

PIMCO CORPORATE & INCOME OPPORTUNITY FUND  
Form N-CSR  
September 25, 2015  
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**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: 811-21238

**PIMCO Corporate & Income Opportunity 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

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Date of fiscal year end: July 31

Date of reporting period: July 31, 2015

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.

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**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).

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Your Global Investment Authority

**PIMCO Closed-End Funds**

# Annual Report

*July 31, 2015*

PIMCO Corporate & Income Opportunity Fund

PIMCO Corporate & Income Strategy Fund

PIMCO High Income Fund

PIMCO Income Strategy Fund

PIMCO Income Strategy Fund II

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Fund	Fund Summary	Schedule of Investments
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### Letter from the Chairman of the Board & President

Dear Shareholder:

The financial markets experienced periods of volatility during each Fund's reporting period. Investor sentiment was challenged at times given mixed economic data, uncertainties surrounding future global monetary policy, geopolitical issues and, most recently, the debt crisis in Greece.

For the periods ended July 31, 2015

After expanding in the third and fourth quarters of 2014, economic growth in the U.S. moderated during the first quarter of 2015. 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 4.3% and 2.2% annual pace during the third and fourth quarters of 2014, respectively. According to the Commerce Department, GDP grew at a tepid annual pace of 0.6% for the first quarter of 2015. This was attributed to contractions in net exports, nonresidential fixed investment (i.e. spending on plants and equipment) and state and local government spending. In addition, consumer spending decelerated, as it grew a modest 1.8% during the first quarter of 2015 versus 4.4% for the fourth quarter of 2014. However, this appeared to be a temporary setback due to colder than usual weather and labor disputes at West Coast ports, as the Commerce Department's second estimate released after the reporting periods had ended showed that GDP grew at an annual pace of 3.7% for the second quarter of 2015.

Federal Reserve (Fed) monetary policy remained accommodative. However, the central bank appeared to be moving closer to raising interest rates for the first time since 2006. As expected, following its meeting in October 2014, the Fed announced that it had concluded its asset purchase program. Then, at its March 2015 meeting, the Fed eliminated the word "patient" from its official statement regarding when it may start raising rates. Finally, at its meeting in July, the Fed said that it currently anticipates that, even after employment and inflation are near mandate-consistent levels, economic conditions may, for some time, warrant keeping the target federal funds rate below levels the Committee views as normal in the longer run.

Economic growth outside the U.S. was mixed over the past few quarters. Anemic growth and concerns of deflation in the eurozone caused the European Central Bank (ECB) to announce that beginning in March 2015, it would start a \$60 billion-a-month bond-buying program that is expected to run until September 2016, or longer if needed to achieve an inflation rate consistent with the ECB's longer-term target. The ECB announcement and a still-benign U.S. rates environment were supportive for emerging market asset prices initially, although toward the end of the reporting period, riskier asset classes succumbed to pressures from slower economic growth, volatility in Chinese equities, increased uncertainty over the resolution of the Greek crisis and higher volatility in commodity markets.

### Outlook

PIMCO continues to see a multi-speed world of economies converging to modest trend growth rates, a view now shared by the International Monetary Fund, which, in its most recent world economic outlook, materially marked down its estimates of potential growth in both developed and emerging economies. PIMCO also sees a global economy that is no longer restrained by private sector delevering but, instead, is learning to live with record levels of public and private debt, without a cushion that would be provided by more rapid growth or higher inflation.

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While the threat of deflation in Japan and the eurozone has diminished due to quantitative easing programs put in place by the ECB and the Bank of Japan, PIMCO's baseline forecast does not foresee an imminent rise in prices toward the 2% inflation targets these central banks aim to achieve. Regarding financial markets, PIMCO believes that we participate in a global financial system that is better capitalized than before the financial crisis of 2008-2009 and perhaps less vulnerable to a systemic run. That being said, PIMCO understands that this environment potentially offers less liquidity to investors as the global balance sheet available for market-making shrinks.

<sup>1</sup> Please note that several of the Fund's fiscal year ends were recently changed to July 31, 2015; therefore, the length of each Fund's reporting period will differ depending on its former fiscal year end. Please see "Notes to Financial Statements" for further detail.

### **2 PIMCO CLOSED-END FUNDS**

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For all these reasons, PIMCO continues to believe that we are now, and will be for some time, operating in a new neutral world in which central banks will be constrained to set policy rates at levels well below those that prevailed before the financial crisis of 2008-2009.

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 periods ended July 31, 2015.

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.

We remain dedicated to serving your investment needs.

Sincerely,

Hans W. Kertess  
Chairman of the Board of Trustees

Peter G. StreLOW  
President

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### **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. 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.

For purposes of applying a Fund’s investment policies and restrictions, swap agreements are generally valued by the Fund at market value. In the case of a credit default swap, however, in applying certain of a Fund’s investment policies and restrictions, the Fund will value the credit default swap at its notional value or its full exposure value (i.e., the sum of the notional amount for the contract plus the market value), but may value the credit default swap at market value for purposes of applying certain of the Fund’s other investment policies and restrictions. For example, a Fund may value credit default swaps at full exposure value for purposes of the Fund’s credit quality guidelines (if any) because such value reflects the Fund’s actual economic exposure during the term of the credit default swap agreement. In this context, both the notional amount and the market value may be positive or negative depending on whether a Fund is selling or buying protection through the credit default swap. The manner in which certain securities or other instruments are valued by a Fund for purposes of applying investment policies and restrictions may differ from the manner in which those investments are valued by other types of investors.

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

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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.

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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.

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 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.

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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

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

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 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.

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.

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Income distributions and capital gain distributions are determined in accordance with income tax regulations which may differ from U.S. GAAP. Differences between tax regulations and U.S. GAAP may cause timing differences between income and capital gain recognition. Further, the character of investment income and capital gains may be different for certain transactions under the two methods of accounting. As a result, income distributions and capital gain distributions declared during a fiscal period may differ significantly from the net investment income (loss) and realized gains (losses) reported on each Fund's annual financial statements presented under U.S. GAAP.

### 6 PIMCO CLOSED-END FUNDS

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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 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 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 of each Fund:

<b>Fund Name</b>	<b>Commencement of Operations</b>
PIMCO Corporate & Income Opportunity Fund	12/27/02
PIMCO Corporate & Income Strategy Fund	12/21/01
PIMCO High Income Fund	04/30/03
PIMCO Income Strategy Fund	08/29/03
PIMCO Income Strategy Fund II	10/29/04

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.

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, 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.

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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.

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**PIMCO Corporate & Income Opportunity Fund**

Symbol on NYSE - **PTY**

Allocation Breakdown

Corporate Bonds & Notes	37.8%
Mortgage-Backed Securities	29.7%
Asset-Backed Securities	8.2%
Municipal Bonds & Notes	7.8%
Short-Term Instruments	5.3%
U.S. Government Agencies	5.2%
Other	6.0%

% of Investments, at value as of 07/31/15. Financial derivative instruments, if any, are excluded.

Fund Information (as of July 31, 2015)<sup>(1)</sup>

Market Price	\$14.31
NAV	\$14.23
Premium/(Discount) to NAV	0.56%
Market Price Distribution Yield <sup>(2)</sup>	10.90%
NAV Distribution Yield <sup>(2)</sup>	10.96%
Total Effective Leverage <sup>(3)</sup>	37%

Average Annual Total Return<sup>(1)</sup> for the period ended July 31, 2015

	1 Year	5 Year	10 Year	Commencement of Operations (12/27/02)
Market Price	-8.63%	10.99%	11.48%	13.14%
NAV	5.28%	15.28%	13.47%	14.49%

All Fund returns are net of fees and expenses.

The average annual total returns shown above have been restated from previous reports to shareholders to align with the Fund's change from a November 30 to a July 31 fiscal year end. For the period December 1, 2014 through July 31, 2015, the Fund's total return was -13.61% and 3.75% on a market price and NAV basis, respectively.

<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.

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- (2) 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.
- (3) 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 swaps 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. 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 Corporate & Income Opportunity Fund's primary investment objective is to seek high current income, with capital preservation and capital appreciation as secondary objectives.

### Fund Insights

- » For the period from December 1, 2014 through July 31, 2015, an allocation to non-agency mortgage-backed securities was a major contributor to performance, as the sector continued to benefit from the improving U.S. housing market.
- » The Fund's partial redemption of auction rate preferred shares (ARPS) had a significant, one-time positive impact on returns, as redemption was done below face value. This was accretive to the Fund's returns for common shareholders.
- » The Fund's exposure to select high yield corporate bonds significantly contributed to performance. In particular, an allocation to bank capital securities at the junior parts of capital structure was beneficial. In addition, security selection in the entertainment sector was also positive for performance.
- » The Fund's emerging market holdings contributed modestly to performance, as Russian hard-currency denominated bonds posted solid performance given stabilizing oil prices later in the reporting period and normalization in Russia's external geopolitical position.
- » The Fund's exposure to U.S. interest rate duration was positive for performance. Nevertheless, short interest rate exposure at the long end of the yield curve detracted from returns, as long-term rates declined during the period. The overall impact to the portfolio from U.S. interest rate exposure and yield curve positioning was neutral.
- » The Fund's exposure to Brazilian hard-currency denominated assets detracted from performance. Investor sentiment for these securities was weighed down by the country's weaker economic condition, higher inflation and rating downgrades with a negative outlook.
- » The Fund's exposure to select taxable municipal bonds detracted from returns.

± See Note 12 in the Notes to Financial Statements for more information.



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**PIMCO Corporate & Income Strategy Fund**

Symbol on NYSE - **PCN**

Allocation Breakdown

Corporate Bonds & Notes	38.8%
Mortgage-Backed Securities	27.8%
Short-Term Instruments	14.4%
Municipal Bonds & Notes	5.8%
Asset-Backed Securities	4.3%
Other	8.9%

% of Investments, at value as of 07/31/15. Financial derivative instruments, if any, are excluded.

Fund Information (as of July 31, 2015)<sup>(1)</sup>

Market Price	\$13.71
NAV	\$14.75
Premium/(Discount) to NAV	-7.05%
Market Price Distribution Yield <sup>(2)</sup>	9.85%
NAV Distribution Yield <sup>(2)</sup>	9.15%
Total Effective Leverage <sup>(3)</sup>	27%

Average Annual Total Return<sup>(1)</sup> for the period ended July 31, 2015

	1 Year	5 Year	10 Year	Commencement of Operations (12/21/01)
Market Price	-4.40%	9.33%	10.59%	10.76%
NAV	5.53%	13.64%	12.14%	12.29%

All Fund returns are net of fees and expenses.

The average annual total returns shown above have been restated from previous reports to shareholders to align with the Fund's change from a October 31 to a July 31 fiscal year end. For the period November 1, 2014 through July 31, 2015, the Fund's total return was -7.12% and 3.55% on a market price and NAV basis, respectively.

(1) 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.

(2) 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

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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.

- (3) 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 swaps 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. 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 Corporate & Income Strategy Fund's primary investment objective is to seek high current income, with a secondary objective of capital preservation and appreciation.

### Fund Insights

- » For the period from November 1, 2014 through July 31, 2015, an allocation to non-agency mortgage-backed securities was a primary contributor to performance, as the sector continued to benefit from the improving U.S. housing market.
- » The Fund's exposure to U.S. interest rate duration contributed significantly to returns. However, short interest rate exposure at the long end of the yield curve mitigated some gains, as long-term rates declined during the reporting period. The overall impact to the portfolio from U.S. interest rate exposure and yield curve positioning was modestly positive for performance.
- » The Fund's exposure to select high yield corporate bonds contributed to performance. In particular, an allocation to bank capital securities at the junior parts of capital structure was beneficial.
- » The Fund's emerging market holdings contributed to returns, as exposure to Russian bonds posted solid results given stabilizing oil prices in the later part of the reporting period and normalization in Russia's external geopolitical position.
- » The Fund's exposure to Brazilian local and hard-currency denominated bonds detracted from performance. Investor sentiment for these securities was weighed down by the country's weaker economic condition, higher inflation and rating downgrades with a negative outlook.
- » The Fund's exposure to select taxable municipal bonds detracted from returns.

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**PIMCO High Income Fund**

Symbol on NYSE - **PHK**

Allocation Breakdown

Corporate Bonds & Notes	49.6%
Mortgage-Backed Securities	18.8%
Municipal Bonds & Notes	12.3%
Asset-Backed Securities	8.2%
Short-Term Instruments	3.4%
Other	7.7%

% of Investments, at value as of 07/31/15. Financial derivative instruments, if any, are excluded.

Fund Information (as of July 31, 2015)<sup>(1)</sup>

Market Price	\$9.71
NAV	\$7.37
Premium/(Discount) to NAV	31.75%
Market Price Distribution Yield <sup>(2)</sup>	15.06%
NAV Distribution Yield <sup>(2)</sup>	19.84%
Total Effective Leverage <sup>(3)</sup>	29%

Average Annual Total Return<sup>(1)</sup> for the period ended July 31, 2015

	1 Year	5 Year	10 Year	Commencement of Operations (04/30/03)
Market Price	-14.12%	6.98%	10.05%	10.32%
NAV	5.12%	15.63%	10.79%	11.57%

All Fund returns are net of fees and expenses.

The average annual total returns shown above have been restated from previous reports to shareholders to align with the Fund's change from a March 31 to a July 31 fiscal year end. For the period April 1, 2015 through July 31, 2015, the Fund's total return was -18.40% and 3.55% on a market price and NAV basis, respectively.

<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

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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.

- (3) 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 swaps 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. 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 High Income Fund's primary investment objective is to seek high current income, with capital appreciation as a secondary objective.

### Fund Insights

- » For the period from April 1, 2015 through July 31, 2015, an allocation to non-agency mortgage-backed securities was a primary contributor to performance, as the sector continued to benefit from the improving U.S. housing market.
- » The Fund's U.S. short interest rate exposure at the long end of the U.S. Treasury yield curve contributed significantly to returns. This position helped to offset the negative impact of higher U.S. interest rates elsewhere in the portfolio, resulting in an overall positive impact to the portfolio from U.S. interest rates exposure.
- » The Fund's emerging market holdings contributed substantially to performance, as Russian quasi-sovereign corporate bond holdings posted positive results given stabilizing oil prices and normalization in Russia's external geopolitical position.
- » Despite widening spreads, the Fund's exposure to select high yield corporate bonds contributed to performance as these holdings generated an attractive coupon return. In addition, security selection in the entertainment sector was positive for performance.
- » The Fund's exposure to select taxable municipal bonds detracted from returns.
- » The Fund's exposure to Brazilian hard-currency denominated assets detracted from returns. Investor sentiment for these securities was weighed down by the country's weaker economic conditions, higher inflation and rating downgrades with a negative outlook.
- » The Fund's tactical interest rate exposure in the United Kingdom was modestly negative for performance, as rates rose across the yield curve in the country given the strength of its economy.

### 10 PIMCO CLOSED-END FUNDS

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**PIMCO Income Strategy Fund**

Symbol on NYSE - **PFL**

Allocation Breakdown

Corporate Bonds & Notes	50.0%
Mortgage-Backed Securities	15.9%
Asset-Backed Securities	15.6%
Municipal Bonds & Notes	6.8%
Preferred Securities	4.4%
Other	7.3%

% of Investments, at value as of 07/31/15. Financial derivative instruments, if any, are excluded.

Fund Information (as of July 31, 2015)<sup>(1)</sup>

Market Price	\$10.39
NAV	\$11.46
Premium/(Discount) to NAV	-9.34%
Market Price Distribution Yield <sup>(2)</sup>	10.39%
NAV Distribution Yield <sup>(2)</sup>	9.42%
Total Effective Leverage <sup>(3)</sup>	21%

Average Annual Total Return<sup>(1)</sup> for the period ended July 31, 2015

	1 Year	5 Year	10 Year	Commencement of Operations (08/29/03)
Market Price	-2.62%	8.67%	5.69%	5.13%
NAV	4.66%	12.76%	6.59%	6.53%

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



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will be made on Form 1099 DIV sent to shareholders each January.

- (3) 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 swaps 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. 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 Strategy Fund's primary investment objective is to seek high current income, consistent with the preservation of capital.

### Fund Insights

- » For the period from August 1, 2014 through July 31, 2015, an allocation to certain agency mortgage derivatives was a major contributor to performance given positive security selection and attractive income.
- » The Fund's partial redemption of auction rate preferred shares (ARPS) had a significant, one-time positive impact on returns, as redemption was done below face value. This was accretive to the Fund's returns for common shareholders.
- » An allocation to non-agency mortgage-backed securities was a significant contributor to performance, as the sector continued to benefit from the improving U.S. housing market.
- » The Fund's exposure to U.S. interest rate duration contributed significantly to returns. Nevertheless, short interest rate exposure at the long end of the yield curve offset some of the gains, as long-term rates declined during the reporting period.
- » The Fund's exposure to select high yield corporate bonds contributed to performance. In particular, an allocation to bank capital securities (especially at junior parts of the capital structure), as well as security selection in the utilities and entertainment sectors, was positive for performance. In contrast, security selection in the manufacturing sector was negative for performance.
- » The Fund's exposure to hard-currency denominated Russian bonds posted positive performance as an attractive coupon return helped offset wider spreads.
- » The Fund's exposure to Brazilian local and hard-currency denominated bonds detracted from performance. Investor sentiment for these securities was weighed down by the country's weaker economic condition, higher inflation and rating downgrades with a negative outlook.
- » The Fund's exposure to investment grade corporate bonds detracted from performance as their spreads widened during the reporting period.
- » The Fund's exposure to select taxable municipal bonds detracted from returns.

± See Note 12 in the Notes to Financial Statements for more information.

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**PIMCO Income Strategy Fund II**

Symbol on NYSE - **PFN**

Allocation Breakdown

Corporate Bonds & Notes	47.0%
Mortgage-Backed Securities	25.1%
Municipal Bonds & Notes	8.6%
Asset-Backed Securities	8.1%
U.S. Government Agencies	2.5%
Other	8.7%

% of Investments, at value as of 07/31/15. Financial derivative instruments, if any, are excluded.

Fund Information (as of July 31, 2015)<sup>(1)</sup>

Market Price	\$9.41
NAV	\$10.27
Premium/(Discount) to NAV	-8.37%
Market Price Distribution Yield <sup>(2)</sup>	10.20%
NAV Distribution Yield <sup>(2)</sup>	9.35%
Total Effective Leverage <sup>(3)</sup>	19%

Average Annual Total Return<sup>(1)</sup> for the period ended July 31, 2015

	1 Year	5 Year	10 Year	Commencement of Operations (10/29/04)
Market Price	-0.12%	9.43%	4.94%	3.94%
NAV	4.97%	13.17%	5.27%	5.26%

All Fund returns are net of fees and expenses.

(1) 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.

(2) 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.

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- <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 swaps 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. 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 Strategy Fund II's primary investment objective is to seek high current income, consistent with the preservation of capital.

### Fund Insights

- » For the period from August 1, 2014 through July 31, 2015, an allocation to non-agency mortgage-backed securities was a major contributor to performance, as the sector continued to benefit from the improving U.S. housing market.
- » The Fund's partial redemption of auction rate preferred shares (ARPS) had a significant, one-time positive impact on returns, as redemption was done below face value. This was accretive to the Fund's returns for common shareholders.
- » The Fund's exposure to U.S. interest rate duration was significantly positive for performance. However, short interest rate exposure at the long end of the yield curve detracted from performance, as long-term rates declined during the reporting period. The overall impact to the portfolio from U.S. interest rate exposure and yield curve positioning plus an attractive carry, or the rate of interest earned by holding the respective securities, was positive.
- » The Fund's exposure to select high yield corporate bonds contributed to performance. In particular, an allocation to bank capital securities (especially at junior parts of the capital structure), as well as security selection in the utilities and entertainment sectors, was positive for performance. In contrast, security selection in the manufacturing sector was negative for performance.
- » The Fund's exposure to hard-currency denominated Russian corporate and quasi-sovereign bonds was positive for performance as an attractive coupon return helped offset wider spreads.
- » The Fund's exposure to Brazilian local and hard-currency denominated bonds detracted significantly from performance. Investor sentiment for these securities was weighed down by the country's weaker economic condition, higher inflation and rating downgrades with a negative outlook.
- » The Fund's exposure to select taxable municipal bonds was a detractor from performance given wider spreads, as the market overall was impacted by negative news flow out of Puerto Rico, as well as a supply/demand imbalance. In addition, security selection within this sector detracted from performance, as a specific very long-dated bond sold off due to issue-specific factors.

± See Note 12 in the Notes to Financial Statements for more information.

## 12 PIMCO CLOSED-END FUNDS

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ANNUAL REPORT JULY 31, 2015 13

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Selected Per Share Data for the Year or Period Ended:	Net Asset Value Beginning of Year or Period	Net Investment Income (a)	Net Realized/Unrealized Gain (Loss)	Total from Investment Operations	Distributions on Preferred Shares from Net Investment and Realized Gains	Net Increase (Decrease) in Net Assets Applicable to Common Shareholders Resulting from Investment Operations	Distributions to Common Shareholders from Net Investment Income	Distributions to Common Shareholders from Net Realized Capital Gain
<b>PIMCO Corporate &amp; Income Opportunity Fund</b>								
12/01/2014 - 07/31/2015 <sup>(d)</sup>	\$ 15.41	\$ 0.68	\$ (0.33)	\$ 0.35	\$ (0.00) <sup>^</sup>	\$ 0.35	\$ (1.69)	\$ 0.00
11/30/2014	16.62	1.14	1.06	2.20	(0.01)	2.19	(1.56)	(1.84)
11/30/2013	17.58	1.43	0.19	1.62	(0.00)	1.62	(1.82)	(0.76)
11/30/2012	14.22	1.68	3.87	5.55	(0.01)	5.54	(2.18)	0.00
11/30/2011	16.29	1.88	(1.87)	0.01	(0.01)	0.00	(2.07)	0.00
11/30/2010	13.63	1.80	2.83	4.63	(0.01)	4.62	(1.96)	0.00
<b>PIMCO Corporate &amp; Income Strategy Fund</b>								
11/01/2014 - 07/31/2015 <sup>(e)</sup>	\$ 15.60	\$ 0.73	\$ (0.21)	\$ 0.52	\$ (0.00) <sup>^</sup>	\$ 0.52	\$ (1.37)	\$ 0.00
10/31/2014	16.04	0.99	0.87	1.86	(0.00) <sup>^</sup>	1.86	(1.35)	(0.95)
10/31/2013	15.90	1.28	0.44	1.72	(0.01)	1.71	(1.57)	0.00
10/31/2012	13.67	1.57	2.47	4.04	(0.01)	4.03	(1.80)	0.00
10/31/2011	15.51	1.72	(1.87)	(0.15)	(0.01)	(0.16)	(1.68)	0.00
10/31/2010	12.88	1.61	2.90	4.51	(0.01)	4.50	(1.87)	0.00
<b>PIMCO High Income Fund</b>								
04/01/2015 - 07/31/2015 <sup>(b)</sup>	\$ 7.59	\$ 0.21	\$ 0.06	\$ 0.27	\$ (0.00) <sup>^</sup>	\$ 0.27	\$ (0.33)	\$ 0.00
03/31/2015	8.23	0.94	(0.12)	0.82	(0.00) <sup>^</sup>	0.82	(1.46)	0.00
03/31/2014	8.65	0.84	0.20	1.04	(0.00) <sup>^</sup>	1.04	(1.35)	0.00
03/31/2013	7.87	0.81	1.43	2.24	(0.00) <sup>^</sup>	2.24	(1.42)	0.00
03/31/2012	9.42	0.96	(1.05)	(0.09)	(0.00) <sup>^</sup>	(0.09)	(1.39)	0.00
03/31/2011	8.73	1.13	1.03	2.16	(0.01)	2.15	(1.46)	0.00
<b>PIMCO Income Strategy Fund</b>								
07/31/2015	\$ 12.15	\$ 0.79	\$ (0.34)	\$ 0.45	\$ (0.03)	\$ 0.42	\$ (1.22)	\$ 0.00
07/31/2014	11.70	0.79	0.78	1.57	(0.04)	1.53	(1.08)	0.00
07/31/2013	11.35	0.92	0.87	1.79	(0.04)	1.75	(1.40)	0.00
07/31/2012	11.39	1.16	(0.04)	1.12	(0.05)	1.07	(1.11)	0.00
07/31/2011	10.62	1.24	0.79	2.03	(0.05)	1.98	(1.21)	0.00
<b>PIMCO Income Strategy Fund II</b>								
07/31/2015	\$ 10.88	\$ 0.70	\$ (0.29)	\$ 0.41	\$ (0.03)	\$ 0.38	\$ (1.11)	\$ 0.00
07/31/2014	10.29	0.72	0.87	1.59	(0.04)	1.55	(0.96)	0.00
07/31/2013	10.23	0.88	0.68	1.56	(0.04)	1.52	(1.46)	0.00
07/31/2012	10.04	1.03	0.03	1.06	(0.04)	1.02	(0.83)	0.00
07/31/2011	9.29	1.03	0.73	1.76	(0.04)	1.72	(0.97)	0.00

\* Annualized

<sup>^</sup> Reflects an amount rounding to less than one cent.

(a) Per share amounts based on average number of shares outstanding during the year or period.

(b) Determined in accordance with federal income tax regulations, see Note 2(c) in the Notes to Financial Statements for more information.

(c) Total investment return is calculated assuming a purchase of a common share at the market price on the first day and a sale of a common share at the market price on the last day of each year or period 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) Calculated on the basis of income and expenses applicable to both common and preferred shares relative to the average net assets of common shareholders.

(e) Interest expense primarily relates to participation in borrowing and financing transactions, see Note 5 in the Notes to Financial Statements for more information.

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- (f) Fiscal year end changed from November 30<sup>th</sup> to July 31<sup>st</sup>.
- (g) Fiscal year end changed from October 31<sup>st</sup> to July 31<sup>st</sup>.
- (h) Fiscal year end changed from March 31<sup>st</sup> to July 31<sup>st</sup>.
- (i) Total distributions for the period ended July 31, 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 July 31, 2015.
- (j) See Note 12 in the Notes to Financial Statements.

### 14 PIMCO CLOSED-END FUNDS

See Accompanying Notes

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Tax Basis	Total Distributions to Common Shareholders <sup>(b)</sup>	Increase Resulting from Tender and Repurchase of Auction-Rate Preferred Shares	Net Asset Value End of Year or Period	Market Price End of Year or Period	Total Investment Return <sup>(c)</sup>	Net Assets Applicable to Common Shareholders (000s)	Ratio of Expenses to Average Net Assets <sup>(d)(e)</sup>	Ratio of Expenses to Average Net Assets Excluding Interest Expense <sup>(d)</sup>	Ratio of Net Investment Income to Average Net Assets	Preferred Shares Asset Coverage Per Share	Portfolio Turnover Rate
\$ 0.00	\$ (1.69) <sup>(i)</sup>	\$ 0.16 <sup>(i)</sup>	\$ 14.23	\$ 14.31	(13.61)%	\$ 1,006,484	0.91%*	0.90%*	7.01%*	130,743	34%
0.00	(3.40)	0.00	15.41	18.50	26.04	1,082,000	0.91	0.91	7.36	108,229	44
0.00	(2.58)	0.00	16.62	17.75	(0.15)	1,149,779	0.91	0.91	8.49	113,443	118
0.00	(2.18)	0.00	17.58	20.37	36.86	1,205,090	1.05	0.93	10.63	117,697	29
0.00	(2.07)	0.00	14.22	16.78	9.24	967,195	1.09	0.94	11.76	99,399	53
0.00	(1.96)	0.00	16.29	17.30	40.36	1,098,920	1.02	0.93	11.98	109,530	70
\$ 0.00	\$ (1.37) <sup>(i)</sup>	\$ 0.00	\$ 14.75	\$ 13.71	(7.12)%	\$ 570,122	1.07%*	1.07%*	6.51%*	109,336	40%
0.00	(2.30)	0.00	15.60	16.18	8.84	599,980	1.09	1.09	6.32	113,753	48
0.00	(1.57)	0.00	16.04	17.15	3.48	612,225	1.10	1.09	7.91	115,565	108
0.00	(1.80)	0.00	15.90	18.17	33.21	603,483	1.32	1.14	11.03	114,270	28
0.00	(1.68)	0.00	13.67	15.27	4.78	515,041	1.30	1.16	11.56	101,188	32
0.00	(1.87)	0.00	15.51	16.24	41.86	579,963	1.24	1.17	11.64	110,790	52
\$ (0.16)	\$ (0.49) <sup>(i)</sup>	\$ 0.00	\$ 7.37	\$ 9.71	(18.40)%	\$ 925,598	1.05%*	1.03%*	8.14%*	104,245	8%
0.00	(1.46)	0.00	7.59	12.48	12.30	949,880	1.18	1.02	11.53	106,324	58
(0.11)	(1.46)	0.00	8.23	12.56	15.51	1,021,120	1.14	1.03	10.14	112,424	159
(0.04)	(1.46)	0.00	8.65	12.35	8.53	1,063,863	1.06	1.05	10.00	116,082	70
(0.07)	(1.46)	0.00	7.87	12.84	3.28	960,496	1.16	1.07	11.76	107,233	24
0.00	(1.46)	0.00	9.42	14.01	28.94	1,138,186	1.11	1.04	12.74	122,446	89
\$ 0.00	\$ (1.22)	\$ 0.11 <sup>(i)</sup>	\$ 11.46	\$ 10.39	(2.62)%	\$ 289,909	1.30%	1.25%	6.67%	166,328	67%
0.00	(1.08)	0.00	12.15	11.87	9.95	306,475	1.19	1.18	6.71	122,004	113
0.00	(1.40)	0.00	11.70	11.83	5.69	294,017	1.24	1.21	7.59	118,058	63
0.00	(1.11)	0.00	11.35	12.52	12.02	283,285	1.85	1.65	10.93	114,654	23
0.00	(1.21)	0.00	11.39	12.39	19.67	282,691	1.51	1.41	11.00	114,474	44
\$ 0.00	\$ (1.11)	\$ 0.12 <sup>(i)</sup>	\$ 10.27	\$ 9.41	(0.12)%	\$ 606,974	1.16%	1.13%	6.58%	189,105	63%
0.00	(0.96)	0.00	10.88	10.50	12.39	642,119	1.14	1.14	6.79	124,695	119
0.00	(1.46)	0.00	10.29	10.24	6.80	605,843	1.16	1.14	8.20	119,060	71
0.00	(0.83)	0.00	10.23	10.96	16.33	597,683	1.48	1.37	10.87	117,792	17
0.00	(0.97)	0.00	10.04	10.27	12.53	584,351	1.24	1.21	10.34	115,720	42

**Table of Contents****Statements of Assets and Liabilities**

July 31, 2015

	PIMCO Corporate & Income Opportunity Fund	PIMCO Corporate & Income Strategy Fund	PIMCO High Income Fund	PIMCO Income Strategy Fund	PIMCO Income Strategy Fund II
(Amounts in thousands, except per share amounts)					
<b>Assets:</b>					
<i>Investments, at value</i>					
Investments in securities*	\$ 1,305,179	\$ 741,235	\$ 1,249,379	\$ 345,872	\$ 704,420
<i>Financial Derivative Instruments</i>					
Exchange-traded or centrally cleared	3,873	1,816	5,747	1,177	2,627
Over the counter	7,780	2,467	23,927	1,385	3,918
Cash	4,093	1,079	1	0	0
Deposits with counterparty	24,587	7,472	10,384	5,946	9,444
Foreign currency, at value	2,320	170	1,116	185	478
Receivable for investments sold	247	147	1,425	1,726	14,655
Interest and dividends receivable	12,100	5,675	14,361	2,963	6,538
Other assets	6	3	40	2	5
<b>Total Assets</b>	<b>1,360,185</b>	<b>760,064</b>	<b>1,306,380</b>	<b>359,256</b>	<b>742,085</b>
<b>Liabilities:</b>					
<i>Borrowings &amp; Other Financing Transactions</i>					
Payable for reverse repurchase agreements	\$ 13,551	\$ 0	\$ 37,237	\$ 5,596	\$ 13,417
<i>Financial Derivative Instruments</i>					
Exchange-traded or centrally cleared	3,461	1,688	5,828	1,025	2,372
Over the counter	41,469	3,875	4,214	2,446	5,137
Payable for investments purchased	42,471	8,254	2,759	4,523	8,736
Deposits from counterparty	4,470	2,090	22,401	1,000	2,980
Distributions payable to common shareholders	9,198	4,350	15,299	2,277	4,728
Distributions payable to preferred shareholders	6	3	5	8	18
Overdraft due to custodian	0	0	0	561	4,202
Accrued management fees	734	544	844	272	533
Other liabilities	391	138	195	364	538
<b>Total Liabilities</b>	<b>115,751</b>	<b>20,942</b>	<b>88,782</b>	<b>18,072</b>	<b>42,661</b>
<b>Preferred Shares (\$0.00001 par value and \$25,000 liquidation preference per share applicable to an aggregate of 9,518, 6,760, 11,680, 2,051, 3,698 shares issued and outstanding, respectively)</b>	<b>237,950</b>	<b>169,000</b>	<b>292,000</b>	<b>51,275</b>	<b>92,450</b>
<b>Net Assets Applicable to Common Shareholders</b>	<b>\$ 1,006,484</b>	<b>\$ 570,122</b>	<b>\$ 925,598</b>	<b>\$ 289,909</b>	<b>\$ 606,974</b>
<b>Composition of Net Assets Applicable to Common Shareholders:</b>					
<b>Common Shares:</b>					
Par value (\$0.00001 per share)	\$ 1	\$ 0	\$ 1	\$ 0	\$ 1
Paid in capital in excess of par	1,026,094	549,761	1,655,748	419,477	950,671
(Overdistributed) net investment income	(8,639)	(4,556)	(39,740)	(1,974)	(2,589)
Accumulated undistributed net realized (loss)	(90,337)	(17,390)	(819,888)	(145,869)	(381,439)
Net unrealized appreciation	79,365	42,307	129,477	18,275	40,330
	\$ 1,006,484	\$ 570,122	\$ 925,598	\$ 289,909	\$ 606,974
<b>Common Shares Issued and Outstanding</b>	<b>70,756</b>	<b>38,665</b>	<b>125,528</b>	<b>25,300</b>	<b>59,103</b>
<b>Net Asset Value Per Common Share</b>	<b>\$ 14.23</b>	<b>\$ 14.75</b>	<b>\$ 7.37</b>	<b>\$ 11.46</b>	<b>\$ 10.27</b>
Cost of Investments in securities	\$ 1,262,717	\$ 720,406	\$ 1,210,914	\$ 338,083	\$ 690,335
Cost of Foreign Currency Held	\$ 2,345	\$ 171	\$ 1,136	\$ 198	\$ 507



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Cost or Premiums of Financial Derivative Instruments, net	\$	(36,208)	\$	(1,110)	\$	(144)	\$	(763)	\$	(1,599)
* Includes repurchase agreements of:	\$	30,731	\$	98,739	\$	8,584	\$	0	\$	0

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

### 16 PIMCO CLOSED-END FUNDS

See Accompanying Notes

**Table of Contents****Statements of Operations**

	PIMCO Corporate & Income Opportunity Fund		PIMCO Corporate & Income Strategy Fund	
	Period from		Period from	
	December 1, 2014 to		November 1, 2014 to	
	July 31, 2015 <sup>(b)</sup>	Year Ended November 30, 2014	July 31, 2015 <sup>(c)</sup>	Year Ended October 31, 2014
(Amounts in thousands)				
<b>Investment Income:</b>				
Interest	\$ 51,537	\$ 83,525	\$ 30,930	\$ 43,441
Dividends	2,432	6,298	1,959	1,075
Total Income	53,969	89,823	32,889	44,516
<b>Expenses:</b>				
Management fees	5,607	8,628	4,529	5,852
Auction agent fees and commissions	383	521	140	201
Trustee fees and related expenses	69	102	43	50
Interest expense	73	35	4	5
Auction rate preferred shares related expenses	93	20	7	32
Miscellaneous expense	0	0	0	2
Operating expenses pre-transition <sup>(a)</sup>				
Custodian and accounting agent	0	272	0	185
Audit and tax services	0	86	0	62
Shareholder communications	0	98	0	79
New York Stock Exchange listing	0	41	0	25
Transfer agent	0	19	0	21
Legal	0	49	0	9
Insurance	0	31	0	21
Other expenses	0	1	0	4
Total Expenses	6,225	9,903	4,723	6,548
<b>Net Investment Income</b>	47,744	79,920	28,166	37,968
<b>Net Realized Gain (Loss):</b>				
Investments in securities	24,639	20,828	10,936	23,674
Exchange-traded or centrally cleared financial derivative instruments	(38,600)	(38,505)	(10,029)	(23,734)
Over the counter financial derivative instruments	8,647	45,375	2,910	17,577
Foreign currency	318	395	136	94
<b>Net Realized Gain (Loss)</b>	(4,996)	28,093	3,953	17,611
<b>Net Change in Unrealized Appreciation (Depreciation):</b>				
Investments in securities	(36,582)	41,910	(16,394)	5,701
Exchange-traded or centrally cleared financial derivative instruments	21,492	779	6,213	12,196
Over the counter financial derivative instruments	(3,374)	164	(1,974)	(2,252)
Foreign currency assets and liabilities	95	(165)	23	(55)
<b>Net Change in Unrealized Appreciation (Depreciation)</b>	(18,369)	42,688	(12,132)	15,590
<b>Distributions on Preferred Shares from Net Investment Income and Net Realized Capital Gains</b>	\$ (313)	\$ (421)	\$ (160)	\$ (163)
<b>Net Increase in Net Assets Applicable to Common Shareholders Resulting from Operations</b>	\$ 24,066	\$ 150,280	\$ 19,827	\$ 71,006

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

(a) These expenses were incurred by the Fund prior to the close of business on September 5, 2014. Subsequent to the close of business on September 5, 2014, any such operating expenses are borne by PIMCO.

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

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

See Accompanying Notes

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**Table of Contents****Statements of Operations (Cont.)**

	PIMCO High Income Fund		PIMCO Income Strategy Fund	PIMCO Income Strategy Fund II
	Period from			
	April 1, 2015 to July 31, 2015 <sup>(b)</sup>	Year Ended March 31, 2015	Year Ended July 31, 2015	Year Ended July 31, 2015
(Amounts in thousands)				
<b>Investment Income:</b>				
Interest	\$ 28,921	\$ 127,958	\$ 22,566	\$ 45,398
Dividends	770	1,540	1,240	2,999
Total Income	29,691	129,498	23,806	48,397
<b>Expenses:</b>				
Management fees	3,198	9,612	3,268	6,343
Auction agent fees and commissions	111	334	209	274
Trustee fees and related expenses	36	87	29	55
Interest expense	68	1,661	140	182
Auction rate preferred shares related expenses	2	11	181	359
Miscellaneous expense	0	0	0	0
Operating expenses pre-transition <sup>(a)</sup>				
Custodian and accounting agent	0	114	18	23
Audit and tax services	0	30	12	12
Shareholder communications	0	90	7	10
New York Stock Exchange listing	0	62	3	6
Transfer agent	0	11	2	2
Legal	0	15	5	8
Insurance	0	3	1	2
Other expenses	0	0	35	20
Total Expenses	3,415	12,030	3,910	7,296
<b>Net Investment Income</b>	26,276	117,468	19,896	41,101
<b>Net Realized Gain (Loss):</b>				
Investments in securities	2,468	52,437	6,733	13,770
Exchange-traded or centrally cleared financial derivative instruments	(19,889)	(116,469)	(16,497)	(43,466)
Over the counter financial derivative instruments	(12,038)	35,308	6,013	25,519
Foreign currency	137	(1,138)	236	423
<b>Net Realized (Loss)</b>	(29,322)	(29,862)	(3,515)	(3,754)
<b>Net Change in Unrealized Appreciation (Depreciation):</b>				
Investments in securities	(13,587)	(27,718)	(11,804)	(21,574)
Exchange-traded or centrally cleared financial derivative instruments	34,777	38,997	5,695	16,291
Over the counter financial derivative instruments	15,116	(634)	1,057	(7,467)
Foreign currency assets and liabilities	(349)	221	(14)	(14)
<b>Net Change in Unrealized Appreciation (Depreciation)</b>	35,957	10,866	(5,066)	(12,764)
<b>Distributions on Preferred Shares from Net Investment Income</b>	\$ (130)	\$ (356)	\$ (815)	\$ (1,538)
<b>Net Increase in Net Assets Applicable to Common Shareholders Resulting from Operations</b>	\$ 32,781	\$ 98,116	\$ 10,500	\$ 23,045

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

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- <sup>(a)</sup>These expenses were incurred by the Fund prior to the close of business on September 5, 2014. Subsequent to the close of business on September 5, 2014, any such operating expenses are borne by PIMCO.
- <sup>(b)</sup>Fiscal year end changed from March 31<sup>st</sup> to July 31<sup>st</sup>.

### 18 PIMCO CLOSED-END FUNDS

See Accompanying Notes

**Table of Contents****Statements of Changes in Net Assets**

	PIMCO Corporate & Income Opportunity Fund			PIMCO Corporate & Income Strategy Fund		
	Period from December 1, 2014 to July 31, 2015 <sup>(a)</sup>	Year Ended November 30, 2014	Year Ended November 30, 2013	Period from November 1, 2014 to July 31, 2015 <sup>(b)</sup>	Year Ended October 31, 2014	Year Ended October 31, 2013
(Amounts in thousands)						
<b>Increase (Decrease) in Net Assets from:</b>						
<b>Operations:</b>						
Net investment income	\$ 47,744	\$ 79,920	\$ 98,201	\$ 28,166	\$ 37,968	\$ 48,375
Net realized gain (loss)	(4,996)	28,093	129,672	3,953	17,611	93,577
Net change in unrealized appreciation (depreciation)	(18,369)	42,688	(116,841)	(12,132)	15,590	(76,826)
Net increase in net assets resulting from operations	24,379	150,701	111,032	19,987	71,169	65,126
Distributions on preferred shares from net investment income	(313)	(125)	(290)	(160)	(41)	(201)
Distributions on preferred shares from net realized capital gains	0	(296)	(192)	0	(122)	0
<b>Net Increase in Net Assets Applicable to Common Shareholders Resulting from Operations</b>	<b>24,066</b>	<b>150,280</b>	<b>110,550</b>	<b>19,827</b>	<b>71,006</b>	<b>64,925</b>
<b>Distributions to Common Shareholders:</b>						
From net investment income	(119,032)	(109,083)	(124,978)	(52,644)	(51,774)	(59,574)
From net realized capital gains	0	(127,359)	(52,475)	0	(36,294)	0
<b>Total Distributions to Common Shareholders<sup>(c)</sup></b>	<b>(119,032)<sup>(d)</sup></b>	<b>(236,442)</b>	<b>(177,453)</b>	<b>(52,644)<sup>(d)</sup></b>	<b>(88,068)</b>	<b>(59,574)</b>
<b>Preferred Share Transactions:</b>						
Net increase resulting from tender and repurchase of Auction-Rate Preferred Shares <sup>***</sup>	11,317	0	0	0	0	0
<b>Common Share Transactions<sup>**</sup>:</b>						
Issued as reinvestment of distributions	8,133	18,383	11,592	2,959	4,817	3,391
<b>Total Increase (Decrease) in Net Assets</b>	<b>(75,516)</b>	<b>(67,779)</b>	<b>(55,311)</b>	<b>(29,858)</b>	<b>(12,245)</b>	<b>8,742</b>
<b>Net Assets Applicable to Common Shareholders:</b>						
Beginning of year or period	1,082,000	1,149,779	1,205,090	599,980	612,225	603,483
End of year or period <sup>*</sup>	\$ 1,006,484	\$ 1,082,000	\$ 1,149,779	\$ 570,122	\$ 599,980	\$ 612,225
<b>* Including undistributed (overdistributed) net investment income of:</b>	<b>\$ (8,639)</b>	<b>\$ 36,794</b>	<b>\$ (17,126)</b>	<b>\$ (4,556)</b>	<b>\$ 11,115</b>	<b>\$ (5,218)</b>
<b>** Common Share Transactions:</b>						
Shares issued as reinvestment of distributions	530	1,058	615	197	303	199

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

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

(b) Fiscal year end changed from October 31<sup>st</sup> to July 31<sup>st</sup>.

(c) 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 July 31, 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 July 31, 2015.

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\*\*\* See Note 12 in the Notes to Financial Statements.

See Accompanying Notes

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**Table of Contents****Statements of Changes in Net Assets (Cont.)**

	PIMCO High Income Fund		PIMCO Income Strategy Fund		PIMCO Income Strategy Fund II		
Period from	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended July 31, 2015	Year Ended July 31, 2014	Year Ended July 31, 2015	Year Ended July 31, 2014	
<b>April 1, 2015 to</b>							
<b>July 31, 2015 <sup>(a)</sup></b>							
<b>(Amounts in thousands)</b>							
<b>Increase (Decrease) in Net Assets from:</b>							
<b>Operations:</b>							
Net investment income	\$ 26,276	\$ 117,468	\$ 103,264	\$ 19,896	\$ 19,940	\$ 41,101	\$ 42,061
Net realized gain (loss)	(29,322)	(29,862)	104,341	(3,515)	14,120	(3,754)	35,833
Net change in unrealized appreciation (depreciation)	35,957	10,866	(81,613)	(5,066)	5,796	(12,764)	15,693
Net increase in net assets resulting from operations	32,911	98,472	125,992	11,315	39,856	24,583	93,587
Distributions on preferred shares from net investment income	(130)	(356)	(286)	(815)	(1,090)	(1,538)	(2,217)
<b>Net Increase in Net Assets Applicable to Common Shareholders Resulting from Operations</b>	<b>32,781</b>	<b>98,116</b>	<b>125,706</b>	<b>10,500</b>	<b>38,766</b>	<b>23,045</b>	<b>91,370</b>
<b>Distributions to Common Shareholders:</b>							
From net investment income	(41,672)	(182,280)	(167,013)	(30,835)	(27,203)	(65,838)	(56,598)
From net realized capital gains	0	0	0	0	0	0	0
Tax basis return of capital	(19,452)	0	(13,720)	0	0	0	0
<b>Total Distributions to Common Shareholders<sup>(b)</sup></b>	<b>(61,124)<sup>(c)</sup></b>	<b>(182,280)</b>	<b>(180,733)</b>	<b>(30,835)</b>	<b>(27,203)</b>	<b>(65,838)</b>	<b>(56,598)</b>
<b>Preferred Share Transactions:</b>							
Net increase resulting from tender and repurchase of Auction-Rate Preferred Shares <sup>***</sup>	0	0	0	2,770	0	6,855	0
<b>Common Share Transactions<sup>**</sup>:</b>							
Issued as reinvestment of distributions	4,061	12,924	12,285	999	895	793	1,504
<b>Total Increase (Decrease) in Net Assets</b>	<b>(24,282)</b>	<b>(71,240)</b>	<b>(42,742)</b>	<b>(16,566)</b>	<b>12,458</b>	<b>(35,145)</b>	<b>36,276</b>
<b>Net Assets Applicable to Common Shareholders:</b>							
Beginning of year or period	949,880	1,021,120	1,063,862	306,475	294,017	642,119	605,843
End of year or period <sup>*</sup>	\$ 925,598	\$ 949,880	\$ 1,021,120	\$ 289,909	\$ 306,475	\$ 606,974	\$ 642,119
<b>* Including (overdistributed) net investment income of:</b>	<b>\$ (39,740)</b>	<b>\$ (32,887)</b>	<b>\$ (31,891)</b>	<b>\$ (1,974)</b>	<b>\$ (1,643)</b>	<b>\$ (2,589)</b>	<b>\$ (8,851)</b>
<b>** Common Share Transactions:</b>							
Shares issued as reinvestment of distributions	374	1,088	1,076	86	76	79	143

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

<sup>(a)</sup> Fiscal year end changed from March 31<sup>st</sup> to July 31<sup>st</sup>.

<sup>(b)</sup> Determined in accordance with federal income tax regulations, see Note 2(c) in the Notes to Financial Statements for more information.

<sup>(c)</sup> Total distributions for the period ended July 31, 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 July 31, 2015.

<sup>\*\*\*</sup> See Note 12 in the Notes to Financial Statements.





**Table of Contents****Schedule of Investments PIMCO Corporate & Income Opportunity Fund**

July 31, 2015

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>INVESTMENTS IN SECURITIES 129.7%</b>		
<b>BANK LOAN OBLIGATIONS 2.7%</b>		
<b>Clear Channel Communications, Inc.</b>		
6.940% due 01/30/2019	\$ 8,198	\$ 7,549
<b>FMG Resources Pty. Ltd.</b>		
3.750% due 06/30/2019	3,788	3,113
<b>Sequa Corp.</b>		
5.250% due 06/19/2017	8,838	7,844
<b>Westmoreland Coal Co.</b>		
7.500% due 12/16/2020	9,566	8,897
<b>Total Bank Loan Obligations</b>		
<b>(Cost \$27,628)</b>		<b>27,403</b>
<b>CORPORATE BONDS &amp; NOTES 49.1%</b>		
<b>BANKING &amp; FINANCE 24.5%</b>		
<b>AGFC Capital Trust</b>		
6.000% due 01/15/2067	1,800	1,341
<b>Banco do Brasil S.A.</b>		
9.000% due 06/18/2024 (d)	15,355	13,239
<b>Banco Santander S.A.</b>		
6.250% due 09/11/2021 (d)	EUR 400	436
<b>Barclays Bank PLC</b>		
14.000% due 06/15/2019 (d)	GBP 12,550	25,846
<b>BGC Partners, Inc.</b>		
5.375% due 12/09/2019	\$ 10,780	11,324
<b>Cantor Fitzgerald LP</b>		
6.500% due 06/17/2022 (g)	14,000	14,642
<b>Citigroup, Inc.</b>		
5.950% due 05/15/2025 (d)	15,900	15,522
<b>Co-operative Group Holdings Ltd.</b>		
6.875% due 07/08/2020	GBP 400	674
7.500% due 07/08/2026	3,200	5,449
<b>Credit Agricole S.A.</b>		
6.500% due 06/23/2021 (d)	EUR 700	796
7.875% due 01/23/2024 (d)	\$ 16,500	17,246
<b>ERB Hellas PLC</b>		
4.250% due 06/26/2018	EUR 250	94
<b>Fort Gordon Housing LLC</b>		
6.124% due 05/15/2051	\$ 12,825	14,218
<b>GSPA Monetization Trust</b>		
6.422% due 10/09/2029	9,361	10,454
<b>LBG Capital No.2 PLC</b>		
9.125% due 07/15/2020	GBP 3,400	5,734
12.750% due 08/10/2020	400	766
15.000% due 12/21/2019	EUR 7,800	12,892
15.000% due 12/21/2019	GBP 2,000	4,434
<b>Lloyds Bank PLC</b>		
12.000% due 12/16/2024 (d)	\$ 6,000	8,655
<b>Lloyds Banking Group PLC</b>		
7.625% due 06/27/2023 (d)	GBP 2,300	3,764
<b>Navient Corp.</b>		

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5.500% due 01/15/2019		\$	20,050	19,749
5.625% due 08/01/2033			230	166
8.450% due 06/15/2018			8,200	8,877
<b>Novo Banco S.A.</b>				
2.625% due 05/08/2017		EUR	500	546
4.750% due 01/15/2018			1,000	1,137
5.000% due 04/04/2019			371	426
5.000% due 04/23/2019			152	175
5.000% due 05/14/2019			315	362
5.000% due 05/21/2019			73	84
5.000% due 05/23/2019			213	245
5.875% due 11/09/2015			1,500	1,660
<b>Tesco Property Finance PLC</b>				
5.411% due 07/13/2044		GBP	5,953	8,959
6.052% due 10/13/2039			921	1,505
			<b>PRINCIPAL</b>	<b>MARKET</b>
			<b>AMOUNT</b>	<b>VALUE</b>
			<b>(000S)</b>	<b>(000S)</b>
<b>TIG FinCo PLC</b>				
8.500% due 03/02/2020		GBP	1,154	\$ 1,892
8.750% due 04/02/2020			6,539	9,956
<b>Vnesheconombank Via VEB Finance PLC</b>				
5.375% due 02/13/2017		\$	2,700	2,748
6.800% due 11/22/2025			8,500	7,879
<b>Western Group Housing LP</b>				
6.750% due 03/15/2057			10,600	12,311
				246,203
<b>INDUSTRIALS 16.9%</b>				
<b>BMC Software Finance, Inc.</b>				
8.125% due 07/15/2021			2,447	1,924
<b>Boxer Parent Co., Inc. (9.000% Cash or 9.750% PIK)</b>				
9.000% due 10/15/2019 (b)			8,810	5,848
<b>Caesars Entertainment Operating Co., Inc.</b>				
9.000% due 02/15/2020 ^			27,145	22,558
<b>CCO Safari LLC</b>				
6.484% due 10/23/2045			10,321	10,704
6.834% due 10/23/2055			1,473	1,516
<b>Chesapeake Energy Corp.</b>				
3.539% due 04/15/2019			170	144
<b>Communications Sales &amp; Leasing, Inc.</b>				
8.250% due 10/15/2023			3,300	3,168
<b>Continental Airlines Pass-Through Trust</b>				
6.703% due 12/15/2022			2,347	2,482
7.373% due 06/15/2017			698	708
<b>Forbes Energy Services Ltd.</b>				
9.000% due 06/15/2019			2,858	2,108
<b>Ford Motor Co.</b>				
7.700% due 05/15/2097			31,901	39,566
<b>Gulfport Energy Corp.</b>				
7.750% due 11/01/2020			500	515
<b>Hampton Roads PPV LLC</b>				
6.171% due 06/15/2053			1,800	1,856
<b>iHeartCommunications, Inc.</b>				
9.000% due 09/15/2022			2,000	1,807
<b>Intrepid Aviation Group Holdings LLC</b>				
6.875% due 02/15/2019			6,590	6,178
<b>Numericable-SFR S.A.S.</b>				
6.250% due 05/15/2024			14,000	14,272
<b>Russian Railways via RZD Capital PLC</b>				
3.374% due 05/20/2021		EUR	23,000	22,351
<b>Scientific Games International, Inc.</b>				
10.000% due 12/01/2022		\$	5,600	5,460
<b>Sequa Corp.</b>				
7.000% due 12/15/2017			10,862	7,495
<b>Tembec Industries, Inc.</b>				
9.000% due 12/15/2019			1,500	1,222
<b>UAL Pass-Through Trust</b>				

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7.336% due 01/02/2021		2,084	2,182
<b>UCP, Inc.</b>			
8.500% due 10/21/2017		10,900	10,941
<b>Unique Pub Finance Co. PLC</b>			
5.659% due 06/30/2027	GBP	3,332	5,356
			170,361

**UTILITIES 7.7%**

<b>Gazprom OAO Via Gaz Capital S.A.</b>			
9.250% due 04/23/2019	\$	20,800	23,297
<b>Illinois Power Generating Co.</b>			
6.300% due 04/01/2020		4,570	4,159
7.000% due 04/15/2018		8,355	7,958
7.950% due 06/01/2032		900	850
		<b>PRINCIPAL</b>	<b>MARKET</b>
		<b>AMOUNT</b>	<b>VALUE</b>
		<b>(000S)</b>	<b>(000S)</b>
<b>Mountain States Telephone &amp; Telegraph Co.</b>			
7.375% due 05/01/2030	\$	15,730	\$ 17,887
<b>Odebrecht Drilling Norbe Ltd.</b>			
6.350% due 06/30/2022		574	416
<b>Odebrecht Offshore Drilling Finance Ltd.</b>			
6.625% due 10/01/2023		5,308	3,398
6.750% due 10/01/2023		4,963	3,214
<b>Petrobras Global Finance BV</b>			
2.750% due 01/15/2018	EUR	790	815
3.163% due 03/17/2020	\$	420	379
4.250% due 10/02/2023	EUR	1,200	1,147
4.875% due 03/17/2020	\$	760	708
5.750% due 01/20/2020		360	348
6.250% due 12/14/2026	GBP	6,100	8,122
6.625% due 01/16/2034		800	1,020
6.750% due 01/27/2041	\$	4,100	3,434
7.875% due 03/15/2019		100	104
			77,256

**Total Corporate Bonds & Notes**  
(Cost \$481,515) **493,820**

**MUNICIPAL BONDS & NOTES 10.1%**

**CALIFORNIA 6.0%**

<b>Los Angeles Community Redevelopment Agency, California Tax Allocation Bonds, (NPFGC Insured), Series 2006</b>			
6.020% due 09/01/2021		6,480	6,662
<b>Riverside County, California Redevelopment Successor Agency Tax Allocation Bonds, Series 2010</b>			
7.500% due 10/01/2030		3,425	3,745
<b>San Diego Redevelopment Agency, California Tax Allocation Bonds, Series 2010</b>			
7.750% due 09/01/2040		21,545	23,801
<b>Stockton Public Financing Authority, California Revenue Bonds, (BABs), Series 2009</b>			
7.942% due 10/01/2038		23,500	26,452
			60,660

**ILLINOIS 2.3%**

<b>Chicago, Illinois General Obligation Bonds, (BABs), Series 2010</b>			
7.517% due 01/01/2040		23,700	23,601

**PENNSYLVANIA 0.4%**

<b>Philadelphia Authority for Industrial Development, Pennsylvania Revenue Bonds, (AGM Insured), Series 1999</b>			
6.350% due 04/15/2028		3,400	3,770

**TEXAS 0.7%**

<b>Texas State Public Finance Authority Charter School Finance Corp. Revenue Bonds, Series 2010</b>			
8.125% due 02/15/2027		6,075	7,055

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**VIRGINIA 0.1%**

<b>Tobacco Settlement Financing Corp., Virginia Revenue Bonds, Series 2007</b>		
6.706% due 06/01/2046	1,400	1,046

**WEST VIRGINIA 0.6%**

<b>Tobacco Settlement Finance Authority, West Virginia Revenue Bonds, Series 2007</b>		
7.467% due 06/01/2047	6,885	5,863

<b>Total Municipal Bonds &amp; Notes</b>		
<b>(Cost \$95,911)</b>		<b>101,995</b>

See Accompanying Notes

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**Table of Contents****Schedule of Investments PIMCO Corporate & Income Opportunity Fund (Cont.)**

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>U.S. GOVERNMENT AGENCIES 6.7%</b>		
<b>Fannie Mae</b>		
3.000% due 01/25/2042 (a)	\$ 1,924	\$ 188
3.500% due 02/25/2033 (a)	4,256	627
5.188% due 07/25/2025	11,770	11,929
5.910% due 07/25/2040 (a)	2,413	458
9.427% due 01/25/2042	3,507	3,627
<b>Freddie Mac</b>		
6.913% due 02/15/2034 (a)	3,995	699
7.741% due 12/25/2027	8,500	8,685
8.898% due 07/15/2039	7,405	7,596
9.380% due 08/15/2044	10,260	12,261
10.159% due 03/15/2044	3,183	3,507
10.941% due 03/25/2025	2,400	2,836
11.236% due 09/15/2043	1,195	1,199
11.501% due 04/15/2044	2,136	2,286
11.502% due 02/15/2036	10,030	10,780
<b>Ginnie Mae</b>		
3.000% due 12/20/2042 (a)	356	32
3.500% due 09/16/2041 - 06/20/2042 (a)	2,974	423
6.562% due 01/20/2042 (a)	3,838	653
<b>Total U.S. Government Agencies (Cost \$66,290)</b>		<b>67,786</b>
<b>U.S. TREASURY OBLIGATIONS 0.4%</b>		
<b>U.S. Treasury Notes</b>		
1.250% due 08/31/2015 (k)	3,704	3,707
<b>Total U.S. Treasury Obligations (Cost \$3,707)</b>		<b>3,707</b>
<b>MORTGAGE-BACKED SECURITIES 38.6%</b>		
<b>American Home Mortgage Assets Trust</b>		
0.421% due 09/25/2046 ^	3	0
6.250% due 06/25/2037	5,750	3,966
<b>Banc of America Alternative Loan Trust</b>		
6.000% due 01/25/2036 ^	349	297
6.000% due 04/25/2036 ^	5,439	4,696
<b>Banc of America Funding Trust</b>		
5.500% due 01/25/2036	741	782
6.000% due 03/25/2037 ^	7,619	6,517
6.000% due 07/25/2037 ^	978	787
6.000% due 08/25/2037 ^	9,944	8,762
<b>BCAP LLC Trust</b>		
4.471% due 07/26/2037	1,471	91
5.368% due 03/26/2037	3,125	1,024
7.214% due 12/26/2036	8,635	7,648
11.311% due 10/26/2036	6,114	5,789
<b>Bear Stearns ALT-A Trust</b>		
2.593% due 11/25/2036	1,146	837
2.655% due 11/25/2034	736	629
2.714% due 08/25/2046	7,816	5,917
2.784% due 08/25/2036 ^	4,996	3,764
2.959% due 09/25/2035 ^	2,351	1,938

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4.013% due 09/25/2035 ^	3,449	2,628
<b>Bear Stearns Mortgage Funding Trust</b>		
7.000% due 08/25/2036	3,778	3,574
<b>Bellemeade Re Ltd.</b>		
4.489% due 07/25/2025	8,291	8,290
<b>Chase Mortgage Finance Trust</b>		
2.425% due 12/25/2035 ^	38	36
6.000% due 02/25/2037 ^	3,294	2,824
6.000% due 03/25/2037 ^	695	627
6.000% due 07/25/2037 ^	2,600	2,262
<b>Citigroup Mortgage Loan Trust, Inc.</b>		
5.356% due 04/25/2037 ^	7,759	6,850
	<b>PRINCIPAL</b>	<b>MARKET</b>
	<b>AMOUNT</b>	<b>VALUE</b>
	<b>(000S)</b>	<b>(000S)</b>
5.390% due 03/25/2037 ^	\$ 2,004	\$ 1,921
6.000% due 11/25/2036	15,004	12,031
6.000% due 02/25/2037	10,450	8,452
<b>CitiMortgage Alternative Loan Trust</b>		
5.750% due 04/25/2037 ^	3,191	2,759
6.000% due 01/25/2037 ^	3,259	2,806
<b>Countrywide Alternative Loan Trust</b>		
4.403% due 06/25/2047	6,190	5,406
5.060% due 04/25/2037 ^(a)	37,551	5,028
5.250% due 05/25/2021 ^	36	35
5.500% due 03/25/2035	1,050	947
5.500% due 09/25/2035 ^	8,145	7,631
5.500% due 03/25/2036 ^	317	270
5.750% due 01/25/2035	1,224	1,244
5.750% due 02/25/2035	1,371	1,349
6.000% due 02/25/2035	1,182	1,230
6.000% due 04/25/2036	2,885	2,509
6.000% due 05/25/2036 ^	3,124	2,685
6.000% due 01/25/2037 ^	3,517	3,340
6.000% due 02/25/2037	3,857	3,258
6.000% due 02/25/2037 ^	1,020	812
6.000% due 04/25/2037 ^	11,275	9,294
6.000% due 05/25/2037 ^	4,360	3,567
6.000% due 08/25/2037 ^	18,492	15,331
6.000% due 08/25/2037	13,723	11,544
6.250% due 10/25/2036 ^	4,401	3,977
6.250% due 12/25/2036 ^	5,281	4,340
6.500% due 08/25/2036 ^	1,395	1,084
6.500% due 09/25/2036 ^	759	670
6.500% due 12/25/2036 ^	2,880	2,329
20.935% due 02/25/2036	3,400	4,288
<b>Countrywide Home Loan Mortgage Pass-Through Trust</b>		
5.500% due 07/25/2037 ^	1,323	1,183
5.750% due 12/25/2035 ^	766	722
5.750% due 03/25/2037 ^	4,801	4,352
5.750% due 06/25/2037 ^	1,827	1,676
6.000% due 04/25/2036 ^	1,088	1,041
6.000% due 05/25/2036 ^	292	269
6.000% due 03/25/2037 ^	4,126	3,798
6.000% due 04/25/2037 ^	475	442
<b>Credit Suisse Mortgage Capital Mortgage-Backed Trust</b>		
5.750% due 04/25/2036 ^	2,821	2,409
6.000% due 02/25/2037 ^	3,098	2,756
6.000% due 06/25/2037 ^	3,420	3,145
6.750% due 08/25/2036 ^	4,551	3,695
<b>First Horizon Alternative Mortgage Securities Trust</b>		
6.000% due 08/25/2036 ^	4,016	3,332
<b>GSR Mortgage Loan Trust</b>		
2.585% due 03/25/2037 ^	5,372	4,513
4.714% due 11/25/2035 ^	3,441	3,131
4.859% due 11/25/2035	754	728
5.500% due 05/25/2036 ^	533	495
6.000% due 07/25/2037 ^	644	592
<b>IndyMac Mortgage Loan Trust</b>		
2.615% due 08/25/2035 ^	5,249	4,472

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6.500% due 07/25/2037 ^	7,779	5,137
<b>JPMorgan Alternative Loan Trust</b>		
6.310% due 08/25/2036 ^	4,675	3,849
<b>JPMorgan Mortgage Trust</b>		
2.528% due 01/25/2037 ^	2,533	2,257
2.597% due 02/25/2036 ^	4,443	3,883
4.858% due 10/25/2035	96	94
4.966% due 06/25/2036 ^	1,862	1,641
5.000% due 03/25/2037 ^	4,330	3,715
6.000% due 08/25/2037 ^	771	716
<b>Lehman Mortgage Trust</b>		
6.000% due 07/25/2036 ^	2,687	2,034
	<b>PRINCIPAL</b>	<b>MARKET</b>
	<b>AMOUNT</b>	<b>VALUE</b>
	<b>(000S)</b>	<b>(000S)</b>
6.000% due 07/25/2037 ^	\$ 622	\$ 568
28.377% due 11/25/2035 ^	570	797
<b>MASTR Alternative Loan Trust</b>		
6.750% due 07/25/2036	5,414	4,061
<b>Merrill Lynch Mortgage Investors Trust</b>		
2.734% due 03/25/2036 ^	5,304	3,593
<b>Morgan Stanley Mortgage Loan Trust</b>		
4.824% due 05/25/2036 ^	14,242	11,218
<b>RBSSP Resecuritization Trust</b>		
0.407% due 10/27/2036	3,609	332
0.427% due 08/27/2037	8,000	666
<b>Residential Accredit Loans, Inc. Trust</b>		
0.421% due 05/25/2037 ^	755	196
6.000% due 06/25/2036 ^	3,362	2,800
6.000% due 08/25/2036 ^	1,252	1,041
6.000% due 09/25/2036 ^	4,723	3,371
6.000% due 12/25/2036 ^	2,771	2,287
6.000% due 03/25/2037 ^	4,819	4,065
6.000% due 05/25/2037 ^	4,057	3,434
<b>Residential Asset Securitization Trust</b>		
5.750% due 02/25/2036 ^	718	595
6.000% due 02/25/2036	1,996	1,604
6.000% due 02/25/2037 ^	3,032	2,342
6.000% due 03/25/2037 ^	4,321	3,158
6.000% due 05/25/2037 ^	5,178	4,552
6.250% due 09/25/2037 ^	6,372	4,578
<b>Residential Funding Mortgage Securities, Inc. Trust</b>		
3.342% due 02/25/2037	5,248	4,223
6.250% due 08/25/2036 ^	3,148	2,873
<b>Structured Adjustable Rate Mortgage Loan Trust</b>		
2.454% due 11/25/2036 ^	8,530	7,002
2.712% due 07/25/2035 ^	4,863	4,230
4.728% due 03/25/2037 ^	1,728	1,249
4.952% due 01/25/2036 ^	11,626	9,113
5.226% due 07/25/2036 ^	2,163	1,835
<b>Structured Asset Mortgage Investments Trust</b>		
0.311% due 08/25/2036	299	234
<b>Suntrust Adjustable Rate Mortgage Loan Trust</b>		
2.571% due 02/25/2037 ^	1,236	1,081
2.714% due 04/25/2037 ^	1,511	1,285
6.005% due 02/25/2037 ^	12,129	10,300
<b>WaMu Mortgage Pass-Through Certificates Trust</b>		
2.032% due 12/25/2036 ^	795	706
2.166% due 06/25/2037 ^	3,680	3,271
2.217% due 07/25/2037 ^	1,435	1,228
2.244% due 09/25/2036 ^	957	869
4.363% due 02/25/2037 ^	2,156	2,012
4.536% due 07/25/2037 ^	3,670	3,422
6.041% due 10/25/2036 ^	2,828	2,383
<b>Washington Mutual Mortgage Pass-Through Certificates Trust</b>		
1.010% due 05/25/2047 ^	971	73
6.000% due 10/25/2035 ^	2,735	2,112
6.000% due 03/25/2036 ^	4,062	3,803
<b>Wells Fargo Mortgage-Backed Securities Trust</b>		
2.655% due 04/25/2036 ^	1,390	1,367



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6.000% due 07/25/2037 ^	1,388	1,370
<b>Total Mortgage-Backed Securities (Cost \$369,468)</b>		<b>388,048</b>
<b>ASSET-BACKED SECURITIES 10.6%</b>		
<b>AMAC CDO Funding</b>		
1.485% due 11/23/2050	5,000	4,619
<b>Ameritrust Mortgage Securities, Inc. Asset-Backed Pass-Through Certificates</b>		
1.541% due 03/25/2033	112	107

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See Accompanying Notes

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July 31, 2015

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>CIFC Funding Ltd.</b>		
0.010% due 05/24/2026	\$ 2,700	\$ 2,276
<b>Countrywide Asset-Backed Certificates</b>		
0.501% due 09/25/2037	19,068	9,428
5.126% due 10/25/2046 ^	6,327	5,663
<b>Credit-Based Asset Servicing and Securitization LLC</b>		
4.142% due 12/25/2035 ^	231	229
<b>Greenpoint Manufactured Housing</b>		
8.140% due 03/20/2030	3,389	3,481
8.300% due 10/15/2026	8,300	8,816
8.450% due 06/20/2031	5,090	5,213
<b>IndyMac Home Equity Mortgage Loan Asset-Backed Trust</b>		
0.351% due 07/25/2037	4,111	2,601
<b>JPMorgan Mortgage Acquisition Trust</b>		
4.768% due 11/25/2036	10,400	10,379
5.830% due 07/25/2036 ^	168	102
<b>Lehman XS Trust</b>		
5.319% due 06/24/2046	5,749	4,819
<b>Mid-State Trust</b>		
6.340% due 10/15/2036	2,686	2,927
<b>Morgan Stanley Mortgage Loan Trust</b>		
6.250% due 07/25/2047 ^	1,834	1,372
<b>Renaissance Home Equity Loan Trust</b>		
5.612% due 04/25/2037	11,979	6,699
7.238% due 09/25/2037	3,806	2,511
<b>Residential Asset Securities Corp. Trust</b>		
0.767% due 08/25/2034	13,475	10,419
<b>Taberna Preferred Funding Ltd.</b>		
0.704% due 02/05/2036	13,639	10,513
<b>Tropic CDO Ltd.</b>		
1.189% due 04/15/2034	25,000	14,500
<b>Total Asset-Backed Securities</b> (Cost \$102,528)		<b>106,674</b>

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>SOVEREIGN ISSUES 0.4%</b>		
<b>Republic of Greece Government International Bond</b>		
3.800% due 08/08/2017	JPY 695,000	\$ 4,038
4.750% due 04/17/2019	EUR 600	443
<b>Total Sovereign Issues (Cost \$5,418)</b>		<b>4,481</b>

	SHARES	
<b>COMMON STOCKS 0.1%</b>		
<b>FINANCIALS 0.1%</b>		
TIG TopCo Ltd. (e)	794,831	832
<b>Total Common Stocks (Cost \$1,179)</b>		<b>832</b>

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**PREFERRED SECURITIES 4.1%**

**BANKING & FINANCE 4.1%**

**Farm Credit Bank of Texas**

10.000% due 12/15/2020 (d) 13,900 17,410

**GMAC Capital Trust**

8.125% due 02/15/2040 923,868 24,233

**Total Preferred Securities**

(Cost \$40,284) 41,643

**SHORT-TERM INSTRUMENTS 6.9%**

**REPURCHASE AGREEMENTS (f) 3.1%**

30,731

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

**SHORT-TERM NOTES 0.4%**

**Federal Home Loan Bank**

0.144% due 11/04/2015 \$ 1,700 \$ 1,700

0.194% due 01/20/2016 2,300 2,298

3,998

**U.S. TREASURY BILLS 3.4%**

0.104% due 10/01/2015 - 01/28/2016 (c)(i)(k) 34,077 34,061

**Total Short-Term Instruments**

(Cost \$68,789) 68,790

**Total Investments in Securities**

(Cost \$1,262,717) 1,305,179

**Total Investments 129.7%**

(Cost \$1,262,717) \$ 1,305,179

**Financial Derivative**

**Instruments (g)(i) (3.3%)**

(Cost or Premiums, net \$(36,208)) (33,277)

**Preferred Shares (23.6%)**

(237,950)

**Other Assets and Liabilities, net (2.8%)**

(27,468)

**Net Assets Applicable to Common Shareholders 100.0%**

\$ 1,006,484

**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 bond security.

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

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

**(e) RESTRICTED SECURITIES:**

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Issuer Description	Acquisition Date	Cost	Market Value	Market Value as Percentage of Net Assets
TIG TopCo Ltd.	04/02/2015	\$ 1,179	\$ 832	0.08%

**BORROWINGS AND OTHER FINANCING TRANSACTIONS**

**(f) REPURCHASE AGREEMENTS:**

Counterparty	Lending Rate	Settlement Date	Maturity Date	Principal Amount	Collateralized By	Collateral Received, at Value	Repurchase Agreements, at Value	Repurchase Agreement Proceeds to be Received <sup>(1)</sup>
IND	0.200%	07/31/2015	08/03/2015	\$ 5,000	U.S. Treasury Notes 2.000% due 05/31/2021	\$ (5,106)	\$ 5,000	\$ 5,000
MSC	0.290%	07/31/2015	08/03/2015	22,900	U.S. Treasury Bonds 3.125% due 02/15/2042	(23,415)	22,900	22,901
SSB	0.000%	07/31/2015	08/03/2015	2,831	Fannie Mae 2.170% due 10/17/2022	(2,892)	2,831	2,831
<b>Total Repurchase Agreements</b>						<b>\$ (31,413)</b>	<b>\$ 30,731</b>	<b>\$ 30,732</b>

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

See Accompanying Notes

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**Table of Contents****Schedule of Investments PIMCO Corporate & Income Opportunity Fund (Cont.)****REVERSE REPURCHASE AGREEMENTS:**

Counterparty	Borrowing Rate	Borrowing Date	Maturity Date	Amount Borrowed <sup>(2)</sup>	Payable for Reverse Repurchase Agreements
RDR	0.420%	07/24/2015	08/20/2015	\$ (13,549)	\$ (13,551)
<b>Total Reverse Repurchase Agreements</b>					<b>\$ (13,551)</b>

<sup>(2)</sup>The average amount of borrowings outstanding during the period ended July 31, 2015 was \$18,379 at a weighted average interest rate of 0.305%.

**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 July 31, 2015:

(g) Securities with an aggregate market value of \$14,642 have been pledged as collateral under the terms of the following master agreements as of July 31, 2015.

Counterparty	Repurchase Agreement Proceeds to be Received	Payable for Reverse Repurchase Agreements	Payable for Sale-Buyback Transactions	Payable for Short Sales	Total Borrowings and Other Financing Transactions	Collateral (Received)/Pledged	Net Exposure <sup>(3)</sup>
Global/Master Repurchase Agreement							
IND	\$ 5,000	\$ 0	\$ 0	\$ 0	\$ 5,000	\$ (5,107)	\$ (107)
MSC	22,901	0	0	0	22,901	(23,415)	(514)
RDR	0	(13,551)	0	0	(13,551)	14,463	912
SSB	2,831	0	0	0	2,831	(2,892)	(61)
<b>Total Borrowings and Other Financing Transactions</b>	<b>\$ 30,732</b>	<b>\$ (13,551)</b>	<b>\$ 0</b>	<b>\$ 0</b>			

<sup>(3)</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.

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

**SWAP AGREEMENTS:**

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

Index/Tranches	Fixed Deal Receive Rate	Maturity Date	Notional Amount <sup>(2)</sup>	Market Value <sup>(3)</sup>	Unrealized (Depreciation)	Variation Margin Asset	Variation Margin Liability
CDX.HY-24 5-Year Index	5.000%	06/20/2020	\$ 43,659	\$ 2,969	\$ (392)	\$ 52	\$ 0
CDX.IG-23 5-Year Index	1.000%	12/20/2019	11,800	172	(20)	6	0
CDX.IG-24 5-Year Index	1.000%	06/20/2020	58,400	876	(209)	29	0
				\$ 4,017	\$ (621)	\$ 87	\$ 0

(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) 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.

(3) 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**

Pay/Receive	Floating Rate Index	Fixed Rate	Maturity Date	Notional Amount	Market Value	Unrealized Appreciation/ (Depreciation)	Variation Margin Asset	Variation Margin Liability
Floating Rate								
Pay	3-Month USD-LIBOR	2.250%	12/17/2019	\$ 331,400	\$ 10,629	\$ 1,195	\$ 1,037	\$ 0
Pay	3-Month USD-LIBOR	3.500%	06/19/2044	305,100	49,673	59,627	2,374	0
Receive	3-Month USD-LIBOR	2.750%	12/16/2045	514,800	4,243	(24,090)	0	(3,461)
Pay	6-Month							
	AUD-BBR-BBSW	3.500%	06/17/2025	AUD 13,400	352	20	38	0
Pay	28-Day MXN-TIIE	7.580%	04/05/2034	MXN 560,000	2,965	(1,707)	337	0
					\$ 67,862	\$ 35,045	\$ 3,786	\$ (3,461)
<b>Total Swap Agreements</b>					<b>\$ 71,879</b>	<b>\$ 34,424</b>	<b>\$ 3,873</b>	<b>\$ (3,461)</b>

**24 PIMCO CLOSED-END FUNDS**

See Accompanying Notes

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July 31, 2015

**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 July 31, 2015:

- (i) Securities with an aggregate market value of \$2,269 and cash of \$24,587 have been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of July 31, 2015. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

	Financial Derivative Assets Variation Margin				Financial Derivative Liabilities Variation Margin			
	Market Value		Asset		Market Value		Liability	
	Purchased	Futures	Swap	Total	Written	Futures	Swap	Total
<b>Total Exchange-Traded or Centrally Cleared</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 3,873</b>	<b>\$ 3,873</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (3,461)</b>	<b>\$ (3,461)</b>

**(j) FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER****FORWARD FOREIGN CURRENCY CONTRACTS:**

Counterparty	Settlement Month	Currency to be Delivered		Currency to be Received		Unrealized Appreciation/ (Depreciation)			
		Asset	Liability	Asset	Liability	Asset	Liability		
BOA	08/2015	\$	86,898	GBP	55,558	\$	0	\$ (136)	
	09/2015		GBP	55,558	\$	86,880	136	0	
	09/2015	\$	139	MXN	2,205		0	(3)	
	06/2016		EUR	1,430	\$	1,958		377	0
	06/2016	\$	84	EUR	62		0	(15)	
BPS	08/2015		BRL	6,140	\$	1,809	16	0	
	08/2015	\$	1,956	BRL	6,140		0	(163)	
	09/2015		323	MXN	5,115		0	(6)	
BRC	06/2016		EUR	268	\$	369	72	0	
CBK	08/2015		245		269		0	0	
	08/2015		GBP	3,203		4,977		0	(25)
	09/2015		MXN	16,934		1,071		25	0
	09/2015	\$	157	MXN	2,487		0	(3)	
DUB	06/2016		EUR	149	\$	204	39	0	

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GLM	08/2015	AUD	979		752	37	0
	09/2015	\$	1,977	MXN	32,328	21	0
HUS	08/2015	GBP	52,355	\$	82,441	680	0
	08/2015	\$	4,816	JPY	595,545	0	(10)
	09/2015	JPY	595,545	\$	4,817	10	0
JPM	08/2015	EUR	418		458	0	(1)
	08/2015	\$	768	EUR	709	10	0
MSB	08/2015	BRL	7,385	\$	2,312	155	0
	08/2015	EUR	37,610		42,106	801	0
	08/2015	JPY	595,545		4,829	24	0
	08/2015	\$	2,195	BRL	7,385	0	(38)
	09/2015		1,924		6,140	0	(150)
	06/2016	EUR	376	\$	517	101	0
NAB	06/2016		818		1,123	219	0
SCX	08/2015	\$	41,488	EUR	37,564	0	(234)
	09/2015	EUR	37,564	\$	41,504	234	0
	09/2015	MXN	34,954		2,229	69	0
UAG	08/2015	BRL	7,385		2,205	48	0
	08/2015	\$	2,176	BRL	7,385	0	(19)
	09/2015		2,181		7,385	0	(48)
<b>Total Forward Foreign Currency Contracts</b>						<b>\$ 3,074</b>	<b>\$ (851)</b>

SWAP AGREEMENTS:

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

Counterparty	Reference Entity	Fixed Deal Receive Rate	Maturity Date	Implied Credit Spread at July 31, 2015 <sup>(2)</sup>	Notional Amount <sup>(3)</sup>	Unrealized Swap Agreements, at Value			
						Premiums (Received)	Appreciation/ (Depreciation)	Asset	Liability
BPS	Petrobras International Finance Co.	1.000%	12/20/2024	5.297%	\$ 1,800	\$ (352)	\$ (155)	\$ 0	\$ (507)
BRC	Novo Banco S.A.	5.000%	12/20/2015	2.683%	EUR 3,900	(61)	125	64	0
CBK	Russia Government International Bond	1.000%	06/20/2019	3.101%	\$ 25,000	(1,496)	(359)	0	(1,855)

See Accompanying Notes

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

Counterparty	Reference Entity	Fixed Deal Receive Rate	Maturity Date	Implied Credit Spread at July 31, 2015 <sup>(2)</sup>	Notional Amount <sup>(3)</sup>	Premiums (Received)	Unrealized Swap Agreements, at Value		
							Appreciation/ (Depreciation)	Asset	Liability
GST	Petrobras Global Finance BV	1.000%	09/20/2020	4.965%	\$ 20	\$ (3)	\$ (1)	\$ 0	\$ (4)
	Petrobras International Finance Co.	1.000%	12/20/2024	5.297%	2,400	(476)	(200)	0	(676)
HUS	Petrobras Global Finance BV	1.000%	09/20/2020	4.965%	60	(9)	(1)	0	(10)
	Petrobras International Finance Co.	1.000%	12/20/2019	4.755%	500	(41)	(31)	0	(72)
	Petrobras International Finance Co.	1.000%	12/20/2024	5.297%	3,000	(623)	(223)	0	(846)
JPM	Russia Government International Bond	1.000%	06/20/2019	3.101%	28,600	(1,957)	(165)	0	(2,122)
MYC	Novo Banco S.A.	5.000%	12/20/2015	2.683%	EUR 1,100	(17)	35	18	0
	Petrobras International Finance Co.	1.000%	12/20/2019	4.755%	\$ 14,500	(1,342)	(737)	0	(2,079)
						\$ (6,377)	\$ (1,712)	\$ 82	\$ (8,171)

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

Counterparty	Index/Tranches	Fixed Deal Receive Rate	Maturity Date	Notional Amount <sup>(3)</sup>	Premiums (Received)	Unrealized Swap Agreements, at Value <sup>(4)</sup>			
						Appreciation/ (Depreciation)	Asset	Liability	
BOA	ABX.HE.AAA.6-2 Index	0.110%	05/25/2046	\$ 71,161	\$ (13,524)	\$ 427	\$ 0	\$ (13,097)	
BRC	ABX.HE.AAA.6-2 Index	0.110%	05/25/2046	35,269	(7,026)	535	0	(6,491)	
GST	ABX.HE.AAA.6-2 Index	0.110%	05/25/2046	6,227	(1,241)	95	0	(1,146)	
MEI	ABX.HE.AAA.6-2 Index	0.110%	05/25/2046	21,915	(4,027)	(9)	0	(4,036)	
MYC	ABX.HE.AAA.6-2 Index	0.110%	05/25/2046	22,238	(4,209)	116	0	(4,093)	
						\$ (30,027)	\$ 1,164	\$ 0	\$ (28,863)

(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)

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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 Floating Rate	Floating Rate Index	Fixed Rate	Maturity Date	Notional Amount	Unrealized Swap Agreements, at Value			
						Premiums Paid/(Received)	Appreciation/ Depreciation	Asset	Liability
BOA	Pay	1-Year BRL-CDI	11.500%	01/04/2021	BRL 149,200	\$ 125	\$ (1,594)	\$ 0	\$ (1,469)
CBK	Pay	1-Year BRL-CDI	11.500%	01/04/2021	80,300	(77)	(714)	0	(791)
	Pay	3-Month USD-LIBOR	2.150%	08/24/2020	\$ 46,800	26	446	472	0
	Pay	3-Month USD-LIBOR	2.800%	08/24/2025	37,900	28	480	508	0
DUB	Pay	3-Month USD-LIBOR	2.150%	08/24/2020	132,600	123	1,216	1,339	0
	Pay	3-Month USD-LIBOR	2.800%	08/24/2025	51,100	16	668	684	0
GLM	Pay	3-Month USD-LIBOR	2.150%	08/24/2020	136,600	104	1,275	1,379	0
MYC	Pay	3-Month USD-LIBOR	2.150%	08/24/2020	24,000	7	235	242	0
UAG	Pay	1-Year BRL-CDI	11.250%	01/04/2021	BRL 105,000	(156)	(1,168)	0	(1,324)
						\$ 196	\$ 844	\$ 4,624	\$ (3,584)
<b>Total Swap Agreements</b>						<b>\$ (36,208)</b>	<b>\$ 296</b>	<b>\$ 4,706</b>	<b>\$ (40,618)</b>

### 26 PIMCO CLOSED-END FUNDS

See Accompanying Notes

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July 31, 2015

**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 July 31, 2015:

(k) Securities with an aggregate market value of \$35,500 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of July 31, 2015.

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	\$ 513	\$ 0	\$ 0	\$ 513	\$ (154)	\$ 0	\$ (14,566)	\$ (14,720)	\$ (14,207)	\$ 15,129	\$ 922
BPS	16	0	0	16	(169)	0	(507)	(676)	(660)	431	(229)
BRC	72	0	64	136	0	0	(6,491)	(6,491)	(6,355)	6,740	385
CBK	25	0	980	1,005	(28)	0	(2,646)	(2,674)	(1,669)	1,853	184
DUB	39	0	2,023	2,062	0	0	0	0	2,062	(2,290)	(228)
GLM	58	0	1,379	1,437	0	0	0	0	1,437	(1,200)	237
GST	0	0	0	0	0	0	(1,826)	(1,826)	(1,826)	1,684	(142)
HUS	690	0	0	690	(10)	0	(928)	(938)	(248)	0	(248)
JPM	10	0	0	10	(1)	0	(2,122)	(2,123)	(2,113)	2,105	(8)
MEI	0	0	0	0	0	0	(4,036)	(4,036)	(4,036)	0	(4,036)
MSB	1,081	0	0	1,081	(188)	0	0	(188)	893	(1,160)	(267)
MYC	0	0	260	260	0	0	(6,172)	(6,172)	(5,912)	6,038	126
NAB	219	0	0	219	0	0	0	0	219	(260)	(41)
SCX	303	0	0	303	(234)	0	0	(234)	69	0	69
UAG	48	0	0	48	(67)	0	(1,324)	(1,391)	(1,343)	1,521	178
<b>Total Over the Counter</b>	<b>\$ 3,074</b>	<b>\$ 0</b>	<b>\$ 4,706</b>	<b>\$ 7,780</b>	<b>\$ (851)</b>	<b>\$ 0</b>	<b>\$ (40,618)</b>	<b>\$ (41,469)</b>			

<sup>(5)</sup> 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.

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Fair Values of Financial Derivative Instruments on the Statements of Assets and Liabilities as of July 31, 2015 <sup>(1)</sup>:

	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	\$ 87	\$ 0	\$ 0	\$ 3,786	\$ 3,873
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 3,074	\$ 0	\$ 3,074
Swap Agreements	0	82	0	0	4,624	4,706
	\$ 0	\$ 82	\$ 0	\$ 3,074	\$ 4,624	\$ 7,780
	\$ 0	\$ 169	\$ 0	\$ 3,074	\$ 8,410	\$ 11,653
<b>Financial Derivative Instruments - Liabilities</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,461	\$ 3,461
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 851	\$ 0	\$ 851
Swap Agreements	0	37,034	0	0	3,584	40,618
	\$ 0	\$ 37,034	\$ 0	\$ 851	\$ 3,584	\$ 41,469
	\$ 0	\$ 37,034	\$ 0	\$ 851	\$ 7,045	\$ 44,930

See Accompanying Notes

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**Table of Contents****Schedule of Investments PIMCO Corporate & Income Opportunity Fund (Cont.)****The Effect of Financial Derivative Instruments on the Statements of Operations for the period ended July 31, 2015:**

	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	\$ 618	\$ 0	\$ 0	\$ (39,218)	\$ (38,600)
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 9,782	\$ 0	\$ 9,782
Swap Agreements	0	51	0	0	(1,186)	(1,135)
	\$ 0	\$ 51	\$ 0	\$ 9,782	\$ (1,186)	\$ 8,647
	\$ 0	\$ 669	\$ 0	\$ 9,782	\$ (40,404)	\$ (29,953)
<b>Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ (961)	\$ 0	\$ 0	\$ 22,453	\$ 21,492
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ (3,442)	\$ 0	\$ (3,442)
Swap Agreements	0	1,451	0	0	(1,383)	68
	\$ 0	\$ 1,451	\$ 0	\$ (3,442)	\$ (1,383)	\$ (3,374)
	\$ 0	\$ 490	\$ 0	\$ (3,442)	\$ 21,070	\$ 18,118

(1) Fiscal year end changed from November 30<sup>th</sup> to July 31<sup>st</sup>.**The Effect of Financial Derivative Instruments on the Statement of Operations for the period ended November 30, 2014:**

	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	\$ 11,657	\$ 0	\$ 0	\$ (50,162)	\$ (38,505)

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Over the counter

Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ (1,577)	\$ 0	\$ (1,577)
Swap Agreements	0	133	0	0	46,819	46,952
	\$ 0	\$ 133	\$ 0	\$ (1,577)	\$ 46,819	\$ 45,375
	\$ 0	\$ 11,790	\$ 0	\$ (1,577)	\$ (3,343)	\$ 6,870

### Net Change in Unrealized Appreciation (Depreciation) on Financial

#### Derivative Instruments

Exchange-traded or centrally cleared

Swap Agreements	\$ 0	\$ (5,078)	\$ 0	\$ 0	\$ 5,857	\$ 779
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Over the counter

Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 6,723	\$ 0	\$ 6,723
Swap Agreements	0	(2,000)	0	0	(4,559)	(6,559)
	\$ 0	\$ (2,000)	\$ 0	\$ 6,723	\$ (4,559)	\$ 164
	\$ 0	\$ (7,078)	\$ 0	\$ 6,723	\$ 1,298	\$ 943

## FAIR VALUE MEASUREMENTS

The following is a summary of the fair valuations according to the inputs used as of July 31, 2015 in valuing the Fund's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair
				Value at 07/31/2015
<b>Investments in Securities, at Value</b>				
Bank Loan Obligations	\$ 0	\$ 18,506	\$ 8,897	\$ 27,403
<b>Corporate Bonds &amp; Notes</b>				
Banking & Finance	0	235,749	10,454	246,203
Industrials	0	159,420	10,941	170,361
Utilities	0	77,256	0	77,256
<b>Municipal Bonds &amp; Notes</b>				
California	0	60,660	0	60,660
Illinois	0	23,601	0	23,601
Pennsylvania	0	3,770	0	3,770
Texas	0	7,055	0	7,055
<b>Fair</b>				
Category and Subcategory	Level 1	Level 2	Level 3	Value at 07/31/2015
Virginia	\$ 0	\$ 1,046	\$ 0	\$ 1,046
West Virginia	0	5,863	0	5,863
U.S. Government Agencies	0	67,786	0	67,786
U.S. Treasury Obligations	0	3,707	0	3,707
Mortgage-Backed Securities	0	379,758	8,290	388,048
Asset-Backed Securities	0	106,674	0	106,674
Sovereign Issues	0	4,481	0	4,481
<b>Common Stocks</b>				
Financials	0	0	832	832
Preferred Securities				
Banking & Finance	24,233	17,410	0	41,643



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July 31, 2015

Category and Subcategory	Fair			
	Level 1	Level 2	Level 3	Value at 07/31/2015
<b>Short-Term Instruments</b>				
Repurchase Agreements	\$ 0	\$ 30,731	\$ 0	\$ 30,731
Short-Term Notes	0	3,998	0	3,998
U.S. Treasury Bills	0	34,061	0	34,061
<b>Total Investments</b>	<b>\$ 24,233</b>	<b>\$ 1,241,532</b>	<b>\$ 39,414</b>	<b>\$ 1,305,179</b>

<b>Financial Derivative Instruments - Assets</b>				
Exchange-traded or centrally cleared	0	3,873	0	3,873
Over the counter	0	7,780	0	7,780
	\$ 0	\$ 11,653	\$ 0	\$ 11,653

Category and Subcategory	Fair			
	Level 1	Level 2	Level 3	Value at 07/31/2015
<b>Financial Derivative Instruments - Liabilities</b>				
Exchange-traded or centrally cleared	\$ 0	\$ (3,461)	\$ 0	\$ (3,461)
Over the counter	0	(41,469)	0	(41,469)
	\$ 0	\$ (44,930)	\$ 0	\$ (44,930)
<b>Totals</b>	<b>\$ 24,233</b>	<b>\$ 1,208,255</b>	<b>\$ 39,414</b>	<b>\$ 1,271,902</b>

There were no significant transfers between Levels 1 and 2 during the period ended July 31, 2015.

The following is a reconciliation of the fair valuations using significant unobservable inputs (Level 3) for the Fund during the period ended July 31, 2015:

Category and Subcategory	Beginning Balance at 11/30/2014	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 07/31/2015	Net Change in Unrealized Appreciation/ (Depreciation) on Investments Held at 07/31/2015 <sup>(1)</sup>
Bank Loan Obligations	\$ 0	\$ 8,753	\$ 0	\$ 0	\$ 0	\$ 144	\$ 0	\$ 0	\$ 8,897	\$ 144
<b>Corporate Bonds &amp; Notes</b>										
Banking & Finance	11,030	0	(148)	3	2	(433)	0	0	10,454	(407)
Industrials	21,353	0	(4,771)	12	170	(451)	0	(5,372)	10,941	12
Utilities	4,888	0	(4,682)	(2)	88	(292)	0	0	0	0
	0	8,291	0	0	0	(1)	0	0	8,290	(1)



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Mortgage-Backed Securities											
Common Stocks											
Financials	0	1,179	0	0	0	(347)	0	0	832	(347)	
Totals	\$ 37,271	\$ 18,223	\$ (9,601)	\$ 13	\$ 260	\$ (1,380)	\$ 0	\$ (5,372)	\$ 39,414	\$ (599)	

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 07/31/2015	Valuation Technique	Unobservable Inputs	Input Value(s) (% Unless Noted Otherwise)
<b>Investments in Securities, at Value</b>				
Bank Loan Obligations	\$ 8,897	Third Party Vendor	Broker Quote	93.00
<b>Corporate Bonds &amp; Notes</b>				
Banking & Finance	10,454	Proxy Pricing	Base Price	115.50
Industrials	10,941	Proxy Pricing	Base Price	100.00
Mortgage-Backed Securities	8,290	Proxy Pricing	Base Price	100.00
<b>Common Stocks</b>				
Financials	832	Other Valuation Techniques <sup>(2)</sup>		
<b>Total</b>	<b>\$ 39,414</b>			

(1) Any difference between Net Change in Unrealized Appreciation/(Depreciation) and Net Change in Unrealized Appreciation/(Depreciation) on Investments Held at July 31, 2015 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

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	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>INVESTMENTS IN SECURITIES 130.0%</b>		
<b>BANK LOAN OBLIGATIONS 1.7%</b>		
<b>Clear Channel Communications, Inc.</b>		
6.940% due 01/30/2019	\$ 5,800	\$ 5,341
<b>Sequa Corp.</b>		
5.250% due 06/19/2017	4,963	4,405
<b>Total Bank Loan Obligations (Cost \$9,839)</b>		<b>9,746</b>
<b>CORPORATE BONDS &amp; NOTES 50.5%</b>		
<b>BANKING &amp; FINANCE 28.3%</b>		
<b>AGFC Capital Trust</b>		
6.000% due 01/15/2067	2,300	1,714
<b>AIG Life Holdings, Inc.</b>		
7.570% due 12/01/2045	3,400	4,445
<b>American International Group, Inc.</b>		
6.250% due 03/15/2087	1,826	2,013
8.175% due 05/15/2068	300	403
<b>Banco do Brasil S.A.</b>		
6.250% due 04/15/2024 (d)	3,000	2,042
9.000% due 06/18/2024 (d)	6,510	5,613
9.250% due 04/15/2023 (d)	300	271
<b>Banco Santander S.A.</b>		
6.250% due 09/11/2021 (d)	EUR 1,300	1,417
<b>Barclays Bank PLC</b>		
7.625% due 11/21/2022	\$ 3,900	4,504
<b>Barclays PLC</b>		
8.000% due 12/15/2020 (d)	EUR 1,900	2,288
<b>BGC Partners, Inc.</b>		
5.375% due 12/09/2019	\$ 5,960	6,261
<b>Cantor Fitzgerald LP</b>		
6.500% due 06/17/2022	8,000	8,367
<b>Citigroup, Inc.</b>		
5.950% due 05/15/2025 (d)	1,500	1,464
<b>Co-operative Group Holdings Ltd.</b>		
7.500% due 07/08/2026	GBP 6,000	10,217
<b>Credit Agricole S.A.</b>		
6.625% due 09/23/2019 (d)	\$ 21,600	21,600
7.875% due 01/23/2024 (d)	1,300	1,361
<b>Depository Trust &amp; Clearing Corp.</b>		
4.875% due 06/15/2020 (d)	1,250	1,259
<b>ERB Hellas PLC</b>		
4.250% due 06/26/2018	EUR 750	283
<b>GSPA Monetization Trust</b>		
6.422% due 10/09/2029	\$ 4,956	5,535
<b>LBG Capital No.2 PLC</b>		
9.125% due 07/15/2020	GBP 3,100	5,228
<b>Lloyds Bank PLC</b>		
12.000% due 12/16/2024 (d)	\$ 8,900	12,838
<b>Navient Corp.</b>		
5.500% due 01/15/2019	11,850	11,672
5.625% due 08/01/2033	2,648	1,907
8.450% due 06/15/2018	2,300	2,490
<b>Novo Banco S.A.</b>		
2.625% due 05/08/2017	EUR 200	218
4.750% due 01/15/2018	600	682
5.000% due 04/04/2019	298	342

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5.000% due 04/23/2019		608	699
5.000% due 05/14/2019		402	461
5.000% due 05/21/2019		225	259
5.000% due 05/23/2019		224	258
5.875% due 11/09/2015		900	996
<b>OneMain Financial Holdings, Inc.</b>			
7.250% due 12/15/2021	\$	3,364	3,515
<b>Sberbank of Russia Via SB Capital S.A.</b>			
5.717% due 06/16/2021		8,300	8,106
		<b>PRINCIPAL</b>	<b>MARKET</b>
		<b>AMOUNT</b>	<b>VALUE</b>
		<b>(000S)</b>	<b>(000S)</b>
6.125% due 02/07/2022	\$	10,200	\$ 10,068
<b>Tesco Property Finance PLC</b>			
5.411% due 07/13/2044	GBP	4,039	6,078
6.052% due 10/13/2039		1,262	2,062
<b>TIG FinCo PLC</b>			
8.500% due 03/02/2020		252	413
8.750% due 04/02/2020		2,089	3,180
<b>Vnesheconombank Via VEB Finance PLC</b>			
6.902% due 07/09/2020	\$	8,900	8,756
			161,285
<b>INDUSTRIALS 15.2%</b>			
<b>Anadarko Petroleum Corp.</b>			
7.000% due 11/15/2027		3,460	3,883
<b>BMC Software Finance, Inc.</b>			
8.125% due 07/15/2021		1,380	1,085
<b>Boxer Parent Co., Inc. (9.000% Cash or 9.750% PIK)</b>			
9.000% due 10/15/2019 (b)		4,650	3,086
<b>Caesars Entertainment Operating Co., Inc.</b>			
9.000% due 02/15/2020 ^		1,885	1,569
11.250% due 06/01/2017 ^		7,400	6,142
<b>CCO Safari LLC</b>			
6.484% due 10/23/2045		5,842	6,059
6.834% due 10/23/2055		835	860
<b>Chesapeake Energy Corp.</b>			
3.539% due 04/15/2019		80	68
<b>Communications Sales &amp; Leasing, Inc.</b>			
8.250% due 10/15/2023		1,900	1,824
<b>Continental Airlines Pass-Through Trust</b>			
9.798% due 10/01/2022		1,263	1,396
<b>Forbes Energy Services Ltd.</b>			
9.000% due 06/15/2019		308	227
<b>Ford Motor Co.</b>			
7.700% due 05/15/2097		7,830	9,711
9.980% due 02/15/2047		1,500	2,299
<b>Gulfport Energy Corp.</b>			
7.750% due 11/01/2020		600	618
<b>Harvest Operations Corp.</b>			
6.875% due 10/01/2017		1,012	939
<b>iHeartCommunications, Inc.</b>			
9.000% due 09/15/2022		1,200	1,085
<b>Intrepid Aviation Group Holdings LLC</b>			
6.875% due 02/15/2019		3,720	3,487
<b>Pertamina Persero PT</b>			
6.450% due 05/30/2044		6,233	6,093
<b>Russian Railways via RZD Capital PLC</b>			
3.374% due 05/20/2021	EUR	1,400	1,360
5.700% due 04/05/2022	\$	3,700	3,533
7.487% due 03/25/2031	GBP	1,000	1,453
<b>Sequa Corp.</b>			
7.000% due 12/15/2017	\$	6,230	4,299
<b>Tembec Industries, Inc.</b>			
9.000% due 12/15/2019		1,900	1,549
<b>Times Square Hotel Trust</b>			
8.528% due 08/01/2026		1,903	2,445
<b>UCP, Inc.</b>			

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8.500% due 10/21/2017		6,000	6,022
<b>Unique Pub Finance Co. PLC</b>			
5.659% due 06/30/2027	GBP	4,039	6,494
6.542% due 03/30/2021		2,181	3,591
<b>Westmoreland Coal Co.</b>			
8.750% due 01/01/2022	\$	5,955	5,300
			86,477

		PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>UTILITIES 7.0%</b>			
<b>AK Transneft OJSC Via TransCapitalInvest Ltd.</b>			
8.700% due 08/07/2018	\$	900	\$ 991
<b>FPL Energy Wind Funding LLC</b>			
6.876% due 06/27/2017		333	327
<b>Gazprom Neft OAO Via GPN Capital S.A.</b>			
4.375% due 09/19/2022		5,800	4,959
6.000% due 11/27/2023		2,900	2,679
<b>Illinois Power Generating Co.</b>			
6.300% due 04/01/2020		6,400	5,824
7.000% due 04/15/2018		1,600	1,524
7.950% due 06/01/2032		500	472
<b>Mountain States Telephone &amp; Telegraph Co.</b>			
7.375% due 05/01/2030		8,200	9,325
<b>Odebrecht Drilling Norbe Ltd.</b>			
6.350% due 06/30/2022		328	238
<b>Odebrecht Offshore Drilling Finance Ltd.</b>			
6.625% due 10/01/2023		2,938	1,881
6.750% due 10/01/2023		3,125	2,024
<b>Petrobras Global Finance BV</b>			
2.750% due 01/15/2018	EUR	450	464
3.163% due 03/17/2020	\$	270	244
4.875% due 03/17/2020		420	391
5.750% due 01/20/2020		220	213
6.250% due 12/14/2026	GBP	4,800	6,391
6.625% due 01/16/2034		100	127
6.750% due 01/27/2041	\$	2,300	1,926
7.875% due 03/15/2019		100	104
			40,104
<b>Total Corporate Bonds &amp; Notes</b>			<b>287,866</b>
<b>(Cost \$282,004)</b>			

**MUNICIPAL BONDS & NOTES 7.5%**

**CALIFORNIA 1.7%**

<b>Riverside County, California Redevelopment Successor Agency Tax Allocation Bonds, Series 2010</b>			
7.750% due 10/01/2037		1,220	1,344
<b>Stockton Public Financing Authority, California Revenue Bonds, (BABs), Series 2009</b>			
7.942% due 10/01/2038		7,400	8,330
			9,674

**ILLINOIS 2.2%**

<b>Chicago, Illinois General Obligation Bonds, (BABs), Series 2010</b>			
7.517% due 01/01/2040		12,700	12,647

**NEBRASKA 2.9%**

<b>Public Power Generation Agency, Nebraska Revenue Bonds, (BABs), Series 2009</b>			
7.242% due 01/01/2041		14,000	16,684

**VIRGINIA 0.1%**

<b>Tobacco Settlement Financing Corp., Virginia Revenue Bonds, Series 2007</b>			
6.706% due 06/01/2046		785	586

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**WEST VIRGINIA 0.6%**

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

7.467% due 06/01/2047	3,740	3,185
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**Total Municipal Bonds & Notes**

<b>(Cost \$40,341)</b>		<b>42,776</b>
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**30 PIMCO CLOSED-END FUNDS**

See Accompanying Notes

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July 31, 2015

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>U.S. GOVERNMENT AGENCIES 4.8%</b>		
<b>Fannie Mae</b>		
3.000% due 02/25/2043 (a)	\$ 76,829	\$ 15,811
5.188% due 07/25/2025	6,680	6,770
<b>Freddie Mac</b>		
7.741% due 12/25/2027	4,800	4,904
<b>Total U.S. Government Agencies (Cost \$25,100)</b>		<b>27,485</b>
<b>MORTGAGE-BACKED SECURITIES 36.1%</b>		
<b>American Home Mortgage Assets Trust</b>		
0.421% due 09/25/2046 ^	2	0
<b>Banc of America Alternative Loan Trust</b>		
5.500% due 10/25/2035 ^	7,003	6,213
6.000% due 01/25/2036 ^	188	160
6.000% due 07/25/2046 ^	1,745	1,450
<b>Banc of America Funding Trust</b>		
6.000% due 03/25/2037 ^	3,939	3,369
6.000% due 07/25/2037 ^	506	407
<b>Banc of America Mortgage Trust</b>		
5.500% due 11/25/2035 ^	3,946	3,748
6.000% due 03/25/2037 ^	707	647
6.500% due 09/25/2033	325	328
<b>BCAP LLC Trust</b>		
5.368% due 03/26/2037	1,635	536
11.798% due 07/26/2036	1,799	1,848
<b>Bear Stearns Adjustable Rate Mortgage Trust</b>		
2.705% due 08/25/2035 ^	8,990	8,117
<b>Bear Stearns ALT-A Trust</b>		
2.593% due 11/25/2036	5,238	3,828
2.784% due 08/25/2036 ^	1,402	1,056
2.959% due 09/25/2035 ^	1,216	1,002
<b>Bear Stearns Mortgage Funding Trust</b>		
7.000% due 08/25/2036	2,034	1,924
<b>Chase Mortgage Finance Trust</b>		
2.425% due 12/25/2035 ^	19	18
6.000% due 07/25/2037 ^	1,338	1,164
<b>Citigroup Mortgage Loan Trust, Inc.</b>		
5.356% due 04/25/2037 ^	572	505
5.371% due 09/25/2037 ^	5,092	4,597
<b>CitiMortgage Alternative Loan Trust</b>		
6.000% due 01/25/2037 ^	4,493	3,869
<b>Countrywide Alternative Loan Trust</b>		
5.500% due 03/25/2035	541	488
5.500% due 03/25/2036 ^	254	216
5.500% due 05/25/2036 ^	3,088	2,513
5.750% due 01/25/2035	666	677
5.750% due 02/25/2035	743	731
5.750% due 03/25/2037 ^	1,281	1,136
6.000% due 02/25/2035	1,659	1,727
6.000% due 04/25/2036	8,179	7,493
6.000% due 02/25/2037 ^	8,187	6,497
6.000% due 04/25/2037 ^	1,966	1,624
6.000% due 05/25/2037 ^	2,933	2,400

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6.000% due 07/25/2037 ^	646	664
6.000% due 08/25/2037 ^	1,749	1,357
6.250% due 12/25/2036 ^	2,276	1,871
6.500% due 08/25/2036 ^	781	607
<b>Countrywide Home Loan Mortgage Pass-Through Trust</b>		
2.519% due 09/20/2036 ^	474	422
5.750% due 03/25/2037 ^	1,246	1,129
6.000% due 03/25/2037 ^	733	706
6.000% due 04/25/2037 ^	251	233
6.000% due 07/25/2037	7,679	6,541
<b>Credit Suisse Mortgage Capital Mortgage-Backed Trust</b>		
6.000% due 02/25/2037 ^	805	716
	<b>PRINCIPAL</b>	<b>MARKET</b>
	<b>AMOUNT</b>	<b>VALUE</b>
	<b>(000S)</b>	<b>(000S)</b>
6.000% due 06/25/2037 ^	\$ 1,762	\$ 1,620
6.750% due 08/25/2036 ^	2,407	1,955
<b>First Horizon Alternative Mortgage Securities Trust</b>		
6.000% due 08/25/2036 ^	7,935	6,583
<b>GSR Mortgage Loan Trust</b>		
2.711% due 08/25/2034	1,001	948
4.859% due 11/25/2035	1,313	1,267
5.500% due 05/25/2036 ^	800	742
6.000% due 02/25/2036	5,197	4,481
<b>IndyMac Mortgage Loan Trust</b>		
6.500% due 07/25/2037 ^	4,001	2,642
<b>Jefferies Resecuritization Trust</b>		
6.000% due 05/26/2036	17,584	14,401
<b>JPMorgan Alternative Loan Trust</b>		
2.525% due 03/25/2037 ^	3,017	2,378
6.000% due 12/25/2035 ^	2,937	2,832
6.310% due 08/25/2036 ^	2,435	2,005
<b>JPMorgan Mortgage Trust</b>		
2.528% due 01/25/2037 ^	1,317	1,174
2.577% due 04/25/2037	16	15
2.597% due 02/25/2036 ^	5,363	4,687
5.000% due 03/25/2037 ^	2,239	1,921
6.000% due 08/25/2037 ^	372	346
<b>Lehman Mortgage Trust</b>		
6.000% due 07/25/2036 ^	1,465	1,110
6.000% due 07/25/2037 ^	428	391
<b>MASTR Alternative Loan Trust</b>		
6.750% due 07/25/2036	2,783	2,087
<b>Merrill Lynch Mortgage Investors Trust</b>		
2.734% due 03/25/2036 ^	1,095	742
<b>Morgan Stanley Mortgage Loan Trust</b>		
4.824% due 05/25/2036 ^	4,178	3,291
6.000% due 02/25/2036 ^	3,509	3,475
<b>Residential Accredited Loans, Inc. Trust</b>		
0.421% due 05/25/2037 ^	373	97
3.430% due 12/26/2034 ^	3,603	3,057
6.000% due 06/25/2036 ^	1,794	1,494
6.000% due 08/25/2036 ^	601	500
6.000% due 09/25/2036 ^	2,705	1,931
6.000% due 12/25/2036 ^	3,630	2,996
<b>Residential Asset Mortgage Products Trust</b>		
6.500% due 12/25/2031	1,168	1,226
<b>Residential Asset Securitization Trust</b>		
6.000% due 02/25/2036	1,057	849
6.000% due 11/25/2036 ^	3,554	2,543
6.000% due 03/25/2037 ^	2,173	1,588
6.000% due 05/25/2037 ^	2,658	2,338
6.250% due 09/25/2037 ^	3,296	2,368
6.250% due 06/25/2046	2,268	1,909
<b>Residential Funding Mortgage Securities, Inc. Trust</b>		
3.342% due 02/25/2037	2,779	2,236
6.250% due 08/25/2036 ^	1,629	1,487
6.500% due 03/25/2032	278	290
<b>Sequoia Mortgage Trust</b>		
2.536% due 02/20/2047	607	530

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4.900% due 07/20/2037 ^		1,218	1,105
<b>Structured Adjustable Rate Mortgage Loan Trust</b>			
2.454% due 11/25/2036 ^		4,459	3,661
2.712% due 07/25/2035 ^		1,679	1,461
4.728% due 03/25/2037 ^		5,121	3,700
4.952% due 01/25/2036 ^		3,659	2,868
5.225% due 07/25/2036 ^		9,109	6,038
5.226% due 07/25/2036 ^		1,141	968
<b>Suntrust Adjustable Rate Mortgage Loan Trust</b>			
2.571% due 02/25/2037 ^		645	564
2.714% due 04/25/2037 ^		1,152	979
	<b>PRINCIPAL</b>		<b>MARKET</b>
	<b>AMOUNT</b>		<b>VALUE</b>
	<b>(000S)</b>		<b>(000S)</b>
<b>WaMu Mortgage Pass-Through Certificates Trust</b>			
2.217% due 07/25/2037 ^	\$	752	\$ 643
2.244% due 09/25/2036 ^		512	464
2.374% due 02/25/2037 ^		717	632
4.363% due 02/25/2037 ^		1,078	1,006
4.536% due 07/25/2037 ^		1,948	1,816
6.041% due 10/25/2036 ^		3,770	3,177
<b>Washington Mutual Mortgage Pass-Through Certificates Trust</b>			
1.010% due 05/25/2047 ^		480	36
6.000% due 10/25/2035 ^		2,879	2,223
<b>Wells Fargo Mortgage-Backed Securities Trust</b>			
2.612% due 07/25/2036 ^		766	729
2.732% due 05/25/2036 ^		150	143
6.000% due 07/25/2037 ^		735	725
<b>Total Mortgage-Backed Securities</b>			<b>206,004</b>
<b>(Cost \$195,794)</b>			
<b>ASSET-BACKED SECURITIES 5.6%</b>			
<b>Bear Stearns Asset-Backed Securities Trust</b>			
6.500% due 10/25/2036		410	334
<b>CIFC Funding Ltd.</b>			
0.010% due 05/24/2026		1,500	1,265
<b>Countrywide Asset-Backed Certificates</b>			
5.126% due 10/25/2046 ^		8,890	7,956
<b>Fremont Home Loan Trust</b>			
1.121% due 06/25/2035 ^		6,000	4,237
<b>Greenpoint Manufactured Housing</b>			
8.140% due 03/20/2030		1,798	1,847
<b>IndyMac Home Equity Mortgage Loan Asset-Backed Trust</b>			
0.351% due 07/25/2037		12,675	8,019
<b>JPMorgan Mortgage Acquisition Trust</b>			
4.905% due 01/25/2037 ^		7,820	5,983
<b>Mid-State Trust</b>			
6.340% due 10/15/2036		1,368	1,490
<b>Morgan Stanley Mortgage Loan Trust</b>			
6.250% due 07/25/2047 ^		978	732
<b>Residential Asset Mortgage Products Trust</b>			
1.282% due 12/25/2033		255	236
<b>Total Asset-Backed Securities</b>			<b>32,099</b>
<b>(Cost \$31,544)</b>			
<b>SOVEREIGN ISSUES 0.4%</b>			
<b>Athens Urban Transportation Organisation</b>			
4.851% due 09/19/2016	EUR	200	155
<b>Republic of Greece Government International Bond</b>			
3.000% due 02/24/2023		142	86
3.000% due 02/24/2024		142	84
3.000% due 02/24/2025		142	83
3.000% due 02/24/2026		142	80
3.000% due 02/24/2027		142	79
3.000% due 02/24/2028		142	78
3.000% due 02/24/2029		142	77



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3.000% due 02/24/2030	142	75
3.000% due 02/24/2031	142	75
3.000% due 02/24/2032	142	73
3.000% due 02/24/2033	142	73
3.000% due 02/24/2034	142	72
3.000% due 02/24/2035	142	71
3.000% due 02/24/2036	142	70
3.000% due 02/24/2037	142	70
3.000% due 02/24/2038	142	70
3.000% due 02/24/2039	142	70
3.000% due 02/24/2040	142	70
3.000% due 02/24/2041	142	70
3.000% due 02/24/2042	142	70

See Accompanying Notes

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**Table of Contents****Schedule of Investments PIMCO Corporate & Income Strategy Fund (Cont.)**

		PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
3.800% due 08/08/2017	JPY	47,000	\$ 273
4.750% due 04/17/2019	EUR	400	295
<b>Total Sovereign Issues (Cost \$2,462)</b>			<b>2,219</b>
	<b>SHARES</b>		
<b>COMMON STOCKS 0.1%</b>			
<b>FINANCIALS 0.1%</b>			
<b>TIG TopCo Ltd. (e)</b>		182,606	191
<b>Total Common Stocks (Cost \$271)</b>			<b>191</b>
<b>PREFERRED SECURITIES 4.6%</b>			
<b>BANKING &amp; FINANCE 4.6%</b>			
<b>Citigroup Capital</b>			
7.875% due 10/30/2040		120,000	3,056
<b>Farm Credit Bank of Texas</b>			
10.000% due 12/15/2020 (d)		15,300	19,163
<b>GMAC Capital Trust</b>			
8.125% due 02/15/2040		144,400	3,788
<b>Total Preferred Securities (Cost \$26,209)</b>			<b>26,007</b>
<b>SHORT-TERM INSTRUMENTS 18.7%</b>			
<b>REPURCHASE AGREEMENTS (f) 17.3%</b>			
			98,739
		PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>U.S. TREASURY BILLS 1.4%</b>			
0.093% due 10/08/2015 - 01/28/2016 (c)(h)(j)	\$	8,106	\$ 8,103
<b>Total Short-Term Instruments (Cost \$106,842)</b>			<b>106,842</b>
<b>Total Investments in Securities (Cost \$720,406)</b>			<b>741,235</b>
<b>Total Investments 130.0%</b>			
<b>(Cost \$720,406)</b>			<b>\$ 741,235</b>
<b>Financial Derivative Instruments (g)(i) (0.2%)</b>			
<b>(Cost or Premiums, net \$(1,110))</b>			<b>(1,280)</b>
<b>Preferred Shares (29.6%)</b>			<b>(169,000)</b>
<b>Other Assets and Liabilities, net (0.2%)</b>			<b>(833)</b>
<b>Net Assets Applicable to Common Shareholders 100.0%</b>			<b>\$ 570,122</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 bond security.  
 (c) Coupon represents a weighted average yield to maturity.  
 (d) Perpetual maturity; date shown, if applicable, represents next contractual call date.

## (e) RESTRICTED SECURITIES:

Issuer Description	Acquisition Date	Cost	Market Value	Market Value as Percentage of Net Assets
TIG TopCo Ltd.	04/02/2015	\$ 271	\$ 191	0.03%

## BORROWINGS AND OTHER FINANCING TRANSACTIONS

## (f) REPURCHASE AGREEMENTS:

Counterparty	Lending Rate	Settlement Date	Maturity Date	Principal Amount	Collateralized By	Collateral Received, at Value	Repurchase Agreements, at Value	Repurchase Agreement Proceeds to be Received <sup>(1)</sup>
MBC	0.280%	07/31/2015	08/03/2015	\$ 21,000	U.S. Treasury Inflation Protected Securities 0.125% due 04/15/2019	\$ (21,685)	\$ 21,000	\$ 21,001
MSC	0.290%	07/31/2015	08/03/2015	10,400	U.S. Treasury Bonds 3.750% due 11/15/2043	(10,645)	10,400	10,400
RDR	0.290%	07/31/2015	08/03/2015	53,300	U.S. Treasury Notes 1.500% due 10/31/2019	(54,424)	53,300	53,301
SAL	0.290%	07/31/2015	08/03/2015	11,100	U.S. Treasury Notes 1.750% due 02/28/2022	(11,348)	11,100	11,100
SSB	0.000%	07/31/2015	08/03/2015	2,939	Fannie Mae 2.170% due 10/17/2022	(3,000)	2,939	2,939
<b>Total Repurchase Agreements</b>						<b>\$ (101,102)</b>	<b>\$ 98,739</b>	<b>\$ 98,741</b>

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

As of July 31, 2015, there were no open reverse repurchase agreements or sale-buyback transactions. The average amount of borrowing outstanding during the period ended July 31, 2015 was \$1,230 at a weighted average interest rate of (2.761%).

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July 31, 2015

**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) as of July 31, 2015:

Counterparty	Repurchase Agreement Proceeds to be Received	Payable for Reverse Repurchase Agreements	Payable for Sale-Buyback Transactions	Payable for Short Sales	Total Borrowings and Other Financing Transactions	Collateral (Received)	Net Exposure <sup>(2)</sup>
Global/Master Repurchase Agreement							
MBC	\$ 21,001	\$ 0	\$ 0	\$ 0	\$ 21,001	\$ (21,685)	\$ (684)
MSC	10,400	0	0	0	10,400	(10,645)	(245)
RDR	53,301	0	0	0	53,301	(54,424)	(1,123)
SAL	11,100	0	0	0	11,100	(11,348)	(248)
SSB	2,939	0	0	0	2,939	(3,000)	(61)
<b>Total Borrowings and Other Financing Transactions</b>	<b>\$ 98,741</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>			

<sup>(2)</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.

**(g) FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED****SWAP AGREEMENTS:****CREDIT DEFAULT SWAPS ON CREDIT INDICES - SELL PROTECTION <sup>(1)</sup>**

Index/Tranches	Fixed Deal Receive Rate	Maturity Date	Notional Amount <sup>(2)</sup>	Market Value <sup>(3)</sup>	Unrealized (Depreciation)	Variation Margin	
						Asset	Liability
CDX.HY-24 5-Year Index	5.000%	06/20/2020	\$ 24,948	\$ 1,697	\$ (224)	\$ 30	\$ 0

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- (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) 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.
- (3) 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

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 USD-LIBOR	2.250%	12/17/2019	\$ 142,900	\$ 4,583	\$ 659	\$ 447	\$ 0	
Pay	3-Month USD-LIBOR	3.500%	06/19/2044	169,400	27,580	33,106	1,318	0	
Receive	3-Month USD-LIBOR	2.750%	12/16/2045	250,800	2,076	(11,784)	0	(1,688)	
Pay	6-Month AUD-BBR-BBSW	3.500%	06/17/2025	AUD 7,600	200	12	21	0	
						\$ 34,439	\$ 21,993	\$ 1,786	\$ (1,688)
<b>Total Swap Agreements</b>						<b>\$ 36,136</b>	<b>\$ 21,769</b>	<b>\$ 1,816</b>	<b>\$ (1,688)</b>

### 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 July 31, 2015:

- (h) Securities with an aggregate market value of \$3,478 and cash of \$7,472 have been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of July 31, 2015. 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>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,816</b>	<b>\$ 1,816</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (1,688)</b>	<b>\$ (1,688)</b>

See Accompanying Notes

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**Table of Contents****Schedule of Investments PIMCO Corporate & Income Strategy Fund (Cont.)****(i) 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	06/2016	EUR	93	\$	127	\$ 25	\$ 0
	06/2016	\$	5	EUR	4	0	(1)
BPS	08/2015	BRL	3,700	\$	1,090	10	0
	08/2015	\$	1,179	BRL	3,700	0	(98)
BRC	08/2015	AUD	78	\$	58	1	0
	06/2016	EUR	17		23	5	0
CBK	08/2015	GBP	692		1,073	0	(8)
	08/2015	\$	989	GBP	638	7	0
	09/2015	MXN	170	\$	11	0	0
DUB	06/2016	EUR	10		14	3	0
GLM	08/2015	JPY	5,200		42	0	0
JPM	08/2015	GBP	368		574	0	0
	08/2015	JPY	27,900		227	2	0
	08/2015	\$	46,515	GBP	29,746	0	(62)
	09/2015	GBP	29,746	\$	46,505	62	0
MSB	08/2015	BRL	3,741		1,184	91	0
	08/2015	EUR	10,985		12,298	234	0
	08/2015	\$	1,112	BRL	3,741	0	(19)
	08/2015		267	JPY	33,100	1	0
	09/2015	JPY	33,100	\$	267	0	(1)
	09/2015	\$	1,159	BRL	3,700	0	(91)
	06/2016	EUR	24	\$	33	6	0
NAB	06/2016		53		73	14	0
SCX	08/2015	\$	12,132	EUR	10,985	0	(68)
	09/2015	EUR	10,985	\$	12,137	68	0
UAG	08/2015	BRL	3,741		1,117	24	0
	08/2015	GBP	29,324		46,030	236	0
	08/2015	\$	1,102	BRL	3,741	0	(10)
	09/2015		1,105		3,741	0	(24)
<b>Total Forward Foreign Currency Contracts</b>						<b>\$ 789</b>	<b>\$ (382)</b>

**SWAP AGREEMENTS:**

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

Counterparty	Reference Entity	Fixed Deal Receive Rate	Maturity Date	Implied Credit Spread at July 31, 2015 <sup>(2)</sup>	Notional Amount <sup>(3)</sup>	Unrealized Swap Agreements, at Value			
						Premiums (Received)	Appreciation/ (Depreciation)	Asset	Liability
BPS	Petrobras International Finance Co.	1.000%	12/20/2019	4.755%	\$ 2,400	\$ (247)	\$ (97)	\$ 0	\$ (344)
GST	Petrobras Global Finance BV	1.000%	09/20/2020	4.965%	10	(1)	(1)	0	(2)
	Petrobras International Finance Co.	1.000%	12/20/2019	4.755%	8,900	(912)	(364)	0	(1,276)
	Russia Government International Bond	1.000%	06/20/2020	3.304%	200	(27)	7	0	(20)
HUS	Petrobras Global Finance BV	1.000%	09/20/2020	4.965%	40	(6)	(1)	0	(7)
MYC	Novo Banco S.A.	5.000%	12/20/2015	2.683%	EUR 2,700	(42)	86	44	0
						\$ (1,235)	\$ (370)	\$ 44	\$ (1,649)

<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> 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.

<sup>(3)</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.

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July 31, 2015

**INTEREST RATE SWAPS**

Counterparty	Pay/Receive Floating Rate	Floating Rate Index	Fixed Rate	Maturity Date	Notional Amount	Unrealized Swap Agreements, at Value			
						Premiums Paid/(Received)	Appreciation/ Depreciation	Asset	Liability
BOA	Pay	1-Year BRL-CDI	11.500%	01/04/2021	BRL 37,800	\$ 31	\$ (403)	\$ 0	\$ (372)
BPS	Pay	1-Year BRL-CDI	11.500%	01/04/2021	33,400	46	(375)	0	(329)
CBK	Pay	3-Month USD-LIBOR	2.150%	08/24/2020	\$ 13,700	8	130	138	0
	Pay	3-Month USD-LIBOR	2.800%	08/24/2025	3,900	3	49	52	0
DUB	Pay	3-Month USD-LIBOR	2.150%	08/24/2020	19,700	18	181	199	0
	Pay	3-Month USD-LIBOR	2.800%	08/24/2025	45,500	14	596	610	0
GLM	Pay	3-Month USD-LIBOR	2.150%	08/24/2020	62,900	54	581	635	0
MYC	Pay	1-Year BRL-CDI	11.500%	01/04/2021	BRL 42,200	37	(453)	0	(416)
UAG	Pay	1-Year BRL-CDI	11.250%	01/04/2021	57,700	(86)	(641)	0	(727)
						\$ 125	\$ (335)	\$ 1,634	\$ (1,844)
<b>Total Swap Agreements</b>						<b>\$ (1,110)</b>	<b>\$ (705)</b>	<b>\$ 1,678</b>	<b>\$ (3,493)</b>

**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 July 31, 2015:

(j) Securities with an aggregate market value of \$2,938 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of July 31, 2015.

Counterparty	Financial Derivative Assets				Financial Derivative Liabilities						
	Forward Foreign Currency Contracts	Purchased Options	Swap Agreements	Total Over the Counter	Forward Foreign Currency Contracts	Written Options	Swap Agreements	Total Over the Counter	Net Market Value of OTC Derivatives	Collateral (Received)/ Pledged	Net Exposure ( <sup>4</sup> )
BOA	\$ 25	\$ 0	\$ 0	\$ 25	\$ (1)	\$ 0	\$ (372)	\$ (373)	\$ (348)	\$ 305	\$ (43)
BPS	10	0	0	10	(98)	0	(673)	(771)	(761)	667	(94)
BRC	6	0	0	6	0	0	0	0	6	0	6
CBK	7	0	190	197	(8)	0	0	(8)	189	0	189
DUB	3	0	809	812	0	0	0	0	812	(1,190)	(378)



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GLM	0	0	635	635	0	0	0	0	635	(570)	65
GST	0	0	0	0	0	0	(1,298)	(1,298)	(1,298)	1,108	(190)
HUS	0	0	0	0	0	0	(7)	(7)	(7)	0	(7)
JPM	64	0	0	64	(62)	0	0	(62)	2	0	2
MSB	332	0	0	332	(111)	0	0	(111)	221	(330)	(109)
MYC	0	0	44	44	0	0	(416)	(416)	(372)	285	(87)
NAB	14	0	0	14	0	0	0	0	14	0	14
SCX	68	0	0	68	(68)	0	0	(68)	0	0	0
UAG	260	0	0	260	(34)	0	(727)	(761)	(501)	574	73
<b>Total Over the Counter</b>	<b>\$ 789</b>	<b>\$ 0</b>	<b>\$ 1,678</b>	<b>\$ 2,467</b>	<b>\$ (382)</b>	<b>\$ 0</b>	<b>\$ (3,493)</b>	<b>\$ (3,875)</b>			

(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 July 31, 2015:**

	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	\$ 30	\$ 0	\$ 0	\$ 1,786		\$ 1,816
Over the counter							
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 789	\$ 0		\$ 789
Swap Agreements	0	44	0	0	1,634		1,678
	\$ 0	\$ 44	\$ 0	\$ 789	\$ 1,634		\$ 2,467
	\$ 0	\$ 74	\$ 0	\$ 789	\$ 3,420		\$ 4,283

See Accompanying Notes

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**Table of Contents****Schedule of Investments PIMCO Corporate & Income Strategy Fund (Cont.)**

	Derivatives not accounted for as hedging instruments					Total
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts	
<b>Financial Derivative Instruments - Liabilities</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,688	\$ 1,688
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 382	\$ 0	\$ 382
Swap Agreements	0	1,649	0	0	1,844	3,493
	\$ 0	\$ 1,649	\$ 0	\$ 382	\$ 1,844	\$ 3,875
	\$ 0	\$ 1,649	\$ 0	\$ 382	\$ 3,532	\$ 5,563

**The Effect of Financial Derivative Instruments on the Statements of Operations for the period ended July 31, 2015 <sup>(1)</sup>:**

	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	\$ 21	\$ 0	\$ 0	\$ (10,050)	\$ (10,029)
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 2,511	\$ 0	\$ 2,511
Swap Agreements	0	260	0	0	139	399
	\$ 0	\$ 260	\$ 0	\$ 2,511	\$ 139	\$ 2,910
	\$ 0	\$ 281	\$ 0	\$ 2,511	\$ (9,911)	\$ (7,119)
<b>Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ (224)	\$ 0	\$ 0	\$ 6,437	\$ 6,213
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ (643)	\$ 0	\$ (643)
Swap Agreements	0	(415)	0	0	(916)	(1,331)
	\$ 0	\$ (415)	\$ 0	\$ (643)	\$ (916)	\$ (1,974)
	\$ 0	\$ (639)	\$ 0	\$ (643)	\$ 5,521	\$ 4,239

<sup>(1)</sup> Fiscal year end changed from October 31st to July 31st.

The Effect of Financial Derivative Instruments on the Statements of Operations for the period ended October 31, 2014:

	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	\$ (23,734)	\$ (23,734)
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ (3,179)	\$ 0	\$ (3,179)
Swap Agreements	0	(6)	0	0	20,762	20,756
	\$ 0	\$ (6)	\$ 0	\$ (3,179)	\$ 20,762	\$ 17,577
	\$ 0	\$ (6)	\$ 0	\$ (3,179)	\$ (2,972)	\$ (6,157)
<b>Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,196	\$ 12,196
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 2,815	\$ 0	\$ 2,815
Swap Agreements	0	46	0	0	(5,113)	(5,067)
	\$ 0	\$ 46	\$ 0	\$ 2,815	\$ (5,113)	\$ (2,252)
	\$ 0	\$ 46	\$ 0	\$ 2,815	\$ 7,083	\$ 9,944

36 PIMCO CLOSED-END FUNDS

See Accompanying Notes

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July 31, 2015

**FAIR VALUE MEASUREMENTS**

The following is a summary of the fair valuations according to the inputs used as of July 31, 2015 in valuing the Fund's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair
				Value at 07/31/2015
<b>Investments in Securities, at Value</b>				
Bank Loan Obligations	\$ 0	\$ 9,746	\$ 0	\$ 9,746
<b>Corporate Bonds &amp; Notes</b>				
Banking & Finance	0	155,750	5,535	161,285
Industrials	0	80,455	6,022	86,477
Utilities	0	40,104	0	40,104
<b>Municipal Bonds &amp; Notes</b>				
California	0	9,674	0	9,674
Illinois	0	12,647	0	12,647
Nebraska	0	16,684	0	16,684
Virginia	0	586	0	586
West Virginia	0	3,185	0	3,185
U.S. Government Agencies	0	27,485	0	27,485
Mortgage-Backed Securities	0	206,004	0	206,004
Asset-Backed Securities	0	32,099	0	32,099
Sovereign Issues	0	2,219	0	2,219
<b>Common Stocks</b>				
Financials	0	0	191	191
<b>Preferred Securities</b>				
Banking & Finance	6,844	19,163	0	26,007
				Fair
<b>Financial Derivative Instruments - Assets</b>				
<b>Short-Term Instruments</b>				
Repurchase Agreements	\$ 0	\$ 98,739	\$ 0	\$ 98,739
U.S. Treasury Bills	0	8,103	0	8,103
Total Investments	\$ 6,844	\$ 722,643	\$ 11,748	\$ 741,235
<b>Financial Derivative Instruments - Liabilities</b>				
<b>Exchange-traded or centrally cleared</b>				
Over the counter	0	1,816	0	1,816
	0	2,467	0	2,467
	\$ 0	\$ 4,283	\$ 0	\$ 4,283
<b>Financial Derivative Instruments - Liabilities</b>				
<b>Exchange-traded or centrally cleared</b>				
Over the counter	0	(1,688)	0	(1,688)
	0	(3,875)	0	(3,875)
	\$ 0	\$ (5,563)	\$ 0	\$ (5,563)
Totals	\$ 6,844	\$ 721,363	\$ 11,748	\$ 739,955

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There were no significant transfers between Levels 1 and 2 during the period ended July 31, 2015.

The following is a reconciliation of the fair valuations using significant unobservable inputs (Level 3) for the Fund during the period ended July 31, 2015:

Category and Subcategory	Beginning Balance at 10/31/2014	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 07/31/2015	Net Change in Unrealized Appreciation/ (Depreciation) on Investments Held at 07/31/2015 <sup>(1)</sup>
<b>Investments in Securities, at Value</b>										
Corporate Bonds & Notes										
Banking & Finance	\$ 5,797	\$ 0	\$ (88)	\$ 2	\$ 1	\$ (177)	\$ 0	\$ 0	\$ 5,535	\$ (163)
Industrials	10,418	0	(2,978)	(10)	52	(64)	0	(1,396)	6,022	84
Utilities	2,625	0	(2,514)	(1)	47	(157)	0	0	0	0
Common Stocks										
Financials	0	271	0	0	0	(80)	0	0	191	(30)
Totals	\$ 18,840	\$ 271	\$ (5,580)	\$ (9)	\$ 100	\$ (478)	\$ 0	\$ (1,396)	\$ 11,748	\$ (109)

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 07/31/2015	Valuation Technique	Unobservable Inputs	Input Value(s) (% Unless Noted Otherwise)
<b>Investments in Securities, at Value</b>				
Corporate Bonds & Notes				
Banking & Finance	\$ 5,535	Proxy Pricing	Base Price	115.50
Industrials	6,022	Proxy Pricing	Base Price	100.00
Common Stocks				
Financials	191	Other Valuation Techniques <sup>(2)</sup>		
Total	\$ 11,748			

<sup>(1)</sup> Any difference between Net Change in Unrealized Appreciation/(Depreciation) and Net Change in Unrealized Appreciation/(Depreciation) on Investments Held at July 31, 2015 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.

**Table of Contents****Schedule of Investments PIMCO High Income Fund**

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>INVESTMENTS IN SECURITIES 135.0%</b>		
<b>BANK LOAN OBLIGATIONS 1.3%</b>		
<b>Clear Channel Communications, Inc.</b>		
6.940% due 01/30/2019	\$ 10,450	\$ 9,623
<b>Sequa Corp.</b>		
5.250% due 06/19/2017	2,600	2,307
<b>Total Bank Loan Obligations</b>		<b>11,930</b>
<b>(Cost \$12,115)</b>		
<b>CORPORATE BONDS &amp; NOTES 66.9%</b>		
<b>BANKING &amp; FINANCE 34.9%</b>		
<b>AGFC Capital Trust</b>		
6.000% due 01/15/2067	27,410	20,420
<b>American International Group, Inc.</b>		
6.250% due 03/15/2087 (g)	1,839	2,027
<b>Banco do Brasil S.A.</b>		
6.250% due 04/15/2024 (d)	7,350	5,003
9.000% due 06/18/2024 (d)	21,500	18,537
<b>Banco Santander S.A.</b>		
6.250% due 09/11/2021 (d)	EUR 2,300	2,507
<b>Barclays PLC</b>		
8.000% due 12/15/2020 (d)	17,140	20,636
<b>BGC Partners, Inc.</b>		
5.375% due 12/09/2019	\$ 10,160	10,673
<b>Cantor Fitzgerald LP</b>		
6.500% due 06/17/2022	13,100	13,701
<b>Co-operative Group Holdings Ltd.</b>		
7.500% due 07/08/2026	GBP 3,000	5,108
<b>Credit Agricole S.A.</b>		
6.500% due 06/23/2021 (d)	EUR 700	796
6.625% due 09/23/2019 (d)	\$ 10,000	10,000
7.875% due 01/23/2024 (d)	17,550	18,287
<b>Doctors Co.</b>		
6.500% due 10/15/2023	10,000	10,857
<b>ERB Hellas PLC</b>		
4.250% due 06/26/2018	EUR 700	264
<b>GSPA Monetization Trust</b>		
6.422% due 10/09/2029	\$ 8,260	9,224
<b>ING Groep NV</b>		
6.500% due 04/16/2025 (d)	600	592
<b>International Lease Finance Corp.</b>		
6.980% due 10/15/2018	18,000	18,562
<b>LBG Capital No.2 PLC</b>		
9.000% due 12/15/2019	GBP 284	477
9.125% due 07/15/2020	1,900	3,205
<b>Lloyds Bank PLC</b>		
12.000% due 12/16/2024 (d)	\$ 27,700	39,957
<b>Midwest Family Housing LLC</b>		
6.631% due 01/01/2051	4,951	3,957
<b>Millennium Offshore Services Superholdings LLC</b>		
9.500% due 02/15/2018	7,220	6,931
<b>Navient Corp.</b>		
5.500% due 01/15/2019	7,500	7,388
5.625% due 08/01/2033	12,357	8,897
<b>Novo Banco S.A.</b>		
2.625% due 05/08/2017	EUR 400	437

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4.750% due 01/15/2018		1,000	1,137
5.000% due 04/04/2019		439	504
5.000% due 04/23/2019		1,045	1,202
5.000% due 05/14/2019		792	909
5.000% due 05/21/2019		387	445
5.000% due 05/23/2019		384	442
5.875% due 11/09/2015		3,100	3,430
<b>Rio Oil Finance Trust</b>			
6.250% due 07/06/2024	\$	28,300	26,390
		<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>Russian Agricultural Bank OJSC Via RSHB Capital S.A.</b>			
5.298% due 12/27/2017	\$	4,800	\$ 4,788
6.299% due 05/15/2017		8,900	9,109
<b>Sberbank of Russia Via SB Capital S.A.</b>			
3.352% due 11/15/2019	EUR	6,000	6,278
5.717% due 06/16/2021	\$	10,100	9,864
<b>Tesco Property Finance PLC</b>			
5.411% due 07/13/2044	GBP	2,992	4,502
6.052% due 10/13/2039		1,758	2,873
<b>TIG FinCo PLC</b>			
8.500% due 03/02/2020		937	1,537
8.750% due 04/02/2020		4,815	7,331
<b>Tri-Command Military Housing LLC</b>			
5.383% due 02/15/2048	\$	4,686	4,282
			323,466
<b>INDUSTRIALS 22.1%</b>			
<b>Anadarko Petroleum Corp.</b>			
7.000% due 11/15/2027 (g)		5,700	6,396
<b>BMC Software Finance, Inc.</b>			
8.125% due 07/15/2021		2,250	1,769
<b>Boxer Parent Co., Inc. (9.000% Cash or 9.750% PIK)</b>			
9.000% due 10/15/2019 (b)		8,709	5,781
<b>Caesars Entertainment Operating Co., Inc.</b>			
9.000% due 02/15/2020 ^		19,100	15,901
11.250% due 06/01/2017 ^		10,700	8,881
<b>CCO Safari LLC</b>			
6.484% due 10/23/2045		9,637	9,994
6.834% due 10/23/2055		1,377	1,418
<b>Chesapeake Energy Corp.</b>			
3.539% due 04/15/2019		150	127
<b>Communications Sales &amp; Leasing, Inc.</b>			
8.250% due 10/15/2023		3,100	2,976
<b>Enterprise Inns PLC</b>			
6.875% due 05/09/2025	GBP	5,000	8,023
<b>Forbes Energy Services Ltd.</b>			
9.000% due 06/15/2019	\$	1,977	1,458
<b>Ford Motor Co.</b>			
7.700% due 05/15/2097		16,610	20,601
<b>General Shopping Finance Ltd.</b>			
10.000% due 11/09/2015 (d)		5,300	2,557
<b>General Shopping Investments Ltd.</b>			
12.000% due 03/20/2017 (d)		2,500	919
<b>GTL Trade Finance, Inc.</b>			
7.250% due 04/16/2044		4,500	3,892
<b>Gulfport Energy Corp.</b>			
7.750% due 11/01/2020		500	515
<b>Hampton Roads PPV LLC</b>			
6.621% due 06/15/2053		20,614	19,874
<b>Harvest Operations Corp.</b>			
6.875% due 10/01/2017		28,618	26,543
<b>Hellenic Railways Organization S.A.</b>			
4.028% due 03/17/2017	EUR	300	232
4.500% due 12/06/2016	JPY	10,000	56
<b>Intrepid Aviation Group Holdings LLC</b>			
6.875% due 02/15/2019	\$	9,030	8,466

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<b>Russian Railways via RZD Capital PLC</b>			
7.487% due 03/25/2031	GBP	19,600	28,471
<b>Scientific Games International, Inc.</b>			
10.000% due 12/01/2022	\$	5,200	5,070
<b>Sequa Corp.</b>			
7.000% due 12/15/2017		17,273	11,918
<b>Tembec Industries, Inc.</b>			
9.000% due 12/15/2019		1,500	1,222
<b>UCP, Inc.</b>			
8.500% due 10/21/2017		10,300	10,339
		<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>Warren Resources, Inc.</b>			
9.000% due 08/01/2022	\$	3,000	\$ 1,087
			204,486

**UTILITIES 9.9%**

<b>AK Transneft OJSC Via TransCapitalInvest Ltd.</b>			
8.700% due 08/07/2018		7,300	8,039
<b>CenturyLink, Inc.</b>			
7.200% due 12/01/2025		1,122	1,100
<b>Gazprom Neft OAO Via GPN Capital S.A.</b>			
4.375% due 09/19/2022		10,100	8,635
6.000% due 11/27/2023		9,900	9,146
<b>Gazprom OAO Via Gaz Capital S.A.</b>			
5.999% due 01/23/2021		360	355
<b>Illinois Power Generating Co.</b>			
7.000% due 04/15/2018 (g)		16,800	16,002
7.950% due 06/01/2032		900	850
<b>Mountain States Telephone &amp; Telegraph Co.</b>			
7.375% due 05/01/2030 (g)		15,200	17,285
<b>NRG REMA LLC</b>			
9.237% due 07/02/2017		175	184
<b>Odebrecht Drilling Norbe Ltd.</b>			
6.350% due 06/30/2022		5,248	3,805
<b>Odebrecht Offshore Drilling Finance Ltd.</b>			
6.625% due 10/01/2023		5,546	3,550
6.750% due 10/01/2023		11,838	7,665
<b>Petrobras Global Finance BV</b>			
3.163% due 03/17/2020		2,520	2,274
6.250% due 12/14/2026	GBP	8,600	11,450
6.625% due 01/16/2034		200	255
7.875% due 03/15/2019	\$	700	730
			91,325

**Total Corporate Bonds & Notes**  
(Cost \$601,415)

619,277

**MUNICIPAL BONDS & NOTES 16.6%**

**CALIFORNIA 2.1%**

<b>Anaheim Redevelopment Agency, California Tax Allocation Bonds, (AGM Insured), Series 2007</b>			
6.506% due 02/01/2031		2,000	2,344
<b>Sacramento County, California Revenue Bonds, Series 2013</b>			
7.250% due 08/01/2025		1,500	1,720
<b>San Diego Redevelopment Agency, California Tax Allocation Bonds, Series 2010</b>			
7.625% due 09/01/2030		7,500	8,271
7.750% due 09/01/2040		6,500	7,180
<b>San Diego Tobacco Settlement Funding Corp., California Revenue Bonds, Series 2006</b>			
7.125% due 06/01/2032		290	286
			19,801

**DISTRICT OF COLUMBIA 1.1%**

**District of Columbia Revenue Bonds, Series 2011**



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7.625% due 10/01/2035	9,740	10,543
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### **ILLINOIS 4.8%**

#### **Chicago, Illinois General Obligation Bonds, (BABs), Series 2010**

6.257% due 01/01/2040	11,000	9,466
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7.517% due 01/01/2040	34,805	34,659
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44,125

**38 PIMCO CLOSED-END FUNDS**

See Accompanying Notes

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July 31, 2015

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>NEBRASKA 2.4%</b>		
<b>Public Power Generation Agency, Nebraska Revenue Bonds, (BABs), Series 2009</b>		
7.242% due 01/01/2041	\$ 18,500	\$ 22,047
<b>NEVADA 0.4%</b>		
<b>North Las Vegas, Nevada General Obligation Bonds, (BABs), Series 2010</b>		
6.572% due 06/01/2040	3,900	3,540
<b>NEW YORK 0.4%</b>		
<b>Erie Tobacco Asset Securitization Corp., New York Revenue Bonds, Series 2005</b>		
6.000% due 06/01/2028	3,595	3,547
<b>PENNSYLVANIA 3.8%</b>		
<b>School District of Philadelphia, Pennsylvania General Obligation Bonds, (BABs), Series 2010</b>		
6.615% due 06/01/2030	7,000	7,753
6.765% due 06/01/2040	24,870	27,251
		35,004
<b>TEXAS 0.9%</b>		
<b>El Paso Downtown Development Corp., Texas Revenue Bonds, Series 2013</b>		
7.250% due 08/15/2043	7,535	8,347
<b>VIRGINIA 0.1%</b>		
<b>Tobacco Settlement Financing Corp., Virginia Revenue Bonds, Series 2007</b>		
6.706% due 06/01/2046	1,375	1,027
<b>WEST VIRGINIA 0.6%</b>		
<b>Tobacco Settlement Finance Authority, West Virginia Revenue Bonds, Series 2007</b>		
7.467% due 06/01/2047	6,680	5,689
<b>Total Municipal Bonds &amp; Notes (Cost \$146,906)</b>		<b>153,670</b>
<b>U.S. GOVERNMENT AGENCIES 6.5%</b>		
<b>Fannie Mae</b>		
3.500% due 09/25/2027 (a)	790	91
4.000% due 05/25/2020 (a)	769	16
5.188% due 07/25/2025	10,920	11,068
5.960% due 09/25/2042 (a)	2,536	419
6.480% due 10/25/2017 - 01/25/2018 (a)	105,022	5,491
9.619% due 10/25/2041	1,860	2,045
10.000% due 01/25/2034	220	264
15.238% due 05/25/2043	3,050	3,243
<b>Freddie Mac</b>		
4.000% due 08/15/2020 (a)	968	59
4.500% due 10/15/2037 (a)	1,557	155
5.000% due 06/15/2033 (a)	2,774	423
5.913% due 07/15/2035 (a)	2,067	343
6.013% due 02/15/2042 (a)	3,198	588
6.953% due 08/15/2036 (a)	1,150	263
7.741% due 12/25/2027	7,900	8,072

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8.141% due 05/25/2025	9,700	9,920
9.391% due 10/25/2027	4,350	5,114
10.941% due 03/25/2025	2,200	2,600
11.502% due 12/15/2043 - 03/15/2044	4,875	5,034
12.625% due 05/15/2033	78	92

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>Ginnie Mae</b>		
3.500% due 06/20/2042 - 03/20/2043 (a)	\$ 6,381	\$ 891
4.500% due 07/20/2042 (a)	392	67
5.000% due 09/20/2042 (a)	694	137
5.942% due 10/20/2041 (a)	4,628	803
6.062% due 02/20/2042 (a)	22,881	2,659
11.499% due 02/20/2044	570	578

**Total U.S. Government Agencies**  
(Cost \$65,417)

**60,435**

**MORTGAGE-BACKED SECURITIES 25.5%**

<b>American Home Mortgage Assets Trust</b>		
6.250% due 06/25/2037	1,194	824
<b>Banc of America Alternative Loan Trust</b>		
5.410% due 06/25/2046 ^ (a)	12,691	2,019
6.000% due 03/25/2036 ^	5,593	4,441
6.000% due 06/25/2046 ^	100	86
6.000% due 07/25/2046 ^	3,135	2,605
<b>Banc of America Funding Trust</b>		
6.000% due 07/25/2037 ^	877	706
6.250% due 10/26/2036	14,412	10,910
<b>Banc of America Mortgage Trust</b>		
2.650% due 02/25/2036 ^	36	33
<b>BCAP LLC Trust</b>		
5.368% due 03/26/2037	3,073	1,007
9.740% due 10/26/2036	8,309	6,995
10.584% due 09/26/2036	8,324	7,340
20.623% due 06/26/2036	1,886	599
<b>Bear Stearns Adjustable Rate Mortgage Trust</b>		
2.779% due 05/25/2047 ^	564	507
2.812% due 11/25/2034	208	201
<b>Bellemeade Re Ltd.</b>		
6.489% due 07/25/2025	1,250	1,250
<b>Chase Mortgage Finance Trust</b>		
2.425% due 12/25/2035 ^	39	37
5.466% due 09/25/2036 ^	211	189
5.500% due 05/25/2036 ^	11	10
<b>Citigroup Mortgage Loan Trust, Inc.</b>		
0.537% due 07/25/2036	25	25
2.491% due 07/25/2046 ^	131	115
2.803% due 07/25/2037 ^	250	235
2.832% due 08/25/2037 ^	1,191	1,033
6.500% due 09/25/2036	4,822	3,603
<b>CitiMortgage Alternative Loan Trust</b>		
6.000% due 12/25/2036 ^	817	742
<b>Countrywide Alternative Loan Trust</b>		
0.361% due 07/25/2046	20,334	20,368
2.612% due 02/25/2037 ^	514	459
3.252% due 07/25/2046 ^	1,414	1,190
4.796% due 07/25/2021 ^	653	642
4.810% due 04/25/2035 (a)	7,849	924
5.500% due 03/25/2036 ^	460	391
6.000% due 05/25/2036 ^	7,520	6,525
6.000% due 11/25/2036 ^	341	303
6.000% due 02/25/2037 ^	8,572	6,791
6.000% due 03/25/2037 ^	6,673	5,456
6.000% due 05/25/2037 ^	9,075	7,506
6.000% due 02/25/2047	3,153	2,728
6.250% due 12/25/2036 ^	4,776	3,925
6.250% due 08/25/2037 ^	417	359

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6.500% due 06/25/2036 ^	1,365	1,119
6.500% due 09/25/2037 ^	8,060	6,427
6.500% due 11/25/2037 ^	10,297	8,674
<b>Countrywide Home Loan Mortgage Pass-Through Trust</b>		
2.519% due 09/20/2036 ^	836	746
2.545% due 09/25/2047 ^	95	85
	<b>PRINCIPAL</b>	<b>MARKET</b>
	<b>AMOUNT</b>	<b>VALUE</b>
	<b>(000S)</b>	<b>(000S)</b>
5.160% due 12/25/2036 (a)	\$ 6,194	\$ 963
5.750% due 06/25/2037 ^	1,806	1,657
6.000% due 04/25/2037 ^	469	436
6.000% due 05/25/2037 ^	7,208	6,634
6.000% due 07/25/2037	3,274	2,838
<b>Credit Suisse First Boston Mortgage Securities Corp.</b>		
6.000% due 01/25/2036	3,384	2,668
<b>First Horizon Alternative Mortgage Securities Trust</b>		
6.000% due 05/25/2036 ^	2,884	2,448
<b>GMAC Commercial Mortgage Asset Corp.</b>		
6.107% due 08/10/2052	1,975	2,177
<b>HarborView Mortgage Loan Trust</b>		
2.561% due 08/19/2036 ^	811	601
4.779% due 08/19/2036 ^	57	52
<b>IndyMac Mortgage Loan Trust</b>		
2.894% due 05/25/2037 ^	3,435	2,435
<b>JPMorgan Alternative Loan Trust</b>		
2.525% due 03/25/2037 ^	11,848	9,341
<b>JPMorgan Mortgage Trust</b>		
2.528% due 01/25/2037 ^	507	459
6.430% due 01/25/2037 ^ (a)	29,465	6,580
<b>Morgan Stanley Mortgage Loan Trust</b>		
6.000% due 10/25/2037 ^	2,614	2,200
<b>Nomura Asset Acceptance Corp Alternative Loan Trust</b>		
3.038% due 04/25/2036 ^	7,192	5,122
<b>RBSSP Resecuritization Trust</b>		
9.589% due 06/26/2037	6,392	3,727
<b>Residential Accredit Loans, Inc. Trust</b>		
6.000% due 06/25/2036 ^	2,543	2,117
6.000% due 12/25/2036 ^	6,206	5,122
<b>Residential Asset Securitization Trust</b>		
6.250% due 10/25/2036 ^	852	714
6.250% due 09/25/2037 ^	6,219	4,468
6.500% due 08/25/2036 ^	1,062	710
6.500% due 04/25/2037 ^	24,517	15,615
<b>Residential Funding Mortgage Securities, Inc. Trust</b>		
6.250% due 08/25/2036 ^	3,129	2,856
<b>Structured Adjustable Rate Mortgage Loan Trust</b>		
2.741% due 04/25/2047	1,156	917
4.952% due 01/25/2036 ^	291	228
<b>WaMu Mortgage Pass-Through Certificates Trust</b>		
1.798% due 01/25/2037 ^	181	155
1.953% due 04/25/2037 ^	159	139
1.974% due 11/25/2036 ^	1,465	1,306
2.032% due 12/25/2036 ^	116	103
2.147% due 05/25/2037 ^	242	199
2.178% due 02/25/2037 ^	310	261
2.291% due 02/25/2037 ^	348	301
<b>Washington Mutual Mortgage Pass-Through Certificates Trust</b>		
6.000% due 07/25/2036 ^	7,706	6,130
6.000% due 06/25/2037 ^	11,981	10,533
6.490% due 04/25/2037 (a)	16,855	5,544
6.500% due 03/25/2036 ^	10,067	7,142
<b>Wells Fargo Mortgage-Backed Securities Trust</b>		
2.332% due 09/25/2036 ^	133	124
<b>Total Mortgage-Backed Securities</b>		
<b>(Cost \$219,932)</b>		<b>235,152</b>

ASSET-BACKED SECURITIES 11.1%

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<b>Apidos CLO</b>		
0.010% due 07/22/2026	3,000	2,283
<b>Argent Securities, Inc. Asset-Backed Pass-Through Certificates</b>		
0.421% due 01/25/2036	2,680	2,072
<b>CIFC Funding Ltd.</b>		
0.010% due 05/24/2026	4,000	3,372

See Accompanying Notes

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**Table of Contents****Schedule of Investments PIMCO High Income Fund (Cont.)**

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>Citigroup Mortgage Loan Trust, Inc.</b>		
0.291% due 12/25/2036	\$ 9,936	\$ 6,197
<b>Countrywide Asset-Backed Certificates</b>		
5.024% due 07/25/2036	13,700	10,667
<b>GSAA Home Equity Trust</b>		
5.772% due 11/25/2036 ^	2,897	1,714
5.917% due 03/25/2037 ^	3,305	1,602
5.983% due 03/25/2037 ^	8,856	5,127
<b>JPMorgan Mortgage Acquisition Trust</b>		
4.905% due 01/25/2037 ^	3,631	2,778
<b>Morgan Stanley Mortgage Loan Trust</b>		
5.750% due 11/25/2036 ^	978	503
5.965% due 09/25/2046 ^	10,838	7,635
6.250% due 07/25/2047 ^	1,834	1,372
<b>NovaStar Mortgage Funding Trust</b>		
0.351% due 10/25/2036	41,743	21,041
<b>People s Financial Realty Mortgage Securities Trust</b>		
0.351% due 09/25/2036	24,134	7,512
<b>Renaissance Home Equity Loan Trust</b>		
5.812% due 11/25/2036	9,905	6,207
6.998% due 09/25/2037	8,688	5,736
7.238% due 09/25/2037	7,327	4,834
<b>Sherwood Funding CDO Ltd.</b>		
0.548% due 11/06/2039	37,269	12,112
<b>Washington Mutual Asset-Backed Certificates Trust</b>		
0.341% due 05/25/2036	338	241
<b>Total Asset-Backed Securities</b>		
<b>(Cost \$99,663)</b>		<b>103,005</b>
<b>SOVEREIGN ISSUES 0.4%</b>		
<b>Athens Urban Transportation Organisation</b>		
4.851% due 09/19/2016	EUR 800	622
<b>Republic of Greece Government International Bond</b>		
3.000% due 02/24/2023	25	15
3.000% due 02/24/2024	25	15
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
3.000% due 02/24/2025	EUR 25	\$ 15
3.000% due 02/24/2026	25	14
3.000% due 02/24/2027	25	14
3.000% due 02/24/2028	25	14
3.000% due 02/24/2029	25	14
3.000% due 02/24/2030	25	13
3.000% due 02/24/2031	25	13
3.000% due 02/24/2032	25	13
3.000% due 02/24/2033	25	13
3.000% due 02/24/2034	25	13
3.000% due 02/24/2035	25	13
3.000% due 02/24/2036	25	12
3.000% due 02/24/2037	25	12
3.000% due 02/24/2038	25	12
3.000% due 02/24/2039	25	12
3.000% due 02/24/2040	25	12
3.000% due 02/24/2041	25	12
3.000% due 02/24/2042	25	12

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4.500% due 11/08/2016	JPY	50,000	282
4.750% due 04/17/2019	EUR	3,000	2,215
<b>Total Sovereign Issues (Cost \$3,733)</b>			<b>3,382</b>
<b>SHARES</b>			
<b>COMMON STOCKS 0.1%</b>			
<b>FINANCIALS 0.1%</b>			
<b>TIG TopCo Ltd. (e)</b>		828,934	867
<b>Total Common Stocks (Cost \$1,229)</b>			<b>867</b>
<b>PREFERRED SECURITIES 2.1% (d)</b>			
<b>BANKING &amp; FINANCE 2.1%</b>			
<b>Farm Credit Bank of Texas</b>			
10.000% due 12/15/2020		15,400	19,289
<b>Total Preferred Securities (Cost \$18,133)</b>			<b>19,289</b>
<b>MARKET VALUE (000S)</b>			
<b>SHORT-TERM INSTRUMENTS 4.5%</b>			
<b>REPURCHASE AGREEMENTS (f) 0.9%</b>			
		\$	8,584
<b>PRINCIPAL AMOUNT (000s)</b>			
<b>SHORT-TERM NOTES 1.4%</b>			
<b>Federal Home Loan Bank</b>			
0.092% due 10/09/2015	\$	600	600
0.100% due 10/23/2015		5,200	5,199
0.124% due 10/30/2015		7,300	7,299
			13,098
<b>U.S. TREASURY BILLS 2.2%</b>			
0.111% due 10/08/2015 - 01/28/2016 (c)(i)(k)		20,700	20,690
<b>Total Short-Term Instruments (Cost \$42,371)</b>			<b>42,372</b>
<b>Total Investments in Securities (Cost \$1,210,914)</b>			<b>1,249,379</b>
<b>Total Investments 135.0% (Cost \$1,210,914)</b>			<b>\$ 1,249,379</b>
<b>Financial Derivative Instruments (g)(i) 2.1%</b>			
<b>(Cost or Premiums, net \$(144))</b>			<b>19,632</b>
<b>Preferred Shares (31.5%)</b>			<b>(292,000)</b>
<b>Other Assets and Liabilities, net (5.6%)</b>			<b>(51,413)</b>
<b>Net Assets Applicable to Common Shareholders 100.0%</b>			<b>\$ 925,598</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 bond security.

(c) Weighted average yield to maturity.

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

(e) RESTRICTED SECURITIES:

Issuer Description	Acquisition Date	Cost	Market Value	Market Value as Percentage of Net Assets
TIG TopCo Ltd.	04/02/2015	\$ 1,229	\$ 867	0.09%

BORROWINGS AND OTHER FINANCING TRANSACTIONS

(f) REPURCHASE AGREEMENTS:

Counterparty	Lending Rate	Settlement Date	Maturity Date	Principal Amount	Collateralized By	Collateral Received, at Value	Repurchase Agreements, at Value	Repurchase Agreement Proceeds to be Received <sup>(1)</sup>
IND	0.200%	07/31/2015	08/03/2015	\$ 5,600	U.S. Treasury Notes 2.000% due 05/31/2021	\$ (5,719)	\$ 5,600	\$ 5,600
SSB	0.000%	07/31/2015	08/03/2015	2,984	Fannie Mae 2.170% due 10/17/2022	(3,044)	2,984	2,984
<b>Total Repurchase Agreements</b>						<b>\$ (8,763)</b>	<b>\$ 8,584</b>	<b>\$ 8,584</b>

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

40 PIMCO CLOSED-END FUNDS

See Accompanying Notes



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July 31, 2015

**REVERSE REPURCHASE AGREEMENTS:**

Counterparty	Borrowing Rate	Borrowing Date	Maturity Date	Amount Borrowed <sup>(2)</sup>	Payable for Reverse Repurchase Agreements
MSC	0.550%	05/21/2015	08/21/2015	\$ (16,838)	\$ (16,857)
	0.600%	07/08/2015	10/08/2015	(5,457)	(5,459)
BCY	(1.500%)	06/17/2015	01/23/2017	(1,756)	(1,753)
	(1.500%)	04/16/2015	04/16/2017	(3,648)	(3,632)
	(1.500%)	04/21/2015	04/21/2017	(4,649)	(4,629)
FOB	(4.000%)	07/17/2015	07/17/2017	(4,915)	(4,907)
<b>Total Reverse Repurchase Agreements</b>					<b>\$ (37,237)</b>

<sup>(2)</sup> The average amount of borrowings outstanding during the period ended July 31, 2015 was \$40,014 at a weighted average interest rate of (0.020%).

**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 July 31, 2015:

(g) Securities with an aggregate market value of \$39,412 have been pledged as collateral under the terms of the following master agreements as of July 31, 2015.

Counterparty	Repurchase Agreement Proceeds to be Received	Payable for Reverse Repurchase Agreements	Payable for Sale-Buyback Transactions	Payable for Short Sales	Total Borrowings and Other Financing Transactions	Collateral (Received)/Pledged	Net Exposure <sup>(3)</sup>
Global/Master Repurchase Agreement							
BCY	\$ 0	\$ (10,014)	\$ 0	\$ 0	\$ (10,014)	\$ 10,153	\$ 139
FOB		(4,907)	0	0	(4,907)	4,763	(144)
IND	5,600	0	0	0	5,600	(5,719)	(119)
MSC	0	(22,316)	0	0	(22,316)	24,172	1,856
SSB	2,984	0	0	0	2,984	(3,044)	(60)
<b>Total Borrowings and Other Financing Transactions</b>	<b>\$ 8,584</b>	<b>\$ (37,237)</b>	<b>\$ 0</b>	<b>\$ 0</b>			

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<sup>(3)</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>					
Corporate Bonds & Notes	\$ 0	\$ (16,857)	\$ (5,459)	\$ (14,921)	\$ (37,237)
<b>Total Borrowings</b>	<b>\$ 0</b>	<b>\$ (16,857)</b>	<b>\$ (5,459)</b>	<b>\$ (14,921)</b>	<b>\$ (37,237)</b>
<b>Gross amount of recognized liabilities for reverse repurchase agreements</b>					<b>\$ (37,237)</b>

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

#### SWAP AGREEMENTS:

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

Index/Tranches	Fixed Deal Receive Rate	Maturity Date	Notional Amount <sup>(2)</sup>	Market Value <sup>(3)</sup>	Unrealized (Depreciation)	Variation Margin Asset	Variation Margin Liability
CDX.HY-24 5-Year Index	5.000%	06/20/2020	\$ 21,186	\$ 1,441	\$ (193)	\$ 76	\$ 0

<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

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**Table of Contents****Schedule of Investments PIMCO High Income Fund (Cont.)****INTEREST RATE SWAPS**

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 USD-LIBOR	2.250%	12/17/2019	\$ 276,600	\$ 8,871	\$ 1,957	\$ 865	\$ 0
Pay	3-Month USD-LIBOR	3.500%	06/19/2044	617,800	100,584	109,994	4,806	0
Receive	3-Month USD-LIBOR	2.750%	12/16/2045	866,600	7,152	(40,602)	0	(5,828)
					\$ 116,607	\$ 71,349	\$ 5,671	\$ (5,828)
<b>Total Swap Agreements</b>					<b>\$ 118,048</b>	<b>\$ 71,156</b>	<b>\$ 5,747</b>	<b>\$ (5,828)</b>

**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 July 31, 2015:

- (i) Securities with an aggregate market value of \$17,758 and cash of \$10,384 have been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of July 31, 2015. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

	Financial Derivative Assets Variation Margin				Financial Derivative Liabilities Variation Margin			
	Market Value		Asset Swap		Market Value		Liability Swap	
	Purchased Options	Futures	Agreements	Total	Written Options	Futures	Agreements	Total
<b>Total Exchange-Traded or Centrally Cleared</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 5,747</b>	<b>\$ 5,747</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (5,828)</b>	<b>\$ (5,828)</b>

**(j) FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER****FORWARD FOREIGN CURRENCY CONTRACTS:**

Counterparty	Settlement Month	Currency to be Delivered	Currency to be Received	Unrealized Appreciation/ (Depreciation)	
				Asset	Liability
BOA	06/2016	EUR 3,698	\$ 5,063	\$ 975	\$ 0

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	06/2016	\$	216	EUR	160	0	(39)
BRC	06/2016	EUR	692	\$	952	186	0
CBK	08/2015		741		809	1	(5)
DUB	02/2016		6,750		9,083	1,647	0
	06/2016		386		529	102	0
HUS	08/2015	GBP	50,773		79,950	660	0
JPM	08/2015	JPY	41,400		337	3	0
	08/2015	\$	79,396	GBP	50,773	0	(106)
	09/2015	GBP	50,773	\$	79,379	106	0
MSB	08/2015	EUR	23,892		26,749	509	0
	08/2015	\$	333	JPY	41,400	1	0
	09/2015	JPY	41,400	\$	334	0	(1)
	06/2016	EUR	971		1,335	262	0
NAB	06/2016		2,113		2,901	565	0
	07/2016		268		364	67	0
SCX	08/2015	\$	27,207	EUR	24,633	0	(153)
	09/2015	EUR	24,634	\$	27,217	153	0
<b>Total Forward Foreign Currency Contracts</b>						<b>\$ 5,237</b>	<b>\$ (304)</b>

SWAP AGREEMENTS:

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

Counterparty	Reference Entity	Fixed Deal Receive Rate	Maturity Date	Implied Credit Spread at July 31, 2015 <sup>(2)</sup>	Notional Amount <sup>(3)</sup>	Premiums (Received)	Unrealized (Depreciation)	Swap Agreements, at Value	
								Asset	Liability
BPS	Petrobras International Finance Co.	1.000%	12/20/2024	5.297%	\$ 1,700	\$ (332)	\$ (147)	\$ 0	\$ (479)
GST	Petrobras International Finance Co.	1.000%	12/20/2024	5.297%	2,200	(437)	(183)	0	(620)
HUS	Petrobras International Finance Co.	1.000%	12/20/2019	4.087%	400	(33)	(24)	0	(57)
	Petrobras International Finance Co.	1.000%	12/20/2024	5.297%	2,800	(581)	(208)	0	(789)
MYC	Petrobras International Finance Co.	1.000%	12/20/2019	4.755%	13,700	(1,268)	(697)	0	(1,965)
						\$ (2,651)	\$ (1,259)	\$ 0	\$ (3,910)

<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.



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- (2) Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on corporate issues as of period end serve as 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.

**INTEREST RATE SWAPS**

Counterparty	Pay/Receive		Fixed Rate	Maturity Date	Notional Amount	Premiums Paid	Unrealized Appreciation	Swap Agreements, at Value	
	Floating Rate	Floating Rate Index						Asset	Liability
BOA	Pay	3-Month USD-LIBOR	2.000%	08/24/2020	\$ 600,000	\$ 934	\$ 4,539	\$ 5,473	\$ 0
CBK	Pay	3-Month USD-LIBOR	2.150%	08/24/2020	600,000	433	5,623	6,056	0
DUB	Pay	3-Month USD-LIBOR	2.150%	08/24/2020	400,000	838	3,295	4,133	0
GLM	Pay	3-Month USD-LIBOR	2.150%	08/24/2020	300,000	302	2,726	3,028	0
						\$ 2,507	\$ 16,183	\$ 18,690	\$ 0
<b>Total Swap Agreements</b>						<b>\$ (144)</b>	<b>\$ 14,924</b>	<b>\$ 18,690</b>	<b>\$ (3,910)</b>

**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 July 31, 2015:

(k) Securities with an aggregate market value of \$2,932 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of July 31, 2015.

Counterparty	Financial Derivative Assets				Financial Derivative Liabilities							
	Forward Foreign Contracts	Purchased Options	Swap Agreements	Total Over the Counter	Forward Foreign Contracts	Options Written	Swap Agreements	Total Over the Counter	Net Market Value of OTC Derivatives	Collateral (Received)/Pledged	Net Exposure <sup>(4)</sup>	
BOA	\$ 975	\$ 0	\$ 5,473	\$ 6,448	\$ (39)	\$ 0	\$ 0	\$ (39)	\$ 6,409	\$ (6,230)	\$ 179	
BPS	0	0	0	0	0	0	(479)	(479)	(479)	360	(119)	
BRC	186	0	0	186	0	0	0	0	186	(280)	(94)	
CBK	1	0	6,056	6,057	(5)	0	0	(5)	6,052	(5,700)	352	
DUB	1,749	0	4,133	5,882	0	0	0	0	5,882	(6,430)	(548)	
GLM	0	0	3,028	3,028	0	0	0	0	3,028	(2,750)	278	
GST	0	0	0	0	0	0	(620)	(620)	(620)	697	77	

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HUS	660	0	0	660	0	0	(846)	(846)	(186)	0	(186)
JPM	109	0	0	109	(106)	0	0	(106)	3	0	3
MSB	772	0	0	772	(1)	0	0	(1)	771	(920)	(149)
MYC	0	0	0	0	0	0	(1,965)	(1,965)	(1,965)	1,875	(90)
NAB	632	0	0	632	0	0	0	0	632	(530)	102
SCX	153	0	0	153	(153)	0	0	(153)	0	0	0

**Total Over the Counter**      \$ 5,237    \$ 0    \$ 18,690    \$ 23,927      \$ (304)    \$ 0    \$ (3,910)    \$ (4,214)

(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 July 31, 2015:

	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	\$ 76	\$ 0	\$ 0	\$ 5,671	\$ 5,747	
Over the counter							
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 5,237	\$ 0	\$ 5,237	
Swap Agreements	0	0	0	0	18,690	18,690	
	\$ 0	\$ 0	\$ 0	\$ 5,237	\$ 18,690	\$ 23,927	
	\$ 0	\$ 76	\$ 0	\$ 5,237	\$ 24,361	\$ 29,674	

See Accompanying Notes

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**Table of Contents****Schedule of Investments PIMCO High Income Fund (Cont.)**

	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts	Total
<b>Financial Derivative Instruments - Liabilities</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,828	\$ 5,828
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 304	\$ 0	\$ 304
Swap Agreements	0	3,910	0	0	0	3,910
	\$ 0	\$ 3,910	\$ 0	\$ 304	\$ 0	\$ 4,214
	\$ 0	\$ 3,910	\$ 0	\$ 304	\$ 5,828	\$ 10,042

**The Effect of Financial Derivative Instruments on the Statements of Operations for the period ended July 31, 2015 <sup>(1)</sup>:**

	Derivatives not accounted for as hedging instruments					
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts	Total
<b>Net Realized Gain (Loss) on Financial Derivative Instruments</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ (146)	\$ 0	\$ 0	\$ (19,743)	\$ (19,889)
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 1,036	\$ 0	\$ 1,036
Swap Agreements	0	28	0	0	(13,102)	(13,074)
	\$ 0	\$ 28	\$ 0	\$ 1,036	\$ (13,102)	\$ (12,038)
	\$ 0	\$ (118)	\$ 0	\$ 1,036	\$ (32,845)	\$ (31,927)
<b>Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ (193)	\$ 0	\$ 0	\$ 34,970	\$ 34,777
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ (5,392)	\$ 0	\$ (5,392)
Swap Agreements	0	877	0	0	19,631	20,508
	\$ 0	\$ 877	\$ 0	\$ (5,392)	\$ 19,631	\$ 15,116
	\$ 0	\$ 684	\$ 0	\$ (5,392)	\$ 54,601	\$ 49,893

<sup>(1)</sup> Fiscal year end changed from March 31st to July 31st.



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## The Effect of Financial Derivative Instruments on the Statements of Operations for the period ended March 31, 2015:

	Derivatives not accounted for as hedging instruments					Interest Rate Contracts	Total
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts			
<b>Net Realized Gain (Loss) on Financial Derivative Instruments</b>							
Exchange-traded or centrally cleared							
Swap Agreements	\$ 0	\$ 0	\$ 0	\$ 0		\$ (116,469)	\$ (116,469)
Over the counter							
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 2,345		\$ 0	\$ 2,345
Swap Agreements	0	1,163	0	0		31,800	32,963
	\$ 0	\$ 1,163	\$ 0	\$ 2,345		\$ 31,800	\$ 35,308
	\$ 0	\$ 1,163	\$ 0	\$ 2,345		\$ (84,669)	\$ (81,161)
<b>Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments</b>							
Exchange-traded or centrally cleared							
Swap Agreements	\$ 0	\$ 0	\$ 0	\$ 0		\$ 38,997	\$ 38,997
Over the counter							
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 10,594		\$ 0	\$ 10,594
Swap Agreements	0	(2,136)	0	0		(9,092)	(11,228)
	\$ 0	\$ (2,136)	\$ 0	\$ 10,594		\$ (9,092)	\$ (634)
	\$ 0	\$ (2,136)	\$ 0	\$ 10,594		\$ 29,905	\$ 38,363

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July 31, 2015

**FAIR VALUE MEASUREMENTS**

The following is a summary of the fair valuations according to the inputs used as of July 31, 2015 in valuing the Fund's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 07/31/2015
<b>Investments in Securities, at Value</b>				
Bank Loan Obligations	\$ 0	\$ 11,930	\$ 0	\$ 11,930
Corporate Bonds & Notes				
Banking & Finance	0	314,242	9,224	323,466
Industrials	0	194,147	10,339	204,486
Utilities	0	91,325	0	91,325
Municipal Bonds & Notes				
California	0	19,801	0	19,801
District of Columbia	0	10,543	0	10,543
Illinois	0	44,125	0	44,125
Nebraska	0	22,047	0	22,047
Nevada	0	3,540	0	3,540
New York	0	3,547	0	3,547
Pennsylvania	0	35,004	0	35,004
Texas	0	8,347	0	8,347
Virginia	0	1,027	0	1,027
West Virginia	0	5,689	0	5,689
U.S. Government Agencies	0	54,944	5,491	60,435
Mortgage-Backed Securities	0	231,725	3,427	235,152
Asset-Backed Securities	0	103,005	0	103,005
Sovereign Issues	0	3,382	0	3,382
Common Stocks				
Financials	0	0	867	867

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 07/31/2015
<b>Preferred Securities</b>				
Banking & Finance	\$ 0	\$ 19,289	\$ 0	\$ 19,289
Short-Term Instruments				
Repurchase Agreements	0	8,584	0	8,584
Short-Term Notes	0	13,098	0	13,098
U.S. Treasury Bills	0	20,690	0	20,690
<b>Total Investments</b>	\$ 0	\$ 1,220,031	\$ 29,348	\$ 1,249,379

**Financial Derivative Instruments - Assets**

Exchange-traded or centrally cleared	0	5,747	0	5,747
Over the counter	0	23,927	0	23,927
	\$ 0	\$ 29,674	\$ 0	\$ 29,674

**Financial Derivative Instruments - Liabilities**

Exchange-traded or centrally cleared	0	(5,828)	0	(5,828)
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Over the counter	0	(4,214)	0	(4,214)
	\$ 0	\$ (10,042)	\$ 0	\$ (10,042)
Totals	\$ 0	\$ 1,239,663	\$ 29,348	\$ 1,269,011

There were no significant transfers between Levels 1 and 2 during the period ended July 31, 2015.

The following is a reconciliation of the fair valuations using significant unobservable inputs (Level 3) for the Fund during the period ended July 31, 2015:

Category and Subcategory	Beginning Balance at 03/31/2015	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 07/31/2015	Net Change in Unrealized Appreciation/ (Depreciation) on Investments Held at 07/31/2015 <sup>(1)</sup>
<b>Investments in Securities, at Value</b>										
Corporate Bonds & Notes										
Banking & Finance	\$ 32,645	\$ 0	\$ (81)	\$ 274	\$ 3	\$ (1,098)	\$ 0	\$ (22,519)	\$ 9,224	\$ (368)
Industrials	10,343	0	0	4	0	(8)	0	0	10,339	(9)
Utilities	3,850	0	(3,843)	0	74	(81)	0	0	0	0
U.S. Government Agencies										
Mortgage-Backed Securities	8,164	0	0	(2,176)	0	(497)	0	0	5,491	(497)
Common Stocks	2,148	1,250	(5)	0	0	34	0	0	3,427	34
Financials	0	1,229	0	0	0	(362)	0	0	867	(362)
Totals	\$ 57,150	\$ 2,479	\$ (3,929)	\$ (1,898)	\$ 77	\$ (2,012)	\$ 0	\$ (22,519)	\$ 29,348	\$ (1,202)

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 07/31/2015	Valuation Technique	Unobservable Inputs	Input Value(s) (% Unless Noted Otherwise)
<b>Investments in Securities, at Value</b>				
Corporate Bonds & Notes				
Banking & Finance	\$ 9,224	Proxy Pricing	Base Price	115.50
Industrials	10,339	Proxy Pricing	Base Price	100.00
U.S. Government Agencies	5,491	Third Party Vendor	Broker Quote	5.23
Mortgage-Backed Securities	3,427	Proxy Pricing	Base Price	100.00-108.50
Common Stocks				
Financials	867	Other Valuation Techniques <sup>(2)</sup>		
Total	\$ 29,348			

<sup>(1)</sup> Any difference between Net Change in Unrealized Appreciation/(Depreciation) and Net Change in Unrealized Appreciation/(Depreciation) on Investments Held at July 31, 2015 may be due to an investment no longer held or categorized as Level 3 at period end.

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<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.

See Accompanying Notes

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**Table of Contents****Schedule of Investments PIMCO Income Strategy Fund**

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>INVESTMENTS IN SECURITIES 119.3%</b>		
<b>BANK LOAN OBLIGATIONS 1.8%</b>		
<b>Clear Channel Communications, Inc.</b>		
6.940% due 01/30/2019	\$ 3,100	\$ 2,854
<b>Sequa Corp.</b>		
5.250% due 06/19/2017	2,547	2,261
<b>Total Bank Loan Obligations (Cost \$5,170)</b>		<b>5,115</b>
<b>CORPORATE BONDS &amp; NOTES 59.6%</b>		
<b>BANKING &amp; FINANCE 32.9%</b>		
<b>American International Group, Inc.</b>		
6.250% due 03/15/2087	5,476	6,036
8.175% due 05/15/2068	693	930
<b>Banco do Brasil S.A.</b>		
6.250% due 04/15/2024 (d)	900	613
9.000% due 06/18/2024 (d)	4,000	3,449
<b>Banco Santander S.A.</b>		
6.250% due 09/11/2021 (d)	EUR 500	545
<b>Barclays Bank PLC</b>		
14.000% due 06/15/2019 (d)	GBP 3,700	7,620
<b>BGC Partners, Inc.</b>		
5.375% due 12/09/2019	\$ 3,040	3,194
<b>Cantor Fitzgerald LP</b>		
6.500% due 06/17/2022	4,000	4,183
<b>Citigroup, Inc.</b>		
5.950% due 05/15/2025 (d)	2,100	2,050
<b>Co-operative Group Holdings Ltd.</b>		
7.500% due 07/08/2026	GBP 3,050	5,193
<b>Credit Agricole S.A.</b>		
6.500% due 06/23/2021 (d)	EUR 200	227
7.500% due 06/23/2026 (d)	GBP 1,600	2,524
7.875% due 01/23/2024 (d)	\$ 1,500	1,567
<b>Depository Trust &amp; Clearing Corp.</b>		
4.875% due 06/15/2020 (d)	750	755
<b>GSPA Monetization Trust</b>		
6.422% due 10/09/2029	2,386	2,665
<b>Jefferies Finance LLC</b>		
6.875% due 04/15/2022	3,800	3,667
<b>LBG Capital No.2 PLC</b>		
9.125% due 07/15/2020	GBP 1,134	1,913
<b>Lloyds Bank PLC</b>		
12.000% due 12/16/2024 (d)	\$ 400	577
<b>Lloyds Banking Group PLC</b>		
7.625% due 06/27/2023 (d)	GBP 3,600	5,892
<b>Millennium Offshore Services Superholdings LLC</b>		
9.500% due 02/15/2018	\$ 2,100	2,016
<b>Navient Corp.</b>		
5.500% due 01/15/2019	6,700	6,600
5.625% due 08/01/2033	100	72
8.450% due 06/15/2018	1,500	1,624
<b>Novo Banco S.A.</b>		
2.625% due 05/08/2017	EUR 100	109
4.750% due 01/15/2018	400	455
5.000% due 04/04/2019	101	116
5.000% due 04/23/2019	311	358
5.000% due 05/14/2019	206	236

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5.000% due 05/21/2019		115	132
5.000% due 05/23/2019		115	132
5.875% due 11/09/2015		900	996
<b>OneMain Financial Holdings, Inc.</b>			
7.250% due 12/15/2021	\$	1,757	1,836
<b>Rabobank Group</b>			
8.400% due 06/29/2017 (d)		300	327
<b>Rio Oil Finance Trust</b>			
6.250% due 07/06/2024		8,200	7,646
<b>Russian Agricultural Bank OJSC Via RSHB Capital S.A.</b>			
5.298% due 12/27/2017		1,500	1,496
6.299% due 05/15/2017		2,600	2,661
		<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>Sberbank of Russia Via SB Capital S.A.</b>			
5.717% due 06/16/2021	\$	3,000	\$ 2,930
<b>Tesco Property Finance PLC</b>			
5.411% due 07/13/2044	GBP	1,775	2,671
6.052% due 10/13/2039		921	1,505
<b>TIG FinCo PLC</b>			
8.500% due 03/02/2020		111	183
8.750% due 04/02/2020		932	1,420
<b>Vnesheconombank Via VEB Finance PLC</b>			
5.942% due 11/21/2023	\$	1,500	1,343
6.902% due 07/09/2020		5,100	5,017
			95,481
<b>INDUSTRIALS 16.1%</b>			
<b>Anadarko Petroleum Corp.</b>			
7.000% due 11/15/2027		1,600	1,795
<b>BMC Software Finance, Inc.</b>			
8.125% due 07/15/2021		710	558
<b>Boxer Parent Co., Inc. (9.000% Cash or 9.750% PIK)</b>			
9.000% due 10/15/2019 (b)		2,360	1,566
<b>Caesars Entertainment Operating Co., Inc.</b>			
9.000% due 02/15/2020 ^		3,855	3,210
11.250% due 06/01/2017 ^		1,600	1,328
<b>CCO Safari LLC</b>			
6.484% due 10/23/2045		2,979	3,089
6.834% due 10/23/2055		426	439
<b>Chesapeake Energy Corp.</b>			
3.539% due 04/15/2019		40	34
<b>Communications Sales &amp; Leasing, Inc.</b>			
8.250% due 10/15/2023		900	864
<b>Continental Airlines Pass-Through Trust</b>			
9.798% due 10/01/2022		1,010	1,117
<b>Forbes Energy Services Ltd.</b>			
9.000% due 06/15/2019		612	451
<b>Ford Motor Co.</b>			
7.700% due 05/15/2097		9,030	11,200
<b>Gulfport Energy Corp.</b>			
7.750% due 11/01/2020		300	309
<b>Harvest Operations Corp.</b>			
6.875% due 10/01/2017		515	478
<b>iHeartCommunications, Inc.</b>			
9.000% due 09/15/2022		600	542
<b>Intrepid Aviation Group Holdings LLC</b>			
6.875% due 02/15/2019		1,930	1,809
<b>Pertamina Persero PT</b>			
6.450% due 05/30/2044		5,249	5,131
<b>Russian Railways via RZD Capital PLC</b>			
7.487% due 03/25/2031	GBP	700	1,017
<b>Scientific Games International, Inc.</b>			
10.000% due 12/01/2022	\$	1,600	1,560
<b>Sequa Corp.</b>			
7.000% due 12/15/2017		3,174	2,190
<b>Tembec Industries, Inc.</b>			

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9.000% due 12/15/2019		1,000	815
<b>Unique Pub Finance Co. PLC</b>			
5.659% due 06/30/2027	GBP	2,073	3,333
6.542% due 03/30/2021		727	1,197
<b>Westmoreland Coal Co.</b>			
8.750% due 01/01/2022	\$	3,026	2,693

46,725

**UTILITIES 10.6%**

**AK Transneft OJSC Via TransCapitalInvest Ltd.**

8.700% due 08/07/2018		2,100	2,313
<b>Gazprom Neft OAO Via GPN Capital S.A.</b>			
4.375% due 09/19/2022		3,000	2,565
6.000% due 11/27/2023		7,400	6,836

PRINCIPAL  
AMOUNT  
(000S)

MARKET  
VALUE  
(000S)

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

5.999% due 01/23/2021	\$	200	\$	197
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**Illinois Power Generating Co.**

6.300% due 04/01/2020		1,420	1,292
7.000% due 04/15/2018		2,400	2,286
7.950% due 06/01/2032		200	189

**Northwestern Bell Telephone**

7.750% due 05/01/2030 (f)		7,000	7,794
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**Odebrecht Drilling Norbe Ltd.**

6.350% due 06/30/2022		246	178
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**Odebrecht Offshore Drilling Finance Ltd.**

6.625% due 10/01/2023		1,422	910
6.750% due 10/01/2023		1,471	953

**Petrobras Global Finance BV**

2.750% due 01/15/2018	EUR	230	237
3.163% due 03/17/2020	\$	130	117
4.875% due 03/17/2020		210	196
5.750% due 01/20/2020		70	68
6.625% due 01/16/2034	GBP	100	128
6.750% due 01/27/2041	\$	1,200	1,005
7.875% due 03/15/2019		3,200	3,336

30,600

**Total Corporate Bonds & Notes**

(Cost \$172,359) 172,806

**MUNICIPAL BONDS & NOTES 8.1%**

**CALIFORNIA 1.6%**

**Riverside County, California Redevelopment Successor Agency Tax Allocation Bonds, Series 2010**

7.500% due 10/01/2030		600	656
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**Stockton Public Financing Authority, California Revenue Bonds, (BABs), Series 2009**

7.942% due 10/01/2038		3,600	4,052
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4,708

**ILLINOIS 2.1%**

**Chicago, Illinois General Obligation Bonds, (BABs), Series 2010**

7.517% due 01/01/2040		6,000	5,975
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**NEBRASKA 2.6%**

**Public Power Generation Agency, Nebraska Revenue Bonds, (BABs), Series 2009**

7.242% due 01/01/2041		6,400	7,627
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**VIRGINIA 0.1%**

**Tobacco Settlement Financing Corp., Virginia Revenue Bonds, Series 2007**

6.706% due 06/01/2046		395	295
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**WEST VIRGINIA 1.7%**

<b>Tobacco Settlement Finance Authority, West Virginia Revenue Bonds, Series 2007</b>		
7.467% due 06/01/2047	5,685	4,842

<b>Total Municipal Bonds &amp; Notes (Cost \$22,414)</b>		<b>23,447</b>
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**U.S. GOVERNMENT AGENCIES 2.5%**

<b>Fannie Mae</b>		
3.500% due 12/25/2032 (a)	983	133
4.000% due 11/25/2042 (a)	3,480	571
5.188% due 07/25/2025	3,410	3,456
14.440% due 12/25/2040	132	201
<b>Freddie Mac</b>		
7.741% due 12/25/2027	2,400	2,452

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See Accompanying Notes



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	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
9.627% due 11/15/2040	\$ 405	\$ 429
<b>Total U.S. Government Agencies (Cost \$7,074)</b>		<b>7,242</b>
<b>MORTGAGE-BACKED SECURITIES 19.0%</b>		
<b>Banc of America Alternative Loan Trust</b>		
6.000% due 01/25/2036 ^	81	68
<b>Banc of America Funding Trust</b>		
6.000% due 08/25/2036 ^	2,745	2,673
6.000% due 03/25/2037 ^	1,607	1,374
6.000% due 08/25/2037 ^	2,542	2,240
<b>BCAP LLC Trust</b>		
5.368% due 03/26/2037	785	257
20.623% due 06/26/2036	166	53
<b>Bear Stearns ALT-A Trust</b>		
2.593% due 11/25/2036	327	239
2.959% due 09/25/2035 ^	595	490
<b>Bear Stearns Mortgage Funding Trust</b>		
7.000% due 08/25/2036	976	923
<b>Chase Mortgage Finance Trust</b>		
2.425% due 12/25/2035 ^	9	8
6.000% due 02/25/2037 ^	823	706
6.000% due 07/25/2037 ^	520	452
6.250% due 10/25/2036 ^	1,569	1,412
<b>Citicorp Mortgage Securities Trust</b>		
5.500% due 04/25/2037	96	96
<b>Countrywide Alternative Loan Trust</b>		
5.500% due 03/25/2035	271	244
5.500% due 12/25/2035 ^	3,191	2,800
5.500% due 03/25/2036 ^	127	108
5.534% due 04/25/2036 ^	1,039	810
5.750% due 01/25/2035	321	326
6.000% due 02/25/2035	299	312
6.000% due 05/25/2036 ^	2,084	1,832
6.000% due 08/25/2036 ^	153	142
6.000% due 04/25/2037 ^	983	812
6.000% due 08/25/2037 ^	875	679
6.250% due 11/25/2036 ^	642	609
6.250% due 12/25/2036 ^	1,384	1,137
6.500% due 08/25/2036 ^	391	304
<b>Countrywide Home Loan Mortgage Pass-Through Trust</b>		
2.503% due 02/20/2035	58	58
5.500% due 10/25/2035 ^	726	685
5.750% due 03/25/2037 ^	501	455
6.000% due 05/25/2036 ^	1,187	1,093
6.000% due 04/25/2037 ^	106	98
6.250% due 09/25/2036 ^	574	535
<b>Credit Suisse Mortgage Capital Mortgage-Backed Trust</b>		
6.000% due 02/25/2037 ^	322	286
6.750% due 08/25/2036 ^	1,187	964
<b>Deutsche Mortgage Securities, Inc. Mortgage Loan Trust</b>		
1.491% due 06/25/2034	2,030	1,471
<b>GSR Mortgage Loan Trust</b>		
5.500% due 05/25/2036 ^	112	104
6.000% due 02/25/2036	4,145	3,574

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<b>HarborView Mortgage Loan Trust</b>		
0.908% due 01/19/2035	319	286
2.671% due 07/19/2035	52	47
<b>IndyMac Mortgage Loan Trust</b>		
6.500% due 07/25/2037 ^	1,956	1,292
<b>JPMorgan Alternative Loan Trust</b>		
2.525% due 03/25/2037 ^	1,508	1,189
2.596% due 03/25/2036 ^	1,615	1,290
6.310% due 08/25/2036 ^	1,169	962
<b>JPMorgan Mortgage Trust</b>		
2.528% due 01/25/2037 ^	507	451
2.597% due 02/25/2036 ^	476	416
5.000% due 03/25/2037 ^	896	769
6.000% due 08/25/2037 ^	213	198
	<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>Merrill Lynch Mortgage Investors Trust</b>		
2.734% due 03/25/2036 ^	\$ 1,436	\$ 972
<b>Residential Accredited Loans, Inc. Trust</b>		
6.000% due 06/25/2036 ^	876	730
<b>Residential Asset Securitization Trust</b>		
5.750% due 02/25/2036 ^	911	755
6.000% due 03/25/2037 ^	629	460
6.000% due 05/25/2037 ^	1,308	1,150
6.000% due 07/25/2037 ^	956	704
6.250% due 09/25/2037 ^	1,595	1,146
<b>Residential Funding Mortgage Securities, Inc. Trust</b>		
3.747% due 08/25/2036 ^	1,694	1,492
6.000% due 09/25/2036 ^	215	198
6.000% due 06/25/2037 ^	2,801	2,478
<b>Structured Adjustable Rate Mortgage Loan Trust</b>		
2.454% due 11/25/2036 ^	1,519	1,247
4.728% due 03/25/2037 ^	512	370
4.952% due 01/25/2036 ^	1,253	982
5.226% due 07/25/2036 ^	561	476
<b>Suntrust Adjustable Rate Mortgage Loan Trust</b>		
2.571% due 02/25/2037 ^	269	235
2.714% due 04/25/2037 ^	1,631	1,387
<b>WaMu Mortgage Pass-Through Certificates Trust</b>		
2.180% due 12/25/2046	437	405
2.244% due 09/25/2036 ^	199	181
4.363% due 02/25/2037 ^	539	503
6.041% due 10/25/2036 ^	721	607
<b>Wells Fargo Mortgage-Backed Securities Trust</b>		
2.612% due 07/25/2036 ^	301	286
5.750% due 03/25/2037 ^	323	316
6.000% due 06/25/2037 ^	184	185
6.000% due 07/25/2037 ^	286	282
<b>Total Mortgage-Backed Securities (Cost \$50,557)</b>		<b>54,876</b>
<b>ASSET-BACKED SECURITIES 18.5%</b>		
<b>Asset-Backed Funding Certificates Trust</b>		
0.341% due 10/25/2036	7,936	6,971
<b>Bear Stearns Asset-Backed Securities Trust</b>		
6.500% due 10/25/2036	256	208
<b>CIFC Funding Ltd.</b>		
0.010% due 05/24/2026	800	675
<b>Countrywide Asset-Backed Certificates</b>		
0.447% due 09/25/2046	3,189	2,164
0.751% due 12/25/2035	3,500	3,305
<b>Countrywide Asset-Backed Certificates Trust</b>		
5.192% due 08/25/2035	3,000	2,965
<b>GSAA Home Equity Trust</b>		
5.772% due 11/25/2036 ^	7,490	4,432
<b>GSAMP Trust</b>		
1.166% due 03/25/2035 ^	8,673	5,600

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<b>JPMorgan Mortgage Acquisition Trust</b>			
0.507% due 04/25/2036		6,000	4,127
<b>Lehman XS Trust</b>			
5.319% due 06/24/2046		3,220	2,699
<b>MASTR Asset-Backed Securities Trust</b>			
5.233% due 11/25/2035		254	257
<b>Mid-State Trust</b>			
6.340% due 10/15/2036		673	733
<b>Morgan Stanley ABS Capital, Inc. Trust</b>			
0.481% due 01/25/2036		4,300	3,891
1.181% due 06/25/2035		500	451
<b>Morgan Stanley Mortgage Loan Trust</b>			
6.250% due 07/25/2047 ^		489	366
<b>Residential Asset Mortgage Products Trust</b>			
0.471% due 09/25/2036		400	340
		<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>Residential Asset Securities Corp. Trust</b>			
0.661% due 09/25/2035	\$	13,627	\$ 10,950
<b>Securitized Asset-Backed Receivables LLC Trust</b>			
0.331% due 05/25/2036		6,568	3,731
<b>Total Asset-Backed Securities (Cost \$52,332)</b>			<b>53,865</b>
<b>SOVEREIGN ISSUES 0.5%</b>			
<b>Republic of Greece Government International Bond</b>			
3.800% due 08/08/2017	JPY	201,000	1,168
4.750% due 04/17/2019	EUR	300	221
<b>Total Sovereign Issues (Cost \$1,679)</b>			<b>1,389</b>
<b>SHARES</b>			
<b>COMMON STOCKS 0.0%</b>			
<b>FINANCIALS 0.0%</b>			
<b>TIG TopCo Ltd. (e)</b>		91,836	96
<b>Total Common Stocks (Cost \$136)</b>			<b>96</b>
<b>PREFERRED SECURITIES 5.3%</b>			
<b>BANKING &amp; FINANCE 4.5%</b>			
<b>Farm Credit Bank of Texas</b>			
10.000% due 12/15/2020 (d)		6,000	7,515
<b>GMAC Capital Trust</b>			
8.125% due 02/15/2040		207,100	5,432
			12,947
<b>UTILITIES 0.8%</b>			
<b>Entergy Texas, Inc.</b>			
5.625% due 06/01/2064		93,975	2,408
<b>Total Preferred Securities (Cost \$14,682)</b>			<b>15,355</b>
<b>PRINCIPAL AMOUNT (000S)</b>			
<b>SHORT-TERM INSTRUMENTS 4.0%</b>			
<b>SHORT-TERM NOTES 2.6%</b>			
<b>Federal Home Loan Bank</b>			
0.096% due 11/04/2015 - 11/12/2015	\$	5,100	5,099
0.144% due 11/04/2015		900	900
0.193% due 01/22/2016		800	800
0.213% due 01/27/2016		800	799

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		7,598
<b>U.S. TREASURY BILLS 1.4%</b>		
0.077% due 08/06/2015 - 01/28/2016 (c)(h)(j)	4,084	4,083
<b>Total Short-Term Instruments</b> (Cost \$11,680)		<b>11,681</b>
<b>Total Investments in Securities</b> (Cost \$338,083)		<b>345,872</b>
<b>Total Investments 119.3%</b> (Cost \$338,083)		<b>\$ 345,872</b>
<b>Financial Derivative</b> <b>Instruments (g)(i) (0.3%)</b>		
(Cost or Premiums, net \$(763))		(909)
<b>Preferred Shares (17.7%)</b>		<b>(51,275)</b>
<b>Other Assets and Liabilities, net (1.3%)</b>		<b>(3,779)</b>
<b>Net Assets Applicable to Common Shareholders 100.0%</b>		<b>\$ 289,909</b>

See Accompanying Notes

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**Table of Contents****Schedule of Investments PIMCO Income Strategy Fund (Cont.)****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 bond security.

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

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

**(e) RESTRICTED SECURITIES:**

Issuer Description	Acquisition Date	Cost	Market Value	Market Value as Percentage of Net Assets
TIG TopCo Ltd.	04/02/2015	\$ 136	\$ 96	0.03%

**BORROWINGS AND OTHER FINANCING TRANSACTIONS****REVERSE REPURCHASE AGREEMENTS:**

Counterparty	Borrowing Rate	Borrowing Date	Maturity Date	Amount Borrowed <sup>(1)</sup>	Payable for Reverse Repurchase Agreements
MSC	0.600%	07/08/2015	10/08/2015	\$ (5,594)	\$ (5,596)
<b>Total Reverse Repurchase Agreements</b>					<b>\$ (5,596)</b>

<sup>(1)</sup> The average amount of borrowings outstanding during the period ended July 31, 2015 was \$26,860 at a weighted average interest rate of 0.420%.

**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 July 31, 2015:

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(f) Securities with an aggregate market value of \$6,124 have been pledged as collateral under the terms of the following master agreements as of July 31, 2015.

Counterparty	Repurchase Agreement Proceeds to be Received	Payable for Reverse Repurchase Agreements	Payable for Sale-Buyback Transactions	Payable for Short Sales	Total Borrowings and Other Financing Transactions	Collateral Pledged	Net Exposure (2)
Global/Master Repurchase Agreement							
MSC	\$ 0	\$ (5,596)	\$ 0	\$ 0	\$ (5,596)	\$ 6,124	\$ 528
<b>Total Borrowings and Other Financing Transactions</b>	<b>\$ 0</b>	<b>\$ (5,596)</b>	<b>\$ 0</b>	<b>\$ 0</b>			

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

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

#### SWAP AGREEMENTS:

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

Index/Tranches	Fixed Deal Receive Rate	Maturity Date	Notional Amount (2)	Market Value (3)	Unrealized (Depreciation)	Variation Margin Asset	Variation Margin Liability
CDX.HY-24 5-Year Index	5.000%	06/20/2020	\$ 12,474	\$ 849	\$ (112)	\$ 15	\$ 0

(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) 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.

(3) 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.

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July 31, 2015

**INTEREST RATE SWAPS**

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 USD-LIBOR	1.900%	06/18/2019	\$ 35,800	\$ 692	\$ 542	\$ 98	\$ 0	
Pay	3-Month USD-LIBOR	2.000%	06/18/2019	99,400	2,312	965	275	0	
Pay	3-Month USD-LIBOR	2.250%	12/17/2019	41,300	1,325	286	129	0	
Pay	3-Month USD-LIBOR	3.500%	06/19/2044	83,100	13,529	16,240	646	0	
Receive	3-Month USD-LIBOR	2.750%	12/16/2045	152,400	1,256	(7,134)	0	(1,025)	
Pay	6-Month AUD-BBR-BBSW	3.000%	12/17/2019	AUD 6,200	103	10	3	0	
Pay	6-Month AUD-BBR-BBSW	3.500%	06/17/2025	3,900	102	6	11	0	
						\$ 19,319	\$ 10,915	\$ 1,162	\$ (1,025)
<b>Total Swap Agreements</b>						<b>\$ 20,168</b>	<b>\$ 10,803</b>	<b>\$ 1,177</b>	<b>\$ (1,025)</b>

**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 July 31, 2015:

(h) Securities with an aggregate market value of \$2,510 and cash of \$5,946 have been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of July 31, 2015. 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>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,177</b>	<b>\$ 1,177</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (1,025)</b>	<b>\$ (1,025)</b>

**(i) FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER**

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FORWARD FOREIGN CURRENCY CONTRACTS:

Counterparty	Settlement Month	Currency to be Delivered		Currency to be Received		Unrealized Appreciation/ (Depreciation)			
						Asset	Liability		
BOA	08/2015	\$	35,040	GBP	22,403	\$	0	\$	(55)
	09/2015	GBP	22,403	\$	35,033		55		0
	06/2016	EUR	26		36		7		0
	06/2016	\$	1	EUR	1		0		0
BPS	08/2015	BRL	1,764	\$	520		5		0
	08/2015	\$	562	BRL	1,764		0		(47)
BRC	06/2016	EUR	5	\$	7		1		0
CBK	08/2015		131		144		0		0
	08/2015	GBP	344		533		0		(4)
	08/2015	\$	313	GBP	202		2		0
DUB	06/2016	EUR	3	\$	4		1		0
GLM	08/2015	AUD	266		204		10		0
HUS	08/2015	EUR	3,334		3,717		56		0
	08/2015	\$	1,363	JPY	168,500		0		(3)
	09/2015	JPY	168,500	\$	1,363		3		0
JPM	08/2015	GBP	228		356		0		0
MSB	08/2015	BRL	2,157		674		44		0
	08/2015	JPY	168,500		1,366		7		0
	08/2015	\$	641	BRL	2,157		0		(11)
	09/2015		553		1,764		0		(43)
	06/2016	EUR	7	\$	10		2		0
NAB	06/2016		15		21		4		0
SCX	08/2015	\$	3,827	EUR	3,465		0		(21)
	09/2015	EUR	3,465	\$	3,828		22		0
UAG	08/2015	BRL	2,157		644		14		0
	08/2015	GBP	22,238		34,907		179		0
	08/2015	\$	635	BRL	2,157		0		(6)
	08/2015		321	GBP	205		0		(1)
	09/2015		637	BRL	2,157		0		(14)
<b>Total Forward Foreign Currency Contracts</b>							<b>\$ 412</b>	<b>\$</b>	<b>(205)</b>

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

**SWAP AGREEMENTS:**

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

Counterparty	Reference Entity	Fixed Deal Receive Rate	Maturity Date	Implied Credit Spread at		Notional Amount <sup>(3)</sup>	Premiums (Received)	Unrealized (Depreciation)	Swap Agreements, at Value	
				July 31, 2015 <sup>(2)</sup>					Asset	Liability
BPS	Petrobras International Finance Co.	1.000%	12/20/2024	5.297%		\$ 500	\$ (98)	\$ (43)	\$ 0	\$ (141)
GST	Petrobras International Finance Co.	1.000%	12/20/2024	5.297%		700	(139)	(58)	0	(197)
HUS	Petrobras Global Finance BV	1.000%	09/20/2020	4.965%		20	(3)	0	0	(3)
	Petrobras International Finance Co.	1.000%	12/20/2019	4.755%		200	(17)	(12)	0	(29)
	Petrobras International Finance Co.	1.000%	12/20/2024	5.297%		800	(166)	(60)	0	(226)
MYC	Petrobras International Finance Co.	1.000%	12/20/2019	4.755%		4,100	(379)	(209)	0	(588)
							\$ (802)	\$ (382)	\$ 0	\$ (1,184)

(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 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.

**INTEREST RATE SWAPS**

Counterparty	Pay/Receive		Fixed Rate	Maturity Date	Notional Amount	Premiums Paid/(Received)	Unrealized Swap Agreements, at Value		Asset	Liability
	Floating Rate	Floating Rate Index					Appreciation/Depreciation			
BPS	Pay	1-Year BRL-CDI	11.500%	01/04/2021	BRL 6,100	\$ 8	\$ (68)	\$ 0	\$ (60)	
CBK	Pay	1-Year BRL-CDI	11.500%	01/04/2021	23,000	(22)	(204)	0	(226)	

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	Pay	3-Month USD-LIBOR	2.150%	08/24/2020	\$	10,400	6	99	105	0			
	Pay	3-Month USD-LIBOR	2.800%	08/24/2025		3,700	3	46	49	0			
DUB	Pay	3-Month USD-LIBOR	2.150%	08/24/2020		18,000	17	165	182	0			
	Pay	3-Month USD-LIBOR	2.800%	08/24/2025		22,600	7	296	303	0			
GLM	Pay	3-Month USD-LIBOR	2.150%	08/24/2020		33,100	28	306	334	0			
MYC	Pay	1-Year BRL-CDI	11.500%	01/04/2021	BRL	40,500	36	(435)	0	(399)			
UAG	Pay	1-Year BRL-CDI	11.250%	01/04/2021		29,500	(44)	(328)	0	(372)			
						\$	39	\$	(123)	\$	973	\$	(1,057)
<b>Total Swap Agreements</b>						\$	(763)	\$	(505)	\$	973	\$	(2,241)

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 July 31, 2015:

(j) Securities with an aggregate market value of \$1,572 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of July 31, 2015.

Counterparty	Financial Derivative Assets				Financial Derivative Liabilities						
	Forward Foreign	Forward Foreign	Forward Foreign	Total Over the Counter	Forward Foreign	Forward Foreign	Forward Foreign	Total Over the Counter	Net Market Value of OTC Derivatives	Collateral (Received)/Pledged	Net Exposure <sup>(4)</sup>
BOA	\$ 62	\$ 0	\$ 0	\$ 62	\$ (55)	\$ 0	\$ 0	\$ (55)	\$ 7	\$ (10)	\$ (3)
BPS	5	0	0	5	(47)	0	(201)	(248)	(243)	183	(60)
BRC	1	0	0	1	0	0	0	0	1	(10)	(9)
CBK	2	0	154	156	(4)	0	(226)	(230)	(74)	0	(74)
DUB	1	0	485	486	0	0	0	0	486	(680)	(194)
GLM	10	0	334	344	0	0	0	0	344	(290)	54
GST	0	0	0	0	0	0	(197)	(197)	(197)	0	(197)
HUS	59	0	0	59	(3)	0	(258)	(261)	(202)	351	149
MSB	53	0	0	53	(54)	0	0	(54)	(1)	(10)	(11)
MYC	0	0	0	0	0	0	(987)	(987)	(987)	1,039	52
NAB	4	0	0	4	0	0	0	0	4	0	4
SCX	22	0	0	22	(21)	0	0	(21)	1	0	1
UAG	193	0	0	193	(21)	0	(372)	(393)	(200)	0	(200)
<b>Total Over the Counter</b>	<b>\$ 412</b>	<b>\$ 0</b>	<b>\$ 973</b>	<b>\$ 1,385</b>	<b>\$ (205)</b>	<b>\$ 0</b>	<b>\$ (2,241)</b>	<b>\$ (2,446)</b>			

(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.

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**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 July 31, 2015:**

	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	\$ 15	\$ 0	\$ 0	\$ 1,162	\$ 1,177
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 412	\$ 0	\$ 412
Swap Agreements	0	0	0	0	973	973
	\$ 0	\$ 0	\$ 0	\$ 412	\$ 973	\$ 1,385
	\$ 0	\$ 15	\$ 0	\$ 412	\$ 2,135	\$ 2,562
<b>Financial Derivative Instruments - Liabilities</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,025	\$ 1,025
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 205	\$ 0	\$ 205
Swap Agreements	0	1,184	0	0	1,057	2,241
	\$ 0	\$ 1,184	\$ 0	\$ 205	\$ 1,057	\$ 2,446
	\$ 0	\$ 1,184	\$ 0	\$ 205	\$ 2,082	\$ 3,471

**The Effect of Financial Derivative Instruments on the Statements of Operations for the period ended July 31, 2015:**

Derivatives not accounted for as hedging instruments

Total

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	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	\$ 1	\$ 0	\$ 0	\$ (16,498)	\$ (16,497)
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 3,119	\$ 0	\$ 3,119
Swap Agreements	0	126	0	0	2,768	2,894
	\$ 0	\$ 126	\$ 0	\$ 3,119	\$ 2,768	\$ 6,013
	\$ 0	\$ 127	\$ 0	\$ 3,119	\$ (13,730)	\$ (10,484)
<b>Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ (112)	\$ 0	\$ 0	\$ 5,807	\$ 5,695
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 53	\$ 0	\$ 53
Swap Agreements	0	(382)	0	0	1,386	1,004
	\$ 0	\$ (382)	\$ 0	\$ 53	\$ 1,386	\$ 1,057
	\$ 0	\$ (494)	\$ 0	\$ 53	\$ 7,193	\$ 6,752

See Accompanying Notes

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July 31, 2015

**FAIR VALUE MEASUREMENTS**

The following is a summary of the fair valuations according to the inputs used as of July 31, 2015 in valuing the Fund's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 07/31/2015
<b>Investments in Securities, at Value</b>				
Bank Loan Obligations	\$ 0	\$ 5,115	\$ 0	\$ 5,115
<b>Corporate Bonds &amp; Notes</b>				
Banking & Finance	0	92,816	2,665	95,481
Industrials	0	46,725	0	46,725
Utilities	0	30,600	0	30,600
<b>Municipal Bonds &amp; Notes</b>				
California	0	4,708	0	4,708
Illinois	0	5,975	0	5,975
Nebraska	0	7,627	0	7,627
Virginia	0	295	0	295
West Virginia	0	4,842	0	4,842
U.S. Government Agencies	0	7,242	0	7,242
Mortgage-Backed Securities	0	54,876	0	54,876
Asset-Backed Securities	0	53,865	0	53,865
Sovereign Issues	0	1,389	0	1,389
<b>Common Stocks</b>				
Financials	0	0	96	96
<b>Preferred Securities</b>				
Banking & Finance	5,432	7,515	0	12,947
Utilities	2,408	0	0	2,408
<b>Short-Term Instruments</b>				
<b>Short-Term Instruments</b>				
Short-Term Notes	\$ 0	\$ 7,598	\$ 0	\$ 7,598
U.S. Treasury Bills	0	4,083	0	4,083
Total Investments	\$ 7,840	\$ 335,271	\$ 2,761	\$ 345,872
<b>Financial Derivative Instruments - Assets</b>				
Exchange-traded or centrally cleared	0	1,177	0	1,177
Over the counter	0	1,385	0	1,385
	\$ 0	\$ 2,562	\$ 0	\$ 2,562
<b>Financial Derivative Instruments - Liabilities</b>				
Exchange-traded or centrally cleared	0	(1,025)	0	(1,025)
Over the counter	0	(2,446)	0	(2,446)
	\$ 0	\$ (3,471)	\$ 0	\$ (3,471)

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Totals	\$	7,840	\$	334,362	\$	2,761	\$	344,963
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There were no significant transfers between Levels 1, 2, or 3 during the period ended July 31, 2015.

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See Accompanying Notes

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July 31, 2015

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>INVESTMENTS IN SECURITIES 116.1%</b>		
<b>BANK LOAN OBLIGATIONS 1.8%</b>		
<b>Clear Channel Communications, Inc.</b>		
6.940% due 01/30/2019	\$ 6,800	\$ 6,262
<b>Sequa Corp.</b>		
5.250% due 06/19/2017	5,303	4,707
<b>Total Bank Loan Obligations (Cost \$11,090)</b>		<b>10,969</b>
<b>CORPORATE BONDS &amp; NOTES 54.6%</b>		
<b>BANKING &amp; FINANCE 29.4%</b>		
<b>AGFC Capital Trust</b>		
6.000% due 01/15/2067	1,800	1,341
<b>American International Group, Inc.</b>		
6.250% due 03/15/2087	11,608	12,794
8.175% due 05/15/2068	300	403
<b>Banco do Brasil S.A.</b>		
6.250% due 04/15/2024 (d)	2,400	1,634
9.000% due 06/18/2024 (d)	8,630	7,441
9.250% due 04/15/2023 (d)	300	271
<b>Banco Santander S.A.</b>		
6.250% due 09/11/2021 (d)	EUR 1,600	1,744
<b>Barclays Bank PLC</b>		
7.625% due 11/21/2022	\$ 2,200	2,541
<b>Barclays PLC</b>		
6.500% due 09/15/2019 (d)	EUR 1,500	1,680
8.000% due 12/15/2020 (d)	3,900	4,695
<b>BGC Partners, Inc.</b>		
5.375% due 12/09/2019	\$ 6,370	6,692
<b>Cantor Fitzgerald LP</b>		
6.500% due 06/17/2022 (f)	8,500	8,890
<b>Co-operative Group Holdings Ltd.</b>		
7.500% due 07/08/2026	GBP 6,150	10,472
<b>Credit Agricole S.A.</b>		
6.500% due 06/23/2021 (d)	EUR 400	455
7.500% due 06/23/2026 (d)	GBP 3,500	5,521
7.875% due 01/23/2024 (d)	\$ 3,200	3,344
<b>Depository Trust &amp; Clearing Corp.</b>		
4.875% due 06/15/2020 (d)	1,500	1,510
<b>ERB Hellas PLC</b>		
4.250% due 06/26/2018	EUR 250	94
<b>GSPA Monetization Trust</b>		
6.422% due 10/09/2029 (f)	\$ 4,956	5,535
<b>Jefferies Finance LLC</b>		
6.875% due 04/15/2022	7,950	7,672
<b>LBG Capital No.2 PLC</b>		
12.750% due 08/10/2020	GBP 300	575
15.000% due 12/21/2019	EUR 1,100	1,818
<b>Lloyds Banking Group PLC</b>		
7.625% due 06/27/2023 (d)	GBP 6,100	9,983
<b>Millennium Offshore Services Superholdings LLC</b>		

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9.500% due 02/15/2018	\$	4,500	4,320
<b>Navient Corp.</b>			
5.500% due 01/15/2019		13,750	13,544
5.625% due 08/01/2033		150	108
8.450% due 06/15/2018		3,400	3,680
<b>Novo Banco S.A.</b>			
2.625% due 05/08/2017	EUR	200	218
4.750% due 01/15/2018		600	682
5.000% due 04/04/2019		311	357
5.000% due 04/23/2019		653	751
5.000% due 05/14/2019		431	495
5.000% due 05/21/2019		241	277
5.000% due 05/23/2019		240	276
5.875% due 11/09/2015		1,800	1,992
		<b>PRINCIPAL</b>	<b>MARKET</b>
		<b>AMOUNT</b>	<b>VALUE</b>
		<b>(000S)</b>	<b>(000S)</b>
<b>OneMain Financial Holdings, Inc.</b>			
7.250% due 12/15/2021	\$	3,610	\$ 3,772
<b>Rabobank Group</b>			
8.400% due 06/29/2017 (d)		700	763
<b>Russian Agricultural Bank OJSC Via RSHB Capital S.A.</b>			
5.298% due 12/27/2017		2,900	2,893
6.299% due 05/15/2017		5,500	5,629
<b>Sberbank of Russia Via SB Capital S.A.</b>			
5.717% due 06/16/2021		6,100	5,958
<b>Tesco Property Finance PLC</b>			
5.411% due 07/13/2044	GBP	3,590	5,403
6.052% due 10/13/2039		1,962	3,206
<b>TIG FinCo PLC</b>			
8.500% due 03/02/2020		687	1,126
8.750% due 04/02/2020		3,804	5,792
<b>Vnesheconombank Via VEB Finance PLC</b>			
5.942% due 11/21/2023	\$	3,000	2,685
6.902% due 07/09/2020		11,000	10,822
<b>Western Group Housing LP</b>			
6.750% due 03/15/2057		5,500	6,388
			178,242
<b>INDUSTRIALS 14.8%</b>			
<b>Anadarko Petroleum Corp.</b>			
7.000% due 11/15/2027		3,400	3,815
<b>BMC Software Finance, Inc.</b>			
8.125% due 07/15/2021		1,470	1,156
<b>Boxer Parent Co., Inc. (9.000% Cash or 9.750% PIK)</b>			
9.000% due 10/15/2019 (b)		4,980	3,305
<b>Caesars Entertainment Operating Co., Inc.</b>			
9.000% due 02/15/2020 ^		2,300	1,915
11.250% due 06/01/2017 ^		9,000	7,470
<b>CCO Safari LLC</b>			
6.484% due 10/23/2045		6,221	6,452
6.834% due 10/23/2055		889	915
<b>Chesapeake Energy Corp.</b>			
3.539% due 04/15/2019		90	76
<b>Communications Sales &amp; Leasing, Inc.</b>			
8.250% due 10/15/2023		2,000	1,920
<b>Forbes Energy Services Ltd.</b>			
9.000% due 06/15/2019		1,164	858
<b>Ford Motor Co.</b>			
7.700% due 05/15/2097		10,460	12,973
<b>Gulfport Energy Corp.</b>			
7.750% due 11/01/2020		600	618
<b>Harvest Operations Corp.</b>			
6.875% due 10/01/2017		1,073	995
<b>Hellenic Railways Organization S.A.</b>			
4.028% due 03/17/2017	EUR	1,400	1,084
<b>iHeartCommunications, Inc.</b>			
9.000% due 09/15/2022	\$	1,200	1,085



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<b>Intrepid Aviation Group Holdings LLC</b>			
6.875% due 02/15/2019		4,030	3,778
<b>Pertamina Persero PT</b>			
6.450% due 05/30/2044		11,154	10,903
<b>Russian Railways via RZD Capital PLC</b>			
7.487% due 03/25/2031	GBP	1,300	1,888
<b>Scientific Games International, Inc.</b>			
10.000% due 12/01/2022	\$	3,300	3,218
<b>Sequa Corp.</b>			
7.000% due 12/15/2017		6,588	4,546
<b>Spirit Issuer PLC</b>			
6.582% due 12/28/2027	GBP	1,000	1,651
<b>Tembec Industries, Inc.</b>			
9.000% due 12/15/2019	\$	2,100	1,712
		<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>UCP, Inc.</b>			
8.500% due 10/21/2017	\$	2,000	\$ 2,008
<b>Unique Pub Finance Co. PLC</b>			
5.659% due 06/30/2027	GBP	4,254	6,839
6.542% due 03/30/2021		1,696	2,793
<b>Westmoreland Coal Co.</b>			
8.750% due 01/01/2022	\$	6,335	5,638

89,611

**UTILITIES 10.4%**

<b>AK Transneft OJSC Via TransCapitalInvest Ltd.</b>			
8.700% due 08/07/2018		4,500	4,955
<b>Gazprom Neft OAO Via GPN Capital S.A.</b>			
4.375% due 09/19/2022		6,100	5,215
6.000% due 11/27/2023		15,900	14,689
<b>Gazprom OAO Via Gaz Capital S.A.</b>			
5.999% due 01/23/2021		300	296
<b>Illinois Power Generating Co.</b>			
6.300% due 04/01/2020		3,035	2,762
7.000% due 04/15/2018		5,100	4,858
7.950% due 06/01/2032		500	472
<b>Northwestern Bell Telephone</b>			
7.750% due 05/01/2030		12,625	14,057
<b>Odebrecht Drilling Norbe Ltd.</b>			
6.350% due 06/30/2022		410	297
<b>Odebrecht Offshore Drilling Finance Ltd.</b>			
6.625% due 10/01/2023		4,360	2,791
6.750% due 10/01/2023		3,424	2,217
<b>Petrobras Global Finance BV</b>			
2.750% due 01/15/2018	EUR	470	485
3.163% due 03/17/2020	\$	270	244
4.875% due 03/17/2020		450	419
5.750% due 01/20/2020		220	213
6.625% due 01/16/2034	GBP	100	128
6.750% due 01/27/2041	\$	2,400	2,010
7.875% due 03/15/2019		6,900	7,193

63,301

**Total Corporate Bonds & Notes**  
(Cost \$334,017)

**331,154**

**MUNICIPAL BONDS & NOTES 10.0%**

**CALIFORNIA 2.5%**

<b>La Quinta Financing Authority, California Tax Allocation Bonds, Series 2011</b>			
8.070% due 09/01/2036		3,000	3,426
<b>Riverside County, California Redevelopment Successor Agency Tax Allocation Bonds, Series 2010</b>			
7.500% due 10/01/2030		1,200	1,312
<b>San Francisco, California City &amp; County Redevelopment Agency Tax Allocation Bonds, Series 2009</b>			
8.406% due 08/01/2039		1,650	2,089

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<b>Stockton Public Financing Authority, California Revenue Bonds, (BABs), Series 2009</b>		
7.942% due 10/01/2038	7,500	8,442
		15,269
<b>ILLINOIS 0.1%</b>		
<b>Chicago, Illinois General Obligation Bonds, Series 2015</b>		
7.375% due 01/01/2033	180	182
7.750% due 01/01/2042	330	327
		509

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	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>NEBRASKA 1.3%</b>		
<b>Public Power Generation Agency, Nebraska Revenue Bonds, (BABs), Series 2009</b>		
7.242% due 01/01/2041	\$ 6,500	\$ 7,746
<b>OHIO 4.3%</b>		
<b>Ohio State University Revenue Bonds, Series 2011</b>		
4.800% due 06/01/2111	27,300	26,221
<b>VIRGINIA 0.1%</b>		
<b>Tobacco Settlement Financing Corp., Virginia Revenue Bonds, Series 2007</b>		
6.706% due 06/01/2046	835	624
<b>WEST VIRGINIA 1.7%</b>		
<b>Tobacco Settlement Finance Authority, West Virginia Revenue Bonds, Series 2007</b>		
7.467% due 06/01/2047	11,815	10,062
<b>Total Municipal Bonds &amp; Notes</b> (Cost \$55,305)		<b>60,431</b>
<b>U.S. GOVERNMENT AGENCIES 2.9%</b>		
<b>Fannie Mae</b>		
3.500% due 02/25/2042 (a)	1,549	216
4.500% due 11/25/2042 (a)	4,084	675
5.188% due 07/25/2025	7,100	7,196
6.060% due 01/25/2040 (a)	597	111
<b>Freddie Mac</b>		
3.000% due 02/15/2033 (a)	3,320	430
3.500% due 12/15/2032 (a)	6,287	1,045
7.741% due 12/25/2027	5,100	5,211
11.502% due 09/15/2035	2,036	2,118
<b>Ginnie Mae</b>		
3.500% due 06/20/2042 - 10/20/2042 (a)	1,420	175
4.000% due 10/16/2042 - 10/20/2042 (a)	747	120
<b>Total U.S. Government Agencies</b> (Cost \$16,999)		<b>17,297</b>
<b>MORTGAGE-BACKED SECURITIES 29.1%</b>		
<b>Banc of America Alternative Loan Trust</b>		
6.000% due 01/25/2036 ^	188	160
6.000% due 07/25/2046 ^	954	793
<b>Banc of America Funding Trust</b>		
3.117% due 01/20/2047 ^	54	46
6.000% due 01/25/2037	9,581	6,792
6.000% due 08/25/2037 ^	7,374	6,498
<b>BCAP LLC Trust</b>		
2.685% due 05/26/2036	425	9
2.834% due 08/26/2037	14,610	8,948
4.471% due 07/26/2037	17,246	15,386
5.368% due 03/26/2037	1,635	536
6.250% due 11/26/2036	5,798	4,872
6.471% due 12/26/2035	5,391	4,358
6.807% due 05/26/2037	1,365	554
12.180% due 09/26/2036	5,639	4,647
20.623% due 06/26/2036	332	105

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	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>Bear Stearns ALT-A Trust</b>		
2.468% due 11/25/2035	10,004	7,899
2.593% due 11/25/2036	532	389
2.959% due 09/25/2035 ^	1,243	1,025
<b>Chase Mortgage Finance Trust</b>		
2.425% due 12/25/2035 ^	17	16
5.500% due 05/25/2036 ^	68	65
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>Citicorp Mortgage Securities Trust</b>		
5.500% due 04/25/2037	\$ 192	\$ 193
6.000% due 09/25/2037	2,346	2,458
<b>Countrywide Alternative Loan Trust</b>		
5.500% due 03/25/2035	557	502
5.500% due 01/25/2036	1,379	1,234
5.500% due 03/25/2036 ^	206	175
5.534% due 04/25/2036 ^	2,144	1,671
5.750% due 01/25/2035	666	677
5.750% due 02/25/2035	743	731
5.750% due 12/25/2036 ^	1,227	975
6.000% due 02/25/2035	623	649
6.000% due 04/25/2036	848	738
6.000% due 05/25/2036 ^	4,279	3,763
6.000% due 04/25/2037 ^	2,953	2,361
6.000% due 05/25/2037 ^	3,845	3,145
6.000% due 08/25/2037 ^	1,822	1,414
6.250% due 11/25/2036 ^	1,321	1,251
6.250% due 12/25/2036 ^	893	734
6.500% due 08/25/2036 ^	781	607
<b>Countrywide Home Loan Mortgage Pass-Through Trust</b>		
0.481% due 03/25/2035 ^	7,803	6,330
5.750% due 03/25/2037 ^	1,048	950
6.000% due 05/25/2036 ^	781	720
6.000% due 07/25/2037	3,622	3,140
6.250% due 09/25/2036 ^	1,180	1,099
<b>Credit Suisse First Boston Mortgage Securities Corp.</b>		
6.000% due 11/25/2035 ^	763	644
<b>Credit Suisse Mortgage Capital Mortgage-Backed Trust</b>		
5.750% due 04/25/2036 ^	305	260
6.750% due 08/25/2036 ^	2,407	1,955
<b>First Horizon Alternative Mortgage Securities Trust</b>		
6.000% due 05/25/2036 ^	1,309	1,112
6.000% due 08/25/2036 ^	2,155	1,788
<b>First Horizon Mortgage Pass-Through Trust</b>		
2.625% due 11/25/2035 ^	1,754	1,425
2.795% due 05/25/2037 ^	656	527
<b>IndyMac Mortgage Loan Trust</b>		
6.500% due 07/25/2037 ^	4,134	2,730
<b>JPMorgan Alternative Loan Trust</b>		
2.525% due 03/25/2037 ^	2,074	1,635
2.596% due 03/25/2036 ^	3,410	2,724
2.642% due 05/25/2036 ^	3,127	2,559
6.310% due 08/25/2036 ^	2,435	2,005
<b>JPMorgan Mortgage Trust</b>		
2.597% due 02/25/2036 ^	825	721
4.858% due 10/25/2035	501	489
6.000% due 08/25/2037 ^	372	346
6.500% due 09/25/2035	148	153
<b>Lehman Mortgage Trust</b>		
6.000% due 07/25/2036 ^	1,465	1,110
6.000% due 07/25/2037 ^	2,423	2,214
6.500% due 09/25/2037 ^	4,614	3,904
<b>MASTR Asset Securitization Trust</b>		
6.500% due 11/25/2037 ^	793	667
<b>Merrill Lynch Mortgage Investors Trust</b>		
2.734% due 03/25/2036 ^	2,798	1,895
<b>Morgan Stanley Mortgage Loan Trust</b>		
4.824% due 05/25/2036 ^	4,178	3,291
<b>Nomura Asset Acceptance Corp Alternative Loan Trust</b>		

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4.976% due 05/25/2035		24	23
<b>RBSSP Resecuritization Trust</b>			
0.345% due 02/26/2047		8,144	6,929
<b>Residential Accredit Loans, Inc. Trust</b>			
3.430% due 12/26/2034 ^		2,165	1,837
6.000% due 06/25/2036 ^		1,773	1,477
6.000% due 08/25/2036 ^		601	500
6.000% due 12/25/2036 ^		1,247	1,029
		<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>Residential Asset Securitization Trust</b>			
5.750% due 02/25/2036 ^	\$	1,885	\$ 1,562
6.000% due 02/25/2036		1,057	849
6.000% due 03/25/2037 ^		2,287	1,672
6.000% due 05/25/2037 ^		2,728	2,398
6.000% due 07/25/2037 ^		2,034	1,497
6.250% due 09/25/2037 ^		3,402	2,444
<b>Residential Funding Mortgage Securities, Inc. Trust</b>			
3.395% due 09/25/2035		2,606	2,271
3.747% due 08/25/2036 ^		2,945	2,595
6.250% due 08/25/2036 ^			