

PIMCO STRATEGIC INCOME FUND, INC
Form N-Q
May 27, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act File Number:	811-08216
Registrant Name:	PIMCO Strategic Income Fund, Inc.
Address of Principal Executive Offices:	1633 Broadway New York, NY 10019
Name and Address of Agent for Service:	William G. Galipeau 650 Newport Center Drive Newport Beach, CA 92660
Registrant's telephone number, including area code:	(844) 337-4626
Date of Fiscal Year End:	June 30
Date of Reporting Period:	March 31, 2016

Item 1. Schedule of Investments

Schedule of Investments

PIMCO Strategic Income Fund, Inc.

March 31, 2016 (Unaudited)

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
INVESTMENTS IN SECURITIES 255.3%		
BANK LOAN OBLIGATIONS 2.4%		
Energy Future Intermediate Holding Co. LLC		
4.250% due 12/19/2016	\$ 7,138	\$ 7,140
iHeartCommunications, Inc.		
7.183% due 01/30/2019	900	618
Sequa Corp.		
5.250% due 06/19/2017	489	337
Total Bank Loan Obligations (Cost \$8,517)		8,095
CORPORATE BONDS & NOTES 23.2%		
BANKING & FINANCE 15.0%		
Barclays Bank PLC		
14.000% due 06/15/2019 (d)	GBP 1,300	2,365
Blackstone CQP Holdco LP		
9.296% due 03/19/2019	\$ 11,636	11,767
BNP Paribas S.A.		
7.375% due 08/19/2025 (d)	2,800	2,712
Cantor Fitzgerald LP		
7.875% due 10/15/2019	930	1,031
Exeter Finance Corp.		
9.750% due 05/20/2019	2,400	2,255
International Lease Finance Corp.		
6.750% due 09/01/2016	2,000	2,033
Jefferies LoanCore LLC		
6.875% due 06/01/2020	1,000	863
KGH Intermediate Holdco LLC		
8.500% due 08/08/2019 (e)	4,360	3,715
Navient Corp.		
5.500% due 01/15/2019	845	834
8.450% due 06/15/2018	1,840	1,978
Pinnacol Assurance		
8.625% due 06/25/2034 (e)	2,600	2,805
Rabobank Group		
6.875% due 03/19/2020	EUR 2,000	2,691
11.000% due 06/30/2019 (d)(g)	\$ 4,166	5,014

Sberbank of Russia Via SB Capital S.A.		
6.125% due 02/07/2022	2,000	2,076
SL Green Realty Corp.		
7.750% due 03/15/2020	4,500	5,275
Springleaf Finance Corp.		
6.500% due 09/15/2017	500	513
6.900% due 12/15/2017	500	518
Vnesheconombank Via VEB Finance PLC		
5.942% due 11/21/2023	1,200	1,171
		49,616

INDUSTRIALS 3.2%

Caesars Entertainment Operating Co., Inc.		
8.500% due 02/15/2020 ^	1,334	1,137
9.000% due 02/15/2020 ^	66	56
CVS Pass-Through Trust		
7.507% due 01/10/2032	858	1,036
Enterprise Inns PLC		
6.875% due 05/09/2025	GBP 20	29
Forbes Energy Services Ltd.		
9.000% due 06/15/2019	\$ 240	101
iHeartCommunications, Inc.		
9.000% due 03/01/2021	400	280
Millar Western Forest Products Ltd.		
8.500% due 04/01/2021	48	20
Rockies Express Pipeline LLC		
6.875% due 04/15/2040	213	179
Spanish Broadcasting System, Inc.		
12.500% due 04/15/2017	1,000	985
UAL Pass-Through Trust		
6.636% due 01/02/2024 (g)	1,777	1,864
9.750% due 07/15/2018 (g)	323	340
10.400% due 05/01/2018 (g)	945	983
UCP, Inc.		
8.500% due 10/21/2017	3,700	3,717
		10,727

UTILITIES 5.0%**AK Transneft OJSC Via TransCapitalInvest Ltd.**

8.700% due 08/07/2018 1,100 1,218

Gazprom Neft OAO Via GPN Capital S.A.

6.000% due 11/27/2023 8,350 8,298

Gazprom OAO Via Gaz Capital S.A.

8.625% due 04/28/2034 2,600 3,076

Illinois Power Generating Co.

6.300% due 04/01/2020 115 38

7.950% due 06/01/2032 273 85

Petrobras Global Finance BV

2.762% due 01/15/2019 3,800 3,097

3.522% due 03/17/2020 150 116

5.750% due 01/20/2020 140 121

7.875% due 03/15/2019 500 481

16,530

Total Corporate Bonds & Notes

76,873

(Cost \$74,915)

MUNICIPAL BONDS & NOTES 0.5%**WEST VIRGINIA 0.5%****Tobacco Settlement Finance Authority, West Virginia Revenue****Bonds, Series 2007**

7.467% due 06/01/2047 1,715 1,539

Total Municipal Bonds & Notes

1,539

(Cost \$1,617)

U.S. GOVERNMENT AGENCIES 150.4%**Fannie Mae**

2.190% due 12/01/2030 179 183

2.325% due 04/01/2030 1 1

2.385% due 09/01/2028 7 8

2.500% due 12/25/2027 (a) 6,134 518

2.570% due 12/01/2028 47 49

2.663% due 11/01/2027 53 54

2.808% due 06/19/2041 (g) 1,004 1,126

2.875% due 03/01/2031 63 64

2.933% due 03/01/2032 82 82

4.250% due 11/25/2024 (g) 535 586

4.250% due 03/25/2033 1 1

4.500% due 09/01/2023 - 08/01/2041 (g) 3,269 3,548

5.000% due 12/01/2018 - 07/25/2038 334 369

5.000% due 01/25/2038 (g) 14,293 15,930

5.500% due 12/25/2016 - 07/25/2024 27 29

5.500% due 11/25/2032 - 04/25/2035 (g) 9,100 10,352

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5.703% due 12/25/2042	42	49
5.750% due 06/25/2033	41	46
5.807% due 08/25/2043 (g)	2,419	2,801
6.000% due 02/25/2017 - 12/01/2032	388	445
6.000% due 12/01/2032 - 01/25/2044 (g)	12,042	13,814
6.286% due 02/25/2042 (g)	699	824
6.324% due 10/25/2042	20	23
6.500% due 10/01/2018 - 11/01/2047	1,772	1,992
6.500% due 09/01/2028 - 06/25/2044 (g)	8,765	10,214
6.744% due 09/25/2041 (g)	669	759
6.850% due 12/18/2027	20	23
6.971% due 10/25/2042 (g)	509	595
7.000% due 05/01/2016 - 01/01/2047	1,701	1,911
7.000% due 05/01/2017 - 03/25/2045 (g)	1,303	1,514
7.500% due 06/01/2017 - 03/25/2044	576	671
7.500% due 05/01/2022 - 06/25/2044 (g)	1,695	1,992
7.700% due 03/25/2023	26	29
8.000% due 09/25/2021 - 06/01/2032	336	372
8.000% due 05/01/2030 - 10/01/2031 (g)	215	248
8.500% due 09/25/2021 - 06/25/2030	381	424
8.500% due 06/18/2027 (g)	488	562
9.442% due 05/15/2021	129	140
9.941% due 07/15/2027	50	54
Fannie Mae, TBA		
3.000% due 01/01/2046 - 03/01/2046	121,000	124,174
3.500% due 09/01/2045 - 06/01/2046	209,000	219,201
4.000% due 03/01/2046	3,000	3,202
Freddie Mac		
2.408% due 04/01/2033	4	4
2.499% due 09/01/2031	36	37
2.512% due 12/01/2026	7	7
5.000% due 02/15/2024	11	12
5.500% due 04/01/2039 - 06/15/2041 (g)	9,628	10,923
5.959% due 07/25/2032	148	172

6.000% due 09/15/2016 - 03/15/2035	1,107	1,258
6.000% due 04/01/2017 - 02/15/2032 (g)	2,984	3,418
6.500% due 08/01/2021 - 09/01/2047	1,957	2,245
6.500% due 10/15/2023 - 03/25/2044 (g)	9,176	10,604
6.900% due 09/15/2023 (g)	413	459
6.950% due 07/15/2021	189	205
7.000% due 06/01/2016 - 10/25/2043	2,600	2,888
7.000% due 08/01/2021 - 02/25/2043 (g)	5,022	5,780
7.500% due 05/15/2024 - 05/01/2032 (g)	2,826	3,288
7.500% due 12/01/2025 - 02/25/2042	424	471
7.983% due 12/25/2027	2,200	1,873
8.000% due 08/15/2022 - 04/15/2030	124	139
8.000% due 12/01/2026 (g)	224	252
11.183% due 03/25/2025	398	383
Freddie Mac, TBA		
4.000% due 11/01/2045	3,000	3,203
Ginnie Mae		
6.000% due 04/15/2029 - 11/15/2038 (g)	2,429	2,778
6.000% due 08/15/2031 - 12/15/2038	55	63
6.500% due 11/20/2024 - 10/20/2038	120	129
6.500% due 04/15/2032 - 05/15/2032 (g)	790	926
7.000% due 04/15/2024 - 06/15/2026	63	69
7.500% due 01/15/2017 - 03/15/2029	248	257
7.500% due 03/15/2026 - 01/15/2029 (g)	680	737
8.000% due 01/15/2017 - 11/15/2022	12	13
8.500% due 05/15/2022 - 02/15/2031	12	13
9.000% due 11/15/2016 - 11/15/2019	75	76
9.000% due 11/15/2019 - 01/15/2020 (g)	50	54
Ginnie Mae, TBA		
4.000% due 09/01/2045	20,000	21,394
Small Business Administration		
4.625% due 02/01/2025	172	184
5.510% due 11/01/2027	625	705
5.780% due 08/01/2027	57	65
5.820% due 07/01/2027	57	65
6.300% due 06/01/2018	42	45
7.200% due 06/01/2017	5	5
7.700% due 07/01/2016	1	1
Vendee Mortgage Trust		
6.500% due 03/15/2029	216	252
6.750% due 02/15/2026 - 06/15/2026	147	170
7.500% due 09/15/2030	3,105	3,801
Total U.S. Government Agencies (Cost \$484,915)		498,402

U.S. TREASURY OBLIGATIONS 20.2%**U.S. Treasury Notes**

2.000% due 08/15/2025 (g)	65,700	66,996
Total U.S. Treasury Obligations (Cost \$65,095)		66,996

NON-AGENCY MORTGAGE-BACKED SECURITIES**38.3%****Adjustable Rate Mortgage Trust**

2.652% due 07/25/2035	993	889
3.038% due 08/25/2035	2,746	2,660

Banc of America Mortgage Trust

2.935% due 02/25/2035	32	31
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Banc of America Re-REMIC Trust

5.686% due 04/24/2049	2,833	2,901
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BCAP LLC Trust

0.632% due 07/26/2036	211	161
2.735% due 10/26/2036	3,713	3,265
2.739% due 10/26/2033	130	112
2.836% due 06/26/2035	43	38

Bear Stearns ALT-A Trust

3.111% due 08/25/2036 ^	488	361
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Bear Stearns Commercial Mortgage Securities Trust

7.000% due 05/20/2030	1,780	1,855
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Celtic Residential Irish Mortgage Securitisation PLC

0.000% due 11/13/2047	EUR	6,201	6,634
0.851% due 12/14/2048	GBP	5,496	7,312

Citigroup Mortgage Loan Trust, Inc.

7.000% due 09/25/2033	\$	4	4
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Countrywide Alternative Loan Trust

0.643% due 07/25/2046 ^	2,978	2,251
5.500% due 05/25/2022 ^	52	45
6.250% due 08/25/2037 ^	859	699
6.500% due 07/25/2035 ^	759	607

Countrywide Home Loan Mortgage Pass-Through Trust

1.073% due 03/25/2035	2,957	2,211
3.117% due 08/25/2034	897	805

Countrywide Home Loan Reperforming REMIC Trust

7.500% due 11/25/2034	1,644	1,600
7.500% due 06/25/2035 ^	268	278

Credit Suisse Commercial Mortgage Trust

5.695% due 09/15/2040	1,700	1,755
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Credit Suisse First Boston Mortgage Securities Corp.			
1.583% due 03/25/2034 ^		572	555
Credit Suisse Mortgage Capital Certificates			
6.500% due 03/25/2036 ^		1,390	890
CSFB Mortgage-Backed Trust			
7.000% due 02/25/2034		715	769
Emerald Mortgages PLC			
0.000% due 07/15/2048	EUR	3,244	3,496
Epic Drummond Ltd.			
0.044% due 01/25/2022		1,804	1,849
GMAC Mortgage Corp. Loan Trust			
3.251% due 08/19/2034	\$	202	191
GSAA Trust			
6.000% due 04/01/2034		1,263	1,308
GSMPS Mortgage Loan Trust			
7.000% due 06/25/2043		3,533	3,747
7.500% due 06/19/2027		52	51
8.000% due 09/19/2027		759	762
GSR Mortgage Loan Trust			
0.763% due 12/25/2034		581	518
2.220% due 03/25/2033		3	3
6.500% due 01/25/2034		347	361
HarborView Mortgage Loan Trust			
3.988% due 06/19/2036 ^		1,565	1,046
JPMorgan Commercial Mortgage-Backed Securities Trust			
5.635% due 03/18/2051		4,000	4,055
JPMorgan Mortgage Trust			
2.836% due 10/25/2036 ^		3,729	3,500
5.500% due 08/25/2022 ^		38	38
5.500% due 06/25/2037 ^		806	795
Lehman XS Trust			
1.283% due 09/25/2047		7,203	5,818
Luminent Mortgage Trust			
0.597% due 12/25/2036		2,565	2,045
MASTR Adjustable Rate Mortgages Trust			
3.256% due 10/25/2034		1,288	1,129
MASTR Alternative Loan Trust			
6.250% due 07/25/2036		567	484
6.500% due 03/25/2034		971	1,029
7.000% due 04/25/2034		72	74
MASTR Reperforming Loan Trust			
7.000% due 05/25/2035		5,021	5,005
7.500% due 07/25/2035		2,637	2,699
Morgan Stanley Resecuritization Trust			
2.190% due 12/26/2046		8,079	5,891
NAAC Reperforming Loan REMIC Trust			
7.000% due 10/25/2034 ^		1,353	1,407

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7.500% due 03/25/2034 ^		3,628	3,513
7.500% due 10/25/2034 ^		4,060	4,326
Newgate Funding PLC			
1.025% due 12/15/2050	EUR	2,632	2,517
1.275% due 12/15/2050		2,632	2,391
1.591% due 12/15/2050	GBP	3,624	4,543
1.841% due 12/15/2050		2,977	3,710
RBSSP Resecuritization Trust			
6.000% due 02/26/2037	\$	4,278	3,486
6.250% due 12/26/2036		6,903	4,673
Residential Accredit Loans, Inc. Trust			
6.000% due 08/25/2035 ^		2,382	2,161
Residential Asset Mortgage Products Trust			
7.000% due 08/25/2016		21	21
8.500% due 10/25/2031		643	716
8.500% due 11/25/2031		1,039	1,046
Structured Asset Mortgage Investments Trust			
1.851% due 08/25/2047 ^		3,838	3,142
Structured Asset Securities Corp. Mortgage Loan Trust			
7.500% due 10/25/2036 ^		3,443	3,102
WaMu Mortgage Pass-Through Certificates Trust			
2.469% due 05/25/2035		442	437
Washington Mutual Mortgage Pass-Through Certificates Trust			
7.000% due 03/25/2034		208	219
7.500% due 04/25/2033		557	597
Wells Fargo Mortgage-Backed Securities Trust			
2.765% due 04/25/2036 ^		53	52
2.794% due 06/25/2035		429	430
Total Non-Agency Mortgage-Backed Securities (Cost \$117,199)			127,071
ASSET-BACKED SECURITIES 17.6%			
Access Financial Manufactured Housing Contract Trust			
7.650% due 05/15/2021		212	70
Amerquest Mortgage Securities, Inc. Asset-Backed Pass-Through Certificates			
3.958% due 11/25/2032 ^		330	11
Bear Stearns Asset-Backed Securities Trust			
0.834% due 09/25/2034		764	692

Citigroup Mortgage Loan Trust, Inc.		
0.593% due 12/25/2036	5,527	3,576
0.653% due 12/25/2036	3,323	1,833
0.693% due 03/25/2037	8,442	6,415
Conseco Finance Securitizations Corp.		
7.960% due 05/01/2031	1,728	1,235
7.970% due 05/01/2032	273	166
Conseco Financial Corp.		
6.530% due 02/01/2031	167	168
7.050% due 01/15/2027	228	243
Countrywide Asset-Backed Certificates		
0.563% due 12/25/2036 ^	4,480	4,009
0.573% due 06/25/2047 ^	11,864	9,522
0.633% due 06/25/2037 ^	3,078	2,760
0.633% due 06/25/2047	7,837	5,743
0.636% due 09/25/2047	3,870	3,072
0.723% due 06/25/2037	8,449	5,539
4.946% due 07/25/2036	11,700	10,563
Credit-Based Asset Servicing and Securitization LLC		
6.020% due 12/25/2037	871	914
Green Tree Servicing LLC		
8.970% due 04/25/2038	717	734
Greenpoint Manufactured Housing		
8.300% due 10/15/2026	974	1,022
Oakwood Mortgage Investors, Inc.		
0.666% due 06/15/2032	23	20
Residential Asset Mortgage Products Trust		
8.500% due 12/25/2031	22	19
Total Asset-Backed Securities (Cost \$59,076)		58,326

SOVEREIGN ISSUES 1.2%

Brazil Notas do Tesouro Nacional			
10.000% due 01/01/2025	BRL	16,200	3,654
Costa Rica Government International Bond			
7.000% due 04/04/2044	\$	500	453
Total Sovereign Issues (Cost \$6,920)			4,107

SHARES

COMMON STOCKS 0.1%		
ENERGY 0.1%		
SemGroup Corp. A	7,966	179
		179

Total Common Stocks
(Cost \$222)

SHORT-TERM INSTRUMENTS 1.4%
REPURCHASE AGREEMENTS (f) 0.3% 837

PRINCIPAL
AMOUNT
(000S)

U.S. TREASURY BILLS 1.1%
0.217% due 04/07/2016 - 04/28/2016 (b)(c)(j) \$ 3,655 3,655

Total Short-Term Instruments 4,492
(Cost \$4,492)

Total Investments in Securities 846,080
(Cost \$822,968)

Total Investments 255.3% \$ **846,080**
(Cost \$822,968)

Financial Derivative Instruments (h)(i) (1.1%) **(3,910)**
(Cost or Premiums, net \$(749))

Other Assets and Liabilities, net (154.2%) **(510,704)**

Net Assets 100.0% \$ **331,466**

Notes to Schedule of Investments (amounts in thousands*, except number of contracts):

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

^ Security is in default.

(a) Interest only security.

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

(c) Zero Coupon Bond.

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

(e) Restricted Securities:

Issuer Description	Coupon	Maturity Date	Acquisition Date	Cost	Market Value	Market Value as Percentage of Net Assets
KGH Intermediate Holdco LLC	8.500%	08/08/2019	08/07/2014	\$ 4,297	\$ 3,715	1.12%
Pinnacol Assurance	8.625	06/25/2034	06/23/2014	2,600	2,805	0.85
				\$ 6,897	\$ 6,520	1.97%

Borrowings and Other Financing Transactions

(f) Repurchase Agreements:

Counterparty	Lending Rate	Settlement Date	Maturity Date	Principal Amount	Collateralized By	Collateral (Received)	Repurchase Agreements to be Received (1)
SB	0.010%	03/31/2016	04/01/2016	\$ 837	U.S. Treasury Notes 1.625% due 04/30/2019	\$ (858)	\$ 837

Total Repurchase Agreements

\$ (858) \$ 837 \$ 837

⁽¹⁾ Includes accrued interest.**Reverse Repurchase Agreements:**

Counterparty	Borrowing Rate ⁽²⁾	Borrowing Date	Maturity Date	Amount Borrowed ⁽²⁾	Payable for Reverse Repurchase Agreements
DEU	0.700%	01/14/2016	04/14/2016	\$ (28,903)	\$ (28,947)
	0.700	01/27/2016	04/27/2016	(26,540)	(26,573)
	0.700	01/28/2016	04/28/2016	(3,889)	(3,894)
	0.750	01/14/2016	04/14/2016	(31,346)	(31,397)
	0.800	01/08/2016	04/08/2016	(4,784)	(4,793)
	0.800	02/04/2016	05/03/2016	(5,336)	(5,343)
	1.300	02/12/2016	05/12/2016	(2,650)	(2,655)
	1.300	03/04/2016	06/06/2016	(293)	(293)
	1.300	03/11/2016	06/01/2016	(1,926)	(1,927)
	1.300	03/16/2016	06/09/2016	(1,511)	(1,512)
	1.300	06/04/2016	06/06/2016	(578)	(578)
Total Reverse Repurchase Agreements					\$ (107,912)

Sale-Buyback Transactions:

Counterparty	Borrowing Rate ⁽²⁾	Borrowing Date	Maturity Date	Amount Borrowed ⁽²⁾	Payable for Sale-Buyback Transactions ⁽³⁾
NOM	0.650%	03/07/2016	04/15/2016	\$ (101)	\$ (101)
UBS	0.580	03/22/2016	04/12/2016	(45,887)	(45,894)
Total Sale-Buyback Transactions					\$ (45,995)

Mortgage Dollar Rolls:

Counterparty	Borrowing Rate ⁽²⁾	Borrowing Date	Maturity Date	Amount Received	Amount Borrowed ⁽²⁾
BOS	2.522%	04/13/2016	05/11/2016	\$ 4,081	\$ (4,081)
FOB	2.619	04/13/2016	05/11/2016	4,550	(4,550)
MSC	2.085	04/13/2016	05/11/2016	3,201	(3,201)
	2.182	04/13/2016	05/11/2016	10,457	(10,457)
Total Mortgage Dollar Rolls				\$ 22,289	\$ (22,289)

⁽²⁾ The average amount of borrowings outstanding during the period ended March 31, 2016 was \$(507,253) at a weighted average interest rate of 1.828%.

⁽³⁾ Payable for sale-buyback transactions includes \$(8) of deferred price drop.

(g) Securities with an aggregate market value of \$158,099 have been pledged as collateral under the terms of master agreements as of March 31, 2016.

(h) Financial Derivative Instruments: Exchange-Traded or Centrally Cleared

Futures Contracts:

Description	Type	Expiration Month	# of Contracts	Unrealized Appreciation	Variation Margin	
					Asset	Liability
U.S. Treasury 2-Year Note June Futures	Long	06/2016	138	\$ 8	\$ 11	\$ 0
Total Futures Contracts				\$ 8	\$ 11	\$ 0

Swap Agreements:**Interest Rate Swaps**

Pay/Receive	Floating Rate Index	Floating Rate Fixed Rate	Maturity Date	Notional Amount	Market Value	Unrealized Appreciation/ (Depreciation)	Variation Margin	
							Asset	Liability
Pay	3-Month CAD-Bank Bill	3.300%	06/19/2024	CAD 11,200	\$ 1,429	\$ 908	\$ 0	\$ (30)
Receive	3-Month CAD-Bank Bill	3.500	06/20/2044	3,800	(989)	(856)	19	0
Pay	3-Month USD-LIBOR	2.500	06/17/2022	\$ 31,500	2,444	1,610	70	0
Receive	3-Month USD-LIBOR *	2.000	06/15/2023	87,600	(3,295)	(3,788)	0	(267)
Receive	3-Month USD-LIBOR *	2.250	06/15/2026	71,800	(3,811)	(3,956)	0	(263)
Receive	3-Month USD-LIBOR *	2.500	06/15/2046	50,100	(3,758)	(6,286)	0	(347)
					\$ (7,980)	\$ (12,368)	\$ 89	\$ (907)
Total Swap Agreements					\$ (7,980)	\$ (12,368)	\$ 89	\$ (907)

* This security has a forward starting effective date.

Cash of \$12,922 have been pledged as collateral under the terms of master agreements as of March 31, 2016.

(i) Financial Derivative Instruments: Over the Counter
Forward Foreign Currency Contracts:

Counterparty	Settlement Month	Currency to be Delivered	Currency to be Received	Unrealized Appreciation/ (Depreciation)	
				Asset	Liability
BOA	04/2016	EUR 18,183	\$ 20,038	\$ 0	\$ (652)
CBK	05/2016	CAD 78	56	0	(4)
GLM	04/2016	BRL 14,092	3,523	0	(397)
	04/2016	EUR 3	3	0	0
	04/2016	\$ 3,960	BRL 14,092	0	(41)
	04/2016	376	EUR 341	12	0
	04/2016	22,984	GBP 16,173	244	0
	05/2016	GBP 12,697	\$ 18,133	0	(105)
HUS	04/2016	BRL 14,449	4,060	42	0
	04/2016	\$ 4,010	BRL 14,449	8	0
	05/2016	BRL 14,449	\$ 3,981	0	(6)
JPM	04/2016	357	98	0	(1)
	04/2016	\$ 100	BRL 357	0	(1)
	04/2016	668	GBP 473	11	0
MSB	04/2016	266	EUR 241	8	0
SCX	04/2016	GBP 16,604	\$ 23,110	0	(738)
	04/2016	\$ 244	EUR 220	6	0
	05/2016	CAD 94	\$ 68	0	(4)
UAG	04/2016	GBP 42	58	0	(2)
	04/2016	\$ 19,467	EUR 17,384	315	0
	05/2016	EUR 17,384	\$ 19,483	0	(315)
Total Forward Foreign Currency Contracts				\$ 646	\$ (2,266)

Purchased Options:

Options on Securities

Counterparty	Description	Strike Price	Expiration Date	Notional Amount	Cost	Market Value
DUB	Put - OTC Fannie Mae 3.500% due 04/01/2046	\$ 74.656	04/06/2016	\$ 10,000	\$ 0	\$ 0
JPM	Put - OTC Fannie Mae 3.000% due 04/01/2046	71.000	04/06/2016	100,000	4	0
	Put - OTC Fannie Mae 3.500% due 05/01/2046	73.000	05/05/2016	100,000	4	0
					\$ 8	\$ 0
Total Purchased Options					\$ 8	\$ 0

Swap Agreements:

Credit Default Swaps on Corporate and Sovereign Issues - Sell Protection ⁽¹⁾

Swap Agreements, at Value										
Counterparty	Reference Entity	Fixed Receive Rate	Maturity Date	Implied Credit Spread		Notional Amount	Premium (Received)	Unrealized Appreciation/Depreciation		Asset Liability
				at March 31, 2016	at 6/30/16			Asset	Liability	
BOA	Indonesia Government International Bond	1.000%	06/20/2019	1.207%	1.207%	\$ 400	\$ (13)	\$ 10	\$ 0	\$ (3)
BPS	Petrobras Global Finance BV	1.000	12/20/2019	8.757	8.757	3,100	(306)	(434)	0	(740)
DUB	Indonesia Government International Bond	1.000	06/20/2019	1.207	1.207	1,000	(35)	29	0	(6)
GST	Petrobras Global Finance BV	1.000	09/20/2020	9.092	9.092	10	(1)	(2)	0	(3)
HUS	Petrobras Global Finance BV	1.000	12/20/2019	8.757	8.757	3,400	(338)	(473)	0	(811)
JPM	Indonesia Government International Bond	1.000	06/20/2019	1.207	1.207	1,200	(40)	33	0	(7)
	Russia Government International Bond	1.000	12/20/2020	2.625	2.625	200	(23)	9	0	(14)
							\$ (756)	\$ (828)	\$ 0	\$ (1,584)

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

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

Interest Rate Swaps

Counterparty	Pay/Receive Floating Rate	Floating Rate Index	Fixed Rate	Maturity Date	Notional Amount	Premium (Received)	Swap Agreements, at Value			
							Unrealized Appreciation	Asset	Liability	
BPS	Pay	1-Year BRL-CDI	15.590%	01/04/2021	BRL 7,200	\$ (1)	\$ 102	\$ 101	\$ 0	
Total Swap Agreements							\$ (757)	\$ (726)	\$ 101	\$ (1,584)

(j) **Securities with an aggregate market value of \$3,655 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of March 31, 2016.**

Fair Value Measurements

The following is a summary of the fair valuations according to the inputs used as of March 31, 2016 in valuing the Fund's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 03/31/2016
Investments in Securities, at Value				
Bank Loan Obligations	\$ 0	\$ 8,095	\$ 0	\$ 8,095
Corporate Bonds & Notes				
Banking & Finance	0	40,841	8,775	49,616
Industrials	0	7,010	3,717	10,727
Utilities	0	16,530	0	16,530
Municipal Bonds & Notes				
West Virginia	0	1,539	0	1,539
U.S. Government Agencies	0	498,402	0	498,402
U.S. Treasury Obligations	0	66,996	0	66,996
Non-Agency Mortgage-Backed Securities	0	127,071	0	127,071
Asset-Backed Securities	0	58,326	0	58,326
Sovereign Issues	0	4,107	0	4,107
Common Stocks				
Energy	179	0	0	179
Short-Term Instruments				
Repurchase Agreements	0	837	0	837
U.S. Treasury Bills	0	3,655	0	3,655
Total Investments	\$ 179	\$ 833,409	\$ 12,492	\$ 846,080
Financial Derivative Instruments - Assets				
Exchange-traded or centrally cleared	11	89	0	100

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Over the counter	0	747	0	747
	\$ 11	\$ 836	\$ 0	\$ 847

**Financial Derivative Instruments -
Liabilities**

Exchange-traded or centrally cleared	0	(907)	0	(907)
Over the counter	0	(3,850)	0	(3,850)
	\$ 0	\$ (4,757)	\$ 0	\$ (4,757)

Totals	\$ 190	\$ 829,488	\$ 12,492	\$ 842,170
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There were no significant transfers between Levels 1 and 2 during the period ended March 31, 2016.

The following is a reconciliation of the fair valuations using significant unobservable inputs (Level 3) for the Fund during the period ended March 31, 2016:

Category and Subcategory	Beginning Balance at 06/30/2015	Net Purchases	Net Sales	Accrued Discounts (Premiums)	Realized Gain (Loss)	Net Change in Transfers into Level 3 of Level 3 at 03/31/2016			Ending Balance at 03/31/2016	Net Change in Unrealized Appreciation/(Depreciation) on Investments Held at 03/31/2016 ⁽¹⁾
						Unrealized Appreciation/Depreciation	Level 3	Transfers out		
Corporate Bonds & Notes	\$ 21,621	\$ 568	\$ (1,051)	\$ 8	\$ (4)	\$ (600)	\$ 0	\$ (11,767)	\$ 8,775	\$ (418)
Banking & Finance	4,231	0	(151)	3	0	(26)	0	(340)	3,717	(1)
Industrials										
Totals	\$ 25,852	\$ 568	\$ (1,202)	\$ 11	\$ (4)	\$ (626)	\$ 0	\$ (12,107)	\$ 12,492	\$ (419)

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

Category and Subcategory	Ending Balance at 03/31/2016	Valuation Technique	Unobservable Inputs	Input Value(s) (% Unless Noted Otherwise)
Corporate Bonds & Notes				
Banking & Finance	\$ 2,805	Proxy Pricing Reference	Base Price	102.67
	5,970	Instrument	Spread movement	16.00 - 561.19 bps
Industrials	3,717	Proxy Pricing	Base Price	100.09
Total	\$ 12,492			

⁽¹⁾ Any difference between Net Change in Unrealized Appreciation/(Depreciation) and Net Change in Unrealized Appreciation/(Depreciation) on Investments Held at March 31, 2016 may be due to an investment no longer held or categorized as Level 3 at period end.

See Accompanying Notes

Notes to Financial Statements

1. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

(a) Investment Valuation Policies The net asset value (NAV) of the Fund 's shares is determined by dividing the total value of portfolio investments and other assets attributable to that Fund, less any liabilities, by the total number of shares outstanding of that Fund.

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

For purposes of calculating NAV, portfolio securities and other assets for which market quotes are readily available are valued at market value. Market value is generally determined on the basis of official closing prices or the last reported sales prices, or if no sales are reported, based on quotes obtained from established market makers or prices (including evaluated prices) supplied by the Fund 's approved pricing services, quotation reporting systems and other third-party sources (together, Pricing Services). The Fund will normally use pricing data for domestic equity securities received shortly after the NYSE Close and do not normally take into account trading, clearances or settlements that take place after the NYSE Close. 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 PIMCO 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 or other pricing sources. With respect to any portion of the Fund 's assets that are invested in one or more open-end management investment companies (other than exchange-traded funds (ETFs)), the Fund 's NAV will be calculated based upon the NAVs of such investments.

If a foreign (non-U.S.) equity security 's value has materially changed after the close of the security 's primary exchange or principal market but before the NYSE Close, the security may be valued at fair value based on procedures established and approved by the Board of Trustees (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 Fund 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 Fund 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 Fund may utilize modeling tools provided by third-party vendors to determine fair values of non-U.S. securities. Foreign (non-U.S.) 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 Fund 's portfolio investments being affected when shareholders are unable to buy or sell shares.

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

Investments valued in currencies other than the U.S. dollar are converted to the U.S. dollar using exchange rates obtained from Pricing Services. As a result, the value of such investments and, in turn, the NAV of the Fund'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 Fund is not open for business. As a result, to the extent that the Fund 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 Fund'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 PIMCO the responsibility for applying the fair valuation methods. In the event that market quotes or market based valuations are not readily available, and the security or asset cannot be valued pursuant to a Board approved valuation method, the value of the security or asset will be determined in good faith by the Valuation Oversight Committee of the Board (Valuation Oversight Committee), generally based on recommendations provided by the Manager. 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 Fund'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 Manager the responsibility for monitoring significant events that may materially affect the values of the Fund'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 Fund 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 Fund's policy is intended to result in a calculation of the Fund's NAV that fairly reflects security values as of the time of pricing, the Fund cannot ensure that fair values determined by the Board or persons acting at their direction would accurately reflect the price that the Fund 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 Fund may differ from the value that would be realized if the securities were sold.

(b) Fair Value Hierarchy U.S. GAAP describes fair value as the price that the Fund 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 Inputs using (unadjusted) 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.

Assets or liabilities categorized as Level 2 or 3 as of period end have been transferred between Levels 2 and 3 since the prior period due to changes in the valuation method utilized in valuing the investments. Transfers from Level 3 to Level 2 are a result of the availability of current and reliable market-based data provided by third-party pricing services or other valuation techniques which utilize significant observable inputs. In accordance with the requirements of U.S. GAAP, the amounts of transfers between Levels 1 and 2 and transfers in and out of Level 3, if material, are disclosed in the Notes to Schedule of Investments for the Fund.

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 in and out of the Level 3 category during the period. The end of period timing recognition is used for the transfers between Levels of the Fund'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 Fund.

(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 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.

Investments valued (denominated) in currencies other than the U.S. dollar are converted to the U.S. dollar using exchange rates (currency spot and forward rates) obtained from Pricing Services. As a result, the NAV of the Fund's shares may be affected by changes in the value of currencies in relation to the U.S. dollar. The value of securities 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 Fund is not open for business. 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.

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 of such short-term debt instrument is approximately the same as the fair value of the instrument as determined without the use of amortized cost valuation. Prior to July 31, 2015, short-term investments having a maturity of 60 days or less and repurchase agreements were generally valued at amortized cost which approximates fair value. Short-term debt instruments having a remaining maturity of 60 days or less are categorized as Level 2 of the fair value hierarchy.

Equity exchange-traded options and over the counter financial derivative instruments, such as foreign currency contracts, options contracts, or swap agreements, derive their value from underlying asset prices, indices, reference rates, and other inputs or a combination of these factors. Other than swap agreements, which are valued using a broker-dealer bid quotation or on market-based prices provided by Pricing Services or other pricing sources, 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 listed or traded on a multilateral or trade facility platform, such as a registered exchange, are valued at the daily settlement price determined by the respective exchange (if available). For centrally cleared credit default swaps the clearing facility requires its members to provide actionable price levels across complete term structures. These levels, along with external third-party prices are used to produce daily settlement prices. These securities are categorized as Level 2 of the fair value hierarchy. Centrally cleared interest rate swaps are valued using a pricing model that references the underlying rates including the overnight index swap rate and London Interbank Offered Rate (LIBOR) forward rate to produce the daily settlement price. 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 PIMCO 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. The valuation techniques and significant inputs used in determining the fair values of portfolio assets and liabilities categorized as Level 3 of the fair value hierarchy are as follows:

Proxy pricing procedures set the base price of a fixed income security and subsequently adjust the price proportionally to market value changes of a pre-determined security deemed to be comparable in duration, generally a U.S. Treasury or sovereign note based on country of issuance. The base price may be a broker-dealer quote, transaction price, or an internal value as derived by analysis of market data. The base price of the security may be reset on a periodic basis based on the availability of market data and procedures approved by the Valuation Oversight Committee. Significant changes in the unobservable inputs of the proxy pricing process (the base price) would result in direct and proportional changes in the fair value of the security. These securities are categorized as Level 3 of the fair value hierarchy.

If third-party evaluated vendor pricing is not available or not deemed to be indicative of fair value, the Manager may elect to obtain indicative market quotations (broker quotes) directly from the broker-dealer or passed through from a third-party vendor. In the event that fair value is based upon a single sourced broker quote, these securities are categorized as Level 3 of the fair value hierarchy. Broker quotes are typically received from established market participants. Although independently received, the Manager does not have the transparency to view the underlying inputs which support the market quotation. Significant changes in the broker quote would have direct and proportional changes in the fair value of the security.

Reference instrument valuation estimates fair value by utilizing the correlation of the security to one or more broad-based securities, market indices, and/or other financial instruments, whose pricing information is readily available. Unobservable inputs may include those used in algorithm formulas based on percentage change in the reference instruments and/or weights of each reference instrument. Significant changes in the unobservable inputs would result in direct and proportional changes in the fair value of the security. These securities are categorized as Level 3 of the fair value hierarchy.

The validity of the fair value is reviewed by the Manager on a periodic basis and may be amended in accordance with the Fund's valuation procedures.

2. FEDERAL INCOME TAX MATTERS

The Fund 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 Fund 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 Manager has reviewed the Fund's tax positions for all open tax years. As of March 31, 2016, the Fund has recorded no liability for net unrecognized tax benefits relating to uncertain income tax positions they have taken or expect to take in future tax returns.

The Fund files U.S. tax returns. While the statute of limitations remains open to examine the Fund's U.S. tax returns filed for the fiscal years ending in 2013-2015, no examinations are in progress or anticipated at this time. The Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits

will significantly change in the next twelve months.

As of March 31, 2016, the aggregate cost and the gross and the net unrealized appreciation (depreciation) of investments for federal income tax purposes were as follows (amounts in thousands):

Federal Tax Cost	Aggregate Gross Unrealized Appreciation	Aggregate Gross Unrealized (Depreciation)	Net Unrealized Appreciation (Depreciation) (1)
\$ 822,969	\$ 32,337	\$ (9,226)	\$ 23,111

(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)

(Unaudited)

Counterparty Abbreviations:

BOA	Bank of America N.A.	FOB	Credit Suisse Securities (USA) LLC	MSC	Morgan Stanley & Co., Inc.
BOS	Banc of America Securities LLC	GLM	Goldman Sachs Bank USA	NOM	Nomura Securities International Inc.
BPS	BNP Paribas S.A.	GST	Goldman Sachs International	SCX	Standard Chartered Bank
CBK	Citibank N.A.	HUS	HSBC Bank USA N.A.	SSB	State Street Bank and Trust Co.
DEU	Deutsche Bank Securities, Inc.	JPM	JPMorgan Chase Bank N.A.	UAG	UBS AG Stamford
DUB	Deutsche Bank AG	MSB	Morgan Stanley Bank N.A.	UBS	UBS Securities LLC

Currency Abbreviations:

BRL	Brazilian Real	EUR	Euro	USD (or \$)	United States Dollar
CAD	Canadian Dollar	GBP	British Pound		

Exchange Abbreviations:

OTC Over the Counter

Other Abbreviations:

ALT	Alternate Loan Trust	LIBOR	London Interbank Offered Rate	REMIC	Real Estate Mortgage Investment Conduit
CDI	Brazil Interbank Deposit Rate				

Item 2. Controls and Procedures

(a) The principal executive officer and principal financial & accounting officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Act (17 CFR 270.30a-3(c))), are effective based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this document.

(b) There were no significant changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits

A separate certification for each principal executive officer and principal financial & accounting officer of the registrant as required by Rule 30a-2 under the 1940 Act is attached as Exhibit 99.CERT.

