PIMCO

PIMCO VARIABLE INSURANCE TRUST

# Semiannual Report

June 30, 2020

PIMCO Global Bond Opportunities Portfolio (Unhedged)

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

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

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

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# Table of Contents

## Dear PIMCO Variable Insurance Trust Shareholder,

We hope that you and your family are staying safe and healthy during these challenging times. We continue to work tirelessly to navigate markets and manage the assets that you have entrusted with us. Following this letter is the PIMCO Variable Insurance Trust Semiannual Report, which covers the six-month reporting period ended June 30, 2020. On the subsequent pages, you will find specific details regarding investment results and discussion of the factors that most affected performance during the reporting period.

## For the six-month reporting period ended June 30, 2020

The coronavirus took its toll on the U.S. economy, as it entered its first recession since the 2008 financial crisis. Looking back, U.S. gross domestic product ("GDP") grew at a revised annual pace of 2.6% and 2.4% during the third and fourth quarters of 2019, respectively. The pandemic then caused the economy to significantly weaken, as annualized GDP growth in the first quarter of 2020 was -5.0%. The Commerce Department's initial estimate for second quarter annualized GDP growth — released after the reporting period ended — was -32.9%. This represented the sharpest quarterly decline on record.

The Federal Reserve (the "Fed") took unprecedented actions to support the economy and keep markets functioning properly. In early March 2020, the Fed lowered the federal funds rate to a range between 1.00% and 1.25%. Later in the month, the Fed lowered the rate to a range between 0.00% and 0.25%. On March 23, the Fed announced, "It has become clear that our economy will face severe disruptions. Aggressive efforts must be taken across the public and private sectors to limit the losses to jobs and incomes and to promote a swift recovery once the disruptions abate." The Fed's efforts included the ability to make unlimited purchases of Treasury and mortgage securities. It also announced that, for the first time, it would purchase existing corporate bonds on the open market. In addition, the U.S. government passed a $2 trillion fiscal stimulus bill to aid the economy in March.

In its June 2020 *World Economic Outlook Update*, the International Monetary Fund ("IMF") stated that it expects the U.S. economy to contract 8.0% in 2020, compared to the 2.3% GDP expansion in 2019. Elsewhere, the IMF has also stated that it anticipates that 2020 GDP growth in the eurozone, U.K. and Japan will be -10.2%, -10.2% and -5.8%, respectively. For comparison purposes, the GDP of these economies expanded 1.3%, 1.4% and 0.7%, respectively, in 2019.

Against this backdrop, central banks around the world took a number of aggressive actions. In Europe, the European Central Bank (the "ECB") unveiled a new €750 billion bond-buying program, which was subsequently expanded by another €600 billion in June 2020. In March, the Bank of England reduced its key lending rate to 0.10% — a record low. Finally, in July — after the reporting period ended — the European Union agreed on a $2.06 trillion spending package to bolster its economy. Elsewhere, the Bank of Japan maintained its short-term interest rates at -0.1%, while increasing the target for its holdings of corporate bonds to ¥4.2 trillion from ¥3.2 trillion. Japan's central bank also doubled its purchases of exchange-traded stock funds. Meanwhile, in May 2020, the Japanese government doubled its stimulus measures with a ¥117 trillion package.

Both short- and long-term U.S. Treasury yields fell sharply during the reporting period. In our view, this was due to a combination of declining global growth given the coronavirus, the Fed's accommodative monetary policy and periods of extreme investor risk aversion. The yield on the benchmark 10-year U.S. Treasury note was 0.66% at the end of the reporting period, versus 1.92% on December 31, 2019. The Bloomberg Barclays Global Treasury Index (USD Hedged), which tracks fixed-rate, local currency government debt of investment grade countries, including both developed and emerging markets, returned 4.30%. Meanwhile, the Bloomberg Barclays Global Aggregate Credit Index (USD Hedged), a widely used index of global investment grade credit bonds, returned 3.43%. Riskier fixed income asset classes, including high yield corporate bonds and emerging market debt, generated weaker results. The ICE BofAML Developed Markets High Yield Constrained Index (USD Hedged), a widely used index of below investment grade bonds, returned -4.64%, whereas emerging market external debt, as represented by the JPMorgan Emerging

Markets Bond Index (EMBI) Global (USD Hedged), returned -1.87%. Emerging market local bonds, as represented by the JPMorgan Government Bond Index-Emerging Markets Global Diversified Index (Unhedged), returned -6.89%.

Global equities generated weak results, driven by a sharp selloff in February and March 2020. We believe this was largely due to concerns over the impact of the coronavirus. In March 2020, the U.S. equity market ended its 11-year bull market run, and then posted the fastest fall on record from its all-time high to bear market territory. However, global equities recouped a portion of their losses in April, May and June 2020, in our view because investor sentiment improved given significant stimulus efforts from central banks around the world. All told, during the six-months ended June 30, 2020, U.S. equities, as represented by the S&P 500 Index, returned -3.08% and global equities, as represented by the MSCI World Index, returned -5.77%. Meanwhile, Japanese equities, as represented by the Nikkei 225 Index (in JPY), returned -4.74% and European equities, as represented by the MSCI Europe Index (in EUR), returned -12.83%. Finally, emerging market equities, as measured by the MSCI Emerging Markets Index, returned -9.78%.

Commodity prices were extremely volatile and generally moved lower. When the reporting period began, Brent crude oil was approximately $66 a barrel. It ended the reporting period at roughly $41 a barrel after briefly trading below $15. Elsewhere, copper prices also fell, whereas gold prices moved higher.

Finally, there were periods of volatility in the foreign exchange markets, due in part, in our view, to signs of moderating global growth, trade conflicts and changing central bank monetary policies, along with a number of geopolitical events. The U.S. dollar returned 6.46% versus the British pound, but the U.S. dollar fell 0.63% and 0.19% versus the yen and the euro, respectively.

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

Sincerely,

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

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

## Important Information About the PIMCO Global Bond Opportunities Portfolio (Unhedged)

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

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

As of the date of this report, interest rates in the United States and many parts of the world, including certain European countries, are at or near historically low levels. Thus, the Portfolio currently faces a heightened level of risk associated with rising interest rates and/or bond yields. This could be driven by a variety of factors, including but not limited to central bank monetary policies, changing inflation or real growth rates, general economic conditions, increasing bond issuances or reduced market demand for low yielding investments. Further, while bond markets have steadily grown over the past three decades, dealer inventories of corporate bonds are near historic lows in relation to market size. As a result, there has been a significant reduction in the ability of dealers to "make markets."

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

The Portfolio may be subject to various risks as described in the Portfolio's prospectus and in the Principal Risks in the Notes to Financial Statements.

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

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

Beginning in January 2020, global financial markets have experienced and may continue to experience significant volatility resulting from the spread of a novel coronavirus known as COVID-19. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The effects of COVID-19 have and may continue to adversely affect the global economy, the economies of certain nations and individual issuers, all of which may negatively impact the Portfolio's performance. In addition, COVID-19 and governmental responses to COVID-19 may negatively impact the capabilities of the Portfolio's service providers and disrupt the Portfolio's operations.

The United States presidential administration's enforcement of tariffs on goods from other countries, with a focus on China, has contributed to international trade tensions and may impact portfolio securities.

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

The Portfolio may invest in certain instruments that rely in some fashion upon the London Interbank Offered Rate ("LIBOR"). LIBOR is an average interest rate, determined by the ICE Benchmark Administration, that banks charge one another for the use of short-term money. The United Kingdom's Financial Conduct Authority, which regulates LIBOR, has announced plans to phase out the use of LIBOR by the end of 2021. The transition may result in a reduction in the value of certain instruments held by the Portfolio or a reduction in the effectiveness of related Portfolio transactions such as hedges. There remains uncertainty regarding future utilization of LIBOR and the nature of any replacement rate (e.g., the Secured Overnight Financing Rate, which is intended to replace U.S. dollar LIBOR and measures the cost of overnight borrowings through repurchase agreement transactions collateralized with U.S. Treasury securities), and any potential effects of the transition away from LIBOR on the Portfolio or on certain instruments in which the Portfolio invests are not known and could result in losses to the Portfolio.

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

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

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

| Portfolio Name | Portfolio Inception | Institutional Class | Administrative Class | Advisor Class | Diversification Status |
|---|---|---|---|---|---|
| PIMCO Global Bond Opportunities Portfolio (Unhedged) | 01/10/02 | 01/31/06 | 01/10/02 | 10/31/06 | Diversified |

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

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

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

The Portfolio files portfolio holdings information with the SEC on Form N-PORT within 60 days of the end of each fiscal quarter. The Portfolio's complete schedule of securities holdings as of the end of each fiscal quarter will be made available to the public on the SEC's website at www.sec.gov and on PIMCO's website at www.pimco.com/pvit, and will be made available, upon request by calling PIMCO at (888) 87-PIMCO. Prior to its use of Form N-PORT, the Portfolio filed its complete schedule of its portfolio holdings with the SEC on Form N-Q, which is available online at www.sec.gov.

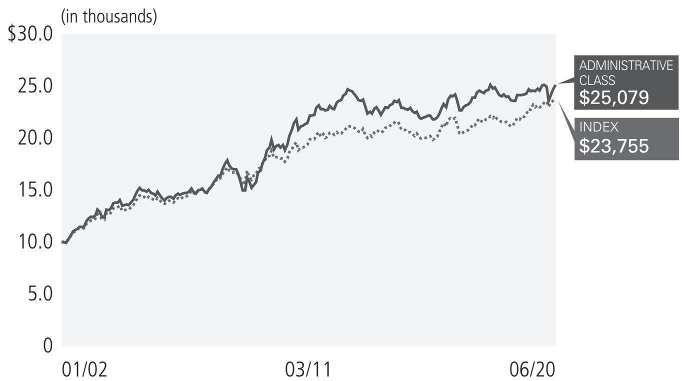
The SEC adopted a rule that, beginning in 2021, generally will allow shareholder reports to be delivered to investors by providing access to such reports online free of charge and by mailing a notice that the report is electronically available. Pursuant to the rule, investors may still elect to receive a complete shareholder report in the mail. Instructions for electing to receive paper copies of the Portfolio's shareholder reports going forward may be found on the front cover of this report.

In November 2019, the SEC published a proposed rulemaking related to the use of derivatives and certain other transactions by registered investment companies. If the proposal is adopted in substantially the same form as it was proposed, these requirements could limit the ability of a Portfolio to use derivatives and reverse repurchase agreements and similar financing transactions as part of its investment strategies. Any new requirements, if adopted, may increase the cost of the Portfolio's investments and cost of doing business, which could adversely affect investors.

In April 2020, the SEC issued a proposed rulemaking setting forth a proposed framework for fair valuation of fund investments. If the proposal is adopted in substantially the same form as it was proposed, the rule would set forth requirements for good faith determinations of fair value, establish conditions under which a market quotation is considered readily available for purposes of the definition of "value" under the Investment Company Act of 1940, and address the roles and responsibilities of a portfolio's board of trustees and investment adviser with respect to fair valuation of fund investments. The impact that any such requirements may have on the Portfolio is uncertain.

On August 5, 2020, the SEC proposed changes to the mutual fund and ETF shareholder report and registration statement disclosure requirements and the registered fund advertising rules, which, if adopted, will change the disclosures provided to shareholders.

## Cumulative Returns Through June 30, 2020




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

## Geographic Breakdown as of June 30, 2020†§

| | |
|---|---|
| United States | 50.1% |
| United Kingdom | 7.8% |
| Short-Term Instruments‡ | 6.1% |
| China | 4.0% |
| France | 3.6% |
| Denmark | 3.5% |
| Japan | 3.2% |
| Spain | 3.2% |
| Netherlands | 2.0% |
| Cayman Islands | 1.9% |
| New Zealand | 1.8% |
| Italy | 1.4% |
| Australia | 1.3% |
| Qatar | 1.2% |
| Germany | 1.1% |
| Peru | 1.1% |
| Saudi Arabia | 1.0% |
| Other | 5.7% |

† % of Investments, at value.

§ Geographic 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, 2020

| | | 6 Months* | 1 Year | 5 Years | 10 Years | Inception≈ |
|---|---|---|---|---|---|---|
| | PIMCO Global Bond Opportunities Portfolio (Unhedged) Institutional Class | 0.27% | 1.69% | 2.98% | 2.78% | 4.11% |
| — | PIMCO Global Bond Opportunities Portfolio (Unhedged) Administrative Class | 0.20% | 1.54% | 2.83% | 2.62% | 5.11% |
| | PIMCO Global Bond Opportunities Portfolio (Unhedged) Advisor Class | 0.15% | 1.44% | 2.72% | 2.52% | 3.83% |
| ..... | Bloomberg Barclays Global Aggregate (USD Unhedged) Index± | 2.98% | 4.22% | 3.56% | 2.81% | 4.73%◆ |

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

* Cumulative return.

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

◆ Average annual total return since 12/31/2001.

± Bloomberg Barclays Global Aggregate (USD Unhedged) Index provides a broad-based measure of the global investment-grade fixed income markets. The three major components of this index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian Government securities, and USD investment grade 144A securities.

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

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

*The Portfolio's total annual operating expense ratio in effect as of period end were 0.88% for Institutional Class shares, 1.03% for Administrative Class shares, and 1.13% for Advisor Class shares. Details regarding any changes to the Portfolio's operating expenses, subsequent to period end, can be found in the Portfolio's current prospectus, as supplemented.*

## Investment Objective and Strategy Overview

PIMCO Global Bond Opportunities Portfolio (Unhedged) seeks maximum total return, consistent with preservation of capital and prudent investment management, by investing under normal circumstances at least 80% of its assets in Fixed Income Instruments that are economically tied to at least three countries (one of which may be the United States), which may be represented by forwards or derivatives such as options, futures contracts or swap agreements. "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. Securities may be denominated in major foreign currencies, baskets of foreign currencies (such as the euro) or the U.S. dollar. 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 (on a gross basis) during the reporting period:

» Long exposure to duration in the U.S. contributed to performance, as yields declined.

» Long exposure to duration in Australia contributed to performance, as yields declined.

» Long exposure to duration in Canada contributed to performance, as yields declined.

» Modest exposure to a basket of high-carry emerging market currencies such as the Russian ruble and Mexican peso detracted from performance, as these currencies depreciated relative to the U.S. dollar, particularly in the first half of the reporting period.

» Positions in non-Agency mortgage-backed securities detracted from performance, as these securities underperformed like duration U.S. Treasuries.

» Long exposure to select developed market currencies like the Norwegian krone detracted from performance, as the currency depreciated relative to the U.S. dollar, particularly in the first half of the reporting period.

## Example

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

The Expense Example does not reflect any fees or other expenses imposed by the Variable Contracts. If it did, the expenses reflected in the Expense Example would be higher. The Example is based on an investment of $1,000 invested at the beginning of the period and held from January 1, 2020 to June 30, 2020 unless noted otherwise in the table and footnotes below.

## Actual Expenses

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

## Hypothetical Example for Comparison Purposes

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

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

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

| | Actual | | | Hypothetical (5% return before expenses) | | | |
|---|---|---|---|---|---|---|---|
| | Beginning Account Value (01/01/20) | Ending Account Value (06/30/20) | Expenses Paid During Period* | Beginning Account Value (01/01/20) | Ending Account Value (06/30/20) | Expenses Paid During Period* | Net Annualized Expense Ratio** |
| Institutional Class | $ 1,000.00 | $ 1,002.70 | $ 3.86 | $ 1,000.00 | $ 1,020.87 | $ 3.90 | 0.78% |
| Administrative Class | 1,000.00 | 1,002.00 | 4.60 | 1,000.00 | 1,020.13 | 4.65 | 0.93 |
| Advisor Class | 1,000.00 | 1,001.50 | 5.10 | 1,000.00 | 1,019.63 | 5.14 | 1.03 |

* 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 181/366 (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 Global Bond Opportunities Portfolio (Unhedged)

| | | Investment Operations | | | Less Distributions[c] | | | |
|---|---|---|---|---|---|---|---|---|
| Selected Per Share Data for the Year or Period Ended^: | Net Asset Value Beginning of Year or Period[a] | Net Investment Income (Loss)[b] | Net Realized/ Unrealized Gain (Loss) | Total | From Net Investment Income | From Net Realized Capital Gain | Tax Basis Return of Capital | Total |
| **Institutional Class** | | | | | | | | |
| 01/01/2020 - 06/30/2020+ | $ 11.35 | $ 0.11 | $ (0.08) | $ 0.03 | $ (0.22) | $ 0.00 | $ 0.00 | $ (0.22) |
| 12/31/2019 | 10.96 | 0.27 | 0.41 | 0.68 | (0.29) | 0.00 | 0.00 | (0.29) |
| 12/31/2018 | 12.29 | 0.27 | (0.77) | (0.50) | (0.76) | (0.03) | (0.04) | (0.83) |
| 12/31/2017 | 11.54 | 0.21 | 0.80 | 1.01 | (0.26) | 0.00 | 0.00 | (0.26) |
| 12/31/2016 | 11.26 | 0.24 | 0.24 | 0.48 | (0.20) | 0.00 | 0.00 | (0.20) |
| 12/31/2015 | 11.95 | 0.23 | (0.69) | (0.46) | 0.00 | 0.00 | (0.23) | (0.23) |
| **Administrative Class** | | | | | | | | |
| 01/01/2020 - 06/30/2020+ | 11.35 | 0.10 | (0.08) | 0.02 | (0.21) | 0.00 | 0.00 | (0.21) |
| 12/31/2019 | 10.96 | 0.26 | 0.40 | 0.66 | (0.27) | 0.00 | 0.00 | (0.27) |
| 12/31/2018 | 12.29 | 0.25 | (0.77) | (0.52) | (0.74) | (0.03) | (0.04) | (0.81) |
| 12/31/2017 | 11.54 | 0.19 | 0.80 | 0.99 | (0.24) | 0.00 | 0.00 | (0.24) |
| 12/31/2016 | 11.26 | 0.23 | 0.23 | 0.46 | (0.18) | 0.00 | 0.00 | (0.18) |
| 12/31/2015 | 11.95 | 0.21 | (0.69) | (0.48) | 0.00 | 0.00 | (0.21) | (0.21) |
| **Advisor Class** | | | | | | | | |
| 01/01/2020 - 06/30/2020+ | 11.35 | 0.10 | (0.09) | 0.01 | (0.20) | 0.00 | 0.00 | (0.20) |
| 12/31/2019 | 10.96 | 0.25 | 0.40 | 0.65 | (0.26) | 0.00 | 0.00 | (0.26) |
| 12/31/2018 | 12.29 | 0.24 | (0.77) | (0.53) | (0.73) | (0.03) | (0.04) | (0.80) |
| 12/31/2017 | 11.54 | 0.18 | 0.80 | 0.98 | (0.23) | 0.00 | 0.00 | (0.23) |
| 12/31/2016 | 11.26 | 0.22 | 0.23 | 0.45 | (0.17) | 0.00 | 0.00 | (0.17) |
| 12/31/2015 | 11.95 | 0.20 | (0.69) | (0.49) | 0.00 | 0.00 | (0.20) | (0.20) |

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

+ Unaudited

* Annualized

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

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

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

| Net Asset Value End of Year or Period[(a)] | Total Return[(a)] | Net Assets End of Year or Period (000s) | Expenses | Expenses Excluding Waivers | Expenses Excluding Interest Expense | Expenses Excluding Interest Expense and Waivers | Net Investment Income (Loss) | Portfolio Turnover Rate |
|---|---|---|---|---|---|---|---|---|
| | | Ratios/Supplemental Data | | | | | | |
| | | | Ratios to Average Net Assets | | | | | |
| $ 11.16 | 0.27% | $ 9,688 | 0.78%* | 0.78%* | 0.75%* | 0.75%* | 2.01%* | 287% |
| 11.35 | 6.28 | 9,625 | 0.88 | 0.88 | 0.75 | 0.75 | 2.46 | 382 |
| 10.96 | (4.05) | 9,561 | 0.84 | 0.84 | 0.75 | 0.75 | 2.27 | 255 |
| 12.29 | 8.79 | 10,067 | 0.81 | 0.81 | 0.75 | 0.75 | 1.73 | 339 |
| 11.54 | 4.20 | 9,237 | 0.77 | 0.77 | 0.75 | 0.75 | 2.03 | 676 |
| 11.26 | (3.89) | 6,123 | 0.75 | 0.75 | 0.75 | 0.75 | 1.98 | 506 |
| | | | | | | | | |
| 11.16 | 0.20 | 144,917 | 0.93* | 0.93* | 0.90* | 0.90* | 1.86* | 287 |
| 11.35 | 6.12 | 159,222 | 1.03 | 1.03 | 0.90 | 0.90 | 2.31 | 382 |
| 10.96 | (4.19) | 166,921 | 0.99 | 0.99 | 0.90 | 0.90 | 2.12 | 255 |
| 12.29 | 8.63 | 198,189 | 0.96 | 0.96 | 0.90 | 0.90 | 1.58 | 339 |
| 11.54 | 4.04 | 197,606 | 0.92 | 0.92 | 0.90 | 0.90 | 1.93 | 676 |
| 11.26 | (4.03) | 201,031 | 0.90 | 0.90 | 0.90 | 0.90 | 1.84 | 506 |
| | | | | | | | | |
| 11.16 | 0.15 | 21,237 | 1.03* | 1.03* | 1.00* | 1.00* | 1.76* | 287 |
| 11.35 | 6.02 | 23,386 | 1.13 | 1.13 | 1.00 | 1.00 | 2.21 | 382 |
| 10.96 | (4.29) | 23,856 | 1.09 | 1.09 | 1.00 | 1.00 | 2.01 | 255 |
| 12.29 | 8.52 | 29,267 | 1.06 | 1.06 | 1.00 | 1.00 | 1.47 | 339 |
| 11.54 | 3.94 | 31,111 | 1.02 | 1.02 | 1.00 | 1.00 | 1.82 | 676 |
| 11.26 | (4.13) | 34,790 | 1.00 | 1.00 | 1.00 | 1.00 | 1.73 | 506 |

(Amounts in thousands†, except per share amounts)

| | |
|---|---|
| **Assets:** | |
| *Investments, at value* | |
| Investments in securities* | $ 252,003 |
| Investments in Affiliates | 7,705 |
| *Financial Derivative Instruments* | |
| Exchange-traded or centrally cleared | 292 |
| Over the counter | 2,939 |
| Cash | 1 |
| Deposits with counterparty | 1,667 |
| Foreign currency, at value | 1,037 |
| Receivable for investments sold | 3,898 |
| Receivable for investments sold on a delayed-delivery basis | 34 |
| Receivable for TBA investments sold | 126,815 |
| Receivable for Portfolio shares sold | 167 |
| Interest and/or dividends receivable | 1,077 |
| Dividends receivable from Affiliates | 7 |
| Other assets | 1 |
| **Total Assets** | 397,643 |
| **Liabilities:** | |
| *Borrowings & Other Financing Transactions* | |
| Payable for reverse repurchase agreements | $ 6,646 |
| Payable for short sales | 13,795 |
| *Financial Derivative Instruments* | |
| Exchange-traded or centrally cleared | 219 |
| Over the counter | 1,655 |
| Payable for investments purchased | 6,877 |
| Payable for investments in Affiliates purchased | 7 |
| Payable for investments purchased on a delayed-delivery basis | 14 |
| Payable for TBA investments purchased | 190,235 |
| Deposits from counterparty | 2,072 |
| Payable for Portfolio shares redeemed | 151 |
| Accrued investment advisory fees | 36 |
| Accrued supervisory and administrative fees | 72 |
| Accrued distribution fees | 4 |
| Accrued servicing fees | 18 |
| **Total Liabilities** | 221,801 |
| **Net Assets** | $ 175,842 |
| **Net Assets Consist of:** | |
| Paid in capital | $ 176,754 |
| Distributable earnings (accumulated loss) | (912) |
| **Net Assets** | $ 175,842 |
| **Net Assets:** | |
| Institutional Class | $ 9,688 |
| Administrative Class | 144,917 |
| Advisor Class | 21,237 |
| **Shares Issued and Outstanding:** | |
| Institutional Class | 868 |
| Administrative Class | 12,984 |
| Advisor Class | 1,903 |
| **Net Asset Value Per Share Outstanding[(a)]:** | |
| Institutional Class | $ 11.16 |
| Administrative Class | 11.16 |
| Advisor Class | 11.16 |
| Cost of investments in securities | $ 245,351 |
| Cost of investments in Affiliates | $ 7,698 |
| Cost of foreign currency held | $ 1,008 |
| Proceeds received on short sales | $ 13,648 |
| Cost or premiums of financial derivative instruments, net | $ 1,792 |
| * Includes repurchase agreements of: | $ 3,285 |

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

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

# Statement of Operations PIMCO Global Bond Opportunities Portfolio (Unhedged)

| (Amounts in thousands†) | Six Months Ended June 30, 2020 (Unaudited) |
|---|---|
| **Investment Income:** | |
| Interest | $ 2,386 |
| Dividends | 9 |
| Dividends from Investments in Affiliates | 74 |
| Total Income | 2,469 |
| **Expenses:** | |
| Investment advisory fees | 220 |
| Supervisory and administrative fees | 440 |
| Servicing fees - Administrative Class | 109 |
| Distribution and/or servicing fees - Advisor Class | 27 |
| Trustee fees | 2 |
| Interest expense | 30 |
| Miscellaneous expense | 2 |
| Total Expenses | 830 |
| **Net Investment Income (Loss)** | 1,639 |
| **Net Realized Gain (Loss):** | |
| Investments in securities | 1,583 |
| Investments in Affiliates | (47) |
| Exchange-traded or centrally cleared financial derivative instruments | 1,135 |
| Over the counter financial derivative instruments | (2,598) |
| Short sales | (120) |
| Foreign currency | 176 |
| **Net Realized Gain (Loss)** | 129 |
| **Net Change in Unrealized Appreciation (Depreciation):** | |
| Investments in securities | (501) |
| Investments in Affiliates | 26 |
| Exchange-traded or centrally cleared financial derivative instruments | (1,003) |
| Over the counter financial derivative instruments | (154) |
| Short sales | (97) |
| Foreign currency assets and liabilities | (248) |
| **Net Change in Unrealized Appreciation (Depreciation)** | (1,977) |
| **Net Increase (Decrease) in Net Assets Resulting from Operations** | $ (209) |

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

## Statements of Changes in Net Assets PIMCO Global Bond Opportunities Portfolio (Unhedged)

| (Amounts in thousands†) | Six Months Ended June 30, 2020 (Unaudited) | Year Ended December 31, 2019 |
|---|---|---|
| **Increase (Decrease) in Net Assets from:** | | |
| **Operations:** | | |
| Net investment income (loss) | $ 1,639 | $ 4,584 |
| Net realized gain (loss) | 129 | (3,651) |
| Net change in unrealized appreciation (depreciation) | (1,977) | 10,811 |
| **Net Increase (Decrease) in Net Assets Resulting from Operations** | (209) | 11,744 |
| **Distributions to Shareholders:** | | |
| From net investment income and/or net realized capital gains | | |
| Institutional Class | (187) | (253) |
| Administrative Class | (2,739) | (4,072) |
| Advisor Class | (395) | (554) |
| **Total Distributions[(a)]** | (3,321) | (4,879) |
| **Portfolio Share Transactions:** | | |
| Net increase (decrease) resulting from Portfolio share transactions* | (12,861) | (14,970) |
| **Total Increase (Decrease) in Net Assets** | (16,391) | (8,105) |
| **Net Assets:** | | |
| Beginning of period | 192,233 | 200,338 |
| End of period | $ 175,842 | $ 192,233 |

† A zero balance may reflect actual amounts rounding to less than one thousand.
* See Note 13, Shares of Beneficial Interest, in the Notes to Financial Statements.
(a) The tax characterization of distributions is determined in accordance with Federal income tax regulations. The actual tax characterization of distributions paid is determined at the end of the fiscal year. See Note 2, Distributions to Shareholders, in the Notes to Financial Statements for more information.

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

| | PRINCIPAL AMOUNT (000S) | MARKET VALUE (000S) |
|---|---|---|
| **INVESTMENTS IN SECURITIES 143.3%** | | |
| **ARGENTINA 0.0%** | | |
| **CORPORATE BONDS & NOTES 0.0%** | | |
| **YPF S.A.** | | |
| 33.088% (BADLARPP + 6.000%) due 03/04/2021 ~ | ARS 1,680 | $ 16 |
| **SOVEREIGN ISSUES 0.0%** | | |
| **Argentina Government International Bond** | | |
| 26.415% (BADLARPP + 2.000%) due 04/03/2022 ~ | 3,640 | 31 |
| **Autonomous City of Buenos Aires Argentina** | | |
| 29.825% (BADLARPP + 5.000%) due 01/23/2022 ~ | 500 | 5 |
| **Provincia de Buenos Aires** | | |
| 28.192% due 04/12/2025 | 620 | 5 |
| | | 41 |
| **Total Argentina (Cost $237)** | | **57** |
| **AUSTRALIA 1.9%** | | |
| **CORPORATE BONDS & NOTES 0.4%** | | |
| **Sydney Airport Finance Co. Pty. Ltd.** | | |
| 3.900% due 03/22/2023 | $ 600 | 625 |
| **NON-AGENCY MORTGAGE-BACKED SECURITIES 0.1%** | | |
| **Liberty Funding Pty. Ltd.** | | |
| 1.490% due 01/25/2049 • | AUD 277 | 191 |
| **SOVEREIGN ISSUES 1.4%** | | |
| **New South Wales Treasury Corp.** | | |
| 2.000% due 03/20/2031 | 200 | 146 |
| 3.000% due 02/20/2030 | 200 | 159 |
| **Queensland Treasury Corp.** | | |
| 1.750% due 08/21/2031 | 300 | 212 |
| 3.500% due 08/21/2030 | 700 | 581 |
| 4.250% due 07/21/2023 | 800 | 616 |
| **South Australia Government Financing Authority** | | |
| 1.750% due 05/24/2032 | 200 | 140 |
| **Treasury Corp. of Victoria** | | |
| 1.500% due 11/20/2030 | 600 | 420 |
| 2.500% due 10/22/2029 | 100 | 77 |
| 4.250% due 12/20/2032 | 100 | 90 |
| **Western Australian Treasury Corp.** | | |
| 2.750% due 07/24/2029 | 100 | 78 |
| | | 2,519 |
| **Total Australia (Cost $3,426)** | | **3,335** |
| **BRAZIL 0.8%** | | |
| **CORPORATE BONDS & NOTES 0.8%** | | |
| **Banco Bradesco S.A.** | | |
| 2.850% due 01/27/2023 | $ 300 | 296 |
| **Petrobras Global Finance BV** | | |
| 5.093% due 01/15/2030 | 1,060 | 1,058 |
| **Total Brazil (Cost $1,401)** | | **1,354** |
| **CANADA 0.9%** | | |
| **CORPORATE BONDS & NOTES 0.6%** | | |
| **Air Canada Pass-Through Trust** | | |
| 3.300% due 07/15/2031 | $ 92 | 84 |
| **Fairfax Financial Holdings Ltd.** | | |
| 2.750% due 03/29/2028 | EUR 300 | 350 |
| **HSBC Bank Canada** | | |
| 3.300% due 11/28/2021 | $ 500 | 519 |
| | | 953 |
| **NON-AGENCY MORTGAGE-BACKED SECURITIES 0.2%** | | |
| **Canadian Mortgage Pools** | | |
| 0.825% (CDOR01 + 0.300%) due 07/01/2020 ~ | CAD 177 | $ 130 |
| 0.825% (CDOR01 + 0.300%) due 08/01/2020 ~ | 134 | 99 |
| **Real Estate Asset Liquidity Trust** | | |
| 3.072% due 08/12/2053 | 155 | 116 |
| | | 345 |
| **SOVEREIGN ISSUES 0.1%** | | |
| **Canada Government Real Return Bond** | | |
| 1.500% due 12/01/2044 (e) | 235 | 237 |
| **Total Canada (Cost $1,518)** | | **1,535** |
| **CAYMAN ISLANDS 2.7%** | | |
| **ASSET-BACKED SECURITIES 1.7%** | | |
| **California Street CLO Ltd.** | | |
| 2.249% due 10/15/2025 • | $ 590 | 586 |
| **Evans Grove CLO Ltd.** | | |
| 1.291% due 05/28/2028 • | 99 | 98 |
| **Figueroa CLO Ltd.** | | |
| 2.119% due 01/15/2027 • | 131 | 131 |
| **Gallatin CLO Ltd.** | | |
| 2.159% due 01/21/2028 • | 299 | 295 |
| **Jamestown CLO Ltd.** | | |
| 2.355% due 01/17/2027 • | 542 | 538 |
| **Palmer Square Loan Funding Ltd.** | | |
| 1.292% due 11/15/2026 • | 312 | 308 |
| 2.005% due 07/20/2028 • | 400 | 398 |
| **Symphony CLO Ltd.** | | |
| 2.261% due 07/14/2026 • | 431 | 427 |
| **THL Credit Wind River CLO Ltd.** | | |
| 2.099% due 01/15/2026 • | 119 | 119 |
| **Venture CLO Ltd.** | | |
| 2.099% due 04/15/2027 • | 99 | 97 |
| | | 2,997 |
| **CORPORATE BONDS & NOTES 1.0%** | | |
| **Avolon Holdings Funding Ltd.** | | |
| 5.500% due 01/15/2023 | 300 | 283 |
| **KSA Sukuk Ltd.** | | |
| 2.894% due 04/20/2022 | 300 | 309 |
| 4.303% due 01/19/2029 | 500 | 577 |
| **Sands China Ltd.** | | |
| 5.125% due 08/08/2025 | 200 | 217 |
| 5.400% due 08/08/2028 | 200 | 221 |
| **Sunac China Holdings Ltd.** | | |
| 7.875% due 02/15/2022 | 200 | 206 |
| | | 1,813 |
| **Total Cayman Islands (Cost $4,743)** | | **4,810** |
| **CHINA 6.0%** | | |
| **SOVEREIGN ISSUES 6.0%** | | |
| **China Development Bank** | | |
| 3.050% due 08/25/2026 | CNY 5,200 | 726 |
| 3.680% due 02/26/2026 | 20,200 | 2,919 |
| 3.800% due 01/25/2036 | 1,000 | 142 |
| 4.040% due 04/10/2027 | 23,400 | 3,447 |
| 4.150% due 10/26/2025 | 2,500 | 370 |
| 4.240% due 08/24/2027 | 19,400 | 2,891 |
| **Total China (Cost $10,447)** | | **10,495** |
| **DENMARK 5.2%** | | |
| **CORPORATE BONDS & NOTES 5.2%** | | |
| **Jyske Realkredit A/S** | | |
| 1.000% due 10/01/2050 | DKK 18,193 | 2,717 |
| 1.500% due 10/01/2037 | 926 | 145 |
| 1.500% due 10/01/2050 | DKK 2,548 | $ 390 |
| 3.000% due 10/01/2047 | 1 | 0 |
| **Nordea Kredit Realkreditaktieselskab** | | |
| 1.000% due 10/01/2050 | 2,599 | 387 |
| 1.500% due 10/01/2037 | 355 | 55 |
| 1.500% due 10/01/2050 | 741 | 114 |
| 2.000% due 10/01/2047 | 3,098 | 484 |
| 2.000% due 10/01/2050 | 813 | 127 |
| **Nykredit Realkredit A/S** | | |
| 1.000% due 10/01/2050 | 21,401 | 3,204 |
| 1.500% due 10/01/2037 | 1,200 | 188 |
| 1.500% due 10/01/2050 | 8,278 | 1,272 |
| 2.500% due 10/01/2036 | 59 | 9 |
| 2.500% due 10/01/2047 | 8 | 1 |
| **Realkredit Danmark A/S** | | |
| 2.500% due 04/01/2036 | 32 | 5 |
| 2.500% due 04/01/2047 | 20 | 3 |
| **Total Denmark (Cost $8,950)** | | **9,101** |
| **FINLAND 0.7%** | | |
| **SOVEREIGN ISSUES 0.7%** | | |
| **Finland Government Bond** | | |
| 0.500% due 04/15/2026 (j) | EUR 200 | 237 |
| 0.875% due 09/15/2025 (j) | 800 | 966 |
| **Total Finland (Cost $1,163)** | | **1,203** |
| **FRANCE 5.3%** | | |
| **CORPORATE BONDS & NOTES 0.2%** | | |
| **Dexia Credit Local S.A.** | | |
| 1.625% due 10/16/2024 | $ 400 | 416 |
| **SOVEREIGN ISSUES 5.1%** | | |
| **France Government International Bond** | | |
| 1.500% due 05/25/2050 | EUR 100 | 142 |
| 2.000% due 05/25/2048 (j) | 4,100 | 6,391 |
| 3.250% due 05/25/2045 (j) | 1,300 | 2,422 |
| | | 8,955 |
| **Total France (Cost $6,828)** | | **9,371** |
| **GERMANY 1.7%** | | |
| **CORPORATE BONDS & NOTES 1.5%** | | |
| **Deutsche Bank AG** | | |
| 2.625% due 02/12/2026 | EUR 100 | 118 |
| 3.961% due 11/26/2025 • | $ 500 | 525 |
| 4.250% due 10/14/2021 | 1,100 | 1,129 |
| **IHO Verwaltungs GmbH (6.375% Cash or 7.125% PIK)** | | |
| 6.375% due 05/15/2029 (b) | 400 | 408 |
| **Landwirtschaftliche Rentenbank** | | |
| 4.250% due 01/24/2023 | AUD 200 | 151 |
| 5.375% due 04/23/2024 | NZD 500 | 380 |
| | | 2,711 |
| **SOVEREIGN ISSUES 0.2%** | | |
| **State of North Rhine-Westphalia** | | |
| 1.100% due 03/13/2034 | EUR 200 | 258 |
| **Total Germany (Cost $2,929)** | | **2,969** |
| **GUERNSEY, CHANNEL ISLANDS 0.4%** | | |
| **CORPORATE BONDS & NOTES 0.4%** | | |
| **Credit Suisse Group Funding Guernsey Ltd.** | | |
| 3.800% due 06/09/2023 | $ 600 | 647 |
| **Doric Nimrod Air Finance Alpha Ltd. Pass-Through Trust** | | |
| 5.125% due 11/30/2024 | 139 | 128 |
| **Total Guernsey, Channel Islands (Cost $738)** | | **775** |

| | PRINCIPAL AMOUNT (000S) | MARKET VALUE (000S) |
|---|---|---|
| **INDIA 0.4%** | | |
| **CORPORATE BONDS & NOTES 0.4%** | | |
| **ICICI Bank Ltd.** | | |
| 5.750% due 11/16/2020 | $ 500 | $ 507 |
| **Shriram Transport Finance Co. Ltd.** | | |
| 5.950% due 10/24/2022 | 200 | 183 |
| **Total India (Cost $708)** | | **690** |
| **IRELAND 1.0%** | | |
| **ASSET-BACKED SECURITIES 1.0%** | | |
| **Arbour CLO DAC** | | |
| 0.870% due 01/15/2030 • | EUR 400 | 446 |
| **CVC Cordatus Loan Fund Ltd.** | | |
| 0.970% due 04/22/2030 • | 600 | 672 |
| **Dorchester Park CLO DAC** | | |
| 2.035% due 04/20/2028 • | $ 600 | 593 |
| **Total Ireland (Cost $1,725)** | | **1,711** |
| **ISRAEL 0.3%** | | |
| **SOVEREIGN ISSUES 0.3%** | | |
| **Israel Government International Bond** | | |
| 3.800% due 05/13/2060 | $ 200 | 233 |
| 4.125% due 01/17/2048 | 200 | 248 |
| **Total Israel (Cost $405)** | | **481** |
| **ITALY 2.0%** | | |
| **CORPORATE BONDS & NOTES 1.0%** | | |
| **Banca Carige SpA** | | |
| 1.218% (EUR003M + 1.500%) due 05/25/2022 ~ | EUR 500 | 565 |
| 1.539% due 10/25/2021 • | 600 | 679 |
| **UniCredit SpA** | | |
| 7.830% due 12/04/2023 | $ 500 | 579 |
| | | 1,823 |
| **SOVEREIGN ISSUES 1.0%** | | |
| **Italy Buoni Poliennali Del Tesoro** | | |
| 2.100% due 07/15/2026 (j) | EUR 800 | 965 |
| 2.500% due 11/15/2025 (j) | 700 | 859 |
| | | 1,824 |
| **Total Italy (Cost $3,465)** | | **3,647** |
| **JAPAN 4.7%** | | |
| **CORPORATE BONDS & NOTES 1.6%** | | |
| **Mitsubishi UFJ Financial Group, Inc.** | | |
| 2.623% due 07/18/2022 | $ 500 | 519 |
| 2.950% due 03/01/2021 | 200 | 203 |
| **Mitsubishi UFJ Lease & Finance Co. Ltd.** | | |
| 2.250% due 09/07/2021 | 500 | 508 |
| **Mizuho Financial Group, Inc.** | | |
| 0.990% (US0003M + 0.630%) due 05/25/2024 ~ | 200 | 196 |
| 2.721% due 07/16/2023 • | 700 | 724 |
| **ORIX Corp.** | | |
| 3.250% due 12/04/2024 | 100 | 108 |
| **Sumitomo Mitsui Financial Group, Inc.** | | |
| 1.993% (US0003M + 1.680%) due 03/09/2021 ~ | 300 | 303 |
| **Takeda Pharmaceutical Co. Ltd.** | | |
| 1.125% due 11/21/2022 | EUR 200 | 229 |
| | | 2,790 |
| **SOVEREIGN ISSUES 3.1%** | | |
| **Development Bank of Japan, Inc.** | | |
| 3.125% due 09/06/2023 | $ 500 | 540 |
| **Japan Bank for International Cooperation** | | |
| 1.750% due 10/17/2024 | $ 600 | $ 628 |
| 3.250% due 07/20/2023 | 300 | 325 |
| **Japan Government International Bond** | | |
| 0.100% due 03/10/2028 (e) | JPY 171,688 | 1,584 |
| 0.100% due 03/20/2030 | 60,000 | 560 |
| 0.500% due 03/20/2049 | 140,000 | 1,273 |
| 0.700% due 12/20/2048 | 10,000 | 96 |
| **Tokyo Metropolitan Government** | | |
| 2.000% due 05/17/2021 | $ 500 | 506 |
| | | 5,512 |
| **Total Japan (Cost $8,144)** | | **8,302** |
| **KUWAIT 1.0%** | | |
| **SOVEREIGN ISSUES 1.0%** | | |
| **Kuwait International Government Bond** | | |
| 3.500% due 03/20/2027 | $ 1,600 | 1,789 |
| **Total Kuwait (Cost $1,589)** | | **1,789** |
| **LITHUANIA 0.2%** | | |
| **SOVEREIGN ISSUES 0.2%** | | |
| **Lithuania Government International Bond** | | |
| 6.125% due 03/09/2021 | $ 400 | 415 |
| **Total Lithuania (Cost $407)** | | **415** |
| **LUXEMBOURG 0.3%** | | |
| **CORPORATE BONDS & NOTES 0.3%** | | |
| **Emerald Bay S.A.** | | |
| 0.000% due 10/08/2020 (c) | EUR 541 | 595 |
| **Total Luxembourg (Cost $631)** | | **595** |
| **MALAYSIA 0.1%** | | |
| **CORPORATE BONDS & NOTES 0.1%** | | |
| **Petronas Capital Ltd.** | | |
| 3.500% due 04/21/2030 | $ 200 | 223 |
| **Total Malaysia (Cost $198)** | | **223** |
| **MEXICO 0.1%** | | |
| **SOVEREIGN ISSUES 0.1%** | | |
| **Mexico Government International Bond** | | |
| 4.750% due 04/27/2032 | $ 200 | 221 |
| **Total Mexico (Cost $196)** | | **221** |
| **NETHERLANDS 3.0%** | | |
| **ASSET-BACKED SECURITIES 0.9%** | | |
| **Accunia European CLO BV** | | |
| 0.950% due 07/15/2030 • | EUR 250 | 279 |
| **Babson Euro CLO BV** | | |
| 0.659% due 10/25/2029 • | 479 | 533 |
| **Dryden Euro CLO BV** | | |
| 0.880% due 01/15/2030 • | 400 | 448 |
| **Penta CLO BV** | | |
| 0.790% due 08/04/2028 • | 226 | 253 |
| | | 1,513 |
| **CORPORATE BONDS & NOTES 2.0%** | | |
| **Cooperatieve Rabobank UA** | | |
| 1.144% (US0003M + 0.860%) due 09/26/2023 ~ | $ 500 | 499 |
| 3.875% due 09/26/2023 | 600 | 656 |
| 6.625% due 06/29/2021 •(f)(g) | EUR 200 | 232 |
| **Enel Finance International NV** | | |
| 2.650% due 09/10/2024 | $ 200 | 209 |
| **ING Groep NV** | | |
| 1.302% (US0003M + 1.000%) due 10/02/2023 ~ | $ 700 | $ 703 |
| 4.100% due 10/02/2023 | 500 | 549 |
| **JT International Financial Services BV** | | |
| 3.500% due 09/28/2023 | 500 | 538 |
| **Mondelez International Holdings Netherlands BV** | | |
| 2.000% due 10/28/2021 | 200 | 204 |
| | | 3,590 |
| | SHARES | |
| **PREFERRED SECURITIES 0.1%** | | |
| **Stichting AK Rabobank Certificaten** | | |
| 0.000% due 12/29/2049 (f) | 100,000 | 120 |
| **Total Netherlands (Cost $5,103)** | | **5,223** |
| | PRINCIPAL AMOUNT (000S) | |
| **NEW ZEALAND 2.7%** | | |
| **SOVEREIGN ISSUES 2.7%** | | |
| **New Zealand Government International Bond** | | |
| 4.500% due 04/15/2027 | NZD 5,900 | 4,788 |
| **Total New Zealand (Cost $4,777)** | | **4,788** |
| **NORWAY 0.1%** | | |
| **SOVEREIGN ISSUES 0.1%** | | |
| **Norway Government International Bond** | | |
| 3.750% due 05/25/2021 | NOK 1,600 | 172 |
| **Total Norway (Cost $219)** | | **172** |
| **PERU 1.6%** | | |
| **SOVEREIGN ISSUES 1.6%** | | |
| **Peru Government International Bond** | | |
| 5.350% due 08/12/2040 | PEN 300 | 85 |
| 5.940% due 02/12/2029 | 4,100 | 1,337 |
| 6.350% due 08/12/2028 | 3,900 | 1,304 |
| **Total Peru (Cost $2,510)** | | **2,726** |
| **QATAR 1.8%** | | |
| **SOVEREIGN ISSUES 1.8%** | | |
| **Qatar Government International Bond** | | |
| 3.875% due 04/23/2023 | $ 1,100 | 1,182 |
| 4.000% due 03/14/2029 | 600 | 692 |
| 4.400% due 04/16/2050 | 200 | 248 |
| 4.500% due 04/23/2028 | 800 | 945 |
| **Total Qatar (Cost $2,699)** | | **3,067** |
| **SAUDI ARABIA 1.5%** | | |
| **SOVEREIGN ISSUES 1.5%** | | |
| **Saudi Government International Bond** | | |
| 2.375% due 10/26/2021 | $ 800 | 813 |
| 2.875% due 03/04/2023 | 200 | 209 |
| 3.250% due 10/26/2026 | 300 | 325 |
| 3.625% due 03/04/2028 | 200 | 220 |
| 4.000% due 04/17/2025 | 800 | 889 |
| 4.375% due 04/16/2029 | 200 | 233 |
| **Total Saudi Arabia (Cost $2,487)** | | **2,689** |
| **SINGAPORE 0.2%** | | |
| **CORPORATE BONDS & NOTES 0.2%** | | |
| **BOC Aviation Ltd.** | | |
| 3.500% due 09/18/2027 | $ 200 | 207 |
| **DBS Bank Ltd.** | | |
| 3.300% due 11/27/2021 | 200 | 208 |
| **Total Singapore (Cost $400)** | | **415** |

| | | PRINCIPAL AMOUNT (000S) | MARKET VALUE (000S) |
|---|---|---|---|
| **SOUTH KOREA 0.1%** | | | |
| **CORPORATE BONDS & NOTES 0.1%** | | | |
| **Kookmin Bank** | | | |
| 2.125% due 10/21/2020 | $ | 200 | $ 201 |
| **Total South Korea (Cost $200)** | | | **201** |
| **SPAIN 4.7%** | | | |
| **SOVEREIGN ISSUES 4.7%** | | | |
| **Autonomous Community of Catalonia** | | | |
| 4.220% due 04/26/2035 | EUR | 100 | 141 |
| **Spain Government International Bond** | | | |
| 0.250% due 07/30/2024 | | 400 | 458 |
| 1.250% due 10/31/2030 | | 2,200 | 2,668 |
| 1.400% due 07/30/2028 | | 2,700 | 3,319 |
| 1.450% due 04/30/2029 | | 1,300 | 1,605 |
| 2.150% due 10/31/2025 | | 20 | 25 |
| **Total Spain (Cost $7,880)** | | | **8,216** |
| **SUPRANATIONAL 0.2%** | | | |
| **CORPORATE BONDS & NOTES 0.2%** | | | |
| **European Investment Bank** | | | |
| 0.500% due 07/21/2023 | AUD | 600 | 412 |
| **Total Supranational (Cost $477)** | | | **412** |
| **SWITZERLAND 1.0%** | | | |
| **CORPORATE BONDS & NOTES 1.0%** | | | |
| **Credit Suisse AG** | | | |
| 2.100% due 11/12/2021 | $ | 500 | 511 |
| 6.500% due 08/08/2023 (g) | | 400 | 438 |
| **UBS AG** | | | |
| 7.625% due 08/17/2022 (g) | | 750 | 837 |
| **Total Switzerland (Cost $1,746)** | | | **1,786** |
| **UNITED ARAB EMIRATES 0.5%** | | | |
| **SOVEREIGN ISSUES 0.5%** | | | |
| **Emirate of Abu Dhabi Government International Bond** | | | |
| 3.125% due 10/11/2027 | $ | 500 | 548 |
| 3.875% due 04/16/2050 | | 200 | 237 |
| **Total United Arab Emirates (Cost $690)** | | | **785** |
| **UNITED KINGDOM 11.5%** | | | |
| **CORPORATE BONDS & NOTES 6.7%** | | | |
| **Barclays Bank PLC** | | | |
| 7.625% due 11/21/2022 (g) | $ | 500 | 545 |
| 10.000% due 05/21/2021 | GBP | 100 | 133 |
| **Barclays PLC** | | | |
| 4.338% due 05/16/2024 • | $ | 400 | 431 |
| 4.836% due 05/09/2028 | | 400 | 439 |
| 4.972% due 05/16/2029 • | | 400 | 469 |
| 5.200% due 05/12/2026 | | 200 | 224 |
| 8.000% due 12/15/2020 •(f)(g) | EUR | 700 | 791 |
| **Co-operative Group Holdings Ltd.** | | | |
| 6.875% due 07/08/2020 þ | GBP | 200 | 247 |
| **HSBC Holdings PLC** | | | |
| 3.803% due 03/11/2025 • | $ | 200 | 216 |
| 3.973% due 05/22/2030 • | | 300 | 333 |
| 4.041% due 03/13/2028 • | | 200 | 221 |
| 6.750% due 09/11/2028 | GBP | 200 | 318 |
| **Lloyds Bank Corporate Markets PLC** | | | |
| 1.750% due 07/11/2024 | | 200 | 251 |
| **Lloyds Bank PLC** | | | |
| 4.875% due 03/30/2027 | | 600 | 944 |
| **Lloyds Banking Group PLC** | | | |
| 4.650% due 03/24/2026 | $ | 400 | 446 |
| 7.875% due 06/27/2029 •(f)(g) | GBP | 200 | 276 |

| | | PRINCIPAL AMOUNT (000S) | MARKET VALUE (000S) |
|---|---|---|---|
| **Nationwide Building Society** | | | |
| 1.700% due 02/13/2023 | $ | 500 | $ 515 |
| 2.000% due 01/27/2023 | | 400 | 412 |
| **Natwest Markets PLC** | | | |
| 0.625% due 03/02/2022 | EUR | 100 | 112 |
| **RAC Bond Co. PLC** | | | |
| 4.870% due 05/06/2046 | GBP | 200 | 248 |
| **Reckitt Benckiser Treasury Services PLC** | | | |
| 0.857% (US0003M + 0.560%) due 06/24/2022 ~ | $ | 300 | 300 |
| **Royal Bank of Scotland Group PLC** | | | |
| 2.500% due 03/22/2023 | EUR | 500 | 585 |
| 4.892% due 05/18/2029 • | $ | 400 | 472 |
| 7.500% due 08/10/2020 •(f)(g) | | 1,200 | 1,205 |
| **Santander UK Group Holdings PLC** | | | |
| 3.571% due 01/10/2023 | | 200 | 208 |
| 6.750% due 06/24/2024 •(f)(g) | GBP | 400 | 507 |
| 7.375% due 06/24/2022 •(f)(g) | | 200 | 254 |
| **Tesco PLC** | | | |
| 6.125% due 02/24/2022 | | 83 | 111 |
| **Tesco Property Finance PLC** | | | |
| 5.801% due 10/13/2040 | | 146 | 246 |
| **Virgin Media Secured Finance PLC** | | | |
| 5.000% due 04/15/2027 | | 300 | 388 |
| | | | 11,847 |
| **NON-AGENCY MORTGAGE-BACKED SECURITIES 4.4%** | | | |
| **Durham Mortgages B PLC** | | | |
| 0.856% due 03/31/2054 • | | 321 | 394 |
| **Eurohome UK Mortgages PLC** | | | |
| 0.343% due 06/15/2044 • | | 462 | 552 |
| **Eurosail PLC** | | | |
| 1.143% due 06/13/2045 • | | 410 | 504 |
| **Finsbury Square PLC** | | | |
| 1.148% due 09/12/2068 • | | 348 | 431 |
| **Hawksmoor Mortgages** | | | |
| 1.287% due 05/25/2053 • | | 629 | 779 |
| **Lanark Master Issuer PLC** | | | |
| 1.073% due 12/22/2069 • | | 304 | 378 |
| **Residential Mortgage Securities PLC** | | | |
| 1.132% due 12/20/2046 • | | 276 | 342 |
| 1.382% due 09/20/2065 • | | 319 | 396 |
| **Ripon Mortgages PLC** | | | |
| 1.056% due 08/20/2056 • | | 1,029 | 1,270 |
| **Stanlington PLC** | | | |
| 1.198% due 06/12/2046 • | | 573 | 707 |
| **Towd Point Mortgage Funding** | | | |
| 1.392% due 07/20/2045 • | | 754 | 932 |
| **Towd Point Mortgage Funding PLC** | | | |
| 1.392% due 07/20/2045 • | | 377 | 466 |
| 1.677% due 10/20/2051 • | | 476 | 590 |
| | | | 7,741 |
| | | SHARES | |
| **PREFERRED SECURITIES 0.2%** | | | |
| **Nationwide Building Society** | | | |
| 10.250% ~ | | 1,360 | 264 |
| | | PRINCIPAL AMOUNT (000S) | |
| **SOVEREIGN ISSUES 0.2%** | | | |
| **United Kingdom Gilt** | | | |
| 0.625% due 10/22/2050 | | 300 | 371 |
| **Total United Kingdom (Cost $20,907)** | | | **20,223** |
| **UNITED STATES 74.0%** | | | |
| **ASSET-BACKED SECURITIES 6.4%** | | | |
| **ACE Securities Corp. Home Equity Loan Trust** | | | |
| 1.085% due 08/25/2035 • | $ | 500 | 481 |

| | | PRINCIPAL AMOUNT (000S) | MARKET VALUE (000S) |
|---|---|---|---|
| **Amortizing Residential Collateral Trust** | | | |
| 0.885% due 10/25/2031 • | $ | 1 | $ 1 |
| **Citigroup Mortgage Loan Trust, Inc.** | | | |
| 0.845% due 07/25/2035 • | | 500 | 469 |
| **Conseco Finance Securitizations Corp.** | | | |
| 7.490% due 07/01/2031 þ | | 782 | 841 |
| **Countrywide Asset-Backed Certificates** | | | |
| 0.405% due 06/25/2047 • | | 1,000 | 929 |
| 0.585% due 08/25/2034 • | | 127 | 119 |
| **Countrywide Asset-Backed Certificates Trust** | | | |
| 0.925% due 08/25/2047 • | | 102 | 98 |
| **Credit-Based Asset Servicing & Securitization Trust** | | | |
| 0.245% due 11/25/2036 • | | 17 | 10 |
| **EMC Mortgage Loan Trust** | | | |
| 1.085% due 05/25/2043 • | | 14 | 14 |
| **GSAMP Trust** | | | |
| 0.435% due 05/25/2046 • | | 500 | 451 |
| **Home Equity Mortgage Trust** | | | |
| 6.000% due 01/25/2037 ^þ | | 158 | 87 |
| **JPMorgan Mortgage Acquisition Trust** | | | |
| 0.465% due 03/25/2047 • | | 1,632 | 1,334 |
| **Morgan Stanley ABS Capital, Inc. Trust** | | | |
| 0.295% due 03/25/2037 • | | 968 | 481 |
| 0.435% due 08/25/2036 • | | 2,280 | 1,332 |
| **New Century Home Equity Loan Trust** | | | |
| 0.920% due 06/25/2035 • | | 500 | 494 |
| **NovaStar Mortgage Funding Trust** | | | |
| 0.315% due 03/25/2037 • | | 747 | 539 |
| 0.725% due 05/25/2036 • | | 500 | 439 |
| **Renaissance Home Equity Loan Trust** | | | |
| 5.294% due 01/25/2037 þ | | 458 | 218 |
| **Securitized Asset-Backed Receivables LLC Trust** | | | |
| 0.235% due 12/25/2036 • | | 6 | 4 |
| **Soundview Home Loan Trust** | | | |
| 0.435% due 11/25/2036 • | | 600 | 533 |
| **Structured Asset Securities Corp. Mortgage Loan Trust** | | | |
| 1.673% due 04/25/2035 • | | 6 | 5 |
| **Terwin Mortgage Trust** | | | |
| 1.125% due 11/25/2033 • | | 12 | 12 |
| **Towd Point Mortgage Trust** | | | |
| 2.900% due 10/25/2059 ~ | | 1,715 | 1,808 |
| **Toyota Auto Loan Extended Note Trust** | | | |
| 2.560% due 11/25/2031 | | 500 | 533 |
| **Washington Mutual Asset-Backed Certificates Trust** | | | |
| 0.245% due 10/25/2036 • | | 37 | 18 |
| | | | 11,250 |
| **CORPORATE BONDS & NOTES 10.0%** | | | |
| **AbbVie, Inc.** | | | |
| 5.000% due 12/15/2021 | | 200 | 210 |
| **American Tower Corp.** | | | |
| 3.800% due 08/15/2029 | | 400 | 455 |
| **Arrow Electronics, Inc.** | | | |
| 3.500% due 04/01/2022 | | 400 | 411 |
| **AT&T, Inc.** | | | |
| 1.800% due 09/05/2026 | EUR | 500 | 588 |
| 2.169% (US0003M + 0.950%) due 07/15/2021 ~ | $ | 900 | 908 |
| **Bayer U.S. Finance LLC** | | | |
| 1.323% (US0003M + 1.010%) due 12/15/2023 ~ | | 300 | 300 |
| 4.250% due 12/15/2025 | | 200 | 230 |
| **British Airways Pass-Through Trust** | | | |
| 3.350% due 12/15/2030 | | 100 | 83 |
| **Campbell Soup Co.** | | | |
| 3.300% due 03/15/2021 | | 100 | 102 |
| 3.650% due 03/15/2023 | | 29 | 31 |
| **CenterPoint Energy Resources Corp.** | | | |
| 3.550% due 04/01/2023 | | 100 | 107 |
| **Charles Schwab Corp.** | | | |
| 5.375% due 06/01/2025 •(f) | | 200 | 214 |

| | PRINCIPAL AMOUNT (000S) | MARKET VALUE (000S) |
|---|---|---|
| **Charter Communications Operating LLC** | | |
| 4.464% due 07/23/2022 | $ 900 | $ 960 |
| 6.384% due 10/23/2035 | 600 | 793 |
| **Comcast Corp.** | | |
| 0.626% (US0003M + 0.330%) due 10/01/2020 ~ | 200 | 200 |
| **Constellation Brands, Inc.** | | |
| 2.650% due 11/07/2022 | 500 | 522 |
| **CVS Health Corp.** | | |
| 3.700% due 03/09/2023 | 100 | 108 |
| **Dominion Energy Gas Holdings LLC** | | |
| 0.913% (US0003M + 0.600%) due 06/15/2021 ~ | 200 | 200 |
| **EPR Properties** | | |
| 4.500% due 06/01/2027 | 300 | 278 |
| **Equifax, Inc.** | | |
| 1.262% (US0003M + 0.870%) due 08/15/2021 ~ | 100 | 100 |
| **ERAC USA Finance LLC** | | |
| 5.250% due 10/01/2020 | 500 | 504 |
| **Fidelity National Information Services, Inc.** | | |
| 0.750% due 05/21/2023 | EUR 100 | 113 |
| **Fiserv, Inc.** | | |
| 3.200% due 07/01/2026 | $ 500 | 554 |
| **Ford Motor Credit Co. LLC** | | |
| 0.080% due 12/01/2021 • | EUR 800 | 847 |
| 0.185% due 05/14/2021 • | 100 | 109 |
| **GLP Capital LP** | | |
| 5.300% due 01/15/2029 | $ 400 | 434 |
| **Harley-Davidson Financial Services, Inc.** | | |
| 1.284% (US0003M + 0.940%) due 03/02/2021 ~ | 200 | 199 |
| **International Lease Finance Corp.** | | |
| 8.250% due 12/15/2020 | 300 | 307 |
| **McDonald's Corp.** | | |
| 1.317% (US0003M + 0.430%) due 10/28/2021 ~ | 100 | 100 |
| **Molson Coors Brewing Co.** | | |
| 2.100% due 07/15/2021 | 300 | 304 |
| **Morgan Stanley** | | |
| 0.959% (CDOR03 + 0.300%) due 02/03/2023 ~(h) | CAD 900 | 645 |
| **MPT Operating Partnership LP** | | |
| 2.550% due 12/05/2023 | GBP 400 | 495 |
| **MUFG Union Bank N.A.** | | |
| 0.791% (SOFRRATE + 0.710%) due 12/09/2022 ~ | $ 250 | 249 |
| **National Rural Utilities Cooperative Finance Corp.** | | |
| 2.300% due 09/15/2022 | 400 | 415 |
| **New York Life Global Funding** | | |
| 2.250% due 07/12/2022 | 500 | 517 |
| **NextEra Energy Capital Holdings, Inc.** | | |
| 1.950% due 09/01/2022 | 300 | 309 |
| **Sempra Energy** | | |
| 0.763% (US0003M + 0.450%) due 03/15/2021 ~ | 200 | 200 |
| **Spirit AeroSystems, Inc.** | | |
| 1.113% (US0003M + 0.800%) due 06/15/2021 ~ | 100 | 93 |
| 3.950% due 06/15/2023 | 400 | 340 |
| **Sprint Spectrum Co. LLC** | | |
| 3.360% due 03/20/2023 | 188 | 190 |
| 4.738% due 09/20/2029 | 200 | 217 |
| **Textron, Inc.** | | |
| 0.998% (US0003M + 0.550%) due 11/10/2020 ~ | 400 | 399 |
| **Verizon Communications, Inc.** | | |
| 4.329% due 09/21/2028 | 305 | 367 |
| **Volkswagen Group of America Finance LLC** | | |
| 1.204% (US0003M + 0.770%) due 11/13/2020 ~ | 200 | 200 |
| 1.375% (US0003M + 0.940%) due 11/12/2021 ~ | 300 | 299 |
| 3.750% due 05/13/2030 | 200 | 222 |
| **WEA Finance LLC** | | |
| 3.750% due 09/17/2024 | $ 200 | $ 207 |
| **Wells Fargo & Co.** | | |
| 2.130% (US0003M + 1.110%) due 01/24/2023 ~ | 600 | 603 |
| **Wells Fargo Bank N.A.** | | |
| 3.550% due 08/14/2023 | 500 | 543 |
| **Zimmer Biomet Holdings, Inc.** | | |
| 3.150% due 04/01/2022 | 400 | 415 |
| 3.375% due 11/30/2021 | 300 | 309 |
| | | 17,505 |
| **LOAN PARTICIPATIONS AND ASSIGNMENTS 0.1%** | | |
| **CenturyLink, Inc.** | | |
| 2.428% (LIBOR03M + 2.250%) due 03/15/2027 ~ | 230 | 218 |
| **NON-AGENCY MORTGAGE-BACKED SECURITIES 6.2%** | | |
| **Adjustable Rate Mortgage Trust** | | |
| 3.869% due 09/25/2035 ^~ | 7 | 7 |
| **American Home Mortgage Assets Trust** | | |
| 0.375% due 05/25/2046 ^• | 184 | 154 |
| 0.395% due 10/25/2046 • | 341 | 217 |
| **Banc of America Alternative Loan Trust** | | |
| 6.500% due 04/25/2036 ^ | 501 | 513 |
| **Banc of America Funding Trust** | | |
| 3.988% due 10/20/2046 ^~ | 69 | 56 |
| 4.217% due 02/20/2036 ~ | 87 | 83 |
| 5.500% due 01/25/2036 | 154 | 140 |
| **BCAP LLC Trust** | | |
| 0.355% due 01/25/2037 ^• | 159 | 160 |
| 5.250% due 04/26/2037 | 533 | 414 |
| **Bear Stearns Adjustable Rate Mortgage Trust** | | |
| 3.118% due 05/25/2034 ~ | 6 | 5 |
| 3.171% due 08/25/2033 ~ | 4 | 4 |
| 3.801% due 05/25/2034 ~ | 14 | 13 |
| 3.847% due 05/25/2047 ^~ | 139 | 131 |
| 3.937% due 10/25/2033 ~ | 4 | 3 |
| 4.332% due 11/25/2034 ~ | 3 | 3 |
| **Bear Stearns ALT-A Trust** | | |
| 3.697% due 08/25/2036 ^~ | 134 | 87 |
| 3.736% due 09/25/2035 ^~ | 77 | 61 |
| 3.853% due 11/25/2035 ^~ | 85 | 76 |
| **Bear Stearns Structured Products, Inc. Trust** | | |
| 4.251% due 12/26/2046 ^~ | 62 | 54 |
| **Chase Mortgage Finance Trust** | | |
| 3.386% due 07/25/2037 ~ | 18 | 16 |
| **Chevy Chase Funding LLC Mortgage-Backed Certificates** | | |
| 0.365% due 07/25/2036 • | 443 | 410 |
| **Citigroup Mortgage Loan Trust** | | |
| 3.880% due 10/25/2035 ^• | 256 | 251 |
| **Citigroup Mortgage Loan Trust, Inc.** | | |
| 2.290% due 09/25/2035 • | 10 | 10 |
| **Countrywide Alternative Loan Trust** | | |
| 0.355% due 01/25/2037 ^• | 61 | 61 |
| 0.385% due 12/20/2046 ^• | 262 | 212 |
| 0.400% due 03/20/2046 • | 84 | 70 |
| 0.400% due 07/20/2046 ^• | 173 | 129 |
| 0.465% due 02/25/2037 • | 96 | 84 |
| 0.535% due 05/25/2037 ^• | 44 | 15 |
| 3.640% due 11/25/2035 ^~ | 154 | 128 |
| 5.200% due 11/25/2035 • | 17 | 15 |
| 5.250% due 06/25/2035 ^ | 12 | 11 |
| 6.000% due 04/25/2037 ^ | 47 | 30 |
| 6.250% due 08/25/2037 ^ | 23 | 18 |
| 6.296% due 11/25/2035 • | 17 | 16 |
| 6.500% due 06/25/2036 ^ | 116 | 85 |
| **Countrywide Home Loan Mortgage Pass-Through Trust** | | |
| 0.455% due 04/25/2046 • | 1,045 | 407 |
| 0.645% due 05/25/2035 • | 44 | 38 |
| 0.765% due 04/25/2035 • | 8 | 7 |
| 0.785% due 03/25/2035 • | 416 | 338 |
| 0.805% due 02/25/2035 • | 371 | 330 |
| 0.825% due 03/25/2035 • | $ 48 | $ 41 |
| 0.845% due 02/25/2035 • | 5 | 4 |
| 0.945% due 09/25/2034 • | 4 | 4 |
| 3.100% due 05/25/2047 ~ | 73 | 63 |
| 3.427% due 08/25/2034 ^~ | 1 | 1 |
| 3.793% due 02/20/2036 ^• | 235 | 222 |
| 3.819% due 11/25/2034 ~ | 9 | 9 |
| 5.500% due 10/25/2035 | 55 | 45 |
| **Credit Suisse Mortgage Capital Trust** | | |
| 3.092% due 10/27/2059 ~ | 487 | 505 |
| 6.500% due 07/26/2036 ^ | 107 | 47 |
| **Deutsche ALT-B Securities, Inc. Mortgage Loan Trust** | | |
| 5.886% due 10/25/2036 ^þ | 161 | 152 |
| **GreenPoint Mortgage Funding Trust** | | |
| 0.725% due 11/25/2045 • | 7 | 6 |
| **GSR Mortgage Loan Trust** | | |
| 2.906% due 06/25/2034 ~ | 2 | 2 |
| 2.930% due 03/25/2033 • | 4 | 4 |
| 4.065% due 09/25/2035 ~ | 61 | 60 |
| **HarborView Mortgage Loan Trust** | | |
| 2.354% due 12/19/2036 ^• | 99 | 90 |
| **IndyMac Mortgage Loan Trust** | | |
| 3.555% due 09/25/2035 ^~ | 125 | 102 |
| **JPMorgan Mortgage Trust** | | |
| 3.221% due 11/25/2033 ~ | 3 | 3 |
| 3.774% due 02/25/2035 ~ | 3 | 3 |
| 3.789% due 01/25/2037 ^~ | 133 | 120 |
| **Luminent Mortgage Trust** | | |
| 0.425% due 04/25/2036 • | 291 | 246 |
| **MASTR Adjustable Rate Mortgages Trust** | | |
| 3.594% due 05/25/2034 ~ | 333 | 329 |
| **MASTR Alternative Loan Trust** | | |
| 0.585% due 03/25/2036 ^• | 44 | 3 |
| **Mellon Residential Funding Corp. Mortgage Pass-Through Trust** | | |
| 0.625% due 12/15/2030 • | 4 | 3 |
| **Merrill Lynch Mortgage Investors Trust** | | |
| 0.395% due 02/25/2036 • | 48 | 46 |
| 3.359% due 02/25/2033 ~ | 6 | 6 |
| 3.479% due 02/25/2036 ~ | 21 | 20 |
| **Merrill Lynch Mortgage-Backed Securities Trust** | | |
| 3.675% due 04/25/2037 ^~ | 5 | 5 |
| **New Century Home Equity Loan Trust** | | |
| 2.750% due 11/25/2059 ~ | 478 | 505 |
| **New Residential Mortgage Loan Trust** | | |
| 2.750% due 07/25/2059 ~ | 555 | 583 |
| **Nomura Asset Acceptance Corp. Alternative Loan Trust** | | |
| 3.219% due 10/25/2035 ~ | 8 | 8 |
| **OBX Trust** | | |
| 0.835% due 06/25/2057 • | 220 | 218 |
| **Residential Accredit Loans, Inc. Trust** | | |
| 0.395% due 04/25/2046 • | 137 | 53 |
| 6.000% due 12/25/2036 ^ | 249 | 229 |
| **Residential Funding Mortgage Securities, Inc. Trust** | | |
| 5.500% due 11/25/2035 ^ | 60 | 56 |
| **Structured Adjustable Rate Mortgage Loan Trust** | | |
| 3.765% due 02/25/2034 ~ | 5 | 5 |
| 3.832% due 04/25/2034 ~ | 10 | 10 |
| 4.038% due 09/25/2034 ~ | 2 | 2 |
| **Structured Asset Mortgage Investments Trust** | | |
| 0.375% due 07/25/2046 ^• | 270 | 209 |
| 0.395% due 05/25/2036 • | 61 | 55 |
| 0.405% due 05/25/2036 • | 292 | 274 |
| 0.405% due 09/25/2047 • | 258 | 220 |
| 0.444% due 07/19/2035 • | 87 | 81 |
| 0.465% due 02/25/2036 ^• | 330 | 301 |
| 0.774% due 07/19/2034 • | 1 | 1 |
| 0.894% due 03/19/2034 • | 3 | 2 |
| **Structured Asset Securities Corp.** | | |
| 0.465% due 01/25/2036 • | 90 | 80 |
| **SunTrust Alternative Loan Trust** | | |
| 0.835% due 12/25/2035 ^• | 465 | 379 |
| **WaMu Mortgage Pass-Through Certificates Trust** | | |
| 0.455% due 12/25/2045 • | 22 | 22 |
| 0.495% due 01/25/2045 • | 4 | 3 |



See Accompanying Notes

| | PRINCIPAL AMOUNT (000S) | MARKET VALUE (000S) |
|---|---|---|
| 0.825% due 01/25/2045 • | $ 4 | $ 4 |
| 2.204% due 02/25/2047 ^• | 232 | 207 |
| 2.240% due 07/25/2046 • | 138 | 124 |
| 2.904% due 08/25/2042 • | 2 | 2 |
| 3.069% due 01/25/2037 ^~ | 17 | 16 |
| 3.147% due 06/25/2037 ^~ | 43 | 36 |
| 3.341% due 12/25/2036 ^~ | 3 | 3 |
| 3.515% due 12/25/2036 ^~ | 23 | 22 |
| 3.740% due 06/25/2033 ~ | 3 | 3 |
| 3.771% due 02/25/2033 ~ | 38 | 37 |
| 3.824% due 09/25/2036 ~ | 53 | 48 |
| 3.838% due 03/25/2034 ~ | 13 | 13 |
| **Washington Mutual Mortgage Pass-Through Certificates Trust** | | |
| 2.444% due 07/25/2046 ^• | 42 | 28 |
| | | 10,842 |

| | SHARES | |
|---|---|---|
| **PREFERRED SECURITIES 0.3%** | | |
| **AT&T, Inc.** | | |
| 2.875% due 03/02/2025 •(f) | 200,000 | 214 |
| **Bank of America Corp.** | | |
| 5.875% due 03/15/2028 •(f) | 300,000 | 307 |
| | | 521 |

| | PRINCIPAL AMOUNT (000S) | MARKET VALUE (000S) |
|---|---|---|
| **U.S. GOVERNMENT AGENCIES 46.5%** | | |
| **Fannie Mae** | | |
| 0.305% due 03/25/2034 • | 2 | 2 |
| 0.335% due 08/25/2034 • | 1 | 1 |
| 0.585% due 06/25/2036 • | 16 | 15 |
| 3.500% due 01/01/2059 | 628 | 683 |
| 3.520% due 12/01/2034 • | 2 | 2 |
| 3.544% due 10/01/2034 • | 1 | 1 |
| 4.321% due 11/01/2034 • | 15 | 15 |
| 6.000% due 07/25/2044 | 14 | 16 |
| **Freddie Mac** | | |
| 0.325% due 09/25/2031 • | 12 | 12 |
| 0.720% due 01/15/2038 • | 201 | 200 |
| 2.704% due 10/25/2044 • | 23 | $ 24 |
| 3.000% due 03/01/2045 | 521 | 555 |
| 3.390% due 01/15/2038 ~(a) | 201 | 11 |
| 3.500% due 07/01/2048 | 2,659 | 2,797 |
| 3.692% due 04/01/2037 • | 17 | 17 |
| 4.180% due 02/01/2029 • | 1 | 1 |
| 6.000% due 04/15/2036 | 184 | 221 |
| **Ginnie Mae** | | |
| 3.000% due 07/20/2046 | 57 | 59 |
| 3.125% (H15T1Y + 1.500%) due 11/20/2024 ~ | 1 | 1 |
| 6.000% due 09/20/2038 | 2 | 2 |
| **Uniform Mortgage-Backed Security** | | |
| 3.000% due 08/01/2042 - 03/01/2050 | 1,462 | 1,558 |
| 3.500% due 10/01/2034 - 02/01/2050 | 550 | 592 |
| **Uniform Mortgage-Backed Security, TBA** | | |
| 2.000% due 08/01/2050 - 09/01/2050 | 2,400 | 2,445 |
| 2.500% due 07/01/2050 - 09/01/2050 | 22,800 | 23,712 |
| 3.500% due 08/01/2050 | 15,000 | 15,777 |
| 4.000% due 07/01/2050 - 08/01/2050 | 31,200 | 33,078 |
| | | 81,797 |
| **U.S. TREASURY OBLIGATIONS 4.5%** | | |
| **U.S. Treasury Inflation Protected Securities (e)** | | |
| 0.125% due 04/15/2022 (l)(n) | 1,265 | 1,285 |
| 0.375% due 07/15/2025 (l) | 411 | 440 |
| 0.500% due 01/15/2028(l) | 2,079 | 2,280 |
| 0.625% due 01/15/2026 (n) | 389 | 421 |
| 1.750% due 01/15/2028 (l) | 2,448 | 2,923 |
| 3.875% due 04/15/2029 | 250 | 353 |
| **U.S. Treasury Notes** | | |
| 2.625% due 06/15/2021 (n) | 200 | 205 |
| | | 7,907 |
| **Total United States (Cost $127,219)** | | **130,040** |

| | | PRINCIPAL AMOUNT (000S) | MARKET VALUE (000S) |
|---|---|---|---|
| **SHORT-TERM INSTRUMENTS 4.7%** | | | |
| **REPURCHASE AGREEMENTS (i) 1.9%** | | | |
| | | | $ 3,285 |
| **ARGENTINA TREASURY BILLS 0.0%** | | | |
| 30.365% due 08/28/2020 ~ | ARS | 950 | 9 |
| **JAPAN TREASURY BILLS 2.5%** | | | |
| (0.099)% due 09/07/2020 (c)(d) | JPY | 470,000 | 4,354 |
| **SOUTH AFRICA TREASURY BILLS 0.3%** | | | |
| 4.470% due 12/09/2020 (c)(d) | ZAR | 9,400 | 533 |
| **Total Short-Term Instruments (Cost $8,189)** | | | **8,181** |
| **Total Investments in Securities (Cost $245,351)** | | | **252,003** |

| | SHARES | |
|---|---|---|
| **INVESTMENTS IN AFFILIATES 4.4%** | | |
| **SHORT-TERM INSTRUMENTS 4.4%** | | |
| **CENTRAL FUNDS USED FOR CASH MANAGEMENT PURPOSES 4.4%** | | |
| **PIMCO Short Asset Portfolio** | 376,009 | 3,751 |
| **PIMCO Short-Term Floating NAV Portfolio III** | 401,098 | 3,954 |
| **Total Short-Term Instruments (Cost $7,698)** | | **7,705** |
| **Total Investments in Affiliates (Cost $7,698)** | | **7,705** |
| **Total Investments 147.7% (Cost $253,049)** | | **$ 259,708** |
| **Financial Derivative Instruments (k)(m) 0.8% (Cost or Premiums, net $1,792)** | | **1,357** |
| **Other Assets and Liabilities, net (48.5)%** | | **(85,223)** |
| **Net Assets 100.0%** | | **$ 175,842** |

## NOTES TO SCHEDULE OF INVESTMENTS:

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

^ Security is in default.

~ Variable or Floating rate security. Rate shown is the rate in effect as of period end. Certain variable rate securities are not based on a published reference rate and spread, rather are determined by the issuer or agent and are based on current market conditions. Reference rate is as of reset date, which may vary by security. These securities may not indicate a reference rate and/or spread in their description.

• Rate shown is the rate in effect as of period end. The rate may be based on a fixed rate, a capped rate or a floor rate and may convert to a variable or floating rate in the future. These securities do not indicate a reference rate and spread in their description.

þ Coupon represents a rate which changes periodically based on a predetermined schedule or event. Rate shown is the rate in effect as of period end.

(a) Security is an Interest Only ("IO") or IO Strip.

(b) Payment in-kind security.

(c) Zero coupon security.

(d) Coupon represents a yield to maturity.

(e) Principal amount of security is adjusted for inflation.

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

(g) Contingent convertible security.

### (h) RESTRICTED SECURITIES:

| Issuer Description | Coupon | Maturity Date | Acquisition Date | Cost | Market Value | Market Value as Percentage of Net Assets |
|---|---|---|---|---|---|---|
| Morgan Stanley | 0.959% | 02/03/2023 | 01/30/2020 | $ 682 | $ 645 | 0.37% |

## BORROWINGS AND OTHER FINANCING TRANSACTIONS

### (i) REPURCHASE AGREEMENTS:

| Counterparty | Lending Rate | Settlement Date | Maturity Date | Principal Amount | Collateralized By | Collateral (Received) | Repurchase Agreements, at Value | Repurchase Agreement Proceeds to be Received[1] |
|---|---|---|---|---|---|---|---|---|
| BPS | 0.730% | 01/22/2020 | 01/21/2022 | GBP 916 | United Kingdom Gilt 1.750% due 01/22/2049 | $ (1,283) | $ 1,135 | $ 1,139 |
| FICC | 0.000 | 06/30/2020 | 07/01/2020 | $ 2,150 | U.S. Treasury Notes 1.875% due 04/30/2022 | (2,193) | 2,150 | 2,150 |
| **Total Repurchase Agreements** | | | | | | **$ (3,476)** | **$ 3,285** | **$ 3,289** |

### REVERSE REPURCHASE AGREEMENTS:

| Counterparty | Borrowing Rate[2] | Settlement Date | Maturity Date | Amount Borrowed[2] | Payable for Reverse Repurchase Agreements |
|---|---|---|---|---|---|
| BPS | (0.380)% | 05/27/2020 | 08/20/2020 | EUR (749) | $ (842) |
| | (0.370) | 03/20/2020 | 08/20/2020 | (2,132) | (2,393) |
| | (0.300) | 03/25/2020 | 08/20/2020 | (1,055) | (1,184) |
| JML | (0.420) | 03/17/2020 | 08/20/2020 | (1,985) | (2,227) |
| **Total Reverse Repurchase Agreements** | | | | | **$ (6,646)** |

### SHORT SALES:

| Description | Coupon | Maturity Date | Principal Amount | Proceeds | Payable for Short Sales[3] |
|---|---|---|---|---|---|
| Canada (0.5)% | | | | | |
| Sovereign Issues (0.5)% | | | | | |
| Canada Government International Bond | 2.750% | 12/01/2048 | CAD 800 | $ (845) | $ (848) |
| United Kingdom (0.7)% | | | | | |
| Sovereign Issues (0.7)% | | | | | |
| United Kingdom Gilt | 1.750% | 01/22/2049 | GBP 800 | (1,160) | (1,288) |
| United States (6.6)% | | | | | |
| U.S. Government Agencies (6.6)% | | | | | |
| Uniform Mortgage-Backed Security, TBA | 3.000% | 08/01/2050 | $ 4,100 | (4,310) | (4,311) |
| Uniform Mortgage-Backed Security, TBA | 3.000 | 09/01/2050 | 6,900 | (7,228) | (7,243) |
| Uniform Mortgage-Backed Security, TBA | 3.500 | 07/01/2035 | 100 | (105) | (105) |
| **Total United States** | | | | **(11,643)** | **(11,659)** |
| **Total Short Sales (7.8)%** | | | | **$ (13,648)** | **$ (13,795)** |

## 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, 2020:

| Counterparty | Repurchase Agreement Proceeds to be Received[1] | Payable for Reverse Repurchase Agreements | Payable for Sale-Buyback Transactions | Payable for Short Sales[3] | Total Borrowings and Other Financing Transactions | Collateral Pledged/(Received) | Net Exposure[4] |
|---|---|---|---|---|---|---|---|
| Global/Master Repurchase Agreement | | | | | | | |
| BPS | $ 1,139 | $ (4,419) | $ 0 | $ 0 | $ (3,280) | $ 3,501 | $ 221 |
| FICC | 2,150 | 0 | 0 | 0 | 2,150 | (2,193) | (43) |
| JML | 0 | (2,227) | 0 | 0 | (2,227) | 2,338 | 111 |
| Master Securities Forward Transaction Agreement | | | | | | | |
| RYL | 0 | 0 | 0 | (1,288) | (1,288) | 0 | (1,288) |
| TDM | 0 | 0 | 0 | (848) | (848) | 0 | (848) |
| **Total Borrowings and Other Financing Transactions** | **$ 3,289** | **$ (6,646)** | **$ 0** | **$ (2,136)** | | | |

## 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 |
|---|---|---|---|---|---|
| **Reverse Repurchase Agreements** | | | | | |
| Sovereign Issues | $ 0 | $ 0 | $ (6,646) | $ 0 | $ (6,646) |
| **Total Borrowings** | **$ 0** | **$ 0** | **$ (6,646)** | **$ 0** | **$ (6,646)** |
| **Payable for reverse repurchase agreements** | | | | | **$ (6,646)** |

**(j) Securities with an aggregate market value of $7,123 have been pledged as collateral under the terms of the above master agreements as of June 30, 2020.**

(1) Includes accrued interest.

(2) The average amount of borrowings outstanding during the period ended June 30, 2020 was $(7,897) at a weighted average interest rate of 0.006%. Average borrowings may include reverse repurchase agreements and sale-buyback transactions, if held during the period.

(3) Payable for short sales includes $10 of accrued interest.

(4) Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from borrowings and other financing transactions can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 8, Master Netting Arrangements, in the Notes to Financial Statements for more information.

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

### PURCHASED OPTIONS:

### OPTIONS ON EXCHANGE-TRADED FUTURES CONTRACTS

| Description | Strike Price | Expiration Date | # of Contracts | Notional Amount | Cost | Market Value |
|---|---|---|---|---|---|---|
| Put - CBOT U.S. Treasury 2-Year Note September 2020 Futures | $ 104.750 | 08/21/2020 | 23 | $ 46 | $ 0 | $ 0 |
| Put - CBOT U.S. Treasury 5-Year Note August 2020 Futures | 107.000 | 07/24/2020 | 298 | 298 | 0 | 0 |
| Call - CBOT U.S. Treasury 10-Year Note September 2020 Futures | 175.000 | 08/21/2020 | 21 | 21 | 0 | 0 |
| Call - CME 90-Day Eurodollar June 2022 Futures | 99.750 | 06/13/2022 | 13 | 33 | 0 | 8 |
| Call - CME 90-Day Eurodollar March 2022 Futures | 99.750 | 03/14/2022 | 7 | 18 | 0 | 4 |
| Call - MSE Canada Government 10-Year Bond September 2020 Futures | CAD 189.000 | 08/21/2020 | 63 | 63 | 1 | 0 |
| **Total Purchased Options** | | | | | **$ 1** | **$ 12** |

### FUTURES CONTRACTS:

### LONG FUTURES CONTRACTS

| Description | Expiration Month | # of Contracts | Notional Amount | Unrealized Appreciation/ (Depreciation) | Variation Margin | |
|---|---|---|---|---|---|---|
| | | | | | Asset | Liability |
| Australia Government 3-Year Note September Futures | 09/2020 | 100 | $ 8,078 | $ 2 | $ 0 | $ (1) |
| Australia Government 10-Year Bond September Futures | 09/2020 | 10 | 1,027 | 12 | 1 | (1) |
| Call Options Strike @ EUR 116.000 on Euro-Schatz Bond September 2020 Futures(1) | 08/2020 | 84 | 0 | 0 | 0 | 0 |
| Call Options Strike @ EUR 194.000 on Euro-Bund 10-Year Bond September 2020 Futures(1) | 08/2020 | 111 | 1 | 0 | 0 | 0 |
| Call Options Strike @ EUR 200.000 on Euro-OAT France Government 10-Year Bond September 2020 Futures(1) | 08/2020 | 119 | 1 | 0 | 0 | 0 |
| Call Options Strike @ GBP 175.000 United Kingdom Gilt September 2020 Futures(1) | 08/2020 | 107 | 0 | (1) | 0 | (2) |
| Euro-Bobl September Futures | 09/2020 | 144 | 21,838 | 137 | 0 | (12) |
| Euro-BTP Italy Government Bond September Futures | 09/2020 | 67 | 10,830 | 275 | 41 | (9) |
| Euro-Buxl 30-Year Bond September Futures | 09/2020 | 5 | 1,236 | 45 | 0 | (6) |
| Japan Government 10-Year Bond September Futures | 09/2020 | 3 | 4,222 | 2 | 0 | (5) |
| Put Options Strike @ EUR 127.000 on Euro-Bund September 2020 Futures(1) | 08/2020 | 144 | 1 | 0 | 0 | 0 |
| Put Options Strike @ EUR 85.000 on Euro-BTP Italy Government Bond September 2020 Futures(1) | 08/2020 | 20 | 0 | 0 | 0 | 0 |
| U.S. Treasury 5-Year Note September Futures | 09/2020 | 137 | 17,227 | 36 | 0 | (4) |
| | | | | $ 508 | $ 42 | $ (40) |

### SHORT FUTURES CONTRACTS

| Description | Expiration Month | # of Contracts | Notional Amount | Unrealized Appreciation/ (Depreciation) | Variation Margin | |
|---|---|---|---|---|---|---|
| | | | | | Asset | Liability |
| Canada Government 10-Year Bond September Futures | 09/2020 | 63 | $ (7,138) | $ (29) | $ 16 | $ 0 |
| Euro-Bund 10-Year Bond September Futures | 09/2020 | 111 | (22,014) | (338) | 23 | 0 |

| Description | Expiration Month | # of Contracts | Notional Amount | Unrealized Appreciation/ (Depreciation) | Variation Margin Asset | Variation Margin Liability |
|---|---|---|---|---|---|---|
| Euro-OAT France Government 10-Year Bond September Futures | 09/2020 | 119 | $ (22,414) | $ (397) | $ 9 | $ (2) |
| Euro-Schatz September Futures | 09/2020 | 84 | (10,583) | (15) | 2 | 0 |
| U.S. Treasury 10-Year Note September Futures | 09/2020 | 21 | (2,923) | (15) | 3 | 0 |
| United Kingdom Long Gilt September Futures | 09/2020 | 107 | (18,249) | (167) | 21 | (29) |
| | | | | $ (961) | $ 74 | $ (31) |
| **Total Futures Contracts** | | | | **$ (453)** | **$ 117** | **$ (71)** |

## SWAP AGREEMENTS:

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

| Reference Entity | Fixed (Pay) Rate | Payment Frequency | Maturity Date | Implied Credit Spread at June 30, 2020(4) | Notional Amount(5) | Premiums Paid/(Received) | Unrealized Appreciation/ (Depreciation) | Market Value(6) | Variation Margin Asset | Variation Margin Liability |
|---|---|---|---|---|---|---|---|---|---|---|
| BASF SE | (1.000)% | Quarterly | 12/20/2020 | 0.078% | EUR 200 | $ (1) | $ 0 | $ (1) | $ 0 | $ 0 |
| Reynolds American, Inc. | (1.000) | Quarterly | 12/20/2020 | 0.040 | $ 700 | (4) | 0 | (4) | 0 | 0 |
| United Utilities PLC | (1.000) | Quarterly | 12/20/2020 | 0.080 | EUR 200 | (1) | 0 | (1) | 0 | 0 |
| | | | | | | $ (6) | $ 0 | $ (6) | $ 0 | $ 0 |

### CREDIT DEFAULT SWAPS ON CORPORATE ISSUES - SELL PROTECTION(3)

| Reference Entity | Fixed Receive Rate | Payment Frequency | Maturity Date | Implied Credit Spread at June 30, 2020(4) | Notional Amount(5) | Premiums Paid/(Received) | Unrealized Appreciation/ (Depreciation) | Market Value(6) | Variation Margin Asset | Variation Margin Liability |
|---|---|---|---|---|---|---|---|---|---|---|
| Daimler AG | 1.000% | Quarterly | 12/20/2020 | 0.320% | EUR 100 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 |
| Rolls-Royce PLC | 1.000 | Quarterly | 06/20/2024 | 4.033 | 200 | (24) | 0 | (24) | 0 | 0 |
| Shell International Finance BV | 1.000 | Quarterly | 12/20/2026 | 0.802 | 200 | 5 | (2) | 3 | 0 | 0 |
| Tesco PLC | 1.000 | Quarterly | 06/20/2025 | 0.833 | 400 | 5 | (1) | 4 | 0 | 0 |
| | | | | | | $ (14) | $ (3) | $ (17) | $ 0 | $ 0 |

### CREDIT DEFAULT SWAPS ON CREDIT INDICES - BUY PROTECTION(2)

| Index/Tranches | Fixed (Pay) Rate | Payment Frequency | Maturity Date | Notional Amount(5) | Premiums Paid/(Received) | Unrealized Appreciation/ (Depreciation) | Market Value(6) | Variation Margin Asset | Variation Margin Liability |
|---|---|---|---|---|---|---|---|---|---|
| CDX.IG-33 10-Year Index | (1.000)% | Quarterly | 12/20/2029 | $ 700 | $ 5 | $ 1 | $ 6 | $ 0 | $ (1) |
| CDX.IG-34 5-Year Index | (1.000) | Quarterly | 06/20/2025 | 5,300 | (61) | (1) | (62) | 0 | (7) |
| CDX.IG-34 10-Year Index | (1.000) | Quarterly | 06/20/2030 | 6,100 | 59 | 1 | 60 | 0 | (18) |
| iTraxx Europe Main 32 10-Year Index | (1.000) | Quarterly | 12/20/2029 | EUR 500 | 3 | 0 | 3 | 0 | (3) |
| iTraxx Europe Main 33 5-Year Index | (1.000) | Quarterly | 06/20/2025 | 4,000 | (74) | (2) | (76) | 0 | (13) |
| | | | | | $ (68) | $ (1) | $ (69) | $ 0 | $ (42) |

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

| Index/Tranches | Fixed Receive Rate | Payment Frequency | Maturity Date | Notional Amount(5) | Premiums Paid/ (Received) | Unrealized Appreciation/ (Depreciation) | Market Value(6) | Variation Margin Asset | Variation Margin Liability |
|---|---|---|---|---|---|---|---|---|---|
| CDX.EM-32 5-Year Index | 1.000% | Quarterly | 12/20/2024 | $ 558 | $ (30) | $ 10 | $ (20) | $ 1 | $ 0 |
| CDX.EM-33 5-Year Index | 1.000 | Quarterly | 06/20/2025 | 1,140 | (73) | 20 | (53) | 2 | 0 |
| | | | | | $ (103) | $ 30 | $ (73) | $ 3 | $ 0 |

### INTEREST RATE SWAPS - BASIS SWAPS

| Pay Floating Rate Index | Receive Floating Rate Index | Payment Frequency | Maturity Date | Notional Amount | Premiums Paid/(Received) | Unrealized Appreciation/ (Depreciation) | Market Value | Variation Margin Asset | Variation Margin Liability |
|---|---|---|---|---|---|---|---|---|---|
| 3-Month USD-LIBOR(7) | 01-Month USD-LIBOR + 0.091% | Quarterly | 03/18/2022 | $ 41,600 | $ (1) | $ (4) | $ (5) | $ 0 | $ (1) |
| 3-Month USD-LIBOR(7) | 01-Month USD-LIBOR + 0.084% | Quarterly | 04/26/2022 | 12,800 | 0 | (1) | (1) | 0 | (1) |
| 3-Month USD-LIBOR | 01-Month USD-LIBOR + 0.084% | Quarterly | 06/12/2022 | 2,900 | 0 | 1 | 1 | 0 | 0 |
| 3-Month USD-LIBOR | 01-Month USD-LIBOR + 0.070% | Quarterly | 06/12/2022 | 2,000 | 0 | 1 | 1 | 0 | 0 |
| 3-Month USD-LIBOR | 01-Month USD-LIBOR + 0.085% | Quarterly | 06/19/2022 | 10,400 | 1 | 1 | 2 | 0 | (1) |
| 3-Month USD-LIBOR(7) | 01-Month USD-LIBOR + 0.073% | Quarterly | 04/27/2023 | 6,300 | 0 | 1 | 1 | 1 | 0 |
| 3-Month USD-LIBOR(7) | 01-Month USD-LIBOR + 0.070% | Quarterly | 03/07/2024 | 1,400 | 0 | 1 | 1 | 0 | 0 |
| 3-Month USD-LIBOR(7) | 01-Month USD-LIBOR + 0.088% | Quarterly | 09/06/2024 | 4,400 | 1 | 0 | 1 | 0 | 0 |
| 3-Month USD-LIBOR(7) | 01-Month USD-LIBOR + 0.105% | Quarterly | 09/27/2024 | 1,100 | 0 | 0 | 0 | 0 | 0 |

 See Accompanying Notes

| Pay Floating Rate Index | Receive Floating Rate Index | Payment Frequency | Maturity Date | Notional Amount | Premiums Paid/(Received) | Unrealized Appreciation/ (Depreciation) | Market Value | Variation Margin Asset | Variation Margin Liability |
|---|---|---|---|---|---|---|---|---|---|
| 3-Month USD-LIBOR[7] | 01-Month USD-LIBOR + 0.102% | Quarterly | 10/04/2024 | $ 3,300 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 |
| 3-Month USD-LIBOR[7] | 01-Month USD-LIBOR + 0.088% | Quarterly | 05/23/2029 | 1,100 | 0 | 1 | 1 | 0 | 0 |
| | | | | | $ 1 | $ 1 | $ 2 | $ 1 | $ (3) |

## INTEREST RATE SWAPS

| Pay/Receive Floating Rate | Floating Rate Index | Fixed Rate | Payment Frequency | Maturity Date | Notional Amount | Premiums Paid/(Received) | Unrealized Appreciation/ (Depreciation) | Market Value | Variation Margin Asset | Variation Margin Liability |
|---|---|---|---|---|---|---|---|---|---|---|
| Pay[7] | 1-Day GBP-SONIO Compounded-OIS | 0.500% | Annual | 12/16/2025 | GBP 12,400 | $ 342 | $ 36 | $ 378 | $ 1 | $ 0 |
| Receive[7] | 1-Day GBP-SONIO Compounded-OIS | 0.905 | Quarterly | 12/03/2039 | 500 | 0 | (38) | (38) | 1 | 0 |
| Receive | 1-Year BRL-CDI | 6.295 | Maturity | 01/02/2025 | BRL 400 | 2 | (5) | (3) | 0 | 0 |
| Pay | 3-Month CAD-Bank Bill | 1.500 | Semi-Annual | 06/17/2025 | CAD 1,100 | (9) | 39 | 30 | 0 | (1) |
| Pay | 3-Month CAD-Bank Bill | 2.500 | Semi-Annual | 06/19/2029 | 400 | 39 | 1 | 40 | 0 | (1) |
| Pay | 3-Month CAD-Bank Bill | 1.713 | Semi-Annual | 10/02/2029 | 3,700 | 1 | 182 | 183 | 0 | (6) |
| Pay | 3-Month CAD-Bank Bill | 1.900 | Semi-Annual | 12/18/2029 | 6,400 | 95 | 303 | 398 | 0 | (10) |
| Pay | 3-Month CAD-Bank Bill | 1.500 | Semi-Annual | 06/17/2030 | 3,000 | (60) | 165 | 105 | 0 | (5) |
| Pay | 3-Month CAD-Bank Bill | 2.750 | Semi-Annual | 12/18/2048 | 600 | 8 | 141 | 149 | 0 | (3) |
| Pay | 3-Month CAD-Bank Bill | 2.565 | Semi-Annual | 03/07/2049 | 400 | 0 | 88 | 88 | 0 | (2) |
| Receive[7] | 3-Month CNY-CNREPOFIX | 2.180 | Quarterly | 09/16/2025 | CNY 10,500 | (10) | 23 | 13 | 1 | 0 |
| Pay[7] | 3-Month GBP-LIBOR | 1.080 | Quarterly | 12/03/2039 | GBP 500 | 0 | 42 | 42 | 2 | 0 |
| Receive[7] | 3-Month NZD-BBR | 0.501 | Semi-Annual | 04/15/2027 | NZD 6,600 | 0 | (2) | (2) | 0 | (2) |
| Pay[7] | 3-Month USD-LIBOR | 1.450 | Semi-Annual | 08/10/2021 | $ 6,900 | 80 | 3 | 83 | 1 | 0 |
| Pay[7] | 3-Month USD-LIBOR | 1.450 | Semi-Annual | 08/13/2021 | 6,900 | 80 | 3 | 83 | 1 | 0 |
| Receive | 3-Month USD-LIBOR | 1.500 | Semi-Annual | 12/18/2021 | 2,200 | (41) | (1) | (42) | 0 | 0 |
| Receive | 3-Month USD-LIBOR | 2.500 | Semi-Annual | 12/18/2021 | 10,800 | (151) | (217) | (368) | 0 | (1) |
| Receive | 3-Month USD-LIBOR | 1.540 | Semi-Annual | 02/26/2022 | 4,300 | (93) | (22) | (115) | 0 | (1) |
| Receive | 3-Month USD-LIBOR | 1.570 | Semi-Annual | 02/27/2022 | 1,900 | (42) | (10) | (52) | 0 | 0 |
| Receive[7] | 3-Month USD-LIBOR | 1.305 | Semi-Annual | 08/21/2023 | 3,600 | 0 | (116) | (116) | 0 | 0 |
| Receive | 3-Month USD-LIBOR | 1.750 | Semi-Annual | 12/21/2023 | 2,900 | (61) | (92) | (153) | 1 | 0 |
| Receive[7] | 3-Month USD-LIBOR | 1.298 | Semi-Annual | 08/25/2024 | 3,150 | 0 | (96) | (96) | 1 | 0 |
| Receive[7] | 3-Month USD-LIBOR | 1.249 | Semi-Annual | 08/31/2024 | 3,900 | 0 | (113) | (113) | 1 | 0 |
| Receive[7] | 3-Month USD-LIBOR | 1.360 | Semi-Annual | 09/17/2024 | 2,100 | (62) | (5) | (67) | 0 | 0 |
| Receive | 3-Month USD-LIBOR | 1.500 | Semi-Annual | 12/18/2024 | 1,900 | (97) | (6) | (103) | 0 | 0 |
| Pay | 3-Month USD-LIBOR | 2.500 | Semi-Annual | 12/18/2024 | 17,300 | 1,667 | 51 | 1,718 | 0 | (4) |
| Receive | 3-Month USD-LIBOR | 1.250 | Semi-Annual | 06/17/2025 | 3,700 | (132) | (11) | (143) | 1 | 0 |
| Receive[7] | 3-Month USD-LIBOR | 1.000 | Semi-Annual | 12/16/2025 | 1,000 | (30) | (2) | (32) | 1 | 0 |
| Receive | 3-Month USD-LIBOR | 3.000 | Semi-Annual | 06/19/2026 | 3,000 | (85) | (383) | (468) | 2 | 0 |
| Pay | 3-Month USD-LIBOR | 2.500 | Semi-Annual | 12/20/2027 | 2,600 | 369 | 19 | 388 | 0 | (3) |
| Pay | 3-Month USD-LIBOR | 3.200 | Semi-Annual | 10/11/2028 | 1,400 | 293 | 17 | 310 | 0 | (2) |
| Pay | 3-Month USD-LIBOR | 3.000 | Semi-Annual | 06/19/2029 | 3,500 | 719 | 35 | 754 | 0 | (6) |
| Pay | 3-Month USD-LIBOR | 1.500 | Semi-Annual | 12/18/2029 | 300 | (1) | 26 | 25 | 0 | (1) |
| Pay | 3-Month USD-LIBOR | 2.750 | Semi-Annual | 12/18/2029 | 400 | 28 | 52 | 80 | 0 | (1) |
| Receive | 3-Month USD-LIBOR | 1.250 | Semi-Annual | 06/17/2030 | 5,400 | (306) | (21) | (327) | 11 | 0 |
| Pay | 3-Month USD-LIBOR | 1.250 | Semi-Annual | 06/17/2030 | 400 | (11) | 35 | 24 | 0 | (1) |
| Receive[7] | 3-Month USD-LIBOR | 1.000 | Semi-Annual | 12/16/2030 | 600 | (18) | (1) | (19) | 1 | 0 |
| Receive | 3-Month USD-LIBOR | 1.500 | Semi-Annual | 06/17/2050 | 1,100 | (130) | (43) | (173) | 10 | 0 |
| Pay | 3-Month ZAR-JIBAR | 7.250 | Quarterly | 06/20/2023 | ZAR 7,100 | 33 | 3 | 36 | 0 | 0 |
| Pay | 6-Month CHF-LIBOR | 0.620 | Annual | 03/18/2025 | CHF 1,500 | 9 | (13) | (4) | 1 | 0 |
| Pay | 6-Month CHF-LIBOR | 0.050 | Annual | 03/16/2026 | 600 | 19 | 3 | 22 | 0 | 0 |
| Pay[7] | 6-Month EUR-EURIBOR | 0.339 | Annual | 12/11/2021 | EUR 19,300 | (7) | 8 | 1 | 1 | 0 |
| Pay | 6-Month EUR-EURIBOR | 0.335 | Semi-Annual | 12/14/2021 | 11,000 | (4) | 4 | 0 | 0 | 0 |
| Receive[7] | 6-Month EUR-EURIBOR | 0.300 | Annual | 12/15/2022 | 48,700 | (75) | (57) | (132) | 0 | (6) |
| Pay | 6-Month EUR-EURIBOR | 2.500 | Annual | 03/21/2023 | 1,900 | 171 | 17 | 188 | 1 | 0 |
| Receive | 6-Month EUR-EURIBOR | 0.500 | Annual | 03/18/2025 | 3,600 | 2 | (2) | 0 | 1 | (1) |
| Receive | 6-Month EUR-EURIBOR | 0.150 | Annual | 06/17/2025 | 38,600 | (180) | 180 | 0 | 8 | (8) |
| Pay[7] | 6-Month EUR-EURIBOR | 0.150 | Annual | 12/15/2025 | 20,900 | 186 | 63 | 249 | 11 | 0 |
| Pay[7] | 6-Month EUR-EURIBOR | 1.310 | Annual | 06/19/2029 | 1,200 | 40 | 59 | 99 | 1 | 0 |
| Receive | 6-Month EUR-EURIBOR | 0.150 | Annual | 06/17/2030 | 9,800 | (63) | 63 | 0 | 7 | (7) |
| Pay[7] | 6-Month EUR-EURIBOR | 0.250 | Annual | 12/15/2030 | 21,800 | 913 | 148 | 1,061 | 33 | 0 |
| Pay | 6-Month EUR-EURIBOR | 0.500 | Semi-Annual | 06/17/2050 | 400 | 11 | (11) | 0 | 0 | 0 |
| Receive[7] | 6-Month EUR-EURIBOR | 0.600 | Annual | 12/15/2050 | 5,900 | (1,131) | (78) | (1,209) | 9 | 0 |
| Pay[7] | 6-Month GBP-LIBOR | 0.500 | Semi-Annual | 12/16/2030 | GBP 900 | (3) | 19 | 16 | 3 | 0 |
| Pay[7] | 6-Month GBP-LIBOR | 0.250 | Semi-Annual | 12/16/2022 | 6,300 | 5 | 11 | 16 | 5 | 0 |
| Pay | 6-Month GBP-LIBOR | 0.737 | Semi-Annual | 02/14/2024 | 8,200 | (24) | 24 | 0 | 1 | (1) |
| Pay | 6-Month GBP-LIBOR | 0.745 | Semi-Annual | 02/17/2024 | 12,400 | (35) | 35 | 0 | 2 | (2) |
| Pay[7] | 6-Month GBP-LIBOR | 0.500 | Semi-Annual | 12/16/2025 | 5,700 | 63 | 32 | 95 | 8 | 0 |
| Receive | 6-Month GBP-LIBOR | 0.803 | Semi-Annual | 02/14/2028 | 1,600 | 21 | (21) | 0 | 1 | (1) |
| Receive | 6-Month GBP-LIBOR | 0.811 | Semi-Annual | 02/17/2028 | 2,600 | 33 | (33) | 0 | 2 | (2) |
| Receive | 6-Month GBP-LIBOR | 0.500 | Semi-Annual | 06/17/2050 | 300 | 7 | (17) | (10) | 0 | (2) |

| Pay/Receive Floating Rate | Floating Rate Index | Fixed Rate | Payment Frequency | Maturity Date | Notional Amount | | Premiums Paid/(Received) | Unrealized Appreciation/ (Depreciation) | Market Value | Variation Margin Asset | Variation Margin Liability |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Receive(7) | 6-Month GBP-LIBOR | 0.500% | Semi-Annual | 12/16/2050 | GBP | 700 | $ (3) | $ (21) | $ (24) | $ 0 | $ (4) |
| Receive | 6-Month JPY-LIBOR | 0.200 | Semi-Annual | 06/19/2029 | JPY | 730,000 | (67) | (41) | (108) | 8 | 0 |
| Receive | 6-Month JPY-LIBOR | 0.400 | Semi-Annual | 06/19/2039 | | 530,000 | 10 | (182) | (172) | 19 | 0 |
| Pay | 6-Month JPY-LIBOR | 0.500 | Semi-Annual | 06/19/2049 | | 120,000 | (12) | 73 | 61 | 0 | (7) |
| Receive | 6-Month NOK-NIBOR | 1.993 | Annual | 11/12/2024 | NOK | 1,900 | (12) | (2) | (14) | 0 | 0 |
| Receive | 6-Month NOK-NIBOR | 1.635 | Annual | 03/18/2025 | | 2,300 | 0 | (11) | (11) | 0 | 0 |
| Pay | UKRPI | 3.386 | Maturity | 01/15/2030 | GBP | 300 | 0 | 6 | 6 | 0 | (2) |
| Pay | UKRPI | 3.436 | Maturity | 02/15/2030 | | 200 | 0 | 5 | 5 | 0 | (1) |
| Pay | UKRPI | 3.450 | Maturity | 02/15/2030 | | 400 | 0 | 10 | 10 | 0 | (3) |
| Pay | UKRPI | 3.453 | Maturity | 02/15/2030 | | 900 | 0 | 23 | 23 | 0 | (6) |
| | | | | | | | $ 2,291 | $ 374 | $ 2,665 | $ 158 | $ (103) |
| **Total Swap Agreements** | | | | | | | **$ 2,101** | **$ 401** | **$ 2,502** | **$ 162** | **$ (148)** |

## 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, 2020:

| | Financial Derivative Assets | | | | Financial Derivative Liabilities | | | |
|---|---|---|---|---|---|---|---|---|
| | Market Value | Variation Margin Asset(8) | | | Market Value | Variation Margin Liability | | |
| | Purchased Options | Futures | Swap Agreements | Total | Written Options | Futures | Swap Agreements | Total |
| **Total Exchange-Traded or Centrally Cleared** | **$ 12** | **$ 117** | **$ 163** | **$ 292** | **$ 0** | **$ (71)** | **$ (148)** | **$ (219)** |

**(l) Securities with an aggregate market value of $3,070 and cash of $1,667 have been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of June 30, 2020. See Note 8, Master Netting Arrangements, in the Notes to Financial Statements for more information.**

(1) Future styled option.

(2) 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.

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

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

(8) Unsettled variation margin asset of $1 for closed swap agreements is outstanding at period end.

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

### FORWARD FOREIGN CURRENCY CONTRACTS:

| Counterparty | Settlement Month | Currency to be Delivered | | Currency to be Received | | Unrealized Appreciation/ (Depreciation) Asset | Unrealized Appreciation/ (Depreciation) Liability |
|---|---|---|---|---|---|---|---|
| BOA | 07/2020 | DKK | 51,533 | $ | 7,515 | $ 0 | $ (254) |
| | 07/2020 | RUB | 57,904 | | 834 | 22 | 0 |
| | 07/2020 | $ | 193 | RUB | 14,992 | 17 | 0 |
| | 07/2020 | | 87 | ZAR | 1,643 | 7 | 0 |
| | 07/2020 | ZAR | 4,100 | $ | 277 | 41 | 0 |
| | 08/2020 | EUR | 1,261 | | 1,422 | 4 | 0 |
| | 08/2020 | GBP | 141 | | 175 | 0 | 0 |
| | 08/2020 | $ | 2,337 | EUR | 2,083 | 5 | 0 |
| | 08/2020 | | 106 | JPY | 11,412 | 0 | 0 |
| | 09/2020 | CNH | 70,408 | $ | 9,827 | 0 | (91) |
| | 09/2020 | IDR | 5,335,616 | | 367 | 5 | 0 |
| | 09/2020 | $ | 17 | ILS | 59 | 0 | 0 |

| Counterparty | Settlement Month | Currency to be Delivered | | Currency to be Received | | Unrealized Appreciation/ (Depreciation) Asset | Liability |
|---|---|---|---|---|---|---|---|
| BPS | 07/2020 | BRL | 530 | $ | 99 | $ 1 | $ 0 |
| | 07/2020 | DKK | 670 | | 97 | 0 | (4) |
| | 07/2020 | RUB | 46,175 | | 668 | 20 | 0 |
| | 07/2020 | $ | 97 | BRL | 530 | 1 | 0 |
| | 07/2020 | | 83 | RUB | 5,873 | 0 | (1) |
| | 07/2020 | | 217 | ZAR | 4,100 | 18 | 0 |
| | 08/2020 | | 49 | RUB | 3,438 | 0 | (1) |
| | 09/2020 | HKD | 1,407 | $ | 179 | 0 | (2) |
| BRC | 07/2020 | MXN | 2,544 | | 114 | 3 | 0 |
| | 08/2020 | CHF | 2,105 | | 2,197 | 0 | (28) |
| | 08/2020 | EUR | 505 | | 568 | 0 | 0 |
| | 08/2020 | NOK | 3,395 | | 349 | 0 | (3) |
| | 08/2020 | $ | 2,615 | EUR | 2,375 | 59 | (3) |
| | 09/2020 | MYR | 8,338 | $ | 1,943 | 5 | (1) |
| | 09/2020 | $ | 1,972 | HKD | 15,465 | 23 | 0 |
| | 12/2020 | | 112 | MXN | 2,544 | 0 | (3) |
| CBK | 07/2020 | PEN | 5,526 | $ | 1,609 | 49 | 0 |
| | 07/2020 | $ | 1,988 | DKK | 13,157 | 4 | (8) |
| | 07/2020 | | 327 | MXN | 8,160 | 28 | 0 |
| | 07/2020 | | 776 | PEN | 2,722 | 0 | (7) |
| | 07/2020 | | 37 | ZAR | 668 | 2 | 0 |
| | 08/2020 | AUD | 3,668 | $ | 2,536 | 4 | 0 |
| | 08/2020 | EUR | 1,246 | | 1,400 | 0 | (2) |
| | 08/2020 | GBP | 2,401 | | 2,925 | 3 | (54) |
| | 08/2020 | $ | 600 | AUD | 866 | 0 | (2) |
| | 08/2020 | | 459 | CHF | 436 | 2 | 0 |
| | 08/2020 | | 1,089 | EUR | 981 | 17 | (3) |
| | 08/2020 | | 625 | GBP | 494 | 0 | (13) |
| | 08/2020 | | 11,836 | JPY | 1,264,937 | 0 | (114) |
| | 08/2020 | | 1,929 | NZD | 3,011 | 14 | 0 |
| | 08/2020 | | 9,468 | SEK | 93,325 | 553 | 0 |
| | 09/2020 | JPY | 470,000 | $ | 4,314 | 0 | (43) |
| | 09/2020 | PEN | 4,779 | | 1,375 | 28 | 0 |
| | 09/2020 | $ | 91 | CNH | 654 | 2 | 0 |
| | 10/2020 | DKK | 13,157 | $ | 1,992 | 8 | (3) |
| | 12/2020 | ZAR | 9,400 | | 549 | 16 | 0 |
| DUB | 07/2020 | BRL | 530 | | 97 | 0 | (1) |
| | 07/2020 | PEN | 84 | | 24 | 0 | 0 |
| | 07/2020 | $ | 101 | BRL | 530 | 0 | (3) |
| | 07/2020 | | 24 | PEN | 84 | 0 | (1) |
| | 08/2020 | BRL | 530 | $ | 100 | 3 | 0 |
| | 08/2020 | PEN | 84 | | 24 | 1 | 0 |
| FBF | 09/2020 | HKD | 591 | | 76 | 0 | 0 |
| GLM | 07/2020 | DKK | 440 | | 65 | 0 | (2) |
| | 07/2020 | $ | 736 | CAD | 1,000 | 1 | 0 |
| | 07/2020 | | 3,044 | MXN | 75,867 | 247 | 0 |
| | 07/2020 | | 597 | RUB | 45,397 | 39 | 0 |
| | 08/2020 | NOK | 100 | $ | 10 | 0 | 0 |
| | 08/2020 | $ | 175 | EUR | 156 | 1 | 0 |
| | 08/2020 | | 404 | NOK | 3,940 | 5 | 0 |
| | 09/2020 | | 201 | CNH | 1,433 | 1 | 0 |
| HUS | 07/2020 | CAD | 1,486 | $ | 1,091 | 1 | (6) |
| | 07/2020 | MXN | 5,616 | | 255 | 11 | 0 |
| | 07/2020 | NZD | 1,965 | | 1,266 | 0 | (3) |
| | 07/2020 | PEN | 1,213 | | 353 | 11 | 0 |
| | 07/2020 | $ | 976 | CAD | 1,323 | 0 | (1) |
| | 07/2020 | | 378 | NZD | 609 | 15 | 0 |
| | 07/2020 | | 46 | RUB | 3,225 | 0 | (1) |
| | 07/2020 | | 29 | ZAR | 543 | 2 | 0 |
| | 08/2020 | AUD | 261 | $ | 169 | 0 | (11) |
| | 08/2020 | CHF | 411 | | 428 | 0 | (6) |
| | 08/2020 | EUR | 300 | | 339 | 2 | 0 |
| | 08/2020 | GBP | 155 | | 196 | 4 | 0 |
| | 08/2020 | RON | 9 | | 2 | 0 | 0 |
| | 08/2020 | SEK | 3,565 | | 378 | 0 | (5) |
| | 08/2020 | $ | 481 | AUD | 698 | 1 | 0 |
| | 08/2020 | | 3,967 | CAD | 5,429 | 32 | 0 |
| | 08/2020 | | 10,041 | CHF | 9,739 | 252 | 0 |
| | 08/2020 | | 2,962 | EUR | 2,620 | 0 | (16) |
| | 08/2020 | | 500 | SEK | 4,600 | 0 | (6) |

| Counterparty | Settlement Month | Currency to be Delivered | | Currency to be Received | | Unrealized Appreciation/ (Depreciation) Asset | Liability |
|---|---|---|---|---|---|---|---|
| | 09/2020 | CNY | 8,209 | $ | 1,145 | $ 0 | $ (11) |
| | 09/2020 | $ | 3 | PLN | 11 | 0 | 0 |
| JPM | 07/2020 | DKK | 730 | $ | 107 | 0 | (4) |
| | 07/2020 | RUB | 17,865 | | 258 | 7 | 0 |
| | 07/2020 | $ | 923 | DKK | 6,094 | 0 | (4) |
| | 07/2020 | | 51 | ZAR | 922 | 3 | 0 |
| | 07/2020 | ZAR | 4,268 | $ | 244 | 0 | (2) |
| | 08/2020 | JPY | 38,559 | | 358 | 1 | 0 |
| | 08/2020 | RON | 17 | | 4 | 0 | 0 |
| | 08/2020 | RUB | 4,738 | | 68 | 2 | 0 |
| | 08/2020 | $ | 7,327 | NOK | 75,165 | 484 | 0 |
| | 08/2020 | | 93 | RUB | 6,469 | 0 | (2) |
| | 09/2020 | IDR | 2,280,645 | $ | 157 | 2 | 0 |
| | 10/2020 | DKK | 6,094 | | 925 | 4 | 0 |
| | 10/2020 | $ | 146 | DKK | 970 | 0 | 0 |
| MEI | 09/2020 | | 1,914 | MYR | 8,186 | 0 | (10) |
| MYI | 07/2020 | CAD | 1,229 | $ | 906 | 0 | 0 |
| | 07/2020 | $ | 3,007 | DKK | 19,930 | 2 | (4) |
| | 07/2020 | | 2,631 | NZD | 4,062 | 0 | (10) |
| | 08/2020 | EUR | 9,672 | $ | 10,500 | 0 | (377) |
| | 08/2020 | NOK | 3,255 | | 341 | 3 | 0 |
| | 08/2020 | $ | 529 | EUR | 482 | 13 | 0 |
| | 09/2020 | | 2,790 | IDR | 42,312,660 | 81 | 0 |
| | 09/2020 | | 3 | PLN | 13 | 0 | 0 |
| | 10/2020 | DKK | 26,758 | $ | 4,047 | 6 | (2) |
| | 06/2021 | $ | 15 | EUR | 12 | 0 | (2) |
| SCX | 07/2020 | | 94 | NZD | 152 | 4 | 0 |
| | 08/2020 | EUR | 913 | $ | 1,004 | 3 | (26) |
| | 08/2020 | SEK | 1,440 | | 153 | 0 | (2) |
| | 08/2020 | $ | 778 | AUD | 1,130 | 2 | 0 |
| | 08/2020 | | 1,064 | CHF | 1,005 | 0 | (1) |
| | 08/2020 | | 677 | NOK | 6,385 | 0 | (14) |
| | 09/2020 | HKD | 14,241 | $ | 1,812 | 0 | (25) |
| SOG | 07/2020 | $ | 1,082 | DKK | 7,185 | 1 | 0 |
| | 07/2020 | | 18 | ZAR | 326 | 1 | 0 |
| | 10/2020 | DKK | 7,185 | $ | 1,085 | 0 | (1) |
| SSB | 09/2020 | CNY | 700 | | 99 | 0 | 0 |
| TOR | 07/2020 | CAD | 5,898 | | 4,317 | 0 | (28) |
| | 07/2020 | $ | 7,860 | CAD | 10,827 | 115 | 0 |
| | 08/2020 | | 4,317 | | 5,898 | 28 | 0 |
| UAG | 07/2020 | | 94 | NZD | 152 | 4 | 0 |
| | 07/2020 | | 665 | RUB | 47,162 | 8 | (12) |
| | 08/2020 | EUR | 441 | $ | 495 | 0 | (1) |
| | 08/2020 | GBP | 541 | | 687 | 17 | 0 |
| | 08/2020 | $ | 6,201 | AUD | 9,565 | 401 | 0 |
| | 08/2020 | | 508 | EUR | 447 | 0 | (5) |
| | 08/2020 | | 1,769 | JPY | 192,200 | 12 | 0 |
| | 08/2020 | | 119 | RUB | 8,405 | 0 | (1) |
| **Total Forward Foreign Currency Contracts** | | | | | | **$ 2,794** | **$ (1,246)** |

**PURCHASED OPTIONS:**

**FOREIGN CURRENCY OPTIONS**

| Counterparty | Description | Strike Price | | Expiration Date | Notional Amount[1] | Cost | Market Value |
|---|---|---|---|---|---|---|---|
| BOA | Put - OTC AUD versus USD | $ | 0.480 | 08/27/2020 | 8,400 | $ 1 | $ 0 |
| | Call - OTC USD versus JPY | JPY | 120.000 | 08/27/2020 | 3,200 | 0 | 0 |
| GLM | Call - OTC EUR versus USD | $ | 1.163 | 09/15/2020 | 1,164 | 8 | 5 |
| | Call - OTC EUR versus USD | | 1.163 | 01/29/2021 | 1,175 | 15 | 15 |
| | | | | | | $ 24 | $ 20 |

## INTEREST RATE SWAPTIONS

| Counterparty | Description | Floating Rate Index | Pay/Receive Floating Rate | Exercise Rate | Expiration Date | Notional Amount(1) | Cost | Market Value |
|---|---|---|---|---|---|---|---|---|
| BOA | Put - OTC 30-Year Interest Rate Swap | 3-Month USD-LIBOR | Receive | 2.175% | 09/15/2021 | 900 | $37 | $ 9 |
| DUB | Put - OTC 30-Year Interest Rate Swap | 3-Month USD-LIBOR | Receive | 2.300 | 12/21/2021 | 400 | 16 | 4 |
| FBF | Put - OTC 30-Year Interest Rate Swap | 3-Month USD-LIBOR | Receive | 1.733 | 08/26/2021 | 1,100 | 81 | 24 |
| GLM | Put - OTC 30-Year Interest Rate Swap | 6-Month GBP-LIBOR | Receive | 0.860 | 02/26/2021 | 250 | 15 | 7 |
| MYC | Put - OTC 30-Year Interest Rate Swap | 3-Month USD-LIBOR | Receive | 1.752 | 08/23/2021 | 900 | 67 | 19 |
| | Put - OTC 30-Year Interest Rate Swap | 3-Month USD-LIBOR | Receive | 2.300 | 12/21/2021 | 700 | 28 | 8 |
| | | | | | | | $ 244 | $ 71 |

## OPTIONS ON SECURITIES

| Counterparty | Description | Strike Price | Expiration Date | Notional Amount(1) | Cost | Market Value |
|---|---|---|---|---|---|---|
| FAR | Put - OTC Uniform Mortgage-Backed Security, TBA 3.500% due 07/01/2050 | $ 64.000 | 07/07/2020 | 15,000 | $ 1 | $ 0 |
| **Total Purchased Options** | | | | | **$ 269** | **$ 91** |

## WRITTEN OPTIONS:

## CREDIT DEFAULT SWAPTIONS ON CREDIT INDICES

| Counterparty | Description | Buy/Sell Protection | Exercise Rate | Expiration Date | Notional Amount(1) | Premiums (Received) | Market Value |
|---|---|---|---|---|---|---|---|
| BOA | Put - OTC CDX.HY-34 5-Year Index | Sell | 93.000% | 08/19/2020 | 100 | $ (1) | $ (1) |
| | Call - OTC CDX.HY-34 5-Year Index | Buy | 104.000 | 08/19/2020 | 100 | 0 | 0 |
| | Call - OTC CDX.IG-34 5-Year Index | Buy | 0.600 | 08/19/2020 | 400 | 0 | 0 |
| | Put - OTC CDX.IG-34 5-Year Index | Sell | 1.100 | 08/19/2020 | 400 | (1) | (1) |
| | Put - OTC CDX.IG-34 5-Year Index | Sell | 1.150 | 08/19/2020 | 400 | (1) | (1) |
| | Call - OTC CDX.IG-34 5-Year Index | Buy | 0.550 | 09/16/2020 | 300 | 0 | 0 |
| | Put - OTC CDX.IG-34 5-Year Index | Sell | 1.100 | 09/16/2020 | 300 | (1) | (1) |
| | Call - OTC iTraxx Europe 33 5-Year Index | Buy | 0.475 | 09/16/2020 | 400 | 0 | 0 |
| | Call - OTC iTraxx Europe 33 5-Year Index | Buy | 0.500 | 09/16/2020 | 200 | 0 | 0 |
| | Put - OTC iTraxx Europe 33 5-Year Index | Sell | 1.000 | 09/16/2020 | 400 | (1) | (1) |
| | Put - OTC iTraxx Europe 33 5-Year Index | Sell | 1.100 | 09/16/2020 | 200 | 0 | 0 |
| BPS | Put - OTC CDX.HY-34 5-Year Index | Sell | 92.000 | 08/19/2020 | 100 | (1) | (1) |
| | Call - OTC CDX.HY-34 5-Year Index | Buy | 105.000 | 08/19/2020 | 100 | 0 | 0 |
| | Call - OTC CDX.IG-34 5-Year Index | Buy | 0.600 | 08/19/2020 | 300 | 0 | 0 |
| | Call - OTC CDX.IG-34 5-Year Index | Buy | 0.625 | 08/19/2020 | 400 | 0 | 0 |
| | Put - OTC CDX.IG-34 5-Year Index | Sell | 1.100 | 08/19/2020 | 700 | (1) | (1) |
| | Put - OTC CDX.IG-34 5-Year Index | Sell | 1.200 | 08/19/2020 | 400 | (1) | 0 |
| | Call - OTC iTraxx Europe 33 5-Year Index | Buy | 0.500 | 09/16/2020 | 600 | (1) | 0 |
| | Put - OTC iTraxx Europe 33 5-Year Index | Sell | 1.100 | 09/16/2020 | 600 | (1) | (1) |
| DUB | Call - OTC iTraxx Europe 33 5-Year Index | Buy | 0.550 | 08/19/2020 | 500 | (1) | (1) |
| | Put - OTC iTraxx Europe 33 5-Year Index | Sell | 1.000 | 08/19/2020 | 500 | 0 | (1) |
| | Call - OTC iTraxx Europe 33 5-Year Index | Buy | 0.500 | 10/21/2020 | 400 | 0 | (1) |
| | Put - OTC iTraxx Europe 33 5-Year Index | Sell | 1.200 | 10/21/2020 | 400 | (1) | (1) |
| FBF | Call - OTC CDX.IG-34 5-Year Index | Buy | 0.550 | 09/16/2020 | 400 | (1) | 0 |
| | Put - OTC CDX.IG-34 5-Year Index | Sell | 1.200 | 09/16/2020 | 400 | (1) | (1) |
| GST | Call - OTC CDX.IG-34 5-Year Index | Buy | 0.600 | 08/19/2020 | 300 | 0 | 0 |
| | Put - OTC CDX.IG-34 5-Year Index | Sell | 1.100 | 08/19/2020 | 300 | (1) | 0 |
| | Call - OTC iTraxx Europe 33 5-Year Index | Buy | 0.500 | 09/16/2020 | 800 | (1) | (1) |
| | Put - OTC iTraxx Europe 33 5-Year Index | Sell | 1.100 | 09/16/2020 | 800 | (1) | (1) |
| JPM | Call - OTC iTraxx Europe 33 5-Year Index | Buy | 0.500 | 10/21/2020 | 400 | 0 | 0 |
| | Put - OTC iTraxx Europe 33 5-Year Index | Sell | 1.200 | 10/21/2020 | 400 | (1) | (1) |
| | | | | | | $ (18) | $ (16) |

## FOREIGN CURRENCY OPTIONS

| Counterparty | Description | Strike Price | Expiration Date | Notional Amount(1) | Premiums (Received) | Market Value |
|---|---|---|---|---|---|---|
| GLM | Put - OTC EUR versus USD | $ 1.105 | 09/15/2020 | 1,164 | $ (8) | $ (7) |
| | Put - OTC EUR versus USD | 1.093 | 01/29/2021 | 1,175 | (15) | (14) |
| | | | | | $ (23) | $ (21) |

## INTEREST RATE SWAPTIONS

| Counterparty | Description | Floating Rate Index | Pay/Receive Floating Rate | Exercise Rate | Expiration Date | Notional Amount[1] | Premiums (Received) | Market Value |
|---|---|---|---|---|---|---|---|---|
| BOA | Put - OTC 3-Year Interest Rate Swap | 3-Month USD-LIBOR | Pay | 1.880% | 09/15/2021 | 7,500 | $ (37) | $ (1) |
| DUB | Put - OTC 3-Year Interest Rate Swap | 3-Month USD-LIBOR | Pay | 2.020 | 12/21/2021 | 3,400 | (15) | 0 |
| FBF | Put - OTC 3-Year Interest Rate Swap | 3-Month USD-LIBOR | Pay | 1.399 | 08/26/2021 | 9,200 | (82) | (2) |
| GLM | Call - OTC 1-Year Interest Rate Swap | 3-Month USD-LIBOR | Receive | 1.450 | 08/06/2020 | 6,900 | (10) | (83) |
| | Call - OTC 1-Year Interest Rate Swap | 3-Month USD-LIBOR | Receive | 1.450 | 08/11/2020 | 6,900 | (10) | (83) |
| | Put - OTC 10-Year Interest Rate Swap | 6-Month GBP-LIBOR | Pay | 0.780 | 02/26/2021 | 700 | (15) | (5) |
| | Call - OTC 30-Year Interest Rate Swap | 6-Month EUR-EURIBOR | Receive | 0.000 | 08/27/2020 | 200 | (6) | (7) |
| | Call - OTC 30-Year Interest Rate Swap | 6-Month EUR-EURIBOR | Receive | 0.000 | 08/28/2020 | 400 | (16) | (14) |
| JPM | Call - OTC 30-Year Interest Rate Swap | 6-Month EUR-EURIBOR | Receive | 0.000 | 08/25/2020 | 100 | (3) | (3) |
| MYC | Put - OTC 3-Year Interest Rate Swap | 3-Month USD-LIBOR | Pay | 1.448 | 08/23/2021 | 7,500 | (67) | (1) |
| | Put - OTC 3-Year Interest Rate Swap | 3-Month USD-LIBOR | Pay | 2.020 | 12/21/2021 | 5,900 | (27) | (1) |
| | Call - OTC 30-Year Interest Rate Swap | 6-Month EUR-EURIBOR | Receive | 0.000 | 08/24/2020 | 200 | (6) | (6) |
| | | | | | | | $ (294) | $ (206) |

## INTEREST RATE-CAPPED OPTIONS

| Counterparty | Description | Exercise Rate | Floating Rate Index | Expiration Date | Notional Amount[1] | Premiums (Received) | Market Value |
|---|---|---|---|---|---|---|---|
| MYC | Call - OTC 1-Year Interest Rate Floor[2] | 0.000% | 3-Month USD-LIBOR | 10/07/2022 | 3,250 | $ (3) | $ (5) |
| | Call - OTC 1-Year Interest Rate Floor[2] | 0.000 | 3-Month USD-LIBOR | 10/08/2022 | 1,750 | (2) | (3) |
| | | | | | | $ (5) | $ (8) |

## OPTIONS ON SECURITIES

| Counterparty | Description | Strike Price | Expiration Date | Notional Amount[1] | Premiums (Received) | Market Value |
|---|---|---|---|---|---|---|
| FAR | Put - OTC Uniform Mortgage-Backed Security, TBA 2.000% due 07/01/2050 | $ 101.000 | 07/07/2020 | 500 | $ (3) | $ 0 |
| | Put - OTC Uniform Mortgage-Backed Security, TBA 2.000% due 08/01/2050 | 100.625 | 08/06/2020 | 100 | (1) | (1) |
| | Put - OTC Uniform Mortgage-Backed Security, TBA 2.500% due 08/01/2050 | 102.219 | 08/06/2020 | 700 | (3) | (1) |
| JPM | Put - OTC Uniform Mortgage-Backed Security, TBA 2.000% due 07/01/2050 | 100.398 | 07/07/2020 | 300 | (2) | 0 |
| | Put - OTC Uniform Mortgage-Backed Security, TBA 2.000% due 07/01/2050 | 100.457 | 07/07/2020 | 500 | (3) | 0 |
| | Put - OTC Uniform Mortgage-Backed Security, TBA 2.000% due 07/01/2050 | 100.723 | 07/07/2020 | 600 | (4) | 0 |
| | Put - OTC Uniform Mortgage-Backed Security, TBA 2.000% due 08/01/2050 | 100.641 | 08/06/2020 | 100 | (1) | (1) |
| | Put - OTC Uniform Mortgage-Backed Security, TBA 2.500% due 07/01/2050 | 100.789 | 07/07/2020 | 600 | (4) | 0 |
| | Put - OTC Uniform Mortgage-Backed Security, TBA 2.500% due 07/01/2050 | 100.867 | 07/07/2020 | 400 | (3) | 0 |
| | Put - OTC Uniform Mortgage-Backed Security, TBA 2.500% due 07/01/2050 | 102.504 | 07/07/2020 | 700 | (3) | 0 |
| | Put - OTC Uniform Mortgage-Backed Security, TBA 2.500% due 07/01/2050 | 102.531 | 07/07/2020 | 300 | (1) | 0 |
| | Put - OTC Uniform Mortgage-Backed Security, TBA 2.500% due 08/01/2050 | 102.133 | 08/06/2020 | 1,200 | (5) | (1) |
| | Put - OTC Uniform Mortgage-Backed Security, TBA 2.500% due 08/01/2050 | 102.563 | 08/06/2020 | 200 | (1) | 0 |
| | | | | | $ (34) | $ (4) |
| **Total Written Options** | | | | | **$ (374)** | **$ (255)** |

## SWAP AGREEMENTS:

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

| Counterparty | Reference Entity | Fixed (Pay) Rate | Payment Frequency | Maturity Date | Implied Credit Spread at June 30, 2020[5] | Notional Amount[6] | Premiums Paid/(Received) | Unrealized Appreciation/ (Depreciation) | Swap Agreements, at Value[7] Asset | Liability |
|---|---|---|---|---|---|---|---|---|---|---|
| BOA | Japan Government International Bond | (1.000)% | Quarterly | 06/20/2022 | 0.060% | $ 100 | $ (3) | $ 1 | $ 0 | $ (2) |
| BPS | Japan Government International Bond | (1.000) | Quarterly | 06/20/2022 | 0.060 | 1,000 | (36) | 17 | 0 | (19) |
| | South Korea Government International Bond | (1.000) | Quarterly | 06/20/2023 | 0.161 | 800 | (20) | 0 | 0 | (20) |
| BRC | China Government International Bond | (1.000) | Quarterly | 06/20/2023 | 0.238 | 700 | (17) | 1 | 0 | (16) |
| | Japan Government International Bond | (1.000) | Quarterly | 06/20/2022 | 0.060 | 800 | (28) | 13 | 0 | (15) |
| | South Korea Government International Bond | (1.000) | Quarterly | 06/20/2023 | 0.161 | 900 | (23) | 0 | 0 | (23) |
| CBK | Japan Government International Bond | (1.000) | Quarterly | 06/20/2022 | 0.060 | 400 | (14) | 6 | 0 | (8) |
| GST | China Government International Bond | (1.000) | Quarterly | 06/20/2023 | 0.238 | 700 | (14) | (2) | 0 | (16) |
| | Japan Government International Bond | (1.000) | Quarterly | 06/20/2022 | 0.060 | 700 | (24) | 11 | 0 | (13) |
| HUS | South Korea Government International Bond | (1.000) | Quarterly | 06/20/2023 | 0.161 | 300 | (7) | (1) | 0 | (8) |
| JPM | South Korea Government International Bond | (1.000) | Quarterly | 06/20/2023 | 0.161 | 400 | (10) | 0 | 0 | (10) |
| | | | | | | | $ (196) | $ 46 | $ 0 | $ (150) |

## CREDIT DEFAULT SWAPS ON SOVEREIGN ISSUES - SELL PROTECTION[4]

| Counterparty | Reference Entity | Fixed Receive Rate | Payment Frequency | Maturity Date | Implied Credit Spread at June 30, 2020[5] | Notional Amount[6] | Premiums Paid/(Received) | Unrealized Appreciation/ (Depreciation) | Swap Agreements, at Value[7] Asset | Swap Agreements, at Value[7] Liability |
|---|---|---|---|---|---|---|---|---|---|---|
| JPM | South Africa Government International Bond | 1.000% | Quarterly | 06/20/2023 | 2.511% | $ 100 | $ (5) | $ 1 | $ 0 | $ (4) |

## CROSS-CURRENCY SWAPS

| Counterparty | Receive | Pay | Payment Frequency | Maturity Date[8] | Notional Amount of Currency Received | Notional Amount of Currency Delivered | Premiums Paid/(Received) | Unrealized Appreciation/ (Depreciation) | Swap Agreements, at Value Asset | Swap Agreements, at Value Liability |
|---|---|---|---|---|---|---|---|---|---|---|
| CBK | Floating rate equal to 3-Month AUD-LIBOR plus 0.420% based on the notional amount of currency received | Floating rate equal to 3-Month USD-LIBOR based on the notional amount of currency delivered | Maturity | 07/31/2029 | AUD 1,500 | $ 1,035 | $ 0 | $ 6 | $ 6 | $ 0 |
| GLM | Floating rate equal to 3-Month AUD-LIBOR plus 0.423% based on the notional amount of currency received | Floating rate equal to 3-Month USD-LIBOR based on the notional amount of currency delivered | Maturity | 08/01/2029 | 1,400 | 966 | (5) | 10 | 5 | 0 |
| | | | | | | | $ (5) | $ 16 | $ 11 | $ 0 |

## INTEREST RATE SWAPS

| Counterparty | Pay/Receive Floating Rate | Floating Rate Index | Fixed Rate | Payment Frequency | Maturity Date | Notional Amount | Premiums Paid/(Received) | Unrealized Appreciation/ (Depreciation) | Swap Agreements, at Value Asset | Swap Agreements, at Value Liability |
|---|---|---|---|---|---|---|---|---|---|---|
| BOA | Pay | 3-Month ILS-TELBOR | 0.520% | Annual | 05/14/2027 | ILS 600 | $ 1 | $ 1 | $ 2 | $ 0 |
| BPS | Pay | 3-Month ILS-TELBOR | 0.455 | Annual | 05/18/2027 | 9,200 | 0 | 18 | 18 | 0 |
| HUS | Pay | 3-Month CNY-CNREPOFIX | 2.630 | Quarterly | 03/18/2025 | CNY 11,700 | 0 | 23 | 23 | 0 |
| | | | | | | | $ 1 | $ 42 | $ 43 | $ 0 |
| **Total Swap Agreements** | | | | | | | **$ (205)** | **$ 105** | **$ 54** | **$ (154)** |

## 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, 2020:

| | 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] |
| BOA | $ 101 | $ 9 | $ 2 | $ 112 | $ (345) | $ (6) | $ (2) | $ (353) | $ (241) | $ 297 | $ 56 |
| BPS | 40 | 0 | 18 | 58 | (8) | (3) | (39) | (50) | 8 | 0 | 8 |
| BRC | 90 | 0 | 0 | 90 | (38) | 0 | (54) | (92) | (2) | 0 | (2) |
| CBK | 730 | 0 | 6 | 736 | (249) | 0 | (8) | (257) | 479 | (390) | 89 |
| DUB | 4 | 4 | 0 | 8 | (5) | (4) | 0 | (9) | (1) | (20) | (21) |
| FAR | 0 | 0 | 0 | 0 | 0 | (2) | 0 | (2) | (2) | 0 | (2) |
| FBF | 0 | 24 | 0 | 24 | 0 | (3) | 0 | (3) | 21 | 0 | 21 |
| GLM | 294 | 27 | 5 | 326 | (2) | (213) | 0 | (215) | 111 | (260) | (149) |
| GST | 0 | 0 | 0 | 0 | 0 | (2) | (29) | (31) | (31) | 0 | (31) |
| HUS | 331 | 0 | 23 | 354 | (66) | 0 | (8) | (74) | 280 | (330) | (50) |
| JPM | 503 | 0 | 0 | 503 | (12) | (6) | (14) | (32) | 471 | (540) | (69) |
| MEI | 0 | 0 | 0 | 0 | (10) | 0 | 0 | (10) | (10) | 0 | (10) |
| MYC | 0 | 27 | 0 | 27 | 0 | (16) | 0 | (16) | 11 | (170) | (159) |
| MYI | 105 | 0 | 0 | 105 | (395) | 0 | 0 | (395) | (290) | 238 | (52) |
| SCX | 9 | 0 | 0 | 9 | (68) | 0 | 0 | (68) | (59) | 280 | 221 |
| SOG | 2 | 0 | 0 | 2 | (1) | 0 | 0 | (1) | 1 | 0 | 1 |
| TOR | 143 | 0 | 0 | 143 | (28) | 0 | 0 | (28) | 115 | 0 | 115 |
| UAG | 442 | 0 | 0 | 442 | (19) | 0 | 0 | (19) | 423 | (340) | 83 |
| **Total Over the Counter** | **$ 2,794** | **$ 91** | **$ 54** | **$ 2,939** | **$ (1,246)** | **$ (255)** | **$ (154)** | **$ (1,655)** | | | |

**(n) Securities with an aggregate market value of $815 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of June 30, 2020.**

(1) Notional Amount represents the number of contracts.

(2) 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.

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

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

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

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

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

(8) At the maturity date, the notional amount of the currency received will be exchanged back for the notional amount of the currency delivered.

(9) Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from OTC financial derivative instruments can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 8, Master Netting Arrangements, in the Notes to Financial Statements for more information.

## FAIR VALUE OF FINANCIAL DERIVATIVE INSTRUMENTS

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

Fair Values of Financial Derivative Instruments on the Statement of Assets and Liabilities as of June 30, 2020:

| | 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 | $ 0 | $ 0 | $ 0 | $ 0 | $ 12 | $ 12 |
| Futures | 0 | 0 | 0 | 0 | 117 | 117 |
| Swap Agreements | 0 | 4 | 0 | 0 | 159 | 163 |
| | $ 0 | $ 4 | $ 0 | $ 0 | $ 288 | $ 292 |
| Over the counter | | | | | | |
| Forward Foreign Currency Contracts | $ 0 | $ 0 | $ 0 | $ 2,794 | $ 0 | $ 2,794 |
| Purchased Options | 0 | 0 | 0 | 20 | 71 | 91 |
| Swap Agreements | 0 | 0 | 0 | 11 | 43 | 54 |
| | $ 0 | $ 0 | $ 0 | $ 2,825 | $ 114 | $ 2,939 |
| | $ 0 | $ 4 | $ 0 | $ 2,825 | $ 401 | $ 3,230 |
| **Financial Derivative Instruments - Liabilities** | | | | | | |
| Exchange-traded or centrally cleared | | | | | | |
| Futures | $ 0 | $ 0 | $ 0 | $ 0 | $ 71 | $ 71 |
| Swap Agreements | 0 | 42 | 0 | 0 | 106 | 148 |
| | $ 0 | $ 42 | $ 0 | $ 0 | $ 177 | $ 219 |
| Over the counter | | | | | | |
| Forward Foreign Currency Contracts | $ 0 | $ 0 | $ 0 | $ 1,246 | $ 0 | $ 1,246 |
| Written Options | 0 | 16 | 0 | 21 | 218 | 255 |
| Swap Agreements | 0 | 154 | 0 | 0 | 0 | 154 |
| | $ 0 | $ 170 | $ 0 | $ 1,267 | $ 218 | $ 1,655 |
| | $ 0 | $ 212 | $ 0 | $ 1,267 | $ 395 | $ 1,874 |

The effect of Financial Derivative Instruments on the Statement of Operations for the period ended June 30, 2020:

| | Derivatives not accounted for as hedging instruments | | | | | |
|---|---|---|---|---|---|---|
| | Commodity Contracts | Credit Contracts | Equity Contracts | Foreign Exchange Contracts | Interest Rate Contracts | Total |
| **Net Realized Gain (Loss) on Financial Derivative Instruments** | | | | | | |
| Exchange-traded or centrally cleared | | | | | | |
| Purchased Options | $ 0 | $ 0 | $ 0 | $ 0 | $ (3) | $ (3) |
| Written Options | 0 | 0 | 0 | 0 | 5 | 5 |
| Futures | 0 | 0 | 0 | 0 | 879 | 879 |
| Swap Agreements | 0 | (817) | 0 | 0 | 1,071 | 254 |
| | $ 0 | $ (817) | $ 0 | $ 0 | $ 1,952 | $ 1,135 |
| Over the counter | | | | | | |
| Forward Foreign Currency Contracts | $ 0 | $ 0 | $ 0 | $ (4,262) | $ 0 | $ (4,262) |
| Purchased Options | 0 | 0 | 0 | 1,162 | (28) | 1,134 |
| Written Options | 0 | 9 | 0 | 39 | 90 | 138 |
| Swap Agreements | 0 | (34) | 0 | (41) | 467 | 392 |
| | $ 0 | $ (25) | $ 0 | $ (3,102) | $ 529 | $ (2,598) |
| | $ 0 | $ (842) | $ 0 | $ (3,102) | $ 2,481 | $ (1,463) |
| **Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments** | | | | | | |
| Exchange-traded or centrally cleared | | | | | | |
| Purchased Options | $ 0 | $ 0 | $ 0 | $ 0 | $ 18 | $ 18 |
| Written Options | 0 | 0 | 0 | 0 | (7) | (7) |
| Futures | 0 | 0 | 0 | 0 | (1,034) | (1,034) |
| Swap Agreements | 0 | (184) | 0 | 0 | 204 | 20 |
| | $ 0 | $ (184) | $ 0 | $ 0 | $ (819) | $ (1,003) |
| Over the counter | | | | | | |
| Forward Foreign Currency Contracts | $ 0 | $ 0 | $ 0 | $ 41 | $ 0 | $ 41 |
| Purchased Options | 0 | 0 | 0 | (11) | (339) | (350) |
| Written Options | 0 | (2) | 0 | (35) | 244 | 207 |
| Swap Agreements | 0 | 25 | 0 | (51) | (26) | (52) |
| | $ 0 | $ 23 | $ 0 | $ (56) | $ (121) | $ (154) |
| | $ 0 | $ (161) | $ 0 | $ (56) | $ (940) | $ (1,157) |

## FAIR VALUE MEASUREMENTS

The following is a summary of the fair valuations according to the inputs used as of June 30, 2020 in valuing the Portfolio's assets and liabilities:

| Category and Subcategory | Level 1 | Level 2 | Level 3 | Fair Value at 06/30/2020 |
|---|---|---|---|---|
| **Investments in Securities, at Value** | | | | |
| Argentina | | | | |
| Corporate Bonds & Notes | $ 0 | $ 16 | $ 0 | $ 16 |
| Sovereign Issues | 0 | 41 | 0 | 41 |
| Australia | | | | |
| Corporate Bonds & Notes | 0 | 625 | 0 | 625 |
| Non-Agency Mortgage-Backed Securities | 0 | 191 | 0 | 191 |
| Sovereign Issues | 0 | 2,519 | 0 | 2,519 |
| Brazil | | | | |
| Corporate Bonds & Notes | 0 | 1,354 | 0 | 1,354 |
| Canada | | | | |
| Corporate Bonds & Notes | 0 | 953 | 0 | 953 |
| Non-Agency Mortgage-Backed Securities | 0 | 345 | 0 | 345 |
| Sovereign Issues | 0 | 237 | 0 | 237 |
| Cayman Islands | | | | |
| Asset-Backed Securities | 0 | 2,997 | 0 | 2,997 |
| Corporate Bonds & Notes | 0 | 1,813 | 0 | 1,813 |
| China | | | | |
| Sovereign Issues | 0 | 10,495 | 0 | 10,495 |
| Denmark | | | | |
| Corporate Bonds & Notes | 0 | 9,101 | 0 | 9,101 |
| Finland | | | | |
| Sovereign Issues | 0 | 1,203 | 0 | 1,203 |
| France | | | | |
| Corporate Bonds & Notes | 0 | 416 | 0 | 416 |
| Sovereign Issues | 0 | 8,955 | 0 | 8,955 |

| Category and Subcategory | Level 1 | Level 2 | Level 3 | Fair Value at 06/30/2020 |
|---|---|---|---|---|
| Germany | | | | |
| Corporate Bonds & Notes | $ 0 | $ 2,711 | $ 0 | $ 2,711 |
| Sovereign Issues | 0 | 258 | 0 | 258 |
| Guernsey, Channel Islands | | | | |
| Corporate Bonds & Notes | 0 | 775 | 0 | 775 |
| India | | | | |
| Corporate Bonds & Notes | 0 | 690 | 0 | 690 |
| Ireland | | | | |
| Asset-Backed Securities | 0 | 1,711 | 0 | 1,711 |
| Israel | | | | |
| Sovereign Issues | 0 | 481 | 0 | 481 |
| Italy | | | | |
| Corporate Bonds & Notes | 0 | 1,823 | 0 | 1,823 |
| Sovereign Issues | 0 | 1,824 | 0 | 1,824 |
| Japan | | | | |
| Corporate Bonds & Notes | 0 | 2,790 | 0 | 2,790 |
| Sovereign Issues | 0 | 5,512 | 0 | 5,512 |
| Kuwait | | | | |
| Sovereign Issues | 0 | 1,789 | 0 | 1,789 |
| Lithuania | | | | |
| Sovereign Issues | 0 | 415 | 0 | 415 |
| Luxembourg | | | | |
| Corporate Bonds & Notes | 0 | 595 | 0 | 595 |
| Malaysia | | | | |
| Corporate Bonds & Notes | 0 | 223 | 0 | 223 |

| Category and Subcategory | Level 1 | Level 2 | Level 3 | Fair Value at 06/30/2020 |
|---|---|---|---|---|
| Mexico | | | | |
| Sovereign Issues | $ 0 | $ 221 | $ 0 | $ 221 |
| Netherlands | | | | |
| Asset-Backed Securities | 0 | 1,513 | 0 | 1,513 |
| Corporate Bonds & Notes | 0 | 3,590 | 0 | 3,590 |
| Preferred Securities | 0 | 120 | 0 | 120 |
| New Zealand | | | | |
| Sovereign Issues | 0 | 4,788 | 0 | 4,788 |
| Norway | | | | |
| Sovereign Issues | 0 | 172 | 0 | 172 |
| Peru | | | | |
| Sovereign Issues | 0 | 2,726 | 0 | 2,726 |
| Qatar | | | | |
| Sovereign Issues | 0 | 3,067 | 0 | 3,067 |
| Saudi Arabia | | | | |
| Sovereign Issues | 0 | 2,689 | 0 | 2,689 |
| Singapore | | | | |
| Corporate Bonds & Notes | 0 | 415 | 0 | 415 |
| South Korea | | | | |
| Corporate Bonds & Notes | 0 | 201 | 0 | 201 |
| Spain | | | | |
| Sovereign Issues | 0 | 8,216 | 0 | 8,216 |
| Supranational | | | | |
| Corporate Bonds & Notes | 0 | 412 | 0 | 412 |
| Switzerland | | | | |
| Corporate Bonds & Notes | 0 | 1,786 | 0 | 1,786 |
| United Arab Emirates | | | | |
| Sovereign Issues | 0 | 785 | 0 | 785 |
| United Kingdom | | | | |
| Corporate Bonds & Notes | 0 | 11,847 | 0 | 11,847 |
| Non-Agency Mortgage-Backed Securities | 0 | 7,741 | 0 | 7,741 |
| Preferred Securities | 0 | 264 | 0 | 264 |
| Sovereign Issues | 0 | 371 | 0 | 371 |
| United States | | | | |
| Asset-Backed Securities | 0 | 11,250 | 0 | 11,250 |
| Corporate Bonds & Notes | 0 | 17,505 | 0 | 17,505 |
| Loan Participations and Assignments | 0 | 218 | 0 | 218 |
| Non-Agency Mortgage-Backed Securities | 0 | 10,842 | 0 | 10,842 |
| Preferred Securities | 0 | 521 | 0 | 521 |
| U.S. Government Agencies | 0 | 81,797 | 0 | 81,797 |
| U.S. Treasury Obligations | 0 | 7,907 | 0 | 7,907 |
| Short-Term Instruments | | | | |
| Repurchase Agreements | $ 0 | $ 3,285 | $ 0 | $ 3,285 |
| Argentina Treasury Bills | 0 | 9 | 0 | 9 |
| Japan Treasury Bills | 0 | 4,354 | 0 | 4,354 |
| South Africa Treasury Bills | 0 | 533 | 0 | 533 |
| | $ 0 | $ 252,003 | $ 0 | $ 252,003 |
| **Investments in Affiliates, at Value** | | | | |
| Short-Term Instruments | | | | |
| Central Funds Used for Cash Management Purposes | $ 7,705 | $ 0 | $ 0 | $ 7,705 |
| Total Investments | $ 7,705 | $ 252,003 | $ 0 | $ 259,708 |
| **Short Sales, at Value - Liabilities** | | | | |
| Canada | | | | |
| Sovereign Issues | 0 | (848) | 0 | (848) |
| United Kingdom | | | | |
| Sovereign Issues | 0 | (1,288) | 0 | (1,288) |
| United States | | | | |
| U.S. Government Agencies | 0 | (11,659) | 0 | (11,659) |
| | $ 0 | $ (13,795) | $ 0 | $ (13,795) |
| **Financial Derivative Instruments - Assets** | | | | |
| Exchange-traded or centrally cleared | 129 | 162 | 0 | 291 |
| Over the counter | 0 | 2,939 | 0 | 2,939 |
| | $ 129 | $ 3,101 | $ 0 | $ 3,230 |
| **Financial Derivative Instruments - Liabilities** | | | | |
| Exchange-traded or centrally cleared | (71) | (148) | 0 | (219) |
| Over the counter | (2) | (1,653) | 0 | (1,655) |
| | $ (73) | $ (1,801) | $ 0 | $ (1,874) |
| Total Financial Derivative Instruments | $ 56 | $ 1,300 | $ 0 | $ 1,356 |
| Totals | $ 7,761 | $ 239,508 | $ 0 | $ 247,269 |

There were no significant transfers into or out of Level 3 during the period ended June 30, 2020.

## 1. ORGANIZATION

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

## 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

**(d) Distributions to Shareholders** Distributions from net investment income, if any, are declared daily and distributed to shareholders monthly. In addition, the Portfolio distributes any net capital gains it earns from the sale of portfolio securities to shareholders no less frequently than annually.

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

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

Distributions classified as a tax basis return of capital at the Portfolio's fiscal year end, if any, are reflected on the Statements of Changes in Net Assets and have been recorded to paid in capital on the Statement of Assets and Liabilities. In addition, other amounts have been reclassified between distributable earnings (accumulated loss) and paid in capital on the Statement of Assets and Liabilities to more appropriately conform U.S. GAAP to tax characterizations of distributions.

**(e) New Accounting Pronouncements** In March 2020, the Financial Accounting Standards Board issued an Accounting Standards Update ("ASU"), ASU 2020-04, which provides optional guidance to ease the potential accounting burden associated with transitioning away from the London Interbank Offered Rate and other reference rates that are expected to be discontinued. The ASU is effective immediately upon release of the update on March 12, 2020 through December 31, 2022. At this time, management is evaluating implications of these changes on the financial statements.

## 3. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

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

On each day that the New York Stock Exchange ("NYSE") is open, Portfolio shares are ordinarily valued as of the close of regular trading (normally 4:00 p.m., Eastern time) ("NYSE Close"). Information that becomes known to the Portfolio or its agents after the time as of which NAV has been calculated on a particular day will not generally be used to retroactively adjust the price of a security or the NAV determined earlier that day. If regular trading on the NYSE closes earlier than scheduled, the Portfolio reserves the right to either (i) calculate its NAV as of the earlier closing time or (ii) calculate its NAV as of the normally scheduled close of regular trading on the NYSE for that day. The Portfolio generally does not calculate its NAV on days during which the NYSE is closed. However, if the NYSE is closed on a day it would normally be open for business, the Portfolio reserves the right to calculate its NAV as of the normally scheduled close of regular trading on the NYSE for that day or such other time that the Portfolio may determine.

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

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

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

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

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

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

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

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

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

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

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

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

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, London Interbank Offered Rate forward rate, interest rates, yield curves and credit spreads. These securities are categorized as Level 2 of the fair value hierarchy.

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

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

## 4. SECURITIES AND OTHER INVESTMENTS

### (a) Investments in Affiliates

The Portfolio may invest in the PIMCO Short Asset Portfolio and the PIMCO Short-Term Floating NAV Portfolio III (“Central Funds”) to the extent permitted by the Act and rules thereunder. The Central Funds are registered investment companies created for use solely by the series of the Trust and other series of registered investment companies advised by the Adviser, in connection with their cash management activities. The main investments of the Central Funds are money market and short maturity fixed income instruments. The Central Funds may incur expenses related to their investment activities, but do not pay Investment Advisory Fees or Supervisory and Administrative Fees to the Adviser. The Central Funds are considered to be affiliated with the Portfolio. A complete schedule of portfolio holdings for each affiliate fund is filed with the U.S. Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-PORT and is available at the SEC's website at www.sec.gov. A copy of each affiliate fund's shareholder report is also available at the SEC's website at www.sec.gov, on the Portfolios' website at www.pimco.com, or upon request, as applicable. The tables below show the Portfolio's transactions in and earnings from investments in the affiliated Funds for the period ended June 30, 2020 (amounts in thousands†):

### Investment in PIMCO Short Asset Portfolio

| Market Value 12/31/2019 | Purchases at Cost | Proceeds from Sales | Net Realized Gain (Loss) | Change in Unrealized Appreciation (Depreciation) | Market Value 06/30/2020 | Dividend Income[(1)] | Realized Net Capital Gain Distributions[(1)] |
|---|---|---|---|---|---|---|---|
| $ 6,955 | $ 58 | $ (3,220) | $ (67) | $ 25 | $ 3,751 | $ 57 | $ 0 |

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

| Market Value 12/31/2019 | Purchases at Cost | Proceeds from Sales | Net Realized Gain (Loss) | Change in Unrealized Appreciation (Depreciation) | Market Value 06/30/2020 | Dividend Income[(1)] | Realized Net Capital Gain Distributions[(1)] |
|---|---|---|---|---|---|---|---|
| $ 2,317 | $ 41,017 | $ (39,401) | $ 20 | $ 1 | $ 3,954 | $ 17 | $ 0 |

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

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

(b) Investments in Securities

The Portfolio may utilize the investments and strategies described below to the extent permitted by the Portfolio's investment policies.

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

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 Statement of Operations, even though investors do not receive their principal until maturity. Repayment of the original bond principal upon maturity (as adjusted for inflation) is guaranteed in the case of U.S. Treasury Inflation-Protected Securities. 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.

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

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

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

Mortgage-Related and Other Asset-Backed Securities directly or indirectly represent a participation in, or are secured by and payable from, loans on real property. Mortgage-related securities are created from pools of residential or commercial mortgage loans, including mortgage loans made by savings and loan institutions, mortgage bankers, commercial banks and others. These securities provide a monthly payment which consists of both interest and principal. Interest may be determined by fixed or adjustable rates. The rate of prepayments on underlying mortgages will affect the price and volatility of a mortgage-related security, and may have the effect of shortening or extending the effective duration of the security relative to what was anticipated at the time of purchase. The timely payment of principal and interest of certain mortgage-related securities is guaranteed with the full faith and credit of the U.S. Government. Pools created and guaranteed by non-governmental issuers, including government-sponsored corporations, may be supported by various forms of insurance or guarantees, but there can be no assurance that private insurers or guarantors can meet their obligations under the insurance policies or guarantee arrangements. Many of the risks of investing in mortgage-related securities secured by commercial mortgage loans reflect the effects of local and other economic conditions on real estate markets, the ability of tenants to make lease payments, and the ability of a property to attract and retain tenants. These securities may be less liquid and may exhibit greater price volatility than other types of mortgage-related or other asset-backed securities. Other asset-backed securities are created from many types of assets, including, but not limited to, auto loans, accounts receivable, such as credit card receivables and hospital account receivables, home equity loans, student loans, boat loans, mobile home loans, recreational vehicle loans, manufactured housing loans, aircraft leases, computer leases and syndicated bank loans.

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

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

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

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

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

**Restricted Investments** are subject to legal or contractual restrictions on resale and may generally be sold privately, but may be required to be registered or exempted from such registration before being sold to the public. Private placement securities are generally considered to be restricted except for those securities traded between qualified institutional investors under the provisions of Rule 144A of the Securities Act of 1933. Disposal of restricted investments may involve time-consuming negotiations and expenses, and prompt sale at an acceptable price may be difficult to achieve. Restricted investments held by the Portfolio at June 30, 2020, as applicable, are disclosed in the Notes to Schedule of Investments.

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

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

In June 2019, under the Single Security Initiative, FNMA and FHLMC started issuing Uniform Mortgage Backed Securities in place of their current offerings of TBA-eligible securities. The Single Security Initiative seeks to support the overall liquidity of the TBA market and aligns the characteristics of FNMA and FHLMC certificates. The effects that the Single Security Initiative may have on the market for TBA and other mortgage-backed securities are uncertain.

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

## 5. BORROWINGS AND OTHER FINANCING TRANSACTIONS

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

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

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

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

(c) Sale-Buybacks A sale-buyback financing transaction consists of a sale of a security by the Portfolio to a financial institution, the counterparty, with a simultaneous agreement to repurchase the same or substantially the same security at an agreed-upon price and date. The Portfolio is not entitled to receive principal and interest payments, if any, made on the security sold to the counterparty during the term of the agreement. The agreed-upon proceeds for securities to be repurchased by the Portfolio are reflected as a liability on the 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 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 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 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 Statement of Assets and Liabilities. Short sales expose the Portfolio to the risk that it will be required to cover its short position at a time when the security or other asset has appreciated in value, thus resulting in losses to the Portfolio. A short sale is "against the box" if the Portfolio holds in its portfolio or has the right to acquire the security sold short, or securities identical to the security sold short, at no additional cost. The Portfolio will be subject to additional risks to the extent that it engages in short sales that are not "against the box."

The Portfolio's loss on a short sale could theoretically be unlimited in cases where the Portfolio is unable, for whatever reason, to close out its short position.

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

On March 23, 2020, the SEC issued an exemptive order (the "Temporary Order") to provide temporary relief to each Portfolio of the Trust in relation to the Interfund Lending Program, and the Portfolios' Board of Trustees has authorized the Portfolios to rely on the Temporary Order. With respect to interfund lending, the Temporary Order permits, under certain conditions, a lending portfolio to lend in aggregate up to 25% of its current net assets at the time of the interfund loan and to make interfund loans with term limits of up to the expiration of the Temporary Order, notwithstanding the current limit of seven business days under the Order. The SEC determined in June 2020 that the Temporary Order would not be extended after its expiration on June 30, 2020.

During the period ended June 30, 2020, the Portfolio did not participate in the Interfund Lending Program.

## 6. FINANCIAL DERIVATIVE INSTRUMENTS

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

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

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

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

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

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

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

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

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

Interest Rate Swaptions may be written or purchased to enter into a pre-defined swap agreement or to shorten, extend, cancel or otherwise modify an existing 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 Exchange-Traded Futures Contracts ("Futures Option") may be written or purchased to hedge an existing position or future investment, for speculative purposes or to manage exposure to market movements. A Futures Option is an option contract in which the underlying instrument is a single futures contract.

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

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

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

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

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

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

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

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

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

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

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

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

**Cross-Currency Swap Agreements** are entered into to gain or mitigate exposure to currency risk. Cross-currency swap agreements involve two parties exchanging two different currencies with an agreement to reverse the exchange at a later date at specified exchange rates. The exchange of currencies at the inception date of the contract takes place at the current spot rate. The re-exchange at maturity may take place at the same exchange rate, a specified rate, or the then current spot rate. Interest payments, if applicable, are made between the parties based on interest rates available in the two currencies at the inception of the contract. The terms of cross-currency swap contracts may extend for many years. Cross-currency swaps are usually negotiated with commercial and investment banks. Some cross-currency swaps may not provide for exchanging principal cash flows, but only for exchanging interest cash flows.

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

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

## 7. PRINCIPAL AND OTHER RISKS

### (a) Principal Risks

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

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

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

**Credit Risk** is the risk that the Portfolio could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivative contract, is unable or unwilling, or is perceived (whether by market participants, rating agencies, pricing services or otherwise) as unable or unwilling, to meet its financial obligations.

**High Yield Risk** is the risk that high yield securities and unrated securities of similar credit quality (commonly known as "junk bonds") are subject to greater levels of credit, call and liquidity risks. High yield securities are considered primarily speculative with respect to the issuer's continuing ability to make principal and interest payments, and may be more volatile than higher-rated securities of similar maturity.

**Market Risk** is the risk that the value of securities owned by the Portfolio may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.

**Issuer Risk** is the risk that the value of a security may decline for a reason directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.

**Liquidity Risk** is the risk that a particular investment may be difficult to purchase or sell and that the Portfolio may be unable to sell illiquid investments at an advantageous time or price or achieve its desired level of exposure to a certain sector. Liquidity risk may result from the lack of an active market, reduced number and capacity of traditional market participants to make a market in fixed income securities, and may be magnified in a rising interest rate environment or other circumstances where investor redemptions from fixed income mutual funds may be higher than normal, causing increased supply in the market due to selling activity.

**Derivatives Risk** is the risk of investing in derivative instruments (such as futures, swaps and structured securities), including leverage, liquidity, interest rate, market, credit and management risks, mispricing or valuation complexity. Changes in the value of the derivative may not correlate perfectly with, and may be more sensitive to market events than, the underlying asset, rate or index, and the Portfolio could lose more than the initial amount invested. The Portfolio's use of derivatives may result in losses to the Portfolio, a reduction in the Portfolio's returns and/or increased volatility. Over-the-counter ("OTC") derivatives are also subject to the risk that a counterparty to the transaction will not fulfill its contractual obligations to the other party, as many of the protections afforded to centrally-cleared derivative transactions might not be available for OTC derivatives. For derivatives traded on an exchange or through a central counterparty, credit risk resides with the Portfolio's clearing broker, or the clearinghouse itself, rather than with a counterparty in an OTC derivative transaction. Changes in regulation relating to a mutual fund's use of derivatives and related instruments could potentially limit or impact the Portfolio's ability to invest in derivatives, limit the Portfolio's ability to employ certain strategies that use derivatives and/or adversely affect the value of derivatives and the Portfolio's performance.

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

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

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

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

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

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

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

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

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

### (b) Other Risks

In general, the Portfolio may be subject to additional risks, including, but not limited to, risks related to government regulation and intervention in financial markets, operational risks, risks associated with financial, economic and global market disruptions, and cybersecurity risks. Please see the Portfolio's prospectus and Statement of Additional Information for a more detailed description of the risks of investing in the Portfolio. Please see the Important Information section of this report for additional discussion of certain regulatory and market developments (such as the anticipated discontinuation of the London Interbank Offered Rate) that may impact the Portfolio's performance.

**Market Disruption Risk** The Portfolio is subject to investment and operational risks associated with financial, economic and other global market developments and disruptions, including those arising from war, terrorism, market manipulation, government interventions, defaults and shutdowns, political changes or diplomatic developments, public health emergencies (such as the spread of infectious diseases, pandemics and epidemics) and natural/environmental disasters, which can all negatively impact the securities markets and cause the Portfolio to lose value. These events can also impair the technology and other operational systems upon which the Portfolio's service providers, including PIMCO as the Portfolio's investment adviser, rely, and could otherwise disrupt the Portfolio's service providers' ability to fulfill their obligations to the Portfolio. For example, the recent spread of an infectious respiratory illness caused by a novel strain of coronavirus (known as COVID-19) has caused volatility, severe market dislocations and liquidity constraints in many markets, including markets for the securities the Portfolio holds, and may adversely affect the Portfolio's investments and operations. Please see the Important Information section for additional discussion of the COVID-19 pandemic.

Government Intervention in Financial Markets Federal, state, and other governments, their regulatory agencies, or self-regulatory organizations may take actions that affect the regulation of the instruments in which the Portfolio invests, or the issuers of such instruments, in ways that are unforeseeable. Legislation or regulation may also change the way in which the Portfolio itself is regulated. Such legislation or regulation could limit or preclude the Portfolio's ability to achieve its investment objective. Furthermore, volatile financial markets can expose the Portfolio to greater market and liquidity risk and potential difficulty in valuing portfolio instruments held by the Portfolio. The value of the Portfolio's holdings is also generally subject to the risk of future local, national, or global economic disturbances based on unknown weaknesses in the markets in which the Portfolio invests. In addition, it is not certain that the U.S. Government will intervene in response to a future market disturbance and the effect of any such future intervention cannot be predicted. It is difficult for issuers to prepare for the impact of future financial downturns, although companies can seek to identify and manage future uncertainties through risk management programs.

Regulatory Risk Financial entities, such as investment companies and investment advisers, are generally subject to extensive government regulation and intervention. Government regulation and/or intervention may change the way the Portfolio is regulated, affect the expenses incurred directly by the Portfolio and the value of its investments, and limit and/or preclude the Portfolio's ability to achieve its investment objective. Government regulation may change frequently and may have significant adverse consequences. Moreover, government regulation may have unpredictable and unintended effects.

Operational Risk An investment in the Portfolio, like any fund, can involve operational risks arising from factors such as processing errors, human errors, inadequate or failed internal or external processes, failures in systems and technology, changes in personnel and errors caused by third-party service providers. The occurrence of any of these failures, errors or breaches could result in a loss of information, regulatory scrutiny, reputational damage or other events, any of which could have a material adverse effect on the Portfolio. While the Portfolio seeks to minimize such events through controls and oversight, there may still be failures that could cause losses to the Portfolio.

Cyber Security Risk As the use of technology has become more prevalent in the course of business, the Portfolio has become potentially more susceptible to operational and information security risks resulting from breaches in cyber security. A breach in cyber security refers to both intentional and unintentional cyber events that may, among other things, cause the Portfolio to lose proprietary information, suffer data corruption and/or destruction or lose operational capacity, result in the unauthorized release or other misuse of confidential information, or otherwise disrupt normal business operations. Cyber security failures or breaches may result in financial losses to the Portfolio and its shareholders. These failures or breaches may also result in disruptions to business operations, potentially resulting in financial losses; interference with the Portfolio's ability to calculate its net asset value, process shareholder transactions or otherwise transact business with shareholders; impediments to trading; violations of applicable privacy and other laws; regulatory fines; penalties; reputational damage; reimbursement or other compensation costs; additional compliance and cyber security risk management costs and other adverse consequences. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future.

## 8. MASTER NETTING ARRANGEMENTS

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

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

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

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

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

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

## 9. FEES AND EXPENSES

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

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

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

| Investment Advisory Fee | Supervisory and Administrative Fee | | |
|---|---|---|---|
| All Classes | Institutional Class | Administrative Class | Advisor Class |
| 0.25% | 0.50% | 0.50% | 0.50% |

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

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

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

| | Distribution Fee | Servicing Fee |
|---|---|---|
| **Administrative Class** | — | 0.15% |
| **Advisor Class** | 0.25% | — |

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

The Trust pays no compensation directly to any Trustee or any other officer who is affiliated with the Administrator, all of whom receive remuneration for their services to the Trust from the Administrator or its affiliates.

**(e) Expense Limitation** Pursuant to the Expense Limitation Agreement, PIMCO has agreed to waive a portion of the Portfolio's Supervisory and Administrative Fee, or reimburse the Portfolio, to the extent that the Portfolio's organizational expenses, pro rata share of expenses related to obtaining or maintaining a Legal Entity Identifier and pro rata share of Trustee Fees exceed 0.0049%, the "Expense Limit" (calculated as a percentage of the Portfolio's average daily net assets attributable to each class). The Expense Limitation Agreement will automatically renew for one-year terms unless PIMCO provides written notice to the Trust at least 30 days prior to the end of the then current term. The waiver is reflected in the Statement of Operations as a component of Waiver and/or Reimbursement by PIMCO.

In any month in which the supervision and administration agreement is in effect, PIMCO is entitled to reimbursement by the Portfolio of any portion of the supervisory and administrative fee waived or reimbursed as set forth above (the "Reimbursement Amount") during the previous thirty-six months from the date of the waiver, provided that such amount paid to PIMCO will not: i) together with any organizational expenses, pro rata share of expenses related to obtaining or maintaining a Legal Entity Identifier and pro rata Trustee fees, exceed, for such month, the Expense Limit (or the amount of the expense limit in place at the time the amount being recouped was originally waived if lower than the Expense Limit); ii) exceed the total Reimbursement Amount; or iii) include any amounts previously reimbursed to PIMCO. At June 30, 2020, there were no recoverable amounts.

## 10. RELATED PARTY TRANSACTIONS

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

## 11. GUARANTEES AND INDEMNIFICATIONS

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

## 12. PURCHASES AND SALES OF SECURITIES

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

Purchases and sales of securities (excluding short-term investments) for the period ended June 30, 2020, were as follows (amounts in thousands†):

| U.S. Government/Agency | | All Other | |
|---|---|---|---|
| **Purchases** | **Sales** | **Purchases** | **Sales** |
| $ 687,674 | $ 688,001 | $ 22,231 | $ 25,506 |

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

## 13. SHARES OF BENEFICIAL INTEREST

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

| | Six Months Ended 06/30/2020 | | Year Ended 12/31/2019 | |
|---|---|---|---|---|
| | **Shares** | **Amount** | **Shares** | **Amount** |
| **Receipts for shares sold** | | | | |
| Institutional Class | 73 | $ 819 | 108 | $ 1,208 |
| Administrative Class | 1,006 | 11,076 | 1,971 | 21,995 |
| Advisor Class | 76 | 851 | 187 | 2,089 |
| **Issued as reinvestment of distributions** | | | | |
| Institutional Class | 17 | 187 | 23 | 253 |
| Administrative Class | 247 | 2,739 | 363 | 4,072 |
| Advisor Class | 36 | 395 | 49 | 554 |
| **Cost of shares redeemed** | | | | |
| Institutional Class | (71) | (780) | (154) | (1,733) |
| Administrative Class | (2,302) | (25,211) | (3,533) | (39,475) |
| Advisor Class | (270) | (2,937) | (352) | (3,933) |
| **Net increase (decrease) resulting from Portfolio share transactions** | (1,188) | $ (12,861) | (1,338) | $ (14,970) |

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

As of June 30, 2020, two shareholders each owned 10% or more of the Portfolio's total outstanding shares comprising 60% of the Portfolio. One of the shareholder is a related party and comprises 26% of the Portfolio. Related parties may include, but are not limited to, the investment adviser and its affiliates, affiliated broker dealers, fund of funds and directors or employees of the Trust or Adviser.

## 14. REGULATORY AND LITIGATION MATTERS

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

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

## 15. FEDERAL INCOME TAX MATTERS

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

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

In accordance with U.S. GAAP, the Adviser has reviewed the Portfolio's tax positions for all open tax years. As of June 30, 2020, the Portfolio has recorded no liability for net unrecognized tax benefits relating to uncertain income tax positions it has taken or expects to take in future tax returns.

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

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, 2019, the Portfolio had the following post-effective capital losses with no expiration (amounts in thousands†):

| Short-Term | Long-Term |
|---|---|
| $ 67 | $ 2,528 |

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

As of June 30, 2020, the aggregate cost and the net unrealized appreciation/(depreciation) of investments for federal income tax purposes are as follows (amounts in thousands†):

| Federal Tax Cost | Unrealized Appreciation | Unrealized (Depreciation) | Net Unrealized Appreciation/ (Depreciation)(1) |
|---|---|---|---|
| $ 241,514 | $ 15,084 | $ (7,340) | $ 7,744 |

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

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

# Glossary: (abbreviations that may be used in the preceding statements)

## Counterparty Abbreviations:

| | | | | | |
|---|---|---|---|---|---|
| **BOA** | Bank of America N.A. | **GLM** | Goldman Sachs Bank USA | **RYL** | NatWest Markets Plc |
| **BPS** | BNP Paribas S.A. | **GST** | Goldman Sachs International | **SCX** | Standard Chartered Bank, London |
| **BRC** | Barclays Bank PLC | **HUS** | HSBC Bank USA N.A. | **SOG** | Societe Generale Paris |
| **CBK** | Citibank N.A. | **JML** | JP Morgan Securities Plc | **SSB** | State Street Bank and Trust Co. |
| **DUB** | Deutsche Bank AG | **JPM** | JP Morgan Chase Bank N.A. | **TDM** | TD Securities (USA) LLC |
| **FAR** | Wells Fargo Bank National Association | **MEI** | Merrill Lynch International | **TOR** | The Toronto-Dominion Bank |
| **FBF** | Credit Suisse International | **MYC** | Morgan Stanley Capital Services LLC | **UAG** | UBS AG Stamford |
| **FICC** | Fixed Income Clearing Corporation | **MYI** | Morgan Stanley & Co. International PLC | | |

## Currency Abbreviations:

| | | | | | |
|---|---|---|---|---|---|
| **ARS** | Argentine Peso | **GBP** | British Pound | **NZD** | New Zealand Dollar |
| **AUD** | Australian Dollar | **HKD** | Hong Kong Dollar | **PEN** | Peruvian New Sol |
| **BRL** | Brazilian Real | **IDR** | Indonesian Rupiah | **PLN** | Polish Zloty |
| **CAD** | Canadian Dollar | **ILS** | Israeli Shekel | **RON** | Romanian New Leu |
| **CHF** | Swiss Franc | **JPY** | Japanese Yen | **RUB** | Russian Ruble |
| **CNH** | Chinese Renminbi (Offshore) | **MXN** | Mexican Peso | **SEK** | Swedish Krona |
| **CNY** | Chinese Renminbi (Mainland) | **MYR** | Malaysian Ringgit | **USD (or $)** | United States Dollar |
| **DKK** | Danish Krone | **NOK** | Norwegian Krone | **ZAR** | South African Rand |
| **EUR** | Euro | | | | |

## Exchange Abbreviations:

| | | | | | |
|---|---|---|---|---|---|
| **CBOT** | Chicago Board of Trade | **MSE** | Montreal Stock Exchange | **OTC** | Over the Counter |
| **CME** | Chicago Mercantile Exchange | | | | |

## Index/Spread Abbreviations:

| | | | | | |
|---|---|---|---|---|---|
| **BADLARPP** | Argentina Badlar Floating Rate Notes | **CDX.IG** | Credit Derivatives Index - Investment Grade | **SOFRRATE** | Secured Overnight Financing Rate |
| **CDOR01** | 1 Month CDN Swap Rate | **CNREPOFIX** | China Fixing Repo Rates 7-Day | **SONIO** | Sterling Overnight Interbank Average Rate |
| **CDOR03** | 3 month CDN Swap Rate | **EUR003M** | 3 Month EUR Swap Rate | **UKRPI** | United Kingdom Retail Prices Index |
| **CDX.EM** | Credit Derivatives Index - Emerging Markets | **H15T1Y** | 1 Year US Treasury Yield Curve Constant Maturity Rate | **US0003M** | 3 Month USD Swap Rate |
| **CDX.HY** | Credit Derivatives Index - High Yield | **LIBOR03M** | 3 Month USD-LIBOR | | |

## Other Abbreviations:

| | | | | | |
|---|---|---|---|---|---|
| **ABS** | Asset-Backed Security | **DAC** | Designated Activity Company | **OAT** | Obligations Assimilables du Trésor |
| **ALT** | Alternate Loan Trust | **EURIBOR** | Euro Interbank Offered Rate | **OIS** | Overnight Index Swap |
| **BBR** | Bank Bill Rate | **JIBAR** | Johannesburg Interbank Agreed Rate | **PIK** | Payment-in-Kind |
| **BTP** | Buoni del Tesoro Poliennali | **LIBOR** | London Interbank Offered Rate | **TBA** | To-Be-Announced |
| **CDI** | Brazil Interbank Deposit Rate | **NIBOR** | Norwegian Interbank Offered Rate | **TELBOR** | Tel Aviv Inter-Bank Offered Rate |
| **CLO** | Collateralized Loan Obligation | | | | |

In compliance with Rule 22e-4 under the Investment Company Act of 1940, as amended (the "Liquidity Rule"), PIMCO Variable Insurance Trust (the "Trust") has adopted and implemented a liquidity risk management program (the "Program") for each series of the Trust (each a "Portfolio" and collectively, the "Portfolios"), which is reasonably designed to assess and manage the Portfolios' liquidity risk. The Trust's Board of Trustees (the "Board") previously approved the designation of the PIMCO Liquidity Risk Committee (the "Administrator") as Program administrator. The PIMCO Liquidity Risk Committee consists of senior members from certain PIMCO business areas, such as Portfolio Risk Management, Operations, Compliance, Funds Business Group, Account Management and Portfolio Management.

A Portfolio's "liquidity risk" is the risk that the Portfolio could not meet requests to redeem shares issued by the Portfolio without significant dilution of the remaining investors' interests in the Portfolio. In accordance with the Program, each Portfolio's liquidity risk is assessed no less frequently than annually taking into consideration a variety of factors, including, as applicable the Portfolio's investment strategy and liquidity of portfolio investments, cash flow projections, and holdings of cash and cash equivalents, as well as borrowing arrangements and other funding sources. Certain factors are considered under both normal and reasonably foreseeable stressed conditions. Each Portfolio portfolio investment is classified into one of four liquidity categories (including "highly liquid investments" and "illiquid investments," discussed below) based on a determination of the number of days it is reasonably expected to take to convert the investment to cash, or sell or dispose of the investment, in current market conditions without significantly changing the investment's market value. Each Portfolio has adopted a "Highly Liquid Investment Minimum" (or "HLIM"), which is a minimum amount of Portfolio net assets to be invested in highly liquid investments that are assets. As required under the Liquidity Rule, each Portfolio's HLIM is periodically reviewed, no less frequently than annually, and the Portfolios have adopted policies and procedures for responding to a shortfall of a Portfolio's highly liquid investments below its HLIM. The Liquidity Rule also limits the Portfolios' investments in illiquid investments by prohibiting a Portfolio from acquiring any illiquid investment if, immediately after the acquisition, the Portfolio would have invested more than 15% of its net assets in illiquid investments that are assets. Certain non-public reporting is generally required if a Portfolio's holdings of illiquid investments that are assets were to exceed 15% of Portfolio net assets.

At a meeting of the Board held on February 11-12, 2020, the Board received a report (the "Report") from the Administrator addressing the Program's operation and assessing the adequacy and effectiveness of its implementation for the period from December 1, 2018 through November 30, 2019. The Report noted that the Program is operating effectively to assess and manage each Portfolio's liquidity risk and that the Program has been and continues to be adequately and effectively implemented to monitor and, as applicable, respond to the Portfolios' liquidity developments. This has remained true for the 12-month reporting period ended June 30, 2020.

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## General Information

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

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