 2016:

	Derivatives not accounted for as hedging instruments						Total
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts		
<b>Net Realized Gain (Loss) on Financial Derivative Instruments</b>							
Exchange-traded or centrally cleared							
Purchased Options	\$ 0	\$ 0	\$ (1,595)	\$ 0	\$ 0	\$ (1,595)	
Written Options	0	0	2,248	0	0	2,248	
Futures	0	0	310	0	1	311	
Swap Agreements	0	0	0	0	(723)	(723)	
	\$ 0	\$ 0	\$ 963	\$ 0	\$ (722)	\$ 241	
<b>Over the counter</b>							
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 310	\$ 0	\$ 310	
Swap Agreements	0	2,001	(8,269)	0	305	(5,963)	
	\$ 0	\$ 2,001	\$ (8,269)	\$ 310	\$ 305	\$ (5,653)	
	\$ 0	\$ 2,001	\$ (7,306)	\$ 310	\$ (417)	\$ (5,412)	

42 PIMCO CLOSED-END FUNDS

See Accompanying Notes



June 30, 2016

Derivatives not accounted for as hedging instruments							
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts		Total
<b>Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments</b>							
Exchange-traded or centrally cleared							
Purchased Options	\$ 0	\$ 0	\$ (609)	\$ 0	\$ 0		\$ (609)
Written Options	0	0	(684)	0	0		(684)
Futures	0	0	1,260	0	0		1,260
Swap Agreements	0	0	0	0	(6,089)		(6,089)
	\$ 0	\$ 0	\$ (33)	\$ 0	\$ (6,089)		\$ (6,122)
Over the counter							
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 371	\$ 0		\$ 371
Swap Agreements	0	(1,732)	1,268	0	(182)		(646)
	\$ 0	\$ (1,732)	\$ 1,268	\$ 371	\$ (182)		\$ (275)
	\$ 0	\$ (1,732)	\$ 1,235	\$ 371	\$ (6,271)		\$ (6,397)

**FAIR VALUE MEASUREMENTS**

The following is a summary of the fair valuations according to the inputs used as of June 30, 2016 in valuing the Fund's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 06/30/2016
<b>Investments in Securities, at Value</b>				
Bank Loan Obligations	\$ 0	\$ 862	\$ 109	\$ 971
Corporate Bonds & Notes				
Banking & Finance	0	23,462	3,759	27,221
Industrials	0	20,525	850	21,375
Utilities	0	3,898	0	3,898
Municipal Bonds & Notes				
Illinois	0	114	0	114
West Virginia	0	1,611	0	1,611
U.S. Government Agencies	0	3,230	0	3,230
U.S. Treasury Obligations	0	1,019	0	1,019
Non-Agency Mortgage-Backed Securities	0	63,258	1,455	64,713
Asset-Backed Securities	0	17,235	0	17,235
Sovereign Issues	0	880	0	880
Common Stocks				
Financials	0	0	66	66
Preferred Securities				
Banking & Finance	0	264	0	264
Short-Term Instruments				
Repurchase Agreements	0	2,005	0	2,005
<b>Category and Subcategory</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Fair Value at</b>

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

	06/30/2016			
Short-Term Notes	\$ 0	\$ 8,398	\$ 0	\$ 8,398
U.S. Treasury Bills	0	11,613	0	11,613
<b>Total Investments</b>	<b>\$ 0</b>	<b>\$ 158,374</b>	<b>\$ 6,239</b>	<b>\$ 164,613</b>

**Financial Derivative Instruments - Assets**

Exchange-traded or centrally cleared	598	633	0	1,231
Over the counter	0	392	0	392
	<b>\$ 598</b>	<b>\$ 1,025</b>	<b>\$ 0</b>	<b>\$ 1,623</b>

**Financial Derivative Instruments - Liabilities**

Exchange-traded or centrally cleared	0	(1,211)	0	(1,211)
Over the counter	0	(1,656)	0	(1,656)
	<b>\$ 0</b>	<b>\$ (2,867)</b>	<b>\$ 0</b>	<b>\$ (2,867)</b>

<b>Totals</b>	<b>\$ 598</b>	<b>\$ 156,532</b>	<b>\$ 6,239</b>	<b>\$ 163,369</b>
---------------	---------------	-------------------	-----------------	-------------------

There were no significant transfers between Levels 1 and 2 during the period ended June 30, 2016.

The following is a reconciliation of the fair valuations using significant unobservable inputs (Level 3) for the Fund during the period ended June 30, 2016:

Category and Subcategory	Beginning Balance at 06/30/2015	Net Purchases	Net Sales	Accrued Discounts/ (Premiums)	Realized Gain/(Loss)	Net Change in Unrealized Appreciation/ (Depreciation) <sup>(1)</sup>	Transfers in Level 3	Transfers out of Level 3	Ending Balance at 06/30/2016	Net Change in Unrealized Appreciation/ (Depreciation) on Investments Held at 06/30/2016 <sup>(1)</sup>
<b>Investments in Securities, at Value</b>										
Bank Loan Obligations	\$ 150	\$ 0	\$ 0	\$ 0	\$ 0	\$ (41)	\$ 0	\$ 0	\$ 109	\$ (41)
<b>Corporate Bonds &amp; Notes</b>										
Banking & Finance	8,489	384	(1,467)	5	0	(108)	0	(3,544)	3,759	8
Industrials	4	797	0	0	0	49	0	0	850	53
<b>Non-Agency Mortgage-Backed Securities</b>										
Common Stocks	1,301	469	(316)	3	21	(23)	0	0	1,455	(3)
<b>Financials</b>										
Warrants	104	0	0	0	0	(38)	0	0	66	(38)
<b>Industrials</b>										
Industrials	15	0	0	0	0	(15)	0	0	0	0
<b>Totals</b>	<b>\$ 10,063</b>	<b>\$ 1,650</b>	<b>\$ (1,783)</b>	<b>\$ 8</b>	<b>\$ 21</b>	<b>\$ (176)</b>	<b>\$ 0</b>	<b>\$ (3,544)</b>	<b>\$ 6,239</b>	<b>\$ (21)</b>

See Accompanying Notes

ANNUAL REPORT JUNE 30, 2016 43

**Schedule of Investments PIMCO Global StocksPLUS® & Income Fund (Cont.)**

June 30, 2016

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

Category and Subcategory	Ending Balance at 06/30/2016	Valuation Technique	Unobservable Inputs	Input Value(s) (% Unless Noted Otherwise)
<b>Investments in Securities, at Value</b>				
Bank Loan Obligations	\$ 109	Other Valuation Techniques <sup>(2)</sup>		
<b>Corporate Bonds &amp; Notes</b>				
Banking & Finance	1,220	Proxy Pricing	Base Price	102.67
	2,539	Reference Instrument	Spread movement	37.00-324.53 bps
Industrials	850	Proxy Pricing	Base Price	100.00
<b>Non-Agency Mortgage-Backed Securities</b>				
	1,143	Proxy Pricing	Base Price	7.30-102.63
	312	Third Party Vendor	Broker Quote	74.56
<b>Common Stocks</b>				
Financials	66	Other Valuation Techniques <sup>(2)</sup>		
<b>Total</b>	<b>\$ 6,239</b>			

<sup>(1)</sup> Any difference between Net Change in Unrealized Appreciation/(Depreciation) and Net Change in Unrealized Appreciation/(Depreciation) on Investments Held at June 30, 2016 may be due to an investment no longer held or categorized as Level 3 at period end.

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

## Schedule of Investments PIMCO Income Opportunity Fund

June 30, 2016

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>INVESTMENTS IN SECURITIES 164.8%</b>		
<b>BANK LOAN OBLIGATIONS 4.0%</b>		
<b>Energy Future Intermediate Holding Co. LLC</b>		
4.250% due 12/19/2016	\$ 7,507	\$ 7,504
<b>iHeartCommunications, Inc.</b>		
7.210% due 01/30/2019	4,600	3,381
<b>OGX (13.000% PIK)</b>		
13.000% due 04/10/2049 (b)	271	222
<b>Sequa Corp.</b>		
5.250% due 06/19/2017	3,110	2,449
<b>Total Bank Loan Obligations (Cost \$15,352)</b>		<b>13,556</b>
<b>CORPORATE BONDS &amp; NOTES 55.1%</b>		
<b>BANKING &amp; FINANCE 23.7%</b>		
<b>AGFC Capital Trust</b>		
6.000% due 01/15/2067 (i)	2,300	1,081
<b>Banco Continental SAECA</b>		
8.875% due 10/15/2017 (i)	3,900	3,973
<b>Banco do Brasil S.A.</b>		
6.250% due 04/15/2024 (e)	240	149
<b>Banco Espirito Santo S.A.</b>		
4.000% due 01/21/2019 ^	EUR 3,100	946
<b>Banco Popular Espanol S.A.</b>		
11.500% due 10/10/2018 (e)(i)	1,200	1,324
<b>Barclays Bank PLC</b>		
7.625% due 11/21/2022 (i)	\$ 400	431
14.000% due 06/15/2019 (e)(i)	GBP 2,170	3,510
<b>Barclays PLC</b>		
7.875% due 09/15/2022 (e)(i)	1,400	1,683
8.000% due 12/15/2020 (e)	EUR 200	208
<b>Blackstone CQP Holdco LP</b>		
9.296% due 03/19/2019	\$ 11,054	11,054
<b>Cantor Fitzgerald LP</b>		
7.875% due 10/15/2019 (i)	3,160	3,552
<b>Communications Sales &amp; Leasing, Inc.</b>		
8.250% due 10/15/2023 (i)	1,300	1,323
<b>Credit Agricole S.A.</b>		
7.500% due 06/23/2026 (e)(i)	GBP 1,000	1,200
7.875% due 01/23/2024 (e)(i)	\$ 2,900	2,784
<b>Credit Suisse AG</b>		
6.500% due 08/08/2023 (i)	200	210
<b>Exeter Finance Corp.</b>		
9.750% due 05/20/2019	2,800	2,639
<b>HSBC Holdings PLC</b>		
6.000% due 09/29/2023 (e)	EUR 1,400	1,498
<b>Jefferies Finance LLC</b>		

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

7.500% due 04/15/2021 (i)		\$	2,285	2,059
<b>Jefferies LoanCore LLC</b>				
6.875% due 06/01/2020 (i)			1,250	1,100
<b>KGH Intermediate Holdco LLC</b>				
8.500% due 08/08/2019 (g)			4,972	4,627
<b>Lloyds Banking Group PLC</b>				
7.625% due				
06/27/2023 (e)(i)		GBP	3,100	3,911
7.875% due				
06/27/2029 (e)			1,300	1,642
<b>National Bank of Greece S.A.</b>				
3.875% due 10/07/2016		EUR	1,200	1,331
<b>Nationwide Building Society</b>				
10.250% due (e)		GBP	8	1,236
<b>Navient Corp.</b>				
5.500% due 01/15/2019 (i)		\$	845	852
5.625% due 08/01/2033			170	120
8.000% due 03/25/2020 (i)			1,100	1,127
<b>Pinnacol Assurance</b>				
8.625% due 06/25/2034 (g)			2,900	3,216
<b>Rio Oil Finance Trust</b>				
9.250% due 07/06/2024			564	487
<b>Royal Bank of Scotland Group PLC</b>				
7.500% due				
08/10/2020 (e)(i)			3,030	2,795
8.000% due				
08/10/2025 (e)(i)			1,900	1,777
			<b>PRINCIPAL</b>	<b>MARKET</b>
			<b>AMOUNT</b>	<b>VALUE</b>
			<b>(000S)</b>	<b>(000S)</b>
<b>Santander UK Group Holdings PLC</b>				
7.375% due				
06/24/2022 (e)(i)		GBP	2,500	\$ 3,108
<b>Sberbank of Russia Via SB Capital S.A.</b>				
6.125% due 02/07/2022 (i)		\$	3,400	3,767
6.125% due 02/07/2022			600	665
<b>Springleaf Finance Corp.</b>				
8.250% due 12/15/2020			500	503
<b>Tesco Property Finance PLC</b>				
6.052% due 10/13/2039		GBP	1,453	1,932
<b>TIG FinCo PLC</b>				
8.500% due 03/02/2020			431	579
8.750% due 04/02/2020 (i)			2,336	2,301
<b>Toll Road Investors Partnership LP</b>				
0.000% due 02/15/2045 (d)		\$	10,954	2,824
<b>UBS Group AG</b>				
5.750% due 02/19/2022 (e)		EUR	400	448
				79,972
<b>INDUSTRIALS 23.2%</b>				
<b>Altice Financing S.A.</b>				
7.500% due 05/15/2026		\$	1,200	1,182
<b>Ancestry.com Holdings LLC (9.625% Cash or 10.375% PIK)</b>				
9.625% due 10/15/2018 (b)			800	813
<b>BMC Software Finance, Inc.</b>				
8.125% due 07/15/2021			239	180
<b>Boxer Parent Co., Inc. (9.000% Cash or 9.750% PIK)</b>				
9.000% due				
10/15/2019 (b)(i)			3,362	2,858
<b>Caesars Entertainment Operating Co., Inc.</b>				
8.500% due				
02/15/2020 (f)(i)			10,192	9,428
9.000% due 02/15/2020 (f)			583	541
<b>California Resources Corp.</b>				
6.000% due 11/15/2024			1	0
8.000% due 12/15/2022			1,926	1,370
<b>Chesapeake Energy Corp.</b>				
3.878% due 04/15/2019			60	45

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

<b>Continental Airlines Pass-Through Trust</b>		
7.707% due 10/02/2022 (i)		691
8.048% due 05/01/2022 (i)	633	620
<b>Corp. GEO S.A.B. de C.V.</b>		
8.875% due 03/27/2022 ^	200	0
9.250% due 06/30/2020 ^	1,800	1
<b>Crimson Merger Sub, Inc.</b>		
6.625% due 05/15/2022 (i)	1,000	833
<b>CVS Pass-Through Trust</b>		
7.507% due 01/10/2032 (i)	2,554	3,220
<b>Delta Air Lines Pass-Through Trust</b>		
7.750% due 06/17/2021 (i)	512	578
<b>Diamond 1 Finance Corp.</b>		
5.450% due 06/15/2023	80	83
5.875% due 06/15/2021	1,000	1,026
6.020% due 06/15/2026	75	78
7.125% due 06/15/2024	700	732
<b>DISH DBS Corp.</b>		
7.750% due 07/01/2026	800	828
<b>DriveTime Automotive Group, Inc.</b>		
8.000% due 06/01/2021 (i)	1,500	1,386
<b>Enterprise Inns PLC</b>		
6.875% due 05/09/2025	GBP 20	27
<b>Forbes Energy Services Ltd.</b>		
9.000% due 06/15/2019	\$ 1,580	687
<b>Global Geophysical Services, Inc.</b>		
10.500% due 05/01/2017 ^	958	0
<b>Harvest Operations Corp.</b>		
2.330% due 04/14/2021	2,538	2,550
<b>Hellenic Railways Organization S.A.</b>		
4.028% due 03/17/2017	EUR 800	851
<b>iHeartCommunications, Inc.</b>		
9.000% due 03/01/2021 (i)	\$ 3,790	2,686
<b>Intelsat Luxembourg S.A.</b>		
7.750% due 06/01/2021	3,958	990
8.125% due 06/01/2023	166	42
	<b>PRINCIPAL</b>	<b>MARKET</b>
	<b>AMOUNT</b>	<b>VALUE</b>
	<b>(000S)</b>	<b>(000S)</b>
<b>Intrepid Aviation Group Holdings LLC</b>		
6.875% due 02/15/2019	\$ 6,181	\$ 5,470
<b>JC Penney Corp., Inc.</b>		
5.875% due 07/01/2023	200	202
<b>Micron Technology, Inc.</b>		
7.500% due 09/15/2023	900	964
<b>Millar Western Forest Products Ltd.</b>		
8.500% due 04/01/2021	1,876	872
<b>Numericable SFR S.A.</b>		
6.000% due 05/15/2022 (i)	500	488
7.375% due 05/01/2026	1,538	1,523
<b>OGX Austria GmbH</b>		
8.375% due 04/01/2022 ^	3,300	0
8.500% due 06/01/2018 ^	3,700	0
<b>Perstorp Holding AB</b>		
8.750% due 05/15/2017 (i)	4,600	4,601
<b>Petroleos de Venezuela S.A.</b>		
6.000% due 11/15/2026	130	46
<b>Prime Security Services Borrower LLC</b>		
9.250% due 05/15/2023 (i)	2,600	2,762
<b>Reynolds Group Issuer, Inc.</b>		
4.127% due 07/15/2021	600	603
7.000% due 07/15/2024	400	413
<b>Russian Railways via RZD Capital PLC</b>		
7.487% due 03/25/2031	GBP 100	145
<b>Sabine Pass Liquefaction LLC</b>		
5.875% due 06/30/2026	\$ 1,900	1,900
<b>Sequa Corp.</b>		
7.000% due 12/15/2017 (i)	2,700	716
<b>Spanish Broadcasting System, Inc.</b>		
12.500% due 04/15/2017 (i)	7,650	7,535

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

<b>Spirit Issuer PLC</b>			
6.582% due 12/28/2027	GBP	2,175	3,004
<b>Tembec Industries, Inc.</b>			
9.000% due 12/15/2019 (i)	\$	1,800	1,404
<b>Times Square Hotel Trust</b>			
8.528% due 08/01/2026 (i)		4,726	5,671
<b>UAL Pass-Through Trust</b>			
9.750% due 07/15/2018 (i)		970	1,004
10.400% due 05/01/2018 (i)		504	519
<b>UCP, Inc.</b>			
8.500% due 10/21/2017		2,800	2,819
<b>Unique Pub Finance Co. PLC</b>			
5.659% due 06/30/2027	GBP	730	971
7.395% due 03/28/2024		500	639
			78,597
<b>UTILITIES 8.2%</b>			
<b>Frontier Communications Corp.</b>			
10.500% due 09/15/2022	\$	450	478
11.000% due 09/15/2025 (i)		450	469
<b>Gazprom Neft OAO Via GPN Capital S.A.</b>			
4.375% due 09/19/2022		200	198
6.000% due 11/27/2023 (i)		1,350	1,447
<b>Gazprom OAO Via Gaz Capital S.A.</b>			
5.999% due 01/23/2021		381	413
6.510% due 03/07/2022 (i)		3,400	3,731
6.605% due 02/13/2018	EUR	100	120
8.625% due 04/28/2034	\$	1,081	1,370
9.250% due 04/23/2019		100	116
<b>Illinois Power Generating Co.</b>			
6.300% due 04/01/2020 (i)		4,295	1,697
7.950% due 06/01/2032 (i)		4,033	1,573
<b>Odebrecht Drilling Norbe Ltd.</b>			
6.350% due 06/30/2022		3,925	1,138
<b>Petrobras Global Finance BV</b>			
5.750% due 01/20/2020 (i)		570	551
6.250% due 03/17/2024		20	18
6.250% due 12/14/2026	GBP	600	642
6.625% due 01/16/2034		200	200
7.875% due 03/15/2019 (i)	\$	9,700	10,039
<b>Sierra Hamilton LLC</b>			
12.250% due 12/15/2018		200	156

See Accompanying Notes

ANNUAL REPORT JUNE 30, 2016 45

## Schedule of Investments PIMCO Income Opportunity Fund (Cont.)

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>Sprint Capital Corp.</b>		
6.875% due 11/15/2028	\$ 200	\$ 158
<b>Sprint Corp.</b>		
7.125% due 06/15/2024 (i)	4,082	3,250
7.875% due 09/15/2023	165	136
		27,900
<b>Total Corporate Bonds &amp; Notes</b> (Cost \$213,646)		<b>186,469</b>
<b>CONVERTIBLE BONDS &amp; NOTES 1.5%</b>		
<b>BANKING &amp; FINANCE 1.5%</b>		
<b>SL Green Operating Partnership LP</b>		
3.000% due 10/15/2017 (i)	3,800	5,177
<b>Total Convertible Bonds &amp; Notes</b> (Cost \$3,794)		<b>5,177</b>
<b>MUNICIPAL BONDS &amp; NOTES 0.9%</b>		
<b>ILLINOIS 0.1%</b>		
<b>Chicago, Illinois General Obligation Bonds, Series 2015</b>		
7.375% due 01/01/2033	120	127
7.750% due 01/01/2042	210	213
		340
<b>IOWA 0.0%</b>		
<b>Iowa Tobacco Settlement Authority Revenue Bonds, Series</b>		
2005 6.500% due 06/01/2023	155	158
<b>WEST VIRGINIA 0.8%</b>		
<b>Tobacco Settlement Finance Authority, West Virginia Revenue Bonds, Series 2007</b>		
7.467% due 06/01/2047	2,690	2,565
<b>Total Municipal Bonds &amp; Notes</b> (Cost \$3,062)		<b>3,063</b>
<b>U.S. GOVERNMENT AGENCIES 0.4%</b>		
<b>Fannie Mae</b>		
4.000% due 10/01/2040	39	42
<b>Freddie Mac</b>		
0.100% due 05/25/2020 (a)	47,969	134
0.841% due		
10/25/2020 (a)(i)	28,018	706
5.103% due 10/25/2028	600	586
<b>Total U.S. Government Agencies</b> (Cost \$1,520)		<b>1,468</b>
<b>U.S. TREASURY OBLIGATIONS 0.1%</b>		
<b>U.S. Treasury Floating Rate Notes</b>		
0.450% due 04/30/2018	400	400
		<b>400</b>



Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

**Total U.S. Treasury Obligations  
(Cost \$400)**

**NON-AGENCY MORTGAGE-BACKED SECURITIES 42.9%**

**Adjustable Rate Mortgage Trust**

2.956% due 01/25/2036 200 172

**Auburn Securities PLC**

0.912% due 10/01/2041 GBP 228 292

**Banc of America Alternative Loan Trust**

15.943% due 09/25/2035 ^ \$ 1,882 2,314

**Banc of America Funding Trust**

2.669% due 12/20/2036 182 183

2.907% due 12/20/2034 1,054 975

3.043% due 03/20/2036 ^ 1,326 1,146

3.144% due 10/20/2046 ^ 645 479

**Banc of America Mortgage Trust**

2.747% due 10/20/2046 ^ 180 109

2.837% due 09/25/2034 214 209

5.750% due 08/25/2034 373 392

**PRINCIPAL  
AMOUNT  
(000S) MARKET  
VALUE  
(000S)**

**Bayview Commercial Asset Trust**

0.673% due 03/25/2037 \$ 195 \$ 172

**Bear Stearns Adjustable Rate Mortgage Trust**

2.569% due 09/25/2034 116 108

2.913% due 03/25/2035 475 447

2.938% due 09/25/2034 111 108

3.031% due 08/25/2047 ^ 498 405

3.110% due 10/25/2036 ^ 1,256 1,061

4.692% due 06/25/2047 ^ 367 328

**Bear Stearns ALT-A Trust**

0.773% due 06/25/2046 ^ (i) 4,142 2,941

1.153% due 01/25/2035 (i) 867 842

2.747% due 04/25/2035 417 312

2.791% due 11/25/2035 79 62

2.860% due 08/25/2036 ^ (i) 3,388 2,921

2.999% due 05/25/2036 ^ (i) 1,050 803

3.062% due 08/25/2036 ^ 637 471

3.123% due 05/25/2035 659 553

3.828% due 09/25/2034 674 666

3.877% due 11/25/2036 ^ 668 509

4.012% due 07/25/2035 ^ 412 340

**Bluestone Securities PLC**

0.796% due 06/09/2043 GBP 397 473

**BRAD Resecuritization Trust**

2.180% due 03/12/2021 \$ 3,302 242

6.550% due 03/12/2021 617 637

**CBA Commercial Small Balance Commercial Mortgage**

5.540% due 01/25/2039 ^ 1,943 1,443

**Celtic Residential Irish Mortgage Securitisation PLC**

0.001% due 11/13/2047 (i) EUR 538 557

**Chase Mortgage Finance Trust**

5.500% due 11/25/2021 ^ \$ 1,036 838

6.000% due 03/25/2037 ^ 1,034 890

**Citigroup Global Markets Mortgage Securities, Inc.**

6.500% due 02/25/2029 374 378

**Citigroup Mortgage Loan Trust, Inc.**

3.038% due 03/25/2037 ^ (i) 2,033 1,619

5.500% due 11/25/2035 ^ 823 730

**Commercial Mortgage Trust**

6.302% due 07/10/2046 (i) 2,170 2,373

**Countrywide Alternative Loan Trust**

0.703% due 06/25/2037 ^ 1,313 682

0.778% due 11/20/2035 (i) 7,939 6,574

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

0.803% due 05/25/2036 ^ <sup>(i)</sup>		2,242	1,087
0.803% due 06/25/2036 ^ <sup>(i)</sup>		1,937	1,026
5.500% due 10/25/2035 ^		430	377
5.500% due 12/25/2035 ^ <sup>(i)</sup>		2,090	1,708
5.750% due 05/25/2036 ^		394	291
6.000% due 11/25/2035 ^		442	168
6.000% due 04/25/2036 ^		418	337
6.000% due 04/25/2037 ^		754	483
6.000% due 05/25/2037 ^ <sup>(i)</sup>		1,566	1,214
6.250% due 08/25/2037 ^		437	370
6.500% due 09/25/2032 ^		460	444
6.500% due 07/25/2035 ^		904	577
6.500% due 06/25/2036 ^ <sup>(i)</sup>		625	415
<b>Countrywide Home Loan Mortgage Pass-Through Trust</b>			
1.093% due 03/25/2035 <sup>(i)</sup>		826	678
2.759% due 11/25/2035 ^ <sup>(i)</sup>		3,071	2,488
2.762% due 08/20/2035 ^		135	117
2.807% due 03/25/2037 ^ <sup>(i)</sup>		1,502	1,164
2.902% due 09/25/2047 ^		1,069	892
3.002% due 08/25/2034 ^		78	67
3.011% due 06/20/2035		325	293
5.500% due 08/25/2035 ^		115	98
<b>Credit Suisse Commercial Mortgage Trust</b>			
6.500% due 07/26/2036 ^		552	307
<b>Credit Suisse First Boston Mortgage Securities Corp.</b>			
7.500% due 05/25/2032 <sup>(i)</sup>		1,725	1,843
<b>Credit Suisse Mortgage Capital Mortgage-Backed Trust</b>			
1.053% due 07/25/2036 ^		683	250
5.896% due 04/25/2036		577	410
6.500% due 05/25/2036 ^		483	301
<b>Debussy PLC</b>			
5.930% due 07/12/2025	GBP	7,000	9,295
<b>Deutsche ALT-A Securities, Inc.</b>			
0.603% due 02/25/2047	\$	770	546
		<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>Deutsche ALT-B Securities, Inc.</b>			
6.250% due 07/25/2036 ^	\$	130	\$ 101
<b>Deutsche Mortgage Securities, Inc. Mortgage Loan Trust</b>			
5.500% due 09/25/2033		191	198
<b>Downey Savings &amp; Loan Association Mortgage Loan Trust</b>			
0.628% due 04/19/2047 ^		518	197
<b>EMF-NL BV</b>			
0.749% due 07/17/2041	EUR	800	711
1.999% due 10/17/2041		1,000	1,054
<b>Epic Drummond Ltd.</b>			
0.044% due 01/25/2022		1,904	1,890
<b>First Horizon Alternative Mortgage Securities Trust</b>			
2.513% due 08/25/2035 ^	\$	206	49
2.589% due 11/25/2036 ^		1,809	1,397
2.672% due 05/25/2036 ^		2,326	1,876
2.847% due 02/25/2036		235	188
6.250% due 11/25/2036 ^		145	111
<b>First Horizon Mortgage Pass-Through Trust</b>			
2.661% due 07/25/2037 ^		167	139
2.731% due 01/25/2037 ^ <sup>(i)</sup>		1,291	1,136
<b>GMAC Mortgage Corp. Loan Trust</b>			
3.406% due 07/19/2035		104	95
3.410% due 06/25/2034		240	234
3.500% due 06/25/2034		202	201
<b>GreenPoint Mortgage Funding Trust</b>			
0.633% due 01/25/2037		1,492	1,202

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

<b>GS Mortgage Securities Trust</b>		
1.585% due 08/10/2043 (a)	8,237	400
6.215% due 08/10/2043 (i)	2,100	2,211
<b>GSR Mortgage Loan Trust</b>		
0.903% due 07/25/2037 ^	515	307
2.943% due		
01/25/2036 ^(i)	1,737	1,620
3.146% due 12/25/2034	40	39
6.000% due 09/25/2034	188	188
<b>HarborView Mortgage Loan Trust</b>		
0.638% due 02/19/2046 (i)	2,231	1,700
0.658% due 11/19/2036 (i)	4,222	3,109
1.008% due 06/19/2034	348	324
1.088% due 01/19/2035 (i)	337	288
2.959% due 08/19/2036 ^	300	223
<b>HomeBanc Mortgage Trust</b>		
0.703% due 03/25/2035	441	375
<b>IM Pastor Fondo de Titulizacion de Activos</b>		
0.009% due 03/22/2044	EUR	778
		648
<b>Impac CMB Trust</b>		
0.973% due 11/25/2035 ^	\$	411
		337
<b>IndyMac Mortgage Loan Trust</b>		
0.683% due 04/25/2035	237	205
1.253% due 08/25/2034	221	187
1.313% due 09/25/2034	533	484
2.619% due 06/25/2037 ^	436	332
2.972% due 12/25/2036 ^	1,861	1,642
3.113% due		
05/25/2037 ^(i)	4,868	3,898
4.419% due 11/25/2036 ^	1,355	1,200
4.464% due 05/25/2037 ^	34	5
<b>JPMorgan Alternative Loan Trust</b>		
2.939% due 05/25/2036 ^	585	450
5.500% due 11/25/2036 ^	7	5
<b>JPMorgan Commercial Mortgage-Backed Securities Trust</b>		
5.702% due 03/18/2051 (i)	4,000	4,046
<b>JPMorgan Mortgage Trust</b>		
2.708% due 10/25/2036 ^	72	61
2.887% due 07/25/2035	186	184
3.033% due 05/25/2036 ^	1,013	904
6.000% due 08/25/2037 ^	824	716
<b>Landmark Mortgage Securities PLC</b>		
0.088% due 06/17/2038	EUR	298
		313
0.799% due 06/17/2038	GBP	782
		984
<b>Lehman Mortgage Trust</b>		
5.930% due 04/25/2036 (i)	\$	463
		414
6.000% due		
05/25/2037 ^(i)	2,021	1,963

46 PIMCO CLOSED-END FUNDS

See Accompanying Notes

June 30, 2016

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>MASTR Adjustable Rate Mortgages Trust</b>		
1.177% due 01/25/2047 ^	\$ 506	\$ 354
3.279% due 10/25/2034	1,021	900
<b>Morgan Stanley Mortgage Loan Trust</b>		
2.836% due 07/25/2035 ^(i)	2,251	1,848
2.941% due 01/25/2035 ^	329	160
5.750% due 12/25/2035 ^	586	565
6.000% due 08/25/2037 ^	362	315
<b>Prime Mortgage Trust</b>		
0.803% due 06/25/2036 ^	4,230	2,304
7.000% due 07/25/2034	234	224
<b>Regal Trust</b>		
2.178% due 09/29/2031	17	16
<b>Residential Accredited Loans, Inc. Trust</b>		
0.663% due 06/25/2037	2,552	1,864
5.500% due 04/25/2037	157	128
6.000% due 08/25/2035 ^	760	689
6.000% due 01/25/2037 ^(i)	738	613
<b>Residential Asset Securitization Trust</b>		
6.000% due 03/25/2037 ^	601	408
6.000% due 07/25/2037 (i)	8,914	6,168
<b>Residential Funding Mortgage Securities, Inc. Trust</b>		
4.546% due 07/27/2037 ^	399	349
6.000% due 06/25/2037 ^	611	536
<b>Royal Bank of Scotland Capital Funding Trust</b>		
5.223% due 08/16/2048 (i)	2,000	2,005
<b>Sequoia Mortgage Trust</b>		
3.070% due 01/20/2038 ^	451	387
<b>Structured Adjustable Rate Mortgage Loan Trust</b>		
2.704% due 08/25/2034	31	30
2.821% due 01/25/2036 ^	1,490	1,126
4.361% due 11/25/2036 ^	597	573
<b>Structured Asset Mortgage Investments Trust</b>		
0.663% due 08/25/2036 ^(i)	2,892	2,174
0.683% due 05/25/2045	203	177
<b>Structured Asset Securities Corp. Mortgage Pass-Through Certificates</b>		
2.756% due 01/25/2034	549	518
<b>TBW Mortgage-Backed Trust</b>		
6.000% due 07/25/2036 ^	403	292
<b>Theatre Hospitals PLC</b>		
4.338% due 10/15/2031	GBP 260	320
<b>WaMu Commercial Mortgage Securities Trust</b>		
5.972% due 03/23/2045 (i)	\$ 5,000	4,995
<b>WaMu Mortgage Pass-Through Certificates Trust</b>		
2.165% due 11/25/2036 ^	439	374
2.190% due 07/25/2046 (i)	2,489	2,221
2.363% due 03/25/2037 ^	709	566
2.482% due 03/25/2033	116	115
2.496% due 07/25/2037 ^	1,653	1,489
2.511% due 06/25/2037 ^(i)	2,103	1,804
2.723% due 07/25/2037 ^(i)	3,635	2,941
<b>Washington Mutual Mortgage Pass-Through Certificates Trust</b>		
1.287% due 10/25/2046 ^	639	453

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

1.600% due 06/25/2033	67	66
<b>Wells Fargo Mortgage-Backed Securities Trust</b>		
0.953% due 07/25/2037 ^	372	323
2.751% due 10/25/2036 ^	37	34
2.796% due 09/25/2036 ^	37	34
2.866% due 04/25/2036 ^	40	39
<b>Total Non-Agency Mortgage-Backed Securities (Cost \$130,463)</b>		<b>145,040</b>
<b>ASSET-BACKED SECURITIES 43.9%</b>		
<b>Access Financial Manufactured Housing Contract Trust</b>		
7.650% due 05/15/2021	211	63
<b>Ameriquest Mortgage Securities, Inc. Asset-Backed Pass-Through Certificates</b>		
2.178% due 05/25/2034	154	115
3.303% due 08/25/2032 (i)	1,300	1,228
<b>Asset-Backed Funding Certificates Trust</b>		
0.603% due 10/25/2036 (i)	8,224	7,028
1.013% due 10/25/2033	167	150
1.113% due 03/25/2035 (i)	4,431	3,559
	<b>PRINCIPAL</b>	<b>MARKET</b>
	<b>AMOUNT</b>	<b>VALUE</b>
	<b>(000S)</b>	<b>(000S)</b>
<b>Associates Manufactured Housing Pass-Through Certificates</b>		
7.150% due 03/15/2028 (i)	\$ 1,597	\$ 1,906
<b>Bear Stearns Asset-Backed Securities Trust</b>		
0.837% due 09/25/2034	880	805
2.922% due 07/25/2036	686	447
<b>Bombardier Capital Mortgage Securitization Corp.</b>		
7.830% due 06/15/2030	3,564	1,967
<b>Conseco Finance Securitizations Corp.</b>		
7.770% due 09/01/2031	995	1,099
7.960% due 05/01/2031	1,757	1,296
7.970% due 05/01/2032	272	161
8.060% due 09/01/2029	3,080	1,840
9.163% due 03/01/2033	3,040	2,712
<b>Conseco Financial Corp.</b>		
6.220% due 03/01/2030	131	138
6.330% due 11/01/2029	63	64
6.530% due 02/01/2031	1,384	1,390
7.050% due 01/15/2027	209	221
7.140% due 03/15/2028	262	273
7.240% due 06/15/2028	104	104
<b>Countrywide Asset-Backed Certificates</b>		
0.593% due 06/25/2035 (i)	9,965	7,223
0.703% due 01/25/2037 (i)	15,575	12,289
0.793% due 12/25/2036 ^	783	385
1.013% due 08/25/2032 ^	390	335
1.428% due 02/25/2034	311	289
1.728% due 02/25/2035 (i)	3,750	3,449
<b>Countrywide Asset-Backed Certificates Trust</b>		
0.603% due 03/25/2047 (i)	7,037	6,071
1.233% due 11/25/2034 (i)	528	516
4.693% due 10/25/2035	28	29
<b>Credit Suisse First Boston Mortgage Securities Corp.</b>		
1.503% due 02/25/2031	2,319	2,128
<b>Credit-Based Asset Servicing and Securitization LLC</b>		
1.773% due 12/25/2035	1,377	1,084
<b>First Franklin Mortgage Loan Trust</b>		
0.903% due 11/25/2036 (i)	10,000	8,796
1.346% due 07/25/2035 (i)	8,092	6,038
<b>Greenpoint Manufactured Housing</b>		
8.300% due 10/15/2026	914	1,016
<b>Home Equity Asset Trust</b>		
2.853% due 10/25/2033	26	24
<b>Home Equity Loan Trust</b>		
0.683% due 04/25/2037	6,015	3,782
0.793% due 04/25/2037	8,700	4,933
<b>IndyMac Home Equity Mortgage Loan Asset-Backed Trust</b>		
0.693% due 04/25/2037 (i)	17,407	11,123

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

0.773% due 04/25/2037 (i)		5,918	4,190
<b>JPMorgan Mortgage Acquisition Trust</b>			
0.533% due 08/25/2036		10	5
0.643% due 03/25/2047 (i)		1,849	1,395
<b>KGS Alpha SBA Trust</b>			
1.022% due 04/25/2038 (a)		1,794	66
<b>Lehman ABS Mortgage Loan Trust</b>			
0.543% due 06/25/2037 (i)		6,746	4,057
<b>Long Beach Mortgage Loan Trust</b>			
2.928% due 03/25/2032		346	297
<b>MASTR Asset-Backed Securities Trust</b>			
5.233% due 11/25/2035		103	103
<b>Morgan Stanley Dean Witter Capital, Inc. Trust</b>			
1.878% due 02/25/2033		531	509
<b>Morgan Stanley Home Equity Loan Trust</b>			
1.503% due 12/25/2034 (i)		4,445	3,846
<b>NovaStar Mortgage Funding Trust</b>			
0.623% due 11/25/2036		1,583	706
<b>Oakwood Mortgage Investors, Inc.</b>			
0.672% due 06/15/2032		22	20
<b>Option One Mortgage Loan Trust</b>			
5.662% due 01/25/2037 ^		23	23
<b>Origen Manufactured Housing Contract Trust</b>			
7.650% due 03/15/2032		2,313	2,410
<b>Ownit Mortgage Loan Trust</b>			
3.467% due 12/25/2036		2,610	1,449
		<b>PRINCIPAL</b>	<b>MARKET</b>
		<b>AMOUNT</b>	<b>VALUE</b>
		<b>(000S)</b>	<b>(000S)</b>
<b>Park Place Securities, Inc. Asset-Backed Pass-Through Certificates</b>			
2.328% due 10/25/2034	\$	1,161	\$ 641
<b>Residential Asset Mortgage Products Trust</b>			
1.578% due 08/25/2033		880	785
2.178% due 09/25/2034 (i)		3,239	2,245
4.020% due 04/25/2033		3	3
5.220% due 07/25/2034 ^		104	100
5.806% due 11/25/2033 (i)		1,050	1,119
<b>Residential Asset Securities Corp. Trust</b>			
0.893% due 10/25/2035		3,526	2,694
4.470% due 03/25/2032		1	1
<b>Saxon Asset Securities Trust</b>			
1.428% due 12/26/2034		653	501
<b>Securitized Asset-Backed Receivables LLC Trust</b>			
0.683% due 02/25/2037 ^		423	241
1.128% due 01/25/2035		52	47
<b>South Coast Funding Ltd.</b>			
0.890% due 01/06/2041		45,581	12,877
<b>Specialty Underwriting &amp; Residential Finance Trust</b>			
0.603% due 06/25/2037 (i)		6,728	4,658
<b>Structured Asset Investment Loan Trust</b>			
0.673% due 01/25/2036 (i)		6,922	5,229
<b>Structured Asset Securities Corp. Mortgage Loan Trust</b>			
0.753% due 06/25/2035		500	442
<b>Talon Funding Ltd.</b>			
1.170% due 06/05/2035		1,396	754
<b>UCFC Home Equity Loan Trust</b>			
7.750% due 04/15/2030		741	734
<b>Vanderbilt Acquisition Loan Trust</b>			
7.330% due 05/07/2032		332	354
<b>Total Asset-Backed Securities</b>			
<b>(Cost \$139,395)</b>			<b>148,577</b>
<b>SOVEREIGN ISSUES 0.5%</b>			
<b>Athens Urban Transportation Organisation</b>			
4.851% due 09/19/2016	EUR	175	193
<b>Brazil Notas do Tesouro Nacional</b>			
10.000% due 01/01/2023	BRL	62	18
<b>Costa Rica Government International Bond</b>			

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

7.000% due 04/04/2044	\$	500	501
<b>Republic of Greece Government International Bond</b>			
3.800% due 08/08/2017	JPY	46,000	421
4.500% due 07/03/2017		40,000	367
4.750% due 04/17/2019	EUR	200	201
<b>Total Sovereign Issues (Cost \$1,723)</b>			<b>1,701</b>

**SHARES**

<b>COMMON STOCKS 0.1%</b>			
<b>CONSUMER DISCRETIONARY 0.1%</b>			
Tribune Media Co. A		5,969	234
tronc, Inc.		1,492	21
			255
<b>ENERGY 0.0%</b>			
OGX Petroleo e Gas S.A. SP - ADR		110,823	0
<b>FINANCIALS 0.0%</b>			
TIG FinCo PLC (g)		330,393	211
<b>Total Common Stocks (Cost \$830)</b>			<b>466</b>
<b>WARRANTS 0.0%</b>			
<b>INDUSTRIALS 0.0%</b>			
Global Geophysical Services, Inc. - Exp. 05/01/2049		4,165	0
<b>Total Warrants (Cost \$40)</b>			<b>0</b>

See Accompanying Notes

ANNUAL REPORT JUNE 30, 2016 47

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

	SHARES	MARKET VALUE (000S)
<b>CONVERTIBLE PREFERRED SECURITIES 5.6%</b>		
<b>BANKING &amp; FINANCE 5.6%</b>		
<b>Wells Fargo &amp; Co.</b>		
7.500% (e)	14,500	\$ 18,845
<b>Total Convertible Preferred Securities</b> (Cost \$9,203)		<b>18,845</b>
<b>PREFERRED SECURITIES 0.5%</b>		
<b>BANKING &amp; FINANCE 0.5%</b>		
<b>AgriBank FCB</b>		
6.875% due 01/01/2024 (e)	6,000	633
<b>Navient Corp. CPI Linked Security</b>		
2.853% due 03/15/2017	32,400	802
2.903% due 01/16/2018	8,500	206
<b>Total Preferred Securities (Cost \$1,060)</b>		<b>1,641</b>
<b>SHORT-TERM INSTRUMENTS 9.3%</b>		
<b>REPURCHASE AGREEMENTS (h) 7.3%</b>		
		24,770
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>U.S. TREASURY BILLS 2.0%</b>		
0.169% due		
07/21/2016 (c)(d)(l)	\$ 6,594	\$ 6,593
<b>Total Short-Term Instruments</b> (Cost \$31,364)		<b>31,363</b>
<b>Total Investments in Securities</b> (Cost \$551,852)		<b>557,766</b>
<b>Total Investments 164.8%</b> (Cost \$551,852)		<b>\$ 557,766</b>
<b>Financial Derivative</b> <b>Instruments (j)(k) (0.8)%</b>		
(Cost or Premiums, net \$(5,360))		(2,690)
<b>Other Assets and Liabilities, net (64.0)%</b>		<b>(216,784)</b>
<b>Net Assets 100.0%</b>		<b>\$ 338,292</b>

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



## Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

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

^ Security is in default.

(a) Interest only security.

(b) Payment in-kind security.

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

(d) Zero coupon security.

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

(f) Security is subject to a forbearance agreement entered into by the Fund which forbears the Fund from taking action to, among other things, accelerate and collect payments on the subject note with respect to specified events of default.

### (g) RESTRICTED SECURITIES:

Issuer Description	Acquisition Date	Cost	Market Value	Market Value as Percentage of Net Assets
KGH Intermediate Holdco LLC 8.500% due 08/08/2019	08/07/2014	\$ 4,906	\$ 4,627	1.37%
Pinnacol Assurance 8.625% due 06/25/2034	06/23/2014	2,900	3,216	0.95
TIG FinCo PLC	04/02/2015	490	211	0.06
		\$ 8,296	\$ 8,054	2.38%

### BORROWINGS AND OTHER FINANCING TRANSACTIONS

#### (h) REPURCHASE AGREEMENTS:

Counterparty	Lending Rate	Settlement Date	Maturity Date	Principal Amount	Collateralized By	Collateral (Received)	Repurchase Agreements, at Value	Repurchase Agreement Proceeds to be Received <sup>(1)</sup>
MBC	0.780%	06/30/2016	07/01/2016	\$ 24,000	U.S. Treasury Notes 1.875% due 10/31/2022	\$ (24,799)	\$ 24,000	\$ 24,001
SSB	0.010	06/30/2016	07/01/2016	770	U.S. Treasury Notes 0.750% - 2.375% due 12/31/2017 - 12/31/2020	(790)	770	770
<b>Total Repurchase Agreements</b>						<b>\$ (25,589)</b>	<b>\$ 24,770</b>	<b>\$ 24,771</b>

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

### 48 PIMCO CLOSED-END FUNDS

See Accompanying Notes

June 30, 2016

## REVERSE REPURCHASE AGREEMENTS:

Counterparty	Borrowing Rate <sup>(3)</sup>	Borrowing Date	Maturity Date	Amount Borrowed <sup>(3)</sup>	Payable for Reverse Repurchase Agreements
BCY	(1.000)%	02/26/2016	TBD <sup>(2)</sup>	\$ (268)	\$ (267)
	0.900	11/24/2015	TBD <sup>(2)</sup>	(4,824)	(4,851)
	1.733	05/09/2016	08/09/2016	(571)	(572)
	1.750	06/02/2016	09/02/2016	(624)	(625)
	1.976	05/17/2016	08/17/2016	(1,278)	(1,281)
	2.125	04/01/2016	07/01/2016	(3,083)	(3,100)
	2.146	07/01/2016	10/03/2016	(2,900)	(2,900)
	2.154	05/23/2016	08/23/2016	(3,734)	(3,743)
	2.476	05/15/2015	11/14/2016	(7,745)	(7,770)
	2.478	09/25/2015	09/26/2016	(8,957)	(8,961)
BOS	2.265	07/05/2016	08/05/2016	(1,782)	(1,782)
	2.531	04/08/2016	07/05/2016	(1,782)	(1,793)
BPG	1.390	04/11/2016	07/11/2016	(1,599)	(1,604)
BPS	0.950	06/01/2016	07/05/2016	GBP (766)	(1,020)
	1.450	04/26/2016	07/26/2016	\$ (1,926)	(1,931)
	1.450	05/03/2016	07/27/2016	(2,217)	(2,222)
DEU	1.400	04/21/2016	07/21/2016	(2,054)	(2,060)
	1.400	05/03/2016	08/03/2016	(971)	(973)
	1.400	05/12/2016	08/12/2016	(1,774)	(1,777)
	1.450	05/26/2016	08/26/2016	(2,725)	(2,729)
	1.450	06/01/2016	09/01/2016	(5,052)	(5,058)
	1.500	06/06/2016	09/02/2016	(263)	(263)
FOB	2.195	06/10/2016	07/08/2016	(2,351)	(2,354)
JML	1.250	06/14/2016	07/07/2016	(6,999)	(7,003)
JPS	2.278	05/12/2016	08/12/2016	(6,661)	(6,682)
MSC	1.000	04/08/2016	07/08/2016	(3,461)	(3,469)
	1.500	05/09/2016	08/02/2016	(1,270)	(1,273)
	1.700	06/10/2016	09/12/2016	(3,240)	(3,243)
RBC	1.580	06/24/2016	12/23/2016	(2,960)	(2,961)
	1.600	06/09/2016	12/07/2016	(4,393)	(4,397)
RDR	1.040	04/07/2016	07/07/2016	(1,089)	(1,092)
	1.060	05/27/2016	08/24/2016	(2,133)	(2,135)
RTA	1.401	01/14/2016	07/14/2016	(451)	(454)
	1.662	05/02/2016	08/03/2016	(5,939)	(5,955)
	1.763	10/28/2015	10/27/2016	(4,727)	(4,784)
	2.094	01/05/2016	01/04/2017	(7,858)	(7,939)
	2.209	04/15/2016	04/13/2017	(5,337)	(5,362)
	2.211	03/15/2016	03/14/2017	(3,996)	(4,023)
	2.230	04/29/2016	04/27/2017	(4,791)	(4,810)
	2.239	04/25/2016	04/24/2017	(1,956)	(1,964)
SAL	1.429	04/04/2016	07/05/2016	(4,506)	(4,522)
	1.558	06/13/2016	09/13/2016	(762)	(763)
	1.580	06/06/2016	09/07/2016	(425)	(426)
	1.734	04/26/2016	07/22/2016	(2,599)	(2,607)
SOG	1.190	05/16/2016	08/12/2016	(655)	(656)
	1.290	04/18/2016	07/18/2016	(2,824)	(2,832)
	1.290	04/26/2016	07/25/2016	(1,036)	(1,038)
	1.290	05/12/2016	08/12/2016	(767)	(768)
	1.290	05/20/2016	08/22/2016	(1,116)	(1,118)
	1.310	06/01/2016	09/01/2016	(1,101)	(1,102)

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

	1.350	05/24/2016	08/24/2016		(4,140)	(4,146)
	2.280	01/20/2016	07/20/2016		(15,027)	(15,182)
	2.375	06/09/2016	12/09/2016		(7,144)	(7,154)
UBS	0.500	04/26/2016	TBD <sup>(2)</sup>	EUR	(981)	(1,089)
	0.540	04/18/2016	07/18/2016		(449)	(498)
	0.950	04/26/2016	07/13/2016	GBP	(3,728)	(4,972)
	1.000	06/13/2016	08/15/2016		(2,053)	(2,735)
	1.100	06/01/2016	09/01/2016	\$	(4,121)	(4,125)
	1.150	05/18/2016	08/18/2016	GBP	(1,644)	(2,193)
	1.150	06/20/2016	09/20/2016		(2,351)	(3,131)
	1.250	05/03/2016	08/03/2016	\$	(198)	(198)
	1.280	04/19/2016	07/19/2016		(3,625)	(3,634)
	1.300	05/03/2016	08/03/2016		(846)	(848)
	1.300	05/20/2016	08/22/2016		(204)	(204)
	1.460	06/14/2016	09/12/2016		(7,096)	(7,101)
	1.490	04/28/2016	07/28/2016		(1,128)	(1,131)
	1.540	04/28/2016	07/28/2016		(362)	(363)
	1.670	05/27/2016	08/29/2016		(603)	(604)

See Accompanying Notes

ANNUAL REPORT JUNE 30, 2016 49

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

Counterparty	Borrowing Rate <sup>(3)</sup>	Borrowing Date	Maturity Date	Amount Borrowed <sup>(3)</sup>	Payable for Reverse Repurchase Agreements
	1.680%	06/03/2016	09/06/2016	\$ (1,125)	\$ (1,127)
	2.080	04/05/2016	07/06/2016	(2,515)	(2,528)
	2.130	04/05/2016	07/06/2016	(7,373)	(7,411)
	2.180	04/05/2016	07/06/2016	(1,648)	(1,657)
	2.292	01/04/2016	07/05/2016	(2,910)	(2,943)
	2.342	01/04/2016	07/05/2016	(997)	(1,009)
	2.392	01/04/2016	07/05/2016	(1,182)	(1,196)
<b>Total Reverse Repurchase Agreements</b>					<b>\$ (220,193)</b>

(2) Open maturity reverse repurchase agreement.

(3) The average amount of borrowings outstanding during the period ended June 30, 2016 was \$(213,094) at a weighted average interest rate of 1.439%.

**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 (received)/pledged as of June 30, 2016:

(i) Securities with an aggregate market value of \$276,177 and cash of \$240 have been pledged as collateral under the terms of the following master agreements as of June 30, 2016.

Counterparty	Repurchase Agreement Proceeds to be Received	Payable for Reverse Repurchase Agreements	Payable for Sale-Buyback Transactions	Total Borrowings and Other Financing Transactions	Collateral (Received)/Pledged	Net Exposure <sup>(4)</sup>
Global/Master Repurchase Agreement						
BCY	\$ 0	\$ (34,070)	\$ 0	\$ (34,070)	\$ 45,052	\$ 10,982
BOS	0	(3,575)	0	(3,575)	2,005	(1,570)
BPG	0	(1,604)	0	(1,604)	1,824	220
BPS	0	(5,173)	0	(5,173)	6,183	1,010
DEU	0	(12,860)	0	(12,860)	15,150	2,290
FOB	0	(2,354)	0	(2,354)	4,057	1,703
JML	0	(7,003)	0	(7,003)	8,732	1,729
JPS	0	(6,682)	0	(6,682)	9,888	3,206
MBC	24,001	0	0	24,001	(24,799)	(798)
MSC	0	(7,985)	0	(7,985)	9,404	1,419
RBC	0	(7,358)	0	(7,358)	8,622	1,264
RDR	0	(3,227)	0	(3,227)	3,372	145
RTA	0	(35,291)	0	(35,291)	46,608	11,317
SAL	0	(8,318)	0	(8,318)	10,557	2,239
SOG	0	(33,996)	0	(33,996)	43,079	9,083
SSB	770	0	0	770	(790)	(20)
UBS	0	(50,697)	0	(50,697)	61,626	10,929
<b>Total Borrowings and Other Financing Transactions</b>	<b>\$ 24,771</b>	<b>\$ (220,193)</b>	<b>\$ 0</b>			

## Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

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

### CERTAIN TRANSFERS ACCOUNTED FOR AS SECURED BORROWINGS

#### Remaining Contractual Maturity of the Agreements

	Overnight and Continuous	Up to 30 days	31-90 days	Greater Than 90 days	Total
<b>Reverse Repurchase Agreements</b>					
Asset-Backed Securities	\$ (3,100)	\$ (27,475)	\$ (18,087)	\$ (20,519)	\$ (69,181)
Convertible Bonds & Notes	0	0	0	(4,397)	(4,397)
Corporate Bonds & Notes	0	(34,826)	(43,616)	(9,168)	(87,610)
Non-Agency Mortgage-Backed Securities	0	(16,224)	(14,240)	(23,287)	(53,751)
U.S. Government Agencies	0	0	(572)	0	(572)
<b>Total Borrowings</b>	<b>\$ (3,100)</b>	<b>\$ (78,525)</b>	<b>\$ (76,515)</b>	<b>\$ (57,371)</b>	<b>\$ (215,511)</b>
<b>Gross amount of recognized liabilities for reverse repurchase agreements<sup>(5)</sup></b>					<b>\$ (215,511)</b>

<sup>(5)</sup> Unsettled reverse repurchase agreements liability of \$(4,682) is outstanding at period end.

#### 50 PIMCO CLOSED-END FUNDS

See Accompanying Notes

June 30, 2016

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

SWAP AGREEMENTS:

INTEREST RATE SWAPS

Pay/Receive	Floating Rate Index	Fixed Rate	Maturity Date	Notional Amount	Market Value	Unrealized Appreciation/ (Depreciation)	Variation Margin		
							Asset	Liability	
Pay	3-Month CAD-Bank Bill	3.300%	06/19/2024	CAD 13,300	\$ 1,759	\$ 1,141	\$ 11	\$ 0	
Receive	3-Month CAD-Bank Bill	3.500	06/20/2044	4,400	(1,417)	(1,263)	0	(9)	
Pay	3-Month USD-LIBOR	2.000	12/16/2020	\$ 22,100	1,031	448	1	0	
Receive	3-Month USD-LIBOR *	1.750	12/21/2026	6,700	(195)	(66)	14	0	
Receive	3-Month USD-LIBOR	2.500	06/15/2046	17,400	(2,640)	(3,521)	191	0	
Pay	6-Month AUD-BBR-BBSW	3.500	06/17/2025	AUD 5,200	441	312	3	0	
						\$ (1,021)	\$ (2,949)	\$ 220	\$ (9)
<b>Total Swap Agreements</b>						<b>\$ (1,021)</b>	<b>\$ (2,949)</b>	<b>\$ 220</b>	<b>\$ (9)</b>

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

FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED SUMMARY

The following is a summary of the market value and variation margin of Exchange-Traded or Centrally Cleared Financial Derivative Instruments as of June 30, 2016:

Cash of \$2,239 has been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of June 30, 2016. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

	Financial Derivative Assets				Financial Derivative Liabilities			
	Variation Margin				Variation Margin			
	Market Value		Asset		Market Value		Liability	
	Purchased	Options	Futures	Swap Agreements	Written	Options	Futures	Swap Agreements
<b>Total Exchange-Traded or Centrally Cleared</b>	\$ 0	\$ 0	\$ 220	\$ 220	\$ 0	\$ 0	\$ (9)	\$ (9)

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

(k) FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER

FORWARD FOREIGN CURRENCY CONTRACTS:

Counterparty	Settlement Month	Currency to be Delivered	Currency to be Received	Unrealized Appreciation/ (Depreciation)	
				Asset	Liability
BOA	07/2016	GBP 11,095	\$ 16,268	\$ 1,498	\$ 0
	07/2016	\$ 9,269	EUR 8,6411	65	0
	07/2016	24,345	GBP 18,298	14	0
	08/2016	EUR 8,411	\$ 9,279	0	(65)
BPS	08/2016	GBP 18,298	24,352	0	(13)
	07/2016	BRL 2,208	648	0	(39)
	07/2016	EUR 416	466	4	0
	07/2016	\$ 688	BRL 2,208	0	(1)
CBK	08/2016	643	2,208	38	0
	07/2016	GBP 1,243	\$ 1,771	116	0
	08/2016	EUR 1,327	1,473	0	(1)
DUB	08/2016	GBP 289	390	5	0
	07/2016	231	338	30	0
GLM	07/2016	EUR 8,401	9,372	49	0
	07/2016	GBP 7,038	10,237	868	0
	07/2016	\$ 495	EUR 436	0	(11)
	07/2016	1,451	GBP 1,013	0	(102)
HUS	08/2016	AUD 92	\$ 67	0	(2)
	07/2016	\$ 500	GBP 379	5	0
JPM	07/2016	BRL 2,208	\$ 688	1	0
	07/2016	GBP 227	323	21	0
	07/2016	\$ 607	BRL 2,208	81	0
	07/2016	563	GBP 397	0	(34)
SCX	08/2016	CAD 119	\$ 93	1	0
	07/2016	EUR 30	34	0	0
	07/2016	\$ 810	JPY 82,500	0	(11)

See Accompanying Notes

ANNUAL REPORT JUNE 30, 2016 51

## Schedule of Investments PIMCO Income Opportunity Fund (Cont.)

Counterparty	Settlement Month	Currency to be Delivered	Currency to be Received	Unrealized Appreciation/ (Depreciation)	
				Asset	Liability
	08/2016	JPY 82,500	\$ 811	\$ 11	\$ 0
UAG	07/2016	82,500	756	0	(43)
<b>Total Forward Foreign Currency Contracts</b>				<b>\$ 2,807</b>	<b>\$ (322)</b>

## SWAP AGREEMENTS:

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

Counterparty	Reference Entity	Fixed Receive Rate	Maturity Date	Implied Credit Spread at June 30, 2016 <sup>(2)</sup>	Notional Amount <sup>(3)</sup>	Premiums Paid/(Received)	Unrealized Appreciation/ (Depreciation)	Swap Agreements, at Value		
								Asset	Liability	
BOA	Russia Government International Bond	1.000%	06/20/2024	2.753%	\$ 400	\$ (40)	\$ (8)	\$ 0	\$ (48)	
BRC	Gazprom S.A.	1.900	12/20/2017	1.280	1,250	0	12	12	0	
	JSC VTB Bank	2.340	12/20/2017	2.180	1,250	0	4	4	0	
	Russia Government International Bond	1.000	06/20/2024	2.753	400	(46)	(2)	0	(48)	
	Russia Government International Bond	1.000	09/20/2024	2.770	300	(25)	(13)	0	(38)	
CBK	Russia Government International Bond	1.000	06/20/2024	2.753	500	(53)	(7)	0	(60)	
	Russia Government International Bond	1.000	09/20/2024	2.770	300	(26)	(11)	0	(37)	
FBF	TNK-NS BP Finance S.A.	3.150	12/20/2017	3.051	1,500	0	3	3	0	
GST	Petrobras Global Finance BV	1.000	09/20/2020	6.191	110	(16)	(5)	0	(21)	
	Russia Government International Bond	1.000	03/20/2020	1.829	100	(19)	16	0	(3)	
	Russia Government International Bond	1.000	06/20/2024	2.753	200	(23)	(1)	0	(24)	
HUS	Russia Government International Bond	1.000	06/20/2019	1.505	130	(5)	3	0	(2)	
	Russia Government International Bond	1.000	06/20/2024	2.753	130	(13)	(3)	0	(16)	
	Russia Government International Bond	1.000	09/20/2024	2.770	69	(10)	1	0	(9)	
JPM	Russia Government International Bond	1.000	06/20/2024	2.753	200	(18)	(6)	0	(24)	
							\$ (294)	\$ (17)	\$ 19	\$ (330)

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



Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

Counterparty	Index/Tranches	Fixed Receive Rate	Maturity Date	Notional Amount (3)	Premiums (Received)	Unrealized Swap Agreements, at Value (4)			
						Appreciation/ (Depreciation)	Asset	Liability	
GST	ABX.HE.AA.6-1 Index	0.320%	07/25/2045	\$ 18,401	\$ (3,664)	\$ 156	\$ 0	\$ (3,508)	
	ABX.HE.PENAAA.7-1 Index	0.090	08/25/2037	5,534	(1,077)	(20)	0	(1,097)	
						\$ (4,741)	\$ 136	\$ 0	\$ (4,605)

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

INTEREST RATE SWAPS

Counterparty	Pay/Receive		Fixed Rate	Maturity Date	Notional Amount	Premiums Paid/(Received)	Unrealized Swap Agreements, at Value			
	Floating Rate	Floating Rate Index					Appreciation/ (Depreciation)	Asset	Liability	
HUS	Pay	1-Year BRL-CDI	11.680%	01/04/2021	BRL 71,100	\$ (325)	\$ (146)	\$ 0	\$ (471)	
MYC	Pay	1-Year BRL-CDI	15.590	01/04/2021	20	0	1	1	0	
						\$ (325)	\$ (145)	\$ 1	\$ (471)	
<b>Total Swap Agreements</b>						<b>\$ (5,360)</b>	<b>\$ (26)</b>	<b>\$ 20</b>	<b>\$ (5,406)</b>	

52 PIMCO CLOSED-END FUNDS

See Accompanying Notes

June 30, 2016

**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 (received)/pledged as of June 30, 2016:

- (l) Securities with an aggregate market value of \$5,947 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of June 30, 2016.

Counterparty	Financial Derivative Assets				Financial Derivative Liabilities				Net Market Value of OTC Derivatives	Collateral (Received)/ Pledged	Net Exposure <sup>(5)</sup>
	Forward Foreign Currency Contracts	Purchased Options	Swap Agreements	Total Over the Counter	Forward Foreign Currency Contracts	Written Options	Swap Agreements	Total Over the Counter			
BOA	\$ 1,577	\$ 0	\$ 0	\$ 1,577	\$ (78)	\$ 0	\$ (48)	\$ (126)	\$ 1,451	\$ (1,330)	\$ 121
BPS	42	0	0	42	(40)	0	0	(40)	2	0	2
BRC	0	0	16	16	0	0	(86)	(86)	(70)	252	182
CBK	121	0	0	121	(1)	0	(97)	(98)	23	0	23
DUB	30	0	0	30	0	0	0	0	30	(10)	20
FBF	0	0	3	3	0	0	0	0	3	0	3
GLM	917	0	0	917	(115)	0	0	(115)	802	(960)	(158)
GST	0	0	0	0	0	0	(4,653)	(4,653)	(4,653)	5,100	447
HUS	5	0	0	5	0	0	(498)	(498)	(493)	596	103
JPM	104	0	0	104	(34)	0	(24)	(58)	46	0	46
MYC	0	0	1	1	0	0	0	0	1	0	1
SCX	11	0	0	11	(11)	0	0	(11)	0	0	0
UAG	0	0	0	0	(43)	0	0	(43)	(43)	0	(43)
<b>Total Over the Counter</b>	<b>\$ 2,807</b>	<b>\$ 0</b>	<b>\$ 20</b>	<b>\$ 2,827</b>	<b>\$ (322)</b>	<b>\$ 0</b>	<b>\$ (5,406)</b>	<b>\$ (5,728)</b>			

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

**FAIR VALUE OF FINANCIAL DERIVATIVE INSTRUMENTS**

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

Fair Values of Financial Derivative Instruments on the Statements of Assets and Liabilities as of June 30, 2016:

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

Derivatives not accounted for as hedging instruments

	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts	Total
<b>Financial Derivative Instruments - Assets</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ 0	\$ 0	\$ 0	\$ 220	\$ 220
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 2,807	\$ 0	\$ 2,807
Swap Agreements	0	19	0	0	1	20
	\$ 0	\$ 19	\$ 0	\$ 2,807	\$ 1	\$ 2,827
	\$ 0	\$ 19	\$ 0	\$ 2,807	\$ 221	\$ 3,047
<b>Financial Derivative Instruments - Liabilities</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9	\$ 9
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 322	\$ 0	\$ 322
Swap Agreements	0	4,935	0	0	471	5,406
	\$ 0	\$ 4,935	\$ 0	\$ 322	\$ 471	\$ 5,728
	\$ 0	\$ 4,935	\$ 0	\$ 322	\$ 480	\$ 5,737

See Accompanying Notes

ANNUAL REPORT JUNE 30, 2016 53

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

The effect of Financial Derivative Instruments on the Statements of Operations for the period ended June 30, 2016:

	Derivatives not accounted for as hedging instruments					Total
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts	
<b>Net Realized Gain (Loss) on Financial Derivative Instruments</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ 0	\$ 0	\$ 0	\$ (3,674)	\$ (3,674)
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 3,012	\$ 0	\$ 3,012
Swap Agreements	0	9,491	0	0	(5,306)	4,185
	\$ 0	\$ 9,491	\$ 0	\$ 3,012	\$ (5,306)	\$ 7,197
	\$ 0	\$ 9,491	\$ 0	\$ 3,012	\$ (8,980)	\$ 3,523
<b>Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ 0	\$ 0	\$ 0	\$ (2,667)	\$ (2,667)
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 415	\$ 0	\$ 415
Swap Agreements	0	(8,680)	0	0	509	(8,171)
	\$ 0	\$ (8,680)	\$ 0	\$ 415	\$ 509	\$ (7,756)
	\$ 0	\$ (8,680)	\$ 0	\$ 415	\$ (2,158)	\$ (10,423)

**FAIR VALUE MEASUREMENTS**

The following is a summary of the fair valuations according to the inputs used as of June 30, 2016 in valuing the Fund's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 06/30/2016
<b>Investments in Securities, at Value</b>				
Bank Loan Obligations	\$ 0	\$ 13,334	\$ 222	\$ 13,556
Corporate Bonds & Notes				
Banking & Finance	0	69,490	10,482	79,972
Industrials	0	73,228	5,369	78,597
Utilities	0	27,900	0	27,900
Convertible Bonds & Notes				
Banking & Finance	0	5,177	0	5,177
Municipal Bonds & Notes				

## Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

Illinois	0	340	0	340
Iowa	0	158	0	158
West Virginia	0	2,565	0	2,565
U.S. Government Agencies	0	1,468	0	1,468
U.S. Treasury Obligations	0	400	0	400
Non-Agency Mortgage-Backed Securities	0	144,161	879	145,040
Asset-Backed Securities	0	148,511	66	148,577
Sovereign Issues	0	1,701	0	1,701
Common Stocks				
Consumer Discretionary	255	0	0	255
Financials	0	0	211	211
Convertible Preferred Securities				
Banking & Finance	0	18,845	0	18,845

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 06/30/2016
Preferred Securities				
Banking & Finance	\$ 1,008	\$ 633	\$ 0	\$ 1,641
Short-Term Instruments				
Repurchase Agreements	0	24,770	0	24,770
U.S. Treasury Bills	0	6,593	0	6,593
Total Investments	\$ 1,263	\$ 539,274	\$ 17,229	\$ 557,766

### Financial Derivative Instruments - Assets

Exchange-traded or centrally cleared	0	220	0	220
Over the counter	0	2,827	0	2,827
	\$ 0	\$ 3,047	\$ 0	\$ 3,047

### Financial Derivative Instruments - Liabilities

Exchange-traded or centrally cleared	0	(9)	0	(9)
Over the counter	0	(5,728)	0	(5,728)
	\$ 0	\$ (5,737)	\$ 0	\$ (5,737)

Totals	\$ 1,263	\$ 536,584	\$ 17,229	\$ 555,076
--------	----------	------------	-----------	------------

There were no significant transfers between Levels 1 and 2 during the period ended June 30, 2016.

June 30, 2016

The following is a reconciliation of the fair valuations using significant unobservable inputs (Level 3) for the Fund during the period ended June 30, 2016:

Category and Subcategory	Beginning Balance at 06/30/2015	Net Purchases	Net Sales	Accrued Discounts/ (Premiums)	Realized Gain/(Loss)	Net Change in Unrealized Appreciation/ (Depreciation) <sup>(1)</sup>	Transfers into Level 3	Transfers out of Level 3	Ending Balance at 06/30/2016	Net Change in Unrealized Appreciation/ (Depreciation) Held at 06/30/2016 <sup>(1)</sup>
<b>Investments in Securities, at Value</b>										
Bank Loan Obligations	\$ 304	\$ 0	\$ 0	\$ 1	\$ 0	\$ (83)	\$ 0	\$ 0	\$ 222	\$ (83)
<b>Corporate Bonds &amp; Notes</b>										
Banking & Finance	23,887	1,129	(3,163)	13	3	(333)	0	(11,054)	10,482	(8)
Industrials	6,074	2,390	(783)	19	40	(56)	0	(2,315)	5,369	150
<b>Non-Agency Mortgage-Backed Securities</b>										
Securities	1,012	0	(49)	5	2	7	0	(98)	879	8
Asset-Backed Securities	0	0	0	(15)	0	(17)	98	0	66	(16)
<b>Common Stocks</b>										
Financials	332	0	0	0	0	(121)	0	0	211	(121)
Warrants										
Industrials	40	0	0	0	0	(40)	0	0	0	0
Totals	\$ 31,649	\$ 3,519	\$ (3,995)	\$ 23	\$ 45	\$ (643)	\$ 98	\$ (13,467)	\$ 17,229	\$ (70)

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

Category and Subcategory	Ending Balance at 06/30/2016	Valuation Technique	Unobservable Inputs	Input Value(s) (% Unless Noted Otherwise)
<b>Investments in Securities, at Value</b>				
Bank Loan Obligations	\$ 222	Other Valuation Techniques <sup>(2)</sup>		
<b>Corporate Bonds &amp; Notes</b>				
Banking & Finance	3,216	Proxy Pricing	Base Price	102.67
	7,266	Reference Instrument	Spread movement	37.00-324.53 bps
Industrials	5,369	Proxy Pricing	Base Price	100.00-100.09
<b>Non-Agency Mortgage-Backed Securities</b>				
Securities	879	Proxy Pricing	Base Price	7.30-102.63
Asset-Backed Securities	66	Proxy Pricing	Base Price	3.69
<b>Common Stocks</b>				
Financials	211	Other Valuation Techniques <sup>(2)</sup>		
Total	\$ 17,229			

## Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

- (1) Any difference between Net Change in Unrealized Appreciation/(Depreciation) and Net Change in Unrealized Appreciation/(Depreciation) on Investments Held at June 30, 2016 may be due to an investment no longer held or categorized as Level 3 at period end.
- (2) Includes valuation techniques not defined in the Notes to Financial Statements as securities valued using such techniques are not considered significant to the Fund.

See Accompanying Notes

**ANNUAL REPORT** JUNE 30, 2016 **55**

## Schedule of Investments PIMCO Strategic Income Fund, Inc.

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>INVESTMENTS IN SECURITIES 255.7%</b>		
<b>BANK LOAN OBLIGATIONS 2.5%</b>		
<b>Energy Future Intermediate Holding Co. LLC</b>		
4.250% due 12/19/2016	\$ 7,138	\$ 7,136
<b>iHeartCommunications, Inc.</b>		
7.210% due 01/30/2019	900	661
<b>Sequa Corp.</b>		
5.250% due 06/19/2017	487	384
<b>Total Bank Loan Obligations (Cost \$8,517)</b>		<b>8,181</b>
<b>CORPORATE BONDS &amp; NOTES 21.5%</b>		
<b>BANKING &amp; FINANCE 13.5%</b>		
<b>Barclays Bank PLC</b>		
14.000% due 06/15/2019 (d)	GBP 1,300	2,103
<b>Blackstone CQP Holdco LP</b>		
9.296% due 03/19/2019	\$ 11,221	11,221
<b>BNP Paribas S.A.</b>		
7.375% due 08/19/2025 (d)	2,800	2,745
<b>Cantor Fitzgerald LP</b>		
7.875% due 10/15/2019	930	1,045
<b>Cooperatieve Rabobank UA</b>		
6.875% due 03/19/2020	EUR 2,000	2,603
11.000% due 06/30/2019 (d)(h)	\$ 4,166	4,983
<b>Exeter Finance Corp.</b>		
9.750% due 05/20/2019	2,400	2,262
<b>Jefferies LoanCore LLC</b>		
6.875% due 06/01/2020	1,000	880
<b>KGH Intermediate Holdco LLC</b>		
8.500% due 08/08/2019 (f)	4,303	4,004
<b>Navient Corp.</b>		
5.500% due 01/15/2019	845	852
8.450% due 06/15/2018	1,539	1,670
<b>Pinnacol Assurance</b>		
8.625% due 06/25/2034 (f)	2,600	2,883
<b>Sberbank of Russia Via SB Capital S.A.</b>		
6.125% due 02/07/2022	2,000	2,216
<b>SL Green Realty Corp.</b>		
7.750% due 03/15/2020	4,500	5,265
		44,732
<b>INDUSTRIALS 3.1%</b>		
<b>Caesars Entertainment Operating Co., Inc.</b>		
8.500% due 02/15/2020 (e)	1,334	1,234
9.000% due 02/15/2020 (e)	66	61
<b>CVS Pass-Through Trust</b>		
7.507% due 01/10/2032	851	1,073
<b>Enterprise Inns PLC</b>		
6.875% due 05/09/2025	GBP 20	27
<b>Forbes Energy Services Ltd.</b>		
9.000% due 06/15/2019	\$ 240	104
<b>iHeartCommunications, Inc.</b>		
9.000% due 03/01/2021	400	284
<b>Millar Western Forest Products Ltd.</b>		
8.500% due 04/01/2021	48	22
<b>Spanish Broadcasting System, Inc.</b>		
12.500% due 04/15/2017	1,000	985



Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

**UAL Pass-Through Trust**

6.636% due 01/02/2024 (h)	1,777	1,886
9.750% due 07/15/2018 (h)	323	335
10.400% due 05/01/2018 (h)	757	778

**UCP, Inc.**

8.500% due 10/21/2017	3,700	3,725
-----------------------	-------	-------

10,514

**UTILITIES 4.9%**

**Gazprom Neft OAO Via GPN Capital S.A.**

6.000% due 11/27/2023	8,050	8,629
-----------------------	-------	-------

**Gazprom OAO Via Gaz Capital S.A.**

8.625% due 04/28/2034	2,600	3,294
-----------------------	-------	-------

**PRINCIPAL  
AMOUNT  
(000S)**

**MARKET  
VALUE  
(000S)**

**Illinois Power Generating Co.**

6.300% due 04/01/2020	\$ 115	\$ 45
7.950% due 06/01/2032	273	107

**Petrobras Global Finance BV**

2.768% due 01/15/2019	3,800	3,443
3.536% due 03/17/2020	150	133
5.750% due 01/20/2020	140	135
7.875% due 03/15/2019	500	518

16,304

**Total Corporate Bonds & Notes (Cost \$68,283)**

**71,550**

**MUNICIPAL BONDS & NOTES 0.5%**

**WEST VIRGINIA 0.5%**

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

7.467% due 06/01/2047	1,690	1,611
-----------------------	-------	-------

**Total Municipal Bonds & Notes (Cost \$1,593)**

**1,611**

**U.S. GOVERNMENT AGENCIES 152.2%**

**Fannie Mae**

1.899% due 08/25/2054 (a)	29,214	2,073
2.385% due 09/01/2028	7	8
2.500% due 12/25/2027 (a)	5,846	463
2.565% due 12/01/2030	177	181
2.649% due 12/01/2028	46	48
2.663% due 11/01/2027	52	53
2.700% due 04/01/2030	1	1
2.875% due 03/01/2031	62	63
2.933% due 03/01/2032	81	81
4.250% due 11/25/2024 (h)	541	595
4.250% due 03/25/2033	1	1
4.500% due 09/01/2023 - 08/01/2041 (h)	3,090	3,376
5.000% due 12/01/2018 - 07/25/2038	316	351
5.000% due 01/25/2038 (h)	12,918	14,502
5.500% due 12/25/2016 - 07/25/2024	25	27
5.500% due 11/25/2032 - 04/25/2035 (h)	8,653	9,922
5.651% due 12/25/2042	41	47
5.750% due 06/25/2033	38	44
5.807% due 08/25/2043 (h)	2,341	2,745
6.000% due 02/25/2017 - 12/01/2032	365	420
6.000% due 12/01/2032 - 01/25/2044 (h)	11,273	12,986
6.233% due 02/25/2042 (h)	671	798
6.293% due 10/25/2042	19	22
6.500% due 10/01/2018 - 11/01/2047	1,709	1,930
6.500% due 06/01/2029 - 06/25/2044 (h)	8,436	9,931
6.687% due 09/25/2041 (h)	643	735
6.850% due 12/18/2027	18	21
6.922% due 10/25/2042 (h)	483	568

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

7.000% due 11/01/2016 - 01/01/2047	1,162	1,324
7.000% due 05/01/2017 - 03/25/2045 (h)	1,684	1,931
7.500% due 12/01/2017 - 03/25/2044	546	638
7.500% due 05/01/2022 - 06/25/2044 (h)	1,611	1,904
7.700% due 03/25/2023	24	27
7.824% due 06/19/2041 (h)	984	1,107
8.000% due 09/25/2021 - 06/01/2032	217	240
8.000% due 05/01/2030 - 10/01/2031 (h)	189	212
8.500% due 09/25/2021 - 06/25/2030	347	388
8.500% due 06/18/2027 (h)	466	538
9.441% due 05/15/2021	109	117
9.930% due 07/15/2027	44	48
	<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>Fannie Mae, TBA</b>		
3.000% due 01/01/2046 - 03/01/2046	\$ 121,000	\$ 125,349
3.500% due 03/01/2046 - 09/01/2046	209,000	220,503
4.000% due 03/01/2046	3,000	3,216
<b>Freddie Mac</b>		
1.866% due 11/15/2038 (a)	54,231	3,932
1.918% due 09/15/2036 (a)	30,474	2,128
2.039% due 05/15/2038 (a)	27,305	2,641
2.097% due 08/15/2036 (a)	8,851	702
2.499% due 09/01/2031	36	37
2.512% due 12/01/2026	6	7
2.908% due 04/01/2033	4	4
5.000% due 02/15/2024	11	12
5.500% due 04/01/2039 - 06/15/2041 (h)	8,992	10,242
6.000% due 09/15/2016 - 03/15/2035	1,019	1,171
6.000% due 04/01/2017 - 02/15/2032 (h)	2,763	3,179
6.500% due 08/01/2021 - 09/01/2047	1,354	1,584
6.500% due 10/15/2023 - 03/25/2044 (h)	9,208	10,718
6.625% due 07/25/2032	141	152
6.900% due 09/15/2023 (h)	380	421
6.950% due 07/15/2021	178	192
7.000% due 07/01/2016 - 10/25/2043	2,570	2,889
7.000% due 08/01/2021 - 02/25/2043 (h)	4,485	5,189
7.500% due 05/15/2024 - 05/01/2032 (h)	2,696	3,128
7.500% due 12/01/2025 - 02/25/2042	412	459
7.996% due 12/25/2027	1,600	1,528
8.000% due 08/15/2022 - 04/15/2030	120	135
8.000% due 12/01/2026 (h)	207	231
11.203% due 03/25/2025	398	398
<b>Freddie Mac, TBA</b>		
4.000% due 11/01/2046	3,000	3,211
<b>Ginnie Mae</b>		
6.000% due 04/15/2029 - 11/15/2038 (h)	2,327	2,699
6.000% due 08/15/2031 - 12/15/2038	53	61
6.500% due 11/20/2024 - 10/20/2038	114	122
6.500% due 04/15/2032 - 05/15/2032 (h)	760	880
7.000% due 04/15/2024 - 06/15/2026	60	66
7.500% due 01/15/2017 - 03/15/2029	243	252
7.500% due 03/15/2026 - 01/15/2029 (h)	669	728
8.000% due 01/15/2017 - 11/15/2022	11	11
8.500% due 05/15/2022 - 02/15/2031	11	13
9.000% due 11/15/2016 - 11/15/2019	67	68
9.000% due 11/15/2019 - 01/15/2020 (h)	46	49

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

<b>Ginnie Mae, TBA</b>		
4.000% due 09/01/2046	20,000	21,494
<b>Small Business Administration</b>		
4.625% due 02/01/2025	172	185
5.510% due 11/01/2027	573	650
5.780% due 08/01/2027	57	65
5.820% due 07/01/2027	57	65
6.300% due 06/01/2018	33	34
7.200% due 06/01/2017	3	3
7.700% due 07/01/2016	1	1
<b>Vendee Mortgage Trust</b>		
6.500% due 03/15/2029	210	247

56 PIMCO CLOSED-END FUNDS

See Accompanying Notes

June 30, 2016

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
6.750% due 02/15/2026 - 06/15/2026	\$ 139	\$ 161
7.500% due 09/15/2030	2,970	3,665
<b>Total U.S. Government Agencies (Cost \$487,554)</b>		<b>505,343</b>
<b>U.S. TREASURY OBLIGATIONS 20.7%</b>		
<b>U.S. Treasury Notes</b>		
2.000% due 08/15/2025 (h)(j)	65,700	68,729
<b>Total U.S. Treasury Obligations (Cost \$65,061)</b>		<b>68,729</b>
<b>NON-AGENCY MORTGAGE-BACKED SECURITIES 36.0%</b>		
<b>Adjustable Rate Mortgage Trust</b>		
2.733% due 07/25/2035	937	842
3.119% due 08/25/2035	2,546	2,470
<b>Banc of America Mortgage Trust</b>		
2.953% due 02/25/2035	30	29
<b>Banc of America Re-REMIC Trust</b>		
5.686% due 04/24/2049	2,833	2,876
<b>BCAP LLC Trust</b>		
0.638% due 07/26/2036	211	162
2.737% due 10/26/2036	3,554	3,139
2.783% due 10/26/2033	130	113
2.912% due 06/26/2035	43	39
<b>Bear Stearns ALT-A Trust</b>		
3.062% due 08/25/2036 ^	471	348
<b>Bear Stearns Commercial Mortgage Securities Trust</b>		
7.000% due 05/20/2030	1,282	1,325
<b>Celtic Residential Irish Mortgage Securitisation PLC</b>		
0.000% due 11/13/2047	EUR 5,887	6,100
0.832% due 12/14/2048	GBP 5,336	6,424
<b>Citigroup Mortgage Loan Trust, Inc.</b>		
7.000% due 09/25/2033	\$ 4	4
<b>Countrywide Alternative Loan Trust</b>		
0.663% due 07/25/2046 ^	2,615	1,703
5.500% due 05/25/2022 ^	41	32
6.250% due 08/25/2037 ^	837	710
6.500% due 07/25/2035 ^	904	577
<b>Countrywide Home Loan Mortgage Pass-Through Trust</b>		
1.093% due 03/25/2035	2,587	1,966
3.188% due 08/25/2034	845	759
<b>Countrywide Home Loan Reperforming REMIC Trust</b>		
7.500% due 11/25/2034	1,545	1,505
7.500% due 06/25/2035 ^	257	266
<b>Credit Suisse Commercial Mortgage Trust</b>		
5.695% due 09/15/2040	1,700	1,759
<b>Credit Suisse First Boston Mortgage Securities Corp.</b>		
1.603% due 03/25/2034 ^	550	533
7.000% due 02/25/2034	632	678
<b>Credit Suisse Mortgage Capital Certificates</b>		
6.500% due 03/25/2036 ^	1,338	830
<b>Emerald Mortgages PLC</b>		
0.000% due 07/15/2048	EUR 3,164	3,307
<b>Epic Drummond Ltd.</b>		

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

0.044% due 01/25/2022		1,804	1,791
<b>GMAC Mortgage Corp. Loan Trust</b>			
3.312% due 08/19/2034	\$	200	190
<b>GSAA Trust</b>			
6.000% due 04/01/2034		1,225	1,269
<b>GSMPS Mortgage Loan Trust</b>			
6.555% due 06/19/2027		50	49
7.000% due 06/25/2043		3,428	3,636
8.000% due 09/19/2027		725	724
<b>GSR Mortgage Loan Trust</b>			
0.783% due 12/25/2034		575	515
2.220% due 03/25/2033		3	3
6.500% due 01/25/2034		335	348
		<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>JPMorgan Commercial Mortgage-Backed Securities Trust</b>			
5.702% due 03/18/2051	\$	4,000	\$ 4,046
<b>JPMorgan Mortgage Trust</b>			
2.878% due 10/25/2036 ^		3,553	3,350
5.500% due 08/25/2022 ^		37	36
5.500% due 06/25/2037 ^		609	600
<b>Lehman XS Trust</b>			
1.296% due 09/25/2047		6,956	5,630
<b>Luminent Mortgage Trust</b>			
0.616% due 12/25/2036		2,486	1,987
<b>MASTR Adjustable Rate Mortgages Trust</b>			
3.279% due 10/25/2034		1,277	1,125
<b>MASTR Alternative Loan Trust</b>			
6.250% due 07/25/2036		561	477
6.500% due 03/25/2034		966	1,027
7.000% due 04/25/2034		69	71
<b>MASTR Reperforming Loan Trust</b>			
7.000% due 05/25/2035		4,906	4,887
7.500% due 07/25/2035		2,549	2,607
<b>Morgan Stanley Resecuritization Trust</b>			
2.225% due 12/26/2046		8,080	5,929
<b>NAAC Reperforming Loan REMIC Trust</b>			
7.000% due 10/25/2034 ^		1,316	1,363
7.500% due 03/25/2034 ^		3,518	3,266
7.500% due 10/25/2034 ^		3,947	4,192
<b>Newgate Funding PLC</b>			
0.987% due 12/15/2050	EUR	2,577	2,459
1.237% due 12/15/2050		2,577	2,195
1.572% due 12/15/2050	GBP	3,548	4,194
1.822% due 12/15/2050		2,915	3,228
<b>RBSSP Resecuritization Trust</b>			
6.000% due 02/26/2037	\$	4,660	3,573
6.250% due 12/26/2036		6,784	4,459
<b>Residential Accredited Loans, Inc. Trust</b>			
6.000% due 08/25/2035 ^		2,325	2,107
<b>Residential Asset Mortgage Products Trust</b>			
7.000% due 08/25/2016		20	20
8.500% due 10/25/2031		627	722
8.500% due 11/25/2031		1,016	1,023
<b>Structured Asset Mortgage Investments Trust</b>			
1.937% due 08/25/2047 ^		3,744	3,075
<b>Structured Asset Securities Corp. Mortgage Loan Trust</b>			
7.500% due 10/25/2036 ^		3,412	3,059
<b>WaMu Mortgage Pass-Through Certificates Trust</b>			
2.725% due 05/25/2035		418	415
<b>Washington Mutual Mortgage Pass-Through Certificates Trust</b>			
7.000% due 03/25/2034		196	206
7.500% due 04/25/2033		545	583
<b>Wells Fargo Mortgage-Backed Securities Trust</b>			
2.866% due 04/25/2036 ^		50	49
2.880% due 06/25/2035		406	411
<b>Total Non-Agency Mortgage-Backed Securities (Cost \$112,686)</b>			<b>119,392</b>

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSR

**ASSET-BACKED SECURITIES 16.5%**

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>Access Financial Manufactured Housing Contract Trust</b>		
7.650% due 05/15/2021	211	62
<b>Ameriquest Mortgage Securities, Inc. Asset-Backed Pass-Through Certificates</b>		
3.978% due 11/25/2032 ^	330	13
<b>Bear Stearns Asset-Backed Securities Trust</b>		
0.837% due 09/25/2034	740	677
<b>Citigroup Mortgage Loan Trust, Inc.</b>		
0.613% due 12/25/2036	6,443	4,153
0.673% due 12/25/2036	3,272	1,828
0.713% due 03/25/2037	8,258	6,353
	<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>Conseco Finance Securitizations Corp.</b>		
7.960% due 05/01/2031	\$ 1,709	\$ 1,260
7.970% due 05/01/2032	272	161
<b>Conseco Financial Corp.</b>		
6.530% due 02/01/2031	162	163
7.050% due 01/15/2027	209	221
<b>Countrywide Asset-Backed Certificates</b>		
0.583% due 12/25/2036 ^	4,446	4,026
0.593% due 06/25/2047 ^	10,481	7,546
0.653% due 06/25/2037 ^	2,936	1,998
0.653% due 06/25/2047	7,414	5,060
0.653% due 09/25/2047	3,634	2,303
0.743% due 06/25/2037	8,449	5,784
4.919% due 07/25/2036	11,700	10,617
<b>Credit-Based Asset Servicing and Securitization LLC</b>		
6.020% due 12/25/2037	843	883
<b>Green Tree Servicing LLC</b>		
8.970% due 04/25/2038	449	455
<b>Greenpoint Manufactured Housing</b>		
8.300% due 10/15/2026	914	1,016
<b>Oakwood Mortgage Investors, Inc.</b>		
0.672% due 06/15/2032	22	20
<b>Residential Asset Mortgage Products Trust</b>		
8.500% due 12/25/2031	21	17
<b>Total Asset-Backed Securities (Cost \$57,434)</b>		<b>54,616</b>

**SOVEREIGN ISSUES 1.5%**

<b>Brazil Notas do Tesouro Nacional</b>		
10.000% due 01/01/2025	BRL 16,200	4,532
<b>Costa Rica Government International Bond</b>		
7.000% due 04/04/2044	\$ 500	500
<b>Total Sovereign Issues (Cost \$6,926)</b>		<b>5,032</b>

**SHARES**

**COMMON STOCKS 0.1%**

<b>ENERGY 0.1%</b>		
<b>SemGroup Corp. A</b>	7,966	259
<b>Total Common Stocks (Cost \$221)</b>		<b>259</b>

**SHORT-TERM INSTRUMENTS 4.2%**

<b>REPURCHASE AGREEMENTS (g) 3.6%</b>		12,099
---------------------------------------	--	--------

**PRINCIPAL  
AMOUNT  
(000S)**

**U.S. TREASURY BILLS 0.6%**