PIMCO

Semiannual Report

June 30, 2017

PIMCO Variable Insurance Trust

PIMCO CommodityRealReturn® Strategy Portfolio

Share Classes

- Institutional
- M
- Administrative
- Advisor

A company of Allianz

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Dear PIMCO Variable Insurance Trust Shareholder,

Please find enclosed the Semiannual Report for the PIMCO Variable Insurance Trust covering the six-month reporting period ended June 30, 2017. The following pages contain specific details about the Portfolio's investment performance and a discussion of the factors that most affected performance over the reporting period.

Highlights of the financial markets during the six-month fiscal reporting period include:

- Through early 2017, the robust risk sentiment that marked the post-U.S. election period broadly continued, though there were some signs of moderation towards the end of March. Early challenges in President Donald Trump's policy agenda left some investors less optimistic about the potential for other highly anticipated agenda items such as tax reform and infrastructure spending. Still, solid fundamental data, relatively easy financial conditions, and optimism among businesses and consumers helped encourage positive investor sentiment. This environment provided an opportunity for the Federal Reserve ("Fed") to continue on its path towards policy normalization, and led the Fed to raise its key lending rate, the Federal Funds Rate, again in March by 0.25% to a range of 0.75% to 1.00%.
- Geopolitics, including elections in several countries as well as political controversy in both the U.S. and Brazil, dominated headlines and contributed to brief periods of market volatility throughout the last quarter of the reporting period. In the U.S., the Fed raised the Federal Funds Rate once again in June by 0.25% to a range of 1.00% to 1.25%, and unveiled details of its plan to gradually unwind its balance sheet, contributing to a flattening yield curve. A perceived hawkish shift in tone from other major central banks, including the European Central Bank, the Bank of England, and the Bank of Canada, spurred most developed market yields to rise even as longer-term interest rates actually fell in the U.S. The fundamental economic backdrop remained largely intact and the broader risk rally continued as equities marched higher, credit spreads tightened, and emerging market ("EM") assets strengthened.
- U.S. Treasuries, as represented by the Bloomberg Barclays U.S. Treasury Index, returned 1.87% for the reporting period. Yields rose at the short-end of the U.S. Treasury yield curve through three-year maturities, but declined across the longer-term portion of U.S. Treasury yield curve as the Fed continued its tightening monetary policy. The benchmark ten-year U.S. Treasury note yielded 2.31% at the end of the reporting period, down from 2.45% on December 31, 2016. The Bloomberg Barclays U.S. Aggregate Index, a widely used index of U.S. investment-grade bonds, returned 2.27% for the reporting period.
- U.S. Treasury Inflation-Protected Securities ("TIPS"), as represented by the Bloomberg Barclays U.S. TIPS Index, returned 0.85% over the reporting period. The upward pressure on U.S. real interest rates experienced after the U.S. election moderated during the first part of 2017, as questions arose about the feasibility and timing of the new administration's proposed policies. Real yields in the U.S. resumed their upward trajectory in the last quarter of the reporting period, particularly in June, as the Fed raised rates for the fourth time in this cycle and announced detailed plans to reduce its balance sheet by tapering reinvestments. Inflation expectations dipped lower over the period on the back of persistent oil weakness and three consecutive soft Consumer Price Index ("CPI") releases during the second quarter.
- Diversified commodities, as represented by the Bloomberg Commodity Index Total Return, declined 5.26% over the reporting period. Within energy, oil prices dipped lower as production out of non-OPEC countries increased, elevating uncertainty that OPEC may succeed in rebalancing the oil market. Natural gas saw pressure from a warm U.S. winter; and continued to underperform in the second quarter of the reporting period due to unfavorable weather and higher U.S. inventories. Within precious metals, gold rallied on lower real yields over the first quarter of the reporting period, but ended slightly down driven by higher U.S. real yields at the end of the reporting period. Within agriculture, wheat outperformed on poor crop quality and production uncertainty.

- Agency mortgage-backed securities ("MBS"), as represented by the Bloomberg Barclays U.S. MBS Fixed Rate Index, returned 1.35% over the reporting period and underperformed like-duration U.S. Treasuries amid headwinds from heavy supply and concerns regarding the unwinding of the Fed's balance sheet. Non-Agency MBS prices were higher and spreads tightened, as the sector continued to benefit from favorable technicals and stable fundamentals.
- U.S. investment grade credit, as represented by the Bloomberg Barclays U.S. Credit Index, returned 3.68% over the reporting period, alongside falling credit yields, a relatively stable global growth environment, low volatility and strength in equity markets. Developed market global high yield bonds, as measured by the BofA Merrill Lynch Developed Markets High Yield Constrained Index (USD Hedged), returned 5.02% over the reporting period. Performance was strong and reflected meaningfully less dispersion across sectors, given the improving stability of commodities.
- EM external debt, as represented by the JPMorgan Emerging Markets Bond Index (EMBI) Global, returned 6.20% over the reporting period. EM local bonds, as represented by the JPMorgan Government Bond Index-Emerging Markets Global Diversified Index (Unhedged), returned 10.36% over the reporting period. The economic slowdown in China continued, though policymakers have placed a premium on near-term stability ahead of the 19th National Congress of the Communist Party of China scheduled to take place this autumn, effectively reducing the rate of depreciation for the Chinese Yuan. EM currencies broadly appreciated against the U.S. dollar, remaining resilient in the face of lower commodity prices and more hawkish rhetoric from developed market central banks.
- Global equity markets generally posted positive returns on strong investor risk appetite amid a period marked by low economic volatility and strong corporate earnings growth despite geopolitical uncertainty during the reporting period. U.S. equities, as represented by the S&P 500 Index, returned 9.34% over the reporting period. Developed market equities outside the US, as represented by the MSCI EAFE Net Dividend Index (USD Hedged), returned 8.27% and the MSCI EAFE Net Dividend Index (USD Unhedged), returned 13.81% over the reporting period. EM equities, as represented by the MSCI Emerging Markets Index (Net Dividends in USD), returned 18.43% over the same period.

Thank you again, for the trust you place in us. We value your commitment and will continue to work diligently to meet your broad investment and investment solution needs.

Sincerely,

Brent R. Harris

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

August 22, 2017

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

Important Information About the PIMCO CommodityRealReturn® Strategy Portfolio

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

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

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

Bond funds and individual bonds with a longer duration (a measure used to determine the sensitivity of a security's price to changes in interest rates) tend to be more sensitive to changes in interest rates, usually making them more volatile than securities or funds with shorter durations. All of the factors mentioned above, individually or collectively, could lead to increased volatility and/or lower liquidity in the fixed income markets or negatively impact the Portfolio's performance or cause the Portfolio to incur losses. As a result, the Portfolio may experience increased shareholder redemptions which, among other things, could further reduce the net assets of the Portfolio.

The Portfolio may be subject to various risks as described in the Portfolio's prospectus. Some of these risks may include, but are not limited to, the following: interest rate risk, call risk, credit risk, high yield risk, market risk, issuer risk, liquidity risk, derivatives risk, commodity risk, equity risk, mortgage-related and other asset-backed securities risk, foreign (non-U.S.) investment risk, emerging markets risk, sovereign debt risk, currency risk, leveraging risk, management risk, tax risk, subsidiary risk, and short sale risk. A complete description of these and other risks is contained in the Portfolio's prospectus.

The Portfolio may use derivative instruments as part of an investment strategy, as described below, or for hedging purposes. Use of these instruments may involve certain costs and risks such as liquidity risk, interest rate risk, market risk, credit risk, leverage risk, management risk and the risk that the Portfolio may not be able to close out a position when it would be most advantageous to do so. Changes in regulation relating to a mutual fund's use of derivatives and related instruments could potentially limit or impact the Portfolio's ability to invest in derivatives, limit the Portfolio's ability to employ certain strategies that use derivatives and/or adversely affect the value or performance of derivatives and the Portfolio. Certain derivative transactions may have a leveraging effect on the Portfolio. For example, a small investment in a derivative instrument may have a significant impact on the Portfolio's exposure to interest rates, currency exchange rates or other investments. As a result, a relatively small price movement in an asset, instrument, or component of the index underlying a derivative instrument may cause an immediate and substantial loss or gain, which translates into heightened volatility for the Portfolio. The Portfolio may engage in such transactions regardless of whether the Portfolio owns the asset, instrument or components of the index underlying the derivative instrument. The Portfolio may invest a significant portion of its assets in these types of instruments. If it does, the Portfolio'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 own. Investing in foreign (non-U.S.) securities may entail risk due to foreign (non-U.S.) economic and political developments; this risk may be increased when investing in emerging markets. For example, if the Portfolio 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 foreign (non-U.S.) issuer.

High yield 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 markets for lower-rated bonds. Thus, high yield investments increase the chance that the Portfolio will lose money. The credit quality of a particular security or group of securities does not ensure the stability or safety of the overall portfolio.

Mortgage-related and asset-backed securities represent interests in "pools" of mortgages or other assets such as consumer loans or receivables. As a general matter, mortgage-related and asset-backed securities are subject to interest rate risk, extension risk, prepayment risk, and credit risk. These risks largely stem from the fact that returns on mortgage-related and asset-backed securities depend on the ability of the underlying assets to generate cash flow.

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

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

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

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

Portfolio Name	**Portfolio Inception**	**Institutional Class**	**Class M**	**Administrative Class**	**Advisor Class**	**Diversification Status**
PIMCO CommodityRealReturn® Strategy Portfolio	06/30/04	04/30/12	11/10/14	06/30/04	02/28/06	Diversified

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

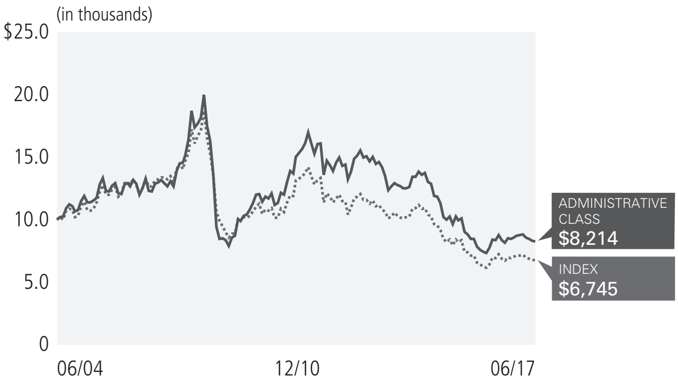
The Trustees are responsible generally for overseeing the management of the Trust. The Trustees authorize the Trust to enter into service agreements with the Adviser, the Distributor, the Administrator and other service providers in order to provide, and in some cases authorize service providers to procure through other parties, necessary or desirable services on behalf of the Trust and the Portfolio. Shareholders are not parties to or third-party beneficiaries of such service agreements. Neither this Portfolio's prospectus nor summary prospectus, the Trust's Statement of Additional Information ("SAI"), any contracts filed as exhibits to the Trust's registration statement, nor any other communications, disclosure documents or regulatory filings (including this report) from or on behalf of the Trust or the Portfolio creates a contract between or among any shareholder of the Portfolio, on the one hand, and the Trust, the Portfolio, a service provider to the Trust or the Portfolio, and/or the Trustees or officers of the Trust, on the other hand. The Trustees (or the Trust and its officers, service providers or other delegates acting under authority of the Trustees) may amend the most recent prospectus or use a new prospectus, summary prospectus or SAI with respect to the Portfolio or the Trust, and/or amend, file and/or issue any other communications, disclosure documents or regulatory filings, and may amend or enter into any contracts to which the Trust or the Portfolio is a party, and interpret the investment objective(s), policies, restrictions and contractual provisions applicable to the Portfolio, without shareholder input or approval, except in circumstances in which shareholder approval is specifically required by law (such as changes to fundamental investment policies) or where a shareholder approval requirement is specifically disclosed in the Trust's then-current prospectus or SAI.

PIMCO has adopted written proxy voting policies and procedures ("Proxy Policy") as required by Rule 206(4)-6 under the Investment Advisers Act of 1940, as amended. The Proxy Policy has been adopted by the Trust as the policies and procedures that PIMCO will use when voting proxies on behalf of the Portfolio. A description of the policies and procedures that PIMCO uses to vote proxies relating to portfolio securities of the Portfolio, and information about how the Portfolio voted proxies relating to portfolio securities held during the most recent twelve-month period ended June 30, are available without charge, upon request, by calling the Trust at (888) 87-PIMCO, on the Portfolio's website at www.pimco.com/pvit, and on the Securities and Exchange Commission's ("SEC") website at www.sec.gov.

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

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

Cumulative Returns Through June 30, 2017



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

Allocation Breakdown as of 06/30/2017†§

U.S. Treasury Obligations	73.2%
Short-Term Instruments‡	11.7%
Sovereign Issues	5.5%
Corporate Bonds & Notes	3.6%
Asset-Backed Securities	3.3%
Other	2.7%

† % of Investments, at value.

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

‡ Includes Central Funds Used for Cash Management Purposes.

Average Annual Total Return for the period ended June 30, 2017

	6 Months*	1 Year	5 Years	10 Years	Inception≈
PIMCO CommodityRealReturn® Strategy Portfolio Institutional Class	(5.59)%	(6.30)%	(9.79)%	—	(10.16)%
PIMCO CommodityRealReturn® Strategy Portfolio Class M	(5.79)%	(6.72)%	—	—	(12.81)%
— PIMCO CommodityRealReturn® Strategy Portfolio Administrative Class	(5.62)%	(6.29)%	(9.90)%	(4.21)%	(1.50)%
PIMCO CommodityRealReturn® Strategy Portfolio Advisor Class	(5.61)%	(6.44)%	(10.00)%	(4.30)%	(3.45)%
····· Bloomberg Commodity Index Total Return±	(5.26)%	(6.50)%	(9.25)%	(6.49)%	(2.98)%♦

All Portfolio returns are net of fees and expenses.

* Cumulative return.

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

♦ Average annual total return since 06/30/2004.

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

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

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

The Portfolio's total annual operating expense ratio as stated in the Portfolio's current prospectus, which includes the Acquired Fund Fees and Expenses (Commodity Subsidiary Expenses), as supplemented, is 1.17% for Institutional Class shares, 1.62% for Class M shares, 1.32% for Administrative Class shares, and 1.42% for Advisor Class shares. Details regarding any Portfolio's operating expenses can be found in the Portfolio's prospectus.

Investment Objective and Strategy Overview

PIMCO CommodityRealReturn® Strategy Portfolio seeks maximum real return, consistent with prudent investment management, by investing under normal circumstances in commodity-linked derivative instruments backed by a portfolio of inflation-indexed securities and other Fixed Income Instruments. "Fixed Income Instruments" include bonds, debt securities and other similar instruments issued by various U.S. and non-U.S. public- or private-sector entities. The Portfolio invests in commodity-linked derivative instruments, including commodity index-linked notes, swap agreements, commodity options, futures and options on futures, that provide exposure to the investment returns of the commodities markets without investing directly in physical commodities. Portfolio strategies may change from time to time. Please refer to the Portfolio's current prospectus for more information regarding the Portfolio's strategy.

Portfolio Insights

The following affected performance during the reporting period:

» Exposure to commodities detracted from absolute performance, as commodities, as measured by the Bloomberg Commodity Index Total Return, posted negative returns over the reporting period.

» Overweight exposure to U.S. Treasury Inflation-Protected Securities (TIPS) benefited relative performance, as U.S. TIPS posted positive returns over the reporting period.

» Exposure to residential mortgage-backed securities (RMBS) benefited relative performance, as these securities posted positive returns.

» Exposure to U.S. corporate credit within the financial sector benefited relative performance, as these securities posted positive returns.

» Overweight exposure to select emerging market nominal duration, specifically front-end Brazilian duration and intermediate Mexican duration, added to relative performance, as the respective nominal yields fell.

» Overweight exposure to the Brazilian real detracted from relative performance, as the currency depreciated over the period.

Example

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

The Expense Example does not reflect any fees or other expenses imposed by the Variable Contracts. If it did, the expenses reflected in the Expense Example would be higher. The Example is based on an investment of $1,000 invested at the beginning of the period and held from January 1, 2017 to June 30, 2017 unless noted otherwise in the table and footnotes below.

Actual Expenses

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

Hypothetical Example for Comparison Purposes

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

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

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

	Actual			Hypothetical (5% return before expenses)			
	Beginning Account Value (01/01/17)	**Ending Account Value (06/30/17)**	**Expenses Paid During Period***	**Beginning Account Value (01/01/17)**	**Ending Account Value (06/30/17)**	**Expenses Paid During Period***	**Net Annualized Expense Ratio****
Institutional Class	$ 1,000.00	$ 944.10	$ 5.06	$ 1,000.00	$ 1,019.59	$ 5.26	1.05%
Class M	1,000.00	942.10	7.22	1,000.00	1,017.36	7.50	1.50
Administrative Class	1,000.00	943.80	5.78	1,000.00	1,018.84	6.01	1.20
Advisor Class	1,000.00	943.90	6.27	1,000.00	1,018.35	6.51	1.30

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

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

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Financial Highlights PIMCO CommodityRealReturn® Strategy Portfolio (Consolidated)

Selected Per Share Data for the Year or Period Ended:	Net Asset Value Beginning of Year or Period	Investment Operations: Net Investment Income (Loss)	Investment Operations: Net Realized/ Unrealized Gain (Loss)[a]	Investment Operations: Total	Less Distributions[b]: From Net Investment Income	Less Distributions[b]: From Net Realized Capital Gain (Loss)	Less Distributions[b]: Tax Basis Return of Capital	Less Distributions[b]: Total
Institutional Class								
01/01/2017 - 06/30/2017+	$ 7.84	$ 0.08	$ (0.52)	$ (0.44)	$ (0.56)	$ 0.00	$ 0.00	$ (0.56)
12/31/2016	6.89	0.13	0.91	1.04	(0.09)	0.00	0.00	(0.09)
12/31/2015~	9.68	0.04	(2.63)	(2.59)	(0.20)	0.00	0.00	(0.20)
12/31/2014~	11.92	0.12	(2.30)	(2.18)	(0.06)	0.00	0.00	(0.06)
12/31/2013~	14.20	0.12	(2.16)	(2.04)	(0.24)	0.00	0.00	(0.24)
04/30/2012 - 12/31/2012~	14.80	0.28	(0.02)	0.26	(0.36)	(0.50)	0.00	(0.86)
Class M								
01/01/2017 - 06/30/2017+	7.83	0.06	(0.51)	(0.45)	(0.55)	0.00	0.00	(0.55)
12/31/2016	6.89	0.24	0.76	1.00	(0.06)	0.00	0.00	(0.06)
12/31/2015~	9.72	0.03	(2.66)	(2.63)	(0.20)	0.00	0.00	(0.20)
11/10/2014 - 12/31/2014~	11.18	0.08	(1.52)	(1.44)	(0.02)	0.00	0.00	(0.02)
Administrative Class								
01/01/2017 - 06/30/2017+	7.87	0.07	(0.51)	(0.44)	(0.56)	0.00	0.00	(0.56)
12/31/2016	6.91	0.12	0.92	1.04	(0.08)	0.00	0.00	(0.08)
12/31/2015~	9.72	0.02	(2.63)	(2.61)	(0.20)	0.00	0.00	(0.20)
12/31/2014~	11.96	0.12	(2.32)	(2.20)	(0.04)	0.00	0.00	(0.04)
12/31/2013~	14.26	0.06	(2.14)	(2.08)	(0.22)	0.00	0.00	(0.22)
12/31/2012~	14.40	0.28	0.48	0.76	(0.40)	(0.50)	0.00	(0.90)
Advisor Class								
01/01/2017 - 06/30/2017+	7.95	0.07	(0.51)	(0.44)	(0.56)	0.00	0.00	(0.56)
12/31/2016	6.99	0.14	0.90	1.04	(0.08)	0.00	0.00	(0.08)
12/31/2015~	9.82	0.01	(2.64)	(2.63)	(0.20)	0.00	0.00	(0.20)
12/31/2014~	12.10	0.10	(2.34)	(2.24)	(0.04)	0.00	0.00	(0.04)
12/31/2013~	14.42	0.06	(2.16)	(2.10)	(0.22)	0.00	0.00	(0.22)
12/31/2012~	14.54	0.28	0.46	0.74	(0.36)	(0.50)	0.00	(0.86)

\+ Unaudited

* Annualized

~ A one for two reverse share split, effective August 7, 2015, has been retroactively applied. See Note 13 in the Notes to Financial Statements.

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

[b] The tax characterization of distributions is determined in accordance with federal income tax regulations. The actual tax characterization of distributions paid are determined at the end of the fiscal year. See Note 2, Distributions to Shareholders, in the Notes to Financial Statements for more information.

		Ratios/Supplemental Data						
			Ratios to Average Net Assets					
Net Asset Value End of Year or Period	Total Return	Net Assets End of Year or Period (000s)	Expenses	Expenses Excluding Waivers	Expenses Excluding Interest Expense	Expenses Excluding Interest Expense and Waivers	Net Investment Income (Loss)	Portfolio Turnover Rate
$ 6.84	(5.59)%	$ 2,186	1.05%*	1.19%*	0.74%*	0.88%*	2.08%*	82%
7.84	15.22	2,813	1.03	1.17	0.74	0.88	1.82	206
6.89	(25.57)	2,513	0.91	1.02	0.74	0.85	0.46	162
9.68	(18.35)	2,233	0.78	0.91	0.74	0.87	1.08	151
11.92	(14.55)	1,252	0.82	0.94	0.74	0.86	0.92	57
14.20	1.75	166	0.85*	0.99*	0.74*	0.88*	2.92*	77
6.83	(5.79)	513	1.50*	1.64*	1.19*	1.33*	1.68*	82
7.83	14.62	526	1.48	1.62	1.19	1.33	3.27	206
6.89	(25.91)	306	1.36	1.47	1.19	1.30	0.38	162
9.72	(12.91)	23	1.23*	1.36*	1.19*	1.32*	0.61*	151
6.87	(5.62)	248,868	1.20*	1.34*	0.89*	1.03*	1.98*	82
7.87	15.16	261,084	1.18	1.32	0.89	1.03	1.62	206
6.91	(25.70)	241,100	1.06	1.17	0.89	1.00	0.22	162
9.72	(18.42)	302,303	0.93	1.06	0.89	1.02	0.94	151
11.96	(14.70)	487,230	0.97	1.09	0.89	1.01	0.54	57
14.26	5.39	572,477	1.00	1.14	0.89	1.03	1.93	77
6.95	(5.61)	117,172	1.30*	1.44*	0.99*	1.13*	1.86*	82
7.95	14.87	127,029	1.28	1.42	0.99	1.13	1.82	206
6.99	(25.66)	106,999	1.16	1.27	0.99	1.10	0.14	162
9.82	(18.62)	125,905	1.03	1.16	0.99	1.12	0.85	151
12.10	(14.71)	141,675	1.07	1.19	0.99	1.11	0.44	57
14.42	5.12	148,581	1.10	1.24	0.99	1.13	1.84	77

Consolidated Statement of Assets and Liabilities PIMCO CommodityRealReturn® Strategy Portfolio (Unaudited)

(Amounts in thousands, except per share amounts)	June 30, 2017
Assets:	
Investments, at value	
Investments in securities*	$ 539,971
Investments in Affiliates	957
Financial Derivative Instruments	
Exchange-traded or centrally cleared	990
Over the counter	9,051
Deposits with counterparty	3,020
Foreign currency, at value	872
Receivable for investments sold	197,574
Receivable for investments sold on a delayed-delivery basis	64
Receivable for TBA investments sold	10,936
Receivable for Portfolio shares sold	926
Interest and/or dividends receivable	1,485
Dividends receivable from Affiliates	1
Reimbursement receivable from PIMCO	35
Total Assets	765,882
Liabilities:	
Borrowings & Other Financing Transactions	
Payable for sale-buyback transactions	$ 376,875
Payable for short sales	1,848
Financial Derivative Instruments	
Exchange-traded or centrally cleared	745
Over the counter	3,734
Payable for investments purchased	1,163
Payable for investments in Affiliates purchased	1
Payable for TBA investments purchased	10,893
Deposits from counterparty	1,370
Payable for Portfolio shares redeemed	184
Overdraft due to custodian	2
Accrued investment advisory fees	179
Accrued supervisory and administrative fees	89
Accrued distribution fees	25
Accrued servicing fees	32
Other liabilities	3
Total Liabilities	397,143
Net Assets	$ 368,739
Net Assets Consist of:	
Paid in capital	415,704
Undistributed (overdistributed) net investment income	14,617
Accumulated undistributed net realized gain (loss)	(64,493)
Net unrealized appreciation (depreciation)	2,911
Net Assets	$ 368,739
Cost of investments in securities	$ 542,301
Cost of investments in Affiliates	$ 957
Cost of foreign currency held	$ 879
Proceeds received on short sales	$ 1,854
Cost or premiums of financial derivative instruments, net	$ (3)
Net Assets:	
Institutional Class	$ 2,186
Class M	513
Administrative Class	248,868
Advisor Class	117,172
Shares Issued and Outstanding:	
Institutional Class	320
Class M	75
Administrative Class	36,241
Advisor Class	16,868
Net Asset Value Per Share Outstanding:	
Institutional Class	$ 6.84
Class M	6.83
Administrative Class	6.87
Advisor Class	6.95
* Includes repurchase agreements of:	$ 41,226

See Accompanying Notes

Consolidated Statement of Operations PIMCO CommodityRealReturn® Strategy Portfolio

(Amounts in thousands)	Six Months Ended June 30, 2017 (Unaudited)
Investment Income:	
Interest	$ 5,961
Dividends from Investments in Affiliates	29
Total Income	5,990
Expenses:	
Investment advisory fees	1,106
Supervisory and administrative fees	546
Distribution and/or servicing fees - Class M	1
Servicing fees - Administrative Class	188
Distribution and/or servicing fees - Advisor Class	153
Trustee fees	5
Interest expense	592
Total Expenses	2,591
Waiver and/or Reimbursement by PIMCO	(259)
Net Expenses	2,332
Net Investment Income (Loss)	3,658
Net Realized Gain (Loss):	
Investments in securities	(418)
Investments in Affiliates	2
Exchange-traded or centrally cleared financial derivative instruments	1,401
Over the counter financial derivative instruments	(29,106)
Foreign currency	(16)
Net Realized Gain (Loss)	(28,137)
Net Change in Unrealized Appreciation (Depreciation):	
Investments in securities	(208)
Exchange-traded or centrally cleared financial derivative instruments	(839)
Over the counter financial derivative instruments	3,634
Foreign currency assets and liabilities	(13)
Net Change in Unrealized Appreciation (Depreciation)	2,574
Net Increase (Decrease) in Net Assets Resulting from Operations	$ (21,905)

Consolidated Statement of Changes in Net Assets PIMCO CommodityRealReturn® Strategy Portfolio

(Amounts in thousands)	Six Months Ended June 30, 2017 (Unaudited)	Year Ended December 31, 2016
Increase (Decrease) in Net Assets from:		
Operations:		
Net investment income (loss)	$ 3,658	$ 6,256
Net realized gain (loss)	(28,137)	34,859
Net change in unrealized appreciation (depreciation)	2,574	10,985
Net Increase (Decrease) in Net Assets Resulting from Operations	(21,905)	52,100
Distributions to Shareholders:		
From net investment income		
Institutional Class	(187)	(34)
Class M	(38)	(4)
Administrative Class	(18,807)	(2,789)
Advisor Class	(8,969)	(1,204)
Total Distributions[(a)]	(28,001)	(4,031)
Portfolio Share Transactions:		
Net increase (decrease) resulting from Portfolio share transactions**	27,193	(7,535)
Total Increase (Decrease) in Net Assets	(22,713)	40,534
Net Assets:		
Beginning of period	391,452	350,918
End of period*	$ 368,739	$ 391,452
* Including undistributed (overdistributed) net investment income of:	$ 14,617	$ 38,960

** See Note 13, Shares of Beneficial Interest, in the Notes to Financial Statements.

(a) The tax characterization of distributions is determined in accordance with federal income tax regulations. The actual tax characterization of distributions paid is determined at the end of the fiscal year. See Note 2, Distributions to Shareholders, in the Notes to Financial Statements for more information.

See Accompanying Notes

Consolidated Statement of Cash Flows PIMCO CommodityRealReturn® Strategy Portfolio

(Amounts in thousands)	Six Months Ended June 30, 2017
Cash Flows Provided by (Used for) Operating Activities:	
Net increase (decrease) in net assets resulting from operations	$ (21,905)
Adjustments to Reconcile Net Increase (Decrease) in Net Assets from Operations to Net Cash Provided by (Used for) Operating Activities:	
Purchases of long-term securities	(426,734)
Proceeds from sales of long-term securities	352,661
(Purchases) Proceeds from sales of short-term portfolio investments, net	49,650
(Increase) decrease in deposits with counterparty	(1,014)
(Increase) decrease in receivable for investments sold	(114,619)
(Increase) decrease in interest and/or dividends receivable	(436)
(Increase) decrease in dividends receivable from Affiliates	6
Proceeds from (Payments on) exchange-traded or centrally cleared financial derivative instruments	147
Proceeds from (Payments on) over the counter financial derivative instruments	(29,132)
Increase (Decrease) in reimbursement receivable from PIMCO	17
(Increase) decrease in other assets	2
Increase (decrease) in payable for investments purchased	(44,361)
Increase (decrease) in deposits from counterparty	(3,111)
Increase (decrease) in accrued investment advisory fees	(30)
Increase (decrease) in accrued supervisory and administrative fees	(14)
Increase (decrease) in accrued distribution fees	(4)
Increase (decrease) in accrued servicing fees	(3)
Proceeds from (Payments on) short sales transactions, net	(203)
Proceeds from (Payments on) foreign currency transactions	(29)
Increase (decrease) in other liabilities	19
Net Realized (Gain) Loss	
Investments in securities	418
Investments in Affiliates	(2)
Exchange-traded or centrally cleared financial derivative instruments	(1,401)
Over the counter financial derivative instruments	29,106
Foreign currency	16
Net Change in Unrealized (Appreciation) Depreciation	
Investments in securities	208
Exchange-traded or centrally cleared financial derivative instruments	839
Over the counter financial derivative instruments	(3,634)
Foreign currency assets and liabilities	13
Net amortization (accretion) on investments	76
Net Cash Provided by (Used for) Operating Activities	(213,454)
Cash Flows Received from (Used for) Financing Activities:	
Proceeds from shares sold	41,090
Payments on shares redeemed	(42,580)
Increase (decrease) in overdraft due to custodian	2
Cash distributions paid*	0
Proceeds from sale-buyback transactions	1,988,460
Payments on sale-buyback transactions	(1,773,131)
Net Cash Received from (Used for) Financing Activities	213,841
Net Increase (Decrease) in Cash and Foreign Currency	387
Cash and Foreign Currency:	
Beginning of period	485
End of period	$ 872
* Reinvestment of distributions	$ 28,001
Supplemental Disclosure of Cash Flow Information:	
Interest expense paid during the period	$ 740

A Statement of Cash Flows is presented when a Portfolio had a significant amount of borrowing during the period, based on the average total borrowing outstanding in relation to total assets or when substantially all of a Portfolio's investments were not classified as Level 1 or 2 in the fair value hierarchy.

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
INVESTMENTS IN SECURITIES 146.4%		
CORPORATE BONDS & NOTES 5.3%		
BANKING & FINANCE 4.1%		
AerCap Ireland Capital DAC		
3.750% due 05/15/2019	$ 100	$ 103
4.625% due 10/30/2020	100	106
Ally Financial, Inc.		
3.250% due 02/13/2018	1,350	1,362
6.250% due 12/01/2017	300	305
Bank of America N.A.		
1.750% due 06/05/2018	2,000	2,003
Credit Suisse Group Funding Guernsey Ltd.		
3.800% due 09/15/2022	1,100	1,144
Deutsche Bank AG		
4.250% due 10/14/2021	1,600	1,677
Goldman Sachs Group, Inc.		
2.446% due 09/15/2020	1,400	1,425
ING Bank NV		
2.625% due 12/05/2022	500	505
International Lease Finance Corp.		
8.875% due 09/01/2017	200	203
John Deere Capital Corp.		
1.577% due 06/22/2020	1,200	1,202
Mitsubishi UFJ Financial Group, Inc.		
3.082% due 03/01/2021	600	627
Navient Corp.		
5.500% due 01/15/2019	400	417
Royal Bank of Scotland PLC		
6.934% due 04/09/2018	EUR 200	240
Santander Holdings USA, Inc.		
2.642% due 11/24/2017	$ 100	100
Toronto-Dominion Bank		
2.250% due 03/15/2021	800	799
UBS AG		
1.539% due 12/07/2018	900	901
1.799% due 06/08/2020	1,000	1,002
Unibail-Rodamco SE		
1.928% due 04/16/2019	800	798
		14,919
INDUSTRIALS 0.6%		
Enbridge, Inc.		
1.946% due 06/15/2020	1,100	1,100
Hyundai Capital America		
2.000% due 07/01/2019	200	198
Spectra Energy Partners LP		
1.920% due 06/05/2020	1,000	1,004
		2,302
UTILITIES 0.6%		
AT&T, Inc.		
2.023% due 07/15/2021	1,100	1,112
Petrobras Global Finance BV		
6.125% due 01/17/2022	700	725
6.625% due 01/16/2034	GBP 100	127
8.375% due 05/23/2021	$ 200	224
		2,188
Total Corporate Bonds & Notes (Cost $19,194)		**19,409**
MUNICIPAL BONDS & NOTES 0.1%		
SOUTH CAROLINA 0.1%		
South Carolina Student Loan Corp. Revenue Bonds, Series 2005		
1.342% due 12/01/2023	300	300
Total Municipal Bonds & Notes (Cost $300)		**300**

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
U.S. GOVERNMENT AGENCIES 1.8%		
Fannie Mae		
1.566% due 05/25/2042	$ 5	$ 5
1.892% due 10/01/2044	6	6
1.896% due 02/25/2041	437	443
2.829% due 01/01/2036	53	55
2.838% due 07/01/2035	23	24
2.951% due 11/01/2034	27	29
3.129% due 05/25/2035	38	40
3.405% due 11/01/2035	17	17
Fannie Mae, TBA		
3.000% due 09/01/2047	800	796
3.500% due 08/01/2032	1,000	1,040
Freddie Mac		
1.389% due 02/15/2019	15	15
1.476% due 08/25/2031	1	1
1.609% due 08/15/2033 - 09/15/2042	1,764	1,768
1.892% due 02/25/2045	69	69
2.739% due 09/01/2036 †	168	177
2.859% due 01/01/2034	6	7
2.937% due 10/01/2036 †	80	84
3.034% due 07/01/2036 †	152	159
Ginnie Mae		
2.550% due 04/20/2067	500	517
NCUA Guaranteed Notes		
1.534% due 10/07/2020	404	404
1.644% due 12/08/2020	895	900
Small Business Administration		
5.510% due 11/01/2027	224	241
Total U.S. Government Agencies (Cost $6,764)		**6,797**
U.S. TREASURY OBLIGATIONS 107.4%		
U.S. Treasury Bonds		
3.000% due 05/15/2045 †	80	83
3.000% due 02/15/2047 (e)	2,330	2,408
3.000% due 05/15/2047 (e)	1,580	1,634
U.S. Treasury Inflation Protected Securities (c)		
0.125% due 04/15/2018	23,146	23,071
0.125% due 04/15/2018 (i)†	7,405	7,381
0.125% due 04/15/2019 (e)(g)	39,186	39,218
0.125% due 04/15/2020 (e)	53,661	53,758
0.125% due 04/15/2021 (e)	31,035	30,997
0.125% due 01/15/2022 (i)	843	842
0.125% due 04/15/2022	6,737	6,707
0.125% due 07/15/2022 (e)	16,461	16,447
0.125% due 01/15/2023 (i)	2,648	2,625
0.125% due 07/15/2024	8,579	8,429
0.125% due 07/15/2026 (i)	1,816	1,752
0.250% due 01/15/2025	7,227	7,101
0.375% due 07/15/2023 (e)	18,672	18,801
0.375% due 07/15/2025 (i)†	5,579	5,539
0.375% due 01/15/2027	658	648
0.625% due 07/15/2021 (e)	26,711	27,387
0.625% due 01/15/2024 (e)	6,057	6,146
0.625% due 02/15/2043 (e)(i)	149	137
0.750% due 02/15/2045	2,181	2,049
1.250% due 07/15/2020 (e)	16,303	16,998
1.375% due 07/15/2018 (e)	6,146	6,246
1.375% due 01/15/2020 (e)	5,264	5,459
1.375% due 02/15/2044 †	105	114
1.625% due 01/15/2018 (i)†	2,218	2,229
1.625% due 01/15/2018 (e)(i)	467	469
1.750% due 01/15/2028 (i)	23	26
1.875% due 07/15/2019 (e)(g)	4,524	4,718
2.000% due 01/15/2026	4,201	4,710
2.125% due 01/15/2019 (e)	2,392	2,470
2.125% due 02/15/2040 (e)(i)	419	521
2.125% due 02/15/2041 (i)	983	1,229
2.375% due 01/15/2025	12,584	14,340
2.375% due 01/15/2027 (e)(i)	121	141
2.500% due 01/15/2029 †	6,640	7,991
3.625% due 04/15/2028 (e)(i)	60	79
3.875% due 04/15/2029 (e)(i)	297	404
3.875% due 04/15/2029 (i)†	149	202
U.S. Treasury Notes		
1.875% due 02/28/2022 (e)	23,900	23,929
2.000% due 02/15/2025 (e)	3,110	3,067

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
2.000% due 11/15/2026 (e)	$ 16,900	$ 16,484
2.750% due 02/15/2024 (e)	20,100	20,910
Total U.S. Treasury Obligations (Cost $398,820)		**395,896**
NON-AGENCY MORTGAGE-BACKED SECURITIES 2.1%		
Alliance Bancorp Trust		
1.456% due 07/25/2037	268	226
Banc of America Mortgage Trust		
3.403% due 11/25/2035 ^	31	29
3.490% due 11/25/2034	64	63
3.778% due 06/25/2035	98	93
BCAP LLC Trust		
5.250% due 08/26/2037	531	548
Bear Stearns Adjustable Rate Mortgage Trust		
3.374% due 01/25/2035	247	245
3.427% due 03/25/2035	75	74
3.621% due 07/25/2036 ^	91	87
Citigroup Mortgage Loan Trust, Inc.		
3.667% due 09/25/2037 ^	425	388
Countrywide Alternative Loan Trust		
1.407% due 12/20/2046 ^	1,376	1,119
6.000% due 02/25/2037 ^	206	146
Countrywide Home Loan Mortgage Pass-Through Trust		
3.399% due 08/25/2034 ^	24	22
3.528% due 11/19/2033	3	3
Eurosail PLC		
1.240% due 06/13/2045	GBP 448	565
First Horizon Alternative Mortgage Securities Trust		
3.129% due 06/25/2034	$ 11	11
6.000% due 02/25/2037	73	60
GreenPoint Mortgage Funding Trust		
1.486% due 11/25/2045	11	9
GS Mortgage Securities Trust		
3.849% due 12/10/2043	362	372
GSR Mortgage Loan Trust		
3.498% due 01/25/2035	40	40
HarborView Mortgage Loan Trust		
1.449% due 03/19/2036	53	41
HomeBanc Mortgage Trust		
1.546% due 10/25/2035	104	102
IndyMac Mortgage Loan Trust		
3.686% due 11/25/2035 ^	87	82
JPMorgan Mortgage Trust		
3.275% due 08/25/2035	67	67
3.411% due 07/25/2035	48	49
3.505% due 02/25/2035	89	89
LB-UBS Commercial Mortgage Trust		
5.866% due 09/15/2045	94	94
Marche Mutui SRL		
0.062% due 02/25/2055	EUR 3	4
1.921% due 01/27/2064	56	64
MASTR Adjustable Rate Mortgages Trust		
3.190% due 11/21/2034	$ 32	33
Mellon Residential Funding Corp. Mortgage Pass-Through Certificates		
1.899% due 09/15/2030	135	133
Merrill Lynch/Countrywide Commercial Mortgage Trust		
5.700% due 09/12/2049	47	47
Residential Accredit Loans, Inc. Trust		
2.092% due 09/25/2045	142	125
Residential Asset Securitization Trust		
1.616% due 05/25/2035	109	89
Royal Bank of Scotland Capital Funding Trust		
6.335% due 12/16/2049	99	99
Sequoia Mortgage Trust		
1.412% due 07/20/2036	286	274
Structured Adjustable Rate Mortgage Loan Trust		
2.132% due 01/25/2035	15	13
3.396% due 02/25/2034	17	18
3.529% due 12/25/2034	68	67
Structured Asset Mortgage Investments Trust		
1.426% due 04/25/2036	19	17
1.869% due 10/19/2034	20	19

		PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Vornado DP LLC Trust			
4.004% due 09/13/2028		$ 1,500	$ 1,588
WaMu Mortgage Pass-Through Certificates Trust			
1.502% due 05/25/2047		248	226
3.061% due 12/25/2035		162	151
3.312% due 08/25/2035		22	21
Washington Mutual Mortgage Pass-Through Certificates Trust			
6.500% due 08/25/2035		21	18
Wells Fargo Mortgage-Backed Securities Trust			
3.124% due 06/25/2033		54	55
3.167% due 03/25/2036 ^		138	132
Total Non-Agency Mortgage-Backed Securities (Cost $7,281)			**7,817**
ASSET-BACKED SECURITIES 4.8%			
Argent Mortgage Loan Trust			
1.696% due 05/25/2035		130	118
Atlas Senior Loan Fund Ltd.			
2.400% due 01/30/2024		228	228
CIT Mortgage Loan Trust			
2.566% due 10/25/2037		895	890
Citigroup Mortgage Loan Trust, Inc.			
1.446% due 12/25/2036		59	39
1.546% due 10/25/2036		400	338
Cordatus CLO PLC			
0.000% due 07/25/2024	EUR	84	97
0.758% due 01/30/2024	GBP	102	133
Countrywide Asset-Backed Certificates			
1.466% due 03/25/2037		$ 200	182
4.132% due 04/25/2036		42	43
Credit Suisse Mortgage Capital Mortgage-Backed Trust			
4.500% due 03/25/2021		530	532
Credit-Based Asset Servicing and Securitization LLC			
1.336% due 07/25/2037		16	10
Eaton Vance CDO PLC			
1.472% due 02/22/2027		155	155
Flagship Ltd.			
2.276% due 01/20/2026		800	801
Fortress Credit BSL Ltd.			
2.308% due 10/19/2025		500	500
Fremont Home Loan Trust			
1.351% due 10/25/2036		168	152
GSAMP Trust			
1.286% due 12/25/2036		62	34
2.191% due 03/25/2035 ^		154	127
Hildene CLO Ltd.			
2.308% due 01/17/2026		1,900	1,905
IndyMac Mortgage Loan Trust			
1.286% due 07/25/2036		308	144
Jamestown CLO Ltd.			
2.378% due 01/17/2027		1,000	1,000
Lehman XS Trust			
1.376% due 05/25/2036		205	201
4.755% due 06/25/2036		151	150
Morgan Stanley Mortgage Loan Trust			
5.910% due 11/25/2036		900	446
6.000% due 07/25/2047 ^		107	87
Navient Student Loan Trust			
2.366% due 03/25/2066		654	662
OneMain Financial Issuance Trust			
2.470% due 09/18/2024		$ 770	$ 772
Renaissance Home Equity Loan Trust			
2.316% due 09/25/2037		1,144	653
Residential Asset Securities Corp. Trust			
1.546% due 04/25/2036		200	192
Securitized Asset-Backed Receivables LLC Trust			
1.466% due 05/25/2036		673	406
SLM Student Loan Trust			
0.000% due 12/15/2023	EUR	23	27
0.000% due 01/25/2024		403	459
0.000% due 06/17/2024		136	154
1.196% due 04/25/2019		$ 1,048	1,045
2.656% due 04/25/2023		2,080	2,126
Structured Asset Securities Corp. Mortgage Loan Trust			
2.551% due 04/25/2035		275	263
Symphony CLO LP			
2.255% due 01/09/2023		681	683
U.S. Residential Opportunity Fund Trust			
3.598% due 10/27/2036		372	371
VOLT LLC			
3.500% due 03/25/2047		94	94
WhiteHorse Ltd.			
2.370% due 02/03/2025		1,553	1,554
Total Asset-Backed Securities (Cost $17,611)			**17,773**
SOVEREIGN ISSUES 8.0%			
Argentine Government International Bond			
6.875% due 01/26/2027		1,100	1,140
Autonomous Community of Catalonia			
4.950% due 02/11/2020	EUR	100	122
Brazil Letras do Tesouro Nacional			
0.000% due 10/01/2017 (b)	BRL	2,200	649
0.000% due 01/01/2018 (b)		17,600	5,091
0.000% due 04/01/2018 (b)		1,100	312
0.000% due 07/01/2018 (b)		37,800	10,498
Canada Government International Bond			
4.250% due 12/01/2026 (c)	CAD	891	936
Japan Government International Bond			
0.100% due 03/10/2027 (c)	JPY	270,594	2,524
Mexico Government International Bond			
4.750% due 06/14/2018	MXN	9,975	539
7.750% due 05/29/2031		8,072	477
New Zealand Government International Bond			
2.000% due 09/20/2025 (c)	NZD	2,752	2,049
United Kingdom Gilt			
0.125% due 03/22/2024 (c)	GBP	893	1,347
0.125% due 03/22/2026 (c)		943	1,454
0.125% due 03/22/2046 (c)		365	758
0.125% due 11/22/2065 (c)		572	1,651
1.500% due 07/22/2047		20	24
3.250% due 01/22/2044		20	33
Total Sovereign Issues (Cost $30,009)			**29,604**
SHORT-TERM INSTRUMENTS 16.9%			
CERTIFICATES OF DEPOSIT 3.8%			
Barclays Bank PLC			
1.710% due 03/16/2018		$ 1,000	1,000
1.949% due 11/06/2017		1,400	1,403
Credit Suisse AG			
2.028% due 09/12/2017		1,800	1,803
Mitsubishi UFJ Trust & Banking Corp.			
1.987% due 09/19/2017		$ 800	$ 801
Natixis NY			
1.979% due 09/25/2017		2,700	2,704
Norinchukin Bank			
1.871% due 10/12/2017		3,000	3,006
Sumitomo Mitsui Banking Corp.			
1.946% due 09/15/2017		800	801
Sumitomo Mitsui Trust Bank Ltd.			
1.997% due 09/18/2017		1,800	1,803
2.012% due 10/06/2017		800	802
			14,123
REPURCHASE AGREEMENTS (d) 11.2%			
			41,226
ARGENTINA TREASURY BILLS 0.4%			
3.008% due 07/14/2017 - 12/15/2017 (a)(b)		1,300	1,290
JAPAN TREASURY BILLS 1.1%			
(0.141)% due 07/10/2017 - 08/07/2017 (a)(b)	JPY	460,000	4,090
MEXICO TREASURY BILLS 0.2%			
6.841% due 08/17/2017 - 01/04/2018 (a)(b)	MXN	15,630	845
U.S. TREASURY BILLS 0.2%			
0.942% due 08/31/2017 (a)(b)†		$ 802	801
Total Short-Term Instruments (Cost $62,322)			**62,375**
Total Investments in Securities (Cost $542,301)			**539,971**
		SHARES	
INVESTMENTS IN AFFILIATES 0.3%			
SHORT-TERM INSTRUMENTS 0.3%			
CENTRAL FUNDS USED FOR CASH MANAGEMENT PURPOSES 0.3%			
PIMCO Short-Term Floating NAV Portfolio III		96,825	957
Total Short-Term Instruments (Cost $957)			**957**
Total Investments in Affiliates (Cost $957)			**957**
Total Investments 146.7% (Cost $543,258)			**$ 540,928**
Financial Derivative Instruments (f)(h) 1.5% (Cost or Premiums, net $(3))			**5,562**
Other Assets and Liabilities, net (48.2)%			**(177,751)**
Net Assets 100.0%			**$ 368,739**

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

- * A zero balance may reflect actual amounts rounding to less than one thousand.
- † All or a portion of this security is owned by PIMCO Cayman Commodity Portfolio I, Ltd., which is a 100% owned subsidiary of the Portfolio.
- ^ Security is in default.
- (a) Coupon represents a weighted average yield to maturity.
- (b) Zero coupon security.
- (c) Principal amount of security is adjusted for inflation.

BORROWINGS AND OTHER FINANCING TRANSACTIONS

(d) REPURCHASE AGREEMENTS:

Counterparty	Lending Rate	Settlement Date	Maturity Date	Principal Amount	Collateralized By	Collateral (Received)	Repurchase Agreements, at Value	Repurchase Agreement Proceeds to be Received[1]
BPG	1.400% †	06/30/2017	07/03/2017	$ 10,600	U.S. Treasury Inflation Protected Securities 0.125% due 07/15/2022	$ (10,796)	$ 10,600	$ 10,601
DEU	1.400 †	06/30/2017	07/03/2017	14,500	U.S. Treasury Notes 1.750% due 05/15/2023	(14,768)	14,500	14,502
JPS	1.400 †	06/30/2017	07/03/2017	14,500	U.S. Treasury Notes 1.250% due 10/31/2021	(14,787)	14,500	14,502
SSB	0.050 †	06/30/2017	07/03/2017	1,626	U.S. Treasury Notes 3.500% due 05/15/2020[2]	(1,664)	1,626	1,626
Total Repurchase Agreements						**$ (42,015)**	**$ 41,226**	**$ 41,231**

SALE-BUYBACK TRANSACTIONS:

Counterparty	Borrowing Rate[3]	Borrowing Date	Maturity Date	Amount Borrowed[3]	Payable for Sale-Buyback Transactions[4]
BCY	1.350%	06/27/2017	07/05/2017	$ (1,047)	$ (1,047)
	1.380	06/27/2017	07/05/2017	(314)	(314)
BPG	1.250	06/08/2017	07/10/2017	(1,925)	(1,927)
	1.340	06/21/2017	07/21/2017	(8,549)	(8,553)
	1.430	07/03/2017	07/06/2017	(61,776)	(61,776)
	1.480	07/05/2017	07/07/2017	(57,839)	(57,839)
	2.680	06/22/2017	07/24/2017	(1,290)	(1,291)
GSC	1.160	06/02/2017	07/05/2017	(18,252)	(18,270)
	1.200	06/13/2017	07/13/2017	(2,410)	(2,412)
	1.250	06/26/2017	07/03/2017	(1,675)	(1,675)
	1.430	07/03/2017	07/05/2017	(77,465)	(77,465)
	1.480	06/28/2017	07/05/2017	(2,458)	(2,458)
TDM	0.960	04/19/2017	07/13/2017	(90,044)	(90,224)
	1.040	05/04/2017	07/10/2017	(6,833)	(6,845)
	1.090	05/09/2017	07/10/2017	(235)	(236)
	1.120	05/17/2017	07/13/2017	(1,485)	(1,488)
	1.150	06/01/2017	07/03/2017	(214)	(214)
	1.170	06/05/2017	07/07/2017	(322)	(322)
	1.180	06/07/2017	07/07/2017	(3,074)	(3,077)
	1.200	06/06/2017	07/06/2017	(9,122)	(9,130)
UBS	1.200	06/07/2017	08/07/2017	(2,971)	(2,973)
	2.440	06/06/2017	09/06/2017	(27,314)	(27,339)
Total Sale-Buyback Transactions					**$ (376,875)**

SHORT SALES:

Description	Coupon	Maturity Date	Principal Amount	Proceeds	Payable for Short Sales
U.S. Government Agencies (0.5)%					
Fannie Mae, TBA	3.000%	07/01/2047	$ 800	$ (803)	$ (799)
Fannie Mae, TBA	4.000	08/01/2047	1,000	(1,051)	(1,049)
Total Short Sales (0.5)%				**$ (1,854)**	**$ (1,848)**

BORROWINGS AND OTHER FINANCING TRANSACTIONS SUMMARY

The following is a summary by counterparty of the market value of Borrowings and Other Financing Transactions and collateral pledged/(received) as of June 30, 2017:

Counterparty	Repurchase Agreement Proceeds to be Received	Payable for Reverse Repurchase Agreements	Payable for Sale-Buyback Transactions	Total Borrowings and Other Financing Transactions	Collateral Pledged/(Received)	Net Exposure[5]
PIMCO CommodityRealReturn® Strategy Portfolio						
Global/Master Repurchase Agreement						
SSB	$ 125	$ 0	$ 0	$ 125	$ (133)	$ (8)
Master Securities Forward Transaction Agreement						
BCY	0	0	(1,361)	(1,361)	1,360	(1)
BPG	0	0	(131,386)	(131,386)	130,630	(756)
GSC	0	0	(102,280)	(102,280)	101,598	(682)
TDM	0	0	(111,536)	(111,536)	111,229	(307)
UBS	0	0	(30,312)	(30,312)	29,909	(403)

Counterparty	Repurchase Agreement Proceeds to be Received	Payable for Reverse Repurchase Agreements	Payable for Sale-Buyback Transactions	Total Borrowings and Other Financing Transactions	Collateral Pledged/(Received)	Net Exposure[5]
PIMCO Cayman Commodity Portfolio I, Ltd. (Subsidiary)						
Global/Master Repurchase Agreement						
BPG	$ 10,601	$ 0	$ 0	$ 10,601	$ (10,796)	$ (195)
DEU	14,502	0	0	14,502	(14,768)	(266)
JPS	14,502	0	0	14,502	(14,787)	(285)
SSB	1,501	0	0	1,501	(1,532)	(31)
Total Borrowings and Other Financing Transactions	**$ 41,231**	**$ 0**	**$ (376,875)**			

CERTAIN TRANSFERS ACCOUNTED FOR AS SECURED BORROWINGS

Remaining Contractual Maturity of the Agreements

	Overnight and Continuous	Up to 30 days	31-90 days	Greater Than 90 days	Total
Sale-Buyback Transactions					
U.S. Treasury Obligations	$ 0	$ (346,563)	$ (30,312)	$ 0	$ (376,875)
Total Borrowings	**$ 0**	**$ (346,563)**	**$ (30,312)**	**$ 0**	**$ (376,875)**
Gross amount of recognized liabilities for sale-buyback financing transactions					**$ (376,875)**

(e) Securities with an aggregate market value of $374,726 have been pledged as collateral under the terms of the above master agreements as of June 30, 2017.

(1) Includes accrued interest.

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

(3) The average amount of borrowings outstanding during the period ended June 30, 2017 was $(120,866) at a weighted average interest rate of 0.881%. Average borrowings may include sale-buyback transactions and reverse repurchase agreements, if held during the period.

(4) Payable for sale-buyback transactions includes $(119) of deferred price drop.

(5) Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from borrowings and other financing transactions can only be netted across transactions governed under the same master agreement with the same legal entity. The Portfolio and Subsidiary are recognized as two separate legal entities. As such, exposure cannot be netted. See Note 8, Master Arrangements, in the Notes to Financial Statements for more information regarding master netting arrangements.

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

PURCHASED OPTIONS:

OPTIONS ON COMMODITY FUTURES CONTRACTS

Description	Strike Price	Expiration Date	# of Contracts	Cost	Market Value
Put - NYMEX Crude Calendar Spread August Futures †	$ 0.500	07/21/2017	1	$ 0	$ 0
Put - NYMEX Crude Calendar Spread December Futures †	0.500	11/17/2017	1	0	0
Put - NYMEX Crude Calendar Spread November Futures †	0.500	10/19/2017	1	0	0
Put - NYMEX Crude Calendar Spread October Futures †	0.500	09/19/2017	1	0	0
Put - NYMEX Crude Calendar Spread September Futures †	0.500	08/21/2017	1	0	0
Call - NYMEX Crude December Futures †	64.000	11/14/2018	7	24	10
Call - NYMEX Natural Gas March Futures †	0.500	02/23/2018	10	36	28
Call - NYMEX Natural Gas March Futures †	1.000	02/23/2018	10	25	18
Call - NYMEX WTI Crude December Futures †	66.000	12/29/2017	1	2	0
Call - NYMEX WTI Crude November Futures †	66.000	11/30/2017	1	2	0
Call - NYMEX WTI Crude October Futures †	66.000	10/31/2017	1	2	0
Call - NYMEX WTI-Brent Crude Spread December Futures †	2.000	10/30/2018	4	3	0
				$ 94	$ 56

OPTIONS ON EXCHANGE-TRADED FUTURES CONTRACTS

Description	Strike Price	Expiration Date	# of Contracts	Cost	Market Value
Put - CBOT U.S. Treasury 10-Year Note September Futures	$ 115.500	08/25/2017	54	$ 0	$ 0
Put - CBOT U.S. Treasury 10-Year Note September Futures	116.500	08/25/2017	30	0	1
Call - CBOT U.S. Treasury 10-Year Note September Futures	135.000	08/25/2017	8	0	0
Call - CBOT U.S. Treasury 10-Year Note September Futures	136.000	08/25/2017	8	0	0
Call - CBOT U.S. Treasury 30-Year Bond September Futures	178.000	08/25/2017	55	1	0
Call - CBOT U.S. Treasury 30-Year Bond September Futures	182.000	08/25/2017	67	1	0
Put - CME 90-Day Eurodollar March Futures	98.250	03/19/2018	195	19	16
				$ 21	$ 17
Total Purchased Options				**$ 115**	**$ 73**

WRITTEN OPTIONS:

OPTIONS ON COMMODITY FUTURES CONTRACTS

Description	Strike Price	Expiration Date	# of Contracts	Premiums (Received)	Market Value
Put - NYMEX Crude Calendar Spread August Futures †	$ 1.000	07/21/2017	2	$ 0	$ 0
Put - NYMEX Crude Calendar Spread December Futures †	1.000	11/17/2017	2	0	0
Put - NYMEX Crude Calendar Spread November Futures †	1.000	10/19/2017	2	0	0
Put - NYMEX Crude Calendar Spread October Futures †	1.000	09/19/2017	2	0	0
Put - NYMEX Crude Calendar Spread September Futures †	1.000	08/21/2017	2	0	0
Call - NYMEX Crude December Futures †	64.000	11/15/2017	7	(15)	(1)
Put - NYMEX Crude November Futures †	45.000	10/17/2018	2	(6)	(9)
Call - NYMEX Gasoline December Futures †	161.000	11/27/2017	1	(2)	(1)
Call - NYMEX Gasoline December Futures †	163.000	11/27/2017	2	(5)	(2)
Put - NYMEX Natural Gas August Futures †	2.850	07/26/2017	1	0	0
Put - NYMEX Natural Gas August Futures †	2.900	07/26/2017	2	(1)	(1)
Put - NYMEX Natural Gas August Futures †	3.050	07/26/2017	12	(9)	(14)
Call - NYMEX Natural Gas March Futures †	0.750	02/23/2018	20	(59)	(45)
Call - NYMEX Natural Gas October Futures †	0.200	09/26/2017	5	(2)	(1)
Put - NYMEX Natural Gas October Futures †	0.350	09/26/2017	5	(2)	(2)
Put - NYMEX Natural Gas September Futures †	2.850	08/28/2017	12	(9)	(10)
Call - NYMEX RBOB Gasoline December Futures †	185.000	12/29/2017	1	(2)	0
Call - NYMEX RBOB Gasoline November Futures †	185.000	11/30/2017	1	(2)	0
Call - NYMEX RBOB Gasoline October Futures †	185.000	10/31/2017	1	(2)	0
Call - NYMEX WTI-Brent Crude Spread December Futures †	0.000	10/30/2017	2	(1)	0
Put - NYMEX WTI-Brent Crude Spread December Futures †	3.000	10/30/2017	2	(1)	(1)
Call - NYMEX WTI-Brent Crude Spread December Futures †	0.000	10/30/2018	4	(5)	(1)
Put - NYMEX WTI-Brent Crude Spread June Futures †	2.000	04/27/2018	2	(1)	(2)
Put - NYMEX WTI-Brent Crude Spread June Futures †	3.000	04/27/2018	1	0	(1)
				$ (124)	$ (91)

OPTIONS ON EXCHANGE-TRADED FUTURES CONTRACTS

Description	Strike Price	Expiration Date	# of Contracts	Premiums (Received)	Market Value
Put - CBOT U.S. Treasury 10-Year Note August Futures	$ 126.000	07/21/2017	58	$ (11)	$ (46)
Call - CBOT U.S. Treasury 10-Year Note August Futures	127.500	07/21/2017	58	(14)	(3)
Put - CBOT U.S. Treasury 10-Year Note September Futures	124.500	08/25/2017	32	(14)	(15)
Call - CBOT U.S. Treasury 10-Year Note September Futures	127.500	08/25/2017	32	(17)	(6)
Call - CME 90-Day Eurodollar March Futures	98.750	03/19/2018	195	(22)	(7)
				$ (78)	$ (77)
Total Written Options				**$ (202)**	**$ (168)**

FUTURES CONTRACTS:

LONG FUTURES CONTRACTS

Description	Expiration Month	# of Contracts	Notional Amount	Unrealized Appreciation/ (Depreciation)	Variation Margin Asset	Variation Margin Liability
Brent (ICE) Dubai Futures April Futures †	04/2018	4	$ 4,000	$ (1)	$ 0	$ 0
Brent (ICE) Dubai Futures August Futures †	08/2018	4	4,000	(1)	0	0
Brent (ICE) Dubai Futures December Futures †	12/2018	4	4,000	(1)	0	0
Brent (ICE) Dubai Futures February Futures †	02/2018	4	4,000	(2)	0	0
Brent (ICE) Dubai Futures January Futures †	01/2018	4	4,000	(2)	0	0
Brent (ICE) Dubai Futures July Futures †	07/2018	4	4,000	(1)	0	0
Brent (ICE) Dubai Futures June Futures †	06/2018	4	4,000	(1)	0	0
Brent (ICE) Dubai Futures March Futures †	03/2018	4	4,000	(2)	0	0
Brent (ICE) Dubai Futures May Futures †	05/2018	4	4,000	(1)	0	0
Brent (ICE) Dubai Futures November Futures †	11/2018	4	4,000	(1)	0	0
Brent (ICE) Dubai Futures October Futures †	10/2018	4	4,000	(1)	0	0
Brent (ICE) Dubai Futures September Futures †	09/2018	4	4,000	(1)	0	0
Brent Crude December Futures †	10/2018	29	29,000	47	29	0
Brent Crude December Futures †	10/2019	68	68,000	(2)	64	0
Brent Crude December Futures †	10/2021	3	3,000	0	3	0
Brent Crude October Futures †	08/2017	1	1,000	0	1	0
Call Options Strike @ USD 59.000 on Brent Crude January Futures †	11/2017	1	100,000	(1)	0	0
Call Options Strike @ USD 60.000 on Brent Crude January Futures †	11/2017	1	100,000	(1)	0	0
Call Options Strike @ USD 61.000 on Brent Crude January Futures †	11/2017	1	100,000	(1)	0	0
Chicago Ethanol (Platts) December Futures †	12/2017	5	210,000	10	4	0

Description	Expiration Month	# of Contracts	Notional Amount	Unrealized Appreciation/ (Depreciation)	Variation Margin Asset	Variation Margin Liability
Cocoa September Futures †	09/2017	9	GBP 90	$ 10	$ 6	$ (3)
Copper December Futures †	12/2017	5	$ 125	(1)	0	0
Cotton No. 2 March Futures †	03/2018	3	150,000	1	1	0
Euro-Bobl September Futures	09/2017	2	EUR 200,000	(3)	0	(1)
Gas Oil December Futures †	12/2017	32	$ 3,200	(108)	6	0
Gas Oil December Futures †	12/2018	42	4,200	(107)	12	0
Gold 100 oz. December Futures †	12/2017	1	100	2	0	0
Gold 100 oz. December Futures †	12/2018	6	600	(2)	0	(2)
Hard Red Winter Wheat December Futures †	12/2017	12	60,000	34	18	0
Henry Hub Natural Gas Swap April Futures †	03/2018	36	90,000	9	0	0
Henry Hub Natural Gas Swap August Futures †	07/2018	8	20,000	(2)	0	0
Henry Hub Natural Gas Swap December Futures †	11/2018	8	20,000	2	0	0
Henry Hub Natural Gas Swap February Futures †	01/2018	24	60,000	12	0	0
Henry Hub Natural Gas Swap July Futures †	06/2018	8	20,000	(2)	0	0
Henry Hub Natural Gas Swap June Futures †	05/2018	8	20,000	(2)	0	0
Henry Hub Natural Gas Swap March Futures †	02/2018	8	20,000	6	0	0
Henry Hub Natural Gas Swap May Futures †	04/2018	8	20,000	(3)	0	0
Henry Hub Natural Gas Swap November Futures †	10/2018	8	20,000	(1)	0	0
Henry Hub Natural Gas Swap October Futures †	09/2018	8	20,000	(2)	0	0
Henry Hub Natural Gas Swap September Futures †	08/2018	8	20,000	(2)	0	0
Lead November Futures †	11/2017	2	50	0	0	0
Live Cattle October Futures †	10/2017	9	360,000	(11)	1	(1)
Natural Gas April Futures †	03/2018	17	170,000	(6)	0	0
Natural Gas February Futures †	01/2018	5	50,000	4	0	0
Natural Gas October Futures †	09/2017	11	110,000	(3)	0	(1)
Natural Gas October Futures †	09/2018	18	180,000	(5)	1	0
Natural Gas September Futures †	08/2017	5	50,000	6	0	0
New York Harbor ULSD December Futures †	11/2017	1	42,000	4	1	0
New York Harbor ULSD September Futures †	08/2017	1	42,000	1	1	0
Platinum October Futures †	10/2017	18	900	(15)	3	0
Put Options Strike @ USD 46.000 on Brent Crude December Futures †	10/2018	2	200,000	2	0	(1)
Silver December Futures †	12/2017	7	35,000	(37)	0	(1)
Soybean Oil September Futures †	09/2017	10	600,000	7	3	0
U.S. Treasury 10-Year Note September Futures †	09/2017	42	4,200,000	(24)	0	(11)
White Sugar October Futures †	09/2017	17	850	(56)	3	0
WTI Crude December Futures †	11/2018	16	16,000	(5)	15	0
WTI Crude December Futures †	11/2019	15	15,000	12	15	0
WTI Crude February Futures †	01/2018	8	8,000	(9)	8	0
WTI Crude January Futures †	12/2017	6	6,000	(37)	6	0
WTI Crude June Futures †	05/2019	6	6,000	9	6	0
WTI Crude June Futures †	05/2020	6	6,000	(13)	6	0
WTI Crude March Futures †	02/2018	26	26,000	53	26	0
WTI Crude March Futures †	02/2019	14	14,000	(17)	13	0
WTI Crude September Futures †	08/2017	4	4,000	(21)	4	0
WTI Crude September Futures †	08/2018	24	24,000	(94)	23	0
WTI Houston (Argus) vs. WTI Trade April Futures †	03/2018	1	1,000	0	0	0
WTI Houston (Argus) vs. WTI Trade August Futures †	07/2018	1	1,000	0	0	0
WTI Houston (Argus) vs. WTI Trade December Futures †	11/2018	1	1,000	0	0	0
WTI Houston (Argus) vs. WTI Trade February Futures †	01/2018	1	1,000	0	0	0
WTI Houston (Argus) vs. WTI Trade January Futures †	12/2017	1	1,000	0	0	0
WTI Houston (Argus) vs. WTI Trade July Futures †	06/2018	1	1,000	0	0	0
WTI Houston (Argus) vs. WTI Trade June Futures †	05/2018	1	1,000	0	0	0
WTI Houston (Argus) vs. WTI Trade March Futures †	02/2018	1	1,000	0	0	0
WTI Houston (Argus) vs. WTI Trade May Futures †	04/2018	1	1,000	0	0	0
WTI Houston (Argus) vs. WTI Trade November Futures †	10/2018	1	1,000	0	0	0
WTI Houston (Argus) vs. WTI Trade October Futures †	09/2018	1	1,000	0	0	0
WTI Houston (Argus) vs. WTI Trade September Futures †	08/2018	1	1,000	0	0	0
Zinc November Futures †	11/2017	5	125	1	0	0
				$ (376)	$ 279	$ (21)

SHORT FUTURES CONTRACTS

Description	Expiration Month	# of Contracts	Notional Amount		Unrealized Appreciation/ (Depreciation)	Variation Margin Asset	Variation Margin Liability
Aluminum November Futures †	11/2017	8	$	200	$ (2)	$ 0	$ 0
Arabica Coffee December Futures †	12/2017	6		225,000	14	2	0
Brent Crude December Futures †	10/2017	13		13,000	(16)	0	(14)
Brent Crude December Futures †	10/2020	17		17,000	(28)	0	(16)
Brent Crude June Futures †	04/2018	10		10,000	(15)	0	(10)
Brent Crude June Futures †	04/2019	30		30,000	13	0	(28)
Brent Crude June Futures †	05/2020	24		24,000	19	0	(23)
Brent Crude June Futures †	04/2021	6		6,000	2	0	(6)
Brent Crude March Futures †	01/2019	18		18,000	(2)	0	(18)
Brent Crude November Futures †	09/2017	1		1,000	(2)	0	(1)
Brent Crude September Futures †	07/2017	4		4,000	11	0	(5)
Brent Crude September Futures †	07/2018	18		18,000	8	0	(18)
Call Options Strike @ USD 53.000 on Brent Crude October Futures †	08/2017	12		1,200,000	2	0	(2)
Call Options Strike @ USD 60.000 on Brent Crude June Futures †	04/2018	12		1,200,000	5	0	(3)
Call Options Strike @ USD 63.000 on Brent Crude June Futures †	04/2018	1		100,000	0	0	0
Call Options Strike @ USD 64.000 on Brent Crude June Futures †	04/2018	7		700,000	5	0	(1)
Cocoa December Futures †	12/2017	9	GBP	90	(9)	3	(6)
Copper December Futures †	12/2017	11	$	275,000	(1)	0	(1)
Corn December Futures †	12/2017	25		125,000	8	0	(15)
Euro-OAT France Government 10-Year Bond September Futures	09/2017	5	EUR	500,000	5	7	0
Gas Oil June Futures †	06/2018	21	$	2,100	62	0	(5)
Gas Oil June Futures †	06/2019	21		2,100	46	0	(7)
Gas Oil October Futures †	10/2017	3		300	(9)	0	(1)
Gold 100 oz. August Futures †	08/2017	12		1,200	43	3	0
Henry Hub Natural Gas Swap January Futures †	12/2017	36		90,000	6	0	0
Japan Government 10-Year Bond September Futures	09/2017	6	JPY	600,000,000	27	22	0
Live Cattle August Futures †	08/2017	9	$	360,000	18	2	0
Natural Gas August Futures †	07/2017	6		60,000	7	0	0
Natural Gas December Futures †	11/2017	1		10,000	(1)	0	0
Natural Gas January Futures †	12/2017	8		80,000	(1)	0	0
Natural Gas March Futures †	02/2018	26		260,000	10	1	0
Natural Gas May Futures †	04/2018	9		90,000	1	0	0
Natural Gas September Futures †	08/2017	3		30,000	1	0	0
New York Harbor ULSD October Futures †	09/2017	3		126,000	(2)	0	(4)
Nickel November Futures †	11/2017	1		6	0	0	0
Put Options Strike @ USD 43.000 on Brent Crude June Futures †	04/2018	1		100,000	0	0	0
Put Options Strike @ USD 44.000 on Brent Crude June Futures †	04/2018	7		700,000	(1)	2	0
Put Options Strike @ USD 45.000 on Brent Crude June Futures †	04/2018	12		1,200,000	5	4	0
RBOB Gasoline December Futures †	11/2017	4		168,000	(13)	0	(6)
RBOB Gasoline September Futures †	08/2017	1		42,000	0	0	(2)
Soybean Meal September Futures †	09/2017	6		600	(1)	0	(6)
Sugar No. 11 October Futures †	09/2017	26		2,912,000	45	0	(9)
U.S. Treasury 5-Year Note September Futures	09/2017	234		23,400,000	56	40	0
U.S. Treasury 30-Year Bond September Futures	09/2017	131		13,100,000	(194)	74	0
United Kingdom Long Gilt September Futures	09/2017	22	GBP	2,200,000	54	32	0
Wheat December Futures †	12/2017	24	$	120,000	(69)	0	(35)
WTI Crude April Futures †	03/2018	3		3,000	19	0	(3)
WTI Crude August Futures †	07/2017	3		3,000	19	0	(3)
WTI Crude December Futures †	11/2017	7		7,000	(4)	0	(7)
WTI Crude December Futures †	11/2018	24		24,000	(19)	0	(23)
WTI Crude December Futures †	11/2020	23		23,000	1	0	(21)
WTI Crude July Futures †	06/2018	4		4,000	(7)	0	(4)
WTI Crude June Futures †	05/2018	29		29,000	72	0	(28)
WTI Crude May Futures †	04/2018	3		3,000	16	0	(3)
WTI Crude November Futures †	10/2017	3		3,000	(7)	0	(3)
WTI Crude October Futures †	09/2017	4		4,000	(10)	0	(4)
WTI Crude September Futures †	08/2017	3		3,000	14	0	(3)
WTI Crude September Futures †	08/2019	1		1,000	(2)	0	(1)
					$ 199	$ 192	$ (345)
Total Futures Contracts					**$ (177)**	**$ 471**	**$ (366)**

SWAP AGREEMENTS:

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

Index/Tranches	Fixed Receive Rate	Maturity Date	Notional Amount[2]	Premiums Paid/(Received)	Unrealized Appreciation/ (Depreciation)	Market Value[3]	Variation Margin Asset	Variation Margin Liability
CDX.HY-28 5-Year Index	5.000%	06/20/2022	$ 5,330	$ (386)	$ 10	$ (376)	$ 0	$ (12)
iTraxx Europe Main 26 5-Year Index	1.000	12/20/2021	EUR 2,000	(35)	(18)	(53)	2	0
iTraxx Europe Main 27 5-Year Index	1.000	06/20/2022	5,500	(99)	(39)	(138)	5	0
				$ (520)	$ (47)	$ (567)	$ 7	$ (12)

INTEREST RATE SWAPS

Pay/Receive Floating Rate	Floating Rate Index	Fixed Rate	Maturity Date	Notional Amount	Premiums Paid/(Received)	Unrealized Appreciation/ (Depreciation)	Market Value	Variation Margin Asset	Variation Margin Liability
Receive	3-Month USD-LIBOR	1.250%	06/15/2018	$ 3,900	$ 15	$ (22)	$ (7)	$ 0	$ 0
Receive	3-Month USD-LIBOR	2.250	12/16/2022	25,700	1,518	(1,171)	347	0	(52)
Pay[4]	3-Month USD-LIBOR	2.678	10/25/2023	1,700	0	36	36	0	(4)
Pay[4]	3-Month USD-LIBOR	2.670	11/19/2023	2,000	0	40	40	0	(4)
Pay[4]	3-Month USD-LIBOR	2.681	12/12/2023	2,000	0	40	40	0	(4)
Pay[4]	3-Month USD-LIBOR	2.500	12/19/2023	3,200	(26)	63	37	0	(7)
Receive[4]	3-Month USD-LIBOR	2.500	02/22/2026	17,600	(56)	92	36	30	0
Receive[4]	3-Month USD-LIBOR	2.400	03/16/2026	8,050	(30)	84	54	14	0
Receive[4]	3-Month USD-LIBOR	2.300	04/21/2026	4,700	(20)	74	54	8	0
Receive[4]	3-Month USD-LIBOR	2.300	04/27/2026	5,700	(22)	88	66	9	0
Receive[4]	3-Month USD-LIBOR	1.850	07/20/2026	6,100	(42)	240	198	9	0
Receive[4]	3-Month USD-LIBOR	1.850	07/27/2026	2,000	(3)	68	65	3	0
Receive[4]	3-Month USD-LIBOR	2.000	07/27/2026	8,800	205	23	228	13	0
Receive	3-Month USD-LIBOR†	1.750	12/21/2026	8,380	(248)	608	360	26	0
Receive	3-Month USD-LIBOR	2.250	12/21/2046	4,430	502	(204)	298	19	0
Receive[4]	3-Month USD-LIBOR	2.969	10/25/2048	310	0	(23)	(23)	2	0
Receive[4]	3-Month USD-LIBOR	2.951	11/19/2048	300	0	(21)	(21)	2	0
Receive[4]	3-Month USD-LIBOR	2.953	12/12/2048	300	0	(20)	(20)	2	0
Receive[4]	3-Month USD-LIBOR	2.750	12/19/2048	800	21	(41)	(20)	4	0
Receive[4]	6-Month GBP-LIBOR	1.500	09/20/2027	GBP 8,440	(132)	(7)	(139)	107	0
Receive[4]	6-Month GBP-LIBOR	1.750	03/21/2048	2,550	(151)	47	(104)	84	0
Pay	28-Day MXN-TIIE	5.610	07/07/2021	MXN 1,200	(3)	0	(3)	0	0
Pay	28-Day MXN-TIIE	7.030	11/10/2021	6,200	(1)	4	3	0	(1)
Pay	28-Day MXN-TIIE	7.388	11/17/2021	5,300	0	7	7	0	(1)
Pay	28-Day MXN-TIIE	7.200	06/05/2024	15,900	0	11	11	0	(4)
Pay	28-Day MXN-TIIE	8.035	12/17/2026	23,300	(2)	84	82	0	(7)
Pay	28-Day MXN-TIIE	7.733	02/25/2027	6,400	9	6	15	0	(2)
Pay	CPTFEMU	0.580	10/15/2017	EUR 700	(2)	4	2	1	0
Pay	CPTFEMU	0.830	05/15/2018	2,400	(10)	(21)	(31)	0	(2)
Pay	CPTFEMU	0.625	09/15/2018	800	(2)	6	4	0	0
Pay	CPTFEMU	0.650	10/15/2018	600	(1)	4	3	0	0
Pay	CPTFEMU	0.883	11/15/2018	1,100	0	8	8	0	0
Pay	CPTFEMU	0.806	04/15/2021	2,560	17	46	63	4	0
Pay	CPTFEMU	0.875	05/15/2021	1,800	12	29	41	3	0
Pay	CPTFEMU	1.165	12/15/2021	170	0	0	0	0	0
Pay	CPTFEMU	1.177	05/15/2026	400	(11)	2	(9)	0	(1)
Pay	CPTFEMU	1.385	12/15/2026	2,900	(3)	8	5	0	(11)
Pay	CPTFEMU	1.360	06/15/2027	1,200	0	3	3	5	0
Pay	CPURNSA	1.010	10/16/2017	$ 1,300	13	(1)	12	2	0
Pay	CPURNSA	1.710	04/27/2018	3,300	0	(13)	(13)	2	0
Pay	CPURNSA	1.680	04/28/2018	42,900	0	(156)	(156)	36	0
Pay	CPURNSA	1.580	05/23/2018	8,600	4	(9)	(5)	4	0
Pay	CPURNSA	1.935	04/27/2019	3,300	0	22	22	0	(2)
Pay	CPURNSA	1.793	06/15/2019	1,000	0	0	0	1	0
Pay	CPURNSA	2.027	11/23/2020	1,500	0	(8)	(8)	1	0
Pay	CPURNSA	2.021	11/25/2020	1,500	0	(8)	(8)	1	0
Pay	CPURNSA	1.550	07/26/2021	1,100	37	(17)	20	1	0
Pay	CPURNSA	1.603	09/12/2021	770	23	(12)	11	1	0
Pay	CPURNSA	1.730	07/26/2026	1,100	(59)	27	(32)	0	(1)
Pay	CPURNSA	1.762	08/30/2026	1,900	(93)	47	(46)	0	(3)
Pay	CPURNSA	1.800	09/12/2026	600	(6)	(7)	(13)	0	(1)
Pay	CPURNSA	1.801	09/12/2026	770	(36)	19	(17)	0	(1)
Pay	CPURNSA	1.805	09/12/2026	700	(32)	17	(15)	0	(1)
Pay	CPURNSA	1.780	09/15/2026	500	(24)	12	(12)	0	(1)
Pay	FRCPXTOB	0.890	11/15/2018	EUR 400	1	(1)	0	0	0
Pay	FRCPXTOB	1.438	06/15/2027	1,200	0	(2)	(2)	0	(5)

Pay/Receive Floating Rate	Floating Rate Index	Fixed Rate	Maturity Date	Notional Amount	Premiums Paid/(Received)	Unrealized Appreciation/ (Depreciation)	Market Value	Variation Margin Asset	Variation Margin Liability
Pay	UKRPI	3.190%	04/15/2030	GBP 1,500	$ (85)	$ 47	$ (38)	$ 0	$ (15)
Pay	UKRPI	3.350	05/15/2030	2,900	(38)	69	31	0	(32)
Pay	UKRPI	3.400	06/15/2030	1,600	(5)	33	28	0	(18)
Pay	UKRPI	3.325	08/15/2030	300	(1)	(2)	(3)	0	(4)
Pay	UKRPI	3.275	09/15/2030	600	(27)	14	(13)	0	(8)
Pay	UKRPI	3.530	10/15/2031	500	5	0	5	0	(1)
Pay	UKRPI	3.358	04/15/2035	300	(7)	3	(4)	0	(6)
Pay	UKRPI	3.585	10/15/2046	640	(51)	7	(44)	29	0
Pay	UKRPI	3.428	03/15/2047	200	0	9	9	8	0
					$ 1,153	$ 285	$ 1,438	$ 431	$ (199)
Total Swap Agreements					**$ 633**	**$ 238**	**$ 871**	**$ 438**	**$ (211)**

FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED SUMMARY

The following is a summary of the market value and variation margin of Exchange-Traded or Centrally Cleared Financial Derivative Instruments as of June 30, 2017:

	Financial Derivative Assets				Financial Derivative Liabilities			
	Market Value	Variation Margin Asset[6]			Market Value	Variation Margin Liability[6]		
	Purchased Options	Futures	Swap Agreements	Total	Written Options	Futures	Swap Agreements	Total
PIMCO CommodityRealReturn® Strategy Portfolio[5]	$ 17	$ 175	$ 436	$ 628	$ (77)	$ (10)	$ (211)	$ (298)
PIMCO Cayman Commodity Portfolio I, Ltd. (Subsidiary)[5]	56	304	2	362	(91)	(356)	0	(447)
Total Exchange-Traded or Centrally Cleared	**$ 73**	**$ 479**	**$ 438**	**$ 990**	**$ (168)**	**$ (366)**	**$ (211)**	**$ (745)**

(g) Securities with an aggregate market value of $1,715 and cash of $3,080 have been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of June 30, 2017.

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

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

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

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

(5) The Portfolio and Subsidiary are recognized as two separate legal entities. As such, exposure cannot be netted. See Note 8, Master Agreements, in the Notes to Financial Statements for more information regarding master netting arrangements.

(6) Unsettled variation margin asset of $8 for closed futures is outstanding at period end.

(h) 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	Unrealized Appreciation/ (Depreciation) Liability
AZD	07/2017	$ 1,715	AUD 2,261	$ 22	$ 0
	08/2017	AUD 2,261	$ 1,715	0	(22)
BOA	08/2017 †	EUR 205	229	0	(5)
	08/2017	JPY 20,000	180	2	0
	07/2018	BRL 800	236	9	0
BPS	07/2017	1,471	445	1	0
	07/2017	$ 445	BRL 1,471	0	(1)
	07/2017	1,517	EUR 1,334	6	0
	07/2017	2,552	JPY 285,700	0	(12)
	07/2017	58	MXN 1,110	3	0
	08/2017	COP 558,548	$ 191	9	0
	08/2017	EUR 1,334	1,520	0	(6)
	08/2017	JPY 285,700	2,555	12	0
	10/2017	BRL 25,500	7,519	18	(59)
	10/2017	$ 1,969	BRL 6,600	0	(12)

Counterparty	Settlement Month	Currency to be Delivered		Currency to be Received		Unrealized Appreciation/ (Depreciation) Asset	Liability
	01/2018	BRL	910	$	252	$ 0	$ (14)
	03/2018	MXN	14,420		690	0	(77)
	03/2018	$	727	MXN	14,420	40	0
	07/2018	BRL	7,800	$	2,225	11	0
CBK	07/2017	EUR	2,070		2,329	0	(36)
	07/2017	GBP	6,993		8,998	0	(110)
	07/2017	JPY	100,000		909	19	0
	08/2017 †	CAD	69		51	0	(2)
	08/2017 †	EUR	53		59	0	(1)
	08/2017	JPY	230,000		2,072	24	0
	08/2017	MXN	18,637		1,008	0	(13)
	09/2017	$	135	ARS	2,259	0	(4)
	09/2017		989	RUB	57,149	0	(35)
	07/2018	BRL	4,800	$	1,428	65	0
DUB	07/2017		5,120		1,541	1	(6)
	07/2017	$	1,578	BRL	5,120	0	(32)
	08/2017		890		2,984	6	0
	10/2017		3,112		10,400	0	(29)
	01/2018	BRL	9,500	$	2,670	0	(106)
	07/2018		11,300		3,232	24	0
FBF	07/2017	INR	60,939		943	2	0
	08/2017	MXN	3,790		190	0	(18)
	12/2017	$	930	INR	60,939	0	(2)
GLM	07/2017	BRL	1,334	$	404	1	0
	07/2017	CAD	1,622		1,203	0	(48)
	07/2017	GBP	627		798	0	(18)
	07/2017	JPY	285,700		2,580	40	0
	07/2017	$	402	BRL	1,334	1	0
	07/2017		829	EUR	736	11	0
	07/2017		1,937	GBP	1,510	30	0
	08/2017 †	EUR	54	$	61	0	(1)
	10/2017	RUB	56,826		969	27	0
	10/2017	$	1,521	BRL	5,100	0	(10)
	01/2018	MXN	2,033	$	99	0	(10)
HUS	07/2017	$	943	GBP	730	8	0
	08/2017 †	EUR	53	$	60	0	(1)
	08/2017	$	441	GBP	339	1	0
	10/2017		4,033	BRL	13,500	0	(30)
	07/2018	BRL	12,200	$	3,483	19	0
JPM	07/2017	AUD	2,261		1,672	0	(66)
	07/2017	GBP	745		947	0	(23)
	07/2017	NZD	2,804		1,982	0	(72)
	07/2017	$	1,237	CAD	1,622	13	0
	07/2017		934	GBP	721	5	0
	08/2017 †	CAD	1,688	$	1,287	0	(15)
	08/2017 †	EUR	33		37	0	(1)
	08/2017 †	$	387	CAD	530	22	0
	10/2017	BRL	12,300	$	3,618	0	(29)
	01/2018		1,890		522	0	(30)
	07/2018		500		146	4	0
MSB	09/2017	$	317	ARS	5,314	0	(10)
	04/2018	BRL	1,100	$	328	11	0
	07/2018		400		118	4	0
NGF	07/2017	MXN	1,110		55	0	(7)
	08/2017		1,670		81	0	(10)
	11/2017		4,370		212	0	(23)
	01/2018	BRL	5,300		1,477	0	(71)
SCX	07/2017	$	928	INR	60,939	13	0
	08/2017 †	EUR	54	$	61	0	(1)
TOR	08/2017	MXN	3,767		188	0	(18)
UAG	07/2017	$	7,340	GBP	5,727	119	0
	08/2017	GBP	5,727	$	7,346	0	(120)
	08/2017	JPY	110,000		991	11	0
	08/2017 †	$	664	EUR	607	31	0
Total Forward Foreign Currency Contracts						**$ 645**	**$ (1,216)**

PURCHASED OPTIONS:

INTEREST RATE SWAPTIONS

Counterparty	Description	Floating Rate Index	Pay/Receive Floating Rate	Exercise Rate	Expiration Date	Notional Amount	Cost	Market Value
DUB	Call - OTC 30-Year Interest Rate Swap	3-Month USD-LIBOR	Pay	2.150%	06/15/2018	$ 1,700	$ 171	$ 36
	Put - OTC 30-Year Interest Rate Swap	3-Month USD-LIBOR	Receive	2.150	06/15/2018	1,700	170	205
MYC	Put - OTC 10-Year Interest Rate Swap	3-Month USD-LIBOR	Receive	2.720	07/16/2018	7,300	83	116
	Put - OTC 10-Year Interest Rate Swap	3-Month USD-LIBOR	Receive	2.765	07/16/2018	9,500	110	139
NGF	Call - OTC 30-Year Interest Rate Swap	3-Month USD-LIBOR	Pay	2.150	06/15/2018	700	70	15
	Put - OTC 30-Year Interest Rate Swap	3-Month USD-LIBOR	Receive	2.150	06/15/2018	700	70	84
							$ 674	$ 595
Total Purchased Options							**$ 674**	**$ 595**

WRITTEN OPTIONS:

FOREIGN CURRENCY OPTIONS

Counterparty	Description	Strike Price	Expiration Date	Notional Amount	Premiums (Received)	Market Value
BPS	Put - OTC GBP versus USD	$ 1.265	07/05/2017	GBP 800	$ (5)	$ 0
MSB	Put - OTC GBP versus USD	1.266	07/06/2017	700	(4)	0
					$ (9)	$ 0

INFLATION-CAPPED OPTIONS

Counterparty	Description	Initial Index	Floating Rate	Expiration Date[2]	Notional Amount	Premiums (Received)	Market Value
BPS	Floor - OTC YOY CPURNSA	233.049	Maximum of [0.000% - (Final Index/Initial Index - 1)] or 0	03/01/2018	$ 700	$ (6)	$ 0
CBK	Floor - OTC CPURNSA	216.687	Maximum of [(1 + 0.000%)^{10}- (Final Index/Initial Index)] or 0	04/07/2020	12,100	(108)	0
	Floor - OTC CPURNSA	217.965	Maximum of [(1 + 0.000%)^{10}- (Final Index/Initial Index)] or 0	09/29/2020	1,000	(13)	0
DUB	Floor - OTC YOY CPURNSA	233.546	Maximum of [(1 + 0.000%) - (Final Index/Initial Index)] or 0	01/22/2018	900	(9)	0
GLM	Cap - OTC CPALEMU	100.151	Maximum of [(Final Index/Initial Index - 1) - 3.000%] or 0	06/22/2035	EUR 1,200	(54)	(14)
JPM	Cap - OTC CPURNSA	234.781	Maximum of [(Final Index/Initial Index - 1) - 4.000%] or 0	05/16/2024	$ 600	(4)	0
	Floor - OTC YOY CPURNSA	234.812	Maximum of [0.000% - (Final Index/Initial Index - 1)] or 0	03/24/2020	4,600	(52)	(19)
	Floor - OTC YOY CPURNSA	238.654	Maximum of [0.000% - (Final Index/Initial Index - 1)] or 0	10/02/2020	2,000	(37)	(11)
						$ (283)	$ (44)

INTEREST RATE SWAPTIONS

Counterparty	Description	Floating Rate Index	Pay/Receive Floating Rate	Exercise Rate	Expiration Date	Notional Amount	Premiums (Received)	Market Value
RYL	Call - OTC 5-Year Interest Rate Swap[1]	3-Month USD-LIBOR	Receive	1.800%	11/07/2017	$ 3,900	$ (34)	$ (2)
	Put - OTC 5-Year Interest Rate Swap[1]	3-Month USD-LIBOR	Pay	2.600	11/07/2017	3,900	(34)	(38)
							$ (68)	$ (40)

OPTIONS ON COMMODITY FUTURES CONTRACTS

Counterparty	Description	Strike Price	Expiration Date	Notional Amount	Premiums (Received)	Market Value
BPS	Put - OTC CLCAL18 †	$ 46.000	07/17/2017	$ 3	$ (1)	$ (1)
	Call - OTC CLCAL18 †	53.000	07/17/2017	2	(1)	0
MYC	Put - OTC NGCAL18 †	2.950	07/26/2017	12,000	(4)	(6)
	Call - OTC NGCAL18 †	3.300	07/26/2017	12,000	(4)	(1)
SOG	Call - OTC Natural Gas September Futures †	0.200	09/26/2017	10	(1)	0
	Put - OTC Natural Gas September Futures †	0.350	09/26/2017	10	0	0
					$ (11)	$ (8)
Total Written Options					**$ (371)**	**$ (92)**

TRANSACTIONS IN WRITTEN CALL AND PUT OPTIONS FOR THE PERIOD ENDED JUNE 30, 2017:

	Balance at Beginning of Period	Sales	Closing Buys	Expirations	Exercised	Balance at End of Period
# of Contracts	84	1,050	(311)	(158)	(197)	468
Notional Amount in $	$ 150,300	$ 39,143	$ (105,934)	$ (18,984)	$ (10,800)	$ 53,725
Notional Amount in EUR	EUR 6,700	EUR 15,000	EUR (4,200)	EUR (8,800)	EUR (7,500)	EUR 1,200
Notional Amount in GBP	GBP 2,860	GBP 10,530	GBP 0	GBP (8,880)	GBP (3,010)	GBP 1,500
Premiums	$ (1,676)	$ (794)	$ 1,373	$ 300	$ 224	$ (573)

SWAP AGREEMENTS:

COMMODITY FORWARD SWAPS

Counterparty	Pay/Receive	Underlying Reference Commodity	Fixed Price Per Unit	Maturity Date	# of Units	Premiums Paid/(Received)	Unrealized Appreciation/ (Depreciation)	Swap Agreements, at Value Asset	Swap Agreements, at Value Liability
BPS	Pay	EURMARGIN 3Q17 †	$ 7.180	09/30/2017	2,100	$ (1)	$ (1)	$ 0	$ (2)
	Pay	EURMARGIN 3Q17 †	7.300	09/30/2017	600	0	(1)	0	(1)
	Receive	EURMARGIN CAL17 †	5.850	12/31/2017	2,400	0	4	4	0
	Pay	EURSIMP 3Q17 †	2.475	09/30/2017	2,400	0	(5)	0	(5)
	Receive	EURSIMP 4Q17 †	1.000	12/31/2017	900	0	2	2	0
	Receive	EURSIMP CAL17 †	0.550	12/31/2017	6,000	0	21	21	0
	Receive	NAPGASFO CAL18 †	12.700	12/31/2018	2,400	0	(7)	0	(7)
	Receive	OREXIO 1Q18 †	69.200	03/31/2018	300	0	(3)	0	(3)
	Pay	OREXIO 4Q17 †	78.000	12/31/2017	600	0	11	11	0
	Receive	OREXIO 4Q18 †	63.700	12/31/2018	600	0	(5)	0	(5)
	Receive	PLATGOLD N7 †	238.250	07/07/2017	2,000	6	(164)	0	(158)
CBK	Pay	SLVRLND Index †	17.910	11/30/2017	10,000	0	12	12	0
GST	Pay	GOLDLNPM Index †	1,365.100	07/05/2017	200	0	25	25	0
	Receive	KCBT Wheat November Futures †	0.118	11/24/2017	39,800	2	(3)	0	(1)
	Pay	OREXIO 1Q18 †	72.300	03/31/2018	300	0	4	4	0
	Receive	OREXIO 1Q19 †	58.400	03/31/2019	300	0	(1)	0	(1)
	Receive	OREXIO 3Q18 †	63.550	09/30/2018	600	0	(4)	0	(4)
	Receive	OREXIO 4Q17 †	55.350	12/31/2017	600	0	2	2	0
	Receive	OREXIO 4Q18 †	62.000	12/31/2018	276	0	(2)	0	(2)
	Receive	PLATGOLD N7 †	232.800	07/05/2017	800	1	(68)	0	(67)
	Receive	PLTMLNPM Index †	1,106.500	07/05/2017	200	0	(37)	0	(37)
JPM	Receive	EURMARGIN 2H17 †	5.070	12/31/2017	1,200	0	3	3	0
	Pay	EURMARGIN 3Q17 †	7.270	09/30/2017	2,301	0	(2)	0	(2)
	Receive	EURMARGIN 4Q17 †	3.900	12/31/2017	11,700	1	26	27	0
	Receive	EURMARGIN CAL17 †	5.850	12/31/2017	600	0	1	1	0
	Receive	EURSIMP 2H18 †	2.600	12/31/2018	1,800	0	0	0	0
	Pay	EURSIMP 4Q17 †	3.350	12/31/2017	1,800	0	0	0	0
	Receive	HSFOEW 1Q18 †	14.500	03/31/2018	300	0	1	1	0
	Pay	Live Cattle August Futures †	120.000	08/04/2017	98,900	0	4	4	0
	Receive	Live Cattle October Futures †	116.290	08/04/2017	98,900	0	(1)	0	(1)
	Receive	NAPGASFO CAL18 †	12.000	12/31/2018	1,200	0	(3)	0	(3)
MAC	Receive	CAW Z7 †	0.450	11/15/2017	32,000	(2)	(6)	0	(8)
	Receive	EURMARGIN 4Q17 †	4.000	12/31/2017	300	0	1	1	0
	Receive	NAPGASFO CAL17 †	16.100	12/31/2017	6,000	(7)	(38)	0	(45)
MYC	Receive	EURMARGIN 2H18 †	5.770	12/31/2018	3,000	0	1	1	0
	Receive	EURMARGIN 2H18 †	5.810	12/31/2018	1,800	0	1	1	0
	Receive	EURMARGIN 2H18 †	5.980	12/31/2018	900	0	0	0	0
	Receive	EURMARGIN 3Q17 †	6.300	09/30/2017	300	0	1	1	0
	Pay	EURMARGIN 3Q17 †	7.270	09/30/2017	600	0	(1)	0	(1)
	Pay	EURMARGIN 3Q17 †	7.530	09/30/2017	399	0	0	0	0
	Receive	EURMARGIN 4Q17 †	4.740	12/31/2017	3,000	0	4	4	0
	Receive	EURMARGIN 4Q17 †	4.850	12/31/2017	2,700	0	4	4	0
	Pay	EURMARGIN 4Q17 †	5.820	12/31/2017	3,000	0	(1)	0	(1)
	Pay	EURMARGIN 4Q17 †	5.860	12/31/2017	900	0	0	0	0
	Pay	EURMARGIN 4Q17 †	5.900	12/31/2017	1,800	0	(1)	0	(1)
	Receive	EURMARGIN CAL17 †	5.780	12/31/2017	2,400	0	4	4	0
	Receive	EURMARGIN CAL17 †	5.800	12/31/2017	1,200	0	2	2	0
	Receive	EURSIMP 1Q18 †	2.519	03/31/2018	600	0	0	0	0
	Pay	EURSIMP 3Q17 †	3.219	09/30/2017	600	0	(1)	0	(1)
	Pay	GOLDLNPM Index †	1,255.000	11/29/2018	200	0	(3)	0	(3)
	Pay	GOLDLNPM Index †	1,266.200	11/29/2018	200	0	0	0	0
	Pay	GOLDLNPM Index †	1,289.000	11/29/2018	200	0	4	4	0
	Pay	SLVRLND Index †	17.938	11/29/2017	5,000	0	6	6	0
SOG	Pay	EURMARGIN 3Q17 †	7.150	09/30/2017	300	0	0	0	0
	Pay	EURMARGIN 4Q17 †	6.050	12/31/2017	2,100	0	0	0	0

Counterparty	Pay/Receive	Underlying Reference Commodity	Fixed Price Per Unit	Maturity Date	# of Units	Premiums Paid/(Received)	Unrealized Appreciation/ (Depreciation)	Swap Agreements, at Value Asset	Swap Agreements, at Value Liability
UAG	Pay	GOLDLNPM Index †	$ 1,223.100	12/01/2017	300	$ 0	$ (8)	$ 0	$ (8)
	Pay	SLVRLND Index †	17.660	12/01/2017	5,000	0	5	5	0
	Pay	SLVRLND Index †	17.766	12/01/2017	5,000	0	5	5	0
	Pay	SLVRLND Index †	18.027	12/01/2017	5,000	0	6	6	0
						$ 0	$ (206)	$ 161	$ (367)

CREDIT DEFAULT SWAPS ON SOVEREIGN ISSUES - SELL PROTECTION(3)

Counterparty	Reference Entity	Fixed Receive Rate	Maturity Date	Implied Credit Spread at June 30, 2017(4)	Notional Amount(5)	Premiums Paid/(Received)	Unrealized Appreciation/ (Depreciation)	Swap Agreements, at Value Asset	Swap Agreements, at Value Liability
BOA	Italy Government International Bond	1.000%	03/20/2019	0.364%	$ 1,100	$ (19)	$ 32	$ 13	$ 0
	Mexico Government International Bond	1.000	06/20/2021	0.837	200	(5)	6	1	0
BRC	Mexico Government International Bond	1.000	06/20/2021	0.837	800	(21)	26	5	0
CBK	Brazil Government International Bond	1.000	06/20/2021	1.885	100	(9)	6	0	(3)
	Mexico Government International Bond	1.000	06/20/2021	0.837	100	(2)	3	1	0
DUB	Brazil Government International Bond	1.000	06/20/2021	1.885	200	(17)	10	0	(7)
	Mexico Government International Bond	1.000	06/20/2021	0.837	100	(3)	4	1	0
GST	Brazil Government International Bond	1.000	06/20/2021	1.885	400	(28)	15	0	(13)
HUS	Brazil Government International Bond	1.000	06/20/2022	2.376	400	(26)	1	0	(25)
	Mexico Government International Bond	1.000	06/20/2021	0.837	500	(12)	15	3	0
NGF	Russia Government International Bond	1.000	06/20/2021	1.333	300	(18)	14	0	(4)
						$ (160)	$ 132	$ 24	$ (52)

CREDIT DEFAULT SWAPS ON CREDIT INDICES - SELL PROTECTION(3)

Counterparty	Index/Tranches	Fixed Receive Rate	Maturity Date	Notional Amount(5)	Premiums Paid/(Received)	Unrealized Appreciation/ (Depreciation)	Swap Agreements, at Value(6) Asset	Swap Agreements, at Value(6) Liability
DUB	CMBX.NA.AAA.8 Index	0.500%	10/17/2057	$ 800	$ (42)	$ 37	$ 0	$ (5)
GST	CMBX.NA.AAA.8 Index	0.500	10/17/2057	300	(17)	15	0	(2)
					$ (59)	$ 52	$ 0	$ (7)

INTEREST RATE SWAPS

Counterparty	Pay/Receive Floating Rate	Floating Rate Index	Fixed Rate	Maturity Date	Notional Amount	Premiums Paid/(Received)	Unrealized Appreciation/ (Depreciation)	Swap Agreements, at Value Asset	Swap Agreements, at Value Liability
BOA	Pay	UKRPI	3.430%	06/15/2030	GBP 600	$ 0	$ 15	$ 15	$ 0
BPS	Pay	CPTFEMU	0.806	04/15/2021	EUR 600	0	15	15	0
DUB	Pay	CPURNSA	2.500	07/15/2022	$ 1,200	10	(132)	0	(122)
	Pay	CPURNSA	2.560	05/08/2023	13,100	0	(1,360)	0	(1,360)
GLM	Pay	UKRPI	3.400	06/15/2030	GBP 500	2	6	8	0
	Pay	UKRPI	3.325	08/15/2030	3,940	(12)	(21)	0	(33)
MYC	Pay	CPURNSA	1.810	07/19/2026	$ 400	0	(9)	0	(9)
	Pay	CPURNSA	1.800	07/20/2026	1,500	0	(34)	0	(34)
	Pay	CPURNSA	1.805	09/20/2026	300	0	(7)	0	(7)
						$ 0	$ (1,527)	$ 38	$ (1,565)

TOTAL RETURN SWAPS ON COMMODITY INDICES

Counterparty	Pay/Receive(7)	Underlying Reference	# of Units	Financing Rate	Maturity Date	Notional Amount	Premiums Paid/(Received)	Unrealized Appreciation/ (Depreciation)	Swap Agreements, at Value Asset	Swap Agreements, at Value Liability
BPS	Receive	BCOMF1T Index †	20,831	0.0115%	08/15/2017	$ 6,691	$ 0	$ 140	$ 140	$ 0
	Receive	BCOMTR Index †	117,314	0.0112%	08/15/2017	19,257	0	401	401	0
	Receive	BCOMTR1 Index †	27,507	0.0114%	08/15/2017	1,967	0	41	41	0
	Pay	SPGCINP Index †	12,286	(0.050)%	08/15/2017	2,065	0	(107)	0	(107)

Counterparty	Pay/Receive[7]	Underlying Reference	# of Units	Financing Rate	Maturity Date	Notional Amount	Premiums Paid/(Received)	Unrealized Appreciation/ (Depreciation)	Swap Agreements, at Value Asset	Swap Agreements, at Value Liability
CBK	Receive	BCOMF1T Index †	105	3-Month U.S. Treasury Bill rate plus a specified spread	08/15/2017	$ 34	$ 0	$ 1	$ 1	$ 0
	Receive	BCOMTR Index †	165,760	0.0113%	08/15/2017	27,210	0	567	567	0
	Receive	BCOMTR2 Index †	236,898	0.0115%	08/15/2017	42,406	0	874	874	0
	Receive	CVICXMB2 Index †	20,129	0.0017%	02/15/2018	2,141	0	(2)	0	(2)
	Receive	CVICXMB3 Index †	18,768	0.0017%	02/15/2018	2,213	0	1	1	0
CIB	Receive	BCOMTR Index †	5,671	3-Month U.S. Treasury Bill rate plus a specified spread	08/15/2017	931	0	19	19	0
FBF	Receive	BCOMTR Index †	125,200	0.011%	08/15/2017	20,552	0	428	428	0
GLM	Receive	BCOMF1T Index †	104,963	0.0115%	08/15/2017	33,716	0	706	706	0
	Receive	BCOMTR Index †	23,541	0.0113%	08/15/2017	3,864	0	80	80	0
GST	Pay	SPGCINP Index †	8,194	(0.050)%	08/15/2017	1,377	0	(71)	0	(71)
JPM	Receive	BCOMF1T Index †	672	0.0116%	08/15/2017	216	0	5	5	0
	Receive	BCOMTR Index †	120,939	0.0113%	08/15/2017	19,814	0	408	408	0
	Receive	JMABCTNE Index †	23,274	0.150%	08/15/2017	2,622	0	2	2	0
	Receive	JMABDEW2 Index †	8,164	0.300%	08/15/2017	6,579	0	(63)	0	(63)
	Receive	JMABFNJ1 Index †	103,762	0.700%	08/15/2017	10,320	0	(181)	0	(181)
	Receive	JMABNIC4 Index †	27,789	0.170%	08/15/2017	10,111	0	248	248	0
	Pay	SPGCINP Index †	120	(0.050)%	08/15/2017	20	0	(1)	0	(1)
MAC	Receive	BCOMTR1 Index †	113,048	3-Month U.S. Treasury Bill rate plus a specified spread	08/15/2017	10,337	0	215	215	0
	Receive	BCOMTR2 Index †	147,836	3-Month U.S. Treasury Bill rate plus a specified spread	08/15/2017	12,901	0	266	266	0
	Receive	MQCP563E Index †	3,643	0.950%	08/15/2017	480	0	(1)	0	(1)
MEI	Receive	BCOMTR2 Index †	292,026	3-Month U.S. Treasury Bill rate plus a specified spread	08/15/2017	35,668	0	739	739	0
MYC	Receive	BCOMTR Index †	446,022	0.0111%	08/15/2017	73,215	0	1,524	1,524	0
	Receive	BCOMTR1 Index †	232,041	0.0115%	08/15/2017	42,187	0	878	878	0
							$ 0	$ 7,117	$ 7,543	$ (426)

VOLATILITY SWAPS

Counterparty	Pay/Receive Volatility	Reference Entity	Volatility Strike	Maturity Date	Notional Amount	Premiums Paid/(Received)	Unrealized Appreciation/ (Depreciation)	Swap Agreements, at Value Asset	Swap Agreements, at Value Liability
GST	Pay	GOLDLNPM Index[8] †	7.023%	07/29/2020	$ 943	$ 0	$ 38	$ 38	$ 0
	Pay	GOLDLNPM Index[8] †	7.840	09/09/2020	179	0	7	7	0
JPM	Receive	GOLDLNPM Index[8] †	3.861	07/29/2020	865	0	(7)	0	(7)
	Receive	GOLDLNPM Index[8] †	3.976	07/29/2020	78	0	(1)	0	(1)
	Receive	GOLDLNPM Index[8] †	4.268	09/09/2020	179	0	(1)	0	(1)
						$ 0	$ 36	$ 45	$ (9)
Total Swap Agreements						**$ (219)**	**$ 5,604**	**$ 7,811**	**$ (2,426)**

FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER SUMMARY

The following is a summary by counterparty of the market value of OTC financial derivative instruments and collateral pledged/(received) as of June 30, 2017:

	Financial Derivative Assets				Financial Derivative Liabilities						
Counterparty	Forward Foreign Currency Contracts	Purchased Options	Swap Agreements	Total Over the Counter	Forward Foreign Currency Contracts	Written Options	Swap Agreements	Total Over the Counter	Net Market Value of OTC Derivatives	Collateral Pledged/ (Received)	Net Exposure[9]
PIMCO CommodityRealReturn® Strategy Portfolio											
AZD	$ 22	$ 0	$ 0	$ 22	$ (22)	$ 0	$ 0	$ (22)	$ 0	$ 0	$ 0
BOA	11	0	29	40	0	0	0	0	40	0	40
BPS	100	0	15	115	(181)	0	0	(181)	(66)	0	(66)
BRC	0	0	5	5	0	0	0	0	5	0	5
CBK	108	0	1	109	(198)	0	(3)	(201)	(92)	0	(92)
DUB	31	241	1	273	(173)	0	(1,494)	(1,667)	(1,394)	1,349	(45)
FBF	2	0	0	2	(20)	0	0	(20)	(18)	0	(18)
GLM	110	0	8	118	(86)	(14)	(33)	(133)	(15)	0	(15)
GST	0	0	0	0	0	0	(15)	(15)	(15)	0	(15)
HUS	28	0	3	31	(30)	0	(25)	(55)	(24)	0	(24)
JPM	22	0	0	22	(233)	(30)	0	(263)	(241)	56	(185)
MSB	15	0	0	15	(10)	0	0	(10)	5	0	5
MYC	0	255	0	255	0	0	(50)	(50)	205	(420)	(215)
NGF	0	99	0	99	(111)	0	(4)	(115)	(16)	0	(16)
RYL	0	0	0	0	0	(40)	0	(40)	(40)	0	(40)
SCX	13	0	0	13	0	0	0	0	13	0	13
TOR	0	0	0	0	(18)	0	0	(18)	(18)	0	(18)
UAG	130	0	0	130	(120)	0	0	(120)	10	0	10
PIMCO Cayman Commodity Portfolio I, Ltd. (Subsidiary)											
BOA	0	0	0	0	(5)	0	0	(5)	(5)	0	(5)
BPS	0	0	620	620	0	(1)	(288)	(289)	331	277	608
CBK	0	0	1,455	1,455	(3)	0	(2)	(5)	1,450	(350)	1,100
CIB	0	0	19	19	0	0	0	0	19	0	19
FBF	0	0	428	428	0	0	0	0	428	0	428
GLM	0	0	786	786	(1)	0	0	(1)	785	0	785
GST	0	0	76	76	0	0	(183)	(183)	(107)	0	(107)
HUS	0	0	0	0	(1)	0	0	(1)	(1)	0	(1)
JPM	22	0	699	721	(3)	0	(260)	(263)	458	0	458
MAC	0	0	482	482	0	0	(54)	(54)	428	0	428
MEI	0	0	739	739	0	0	0	0	739	0	739
MYC	0	0	2,429	2,429	0	(7)	(7)	(14)	2,415	(3,030)	(615)
SCX	0	0	0	0	(1)	0	0	(1)	(1)	0	(1)
UAG	31	0	16	47	0	0	(8)	(8)	39	0	39
Total Over the Counter	**$ 645**	**$ 595**	**$ 7,811**	**$ 9,051**	**$ (1,216)**	**$ (92)**	**$ (2,426)**	**$ (3,734)**			

(i) Securities with an aggregate market value of $1,682 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of June 30, 2017.

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

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

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

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

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

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

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

(8) Variance Swap

(9) Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from OTC derivatives can only be netted across transactions governed under the same master agreement with the same legal entity. The Portfolio and Subsidiary are recognized as two separate legal entities. As such, exposure cannot be netted. See Note 8, Master Arrangements, in the Notes to Financial Statements for more information regarding master netting agreements.

FAIR VALUE OF FINANCIAL DERIVATIVE INSTRUMENTS

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

Fair Values of Financial Derivative Instruments on the Consolidated Statement of Assets and Liabilities as of June 30, 2017:

	Derivatives not accounted for as hedging instruments					
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts	Total
Financial Derivative Instruments - Assets						
Exchange-traded or centrally cleared						
Purchased Options	$ 56	$ 0	$ 0	$ 0	$ 17	$ 73
Futures	304	0	0	0	175	479
Swap Agreements	0	7	0	0	431	438
	$ 360	$ 7	$ 0	$ 0	$ 623	$ 990
Over the counter						
Forward Foreign Currency Contracts	$ 0	$ 0	$ 0	$ 645	$ 0	$ 645
Purchased Options	0	0	0	0	595	595
Swap Agreements	7,749	24	0	0	38	7,811
	$ 7,749	$ 24	$ 0	$ 645	$ 633	$ 9,051
	$ 8,109	$ 31	$ 0	$ 645	$ 1,256	$ 10,041
Financial Derivative Instruments - Liabilities						
Exchange-traded or centrally cleared						
Written Options	$ 91	$ 0	$ 0	$ 0	$ 77	$ 168
Futures	354	0	0	0	12	366
Swap Agreements	0	12	0	0	199	211
	$ 445	$ 12	$ 0	$ 0	$ 288	$ 745
Over the counter						
Forward Foreign Currency Contracts	$ 0	$ 0	$ 0	$ 1,216	$ 0	$ 1,216
Written Options	8	0	0	0	84	92
Swap Agreements	802	59	0	0	1,565	2,426
	$ 810	$ 59	$ 0	$ 1,216	$ 1,649	$ 3,734
	$ 1,255	$ 71	$ 0	$ 1,216	$ 1,937	$ 4,479

The effect of Financial Derivative Instruments on the Consolidated Statement of Operations for the period ended June 30, 2017:

	Derivatives not accounted for as hedging instruments					
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts	Total
Net Realized Gain (Loss) on Financial Derivative Instruments						
Exchange-traded or centrally cleared						
Purchased Options	$ (16)	$ 0	$ 0	$ 0	$ (36)	$ (52)
Written Options	35	0	0	0	173	208
Futures	509	0	0	0	(97)	412
Swap Agreements	0	(57)	0	0	890	833
	$ 528	$ (57)	$ 0	$ 0	$ 930	$ 1,401
Over the counter						
Forward Foreign Currency Contracts	$ 0	$ 0	$ 0	$ (1,481)	$ 0	$ (1,481)
Purchased Options	0	0	0	0	(206)	(206)
Written Options	6	14	0	105	281	406
Swap Agreements	(27,632)	37	0	0	(230)	(27,825)
	$ (27,626)	$ 51	$ 0	$ (1,376)	$ (155)	$ (29,106)
	$ (27,098)	$ (6)	$ 0	$ (1,376)	$ 775	$ (27,705)
Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments						
Exchange-traded or centrally cleared						
Purchased Options	$ (40)	$ 0	$ 0	$ 0	$ (5)	$ (45)
Written Options	57	0	0	0	(4)	53
Futures	(303)	0	0	0	77	(226)
Swap Agreements	0	(41)	0	0	(580)	(621)
	$ (286)	$ (41)	$ 0	$ 0	$ (512)	$ (839)

	Derivatives not accounted for as hedging instruments					
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts	Total
Over the counter						
Forward Foreign Currency Contracts	$ 0	$ 0	$ 0	$ (79)	$ 0	$ (79)
Purchased Options	0	0	0	0	(199)	(199)
Written Options	3	(11)	0	(12)	(88)	(108)
Swap Agreements	3,787	99	0	0	134	4,020
	$ 3,790	$ 88	$ 0	$ (91)	$ (153)	$ 3,634
	$ 3,504	$ 47	$ 0	$ (91)	$ (665)	$ 2,795

FAIR VALUE MEASUREMENTS

The following is a summary of the fair valuations according to the inputs used as of June 30, 2017 in valuing the Portfolio's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 06/30/2017
Investments in Securities, at Value				
Corporate Bonds & Notes				
Banking & Finance	$ 0	$ 14,919	$ 0	$ 14,919
Industrials	0	2,302	0	2,302
Utilities	0	2,188	0	2,188
Municipal Bonds & Notes				
South Carolina	0	300	0	300
U.S. Government Agencies	0	6,797	0	6,797
U.S. Treasury Obligations	0	395,896	0	395,896
Non-Agency Mortgage-Backed Securities	0	7,817	0	7,817
Asset-Backed Securities	0	17,773	0	17,773
Sovereign Issues	0	29,604	0	29,604
Short-Term Instruments				
Certificates of Deposit	0	14,123	0	14,123
Repurchase Agreements	0	41,226	0	41,226
Argentina Treasury Bills	0	1,290	0	1,290
Japan Treasury Bills	0	4,090	0	4,090
Mexico Treasury Bills	0	845	0	845
U.S. Treasury Bills	0	801	0	801
	$ 0	$ 539,971	$ 0	$ 539,971
Investments in Affiliates, at Value				
Short-Term Instruments				
Central Funds Used for Cash Management Purposes	$ 957	$ 0	$ 0	$ 957
Total Investments	$ 957	$ 539,971	$ 0	$ 540,928

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 06/30/2017
Short Sales, at Value - Liabilities				
U.S. Government Agencies	$ 0	$ (1,848)	$ 0	$ (1,848)
Financial Derivative Instruments - Assets				
Exchange-traded or centrally cleared	543	439	0	982
Over the counter	0	9,051	0	9,051
	$ 543	$ 9,490	$ 0	$ 10,033
Financial Derivative Instruments - Liabilities				
Exchange-traded or centrally cleared	(464)	(281)	0	(745)
Over the counter	0	(3,726)	(8)	(3,734)
	$ (464)	$ (4,007)	$ (8)	$ (4,479)
Total Financial Derivative Instruments	$ 79	$ 5,483	$ (8)	$ 5,554
Totals	$ 1,036	$ 543,606	$ (8)	$ 544,634

There were no significant transfers among Levels 1, 2, or 3 during the period ended June 30, 2017.

1. ORGANIZATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Securities Transactions and Investment Income Securities transactions are recorded as of the trade date for financial reporting purposes. Securities purchased or sold on a when-issued or delayed-delivery basis may be settled beyond a standard settlement period for the security after the trade date. Realized gains (losses) from securities sold are recorded on the identified cost basis. Dividend income is recorded on the ex-dividend date, except certain dividends from foreign securities where the ex-dividend date may have passed, which are recorded as soon as the Portfolio is informed of the ex-dividend date. Interest income, adjusted for the accretion of discounts and amortization of premiums, is recorded on the accrual basis from settlement date, with the exception of securities with a forward starting effective date, where interest income is recorded on the accrual basis from effective date. For convertible securities, premiums attributable to the conversion feature are not amortized. Estimated tax liabilities on certain foreign securities are recorded on an accrual basis and are reflected as components of interest income or net change in unrealized appreciation (depreciation) on investments on the Consolidated Statement of Operations, as appropriate. Tax liabilities realized as a result of such security sales are reflected as a component of net realized gain (loss) on investments on the Consolidated Statement of Operations. Paydown gains (losses) on mortgage-related and other asset-backed securities, if any, are recorded as components of interest income on the Consolidated Statement of Operations. Income or short-term capital gain distributions received from registered investment companies, if any, are recorded as dividend income. Long-term capital gain distributions received from registered investment companies, if any, are recorded as realized gains.

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

(b) Cash and Foreign Currency The functional and reporting currency for the Portfolio is the U.S. dollar. The market values of foreign securities, currency holdings and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the current exchange rates each business day. Purchases and sales of securities and income and expense items denominated in foreign currencies, if any, are translated into U.S. dollars at the exchange rate in effect on the transaction date. The Portfolio does not separately report the effects of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized gain (loss) and net change in unrealized appreciation (depreciation) from investments on the Consolidated Statement of Operations. The Portfolio may invest in foreign currency-denominated securities and may engage in foreign currency transactions either on a spot (cash) basis at the rate prevailing in the currency exchange market at the time or through a forward foreign currency contract. Realized foreign exchange gains (losses) arising from sales of spot foreign currencies, currency gains (losses) realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid are included in net realized gain (loss) on foreign currency transactions on the Consolidated Statement of Operations. Net unrealized foreign exchange gains (losses) arising from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period are included in net change in unrealized appreciation (depreciation) on foreign currency assets and liabilities on the Consolidated Statement of Operations.

(c) Multiclass Operations Each class offered by the Trust has equal rights as to assets and voting privileges (except that shareholders of a class have exclusive voting rights regarding any matter relating solely to that class of shares). Income and non-class specific expenses are allocated daily to each class on the basis of the relative net assets. Realized and unrealized capital gains (losses) are allocated daily based on the relative net assets of each class of the Portfolio. Class specific expenses, where applicable, currently include supervisory and administrative and distribution and servicing fees. Under certain circumstances, the per share net asset value ("NAV") of a class of the Portfolio's shares may be different from the per share NAV of another class of shares as a result of the different daily expense accruals applicable to each class of shares.

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

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

If the Portfolio estimates that a portion of one of its dividend distributions may be comprised of amounts from sources other than net investment income in accordance with its policies and good accounting practices, the Portfolio will notify shareholders of record of the estimated composition of such distribution through a Section 19 Notice. For these purposes, the Portfolio estimates the source or sources from which a distribution is paid, to the close of the period as of which it is paid, in reference to its internal accounting records and related accounting practices. If, based on such accounting records and practices, it is estimated that a particular distribution does not include capital gains or paid-in surplus or other capital sources, a Section 19 Notice generally would not be issued. It is important to note that differences exist between the Portfolio's daily internal accounting records and practices, the Portfolio's financial statements presented in accordance with U.S. GAAP, and recordkeeping practices under income tax regulations. For instance, the Portfolio's internal accounting records and practices may take into account, among other factors, tax-related characteristics of certain sources of distributions that differ from treatment under U.S. GAAP. Examples of such differences may include, among others, the treatment of paydowns on mortgage-backed securities purchased at a discount and periodic payments under interest rate swap contracts. Accordingly, among other consequences, it is possible that the Portfolio may not issue a Section 19 Notice in situations where the Portfolio's financial statements prepared later and in accordance with U.S. GAAP and/or the final tax character of those distributions might later report that the sources of those distributions included capital gains and/or a return of capital. Final determination of a distribution's tax character will be provided to shareholders when such information is available.

Distributions classified as a tax basis return of capital, if any, are reflected on the Consolidated Statements of Changes in Net Assets and have been recorded to paid in capital. In addition, other amounts have been reclassified between undistributed (overdistributed) net investment income (loss), accumulated undistributed (overdistributed) net realized gain (loss) and/or paid in capital to more appropriately conform U.S. GAAP to tax characterizations of distributions.

(e) New Accounting Pronouncements In March 2016, the Financial Accounting Standards Board ("FASB") issued an Accounting Standards Update ("ASU"), ASU 2016-05 which provides guidance related to the impact of derivative contract novations on certain relationships under Accounting Standards Codification ("ASC") 815. The ASU is effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. The Portfolio has adopted the ASU. The implementation of the ASU did not have an impact on the Portfolio's financial statements.

In August 2016, the FASB issued ASU 2016-15 which amends ASC 230 to clarify guidance on the classification of certain cash receipts and cash payments in the Statement of Cash Flows. The ASU is effective for annual periods beginning after December 15, 2017, and interim periods within those annual periods. At this time, management is evaluating the implications of these changes on the financial statements.

In October 2016, the U.S. Securities and Exchange Commission ("SEC") adopted new rules and forms, and amendments to certain current rules and forms, to modernize reporting and disclosure of information by registered investment companies. The amendments to Regulation S-X will require standardized, enhanced disclosure about derivatives in investment company financial statements, and will also change the rules governing the form and content of such financial statements. The compliance date for these amendments is August 1, 2017. Compliance is based on reporting period-end date. At this time, management is evaluating the implications of these changes on the financial statements.

In November 2016, the FASB issued ASU 2016-18 which amends ASC 230 to provide guidance on the classification and presentation of changes in restricted cash and restricted cash equivalents on the Statement of Cash Flows. The ASU is effective for annual periods beginning after December 15, 2017, and interim periods within those annual periods. At this time, management is evaluating the implications of these changes on the financial statements.

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

3. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

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

On each day that the New York Stock Exchange ("NYSE") is open, Portfolio shares are ordinarily valued as of the close of regular trading ("NYSE Close"). Information that becomes known to the Portfolio or its agents after the time as of which NAV has been calculated on a particular day will not generally be used to retroactively adjust the price of a security or the NAV determined earlier that day. The Portfolio reserves the right to change the time as of which its NAV is calculated if the Portfolio closes earlier, or as permitted by the SEC.

For purposes of calculating NAV, portfolio securities and other assets for which market quotes are readily available are valued at market value. Market value is generally determined on the basis of official closing prices or the last reported sales prices, or if no sales are reported, based on quotes obtained from established market makers or prices (including evaluated prices) supplied by the Portfolio's approved pricing services, quotation reporting systems and other third-party sources (together, "Pricing Services"). The Portfolio will normally use pricing data for domestic equity securities received shortly after the NYSE Close and does not normally take into account trading, clearances or settlements that take place after the NYSE Close. If market value pricing is used, foreign (non-U.S.) equity security traded on a foreign exchange or on more than one exchange is typically valued using pricing information from the exchange considered by the Adviser to be the primary exchange. A foreign (non-U.S.) equity security will be valued as of the close of trading on the foreign exchange, or the NYSE Close, if the NYSE Close occurs before the end of trading on the foreign exchange. Domestic and foreign (non-U.S.) fixed income securities, non-exchange traded derivatives, and equity options are normally valued on the basis of quotes obtained from brokers and dealers or Pricing Services using data reflecting the earlier closing of the principal markets for those securities. Prices obtained from Pricing Services may be based on, among other things, information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. Certain fixed income securities purchased on a delayed-delivery basis are marked to market daily until settlement at the forward settlement date. Exchange-traded options, except equity options, futures and options on futures are valued at the settlement price determined by the relevant exchange. Swap agreements are valued on the basis of bid quotes obtained from brokers and dealers or market-based prices supplied by Pricing Services. The Portfolio's investments in open-end management investment companies, other than exchange-traded funds ("ETFs"), are valued at the NAVs of such investments.

If a foreign (non-U.S.) equity security's value has materially changed after the close of the security's primary exchange or principal market but before the NYSE Close, the security may be valued at fair value based on procedures established and approved by the Board of Trustees of the Trust (the "Board"). Foreign (non-U.S.) equity securities that do not trade when the NYSE is open are also valued at fair value. With respect to foreign (non-U.S.) equity securities, the Portfolio may determine the fair value of investments based on information provided by Pricing Services and other third-party vendors, which may recommend fair value or adjustments with reference to other securities, indices or assets. In considering whether fair valuation is required and in determining fair values, the Portfolio may, among other things, consider significant events (which may be considered to include changes in the value of U.S. securities or securities indices) that occur after the close of the relevant market and before the NYSE Close. The Portfolio may utilize modeling tools provided by third-party vendors to determine fair values of foreign (non-U.S.) securities. Foreign exchanges may permit trading in foreign (non-U.S.) equity securities on days when the Trust is not open for business, which may result in the Portfolio's portfolio investments being affected when shareholders are unable to buy or sell shares.

Senior secured floating rate loans for which an active secondary market exists to a reliable degree will be valued at the mean of the last available bid/ask prices in the market for such loans, as provided by a Pricing Service. Senior secured floating rate loans for which an active secondary market does not exist to a reliable degree will be valued at fair value, which is intended to approximate market value. In valuing a senior secured floating rate loan at fair value, the factors considered may include, but are not limited to, the following: (a) the creditworthiness of the borrower and any intermediate participants, (b) the terms of the loan, (c) recent prices in the market for similar loans, if any, and (d) recent prices in the market for instruments of similar quality, rate, period until next interest rate reset and maturity.

Investments valued in currencies other than the U.S. dollar are converted to the U.S. dollar using exchange rates obtained from Pricing Services. As a result, the value of such investments and, in turn, the NAV of the Portfolio's shares may be affected by changes in the value of currencies in relation to the U.S. dollar. The value of investments traded in markets outside the United States or denominated in currencies other than the U.S. dollar may be affected significantly on a day that the Trust is not open for business. As a result, to the extent that the Portfolio holds foreign (non-U.S.) investments, the value of those investments may change at times when shareholders are unable to buy or sell shares and the value of such investments will be reflected in the Portfolio's next calculated NAV.

Investments for which market quotes or market based valuations are not readily available are valued at fair value as determined in good faith by the Board or persons acting at their direction. The Board has adopted methods for valuing securities and other assets in circumstances where market quotes are not readily available, and has delegated to the Adviser the responsibility for applying the fair valuation methods. In the event that market quotes or market based valuations are not readily available, and the security or asset cannot be valued pursuant to a Board approved valuation method, the value of the security or asset will be determined in good faith by the Valuation Oversight Committee of the Board ("Valuation Oversight Committee"), generally based on recommendations provided by the Adviser. Market quotes are considered not readily available in circumstances where there is an absence of current or reliable market-based data (e.g., trade information, bid/ask information, indicative market quotations ("Broker Quotes"), Pricing Services' prices), including where events occur after the close of the relevant market, but prior to the NYSE Close, that materially affect the values of the Portfolio's securities or assets. In addition, market quotes are considered not readily available when, due to extraordinary circumstances, the exchanges or markets on which the securities trade do not open for trading for the entire day and no other market prices are available. The Board has delegated to the Adviser the responsibility for monitoring significant events that may materially affect the values of the Portfolio's securities or assets and for determining whether the value of the applicable securities or assets should be reevaluated in light of such significant events.

When the Portfolio uses fair valuation to determine the value of a portfolio security or other asset for purposes of calculating its NAV, such investments will not be priced on the basis of quotes from the primary market in which they are traded, but rather may be priced by another method that the Board or persons acting at their direction believe reflects fair value. Fair valuation may require subjective determinations about the value of a security. While the Trust's policy is intended to result in a calculation of the Portfolio's NAV that fairly reflects security values as of the time of pricing, the Trust cannot ensure that fair values determined by the Board or persons acting at their direction would accurately reflect the price that the Portfolio could obtain for a security if it were to dispose of that security as of the time of pricing (for instance, in a forced or distressed sale). The prices used by the Portfolio may differ from the value that would be realized if the securities were sold. The Portfolio's use of fair valuation may also help to deter "stale price arbitrage" as discussed under the "Frequent or Excessive Purchases, Exchanges and Redemptions" section in the Portfolio's prospectus.

(b) Fair Value Hierarchy U.S. GAAP describes fair value as the price that the Portfolio would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. It establishes a fair value hierarchy that prioritizes inputs to valuation methods and requires disclosure of the fair value hierarchy, separately for each major category of assets and liabilities, that segregates fair value measurements into levels (Level 1, 2, or 3). The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. Levels 1, 2, and 3 of the fair value hierarchy are defined as follows:

- Level 1 — Quoted prices in active markets or exchanges for identical assets and liabilities.
- Level 2 — Significant other observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market corroborated inputs.
- Level 3 — Significant unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available, which may include assumptions made by the Board or persons acting at their direction that are used in determining the fair value of investments.

In accordance with the requirements of U.S. GAAP, the amounts of transfers between Levels 1 and 2 and transfers into and out of Level 3, if material, are disclosed in the Notes to Consolidated Schedule of Investments for the Portfolio.

For fair valuations using significant unobservable inputs, U.S. GAAP requires a reconciliation of the beginning to ending balances for reported fair values that presents changes attributable to realized gain (loss), unrealized appreciation (depreciation), purchases and sales, accrued discounts (premiums), and transfers into and out of the Level 3 category during the period. The end of period value is used for the transfers between Levels of the Portfolio's assets and liabilities.

Additionally, U.S. GAAP requires quantitative information regarding the significant unobservable inputs used in the determination of fair value of assets or liabilities categorized as Level 3 in the fair value hierarchy. In accordance with the requirements of U.S. GAAP, a fair value hierarchy, and if material, a Level 3 reconciliation and details of significant unobservable inputs, have been included in the Notes to Consolidated Schedule of Investments for the Portfolio.

(c) Valuation Techniques and the Fair Value Hierarchy

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

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

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

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

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

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

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

Equity exchange-traded options and over the counter financial derivative instruments, such as forward foreign currency contracts and options contracts derive their value from underlying asset prices, indices, reference rates, and other inputs or a combination of these factors. These contracts are normally valued on the basis of quotes obtained from a quotation reporting system, established market makers or Pricing Services (normally determined as of the NYSE Close). Depending on the product and the terms of the transaction, financial derivative instruments can be valued by Pricing Services using a series of techniques, including simulation pricing models. The pricing models use inputs that are observed from actively quoted markets such as quoted prices, issuer details, indices, bid/ask spreads, interest rates, implied volatilities, yield curves, dividends and exchange rates. Financial derivative instruments that use similar valuation techniques and inputs as described above are categorized as Level 2 of the fair value hierarchy.

Centrally cleared swaps and over the counter swaps derive their value from underlying asset prices, indices, reference rates, and other inputs or a combination of these factors. They are valued using a broker-dealer bid quotation or on market-based prices provided by Pricing Services (normally determined as of the NYSE close). Centrally cleared swaps and over the counter swaps can be valued by Pricing Services using a series of techniques, including simulation pricing models. The pricing models may use inputs that are observed from actively quoted markets such as the overnight index swap rate ("OIS"), London Interbank Offered Rate ("LIBOR") forward rate, interest rates, yield curves and credit spreads. These securities are categorized as Level 2 of the fair value hierarchy.

Level 3 trading assets and trading liabilities, at fair value When a fair valuation method is applied by the Adviser that uses significant unobservable inputs, investments will be priced by a method that the Board or persons acting at their direction believe reflects fair value and are categorized as Level 3 of the fair value hierarchy.

Short-term debt instruments (such as commercial paper) having a remaining maturity of 60 days or less may be valued at amortized cost, so long as the amortized cost value of such short-term debt instruments is approximately the same as the fair value of the instrument as determined without the use of amortized cost valuation. These securities are categorized as Level 2 or Level 3 of the fair value hierarchy depending on the source of the base price.

4. SECURITIES AND OTHER INVESTMENTS

(a) Investments in Affiliates

The Portfolio may invest in the PIMCO Short-Term Floating NAV Portfolio III and the PIMCO Short-Term Floating NAV Portfolio IV (“Central Funds”) to the extent permitted by the Act and rules thereunder. The Central Funds are registered investment companies created for use solely by the series of the Trust and other series of registered investment companies advised by the Adviser, in connection with their cash management activities. The main investments of the Central Funds are money market and short maturity fixed income instruments. The Central Funds may incur expenses related to their investment activities, but do not pay Investment Advisory Fees or Supervisory and Administrative Fees to the Adviser. The Central Funds are considered to be affiliated with the Portfolio. The table below shows the Portfolio’s transactions in and earnings from investments in an affiliated Fund for the period ended June 30, 2017 (amounts in thousands†):

Investment in PIMCO Short-Term Floating NAV Portfolio III

Market Value 12/31/2016	Purchases at Cost	Proceeds from Sales	Net Realized Gain (Loss)	Change in Unrealized Appreciation (Depreciation)	Market Value 06/30/2017	Dividend Income[(1)]	Realized Net Capital Gain Distributions[(1)]
$ 6,226	$ 166,929	$ (172,200)	$ 2	$ 0	$ 957	$ 29	$ 0

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

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

(b) Investments in Securities

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

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

Mortgage-Related and Other Asset-Backed Securities The Portfolio may invest in mortgage-related and other asset-backed securities that directly or indirectly represent a participation in, or are secured by and payable from, loans on real property. Mortgage-related securities are created from pools of residential or commercial mortgage loans, including mortgage loans made by savings and loan institutions, mortgage bankers, commercial banks and others. These securities provide a monthly payment which consists of both interest and principal. Interest may be determined by fixed or adjustable rates. The rate of prepayments on underlying mortgages will affect the price and volatility of a mortgage-related security, and may have the effect of shortening or extending the effective duration of the security relative to what was anticipated at the time of purchase. The timely payment of principal and interest of certain mortgage-related securities is guaranteed with the full faith and credit of the U.S. Government. Pools created and guaranteed by non-governmental issuers, including government-sponsored corporations, may be supported by various forms of insurance or guarantees, but there can be no assurance that private insurers or guarantors can meet their obligations under the insurance policies or guarantee arrangements. Many of the risks of investing in mortgage-related securities secured by commercial mortgage loans reflect the effects of local and other economic conditions on real estate markets, the ability of tenants to make lease payments, and the ability of a property to attract and retain tenants. These securities may be less liquid and may exhibit greater price volatility than other types of mortgage-related or other asset-backed securities. Other asset-backed securities are created from many types of assets, including auto loans, credit card receivables, home equity loans, and student loans.

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

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

U.S. Government Agencies or Government-Sponsored Enterprises The Portfolio may invest in securities of U.S. Government agencies or government-sponsored enterprises. U.S. Government securities are obligations of and, in certain cases, guaranteed by, the U.S. Government, its agencies or instrumentalities. Some U.S. Government securities, such as Treasury bills, notes and bonds, and securities guaranteed by the Government National Mortgage Association ("GNMA" or "Ginnie Mae"), are supported by the full faith and credit of the U.S. Government; others, such as those of the Federal Home Loan Banks, are supported by the right of the issuer to borrow from the U.S. Department of the Treasury (the "U.S. Treasury"); and others, such as those of the Federal National Mortgage Association ("FNMA" or "Fannie Mae"), are supported by the discretionary authority of the U.S. Government to purchase the agency's obligations. U.S. Government securities may include zero coupon securities. Zero coupon securities do not distribute interest on a current basis and tend to be subject to a greater risk than interest-paying securities.

Government-related guarantors (i.e., not backed by the full faith and credit of the U.S. Government) include FNMA and the Federal Home Loan Mortgage Corporation ("FHLMC" or "Freddie Mac"). FNMA is a government-sponsored corporation. FNMA purchases conventional (i.e., not insured or guaranteed by any government agency) residential mortgages from a list of approved seller/servicers which include state and federally chartered savings and loan associations, mutual savings banks, commercial banks and credit unions and mortgage bankers. Pass-through securities issued by FNMA are guaranteed as to timely payment of principal and interest by FNMA, but are not backed by the full faith and credit of the U.S. Government. FHLMC issues Participation Certificates ("PCs"), which are pass-through securities, each representing an undivided interest in a pool of residential mortgages. FHLMC guarantees the timely payment of interest and ultimate collection of principal, but PCs are not backed by the full faith and credit of the U.S. Government.

The Portfolio may engage in strategies where it seeks to extend the expiration or maturity of a position, such as a To-Be-Announced ("TBA") security on an underlying asset, by closing out the position before expiration and opening a new position with respect to the same underlying asset with a later expiration date. TBA securities purchased or sold are reflected on the Consolidated Statement of Assets and Liabilities as an asset or liability, respectively.

5. BORROWINGS AND OTHER FINANCING TRANSACTIONS

The following disclosures contain information on the Portfolio's ability to lend or borrow cash or securities to the extent permitted under the Act, which may be viewed as borrowing or financing transactions by the Portfolio. The location of these instruments in the Portfolio's financial statements is described below. For a detailed description of credit and counterparty risks that can be associated with borrowings and other financing transactions, please see Note 7, Principal Risks.

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

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

(c) Sale-Buybacks The Portfolio may enter into financing transactions referred to as 'sale-buybacks'. A sale-buyback transaction consists of a sale of a security by the Portfolio to a financial institution, the counterparty, with a simultaneous agreement to repurchase the same or substantially the same security at an agreed-upon price and date. The Portfolio is not entitled to receive principal and interest payments, if any, made on the security sold to the counterparty during the term of the agreement. The agreed-upon proceeds for securities to be repurchased by the Portfolio are reflected as a liability on the Consolidated Statement of Assets and Liabilities. The Portfolio will recognize net income represented by the price differential between the price received for the transferred security and the agreed-upon repurchase price. This is commonly referred to as the 'price drop'. A price drop consists of (i) the foregone interest and inflationary income adjustments, if any, the Portfolio would have otherwise received had the security not been sold and (ii) the negotiated financing terms between the Portfolio and counterparty. Foregone interest and inflationary income adjustments, if any, are recorded as components of interest income on the Consolidated Statement of Operations. Interest payments based upon negotiated financing terms made by the Portfolio to counterparties are recorded as a component of interest expense on the Consolidated Statement of Operations. In periods of increased demand for the security, the Portfolio may receive a fee for use of the security by the counterparty, which may result in interest income to the Portfolio. The Portfolio will segregate assets determined to be liquid by the Adviser or will otherwise cover its obligations under sale-buyback transactions.

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

6. FINANCIAL DERIVATIVE INSTRUMENTS

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

(a) Forward Foreign Currency Contracts The Portfolio may enter into forward foreign currency contracts in connection with settling planned purchases or sales of securities, to hedge the currency exposure associated with some or all of the Portfolio's securities or as a part of an investment strategy. A forward foreign currency contract is an agreement between two parties to buy and sell a currency at a set price on a future date. The market value of a forward foreign currency contract fluctuates with changes in foreign currency exchange rates. Forward foreign currency contracts are marked to market daily, and the change in value is recorded by the Portfolio as an unrealized gain (loss). Realized gains (losses) are equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed and are recorded upon delivery or receipt of the currency. These contracts may involve market risk in excess of the unrealized gain (loss) reflected on the Consolidated Statement of Assets and Liabilities. In addition, the Portfolio could be exposed to risk if the counterparties are unable to meet the terms of the contracts or if the value of the currency changes unfavorably to the U.S. dollar. To mitigate such risk, cash or securities may be exchanged as collateral pursuant to the terms of the underlying contracts.

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

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

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

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

Foreign Currency Options The Portfolio may write or purchase foreign currency options. Purchasing foreign currency options gives the Portfolio the right, but not the obligation to buy or sell specified amounts of currency at a rate of exchange that may be exercised by a certain date. These options may be used as a short or long hedge against possible variations in foreign exchange rates or to gain exposure to foreign currencies.

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

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

Interest Rate Swaptions The Portfolio may write or purchase interest rate swaptions which are options to enter into a pre-defined swap agreement by some specified date in the future. The writer of the swaption becomes the counterparty to the swap if the buyer exercises. The interest rate swaption agreement will specify whether the buyer of the swaption will be a fixed-rate receiver or a fixed-rate payer upon exercise.

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

Options on Exchange-Traded Futures Contracts The Portfolio may write or purchase options on exchange-traded futures contracts ("Futures Option") to hedge an existing position or future investment, for speculative purposes or to manage exposure to market movements. A Futures Option is an option contract in which the underlying instrument is a single futures contract.

(d) Swap Agreements The Portfolio may invest in swap agreements. Swap agreements are bilaterally negotiated agreements between the Portfolio and a counterparty to exchange or swap investment cash flows, assets, foreign currencies or market-linked returns at specified, future intervals. Swap agreements may be privately negotiated in the over the counter market ("OTC swaps") or may be cleared through a third party, known as a central counterparty or derivatives clearing organization ("Centrally Cleared Swaps"). The Portfolio may enter into asset, credit default, cross-currency, interest rate, total return, variance and other forms of swap agreements to manage its exposure to credit, currency, interest rate, commodity, equity and inflation risk. In connection with these agreements, securities or cash may be identified as collateral or margin in accordance with the terms of the respective swap agreements to provide assets of value and recourse in the event of default or bankruptcy/insolvency.

Centrally Cleared Swaps are marked to market daily based upon valuations as determined from the underlying contract or in accordance with the requirements of the central counterparty or derivatives clearing organization. Changes in market value, if any, are reflected as a component of net change in unrealized appreciation (depreciation) on the Consolidated Statement of Operations. Daily changes in valuation of centrally cleared swaps ("Swap Variation Margin"), if any, are disclosed within centrally cleared financial derivative instruments on the Consolidated Statement of Assets and Liabilities. OTC swap payments received or paid at the beginning of the measurement period are included on the Consolidated Statement of Assets and Liabilities and represent premiums paid or received upon entering into the swap agreement to compensate for differences between the stated terms of the swap agreement and prevailing market conditions (credit spreads, currency exchange rates, interest rates, and other relevant factors). Upfront premiums received (paid) are initially recorded as liabilities (assets) and subsequently marked to market to reflect the current value of the swap. These upfront premiums are recorded as realized gain (loss) on the Consolidated Statement of Operations upon termination or maturity of the swap. A liquidation payment received or made at the termination of the swap is recorded as realized gain (loss) on the Consolidated Statement of Operations. Net periodic payments received or paid by the Portfolio are included as part of realized gain (loss) on the Consolidated Statement of Operations.

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

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

The Portfolio's maximum risk of loss from counterparty credit risk is the discounted net value of the cash flows to be received from the counterparty over the contract's remaining life, to the extent that amount is positive. The risk may be mitigated by having a master netting arrangement between the Portfolio and the counterparty and by the posting of collateral to the Portfolio to cover the Portfolio's exposure to the counterparty. To the extent the Portfolio has a policy to limit the net amount owed to or to be received from a single counterparty under existing swap agreements, such limitation only applies to counterparties to OTC swaps and does not apply to centrally cleared swaps where the counterparty is a central counterparty or derivatives clearing organization.

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

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

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

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

Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on corporate, loan, sovereign, U.S. municipal or U.S. Treasury issues as of period end, if any, are disclosed in the Notes to Consolidated Schedule of Investments. They serve as an indicator of the current status of payment/performance risk and represent the likelihood or risk of default for the reference entity. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement. For credit default swap agreements on asset-backed securities and credit indices, the quoted market prices and resulting values serve as the indicator of the current status of the payment/performance risk. Increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

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

Interest Rate Swap Agreements The Portfolio is subject to interest rate risk exposure in the normal course of pursuing its investment objectives. The value of the fixed rate bonds that the Portfolio holds may decrease if interest rates rise. To help hedge against this risk and to maintain its ability to generate income at prevailing market rates, the Portfolio may enter into interest rate swap agreements. Interest rate swap agreements involve the exchange by the Portfolio with another party for their respective commitment to pay or receive interest on the notional amount of principal. Certain forms of interest rate swap agreements may include: (i) interest rate caps, under which, in return for a premium, one party agrees to make payments to the other to the extent that interest rates exceed a specified rate, or "cap", (ii) interest rate floors, under which, in return for a premium, one party agrees to make payments to the other to the extent that interest rates fall below a specified rate, or "floor", (iii) interest rate collars, under which a party sells a cap and purchases a floor or vice versa in an attempt to protect itself against interest rate movements exceeding given minimum or maximum levels, (iv) callable interest rate swaps, under which the buyer pays an upfront fee in consideration for the right to early terminate the swap transaction in whole, at zero cost and at a predetermined date and time prior to the maturity date, (v) spreadlocks, which allow the interest rate swap users to lock in the forward differential (or spread) between the interest rate swap rate and a specified benchmark, or (vi) basis swaps, under which two parties can exchange variable interest rates based on different segments of money markets.

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

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

7. PRINCIPAL RISKS

In the normal course of business, the Portfolio trades financial instruments and enters into financial transactions where risk of potential loss exists due to such things as changes in the market (market risk) or failure or inability of the other party to a transaction to perform (credit and counterparty risk). See below for a detailed description of select principal risks. For a more comprehensive list of potential risks the Portfolio may be subject to, please see the Important Information About the Portfolio.

Market Risks The Portfolio's investments in financial derivative instruments and other financial instruments expose the Portfolio to various risks such as, but not limited to, interest rate, foreign (non-U.S.) currency, equity and commodity risks.

Interest rate risk is the risk that fixed income securities and other instruments held by the Portfolio will decline in value because of changes in interest rates. As nominal interest rates rise, the value of certain fixed income securities held by the Portfolio is likely to decrease. A nominal interest rate can be described as the sum of a real interest rate and an expected inflation rate. Interest rate changes can be sudden and unpredictable, and the Portfolio may lose money if these changes are not anticipated by the Portfolio's management. The Portfolio may not be able to hedge against changes in interest rates or may choose not to do so for cost or other reasons. In addition, any hedges may not work as intended.

Duration is a measure used to determine the sensitivity of a security's price to changes in interest rates that incorporates a security's yield, coupon, final maturity and call features, among other characteristics. Convexity is an additional measure of interest rate sensitivity that measures the rate of change of duration in response to changes in interest rates. Fixed income securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. A wide variety of factors can cause interest rates to rise (e.g., central bank monetary policies, inflation rates, general economic conditions, etc.). Under current economic conditions, interest rates are near historically low levels.

Thus, the Portfolio currently faces a heightened level of interest rate risk, especially since the Federal Reserve Board has ended its quantitative easing program and has begun, and may continue, to raise interest rates. To the extent the Federal Reserve Board continues to raise interest rates, there is a risk that rates across the financial system may rise. Further, while bond markets have steadily grown over the past three decades, dealer "market making" ability has not kept pace and in some cases has decreased. Given the importance of intermediary "market making" in creating a robust and active market, fixed income securities are currently facing increased volatility and liquidity risks. All of these factors, collectively and/or individually, could cause the Portfolio to lose value. If the Portfolio lost enough value, the Portfolio could face increased shareholder redemptions, which could force the Portfolio to liquidate investments at disadvantageous times or prices, thereby adversely affecting the Portfolio. Also, the Portfolio may be adversely affected when a large shareholder purchases or redeems large amounts of shares, which can occur at any time and may impact the Portfolio in the same manner as a high volume of purchase or redemption requests. Large shareholder transactions may impact the Portfolio's liquidity and net asset value. Such transactions may also increase the Portfolio's transaction costs or otherwise cause the Portfolio to perform differently than intended. Moreover, the Portfolio is subject to the risk that other shareholders may make investment decisions based on the choices of a large shareholder.

If the Portfolio invests directly in foreign (non-U.S.) currencies or in securities that trade in, and receive revenues in, foreign (non-U.S.) currencies, or in financial derivative instruments that provide exposure to foreign (non-U.S.) currencies, it will be subject to the risk that those currencies will decline in value relative to the base currency of the Portfolio, or, in the case of hedging positions, that the Portfolio's base currency will decline in value relative to the currency being hedged. Currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates, intervention (or the failure to intervene) by U.S. or foreign governments, central banks or supranational entities such as the International Monetary Fund, or by the imposition of currency controls or other political developments in the United States or abroad. As a result, the Portfolio's investments in foreign currency-denominated securities may reduce the Portfolio's returns.

The market values of equities, such as common stocks and preferred securities or equity related investments such as futures and options, have historically risen and fallen in periodic cycles and may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Different types of equity securities may react differently to these developments. Equity securities and equity related investments generally have greater market price volatility than fixed income securities.

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

Credit and Counterparty Risks The Portfolio will be exposed to credit risk to parties with whom it trades and will also bear the risk of settlement default. The Portfolio minimizes concentrations of credit risk by undertaking transactions with a large number of customers and counterparties on recognized and reputable exchanges, where applicable. Over the counter ("OTC") derivative transactions are subject to the risk that a counterparty to the transaction will not fulfill its contractual obligations to the other party, as many of the protections afforded to centrally cleared derivative transactions might not be available for OTC derivative transactions. For derivatives traded on an exchange or through a central counterparty, credit risk resides with the Portfolio's clearing broker, or the clearinghouse itself, rather than with a counterparty in an OTC derivative transaction. The Portfolio could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a financial derivative instruments contract, repurchase agreement or a loan of portfolio securities, is unable or unwilling to make timely principal and/or interest payments, or to otherwise honor its obligations. Securities and financial derivative instruments are subject to varying degrees of credit risk, which may be reflected in credit ratings.

Similar to credit risk, the Portfolio may be exposed to counterparty risk, or the risk that an institution or other entity with which the Portfolio has unsettled or open transactions will default. PIMCO, as the Adviser, seeks to minimize counterparty risks to the Portfolio through a number of ways. Prior to entering into transactions with a new counterparty, the PIMCO Counterparty Risk Committee conducts an extensive credit review of such counterparty and must approve the use of such counterparty. Furthermore, pursuant to the terms of the underlying contract, to the extent that unpaid amounts owed to the Portfolio exceed a predetermined threshold, such counterparty is required to advance collateral to the Portfolio in the form of cash or securities equal in value to the unpaid amount owed to the Portfolio. The Portfolio may invest such collateral in securities or other instruments and will typically pay interest to the counterparty on the collateral received. If the unpaid amount owed to the Portfolio subsequently decreases, the Portfolio would be required to return to the counterparty all or a portion of the collateral previously advanced. PIMCO's attempts to minimize counterparty risk may, however, be unsuccessful.

All transactions in listed securities are settled/paid for upon delivery using approved counterparties. The risk of default is considered minimal, as delivery of securities sold is only made once the Portfolio has received payment. Payment is made on a purchase once the securities have been delivered by the counterparty. The trade will fail if either party fails to meet its obligation.

8. MASTER ARRANGEMENTS

The Portfolio may be subject to various netting arrangements ("Master Agreements") with select counterparties. Master Agreements govern the terms of certain transactions, and reduce the counterparty risk associated with relevant transactions by specifying credit protection mechanisms and providing standardization that improves legal certainty. Each type of Master Agreement governs certain types of transactions. Different types of transactions may be traded out of different legal entities or affiliates of a particular organization, resulting in the need for multiple agreements with a single counterparty. As the Master Agreements are specific to unique operations of different asset types, they allow the Portfolio to close out and net its total exposure to a counterparty in the event of a default with respect to all the transactions governed under a single Master Agreement with a counterparty. For financial reporting purposes the Consolidated Statement of Assets and Liabilities generally presents derivative assets and liabilities on a gross basis, which reflects the full risks and exposures prior to netting.

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

Master Repurchase Agreements and Global Master Repurchase Agreements (individually and collectively "Master Repo Agreements") govern repurchase, reverse repurchase, and sale-buyback transactions between the Portfolio and select counterparties. Master Repo Agreements maintain provisions for, among other things, initiation, income payments, events of default, and maintenance of collateral. The market value of transactions under the Master Repo Agreement, collateral pledged or received, and the net exposure by counterparty as of period end are disclosed in the Notes to Consolidated Schedule of Investments.

Master Securities Forward Transaction Agreements ("Master Forward Agreements") govern certain forward settling transactions, such as TBA securities, delayed-delivery or sale-buyback transactions by and between the Portfolio and select counterparties. The Master Forward Agreements maintain provisions for, among other things, transaction initiation and confirmation, payment and transfer, events of default, termination, and maintenance of collateral. The market value of forward settling transactions, collateral pledged or received, and the net exposure by counterparty as of period end is disclosed in the Notes to Consolidated Schedule of Investments.

Customer Account Agreements and related addenda govern cleared derivatives transactions such as futures, options on futures, and cleared OTC derivatives. Such transactions require posting of initial margin as determined by each relevant clearing agency which is segregated in an account at a futures commission merchant ("FCM") registered with the Commodity Futures Trading Commission ("CFTC"). In the United States, counterparty risk may be reduced as creditors of an FCM cannot have a claim to Portfolio assets in the segregated account. Portability of exposure reduces risk to the Portfolio. Variation margin, or changes in market value, are exchanged daily, but may not be netted between futures and cleared OTC derivatives unless the parties have agreed to a separate arrangement in respect of portfolio margining. The market value or accumulated unrealized appreciation (depreciation), initial margin posted, and any unsettled variation margin as of period end are disclosed in the Notes to Consolidated Schedule of Investments.

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

9. FEES AND EXPENSES

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

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

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

Investment Advisory Fee	Supervisory and Administrative Fee			
All Classes	Institutional Class	Class M	Administrative Class	Advisor Class
0.49%	0.25%	0.25%	0.25%	0.25%

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

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

The Trust has adopted a separate Distribution and Servicing Plan for each of the Advisor Class and Class M shares of the Portfolio (the "Distribution and Servicing Plans"). The Distribution and Servicing Plans have been adopted pursuant to Rule 12b-1 under the Act. The Distribution and Servicing Plans permit the Portfolio to compensate the Distributor for providing or procuring through financial intermediaries distribution, administrative, recordkeeping, shareholder and/or related services with respect to Advisor Class and Class M shares. The Distribution and Servicing Plans permit the Portfolio to make total payments at an annual rate of up to 0.25% of its average daily net assets attributable to its Advisor Class or Class M shares, respectively. The Distribution and Servicing Plan for Class M shares also permits the Portfolio to compensate the Distributor for providing or procuring administrative, recordkeeping, and other investor services at an annual rate of up to 0.20% of its average daily net assets attributable to its Class M shares.

	Distribution Fee	Servicing Fee
Class M	0.25%	0.20%
Administrative Class	—	0.15%
Advisor Class	0.25%	—

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

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

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

(e) Acquired Fund Fees and Expenses PIMCO Cayman Commodity Portfolio I, Ltd. has (the "Commodity Subsidiary") entered into a separate contract with PIMCO for the management of the Commodity Subsidiary's portfolio pursuant to which the Commodity Subsidiary pays PIMCO a management fee and administrative services fee at the annual rates of 0.49% and 0.20%, respectively, of its net assets. PIMCO has contractually agreed to waive the Investment Advisory Fee and the Supervisory and Administrative Fee it receives from the Portfolio in an amount equal to the management fee and administrative services fee, respectively, paid to PIMCO by the Commodity Subsidiary. This waiver may not be terminated by PIMCO and will remain in effect for as long as PIMCO's contract with the Commodity Subsidiary is in place. The waiver is reflected in the Consolidated Statement of Operations as a component of Waiver and/or Reimbursement by PIMCO. For the period ended June 30, 2017, the amount was $259,050. See Note 14, Basis for Consolidation in the Notes to Financial Statements for more information regarding the Commodity Subsidiary.

10. RELATED PARTY TRANSACTIONS

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

The Portfolio is permitted to purchase or sell securities from or to certain related affiliated portfolio under specified conditions outlined in procedures adopted by the Board. The procedures have been designed to ensure that any purchase or sale of securities by the Portfolio from or to another fund or portfolio that are, or could be, considered an affiliate, or an affiliate of an affiliate, by virtue of having a common investment adviser (or affiliated investment advisers), common Trustees and/or common officers complies with Rule 17a-7 under the Act. Further, as defined under the procedures, each transaction is effected at the current market price. During the period ended June 30, 2017, the Portfolio engaged in purchases and sales of securities pursuant to Rule 17a-7 under the Act (amounts in thousands):

Purchases	Sales
$ 944	$ 216

11. GUARANTEES AND INDEMNIFICATIONS

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

12. PURCHASES AND SALES OF SECURITIES

The length of time the Portfolio has held a particular security is not generally a consideration in investment decisions. A change in the securities held by the Portfolio is known as "portfolio turnover." The Portfolio may engage in frequent and active trading of portfolio securities to achieve its investment objective, particularly during periods of volatile market movements. High portfolio turnover may involve correspondingly greater transaction costs to the Portfolio, including brokerage commissions or dealer mark-ups and other transaction costs on the sale of securities and reinvestments in other securities. Such sales may also result in realization of taxable capital gains, including short-term capital gains (which are generally taxed at ordinary income tax rates). The transaction costs and tax effects associated with portfolio turnover may adversely affect the Portfolio's performance. The portfolio turnover rates are reported in the Financial Highlights.

Purchases and sales of securities (excluding short-term investments) for the period ended June 30, 2017, were as follows (amounts in thousands):

U.S. Government/Agency		All Other	
Purchases	Sales	Purchases	Sales
$ 380,093	$ 315,500	$ 43,615	$ 32,010

13. SHARES OF BENEFICIAL INTEREST

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

	Six Months Ended 06/30/2017		Year Ended 12/31/2016	
	Shares	Amount	Shares	Amount
Receipts for shares sold				
Institutional Class	64	$ 473	81	$ 583
Class M	8	53	35	260
Administrative Class	4,379	32,657	7,987	59,512
Advisor Class	1,109	8,465	3,502	26,251
Issued as reinvestment of distributions				
Institutional Class	26	187	4	34
Class M	5	38	1	4
Administrative Class	2,676	18,807	370	2,789
Advisor Class	1,261	8,969	158	1,204
Cost of shares redeemed				
Institutional Class	(129)	(969)	(91)	(662)
Class M	(5)	(36)	(13)	(96)
Administrative Class	(4,007)	(30,279)	(10,047)	(74,716)
Advisor Class	(1,480)	(11,172)	(3,000)	(22,698)
Net increase (decrease) resulting from Portfolio share transactions	3,907	$ 27,193	(1,013)	$ (7,535)

As of June 30, 2017, two shareholders each owned 10% or more of the Portfolio's total outstanding shares comprising 26% of the Portfolio. One of the shareholders is a related party and comprises 15% of the Portfolio. Related parties may include, but are not limited to, the investment manager and its affiliates, affiliated broker dealers, fund of funds and directors or employees of the Trust or Adviser.

14. BASIS FOR CONSOLIDATION

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

Date of Incorporation	07/21/2006
Subscription Agreement	08/01/2006
Consolidated Portfolio Net Assets	$ 368,739
Subsidiary % of Portfolio Net Assets	17.2%
Subsidiary Financial Statement Information	
Total assets	$ 65,854
Total liabilities	$ 2,264
Net assets	$ 63,590
Total income	$ 409
Net investment income (loss)	$ 142
Net realized gain (loss)	$ (27,093)
Net change in unrealized appreciation (depreciation)	$ 3,470
Increase (decrease) in net assets resulting from operations	$ (23,481)

15. REGULATORY AND LITIGATION MATTERS

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

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

16. FEDERAL INCOME TAX MATTERS

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

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

In accordance with U.S. GAAP, the Adviser has reviewed the Portfolio's tax positions for all open tax years. As of June 30, 2017, the Portfolio has recorded no liability for net unrecognized tax benefits relating to uncertain income tax positions it has taken or expects to take in future tax returns.

The Portfolio files U.S. tax returns. While the statute of limitations remains open to examine the Portfolio's U.S. tax returns filed for the fiscal years ending in 2013-2016, no examinations are in progress or anticipated at this time. The Portfolio is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

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

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

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

It should be noted, however, that the IRS suspended the issuance of such rulings pending further review. In addition, the IRS also recently issued a revenue procedure, which states that the IRS will not in the future issue private letter rulings that would require a determination of whether an asset (such as a commodity index-linked note) is a "security" under the 1940 Act.

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

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

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

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

As of its last fiscal year ended December 31, 2016, the Portfolio had the following post-effective capital losses with no expiration (amounts in thousands):

	Short-Term	Long-Term
PIMCO CommodityRealReturn® Strategy Portfolio	$ 13,931	$ 21,422

As of June 30, 2017, the aggregate cost and the net unrealized appreciation (depreciation) of investments for Federal income tax purposes are as follows (amounts in thousands):

Federal Tax Cost	Aggregate Gross Unrealized Appreciation	Aggregate Gross Unrealized (Depreciation)	Net Unrealized Appreciation (Depreciation)[1]
$ 568,488	$ 2,115	$ (29,675)	$ (27,560)

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

Counterparty Abbreviations:

AZD	Australia and New Zealand Banking Group	**GLM**	Goldman Sachs Bank USA	**MYC**	Morgan Stanley Capital Services, Inc.
BCY	Barclays Capital, Inc.	**GSC**	Goldman Sachs & Co.	**NGF**	Nomura Global Financial Products, Inc.
BOA	Bank of America N.A.	**GST**	Goldman Sachs International	**RYL**	Royal Bank of Scotland Group PLC
BPG	BNP Paribas Securities Corp.	**HUS**	HSBC Bank USA N.A.	**SAL**	Citigroup Global Markets, Inc.
BPS	BNP Paribas S.A.	**IND**	Crédit Agricole Corporate and Investment Bank S.A.	**SCX**	Standard Chartered Bank
BRC	Barclays Bank PLC	**JPM**	JPMorgan Chase Bank N.A.	**SOG**	Societe Generale
CBK	Citibank N.A.	**JPS**	JPMorgan Securities, Inc.	**SSB**	State Street Bank and Trust Co.
CIB	Canadian Imperial Bank of Commerce	**MAC**	Macquarie Bank Limited	**TDM**	TD Securities (USA) LLC
DEU	Deutsche Bank Securities, Inc.	**MEI**	Merrill Lynch International	**TOR**	Toronto Dominion Bank
DUB	Deutsche Bank AG	**MSB**	Morgan Stanley Bank, N.A	**UAG**	UBS AG Stamford
FBF	Credit Suisse International				

Currency Abbreviations:

ARS	Argentine Peso	**EUR**	Euro	**MXN**	Mexican Peso
AUD	Australian Dollar	**GBP**	British Pound	**NZD**	New Zealand Dollar
BRL	Brazilian Real	**INR**	Indian Rupee	**RUB**	Russian Ruble
CAD	Canadian Dollar	**JPY**	Japanese Yen	**USD (or $)**	United States Dollar
COP	Colombian Peso				

Exchange Abbreviations:

CBOT	Chicago Board of Trade	**ICE**	IntercontinentalExchange®	**OTC**	Over the Counter
CME	Chicago Mercantile Exchange	**NYMEX**	New York Mercantile Exchange		

Index/Spread Abbreviations:

BCOM	Bloomberg Commodity Index	**CVICXMB3**	Citi Congestion Ex PM M F3 Index	**JMABNIC4**	J.P. Morgan JMABNIC4 Commodity Index
BCOMF1T	Bloomberg Commodity Index 1-Month Forward Total Return	**EURMARGIN**	European Refined Margin	**MQCP563E**	
BCOMTR	Bloomberg Commodity Index Total Return	**EURSIMP**	Weighted Basket of Refined Products	**OREXIO**	Iron Ore Spread
CDX.HY	Credit Derivatives Index - High Yield	**FRCPXTOB**	France Consumer Price ex-Tobacco Index	**PLTMLNPM**	London Platinum & Palladium Market PM Fix
CMBX	Commercial Mortgage-Backed Index	**GOLDLNPM**	London Gold Market Fixing Ltd. PM	**SLVRLND**	London Silver Market Fixing Ltd.
CPALEMU	Euro Area All Items Non-Seasonally Adjusted Index	**JMABCTNE**	J.P. Morgan JMABCTNE Commodity Index	**SPGCINP**	S&P GSCI Industrial Metals ER
CPTFEMU	Eurozone HICP ex-Tobacco Index	**JMABDEW2**	J.P. Morgan JMABDEW2 Commodity Index	**UKRPI**	United Kingdom Retail Price Index
CPURNSA	Consumer Price All Urban Non-Seasonally Adjusted Index	**JMABFNJ1**	J.P. Morgan FNJ 1 Index	**ULSD**	Ultra-Low Sulfur Diesel
CVICXMB2	Citi Congestion Ex PM M F2 Index				

Other Abbreviations:

CDO	Collateralized Debt Obligation	**OAT**	Obligations Assimilables du Trésor	**TIIE**	Tasa de Interés Interbancaria de Equilibrio "Equilibrium Interbank Interest Rate"
CLO	Collateralized Loan Obligation	**oz.**	Ounce	**WTI**	West Texas Intermediate
LIBOR	London Interbank Offered Rate	**RBOB**	Reformulated Blendstock for Oxygenate Blending	**YOY**	Year-Over-Year
NCUA	National Credit Union Administration	**TBA**	To-Be-Announced		

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

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