

CVENT INC  
Form 10-Q  
May 11, 2015  
Table of Contents

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

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended March 31, 2015**

**or**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission file number: 001-36043**

**Cvent, Inc.**

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

**Delaware**  
**(State or other jurisdiction of**  
**incorporation or organization)**

**54-1954458**  
**(I.R.S. Employer**  
**Identification Number)**

**1765 Greensboro Station Place, 7<sup>th</sup> Floor**

**Tysons Corner, VA**  
**(Address of principal executive offices)**  
**(703) 226-3500**

**22102**  
**(Zip Code)**

**(Registrant's telephone number, including area code)**

**(Former name, former address and former fiscal year, if changed since last report)**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: As of May 7, 2015, there were 41,560,903 shares of the registrant's common stock outstanding.



**Table of Contents**

**CVENT, INC.**  
**QUARTERLY REPORT ON FORM 10-Q**  
**FOR THE QUARTER ENDED MARCH 31, 2015**  
**TABLE OF CONTENTS**

**PART I. FINANCIAL INFORMATION**

Item 1.	<u>Financial Statements</u>	4
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	16
Item 3.	<u>Quantitative and Qualitative Disclosure about Market Risk</u>	24
Item 4.	<u>Controls and Procedures</u>	25

**PART II. OTHER INFORMATION**

Item 1.	<u>Legal Proceedings</u>	26
Item 1A.	<u>Risk Factors</u>	26
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	27
Item 3.	<u>Defaults Upon Senior Securities</u>	28
Item 4.	<u>Mine Safety Disclosures</u>	28
Item 5.	<u>Other Information</u>	28
Item 6.	<u>Exhibits</u>	28

**SIGNATURES**

29

**EXHIBIT INDEX**

EX-31.1
EX-31.2
EX-32.1
EX-32.2

**Table of Contents**

**CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS**

This Quarterly Report on Form 10-Q, including the sections entitled Management's Discussion and Analysis of Financial Condition and Results of Operations and Quantitative and Qualitative Disclosure About Market Risk under Items 2 and 3, respectively, of Part I of this report, and the sections entitled Legal Proceedings, Risk Factors, and Unregistered Sales of Equity Securities and Use of Proceeds under Items 1, 1A and 2, respectively, of Part II of this report, contains forward-looking statements. These statements may relate to, but are not limited to, expectations of future operating results or financial performance, macroeconomic trends that we expect may influence our business, plans for capital expenditures, expectations regarding the adoption of our cloud-based solutions and introduction of new products, regulatory compliance and changes in the regulatory landscape affecting our business, impact of litigation, plans for growth and future operations, effects of acquisitions, effects of material weaknesses in the design and operating effectiveness of our internal control over financial reporting and ineffective disclosure controls and procedures, as well as assumptions relating to the foregoing. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. These risks and other factors include, but are not limited to, those listed or incorporated by reference under the section entitled Risk Factors in Item 1A of Part II of this Quarterly Report on Form 10-Q. In some cases, you can identify forward-looking statements by terminology such as may, will, should, could, expect, plan, anticipate, believe, estimate, predict, intend, potent negative of these terms or other comparable terminology. These statements are only predictions. Actual events and/or results may differ materially.

We believe that it is important to communicate our future expectations. However, there may be events in the future that we are not able to accurately predict or control and that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements. Except as required by applicable law, including the securities laws of the United States and the rules and regulations of the Securities and Exchange Commission, we do not plan to publicly update or revise any forward-looking statements, whether as a result of any new information, future events or otherwise. You should not place undue reliance on our forward-looking statements. You should be aware that the occurrence of any of the events described in the Risk Factors section and elsewhere in this Quarterly Report on Form 10-Q or in the Annual Report filed on Form 10-K, filed on March 16, 2015, could harm our business, prospects, operating results and financial condition. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements.

**Table of Contents****PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****Cvent, Inc.****Consolidated Balance Sheets****(in thousands, except share data)**

	<b>March 31, 2015 (Unaudited)</b>	<b>December 31, 2014</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 153,192	\$ 144,544
Restricted cash	405	397
Short-term investments	23,370	23,039
Accounts receivable, net of reserve of \$493 and \$339, respectively	37,561	44,986
Prepaid expense and other current assets	16,683	13,107
Deferred tax assets	5,572	3,776
<b>Total current assets</b>	<b>236,783</b>	<b>229,849</b>
Property and equipment, net	21,484	22,535
Capitalized software development costs, net	20,740	17,967
Intangible assets, net	8,943	9,442
Goodwill	20,802	20,802
Other assets, non-current	325	313
<b>Total assets</b>	<b>\$ 309,077</b>	<b>\$ 300,908</b>
<b>Liabilities and Stockholders Equity</b>		
Current liabilities:		
Accounts payable	\$ 4,615	\$ 5,057
Accrued expenses and other current liabilities	20,319	18,534
Deferred revenue	85,908	82,030
<b>Total current liabilities</b>	<b>110,842</b>	<b>105,621</b>
Deferred tax liabilities, non-current	7,422	7,086
Deferred rent, non-current	10,716	9,576
Other liabilities, non-current	5,042	4,791
<b>Total liabilities</b>	<b>134,022</b>	<b>127,074</b>
Commitments and contingencies (Note 9)		
Stockholders equity		

Edgar Filing: CVENT INC - Form 10-Q

Preferred stock, \$0.001 par value, 100,000,000 shares authorized at March 31, 2015 and December 31, 2014; and zero issued and outstanding at March 31, 2015 and December 31, 2014

Common stock, \$0.001 par value; 1,000,000,000 shares authorized at March 31, 2015 and December 31, 2014; 42,054,850 and 41,685,048 shares issued and 41,534,636 and 41,164,834 outstanding at March 31, 2015 and December 31, 2014, respectively

	42	42
Treasury stock	(3,966)	(3,966)
Additional paid-in capital	202,787	199,169
Accumulated other comprehensive loss	(265)	(220)
Accumulated deficit	(23,543)	(21,191)
Total stockholders' equity	175,055	173,834
Total liabilities and stockholders' equity	\$ 309,077	\$ 300,908

*See accompanying notes to the consolidated financial statements*

**Table of Contents****Cvent, Inc.****Consolidated Statements of Operations and Comprehensive Income (Loss)****(in thousands, except share and per share data)****(unaudited)**

	<b>Three Months Ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
Revenue	\$ 41,106	\$ 31,401
Cost of revenue <sup>1</sup>	14,895	9,208
Gross profit	26,211	22,193
Operating expenses:		
Sales and marketing <sup>1</sup>	17,740	13,667
Research and development <sup>1</sup>	5,035	3,189
General and administrative <sup>1</sup>	7,781	4,697
Total operating expenses	30,556	21,553
Income (loss) from operations	(4,345)	640
Interest income	544	279
Other expense	(426)	
Income (loss) before income taxes	(4,227)	919
Benefit from income taxes	(1,875)	(722)
Net income (loss)	\$ (2,352)	\$ 1,641
Net income (loss) per common share:		
Basic	\$ (0.06)	\$ 0.04
Diluted	\$ (0.06)	\$ 0.04
Weighted average common shares outstanding basic	41,236,164	40,619,281
Weighted average common shares outstanding diluted	41,236,164	43,194,174
Other comprehensive income (loss):		
Foreign currency translation loss	(45)	
Comprehensive income (loss)	(2,397)	1,641



<sup>1</sup> Stock-based compensation expense included in the above:

Cost of revenue	\$	475	\$	193
Sales and marketing		1,030		303
Research and development		745		204
General and administrative		556		230
Total	\$	2,806	\$	930

*See accompanying notes to the consolidated financial statements*

**Table of Contents****Cvent, Inc.****Consolidated Statements of Cash Flows****(in thousands)****(unaudited)**

	<b>Three Months Ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
<b>Operating activities:</b>		
Net income (loss)	\$ (2,352)	\$ 1,641
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	4,059	2,001
Loss on asset disposal	436	
Foreign currency transaction gain	(23)	(166)
Stock-based compensation expense	2,806	930
Deferred taxes	(1,472)	
Change in operating assets and liabilities:		
Accounts receivable, net	7,316	8,906
Prepaid expenses and other assets	(3,352)	(271)
Accounts payable, accrued expenses and other liabilities	2,897	5,655
Deferred revenue	4,072	4,781
<b>Net cash provided by operating activities</b>	<b>14,387</b>	<b>23,477</b>
<b>Investing activities:</b>		
Purchase of property and equipment	(773)	(1,751)
Capitalized software development costs	(4,724)	(3,021)
Net (purchases) sales of short-term investments	(331)	722
Acquisition and acquisition-related consideration payments	(17)	(20)
Restricted cash	(8)	(9)
<b>Net cash used in investing activities</b>	<b>(5,853)</b>	<b>(4,079)</b>
<b>Financing activities:</b>		
Proceeds from exercise of stock options	237	234
Proceeds from follow-on public offering, net of expenses		24,814
<b>Net cash provided by financing activities</b>	<b>237</b>	<b>25,048</b>
Effect of exchange rate changes on cash and cash equivalents	(123)	166
<b>Increase in cash and cash equivalents</b>	<b>8,648</b>	<b>44,612</b>
Cash and cash equivalents, beginning of period	144,544	146,407
<b>Cash and cash equivalents, end of period</b>	<b>\$ 153,192</b>	<b>\$ 191,019</b>

Supplemental cash flow information:

Income taxes paid	\$	347	\$	661
-------------------	----	-----	----	-----

Supplemental disclosure of noncash investing activities:

Outstanding payments for purchase of property and equipment in accounts payable at period end	\$	226	\$	289
---	----	-----	----	-----

*See accompanying notes to the consolidated financial statements*

**Table of Contents**

**CVENT, INC**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**(in thousands, except share and per share data)**

**(unaudited)**

**1. Description of Business**

Cvent, Inc. (the Company) provides a cloud-based enterprise event management platform with solutions for both sides of the events and meetings value chain: (i) event and meeting planners and (ii) hotels and venues. The Company's integrated, cloud-based solution addresses the entire event lifecycle by allowing event and meeting planners to organize, market and manage meetings, conferences, tradeshows and other events. The Company's hospitality cloud provides hotels and venues with a full solution suite to generate, manage and measure demand for their group meetings. The combination of these solutions creates an integrated platform that allows the Company to generate revenue from both sides of the events and meetings value chain.

**2. Summary of Significant Accounting Policies**

***(a) Basis of Presentation***

The financial information presented in the accompanying unaudited consolidated financial statements as of March 31, 2015, and for the three months ended March 31, 2015 and 2014 has been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) and in accordance with rules and regulations of the U.S. Securities and Exchange Commission (SEC) regarding interim financial reporting. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, the accompanying unaudited consolidated financial statements reflect all adjustments, consisting primarily of normal recurring accruals, necessary for a fair presentation of the financial position as of March 31, 2015, the results of operations for the three months ended March 31, 2015 and 2014, and cash flows for the three months ended March 31, 2015 and 2014. These unaudited consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements and notes thereto.

***(b) Reclassification***

Certain items in the prior period financial statements have been reclassified for comparative purposes to conform to the current period presentation.

***(c) Use of Estimates***

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates and assumptions made by management include estimated useful lives of property and equipment and capitalized software development costs, goodwill and intangibles, determination of estimated selling prices, allowances for doubtful accounts, valuation of deferred tax assets, valuation assumptions in purchase accounting, certain assumptions related to stock-based compensation, income taxes and legal and other contingencies. Actual results could differ from those estimates and

assumptions.

***(d) Cash and Cash Equivalents***

Highly liquid financial instruments purchased with original maturities of 90 days or less at the date of purchase are reported as cash equivalents. Cash equivalents are recorded at cost, which approximates fair value.

Included in cash and cash equivalents are funds representing amounts reserved for the face value of registration fees or tickets sold on behalf of customers. While these cash accounts are not restricted as to their use, a liability for amounts due to customers under these arrangements has been recorded in accounts payable in the accompanying consolidated balance sheets. The Company had amounts due to customers of \$5,239 and \$3,431 included within cash and cash equivalents as of March 31, 2015 and December 31, 2014, respectively.

## **Table of Contents**

### ***(e) Revenue Recognition***

The Company derives revenue from two primary sources: platform subscription-based solutions and marketing solutions. These services are generally provided under annual or multi-year contracts that are generally only cancellable for cause. Revenue is generally recognized on a straight-line basis over the life of the contract. The Company recognizes revenue when all of the following conditions are met:

- (i) persuasive evidence exists of an arrangement with the customer reflecting the terms and conditions under which the solutions or services will be provided;
- (ii) delivery to customers has occurred or services have been rendered;
- (iii) the fee is fixed or determinable; and
- (iv) collection of the fees is reasonably assured.

The Company considers a signed agreement or other similar documentation to be persuasive evidence of an arrangement. Collectability is assessed based on a number of factors, including transaction history and the creditworthiness of a customer. If it is determined that collection is not reasonably assured, revenue is not recognized until collection becomes reasonably assured, which is generally upon receipt of cash.

The Company applies the provisions of FASB ASU 2009-13, Revenue Recognition (Topic 605): *Multiple-Deliverable Revenue Arrangements* (EITF Issue No. 08-1, Revenue Arrangements with Multiple Deliverables) with respect to its multiple-element arrangements entered into or significantly modified on or after January 1, 2011.

### ***Platform Subscription Revenue***

#### ***Event Management***

The Company generates the majority of its revenue through software-as-a-service (SaaS) subscriptions to the event management platform, pricing for which is subject to the features and functionality selected. No features or functionality within the subscription-based services have stand-alone value from one another and, therefore, the entire subscription fee is recognized on a straight-line basis over the term of the subscription arrangement.

SaaS subscriptions may include functionality that enables customers to manage the registration of participants attending the customer's event or events. In some cases, the negotiated fee for the subscription is based on a maximum number of event registrations permitted over the subscription term. At any time during the subscription term, customers may elect to purchase blocks of additional registrations, which are referred to as subscription up-sells. The fees associated with the up-sells are added to the original subscription fee, and the revenue is recognized over the remaining subscription period. No portion of the subscription fee is refundable regardless of the actual number of registrations that occur.

#### ***Mobile Apps***

Subscription-based solutions also include the sale of mobile event apps. The revenue for mobile event apps solutions is generally recognized on a straight-line basis over the life of the contract. A customer may use a singular mobile event app for any number of events. At any time during the subscription term, customers may elect to purchase additional mobile event apps, which are referred to as mobile up-sells. The fees associated with the up-sells are added

to the original subscription fee, and the revenue is recognized over the remaining subscription period. No portion of the subscription fee is refundable.

*Audience Management Platform*

Revenue related to the Audience Management Platform is generated primarily through convenience and order processing fees charged to the end user purchasing tickets at the time a ticket for an event is sold and is recorded at the time of the event, net of the face value of the ticket. Revenue for these ticket fees collected in advance of the event is recorded as deferred revenue until the event occurs. If an event is cancelled, the customer receives a full refund of the ticket price and fees paid.

Other subscription-based solutions include the sale of survey solutions, which are contracted through annual or multiyear arrangements.

Subscription agreements do not provide customers with the right to take possession of the underlying software at any time.

---

**Table of Contents*****Hospitality Cloud Revenue***

Towards the end of 2014, the Hospitality Cloud was branded to provide a full spectrum of cloud-based solutions across the hotel group sales lifecycle. Prior to this, the Company primarily concentrated on servicing the hospitality sector with marketing solutions through Cvent Supplier Network (CSN), which provided substantially all of the revenue for the product line in 2014 and before. Marketing solutions revenue is generated through the delivery of various forms of advertising sold through annual or multi-year contracts to marketers, principally hotels and venues. Such solutions include prominent display of a customer's venue within the Cvent Supplier Network, the Cvent Destination Guide, the Elite Meetings magazine or in various electronic newsletters. Pricing for the advertisements is based on the term of the advertisement, targeted geography, number of advertisements and prominence of the ad placement.

The Company enters into arrangements with multiple deliverables that generally include various marketing solutions that may be sold individually or bundled together and delivered over various periods of time. In such situations, the Company applies the provisions of Financial Accounting Standards Board, or FASB, Accounting Standards Codification, or ASC, No. 605-25, *Revenue Recognition - Multiple Element Arrangements* to account for the various elements within the marketing solution agreements delivered over the platform. Under such guidance, in order to treat deliverables in a multiple-deliverable arrangement as separate units of accounting, the deliverables must have standalone value upon delivery. If the deliverables have standalone value upon delivery, the Company accounts for each deliverable separately and revenue is recognized ratably over the contractual period that the related advertising deliverable is provided. Annual marketing solutions on the Cvent Supplier Network are often sold separately, and, as such, all have standalone value.

Certain one-time marketing solutions, which can run for a month, several months, or a year, are primarily sold in a package. In determining whether the marketing solutions sold in packages have standalone value, the Company considers the availability of the services from other vendors, the nature of the solutions, and the contractual dependence of the solutions to the rest of the package. Based on these considerations, the Company has determined the estimated selling price for each marketing solution sold in a package.

Revenue arrangements with multiple deliverables are divided into separate units of accounting and the arrangement consideration is allocated to all deliverables based on the relative selling price method. In such circumstances, the Company uses the selling price hierarchy of: (i) Vendor-specific objective evidence, or VSOE, if available, (ii) third-party evidence of selling price, or TPE, and (iii) best estimate of selling price. VSOE is limited to the price charged when the same element is sold separately by the Company. Due to the unique nature of some multiple deliverable revenue arrangements, the Company may not be able to establish selling prices based on historical stand-alone sales using VSOE or TPE; therefore the Company may use its best estimate to establish selling prices for these arrangements. The Company establishes the best estimates within a range of selling prices considering multiple factors including, but not limited to, factors such as size of transaction, customer demand and price lists.

***(f) Deferred Revenue***

Deferred revenue consists of contractual billings or payments received in advance of revenue recognition from platform subscription services or marketing solutions that are subsequently recognized when the revenue recognition criteria are met. The Company generally invoices customers in advance in annual or quarterly installments.

***(g) Business Combinations***



The Company is required to allocate the purchase price of acquired companies to the identifiable tangible and intangible assets acquired and liabilities assumed at the acquisition date based upon their estimated fair values.

Goodwill as of the acquisition date represents the excess of the purchase consideration of an acquired business over the fair value of the underlying net tangible and intangible assets acquired and liabilities assumed. This allocation and valuation require management to make significant estimates and assumptions, especially with respect to long-lived and intangible assets.

Critical estimates in valuing intangible assets include but are not limited to estimates about: future expected cash flows from customer contracts, customer lists, distribution agreements, proprietary technology and non-competition agreements; the acquired company's brand awareness and market position, assumptions about the period of time the brand will continue to be used in our product portfolio; as well as expected costs to develop the in-process research and development into commercially viable products and estimated cash flows from the projects when completed, and discount rates. The Company's estimates of fair value are based upon assumptions the Company believe to be reasonable, but which are inherently uncertain and unpredictable. Assumptions may be incomplete or inaccurate, and unanticipated events and circumstances may occur.

---

**Table of Contents**

In addition, uncertain tax positions and tax-related valuation allowances assumed in connection with a business combination are initially estimated as of the acquisition date. The Company continues to evaluate these items quarterly and records any adjustments to the preliminary estimates to goodwill provided that the Company is within the measurement period. Subsequent to the measurement period, changes to these uncertain tax positions and tax related valuation allowances will affect the Company's provision for income taxes in the consolidated statements of operations in the current period.

Other estimates associated with the accounting for these acquisitions may change as additional information becomes available regarding the assets acquired and liabilities assumed.

***(h) Goodwill***

Goodwill represents the excess of: (i) the aggregate of the fair value of consideration transferred in a business combination, over (ii) the fair value of assets acquired, net of liabilities assumed. Goodwill is not amortized, but is subject to annual impairment tests. The goodwill impairment test is a two-step test. Under the first step, the fair value of the reporting unit is compared with its carrying value, including goodwill. If the fair value of the reporting unit is less than its carrying value, an indication of goodwill impairment exists for the reporting unit and the entity must perform step two of the impairment test (measurement). Under step two, an impairment loss is recognized for any excess of the carrying amount of the reporting unit's goodwill over the implied fair value of that goodwill. The implied fair value of goodwill is determined by allocating the fair value of the reporting unit in a manner similar to a purchase price allocation and the residual fair value after this allocation is the implied fair value of the reporting unit goodwill. Fair value of the reporting unit is estimated using a discounted cash flow analysis. If the fair value of the reporting unit exceeds its carrying value, step two is not performed.

In September 2011, the FASB issued ASU 2011-08, *Intangibles - Goodwill and Other (Topic 350): Testing Goodwill for Impairment*. This ASU permits an entity to make a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying amount before applying the two-step goodwill impairment test. If an entity concludes it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, it need not perform the two-step impairment test. The Company adopted the provisions of ASU 2011-08 as of January 1, 2012.

The Company performs its annual impairment review of goodwill on November 30 and when a triggering event occurs between annual impairment tests. There were no triggering events or indications of impairment as of March 31, 2015.

***(i) Capitalized Software Development Costs***

Costs to develop internal use software are capitalized and recorded as capitalized software in accordance with the provisions of FASB ASC Subtopic 350-40, *Intangibles-Goodwill and Other Subtopic 40 Internal-Use Software* on the balance sheet. These costs are amortized on a project-by-project basis using the straight-line method over the estimated economic life of the application, which is generally three years, beginning when the asset is substantially ready for use. Costs incurred during the preliminary development stage, as well as maintenance and training costs are expensed as incurred.

***(j) Deferred Tax Assets and Liabilities***

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of

existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. To the extent that it is not considered to be more likely than not that a deferred tax asset will be realized, a valuation allowance is established. The Company applies the provisions of FASB interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (FIN 48) (included in ASC Subtopic 740-10, *Income Taxes - Overall*), which provides guidance related to the accounting for uncertain tax positions. In accordance with FIN 48, the Company only recognizes the tax benefit from an uncertain tax position if it is more likely than not that the tax position will be sustained upon examination.

***(k) Stock-Based Compensation***

The Company accounts for its employee stock-based compensation awards in accordance with FASB ASC Topic 718, *Compensation - Stock Compensation*. ASC Topic 718 requires that all employee stock-based compensation is recognized as a cost in the financial statements and that for equity-classified awards, such cost is measured at the grant date fair value of the award. The Company estimates grant date fair value for stock options using the Black-Scholes option-pricing model. The Company estimates grant date fair value for restricted stock units based on the closing price of the underlying shares on grant date.

Determining the fair value of stock options under the Black-Scholes model requires judgment, including estimated volatility, risk free rate, expected term and estimated dividend yield. The assumptions used in calculating the fair value of stock-based compensation awards represent the Company's best estimates, based on management judgment. The estimate of the value per share of the Company's common stock used in the option-pricing model prior to the Company's IPO was based on the contemporaneous valuations performed with the assistance of an unrelated third-party valuation specialist and management's analysis of market transactions in proximity to the valuation dates. The estimated dividend yield is zero since the Company has not issued dividends to date and does not anticipate issuing dividends. The risk-free interest rate is based on the implied yield currently available on U.S.

---

**Table of Contents**

Treasury zero coupon issues with an equivalent remaining term. Due to its limited trading history, the Company estimates volatility for option grants by evaluating the average historical volatility of a peer group of similar public companies. The expected term of the Company's option plans represent the period that its stock-based awards are expected to be outstanding. For purposes of determining the expected term, the Company applies the simplified approach, in which the expected term of an award is presumed to be the mid-point between the vesting date and the expiration date of the award. Awards generally vest over a service period of four years, with a maximum contractual term of ten years.

Pursuant FASB ASC Subtopic 718-10-35, *Stock Compensation*, the initial determination of compensation cost is based on the number of stock options granted amortized over the vesting period. The value of the awards granted is discounted by the forfeiture rate equal to the value expected to vest. The forfeiture rate was derived by taking into consideration historical employee turnover rates as well as expectations for the future. Expense is recognized using the straight-line attribution method. Compensation cost for restricted stock units is measured at the fair value of the underlying shares on grant date and recognized on a straight-line basis over the vesting period.

***(l) Foreign Currency***

The Company's foreign subsidiary in India designates the U.S. dollar as the functional currency. For the subsidiary, assets and liabilities denominated in foreign currency are remeasured into U.S. dollars at current exchange rates for monetary assets and liabilities and historical exchange rates for nonmonetary assets and liabilities. Foreign currency gains and losses associated with remeasurement are included in general and administrative expense in the consolidated statements of operations.

Foreign currency gains (losses) associated with transactions and remeasurement were \$186 and \$439 for the three months ended March 31, 2015 and 2014, respectively.

The Company's foreign subsidiary in the UK designates the British Pound as its functional currency. For the subsidiary, assets and liabilities denominated in foreign currency are translated into U.S. dollars at current exchange rates. Foreign currency gains and losses associated with translation are included in accumulated other comprehensive gain (loss) in the consolidated balance sheets.

Accumulated other comprehensive loss associated with translation was \$265 and \$220 as of March 31, 2015 and December 31, 2014, respectively.

**3. New Accounting Pronouncements**

In May 2014, the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB) issued joint guidance to improve and converge the financial reporting requirements for revenue from contracts with customers. ASU 2014-9, *Revenue from Contracts with Customers*, prescribes a five-step model for revenue recognition that will replace most existing revenue recognition guidance under U.S. GAAP. The new standard supersedes nearly all existing revenue recognition guidance under U.S. GAAP, and requires companies to recognize revenue when it transfers goods or services to a customer in an amount that reflects the consideration to which a company expects to be entitled for those goods or services. This update also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments, and assets recognized from costs incurred to obtain or fulfill a contract. ASU 2014-09 allows for either full retrospective or modified retrospective adoption and will become effective for the Company in the first quarter of 2017. Early adoption is prohibited. In March 2015, the FASB recommended a one-year delay on effectiveness of this standard. Management is currently evaluating which adoption

method it will use and assessing the effect the adoption of this standard will have on the consolidated financial statements.

#### **4. Follow-On Public Offering**

On January 16, 2014, the Company completed a follow-on public offering of 6,072,000 shares of its common stock. The Company sold 747,500 shares of its common stock, and the selling shareholders sold 5,324,500 shares in the offering, including the underwriters' over-allotment, at a price to the public of \$35.50 per share. The offering closed on January 23, 2014, and the Company received net proceeds of \$24,846 million after deducting the underwriters' discount and offering expenses, which have been included in additional paid-in-capital in the accompanying balance sheets as of March 31, 2015 and December 31, 2014.

**Table of Contents****5. Net Income (Loss) Per Share**

The Company calculates basic net income per share of common stock by dividing net income attributable to the common stockholders for the period by the weighted-average number of shares of common stock outstanding during the period. The Company calculates diluted net income per share by dividing net income attributable to the Company for the period by the weighted-average number of shares of common stock outstanding during the period, plus any dilutive effect from share-based equity awards during the period, using the treasury stock method. Included in the diluted weighted average shares outstanding calculation is the effect of non-vested early option exercises of 188,875 shares that vested in February 2015, which were the last remaining non-vested shares of the 573,941 shares that were early-exercised on June 13, 2012. These shares, until they vested, were removed from the basic earnings per share calculation as the shares could have been repurchased by the Company prior to the vesting date if the employment of the early exercised option shareholders would have been terminated. The computation of basic and diluted net income per share is as follows:

	<b>Three Months Ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
Net income (loss)	\$ (2,352)	\$ 1,641
Weighted average number of shares outstanding:		
Weighted average common shares outstanding	41,236,164	40,619,281
Weighted average shares outstanding for basic earnings per share		
	41,236,164	40,619,281
Effect of share-based equity award plan		2,574,893
Weighted average shares outstanding for diluted earnings per share		
	41,236,164	43,194,174
Net income (loss) per share:		
Basic	\$ (0.06)	\$ 0.04
Diluted	\$ (0.06)	\$ 0.04

The weighted average number of shares outstanding used in the computation of diluted loss per share for the three months ended March 31, 2015 do not include the effect of 2,012,102 stock options and restricted stock units, as the effect would have been anti-dilutive.

**6. Income Taxes**

The Company generally estimates its annual effective tax rate for the full fiscal year and applies that rate to its income from continuing operations before income taxes in determining its provision for income taxes for the respective periods. The Company generally records discrete items in each respective period as appropriate. However, if a company is unable to reliably estimate its annual effective tax rate, then the actual effective tax rate for the year-to-date period may be the best estimate for the annual effective tax rate. For the three months ended March 31, 2015, the Company determined that the annual rate method would not provide for a reliable estimate due to volatility in the forecasting process. As a result, the Company has recorded the provision for income taxes for the three months

ended March 31, 2015 using the actual effective rate for the three months ended March 31, 2014 (the cut-off method). The effective tax rate for the three months ended March 31, 2015 was calculated based on an actual effective tax rate plus discrete items, as described above.

The Company's consolidated effective tax rate for the three months ended March 31, 2015 was 44.4%. The Company's consolidated effective tax rate for the three months ended March 31, 2014 was (78.6)%.

The Company's estimated effective tax rate is subject to fluctuation based upon the level and mix of earnings and losses by tax jurisdiction, and the relative impact of permanent book to tax differences (e.g., non-deductible expenses). As a result of these factors, and due to potential changes in the Company's period to period results, fluctuations in the Company's effective tax rate and respective tax provisions or benefits may occur. The Company is subject to U.S. federal income tax, various state income taxes and various foreign income taxes. The effective income tax rate for the three months ended March 31, 2015 and 2014 reflects various foreign income taxes.

In assessing the Company's ability to realize the future benefit associated with its deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets may not be realized. The ultimate realization is dependent on the generation of taxable income within the periods that those temporary differences become deductible. The Company has not recorded a valuation allowance for its deferred tax assets due to management's assessment that it is more-likely-than-not that the Company will be able to realize these tax assets.

**Table of Contents**

The Company permanently reinvests cumulative undistributed earnings of its non-U.S. subsidiaries in non-U.S. operations. U.S. federal income taxes have not been provided for in relation to undistributed earnings to the extent that they are permanently reinvested in the Company's non-U.S. operations. As of March 31, 2015, the undistributed earnings of the Company's foreign affiliates was \$5,775.

The Company recognizes interest and penalties related to uncertain tax positions in income tax expense.

**7. Stock-Based Compensation***Stock Options*

Stock options are granted with an exercise price equal to the stock's fair value at the date of grant. The awards vest at various times from the date of grant, with most options vesting in tranches generally over four years. All options expire 10 years after the date of grant. At March 31, 2015, there were 6,352,099 shares available for the Company to grant under the 2013 Equity Incentive Plan.

The grant-date fair value of each option award is estimated on the date of grant using the Black-Scholes option-pricing model. The weighted average assumptions for 2015 and 2014 grants are provided in the table below. Because the Company's shares were not publicly traded prior to August 9, 2013 and its shares were rarely traded privately, and due to the limited trading history since August 9, 2013, expected volatility is estimated based on the average historical volatility of similar entities with publicly traded shares. The risk-free rate for the expected term of the option is based on the U.S. Treasury yield curve at the date of grant. Expense is recognized using the straight-line attribution method.

The following is a summary of the weighted average assumptions used in the valuation of stock-based awards under the Black-Scholes model:

	<b>Three Months Ended March 31, 2015</b>	<b>Three Months Ended March 31, 2014</b>
Dividend yield	0.00%	0.00%
Volatility	45.80%	48.96%
Expected term (years)	6.31	6.72
Risk-free interest rate	1.52%	1.18%



**Table of Contents**

Stock option activity during the periods indicated is as follows:

	Number of shares subject to options	Weighted average exercise price per share	Weighted average remaining contractual term (years)	Aggregate intrinsic value
Balance at December 31, 2014	4,166,214	\$ 12.70	7.56	\$ 63,186
Granted	880,104	26.79		
Exercised	(369,802)	2.19		
Forfeited	(89,448)	23.53		
Expired				
Balance at March 31, 2015	4,587,068	\$ 16.04	8.09	\$ 55,029
Exercisable at March 31, 2015	1,346,135	\$ 2.40	6.03	\$ 34,515

The weighted average grant date fair value of options granted during the three months ended March 31, 2015 was \$12.38. The total intrinsic value of options exercised during the three months ended March 31, 2015 was \$4,538.

The Company recorded stock-based compensation expense related to options of \$1,833 and \$832 during the three months ended March 31, 2015 and 2014. At March 31, 2015, there was \$20,712 of total unrecognized compensation cost related to unvested stock options granted under the Plan, which is expected to be recognized over a weighted average period of 3.22 years.

On June 13, 2012, stock options for the purchase of 573,941 shares were exercised prior to vesting pursuant to an early exercise feature. The proceeds from the transaction were recorded as a liability within accrued and other current liabilities and other liabilities, non-current. During the three months ended March 31, 2015, the remaining 188,875 of these options vested and the \$340 liability related to the vesting options was reclassified to stockholders' equity. There are no remaining unvested options with the Company's repurchase rights related to this transaction as of March 31, 2015.

*Restricted Stock Units*

During the three months ended March 31, 2015, the Company issued restricted stock units (RSUs) to employees.

RSU activity during the periods indicated is as follows:

	Number of shares subject to restriction	Weighted average share value	Weighted average remaining contractual term (years)	Aggregate intrinsic value
--	--	---------------------------------------	--	---------------------------------

Edgar Filing: CVENT INC - Form 10-Q

Balance at December 31, 2014	422,263	\$ 28.43	2.62	\$ 11,756
Granted	371,525	26.84		
Vested				
Forfeited	(16,325)	27.51		
Balance at March 31, 2015	\$ 777,463	\$ 27.69	2.46	\$ 21,800

The related compensation expense for restricted stock units recognized during the three months ended March 31, 2015 and 2014 was \$973 and \$98, respectively. At March 31, 2015, there was \$15,047 of total unrecognized compensation cost related to unvested RSUs granted under the Plan. That cost is expected to be recognized over a weighted average period of 3.86 years.

*Common Stock Valuations*

Prior to the Company's IPO in August 2013, the Company derived the value of its common stock using valuation models prepared by third parties. In addition, management and the Company's Board of Directors also considered relevant market activity including the then anticipated IPO, and other events occurring in recent proximity to valuation dates, including the recapitalization transaction and issuance of New Series A Convertible Preferred Stock in July 2011 to determine an estimate of fair value per share for stock options granted prior to August 2013 and for options granted during the years ended December 31, 2012 and 2011.

**Table of Contents**

Subsequent to the Company's IPO, the value of the Company's common stock was determined based on the closing market price of the Company's common stock traded on the New York Stock Exchange on the grant date.

**8. Stockholders' Equity****a) Changes in Stockholders' Equity**

Changes in stockholders' equity for the three months ended March 31, 2015 were as follows (in thousands, except for share amounts):

	Common Stock Shares	Common Stock Amount	Treasury Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated other Comprehensive loss	Total Stockholders' Equity
Balance as of December 31, 2014	41,685,048	\$ 42	\$ (3,966)	\$ 199,169	\$ (21,191)	(220)	\$ 173,834
Net loss					(2,352)		(2,352)
Share-based compensation expense				2,806			2,806
Exercise of stock options and vesting of awards	180,927			472			472
Issuance of common stock upon vesting of early exercised options	188,875			340			340
Foreign currency translation loss						(45)	(45)
Balance as of March 31, 2015	42,054,850	\$ 42	\$ (3,966)	\$ 202,787	\$ (23,543)	(265)	\$ 175,055

**9. Commitments and Contingencies****a) Legal Proceedings, Regulatory Matters and Other Contingencies**

From time to time, the Company may become involved in legal proceedings, regulatory matters or other contingencies in the ordinary course of its business. The Company is not presently involved in any legal proceeding, regulatory matter or other contingency that, if determined adversely to it, would individually or in the aggregate have a material adverse effect on its business, operating results, financial condition or cash flows.

**b) Acquisition Payouts**

A summary of the changes in the recorded amount of accrued compensation and deferred consideration from acquisitions from December 31, 2014 to March 31, 2015 is as follows (dollars in thousands):

	Compensation	Deferred Consideration	Total
Liability as of December 31, 2014	\$ 1,238	\$ 2,075	\$ 3,313
Payments	(216)	(17)	(233)
Additional accruals	532		532
Liability as of March 31, 2015	\$ 1,554	\$ 2,058	\$ 3,612

The accrued compensation and consideration related to acquisition payouts is recorded within accrued and other current liabilities on the accompanying consolidated balance sheets.

## 10. Subsequent Events

The Company has evaluated subsequent events through May 11, 2015, the date the financial statements were available to be issued.

On May 8, 2015, the Company acquired 100% of the equity interests of SignUp4, LLC (SignUp4) for approximately \$22,400 in cash, subject to certain customary adjustments. Per the agreement, three key employees are also eligible for deferred compensation of up to \$1,733 in the aggregate, which is contingent upon continued employment of those employees for a specified period of time. SignUp4 is a SaaS provider of event management solutions for corporate meeting planners, travel planners, and event management agencies. The acquisition will be accounted for as a business combination.

---

**Table of Contents****ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes to those statements included elsewhere in this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K for the year ended December 31, 2014. In addition to historical financial information, the following discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results and timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those discussed under Risk Factors. in Part I, Item 1A of our Annual Report on Form 10-K, as may be updated in our subsequent Quarterly Reports on Form 10-Q. The words may, believe, could, anticipate, would, might, plan, expect, will, intend, potential, objective, strategy, goal, should, vision, designed, and similar expressions or the negative of these terms are intended to identify forward-looking statements. Consolidated financial data referenced in this section as of and for the three months ended March 31, 2015 and 2014 are derived from our unaudited consolidated financial statements. The unaudited consolidated financial data as of and for the three months ended March 31, 2015 and 2014 includes all adjustments, consisting only of normal recurring accruals, that are necessary in the opinion of our management for a fair presentation of our financial position and results of operations for these periods.*

**Overview**

We are a leading cloud-based enterprise event management platform. We provide solutions for both sides of the meetings and events value chain: (i) event and meeting planners, and (ii) hotels and venues. Our integrated, cloud-based solution addresses the entire event lifecycle by allowing meeting and event planners to organize, market and manage their meetings, conferences, tradeshows and other events. The Company's hospitality cloud provides hotels and venues with a full solution suite to generate, manage and measure demand for their group meetings. The combination of these solutions creates an integrated platform that allows us to generate revenue from both sides of the meetings and events value chain.

Our meeting and event planner customers include enterprises such as corporations, associations, not-for-profits, government agencies and universities. These customers enter into annual or multi-year subscription contracts to utilize part or all of our cloud-based software solutions to plan, manage and execute enterprise meetings and events, including external events such as conferences, tradeshows and customer events, as well as internal events, such as sales meetings, training seminars and team-building events. Revenue from our event management solutions platform was \$28.3 million and \$21.7 million for the three months ended March 31, 2015, and 2014, respectively, or 69% of our total revenue during the periods. We generally recognize revenue from these contracts ratably over the term of the contract.

On the other side of the event value chain, hotels and venues primarily utilize our online marketing solutions within our hospitality cloud to generate more visibility with ready-to-transact event and meeting planners. Towards the end of 2014, we branded the hospitality cloud to provide a full spectrum of cloud-based solutions across the hotel group sales lifecycle. Prior to this, we primarily concentrated on servicing the hospitality sector with marketing solutions through CSN, which provided substantially all of the revenue for this product line in 2014 and in previous years. Our online marketplace, the Cvent Supplier Network, or CSN, connects tens of thousands of event and meeting planners seeking the best venue for their event with approximately 235,000 venues in our proprietary database. We believe that CSN contains the world's largest and most accurate searchable database of detailed meeting venue information with listings of hotels, conference centers, convention centers, resorts, restaurants, museums, country clubs, wineries, castles and other special event venues in more than 175 countries. Hotels and venues enter into annual or multi-year advertising contracts with us for marketing solutions that increase the prominence of their properties in CSN; we recognize the revenue from these marketing solutions over the term of the agreement based on the estimated selling

prices of each solution. Revenue from our hospitality cloud was \$12.8 million and \$9.7 million for the three months ended March 31, 2015, and 2014, respectively, or 31% of our total revenue during each period.

## **Financial Operations Overview**

### ***Revenue***

*Platform Subscriptions.* We generate the majority of our revenue through subscriptions for our event management solutions platform, pricing for which is based on the features and functionality selected. Our Enterprise solution is targeted towards the large enterprise market, and includes the full functionality of our platform. Our Event Management solution, which is targeted towards mid-market and smaller enterprises, has many of the same features as our Enterprise solution, but does not include some of the advanced features and functionality required by larger organizations. The number of attendee registrations available to customers subscribing to the registration functionality is contractually fixed, and registrations above the contracted amount result in additional fees paid by the customer.

## **Table of Contents**

Our customer contracts are typically not cancellable without cause and typically range in length from one to four years. We generally recognize revenue from platform subscriptions ratably over the term of the agreement. Customers are typically invoiced in advance on an annual or quarterly basis. Amounts that have been invoiced are initially recorded as deferred revenue and are recognized as revenue ratably over the subscription period. We refer to contractual amounts that have not been invoiced as unbilled contract value. Unbilled contract value is not reflected in our consolidated financial statements.

Platform subscription revenue also includes revenue from our mobile event apps, ticketing and web survey products. Our mobile event apps and our Enterprise solutions are the products with the fastest growing revenue within our business.

*Hospitality Cloud.* Towards the end of 2014, we branded the Hospitality Cloud to provide a full spectrum of cloud-based solutions across the hotel group sales lifecycle. Prior to this, we primarily concentrated on servicing the hospitality sector with marketing solutions through CSN, which provided substantially all of the revenue for this product line in 2014 and in previous years. Marketing solutions revenue is generated through the delivery of various forms of advertising sold through annual or multi-year contracts to marketers, principally hotels and venues. Such solutions include prominent display of a customer's venue within the Cvent Supplier Network, the Cvent Destination Guide, the Elite Meetings magazine or in various electronic newsletters. Pricing for the advertisements is based on the term of the advertisement, targeted geography, number of advertisements and prominence of the ad placement.

We generally recognize the revenue from these marketing solutions over the period the advertisements are delivered. Customer contracts are typically not cancellable without cause and typically range in length from one to two years. We generally invoice our customers in advance in annual installments. Amounts that have been invoiced are initially recorded as deferred revenue and are recognized as revenue over the contract period.

Contractual amounts that have not been invoiced, and for which service has not yet started, which we refer to as unbilled contract value, are not reflected in our consolidated financial statements.

## ***Cost of Revenue***

Cost of revenue primarily consists of employee-related expenses, including salaries, benefits, bonuses and stock-based compensation, related to providing support and hosting our applications, costs of data center capacity, software license fees and amortization expense associated with capitalized software. In addition, we allocate a portion of overhead, such as rent, information technology costs, depreciation and amortization to cost of revenue based on head count.

We are invested in the success of our customers and as such, we will continue to invest in providing support and expanding our capacity to support our growth, which in the near-term will result in higher cost of revenue in absolute dollars and as a percentage of revenue.

## ***Gross Profit and Gross Margin***

Gross profit is total revenues less total cost of revenues. Gross margin is gross profit expressed as a percentage of total revenues. We expect that our gross margin may fluctuate from period to period as a result of an increase in depreciation and amortization run-rates in the short-term, and additional costs associated with our recent acquisitions. We also expect gross profit and gross margin to be affected by stock compensation expense due to grants of stock options as we continue to grow and incentivize our employees.

## ***Operating Expenses***

*Sales and Marketing*

Sales and marketing expenses primarily consist of personnel and related expenses for our sales and marketing staff, including salaries, benefits, bonuses, commissions and stock-based compensation. Commissions are expensed when the customer contract is signed. In addition to staff costs, our cost of marketing includes product marketing and other brand-building activities, such as trade shows, product seminars and online marketing.

We intend to continue to invest in sales and marketing and expect spending in these areas to increase in the near-term in absolute dollars as we continue to expand our business both domestically and internationally. We expect sales and marketing expenses to continue to be among the most significant components of our operating expenses.



## **Table of Contents**

### *Research and Development*

Research and development expenses consist primarily of personnel and related expenses for our research and development staff, including salaries, benefits, bonuses and stock-based compensation and the cost of certain third-party contractors. Research and development expenses, other than software development costs that qualify for capitalization, are expensed as incurred.

With the exception of software developed by companies we have acquired, we maintain a unified software code base for our entire platform, which we believe improves the efficiency of our research and development activities. We expect research and development expenses to increase in the near-term in absolute dollars and as a percentage of revenue as we invest in the integration and technological support associated with acquired businesses and technologies.

### *General and Administrative*

General and administrative expenses consist primarily of personnel and related expenses for administrative, finance, legal and human resource staffs, including salaries, benefits, bonuses and stock-based compensation, as well as professional fees, insurance premiums, other corporate expenses, and overhead.

We expect our general and administrative expenses to increase in absolute dollars and as a percentage of revenue over the short-term as we continue to expand our operations and hire additional personnel to support our growth. We expect to continue to incur expenses related to outside legal counsel, accounting and auditing activities, compliance with public company reporting and corporate governance requirements, insurance requirements and enhancing our internal control environment.

## **Critical Accounting Policies and Estimates**

Our unaudited financial statements and the related notes included in this Quarterly Report on Form 10-Q are prepared in accordance with generally accepted accounting principles in the United States. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, cost of revenue, operating expenses, other income and expenses, provision for income taxes and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Changes in accounting estimates are reasonably likely to occur from period to period. Accordingly, actual results could differ significantly from our estimates. We evaluate our estimates and assumptions on an ongoing basis. To the extent that there are material differences between our estimates and our actual results, our future financial statement presentation, financial condition, results of operations and cash flows will be affected. During the three months ended March 31, 2015, there were no material changes to our critical accounting policies and use of estimates, which are disclosed in our audited consolidated financial statements for the year ended December 31, 2014 included in our Annual Report on Form 10-K dated March 16, 2015, and filed with the SEC.

In May 2014, the FASB and the International Accounting Standards Board (IASB) issued joint guidance to improve and converge the financial reporting requirements for revenue from contracts with customers. ASU 2014-9, *Revenue from Contracts with Customers*, prescribes a five-step model for revenue recognition that will replace most existing revenue recognition guidance under U.S. GAAP. The new standard supersedes nearly all existing revenue recognition guidance under U.S. GAAP, and requires companies to recognize revenue when it transfers goods or services to a customer in an amount that reflects the consideration to which a company expects to be entitled for those goods or services. This update also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments, and assets

recognized from costs incurred to obtain or fulfill a contract. ASU 2014-09 allows for either full retrospective or modified retrospective adoption and will become effective in the first quarter of 2017. Early adoption is prohibited. However, in March 2015, the FASB recommended a one-year delay on effectiveness of this standard. Management is currently evaluating the adoption methods and assessing the effect the adoption of this standard will have on the consolidated financial statements.

### **Results of Operations**

The following table sets forth selected consolidated statement of operations data for each of the periods indicated.

	<b>Three months ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>(In thousands)</b>	
Revenue	\$ 41,106	\$ 31,401
Cost of revenue	14,895	9,208
<b>Gross profit</b>	<b>26,211</b>	<b>22,193</b>
Operating expenses:		
Sales and marketing	17,740	13,667
Research and development	5,035	3,198
General and administrative	7,781	4,697
Total operating expenses	30,556	21,553
Income (loss) from operations	(4,345)	640
Interest income	544	279
Other expense	(426)	
Income (loss) from operations before income taxes	(4,227)	919
Benefit from income taxes	(1,875)	(722)
Net income (loss)	\$ (2,352)	\$ 1,641

**Table of Contents**

The following table sets forth our consolidated statement of operations data as a percentage of revenue for each of the periods indicated.

	<b>Three months ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
Revenue	100%	100%
Cost of revenue	36	29
Gross profit	64	71
Operating expenses:		
Sales and marketing	43	44
Research and development	12	10
General and administrative	19	15
Total operating expenses	74	69
Income (loss) from operations	(10)	2
Interest income	1	1
Other expense	(1)	
Income (loss) from operations before income taxes	(10)	3
Benefit from income taxes	(4)	(2)
Net income (loss)	(6)%	5%

**Comparison of Three months ended March 31, 2015 and 2014****Revenue**

	<b>Three months ended</b>		<b>Variance</b>	<b>% Change</b>
	<b>2015</b>	<b>2014</b>		
<b>Revenue by product:</b>				
Platform subscriptions	\$ 28,271	\$ 21,679	\$ 6,592	30%
Hospitality cloud	12,835	9,722	3,113	32%
Total revenue	\$ 41,106	\$ 31,401	\$ 9,705	31%
<b>Percentage of revenue:</b>				
Platform subscriptions	69%	69%		
Hospitality cloud	31%	31%		
Total revenue	100%	100%		



**Table of Contents**

Total revenue increased \$9.7 million during the three months ended March 31, 2015 compared to the same period in 2014, primarily driven by an increase of \$9.6 million in revenue from sales of products to new customers and companies acquired in the last 12 months. Revenue from sales of additional products to existing customers contributed an additional \$3.4 million increase in revenue for the three months ended March 31, 2015 over the corresponding period in 2014. These increases were partially offset by lost revenue from customers who stopped using our solutions since March 31, 2014.

Platform subscription revenue increased \$6.6 million during the three months ended March 31, 2015 compared to the same quarter in 2014 primarily due to a \$6.5 million increase in revenue from sales of event planning subscriptions to new customers in 2015. Revenue from sales of additional features and functionality to existing customers, increased registrations and a full quarter of revenue from customers that originated during the three months ended March 31, 2014, contributed \$2.5 million in platform subscription revenue during the three months ended March 31, 2015. These increases were partially offset by lost revenue from customers who stopped using our solutions since March 31, 2014.

Hospitality cloud revenue increased \$3.1 million during the three months ended March 31, 2015 compared to the same quarter in 2014 primarily due to recognition of \$3.1 million in revenue from sales to new customers and companies acquired in the last 12 months. Net revenue recognized from sales of additional marketing solutions and price increases contributed an additional \$0.9 million during the three months ended March 31, 2015. These increases were partially offset by lost revenue from customers who stopped using our solutions since March 31, 2014.

We generate the majority of our revenue from North America with revenue from outside North America accounting for 11% of total revenue for the three months ended March 31, 2015 and 2014. We expect that the proportion of total revenue from outside of North America will grow in the future.

**Cost of Revenue**

	<b>Three months ended</b>			
	<b>March 31,</b>			
	<b>2015</b>	<b>2014</b>	<b>Variance</b>	<b>% Change</b>
Cost of revenue	\$ 14,895	\$ 9,208	\$ 5,687	62%
Percentage of revenue	36%	29%		

Cost of revenue increased primarily due to expansion of our customer service and technology divisions to support the growth of our business. Headcount increased by 36% in our technology division and by 11% in our customer service division from March 31, 2014 to March 31, 2015, increasing costs of revenue related to employee expenses by \$3.1 million. This increase was offset by the effects of an increase in capitalized software costs of \$1.3 million related to employee expenses on capital projects during the period. Depreciation and amortization of capitalized software and acquired technology contributed an increase of \$1.6 million. The remaining increase is the result of increased licenses and fees related to maintaining our data center, credit card fees, bad debt expense, stock-based compensation and rent.

As a percent of revenue, cost of revenue increased from 29% of revenue for the three months ended March 31, 2014 to 36% for the same period of 2015. This increase is attributable to depreciation and amortization of capitalized software and acquired technology comprising a higher percentage of revenue in 2015. Additionally, employee expenses net of capitalized software development costs, licenses and fees, contracted services and bad debt expense contributed to the increase in cost of revenue as a percent of revenue.



---

**Table of Contents*****Operating Expenses***

	<b>Three months ended</b>			
	<b>March 31,</b>			
	<b>2015</b>	<b>2014</b>	<b>Variance</b>	<b>% Change</b>
Operating expenses:				
Sales and marketing	\$ 17,740	\$ 13,667	\$ 4,073	30%
Research and development	5,035	3,189	1,846	JULY 31, 2018 15



## Financial Highlights

	Investment Operations			Less Distributions to Preferred Shareholders <sup>(b)</sup>			Less Distributions to Common Shareholders <sup>(b)</sup>			
	Value Beginning of Year	Net Investment Income (Loss) <sup>(a)</sup>	Net Realized/ Unrealized Gain (Loss)	From Net Investment Income	From Net Realized Capital Gain	Shareholders Resulting from Operations	From Net Investment Income	From Net Realized Capital Gains	Tax Basis Return of Capital	Total
Selected Per Share Data for the Year or Period Ended <sup>^</sup> :	Net Asset	Net Increase (Decrease) in Net Assets Applicable to Common								
<b>PIMCO Corporate &amp; Income Opportunity Fund</b>										
07/31/2018	\$ 14.87	\$ 1.30	\$ 0.16	\$ (0.09)	\$ 0.00	\$ 1.37	\$ (1.56)	\$ 0.00	\$ 0.00	\$ (1.56)
07/31/2017	13.27	1.21	2.06	(0.04)	0.00	3.23	(1.59)	0.00	(0.14)	(1.73)
07/31/2016	14.23	1.30	(0.65)	(0.02)	0.00	0.63	(1.59)	0.00	0.00	(1.59)
12/01/2014 - 07/31/2015 <sup>(g)</sup>	15.41	0.68	(0.33)	(0.00)	0.00	0.35	(1.69)	0.00	0.00	(1.69) <sup>(j)</sup>
11/30/2014	16.62	1.14	1.06	(0.00)	(0.01)	2.19	(1.56)	(1.84)	0.00	(3.40)
11/30/2013	17.58	1.43	0.19	(0.00)	(0.00)	1.62	(1.82)	(0.76)	0.00	(2.58)
<b>PIMCO Corporate &amp; Income Strategy Fund</b>										
07/31/2018	\$ 15.32	\$ 1.20	\$ (0.24)	\$ (0.03)	\$ 0.00	\$ 0.93	\$ (1.35)	\$ 0.00	\$ 0.00	\$ (1.35)
07/31/2017	14.28	1.12	1.70	(0.01)	0.00	2.81	(1.75)	0.00	(0.02)	(1.77)
07/31/2016	14.75	1.24	(0.84) <sup>(k)</sup>	(0.01)	0.00	0.39 <sup>(l)</sup>	(1.37)	0.00	0.00	(1.37)
11/01/2014 - 07/31/2015 <sup>(h)</sup>	15.60	0.73	(0.21)	(0.00)	0.00	0.52	(1.37)	0.00	0.00	(1.37) <sup>(j)</sup>
10/31/2014	16.04	0.99	0.87	(0.00)	(0.00)	1.86	(1.35)	(0.95)	0.00	(2.30)
10/31/2013	15.90	1.28	0.44	(0.01)	0.00	1.71	(1.57)	0.00	0.00	(1.57)
<b>PIMCO High Income Fund</b>										
07/31/2018	\$ 6.90	\$ 0.62	\$ 0.01	\$ (0.02)	\$ 0.00	\$ 0.61	\$ (0.84)	\$ 0.00	\$ (0.13)	\$ (0.97)
07/31/2017	6.63	0.67	0.71	(0.01)	0.00	1.37	(0.91)	0.00	(0.19)	(1.10)
07/31/2016	7.37	0.74	(0.48) <sup>(k)</sup>	(0.00)	0.00	0.26 <sup>(l)</sup>	(1.18)	0.00	(0.08)	(1.26)
04/01/2015 - 07/31/2015 <sup>(i)</sup>	7.59	0.21	0.06	(0.00)	0.00	0.27	(0.33)	0.00	(0.16)	(0.49) <sup>(j)</sup>
03/31/2015	8.23	0.94	(0.12)	(0.00)	0.00	0.82	(1.46)	0.00	0.00	(1.46)
03/31/2014	8.65	0.84	0.20	(0.00)	0.00	1.04	(1.35)	0.00	(0.11)	(1.46)
<b>PIMCO Income Strategy Fund</b>										
07/31/2018	\$ 11.60	\$ 0.87	\$ (0.19)	\$ (0.06)	\$ 0.00	\$ 0.62	\$ (1.07)	\$ 0.00	\$ (0.01)	\$ (1.08)
07/31/2017	10.53	0.88	1.31	(0.04)	0.00	2.15	(1.08)	0.00	0.00	(1.08)
07/31/2016	11.46	0.88	(0.70)	(0.03)	0.00	0.15	(1.08)	0.00	0.00	(1.08)
07/31/2015	12.15	0.79	(0.34)	(0.03)	0.00	0.42	(1.22)	0.00	0.00	(1.22)
07/31/2014	11.70	0.79	0.78	(0.04)	0.00	1.53	(1.08)	0.00	0.00	(1.08)
<b>PIMCO Income Strategy Fund II</b>										
07/31/2018	\$ 10.33	\$ 0.79	\$ (0.05)	\$ (0.04)	\$ 0.00	\$ 0.70	\$ (0.96)	\$ 0.00	\$ 0.00	\$ (0.96)
07/31/2017	9.42	0.80	1.10	(0.03)	0.00	1.87	(0.96)	0.00	0.00	(0.96)
07/31/2016	10.27	0.87	(0.67)	(0.02)	0.00	0.18	(1.03)	0.00	0.00	(1.03)
07/31/2015	10.88	0.70	(0.29)	(0.03)	0.00	0.38	(1.11)	0.00	0.00	(1.11)
07/31/2014	10.29	0.72	0.87	(0.04)	0.00	1.55	(0.96)	0.00	0.00	(0.96)

<sup>^</sup> A zero balance may reflect actual amounts rounding to less than \$0.01 or 0.01%.

\* Annualized

<sup>(a)</sup> Per share amounts based on average number of common shares outstanding during the year or period.

<sup>(b)</sup> The tax characterization of distributions is determined in accordance with Federal income tax regulations. See Note 2, Distributions - Common Shares, in the Notes to Financial Statements for more information.

## Edgar Filing: CVENT INC - Form 10-Q

- (c) See Note 14, Auction-Rate Preferred Shares, in the Notes to Financial Statements.
- (d) Total investment return is calculated assuming a purchase of a common share at the market price on the first day and a sale of a common share at the market price on the last day of each year or period reported. Dividends and distributions, if any, are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Funds' dividend reinvestment plan. Total investment return does not reflect brokerage commissions in connection with the purchase or sale of Fund shares.
- (e) Calculated on the basis of income and expenses applicable to both common and preferred shares relative to the average net assets of common shareholders. The expense ratio and net investment income do not reflect the effects of dividend payments to preferred shareholders.
- (f) Interest expense primarily relates to participation in borrowing and financing transactions. See Note 5, Borrowings and Other Financing Transactions, in the Notes to Financial Statements for more information.
- (g) Fiscal year end changed from November 30<sup>th</sup> to July 31<sup>st</sup>.
- (h) Fiscal year end changed from October 31<sup>st</sup> to July 31<sup>st</sup>.
- (i) Fiscal year end changed from March 31<sup>st</sup> to July 31<sup>st</sup>.
- (j) Total distributions for the period ended July 31, 2015 may be lower than prior fiscal years due to fiscal year end changes resulting in a reduction of the amount of days in the period ended July 31, 2015.
- (k) The amount previously reported in the Funds' 2016 Annual Report has been revised due to a misstatement. The misstatement was not considered material to the prior period Annual Report. In the Funds' 2016 Annual Report, PIMCO Corporate & Income Strategy Fund and PIMCO High Income Fund reported amounts of (0.33) and (0.22), respectively.
- (l) The amount previously reported in the Funds' 2016 Annual Report has been revised due to a misstatement. The misstatement was not considered material to the prior period Annual Report. In the Funds' 2016 Annual Report, PIMCO Corporate & Income Strategy Fund and PIMCO High Income Fund reported amounts of 0.90 and 0.52, respectively.
- (m) The NAV presented may differ from the NAV reported for the same period in other Fund materials.

### 16 PIMCO CLOSED-END FUNDS

See Accompanying Notes

Edgar Filing: CVENT INC - Form 10-Q

Common Share							Ratios/Supplemental Data Ratios to Average Net Assets						
Increase resulting from at-the-market Offering	Increase Resulting from Tender and Repurchase	Offering Cost of Preferred Shares <sup>(c)</sup>	Net Asset Value End of Year or Period	Market Price End of Year or Investment Return <sup>(d)</sup>		Net Assets Applicable to Common Shareholders (000s)	Expenses Excluding Interest Expense <sup>(e)</sup>		Expenses Excluding Interest Expense <sup>(e)</sup>		Net Investment Income (Loss)	Preferred Shares Asset Coverage Per Share	Portfolio Turnover Rate
				at-the-market	Offering		Expenses Excluding Interest Expense <sup>(e)</sup>	Expenses Excluding Interest Expense <sup>(e)</sup>					
\$ 0.12	\$ 0.00	\$ 0.00	\$ 14.80 <sup>(m)</sup>	\$ 17.95	16.78%	\$ 1,219,515	1.26%	1.26%	0.81%	0.81%	8.73%	\$ 153,072	19%
0.10	0.00	0.00	14.87	16.92	29.18	1,140,768	1.08	1.08	0.83	0.83	8.68	144,819	39
N/A	N/A	0.00	13.27	14.75	16.09	946,843	0.89	0.89	0.85	0.85	9.93	124,468	45
N/A	N/A	0.16	14.23	14.31	(13.61)	1,006,484	0.91*	0.91*	0.90*	0.90*	7.01*	130,743	34
N/A	N/A	0.00	15.41	18.50	26.04	1,082,000	0.91	0.91	0.91	0.91	7.36	108,229	44
N/A	N/A	0.00	16.62	17.75	(0.15)	1,149,779	0.91	0.91	0.91	0.91	8.49	113,443	118
\$ N/A	\$ N/A	\$ 0.00	\$ 14.90 <sup>(m)</sup>	\$ 18.09	9.61%	\$ 586,592	1.36%	1.36%	0.94%	0.94%	7.97%	\$ 289,023	20%
N/A	N/A	0.00	15.32	17.92	30.63	599,266	1.17	1.17	0.93	0.93	7.65	294,755	38
N/A	N/A	0.51	14.28	15.43	24.21	553,569	1.10	1.10	1.02	1.02	8.91	274,223	43
N/A	N/A	0.00	14.75	13.71	(7.12)	570,122	1.07*	1.07*	1.07*	1.07*	6.51*	109,336	40
N/A	N/A	0.00	15.60	16.18	8.84	599,980	1.09	1.09	1.09	1.09	6.32	113,753	48
N/A	N/A	0.00	16.04	17.15	3.48	612,225	1.10	1.10	1.09	1.09	7.91	115,565	108
\$ N/A	\$ N/A	\$ 0.00	\$ 6.54 <sup>(m)</sup>	\$ 8.67	13.13%	\$ 847,052	1.48%	1.48%	0.90%	0.90%	9.30%	\$ 232,587	27%
N/A	N/A	0.00	6.90	8.71	(1.45)	884,912	1.25	1.25	0.90	0.90	10.08	241,894	32
N/A	N/A	0.26	6.63	10.03	19.92	841,102	1.08	1.08	0.95	0.95	11.20	231,185	42
N/A	N/A	0.00	7.37	9.71	(18.40)	925,598	1.05*	1.05*	1.03*	1.03*	8.14*	104,245	8
N/A	N/A	0.00	7.59	12.48	12.30	949,880	1.18	1.18	1.02	1.02	11.53	106,324	58
N/A	N/A	0.00	8.23	12.56	15.51	1,021,120	1.14	1.14	1.03	1.03	10.14	112,424	159
\$ N/A	\$ N/A	\$ 0.00	\$ 11.14 <sup>(m)</sup>	\$ 12.23	10.37%	\$ 284,677	1.48%	1.48%	1.17%	1.17%	7.67%	\$ 163,725	21%
N/A	N/A	0.00	11.60	12.17	28.11	294,525	1.35	1.35	1.17	1.17	8.01	168,552	40
N/A	N/A	0.00	10.53	10.48	12.41	266,347	1.17	1.17	1.13	1.13	8.49	154,837	38
N/A	N/A	0.11	11.46	10.39	(2.62)	289,909	1.30	1.30	1.25	1.25	6.67	166,328	67
N/A	N/A	0.00	12.15	11.87	9.95	306,475	1.19	1.19	1.18	1.18	6.71	122,004	113
\$ N/A	\$ N/A	\$ 0.00	\$ 10.07 <sup>(m)</sup>	\$ 10.70	9.19%	\$ 600,890	1.41%	1.41%	1.10%	1.10%	7.79%	\$ 187,429	18%
N/A	N/A	0.00	10.33	10.76	26.32	612,310	1.26	1.26	1.09	1.09	8.15	190,527	26
N/A	N/A	0.00	9.42	9.39	11.92	556,840	1.14	1.14	1.07	1.07	9.25	175,544	38
N/A	N/A	0.12	10.27	9.41	(0.12)	606,974	1.16	1.16	1.13	1.13	6.58	189,105	63
N/A	N/A	0.00	10.88	10.50	12.39	642,119	1.14	1.14	1.14	1.14	6.79	124,695	119

ANNUAL REPORT JULY 31, 2018 17

## Statements of Assets and Liabilities

July 31, 2018

	PIMCO Corporate & Income Opportunity Fund	PIMCO Corporate & Income Strategy Fund	PIMCO High Income Fund	PIMCO Income Strategy Fund	PIMCO Income Strategy Fund II
(Amounts in thousands, except per share amounts)					
<b>Assets:</b>					
<i>Investments, at value</i>					
Investments in securities*	\$ 1,694,909	\$ 717,931	\$ 1,092,881	\$ 365,046	\$ 752,152
<i>Financial Derivative Instruments</i>					
Exchange-traded or centrally cleared	1,471	679	2,064	381	815
Over the counter	4,656	871	1,852	463	1,097
Cash	0	0	0	2	1
Deposits with counterparty	38,379	9,315	32,046	5,916	12,695
Foreign currency, at value	3,358	1,909	2,147	1,142	2,167
Receivable for investments sold	14,742	4,826	40,777	3,491	4,524
Receivable for Fund shares sold	1,492	0	0	0	0
Interest and/or dividends receivable	16,153	6,143	11,477	3,173	6,721
Other assets	233	121	7	29	55
<b>Total Assets</b>	<b>1,775,393</b>	<b>741,795</b>	<b>1,183,251</b>	<b>379,643</b>	<b>780,227</b>
<b>Liabilities:</b>					
<i>Borrowings &amp; Other Financing Transactions</i>					
Payable for reverse repurchase agreements	\$ 238,412	\$ 80,777	\$ 193,340	\$ 29,264	\$ 57,560
<i>Financial Derivative Instruments</i>					
Exchange-traded or centrally cleared	1,354	622	2,141	353	843
Over the counter	25,216	591	3,294	514	1,338
Payable for investments purchased	23,713	9,063	14,274	4,977	10,080
Payable for unfunded loan commitments	10,759	1,960	3,652	5,397	10,411
Deposits from counterparty	6,872	1,665	6,348	561	1,303
Distributions payable to common shareholders	10,615	4,429	10,458	2,301	4,775
Distributions payable to preferred shareholders	103	19	36	27	35
Overdraft due to custodian	49	88	23	0	0
Accrued management fees	766	424	588	256	512
Accrued reimbursement to PIMCO	0	0	0	0	(1)
Other liabilities	69	40	70	41	31
<b>Total Liabilities</b>	<b>317,928</b>	<b>99,678</b>	<b>234,224</b>	<b>43,691</b>	<b>86,887</b>
<b>Preferred Shares (\$0.00001 par value and \$25,000 liquidation preference per share)</b>	<b>237,950</b>	<b>55,525</b>	<b>101,975</b>	<b>51,275</b>	<b>92,450</b>
<b>Net Assets Applicable to Common Shareholders</b>	<b>\$ 1,219,515</b>	<b>\$ 586,592</b>	<b>\$ 847,052</b>	<b>\$ 284,677</b>	<b>\$ 600,890</b>
<b>Net Assets Applicable to Common Shareholders Consist of:</b>					
<i>Common Shares:</i>					
Par value (\$0.00001 per share)	\$ 1	\$ 0	\$ 1	\$ 0	\$ 1
Paid in capital in excess of par	1,204,391	579,446	986,459	293,931	611,553
Undistributed (overdistributed) net investment income	(7,885)	(1,879)	(18,534)	(3,189)	1,732
Accumulated undistributed net realized gain (loss)	(110,611)	(40,201)	(139,722)	(26,330)	(63,307)
Net unrealized appreciation (depreciation)	133,619	49,226	18,848	20,264	50,911
<b>Net Assets Applicable to Common Shareholders</b>	<b>\$ 1,219,515</b>	<b>\$ 586,592</b>	<b>\$ 847,052</b>	<b>\$ 284,676</b>	<b>\$ 600,890</b>
<b>Net Asset Value Per Common Share:</b>	<b>\$ 14.80</b>	<b>\$ 14.90</b>	<b>\$ 6.54</b>	<b>\$ 11.14</b>	<b>\$ 10.07</b>
<b>Common Shares Outstanding</b>	<b>82,395</b>	<b>39,366</b>	<b>129,590</b>	<b>25,562</b>	<b>59,684</b>
<b>Preferred Shares Issued and Outstanding</b>	<b>10</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>4</b>

## Edgar Filing: CVENT INC - Form 10-Q

Cost of investments in securities	\$ 1,646,016	\$ 689,900	\$ 1,062,006	\$ 356,044	\$ 731,361
Cost of foreign currency held	\$ 3,348	\$ 1,922	\$ 2,162	\$ 1,164	\$ 2,199
Cost or premiums of financial derivative instruments, net	\$ (18,057)	\$ 14,313	\$ 144,662	\$ 8,517	\$ 18,416
* Includes repurchase agreements of:	\$ 23,093	\$ 9,080	\$ 52,730	\$ 17,004	\$ 11,433

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

### 18 PIMCO CLOSED-END FUNDS

See Accompanying Notes

## Statements of Operations

Year Ended July 31, 2018

	PIMCO Corporate & Income Opportunity Fund	PIMCO Corporate & Income Strategy Fund	PIMCO High Income Fund	PIMCO Income Strategy Fund	PIMCO Income Strategy Fund II
(Amounts in thousands)					
<b>Investment Income:</b>					
Interest	\$ 117,039	\$ 54,232	\$ 92,173	\$ 26,072	\$ 54,611
Dividends	2,237	969	953	363	1,165
Total Income	119,276	55,201	93,126	26,435	55,776
<b>Expenses:</b>					
Management fees	9,295	5,247	7,347	3,211	6,359
Trustee fees and related expenses	165	78	117	42	84
Interest expense	5,410	2,497	5,007	886	1,891
Auction agent fees and commissions	233	96	148	54	105
Auction rate preferred shares related expenses	29	77	44	56	50
Miscellaneous expense	37	32	51	15	37
Total Expenses	15,169	8,027	12,714	4,264	8,526
<b>Net Investment Income (Loss)</b>	104,107	47,174	80,412	22,171	47,250
<b>Net Realized Gain (Loss):</b>					
Investments in securities	25,673	5,505	14,717	4,529	7,505
Exchange-traded or centrally cleared financial derivative instruments	18,233	41,306	7,907	8,170	19,536
Over the counter financial derivative instruments	15,169	122	4,091	(821)	(630)
Foreign currency	(1,502)	(238)	(457)	(146)	(180)
<b>Net Realized Gain (Loss)</b>	57,573	46,695	26,258	11,732	26,231
<b>Net Change in Unrealized Appreciation (Depreciation):</b>					
Investments in securities	(42,701)	(10,629)	(15,709)	(9,296)	(12,209)
Exchange-traded or centrally cleared financial derivative instruments	(8,070)	(48,353)	(13,194)	(9,510)	(20,755)
Over the counter financial derivative instruments	4,308	2,793	1,143	2,038	4,009
Foreign currency assets and liabilities	309	(138)	(142)	(106)	(276)
<b>Net Change in Unrealized Appreciation (Depreciation)</b>	(46,154)	(56,327)	(27,902)	(16,874)	(29,231)
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	\$ 115,526	\$ 37,542	\$ 78,768	\$ 17,029	\$ 44,250
<b>Distributions on Preferred Shares from Net Investment Income</b>	\$ (6,886)	\$ (1,205)	\$ (2,361)	\$ (1,409)	\$ (2,540)
<b>Net Increase (Decrease) in Net Assets Applicable to Common Shareholders Resulting from Operations</b>	\$ 108,640	\$ 36,337	\$ 76,407	\$ 15,620	\$ 41,710

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

## Statements of Changes in Net Assets

	PIMCO Corporate & Income Opportunity Fund		PIMCO Corporate & Income Strategy Fund	
	Year Ended July 31, 2018	Year Ended July 31, 2017	Year Ended July 31, 2018	Year Ended July 31, 2017
(Amounts in thousands)				
<b>Increase (Decrease) in Net Assets from:</b>				
<b>Operations:</b>				
Net investment income (loss)	\$ 104,107	\$ 87,904	\$ 47,174	\$ 43,690
Net realized gain (loss)	57,573	92,938	46,695	15,010
Net change in unrealized appreciation (depreciation)	(46,154)	56,494	(56,327)	51,352
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>115,526</b>	<b>237,336</b>	<b>37,542</b>	<b>110,052</b>
Distributions on preferred shares from net investment income	(6,886)	(3,233)	(1,205)	(567)
<b>Net Increase (Decrease) in Net Assets Applicable to Common Shareholders Resulting from Operations</b>	<b>108,640</b>	<b>234,103</b>	<b>36,337</b>	<b>109,485</b>
<b>Distributions to Common Shareholders:</b>				
From net investment income	(125,322)	(114,836)	(52,992)	(68,101)
Tax basis return of capital	0	(10,356)	0	(834)
<b>Total Distributions to Common Shareholders<sup>(a)</sup></b>	<b>(125,322)</b>	<b>(125,192)</b>	<b>(52,992)</b>	<b>(68,935)</b>
<b>Common Share Transactions**:</b>				
Net proceeds from at-the-market offering	83,648	74,138	0	0
Net at-the-market offering costs	16	103	0	0
Issued as reinvestment of distributions	11,765	10,773	3,981	5,147
<b>Total increase (decrease) in net assets applicable to common shareholders</b>	<b>95,429</b>	<b>85,014</b>	<b>3,981</b>	<b>5,147</b>
<b>Total increase (decrease) in Net Assets</b>	<b>78,747</b>	<b>193,925</b>	<b>(12,674)</b>	<b>45,697</b>
<b>Net Assets Applicable to Common Shareholders:</b>				
Beginning of year	1,140,768	946,843	599,266	553,569
End of year*	\$ 1,219,515	\$ 1,140,768	\$ 586,592	\$ 599,266
* Including undistributed (overdistributed) net investment income of:	\$ (7,885)	\$ (11,726)	\$ (1,879)	\$ (5,855)
<b>** Common Share Transactions:</b>				
Shares sold	4,971	4,606	0	0
Shares issued as reinvestment of distributions	731	748	245	346

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

<sup>(a)</sup> The tax characterization of distributions is determined in accordance with Federal income tax regulations. See Note 2, Distributions Common Shares, in the Notes to Financial Statements for more information.

### 20 PIMCO CLOSED-END FUNDS

See Accompanying Notes

PIMCO High Income Fund		PIMCO Income Strategy Fund		PIMCO Income Strategy Fund II	
Year Ended July 31, 2018	Year Ended July 31, 2017	Year Ended July 31, 2018	Year Ended July 31, 2017	Year Ended July 31, 2018	Year Ended July 31, 2017
\$ 80,412	\$ 85,665	\$ 22,171	\$ 22,314	\$ 47,250	\$ 47,461
26,258	67,117	11,732	24,162	26,231	52,874
(27,902)	21,235	(16,874)	9,143	(29,231)	11,835
78,768	174,017	17,029	55,619	44,250	112,170
(2,361)	(1,109)	(1,409)	(1,018)	(2,540)	(1,835)
76,407	172,908	15,620	54,601	41,710	110,335
(107,631)	(116,768)	(27,170)	(27,356)	(57,119)	(56,792)
(17,226)	(24,148)	(345)	0	0	0
(124,857)	(140,916)	(27,515)	(27,356)	(57,119)	(56,792)
0	0	0	0	0	0
0	0	0	0	0	0
10,590	11,818	2,047	933	3,989	1,927
10,590	11,818	2,047	933	3,989	1,927
(37,860)	43,810	(9,848)	28,178	(11,420)	55,470
884,912	841,102	294,525	266,347	612,310	556,840
\$ 847,052	\$ 884,912	\$ 284,677	\$ 294,525	\$ 600,890	\$ 612,310
\$ (18,534)	\$ (13,517)	\$ (3,189)	\$ (1,141)	\$ 1,732	\$ 3,791
0	0	0	0	0	0
1,409	1,346	179	83	390	191



## Statements of Cash Flows

Year Ended July 31, 2018

	PIMCO Corporate & Income Opportunity Fund	PIMCO Corporate & Income Strategy Fund	PIMCO High Income Fund
(Amounts in thousands)			
<b>Cash Flows Provided by (Used for) Operating Activities:</b>			
Net increase (decrease) in net assets resulting from operations	\$ 115,526	\$ 37,542	\$ 78,768
<b>Adjustments to Reconcile Net Increase (Decrease) in Net Assets from Operations to Net Cash Provided by (Used for) Operating Activities:</b>			
Purchases of long-term securities	(555,761)	(167,640)	(325,461)
Proceeds from sales of long-term securities	391,949	174,449	341,709
(Purchases) Proceeds from sales of short-term portfolio investments, net	39,497	(183)	12,637
(Increase) decrease in deposits with counterparty	(7,869)	3,626	(6,426)
(Increase) decrease in receivable for investments sold	(5,969)	9,916	(17,870)
(Increase) decrease in interest and/or dividends receivable	(2,137)	(13)	167
Proceeds from (Payments on) exchange-traded or centrally cleared financial derivative instruments	10,367	(7,097)	(5,418)
Proceeds from (Payments on) over the counter financial derivative instruments	8,885	(109)	4,508
(Increase) decrease in other assets	(49)	(119)	0
Increase (decrease) in payable for investments purchased	(12,841)	(10,717)	(4,211)
Increase (decrease) in payable for unfunded loan commitments	10,759	1,960	3,652
Increase (decrease) in deposits from counterparty	5,070	1,455	493
Increase (decrease) in accrued management fees	67	6	(4)
Proceeds from (Payments on) foreign currency transactions	(1,269)	(376)	(800)
Increase (decrease) in other liabilities	(320)	(16)	(57)
<i>Net Realized (Gain) Loss</i>			
Investments in securities	(25,673)	(5,505)	(14,717)
Exchange-traded or centrally cleared financial derivative instruments	(18,233)	(41,306)	(7,907)
Over the counter financial derivative instruments	(15,169)	(122)	(4,091)
Foreign currency	1,502	238	457
<i>Net Change in Unrealized (Appreciation) Depreciation</i>			
Investments in securities	42,701	10,629	15,709
Exchange-traded or centrally cleared financial derivative instruments	8,070	48,353	13,194
Over the counter financial derivative instruments	(4,308)	(2,793)	(1,143)
Foreign currency assets and liabilities	(309)	138	142
Non Cash Payment in Kind	(632)	(316)	(1,080)
Net amortization (accretion) on investments	(9,528)	(6,019)	(9,291)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>(25,674)</b>	<b>45,981</b>	<b>72,960</b>
<b>Cash Flows Received from (Used for) Financing Activities:</b>			
Proceeds from shares sold	86,027	0	0
Net at-the-market offering costs	16	0	0
Increase (decrease) in overdraft due to custodian	49	87	3
Cash distributions paid to common shareholders*	(112,781)	(48,983)	(114,153)
Cash distributions paid to preferred shareholders	(6,852)	(1,199)	(2,348)
Proceeds from reverse repurchase agreements	1,595,319	610,080	953,286
Payments on reverse repurchase agreements	(1,534,746)	(604,881)	(909,448)
<b>Net Cash Received from (Used for) Financing Activities</b>	<b>27,032</b>	<b>(44,896)</b>	<b>(72,660)</b>
<b>Net Increase (Decrease) in Cash and Foreign Currency</b>	<b>1,358</b>	<b>1,085</b>	<b>300</b>
<b>Cash and Foreign Currency:</b>			
Beginning of year	2,000	824	1,847
End of year	\$ 3,358	\$ 1,909	\$ 2,147
* Reinvestment of distributions	\$ 11,765	\$ 3,981	\$ 10,590

## Edgar Filing: CVENT INC - Form 10-Q

### Supplemental Disclosure of Cash Flow Information:

Interest expense paid during the year	\$	5,247	\$	2,416	\$	4,947
---------------------------------------	----	-------	----	-------	----	-------

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

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

## 22 PIMCO CLOSED-END FUNDS

See Accompanying Notes

## Schedule of Investments PIMCO Corporate &amp; Income Opportunity Fund

July 31, 2018

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

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>INVESTMENTS IN SECURITIES 139.0%</b>		
<b>LOAN PARTICIPATIONS AND ASSIGNMENTS 8.0%</b>		
<b>Alphabet Holding Co., Inc.</b>		
5.577% (LIBOR03M + 3.500%) due 09/26/2024 ~	\$ 99	\$ 94
<b>Alice France S.A.</b>		
TBD% due 07/13/2026	500	490
<b>Avantor, Inc.</b>		
6.077% (LIBOR03M + 4.000%) due 11/21/2024 ~	109	110
<b>Avolon Holdings Ltd.</b>		
3.836% (LIBOR03M + 1.750%) due 09/30/2020 ~	397	397
4.086% (LIBOR03M + 2.000%) due 01/15/2025 ~	5,697	5,665
<b>Axalta Coating Systems U.S. Holdings, Inc.</b>		
4.084% (LIBOR03M + 1.750%) due 06/01/2024 ~	379	379
<b>Banff Merger Sub, Inc.</b>		
TBD% due 06/21/2019	10,400	10,361
<b>BMC Software Finance, Inc.</b>		
5.327% (LIBOR03M + 3.250%) due 09/10/2022 ~	12,855	12,874
<b>BWAY Holding Co.</b>		
5.581% - 7.250% (LIBOR03M + 3.250%) due 04/03/2024 ~	1,059	1,058
<b>Caesars Entertainment Operating Co.</b>		
4.077% (LIBOR03M + 2.000%) due 10/06/2024 ~	100	100
<b>California Resources Corp.</b>		
6.831% (LIBOR03M + 4.750%) due 12/31/2022 <~	50	51
<b>CenturyLink, Inc.</b>		
4.827% (LIBOR03M + 2.750%) due 01/31/2025 ~	995	981
<b>Charter Communications Operating LLC</b>		
4.080% (LIBOR03M + 2.000%) due 04/30/2025 ~	365	366
<b>Cheniere Energy Partners LP</b>		
4.327% (LIBOR03M + 2.250%) due 02/25/2020 <~	1,030	1,030
<b>Community Health Systems, Inc.</b>		
5.557% (LIBOR03M + 3.250%) due 01/27/2021 ~	2,889	2,846
<b>Diamond Resorts Corp.</b>		
5.827% (LIBOR03M + 3.750%) due 09/02/2023 ~	5,134	5,144
<b>Drillship Kithira Owners, Inc.</b>		
TBD% due 09/20/2024	510	536
<b>Dubai World</b>		
1.750% - 2.000% (LIBOR03M + 2.000%) due 09/30/2022 ~	1,009	949
<b>Energizer Holdings, Inc.</b>		
TBD% due 05/18/2019	200	200
<b>Forbes Energy Services LLC</b>		
5.000% - 7.000% due 04/13/2021	856	866
<b>Frontier Communications Corp.</b>		
5.830% (LIBOR03M + 3.750%) due 06/15/2024 ~	1,191	1,177
<b>Genworth Financial, Inc.</b>		
6.578% (LIBOR03M + 4.500%) due 03/07/2023 ~	50	51
<b>iHeartCommunications, Inc.</b>		
TBD% due 01/30/2019 ^e)	19,645	15,283
<b>Ineos U.S. Finance LLC</b>		
2.500% (EUR003M + 2.000%) due 03/31/2024 ~	EUR 5,075	5,898
<b>IRB Holding Corp.</b>		

Edgar Filing: CVENT INC - Form 10-Q

5.347% (LIBOR03M + 3.250%) due 02/05/2025 ~ <b>Klockner-Pentaplast of America, Inc.</b>	\$	100	101
4.750% (EUR003M + 4.750%) due 06/30/2022 ~	EUR	100	109
		<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>Lightstone Generation LLC</b>			
5.827% (LIBOR03M + 3.750%) due 01/30/2024 ~ <b>McDermott Technology Americas, Inc.</b>	\$	2,794	\$ 2,810
7.077% (LIBOR03M + 5.000%) due 05/10/2025 ~ <b>MH Sub LLC</b>		3,691	3,718
5.829% (LIBOR03M + 3.750%) due 09/13/2024 ~ <b>Ministry of Finance of Tanzania</b>		218	219
7.825% (LIBOR03M + 5.500%) due 12/10/2019 <~ <b>Multi Color Corp.</b>		200	200
4.327% (LIBOR03M + 2.250%) due 10/31/2024 ~ <b>Parexel International Corp.</b>		32	32
4.827% (LIBOR03M + 2.750%) due 09/27/2024 ~ <b>PetSmart, Inc.</b>		99	99
5.100% (LIBOR03M + 3.000%) due 03/11/2022 ~ <b>Ply Gem Industries, Inc.</b>		269	224
6.087% (LIBOR03M + 3.750%) due 04/12/2025 ~ <b>Prestige Brands, Inc.</b>		300	301
4.077% (LIBOR03M + 2.000%) due 01/26/2024 ~ <b>SBA Senior Finance LLC</b>		129	130
4.080% (LIBOR03M + 2.000%) due 04/11/2025 ~ <b>Sequa Mezzanine Holdings LLC</b>		500	500
7.067% (LIBOR03M + 5.000%) due 11/28/2021 <~ 11.072% (LIBOR03M + 9.000%) due 04/28/2022 <~ <b>Sprint Communications, Inc.</b>		2,325	2,325
4.625% (LIBOR03M + 2.500%) due 02/02/2024 ~ <b>Stars Group Holdings BV</b>		5,070	5,089
5.831% (LIBOR03M + 3.500%) due 07/10/2025 ~ <b>State of Rio de Janeiro</b>		2765	2,769
6.024% (LIBOR03M + 3.250%) due 12/20/2020 <~ <b>Syniverse Holdings, Inc.</b>		200	202
7.078% (LIBOR03M + 5.000%) due 03/09/2023 ~ <b>TransDigm, Inc.</b>		5373	5,183
4.577% (LIBOR03M + 2.500%) due 08/22/2024 ~ <b>Traverse Midstream Partners LLC</b>		140	140
6.340% (LIBOR03M + 4.000%) due 09/27/2024 ~ <b>Univision Communications, Inc.</b>		594	595
4.827% (LIBOR03M + 2.750%) due 03/15/2024 ~ <b>UPC Financing Partnership</b>		91	91
2.750% (EUR003M + 2.750%) due 10/15/2026 ~ <b>Valeant Pharmaceuticals International, Inc.</b>	EUR	900	1,051
5.092% (LIBOR03M + 3.000%) due 06/01/2025 ~ <b>West Corp.</b>	\$	325	326
6.077% (LIBOR03M + 4.000%) due 10/10/2024 ~ <b>Westmoreland Coal Co.</b>		53	53
TBD% due 12/16/2020 ^ (e)		5,880	1,542
TBD% - 10.581% (LIBOR03M + 8.250%) due 05/31/2020 ~		1,311	1,338
<b>Total Loan Participations and Assignments (Cost \$104,494)</b>			<b>97,737</b>
		<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>CORPORATE BONDS &amp; NOTES 64.2%</b>			
<b>BANKING &amp; FINANCE 28.0%</b>			
<b>AGFC Capital Trust</b>			
4.089% (US0003M + 1.750%) due 01/15/2067 ~ <b>Ally Financial, Inc.</b>	\$	1,800	\$ 1,089
8.000% due 11/01/2031 (n) <b>Ambac LSNI LLC</b>		20,103	24,325
7.337% due 02/12/2023 <b>Ardonagh Midco PLC</b>		510	514
8.375% due 07/15/2023 <b>Athene Holding Ltd.</b>	GBP	14,020	18,688

Edgar Filing: CVENT INC - Form 10-Q

4.125% due 01/12/2028		\$	106	99
<b>Avolon Holdings Funding Ltd.</b>				
5.500% due 01/15/2023			351	350
<b>AXA Equitable Holdings, Inc.</b>				
4.350% due 04/20/2028			252	247
5.000% due 04/20/2048			146	140
<b>Banco Bilbao Vizcaya Argentaria S.A.</b>				
6.750% due 02/18/2020 (j)(k)(n)		EUR	14,000	17,271
7.000% due 02/19/2019 (j)(k)(n)			3,200	3,842
8.875% due 04/14/2021 (j)(k)(n)			400	532
<b>Banco Espirito Santo S.A.</b>				
4.000% due 01/21/2019 <sup>(e)</sup>			5,000	1,783
<b>Banco Santander S.A.</b>				
6.250% due 09/11/2021 (j)(k)(n)			2,600	3,245
<b>Bank of Ireland</b>				
7.375% due 06/18/2020 (j)(k)			1,200	1,528
<b>Barclays PLC</b>				
3.250% due 02/12/2027		GBP	200	260
3.250% due 01/17/2033			400	490
6.500% due 09/15/2019 (j)(k)(n)		EUR	4,200	5,121
7.000% due 09/15/2019 (j)(k)		GBP	830	1,119
7.250% due 03/15/2023 (j)(k)			10,405	14,214
7.875% due 09/15/2022 (j)(k)			4,625	6,515
8.000% due 12/15/2020 (j)(k)(n)		EUR	1,860	2,425
<b>Blackstone CQP Holdco LP</b>				
6.000% due 08/18/2021		\$	1,500	1,500
6.500% due 03/20/2021			8,700	8,754
<b>Brighthouse Holdings LLC</b>				
6.500% due 07/27/2037 (j)			110	106
<b>Brookfield Finance, Inc.</b>				
3.900% due 01/25/2028			196	186
4.700% due 09/20/2047 (n)			664	633
<b>Cantor Fitzgerald LP</b>				
6.500% due 06/17/2022 (n)			10,000	10,588
<b>CBL &amp; Associates LP</b>				
5.950% due 12/15/2026 (n)			4,128	3,565
<b>Co-operative Group Holdings Ltd.</b>				
7.500% due 07/08/2026		GBP	630	993
<b>Cooperatieve Rabobank UA</b>				
6.625% due 06/29/2021 (j)(k)		EUR	2,000	2,662
<b>Credit Agricole S.A.</b>				
7.875% due 01/23/2024 (j)(k)		\$	1,400	1,494
<b>Credit Suisse AG</b>				
6.500% due 08/08/2023 (k)			200	214
<b>Credit Suisse Group AG</b>				
7.500% due 07/17/2023 (j)(k)			600	620
7.500% due 12/11/2023 (j)(k)			2,336	2,497
<b>Emerald Bay S.A.</b>				
0.000% due 10/08/2020 (h)		EUR	1,162	1,276
<b>EPR Properties</b>				
4.750% due 12/15/2026 (n)		\$	5,400	5,285
<b>Equinix, Inc.</b>				
2.875% due 03/15/2024		EUR	300	352
2.875% due 10/01/2025			100	114
2.875% due 02/01/2026			300	342
<b>Flagstar Bancorp, Inc.</b>				
6.125% due 07/15/2021		\$	6,000	6,260
<b>Fortress Transportation &amp; Infrastructure Investors LLC</b>				
6.750% due 03/15/2022			1,258	1,313
<b>Freedom Mortgage Corp.</b>				
8.250% due 04/15/2025			128	125

See Accompanying Notes

ANNUAL REPORT JULY 31, 2018 23

## Schedule of Investments PIMCO Corporate &amp; Income Opportunity Fund (Cont.)

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>Growthpoint Properties International Pty. Ltd.</b>		
5.872% due 05/02/2023	\$ 200	\$ 207
<b>GSPA Monetization Trust</b>		
6.422% due 10/09/2029	6,644	7,536
<b>High Street Funding Trust</b>		
4.682% due 02/15/2048	100	100
<b>Howard Hughes Corp.</b>		
5.375% due 03/15/2025	220	216
<b>HSBC Holdings PLC</b>		
6.000% due 09/29/2023 (j)(k)	EUR 4,977	6,597
6.500% due 03/23/2028 (j)(k)	\$ 1,000	982
<b>Hunt Cos., Inc.</b>		
6.250% due 02/15/2026	50	46
<b>Intesa Sanpaolo SpA</b>		
7.700% due 09/17/2025 (j)(k)(n)	10,000	9,575
<b>iStar, Inc.</b>		
4.625% due 09/15/2020	26	26
5.250% due 09/15/2022	93	91
<b>Jefferies Finance LLC</b>		
6.875% due 04/15/2022	3,900	3,949
7.250% due 08/15/2024	200	197
7.375% due 04/01/2020 (n)	10,625	10,864
7.500% due 04/15/2021	2,391	2,451
<b>Kennedy-Wilson, Inc.</b>		
5.875% due 04/01/2024	134	131
<b>Life Storage LP</b>		
3.875% due 12/15/2027	56	53
<b>Lloyds Bank PLC</b>		
12.000% due 12/16/2024 (j)	3,100	3,786
<b>Lloyds Banking Group PLC</b>		
7.000% due 06/27/2019 (j)(k)	GBP 2,710	3,682
7.625% due 06/27/2023 (j)(k)	4,410	6,403
7.875% due 06/27/2029 (j)(k)	6,015	9,222
<b>LoanCore Capital Markets LLC</b>		
6.875% due 06/01/2020 (n)	\$ 11,610	11,791
<b>Meiji Yasuda Life Insurance Co.</b>		
5.100% due 04/26/2048	600	611
<b>MetLife, Inc.</b>		
5.875% due 03/15/2028 (j)	142	146
<b>Nationstar Mortgage LLC</b>		
6.500% due 07/01/2021	1,452	1,459
<b>Nationwide Building Society</b>		
10.250% ~(j)	GBP 117	23,380
<b>Navient Corp.</b>		
4.875% due 06/17/2019	\$ 395	399
5.625% due 08/01/2033	98	84
5.875% due 03/25/2021	710	723
6.500% due 06/15/2022	558	570
6.625% due 07/26/2021 (n)	4,170	4,316
7.250% due 01/25/2022	80	84
8.000% due 03/25/2020	1,540	1,629
<b>Omega Healthcare Investors, Inc.</b>		
4.500% due 01/15/2025	310	305
4.500% due 04/01/2027 (n)	310	296
4.750% due 01/15/2028	400	387
5.250% due 01/15/2026	550	559
<b>Oppenheimer Holdings, Inc.</b>		
6.750% due 07/01/2022	2,844	2,894
<b>Physicians Realty LP</b>		
4.300% due 03/15/2027	130	125

Edgar Filing: CVENT INC - Form 10-Q

<b>Provident Funding Associates LP</b>		
6.375% due 06/15/2025		46
<b>Royal Bank of Scotland Group PLC</b>		
7.500% due 08/10/2020 (j)(k)(n)		6,044
8.000% due 08/10/2025 (j)(k)(n)		14,505
8.625% due 08/15/2021 (j)(k)		6,847
<b>Santander UK Group Holdings PLC</b>		
6.750% due 06/24/2024 (j)(k)(n)	GBP	13,109
7.375% due 06/24/2022 (j)(k)		1,988
<b>Sberbank of Russia Via SB Capital S.A.</b>		
6.125% due 02/07/2022	\$	526
<b>Societe Generale S.A.</b>		
6.750% due 04/06/2028 (j)(k)		383
	<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>Spirit Realty LP</b>		
4.450% due 09/15/2026 (n)	\$	\$ 2,503
<b>Springleaf Finance Corp.</b>		
5.625% due 03/15/2023		2,412
6.000% due 06/01/2020		663
6.125% due 05/15/2022		1,247
6.875% due 03/15/2025		582
7.125% due 03/15/2026		416
7.750% due 10/01/2021		98
<b>Stearns Holdings LLC</b>		
9.375% due 08/15/2020		603
<b>Stichting AK Rabobank Certificaten</b>		
6.500% (j)	EUR	6,781
<b>Tesco Property Finance PLC</b>		
5.411% due 07/13/2044	GBP	1,659
5.661% due 10/13/2041		921
5.744% due 04/13/2040		842
5.801% due 10/13/2040		2,565
6.052% due 10/13/2039		2,013
<b>TP ICAP PLC</b>		
5.250% due 01/26/2024		4,258
<b>Unigel Luxembourg S.A.</b>		
10.500% due 01/22/2024	\$	1,191
<b>WeWork Cos., Inc.</b>		
7.875% due 05/01/2025		145
		340,895
<b>INDUSTRIALS 29.4%</b>		
<b>AA Bond Co. Ltd.</b>		
4.249% due 07/31/2043	GBP	299
<b>Air Canada Pass-Through Trust</b>		
3.700% due 07/15/2027	\$	44
<b>Altice Financing S.A.</b>		
6.625% due 02/15/2023		1,723
7.500% due 05/15/2026 (n)		5,954
<b>Altice France S.A.</b>		
5.375% due 05/15/2022	EUR	2,034
5.875% due 02/01/2027		2,390
6.250% due 05/15/2024 (n)	\$	12,469
7.375% due 05/01/2026		3,589
<b>Altice Luxembourg S.A.</b>		
7.250% due 05/15/2022 (n)	EUR	5,251
7.750% due 05/15/2022 (n)	\$	6,792
<b>Ashtead Capital, Inc.</b>		
5.250% due 08/01/2026		202
<b>Associated Materials LLC</b>		
9.000% due 01/01/2024		1,148
<b>Bacardi Ltd.</b>		
4.450% due 05/15/2025		200
4.700% due 05/15/2028		199
<b>Baffinland Iron Mines Corp.</b>		
8.750% due 07/15/2026		2,710

Edgar Filing: CVENT INC - Form 10-Q

<b>BMC Software Finance, Inc.</b>		
8.125% due 07/15/2021	3,195	3,275
<b>Caesars Resort Collection LLC</b>		
5.250% due 10/15/2025	14	14
<b>Centene Corp.</b>		
5.375% due 06/01/2026	167	171
<b>Charles River Laboratories International, Inc.</b>		
5.500% due 04/01/2026	52	53
<b>Charter Communications Operating LLC</b>		
4.200% due 03/15/2028	260	250
<b>Cheniere Corpus Christi Holdings LLC</b>		
5.875% due 03/31/2025	400	423
<b>Cheniere Energy Partners LP</b>		
5.250% due 10/01/2025	65	65
<b>Chesapeake Energy Corp.</b>		
5.589% (US0003M + 3.250%) due 04/15/2019 ~	157	158
<b>Clear Channel Worldwide Holdings, Inc.</b>		
6.500% due 11/15/2022	1,279	1,311
7.625% due 03/15/2020	6,248	6,285
	<b>PRINCIPAL</b>	<b>MARKET</b>
	<b>AMOUNT</b>	<b>VALUE</b>
	<b>(000S)</b>	<b>(000S)</b>
<b>Cleveland-Cliffs, Inc.</b>		
4.875% due 01/15/2024	\$ 68	\$ 67
<b>Community Health Systems, Inc.</b>		
5.125% due 08/01/2021 (n)	9,375	8,915
6.250% due 03/31/2023 (n)	11,782	11,016
8.625% due 01/15/2024	560	580
<b>CSN Islands Corp.</b>		
6.875% due 09/21/2019 (n)	640	642
<b>CSN Resources S.A.</b>		
6.500% due 07/21/2020 (n)	8,041	7,782
<b>DAE Funding LLC</b>		
4.500% due 08/01/2022	190	188
5.000% due 08/01/2024	120	119
<b>Diamond Resorts International, Inc.</b>		
7.750% due 09/01/2023	278	291
10.750% due 09/01/2024	4,300	4,504
<b>DriveTime Automotive Group, Inc.</b>		
8.000% due 06/01/2021	12,818	13,074
<b>EI Group PLC</b>		
6.375% due 09/26/2031	GBP 1,000	1,462
<b>Exela Intermediate LLC</b>		
10.000% due 07/15/2023 (n)	\$ 217	225
<b>Ferroglobe PLC</b>		
9.375% due 03/01/2022 (n)	2,500	2,578
<b>First Quantum Minerals Ltd.</b>		
6.500% due 03/01/2024	3,088	3,019
6.875% due 03/01/2026	3,382	3,314
7.000% due 02/15/2021	1,188	1,202
<b>Ford Motor Co.</b>		
7.700% due 05/15/2097 (n)	29,796	34,598
<b>Fresh Market, Inc.</b>		
9.750% due 05/01/2023 (n)	12,200	8,662
<b>Frontier Finance PLC</b>		
8.000% due 03/23/2022	GBP 8,800	11,984
<b>Full House Resorts, Inc.</b>		
8.575% due 01/31/2024 «	\$ 696	681
<b>General Electric Co.</b>		
5.000% due 01/21/2021 (j)	1,153	1,134
<b>Greene King Finance PLC</b>		
5.702% due 12/15/2034	GBP 350	433
<b>Hadrian Merger Sub, Inc.</b>		
8.500% due 05/01/2026	\$ 70	67
<b>Hampton Roads PPV LLC</b>		
6.171% due 06/15/2053 (n)	1,800	1,891
<b>Harland Clarke Holdings Corp.</b>		
8.375% due 08/15/2022	106	102
<b>HCA, Inc.</b>		
4.500% due 02/15/2027	1,550	1,511



Edgar Filing: CVENT INC - Form 10-Q

7.500% due 11/15/2095 (n)	4,800	4,740
<b>Hilton Domestic Operating Co., Inc.</b>		
5.125% due 05/01/2026	270	271
<b>iHeartCommunications, Inc.</b>		
9.000% due 03/01/2021 ^(e)	3,070	2,364
9.000% due 09/15/2022 ^(e)	5,810	4,488
10.625% due 03/15/2023 ^(e)	5,600	4,354
11.250% due 03/01/2021 ^(e)	2,920	2,270
<b>IHS Markit Ltd.</b>		
4.000% due 03/01/2026	9	9
<b>Intelsat Jackson Holdings S.A.</b>		
5.500% due 08/01/2023	2,220	2,051
7.250% due 10/15/2020	8,558	8,633
9.750% due 07/15/2025	217	233
<b>Intelsat Luxembourg S.A.</b>		
7.750% due 06/01/2021	18,643	17,804
8.125% due 06/01/2023	1,939	1,672
<b>Intrepid Aviation Group Holdings LLC</b>		
6.875% due 02/15/2019	22,531	22,570
8.500% due 08/15/2021	18,330	18,513
<b>Kinder Morgan, Inc.</b>		
7.750% due 01/15/2032 (n)	3,100	3,844
7.800% due 08/01/2031 (n)	6,000	7,410
<b>Mallinckrodt International Finance S.A.</b>		
5.500% due 04/15/2025	1,858	1,505

24 PIMCO CLOSED-END FUNDS

See Accompanying Notes

July 31, 2018

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>Matterhorn Merger Sub LLC</b>		
8.500% due 06/01/2026	\$ 18	\$ 17
<b>Metinvest BV</b>		
7.750% due 04/23/2023	300	291
8.500% due 04/23/2026	2,000	1,938
<b>Odebrecht Oil &amp; Gas Finance Ltd.</b>		
0.000% due 08/30/2018 (h)(j)	536	10
0.000% due 08/31/2018 (h)(j)	744	14
<b>Park Aerospace Holdings Ltd.</b>		
3.625% due 03/15/2021	908	883
4.500% due 03/15/2023	1,000	958
5.250% due 08/15/2022	322	323
5.500% due 02/15/2024	790	782
<b>Pelabuhan Indonesia Persero PT</b>		
4.500% due 05/02/2023	200	200
<b>Petroleos Mexicanos</b>		
6.500% due 03/13/2027	310	315
6.750% due 09/21/2047	90	83
<b>PetSmart, Inc.</b>		
5.875% due 06/01/2025	199	159
<b>Pisces Midco, Inc.</b>		
8.000% due 04/15/2026	342	354
<b>Pitney Bowes, Inc.</b>		
4.700% due 04/01/2023	66	60
<b>Platin 1426 GmbH</b>		
6.875% due 06/15/2023 «(c)	EUR 900	1,020
<b>Prime Security Services Borrower LLC</b>		
9.250% due 05/15/2023	\$ 2,610	2,799
<b>QVC, Inc.</b>		
5.450% due 08/15/2034	1,650	1,482
5.950% due 03/15/2043 (n)	6,770	6,317
<b>Radiate Holdco LLC</b>		
6.875% due 02/15/2023	130	126
<b>Rockpoint Gas Storage Canada Ltd.</b>		
7.000% due 03/31/2023	16	16
<b>Russian Railways via RZD Capital PLC</b>		
7.487% due 03/25/2031	GBP 1,500	2,458
<b>Sabine Pass Liquefaction LLC</b>		
5.875% due 06/30/2026 (n)	\$ 4,300	4,685
<b>Safeway, Inc.</b>		
7.250% due 02/01/2031	9,392	9,228
<b>Scientific Games International, Inc.</b>		
5.000% due 10/15/2025	23	22
<b>Shelf Drilling Holdings Ltd.</b>		
8.250% due 02/15/2025	73	74
<b>Sigma Holdco BV</b>		
5.750% due 05/15/2026	EUR 100	111
<b>SoftBank Group Corp.</b>		
4.000% due 04/20/2023	9,300	11,379
<b>Spirit Issuer PLC</b>		
3.368% (BP0003M + 2.700%) due 12/28/2031 ~	GBP 1,855	2,392
6.582% due 12/28/2027 (n)	1,750	2,354
<b>Sunoco LP</b>		
4.875% due 01/15/2023	\$ 130	128
<b>Syngenta Finance NV</b>		
4.441% due 04/24/2023	200	200
4.892% due 04/24/2025	200	199
5.182% due 04/24/2028	200	194

Edgar Filing: CVENT INC - Form 10-Q

<b>T-Mobile USA, Inc.</b>			
4.750% due 02/01/2028		40	37
<b>Telenet Finance Luxembourg Notes SARL</b>			
5.500% due 03/01/2028		200	184
<b>Teva Pharmaceutical Finance BV</b>			
1.500% due 10/25/2018	CHF	200	203
<b>Teva Pharmaceutical Finance Netherlands BV</b>			
0.375% due 07/25/2020	EUR	300	346
3.250% due 04/15/2022		700	855
<b>Time Warner Cable LLC</b>			
8.250% due 04/01/2019	\$	140	145
<b>Transocean Pontus Ltd.</b>			
6.125% due 08/01/2025		300	306
		<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>UAL Pass-Through Trust</b>			
7.336% due 01/02/2021	\$	1,505	\$ 1,550
<b>Unique Pub Finance Co. PLC</b>			
5.659% due 06/30/2027	GBP	6,375	9,250
<b>United Group BV</b>			
4.375% due 07/01/2022	EUR	8,200	9,872
4.875% due 07/01/2024		200	240
<b>UPCB Finance Ltd.</b>			
3.625% due 06/15/2029		350	406
<b>ViaSat, Inc.</b>			
5.625% due 09/15/2025	\$	178	169
<b>Virgin Media Secured Finance PLC</b>			
5.000% due 04/15/2027	GBP	1,780	2,296
<b>VOC Escrow Ltd.</b>			
5.000% due 02/15/2028	\$	148	142
<b>Wind Tre SpA</b>			
2.625% due 01/20/2023	EUR	400	445
2.750% due 01/20/2024		400	440
3.125% due 01/20/2025		200	219
5.000% due 01/20/2026	\$	200	181
<b>Wynn Macau Ltd.</b>			
4.875% due 10/01/2024		200	191
5.500% due 10/01/2027		200	192
			359,021
<b>UTILITIES 6.8%</b>			
<b>AT&amp;T, Inc.</b>			
4.900% due 08/15/2037 (n)		678	656
5.150% due 02/15/2050		814	783
5.300% due 08/15/2058 (n)		1,717	1,626
5.450% due 03/01/2047		100	101
<b>DTEK Finance PLC (10.750% Cash or 10.750% PIK)</b>			
10.750% due 12/31/2024 (d)		8,889	9,194
<b>Enable Midstream Partners LP</b>			
4.950% due 05/15/2028		123	124
<b>Gazprom OAO Via Gaz Capital S.A.</b>			
9.250% due 04/23/2019		11,200	11,655
<b>Mountain States Telephone &amp; Telegraph Co.</b>			
7.375% due 05/01/2030		15,730	16,325
<b>Odebrecht Drilling Norbe Ltd.</b>			
6.350% due 12/01/2021		170	168
<b>Odebrecht Drilling Norbe Ltd. (6.350% Cash or 7.350% PIK)</b>			
7.350% due 12/01/2026 (d)		298	163
<b>Odebrecht Offshore Drilling Finance Ltd.</b>			
6.720% due 12/01/2022		6,183	5,905
<b>Odebrecht Offshore Drilling Finance Ltd. (6.720% Cash or 7.720% PIK)</b>			
7.720% due 12/01/2026 (d)		7,198	2,142
<b>Petrobras Global Finance BV</b>			
5.999% due 01/27/2028		302	286
6.125% due 01/17/2022		239	248
6.250% due 12/14/2026 (n)	GBP	6,100	8,329
6.625% due 01/16/2034		800	1,058

Edgar Filing: CVENT INC - Form 10-Q

7.375% due 01/17/2027	\$	1,362	1,418
<b>Plains All American Pipeline LP</b>			
6.650% due 01/15/2037		150	167
<b>Rio Oil Finance Trust</b>			
8.200% due 04/06/2028		4,060	4,176
9.250% due 07/06/2024 (n)		4,392	4,745
9.250% due 07/06/2024		4,175	4,510
9.750% due 01/06/2027		566	617
<b>Sprint Corp.</b>			
7.625% due 03/01/2026		557	578
<b>Transcanada Trust</b>			
5.300% due 03/15/2077		5,000	4,819
<b>Transocean Phoenix 2 Ltd.</b>			
7.750% due 10/15/2024		2,474	2,637
<b>Transocean Proteus Ltd.</b>			
6.250% due 12/01/2024		340	348
			82,778

**Total Corporate Bonds & Notes (Cost \$762,854)** **782,694**

		<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>CONVERTIBLE BONDS &amp; NOTES 0.6%</b>			
<b>INDUSTRIALS 0.6%</b>			
<b>Caesars Entertainment Corp.</b>			
5.000% due 10/01/2024	\$	1,050	\$ 1,888
<b>DISH Network Corp.</b>			
3.375% due 08/15/2026		5,900	5,375
			<b>7,263</b>

**MUNICIPAL BONDS & NOTES 5.0%**

<b>CALIFORNIA 1.0%</b>			
<b>Riverside County, California Redevelopment Successor Agency Tax Allocation Bonds, Series 2010</b>			
7.500% due 10/01/2030		3,425	3,748
<b>Stockton Public Financing Authority, California Revenue Bonds, (BABs), Series 2009</b>			
7.942% due 10/01/2038		8,500	8,953
			12,701

**ILLINOIS 2.4%**

<b>Chicago, Illinois General Obligation Bonds, (BABs), Series 2010</b>			
7.517% due 01/01/2040		23,700	26,816
<b>Chicago, Illinois General Obligation Bonds, Series 2014</b>			
6.314% due 01/01/2044		120	124
<b>Chicago, Illinois General Obligation Bonds, Series 2015</b>			
7.375% due 01/01/2033		100	113
7.750% due 01/01/2042		300	327
<b>Chicago, Illinois General Obligation Bonds, Series 2017</b>			
7.045% due 01/01/2029		200	215
<b>Illinois State General Obligation Bonds, (BABs), Series 2010</b>			
6.725% due 04/01/2035		60	64
7.350% due 07/01/2035		40	45
<b>Illinois State General Obligation Bonds, Series 2003</b>			
5.100% due 06/01/2033		1,035	1,006
			28,710

**IOWA 0.0%**

<b>Iowa Tobacco Settlement Authority Revenue Bonds, Series 2005</b>			
6.500% due 06/01/2023		465	474

**TEXAS 0.2%**

**Texas Public Finance Authority Revenue Notes, Series 2014**

Edgar Filing: CVENT INC - Form 10-Q

8.250% due 07/01/2024	2,045	2,082
-----------------------	-------	-------

**VIRGINIA 0.1%**

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

6.706% due 06/01/2046	1,380	1,367
-----------------------	-------	-------

**WEST VIRGINIA 1.3%**

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

0.000% due 06/01/2047 (h)	78,700	4,872
---------------------------	--------	-------

7.467% due 06/01/2047	10,310	10,273
-----------------------	--------	--------

15,145

**Total Municipal Bonds & Notes (Cost \$54,624)**

**60,479**

**U.S. GOVERNMENT AGENCIES 4.8%**

**Fannie Mae**

3.000% due 01/25/2042 (a)	1,055	101
---------------------------	-------	-----

3.500% due 02/25/2033 (a)	2,642	334
---------------------------	-------	-----

See Accompanying Notes

ANNUAL REPORT JULY 31, 2018 25

## Schedule of Investments PIMCO Corporate &amp; Income Opportunity Fund (Cont.)

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
4.036% (- 1.0*LIBOR01M + 6.100%) due 07/25/2040 ~(a)	\$ 1,145	\$ 118
5.614% (US0001M + 3.550%) due 07/25/2029 ~	1,490	1,629
7.814% (US0001M + 5.750%) due 07/25/2029 ~	2,010	2,408
<b>Freddie Mac</b>		
0.000% due 04/25/2045 - 08/25/2046 (b)(h)	32,331	26,252
0.100% due 02/25/2046 - 08/25/2046 (a)	250,692	584
0.200% due 04/25/2045 (a)	10,054	11
2.557% due 11/25/2055 «~	14,479	8,706
4.452% (- 2.333*LIBOR01M + 9.333%) due 07/15/2039 ~	2,207	1,916
5.028% (- 1.0*LIBOR01M + 7.100%) due 02/15/2034 ~(a)	2,122	336
5.395% (- 2.5*LIBOR01M + 10.625%) due 03/15/2044 ~	1,485	1,383
6.421% (- 2.667*LIBOR01M + 12.000%) due 02/15/2036 ~	5,228	5,092
9.614% (US0001M + 7.550%) due 12/25/2027 ~	4,432	5,514
12.814% (US0001M + 10.750%) due 03/25/2025 ~	2,332	3,165
<b>Ginnie Mae</b>		
3.000% due 12/20/2042 (a)	74	11
3.500% due 09/16/2041 - 06/20/2042 (a)	1,510	229
4.664% (- 1.0*LIBOR01M + 6.750%) due 01/20/2042 ~(a)	2,381	335
<b>Total U.S. Government Agencies (Cost \$57,477)</b>		<b>58,124</b>
<b>NON-AGENCY MORTGAGE-BACKED SECURITIES 21.8%</b>		
<b>Adjustable Rate Mortgage Trust</b>		
2.404% due 05/25/2036	1,986	1,184
3.214% due 01/25/2035	4,848	4,258
<b>Banc of America Alternative Loan Trust</b>		
6.000% due 01/25/2036 ^	192	188
6.000% due 04/25/2036 ^	3,432	3,468
<b>Banc of America Funding Trust</b>		
5.500% due 01/25/2036	228	198
6.000% due 07/25/2037 ^	588	559
<b>BCAP LLC Trust</b>		
3.616% due 03/27/2036 ~	3,906	2,634
3.832% due 07/26/2037 ~	168	3
4.945% due 03/26/2037	1,636	1,708
7.000% due 12/26/2036 ~	4,607	4,195
<b>Bear Stearns ALT-A Trust</b>		
3.626% due 11/25/2036 ^^	799	677
3.642% due 08/25/2046 ~	5,099	4,842
3.830% due 08/25/2036 ^^	3,264	2,252
4.199% due 11/25/2034 ~	332	328
4.206% due 09/25/2035 ^^	1,133	872
<b>Bear Stearns Asset-Backed Securities Trust</b>		
2.464% due 04/25/2037	16,373	13,684
<b>Bear Stearns Commercial Mortgage Securities Trust</b>		
5.726% due 04/12/2038 ~	370	370
<b>Bear Stearns Mortgage Funding Trust</b>		
7.500% due 08/25/2036	1,790	1,619
<b>CD Mortgage Trust</b>		
5.398% due 12/11/2049 ~	49	29
5.688% due 10/15/2048	13,922	7,239
<b>Chase Mortgage Finance Trust</b>		
3.537% due 12/25/2035 ^^	20	19
6.000% due 02/25/2037 ^	1,858	1,469
6.000% due 03/25/2037 ^	469	397
6.000% due 07/25/2037 ^	1,681	1,442
<b>Citigroup Commercial Mortgage Trust</b>		
5.612% due 12/10/2049 ~	648	445
<b>Citigroup Mortgage Loan Trust</b>		

Edgar Filing: CVENT INC - Form 10-Q

3.612% due 04/25/2037 ^~	3,388	2,951
3.831% due 03/25/2037 ^~	886	869
4.350% due 11/25/2035 ~	18,011	12,659
6.000% due 11/25/2036 ~	14,664	11,688
	<b>PRINCIPAL</b>	<b>MARKET</b>
	<b>AMOUNT</b>	<b>VALUE</b>
	<b>(000S)</b>	<b>(000S)</b>
<b>CitiMortgage Alternative Loan Trust</b>		
5.750% due 04/25/2037 ^	\$ 2,813	\$ 2,664
<b>Commercial Mortgage Loan Trust</b>		
6.052% due 12/10/2049 ~	4,632	2,868
<b>Countrywide Alternative Loan Resecuritization Trust</b>		
6.000% due 08/25/2037 ^^	2,262	1,767
<b>Countrywide Alternative Loan Trust</b>		
2.296% due 03/20/2046	5,379	4,942
2.334% due 08/25/2035	342	239
3.186% due 04/25/2037 ^ (a)	23,108	3,190
3.796% due 06/25/2047 ~	3,258	3,046
5.250% due 05/25/2021 ^	13	13
5.500% due 03/25/2035	586	442
5.500% due 09/25/2035 ^	5,132	4,685
5.750% due 01/25/2035	649	651
5.750% due 02/25/2035	751	732
6.000% due 02/25/2035	787	764
6.000% due 04/25/2036	1,999	1,546
6.000% due 05/25/2036 ^	2,181	1,735
6.000% due 02/25/2037 ^	718	484
6.000% due 02/25/2037	2,602	2,227
6.000% due 04/25/2037 ^	6,947	5,213
6.000% due 08/25/2037 ^	10,237	8,294
6.250% due 10/25/2036 ^	2,761	2,376
6.250% due 12/25/2036 ^	3,634	2,743
6.500% due 08/25/2036 ^	923	615
6.500% due 09/25/2036 ^	464	378
14.067% due 02/25/2036	1,981	2,195
<b>Countrywide Home Loan Mortgage Pass-Through Trust</b>		
5.500% due 07/25/2037 ^	748	614
6.000% due 04/25/2036 ^	521	479
<b>Credit Suisse Mortgage Capital Mortgage-Backed Trust</b>		
5.750% due 04/25/2036 ^	1,549	1,195
<b>Epic Drummond Ltd.</b>		
0.000% due 01/25/2022	EUR 231	268
<b>Eurosail PLC</b>		
1.977% due 06/13/2045	GBP 4,487	4,516
4.627% due 06/13/2045	1,394	1,618
<b>GS Mortgage Securities Corp.</b>		
4.591% due 10/10/2032 ~	\$ 10,500	9,479
<b>GS Mortgage Securities Trust</b>		
5.622% due 11/10/2039	1,640	1,416
<b>GSR Mortgage Loan Trust</b>		
3.756% due 11/25/2035 ^~	1,658	1,551
3.882% due 03/25/2037 ^~	3,063	2,769
5.500% due 05/25/2036 ^	222	311
<b>HomeBanc Mortgage Trust</b>		
2.864% due 03/25/2035	245	226
<b>IndyMac Mortgage Loan Trust</b>		
6.500% due 07/25/2037 ^	6,602	4,262
<b>JPMorgan Alternative Loan Trust</b>		
3.547% due 03/25/2037 ~	9,736	9,292
<b>JPMorgan Chase Commercial Mortgage Securities Trust</b>		
5.411% due 05/15/2047	3,600	2,581
5.623% due 05/12/2045	2,126	1,863
<b>JPMorgan Mortgage Trust</b>		
3.686% due 10/25/2035 ~	56	55
3.689% due 02/25/2036 ^~	2,045	1,739
3.851% due 06/25/2036 ^~	1,032	965
3.878% due 01/25/2037 ^~	1,252	1,199
<b>LB-UBS Commercial Mortgage Trust</b>		
5.407% due 11/15/2038	6,670	5,152
<b>Lehman Mortgage Trust</b>		

Edgar Filing: CVENT INC - Form 10-Q

6.000% due 07/25/2037 ^		248	240
18.075% due 11/25/2035 ^		263	326
<b>Lehman XS Trust</b>			
2.284% due 06/25/2047		3,567	3,232
<b>MASTR Alternative Loan Trust</b>			
6.750% due 07/25/2036		3,448	2,373
<b>Merrill Lynch Mortgage Investors Trust</b>			
3.564% due 03/25/2036 ^~		3,774	2,911
<b>Morgan Stanley Capital Trust</b>			
6.120% due 06/11/2049 ~		844	853
<b>Motel 6 Trust</b>			
8.998% due 08/15/2019		15,209	15,476
		<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>RBSSP Resecuritization Trust</b>			
2.311% due 10/27/2036	\$	3,609	\$ 830
2.331% due 08/27/2037		8,000	3,379
<b>Residential Accredit Loans, Inc. Trust</b>			
2.254% due 08/25/2036		1,179	1,100
2.294% due 05/25/2037 ^		352	268
6.000% due 08/25/2036 ^		753	687
6.000% due 05/25/2037 ^		2,329	2,126
<b>Residential Asset Securitization Trust</b>			
5.750% due 02/25/2036 ^		433	324
6.000% due 02/25/2037 ^		1,984	1,510
6.250% due 09/25/2037 ^		5,239	3,658
<b>Residential Funding Mortgage Securities, Inc. Trust</b>			
4.247% due 02/25/2037 ~		3,092	2,439
<b>Structured Adjustable Rate Mortgage Loan Trust</b>			
3.668% due 11/25/2036 ^~		5,036	4,900
3.735% due 03/25/2037 ^~		1,014	845
3.834% due 07/25/2036 ^~		992	861
3.855% due 01/25/2036 ^~		7,231	5,647
4.210% due 07/25/2035 ^~		2,330	2,173
<b>Structured Asset Mortgage Investments Trust</b>			
2.184% due 08/25/2036		204	188
<b>Suntrust Adjustable Rate Mortgage Loan Trust</b>			
3.626% due 02/25/2037 ^~		7,841	6,807
3.675% due 02/25/2037 ^~		677	612
3.791% due 04/25/2037 ^~		728	621
<b>WaMu Mortgage Pass-Through Certificates Trust</b>			
3.403% due 02/25/2037 ^~		1,182	1,149
3.405% due 10/25/2036 ^~		1,715	1,577
3.558% due 07/25/2037 ^~		867	719
3.898% due 07/25/2037 ^~		1,962	1,828
<b>Washington Mutual Mortgage Pass-Through Certificates Trust</b>			
2.494% due 05/25/2047 ^		297	74
6.000% due 10/25/2035 ^		1,725	1,358
6.000% due 03/25/2036 ^		2,435	2,482
6.000% due 02/25/2037		5,696	5,121
<b>Total Non-Agency Mortgage-Backed Securities (Cost \$246,684)</b>			<b>266,299</b>
<b>ASSET-BACKED SECURITIES 19.8%</b>			
<b>Adagio CLO DAC</b>			
0.000% due 04/30/2031 ~	EUR	1,800	1,761
<b>Airspeed Ltd.</b>			
2.342% due 06/15/2032	\$	5,503	5,127
<b>Ameriquest Mortgage Securities, Inc. Asset-Backed Pass-Through Certificates</b>			
3.414% due 03/25/2033		78	77
<b>Apidos CLO</b>			
0.000% due 01/20/2031 ~		8,800	7,946
<b>Belle Haven ABS CDO Ltd.</b>			
2.587% due 07/05/2046		324,260	2,270
<b>BlueMountain CLO Ltd.</b>			
7.787% due 04/13/2027		1,000	1,007
<b>CIFC Funding Ltd.</b>			
0.000% due 05/24/2026 ~		4,100	2,911



Edgar Filing: CVENT INC - Form 10-Q

0.000% due 07/22/2026 ~		3,000	1,696
<b>Citigroup Mortgage Loan Trust</b>			
2.224% due 12/25/2036		6,830	4,511
2.464% due 11/25/2046		7,142	6,995
<b>Cork Street CLO Designated Activity Co.</b>			
0.000% due 11/27/2028 ~	EUR	2,667	3,178
3.600% due 11/27/2028		1,197	1,403
4.500% due 11/27/2028		1,047	1,229
6.200% due 11/27/2028		1,296	1,521
<b>Countrywide Asset-Backed Certificates</b>			
2.234% due 03/25/2037	\$	3,076	2,997
2.264% due 06/25/2047		17,176	15,324
2.374% due 09/25/2037 ^		19,068	13,544
4.539% due 08/25/2033		307	289
<b>Credit-Based Asset Servicing &amp; Securitization LLC</b>			
3.719% due 12/25/2035 ^		46	47
<b>Emerald Aviation Finance Ltd.</b>			
6.350% due 10/15/2038		758	768

26 PIMCO CLOSED-END FUNDS

See Accompanying Notes

July 31, 2018

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>First Franklin Mortgage Loan Trust</b>		
2.224% due 10/25/2036	\$ 5,013	\$ 3,770
<b>Fremont Home Loan Trust</b>		
2.214% due 01/25/2037	6,943	4,111
2.384% due 02/25/2036	13,689	5,411
<b>Glacier Funding CDO Ltd.</b>		
2.633% due 08/04/2035	7,990	2,030
<b>Grosvenor Place CLO BV</b>		
0.000% due 04/30/2029 ~	EUR 750	705
<b>Hart, Inc.</b>		
0.010% due 12/15/2022 «	\$ 7,010	6,256
<b>Home Equity Mortgage Loan Asset-Backed Trust</b>		
2.224% due 07/25/2037	3,410	2,253
<b>JPMorgan Mortgage Acquisition Trust</b>		
5.830% due 07/25/2036 ^	136	69
<b>Lehman XS Trust</b>		
6.290% due 06/24/2046	3,264	3,307
<b>LNR CDO Ltd.</b>		
2.352% due 02/28/2043	11,832	7,629
<b>Long Beach Mortgage Loan Trust</b>		
2.364% due 01/25/2036	7,559	6,476
<b>Merrill Lynch Mortgage Investors Trust</b>		
5.895% due 03/25/2037	7,351	2,247
<b>Morgan Stanley ABS Capital, Inc. Trust</b>		
2.214% due 10/25/2036	7,821	5,106
<b>Morgan Stanley Mortgage Loan Trust</b>		
6.250% due 07/25/2047 ^^	1,314	933
<b>N-Star REL CDO Ltd.</b>		
2.502% due 02/01/2041	1,100	1,070
<b>Park Place Securities, Inc. Asset-Backed Pass-Through Certificates</b>		
3.039% due 07/25/2035	6,000	5,557
<b>Renaissance Home Equity Loan Trust</b>		
5.612% due 04/25/2037	11,559	5,666
7.238% due 09/25/2037 ^	9,365	5,683
<b>Residential Asset Securities Corp. Trust</b>		
2.644% due 08/25/2034	9,226	7,648
<b>Securitized Asset-Backed Receivables LLC Trust</b>		
2.344% due 03/25/2036	10,892	6,100
<b>SLM Student Loan EDC Repackaging Trust</b>		
0.000% due 10/28/2029 «(h)	8	8,521
<b>SLM Student Loan Trust</b>		
0.000% due 01/25/2042 «(h)	7	5,216
<b>SoFi Professional Loan Program LLC</b>		
0.000% due 05/25/2040 «(h)	7,500	4,342
0.000% due 07/25/2040 «(h)	38	2,263
0.000% due 09/25/2040 «(h)	3,226	1,933
<b>Sound Point CLO Ltd.</b>		
7.197% due 01/23/2027	1,000	1,001
<b>South Coast Funding Ltd.</b>		
2.953% due 08/10/2038	20,059	3,913
<b>Symphony CLO Ltd.</b>		
6.939% due 07/14/2026	3,600	3,577
7.239% due 10/15/2025	1,400	1,401
<b>Taberna Preferred Funding Ltd.</b>		
2.723% due 12/05/2036	11,639	10,242
2.749% due 08/05/2036	720	612
2.749% due 08/05/2036 ^	13,943	11,852
2.763% due 02/05/2036	7,449	6,927

Edgar Filing: CVENT INC - Form 10-Q

<b>Tropic CDO Ltd.</b>		
3.239% due 04/15/2034		23,375
	25,000	
<b>Total Asset-Backed Securities (Cost \$230,056)</b>		<b>241,803</b>
	<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>SOVEREIGN ISSUES 4.8%</b>		
<b>Argentina Government International Bond</b>		
2.260% due 12/31/2038	EUR	5,589
3.375% due 01/15/2023		321
3.875% due 01/15/2022		338
5.250% due 01/15/2028		205
6.250% due 11/09/2047		191
7.820% due 12/31/2033		22,591
30.131% (BADLARPP) due 10/04/2022 ~	ARS	6
35.842% (BADLARPP + 2.500%) due 03/11/2019 ~		14
36.087% (BADLARPP + 3.250%) due 03/01/2020 ~		83
36.495% (BADLARPP + 2.000%) due 04/03/2022 ~		3,953
40.000% (ARPP7DRR) due 06/21/2020 ~		6,732
<b>Autonomous Community of Catalonia</b>		
4.900% due 09/15/2021	EUR	3,376
4.950% due 02/11/2020		62
<b>Egypt Government International Bond</b>		
4.750% due 04/16/2026		575
5.625% due 04/16/2030		676
<b>Ghana Government International Bond</b>		
10.750% due 10/14/2030	\$	779
<b>Peru Government International Bond</b>		
6.350% due 08/12/2028	PEN	1,796
<b>Republic of Greece Government International Bond</b>		
4.750% due 04/17/2019	EUR	721
<b>Ukraine Government International Bond</b>		
7.750% due 09/01/2022	\$	9,985
<b>Venezuela Government International Bond</b>		
6.000% due 12/09/2020 ^ <sup>(e)</sup>		131
9.250% due 09/15/2027 ^ <sup>(e)</sup>		174
<b>Total Sovereign Issues (Cost \$67,381)</b>		<b>58,298</b>
	<b>SHARES</b>	
<b>COMMON STOCKS 1.7%</b>		
<b>CONSUMER DISCRETIONARY 0.7%</b>		
Caesars Entertainment Corp. (f)		8,531
	754,964	
<b>ENERGY 0.6%</b>		
Forbes Energy Services Ltd. (f)(l)		551
Ocean Rig UDW, Inc. (f)		6,651
		7,202
<b>FINANCIALS 0.4%</b>		
TIG FinCo PLC <(l)		5,221
	3,315,033	
<b>Total Common Stocks (Cost \$20,373)</b>		<b>20,954</b>
<b>WARRANTS 0.0%</b>		
<b>INDUSTRIALS 0.0%</b>		
Sequa Corp. - Exp. 04/28/2024 <		340
	1,355,000	
<b>Total Warrants (Cost \$0)</b>		<b>340</b>
	<b>SHARES</b>	<b>MARKET VALUE (000S)</b>

Edgar Filing: CVENT INC - Form 10-Q

**PREFERRED SECURITIES 2.6%**

**BANKING & FINANCE 0.5%**

**Farm Credit Bank of Texas**

10.000% due 12/15/2020 (j)(l)	5,745	\$	6,549
-------------------------------	-------	----	-------

**INDUSTRIALS 2.1%**

**Sequa Corp.**

9.000% <	27,876		25,299
----------	--------	--	--------

<b>Total Preferred Securities (Cost \$31,460)</b>			<b>31,848</b>
---	--	--	---------------

**REAL ESTATE INVESTMENT TRUSTS 1.4%**

**REAL ESTATE 1.4%**

<b>VICI Properties, Inc.</b>	858,541		17,471
------------------------------	---------	--	--------

<b>Total Real Estate Investment Trusts (Cost \$10,754)</b>			<b>17,471</b>
--	--	--	---------------

**SHORT-TERM INSTRUMENTS 4.3%**

**REPURCHASE AGREEMENTS (m) 1.9%**

23,093

		<b>PRINCIPAL AMOUNT (000S)</b>	
<b>ARGENTINA TREASURY BILLS 0.2%</b>			
21.114% due 08/15/2018 - 11/21/2018 (g)(h)	ARS	44,128	1,615
1.855% due 09/14/2018 (g)(i)	\$	116	115
			1,730

**U.S. TREASURY BILLS 2.2%**

1.928% due 09/06/2018 - 10/18/2018 (g)(h)(n)(p)(r)	26,833		26,776
--	--------	--	--------

<b>Total Short-Term Instruments (Cost \$52,000)</b>			<b>51,599</b>
---	--	--	---------------

<b>Total Investments in Securities (Cost \$1,646,016)</b>			<b>1,694,909</b>
---	--	--	------------------

<b>Total Investments 139.0% (Cost \$1,646,016)</b>		\$	<b>1,694,909</b>
<b>Preferred Shares (19.5)%</b>			<b>(237,950)</b>
<b>Financial Derivative Instruments (o)(q) (1.7)%</b>			
<b>(Cost or Premiums, net \$(18,057))</b>			<b>(20,443)</b>
<b>Other Assets and Liabilities, net (17.8)%</b>			<b>(217,001)</b>

<b>Net Assets Applicable to Common Shareholders 100.0%</b>		\$	<b>1,219,515</b>
--	--	----	------------------

**NOTES TO SCHEDULE OF INVESTMENTS:**

- \* A zero balance may reflect actual amounts rounding to less than one thousand.
- ^ Security is in default.
- < Security valued using significant unobservable inputs (Level 3).
- ~ 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.



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

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.

All or a portion of this amount represent unfunded loan commitments. The interest rate for the unfunded portion will be determined at the time of funding. See Note 4, Securities and Other Investments, in the Notes to Financial Statements for more information regarding unfunded loan commitments.

- (a) Interest only security.
- (b) Principal only security.
- (c) When-issued security.
- (d) Payment in-kind security.
- (e) Security is not accruing income as of the date of this report.
- (f) Security did not produce income within the last twelve months.
- (g) Coupon represents a weighted average yield to maturity.
- (h) Zero coupon security.
- (i) Coupon represents a yield to maturity.
- (j) Perpetual maturity; date shown, if applicable, represents next contractual call date.
- (k) Contingent convertible security.

**(l) RESTRICTED SECURITIES:**

Issuer Description	Acquisition Date	Cost	Market Value	Market Value as Percentage of Net Assets
Farm Credit Bank of Texas				
10.000% due 12/15/2020	12/03/2010 - 10/08/2013	\$ 6,339	\$ 6,549	0.54%
Forbes Energy Services Ltd.	10/09/2014 - 11/18/2016	2,472	551	0.04
TIG FinCo PLC	04/02/2015 - 07/20/2017	4,441	5,221	0.43
		\$ 13,252	\$ 12,321	1.01%

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

Counterparty	Lending Rate	Settlement Date	Maturity Date	Principal Amount	Collateralized By	Collateral (Received)	Repurchase Agreements, at Value	Repurchase Agreement Proceeds to be Received <sup>(1)</sup>
FICC	1.500%	07/31/2018	08/01/2018	\$ 6,593	U.S. Treasury Notes 2.625% due 11/15/2020	\$ (6,726)	\$ 6,593	\$ 6,593
NOM	1.820	07/31/2018	08/01/2018	8,900	U.S. Treasury Bonds 3.750% due 11/15/2043	(9,077)	8,900	8,900
SAL	1.990	07/31/2018	08/01/2018	7,600	U.S. Treasury Notes 2.625% due 06/15/2021	(7,756)	7,600	7,600
<b>Total Repurchase Agreements</b>						<b>\$ (23,559)</b>	<b>\$ 23,093</b>	<b>\$ 23,093</b>

Edgar Filing: CVENT INC - Form 10-Q

REVERSE REPURCHASE AGREEMENTS:

Counterparty	Borrowing Rate <sup>(2)</sup>	Settlement Date	Maturity Date	Amount Borrowed <sup>(2)</sup>	Payable for Reverse Repurchase Agreements
BCY	(0.500)%	06/28/2018	TBD <sup>(3)</sup>	\$ (2,214)	\$ (2,213)
	(0.250)	03/14/2018	TBD <sup>(3)</sup>	(289)	(289)
BPS	0.950	06/18/2018	TBD <sup>(3)</sup>	(2,435)	(2,438)
	1.350	07/16/2018	TBD <sup>(3)</sup>	(298)	(298)
	1.600	07/16/2018	TBD <sup>(3)</sup>	(1,951)	(1,952)
BRC	1.650	07/16/2018	TBD <sup>(3)</sup>	(4,965)	(4,969)
	0.000	11/29/2017	TBD <sup>(3)</sup>	(187)	(187)
	0.000	07/26/2018	TBD <sup>(3)</sup>	(405)	(405)
CFR	(1.750)	03/13/2018	TBD <sup>(3)</sup>	EUR (2,536)	(2,945)
CIW	2.450	07/13/2018	08/10/2018	\$ (21,760)	(21,788)
FOB	2.350	07/17/2018	08/07/2018	(3,806)	(3,810)
JML	0.900	08/02/2018	09/03/2018	GBP (8,525)	(11,189)
JPS	2.480	07/18/2018	08/20/2018	\$ (4,631)	(4,635)
NOM	2.750	07/23/2018	08/23/2018	(5,449)	(5,453)
RDR	2.540	06/08/2018	09/07/2018	(5,273)	(5,293)
	2.670	05/10/2018	08/10/2018	(4,499)	(4,527)
	2.790	05/21/2018	08/21/2018	(6,074)	(6,108)
SOG	2.790	05/22/2018	08/21/2018	(5,575)	(5,606)
	2.810	06/12/2018	09/12/2018	(4,878)	(4,897)
	2.820	06/14/2018	09/14/2018	(15,595)	(15,654)
	2.850	07/16/2018	10/16/2018	(6,742)	(6,751)
	2.850	07/17/2018	10/17/2018	(10,996)	(11,009)
UBS	0.150	07/06/2018	08/06/2018	EUR (22,933)	(26,819)

28 PIMCO CLOSED-END FUNDS

See Accompanying Notes

July 31, 2018

Counterparty	Borrowing Rate <sup>(2)</sup>	Settlement Date	Maturity Date	Amount Borrowed <sup>(2)</sup>	Payable for Reverse Repurchase Agreements
	1.000%	07/05/2018	08/02/2018	GBP (8,416)	\$ (11,055)
	1.050	07/05/2018	08/06/2018	(5,412)	(7,109)
	1.300	07/05/2018	08/06/2018	(2,088)	(2,744)
	2.540	05/31/2018	08/31/2018	\$ (14,714)	(14,778)
	2.560	06/11/2018	09/10/2018	(4,061)	(4,076)
	2.560	06/13/2018	09/13/2018	(11,292)	(11,331)
	2.560	07/11/2018	09/13/2018	(1,601)	(1,603)
	2.790	07/05/2018	10/05/2018	(3,924)	(3,932)
	2.860	05/31/2018	08/31/2018	(11,983)	(12,042)
	2.910	05/07/2018	08/07/2018	(10,906)	(10,982)
	2.910	05/14/2018	08/14/2018	(9,465)	(9,525)
<b>Total Reverse Repurchase Agreements</b>					<b>\$ (238,412)</b>

**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 July 31, 2018:

Counterparty	Repurchase Agreement Proceeds to be Received <sup>(1)</sup>	Payable for Reverse Repurchase Agreements	Payable for Sale-Buyback Transactions	Total Borrowings and Other Financing Transactions	Collateral Pledged/(Received)	Net Exposure <sup>(4)</sup>
Global/Master Repurchase Agreement						
BCY	\$ 0	\$ (4,940)	\$ 0	\$ (4,940)	\$ 5,549	\$ 609
BPS	0	(7,219)	0	(7,219)	7,010	(209)
BRC	0	(592)	0	(592)	602	10
CFR	0	(2,945)	0	(2,945)	2,853	(92)
CIW	0	(21,788)	0	(21,788)	22,524	736
FICC	6,593	0	0	6,593	(6,726)	(133)
FOB	0	(3,810)	0	(3,810)	3,932	122
JML	0	(11,189)	0	(11,189)	13,109	1,920
JPS	0	(4,635)	0	(4,635)	4,645	10
NOM	8,900	(5,453)	0	3,447	(3,123)	324
RDR	0	(9,820)	0	(9,820)	10,229	409
SAL	7,600	0	0	7,600	(7,756)	(156)
SOG	0	(50,025)	0	(50,025)	54,555	4,530
UBS	0	(115,996)	0	(115,996)	130,681	14,685
<b>Total Borrowings and Other Financing Transactions</b>	<b>\$ 23,093</b>	<b>\$ (238,412)</b>	<b>\$ 0</b>			

**CERTAIN TRANSFERS ACCOUNTED FOR AS SECURED BORROWINGS**



**Remaining Contractual Maturity of the Agreements**

	<b>Overnight and Continuous</b>	<b>Up to 30 days</b>	<b>31-90 days</b>	<b>Greater Than 90 days</b>	<b>Total</b>
<b>Reverse Repurchase Agreements</b>					
Corporate Bonds & Notes	\$ 0	\$ (120,161)	\$ (91,366)	\$ (15,696)	\$ (227,223)
<b>Total Borrowings</b>	<b>\$ 0</b>	<b>\$ (120,161)</b>	<b>\$ (91,366)</b>	<b>\$ (15,696)</b>	<b>\$ (227,223)</b>
<b>Payable for reverse repurchase agreements<sup>(5)</sup></b>					<b>\$ (227,223)</b>

(n) Securities with an aggregate market value of \$262,012 have been pledged as collateral under the terms of the above master agreements as of July 31, 2018.

(1) Includes accrued interest.

(2) The average amount of borrowings outstanding during the period ended July 31, 2018 was \$(226,117) at a weighted average interest rate of 1.902%. Average borrowings may include sale-buyback transactions and reverse repurchase agreements, if held during the period.

(3) Open maturity reverse repurchase agreement.

(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 regarding master netting arrangements.

(5) Unsettled reverse repurchase agreements liability of \$(11,189) is outstanding at period end.

See Accompanying Notes

ANNUAL REPORT JULY 31, 2018 29

## Schedule of Investments PIMCO Corporate &amp; Income Opportunity Fund (Cont.)

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

## SWAP AGREEMENTS:

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

Reference Entity	Fixed Receive Rate	Payment Frequency	Maturity Date	Implied Credit Spread at July 31, 2018 <sup>(2)</sup>	Notional Amount <sup>(3)</sup>	Premiums Paid/(Received)	Unrealized Appreciation/Depreciation	Market Value <sup>(4)</sup>	Variation Margin	
									Asset	Liability
Ally Financial, Inc.	5.000%	Quarterly	06/20/2022	0.939%	\$ 4,040	\$ 523	\$ 98	\$ 621	\$ 8	\$ 0
Deutsche Bank AG	1.000	Quarterly	06/20/2019	0.732	EUR 2,700	(8)	19	11	1	0
Frontier Communications Corp.	5.000	Quarterly	06/20/2020	9.536	\$ 17,570	(724)	(471)	(1,195)	28	0
Frontier Communications Corp.	5.000	Quarterly	06/20/2022	12.503	1,000	(135)	(61)	(196)	2	0
Navient Corp.	5.000	Quarterly	12/20/2021	1.986	15,900	(30)	1,634	1,604	0	(5)
Navient Corp.	5.000	Quarterly	06/20/2022	2.278	300	27	4	31	0	0
Novo Banco S.A.	5.000	Quarterly	09/20/2020	11.451	EUR 8,000	(2,531)	2,103	(428)	96	0
						\$ (2,878)	\$ 3,326	\$ 448	\$ 135	\$ (5)

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

Index/Tranches	Fixed Receive Rate	Payment Frequency	Maturity Date	Notional Amount <sup>(3)</sup>	Premiums Paid/(Received)	Unrealized Appreciation/Depreciation	Market Value <sup>(4)</sup>	Variation Margin	
								Asset	Liability
CDX.HY-30 5-Year Index	5.000%	Quarterly	06/20/2023	\$ 18,600	\$ 1,117	\$ 296	\$ 1,413	\$ 18	\$ 0
CDX.IG-28 5-Year Index	1.000	Quarterly	06/20/2022	6,000	101	22	123	2	0
CDX.IG-30 5-Year Index	1.000	Quarterly	06/20/2023	14,700	252	41	293	5	0
					\$ 1,470	\$ 359	\$ 1,829	\$ 25	\$ 0

## 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	Liability
Pay	1-Year BRL-CDI		11.250%	Maturity	01/04/2021	BRL 105,000	\$ (1,280)	\$ 2,312	\$ 1,032	\$ 0	\$ (5)
Pay	1-Year BRL-CDI		11.500	Maturity	01/04/2021	22,400	(224)	515	291	0	(1)
Receive	3-Month USD-LIBOR		2.000	Semi-Annual	06/20/2023	\$ 110,000	4,029	985	5,014	2	0

Edgar Filing: CVENT INC - Form 10-Q

Receive <sup>(5)</sup>	3-Month USD-LIBOR	2.750	Semi-Annual	12/19/2023		450,000	4,000	1,678	5,678	0	(32)
Pay	3-Month USD-LIBOR	2.750	Semi-Annual	06/17/2025		145,380	9,193	(11,531)	(2,338)	47	0
Pay	3-Month USD-LIBOR	2.250	Semi-Annual	06/15/2026		44,400	2,099	(4,545)	(2,446)	21	0
Pay	3-Month USD-LIBOR	2.500	Semi-Annual	12/20/2027		73,900	530	(3,874)	(3,344)	46	0
Pay	3-Month USD-LIBOR	3.500	Semi-Annual	06/19/2044		305,100	(9,953)	33,197	23,244	775	0
Receive	3-Month USD-LIBOR	2.500	Semi-Annual	06/20/2048		486,200	18,618	39,071	57,689	0	(1,305)
Pay	6-Month AUD-BBR-BBSW	3.500	Semi-Annual	06/17/2025	AUD	13,400	332	228	560	0	(6)
Receive <sup>(5)</sup>	6-Month EUR-EURIBOR	1.250	Annual	09/19/2028	EUR	38,000	(532)	(657)	(1,189)	125	0
Receive <sup>(5)</sup>	6-Month EUR-EURIBOR	1.250	Annual	12/19/2028		4,100	(70)	(32)	(102)	14	0
Receive <sup>(5)</sup>	6-Month GBP-LIBOR	1.500	Semi-Annual	09/19/2028	GBP	46,600	1,067	(427)	640	281	0
						\$ 27,809	\$ 56,920	\$ 84,729	\$ 1,311	\$ (1,349)	
<b>Total Swap Agreements</b>						<b>\$ 26,401</b>	<b>\$ 60,605</b>	<b>\$ 87,006</b>	<b>\$ 1,471</b>	<b>\$ (1,354)</b>	

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

The following is a summary of the market value and variation margin of Exchange-Traded or Centrally Cleared Financial Derivative Instruments as of July 31, 2018:

	Financial Derivative Assets				Financial Derivative Liabilities			
	Variation Margin				Variation Margin			
	Market Value		Asset		Market Value		Liability	
	Purchased	Options	Futures	Swap Agreements	Written	Options	Futures	Swap Agreements
								Total
<b>Total Exchange-Traded or Centrally Cleared</b>	\$ 0	\$ 0	\$ 1,471	\$ 1,471	\$ 0	\$ 0	\$ (1,354)	\$ (1,354)

(p) Securities with an aggregate market value of \$2,308 and cash of \$38,379 have been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of July 31, 2018. See Note 8, Master Netting Arrangements, in the Notes to Financial Statements for more information regarding master netting arrangements.

(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, 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.

**30 PIMCO CLOSED-END FUNDS**

See Accompanying Notes

July 31, 2018

- (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 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.
- (3) The maximum potential amount the Fund could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.
- (4) The prices and resulting values for credit default swap agreements on credit indices serve as indicators of the current status of the payment/performance risk and represent the likelihood of an expected liability (or profit) for the credit derivative should the notional amount of the swap agreement be closed/sold as of the period end. Increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the referenced indices' credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.
- (5) 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.

**(q) 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	08/2018	ARS 2,130	\$ 99	\$ 22	\$ 0
	08/2018	BRL 7,559	1,994	0	(21)
	08/2018	\$ 2,013	BRL 7,559	1	0
	08/2018	109,078	EUR 93,846	662	0
	09/2018	ARS 1,048	\$ 48	11	0
BPS	09/2018	EUR 93,846	109,339	0	(661)
	08/2018	ARS 58,544	1,959	9	(136)
	08/2018	CHF 342	345	0	0
	08/2018	EUR 90,206	105,189	0	(294)
	09/2018	PEN 6,366	1,932	0	(10)
CBK	08/2018	BRL 7,559	2,013	0	(1)
	08/2018	EUR 4,540	5,305	0	(4)
	08/2018	GBP 2,957	3,898	16	0
	08/2018	\$ 1,962	BRL 7,559	52	0
	08/2018	147,675	GBP 112,740	313	(12)
GLM	09/2018	BRL 7,559	\$ 1,955	0	(51)
	09/2018	GBP 111,894	146,750	0	(313)
	10/2018	\$ 98	ARS 2,940	2	0
	08/2018	1,050	EUR 900	2	0
	08/2018	ARS 540	\$ 25	6	0
HUS	08/2018	\$ 1,375	GBP 1,037	0	(14)
	08/2018	10,957	RUB 689,379	62	(11)
	10/2018	14	ARS 420	0	0
JPM	08/2018	AUD 377	\$ 278	0	(2)
	08/2018	EUR 1,654	1,933	0	(1)
UAG	08/2018	GBP 110,820	146,739	1,283	0
<b>Total Forward Foreign Currency Contracts</b>				<b>\$ 2,441</b>	<b>\$ (1,531)</b>

**SWAP AGREEMENTS:**

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

Counterparty	Reference Entity	Fixed Receive Rate	Payment Frequency	Maturity Date	Implied Credit Spread at July 31, 2018 <sup>(2)</sup>	Notional Amount <sup>(3)</sup>	Premiums Paid/(Received)	Unrealized Appreciation/ Depreciation	Swap Agreements, at Value	
									Asset	Liability
BPS	Petrobras Global Finance BV	1.000%	Quarterly	12/20/2024	3.275%	\$ 1,800	\$ (352)	\$ 137	\$ 0	\$ (215)
BRC	Springleaf Finance Corp.	5.000	Quarterly	12/20/2021	1.528	2,700	(40)	354	314	0
	Ukraine Government International Bond	5.000	Quarterly	12/20/2022	4.057	16,900	1,036	(336)	700	0
DUB	Petroleos Mexicanos	1.000	Quarterly	12/20/2021	1.730	100	(9)	7	0	(2)
GST	Petrobras Global Finance BV	1.000	Quarterly	09/20/2020	1.619	20	(3)	3	0	0
	Petrobras Global Finance BV	1.000	Quarterly	12/20/2024	3.275	2,400	(476)	189	0	(287)
	Springleaf Finance Corp.	5.000	Quarterly	06/20/2022	1.814	1,550	138	48	186	0
HUS	Petrobras Global Finance BV	1.000	Quarterly	12/20/2019	1.324	500	(41)	39	0	(2)
	Petrobras Global Finance BV	1.000	Quarterly	09/20/2020	1.619	60	(9)	8	0	(1)
	Petrobras Global Finance BV	1.000	Quarterly	12/20/2024	3.275	3,000	(623)	264	0	(359)

See Accompanying Notes

ANNUAL REPORT JULY 31, 2018 31

## Schedule of Investments PIMCO Corporate &amp; Income Opportunity Fund (Cont.)

Counterparty	Reference Entity	Fixed Receive Rate	Payment Frequency	Maturity Date	Implied	Notional Amount <sup>(3)</sup>	Premiums Paid/(Received)	Unrealized Appreciation/Depreciation	Swap Agreements, at Value		
					Credit Spread at July 31, 2018 <sup>(2)</sup>				Asset	Liability	
JPM	JBS Investments GmbH	1.000%	Quarterly	12/20/2018	3.796%	\$ 15,000	\$ (440)	\$ 295	\$ 0	\$ (145)	
	Russia Government International Bond	1.000	Quarterly	06/20/2019	0.702	28,600	(1,957)	2,066	109	0	
	Russia Government International Bond	1.000	Quarterly	12/20/2020	0.891	1,300	(149)	154	5	0	
	Springleaf Finance Corp.	5.000	Quarterly	06/20/2022	1.814	6,570	620	169	789	0	
MYC	Novo Banco S.A.	5.000	Quarterly	09/20/2020	11.451	EUR 3,000	(28)	(133)	0	(161)	
	Petrobras Global Finance BV	1.000	Quarterly	12/20/2019	1.324	\$ 14,500	(1,342)	1,295	0	(47)	
UAG	Park Aerospace Holdings Ltd. <	5.000	Quarterly	07/01/2020	2.923	1,900	111	(31)	80	0	
								\$ (3,564)	\$ 4,528	\$ 2,183	\$ (1,219)

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

Counterparty	Index/Tranches	Fixed Receive Rate	Payment Frequency	Maturity Date	Notional Amount <sup>(3)</sup>	Premiums Paid/(Received)	Unrealized Appreciation/Depreciation	Swap Agreements, at Value <sup>(4)</sup>			
								Asset	Liability		
BRC	ABX.HE.AAA.6-2 Index	0.110%	Monthly	05/25/2046	\$ 63,370	\$ (12,915)	\$ 7,958	\$ 0	\$ (4,957)		
DUB	CMBX.NA.BBB-.6 Index	3.000	Monthly	05/11/2063	3,200	(195)	(156)	0	(351)		
	CMBX.NA.BBB-.8 Index	3.000	Monthly	10/17/2057	4,400	(507)	81	0	(426)		
	CMBX.NA.BBB-.9 Index	3.000	Monthly	09/17/2058	2,800	(351)	121	0	(230)		
FBF	CMBX.NA.BBB-.10 Index	3.000	Monthly	11/17/2059	100	(11)	5	0	(6)		
	CMBX.NA.BBB-.6 Index	3.000	Monthly	05/11/2063	300	(36)	3	0	(33)		
	CMBX.NA.BBB-.7 Index	3.000	Monthly	01/17/2047	400	(36)	10	0	(26)		
	CMBX.NA.BBB-.8 Index	3.000	Monthly	10/17/2057	1,300	(203)	77	0	(126)		
GST	ABX.HE.AA.6-1 Index	0.320	Monthly	07/25/2045	23,798	(1,131)	(289)	0	(1,420)		
	ABX.HE.AAA.6-2 Index	0.110	Monthly	05/25/2046	4,452	(941)	593	0	(348)		
	CMBX.NA.A.6 Index	2.000	Monthly	05/11/2063	4,300	(219)	172	0	(47)		
	CMBX.NA.BB.6 Index	5.000	Monthly	05/11/2063	2,900	(392)	(174)	0	(566)		
	CMBX.NA.BBB-.6 Index	3.000	Monthly	05/11/2063	6,500	(358)	(354)	0	(712)		
	CMBX.NA.BBB-.7 Index	3.000	Monthly	01/17/2047	1,100	(56)	(16)	0	(72)		
	CMBX.NA.BBB-.9 Index	3.000	Monthly	09/17/2058	6,400	(797)	271	0	(526)		
MEI	ABX.HE.AAA.6-2 Index	0.110	Monthly	05/25/2046	61,335	(12,261)	7,463	0	(4,798)		
	CMBX.NA.BBB-.10 Index	3.000	Monthly	11/17/2059	100	(10)	4	0	(6)		
MYC	ABX.HE.AAA.6-2 Index	0.110	Monthly	05/25/2046	66,772	(8,737)	3,514	0	(5,223)		
	CMBX.NA.BBB-.10 Index	3.000	Monthly	11/17/2059	6,850	(731)	292	0	(439)		
	CMBX.NA.BBB-.6 Index	3.000	Monthly	05/11/2063	3,250	(176)	(180)	0	(356)		
	CMBX.NA.BBB-.7 Index	3.000	Monthly	01/17/2047	2,200	(97)	(46)	0	(143)		
	CMBX.NA.BBB-.8 Index	3.000	Monthly	10/17/2057	1,100	(127)	21	0	(106)		
	CMBX.NA.BBB-.9 Index	3.000	Monthly	09/17/2058	3,100	(381)	126	0	(255)		
								\$ (40,668)	\$ 19,496	\$ 0	\$ (21,172)

## INTEREST RATE SWAPS

Edgar Filing: CVENT INC - Form 10-Q

Counterparty	Pay/Receive			Payment Frequency	Maturity Date	Notional Amount	Premiums Paid/(Received)	Unrealized Appreciation/Depreciation	Swap Agreements, at Value		
	Floating Rate	Floating Rate Index	Fixed Rate						Asset	Liability	
DUB	Pay	3-Month USD-LIBOR	3.850%	Semi-Annual	07/13/2022	\$ 600,000	\$ 68	\$ (1,189)	\$ 0	\$ (1,121)	
MYC	Pay	3-Month USD-LIBOR	3.025	Semi-Annual	09/04/2023	360,000	(275)	102	0	(173)	
								\$ (207)	\$ (1,087)	\$ 0	\$ (1,294)

TOTAL RETURN SWAPS ON INTEREST RATE INDICES

Counterparty	Pay/Receive <sup>(5)</sup>	Underlying Reference	# of Units	Financing Rate	Payment Frequency	Maturity Date	Notional Amount	Premiums Paid/(Received)	Unrealized Appreciation/Depreciation	Swap Agreements, at Value	
										Asset	Liability
BOA	Receive	iBoxx USD Liquid High Yield Index	N/A	3-Month USD-LIBOR	Maturity	09/20/2018	\$ 1,300	\$ (7)	\$ 17	\$ 10	\$ 0
BPS	Receive	iBoxx USD Liquid High Yield Index	N/A	3-Month USD-LIBOR	Maturity	09/20/2018	400	(2)	6	4	0
FBF	Receive	iBoxx USD Liquid High Yield Index	N/A	3-Month USD-LIBOR	Maturity	09/20/2018	300	(1)	4	3	0
GST	Receive	iBoxx USD Liquid High Yield Index	N/A	3-Month USD-LIBOR	Maturity	09/20/2018	900	(5)	12	7	0
JPM	Receive	iBoxx USD Liquid High Yield Index	N/A	3-Month USD-LIBOR	Maturity	09/20/2018	800	(4)	12	8	0
								\$ (19)	\$ 51	\$ 32	\$ 0
<b>Total Swap Agreements</b>								<b>\$ (44,458)</b>	<b>\$ 22,988</b>	<b>\$ 2,215</b>	<b>\$ (23,685)</b>

32 PIMCO CLOSED-END FUNDS

See Accompanying Notes

July 31, 2018

**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 July 31, 2018:

Counterparty	Financial Derivative Assets				Financial Derivative Liabilities				Net Market Value of OTC Derivatives	Collateral Pledged/(Received)	Net Exposure <sup>(6)</sup>
	Forward Foreign Currency Contracts	Purchased Options	Swap Agreements	Total Over the Counter	Forward Foreign Currency Contracts	Written Options	Swap Agreements	Total Over the Counter			
BOA	\$ 696	\$ 0	\$ 10	\$ 706	\$ (682)	\$ 0	\$ 0	\$ (682)	\$ 24	\$ 0	\$ 24
BPS	9	0	4	13	(440)	0	(215)	(655)	(642)	823	181
BRC	0	0	1,014	1,014	0	0	(4,957)	(4,957)	(3,943)	3,962	19
CBK	383	0	0	383	(381)	0	0	(381)	2	0	2
DUB	0	0	0	0	0	0	(2,130)	(2,130)	(2,130)	(1,198)	(3,328)
FBF	0	0	3	3	0	0	(191)	(191)	(188)	140	(48)
GLM	2	0	0	2	0	0	0	0	2	0	2
GST	0	0	193	193	0	0	(3,978)	(3,978)	(3,785)	4,109	324
HUS	68	0	0	68	(25)	0	(362)	(387)	(319)	347	28
JPM	0	0	911	911	(3)	0	(145)	(148)	763	(572)	191
MEI	0	0	0	0	0	0	(4,804)	(4,804)	(4,804)	5,007	203
MYC	0	0	0	0	0	0	(6,903)	(6,903)	(6,903)	5,763	(1,140)
UAG	1,283	0	80	1,363	0	0	0	0	1,363	(1,540)	(177)
<b>Total Over the Counter</b>	<b>\$ 2,441</b>	<b>\$ 0</b>	<b>\$ 2,215</b>	<b>\$ 4,656</b>	<b>\$ (1,531)</b>	<b>\$ 0</b>	<b>\$ (23,685)</b>	<b>\$ (25,216)</b>			

(r) Securities with an aggregate market value of \$23,603 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of July 31, 2018.

- (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, securities or other deliverable obligations equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.
- (2) 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 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.
- (3) The maximum potential amount the Fund could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.
- (4) The prices and resulting values for credit default swap agreements on credit indices serve as indicators of the current status of the payment/performance risk and represent the likelihood of an expected liability (or profit) for the credit derivative should the notional amount of the swap agreement be closed/sold as of the period end. Increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the referenced indices' credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.
- (5) Receive represents that the Fund receives payments for any positive net return on the underlying reference. The Fund makes payments for any negative net return on such underlying reference. Pay represents that the Fund receives payments for any negative net return on the underlying reference. The Fund makes payments for any positive net return on such underlying reference.



## Edgar Filing: CVENT INC - Form 10-Q

<sup>(6)</sup> Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from OTC financial derivative instruments can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 8, Master Netting Arrangements, in the Notes to Financial Statements for more information regarding master netting arrangements.

### FAIR VALUE OF FINANCIAL DERIVATIVE INSTRUMENTS

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

Fair Values of Financial Derivative Instruments on the Statements of Assets and Liabilities as of July 31, 2018:

	Derivatives not accounted for as hedging instruments					Total
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts	
<b>Financial Derivative Instruments - Assets</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ 160	\$ 0	\$ 0	\$ 1,311	\$ 1,471
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 2,441	\$ 0	\$ 2,441
Swap Agreements	0	2,183	0	0	32	2,215
	\$ 0	\$ 2,183	\$ 0	\$ 2,441	\$ 32	\$ 4,656
	\$ 0	\$ 2,343	\$ 0	\$ 2,441	\$ 1,343	\$ 6,127

See Accompanying Notes

ANNUAL REPORT JULY 31, 2018 **33**

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

	Derivatives not accounted for as hedging instruments					Total
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts	
<b>Financial Derivative Instruments - Liabilities</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ 5	\$ 0	\$ 0	\$ 1,349	\$ 1,354
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 1,531	\$ 0	\$ 1,531
Swap Agreements	0	22,391	0	0	1,294	23,685
	\$ 0	\$ 22,391	\$ 0	\$ 1,531	\$ 1,294	\$ 25,216
	\$ 0	\$ 22,396	\$ 0	\$ 1,531	\$ 2,643	\$ 26,570

The effect of Financial Derivative Instruments on the Statements of Operations for the period ended July 31, 2018:

	Derivatives not accounted for as hedging instruments					Total
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts	
<b>Net Realized Gain (Loss) on Financial Derivative Instruments</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ 3,805	\$ 0	\$ 0	\$ 14,428	\$ 18,233
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ (1,432)	\$ 0	\$ (1,432)
Swap Agreements	0	15,070	0	0	1,531	16,601
	\$ 0	\$ 15,070	\$ 0	\$ (1,432)	\$ 1,531	\$ 15,169
	\$ 0	\$ 18,875	\$ 0	\$ (1,432)	\$ 15,959	\$ 33,402
<b>Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ 1,095	\$ 0	\$ 0	\$ (9,165)	\$ (8,070)
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 6,640	\$ 0	\$ 6,640
Swap Agreements	0	(774)	0	0	(1,558)	(2,332)
	\$ 0	\$ (774)	\$ 0	\$ 6,640	\$ (1,558)	\$ 4,308
	\$ 0	\$ 321	\$ 0	\$ 6,640	\$ (10,723)	\$ (3,762)

**FAIR VALUE MEASUREMENTS**

## Edgar Filing: CVENT INC - Form 10-Q

The following is a summary of the fair valuations according to the inputs used as of July 31, 2018 in valuing the Fund's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 07/31/2018
<b>Investments in Securities, at Value</b>				
Loan Participations and Assignments	\$ 0	\$ 83,859	\$ 13,878	\$ 97,737
<b>Corporate Bonds &amp; Notes</b>				
Banking & Finance	0	340,895	0	340,895
Industrials	0	357,320	1,701	359,021
Utilities	0	82,778	0	82,778
<b>Convertible Bonds &amp; Notes</b>				
Industrials	0	7,263	0	7,263
<b>Municipal Bonds &amp; Notes</b>				
California	0	12,701	0	12,701
Illinois	0	28,710	0	28,710
Iowa	0	474	0	474
Texas	0	2,082	0	2,082
Virginia	0	1,367	0	1,367
West Virginia	0	15,145	0	15,145
U.S. Government Agencies	0	49,418	8,706	58,124
Non-Agency Mortgage-Backed Securities	0	266,299	0	266,299
Asset-Backed Securities	0	213,272	28,531	241,803
Sovereign Issues	0	58,298	0	58,298
<b>Common Stocks</b>				
Consumer Discretionary	8,531	0	0	8,531
Energy	6,651	551	0	7,202
Financials	0	0	5,221	5,221
<b>Warrants</b>				
Industrials	0	0	340	340
<b>Preferred Securities</b>				
Banking & Finance	0	6,549	0	6,549
Industrials	0	0	25,299	25,299
<b>Fair Value at 07/31/2018</b>				
<b>Category and Subcategory</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Fair Value at 07/31/2018</b>
<b>Real Estate Investment Trusts</b>				
Real Estate	\$ 17,471	\$ 0	\$ 0	\$ 17,471
<b>Short-Term Instruments</b>				
Repurchase Agreements	0	23,093	0	23,093
Argentina Treasury Bills	0	1,730	0	1,730
U.S. Treasury Bills	0	26,776	0	26,776
<b>Total Investments</b>	<b>\$ 32,653</b>	<b>\$ 1,578,580</b>	<b>\$ 83,676</b>	<b>\$ 1,694,909</b>
<b>Financial Derivative Instruments - Assets</b>				
Exchange-traded or centrally cleared	0	1,471	0	1,471
Over the counter	0	4,576	80	4,656
	\$ 0	\$ 6,047	\$ 80	\$ 6,127
<b>Financial Derivative Instruments - Liabilities</b>				
Exchange-traded or centrally cleared	0	(1,354)	0	(1,354)
Over the counter	0	(25,216)	0	(25,216)
	\$ 0	\$ (26,570)	\$ 0	\$ (26,570)
<b>Total Financial Derivative Instruments</b>	<b>\$ 0</b>	<b>\$ (20,523)</b>	<b>\$ 80</b>	<b>\$ (20,443)</b>
<b>Totals</b>	<b>\$ 32,653</b>	<b>\$ 1,558,057</b>	<b>\$ 83,756</b>	<b>\$ 1,674,266</b>

**34 PIMCO CLOSED-END FUNDS**

See Accompanying Notes

July 31, 2018

There were no significant transfers among Levels 1 and 2 during the period ended July 31, 2018.

The following is a reconciliation of the fair valuations using significant unobservable inputs (Level 3) for the Fund during the period ended July 31, 2018:

Category and Subcategory	Beginning Balance at 07/31/2017	Net Purchases <sup>(1)</sup>	Net Sales <sup>(1)</sup>	Accrued Discounts/ (Premiums)	Realized Gain/(Loss)	Net Change in Unrealized Appreciation/ (Depreciation) <sup>(2)</sup>	Transfers into Level 3	Transfers out of Level 3	Ending Balance at 07/31/2018	Net Change in Unrealized Appreciation/ (Depreciation) on Investments Held at 07/31/2018 <sup>(2)</sup>
<b>Investments in Securities, at Value</b>										
Loan Participations and Assignments	\$ 1,842	\$ 6,860	\$ (1,181)	\$ 23	\$ 14	\$ (228)	\$ 7,414	\$ (866)	\$ 13,878	\$ (188)
<b>Corporate Bonds &amp; Notes</b>										
Banking & Finance	8,209	0	(479)	4	23	(115)	0	(7,642)	0	0
Industrials	11,009	1,704	(11,013)	1	112	(112)	0	0	1,701	0
U.S. Government Agencies	8,360	0	(155)	135	60	306	0	0	8,706	300
Asset-Backed Securities	22,346	7,010	0	158	0	(983)	0	0	28,531	(983)
<b>Common Stocks</b>										
Financials	4,374	0	0	0	0	847	0	0	5,221	847
<b>Warrants</b>										
Industrials	635	0	0	0	0	(295)	0	0	340	(295)
<b>Preferred Securities</b>										
Industrials	24,504	2,690	0	0	0	(1,895)	0	0	25,299	(1,895)
	\$ 81,279	\$ 18,264	\$ (12,828)	\$ 321	\$ 209	\$ (2,475)	\$ 7,414	\$ (8,508)	\$ 83,676	\$ (2,214)
<b>Financial Derivative Instruments - Assets</b>										
Over the counter	\$ 0	\$ 111	\$ 0	\$ 0	\$ 0	\$ (31)	\$ 0	\$ 0	\$ 80	\$ (31)
<b>Totals</b>	<b>\$ 81,279</b>	<b>\$ 18,375</b>	<b>\$ (12,828)</b>	<b>\$ 321</b>	<b>\$ 209</b>	<b>\$ (2,506)</b>	<b>\$ 7,414</b>	<b>\$ (8,508)</b>	<b>\$ 83,756</b>	<b>\$ (2,245)</b>

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

Category and Subcategory	Ending Balance at 07/31/2018	Valuation Technique	Unobservable Inputs	Input Value(s) (% Unless Noted Otherwise)
<b>Investments in Securities, at Value</b>				
Loan Participations and Assignments	\$ 5,383	Proxy Pricing	Base Price	96.470-100.074

## Edgar Filing: CVENT INC - Form 10-Q

	8,495	Third Party Vendor	Broker Quote	100.000-101.625
Corporate Bonds & Notes				
Industrials	681	Other Valuation Techniques <sup>(3)</sup>		
	1,020	Proxy Pricing	Base Price	97.010
U.S. Government Agencies	8,706	Proxy Pricing	Base Price	60.341
Asset-Backed Securities	28,531	Proxy Pricing	Base Price	58.000-102,005.100
Common Stocks				
Financials	5,221	Other Valuation Techniques <sup>(3)</sup>		
Warrants				
Industrials	340	Other Valuation Techniques <sup>(3)</sup>		
Preferred Securities				
Industrials	25,299	Indicative Market Quotation	Broker Quote	\$ 900.000
<b>Financial Derivative Instruments - Assets</b>				
Over the counter	80	Indicative Market Quotation	Broker Quote	\$ 3.607
<b>Total</b>	<b>\$ 83,756</b>			

(1) Net Purchases and Sales for Financial Derivative Instruments may include payments made or received upon entering into swap agreements to compensate for differences between the stated terms of the swap agreement and prevailing market conditions.

(2) Any difference between Net Change in Unrealized Appreciation/(Depreciation) and Net Change in Unrealized Appreciation/(Depreciation) on Investments Held at July 31, 2018 may be due to an investment no longer held or categorized as Level 3 at period end.

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

See Accompanying Notes

ANNUAL REPORT JULY 31, 2018 35

## Schedule of Investments PIMCO Corporate & Income Strategy Fund

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

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>INVESTMENTS IN SECURITIES 122.4%</b>		
<b>LOAN PARTICIPATIONS AND ASSIGNMENTS 3.8%</b>		
<b>Alphabet Holding Co., Inc.</b>		
5.577% (LIBOR03M + 3.500%) due 09/26/2024 ~	\$ 99	\$ 94
<b>Altice France S.A.</b>		
TBD% due 07/13/2026	300	294
<b>Avantor, Inc.</b>		
6.077% (LIBOR03M + 4.000%) due 11/21/2024 ~	50	50
<b>Banff Merger Sub, Inc.</b>		
TBD% due 06/21/2019	1,600	1,594
<b>California Resources Corp.</b>		
6.831% (LIBOR03M + 4.750%) due 12/31/2022 <~	100	102
<b>CenturyLink, Inc.</b>		
4.827% (LIBOR03M + 2.750%) due 01/31/2025 ~	995	981
<b>Community Health Systems, Inc.</b>		
5.557% (LIBOR03M + 3.250%) due 01/27/2021 ~	1,267	1,248
<b>Dubai World</b>		
1.750% - 2.000% (LIBOR03M + 2.000%) due 09/30/2022 ~	504	475
<b>Energizer Holdings, Inc.</b>		
TBD% due 05/18/2019	100	100
<b>Forbes Energy Services LLC</b>		
5.000% - 7.000% due 04/13/2021	150	152
<b>Frontier Communications Corp.</b>		
5.830% (LIBOR03M + 3.750%) due 06/15/2024 ~	595	588
<b>iHeartCommunications, Inc.</b>		
TBD% due 01/30/2019 ^e	14,300	11,124
<b>IRB Holding Corp.</b>		
5.347% (LIBOR03M + 3.250%) due 02/05/2025 ~	100	101
<b>McDermott Technology Americas, Inc.</b>		
7.077% (LIBOR03M + 5.000%) due 05/10/2025 ~	998	1,005
<b>MH Sub LLC</b>		
5.829% (LIBOR03M + 3.750%) due 09/13/2024 ~	119	120
<b>Ministry of Finance of Tanzania</b>		
7.825% (LIBOR03M + 5.500%) due 12/10/2019 <~	200	200
<b>Multi Color Corp.</b>		
4.327% (LIBOR03M + 2.250%) due 10/31/2024 ~	16	16
<b>Parexel International Corp.</b>		
4.827% (LIBOR03M + 2.750%) due 09/27/2024 ~	99	99
<b>PetSmart, Inc.</b>		
5.100% (LIBOR03M + 3.000%) due 03/11/2022 ~	80	67
<b>Ply Gem Industries, Inc.</b>		
6.087% (LIBOR03M + 3.750%) due 04/12/2025 ~	200	201
<b>Sequa Mezzanine Holdings LLC</b>		
7.067% (LIBOR03M + 5.000%) due 11/28/2021 <~	218	218
11.072% (LIBOR03M + 9.000%) due 04/28/2022 <~	90	90
<b>Sprint Communications, Inc.</b>		
4.625% (LIBOR03M + 2.500%) due 02/02/2024 ~	1,580	1,582
<b>Stars Group Holdings BV</b>		
5.831% (LIBOR03M + 3.500%) due 07/10/2025 ~	100	101
<b>Syniverse Holdings, Inc.</b>		
7.078% (LIBOR03M + 5.000%) due 03/09/2023 ~	20	20
<b>West Corp.</b>		
6.077% (LIBOR03M + 4.000%) due 10/10/2024 ~	32	32
	<b>PRINCIPAL AMOUNT</b>	<b>MARKET VALUE</b>

Edgar Filing: CVENT INC - Form 10-Q

	(000S)	(000S)
<b>Westmoreland Coal Co.</b>		
TBD% due 12/16/2020 <sup>(e)</sup>	\$ 955	\$ 250
TBD% - 10.581% (LIBOR03M + 8.250%) due 05/31/2020 ~	1,499	1,529
<b>Total Loan Participations and Assignments (Cost \$25,080)</b>		<b>22,433</b>
<b>CORPORATE BONDS &amp; NOTES 49.0%</b>		
<b>BANKING &amp; FINANCE 21.6%</b>		
<b>AGFC Capital Trust</b>		
4.089% (US0003M + 1.750%) due 01/15/2067 ~	2,300	1,392
<b>Ally Financial, Inc.</b>		
8.000% due 11/01/2031 (m)	6,492	7,856
<b>Ambac LSNI LLC</b>		
7.337% due 02/12/2023	250	252
<b>Ardonagh Midco PLC</b>		
8.375% due 07/15/2023	GBP 5,737	7,647
<b>Athene Holding Ltd.</b>		
4.125% due 01/12/2028	\$ 52	49
<b>Avolon Holdings Funding Ltd.</b>		
5.500% due 01/15/2023	175	175
<b>AXA Equitable Holdings, Inc.</b>		
4.350% due 04/20/2028	124	121
5.000% due 04/20/2048	72	69
<b>Banco Bilbao Vizcaya Argentaria S.A.</b>		
6.750% due 02/18/2020 (i)(j)	EUR 600	740
<b>Banco Espirito Santo S.A.</b>		
4.000% due 01/21/2019 <sup>(e)</sup>	4,300	1,534
<b>Banco Santander S.A.</b>		
6.250% due 09/11/2021 (i)(j)	500	624
<b>Barclays PLC</b>		
3.250% due 01/17/2033	GBP 200	245
6.500% due 09/15/2019 (i)(j)	EUR 2,200	2,682
7.250% due 03/15/2023 (i)(j)	GBP 6,300	8,606
8.000% due 12/15/2020 (i)(j)	EUR 2,100	2,738
<b>Blackstone CQP Holdco LP</b>		
6.000% due 08/18/2021	\$ 900	900
6.500% due 03/20/2021	4,900	4,931
<b>Brighthouse Holdings LLC</b>		
6.500% due 07/27/2037 (i)	70	68
<b>Brookfield Finance, Inc.</b>		
3.900% due 01/25/2028	88	83
4.700% due 09/20/2047	196	187
<b>Cantor Fitzgerald LP</b>		
6.500% due 06/17/2022 (m)	8,000	8,470
<b>Credit Agricole S.A.</b>		
7.875% due 01/23/2024 (i)(j)(m)	830	885
<b>Credit Suisse Group AG</b>		
7.500% due 07/17/2023 (i)(j)	200	207
7.500% due 12/11/2023 (i)(j)(m)	7,105	7,593
<b>Emerald Bay S.A.</b>		
0.000% due 10/08/2020 (h)	EUR 1,657	1,819
<b>EPR Properties</b>		
4.750% due 12/15/2026 (m)	\$ 3,100	3,034
<b>Equinix, Inc.</b>		
2.875% due 03/15/2024	EUR 100	117
2.875% due 02/01/2026	100	114
<b>Flagstar Bancorp, Inc.</b>		
6.125% due 07/15/2021 (m)	\$ 3,500	3,652
<b>Fortress Transportation &amp; Infrastructure Investors LLC</b>		
6.750% due 03/15/2022 (m)	322	336
<b>Freedom Mortgage Corp.</b>		
8.250% due 04/15/2025	61	60
<b>GSPA Monetization Trust</b>		
6.422% due 10/09/2029	3,571	4,050
<b>HSBC Holdings PLC</b>		
6.000% due 09/29/2023 (i)(j)	EUR 3,193	4,232
6.500% due 03/23/2028 (i)(j)	\$ 480	472
<b>Hunt Cos., Inc.</b>		



Edgar Filing: CVENT INC - Form 10-Q

	24	22
	<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
6.250% due 02/15/2026		
<b>iStar, Inc.</b>		
4.625% due 09/15/2020	\$ 13	\$ 13
5.250% due 09/15/2022	48	47
<b>Jefferies Finance LLC</b>		
6.875% due 04/15/2022	1,000	1,013
7.375% due 04/01/2020 (m)	2,100	2,147
7.500% due 04/15/2021	1,444	1,480
<b>Kennedy-Wilson, Inc.</b>		
5.875% due 04/01/2024	66	65
<b>Life Storage LP</b>		
3.875% due 12/15/2027	28	27
<b>Lloyds Banking Group PLC</b>		
7.625% due 06/27/2023 (i)(j)	GBP 2,166	3,145
7.875% due 06/27/2029 (i)(j)	1,500	2,300
<b>LoanCore Capital Markets LLC</b>		
6.875% due 06/01/2020 (m)	\$ 6,100	6,195
<b>Meiji Yasuda Life Insurance Co.</b>		
5.100% due 04/26/2048	200	204
<b>MetLife, Inc.</b>		
5.875% due 03/15/2028 (i)	66	68
<b>Nationstar Mortgage LLC</b>		
6.500% due 07/01/2021	712	716
<b>Nationwide Building Society</b>		
10.250% ~(i)	GBP 12	2,458
<b>Navient Corp.</b>		
5.625% due 08/01/2033 (m)	\$ 914	786
6.500% due 06/15/2022	78	80
<b>Oppenheimer Holdings, Inc.</b>		
6.750% due 07/01/2022	1,496	1,522
<b>Provident Funding Associates LP</b>		
6.375% due 06/15/2025	27	26
<b>Royal Bank of Scotland Group PLC</b>		
7.500% due 08/10/2020 (i)(j)	3,070	3,177
8.000% due 08/10/2025 (i)(j)	6,390	6,803
8.625% due 08/15/2021 (i)(j)	2,700	2,920
<b>Santander UK Group Holdings PLC</b>		
6.750% due 06/24/2024 (i)(j)	GBP 3,795	5,179
7.375% due 06/24/2022 (i)(j)	3,520	4,859
<b>Societe Generale S.A.</b>		
6.750% due 04/06/2028 (i)(j)	\$ 200	192
<b>Spirit Realty LP</b>		
4.450% due 09/15/2026 (m)	1,600	1,541
<b>Springleaf Finance Corp.</b>		
5.625% due 03/15/2023	1,200	1,206
6.125% due 05/15/2022	656	674
6.875% due 03/15/2025	198	201
7.125% due 03/15/2026	203	207
8.250% due 10/01/2023	170	188
<b>Tesco Property Finance PLC</b>		
7.623% due 07/13/2039	GBP 411	720
<b>Unigel Luxembourg S.A.</b>		
10.500% due 01/22/2024	\$ 560	585
<b>WeWork Cos., Inc.</b>		
7.875% due 05/01/2025	72	70
		126,776
<b>INDUSTRIALS 22.8%</b>		
<b>Air Canada Pass-Through Trust</b>		
3.700% due 07/15/2027	24	23
<b>Altice Financing S.A.</b>		
6.625% due 02/15/2023	2,300	2,332
7.500% due 05/15/2026 (m)	1,600	1,562
<b>Altice France S.A.</b>		
7.375% due 05/01/2026	5,340	5,323

## Edgar Filing: CVENT INC - Form 10-Q

<b>Associated Materials LLC</b>		
9.000% due 01/01/2024	534	565
<b>Bacardi Ltd.</b>		
4.450% due 05/15/2025	100	100
4.700% due 05/15/2028	100	99
<b>Baffinland Iron Mines Corp.</b>		
8.750% due 07/15/2026	1,400	1,405
<b>BMC Software Finance, Inc.</b>		
8.125% due 07/15/2021 (m)	2,748	2,817

**36 PIMCO CLOSED-END FUNDS**

See Accompanying Notes

July 31, 2018

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>Caesars Resort Collection LLC</b>		
5.250% due 10/15/2025	\$ 8	\$ 8
<b>Centene Corp.</b>		
5.375% due 06/01/2026	82	84
<b>Charles River Laboratories International, Inc.</b>		
5.500% due 04/01/2026	26	26
<b>Charter Communications Operating LLC</b>		
4.200% due 03/15/2028	134	129
<b>Cheniere Energy Partners LP</b>		
5.250% due 10/01/2025	31	31
<b>Chesapeake Energy Corp.</b>		
5.589% (US0003M + 3.250%) due 04/15/2019 ~	115	115
<b>Clear Channel Worldwide Holdings, Inc.</b>		
6.500% due 11/15/2022	640	656
7.625% due 03/15/2020	3,060	3,078
<b>Cleveland-Cliffs, Inc.</b>		
4.875% due 01/15/2024	32	31
<b>Community Health Systems, Inc.</b>		
5.125% due 08/01/2021	4,732	4,500
6.250% due 03/31/2023 (m)	5,695	5,325
8.625% due 01/15/2024	254	263
<b>Continental Airlines Pass-Through Trust</b>		
9.798% due 10/01/2022	581	617
<b>CSN Islands Corp.</b>		
6.875% due 09/21/2019 (m)	200	201
<b>CSN Resources S.A.</b>		
6.500% due 07/21/2020	1,202	1,163
<b>DriveTime Automotive Group, Inc.</b>		
8.000% due 06/01/2021 (m)	4,100	4,182
<b>Exela Intermediate LLC</b>		
10.000% due 07/15/2023 (m)	117	121
<b>Ferroglobe PLC</b>		
9.375% due 03/01/2022	1,550	1,598
<b>First Quantum Minerals Ltd.</b>		
6.500% due 03/01/2024	1,414	1,382
6.875% due 03/01/2026	1,558	1,527
7.000% due 02/15/2021	582	589
<b>Ford Motor Co.</b>		
7.700% due 05/15/2097 (m)	7,315	8,494
<b>Fresh Market, Inc.</b>		
9.750% due 05/01/2023 (m)	5,650	4,011
<b>Frontier Finance PLC</b>		
8.000% due 03/23/2022	GBP 4,600	6,264
<b>Full House Resorts, Inc.</b>		
8.575% due 01/31/2024 «	\$ 298	292
<b>General Electric Co.</b>		
5.000% due 01/21/2021 (i)	155	152
<b>Hadrian Merger Sub, Inc.</b>		
8.500% due 05/01/2026	40	38
<b>Harland Clarke Holdings Corp.</b>		
8.375% due 08/15/2022	52	50
<b>HCA, Inc.</b>		
7.500% due 11/15/2095	1,200	1,185
<b>Hilton Domestic Operating Co., Inc.</b>		
5.125% due 05/01/2026	131	132
<b>iHeartCommunications, Inc.</b>		
9.000% due 09/15/2022 ^(e)	3,815	2,947
11.250% due 03/01/2021 ^(e)	375	292

Edgar Filing: CVENT INC - Form 10-Q

<b>IHS Markit Ltd.</b>			
4.000% due 03/01/2026		4	4
<b>Intelsat Jackson Holdings S.A.</b>			
7.250% due 10/15/2020 (m)		3,740	3,773
9.750% due 07/15/2025		115	123
<b>Intelsat Luxembourg S.A.</b>			
7.750% due 06/01/2021 (m)		10,492	10,020
8.125% due 06/01/2023		1,121	967
<b>Intrepid Aviation Group Holdings LLC</b>			
6.875% due 02/15/2019		7,895	7,909
8.500% due 08/15/2021		6,420	6,484
<b>Kinder Morgan, Inc.</b>			
7.800% due 08/01/2031 (m)		3,580	4,421
		<b>PRINCIPAL</b>	<b>MARKET</b>
		<b>AMOUNT</b>	<b>VALUE</b>
		<b>(000S)</b>	<b>(000S)</b>
<b>Mallinckrodt International Finance S.A.</b>			
5.500% due 04/15/2025	\$	474	\$ 384
<b>Matterhorn Merger Sub LLC</b>			
8.500% due 06/01/2026		8	8
<b>Metinvest BV</b>			
8.500% due 04/23/2026		1,000	969
<b>New Albertson s LP</b>			
6.570% due 02/23/2028 (m)		5,600	3,815
<b>Odebrecht Oil &amp; Gas Finance Ltd.</b>			
0.000% due 08/30/2018 (h)(i)		345	6
0.000% due 08/31/2018 (h)(i)		407	7
<b>Park Aerospace Holdings Ltd.</b>			
3.625% due 03/15/2021		80	78
4.500% due 03/15/2023		159	152
5.250% due 08/15/2022		13	13
5.500% due 02/15/2024		36	36
<b>Pelabuhan Indonesia Persero PT</b>			
4.500% due 05/02/2023		200	200
<b>Petroleos Mexicanos</b>			
6.500% due 03/13/2027		190	193
6.750% due 09/21/2047		50	46
<b>PetSmart, Inc.</b>			
5.875% due 06/01/2025		108	86
<b>Pisces Midco, Inc.</b>			
8.000% due 04/15/2026		170	176
<b>Pitney Bowes, Inc.</b>			
4.700% due 04/01/2023		34	31
<b>Platin 1426 GmbH</b>			
6.875% due 06/15/2023 «(c)	EUR	400	453
<b>Prime Security Services Borrower LLC</b>			
9.250% due 05/15/2023	\$	1,280	1,373
<b>QVC, Inc.</b>			
5.450% due 08/15/2034		900	808
5.950% due 03/15/2043 (m)		3,682	3,436
<b>Radiate Holdco LLC</b>			
6.875% due 02/15/2023		70	68
<b>Rockpoint Gas Storage Canada Ltd.</b>			
7.000% due 03/31/2023		8	8
<b>Russian Railways via RZD Capital PLC</b>			
7.487% due 03/25/2031	GBP	1,000	1,639
<b>Safeway, Inc.</b>			
7.250% due 02/01/2031	\$	1,345	1,321
<b>Scientific Games International, Inc.</b>			
5.000% due 10/15/2025		11	11
<b>Shelf Drilling Holdings Ltd.</b>			
8.250% due 02/15/2025		35	36
<b>Sigma Holdco BV</b>			
5.750% due 05/15/2026	EUR	100	111
<b>SoftBank Group Corp.</b>			
4.000% due 04/20/2023		4,600	5,628
<b>Spirit Issuer PLC</b>			
3.368% (BP0003M + 2.700%) due 12/28/2031 ~	GBP	1,000	1,290
6.582% due 12/28/2027		980	1,318
<b>Sunoco LP</b>			

Edgar Filing: CVENT INC - Form 10-Q

4.875% due 01/15/2023		\$	64		63
<b>T-Mobile USA, Inc.</b>					
4.750% due 02/01/2028			19		18
<b>Telenet Finance Luxembourg Notes SARL</b>					
5.500% due 03/01/2028			200		184
<b>Teva Pharmaceutical Finance Netherlands BV</b>					
3.250% due 04/15/2022		EUR	300		367
<b>Times Square Hotel Trust</b>					
8.528% due 08/01/2026		\$	1,550		1,804
<b>Transocean Pontus Ltd.</b>					
6.125% due 08/01/2025			146		149
<b>Unique Pub Finance Co. PLC</b>					
5.659% due 06/30/2027		GBP	3,415		4,955
6.542% due 03/30/2021			1,143		1,583
<b>United Group BV</b>					
4.375% due 07/01/2022		EUR	100		120
4.875% due 07/01/2024			100		120
			<b>PRINCIPAL</b>		<b>MARKET</b>
			<b>AMOUNT</b>		<b>VALUE</b>
			<b>(000S)</b>		<b>(000S)</b>
<b>Univision Communications, Inc.</b>					
5.125% due 02/15/2025		\$	400	\$	372
<b>UPCB Finance Ltd.</b>					
3.625% due 06/15/2029		EUR	190		221
<b>ViaSat, Inc.</b>					
5.625% due 09/15/2025		\$	92		87
<b>Virgin Media Secured Finance PLC</b>					
5.000% due 04/15/2027		GBP	300		387
<b>VOC Escrow Ltd.</b>					
5.000% due 02/15/2028		\$	72		69
<b>Westmoreland Coal Co.</b>					
8.750% due 01/01/2022 <sup>^(e)</sup>			5,765		1,629
<b>Wind Tre SpA</b>					
2.625% due 01/20/2023		EUR	200		223
2.750% due 01/20/2024			200		220
					133,681
<b>UTILITIES 4.6%</b>					
<b>AT&amp;T, Inc.</b>					
4.900% due 08/15/2037 (m)		\$	358		346
5.150% due 02/15/2050			434		417
5.300% due 08/15/2058 (m)			904		856
5.450% due 03/01/2047			50		50
<b>DTEK Finance PLC (10.750% Cash or 10.750% PIK)</b>					
10.750% due 12/31/2024 (d)			2,713		2,806
<b>Enable Midstream Partners LP</b>					
4.950% due 05/15/2028			60		60
<b>Mountain States Telephone &amp; Telegraph Co.</b>					
7.375% due 05/01/2030			8,200		8,510
<b>Odebrecht Drilling Norbe Ltd.</b>					
6.350% due 12/01/2021			97		96
<b>Odebrecht Drilling Norbe Ltd. (6.350% Cash or 7.350% PIK)</b>					
7.350% due 12/01/2026 (d)			170		93
<b>Odebrecht Offshore Drilling Finance Ltd.</b>					
6.720% due 12/01/2022			1,318		1,259
<b>Odebrecht Offshore Drilling Finance Ltd. (6.720% Cash or 7.720% PIK)</b>					
7.720% due 12/01/2026 (d)			4,252		1,265
<b>Petrobras Global Finance BV</b>					
5.999% due 01/27/2028			154		146
6.250% due 12/14/2026		GBP	4,800		6,554
6.625% due 01/16/2034			100		132
7.375% due 01/17/2027		\$	36		38
<b>Rio Oil Finance Trust</b>					
8.200% due 04/06/2028			250		257
9.250% due 07/06/2024			366		396
9.250% due 07/06/2024 (m)			2,663		2,877
9.750% due 01/06/2027 (m)			189		206
9.750% due 01/06/2027			226		247

Edgar Filing: CVENT INC - Form 10-Q

<b>Sprint Corp.</b>		
7.625% due 03/01/2026	183	190
		26,801
<b>Total Corporate Bonds &amp; Notes</b> (Cost \$281,974)		<b>287,258</b>
<b>CONVERTIBLE BONDS &amp; NOTES 0.8%</b>		
<b>INDUSTRIALS 0.8%</b>		
<b>Caesars Entertainment Corp.</b>		
5.000% due 10/01/2024	994	1,788
<b>DISH Network Corp.</b>		
3.375% due 08/15/2026	3,400	3,097
<b>Total Convertible Bonds &amp; Notes</b> (Cost \$5,254)		<b>4,885</b>
<b>MUNICIPAL BONDS &amp; NOTES 4.9%</b>		
<b>CALIFORNIA 0.8%</b>		
<b>Riverside County, California Redevelopment Successor Agency Tax Allocation Bonds, Series 2010</b>		
7.750% due 10/01/2037	1,220	1,342

See Accompanying Notes

ANNUAL REPORT JULY 31, 2018 37

## Schedule of Investments PIMCO Corporate &amp; Income Strategy Fund (Cont.)

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>Stockton Public Financing Authority, California Revenue Bonds, (BABs), Series 2009</b>		
7.942% due 10/01/2038	\$ 3,400	\$ 3,581
		4,923
<b>ILLINOIS 2.5%</b>		
<b>Chicago, Illinois General Obligation Bonds, (BABs), Series 2010</b>		
7.517% due 01/01/2040	12,700	14,370
<b>Chicago, Illinois General Obligation Bonds, Series 2014</b>		
6.314% due 01/01/2044	60	62
<b>Chicago, Illinois General Obligation Bonds, Series 2017</b>		
7.045% due 01/01/2029	110	118
<b>Illinois State General Obligation Bonds, (BABs), Series 2010</b>		
6.725% due 04/01/2035	35	38
7.350% due 07/01/2035	20	22
<b>Illinois State General Obligation Bonds, Series 2003</b>		
5.100% due 06/01/2033	270	262
		14,872
<b>VIRGINIA 0.1%</b>		
<b>Tobacco Settlement Financing Corp., Virginia Revenue Bonds, Series 2007</b>		
6.706% due 06/01/2046	770	763
<b>WEST VIRGINIA 1.5%</b>		
<b>Tobacco Settlement Finance Authority, West Virginia Revenue Bonds, Series 2007</b>		
0.000% due 06/01/2047 (h)	44,400	2,748
7.467% due 06/01/2047	5,775	5,755
		8,503
<b>Total Municipal Bonds &amp; Notes</b> <b>(Cost \$25,970)</b>		<b>29,061</b>
<b>U.S. GOVERNMENT AGENCIES 6.4%</b>		
<b>Fannie Mae</b>		
3.000% due 02/25/2043 (a)	53,748	10,791
5.614% (US0001M + 3.550%) due 07/25/2029 ~	850	929
7.814% (US0001M + 5.750%) due 07/25/2029 ~	1,150	1,377
<b>Freddie Mac</b>		
0.000% due 04/25/2045 - 08/25/2046 (b)(h)	17,300	14,069
0.100% due 02/25/2046 - 08/25/2046 (a)	130,261	308
0.200% due 04/25/2045 (a)	5,683	6
2.557% due 11/25/2055 <~	8,162	4,908
9.614% (US0001M + 7.550%) due 12/25/2027 ~	3,287	4,089
12.814% (US0001M + 10.750%) due 03/25/2025 ~	729	989
<b>Total U.S. Government Agencies (Cost \$35,100)</b>		<b>37,466</b>
<b>NON-AGENCY MORTGAGE-BACKED SECURITIES 23.8%</b>		
<b>Banc of America Alternative Loan Trust</b>		
5.500% due 10/25/2035 ^	4,039	3,744
6.000% due 01/25/2036 ^	103	101
<b>Banc of America Funding Trust</b>		
6.000% due 07/25/2037 ^	304	289
<b>Banc of America Mortgage Trust</b>		

Edgar Filing: CVENT INC - Form 10-Q

3.905% due 03/25/2035 ~		83	81
6.000% due 03/25/2037 ^		325	309
<b>BCAP LLC Trust</b>			
3.616% due 03/27/2036 ~		2,257	1,522
3.864% due 08/28/2037 ~		7,019	6,825
4.945% due 03/26/2037		856	893
6.566% due 07/26/2036 ~		1,626	1,706
		<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>Bear Stearns ALT-A Trust</b>			
2.564% due 01/25/2036 ^	\$	1,357	\$ 1,419
3.626% due 11/25/2036 ^^		4,080	3,459
3.683% due 09/25/2047 ^^		6,436	5,323
3.687% due 11/25/2035 ^^		5,548	5,224
3.830% due 08/25/2036 ^^		910	628
4.206% due 09/25/2035 ^^		586	451
<b>Bear Stearns Commercial Mortgage Securities Trust</b>			
5.726% due 04/12/2038 ~		210	210
<b>Bear Stearns Mortgage Funding Trust</b>			
7.500% due 08/25/2036		964	872
<b>CD Mortgage Trust</b>			
5.398% due 12/11/2049 ~		28	17
5.688% due 10/15/2048		7,768	4,039
<b>Chase Mortgage Finance Trust</b>			
3.537% due 12/25/2035 ^^		10	10
6.000% due 07/25/2037 ^		865	742
<b>Citigroup Mortgage Loan Trust</b>			
3.612% due 04/25/2037 ^^		250	218
3.756% due 09/25/2037 ^^		1,361	1,182
<b>Commercial Mortgage Loan Trust</b>			
6.052% due 12/10/2049 ~		2,542	1,574
<b>Countrywide Alternative Loan Resecuritization Trust</b>			
6.000% due 08/25/2037 ^^		1,148	897
<b>Countrywide Alternative Loan Trust</b>			
5.500% due 03/25/2035		302	228
5.750% due 01/25/2035		353	354
5.750% due 02/25/2035		407	397
5.750% due 03/25/2037 ^		731	640
6.000% due 02/25/2035		1,105	1,073
6.000% due 04/25/2036		1,137	879
6.000% due 02/25/2037 ^		5,705	3,893
6.000% due 04/25/2037 ^		1,210	908
6.000% due 07/25/2037 ^		187	183
6.250% due 12/25/2036 ^		1,566	1,182
6.500% due 08/25/2036 ^		517	344
<b>Countrywide Home Loan Mortgage Pass-Through Trust</b>			
3.801% due 09/20/2036 ^^		262	228
6.000% due 07/25/2037		1,695	1,378
<b>Credit Suisse Mortgage Capital Certificates</b>			
4.040% due 10/26/2036 ~		7,478	5,014
<b>Epic Drummond Ltd.</b>			
0.000% due 01/25/2022	EUR	135	157
<b>GS Mortgage Securities Corp.</b>			
4.591% due 10/10/2032 ~	\$	5,300	4,783
<b>GS Mortgage Securities Trust</b>			
5.622% due 11/10/2039		911	786
<b>GSR Mortgage Loan Trust</b>			
4.211% due 08/25/2034 ~		317	306
5.500% due 05/25/2036 ^		333	467
6.000% due 02/25/2036 ^		2,761	2,203
<b>HarborView Mortgage Loan Trust</b>			
2.562% due 01/19/2036 ^		3,855	3,193
3.794% due 06/19/2036 ^^		7,048	4,957
<b>IndyMac Mortgage Loan Trust</b>			
6.500% due 07/25/2037 ^		3,395	2,192
<b>Jefferies Resecuritization Trust</b>			
6.000% due 05/26/2036		13,430	10,639
<b>JPMorgan Alternative Loan Trust</b>			
3.415% due 03/25/2037 ^^		1,643	1,554



Edgar Filing: CVENT INC - Form 10-Q

6.000% due 12/25/2035 ^		1,789	1,744
<b>JPMorgan Chase Commercial Mortgage Securities Trust</b>			
5.623% due 05/12/2045		1,224	1,073
<b>JPMorgan Mortgage Trust</b>			
3.689% due 02/25/2036 ^^		2,469	2,099
3.835% due 04/25/2037 ~		9	8
3.878% due 01/25/2037 ^^		651	623
<b>LB-UBS Commercial Mortgage Trust</b>			
5.407% due 11/15/2038		849	656
5.562% due 02/15/2040 ~		866	547
<b>Lehman Mortgage Trust</b>			
6.000% due 07/25/2037 ^		170	165
<b>Lehman XS Trust</b>			
2.284% due 06/25/2047		2,100	1,903
		<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>MASTR Alternative Loan Trust</b>			
6.750% due 07/25/2036	\$	1,773	\$ 1,220
<b>Merrill Lynch Mortgage Investors Trust</b>			
3.564% due 03/25/2036 ^^		779	601
<b>Motel 6 Trust</b>			
8.998% due 08/15/2019		7,800	7,937
<b>Residential Accredited Loans, Inc. Trust</b>			
2.294% due 05/25/2037 ^		174	132
4.729% due 12/26/2034 ^^		1,870	1,487
6.000% due 08/25/2036 ^		362	330
<b>Residential Asset Mortgage Products Trust</b>			
6.500% due 12/25/2031		139	137
<b>Residential Asset Securitization Trust</b>			
6.000% due 11/25/2036 ^		2,713	1,774
6.250% due 09/25/2037 ^		2,710	1,892
6.250% due 06/25/2046 ~		1,278	1,220
<b>Residential Funding Mortgage Securities, Inc. Trust</b>			
4.247% due 02/25/2037 ~		1,637	1,292
6.500% due 03/25/2032		147	152
<b>Sequoia Mortgage Trust</b>			
3.548% due 02/20/2047 ~		362	340
5.416% due 07/20/2037 ^^		723	635
<b>Structured Adjustable Rate Mortgage Loan Trust</b>			
3.668% due 11/25/2036 ^^		2,633	2,562
3.735% due 03/25/2037 ^^		3,005	2,504
3.834% due 07/25/2036 ^^		523	455
3.855% due 01/25/2036 ^^		2,276	1,777
3.958% due 07/25/2036 ^^		8,072	7,415
4.210% due 07/25/2035 ^^		805	750
<b>Suntrust Adjustable Rate Mortgage Loan Trust</b>			
3.675% due 02/25/2037 ^^		353	319
3.791% due 04/25/2037 ^^		554	473
<b>WaMu Mortgage Pass-Through Certificates Trust</b>			
3.403% due 02/25/2037 ^^		591	574
3.405% due 10/25/2036 ^^		2,286	2,103
3.558% due 07/25/2037 ^^		454	377
3.898% due 07/25/2037 ^^		1,041	970
<b>Washington Mutual Mortgage Pass-Through Certificates Trust</b>			
2.494% due 05/25/2047 ^		147	36
6.000% due 10/25/2035 ^		1,816	1,429
<b>Wells Fargo Mortgage-Backed Securities Trust</b>			
3.908% due 07/25/2036 ^^		336	340
4.324% due 05/25/2036 ^^		60	62
<b>Total Non-Agency Mortgage-Backed Securities (Cost \$130,908)</b>			<b>139,786</b>
<b>ASSET-BACKED SECURITIES 20.4%</b>			
<b>ACE Securities Corp. Home Equity Loan Trust</b>			
2.454% due 02/25/2036		26,477	18,455
<b>Adagio CLO DAC</b>			
0.000% due 04/30/2031 ~	EUR	1,800	1,761
<b>Airspeed Ltd.</b>			

Edgar Filing: CVENT INC - Form 10-Q

2.342% due 06/15/2032	\$	3,061	2,852
<b>Apidos CLO</b>			
0.000% due 01/20/2031 ~		4,500	4,063
<b>Argent Securities Trust</b>			
2.254% due 03/25/2036		3,852	2,381
<b>Bear Stearns Asset-Backed Securities Trust</b>			
2.204% due 10/25/2036 ^~		4,720	4,943
6.500% due 10/25/2036 ^		362	281
<b>Belle Haven ABS CDO Ltd.</b>			
2.587% due 07/05/2046		175,347	1,227
<b>BlueMountain CLO Ltd.</b>			
7.787% due 04/13/2027		1,000	1,007
<b>CIFC Funding Ltd.</b>			
0.000% due 05/24/2026 ~		2,300	1,633
0.000% due 07/22/2026 ~		1,500	848
<b>Citigroup Mortgage Loan Trust</b>			
2.224% due 12/25/2036		4,014	2,651
<b>Countrywide Asset-Backed Certificates</b>			
2.204% due 06/25/2047 ^		1,658	1,529
2.234% due 03/25/2037		1,817	1,770

**38 PIMCO CLOSED-END FUNDS**

See Accompanying Notes

July 31, 2018

		PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>First Franklin Mortgage Loan Trust</b>			
3.009% due 09/25/2035	\$	3,613	\$ 2,813
3.039% due 05/25/2036		7,105	3,764
<b>Fremont Home Loan Trust</b>			
2.994% due 06/25/2035 ^		6,000	5,690
<b>Grosvenor Place CLO BV</b>			
0.000% due 04/30/2029 ~	EUR	500	470
<b>Home Equity Mortgage Loan Asset-Backed Trust</b>			
2.224% due 07/25/2037	\$	10,514	6,947
<b>HSI Asset Securitization Corp. Trust</b>			
0.000% due 10/25/2036 (h)		3,251	1,316
<b>JPMorgan Mortgage Acquisition Trust</b>			
4.752% due 10/25/2030 ^		5,857	4,173
<b>Lehman XS Trust</b>			
5.170% due 08/25/2035 ^		177	176
<b>LNR CDO Ltd.</b>			
2.352% due 02/28/2043		5,919	3,816
<b>Long Beach Mortgage Loan Trust</b>			
2.364% due 01/25/2036		4,685	4,217
<b>Magnetite Ltd.</b>			
7.489% due 04/15/2027		1,000	1,001
<b>Merrill Lynch Mortgage Investors Trust</b>			
2.224% due 04/25/2037		550	350
<b>Morgan Stanley ABS Capital, Inc. Trust</b>			
2.214% due 06/25/2036		744	641
<b>Morgan Stanley Mortgage Loan Trust</b>			
6.250% due 07/25/2047 ^^		701	498
<b>Park Place Securities, Inc. Asset-Backed Pass-Through Certificates</b>			
2.584% due 08/25/2035		5,000	4,502
3.834% due 10/25/2034		573	533
<b>Residential Asset Mortgage Products Trust</b>			
3.264% due 01/25/2035 ^		2,788	2,201
<b>SLM Student Loan EDC Repackaging Trust</b>			
0.000% due 10/28/2029 <<(h)		3	3,469
<b>SLM Student Loan Trust</b>			
0.000% due 01/25/2042 <<(h)		4	2,981
<b>SoFi Professional Loan Program LLC</b>			
0.000% due 05/25/2040 <<(h)		4,300	2,490
0.000% due 07/25/2040 <<(h)		21	1,232
0.000% due 09/25/2040 <<(h)		1,718	1,030
<b>Soundview Home Loan Trust</b>			
2.314% due 08/25/2037		2,000	1,778
<b>South Coast Funding Ltd.</b>			
2.953% due 08/10/2038		10,198	1,990
<b>Symphony CLO Ltd.</b>			
6.939% due 07/14/2026		2,000	1,988
<b>Taberna Preferred Funding Ltd.</b>			
2.749% due 08/05/2036		427	363
2.749% due 08/05/2036 ^		7,891	6,708
2.807% due 07/05/2035		7,470	7,022
<b>Total Asset-Backed Securities (Cost \$107,916)</b>			<b>119,560</b>
<b>SOVEREIGN ISSUES 4.6%</b>			
<b>Argentina Government International Bond</b>			
2.260% due 12/31/2038	EUR	3,970	2,861

Edgar Filing: CVENT INC - Form 10-Q

		PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
3.375% due 01/15/2023		200	214
3.875% due 01/15/2022		200	225
		EUR	\$
5.250% due 01/15/2028		200	205
6.250% due 11/09/2047		100	96
7.820% due 12/31/2033		9,275	10,950
30.131% (BADLARPP) due 10/04/2022 ~	ARS	58	3
36.087% (BADLARPP + 3.250%) due 03/01/2020 ~		800	28
36.495% (BADLARPP + 2.000%) due 04/03/2022 ~		60,426	1,976
40.000% (ARPP7DRR) due 06/21/2020 ~		84,082	3,088
<b>Autonomous Community of Catalonia</b>			
4.900% due 09/15/2021	EUR	1,500	1,911
<b>Egypt Government International Bond</b>			
4.750% due 04/16/2026		300	345
5.625% due 04/16/2030		300	338
<b>Peru Government International Bond</b>			
6.350% due 08/12/2028	PEN	2,700	882
<b>Republic of Greece Government International Bond</b>			
3.000% due 02/24/2023	EUR	142	167
3.000% due 02/24/2024		142	167
3.000% due 02/24/2025		142	165
3.000% due 02/24/2026		142	164
3.000% due 02/24/2027		142	163
3.000% due 02/24/2028		142	161
3.000% due 02/24/2029		142	160
3.000% due 02/24/2030		142	157
3.000% due 02/24/2031		142	155
3.000% due 02/24/2032		142	153
3.000% due 02/24/2033		142	151
3.000% due 02/24/2034		142	150
3.000% due 02/24/2035		142	149
3.000% due 02/24/2036		142	148
3.000% due 02/24/2037		142	147
3.000% due 02/24/2038		142	146
3.000% due 02/24/2039		142	146
3.000% due 02/24/2040		142	145
3.000% due 02/24/2041		142	145
3.000% due 02/24/2042		142	145
4.750% due 04/17/2019		400	480
<b>Venezuela Government International Bond</b>			
6.000% due 12/09/2020 ^(e)	\$	240	64
9.250% due 09/15/2027 ^(e)		308	90

**Total Sovereign Issues (Cost \$29,810) 26,840**

**SHARES**

**COMMON STOCKS 1.3%**

**CONSUMER DISCRETIONARY 0.9%**

Caesars Entertainment Corp. (f) 466,592 5,272

**ENERGY 0.2%**

Forbes Energy Services Ltd. (f)(k) 11,400 97

Ocean Rig UDW, Inc. (f) 41,602 1,166

1,263

**FINANCIALS 0.2%**

TIG FinCo PLC «(k) 761,602 1,200

**Total Common Stocks (Cost \$7,583) 7,735**

**MARKET  
VALUE  
(000S)**

**SHARES**

**WARRANTS 0.0%**

Edgar Filing: CVENT INC - Form 10-Q

<b>INDUSTRIALS 0.0%</b>			
Sequa Corp. - Exp. 04/28/2024 «	775,000	\$	194
<b>Total Warrants (Cost \$0)</b>			<b>194</b>
<b>PREFERRED SECURITIES 3.7%</b>			
<b>BANKING &amp; FINANCE 1.2%</b>			
<b>Farm Credit Bank of Texas</b>			
10.000% due 12/15/2020 (i)(k)	6,250		7,125
<b>INDUSTRIALS 2.5%</b>			
<b>Sequa Corp.</b>			
9.000% «	15,928		14,456
<b>Total Preferred Securities (Cost \$22,042)</b>			<b>21,581</b>
<b>REAL ESTATE INVESTMENT TRUSTS 1.5%</b>			
<b>REAL ESTATE 1.5%</b>			
VICI Properties, Inc.	416,263		8,471
<b>Total Real Estate Investment Trusts (Cost \$5,426)</b>			<b>8,471</b>
<b>SHORT-TERM INSTRUMENTS 2.2%</b>			
<b>REPURCHASE AGREEMENTS (l) 1.6%</b>			
			9,080
		<b>PRINCIPAL AMOUNT (000S)</b>	
<b>ARGENTINA TREASURY BILLS 0.2%</b>			
25.454% due 08/15/2018 - 11/21/2018 (g)(h)	ARS	23,767	861
1.498% due 08/24/2018 - 09/14/2018 (g)(h)	\$	156	156
			1,017
<b>U.S. TREASURY BILLS 0.4%</b>			
1.980% due 09/27/2018 - 10/18/2018 (g)(h)(o)(q)		2,574	2,564
<b>Total Short-Term Instruments (Cost \$12,837)</b>			<b>12,661</b>
<b>Total Investments in Securities (Cost \$689,900)</b>			<b>717,931</b>
<b>Total Investments 122.4% (Cost \$689,900)</b>			<b>\$ 717,931</b>
<b>Financial Derivative Instruments (n)(p) 0.1%</b>			
<b>(Cost or Premiums, net \$14,313)</b>			<b>337</b>
<b>Preferred Shares (9.5)%</b>			<b>(55,525)</b>
<b>Other Assets and Liabilities, net (13.0)%</b>			<b>(76,151)</b>
<b>Net Assets Applicable to Common Shareholders 100.0%</b>			<b>\$ 586,592</b>

**NOTES TO SCHEDULE OF INVESTMENTS:**

- \* A zero balance may reflect actual amounts rounding to less than one thousand.
- ^ Security is in default.
- « Security valued using significant unobservable inputs (Level 3).
- ~ 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

## Edgar Filing: CVENT INC - Form 10-Q

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.

See Accompanying Notes

ANNUAL REPORT JULY 31, 2018 39

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

All or a portion of this amount represent unfunded loan commitments. The interest rate for the unfunded portion will be determined at the time of funding. See Note 4, Securities and Other Investments, in the Notes to Financial Statements for more information regarding unfunded loan commitments.

- (a) Interest only security.
- (b) Principal only security.
- (c) When-issued security.
- (d) Payment in-kind security.
- (e) Security is not accruing income as of the date of this report.
- (f) Security did not produce income within the last twelve months.
- (g) Coupon represents a weighted average yield to maturity.
- (h) Zero coupon security.
- (i) Perpetual maturity; date shown, if applicable, represents next contractual call date.
- (j) Contingent convertible security.

**(k) RESTRICTED SECURITIES:**

Issuer Description	Acquisition Date	Cost	Market Value	Market Value as Percentage of Net Assets
Farm Credit Bank of Texas 10.000% due 12/15/2020	05/20/2014	\$ 7,688	\$ 7,125	1.22%
Forbes Energy Services Ltd.	10/09/2014 - 11/18/2016	370	97	0.02
TIG FinCo PLC	04/02/2015 - 07/20/2017	1,020	1,200	0.20
		\$ 9,078	\$ 8,422	1.44%

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

Counterparty	Lending Rate	Settlement Date	Maturity Date	Principal Amount	Collateralized By	Collateral (Received)	Repurchase Agreements, at Value	Repurchase Agreement Proceeds to be Received <sup>(1)</sup>
FICC	1.500%	07/31/2018	08/01/2018	\$ 3,580	U.S. Treasury Notes 2.625% due 11/15/2020	\$ (3,652)	\$ 3,580	\$ 3,580
SAL	1.990	07/31/2018	08/01/2018	5,500	U.S. Treasury Notes 2.625% due 06/15/2021	(5,612)	5,500	5,500
<b>Total Repurchase Agreements</b>						<b>\$ (9,264)</b>	<b>\$ 9,080</b>	<b>\$ 9,080</b>

**REVERSE REPURCHASE AGREEMENTS:**

Edgar Filing: CVENT INC - Form 10-Q

Counterparty	Borrowing Rate <sup>(2)</sup>	Settlement Date	Maturity Date	Amount Borrowed <sup>(2)</sup>	Payable for Reverse Repurchase Agreements
BRC	0.000%	07/26/2018	TBD <sup>(3)</sup>	\$ (202)	\$ (202)
FOB	2.350	07/17/2018	08/07/2018	(11,056)	(11,067)
NOM	2.750	07/18/2018	08/20/2018	(7,089)	(7,097)
RDR	2.490	06/19/2018	09/19/2018	(4,226)	(4,239)
RTA	2.821	06/07/2018	09/07/2018	(3,322)	(3,336)
	2.837	03/14/2018	09/14/2018	(7,072)	(7,150)
SOG	2.600	07/17/2018	10/17/2018	(8,094)	(8,103)
	2.810	06/07/2018	09/07/2018	(3,496)	(3,511)
	2.810	06/12/2018	09/12/2018	(5,071)	(5,091)
UBS	2.540	05/31/2018	08/31/2018	(1,452)	(1,458)
	2.560	06/13/2018	09/13/2018	(333)	(334)
	2.560	07/11/2018	09/13/2018	(843)	(844)
	2.760	06/05/2018	09/05/2018	(3,505)	(3,520)
	2.780	06/13/2018	09/13/2018	(187)	(188)
	2.860	05/31/2018	08/31/2018	(2,142)	(2,153)
	2.860	06/05/2018	09/05/2018	(1,205)	(1,210)
	2.910	05/07/2018	08/07/2018	(12,482)	(12,569)
	2.910	05/14/2018	08/14/2018	(5,353)	(5,387)
	2.910	06/21/2018	08/07/2018	(3,307)	(3,318)
<b>Total Reverse Repurchase Agreements</b>					<b>\$ (80,777)</b>

40 PIMCO CLOSED-END FUNDS

See Accompanying Notes



July 31, 2018

**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 July 31, 2018:

Counterparty	Repurchase Agreement Proceeds to be Received <sup>(1)</sup>	Payable for Reverse Repurchase Agreements	Payable for Sale-Buyback Transactions	Total Borrowings and Other Financing Transactions	Collateral Pledged/(Received)	Net Exposure <sup>(4)</sup>
Global/Master Repurchase Agreement						
BRC	\$ 0	\$ (202)	\$ 0	\$ (202)	\$ 201	\$ (1)
FICC	3,580	0	0	3,580	(3,652)	(72)
FOB	0	(11,067)	0	(11,067)	11,258	191
NOM	0	(7,097)	0	(7,097)	7,514	417
RDR	0	(4,239)	0	(4,239)	4,421	182
RTA	0	(10,486)	0	(10,486)	11,641	1,155
SAL	5,500	0	0	5,500	(5,612)	(112)
SOG	0	(16,705)	0	(16,705)	17,841	1,136
UBS	0	(30,981)	0	(30,981)	34,570	3,589
<b>Total Borrowings and Other Financing Transactions</b>	<b>\$ 9,080</b>	<b>\$ (80,777)</b>	<b>\$ 0</b>			

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

	Overnight and Continuous	Up to 30 days	31-90 days	Greater Than 90 days	Total
<b>Reverse Repurchase Agreements</b>					
Corporate Bonds & Notes	\$ 0	\$ (39,437)	\$ (41,137)	\$ (203)	\$ (80,777)
<b>Total Borrowings</b>	<b>\$ 0</b>	<b>\$ (39,437)</b>	<b>\$ (41,137)</b>	<b>\$ (203)</b>	<b>\$ (80,777)</b>
Payable for reverse repurchase agreements					\$ (80,777)

(m) Securities with an aggregate market value of \$89,735 and cash of \$163 have been pledged as collateral under the terms of the above master agreements as of July 31, 2018.

## Edgar Filing: CVENT INC - Form 10-Q

(1) Includes accrued interest.

(2) The average amount of borrowings outstanding during the period ended July 31, 2018 was \$(94,014) at a weighted average interest rate of 2.162%. Average borrowings may include sale-buyback transactions and reverse repurchase agreements, if held during the period.

(3) Open maturity reverse repurchase agreement.

(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 regarding master netting arrangements.

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

#### SWAP AGREEMENTS:

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

Reference Entity	Fixed Receive Rate	Payment Frequency	Maturity Date	Implied Credit Spread at July 31, 2018 <sup>(2)</sup>	Notional Amount <sup>(3)</sup>	Premiums Paid/(Received)	Unrealized Appreciation/Depreciation	Market Value <sup>(4)</sup>	Variation Margin	
									Asset	Liability
Frontier Communications Corp.	5.000%	Quarterly	06/20/2020	9.536%	\$ 5,500	\$ (177)	\$ (197)	\$ (374)	\$ 9	\$ 0
Navient Corp.	5.000	Quarterly	12/20/2021	1.986	600	21	39	60	0	0
Novo Banco S.A.	5.000	Quarterly	12/20/2021	10.074	EUR 100	(23)	18	(5)	1	0
						\$ (179)	\$ (140)	\$ (319)	\$ 10	\$ 0

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

Index/Tranches	Fixed Receive Rate	Payment Frequency	Maturity Date	Notional Amount <sup>(3)</sup>	Premiums Paid/(Received)	Unrealized Appreciation/Depreciation	Market Value <sup>(4)</sup>	Variation Margin	
								Asset	Liability
CDX.HY-30 5-Year Index	5.000%	Quarterly	06/20/2023	\$ 8,200	\$ 460	\$ 163	\$ 623	\$ 8	\$ 0

See Accompanying Notes

ANNUAL REPORT JULY 31, 2018 41

## Schedule of Investments PIMCO Corporate &amp; Income Strategy Fund (Cont.)

## 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	Liability
Pay	3-Month USD-LIBOR		2.000%	Semi-Annual	12/16/2020	\$ 59,300	\$ 1,546	\$ (2,827)	\$ (1,281)	\$ 0	\$ (2)
Pay	3-Month USD-LIBOR		2.000	Semi-Annual	06/15/2021	36,800	1,248	(2,229)	(981)	0	(3)
Pay	3-Month USD-LIBOR		2.250	Semi-Annual	12/20/2022	62,000	747	(2,635)	(1,888)	0	(5)
Receive	3-Month USD-LIBOR		2.000	Semi-Annual	06/20/2023	53,500	1,960	479	2,439	1	0
Pay	3-Month USD-LIBOR		2.750	Semi-Annual	06/17/2025	75,590	4,663	(5,878)	(1,215)	25	0
Pay	3-Month USD-LIBOR		2.500	Semi-Annual	12/20/2027	44,900	325	(2,357)	(2,032)	28	0
Pay	3-Month USD-LIBOR		3.500	Semi-Annual	06/19/2044	169,400	(5,526)	18,432	12,906	430	0
Receive	3-Month USD-LIBOR		2.500	Semi-Annual	06/20/2048	226,900	9,562	17,360	26,922	0	(609)
Pay	6-Month AUD-BBR-BBSW		3.500	Semi-Annual	06/17/2025	AUD 7,600	188	129	317	0	(3)
Receive <sup>(5)</sup>	6-Month EUR-EURIBOR		1.250	Annual	09/19/2028	EUR 13,000	(182)	(225)	(407)	43	0
Receive <sup>(5)</sup>	6-Month EUR-EURIBOR		1.250	Annual	12/19/2028	2,000	(34)	(16)	(50)	7	0
Receive <sup>(5)</sup>	6-Month GBP-LIBOR		1.500	Semi-Annual	09/19/2028	GBP 21,100	486	(196)	290	127	0
							\$ 14,983	\$ 20,037	\$ 35,020	\$ 661	\$ (622)
<b>Total Swap Agreements</b>							<b>\$ 15,264</b>	<b>\$ 20,060</b>	<b>\$ 35,324</b>	<b>\$ 679</b>	<b>\$ (622)</b>

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

The following is a summary of the market value and variation margin of Exchange-Traded or Centrally Cleared Financial Derivative Instruments as of July 31, 2018:

	Financial Derivative Assets				Financial Derivative Liabilities			
	Market Value		Variation Margin		Market Value		Variation Margin	
	Purchased	Asset	Swap	Asset	Written	Liability	Swap	Liability
	Options	Futures	Agreements	Total	Options	Futures	Agreements	Total
<b>Total Exchange-Traded or Centrally Cleared</b>	\$ 0	\$ 0	\$ 679	\$ 679	\$ 0	\$ 0	\$ (622)	\$ (622)

- (o) Securities with an aggregate market value of \$642 and cash of \$9,152 have been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of July 31, 2018. See Note 8, Master Netting Arrangements, in the Notes to Financial Statements for more information regarding master netting arrangements.

- (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, securities or other deliverable obligations equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.
- (2) Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on corporate issues as of period end serve as indicators of the current status of the payment/performance risk and represent the likelihood or risk of default for the credit derivative. The

## Edgar Filing: CVENT INC - Form 10-Q

implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

- (3) The maximum potential amount the Fund could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.
- (4) The prices and resulting values for credit default swap agreements on credit indices serve as indicators of the current status of the payment/performance risk and represent the likelihood of an expected liability (or profit) for the credit derivative should the notional amount of the swap agreement be closed/sold as of the period end. Increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the referenced indices' credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.
- (5) 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.

### (p) 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	08/2018	\$ 47,431	EUR 40,702	\$ 165	\$ 0
	09/2018	EUR 40,703	\$ 47,544	0	(165)
BPS	08/2018	ARS 22,951	775	9	(52)
	08/2018	\$ 659	GBP 497	0	(6)
	09/2018	PEN 2,303	\$ 702	0	0
CBK	08/2018	EUR 2,529	2,955	0	(3)
	08/2018	\$ 61,017	GBP 46,587	131	0
	09/2018	GBP 46,587	\$ 61,099	0	(130)
	10/2018	\$ 48	ARS 1,450	1	0

#### 42 PIMCO CLOSED-END FUNDS

See Accompanying Notes

July 31, 2018

Counterparty	Settlement Month	Currency to be Delivered	Currency to be Received	Unrealized Appreciation/ (Depreciation)	
				Asset	Liability
GLM	08/2018	\$ 422	EUR 362	\$ 1	\$ 0
	08/2018	1,023	GBP 773	0	(9)
HUS	08/2018	5,406	RUB 338,263	5	(10)
	10/2018	7	ARS 200	0	0
SSB	08/2018	EUR 38,536	\$ 44,959	0	(103)
UAG	08/2018	GBP 47,857	63,369	554	0
<b>Total Forward Foreign Currency Contracts</b>				<b>\$ 866</b>	<b>\$ (478)</b>

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

Counterparty	Reference Entity	Fixed Receive Rate	Payment Frequency	Maturity Date	Implied Credit Spread at July 31, 2018 <sup>(2)</sup>	Notional Amount <sup>(3)</sup>	Premiums Paid/(Received)	Unrealized Swap Agreements, at Value		
								Appreciation/ (Depreciation)	Asset	Liability
BPS	Petrobras Global Finance BV	1.000%	Quarterly	12/20/2019	1.324%	\$ 2,400	\$ (247)	\$ 239	\$ 0	\$ (8)
GST	Petrobras Global Finance BV	1.000	Quarterly	12/20/2019	1.324	5,300	(543)	526	0	(17)
	Petrobras Global Finance BV	1.000	Quarterly	09/20/2020	1.619	10	(1)	1	0	0
HUS	Petrobras Global Finance BV	1.000	Quarterly	12/20/2021	2.165	100	(16)	12	0	(4)
	Petrobras Global Finance BV	1.000	Quarterly	09/20/2020	1.619	40	(6)	6	0	0
							\$ (813)	\$ 784	\$ 0	\$ (29)

**INTEREST RATE SWAPS**

Counterparty	Pay/Receive Floating Rate	Floating Rate Index	Fixed Rate	Payment Frequency	Maturity Date	Notional Amount	Premiums Paid/(Received)	Swap Agreements, at Value		
								Unrealized Appreciation/ (Depreciation)	Asset	Liability
MYC	Pay	3-Month USD-LIBOR	3.025%	Semi-Annual	09/04/2023	\$ 175,000	\$ (134)	\$ 50	\$ 0	\$ (84)

**TOTAL RETURN SWAPS ON INTEREST RATE INDICES**

Edgar Filing: CVENT INC - Form 10-Q

Counterparty	Pay/Receive <sup>(4)</sup>	Underlying Reference	# of Units	Financing Rate	Payment Frequency	Maturity Date	Notional Amount	Premium Paid/(Received)	Unrealized Swap Agreements, Appreciation/ at Value			
									Depreciation	Asset	Liability	
BOA	Receive	iBoxx USD Liquid High Yield Index	N/A	3-Month USD-LIBOR	Maturity	09/20/2018	\$ 400	\$ (2)	\$ 4	\$ 2	\$ 0	
GST	Receive	iBoxx USD Liquid High Yield Index	N/A	3-Month USD-LIBOR	Maturity	09/20/2018	400	(2)	5	3	0	
								\$ (4)	\$ 9	\$ 5	\$ 0	
<b>Total Swap Agreements</b>								\$ (951)	\$ 843	\$ 5	\$ (113)	

**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 July 31, 2018:

Counterparty	Financial Derivative Assets				Financial Derivative Liabilities				Net		
	Forward Foreign Contracts	Purchased Options	Swap Agreements	Total Over the Counter	Forward Foreign Contracts	Written Options	Swap Agreements	Total Over the Counter	Market Value of OTC Derivatives	Collateral Pledged/(Received)	Net Exposure <sup>(5)</sup>
BOA	\$ 165	\$ 0	\$ 2	\$ 167	\$ (165)	\$ 0	\$ 0	\$ (165)	\$ 2	\$ 0	\$ 2
BPS	9	0	0	9	(58)	0	(8)	(66)	(57)	20	(37)
CBK	132	0	0	132	(133)	0	0	(133)	(1)	0	(1)
GLM	1	0	0	1	(9)	0	0	(9)	(8)	0	(8)
GST	0	0	3	3	0	0	(21)	(21)	(18)	0	(18)
HUS	5	0	0	5	(10)	0	0	(10)	(5)	0	(5)
MYC	0	0	0	0	0	0	(84)	(84)	(84)	(514)	(598)
SSB	0	0	0	0	(103)	0	0	(103)	(103)	0	(103)
UAG	554	0	0	554	0	0	0	0	554	(630)	(76)
<b>Total Over the Counter</b>	<b>\$ 866</b>	<b>\$ 0</b>	<b>\$ 5</b>	<b>\$ 871</b>	<b>\$ (478)</b>	<b>\$ 0</b>	<b>\$ (113)</b>	<b>\$ (591)</b>			

See Accompanying Notes

ANNUAL REPORT JULY 31, 2018 43

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

(q) Securities with an aggregate market value of \$106 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of July 31, 2018.

- (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, securities or other deliverable obligations equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.
- (2) Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on corporate issues as of period end serve as 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.
- (3) The maximum potential amount the Fund could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.
- (4) Receive represents that the Fund receives payments for any positive net return on the underlying reference. The Fund makes payments for any negative net return on such underlying reference. Pay represents that the Fund receives payments for any negative net return on the underlying reference. The Fund makes payments for any positive net return on such underlying reference.
- (5) Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from OTC financial derivative instruments can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 8, Master Netting Arrangements, in the Notes to Financial Statements for more information regarding master netting arrangements.

**FAIR VALUE OF FINANCIAL DERIVATIVE INSTRUMENTS**

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

Fair Values of Financial Derivative Instruments on the Statements of Assets and Liabilities as of July 31, 2018:

	Derivatives not accounted for as hedging instruments						Total
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts		
<b>Financial Derivative Instruments - Assets</b>							
Exchange-traded or centrally cleared							
Swap Agreements	\$ 0	\$ 18	\$ 0	\$ 0	\$ 661		\$ 679
Over the counter							
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 866	\$ 0		\$ 866
Swap Agreements	0	0	0	0	5		5
	\$ 0	\$ 0	\$ 0	\$ 866	\$ 5		\$ 871
	\$ 0	\$ 18	\$ 0	\$ 866	\$ 666		\$ 1,550
<b>Financial Derivative Instruments - Liabilities</b>							
Exchange-traded or centrally cleared							
Swap Agreements	\$ 0	\$ 0	\$ 0	\$ 0	\$ 622		\$ 622

Edgar Filing: CVENT INC - Form 10-Q

Over the counter							
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 478	\$ 0	\$ 478	
Swap Agreements	0	29	0	0	84	113	
	\$ 0	\$ 29	\$ 0	\$ 478	\$ 84	\$ 591	
	\$ 0	\$ 29	\$ 0	\$ 478	\$ 706	\$ 1,213	

The effect of Financial Derivative Instruments on the Statements of Operations for the period ended July 31, 2018:

	Derivatives not accounted for as hedging instruments						
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts		Total
<b>Net Realized Gain (Loss) on Financial Derivative Instruments</b>							
Exchange-traded or centrally cleared							
Swap Agreements	\$ 0	\$ 525	\$ 0	\$ 0	\$ 40,781	\$ 41,306	
Over the counter							
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ (359)	\$ 0	\$ (359)	
Swap Agreements	0	468	0	0	13	481	
	\$ 0	\$ 468	\$ 0	\$ (359)	\$ 13	\$ 122	
	\$ 0	\$ 993	\$ 0	\$ (359)	\$ 40,794	\$ 41,428	

44 PIMCO CLOSED-END FUNDS

See Accompanying Notes



July 31, 2018

	Derivatives not accounted for as hedging instruments					Total
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts	
<b>Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ (20)	\$ 0	\$ 0	\$ (48,333)	\$ (48,353)
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 3,031	\$ 0	\$ 3,031
Swap Agreements	0	(297)	0	0	59	(238)
	\$ 0	\$ (297)	\$ 0	\$ 3,031	\$ 59	\$ 2,793
	\$ 0	\$ (317)	\$ 0	\$ 3,031	\$ (48,274)	\$ (45,560)

**FAIR VALUE MEASUREMENTS**

The following is a summary of the fair valuations according to the inputs used as of July 31, 2018 in valuing the Fund's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 07/31/2018
<b>Investments in Securities, at Value</b>				
Loan Participations and Assignments	\$ 0	\$ 21,823	\$ 610	\$ 22,433
Corporate Bonds & Notes				
Banking & Finance	0	126,776	0	126,776
Industrials	0	132,936	745	133,681
Utilities	0	26,801	0	26,801
Convertible Bonds & Notes				
Industrials	0	4,885	0	4,885
Municipal Bonds & Notes				
California	0	4,923	0	4,923
Illinois	0	14,872	0	14,872
Virginia	0	763	0	763
West Virginia	0	8,503	0	8,503
U.S. Government Agencies	0	32,558	4,908	37,466
Non-Agency Mortgage-Backed Securities	0	139,786	0	139,786
Asset-Backed Securities	0	108,358	11,202	119,560
Sovereign Issues	0	26,840	0	26,840
Common Stocks				
Consumer Discretionary	5,272	0	0	5,272
Energy	1,166	97	0	1,263
Financials	0	0	1,200	1,200
Warrants				
Industrials	0	0	194	194
Preferred Securities				
Banking & Finance	0	7,125	0	7,125
Industrials	0	0	14,456	14,456
Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 07/31/2018

Edgar Filing: CVENT INC - Form 10-Q

Real Estate Investment Trusts								
Real Estate	\$	8,471	\$	0	\$	0	\$	8,471
Short-Term Instruments								
Repurchase Agreements		0		9,080		0		9,080
Argentina Treasury Bills		0		1,017		0		1,017
U.S. Treasury Bills		0		2,564		0		2,564
<b>Total Investments</b>	<b>\$</b>	<b>14,909</b>	<b>\$</b>	<b>669,707</b>	<b>\$</b>	<b>33,315</b>	<b>\$</b>	<b>717,931</b>

Financial Derivative Instruments - Assets								
Exchange-traded or centrally cleared		0		679		0		679
Over the counter		0		871		0		871
	<b>\$</b>	<b>0</b>	<b>\$</b>	<b>1,550</b>	<b>\$</b>	<b>0</b>	<b>\$</b>	<b>1,550</b>

Financial Derivative Instruments - Liabilities								
Exchange-traded or centrally cleared		0		(622)		0		(622)
Over the counter		0		(591)		0		(591)
	<b>\$</b>	<b>0</b>	<b>\$</b>	<b>(1,213)</b>	<b>\$</b>	<b>0</b>	<b>\$</b>	<b>(1,213)</b>

Total Financial Derivative Instruments	\$	0	\$	337	\$	0	\$	337
--	----	---	----	-----	----	---	----	-----

Totals	\$	14,909	\$	670,044	\$	33,315	\$	718,268
--------	----	--------	----	---------	----	--------	----	---------

There were no significant transfers among Levels 1 and 2 during the period ended July 31, 2018.

The following is a reconciliation of the fair valuations using significant unobservable inputs (Level 3) for the Fund during the period ended July 31, 2018:

Category and Subcategory	Beginning Balance at 07/31/2017	Net Purchases	Net Sales	Accrued Discounts/ Premiums (Loss)	Net Change in Unrealized Appreciation/Depreciation				Ending Balance at 07/31/2018	Net Change in Unrealized Appreciation/Depreciation on Investments Held at 07/31/2018 <sup>(1)</sup>
					Realized Gain/(Loss)	Transfers in Level 3	Transfers out of Level 3	Level 3		
<b>Investments in Securities, at Value</b>										
Loan Participations and Assignments	\$ 739	\$ 310	\$ (600)	\$ 5	\$ 6	\$ (6)	\$ 308	\$ (152)	\$ 610	\$ 3
Corporate Bonds & Notes										
Banking & Finance	4,451	0	(288)	2	15	(62)	0	(4,118)	0	0
Industrials	6,060	746	(6,062)	1	62	(62)	0	0	745	0
U.S. Government Agencies	4,713	0	(88)	133	34	116	0	0	4,908	113
Asset-Backed Securities	11,281	0	0	89	0	(168)	0	0	11,202	(168)
Common Stocks										
Financials	1,005	0	0	0	0	195	0	0	1,200	195
Warrants										
Industrials	363	0	0	0	0	(169)	0	0	194	(169)



## Schedule of Investments PIMCO Corporate &amp; Income Strategy Fund (Cont.)

July 31, 2018

Category and Subcategory	Beginning Balance at 07/31/2017	Net Purchases	Net Sales	Accrued Discounts/ (Premiums)	Realized Gain/(Loss)	Net Change in Unrealized Appreciation/(Depreciation) <sup>(1)</sup>			Ending Balance at 07/31/2018	Net Change in Unrealized Appreciation/ (Depreciation) on Investments Held at 07/31/2018 <sup>(1)</sup>
						Level 3	Level 3	Level 3		
Preferred Securities										
Industrials	\$ 14,002	\$ 1,537	\$ 0	\$ 0	\$ 0	\$ (1,083)	\$ 0	\$ 0	\$ 14,456	\$ (1,083)
<b>Totals</b>	<b>\$ 42,614</b>	<b>\$ 2,593</b>	<b>\$ (7,038)</b>	<b>\$ 230</b>	<b>\$ 117</b>	<b>\$ (1,239)</b>	<b>\$ 308</b>	<b>\$ (4,270)</b>	<b>\$ 33,315</b>	<b>\$ (1,109)</b>

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

Category and Subcategory	Ending Balance at 07/31/2018	Valuation Technique	Unobservable Inputs	Input Value(s) (% Unless Noted Otherwise)
<b>Investments in Securities, at Value</b>				
Loan Participations and Assignments	\$ 200	Proxy Pricing	Base Price	100.074
	410	Third Party Vendor	Broker Quote	100.000-101.625
Corporate Bonds & Notes				
Industrials	292	Other Valuation Techniques <sup>(2)</sup>		
	453	Proxy Pricing	Base Price	97.010
U.S. Government Agencies	4,908	Proxy Pricing	Base Price	60.341
Asset-Backed Securities	11,202	Proxy Pricing	Base Price	58.000-102,005.100
Common Stocks				
Financials	1,200	Other Valuation Techniques <sup>(2)</sup>		
Warrants				
Industrials	194	Other Valuation Techniques <sup>(2)</sup>		
Preferred Securities				
Industrials	14,456	Indicative Market Quotation	Broker Quote	\$ 900.000
<b>Total</b>	<b>\$ 33,315</b>			

(1) Any difference between Net Change in Unrealized Appreciation/(Depreciation) and Net Change in Unrealized Appreciation/(Depreciation) on Investments Held at July 31, 2018 may be due to an investment no longer held or categorized as Level 3 at period end.

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

## Schedule of Investments PIMCO High Income Fund

July 31, 2018

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

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>INVESTMENTS IN SECURITIES 129.0%</b>		
<b>LOAN PARTICIPATIONS AND ASSIGNMENTS 3.3%</b>		
<b>Alphabet Holding Co., Inc.</b>		
5.577% (LIBOR03M + 3.500%) due 09/26/2024 ~	\$ 99	\$ 94
<b>Altice France S.A.</b>		
TBD% due 07/13/2026	400	392
<b>Avantor, Inc.</b>		
6.077% (LIBOR03M + 4.000%) due 11/21/2024 ~	50	50
<b>Banff Merger Sub, Inc.</b>		
TBD% due 06/21/2019	3,100	3,088
<b>California Resources Corp.</b>		
6.831% (LIBOR03M + 4.750%) due 12/31/2022 «~	50	51
<b>Community Health Systems, Inc.</b>		
5.557% (LIBOR03M + 3.250%) due 01/27/2021 ~	1,576	1,553
<b>Dubai World</b>		
1.750% - 2.000% (LIBOR03M + 2.000%) due 09/30/2022 ~	706	664
<b>Energizer Holdings, Inc.</b>		
TBD% due 05/18/2019	100	100
<b>Forbes Energy Services LLC</b>		
5.000% - 7.000% due 04/13/2021	873	883
<b>Frontier Communications Corp.</b>		
5.830% (LIBOR03M + 3.750%) due 06/15/2024 ~	893	883
<b>Genworth Financial, Inc.</b>		
6.578% (LIBOR03M + 4.500%) due 03/07/2023 ~	50	51
<b>iHeartCommunications, Inc.</b>		
TBD% due 01/30/2019 ^ (e)	17,200	13,380
<b>IRB Holding Corp.</b>		
5.347% (LIBOR03M + 3.250%) due 02/05/2025 ~	100	101
<b>Klockner-Pentaplast of America, Inc.</b>		
4.750% (EUR003M + 4.750%) due 06/30/2022 ~	EUR 100	109
<b>McDermott Technology Americas, Inc.</b>		
7.077% (LIBOR03M + 5.000%) due 05/10/2025 ~	\$ 1,397	1,407
<b>MH Sub LLC</b>		
5.829% (LIBOR03M + 3.750%) due 09/13/2024 ~	169	169
<b>Ministry of Finance of Tanzania</b>		
7.825% (LIBOR03M + 5.500%) due 12/10/2019 «~	200	200
<b>Multi Color Corp.</b>		
4.327% (LIBOR03M + 2.250%) due 10/31/2024 ~	24	24
<b>Parexel International Corp.</b>		
4.827% (LIBOR03M + 2.750%) due 09/27/2024 ~	99	99
<b>PetSmart, Inc.</b>		
5.100% (LIBOR03M + 3.000%) due 03/11/2022 ~	339	283
<b>Ply Gem Industries, Inc.</b>		
6.087% (LIBOR03M + 3.750%) due 04/12/2025 ~	200	201
<b>Sequa Mezzanine Holdings LLC</b>		
7.067% (LIBOR03M + 5.000%) due 11/28/2021 «~	327	327
11.072% (LIBOR03M + 9.000%) due 04/28/2022 «~	140	141
<b>Stars Group Holdings BV</b>		
5.831% (LIBOR03M + 3.500%) due 07/10/2025 ~	200	202
<b>Syniverse Holdings, Inc.</b>		

Edgar Filing: CVENT INC - Form 10-Q

7.078% (LIBOR03M + 5.000%) due 03/09/2023 ~		30	30
<b>Traverse Midstream Partners LLC</b>			
6.340% (LIBOR03M + 4.000%) due 09/27/2024 ~		91	91
		<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>West Corp.</b>			
6.077% (LIBOR03M + 4.000%) due 10/10/2024 ~	\$	58	\$ 58
<b>Westmoreland Coal Co.</b>			
TBD% due 12/16/2020 ^(e)		1,455	382
TBD% - 10.581% (LIBOR03M + 8.250%) due 05/31/2020 ~		2,620	2,672
<b>Total Loan Participations and Assignments (Cost \$31,303)</b>			<b>27,685</b>
<b>CORPORATE BONDS &amp; NOTES 61.9%</b>			
<b>BANKING &amp; FINANCE 22.6%</b>			
<b>AGFC Capital Trust</b>			
4.089% (US0003M + 1.750%) due 01/15/2067 ~		27,410	16,583
<b>Ally Financial, Inc.</b>			
8.000% due 11/01/2031		6	7
8.000% due 11/01/2031 (n)		2,765	3,346
<b>Ambac LSNI LLC</b>			
7.337% due 02/12/2023		112	113
<b>Ardonagh Midco PLC</b>			
8.375% due 07/15/2023 (n)	GBP	2,700	3,599
8.375% due 07/15/2023		11,535	15,375
<b>Athene Holding Ltd.</b>			
4.125% due 01/12/2028 (n)	\$	76	71
<b>Atlantic Marine Corps Communities LLC</b>			
5.383% due 02/15/2048 (n)		4,521	4,233
<b>Avolon Holdings Funding Ltd.</b>			
5.500% due 01/15/2023		248	247
<b>AXA Equitable Holdings, Inc.</b>			
4.350% due 04/20/2028		180	176
5.000% due 04/20/2048		104	100
<b>Banco Espirito Santo S.A.</b>			
4.000% due 01/21/2019 ^(e)	EUR	5,800	2,069
<b>Banco Santander S.A.</b>			
6.250% due 09/11/2021 (j)(k)(n)		500	624
<b>Barclays PLC</b>			
6.500% due 09/15/2019 (j)(k)(n)		2,600	3,170
7.875% due 09/15/2022 (j)(k)	GBP	7,210	10,156
<b>Brighthouse Holdings LLC</b>			
6.500% due 07/27/2037 (j)	\$	70	68
<b>Brookfield Finance, Inc.</b>			
3.900% due 01/25/2028		128	121
4.700% due 09/20/2047		290	276
<b>Cantor Fitzgerald LP</b>			
6.500% due 06/17/2022 (n)		13,100	13,870
<b>CBL &amp; Associates LP</b>			
5.950% due 12/15/2026 (n)		3,324	2,870
<b>Co-operative Group Holdings Ltd.</b>			
7.500% due 07/08/2026	GBP	2,800	4,413
<b>Credit Agricole S.A.</b>			
7.875% due 01/23/2024 (j)(k)(n)	\$	250	267
<b>Credit Suisse Group AG</b>			
7.500% due 07/17/2023 (j)(k)		400	413
<b>Doctors Co.</b>			
6.500% due 10/15/2023 (n)		10,000	10,624
<b>Emerald Bay S.A.</b>			
0.000% due 10/08/2020 (h)	EUR	2,738	3,006
<b>Equinix, Inc.</b>			
2.875% due 03/15/2024		200	234
2.875% due 10/01/2025		100	114
2.875% due 02/01/2026		200	228
<b>Flagstar Bancorp, Inc.</b>			
6.125% due 07/15/2021 (n)	\$	3,000	3,130
<b>Fortress Transportation &amp; Infrastructure Investors LLC</b>			
6.750% due 03/15/2022 (n)		478	499

Edgar Filing: CVENT INC - Form 10-Q

<b>Freedom Mortgage Corp.</b>			
8.250% due 04/15/2025		88	86
<b>Growthpoint Properties International Pty. Ltd.</b>			
5.872% due 05/02/2023		200	207
<b>GSPA Monetization Trust</b>			
6.422% due 10/09/2029		5,896	6,688
		<b>PRINCIPAL</b>	<b>MARKET</b>
		<b>AMOUNT</b>	<b>VALUE</b>
		<b>(000S)</b>	<b>(000S)</b>
<b>HSBC Holdings PLC</b>			
6.000% due 09/29/2023 (j)(k)	EUR	2,600	\$ 3,446
6.500% due 03/23/2028 (j)(k)	\$	700	688
<b>Hunt Cos., Inc.</b>			
6.250% due 02/15/2026		36	34
<b>International Lease Finance Corp.</b>			
6.980% due 10/15/2018 ~		18,000	18,124
<b>iStar, Inc.</b>			
4.625% due 09/15/2020		20	20
5.250% due 09/15/2022		70	68
<b>Jefferies Finance LLC</b>			
7.250% due 08/15/2024		200	197
7.375% due 04/01/2020 (n)		1,200	1,227
<b>Kennedy-Wilson, Inc.</b>			
5.875% due 04/01/2024		96	94
<b>Life Storage LP</b>			
3.875% due 12/15/2027		42	40
<b>Lloyds Bank PLC</b>			
12.000% due 12/16/2024 (j)(n)		8,400	10,260
<b>Lloyds Banking Group PLC</b>			
7.875% due 06/27/2029 (j)(k)	GBP	200	307
<b>LoanCore Capital Markets LLC</b>			
6.875% due 06/01/2020 (n)	\$	7,000	7,109
<b>Meiji Yasuda Life Insurance Co.</b>			
5.100% due 04/26/2048		400	408
<b>MetLife, Inc.</b>			
5.875% due 03/15/2028 (j)		108	111
<b>Midwest Family Housing LLC</b>			
6.631% due 01/01/2051		4,910	4,394
<b>Nationstar Mortgage LLC</b>			
6.500% due 07/01/2021		1,030	1,035
<b>Nationwide Building Society</b>			
10.250% ~(j)	GBP	36	7,154
<b>Navient Corp.</b>			
5.625% due 08/01/2033 (n)	\$	10,734	9,231
6.500% due 06/15/2022		114	116
<b>Oppenheimer Holdings, Inc.</b>			
6.750% due 07/01/2022		68	69
<b>Provident Funding Associates LP</b>			
6.375% due 06/15/2025		37	36
<b>Royal Bank of Scotland Group PLC</b>			
7.500% due 08/10/2020 (j)(k)(n)		5,840	6,044
8.625% due 08/15/2021 (j)(k)		3,700	4,002
<b>Santander UK Group Holdings PLC</b>			
7.375% due 06/24/2022 (j)(k)	GBP	6,363	8,784
<b>Societe Generale S.A.</b>			
6.750% due 04/06/2028 (j)(k)	\$	200	192
<b>Springleaf Finance Corp.</b>			
7.125% due 03/15/2026		286	291
<b>Unigel Luxembourg S.A.</b>			
10.500% due 01/22/2024 (n)		810	846
<b>WeWork Cos., Inc.</b>			
7.875% due 05/01/2025		104	102
			191,412
<b>INDUSTRIALS 30.7%</b>			
<b>Air Canada Pass-Through Trust</b>			
3.700% due 07/15/2027		34	32
<b>Altice Financing S.A.</b>			

Edgar Filing: CVENT INC - Form 10-Q

6.625% due 02/15/2023 (n)		5,600	5,677
<b>Altice France S.A.</b>			
5.375% due 05/15/2022	EUR	2,930	3,526
5.875% due 02/01/2027		3,100	3,704
<b>Altice Luxembourg S.A.</b>			
7.250% due 05/15/2022 (n)		3,040	3,653
7.750% due 05/15/2022 (n)	\$	4,900	4,894
<b>Associated Materials LLC</b>			
9.000% due 01/01/2024		772	816
<b>Bacardi Ltd.</b>			
4.450% due 05/15/2025		200	200
4.700% due 05/15/2028		200	199

See Accompanying Notes

ANNUAL REPORT JULY 31, 2018 47



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

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>Baffinland Iron Mines Corp.</b>		
8.750% due 07/15/2026 (n)	\$ 8,400	\$ 8,431
<b>Bausch Health Cos., Inc.</b>		
7.000% due 03/15/2024	235	250
<b>BMC Software Finance, Inc.</b>		
8.125% due 07/15/2021 (n)	13,320	13,653
<b>Caesars Resort Collection LLC</b>		
5.250% due 10/15/2025	12	12
<b>Centene Corp.</b>		
5.375% due 06/01/2026	131	134
<b>Charter Communications Operating LLC</b>		
4.200% due 03/15/2028	198	190
<b>Cheniere Energy Partners LP</b>		
5.250% due 10/01/2025	49	49
<b>Chesapeake Energy Corp.</b>		
5.589% (US0003M + 3.250%) due 04/15/2019 ~	120	120
<b>Clear Channel Worldwide Holdings, Inc.</b>		
6.500% due 11/15/2022	910	933
7.625% due 03/15/2020	4,420	4,446
<b>Cleveland-Cliffs, Inc.</b>		
4.875% due 01/15/2024	48	47
<b>Community Health Systems, Inc.</b>		
5.125% due 08/01/2021 (n)	4,832	4,595
6.250% due 03/31/2023 (n)	11,281	10,548
8.625% due 01/15/2024	350	363
<b>CSN Islands Corp.</b>		
6.875% due 09/21/2019 (n)	300	301
<b>CSN Resources S.A.</b>		
6.500% due 07/21/2020	1,896	1,835
<b>DriveTime Automotive Group, Inc.</b>		
8.000% due 06/01/2021 (n)	11,130	11,353
<b>EI Group PLC</b>		
6.000% due 10/06/2023	GBP 500	712
6.875% due 05/09/2025	6,600	9,528
<b>Exela Intermediate LLC</b>		
10.000% due 07/15/2023 (n)	\$ 172	178
<b>Ferroglobe PLC</b>		
9.375% due 03/01/2022 (n)	2,250	2,320
<b>First Quantum Minerals Ltd.</b>		
6.500% due 03/01/2024	2,240	2,190
6.875% due 03/01/2026	2,448	2,399
7.000% due 02/15/2021	838	848
<b>Ford Motor Co.</b>		
7.700% due 05/15/2097 (n)	15,515	18,015
<b>Fresh Market, Inc.</b>		
9.750% due 05/01/2023 (n)	9,300	6,603
<b>Frontier Finance PLC</b>		
8.000% due 03/23/2022	GBP 6,600	8,988
<b>Full House Resorts, Inc.</b>		
8.575% due 01/31/2024 «	\$ 498	487
<b>General Electric Co.</b>		
5.000% due 01/21/2021 (j)	222	218
<b>General Shopping Finance Ltd.</b>		
10.000% due 08/31/2018 (j)	5,300	5,009
<b>General Shopping Investments Ltd.</b>		
0.000% due 03/20/2022 ^(e)(j)	1,500	1,035
12.000% due 03/20/2022 ^(e)(j)	1,000	690
<b>Hadrian Merger Sub, Inc.</b>		
8.500% due 05/01/2026	40	38
<b>Hampton Roads PPV LLC</b>		

Edgar Filing: CVENT INC - Form 10-Q

6.621% due 06/15/2053		20,069	20,456
<b>Harland Clarke Holdings Corp.</b>			
8.375% due 08/15/2022		76	73
<b>HCA, Inc.</b>			
7.500% due 11/15/2095		3,462	3,419
<b>iHeartCommunications, Inc.</b>			
9.000% due 03/01/2021 <sup>^(e)</sup>		2,162	1,665
9.000% due 09/15/2022 <sup>^(e)</sup>		6,800	5,253
<b>IHS Markit Ltd.</b>			
4.000% due 03/01/2026		6	6
<b>Intelsat Jackson Holdings S.A.</b>			
5.500% due 08/01/2023		2,300	2,125
		<b>PRINCIPAL</b>	<b>MARKET</b>
		<b>AMOUNT</b>	<b>VALUE</b>
		<b>(000S)</b>	<b>(000S)</b>
7.250% due 10/15/2020	\$	997	\$ 1,006
9.750% due 07/15/2025		175	187
<b>Intelsat Luxembourg S.A.</b>			
7.750% due 06/01/2021		5,615	5,362
8.125% due 06/01/2023 (n)		15,504	13,372
<b>Intrepid Aviation Group Holdings LLC</b>			
6.875% due 02/15/2019		8,003	8,017
8.500% due 08/15/2021		6,510	6,575
<b>Mallinckrodt International Finance S.A.</b>			
5.500% due 04/15/2025		108	87
<b>Matterhorn Merger Sub LLC</b>			
8.500% due 06/01/2026		12	11
<b>Metinvest BV</b>			
7.750% due 04/23/2023		200	194
8.500% due 04/23/2026		1,400	1,357
<b>New Albertson s LP</b>			
6.570% due 02/23/2028		4,021	2,739
<b>Odebrecht Oil &amp; Gas Finance Ltd.</b>			
0.000% due 08/31/2018 (h)(j)		3,371	62
<b>Park Aerospace Holdings Ltd.</b>			
3.625% due 03/15/2021		118	115
4.500% due 03/15/2023		234	224
5.250% due 08/15/2022		19	19
5.500% due 02/15/2024		54	53
<b>Pelabuhan Indonesia Persero PT</b>			
4.500% due 05/02/2023		200	200
<b>Petroleos Mexicanos</b>			
6.500% due 03/13/2027		270	275
6.750% due 09/21/2047		70	65
<b>PetSmart, Inc.</b>			
5.875% due 06/01/2025		161	128
<b>Pisces Midco, Inc.</b>			
8.000% due 04/15/2026		246	255
<b>Pitney Bowes, Inc.</b>			
4.700% due 04/01/2023		49	44
<b>Platin 1426 GmbH</b>			
6.875% due 06/15/2023 «(c)	EUR	600	680
<b>Prime Security Services Borrower LLC</b>			
9.250% due 05/15/2023	\$	1,840	1,973
<b>QVC, Inc.</b>			
5.950% due 03/15/2043 (n)		5,000	4,666
<b>Radiate Holdco LLC</b>			
6.875% due 02/15/2023		100	97
<b>Rockpoint Gas Storage Canada Ltd.</b>			
7.000% due 03/31/2023		12	12
<b>Russian Railways via RZD Capital PLC</b>			
7.487% due 03/25/2031	GBP	13,100	21,469
<b>Safeway, Inc.</b>			
7.250% due 02/01/2031	\$	5,348	5,254
<b>Scientific Games International, Inc.</b>			
5.000% due 10/15/2025		16	15
<b>Shelf Drilling Holdings Ltd.</b>			
8.250% due 02/15/2025		51	52
<b>Sigma Holdco BV</b>			
5.750% due 05/15/2026	EUR	100	111

Edgar Filing: CVENT INC - Form 10-Q

<b>SoftBank Group Corp.</b>			
4.000% due 04/20/2023		5,500	6,729
<b>Sunoco LP</b>			
4.875% due 01/15/2023	\$	94	93
<b>Syngenta Finance NV</b>			
5.182% due 04/24/2028		200	194
<b>T-Mobile USA, Inc.</b>			
4.750% due 02/01/2028		29	27
<b>Telenet Finance Luxembourg Notes SARL</b>			
5.500% due 03/01/2028		200	184
<b>Teva Pharmaceutical Finance Netherlands BV</b>			
3.250% due 04/15/2022	EUR	500	611
<b>Transocean Pontus Ltd.</b>			
6.125% due 08/01/2025	\$	214	219
<b>Unique Pub Finance Co. PLC</b>			
5.659% due 06/30/2027	GBP	272	395
<b>United Group BV</b>			
4.375% due 07/01/2022	EUR	100	120
4.875% due 07/01/2024		100	120
		<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>ViaSat, Inc.</b>			
5.625% due 09/15/2025	\$	136	\$ 129
<b>VOC Escrow Ltd.</b>			
5.000% due 02/15/2028		106	102
<b>Westmoreland Coal Co.</b>			
8.750% due 01/01/2022 <sup>^(e)</sup>		10,290	2,907
<b>Wind Tre SpA</b>			
2.625% due 01/20/2023	EUR	200	223
2.750% due 01/20/2024		200	220
3.125% due 01/20/2025		200	219
5.000% due 01/20/2026	\$	200	181
<b>Wynn Macau Ltd.</b>			
5.500% due 10/01/2027		200	192
			259,757
<b>UTILITIES 8.6%</b>			
<b>AT&amp;T, Inc.</b>			
4.900% due 08/15/2037 (n)		528	511
5.150% due 02/15/2050		632	608
5.300% due 08/15/2058 (n)		1,390	1,316
5.450% due 03/01/2047		80	81
<b>CenturyLink, Inc.</b>			
7.200% due 12/01/2025		1,122	1,080
<b>DTEK Finance PLC (10.750% Cash or 10.750% PIK)</b>			
10.750% due 12/31/2024 (d)		5,927	6,130
<b>Enable Midstream Partners LP</b>			
4.950% due 05/15/2028		87	87
<b>Mountain States Telephone &amp; Telegraph Co.</b>			
7.375% due 05/01/2030		15,200	15,775
<b>Odebrecht Drilling Norbe Ltd.</b>			
6.350% due 12/01/2021		1,557	1,532
<b>Odebrecht Drilling Norbe Ltd. (6.350% Cash or 7.350% PIK)</b>			
7.350% due 12/01/2026 (d)		2,723	1,491
<b>Odebrecht Offshore Drilling Finance Ltd.</b>			
6.720% due 12/01/2022		5,220	4,985
<b>Odebrecht Offshore Drilling Finance Ltd. (6.720% Cash or 7.720% PIK)</b>			
7.720% due 12/01/2026 (d)		12,223	3,636
<b>Petrobras Global Finance BV</b>			
5.999% due 01/27/2028		229	217
6.125% due 01/17/2022		110	114
6.250% due 12/14/2026	GBP	8,600	11,743
6.625% due 01/16/2034		200	264
6.850% due 06/05/2115	\$	160	145
7.375% due 01/17/2027 (n)		2,511	2,614
8.750% due 05/23/2026		173	196
<b>Rio Oil Finance Trust</b>			

Edgar Filing: CVENT INC - Form 10-Q

8.200% due 04/06/2028	260	268
9.250% due 07/06/2024	18,843	20,356
		73,149
<b>Total Corporate Bonds &amp; Notes (Cost \$507,891)</b>		<b>524,318</b>
<b>CONVERTIBLE BONDS &amp; NOTES 0.5%</b>		
<b>INDUSTRIALS 0.5%</b>		
<b>DISH Network Corp.</b>		
3.375% due 08/15/2026	5,100	4,646
<b>Total Convertible Bonds &amp; Notes (Cost \$5,100)</b>		<b>4,646</b>
<b>MUNICIPAL BONDS &amp; NOTES 7.6%</b>		
<b>CALIFORNIA 0.5%</b>		
<b>Anaheim Redevelopment Agency, California Tax Allocation Bonds, (AGM Insured), Series 2007</b>		
6.506% due 02/01/2031	2,000	2,290
<b>Sacramento County, California Revenue Bonds, Series 2013</b>		
7.250% due 08/01/2025	1,500	1,765
		4,055

48 PIMCO CLOSED-END FUNDS

See Accompanying Notes

July 31, 2018

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>DISTRICT OF COLUMBIA 1.3%</b>		
<b>District of Columbia Revenue Bonds, Series 2011</b>		
7.625% due 10/01/2035	\$ 9,740	\$ 10,846
<b>ILLINOIS 2.7%</b>		
<b>Chicago, Illinois General Obligation Bonds, (BABs), Series 2010</b>		
6.257% due 01/01/2040	11,000	11,079
7.517% due 01/01/2040	9,805	11,094
<b>Illinois State General Obligation Bonds, (BABs), Series 2010</b>		
6.725% due 04/01/2035	45	48
7.350% due 07/01/2035	30	34
<b>Illinois State General Obligation Bonds, Series 2003</b>		
5.100% due 06/01/2033	365	355
		22,610
<b>NEW YORK 0.2%</b>		
<b>Erie Tobacco Asset Securitization Corp., New York Revenue Bonds, Series 2005</b>		
6.000% due 06/01/2028	1,485	1,485
<b>TEXAS 1.2%</b>		
<b>El Paso Downtown Development Corp., Texas Revenue Bonds, Series 2013</b>		
7.250% due 08/15/2043	7,535	10,162
<b>VIRGINIA 0.1%</b>		
<b>Tobacco Settlement Financing Corp., Virginia Revenue Bonds, Series 2007</b>		
6.706% due 06/01/2046	1,355	1,342
<b>WEST VIRGINIA 1.6%</b>		
<b>Tobacco Settlement Finance Authority, West Virginia Revenue Bonds, Series 2007</b>		
0.000% due 06/01/2047 (h)	66,200	4,098
7.467% due 06/01/2047	9,705	9,670
		13,768
<b>Total Municipal Bonds &amp; Notes (Cost \$56,959)</b>		<b>64,268</b>
<b>U.S. GOVERNMENT AGENCIES 4.1%</b>		
<b>Fannie Mae</b>		
3.500% due 09/25/2027 (a)	411	43
5.873% (- 2.0*LIBOR01M + 10.000%) due 10/25/2041 ~	341	328
7.745% (- 4.0*LIBOR01M + 16.000%) due 05/25/2043 ~	422	424
10.000% (- 5.405*LIBOR01M + 42.703%) due 01/25/2034 ~	218	277
<b>Freddie Mac</b>		
0.000% due 02/25/2046 - 08/25/2046 (b)(h)	21,772	17,226
0.100% due 02/25/2046 - 08/25/2046 (a)	191,741	451
2.557% due 11/25/2055 «~	14,090	8,473
4.000% due 08/15/2020 (a)	194	6
4.028% (- 1.0*LIBOR01M + 6.100%) due 07/15/2035 ~(a)	1,093	144
4.128% (- 1.0*LIBOR01M + 6.200%) due 02/15/2042 ~(a)	2,038	258
4.500% due 10/15/2037 (a)	660	46
5.000% (LIBOR01M) due 06/15/2033 ~(a)	1,476	295
5.068% (- 1.0*LIBOR01M + 7.140%) due 08/15/2036 ~(a)	659	124
8.857% (- 2.0*LIBOR01M + 13.000%) due 05/15/2033 ~	53	61

Edgar Filing: CVENT INC - Form 10-Q

11.264% (US0001M + 9.200%) due 10/25/2027 ~	4,330	5,739
	<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>Ginnie Mae</b>		
3.500% due 06/20/2042 - 03/20/2043 (a)	\$ 2,848	\$ 467
4.164% (- 1.0*LIBOR01M + 6.250%) due 02/20/2042 ~(a)	7,872	589
4.500% due 07/20/2042 (a)	238	39
5.000% due 09/20/2042 (a)	415	80
<b>Total U.S. Government Agencies (Cost \$35,392)</b>		<b>35,070</b>
<b>NON-AGENCY MORTGAGE-BACKED SECURITIES 19.2%</b>		
<b>Adjustable Rate Mortgage Trust</b>		
2.404% due 05/25/2036	4,224	2,517
<b>Banc of America Alternative Loan Trust</b>		
3.536% due 06/25/2046 ^ (a)	6,244	520
<b>Banc of America Funding Trust</b>		
6.000% due 07/25/2037 ^	527	501
6.250% due 10/26/2036	8,670	7,017
<b>Banc of America Mortgage Trust</b>		
3.686% due 02/25/2036 ^^	20	19
<b>BCAP LLC Trust</b>		
4.945% due 03/26/2037	1,609	1,679
6.000% due 05/26/2037 ~	6,781	4,718
6.031% due 10/26/2036 ~	6,893	6,790
6.531% due 09/26/2036 ~	6,453	6,299
12.786% due 06/26/2036 ~	2,373	1,229
<b>Bear Stearns Adjustable Rate Mortgage Trust</b>		
3.459% due 11/25/2034 ~	69	62
<b>Bellemeade Re Ltd.</b>		
8.364% due 07/25/2025	1,250	1,294
<b>CD Mortgage Trust</b>		
5.398% due 12/11/2049 ~	1,882	1,124
5.688% due 10/15/2048	3,186	1,657
<b>Chase Mortgage Finance Trust</b>		
3.537% due 12/25/2035 ^^	21	20
3.861% due 09/25/2036 ^^	111	105
5.500% due 05/25/2036 ^	3	3
<b>Citigroup Commercial Mortgage Trust</b>		
5.612% due 12/10/2049 ~	5,629	3,872
<b>Citigroup Mortgage Loan Trust</b>		
3.613% due 08/25/2037 ^^	411	354
4.096% due 07/25/2037 ^^	129	129
4.350% due 11/25/2035 ~	16,481	11,584
6.500% due 09/25/2036	4,284	3,512
<b>Commercial Mortgage Loan Trust</b>		
6.052% due 12/10/2049 ~	2,572	1,593
<b>Countrywide Alternative Loan Trust</b>		
2.314% due 12/25/2046	3,098	2,358
2.936% due 04/25/2035 (a)	4,223	255
2.994% due 07/25/2046 ^^	22	22
3.693% due 02/25/2037 ^^	262	255
4.939% due 07/25/2021 ^^	242	237
6.000% due 02/25/2037 ^	5,936	4,078
6.250% due 12/25/2036 ^	3,286	2,481
6.500% due 06/25/2036 ^	928	722
<b>Countrywide Home Loan Mortgage Pass-Through Trust</b>		
3.286% due 12/25/2036 (a)	3,160	324
3.481% due 09/25/2047 ^^	48	46
3.801% due 09/20/2036 ^^	463	403
<b>Credit Suisse Commercial Mortgage Trust</b>		
5.707% due 02/15/2039 ~	897	906
5.869% due 09/15/2040 ~	3,161	3,070
<b>Credit Suisse First Boston Mortgage Securities Corp.</b>		
6.000% due 01/25/2036	2,094	1,883
<b>Epic Drummond Ltd.</b>		
0.000% due 01/25/2022	EUR 215	250
<b>Eurosail PLC</b>		

Edgar Filing: CVENT INC - Form 10-Q

1.977% due 06/13/2045	GBP	3,347	3,369
4.627% due 06/13/2045		988	1,147
<b>Grifonas Finance PLC</b>			
0.009% due 08/28/2039	EUR	4,776	4,960
<b>HarborView Mortgage Loan Trust</b>			
3.978% due 08/19/2036 ^~	\$	423	344
4.094% due 08/19/2036 ^~		22	21
		<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>IM Pastor Fondo de Titulacion Hipotecaria</b>			
0.000% due 03/22/2043	EUR	6,295	\$ 6,575
<b>JPMorgan Alternative Loan Trust</b>			
3.415% due 03/25/2037 ^~	\$	6,451	6,104
<b>JPMorgan Chase Commercial Mortgage Securities Trust</b>			
5.411% due 05/15/2047		5,100	3,656
5.623% due 05/12/2045		1,804	1,581
<b>JPMorgan Mortgage Trust</b>			
3.490% due 07/27/2037 ~		4,991	2,572
4.556% due 01/25/2037 ^ (a)		19,496	3,874
<b>LB-UBS Commercial Mortgage Trust</b>			
5.407% due 11/15/2038		1,307	1,009
5.562% due 02/15/2040 ~		1,342	848
<b>Lehman XS Trust</b>			
2.284% due 06/25/2047		3,243	2,938
<b>Morgan Stanley Capital Trust</b>			
6.120% due 06/11/2049 ~		703	711
<b>Motel 6 Trust</b>			
8.998% due 08/15/2019		11,602	11,806
<b>Nomura Asset Acceptance Corp. Alternative Loan Trust</b>			
4.028% due 04/25/2036 ^~		5,992	5,499
<b>Nomura Resecuritization Trust</b>			
5.733% due 07/26/2035 ~		4,249	3,816
<b>RBSSP Resecuritization Trust</b>			
7.420% due 06/26/2037 ~		4,392	3,855
<b>Residential Asset Securitization Trust</b>			
6.250% due 10/25/2036 ^		501	477
6.250% due 09/25/2037 ^		5,113	3,570
6.500% due 08/25/2036 ^		852	487
<b>Structured Adjustable Rate Mortgage Loan Trust</b>			
3.827% due 04/25/2047 ~		606	483
3.855% due 01/25/2036 ^~		181	142
<b>Structured Asset Mortgage Investments Trust</b>			
2.254% due 07/25/2046 ^		12,212	9,555
<b>WaMu Mortgage Pass-Through Certificates Trust</b>			
3.321% due 05/25/2037 ^~		151	128
<b>Washington Mutual Mortgage Pass-Through Certificates Trust</b>			
4.616% due 04/25/2037 (a)		12,038	2,714
6.500% due 03/25/2036 ^		7,840	6,601
<b>Total Non-Agency Mortgage-Backed Securities (Cost \$148,472)</b>			<b>162,730</b>
<b>ASSET-BACKED SECURITIES 11.8%</b>			
<b>ACE Securities Corp. Home Equity Loan Trust</b>			
2.204% due 07/25/2036		3,215	2,601
<b>Airspeed Ltd.</b>			
2.342% due 06/15/2032		4,519	4,210
<b>Apidos CLO</b>			
0.000% due 07/22/2026 ~		3,000	1,588
<b>Argent Securities Trust</b>			
2.254% due 03/25/2036		5,943	3,674
<b>Belle Haven ABS CDO Ltd.</b>			
2.587% due 07/05/2046		185,947	1,302
<b>Carlyle Global Market Strategies CLO Ltd.</b>			
1.000% due 10/15/2031 (c)		4,200	3,675
<b>CIFC Funding Ltd.</b>			
0.000% due 05/24/2026 ~		4,000	2,840
0.000% due 07/22/2026 ~		3,000	1,696
<b>Citigroup Mortgage Loan Trust</b>			

Edgar Filing: CVENT INC - Form 10-Q

2.224% due 12/25/2036		6,111	4,036
<b>Cork Street CLO Designated Activity Co.</b>			
0.000% due 11/27/2028 ~	EUR	2,667	3,178
3.600% due 11/27/2028		1,197	1,403
4.500% due 11/27/2028		1,047	1,229
6.200% due 11/27/2028		1,296	1,521
<b>Countrywide Asset-Backed Certificates Trust</b>			
2.334% due 09/25/2046	\$	15,000	11,286
<b>Duke Funding Ltd.</b>			
3.003% due 08/07/2033		17,010	6,799
<b>Glacier Funding CDO Ltd.</b>			
2.633% due 08/04/2035		7,038	1,788

See Accompanying Notes

ANNUAL REPORT JULY 31, 2018 49



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

		PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>Grosvenor Place CLO BV</b>			
0.000% due 04/30/2029 ~	EUR	1,000	\$ 940
<b>Halcyon Loan Advisors European Funding BV</b>			
0.000% due 04/15/2030 ~		1,100	1,099
<b>Long Beach Mortgage Loan Trust</b>			
2.254% due 02/25/2036	\$	1,397	1,181
<b>Man GLG Euro CLO</b>			
0.000% due 10/15/2030 ~	EUR	4,150	4,860
<b>Merrill Lynch Mortgage Investors Trust</b>			
2.224% due 04/25/2037	\$	916	584
5.953% due 03/25/2037		3,902	1,192
<b>Morgan Stanley Mortgage Loan Trust</b>			
3.751% due 11/25/2036 ^		850	451
5.965% due 09/25/2046 ^		7,491	4,184
<b>People s Financial Realty Mortgage Securities Trust</b>			
2.224% due 09/25/2036		21,998	6,951
<b>Renaissance Home Equity Loan Trust</b>			
6.998% due 09/25/2037 ^		7,852	4,767
7.238% due 09/25/2037 ^		6,622	4,019
<b>Sherwood Funding CDO Ltd.</b>			
2.251% due 11/06/2039		35,264	10,932
<b>South Coast Funding Ltd.</b>			
2.953% due 08/10/2038		26,526	5,175
<b>Specialty Underwriting &amp; Residential Finance Trust</b>			
3.039% due 06/25/2036		409	106
<b>Washington Mutual Asset-Backed Certificates Trust</b>			
2.214% due 05/25/2036		253	220
<b>Total Asset-Backed Securities (Cost \$103,901)</b>			<b>99,487</b>
<b>SOVEREIGN ISSUES 4.6%</b>			
<b>Argentina Government International Bond</b>			
2.260% due 12/31/2038	EUR	4,410	3,178
3.375% due 01/15/2023		200	214
5.250% due 01/15/2028		200	205
6.250% due 11/09/2047		200	191
7.820% due 12/31/2033		14,733	17,388
30.131% (BADLARPP) due 10/04/2022 ~	ARS	84	5
35.842% (BADLARPP + 2.500%) due 03/11/2019 ~		400	14
36.087% (BADLARPP + 3.250%) due 03/01/2020 ~		1,600	55
36.495% (BADLARPP + 2.000%) due 04/03/2022 ~		89,562	2,929
40.000% (ARPP7DRR) due 06/21/2020 ~		132,472	4,865
<b>Autonomous Community of Catalonia</b>			
4.900% due 09/15/2021	EUR	2,350	2,994
<b>Egypt Government International Bond</b>			
4.750% due 04/16/2026		400	460
5.625% due 04/16/2030		400	451
<b>Peru Government International Bond</b>			
6.350% due 08/12/2028	PEN	4,000	1,306
		PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>Republic of Greece Government International Bond</b>			
3.000% due 02/24/2023	EUR	25	\$ 29
3.000% due 02/24/2024		25	29
3.000% due 02/24/2025		25	29
3.000% due 02/24/2026		25	29
3.000% due 02/24/2027		25	29
3.000% due 02/24/2028		25	28

Edgar Filing: CVENT INC - Form 10-Q

3.000% due 02/24/2029		25	28
3.000% due 02/24/2030		25	28
3.000% due 02/24/2031		25	27
3.000% due 02/24/2032		25	27
3.000% due 02/24/2033		25	27
3.000% due 02/24/2034		25	26
3.000% due 02/24/2035		25	26
3.000% due 02/24/2036		25	26
3.000% due 02/24/2037		25	26
3.000% due 02/24/2038		25	26
3.000% due 02/24/2039		25	26
3.000% due 02/24/2040		25	26
3.000% due 02/24/2041		25	25
3.000% due 02/24/2042		25	26
4.750% due 04/17/2019		3,000	3,603
<b>Venezuela Government International Bond</b>			
6.000% due 12/09/2020 <sup>(e)</sup>	\$	365	98
9.250% due 09/15/2027 <sup>(e)</sup>		452	132

**Total Sovereign Issues (Cost \$44,007) 38,631**

**SHARES**

**COMMON STOCKS 1.9%**

**CONSUMER DISCRETIONARY 0.8%**

Caesars Entertainment Corp. (f) 584,952 6,610

**ENERGY 0.5%**

Forbes Energy Services Ltd. (f)(l) 66,131 562

Ocean Rig UDW, Inc. (f) 138,675 3,889

4,451

**FINANCIALS 0.6%**

TIG FinCo PLC «(l) 3,457,270 5,445

**Total Common Stocks (Cost \$16,066) 16,506**

**WARRANTS 0.1%**

**INDUSTRIALS 0.1%**

Sequa Corp. - Exp. 04/28/2024 « 1,795,000 450

**Total Warrants (Cost \$0) 450**

**PREFERRED SECURITIES 5.0%**

**BANKING & FINANCE 1.1%**

**Farm Credit Bank of Texas**

10.000% due 12/15/2020 (j)(l) 1,840 2,098

**MARKET  
VALUE  
(000S)**

**SHARES**

**OCP CLO Ltd.**

0.000% due 04/26/2028 (h) 8,700 \$ 7,341

9,439

**INDUSTRIALS 3.9%**

**Sequa Corp.**

9.000% « 36,935 33,520

**Total Preferred Securities (Cost \$42,867) 42,959**

**REAL ESTATE INVESTMENT TRUSTS 2.2%**

**REAL ESTATE 2.2%**

VICI Properties, Inc. 934,782 19,023

Edgar Filing: CVENT INC - Form 10-Q

Total Real Estate Investment Trusts (Cost \$12,650) 19,023

**SHORT-TERM INSTRUMENTS 6.8%**

**REPURCHASE AGREEMENTS (m) 6.3%**

52,730

**PRINCIPAL  
AMOUNT  
(000S)**

**ARGENTINA TREASURY BILLS 0.2%**

27.466% due 08/15/2018 - 11/21/2018 (g)(h)	ARS	43,262	1,560
1.855% due 09/14/2018 (h)(i)	\$	82	82

1,642

**U.S. TREASURY BILLS 0.3%**

1.972% due 10/04/2018 - 10/18/2018 (g)(h)(q)		2,746	2,736
--	--	-------	-------

**Total Short-Term Instruments**

(Cost \$57,398)

57,108

**Total Investments in Securities**

(Cost \$1,062,006)

1,092,881

**Total Investments 129.0% (Cost \$1,062,006)**

\$ 1,092,881

**Financial Derivative**

**Instruments (o)(p) (0.2)%**

(Cost or Premiums, net \$144,662)

(1,519)

Preferred Shares (12.0)%

(101,975)

Other Assets and Liabilities, net (16.8)%

(142,335)

Net Assets Applicable to Common Shareholders 100.0%

\$ 847,052

**NOTES TO SCHEDULE OF INVESTMENTS:**

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

^ Security is in default.

< Security valued using significant unobservable inputs (Level 3).

~ 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.

All or a portion of this amount represent unfunded loan commitments. The interest rate for the unfunded portion will be determined at the time of funding. See Note 4, Securities and Other Investments, in the Notes to Financial Statements for more information regarding unfunded loan commitments.

(a) Interest only security.

(b) Principal only security.

**50 PIMCO CLOSED-END FUNDS**

See Accompanying Notes

July 31, 2018

- (c) When-issued security.  
(d) Payment in-kind security.  
(e) Security is not accruing income as of the date of this report.  
(f) Security did not produce income within the last twelve months.  
(g) Coupon represents a weighted average yield to maturity.  
(h) Zero coupon security.  
(i) Coupon represents a yield to maturity.  
(j) Perpetual maturity; date shown, if applicable, represents next contractual call date.  
(k) Contingent convertible security.

**(l) RESTRICTED SECURITIES:**

Issuer Description	Acquisition Date	Cost	Market Value	Market Value as Percentage of Net Assets
Farm Credit Bank of Texas 10.000% due 12/15/2020	09/17/2013	\$ 2,166	\$ 2,098	0.25%
Forbes Energy Services Ltd.	10/09/2014 - 10/17/2016	2,028	562	0.07
TIG FinCo PLC	04/02/2015 - 07/20/2017	4,632	5,445	0.64
		\$ 8,826	\$ 8,105	0.96%

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

Counterparty	Lending Rate	Settlement Date	Maturity Date	Principal Amount	Collateralized By	Collateral (Received)	Repurchase Agreements, at Value	Repurchase Agreement Proceeds to be Received <sup>(1)</sup>
FICC	1.500%	07/31/2018	08/01/2018	\$ 5,930	U.S. Treasury Notes 2.625% due 11/15/2020	\$ (6,049)	\$ 5,930	\$ 5,930
NOM	1.990	07/31/2018	08/01/2018	46,800	U.S. Treasury Bonds 3.750% due 11/15/2043	(47,733)	46,800	46,803
<b>Total Repurchase Agreements</b>						<b>\$ (53,782)</b>	<b>\$ 52,730</b>	<b>\$ 52,733</b>

**REVERSE REPURCHASE AGREEMENTS:**

Counterparty	Borrowing Rate <sup>(2)</sup>	Settlement Date	Maturity Date	Amount Borrowed <sup>(2)</sup>	Payable for Reverse Repurchase
--------------	-------------------------------	-----------------	---------------	--------------------------------	--------------------------------

Edgar Filing: CVENT INC - Form 10-Q

					<b>Agreements</b>
BCY	(0.500)%	06/28/2018	TBD <sup>(3)</sup>	\$ (1,476)	\$ (1,475)
	0.950	06/18/2018	TBD <sup>(3)</sup>	(1,826)	(1,828)
BPS	2.890	06/18/2018	08/29/2018	(9,758)	(9,793)
BRC	0.000	07/26/2018	TBD <sup>(3)</sup>	(304)	(304)
	1.700	06/18/2018	TBD <sup>(3)</sup>	(8,181)	(8,198)
CFR	(1.750)	03/13/2018	TBD <sup>(3)</sup>	EUR (1,756)	(2,039)
CIW	2.450	07/06/2018	08/03/2018	\$ (13,258)	(13,282)
	2.450	08/03/2018	08/31/2018	(13,269)	(13,269)
JML	0.000	04/03/2018	TBD <sup>(3)</sup>	EUR (1,041)	(1,367)
JPS	2.480	07/18/2018	08/20/2018	\$ (3,473)	(3,476)
NOM	2.750	07/18/2018	08/20/2018	(4,766)	(4,771)
RTA	2.819	03/12/2018	09/12/2018	(4,176)	(4,222)
	2.848	07/23/2018	10/23/2018	(2,772)	(2,774)
SOG	2.740	05/01/2018	08/01/2018	(12,763)	(12,852)
	2.790	05/16/2018	08/16/2018	(2,386)	(2,400)
	2.790	05/21/2018	08/21/2018	(4,377)	(4,401)
	2.790	06/19/2018	08/16/2018	(473)	(475)
	2.810	06/12/2018	09/12/2018	(1,476)	(1,482)
	2.820	06/22/2018	09/24/2018	(5,718)	(5,736)
	2.850	07/10/2018	10/10/2018	(4,718)	(4,726)
	2.860	08/01/2018	11/01/2018	(12,903)	(12,903)
	2.887	07/12/2018	01/11/2019	(7,959)	(7,972)
UBS	0.150	07/06/2018	08/06/2018	EUR (2,714)	(3,174)
	2.540	06/05/2018	09/05/2018	\$ (7,592)	(7,623)
	2.560	06/13/2018	09/13/2018	(491)	(493)
	2.560	07/11/2018	09/13/2018	(1,296)	(1,298)
	2.580	08/02/2018	11/02/2018	(6,598)	(6,598)
	2.660	05/02/2018	08/02/2018	(6,872)	(6,918)
	2.710	06/05/2018	09/05/2018	(9,743)	(9,785)
	2.720	06/07/2018	09/07/2018	(4,320)	(4,338)
	2.780	06/12/2018	09/12/2018	(16,973)	(17,039)

See Accompanying Notes

ANNUAL REPORT JULY 31, 2018 51

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

Counterparty	Borrowing Rate <sup>(2)</sup>	Settlement Date	Maturity Date	Amount Borrowed <sup>(2)</sup>	Payable for Reverse Repurchase Agreements
	2.780%	06/13/2018	09/13/2018	\$ (280)	\$ (281)
	2.790	07/11/2018	10/12/2018	(7,586)	(7,598)
	2.860	05/31/2018	08/31/2018	(8,185)	(8,225)
	2.860	06/05/2018	09/05/2018	(224)	(225)
<b>Total Reverse Repurchase Agreements</b>					<b>\$ (193,340)</b>

## 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 July 31, 2018:

Counterparty	Repurchase Agreement Proceeds to be Received <sup>(1)</sup>	Payable for Reverse Repurchase Agreements	Payable for Sale-Buyback Transactions	Total Borrowings and Other Financing Transactions	Collateral Pledged/(Received)	Net Exposure <sup>(4)</sup>
Global/Master Repurchase Agreement						
BCY	\$ 0	\$ (3,303)	\$ 0	\$ (3,303)	\$ 3,724	\$ 421
BPS	0	(9,793)	0	(9,793)	10,877	1,084
BRC	0	(8,502)	0	(8,502)	9,481	979
CFR	0	(2,039)	0	(2,039)	2,163	124
CIW	0	(26,551)	0	(26,551)	13,870	(12,681)
FICC	5,930	0	0	5,930	(6,049)	(119)
JML	0	(1,367)	0	(1,367)	1,333	(34)
JPS	0	(3,476)	0	(3,476)	3,483	7
NOM	46,803	(4,771)	0	42,032	(42,553)	(521)
RTA	0	(6,996)	0	(6,996)	7,796	800
SOG	0	(52,947)	0	(52,947)	44,567	(8,380)
UBS	0	(73,595)	0	(73,595)	73,381	(214)
<b>Total Borrowings and Other Financing Transactions</b>	<b>\$ 52,733</b>	<b>\$ (193,340)</b>	<b>\$ 0</b>			

## CERTAIN TRANSFERS ACCOUNTED FOR AS SECURED BORROWINGS

## Remaining Contractual Maturity of the Agreements

Reverse Repurchase Agreements	Overnight and Continuous	Up to 30 days	31-90 days	Greater Than 90 days	Total
Corporate Bonds & Notes	\$ (12,852)	\$ (48,690)	\$ (75,845)	\$ (23,183)	\$ (160,570)

Edgar Filing: CVENT INC - Form 10-Q

<b>Total Borrowings</b>	\$	(12,852)	\$	(48,690)	\$	(75,845)	\$	(23,183)	\$	(160,570)
<b>Payable for reverse repurchase agreements<sup>(5)</sup></b>										\$ (160,570)

(n) Securities with an aggregate market value of \$175,854 have been pledged as collateral under the terms of the above master agreements as of July 31, 2018.

(1) Includes accrued interest.

(2) The average amount of borrowings outstanding during the period ended July 31, 2018 was \$(162,005) at a weighted average interest rate of 2.067%. Average borrowings may include sale-buyback transactions and reverse repurchase agreements, if held during the period.

(3) Open maturity reverse repurchase agreement.

(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 regarding master netting arrangements.

(5) Unsettled reverse repurchase agreements liability of \$(32,770) is outstanding at period end.

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

**SWAP AGREEMENTS:**

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

Reference Entity	Fixed Receive Rate	Payment Frequency	Maturity Date	Implied	Notional Amount <sup>(3)</sup>	Premiums Paid/(Received)	Unrealized	Market Value	Variation Margin	
				Credit Spread at July 31, 2018 <sup>(2)</sup>			Appreciation/Depreciation		Asset	Liability
Frontier Communications Corp.	5.000%	Quarterly	06/20/2020	9.536%	\$ 9,600	\$ (317)	\$ (336)	\$ (653)	\$ 15	\$ 0
Novo Banco S.A.	5.000	Quarterly	09/20/2020	11.451	EUR 5,000	(978)	710	(268)	60	0
Novo Banco S.A.	5.000	Quarterly	12/20/2021	10.074	300	(71)	55	(16)	4	0
						\$ (1,366)	\$ 429	\$ (937)	\$ 79	\$ 0

**52 PIMCO CLOSED-END FUNDS**

See Accompanying Notes

July 31, 2018

## 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	Liability
Pay	3-Month USD-LIBOR		2.190%	Semi-Annual	12/28/2022	\$ 445,300	\$ (929)	\$ (13,828)	\$ (14,757)	\$ 0	\$ (40)
Pay	3-Month USD-LIBOR		2.860	Semi-Annual	04/26/2023	500,000	(1,369)	2,123	754	0	(47)
Receive	3-Month USD-LIBOR		2.000	Semi-Annual	06/20/2023	155,200	5,684	1,390	7,074	3	0
Receive <sup>(4)</sup>	3-Month USD-LIBOR		2.750	Semi-Annual	12/19/2023	450,000	4,000	1,678	5,678	0	(31)
Pay	3-Month USD-LIBOR		2.500	Semi-Annual	12/20/2027	3,100	55	(188)	(133)	2	0
Pay	3-Month USD-LIBOR		3.500	Semi-Annual	06/19/2044	617,800	110,477	(63,409)	47,068	1,569	0
Receive	3-Month USD-LIBOR		2.500	Semi-Annual	06/20/2048	753,500	28,854	60,551	89,405	0	(2,023)
Receive <sup>(4)</sup>	6-Month EUR-EURIBOR		1.250	Annual	09/19/2028	EUR 21,400	(300)	(370)	(670)	71	0
Receive <sup>(4)</sup>	6-Month EUR-EURIBOR		1.250	Annual	12/19/2028	2,200	(38)	(17)	(55)	7	0
Receive <sup>(4)</sup>	6-Month GBP-LIBOR		1.500	Semi-Annual	09/19/2028	GBP 55,200	1,264	(505)	759	333	0
							\$ 147,698	\$ (12,575)	\$ 135,123	\$ 1,985	\$ (2,141)
<b>Total Swap Agreements</b>							<b>\$ 146,332</b>	<b>\$ (12,146)</b>	<b>\$ 134,186</b>	<b>\$ 2,064</b>	<b>\$ (2,141)</b>

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

The following is a summary of the market value and variation margin of Exchange-Traded or Centrally Cleared Financial Derivative Instruments as of July 31, 2018:

	Financial Derivative Assets				Financial Derivative Liabilities			
	Variation Margin				Variation Margin			
	Market Value		Asset Swap		Market Value		Liability Swap	
	Purchased	Futures	Agreements	Total	Written	Futures	Agreements	Total
<b>Total Exchange-Traded or Centrally Cleared</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,064</b>	<b>\$ 2,064</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (2,141)</b>	<b>\$ (2,141)</b>

Cash of \$32,046 has been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of July 31, 2018. See Note 8, Master Netting Arrangements, in the Notes to Financial Statements for more information regarding master netting arrangements.

- (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, securities or other deliverable obligations equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.
- (2) Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on corporate issues as of period end serve as 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.



## Edgar Filing: CVENT INC - Form 10-Q

- (3) The maximum potential amount the Fund could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.
- (4) 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.

### (p) 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	08/2018	\$ 82,126	EUR 70,659	\$ 498	\$ 0
	08/2018	892	GBP 674	0	(8)
	09/2018	EUR 70,659	\$ 82,323	0	(498)
BPS	08/2018	ARS 57,655	1,935	14	(133)
	09/2018	PEN 4,622	1,409	0	(1)
CBK	08/2018	EUR 3,213	3,755	0	(2)
	08/2018	\$ 2,103	EUR 1,802	5	0
	08/2018	114,445	GBP 87,369	242	(11)
	09/2018	GBP 86,559	\$ 113,523	0	(242)
	10/2018	\$ 108	ARS 3,250	2	0
GLM	08/2018	982	EUR 842	2	0
HUS	08/2018	7,925	RUB 495,889	8	(15)
	10/2018	15	ARS 460	0	0
JPM	08/2018	EUR 3,100	\$ 3,624	0	(1)
	08/2018	\$ 501	EUR 428	0	0
	08/2018	7,111	GBP 5,396	0	(28)

See Accompanying Notes

ANNUAL REPORT JULY 31, 2018 **53**

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

Counterparty	Settlement Month	Currency to be Delivered	Currency to be Received	Unrealized Appreciation/ (Depreciation)	
				Asset	Liability
SSB	08/2018	EUR 70,518	\$ 82,272	\$ 0	\$ (188)
UAG	08/2018	GBP 93,440	123,725	1,081	0
<b>Total Forward Foreign Currency Contracts</b>				<b>\$ 1,852</b>	<b>\$ (1,127)</b>

## SWAP AGREEMENTS:

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

Counterparty	Reference Entity	Fixed Receive Rate	Payment Frequency	Maturity Date	Implied Credit Spread at July 31, 2018 <sup>(2)</sup>	Notional Amount <sup>(3)</sup>	Premiums Paid/(Received)	Unrealized Swap Agreements, at Value			
								Appreciation/ Depreciation	Asset	Liability	
BPS	Petrobras Global Finance BV	1.000%	Quarterly	12/20/2024	3.275%	\$ 1,700	\$ (332)	\$ 128	\$ 0	\$ (204)	
GST	Petrobras Global Finance BV	1.000	Quarterly	12/20/2024	3.275	2,200	(437)	174	0	(263)	
HUS	Petrobras Global Finance BV	1.000	Quarterly	12/20/2024	3.275	2,800	(581)	246	0	(335)	
								\$ (1,350)	\$ 548	\$ 0	\$ (802)

## INTEREST RATE SWAPS

Counterparty	Pay/Receive			Payment Frequency	Maturity Date	Notional Amount	Premiums Paid/(Received)	Unrealized Appreciation/ Depreciation	Swap Agreements, at Value		
	Floating Rate	Floating Rate Index	Fixed Rate						Asset	Liability	
DUB	Pay	3-Month USD-LIBOR	3.850%	Semi-Annual	07/13/2022	\$ 600,000	\$ 68	\$ (1,189)	\$ 0	\$ (1,121)	
MYC	Pay	3-Month USD-LIBOR	3.025	Semi-Annual	09/04/2023	508,000	(388)	144	0	(244)	
								\$ (320)	\$ (1,045)	\$ 0	\$ (1,365)
<b>Total Swap Agreements</b>								<b>\$ (1,670)</b>	<b>\$ (497)</b>	<b>\$ 0</b>	<b>\$ (2,167)</b>

## FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER SUMMARY

The following is a summary by counterparty of the market value of OTC financial derivative instruments and collateral pledged/(received) as of July 31, 2018:

Edgar Filing: CVENT INC - Form 10-Q

Counterparty	Financial Derivative Assets				Financial Derivative Liabilities				Net Market Value of OTC Derivatives	Collateral Pledged/ (Received)	Net Exposure <sup>(4)</sup>
	Forward Foreign Currency Contracts	Purchased Options	Swap Agreements	Total Over the Counter	Forward Foreign Currency Contracts	Written Options	Swap Agreements	Total Over the Counter			
BOA	\$ 498	\$ 0	\$ 0	\$ 498	\$ (506)	\$ 0	\$ 0	\$ (506)	\$ (8)	\$ 0	\$ (8)
BPS	14	0	0	14	(134)	0	(204)	(338)	(324)	266	(58)
CBK	249	0	0	249	(255)	0	0	(255)	(6)	0	(6)
DUB	0	0	0	0	0	0	(1,121)	(1,121)	(1,121)	(2,226)	(3,347)
GLM	2	0	0	2	0	0	0	0	2	0	2
GST	0	0	0	0	0	0	(263)	(263)	(263)	240	(23)
HUS	8	0	0	8	(15)	0	(335)	(350)	(342)	317	(25)
JPM	0	0	0	0	(29)	0	0	(29)	(29)	0	(29)
MYC	0	0	0	0	0	0	(244)	(244)	(244)	(1,662)	(1,906)
SSB	0	0	0	0	(188)	0	0	(188)	(188)	276	88
UAG	1,081	0	0	1,081	0	0	0	0	1,081	(1,230)	(149)
<b>Total Over the Counter</b>	<b>\$ 1,852</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,852</b>	<b>\$ (1,127)</b>	<b>\$ 0</b>	<b>\$ (2,167)</b>	<b>\$ (3,294)</b>			

(q) Securities with an aggregate market value of \$2,482 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of July 31, 2018.

- (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, securities or other deliverable obligations equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.
- (2) Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on corporate issues as of period end serve as 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.
- (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.

July 31, 2018

<sup>(4)</sup> Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from 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 regarding master netting arrangements.

## FAIR VALUE OF FINANCIAL DERIVATIVE INSTRUMENTS

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

Fair Values of Financial Derivative Instruments on the Statements of Assets and Liabilities as of July 31, 2018:

	Derivatives not accounted for as hedging instruments					Total
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts	
<b>Financial Derivative Instruments - Assets</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ 79	\$ 0	\$ 0	\$ 1,985	\$ 2,064
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 1,852	\$ 0	\$ 1,852
	\$ 0	\$ 79	\$ 0	\$ 1,852	\$ 1,985	\$ 3,916
<b>Financial Derivative Instruments - Liabilities</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,141	\$ 2,141
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 1,127	\$ 0	\$ 1,127
Swap Agreements	0	802	0	0	1,365	2,167
	\$ 0	\$ 802	\$ 0	\$ 1,127	\$ 1,365	\$ 3,294
	\$ 0	\$ 802	\$ 0	\$ 1,127	\$ 3,506	\$ 5,435

The effect of Financial Derivative Instruments on the Statements of Operations for the period ended July 31, 2018:

	Derivatives not accounted for as hedging instruments					Total
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts	
<b>Net Realized Gain (Loss) on Financial Derivative Instruments</b>						

## Edgar Filing: CVENT INC - Form 10-Q

Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ 807	\$ 0	\$ 0	\$ 7,100	\$ 7,907
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ (290)	\$ 0	\$ (290)
Swap Agreements	0	101	0	0	4,280	4,381
	\$ 0	\$ 101	\$ 0	\$ (290)	\$ 4,280	\$ 4,091
	\$ 0	\$ 908	\$ 0	\$ (290)	\$ 11,380	\$ 11,998

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

Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ 912	\$ 0	\$ 0	\$ (14,106)	\$ (13,194)
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 5,436	\$ 0	\$ 5,436
Swap Agreements	0	236	0	0	(4,529)	(4,293)
	\$ 0	\$ 236	\$ 0	\$ 5,436	\$ (4,529)	\$ 1,143
	\$ 0	\$ 1,148	\$ 0	\$ 5,436	\$ (18,635)	\$ (12,051)

See Accompanying Notes

ANNUAL REPORT JULY 31, 2018 55

**Schedule of Investments PIMCO High Income Fund (Cont.)****FAIR VALUE MEASUREMENTS**

The following is a summary of the fair valuations according to the inputs used as of July 31, 2018 in valuing the Fund's assets and liabilities:

<b>Category and Subcategory</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Fair Value at 07/31/2018</b>
<b>Investments in Securities, at Value</b>				
Loan Participations and Assignments	\$ 0	\$ 26,966	\$ 719	\$ 27,685
<b>Corporate Bonds &amp; Notes</b>				
Banking & Finance	0	191,412	0	191,412
Industrials	0	258,590	1,167	259,757
Utilities	0	73,149	0	73,149
<b>Convertible Bonds &amp; Notes</b>				
Industrials	0	4,646	0	4,646
<b>Municipal Bonds &amp; Notes</b>				
California	0	4,055	0	4,055
District of Columbia	0	10,846	0	10,846
Illinois	0	22,610	0	22,610
New York	0	1,485	0	1,485
Texas	0	10,162	0	10,162
Virginia	0	1,342	0	1,342
West Virginia	0	13,768	0	13,768
U.S. Government Agencies	0	26,597	8,473	35,070
Non-Agency Mortgage-Backed Securities	0	162,730	0	162,730
Asset-Backed Securities	0	99,487	0	99,487
Sovereign Issues	0	38,631	0	38,631
<b>Common Stocks</b>				
Consumer Discretionary	6,610	0	0	6,610
Energy	3,889	562	0	4,451
Financials	0	0	5,445	5,445
<b>Warrants</b>				
Industrials	0	0	450	450
<b>Preferred Securities</b>				
Banking & Finance	0	9,439	0	9,439
Industrials	0	0	33,520	33,520
<b>Total Investments</b>				
	\$ 29,522	\$ 1,013,585	\$ 49,774	\$ 1,092,881

**Financial Derivative Instruments - Assets**

<b>Category and Subcategory</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Fair Value at 07/31/2018</b>
Exchange-traded or centrally cleared	0	2,064	0	2,064
Over the counter	0	1,852	0	1,852

Edgar Filing: CVENT INC - Form 10-Q

	\$	0	\$	3,916	\$	0	\$	3,916
<b>Financial Derivative Instruments - Liabilities</b>								
Exchange-traded or centrally cleared		0		(2,141)		0		(2,141)
Over the counter		0		(3,294)		0		(3,294)
	\$	0	\$	(5,435)	\$	0	\$	(5,435)
Total Financial Derivative Instruments	\$	0	\$	(1,519)	\$	0	\$	(1,519)
Totals	\$	29,522	\$	1,012,066	\$	49,774	\$	1,091,362

There were no significant transfers among Levels 1 and 2 during the period ended July 31, 2018.

The following is a reconciliation of the fair valuations using significant unobservable inputs (Level 3) for the Fund during the period ended July 31, 2018:

Category and Subcategory	Beginning Balance at 07/31/2017	Net Purchases	Net Sales	Accrued Discounts/ (Premiums)	Realized Gain/ (Loss)	Net Change in Unrealized Appreciation/ (Depreciation) <sup>(1)</sup>	Transfers in Level 3	Transfers out of Level 3	Ending Balance at 07/31/2018	Net Change in Unrealized Appreciation/ (Depreciation) Held at 07/31/2018 <sup>(1)</sup>
<b>Investments in Securities, at Value</b>										
Loan Participations and Assignments	\$ 1,607	\$ 457	\$ (926)	\$ 24	\$ 11	\$ (38)	\$ 467	\$ (883)	\$ 719	\$ 2
<b>Corporate Bonds &amp; Notes</b>										
Banking & Finance	7,218	0	(382)	3	16	(100)	0	(6,755)	0	0
Industrials	10,403	1,169	(10,405)	1	106	(107)	0	0	1,167	0
U.S. Government Agencies	8,136	0	(151)	214	58	216	0	0	8,473	209
<b>Common Stocks</b>										
Energy	31	0	0	0	(1,610)	1,579	0	0	0	0
Financials	4,561	0	0	0	0	884	0	0	5,445	884
<b>Warrants</b>										
Industrials	842	0	0	0	0	(392)	0	0	450	(392)
<b>Preferred Securities</b>										
Industrials	32,467	3,565	0	0	0	(2,512)	0	0	33,520	(2,512)
Totals	\$ 65,265	\$ 5,191	\$ (11,864)	\$ 242	\$ (1,419)	\$ (470)	\$ 467	\$ (7,638)	\$ 49,774	\$ (1,809)

56 PIMCO CLOSED-END FUNDS

See Accompanying Notes

July 31, 2018

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

Category and Subcategory	Ending Balance at 07/31/2018	Valuation Technique	Unobservable Inputs	Input Value(s) (% Unless Noted Otherwise)
<b>Investments in Securities, at Value</b>				
Loan Participations and Assignments	\$ 200	Proxy Pricing	Base Price	100.074
	519	Third Party Vendor	Broker Quote	100.000 - 101.625
Corporate Bonds & Notes				
Industrials	487	Other Valuation Techniques <sup>(2)</sup>		
	680	Proxy Pricing	Base Price	97.010
U.S. Government Agencies	8,473	Proxy Pricing	Base Price	60.341
Common Stocks				
Financials	5,445	Other Valuation Techniques <sup>(2)</sup>		
Warrants				
Industrials	450	Other Valuation Techniques <sup>(2)</sup>		
Preferred Securities				
Industrials	33,520	Indicative Market Quotation	Broker Quote	\$ 900.000
Total	\$ 49,774			

(1) Any difference between Net Change in Unrealized Appreciation/(Depreciation) and Net Change in Unrealized Appreciation/(Depreciation) on Investments Held at July 31, 2018 may be due to an investment no longer held or categorized as Level 3 at period end.

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

See Accompanying Notes

ANNUAL REPORT JULY 31, 2018 57



## Schedule of Investments PIMCO Income Strategy Fund

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

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>INVESTMENTS IN SECURITIES 128.2%</b>		
<b>LOAN PARTICIPATIONS AND ASSIGNMENTS 5.8%</b>		
<b>Altice France S.A.</b>		
TBD% due 07/13/2026	\$ 100	\$ 98
<b>Avantor, Inc.</b>		
6.077% (LIBOR03M + 4.000%) due 11/21/2024 ~	50	50
<b>Banff Merger Sub, Inc.</b>		
TBD% due 06/21/2019	5,300	5,280
<b>California Resources Corp.</b>		
6.831% (LIBOR03M + 4.750%) due 12/31/2022 <~	50	51
<b>Community Health Systems, Inc.</b>		
5.557% (LIBOR03M + 3.250%) due 01/27/2021 ~	965	951
<b>Dubai World</b>		
1.750% - 2.000% (LIBOR03M + 2.000%) due 09/30/2022 ~	202	190
<b>Forbes Energy Services LLC</b>		
5.000% - 7.000% due 04/13/2021	176	178
<b>Frontier Communications Corp.</b>		
5.830% (LIBOR03M + 3.750%) due 06/15/2024 ~	298	294
<b>iHeartCommunications, Inc.</b>		
TBD% due 01/30/2019 ^ (e)	8,800	6,846
<b>McDermott Technology Americas, Inc.</b>		
7.077% (LIBOR03M + 5.000%) due 05/10/2025 ~	499	503
<b>MH Sub LLC</b>		
5.829% (LIBOR03M + 3.750%) due 09/13/2024 ~	60	60
<b>Multi Color Corp.</b>		
4.327% (LIBOR03M + 2.250%) due 10/31/2024 ~	8	8
<b>PetSmart, Inc.</b>		
5.100% (LIBOR03M + 3.000%) due 03/11/2022 ~	40	33
<b>Ply Gem Industries, Inc.</b>		
6.087% (LIBOR03M + 3.750%) due 04/12/2025 ~	100	100
<b>Sequa Mezzanine Holdings LLC</b>		
7.067% (LIBOR03M + 5.000%) due 11/28/2021 <~	109	109
11.072% (LIBOR03M + 9.000%) due 04/28/2022 <~	40	40
<b>Sprint Communications, Inc.</b>		
4.625% (LIBOR03M + 2.500%) due 02/02/2024 ~	790	791
<b>Stars Group Holdings BV</b>		
5.831% (LIBOR03M + 3.500%) due 07/10/2025 ~	100	101
<b>Syniverse Holdings, Inc.</b>		
7.078% (LIBOR03M + 5.000%) due 03/09/2023 ~	10	10
<b>West Corp.</b>		
6.077% (LIBOR03M + 4.000%) due 10/10/2024 ~	26	26
<b>Westmoreland Coal Co.</b>		
TBD% due 12/16/2020 ^ (e)	455	119
TBD% - 10.581% (LIBOR03M + 8.250%) due 05/31/2020 ~	755	770
<b>Total Loan Participations and Assignments (Cost \$18,087)</b>		<b>16,608</b>
<b>CORPORATE BONDS &amp; NOTES 55.4%</b>		
<b>BANKING &amp; FINANCE 23.2%</b>		
<b>Ally Financial, Inc.</b>		
8.000% due 11/01/2031	2,430	2,940
<b>Ambac LSNI LLC</b>		
7.337% due 02/12/2023	123	124
<b>Ardonagh Midco PLC</b>		

Edgar Filing: CVENT INC - Form 10-Q

8.375% due 07/15/2023

	GBP	2,815 PRINCIPAL AMOUNT (000S)	3,752 MARKET VALUE (000S)
<b>Athene Holding Ltd.</b>			
4.125% due 01/12/2028	\$	24	\$ 22
<b>Avolon Holdings Funding Ltd.</b>			
5.500% due 01/15/2023		83	83
<b>AXA Equitable Holdings, Inc.</b>			
4.350% due 04/20/2028		60	59
5.000% due 04/20/2048		36	35
<b>Banco Bilbao Vizcaya Argentaria S.A.</b>			
6.750% due 02/18/2020 (j)(k)	EUR	1,000	1,234
<b>Banco Espirito Santo S.A.</b>			
4.000% due 01/21/2019 ^e)		3,800	1,355
<b>Banco Santander S.A.</b>			
6.250% due 09/11/2021 (j)(k)		200	250
<b>Barclays Bank PLC</b>			
14.000% due 06/15/2019 (j)	GBP	3,700	5,318
<b>Barclays PLC</b>			
3.250% due 01/17/2033		100	122
6.500% due 09/15/2019 (j)(k)	EUR	800	975
<b>Blackstone CQP Holdco LP</b>			
6.000% due 08/18/2021	\$	400	400
6.500% due 03/20/2021		2,400	2,415
<b>Brighthouse Holdings LLC</b>			
6.500% due 07/27/2037 (j)		35	34
<b>Brookfield Finance, Inc.</b>			
3.900% due 01/25/2028		42	40
4.700% due 09/20/2047		96	92
<b>Cantor Fitzgerald LP</b>			
6.500% due 06/17/2022 (n)		3,000	3,176
<b>CBL &amp; Associates LP</b>			
5.950% due 12/15/2026		1,046	903
<b>Co-operative Group Holdings Ltd.</b>			
7.500% due 07/08/2026	GBP	2,800	4,412
<b>Cooperatieve Rabobank UA</b>			
6.625% due 06/29/2021 (j)(k)	EUR	400	532
<b>Credit Suisse Group AG</b>			
7.500% due 07/17/2023 (j)(k)	\$	200	207
7.500% due 12/11/2023 (j)(k)		3,540	3,783
<b>Emerald Bay S.A.</b>			
0.000% due 10/08/2020 (h)	EUR	846	929
<b>EPR Properties</b>			
4.750% due 12/15/2026 (n)	\$	1,500	1,468
<b>Equinix, Inc.</b>			
2.875% due 03/15/2024	EUR	100	117
2.875% due 02/01/2026		100	114
<b>Flagstar Bancorp, Inc.</b>			
6.125% due 07/15/2021	\$	1,700	1,774
<b>Fortress Transportation &amp; Infrastructure Investors LLC</b>			
6.750% due 03/15/2022		160	167
<b>Freedom Mortgage Corp.</b>			
8.250% due 04/15/2025		31	30
<b>GSPA Monetization Trust</b>			
6.422% due 10/09/2029		1,661	1,884
<b>HSBC Holdings PLC</b>			
6.000% due 09/29/2023 (j)(k)	EUR	1,800	2,386
6.500% due 03/23/2028 (j)(k)	\$	200	196
<b>Hunt Cos., Inc.</b>			
6.250% due 02/15/2026		12	11
<b>iStar, Inc.</b>			
4.625% due 09/15/2020		7	7
5.250% due 09/15/2022		23	23
<b>Jefferies Finance LLC</b>			
6.875% due 04/15/2022		3,800	3,848
7.375% due 04/01/2020		915	936
7.500% due 04/15/2021		200	205
<b>Kennedy-Wilson, Inc.</b>			
5.875% due 04/01/2024		32	31

Edgar Filing: CVENT INC - Form 10-Q

		PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>Life Storage LP</b>			
3.875% due 12/15/2027		14	13
<b>Lloyds Bank PLC</b>			
12.000% due 12/16/2024 (j)		300	366
<b>Lloyds Banking Group PLC</b>			
7.875% due 06/27/2029 (j)(k)	GBP	2,200	3,373
		PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>Meiji Yasuda Life Insurance Co.</b>			
5.100% due 04/26/2048	\$	200	\$ 204
<b>MetLife, Inc.</b>			
5.875% due 03/15/2028 (j)		34	35
<b>Nationstar Mortgage LLC</b>			
6.500% due 07/01/2021		346	348
<b>Nationwide Building Society</b>			
10.250% ~(j)	GBP	6	1,115
<b>Navient Corp.</b>			
5.625% due 08/01/2033	\$	41	35
6.500% due 06/15/2022		38	39
<b>Oppenheimer Holdings, Inc.</b>			
6.750% due 07/01/2022		792	806
<b>Provident Funding Associates LP</b>			
6.375% due 06/15/2025		13	13
<b>Royal Bank of Scotland Group PLC</b>			
7.500% due 08/10/2020 (j)(k)(n)		1,400	1,449
8.000% due 08/10/2025 (j)(k)(n)		3,000	3,194
8.625% due 08/15/2021 (j)(k)		1,000	1,082
<b>Santander UK Group Holdings PLC</b>			
6.750% due 06/24/2024 (j)(k)	GBP	1,950	2,661
7.375% due 06/24/2022 (j)(k)		1,800	2,485
<b>Spirit Realty LP</b>			
4.450% due 09/15/2026 (n)	\$	700	674
<b>Springleaf Finance Corp.</b>			
5.625% due 03/15/2023		600	603
6.125% due 05/15/2022		323	332
6.875% due 03/15/2025		118	120
7.125% due 03/15/2026		82	84
8.250% due 10/01/2023		180	199
<b>Unigel Luxembourg S.A.</b>			
10.500% due 01/22/2024		270	282
<b>WeWork Cos., Inc.</b>			
7.875% due 05/01/2025		36	35
			65,936
<b>INDUSTRIALS 25.1%</b>			
<b>Air Canada Pass-Through Trust</b>			
3.700% due 07/15/2027		12	11
<b>Altice Financing S.A.</b>			
6.625% due 02/15/2023		300	304
7.500% due 05/15/2026		1,500	1,464
<b>Altice France S.A.</b>			
6.000% due 05/15/2022		850	877
8.125% due 02/01/2027		500	511
<b>Altice Luxembourg S.A.</b>			
7.250% due 05/15/2022	EUR	440	529
7.750% due 05/15/2022	\$	2,200	2,197
<b>Associated Materials LLC</b>			
9.000% due 01/01/2024		260	275
<b>Bacardi Ltd.</b>			
4.450% due 05/15/2025		100	100
4.700% due 05/15/2028		100	99
<b>Baffinland Iron Mines Corp.</b>			
8.750% due 07/15/2026		600	602
<b>BMC Software Finance, Inc.</b>			
8.125% due 07/15/2021 (n)		520	533
<b>Caesars Resort Collection LLC</b>			
5.250% due 10/15/2025		4	4

Edgar Filing: CVENT INC - Form 10-Q

<b>Centene Corp.</b>		
5.375% due 06/01/2026	47	48
<b>Charles River Laboratories International, Inc.</b>		
5.500% due 04/01/2026	12	12
<b>Charter Communications Operating LLC</b>		
4.200% due 03/15/2028	66	63
<b>Cheniere Corpus Christi Holdings LLC</b>		
5.875% due 03/31/2025	100	106
<b>Cheniere Energy Partners LP</b>		
5.250% due 10/01/2025	15	15
<b>Chesapeake Energy Corp.</b>		
5.589% (US0003M + 3.250%) due 04/15/2019 ~	62	62

58 PIMCO CLOSED-END FUNDS

See Accompanying Notes

July 31, 2018

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>Clear Channel Worldwide Holdings, Inc.</b>		
6.500% due 11/15/2022	\$ 310	\$ 318
7.625% due 03/15/2020	1,480	1,489
<b>Cleveland-Cliffs, Inc.</b>		
4.875% due 01/15/2024	16	16
<b>Community Health Systems, Inc.</b>		
5.125% due 08/01/2021 (n)	1,513	1,439
6.250% due 03/31/2023	3,321	3,105
8.625% due 01/15/2024	152	158
<b>Continental Airlines Pass-Through Trust</b>		
9.798% due 10/01/2022	465	494
<b>CSN Islands Corp.</b>		
6.875% due 09/21/2019	100	100
<b>CSN Resources S.A.</b>		
6.500% due 07/21/2020	598	579
<b>Diamond Resorts International, Inc.</b>		
10.750% due 09/01/2024	1,200	1,257
<b>EI Group PLC</b>		
6.875% due 02/15/2021	GBP 2,360	3,371
<b>Exela Intermediate LLC</b>		
10.000% due 07/15/2023	\$ 57	59
<b>Ferroglobe PLC</b>		
9.375% due 03/01/2022	700	722
<b>First Quantum Minerals Ltd.</b>		
6.500% due 03/01/2024	688	673
6.875% due 03/01/2026	758	743
7.000% due 02/15/2021	284	287
<b>Ford Motor Co.</b>		
7.700% due 05/15/2097 (n)	7,435	8,633
<b>Fresh Market, Inc.</b>		
9.750% due 05/01/2023	3,313	2,352
<b>Full House Resorts, Inc.</b>		
8.575% due 01/31/2024 «	199	195
<b>General Electric Co.</b>		
5.000% due 01/21/2021 (j)	78	77
<b>Hadrian Merger Sub, Inc.</b>		
8.500% due 05/01/2026	20	19
<b>Harland Clarke Holdings Corp.</b>		
8.375% due 08/15/2022	26	25
<b>HCA, Inc.</b>		
4.500% due 02/15/2027	400	390
7.500% due 11/15/2095	1,050	1,037
<b>Hilton Domestic Operating Co., Inc.</b>		
5.125% due 05/01/2026	66	66
<b>iHeartCommunications, Inc.</b>		
9.000% due 09/15/2022 ^(e)	1,000	772
<b>IHS Markit Ltd.</b>		
4.000% due 03/01/2026	3	3
<b>Intelsat Jackson Holdings S.A.</b>		
7.250% due 10/15/2020 (n)	1,685	1,700
9.750% due 07/15/2025	56	60
<b>Intelsat Luxembourg S.A.</b>		
7.750% due 06/01/2021	5,279	5,041
8.125% due 06/01/2023	524	452
<b>Intrepid Aviation Group Holdings LLC</b>		
6.875% due 02/15/2019	4,263	4,270
8.500% due 08/15/2021	3,470	3,505
<b>Kinder Morgan, Inc.</b>		

Edgar Filing: CVENT INC - Form 10-Q

7.750% due 01/15/2032 (n)		800	992
7.800% due 08/01/2031 (n)		1,600	1,976
<b>Mallinckrodt International Finance S.A.</b>			
5.500% due 04/15/2025		302	245
<b>Matterhorn Merger Sub LLC</b>			
8.500% due 06/01/2026		4	4
<b>Metinvest BV</b>			
8.500% due 04/23/2026		400	388
<b>New Albertson s LP</b>			
6.570% due 02/23/2028		2,800	1,907
<b>Odebrecht Oil &amp; Gas Finance Ltd.</b>			
0.000% due 08/30/2018 (h)(j)		191	3
0.000% due 08/31/2018 (h)(j)		259	5
<b>Park Aerospace Holdings Ltd.</b>			
3.625% due 03/15/2021		39	38
		<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
4.500% due 03/15/2023	\$	78	\$ 75
5.250% due 08/15/2022		6	6
5.500% due 02/15/2024		18	18
<b>Petroleos Mexicanos</b>			
6.500% due 03/13/2027		70	71
6.750% due 09/21/2047		20	18
<b>PetSmart, Inc.</b>			
5.875% due 06/01/2025		53	42
<b>Pisces Midco, Inc.</b>			
8.000% due 04/15/2026		82	85
<b>Pitney Bowes, Inc.</b>			
4.700% due 04/01/2023		18	16
<b>Platin 1426 GmbH</b>			
6.875% due 06/15/2023 «(c)	EUR	200	227
<b>Prime Security Services Borrower LLC</b>			
9.250% due 05/15/2023	\$	620	665
<b>QVC, Inc.</b>			
5.950% due 03/15/2043		2,305	2,151
<b>Radiate Holdco LLC</b>			
6.875% due 02/15/2023		30	29
<b>Rockpoint Gas Storage Canada Ltd.</b>			
7.000% due 03/31/2023		4	4
<b>Russian Railways via RZD Capital PLC</b>			
7.487% due 03/25/2031	GBP	700	1,147
<b>Sabine Pass Liquefaction LLC</b>			
5.875% due 06/30/2026 (n)	\$	1,200	1,308
<b>Safeway, Inc.</b>			
7.250% due 02/01/2031		470	462
<b>Scientific Games International, Inc.</b>			
5.000% due 10/15/2025		5	5
<b>Shelf Drilling Holdings Ltd.</b>			
8.250% due 02/15/2025		18	18
<b>SoftBank Group Corp.</b>			
4.000% due 04/20/2023	EUR	2,200	2,692
<b>Spirit Issuer PLC</b>			
3.368% (BP0003M + 2.700%) due 12/28/2031 ~	GBP	500	645
<b>Sunoco LP</b>			
4.875% due 01/15/2023	\$	32	32
<b>T-Mobile USA, Inc.</b>			
4.750% due 02/01/2028		9	8
<b>Teva Pharmaceutical Finance Netherlands BV</b>			
3.250% due 04/15/2022	EUR	200	244
<b>Transocean Pontus Ltd.</b>			
6.125% due 08/01/2025	\$	70	71
<b>Unique Pub Finance Co. PLC</b>			
5.659% due 06/30/2027	GBP	1,752	2,542
6.542% due 03/30/2021		381	528
<b>Univision Communications, Inc.</b>			
5.125% due 02/15/2025	\$	200	186
<b>UPCB Finance Ltd.</b>			
3.625% due 06/15/2029	EUR	100	116
<b>ViaSat, Inc.</b>			

Edgar Filing: CVENT INC - Form 10-Q

5.625% due 09/15/2025	\$	44	42
<b>Virgin Media Secured Finance PLC</b>			
5.000% due 04/15/2027	GBP	200	258
<b>VOC Escrow Ltd.</b>			
5.000% due 02/15/2028	\$	36	35
<b>Westmoreland Coal Co.</b>			
8.750% due 01/01/2022 <sup>^(e)</sup>		2,930	828
			71,351

**UTILITIES 7.1%**

**AT&T, Inc.**

4.900% due 08/15/2037		176	170
5.150% due 02/15/2050		208	200
5.300% due 08/15/2058		488	462
5.450% due 03/01/2047		30	30

**DTEK Finance PLC (10.750% Cash or 10.750% PIK)**

10.750% due 12/31/2024 (d)		1,347	1,394
----------------------------	--	-------	-------

**Enable Midstream Partners LP**

4.950% due 05/15/2028		29	29
-----------------------	--	----	----

<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
--	------------------------------------

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

6.000% due 11/27/2023 (n)	\$	4,600	\$	4,810
---------------------------	----	-------	----	-------

**Northwestern Bell Telephone**

7.750% due 05/01/2030		7,000	7,486
-----------------------	--	-------	-------

**Odebrecht Drilling Norbe Ltd.**

6.350% due 12/01/2021		73	72
-----------------------	--	----	----

**Odebrecht Drilling Norbe Ltd. (6.350% Cash or 7.350% PIK)**

7.350% due 12/01/2026 (d)		128	70
---------------------------	--	-----	----

**Odebrecht Offshore Drilling Finance Ltd.**

6.720% due 12/01/2022		760	726
-----------------------	--	-----	-----

**Odebrecht Offshore Drilling Finance Ltd. (6.720% Cash or 7.720% PIK)**

7.720% due 12/01/2026 (d)		2,450	729
---------------------------	--	-------	-----

**Petrobras Global Finance BV**

5.999% due 01/27/2028		75	71
-----------------------	--	----	----

6.125% due 01/17/2022		66	69
-----------------------	--	----	----

6.625% due 01/16/2034	GBP	100	132
-----------------------	-----	-----	-----

7.375% due 01/17/2027	\$	367	382
-----------------------	----	-----	-----

**Rio Oil Finance Trust**

9.250% due 07/06/2024		3,063	3,309
-----------------------	--	-------	-------

**Sprint Corp.**

7.625% due 03/01/2026		134	139
-----------------------	--	-----	-----

20,280

**Total Corporate Bonds & Notes**

(Cost \$158,032)			157,567
------------------	--	--	---------

**CONVERTIBLE BONDS & NOTES 0.8%**

**INDUSTRIALS 0.8%**

**Caesars Entertainment Corp.**

5.000% due 10/01/2024		486	874
-----------------------	--	-----	-----

**DISH Network Corp.**

3.375% due 08/15/2026		1,600	1,457
-----------------------	--	-------	-------

**Total Convertible Bonds & Notes**

(Cost \$2,506)			2,331
----------------	--	--	-------

**MUNICIPAL BONDS & NOTES 5.9%**

**CALIFORNIA 0.8%**

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

7.500% due 10/01/2030		600	657
-----------------------	--	-----	-----

**Stockton Public Financing Authority, California Revenue Bonds, (BABs), Series 2009**

7.942% due 10/01/2038		1,600	1,685
-----------------------	--	-------	-------

2,342

**ILLINOIS 2.5%****Chicago, Illinois General Obligation Bonds, (BABs), Series 2010**

7.517% due 01/01/2040 6,000 6,789

**Chicago, Illinois General Obligation Bonds, Series 2014**

6.314% due 01/01/2044 30 31

**Chicago, Illinois General Obligation Bonds, Series 2017**

7.045% due 01/01/2029 60 64

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

6.725% due 04/01/2035 10 11

7.350% due 07/01/2035 10 11

**Illinois State General Obligation Bonds, Series 2003**

5.100% due 06/01/2033 120 117

7,023

**VIRGINIA 0.1%****Tobacco Settlement Financing Corp., Virginia Revenue Bonds, Series 2007**

6.706% due 06/01/2046 390 386

See Accompanying Notes

ANNUAL REPORT JULY 31, 2018 59



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

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>WEST VIRGINIA 2.5%</b>		
<b>Tobacco Settlement Finance Authority, West Virginia Revenue Bonds, Series 2007</b>		
0.000% due 06/01/2047 (h)	\$ 21,900	\$ 1,356
7.467% due 06/01/2047	5,805	5,784
		7,140
<b>Total Municipal Bonds &amp; Notes (Cost \$15,057)</b>		<b>16,891</b>
<b>U.S. GOVERNMENT AGENCIES 4.0%</b>		
<b>Fannie Mae</b>		
3.500% due 12/25/2032 (a)	604	78
4.000% due 11/25/2042 (a)	2,152	357
5.614% (US0001M + 3.550%) due 07/25/2029 ~	420	459
7.814% (US0001M + 5.750%) due 07/25/2029 ~	570	683
8.724% (- 3.0*LIBOR01M + 15.000%) due 12/25/2040 ~	132	152
<b>Freddie Mac</b>		
0.000% due 04/25/2045 - 08/25/2046 (b)(h)	5,938	4,702
0.100% due 02/25/2046 - 08/25/2046 (a)	58,664	143
0.200% due 04/25/2045 (a)	2,802	3
2.557% due 11/25/2055 «~	4,081	2,454
5.816% (- 2.0*LIBOR01M + 10.000%) due 11/15/2040 ~	229	235
9.614% (US0001M + 7.550%) due 12/25/2027 ~	1,494	1,859
12.814% (US0001M + 10.750%) due 03/25/2025 ~	292	396
<b>Total U.S. Government Agencies (Cost \$10,968)</b>		<b>11,521</b>
<b>NON-AGENCY MORTGAGE-BACKED SECURITIES 13.7%</b>		
<b>Banc of America Alternative Loan Trust</b>		
6.000% due 01/25/2036 ^	44	43
<b>Banc of America Funding Trust</b>		
6.000% due 08/25/2036 ^	1,065	1,039
<b>BCAP LLC Trust</b>		
3.616% due 03/27/2036 ~	1,058	714
4.945% due 03/26/2037	411	429
12.786% due 06/26/2036 ~	209	108
<b>Bear Stearns ALT-A Trust</b>		
2.224% due 06/25/2046 ^	2,034	2,102
3.626% due 11/25/2036 ^~	228	194
3.683% due 09/25/2047 ^~	3,075	2,543
4.206% due 09/25/2035 ^~	286	220
<b>Bear Stearns Commercial Mortgage Securities Trust</b>		
5.726% due 04/12/2038 ~	100	100
<b>Bear Stearns Mortgage Funding Trust</b>		
7.500% due 08/25/2036	462	418
<b>CD Mortgage Trust</b>		
5.398% due 12/11/2049 ~	13	8
5.688% due 10/15/2048	3,781	1,966
<b>Chase Mortgage Finance Trust</b>		
3.537% due 12/25/2035 ^~	4	4
6.000% due 02/25/2037 ^	465	367
6.000% due 07/25/2037 ^	336	288
6.250% due 10/25/2036 ^	946	747
<b>Citicorp Mortgage Securities Trust</b>		
5.500% due 04/25/2037	58	58
<b>Commercial Mortgage Loan Trust</b>		
6.052% due 12/10/2049 ~	924	572

Edgar Filing: CVENT INC - Form 10-Q

<b>Countrywide Alternative Loan Resecuritization Trust</b>		
6.000% due 05/25/2036 ^		1,288
6.000% due 08/25/2037 ^^		574
		1,068
		448
<b>Countrywide Alternative Loan Trust</b>		
2.414% due 05/25/2037 ^		195
3.723% due 04/25/2036 ^^		633
5.500% due 03/25/2035		151
5.500% due 12/25/2035 ^		1,745
5.750% due 01/25/2035		170
		171
	<b>PRINCIPAL</b>	<b>MARKET</b>
	<b>AMOUNT</b>	<b>VALUE</b>
	<b>(000S)</b>	<b>(000S)</b>
6.000% due 02/25/2035	\$	\$
6.000% due 08/25/2036 ^	199	194
6.000% due 04/25/2037 ^	233	209
6.250% due 11/25/2036 ^	605	454
6.250% due 12/25/2036 ^	413	366
6.500% due 08/25/2036 ^	952	719
	258	172
<b>Countrywide Home Loan Mortgage Pass-Through Trust</b>		
3.595% due 02/20/2035 ~		17
5.500% due 10/25/2035 ^		347
6.250% due 09/25/2036 ^		302
		242
<b>Deutsche Mortgage Securities, Inc. Mortgage Loan Trust</b>		
4.041% due 06/25/2034		2,030
		1,946
<b>Epic Drummond Ltd.</b>		
0.000% due 01/25/2022	EUR	66
		77
<b>Eurosail PLC</b>		
4.627% due 06/13/2045	GBP	239
		277
<b>GS Mortgage Securities Trust</b>		
5.622% due 11/10/2039	\$	425
		367
<b>GSR Mortgage Loan Trust</b>		
5.500% due 05/25/2036 ^		47
6.000% due 02/25/2036 ^		2,202
		66
		1,757
<b>HarborView Mortgage Loan Trust</b>		
2.802% due 01/19/2035		80
4.078% due 07/19/2035 ~		28
		78
		24
<b>IndyMac Mortgage Loan Trust</b>		
6.500% due 07/25/2037 ^		1,660
		1,072
<b>JPMorgan Alternative Loan Trust</b>		
3.415% due 03/25/2037 ^^		821
3.630% due 03/25/2036 ^^		998
		777
		934
<b>JPMorgan Chase Commercial Mortgage Securities Trust</b>		
5.623% due 05/12/2045		580
		508
<b>JPMorgan Mortgage Trust</b>		
3.689% due 02/25/2036 ^^		219
3.878% due 01/25/2037 ^^		250
		186
		240
<b>LB-UBS Commercial Mortgage Trust</b>		
5.407% due 11/15/2038		406
5.562% due 02/15/2040 ~		390
		314
		246
<b>Lehman XS Trust</b>		
2.284% due 06/25/2047		1,004
		910
<b>Merrill Lynch Mortgage Investors Trust</b>		
3.564% due 03/25/2036 ^^		1,022
		788
<b>Morgan Stanley Capital Trust</b>		
6.120% due 06/11/2049 ~		241
		244
<b>Morgan Stanley Mortgage Loan Trust</b>		
5.962% due 06/25/2036 ~		2,670
		1,213
<b>Motel 6 Trust</b>		
8.998% due 08/15/2019		487
		496
<b>Residential Asset Securitization Trust</b>		
5.750% due 02/25/2036 ^		550
6.000% due 07/25/2037 ^		721
6.250% due 09/25/2037 ^		1,311
		411
		494
		915
<b>Residential Funding Mortgage Securities, Inc. Trust</b>		
4.916% due 08/25/2036 ^^		681
6.000% due 09/25/2036 ^		125
6.000% due 06/25/2037 ^		1,400
		638
		119
		1,332
<b>Structured Adjustable Rate Mortgage Loan Trust</b>		
3.668% due 11/25/2036 ^^		897
3.735% due 03/25/2037 ^^		301
		873
		250

Edgar Filing: CVENT INC - Form 10-Q

3.834% due 07/25/2036 ^~	257	223
3.855% due 01/25/2036 ^~	779	609
<b>Suntrust Adjustable Rate Mortgage Loan Trust</b>		
3.675% due 02/25/2037 ^~	147	133
3.791% due 04/25/2037 ^~	785	670
<b>WaMu Mortgage Pass-Through Certificates Trust</b>		
2.395% due 12/25/2046	314	310
3.403% due 02/25/2037 ^~	296	287
3.405% due 10/25/2036 ^~	437	402
<b>Wells Fargo Mortgage-Backed Securities Trust</b>		
3.908% due 07/25/2036 ^~	132	134
5.750% due 03/25/2037 ^	124	122
6.000% due 06/25/2037 ^	64	64

**Total Non-Agency Mortgage-Backed Securities (Cost \$35,438)** **39,119**

	<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>ASSET-BACKED SECURITIES 25.6%</b>		
<b>Adagio CLO DAC</b>		
0.000% due 04/30/2031 ~	EUR	\$
	1,750	1,712
<b>Airspeed Ltd.</b>		
2.342% due 06/15/2032	\$	1,494
		1,392
<b>Apidos CLO</b>		
0.000% due 01/20/2031 ~		2,200
		1,987
<b>Argent Securities Trust</b>		
2.254% due 03/25/2036		7,539
		4,661
<b>Asset-Backed Funding Certificates Trust</b>		
2.214% due 10/25/2036		5,558
		5,322
<b>Bear Stearns Asset-Backed Securities Trust</b>		
6.500% due 10/25/2036 ^		226
		176
<b>Belle Haven ABS CDO Ltd.</b>		
2.587% due 07/05/2046		85,896
		601
<b>BlueMountain CLO Ltd.</b>		
7.787% due 04/13/2027		1,000
		1,007
<b>CIFC Funding Ltd.</b>		
0.000% due 05/24/2026 ~		1,200
		852
0.000% due 07/22/2026 ~		1,000
		565
<b>Citigroup Mortgage Loan Trust</b>		
2.214% due 12/25/2036		3,706
		1,958
2.224% due 12/25/2036		1,917
		1,266
<b>Countrywide Asset-Backed Certificates</b>		
2.204% due 06/25/2047 ^		777
		717
2.264% due 06/25/2047		4,942
		4,409
<b>Grosvenor Place CLO BV</b>		
0.000% due 04/30/2029 ~	EUR	250
		235
<b>GSAMP Trust</b>		
2.324% due 02/25/2046	\$	3,777
		3,623
3.039% due 03/25/2035 ^		6,420
		5,618
<b>JPMorgan Mortgage Acquisition Trust</b>		
2.384% due 04/25/2036		6,000
		5,550
<b>Lehman XS Trust</b>		
6.290% due 06/24/2046		1,828
		1,852
<b>Merrill Lynch Mortgage Investors Trust</b>		
2.224% due 04/25/2037		275
		175
<b>Morgan Stanley Mortgage Loan Trust</b>		
2.184% due 04/25/2037		3,524
		1,714
6.250% due 07/25/2047 ^~		350
		249
<b>Residential Asset Mortgage Products Trust</b>		
2.344% due 09/25/2036		285
		271
<b>Residential Asset Securities Corp. Trust</b>		
2.769% due 09/25/2035		13,627
		13,129
<b>Securitized Asset-Backed Receivables LLC Trust</b>		
2.204% due 05/25/2036		5,510
		3,590
<b>SLM Student Loan EDC Repackaging Trust</b>		
0.000% due 10/28/2029 «(h)		1
		1,388
<b>SLM Student Loan Trust</b>		
0.000% due 01/25/2042 «(h)		2
		1,490

Edgar Filing: CVENT INC - Form 10-Q

<b>SoFi Professional Loan Program LLC</b>			
0.000% due 05/25/2040 «(h)		2,100	1,216
0.000% due 09/25/2040 «(h)		846	507
<b>South Coast Funding Ltd.</b>			
2.953% due 08/10/2038		5,792	1,130
<b>Symphony CLO Ltd.</b>			
6.939% due 07/14/2026		1,000	994
<b>Taberna Preferred Funding Ltd.</b>			
2.749% due 08/05/2036		213	181
2.749% due 08/05/2036 ^		3,999	3,399

**Total Asset-Backed Securities (Cost \$67,336) 72,936**

**SOVEREIGN ISSUES 4.2%**

<b>Argentina Government International Bond</b>			
2.260% due 12/31/2038	EUR	1,734	1,250
3.375% due 01/15/2023		100	107
5.250% due 01/15/2028		100	103
6.250% due 11/09/2047		100	96
7.820% due 12/31/2033		5,220	6,160
30.131% (BADLARPP) due 10/04/2022 ~	ARS	28	1

**60 PIMCO CLOSED-END FUNDS**

See Accompanying Notes

July 31, 2018

		PRINCIPAL AMOUNT (000S)		MARKET VALUE (000S)
35.842% (BADLARPP + 2.500%) due 03/11/2019 ~	ARS	100	\$	3
36.087% (BADLARPP + 3.250%) due 03/01/2020 ~		700		24
36.495% (BADLARPP + 2.000%) due 04/03/2022 ~		30,152		986
40.000% (ARPP7DRR) due 06/21/2020 ~		30,215		1,110
<b>Autonomous Community of Catalonia</b>				
4.900% due 09/15/2021	EUR	700		892
<b>Egypt Government International Bond</b>				
4.750% due 04/16/2026		100		115
5.625% due 04/16/2030		100		113
<b>Peru Government International Bond</b>				
6.350% due 08/12/2028	PEN	1,300		424
<b>Republic of Greece Government International Bond</b>				
4.750% due 04/17/2019	EUR	300		360
<b>Venezuela Government International Bond</b>				
6.000% due 12/09/2020 ^(e)	\$	120		32
9.250% due 09/15/2027 ^(e)		151		44
<b>Total Sovereign Issues (Cost \$13,584)</b>				<b>11,820</b>

**SHARES**

<b>COMMON STOCKS 1.3%</b>				
<b>CONSUMER DISCRETIONARY 0.9%</b>				
Caesars Entertainment Corp. (f)		227,344		2,569
<b>ENERGY 0.2%</b>				
Forbes Energy Services Ltd. (f)(l)		13,350		114
Ocean Rig UDW, Inc. (f)		19,414		544
				658

		SHARES		MARKET VALUE (000S)
<b>FINANCIALS 0.2%</b>				
TIG FinCo PLC «(l)		383,023	\$	603

**Total Common Stocks (Cost \$4,065)** **3,830**

<b>WARRANTS 0.0%</b>				
<b>INDUSTRIALS 0.0%</b>				
Sequa Corp. - Exp. 04/28/2024 «		394,000		99

**Total Warrants (Cost \$0)** **99**

<b>PREFERRED SECURITIES 3.4%</b>				
<b>BANKING &amp; FINANCE 0.8%</b>				
<b>Farm Credit Bank of Texas</b>				
10.000% due 12/15/2020 (j)(l)		2,015		2,297

<b>INDUSTRIALS 2.6%</b>				
<b>Sequa Corp.</b>				
9.000% «		8,100		7,351

**Total Preferred Securities (Cost \$9,672)** **9,648**

Edgar Filing: CVENT INC - Form 10-Q

**REAL ESTATE INVESTMENT TRUSTS 1.5%**

**REAL ESTATE 1.5%**

VICI Properties, Inc.	202,347	4,118
-----------------------	---------	-------

<b>Total Real Estate Investment Trusts (Cost \$2,691)</b>		<b>4,118</b>
---	--	--------------

**SHORT-TERM INSTRUMENTS 6.6%**

**REPURCHASE AGREEMENTS (m) 6.0%**

17,004

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>ARGENTINA TREASURY BILLS 0.1%</b>		
18.475% due 09/14/2018 - 09/19/2018 (g)(h)	ARS 4,630	\$ 171
1.855% due 09/14/2018 (g)(i)	\$ 28	28
		199

**U.S. TREASURY BILLS 0.5%**

1.968% due 09/27/2018 - 10/18/2018 (g)(h)(q)	1,360	1,355
--	-------	-------

<b>Total Short-Term Instruments (Cost \$18,608)</b>		<b>18,558</b>
---	--	---------------

<b>Total Investments in Securities (Cost \$356,044)</b>		<b>365,046</b>
---	--	----------------

<b>Total Investments 128.2%</b>		
<b>(Cost \$356,044)</b>		<b>\$ 365,046</b>
<b>Financial Derivative Instruments (o)(p) 0.0%</b>		
<b>(Cost or Premiums, net \$8,517)</b>		<b>(23)</b>
<b>Preferred Shares (18.0)%</b>		<b>(51,275)</b>
<b>Other Assets and Liabilities, net (10.2)%</b>		<b>(29,071)</b>

<b>Net Assets Applicable to Common Shareholders 100.0%</b>		<b>\$ 284,677</b>
--	--	-------------------

**NOTES TO SCHEDULE OF INVESTMENTS:**

- \* A zero balance may reflect actual amounts rounding to less than one thousand.
- ^ Security is in default.
- << Security valued using significant unobservable inputs (Level 3).
- ~ 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.  
All or a portion of this amount represent unfunded loan commitments. The interest rate for the unfunded portion will be determined at the time of funding. See Note 4, Securities and Other Investments, in the Notes to Financial Statements for more information regarding unfunded loan commitments.
- (a) Interest only security.
- (b) Principal only security.
- (c) When-issued security.
- (d) Payment in-kind security.
- (e) Security is not accruing income as of the date of this report.
- (f) Security did not produce income within the last twelve months.
- (g) Coupon represents a weighted average yield to maturity.
- (h) Zero coupon security.

Edgar Filing: CVENT INC - Form 10-Q

- (i) Coupon represents a yield to maturity.
- (j) Perpetual maturity; date shown, if applicable, represents next contractual call date.
- (k) Contingent convertible security.

(l) RESTRICTED SECURITIES:

Issuer Description	Acquisition Date	Cost	Market Value	Market Value as Percentage of Net Assets
Farm Credit Bank of Texas 10.000% due 12/15/2020	09/17/2013	\$ 2,373	\$ 2,297	0.81%
Forbes Energy Services Ltd.	10/09/2014 - 11/18/2016	531	114	0.04
TIG FinCo PLC	04/02/2015 - 07/20/2017	513	603	0.21
		\$ 3,417	\$ 3,014	1.06%

See Accompanying Notes

ANNUAL REPORT JULY 31, 2018 61

---

**Schedule of Investments PIMCO Income Strategy Fund (Cont.)**
**BORROWINGS AND OTHER FINANCING TRANSACTIONS****(m) REPURCHASE AGREEMENTS:**

Counterparty	Lending Rate	Settlement Date	Maturity Date	Principal Amount	Collateralized By	Collateral (Received)	Repurchase Agreements, at Value	Repurchase Agreement Proceeds to be Received <sup>(1)</sup>
FICC	1.500%	07/31/2018	08/01/2018	\$ 2,004	U.S. Treasury Notes 2.625% due 11/15/2020	\$ (2,047)	\$ 2,004	\$ 2,004
SAL	1.990	07/31/2018	08/01/2018	15,000	U.S. Treasury Notes 2.625% due 06/15/2021	(15,301)	15,000	15,001
<b>Total Repurchase Agreements</b>						<b>\$ (17,348)</b>	<b>\$ 17,004</b>	<b>\$ 17,005</b>

**REVERSE REPURCHASE AGREEMENTS:**

Counterparty	Borrowing Rate <sup>(2)</sup>	Settlement Date	Maturity Date	Amount Borrowed <sup>(2)</sup>	Payable for Reverse Repurchase Agreements
BCY	0.950%	06/18/2018	TBD <sup>(3)</sup>	\$ (609)	\$ (610)
BPS	2.450	06/01/2018	09/04/2018	(1,425)	(1,431)
CIW	2.450	07/06/2018	08/03/2018	(1,225)	(1,227)
	2.450	07/13/2018	08/10/2018	(3,141)	(3,145)
	2.450	08/03/2018	08/31/2018	(1,250)	(1,250)
JML	2.550	07/18/2018	08/20/2018	(3,892)	(3,896)
RDR	2.520	06/12/2018	09/12/2018	(3,156)	(3,167)
UBS	2.540	06/05/2018	09/05/2018	(4,594)	(4,612)
	2.560	06/11/2018	09/10/2018	(4,329)	(4,345)
	2.860	05/31/2018	08/31/2018	(1,260)	(1,266)
	2.910	05/14/2018	08/14/2018	(2,802)	(2,820)
	2.910	06/21/2018	08/07/2018	(1,490)	(1,495)
<b>Total Reverse Repurchase Agreements</b>					<b>\$ (29,264)</b>

**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 July 31, 2018:



Edgar Filing: CVENT INC - Form 10-Q

Counterparty	Repurchase Agreement Proceeds to be Received <sup>(1)</sup>	Payable for Reverse Repurchase Agreements	Payable for Sale-Buyback Transactions	Total Borrowings and Other Financing Transactions	Collateral Pledged/(Received)	Net Exposure <sup>(4)</sup>
Global/Master Repurchase Agreement						
BCY	\$ 0	\$ (610)	\$ 0	\$ (610)	\$ 666	\$ 56
BPS	0	(1,431)	0	(1,431)	1,468	37
CIW	0	(5,622)	0	(5,622)	4,477	(1,145)
FICC	2,004	0	0	2,004	(2,047)	(43)
JML	0	(3,896)	0	(3,896)	4,810	914
RDR	0	(3,167)	0	(3,167)	3,176	9
SAL	15,001	0	0	15,001	(15,302)	(301)
UBS	0	(14,538)	0	(14,538)	15,728	(119)
<b>Total Borrowings and Other Financing Transactions</b>	<b>\$ 17,005</b>	<b>\$ (29,264)</b>	<b>\$ 0</b>			

**CERTAIN TRANSFERS ACCOUNTED FOR AS SECURED BORROWINGS**

**Remaining Contractual Maturity of the Agreements**

	Overnight and Continuous	Up to 30 days	31-90 days	Greater Than 90 days	Total
<b>Reverse Repurchase Agreements</b>					
Corporate Bonds & Notes	\$ 0	\$ (12,583)	\$ (14,821)	\$ (610)	\$ (28,014)
<b>Total Borrowings</b>	<b>\$ 0</b>	<b>\$ (12,583)</b>	<b>\$ (14,821)</b>	<b>\$ (610)</b>	<b>\$ (28,014)</b>
<b>Payable for reverse repurchase agreements<sup>(5)</sup></b>					<b>\$ (28,014)</b>

(n) Securities with an aggregate market value of \$30,325 have been pledged as collateral under the terms of the above master agreements as of July 31, 2018.

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

<sup>(2)</sup> The average amount of borrowings outstanding during the period ended July 31, 2018 was \$(31,564) at a weighted average interest rate of 2.022%. Average borrowings may include sale-buyback transactions and reverse repurchase agreements, if held during the period.

July 31, 2018

(3) Open maturity reverse repurchase agreement.

(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 regarding master netting arrangements.

(5) Unsettled reverse repurchase agreements liability of \$(1,250) is outstanding at period end.

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

Reference Entity	Fixed Receive Rate	Payment Frequency	Maturity Date	Implied	Notional Amount <sup>(3)</sup>	Premiums Paid/(Received)	Unrealized	Market Value <sup>(4)</sup>	Variation Margin	
				Credit Spread at July 31, 2018 <sup>(2)</sup>			Appreciation/Depreciation		Asset	Liability
Frontier Communications Corp.	5.000%	Quarterly	06/20/2020	9.536%	\$ 2,900	\$ (95)	\$ (102)	\$ (197)	\$ 5	\$ 0
Navient Corp.	5.000	Quarterly	12/20/2021	1.986	300	11	19	30	0	0
						\$ (84)	\$ (83)	\$ (167)	\$ 5	\$ 0

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

Index/Tranches	Fixed Receive Rate	Payment Frequency	Maturity Date	Notional Amount <sup>(3)</sup>	Premiums Paid/(Received)	Unrealized	Market Value <sup>(4)</sup>	Variation Margin	
						Appreciation/Depreciation		Asset	Liability
CDX.HY-30 5-Year Index	5.000%	Quarterly	06/20/2023	\$ 1,800	\$ 106	\$ 31	\$ 137	\$ 2	\$ 0

**INTEREST RATE SWAPS**

Pay/Receive	Floating Rate	Floating Rate Index	Fixed Rate	Payment Frequency	Maturity Date	Notional Amount	Premiums Paid/(Received)	Unrealized	Market Value	Variation Margin	
								Appreciation/Depreciation		Asset	Liability
Receive	3-Month USD-LIBOR		2.000%	Semi-Annual	06/20/2023	\$ 26,300	\$ 963	\$ 236	\$ 1,199	\$ 1	\$ 0
Pay	3-Month USD-LIBOR		2.750	Semi-Annual	06/17/2025	70,420	4,237	(5,369)	(1,132)	23	0
Pay	3-Month USD-LIBOR		2.250	Semi-Annual	06/15/2026	15,300	723	(1,566)	(843)	7	0
Pay	3-Month USD-LIBOR		2.500	Semi-Annual	12/20/2027	28,100	200	(1,472)	(1,272)	17	0
Pay	3-Month USD-LIBOR		3.500	Semi-Annual	06/19/2044	83,100	(2,711)	9,042	6,331	211	0
Receive	3-Month USD-LIBOR		2.500	Semi-Annual	06/20/2048	130,100	5,516	9,921	15,437	0	(349)
Pay	6-Month	AUD-BBR-BBSW	3.000	Semi-Annual	12/17/2019	AUD 6,200	89	(35)	54	0	(2)

Edgar Filing: CVENT INC - Form 10-Q

Pay	6-Month										
	AUD-BBR-BBSW	3.500	Semi-Annual	06/17/2025		3,900	97	66	163	0	(2)
Receive <sup>(5)</sup>	6-Month EUR-EURIBOR	1.250	Annual	09/19/2028	EUR	5,800	(81)	(101)	(182)	19	0
Receive <sup>(5)</sup>	6-Month EUR-EURIBOR	1.250	Annual	12/19/2028		1,200	(21)	(9)	(30)	4	0
Receive <sup>(5)</sup>	6-Month GBP-LIBOR	1.500	Semi-Annual	09/19/2028	GBP	15,300	352	(142)	210	92	0
							\$ 9,364	\$ 10,571	\$ 19,935	\$ 374	\$ (353)
<b>Total Swap Agreements</b>							<b>\$ 9,386</b>	<b>\$ 10,519</b>	<b>\$ 19,905</b>	<b>\$ 381</b>	<b>\$ (353)</b>

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

The following is a summary of the market value and variation margin of Exchange-Traded or Centrally Cleared Financial Derivative Instruments as of July 31, 2018:

	Financial Derivative Assets				Financial Derivative Liabilities			
	Variation Margin				Variation Margin			
	Market Value		Asset		Market Value		Liability	
	Purchased	Futures	Swaps	Total	Written	Futures	Swaps	Total
<b>Total Exchange-Traded or Centrally Cleared</b>	\$ 0	\$ 0	\$ 381	\$ 381	\$ 0	\$ 0	\$ (353)	\$ (353)

Cash of \$5,916 has been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of July 31, 2018. See Note 8, Master Netting Arrangements, in the Notes to Financial Statements for more information regarding master netting arrangements.

- (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, securities or other deliverable obligations equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.
- (2) Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on corporate issues as of period end serve as 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.

See Accompanying Notes

ANNUAL REPORT JULY 31, 2018 63

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

- (3) The maximum potential amount the Fund could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.
- (4) The prices and resulting values for credit default swap agreements on credit indices serve as indicators of the current status of the payment/performance risk and represent the likelihood of an expected liability (or profit) for the credit derivative should the notional amount of the swap agreement be closed/sold as of the period end. Increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the referenced indices' credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.
- (5) 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.

**(p) 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	08/2018	\$ 23,855	EUR 20,471	\$ 83	\$ 0
	08/2018	293	GBP 221	0	(3)
	09/2018	EUR 20,471	\$ 23,912	0	(83)
BPS	08/2018	\$ 73	ARS 2,205	5	0
	09/2018	PEN 1,505	\$ 457	0	(2)
CBK	08/2018	EUR 1,140	1,332	0	(1)
	08/2018	\$ 33,303	GBP 25,427	71	0
GLM	09/2018	GBP 25,427	\$ 33,348	0	(71)
	08/2018	\$ 253	EUR 217	1	0
HUS	08/2018	289	GBP 218	0	(2)
	08/2018	2,512	RUB 157,179	2	(5)
SSB	08/2018	EUR 19,548	\$ 22,806	0	(52)
UAG	08/2018	GBP 25,866	34,250	299	0
	09/2018	\$ 59	RUB 3,682	0	0
<b>Total Forward Foreign Currency Contracts</b>				<b>\$ 461</b>	<b>\$ (219)</b>

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

Counterparty	Reference Entity	Fixed Receive Rate	Payment Frequency	Maturity Date	Implied Credit Spread at July 31, 2018 <sup>(2)</sup>	Notional Amount <sup>(3)</sup>	Premiums Paid/(Received)	Unrealized Swap Agreements, Appreciation/ (Depreciation) at Value		
								Asset	Liability	Asset
BPS	Petrobras Global Finance BV	1.000%	Quarterly	12/20/2024	3.275%	\$ 500	\$ (98)	\$ 38	\$ 0	\$ (60)
	Petrobras Global Finance BV	1.000	Quarterly	12/20/2024	3.275	700	(139)	55	0	(84)
HUS	Petrobras Global Finance BV	1.000	Quarterly	12/20/2019	1.324	200	(16)	15	0	(1)
	Petrobras Global Finance BV	1.000	Quarterly	09/20/2020	1.619	20	(3)	3	0	0

Edgar Filing: CVENT INC - Form 10-Q

	Petrobras Global Finance BV									
	Petrobras Global Finance BV	1.000	Quarterly	12/20/2024	3.275	800	(166)	70	0	(96)
MYC	Petrobras Global Finance BV	1.000	Quarterly	12/20/2019	1.324	4,100	(379)	366	0	(13)
							\$ (801)	\$ 547	\$ 0	\$ (254)

INTEREST RATE SWAPS

Counterparty	Pay/Receive Floating Rate	Floating Rate Index	Fixed Rate	Payment Frequency	Maturity Date	Notional Amount	Premiums Paid/(Received)	Unrealized Swap Agreements, at Value		
								Appreciation/Depreciation	Asset	Liability
MYC	Pay	3-Month USD-LIBOR	3.025%	Semi-Annual	09/04/2023	\$ 86,000	\$ (66)	\$ 25	\$ 0	\$ (41)

TOTAL RETURN SWAPS ON INTEREST RATE INDICES

Counterparty	Pay/Receive <sup>(4)</sup>	Underlying Reference	# of Units	Financing Rate	Payment Frequency	Maturity Date	Notional Amount	Premiums Paid/(Received)	Unrealized Swap Agreements, at Value		
									Appreciation/Depreciation	Asset	Liability
BOA	Receive	iBoxx USD Liquid High Yield Index	N/A	3-Month USD-LIBOR	Maturity	09/20/2018	\$ 100	\$ (1)	\$ 2	\$ 1	\$ 0
GST	Receive	iBoxx USD Liquid High Yield Index	N/A	3-Month USD-LIBOR	Maturity	09/20/2018	100	(1)	2	1	0
							\$ (2)	\$ 4	\$ 2	\$ 0	
Total Swap Agreements							\$ (869)	\$ 576	\$ 2	\$ (295)	

64 PIMCO CLOSED-END FUNDS

See Accompanying Notes

July 31, 2018

**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 July 31, 2018:

Counterparty	Financial Derivative Assets				Financial Derivative Liabilities				Net			Net Exposure <sup>(5)</sup>
	Forward Foreign Currency Contracts	Purchased Options	Swap Agreements	Total Over the Counter	Forward Foreign Currency Contracts	Written Options	Swap Agreements	Total Over the Counter	Value of Derivatives	OTC Pledged/ (Received)	Collateral	
BOA	\$ 83	\$ 0	\$ 1	\$ 84	\$ (86)	\$ 0	\$ 0	\$ (86)	\$ (2)	\$ 0	\$ (2)	
BPS	5	0	0	5	(2)	0	(60)	(62)	(57)	276	219	
CBK	71	0	0	71	(72)	0	0	(72)	(1)	0	(1)	
GLM	1	0	0	1	(2)	0	0	(2)	(1)	0	(1)	
GST	0	0	1	1	0	0	(84)	(84)	(83)	292	209	
HUS	2	0	0	2	(5)	0	(97)	(102)	(100)	0	(100)	
MYC	0	0	0	0	0	0	(54)	(54)	(54)	(264)	(318)	
SSB	0	0	0	0	(52)	0	0	(52)	(52)	0	(52)	
UAG	299	0	0	299	0	0	0	0	299	(270)	29	
<b>Total Over the Counter</b>	<b>\$ 461</b>	<b>\$ 0</b>	<b>\$ 2</b>	<b>\$ 463</b>	<b>\$ (219)</b>	<b>\$ 0</b>	<b>\$ (295)</b>	<b>\$ (514)</b>				

(q) Securities with an aggregate market value of \$594 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of July 31, 2018.

- (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, securities or other deliverable obligations equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.
- (2) Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on corporate issues as of period end serve as 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.
- (3) The maximum potential amount the Fund could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.
- (4) Receive represents that the Fund receives payments for any positive net return on the underlying reference. The Fund makes payments for any negative net return on such underlying reference. Pay represents that the Fund receives payments for any negative net return on the underlying reference. The Fund makes payments for any positive net return on such underlying reference.
- (5) Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from OTC financial derivative instruments can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 8, Master Netting Arrangements, in the Notes to Financial Statements for more information regarding master netting arrangements.

**FAIR VALUE OF FINANCIAL DERIVATIVE INSTRUMENTS**

## Edgar Filing: CVENT INC - Form 10-Q

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

Fair Values of Financial Derivative Instruments on the Statements of Assets and Liabilities as of July 31, 2018:

	Derivatives not accounted for as hedging instruments					Total
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts	
<b>Financial Derivative Instruments - Assets</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ 7	\$ 0	\$ 0	\$ 374	\$ 381
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 461	\$ 0	\$ 461
Swap Agreements	0	0	0	0	2	2
	\$ 0	\$ 0	\$ 0	\$ 461	\$ 2	\$ 463
	\$ 0	\$ 7	\$ 0	\$ 461	\$ 376	\$ 844
<b>Financial Derivative Instruments - Liabilities</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ 0	\$ 0	\$ 0	\$ 353	\$ 353
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 219	\$ 0	\$ 219
Swap Agreements	0	254	0	0	41	295
	\$ 0	\$ 254	\$ 0	\$ 219	\$ 41	\$ 514
	\$ 0	\$ 254	\$ 0	\$ 219	\$ 394	\$ 867

See Accompanying Notes

ANNUAL REPORT JULY 31, 2018 65

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

The effect of Financial Derivative Instruments on the Statements of Operations for the period ended July 31, 2018:

	Derivatives not accounted for as hedging instruments					Total
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts	
<b>Net Realized Gain (Loss) on Financial Derivative Instruments</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ 405	\$ 0	\$ 0	\$ 7,765	\$ 8,170
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ (993)	\$ 0	\$ (993)
Swap Agreements	0	66	0	0	106	172
	\$ 0	\$ 66	\$ 0	\$ (993)	\$ 106	\$ (821)
	\$ 0	\$ 471	\$ 0	\$ (993)	\$ 7,871	\$ 7,349
<b>Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ (247)	\$ 0	\$ 0	\$ (9,263)	\$ (9,510)
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 1,918	\$ 0	\$ 1,918
Swap Agreements	0	93	0	0	27	120
	\$ 0	\$ 93	\$ 0	\$ 1,918	\$ 27	\$ 2,038
	\$ 0	\$ (154)	\$ 0	\$ 1,918	\$ (9,236)	\$ (7,472)

**FAIR VALUE MEASUREMENTS**

The following is a summary of the fair valuations according to the inputs used as of July 31, 2018 in valuing the Fund's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 07/31/2018
<b>Investments in Securities, at Value</b>				
Loan Participations and Assignments	\$ 0	\$ 16,408	\$ 200	\$ 16,608
Corporate Bonds & Notes				
Banking & Finance	0	65,936	0	65,936
Industrials	0	70,929	422	71,351
Utilities	0	20,280	0	20,280
Convertible Bonds & Notes				
Industrials	0	2,331	0	2,331
Municipal Bonds & Notes				



Edgar Filing: CVENT INC - Form 10-Q

California	0	2,342	0	2,342
Illinois	0	7,023	0	7,023
Virginia	0	386	0	386
West Virginia	0	7,140	0	7,140
U.S. Government Agencies	0	9,067	2,454	11,521
Non-Agency Mortgage-Backed Securities	0	39,119	0	39,119
Asset-Backed Securities	0	68,335	4,601	72,936
Sovereign Issues	0	11,820	0	11,820
Common Stocks				
Consumer Discretionary	2,569	0	0	2,569
Energy	544	114	0	658
Financials	0	0	603	603
Warrants				
Industrials	0	0	99	99
Preferred Securities				
Banking & Finance	0	2,297	0	2,297
Industrials	0	0	7,351	7,351

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 07/31/2018
Real Estate Investment Trusts				
Real Estate	\$ 4,118	\$ 0	\$ 0	\$ 4,118
Short-Term Instruments				
Repurchase Agreements	0	17,004	0	17,004
Argentina Treasury Bills	0	199	0	199
U.S. Treasury Bills	0	1,355	0	1,355
<b>Total Investments</b>	<b>\$ 7,231</b>	<b>\$ 342,085</b>	<b>\$ 15,730</b>	<b>\$ 365,046</b>

**Financial Derivative Instruments - Assets**

Exchange-traded or centrally cleared	0	381	0	381
Over the counter	0	463	0	463
	\$ 0	\$ 844	\$ 0	\$ 844

**Financial Derivative Instruments - Liabilities**

Exchange-traded or centrally cleared	0	(353)	0	(353)
Over the counter	0	(514)	0	(514)
	\$ 0	\$ (867)	\$ 0	\$ (867)

Total Financial Derivative Instruments \$ 0 \$ (23) \$ 0 \$ (23)

Totals \$ 7,231 \$ 342,062 \$ 15,730 \$ 365,023

There were no significant transfers among Levels 1 and 2 during the period ended July 31, 2018.

July 31, 2018

The following is a reconciliation of the fair valuations using significant unobservable inputs (Level 3) for the Fund during the period ended July 31, 2018:

Category and Subcategory at 07/31/2017	Beginning Balance	Net Purchases	Net Sales	Accrued Discounts/ (Premiums)	Realized Gain/(Loss)	Net Change in Unrealized Appreciation/ (Depreciation) <sup>(1)</sup>	Transfers in Level 3	Transfers out of Level 3	Ending Balance at 07/31/2018	Net Change in Unrealized Appreciation/ (Depreciation) Held at 07/31/2018 <sup>(1)</sup>
<b>Investments in Securities, at Value</b>										
Loan Participations and Assignments	\$ 1,439	\$ 111	\$ (1,129)	\$ 7	\$ (184)	\$ (15)	\$ 149	\$ (178)	\$ 200	\$ 2
<b>Corporate Bonds &amp; Notes</b>										
Banking & Finance	2,078	0	(139)	1	8	(30)	0	(1,918)	0	0
Industrials	0	422	(1)	0	0	1	0	0	422	1
U.S. Government Agencies	2,357	0	(44)	62	17	62	0	0	2,454	61
Asset-Backed Securities	4,682	0	0	43	0	(124)	0	0	4,601	(124)
<b>Common Stocks</b>										
Financials	505	0	0	0	0	98	0	0	603	98
<b>Warrants</b>										
Industrials	185	0	0	0	0	(86)	0	0	99	(86)
<b>Preferred Securities</b>										
Industrials	7,120	782	0	0	0	(551)	0	0	7,351	(551)
Totals	\$ 18,366	\$ 1,315	\$ (1,313)	\$ 113	\$ (159)	\$ (645)	\$ 149	\$ (2,096)	\$ 15,730	\$ (599)

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

Category and Subcategory	Ending Balance at 07/31/2018	Valuation Technique	Unobservable Inputs	Input Value(s) (% Unless Noted Otherwise)
<b>Investments in Securities, at Value</b>				
Loan Participations and Assignments	\$ 200	Third Party Vendor	Broker Quote	100.000-101.625
<b>Corporate Bonds &amp; Notes</b>				
Industrials	195	Other Valuation Techniques <sup>(2)</sup>		
	227	Proxy Pricing	Base Price	97.010
U.S. Government Agencies	2,454	Proxy Pricing	Base Price	60.341
Asset-Backed Securities	4,601	Proxy Pricing	Base Price	58.000-102,005.100
<b>Common Stocks</b>				
Financials	603	Other Valuation Techniques <sup>(2)</sup>		
<b>Warrants</b>				
Industrials	99	Other Valuation Techniques <sup>(2)</sup>		
<b>Preferred Securities</b>				
Industrials	7,351	Indicative Market Quotation	Broker Quote	\$ 900.000

## Edgar Filing: CVENT INC - Form 10-Q

Total \$ 15,730

(1) Any difference between Net Change in Unrealized Appreciation/(Depreciation) and Net Change in Unrealized Appreciation/(Depreciation) on Investments Held at July 31, 2018 may be due to an investment no longer held or categorized as Level 3 at period end.

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

See Accompanying Notes

**ANNUAL REPORT** JULY 31, 2018 **67**

## Schedule of Investments PIMCO Income Strategy Fund II

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

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>INVESTMENTS IN SECURITIES 125.2%</b>		
<b>LOAN PARTICIPATIONS AND ASSIGNMENTS 4.9%</b>		
<b>Alphabet Holding Co., Inc.</b>		
5.577% (LIBOR03M + 3.500%) due 09/26/2024 ~	\$ 99	\$ 94
<b>Altice France S.A.</b>		
TBD% due 07/13/2026	300	294
<b>Avantor, Inc.</b>		
6.077% (LIBOR03M + 4.000%) due 11/21/2024 ~	50	50
<b>Banff Merger Sub, Inc.</b>		
TBD% due 06/21/2019	10,100	10,062
<b>California Resources Corp.</b>		
6.831% (LIBOR03M + 4.750%) due 12/31/2022 <~	50	51
<b>CenturyLink, Inc.</b>		
4.827% (LIBOR03M + 2.750%) due 01/31/2025 ~	995	981
<b>Community Health Systems, Inc.</b>		
5.557% (LIBOR03M + 3.250%) due 01/27/2021 ~	2,077	2,046
<b>Dubai World</b>		
1.750% - 2.000% (LIBOR03M + 2.000%) due 09/30/2022 ~	504	475
<b>Energizer Holdings, Inc.</b>		
TBD% due 05/18/2019	100	100
<b>Forbes Energy Services LLC</b>		
5.000% - 7.000% due 04/13/2021	288	292
<b>Frontier Communications Corp.</b>		
5.830% (LIBOR03M + 3.750%) due 06/15/2024 ~	595	588
<b>iHeartCommunications, Inc.</b>		
TBD% due 01/30/2019 ^e	10,700	8,324
<b>IRB Holding Corp.</b>		
5.347% (LIBOR03M + 3.250%) due 02/05/2025 ~	100	101
<b>Lightstone Generation LLC</b>		
5.827% (LIBOR03M + 3.750%) due 01/30/2024 ~	1,927	1,938
<b>McDermott Technology Americas, Inc.</b>		
7.077% (LIBOR03M + 5.000%) due 05/10/2025 ~	998	1,005
<b>MH Sub LLC</b>		
5.829% (LIBOR03M + 3.750%) due 09/13/2024 ~	119	119
<b>Ministry of Finance of Tanzania</b>		
7.825% (LIBOR03M + 5.500%) due 12/10/2019 <~	200	200
<b>Multi Color Corp.</b>		
4.327% (LIBOR03M + 2.250%) due 10/31/2024 ~	17	17
<b>Parexel International Corp.</b>		
4.827% (LIBOR03M + 2.750%) due 09/27/2024 ~	99	99
<b>PetSmart, Inc.</b>		
5.100% (LIBOR03M + 3.000%) due 03/11/2022 ~	180	150
<b>Ply Gem Industries, Inc.</b>		
6.087% (LIBOR03M + 3.750%) due 04/12/2025 ~	200	201
<b>Sequa Mezzanine Holdings LLC</b>		
7.067% (LIBOR03M + 5.000%) due 11/28/2021 <~	228	228
11.072% (LIBOR03M + 9.000%) due 04/28/2022 <~	90	90
<b>Stars Group Holdings BV</b>		
5.831% (LIBOR03M + 3.500%) due 07/10/2025 ~	100	101
<b>Syniverse Holdings, Inc.</b>		
7.078% (LIBOR03M + 5.000%) due 03/09/2023 ~	120	120
	<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>Traverse Midstream Partners LLC</b>		

Edgar Filing: CVENT INC - Form 10-Q

6.340% (LIBOR03M + 4.000%) due 09/27/2024 ~ <b>West Corp.</b>	\$	91	\$	91
6.077% (LIBOR03M + 4.000%) due 10/10/2024 ~ <b>Westmoreland Coal Co.</b>		41		41
TBD% due 12/16/2020 ^ <sup>(e)</sup>		955		250
TBD% - 10.581% (LIBOR03M + 8.250%) due 05/31/2020 ~		1,580		1,612
<b>Total Loan Participations and Assignments (Cost \$31,963)</b>				<b>29,720</b>
<b>CORPORATE BONDS &amp; NOTES 54.8%</b>				
<b>BANKING &amp; FINANCE 23.4%</b>				
<b>AGFC Capital Trust</b>				
4.089% (US0003M + 1.750%) due 01/15/2067 ~		1,800		1,089
<b>Ally Financial, Inc.</b>				
8.000% due 11/01/2031		4,616		5,586
<b>Ambac LSNI LLC</b>				
7.337% due 02/12/2023		256		258
<b>Ardonagh Midco PLC</b>				
8.375% due 07/15/2023	GBP	4,148		5,529
<b>Athene Holding Ltd.</b>				
4.125% due 01/12/2028	\$	54		51
<b>Avolon Holdings Funding Ltd.</b>				
5.500% due 01/15/2023		176		176
<b>AXA Equitable Holdings, Inc.</b>				
4.350% due 04/20/2028		126		123
5.000% due 04/20/2048		74		71
<b>Banco Bilbao Vizcaya Argentaria S.A.</b>				
6.750% due 02/18/2020 (i)(j)	EUR	1,600		1,974
<b>Banco Espirito Santo S.A.</b>				
4.000% due 01/21/2019 ^ <sup>(e)</sup>		8,100		2,889
<b>Banco Santander S.A.</b>				
6.250% due 09/11/2021 (i)(j)		500		624
<b>Barclays Bank PLC</b>				
7.625% due 11/21/2022 (j)	\$	4,400		4,771
<b>Barclays PLC</b>				
3.250% due 01/17/2033	GBP	200		245
6.500% due 09/15/2019 (i)(j)	EUR	3,200		3,901
7.875% due 09/15/2022 (i)(j)	GBP	415		585
8.000% due 12/15/2020 (i)(j)	EUR	4,100		5,346
<b>Blackstone CQP Holdco LP</b>				
6.000% due 08/18/2021	\$	900		900
6.500% due 03/20/2021		5,000		5,031
<b>Brighthouse Holdings LLC</b>				
6.500% due 07/27/2037 (i)		70		68
<b>Brookfield Finance, Inc.</b>				
3.900% due 01/25/2028		90		85
4.700% due 09/20/2047		200		191
<b>Cantor Fitzgerald LP</b>				
6.500% due 06/17/2022 (m)		8,500		8,999
<b>CBL &amp; Associates LP</b>				
5.950% due 12/15/2026 (m)		2,288		1,976
<b>Co-operative Group Holdings Ltd.</b>				
7.500% due 07/08/2026	GBP	5,800		9,140
<b>Cooperatieve Rabobank UA</b>				
6.625% due 06/29/2021 (i)(j)	EUR	1,200		1,597
<b>Credit Agricole S.A.</b>				
7.875% due 01/23/2024 (i)(j)	\$	500		533
<b>Credit Suisse Group AG</b>				
7.500% due 07/17/2023 (i)(j)		200		207
7.500% due 12/11/2023 (i)(j)		7,243		7,740
<b>Emerald Bay S.A.</b>				
0.000% due 10/08/2020 (h)	EUR	1,873		2,056
<b>Equinix, Inc.</b>				
2.875% due 03/15/2024		100		117
2.875% due 02/01/2026		100		114
<b>Flagstar Bancorp, Inc.</b>				
6.125% due 07/15/2021	\$	3,500		3,652

Edgar Filing: CVENT INC - Form 10-Q

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>Fortress Transportation &amp; Infrastructure Investors LLC</b>		
6.750% due 03/15/2022	\$ 324	\$ 338
<b>Freedom Mortgage Corp.</b>		
8.250% due 04/15/2025	63	61
<b>GSPA Monetization Trust</b>		
6.422% due 10/09/2029	3,571	4,050
<b>HSBC Holdings PLC</b>		
6.000% due		
09/29/2023 (i)(j)	EUR 3,530	4,679
6.500% due		
03/23/2028 (i)(j)	\$ 500	491
<b>Hunt Cos., Inc.</b>		
6.250% due 02/15/2026	26	24
<b>iStar, Inc.</b>		
4.625% due 09/15/2020	14	14
5.250% due 09/15/2022	49	48
<b>Jefferies Finance LLC</b>		
6.875% due 04/15/2022 (m)	6,850	6,937
7.375% due 04/01/2020	2,890	2,955
7.500% due 04/15/2021	347	356
<b>Kennedy-Wilson, Inc.</b>		
5.875% due 04/01/2024	68	67
<b>Life Storage LP</b>		
3.875% due 12/15/2027	28	26
<b>Lloyds Banking Group PLC</b>		
7.625% due		
06/27/2023 (i)(j)	GBP 2,300	3,340
7.875% due		
06/27/2029 (i)(j)	250	383
<b>LoanCore Capital Markets LLC</b>		
6.875% due 06/01/2020	\$ 200	203
<b>Meiji Yasuda Life Insurance Co.</b>		
5.100% due 04/26/2048	200	204
<b>MetLife, Inc.</b>		
5.875% due 03/15/2028 (i)	74	76
<b>Nationstar Mortgage LLC</b>		
6.500% due 07/01/2021	730	734
<b>Nationwide Building Society</b>		
10.250% ~(i)	GBP 13	2,498
<b>Navient Corp.</b>		
4.875% due 06/17/2019	\$ 500	505
5.625% due 08/01/2033	63	54
6.500% due 06/15/2022	80	82
<b>Oppenheimer Holdings, Inc.</b>		
6.750% due 07/01/2022	1,616	1,644
<b>Provident Funding Associates LP</b>		
6.375% due 06/15/2025	26	25
<b>Royal Bank of Scotland Group PLC</b>		
7.500% due		
08/10/2020 (i)(j)(m)	3,080	3,188
8.000% due		
08/10/2025 (i)(j)(m)	5,190	5,525
8.625% due		
08/15/2021 (i)(j)	2,700	2,920
<b>Santander UK Group Holdings PLC</b>		
6.750% due		
06/24/2024 (i)(j)	GBP 2,025	2,764
7.375% due		
06/24/2022 (i)(j)	4,100	5,660
<b>Societe Generale S.A.</b>		
6.750% due 04/06/2028 (i)(j)	\$ 200	192
<b>Spirit Realty LP</b>		
4.450% due 09/15/2026 (m)	1,500	1,444
<b>Springleaf Finance Corp.</b>		
5.625% due 03/15/2023	1,200	1,206
6.125% due 05/15/2022	674	693
6.875% due 03/15/2025	224	228

Edgar Filing: CVENT INC - Form 10-Q

7.125% due 03/15/2026		203	207
8.250% due 10/01/2023		180	199
<b>Tesco Property Finance PLC</b>			
5.411% due 07/13/2044	GBP	4,360	6,436
6.052% due 10/13/2039		2,537	3,932
<b>Unigel Luxembourg S.A.</b>			
10.500% due 01/22/2024	\$	570	596
<b>WeWork Cos., Inc.</b>			
7.875% due 05/01/2025		74	72
			140,680
<b>INDUSTRIALS 24.9%</b>			
<b>Air Canada Pass-Through Trust</b>			
3.700% due 07/15/2027		24	23

**68 PIMCO CLOSED-END FUNDS**

See Accompanying Notes

July 31, 2018

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>Altice Financing S.A.</b>		
6.625% due 02/15/2023 (m)	\$ 700	\$ 710
7.500% due 05/15/2026	3,200	3,124
<b>Altice France S.A.</b>		
7.375% due 05/01/2026 (m)	5,564	5,547
<b>Altice Luxembourg S.A.</b>		
7.250% due 05/15/2022	EUR 2,070	2,487
7.750% due 05/15/2022	\$ 3,455	3,451
<b>Associated Materials LLC</b>		
9.000% due 01/01/2024	548	580
<b>Bacardi Ltd.</b>		
4.450% due 05/15/2025	100	100
4.700% due 05/15/2028	100	99
<b>Baffinland Iron Mines Corp.</b>		
8.750% due 07/15/2026	1,300	1,305
<b>BMC Software Finance, Inc.</b>		
8.125% due 07/15/2021	2,890	2,962
<b>Caesars Resort Collection LLC</b>		
5.250% due 10/15/2025	8	8
<b>Centene Corp.</b>		
5.375% due 06/01/2026	82	84
<b>Charles River Laboratories International, Inc.</b>		
5.500% due 04/01/2026	26	26
<b>Charter Communications Operating LLC</b>		
4.200% due 03/15/2028	137	132
<b>Cheniere Energy Partners LP</b>		
5.250% due 10/01/2025	33	33
<b>Chesapeake Energy Corp.</b>		
5.589% (US0003M + 3.250%) due 04/15/2019 ~	134	135
<b>Clear Channel Worldwide Holdings, Inc.</b>		
6.500% due 11/15/2022	650	666
7.625% due 03/15/2020	3,140	3,159
<b>Cleveland-Cliffs, Inc.</b>		
4.875% due 01/15/2024	34	33
<b>Community Health Systems, Inc.</b>		
5.125% due 08/01/2021 (m)	3,070	2,919
6.250% due 03/31/2023	7,071	6,611
8.625% due 01/15/2024	254	263
<b>CSN Islands Corp.</b>		
6.875% due 09/21/2019 (m)	200	200
<b>CSN Resources S.A.</b>		
6.500% due 07/21/2020	1,214	1,175
<b>Diamond Resorts International, Inc.</b>		
10.750% due 09/01/2024	2,500	2,619
<b>DriveTime Automotive Group, Inc.</b>		
8.000% due 06/01/2021	800	816
<b>Exela Intermediate LLC</b>		
10.000% due 07/15/2023	120	124
<b>Ferroglobe PLC</b>		
9.375% due 03/01/2022	1,500	1,547
<b>First Quantum Minerals Ltd.</b>		
6.500% due 03/01/2024	1,452	1,419
6.875% due 03/01/2026	1,600	1,568
7.000% due 02/15/2021	598	605
<b>Ford Motor Co.</b>		
7.700% due 05/15/2097 (m)	9,770	11,344
<b>Fresh Market, Inc.</b>		
9.750% due 05/01/2023	7,590	5,389



Edgar Filing: CVENT INC - Form 10-Q

<b>Frontier Finance PLC</b>			
8.000% due 03/23/2022	GBP	4,600	6,264
<b>Full House Resorts, Inc.</b>			
8.575% due 01/31/2024 «	\$	298	292
<b>General Electric Co.</b>			
5.000% due 01/21/2021 (i)		164	161
<b>Hadrian Merger Sub, Inc.</b>			
8.500% due 05/01/2026		40	38
<b>Harland Clarke Holdings Corp.</b>			
8.375% due 08/15/2022		54	52
<b>HCA, Inc.</b>			
4.500% due 02/15/2027		940	916
7.500% due 11/15/2095		1,200	1,185
		<b>PRINCIPAL</b>	<b>MARKET</b>
		<b>AMOUNT</b>	<b>VALUE</b>
		<b>(000S)</b>	<b>(000S)</b>
<b>Hilton Domestic Operating Co., Inc.</b>			
5.125% due 05/01/2026	\$	135	\$ 136
<b>iHeartCommunications, Inc.</b>			
9.000% due 12/15/2019 ^(e)		1,243	976
9.000% due 03/01/2021 ^(e)		3,144	2,421
9.000% due 09/15/2022 ^(e)		3,450	2,665
<b>IHS Markit Ltd.</b>			
4.000% due 03/01/2026		4	4
<b>Intelsat Jackson Holdings S.A.</b>			
7.250% due 10/15/2020		2,276	2,296
9.750% due 07/15/2025		120	129
<b>Intelsat Luxembourg S.A.</b>			
7.750% due 06/01/2021		6,888	6,578
8.125% due 06/01/2023		7,535	6,499
<b>Intrepid Aviation Group Holdings LLC</b>			
6.875% due 02/15/2019		9,155	9,171
8.500% due 08/15/2021		7,450	7,524
<b>Kinder Morgan, Inc.</b>			
7.800% due 08/01/2031 (m)		3,500	4,322
<b>Mallinckrodt International Finance S.A.</b>			
5.500% due 04/15/2025		50	40
<b>Matterhorn Merger Sub LLC</b>			
8.500% due 06/01/2026		8	8
<b>Metinvest BV</b>			
8.500% due 04/23/2026		1,000	969
<b>New Albertson's LP</b>			
6.570% due 02/23/2028		6,800	4,632
<b>Odebrecht Oil &amp; Gas Finance Ltd.</b>			
0.000% due 08/30/2018 (h)(i)		401	7
0.000% due 08/31/2018 (h)(i)		700	13
<b>Park Aerospace Holdings Ltd.</b>			
3.625% due 03/15/2021		82	80
4.500% due 03/15/2023		163	156
5.250% due 08/15/2022		13	13
5.500% due 02/15/2024		36	36
<b>Pelabuhan Indonesia Persero PT</b>			
4.500% due 05/02/2023		200	200
<b>Petroleos Mexicanos</b>			
6.500% due 03/13/2027		190	193
6.750% due 09/21/2047		50	46
<b>PetSmart, Inc.</b>			
5.875% due 06/01/2025		112	89
<b>Pisces Midco, Inc.</b>			
8.000% due 04/15/2026		173	179
<b>Pitney Bowes, Inc.</b>			
4.700% due 04/01/2023		34	31
<b>Platin 1426 GmbH</b>			
6.875% due 06/15/2023 «(c)	EUR	400	453
<b>Prime Security Services Borrower LLC</b>			
9.250% due 05/15/2023	\$	1,310	1,405
<b>QVC, Inc.</b>			
5.950% due 03/15/2043		4,515	4,213
<b>Radiate Holdco LLC</b>			
6.875% due 02/15/2023		70	68

Edgar Filing: CVENT INC - Form 10-Q

<b>Rockpoint Gas Storage Canada Ltd.</b>			
7.000% due 03/31/2023		8	8
<b>Russian Railways via RZD Capital PLC</b>			
7.487% due 03/25/2031	GBP	1,300	2,130
<b>Sabine Pass Liquefaction LLC</b>			
5.875% due 06/30/2026 (m)	\$	2,500	2,724
<b>Safeway, Inc.</b>			
7.250% due 02/01/2031		245	241
<b>Scientific Games International, Inc.</b>			
5.000% due 10/15/2025		12	12
<b>Shelf Drilling Holdings Ltd.</b>			
8.250% due 02/15/2025		37	38
<b>SoftBank Group Corp.</b>			
4.000% due 04/20/2023	EUR	4,800	5,873
<b>Spirit Issuer PLC</b>			
3.368% (BP0003M + 2.700%) due 12/28/2031 ~	GBP	1,000	1,290
6.582% due 12/28/2027		700	942
		<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>Sunoco LP</b>			
4.875% due 01/15/2023	\$	66	\$ 65
<b>T-Mobile USA, Inc.</b>			
4.750% due 02/01/2028		20	19
<b>Telenet Finance Luxembourg Notes SARL</b>			
5.500% due 03/01/2028		200	183
<b>Teva Pharmaceutical Finance Netherlands BV</b>			
3.250% due 04/15/2022	EUR	300	367
<b>Transocean Pontus Ltd.</b>			
6.125% due 08/01/2025	\$	152	155
<b>Unique Pub Finance Co. PLC</b>			
5.659% due 06/30/2027	GBP	3,595	5,217
6.542% due 03/30/2021		889	1,231
<b>United Group BV</b>			
4.375% due 07/01/2022	EUR	100	120
4.875% due 07/01/2024		100	120
<b>Univision Communications, Inc.</b>			
5.125% due 02/15/2025	\$	400	372
<b>UPCB Finance Ltd.</b>			
3.625% due 06/15/2029	EUR	190	221
<b>ViaSat, Inc.</b>			
5.625% due 09/15/2025	\$	94	89
<b>VOC Escrow Ltd.</b>			
5.000% due 02/15/2028		74	71
<b>Westmoreland Coal Co.</b>			
8.750% due 01/01/2022 ^(e)		6,130	1,732
<b>Wind Tre SpA</b>			
2.625% due 01/20/2023	EUR	200	223
2.750% due 01/20/2024		200	220
3.125% due 01/20/2025		200	219
			149,605
<b>UTILITIES 6.5%</b>			
<b>AT&amp;T, Inc.</b>			
4.900% due 08/15/2037	\$	366	354
5.150% due 02/15/2050 (m)		434	417
5.300% due 08/15/2058		978	926
5.450% due 03/01/2047		60	60
<b>DTEK Finance PLC (10.750% Cash or 10.750% PIK)</b>			
10.750% due 12/31/2024 (d)		2,841	2,938
<b>Enable Midstream Partners LP</b>			
4.950% due 05/15/2028		62	62
<b>Gazprom Neft OAO Via GPN Capital S.A.</b>			
6.000% due 11/27/2023 (m)		9,600	10,039
<b>Northwestern Bell Telephone</b>			
7.750% due 05/01/2030		12,625	13,502
<b>Odebrecht Drilling Norbe Ltd.</b>			
6.350% due 12/01/2021		122	120

Edgar Filing: CVENT INC - Form 10-Q

<b>Odebrecht Drilling Norbe Ltd. (6.350% Cash or 7.350% PIK)</b>		
7.350% due 12/01/2026 (d)	213	116
<b>Odebrecht Offshore Drilling Finance Ltd.</b>		
6.720% due 12/01/2022	1,968	1,879
<b>Odebrecht Offshore Drilling Finance Ltd. (6.720% Cash or 7.720% PIK)</b>		
7.720% due 12/01/2026 (d)	6,348	1,889
<b>Petrobras Global Finance BV</b>		
5.999% due 01/27/2028	2,764	2,620
6.125% due 01/17/2022	159	165
6.625% due 01/16/2034	GBP 100	132
7.375% due 01/17/2027	\$ 772	804
<b>Rio Oil Finance Trust</b>		
8.200% due 04/06/2028	250	257
9.250% due 07/06/2024	2,031	2,194
<b>Sprint Corp.</b>		
7.625% due 03/01/2026	282	293
		38,767
<b>Total Corporate Bonds &amp; Notes</b>		
<b>(Cost \$329,611)</b>		<b>329,052</b>

See Accompanying Notes

ANNUAL REPORT JULY 31, 2018 69

## Schedule of Investments PIMCO Income Strategy Fund II (Cont.)

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>CONVERTIBLE BONDS &amp; NOTES 0.8%</b>		
<b>INDUSTRIALS 0.8%</b>		
<b>Caesars Entertainment Corp.</b>		
5.000% due 10/01/2024	\$ 1,066	\$ 1,918
<b>DISH Network Corp.</b>		
3.375% due 08/15/2026	3,400	3,097
<b>Total Convertible Bonds &amp; Notes (Cost \$5,390)</b>		<b>5,015</b>
<b>MUNICIPAL BONDS &amp; NOTES 7.7%</b>		
<b>CALIFORNIA 1.2%</b>		
<b>Riverside County, California Redevelopment Successor Agency Tax Allocation Bonds, Series 2010</b>		
7.500% due 10/01/2030	1,200	1,313
<b>San Francisco, California City &amp; County Redevelopment Agency Tax Allocation Bonds, Series 2009</b>		
8.406% due 08/01/2039	1,650	2,432
<b>Stockton Public Financing Authority, California Revenue Bonds, (BABs), Series 2009</b>		
7.942% due 10/01/2038	3,500	3,687
		7,432
<b>ILLINOIS 0.2%</b>		
<b>Chicago, Illinois General Obligation Bonds, Series 2015</b>		
7.375% due 01/01/2033	180	203
7.750% due 01/01/2042	330	360
<b>Illinois State General Obligation Bonds, (BABs), Series 2010</b>		
6.725% due 04/01/2035	35	38
7.350% due 07/01/2035	20	22
<b>Illinois State General Obligation Bonds, Series 2003</b>		
5.100% due 06/01/2033	280	272
		895
<b>OHIO 3.7%</b>		
<b>Ohio State University Revenue Bonds, Series 2011</b>		
4.800% due 06/01/2111	21,000	22,476
<b>VIRGINIA 0.1%</b>		
<b>Tobacco Settlement Financing Corp., Virginia Revenue Bonds, Series 2007</b>		
6.706% due 06/01/2046	820	812
<b>WEST VIRGINIA 2.5%</b>		
<b>Tobacco Settlement Finance Authority, West Virginia Revenue Bonds, Series 2007</b>		
0.000% due 06/01/2047 (h)	45,700	2,829
7.467% due 06/01/2047	12,070	12,027
		14,856
<b>Total Municipal Bonds &amp; Notes (Cost \$38,928)</b>		<b>46,471</b>
<b>U.S. GOVERNMENT AGENCIES 3.3%</b>		
<b>Fannie Mae</b>		
3.500% due 02/25/2042 (a)	940	118
4.186% (- 1.0*LIBOR01M + 6.250%) due 01/25/2040 ~(a)	344	44
4.500% due 11/25/2042 (a)	2,465	392
<b>Freddie Mac</b>		
0.000% due 02/25/2046 - 08/25/2046 (b)(h)	9,633	7,242

Edgar Filing: CVENT INC - Form 10-Q

0.100% due 02/25/2046 - 08/25/2046 (a)	121,142	295
2.557% due 11/25/2055 «~	8,648	5,201
3.000% due 02/15/2033 (a)	2,045	222
3.500% due 12/15/2032 (a)	3,395	507
6.421% (- 2.667*LIBOR01M + 12.000%) due 09/15/2035 ~	776	788
9.614% (US0001M + 7.550%) due 12/25/2027 ~	2,888	3,593
	<b>PRINCIPAL</b>	<b>MARKET</b>
	<b>AMOUNT</b>	<b>VALUE</b>
	<b>(000S)</b>	<b>(000S)</b>
12.814% (US0001M + 10.750%) due 03/25/2025 ~	\$ 729	\$ 989
<b>Ginnie Mae</b>		
3.500% due 06/20/2042 - 10/20/2042 (a)	730	105
4.000% due 10/16/2042 - 10/20/2042 (a)	448	62
<b>Total U.S. Government Agencies (Cost \$18,861)</b>		19,558
<b>NON-AGENCY MORTGAGE-BACKED SECURITIES 20.5%</b>		
<b>Banc of America Alternative Loan Trust</b>		
6.000% due 01/25/2036 ^	103	101
<b>Banc of America Funding Corp.</b>		
6.000% due 01/25/2037	6,296	6,003
<b>Banc of America Funding Trust</b>		
4.050% due 01/20/2047 ^^	1,181	1,142
<b>BCAP LLC Trust</b>		
3.736% due 05/26/2036 ~	76	4
3.832% due 07/26/2037 ~	9,785	8,853
3.864% due 08/28/2037 ~	7,146	6,949
3.870% due 08/26/2037 ~	13,773	10,304
4.111% due 05/26/2037 ~	1,708	748
4.417% due 09/26/2036 ~	5,153	5,062
4.945% due 03/26/2037	856	893
5.750% due 12/26/2035 ~	4,169	3,912
6.250% due 11/26/2036	4,588	4,011
12.786% due 06/26/2036 ~	418	216
<b>Bear Stearns ALT-A Trust</b>		
2.564% due 01/25/2036 ^	1,373	1,436
3.626% due 11/25/2036 ^^	457	387
3.683% due 09/25/2047 ^^	6,499	5,375
3.835% due 11/25/2035 ~	6,885	6,078
4.206% due 09/25/2035 ^^	599	461
<b>CD Mortgage Trust</b>		
5.688% due 10/15/2048	2,155	1,121
<b>Chase Mortgage Finance Trust</b>		
3.537% due 12/25/2035 ^^	9	9
5.500% due 05/25/2036 ^	21	18
<b>Citicorp Mortgage Securities Trust</b>		
5.500% due 04/25/2037	116	116
6.000% due 09/25/2037	1,152	1,191
<b>Commercial Mortgage Loan Trust</b>		
6.052% due 12/10/2049 ~	2,126	1,317
<b>Countrywide Alternative Loan Resecuritization Trust</b>		
6.000% due 05/25/2036 ^	2,645	2,193
6.000% due 08/25/2037 ^^	1,196	934
<b>Countrywide Alternative Loan Trust</b>		
3.723% due 04/25/2036 ^^	1,306	1,201
5.500% due 03/25/2035	311	234
5.500% due 01/25/2036	657	584
5.750% due 01/25/2035	353	354
5.750% due 02/25/2035	407	397
5.750% due 12/25/2036 ^	844	603
6.000% due 02/25/2035	415	403
6.000% due 04/25/2036	588	455
6.000% due 04/25/2037 ^	1,898	1,387
6.250% due 11/25/2036 ^	849	753
6.250% due 12/25/2036 ^	614	464
6.500% due 08/25/2036 ^	517	344
<b>Countrywide Home Loan Mortgage Pass-Through Trust</b>		
2.644% due 03/25/2035 ^	5,103	4,577
6.000% due 07/25/2037	1,782	1,450

Edgar Filing: CVENT INC - Form 10-Q

6.250% due 09/25/2036 ^		620	498
<b>Credit Suisse First Boston Mortgage-Backed Pass-through Certificates</b>			
6.000% due 11/25/2035 ^		474	403
<b>Credit Suisse Mortgage Capital Certificates</b>			
4.040% due 10/26/2036 ~		7,525	5,046
<b>Credit Suisse Mortgage Capital Mortgage-Backed Trust</b>			
5.750% due 04/25/2036 ^		167	129
<b>Epic Drummond Ltd.</b>			
0.000% due 01/25/2022	EUR	137	159
<b>First Horizon Mortgage Pass-Through Trust</b>			
3.750% due 11/25/2035 ^~	\$	199	176
4.039% due 05/25/2037 ^~		351	295
		<b>PRINCIPAL AMOUNT (000S)</b>	<b>MARKET VALUE (000S)</b>
<b>GS Mortgage Securities Trust</b>			
5.622% due 11/10/2039	\$	972	\$ 839
<b>IndyMac Mortgage Loan Trust</b>			
6.500% due 07/25/2037 ^		3,508	2,265
<b>JPMorgan Alternative Loan Trust</b>			
3.415% due 03/25/2037 ^~		1,129	1,069
3.630% due 03/25/2036 ^~		2,108	1,971
3.767% due 05/25/2036 ^~		1,922	1,561
<b>JPMorgan Chase Commercial Mortgage Securities Trust</b>			
5.623% due 05/12/2045		1,288	1,129
<b>JPMorgan Mortgage Trust</b>			
3.686% due 10/25/2035 ~		291	283
3.689% due 02/25/2036 ^~		380	323
6.500% due 09/25/2035		114	110
<b>LB-UBS Commercial Mortgage Trust</b>			
5.407% due 11/15/2038		858	663
5.562% due 02/15/2040 ~		909	574
<b>Lehman Mortgage Trust</b>			
6.000% due 07/25/2037 ^		965	933
6.500% due 09/25/2037 ^		2,639	1,954
<b>Lehman XS Trust</b>			
2.284% due 06/25/2047		2,121	1,922
<b>MASTR Asset Securitization Trust</b>			
6.500% due 11/25/2037 ^		513	333
<b>Merrill Lynch Mortgage Investors Trust</b>			
3.564% due 03/25/2036 ^~		1,991	1,536
<b>Morgan Stanley Capital Trust</b>			
6.120% due 06/11/2049 ~		482	487
<b>Nomura Asset Acceptance Corp. Alternative Loan Trust</b>			
4.976% due 05/25/2035 ^		13	10
<b>Residential Accredit Loans, Inc. Trust</b>			
4.729% due 12/26/2034 ^~		1,124	894
6.000% due 08/25/2036 ^		362	330
<b>Residential Asset Securitization Trust</b>			
5.750% due 02/25/2036 ^		1,138	850
6.000% due 07/25/2037 ^		1,533	1,049
6.250% due 09/25/2037 ^		2,797	1,953
<b>Residential Funding Mortgage Securities, Inc. Trust</b>			
4.355% due 09/25/2035 ~		819	670
4.916% due 08/25/2036 ^~		1,184	1,109
<b>Structured Adjustable Rate Mortgage Loan Trust</b>			
3.668% due 11/25/2036 ^~		2,633	2,562
3.834% due 07/25/2036 ^~		523	455
3.855% due 01/25/2036 ^~		2,338	1,826
<b>Suntrust Adjustable Rate Mortgage Loan Trust</b>			
3.675% due 02/25/2037 ^~		294	266
<b>WaMu Mortgage Pass-Through Certificates Trust</b>			
3.403% due 02/25/2037 ^~		591	574
3.405% due 10/25/2036 ^~		874	804
3.582% due 05/25/2037 ^~		1,437	1,371
3.898% due 07/25/2037 ^~		1,024	954
<b>Wells Fargo Mortgage-Backed Securities Trust</b>			
3.908% due 07/25/2036 ^~		276	279
5.750% due 03/25/2037 ^		248	245

Edgar Filing: CVENT INC - Form 10-Q

**Total Non-Agency Mortgage-Backed Securities (Cost \$110,789) 122,899**

**ASSET-BACKED SECURITIES 19.6%**

<b>Adagio CLO DAC</b>			
0.000% due 04/30/2031 ~	EUR	1,800	1,761
<b>Airspeed Ltd.</b>			
2.342% due 06/15/2032	\$	3,097	2,886
<b>Apidos CLO</b>			
0.000% due 07/22/2026 ~		1,500	794
0.000% due 01/20/2031 ~		4,500	4,063
<b>Argent Securities Trust</b>			
2.254% due 03/25/2036		3,879	2,398
<b>Bear Stearns Asset-Backed Securities Trust</b>			
2.204% due 10/25/2036 ^~		5,033	5,270
6.500% due 10/25/2036 ^		362	281
<b>Belle Haven ABS CDO Ltd.</b>			
2.587% due 07/05/2046		180,259	1,262

**70 PIMCO CLOSED-END FUNDS**

See Accompanying Notes

July 31, 2018

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>CIFC Funding Ltd.</b>		
0.000% due 05/24/2026 ~	\$ 2,400	\$ 1,704
0.000% due 07/22/2026 ~	1,500	848
<b>Citigroup Mortgage Loan Trust</b>		
2.214% due 12/25/2036	15,646	8,269
2.224% due 12/25/2036	4,044	2,671
<b>Cork Street CLO Designated Activity Co.</b>		
0.000% due 11/27/2028 ~	EUR 2,366	2,820
3.600% due 11/27/2028	1,062	1,245
4.500% due 11/27/2028	929	1,090
6.200% due 11/27/2028	1,150	1,350
<b>Countrywide Asset-Backed Certificates</b>		
2.204% due 12/25/2046	\$ 14,454	13,043
2.204% due 06/25/2047 ^	1,658	1,529
2.234% due 03/25/2037	1,817	1,770
2.264% due 06/25/2047	10,360	9,243
<b>Countrywide Asset-Backed Certificates Trust</b>		
2.814% due 11/25/2035	4,008	4,135
<b>Fremont Home Loan Trust</b>		
2.214% due 01/25/2037	14,665	8,683
<b>Grosvenor Place CLO BV</b>		
0.000% due 04/30/2029 ~	EUR 500	470
<b>Home Equity Mortgage Loan Asset-Backed Trust</b>		
2.224% due 07/25/2037	\$ 3,197	2,112
<b>HSI Asset Securitization Corp. Trust</b>		
0.000% due 10/25/2036 (h)	3,251	1,316
<b>Lehman XS Trust</b>		
6.290% due 06/24/2046	3,083	3,122
<b>Long Beach Mortgage Loan Trust</b>		
2.364% due 01/25/2036	4,685	4,217
<b>Merrill Lynch Mortgage Investors Trust</b>		
2.224% due 04/25/2037	550	350
<b>Morgan Stanley Mortgage Loan Trust</b>		
6.250% due 07/25/2047 ^~	701	498
<b>SLM Student Loan EDC Repackaging Trust</b>		
0.000% due 10/28/2029 «(h)	1	1,474
<b>SLM Student Loan Trust</b>		
0.000% due 01/25/2042 «(h)	4	2,981
<b>SoFi Professional Loan Program LLC</b>		
0.000% due 05/25/2040 «(h)	4,400	2,547
0.000% due 07/25/2040 «(h)	21	1,268
0.000% due 09/25/2040 «(h)	1,758	1,054
<b>South Coast Funding Ltd.</b>		
2.953% due 08/10/2038	12,278	2,395
<b>Taberna Preferred Funding Ltd.</b>		
2.723% due 12/05/2036	5,154	4,536
2.749% due 08/05/2036	427	363
2.749% due 08/05/2036 ^	8,425	7,161
2.807% due 07/05/2035	4,935	4,639
<b>Total Asset-Backed Securities (Cost \$112,240)</b>		<b>117,618</b>

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>SOVEREIGN ISSUES 4.1%</b>		
<b>Argentina Government International Bond</b>		



Edgar Filing: CVENT INC - Form 10-Q

2.260% due 12/31/2038	EUR	3,270	\$	2,357
3.375% due 01/15/2023		200		214
5.250% due 01/15/2028		200		205
6.250% due 11/09/2047		100		96
7.820% due 12/31/2033		9,789		11,554
30.131% (BADLARPP) due 10/04/2022 ~	ARS	58		3
35.842% (BADLARPP + 2.500%) due 03/11/2019 ~		200		7
36.087% (BADLARPP + 3.250%) due 03/01/2020 ~		1,200		42
36.495% (BADLARPP + 2.000%) due 04/03/2022 ~		63,442		2,075
40.000% (ARPP7DRR) due 06/21/2020 ~		105,103		3,859
<b>Autonomous Community of Catalonia</b>				
4.900% due 09/15/2021	EUR	1,500		1,911
<b>Egypt Government International Bond</b>				
4.750% due 04/16/2026		300		345
5.625% due 04/16/2030		300		338
<b>Peru Government International Bond</b>				
6.350% due 08/12/2028	PEN	2,800		914
<b>Republic of Greece Government International Bond</b>				
4.750% due 04/17/2019	EUR	300		360
<b>Venezuela Government International Bond</b>				
6.000% due 12/09/2020 ^(e)	\$	248		66
9.250% due 09/15/2027 ^(e)		315		92
<b>Total Sovereign Issues (Cost \$28,981)</b>				<b>24,438</b>

**SHARES**

<b>COMMON STOCKS 1.6%</b>				
<b>CONSUMER DISCRETIONARY 0.9%</b>				
Caesars Entertainment Corp. (f)		486,164		5,494

<b>ENERGY 0.1%</b>				
Forbes Energy Services Ltd. (f)(k)		21,825		185
Ocean Rig UDW, Inc. (f)		16,639		467
				652

<b>FINANCIALS 0.6%</b>				
TIG FinCo PLC «(k)		2,072,442		3,264

**Total Common Stocks (Cost \$9,579) 9,410**

<b>WARRANTS 0.0%</b>				
<b>INDUSTRIALS 0.0%</b>				
Sequa Corp. - Exp. 04/28/2024 «		819,000		205

**Total Warrants (Cost \$0) 205**

		SHARES		MARKET VALUE (000S)
<b>PREFERRED SECURITIES 3.9%</b>				
<b>BANKING &amp; FINANCE 1.3%</b>				
<b>Farm Credit Bank of Texas</b>				
10.000% due 12/15/2020 (i)(k)		7,150	\$	8,151
<b>INDUSTRIALS 2.6%</b>				
<b>Sequa Corp.</b>				
9.000% «		16,859		15,300
<b>Total Preferred Securities (Cost \$23,612)</b>				<b>23,451</b>

<b>REAL ESTATE INVESTMENT TRUSTS 1.4%</b>				
<b>REAL ESTATE 1.4%</b>				
VICI Properties, Inc.		423,584		8,620

Edgar Filing: CVENT INC - Form 10-Q

Total Real Estate Investment Trusts  
(Cost \$5,525) 8,620

SHORT-TERM INSTRUMENTS 2.6%  
REPURCHASE AGREEMENTS (l) 1.9% 11,433

	PRINCIPAL AMOUNT (000S)	
<b>ARGENTINA TREASURY BILLS 0.1%</b>		
22.210% due 09/14/2018 - 09/19/2018 (g)(h)	ARS	18,970 693
1.502% due 08/24/2018 - 09/14/2018 (g)(h)	\$	158 158
		851

<b>U.S. TREASURY BILLS 0.6%</b>		
1.974% due 09/27/2018 - 10/18/2018 (g)(h)(o)(q)		3,423 3,411

Total Short-Term Instruments (Cost \$15,882) 15,695

Total Investments in Securities (Cost \$731,361) 752,152

Total Investments 125.2% (Cost \$731,361)	\$	752,152
Financial Derivative Instruments (n)(p) 0.0%		
(Cost or Premiums, net \$18,416)		(269)

Preferred Shares (15.4%)	(92,450)
Other Assets and Liabilities, net (9.8%)	(58,543)

Net Assets Applicable to Common Shareholders 100.0%	\$	600,890
---	----	---------

NOTES TO SCHEDULE OF INVESTMENTS:

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

^ Security is in default.

< Security valued using significant unobservable inputs (Level 3).

~ 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.

All or a portion of this amount represent unfunded loan commitments. The interest rate for the unfunded portion will be determined at the time of funding. See Note 4, Securities and Other Investments, in the Notes to Financial Statements for more information regarding unfunded loan commitments.

(a) Interest only security.

(b) Principal only security.

(c) When-issued security.

See Accompanying Notes

ANNUAL REPORT JULY 31, 2018 71

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

- (d) Payment in-kind security.  
(e) Security is not accruing income as of the date of this report.  
(f) Security did not produce income within the last twelve months.  
(g) Coupon represents a weighted average yield to maturity.  
(h) Zero coupon security.  
(i) Perpetual maturity; date shown, if applicable, represents next contractual call date.  
(j) Contingent convertible security.

**(k) RESTRICTED SECURITIES:**

Issuer Description	Acquisition Date	Cost	Market Value	Market Value as Percentage of Net Assets
Farm Credit Bank of Texas				
10.000% due 12/15/2020	09/17/2013	\$ 8,419	\$ 8,151	1.36%
Forbes Energy Services Ltd.	10/09/2014 - 12/03/2014	944	185	0.03
TIG FinCo PLC	04/02/2015 - 07/20/2017	2,776	3,264	0.54
		\$ 12,139	\$ 11,600	1.93%

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

Counterparty	Lending Rate	Settlement Date	Maturity Date	Principal Amount	Collateralized By	Collateral (Received)	Repurchase Agreements, at Value	Repurchase Agreement Proceeds to be Received <sup>(1)</sup>
BPS	2.010%	07/31/2018	08/01/2018	\$ 7,000	U.S. Treasury Inflation Protected Securities 1.375% due 02/15/2044	\$ (7,140)	\$ 7,000	\$ 7,000
FICC	1.500	07/31/2018	08/01/2018	4,433	U.S. Treasury Notes 2.625% due 11/15/2020	(4,524)	4,433	4,433
<b>Total Repurchase Agreements</b>						<b>\$ (11,664)</b>	<b>\$ 11,433</b>	<b>\$ 11,433</b>

**REVERSE REPURCHASE AGREEMENTS:**

Counterparty	Borrowing Rate <sup>(2)</sup>	Settlement Date	Maturity Date	Amount Borrowed <sup>(2)</sup>	Payable for Reverse Repurchase Agreements
--------------	-------------------------------	-----------------	---------------	--------------------------------	---

Edgar Filing: CVENT INC - Form 10-Q

BCY	(0.500)%	06/28/2018	TBD <sup>(3)</sup>	\$ (738)	\$ (738)
	0.950	06/18/2018	TBD <sup>(3)</sup>	(1,217)	(1,218)
BPS	2.450	06/01/2018	09/04/2018	(5,161)	(5,182)
BRC	0.000	07/26/2018	TBD <sup>(3)</sup>	(202)	(202)
CIW	2.450	07/13/2018	08/10/2018	(3,981)	(3,986)
JML	2.550	07/18/2018	08/20/2018	(8,122)	(8,130)
RBC	2.490	02/07/2018	08/07/2018	(2,464)	(2,494)
	2.590	02/07/2018	08/07/2018	(6,085)	(6,162)
RDR	2.520	06/12/2018	09/12/2018	(3,788)	(3,801)
SOG	2.850	07/10/2018	10/10/2018	(5,089)	(5,098)
UBS	2.560	06/11/2018	09/10/2018	(7,321)	(7,348)
	2.570	07/09/2018	10/09/2018	(5,528)	(5,537)
	2.860	05/31/2018	08/31/2018	(2,772)	(2,786)
	2.910	05/14/2018	08/14/2018	(4,847)	(4,878)
<b>Total Reverse Repurchase Agreements</b>					<b>\$ (57,560)</b>

**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 July 31, 2018:

Counterparty	Repurchase Agreement Proceeds to be Received <sup>(1)</sup>	Payable for Reverse Repurchase Agreements	Payable for Sale-Buyback Transactions	Total Borrowings and Other Financing Transactions	Collateral Pledged/(Received)	Net Exposure <sup>(4)</sup>
Global/Master Repurchase Agreement						
BCY	\$ 0	\$ (1,956)	\$ 0	\$ (1,956)	\$ 2,195	\$ 239
BPS	7,000	(5,182)	0	1,818	(1,951)	(133)
BRC	0	(202)	0	(202)	201	(1)
CIW	0	(3,986)	0	(3,986)	4,018	32
FICC	4,433	0	0	4,433	(4,524)	(91)
JML	0	(8,130)	0	(8,130)	10,039	1,909

**72 PIMCO CLOSED-END FUNDS**

See Accompanying Notes

July 31, 2018

Counterparty	Repurchase Agreement Proceeds to be Received <sup>(1)</sup>	Payable for Reverse Repurchase Agreements	Payable for Sale-Buyback Transactions	Total Borrowings and Other Financing Transactions	Collateral Pledged/(Received)	Net Exposure <sup>(4)</sup>
RBC	\$ 0	\$ (8,656)	\$ 0	\$ (8,656)	\$ 9,988	\$ 1,332
RDR	0	(3,801)	0	(3,801)	3,812	11
SOG	0	(5,098)	0	(5,098)	5,504	406
UBS	0	(20,549)	0	(20,549)	22,148	1,599
<b>Total Borrowings and Other Financing Transactions</b>	<b>\$ 11,433</b>	<b>\$ (57,560)</b>	<b>\$ 0</b>			

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

	Overnight and Continuous	Up to 30 days	31-90 days	Greater Than 90 days	Total
<b>Reverse Repurchase Agreements</b>					
Corporate Bonds & Notes	\$ 0	\$ (25,650)	\$ (29,752)	\$ (2,158)	\$ (57,560)
<b>Total Borrowings</b>	<b>\$ 0</b>	<b>\$ (25,650)</b>	<b>\$ (29,752)</b>	<b>\$ (2,158)</b>	<b>\$ (57,560)</b>
<b>Payable for reverse repurchase agreements</b>					<b>\$ (57,560)</b>

(m) Securities with an aggregate market value of \$62,814 and cash of \$320 have been pledged as collateral under the terms of the above master agreements as of July 31, 2018.

(1) Includes accrued interest.

(2) The average amount of borrowings outstanding during the period ended July 31, 2018 was \$(63,736) at a weighted average interest rate of 2.018%. Average borrowings may include sale-buyback transactions and reverse repurchase agreements, if held during the period.

(3) Open maturity reverse repurchase agreement.

(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 regarding master netting arrangements.

**(n) FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED****SWAP AGREEMENTS:**

Edgar Filing: CVENT INC - Form 10-Q

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

Reference Entity	Fixed Receive Rate	Payment Frequency	Maturity Date	Implied Credit Spread at July 31, 2018 <sup>(2)</sup>	Notional Amount <sup>(3)</sup>	Premiums Paid/(Received)	Unrealized Appreciation/Depreciation	Market Value <sup>(4)</sup>	Variation Margin	
									Asset	Liability
Frontier Communications Corp.	5.000%	Quarterly	06/20/2020	9.536%	\$ 6,500	\$ (215)	\$ (227)	\$ (442)	\$ 11	\$ 0

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

Index/Tranches	Fixed Receive Rate	Payment Frequency	Maturity Date	Notional Amount <sup>(3)</sup>	Premiums Paid/(Received)	Unrealized Appreciation/Depreciation	Market Value <sup>(4)</sup>	Variation Margin	
								Asset	Liability
CDX.HY-30 5-Year Index	5.000%	Quarterly	06/20/2023	\$ 5,300	\$ 318	\$ 84	\$ 402	\$ 5	\$ 0

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	Liability
Receive	3-Month USD-LIBOR	2.000%	Semi-Annual	06/20/2023	\$ 55,000	\$ 2,014	\$ 493	\$ 2,507	\$ 1	\$ 0	
Pay	3-Month USD-LIBOR	2.750	Semi-Annual	06/17/2025	149,020	9,092	(11,488)	(2,396)	48	0	
Pay	3-Month USD-LIBOR	2.250	Semi-Annual	06/15/2026	26,800	1,267	(2,743)	(1,476)	13	0	
Pay	3-Month USD-LIBOR	2.500	Semi-Annual	12/20/2027	49,000	343	(2,563)	(2,220)	30	0	
Pay	3-Month USD-LIBOR	3.500	Semi-Annual	06/19/2044	201,500	(6,573)	21,924	15,351	512	0	
Receive	3-Month USD-LIBOR	2.500	Semi-Annual	06/20/2048	311,400	13,270	23,678	36,948	0	(836)	
Pay	6-Month AUD-BBR-BBSW	3.000	Semi-Annual	12/17/2019	AUD 12,900	185	(72)	113	0	(3)	
Pay	6-Month AUD-BBR-BBSW	3.500	Semi-Annual	06/17/2025	8,100	201	137	338	0	(4)	
Receive <sup>(5)</sup>	6-Month EUR-EURIBOR	1.250	Annual	09/19/2028	EUR 13,100	(183)	(227)	(410)	43	0	
Receive <sup>(5)</sup>	6-Month EUR-EURIBOR	1.250	Annual	12/19/2028	2,100	(36)	(16)	(52)	7	0	
Receive <sup>(5)</sup>	6-Month GBP-LIBOR	1.500	Semi-Annual	09/19/2028	GBP 24,000	552	(222)	330	145	0	
						\$ 20,132	\$ 28,901	\$ 49,033	\$ 799	\$ (843)	
<b>Total Swap Agreements</b>						<b>\$ 20,235</b>	<b>\$ 28,758</b>	<b>\$ 48,993</b>	<b>\$ 815</b>	<b>\$ (843)</b>	

See Accompanying Notes

ANNUAL REPORT JULY 31, 2018 73

**Schedule of Investments PIMCO Income Strategy Fund II (Cont.)****FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED SUMMARY**

The following is a summary of the market value and variation margin of Exchange-Traded or Centrally Cleared Financial Derivative Instruments as of July 31, 2018:

	Financial Derivative Assets				Financial Derivative Liabilities			
	Variation Margin				Variation Margin			
	Market Value		Asset		Market Value		Liability	
	Purchased	Futures	Swaps	Total	Written	Futures	Swaps	Total
<b>Total Exchange-Traded or Centrally Cleared</b>	\$ 0	\$ 0	\$ 815	\$ 815	\$ 0	\$ 0	\$ (843)	\$ (843)

(o) Securities with an aggregate market value of \$522 and cash of \$12,375 have been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of July 31, 2018. See Note 8, Master Netting Arrangements, in the Notes to Financial Statements for more information regarding master netting arrangements.

- (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, securities or other deliverable obligations equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.
- (2) Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on corporate issues as of period end serve as 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.
- (3) The maximum potential amount the Fund could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.
- (4) The prices and resulting values for credit default swap agreements on credit indices serve as indicators of the current status of the payment/performance risk and represent the likelihood of an expected liability (or profit) for the credit derivative should the notional amount of the swap agreement be closed/sold as of the period end. Increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the referenced indices' credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.
- (5) 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.

**(p) 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	08/2018	\$ 61,552	EUR 52,957	\$ 373	\$ 0
	08/2018	1,137	GBP 859	0	(10)
	09/2018	EUR 52,957	\$ 61,699	0	(373)

Edgar Filing: CVENT INC - Form 10-Q

BPS	08/2018	ARS	23,692		788	0	(56)
	09/2018	PEN	3,236		987	0	(1)
BRC	09/2018	ARS	14,643		527	21	0
CBK	08/2018	EUR	2,599		3,037	0	(3)
	08/2018	\$	61,607	GBP	47,037	132	0
	09/2018	GBP	47,037	\$	61,689	0	(131)
GLM	08/2018	\$	489	EUR	419	1	0
HUS	08/2018		5,560	RUB	347,928	6	(10)
JPM	08/2018	AUD	581	\$	428	0	(4)
SSB	08/2018	EUR	50,777		59,240	0	(135)
	08/2018	\$	644	GBP	487	0	(5)
UAG	08/2018	GBP	48,383	\$	64,065	560	0
<b>Total Forward Foreign Currency Contracts</b>						<b>\$ 1,093</b>	<b>\$ (728)</b>

SWAP AGREEMENTS:

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

Counterparty	Reference Entity	Fixed Receive Rate	Payment Frequency	Maturity Date	Implied Credit Spread at July 31, 2018 <sup>(2)</sup>	Notional Amount <sup>(3)</sup>	Premiums Paid/(Received)	Unrealized Swap Agreements, at Value		
								Appreciation/Depreciation	Asset	Liability
BPS	Petrobras Global Finance BV	1.000%	Quarterly	12/20/2024	3.275%	\$ 1,000	\$ (195)	\$ 75	\$ 0	\$ (120)
GST	Petrobras Global Finance BV	1.000	Quarterly	09/20/2020	1.619	10	(1)	1	0	0
	Petrobras Global Finance BV	1.000	Quarterly	12/20/2021	2.165	100	(16)	12	0	(4)
	Petrobras Global Finance BV	1.000	Quarterly	12/20/2024	3.275	1,400	(278)	110	0	(168)

74 PIMCO CLOSED-END FUNDS

See Accompanying Notes



July 31, 2018

Counterparty	Reference Entity	Fixed Receive Rate	Payment Frequency	Maturity Date	Implied Credit Spread at July 31, 2018 <sup>(2)</sup>	Notional Amount <sup>(3)</sup>	Premiums Paid/(Received)	Unrealized Appreciation/Depreciation	Swap Agreements, at Value	
									Asset	Liability
HUS	Petrobras Global Finance BV	1.000%	Quarterly	12/20/2019	1.324%	\$ 300	\$ (25)	\$ 24	\$ 0	\$ (1)
	Petrobras Global Finance BV	1.000	Quarterly	09/20/2020	1.619	40	(6)	6	0	0
	Petrobras Global Finance BV	1.000	Quarterly	12/20/2024	3.275	1,700	(353)	150	0	(203)
MYC	Petrobras Global Finance BV	1.000	Quarterly	12/20/2019	1.324	8,700	(805)	777	0	(28)
							\$ (1,679)	\$ 1,155	\$ 0	\$ (524)

## 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	Liability
MYC	Pay	3-Month USD-LIBOR	3.025%	Semi-Annual	09/04/2023	\$ 180,000	\$ (137)	\$ 51	\$ 0	\$ (86)

## TOTAL RETURN SWAPS ON INTEREST RATE INDICES

Counterparty	Pay/Receive <sup>(4)</sup>	Underlying Reference# of Units	Financing Rate	Payment Frequency	Maturity Date	Notional Amount	Premiums Paid/(Received)	Unrealized Appreciation/Depreciation	Swap Agreements, at Value		
									Asset	Liability	
BOA	Receive	iBoxx USD Liquid High Yield Index	N/A 3-Month USD-LIBOR	Maturity	09/20/2018	\$ 300	\$ (2)	\$ 4	\$ 2	\$ 0	
GST	Receive	iBoxx USD Liquid High Yield Index	N/A 3-Month USD-LIBOR	Maturity	09/20/2018	300	(1)	3	2	0	
							\$ (3)	\$ 7	\$ 4	\$ 0	
<b>Total Swap Agreements</b>								<b>\$ (1,819)</b>	<b>\$ 1,213</b>	<b>\$ 4</b>	<b>\$ (610)</b>

## FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER SUMMARY

The following is a summary by counterparty of the market value of OTC financial derivative instruments and collateral pledged/(received) as of July 31, 2018:

Financial Derivative Assets

Financial Derivative Liabilities

Edgar Filing: CVENT INC - Form 10-Q

Counterparty	Forward Foreign			Total Over the Counter	Forward Foreign			Total Over the Counter	Net Market Value of OTC Derivatives	Collateral Pledged/ (Received)	Net Exposure <sup>(5)</sup>
	Currency Contracts	Purchased Options	Swap Agreements		Currency Contracts	Written Options	Swap Agreements				
BOA	\$ 373	\$ 0	\$ 2	\$ 375	\$ (383)	\$ 0	\$ 0	\$ (383)	\$ (8)	\$ 0	\$ (8)
BPS	0	0	0	0	(57)	0	(120)	(177)	(177)	0	(177)
BRC	21	0	0	21	0	0	0	0	21	0	21
CBK	132	0	0	132	(134)	0	0	(134)	(2)	0	(2)
GLM	1	0	0	1	0	0	0	0	1	0	1
GST	0	0	2	2	0	0	(172)	(172)	(170)	325	155
HUS	6	0	0	6	(10)	0	(204)	(214)	(208)	402	194
JPM	0	0	0	0	(4)	0	0	(4)	(4)	0	(4)
MYC	0	0	0	0	0	0	(114)	(114)	(114)	(477)	(591)
SSB	0	0	0	0	(140)	0	0	(140)	(140)	0	(140)
UAG	560	0	0	560	0	0	0	0	560	(640)	(80)
<b>Total Over the Counter</b>	<b>\$ 1,093</b>	<b>\$ 0</b>	<b>\$ 4</b>	<b>\$ 1,097</b>	<b>\$ (728)</b>	<b>\$ 0</b>	<b>\$ (610)</b>	<b>\$ (1,338)</b>			

(q) Securities with an aggregate market value of \$867 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of July 31, 2018.

- (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, securities or other deliverable obligations equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.
- (2) Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on corporate issues as of period end serve as 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.
- (3) The maximum potential amount the Fund could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.
- (4) Receive represents that the Fund receives payments for any positive net return on the underlying reference. The Fund makes payments for any negative net return on such underlying reference. Pay represents that the Fund receives payments for any negative net return on the underlying reference. The Fund makes payments for any positive net return on such underlying reference.

See Accompanying Notes

ANNUAL REPORT JULY 31, 2018 75

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

<sup>(5)</sup> Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from OTC financial derivative instruments can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 8, Master Netting Arrangements, in the Notes to Financial Statements for more information regarding master netting arrangements.

**FAIR VALUE OF FINANCIAL DERIVATIVE INSTRUMENTS**

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

Fair Values of Financial Derivative Instruments on the Statements of Assets and Liabilities as of July 31, 2018:

	Derivatives not accounted for as hedging instruments					
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts	Total
<b>Financial Derivative Instruments - Assets</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ 16	\$ 0	\$ 0	\$ 799	\$ 815
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 1,093	\$ 0	\$ 1,093
Swap Agreements	0	0	0	0	4	4
	\$ 0	\$ 0	\$ 0	\$ 1,093	\$ 4	\$ 1,097
	\$ 0	\$ 16	\$ 0	\$ 1,093	\$ 803	\$ 1,912
<b>Financial Derivative Instruments - Liabilities</b>						
Exchange-traded or centrally cleared						
Swap Agreements	\$ 0	\$ 0	\$ 0	\$ 0	\$ 843	\$ 843
Over the counter						
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 728	\$ 0	\$ 728
Swap Agreements	0	524	0	0	86	610
	\$ 0	\$ 524	\$ 0	\$ 728	\$ 86	\$ 1,338
	\$ 0	\$ 524	\$ 0	\$ 728	\$ 929	\$ 2,181

The effect of Financial Derivative Instruments on the Statements of Operations for the period ended July 31, 2018:

	Derivatives not accounted for as hedging instruments					
	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Exchange Contracts	Interest Rate Contracts	Total

Edgar Filing: CVENT INC - Form 10-Q

**Net Realized Gain (Loss) on Financial Derivative Instruments**

Exchange-traded or centrally cleared							
Swap Agreements	\$ 0	\$ 1,240	\$ 0	\$ 0	\$ 18,296	\$ 19,536	
Over the counter							
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ (1,086)	\$ 0	\$ (1,086)	
Swap Agreements	0	141	0	0	315	456	
	\$ 0	\$ 141	\$ 0	\$ (1,086)	\$ 315	\$ (630)	
	\$ 0	\$ 1,381	\$ 0	\$ (1,086)	\$ 18,611	\$ 18,906	

**Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments**

Exchange-traded or centrally cleared							
Swap Agreements	\$ 0	\$ (884)	\$ 0	\$ 0	\$ (19,871)	\$ (20,755)	
Over the counter							
Forward Foreign Currency Contracts	\$ 0	\$ 0	\$ 0	\$ 3,756	\$ 0	\$ 3,756	
Swap Agreements	0	194	0	0	59	253	
	\$ 0	\$ 194	\$ 0	\$ 3,756	\$ 59	\$ 4,009	
	\$ 0	\$ (690)	\$ 0	\$ 3,756	\$ (19,812)	\$ (16,746)	

76 PIMCO CLOSED-END FUNDS

See Accompanying Notes

July 31, 2018

**FAIR VALUE MEASUREMENTS**

The following is a summary of the fair valuations according to the inputs used as of July 31, 2018 in valuing the Fund's assets and liabilities:

<b>Category and Subcategory</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Fair Value at 07/31/2018</b>
<b>Investments in Securities, at Value</b>				
Loan Participations and Assignments	\$ 0	\$ 29,151	\$ 569	\$ 29,720
<b>Corporate Bonds &amp; Notes</b>				
Banking & Finance	0	140,680	0	140,680
Industrials	0	148,860	745	149,605
Utilities	0	38,767	0	38,767
<b>Convertible Bonds &amp; Notes</b>				
Industrials	0	5,015	0	5,015
<b>Municipal Bonds &amp; Notes</b>				
California	0	7,432	0	7,432
Illinois	0	895	0	895
Ohio	0	22,476	0	22,476
Virginia	0	812	0	812
West Virginia	0	14,856	0	14,856
U.S. Government Agencies	0	14,357	5,201	19,558
Non-Agency Mortgage-Backed Securities	0	122,899	0	122,899
Asset-Backed Securities	0	108,294	9,324	117,618
Sovereign Issues	0	24,438	0	24,438
<b>Common Stocks</b>				
Consumer Discretionary	5,494	0	0	5,494
Energy	467	185	0	652
Financials	0	0	3,264	3,264
<b>Warrants</b>				
Industrials	0	0	205	205
<b>Preferred Securities</b>				
Banking & Finance	0	8,151	0	8,151
Industrials	0	0	15,300	15,300
<b>Total Investments</b>				
	\$ 14,581	\$ 702,963	\$ 34,608	\$ 752,152

**Financial Derivative Instruments - Assets**

<b>Category and Subcategory</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Fair Value at 07/31/2018</b>
Exchange-traded or centrally cleared	0	815	0	815
Over the counter	0	1,097	0	1,097

Edgar Filing: CVENT INC - Form 10-Q

	\$	0	\$	1,912	\$	0	\$	1,912
<b>Financial Derivative Instruments - Liabilities</b>								
Exchange-traded or centrally cleared		0		(843)		0		(843)
Over the counter		0		(1,338)		0		(1,338)
	\$	0	\$	(2,181)	\$	0	\$	(2,181)
Total Financial Derivative Instruments	\$	0	\$	(269)	\$	0	\$	(269)
Totals	\$	14,581	\$	702,694	\$	34,608	\$	751,883

There were no significant transfers among Levels 1 and 2 during the period ended July 31, 2018.

The following is a reconciliation of the fair valuations using significant unobservable inputs (Level 3) for the Fund during the period ended July 31, 2018:

Category and Subcategory	Beginning Balance at 07/31/2017	Net Purchases	Net Sales	Accrued Discounts/ (Premium)	Realized Gain/ (Loss)	Net Change in Unrealized Appreciation/ (Depreciation) <sup>(1)</sup>	Transfers in of Level 3	Transfers out of Level 3	Ending Balance at 07/31/2018	Net Change in Unrealized Appreciation/ (Depreciation) on Investments Held at 07/31/2018 <sup>(1)</sup>
<b>Investments in Securities, at Value</b>										
Loan Participations and Assignments	\$ 871	\$ 320	\$ (651)	\$ 9	\$ 8	\$ (14)	\$ 318	\$ (292)	\$ 569	\$ 2
Corporate Bonds & Notes										
Banking & Finance	4,451	0	(288)	2	15	(63)	0	(4,117)	0	0
Industrials	2,020	746	(2,022)	1	21	(21)	0	0	745	0
U.S. Government Agencies	4,994	0	(93)	140	36	124	0	0	5,201	119
Asset-Backed Securities	9,442	0	0	91	0	(209)	0	0	9,324	(209)
Common Stocks										
Financials	2,734	0	0	0	0	530	0	0	3,264	530
Warrants										
Industrials	384	0	0	0	0	(179)	0	0	205	(179)
Preferred Securities										
Industrials	14,820	1,626	0	0	0	(1,146)	0	0	15,300	(1,146)
Totals	\$ 39,716	\$ 2,692	\$ (3,054)	\$ 243	\$ 80	\$ (978)	\$ 318	\$ (4,409)	\$ 34,608	\$ (883)

See Accompanying Notes

ANNUAL REPORT JULY 31, 2018 77

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

July 31, 2018

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

Category and Subcategory	Ending Balance at 07/31/2018	Valuation Technique	Unobservable Inputs	Input Value(s) (% Unless Noted Otherwise)
<b>Investments in Securities, at Value</b>				
Loan Participations and Assignments	\$ 200	Proxy Pricing	Base Price	100.074
	369	Third Party Vendor	Broker Quote	100.000-101.625
Corporate Bonds & Notes				
Industrials	292	Other Valuation Techniques <sup>(2)</sup>		
	453	Proxy Pricing	Base Price	97.010
U.S. Government Agencies	5,201	Proxy Pricing	Base Price	60.341
Asset-Backed Securities	9,324	Proxy Pricing	Base Price	58.000-102,005.100
Common Stocks				
Financials	3,264	Other Valuation Techniques <sup>(2)</sup>		
Warrants				
Industrials	205	Other Valuation Techniques <sup>(2)</sup>		
Preferred Securities				
Industrials	15,300	Indicative Market Quotation	Broker Quote	\$ 900.000
<b>Total</b>	<b>\$ 34,608</b>			

(1) Any difference between Net Change in Unrealized Appreciation/(Depreciation) and Net Change in Unrealized Appreciation/(Depreciation) on Investments Held at July 31, 2018 may be due to an investment no longer held or categorized as Level 3 at period end.

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

**78 PIMCO CLOSED-END FUNDS**

See Accompanying Notes

## Notes to Financial Statements

July 31, 2018

### 1. ORGANIZATION

PIMCO Corporate & Income Opportunity Fund, PIMCO Corporate & Income Strategy Fund, PIMCO High Income Fund, PIMCO Income Strategy Fund and PIMCO Income Strategy Fund II (each a Fund and collectively the Funds) are organized as closed-end management investment companies registered under the Investment Company Act of 1940, as amended, and the rules and regulations thereunder (the Act). Each Fund was organized as a Massachusetts business trust on the dates shown in the table below. Pacific Investment Management Company LLC (PIMCO or the Manager) serves as the Funds' investment manager.

Fund Name	Formation Date
PIMCO Corporate & Income Opportunity Fund	September 13, 2002
PIMCO Corporate & Income Strategy Fund	October 17, 2001
PIMCO High Income Fund	February 18, 2003
PIMCO Income Strategy Fund	June 19, 2003
PIMCO Income Strategy Fund II	June 30, 2004

Each Fund has authorized an unlimited number of Common Shares at a par value of \$0.00001 per share.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by each Fund in the preparation of its financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Each Fund is treated as an investment company under the reporting requirements of U.S. GAAP. The functional and reporting currency for the Funds 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. The net asset value ("NAV") presented may differ from the NAV reported for the same period in other Fund materials.

(a) Securities Transactions and Investment Income Securities transactions are recorded as of the trade date for financial reporting purposes. Realized gains (losses) from securities sold are recorded on the identified cost basis. 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. 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 a Fund 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 Statements 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 Statements of Operations. Paydown gains (losses) on



## Edgar Filing: CVENT INC - Form 10-Q

mortgage-related and other asset-backed securities, if any, are recorded as components of interest income on the Statements of Operations. Income or short-term capital gain distributions received from registered investment companies, if any, are recorded as dividend income. Long-term capital gain distributions received from registered investment companies, if any, are recorded as realized gains.

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

(b) Cash and Foreign Currency The 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 Funds do 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 Statements of Operations. The Funds 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 Statements 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

**Notes to Financial Statements (Cont.)**

unrealized appreciation (depreciation) on foreign currency assets and liabilities on the Statements of Operations.

(c) Distributions – Common Shares The following table shows the anticipated frequency of distributions from net investment income and gains from the sale of portfolio securities and other sources to common shareholders.

Fund Name	Distribution Frequency	
	Declared	Distributed
PIMCO Corporate & Income Opportunity Fund	Monthly	Monthly
PIMCO Corporate & Income Strategy Fund	Monthly	Monthly
PIMCO High Income Fund	Monthly	Monthly
PIMCO Income Strategy Fund	Monthly	Monthly
PIMCO Income Strategy Fund II	Monthly	Monthly

Net realized capital gains earned by each Fund, if any, will be distributed no less frequently than once each year.

A Fund may engage in investment strategies, including the use of derivatives, to, among other things, seek to generate current, distributable income without regard to possible declines in the Fund's NAV. A Fund's income and gain generating strategies, including certain derivatives strategies, may generate current, distributable income, even if such strategies could potentially result in declines in the Fund's NAV. A Fund's income and gain generating strategies, including certain derivatives strategies, may generate current income and gains taxable as ordinary income sufficient to support monthly distributions even in situations when the Fund has experienced a decline in net assets due to, for example, adverse changes in the broad U.S. or non-U.S. equity markets or the Fund's debt investments, or arising from its use of derivatives. A Fund may enter into opposite sides of interest rate swap and other derivatives for the principal purpose of generating distributable gains on the one side (characterized as ordinary income for tax purposes) that are not part of the Fund's duration or yield curve management strategies (paired swap transactions), and with a substantial possibility that the Fund will experience a corresponding capital loss and decline in NAV with respect to the opposite side transaction (to the extent it does not have corresponding offsetting capital gains). Consequently, common shareholders may receive distributions and owe tax on amounts that are effectively a taxable return of the shareholder's investment in the Fund at a time when their investment in a Fund has declined in value, which tax may be at ordinary income rates. The tax treatment of certain derivatives in which a Fund invests may be unclear and thus subject to recharacterization. Any recharacterization of payments made or received by a Fund pursuant to derivatives potentially could affect the amount, timing or character of Fund distributions. In addition, the tax treatment of such investment strategies may be changed by regulation or otherwise.

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

If a Fund 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 good accounting practices, the Fund will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. For these purposes, a Fund 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 a Fund's daily internal accounting records and practices, a Fund's financial statements presented in accordance with U.S. GAAP, and recordkeeping practices under income tax regulations. For instance, a Fund'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

## Edgar Filing: CVENT INC - Form 10-Q

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 a Fund may not issue a Section 19 Notice in situations where the Fund'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. Please visit [www.pimco.com](http://www.pimco.com) for the most recent Section 19 Notice, if applicable, for additional information regarding the estimated composition of distributions. Final determination of a distribution's tax character will be reported on Form 1099 DIV sent to shareholders for the calendar year.

Distributions classified as a tax basis return of capital, if any, are reflected on the Statements of Changes in Net Assets and have been recorded to paid in capital. In addition, other amounts have been reclassified between undistributed (overdistributed) net investment income (loss), accumulated undistributed (overdistributed) net realized

### **80 PIMCO CLOSED-END FUNDS**

July 31, 2018

gain (loss) and/or paid in capital to more appropriately conform U.S. GAAP to tax characterizations of distributions.

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

In August 2016, the FASB issued ASU 2016-15 which amends ASC 230 to clarify guidance on the classification of certain cash receipts and cash payments in the Statement of Cash Flows. The ASU is effective for annual periods beginning after December 15, 2017, and interim periods within those annual periods. The Funds have adopted the ASU. The implementation of the ASU did not have an impact on the Funds' financial statements.

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

In November 2016, the FASB issued ASU 2016-18 which amends ASC 230 to provide guidance on the classification and presentation of changes in restricted cash and restricted cash equivalents on the Statement of Cash Flows. The ASU is effective for annual periods beginning after December 15, 2017, and interim periods within those annual periods. The Funds have adopted the ASU. The implementation of the ASU did not have an impact on the Funds' financial statements.

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

### 3. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

(a) **Investment Valuation Policies** The NAV of a 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 Funds or their 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. Each 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.

## Edgar Filing: CVENT INC - Form 10-Q

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 Funds' approved pricing services, quotation reporting systems and other third-party sources (together, "Pricing Services"). The Funds 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. 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 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. A Fund's investments in open-end management investment companies, other than exchange-traded funds ("ETFs"), are valued at the NAVs of such investments.

ANNUAL REPORT JULY 31, 2018 81

---

**Notes to Financial Statements (Cont.)**

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, a 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, a 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. A Fund may utilize modeling tools provided by third-party vendors to determine fair values of non-U.S. securities. For these purposes, any movement in the applicable reference index or instrument (zero trigger) relating to non-U.S. security being fair valued 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 a Fund is not open for business, which may result in a 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 a 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 a Fund is not open for business. As a result, to the extent that a 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 a 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 a 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.

## Edgar Filing: CVENT INC - Form 10-Q

When a 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 Funds' policy is intended to result in a calculation of a Fund's NAV that fairly reflects security values as of the time of pricing, the Funds cannot ensure that fair values determined by the Board or persons acting at their direction would accurately reflect the price that a 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 a 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 a Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement

### 82 PIMCO CLOSED-END FUNDS

July 31, 2018

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.

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 method utilized in valuing the investments. Transfers from Level 2 to Level 3 are a result of a change, in the normal course of business, from the use of methods used by Pricing Services (Level 2) to the use of a Broker Quote or valuation technique which utilizes significant unobservable inputs due to an absence of current or reliable market-based data (Level 3). Transfers from Level 3 to Level 2 are a result of the availability of current and reliable market-based data provided by 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 into and out of Level 3, if material, are disclosed in the Notes to Schedule of Investments for each respective 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 into and out of the Level 3 category during the period. The end of period value is used for the transfers between Levels of a 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 each respective 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



## Edgar Filing: CVENT INC - Form 10-Q

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.

---

**Notes to Financial Statements (Cont.)**

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.

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

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

Level 3 trading assets and trading liabilities, at fair value When a fair valuation method is applied by 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 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.

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 Securities

The Funds may utilize the investments and strategies described below to the extent permitted by each Fund's respective investment policies.

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. A Fund's loan interests may be in the form of direct investments, participations in loans or assignments of all or a portion of loans from third parties or exposure to investments in loans through investments in a mutual fund or other pooled investment vehicle. 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. A Fund may acquire interests in multiple series or tranches of a loan, which may have varying terms and carry different

#### 84 PIMCO CLOSED-END FUNDS

July 31, 2018

associated risks. A Fund generally has no right to enforce compliance with the terms of the loan agreement with the borrower. As a result, a Fund may be subject to the credit risk of both the borrower and the agent that is selling the loan agreement.

In the event of the insolvency of the agent selling a participation, a Fund may be treated as a general creditor of the agent and may not benefit from any set-off between the agent and the borrower. When a Fund 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.

Acquisitions of loans are generally subject to risks similar to those of investments in other types of debt obligations, including, among others, credit risk, interest rate risk, variable and floating rate securities risk, and risks associated with mortgage-related securities. In addition, in many cases loans are subject to the risks associated with below-investment grade securities. The Funds may be subject to heightened or additional risks and potential liabilities and costs by acquiring mezzanine and other subordinated loans, including those arising under bankruptcy, fraudulent conveyance, equitable subordination, environmental and other laws and regulations, and risks and costs associated with debt servicing and taking foreclosure actions associated with the loans.

Additionally, because loans are not ordinarily registered with the SEC or any state securities commission or listed on any securities exchange, there is usually less publicly available information about such instruments. In addition, loans may not be considered securities for purposes of the anti-fraud provisions under the federal securities laws and, as a result, as a purchaser of these instruments, a Fund may not be entitled to the anti-fraud protections of the federal securities laws. In the course of investing in such instruments, a Fund may come into possession of material nonpublic information and, because of prohibitions on trading in securities of issuers while in possession of such information, the Fund may be unable to enter into a transaction in a publicly-traded security of that issuer when it would otherwise be advantageous for the Fund to do so. Alternatively, a Fund may choose not to receive material nonpublic information about an issuer of such loans, with the result that the Fund may have less information about such issuers than other investors who transact in such assets.

The types of loans and related instruments in which the Funds may acquire interests 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 Funds may 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.

Acquisitions of loans may include unfunded loan commitments, which are contractual obligations for future funding. Unfunded loan commitments may include revolving credit facilities, which may obligate a Fund 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 acquiring a loan participation, a Fund 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. Because acquiring unfunded loan commitments creates a future obligation for a Fund to provide funding to a borrower upon demand in exchange for a fee, the Fund will segregate or earmark liquid assets with the Fund's custodian in amounts sufficient to satisfy any such future obligations. A Fund may receive a commitment fee based on the undrawn portion of the underlying line of credit portion of a loan. In certain circumstances, a Fund 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

## Edgar Filing: CVENT INC - Form 10-Q

expense, respectively, on the Statements of Operations. Unfunded loan commitments are reflected as a liability on the Statements 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 typically provide a monthly payment which consists of both principal and interest. Interest may be determined by fixed or adjustable rates. In times of declining interest rates, there is a greater likelihood that a Fund's higher yielding securities will be pre-paid with the Fund being unable to reinvest the proceeds in an investment with as great a yield. 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. Interest-only and principal-only securities are especially sensitive to interest rate changes, which can affect not only their prices but can also change the income

ANNUAL REPORT JULY 31, 2018 85

---

**Notes to Financial Statements (Cont.)**

flows and repayment assumptions about those investments. 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 ( CMBS ) 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 without limitation, auto loans, credit card receivables, home equity loans, and student loans. The Funds may invest in any level of the capital structure of an issuer of mortgage-backed or asset-backed securities, including the equity or first loss tranche.

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 typically 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. For both CBOs and CLOs, the cash flows from the trust are split into two or more portions, called tranches, varying in risk and yield. The riskiest portion is the equity tranche which bears the bulk of defaults from the bonds or loans in the trust and serves to protect the other, more senior tranches from default in all but the most severe circumstances. Since it is partially protected from defaults, a senior tranche from a CBO trust or CLO trust typically has higher ratings and lower yields than the underlying securities, and can be rated investment grade. Despite the protection from the equity tranche, CBO or CLO tranches can experience substantial losses due to actual defaults, increased sensitivity to defaults due to collateral default and disappearance of protecting tranches, market anticipation of defaults and aversion to CBO or CLO securities as a class. 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 a Fund invests. 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 collateral may decline in value or default, (iii) a Fund may invest in 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.

As CMOs have evolved, some classes of CMO bonds have become more common. For example, a Fund may invest in parallel-pay and planned amortization class ( PAC ) CMOs and multi-class pass-through certificates. Parallel-pay CMOs and multi-class pass-through certificates are structured to provide payments of principal on each payment date to more than one class. These simultaneous payments are taken into account in calculating the stated maturity date or final distribution date of each class, which, as with other CMO and multi-class pass-through structures, must be retired by its stated maturity date or final distribution date but may be retired earlier. PACs generally require payments of a specified amount of principal on each payment date. PACs are parallel-pay CMOs with the required principal amount on such securities having the highest priority after interest has been paid to all classes. Any CMO or multi-class pass-through structure that includes PAC securities must also have support tranches known as support bonds, companion bonds or non-PAC bonds which lend or absorb principal cash flows to allow the PAC securities to maintain their stated maturities and final distribution dates within a range of actual prepayment experience. These support tranches are subject to a higher level of maturity risk compared to other mortgage-related securities, and usually provide a higher yield to compensate investors. If principal cash flows are received in amounts outside a pre-determined range such that the support bonds cannot lend or absorb sufficient cash flows to the PAC securities as intended, the PAC securities are subject to heightened maturity risk. A Fund may invest in various tranches of CMO bonds, including support bonds and equity or first loss tranches (see Collateralized Debt Obligations above).

## Edgar Filing: CVENT INC - Form 10-Q

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). IOs and POs can be extremely volatile in response to changes in interest rates. As interest rates rise and fall, the value of IOs

### 86 PIMCO CLOSED-END FUNDS

July 31, 2018

tends to move in the same direction as interest rates. POs perform best when prepayments on the underlying mortgages rise since this increases the rate at which the principal is returned and the yield to maturity on the PO. When payments on mortgages underlying a PO are slower than anticipated, the life of the PO is lengthened and the yield to maturity is reduced. The yield to maturity on an IO class is extremely sensitive to the rate of principal payments (including prepayments) on the related underlying mortgage assets, and a rapid rate of principal payments may have a material adverse effect on a Fund's yield to maturity from these securities. If the underlying mortgage assets experience greater than anticipated prepayments of principal, the Funds may fail to recoup some or all of its initial investment in these securities even if the security is in one of the highest rating categories.

Payments received for IOs are included in interest income on the Statements 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 Statements of Operations. Payments received for POs are treated as reductions to the cost and par value of the securities.

Payment In-Kind Securities (PIKs) 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 Statements of Assets and Liabilities.

Real Estate Investment Trusts (REITs) are pooled investment vehicles that own, and typically operate, income-producing real estate. If a REIT meets certain requirements, including distributing to shareholders substantially all of its taxable income (other than net capital gains), then it is not taxed on the income distributed to shareholders. Distributions received from REITs may be characterized as income, capital gain or a return of capital. A return of capital is recorded by a Fund as a reduction to the cost basis of its investment in the REIT. REITs are subject to management fees and other expenses, and so the Funds that invest in REITs will bear their proportionate share of the costs of the REITs operations.

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 Funds at July 31, 2018 are disclosed in the Notes to Schedules 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 (GNMA or Ginnie Mae), are supported by the full faith and credit of the U.S. Government; others, such as those of the Federal Home Loan Banks, are supported by the right of the issuer to borrow from the U.S. Department of the Treasury (the U.S. Treasury); and others, such as those of the Federal National Mortgage Association (FNMA or Fannie Mae), are supported by the discretionary authority of the U.S. Government to purchase the agency's obligations. U.S. Government securities may include zero coupon securities. Zero coupon securities do not distribute interest on a current basis and tend to be subject to a greater risk than interest-paying securities.



## Edgar Filing: CVENT INC - Form 10-Q

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. Instead, they are supported only by the discretionary authority of the U.S. Government to purchase the agency's obligations.

Warrants are securities that are usually issued together with a debt security or preferred security and that give the holder the right to buy a proportionate amount of common stock at a specified price. Warrants are freely transferable and are often traded on major exchanges. Warrants normally have a life that is measured in years and entitle the holder to buy common stock of a company at a price that is usually higher than the market price at the time the warrant is issued.

**ANNUAL REPORT** JULY 31, 2018 **87**

---

**Notes to Financial Statements (Cont.)**

Warrants may entail greater risks than certain other types of investments. Generally, warrants do not carry the right to receive dividends or exercise voting rights with respect to the underlying securities, and they do not represent any rights in the assets of the issuer. In addition, their value does not necessarily change with the value of the underlying securities, and they cease to have value if they are not exercised on or before their expiration date. If the market price of the underlying stock does not exceed the exercise price during the life of the warrant, the warrant will expire worthless. Warrants may increase the potential profit or loss to be realized from the investment as compared with investing the same amount in the underlying securities. Similarly, the percentage increase or decrease in the value of an equity security warrant may be greater than the percentage increase or decrease in the value of the underlying common stock. Warrants may relate to the purchase of equity or debt securities. Debt obligations with warrants attached to purchase equity securities have many characteristics of convertible securities and their prices may, to some degree, reflect the performance of the underlying stock. Debt obligations also may be issued with warrants attached to purchase additional debt securities at the same coupon rate. A decline in interest rates would permit a Fund to sell such warrants at a profit. If interest rates rise, these warrants would generally expire with no value.

When-Issued Transactions are purchases or sales made on a when-issued basis. These transactions are made conditionally because a security, although authorized, has not yet been issued in the market. Transactions to purchase or sell securities on a when-issued basis involve a commitment by a Fund to purchase or sell these securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period. A Fund may sell when-issued securities before they are delivered, which may result in a realized gain (loss).

## 5. BORROWINGS AND OTHER FINANCING TRANSACTIONS

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

The following disclosures contain information on a Fund'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 a Fund. The location of these instruments in each Fund's financial statements is described below. For a detailed description of credit and counterparty risks that can be associated with borrowings and other financing transactions; please see Note 7, Principal Risks.

(a) Repurchase Agreements Under the terms of a typical repurchase agreement, a Fund purchases an underlying debt obligation (collateral)

subject to an obligation of the seller to repurchase, and a Fund 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 Fund or counterparty at any time. The underlying securities for all repurchase agreements are held by a Fund'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 Statements of Assets and Liabilities. Interest earned is recorded as a component of interest income on the Statements of Operations. In periods of increased demand for collateral, a Fund may pay a fee for the receipt of collateral, which may result in interest expense to the Fund.

(b) Reverse Repurchase Agreements In a reverse repurchase agreement, a Fund 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 Fund or counterparty at any time. A Fund 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 a Fund to

## Edgar Filing: CVENT INC - Form 10-Q

counterparties are reflected as a liability on the Statements of Assets and Liabilities. Interest payments made by a Fund to counterparties are recorded as a component of interest expense on the Statements of Operations. In periods of increased demand for the security, a Fund may receive a fee for use of the security by the counterparty, which may result in interest income to the Fund. In the event the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, a Fund's use of the proceeds of the agreement may be restricted pending a determination by the other party, or its trustee or receiver, whether to enforce a Fund's obligation to repurchase the securities. Reverse repurchase agreements involve leverage risk and also the risk that the market value of the securities to be repurchased may decline below the repurchase price; please see Note 7, Principal Risks.

(c) Short Sales Short sales are transactions in which a Fund sells a security that it may not own. A Fund may make short sales of securities to (i) offset potential declines in long positions in similar securities, (ii) to increase the flexibility of the Fund, (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 a Fund engages in a short sale, it may borrow the

### 88 PIMCO CLOSED-END FUNDS

July 31, 2018

security sold short and deliver it to the counterparty. A Fund 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 Statements of Assets and Liabilities. Short sales expose a Fund 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 a Fund. A short sale is against the box if a Fund 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. A Fund will be subject to additional risks to the extent that it engages in short sales that are not against the box. A Fund's loss on a short sale could theoretically be unlimited in cases where a Fund is unable, for whatever reason, to close out its short position.

## 6. FINANCIAL DERIVATIVE INSTRUMENTS

The Funds may enter into the financial derivative instruments described below to the extent permitted by each Fund's respective investment policies.

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

PIMCO Corporate & Income Opportunity Fund is subject to regulation as a commodity pool under the Commodity Exchange Act pursuant to recent rule changes by the Commodity Futures Trading Commission (the CFTC). The Manager has registered with the CFTC as a Commodity Pool Operator and a Commodity Trading Adviser with respect to the Fund, and is a member of the National Futures Association. As a result, additional CFTC-mandated disclosure, reporting and recordkeeping obligations apply to PIMCO Corporate & Income Opportunity Fund. Compliance with the CFTC's regulatory requirements could increase PIMCO Corporate & Income Opportunity Fund's expenses, adversely affecting its total return.

(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 a Fund'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 a Fund 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. The contractual obligations of a buyer or seller of a forward foreign currency contract may generally be satisfied by taking or making physical delivery of the underlying currency, establishing an opposite position in the contract and recognizing the profit or loss on both positions simultaneously on the delivery date or, in some instances, paying a cash settlement before the designated date of delivery. These contracts may involve market risk in excess of the unrealized gain (loss) reflected on the Statements of Assets and Liabilities. Although forwards may be intended to minimize the risk of loss due to a decline in the value of the hedged currencies, at the same time, they tend to limit any potential gain which might result should the value of such currencies increase. In addition, a Fund 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) Options Contracts An option on an instrument (or an index) is a contract that gives the holder of the option, in return for a premium, the right to buy from (in the case of a call) or sell to (in the case of a put) the writer of the option the instrument underlying the option (or the cash value of the index) at a specified exercise price at any time during the term of the option. Writing put options tends to increase a Fund's exposure to the underlying instrument. Writing call options tends to decrease a Fund's exposure to the underlying instrument. When a Fund 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 Statements 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. A Fund as a writer of

---

**Notes to Financial Statements (Cont.)**

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 a Fund may not be able to enter into a closing transaction because of an illiquid market.

Purchasing call options tends to increase a Fund's exposure to the underlying instrument. Purchasing put options tends to decrease a Fund's exposure to the underlying instrument. A Fund pays a premium which is included as an asset on the Statements 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.

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.

(c) Swap Agreements are bilaterally negotiated agreements between a Fund 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 ). A Fund 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 Statements of Operations. Daily changes in valuation of centrally cleared swaps, if any, are recorded as variation margin on the Statements of Assets and Liabilities. Centrally Cleared and OTC swap payments received or paid at the beginning of the measurement period are included on the Statements 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 Statements 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 Statements of Operations. Net periodic payments received or paid by a Fund are included as part of realized gain (loss) on the Statements of Operations.

For purposes of a Fund's investment policy adopted pursuant to Rule 35d-1 under the 1940 Act (if any), the Fund will count derivative instruments at market value. For purposes of applying a Fund's other investment policies and restrictions, swap agreements, like other derivative instruments, may be valued by a Fund at market value, notional value or full exposure value or any combination of the foregoing (e.g., notional value for purposes of calculating the numerator and market value for purposes of calculating the denominator for compliance with a particular policy or restriction). See Note 6 - Asset Segregation below. In the case of a credit default swap, in applying certain of a Fund's investment

## Edgar Filing: CVENT INC - Form 10-Q

policies and restrictions, the Funds 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 a Fund's other investment policies and restrictions. For example, a Fund may value credit default swaps at full exposure value for purposes of a Fund's credit quality guidelines (if any) because such value in general better reflects a Fund's actual economic exposure during the term of the credit default swap agreement. As a result, a Fund 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 a Fund's prospectus. In this context, both the notional amount and the market value may be positive or negative depending on whether a Fund is selling or buying protection through the credit default swap. The manner in which certain securities or other instruments are valued by a Fund for purposes of applying investment policies and restrictions may differ from the manner in which those investments are valued by other types of investors.

Entering into swap agreements involves, to varying degrees, elements of interest, credit, market and documentation risk in excess of the

### **90 PIMCO CLOSED-END FUNDS**

July 31, 2018

amounts recognized on the Statements 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.

A Fund'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 a Fund and the counterparty and by the posting of collateral to a Fund to cover a Fund's exposure to the counterparty.

To the extent a Fund 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 a Fund 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, a Fund 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, a Fund would effectively add leverage to its portfolio because, in addition to its total net assets, a Fund would be subject to investment exposure on the notional amount of the swap.

If a Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, a 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, 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 a Fund is a buyer of protection and a credit event occurs, as defined under the terms of that particular swap

agreement, a Fund 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 corporate or sovereign issues 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 default or other credit event. If a credit event occurs and cash settlement is not elected, a variety of other deliverable obligations may be delivered in lieu of the specific referenced obligation. 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. Credit default swaps on credit indices may be used to hedge a portfolio of credit default swaps or bonds, which is less expensive than it would be to buy many credit default

---

**Notes to Financial Statements (Cont.)**

swaps to achieve a similar effect or to take an active long or short position with respect to the likelihood of a particular referenced obligation's default. Credit default swaps on indices are instruments often used to attempt to protect investors owning bonds against default, but may also be used for speculative purposes.

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 Schedules 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 a Fund 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 a Fund is the seller of protection are disclosed in the Notes to Schedules 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 a Fund for the same referenced entity or entities.

Interest Rate Swap Agreements may be entered into to help hedge against interest rate risk exposure and to maintain a Fund's ability to generate income at prevailing market rates. The value of the fixed rate bonds that the Funds hold may decrease if interest rates rise. To help hedge against this risk and to maintain its ability to generate income at prevailing market rates, a Fund may enter into interest rate swap agreements. Interest rate swap agreements involve the exchange by a Fund 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, a Fund 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, a Fund would owe payments on any net positive total return, and would receive payments in the event of a net negative total return. A Fund's use of a total return swap exposes the Fund to credit loss in the event of nonperformance by the swap counterparty. Risk may also arise from the unanticipated movements in value of exchange rates, interest rates, securities, or the index.

## Edgar Filing: CVENT INC - Form 10-Q

**Asset Segregation** Certain transactions described above can be viewed as constituting a form of borrowing or financing transaction by a Fund. In such event, a Fund will cover its obligation under such transactions by segregating or earmarking assets in accordance with procedures adopted by the Board, in which case such transactions will not be considered senior securities by a Fund. With respect to forwards, futures contracts, options and swaps that are contractually required to cash settle (i.e., where physical delivery of the underlying reference asset is not permitted), a Fund (other than PIMCO Corporate & Income Opportunity Fund, PIMCO Income Strategy Fund

### 92 PIMCO CLOSED-END FUNDS

July 31, 2018

and PIMCO Income Strategy Fund II) is permitted to segregate or earmark liquid assets equal to a Fund's daily marked-to-market net obligation under the derivative instrument, if any, rather than the derivative's full notional value. For PIMCO Corporate & Income Opportunity Fund, with respect to forwards and futures contracts and interest rate swaps that are contractually required to cash settle (i.e., where physical delivery of the underlying reference asset is not permitted or physical settlement is not otherwise involved), the Fund is permitted to segregate or earmark liquid assets equal to the Fund's daily marked-to-market net obligation under the derivative instrument, if any, rather than the derivative's full notional value, but will segregate full notional value, as applicable, with respect to certain other derivative instruments (including, written credit default swaps and written options) that contractually require or permit physical delivery of securities or other underlying assets. For PIMCO Income Strategy Fund and PIMCO Income Strategy Fund II, with respect to forwards and futures contracts and interest rate swaps that are contractually required to cash settle (i.e., where physical delivery of the underlying reference asset is not permitted), the Fund is permitted to segregate or earmark liquid assets equal to the Fund's daily marked-to-market net obligation under the derivative instrument, if any, rather than the derivative's full notional value, but may segregate full notional value, as applicable, with respect to other derivative instruments (including written credit default swaps and written options) that contractually require or permit physical delivery of securities or other underlying assets. By segregating or earmarking liquid assets equal to only its net marked-to-market obligation under certain derivatives that are required to cash settle, a Fund will have the ability to employ leverage to a greater extent than if a Fund were to segregate or earmark liquid assets equal to the full notional value of the derivative.

## 7. PRINCIPAL RISKS

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

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

**Interest rate risk** is the risk that fixed income securities and other instruments held by a Fund will decline in value because of changes in interest rates. As nominal interest rates rise, the value of certain fixed income securities held by a Fund is likely to decrease. A nominal

interest rate can be described as the sum of a real interest rate and an expected inflation rate. Interest rate changes can be sudden and unpredictable, and a Fund may lose money if these changes are not anticipated by the Fund's management. Variable rate securities may decline in value if their interest rates do not rise as much, or as quickly, as interest rates in general. A Fund may not be able to hedge against changes in interest rates or may choose not to do so for cost or other reasons. In addition, any hedges may not work as intended.

Fixed income securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. Duration is a measure used to determine the sensitivity of a security's price to changes in interest rates that incorporates a security's yield, coupon, final maturity and call features, among other characteristics. Duration is useful primarily as a measure of the sensitivity of a fixed income security's market price to interest rate (i.e. yield) movements. All other things remaining equal, for each one percentage point increase in interest rates, the value of a portfolio of fixed income investments would generally be expected to decline by one percent for every year of the portfolio's average duration above zero. For example, the value of a portfolio of fixed income securities with an average duration of three years would generally be expected to decline by approximately 3% if interest rates rose by one percentage point. Convexity is an additional measure used to understand a security's interest rate sensitivity. Convexity measures the rate of change of duration in

## Edgar Filing: CVENT INC - Form 10-Q

response to changes in interest rates and may be positive or negative. Securities with negative convexity may experience greater losses during periods of rising interest rates, and accordingly Funds holding such securities may be subject to a greater risk of losses in periods of rising interest rates.

A wide variety of factors can cause interest rates to rise (e.g., central bank monetary policies, inflation rates, general economic conditions, etc.). Under current economic conditions, interest rates are near historically low levels. The Funds currently face a heightened level of interest rate risk, especially since the Federal Reserve Board has ended its quantitative easing program and has begun, and may continue, to raise interest rates. To the extent the Federal Reserve Board continues to raise interest rates, there is a risk that rates across the financial system may rise. During periods of very low or negative interest rates, a Fund may be unable to maintain positive returns. Changing interest rates, including rates that fall below zero, may have unpredictable effects on markets, may result in heightened market volatility and may detract from Fund performance to the extent a Fund is exposed to such interest rates. Rising interest rates may result in a decline in value of a Fund's fixed-income investments and in periods of volatility. Further, while U.S. bond markets have steadily grown over the past three decades, dealer market making ability has remained relatively stagnant. As a result, dealer inventories of certain types of bonds and similar instruments, which provide a core indication of the ability of

**ANNUAL REPORT** JULY 31, 2018 **93**

---

**Notes to Financial Statements (Cont.)**

financial intermediaries to make markets, are at or near historic lows in relation to market size. Because market makers provide stability to a market through their intermediary services, the significant reduction in dealer inventories could potentially lead to decreased liquidity and increased volatility in the fixed income markets. Such issues may be exacerbated during periods of economic uncertainty. All of these factors, collectively and/or individually, could cause a Fund to lose value.

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

The market values of a Fund's investments may decline due to general market conditions which are not specifically related to a particular company or issuer, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment. They may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Equity securities and equity related investments generally have greater market price volatility than fixed income securities, although under certain market conditions fixed income securities may have comparable or greater price volatility. Credit ratings downgrades may also negatively affect securities held by a Fund. Even when markets perform well, there is no assurance that the investments held by a Fund will increase in value along with the broader market. In addition, market risk includes the risk that geopolitical events will disrupt the economy on a national or global level.

A Fund's investments in commodity-linked financial derivative instruments may subject the Fund to greater market price volatility than investments in traditional securities. The value of commodity-linked financial derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as

drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments.

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

Similar to credit risk, a Fund may be exposed to counterparty risk, or the risk that an institution or other entity with which a Fund has unsettled or open transactions will default. PIMCO, as the Manager, seeks to minimize counterparty risks to the Funds through a number of ways. Prior to entering into transactions with a new counterparty, the PIMCO Counterparty Risk Committee conducts an extensive credit review of such counterparty and must approve the use of such counterparty. Furthermore, pursuant to the terms of the underlying contract, to the extent that

## Edgar Filing: CVENT INC - Form 10-Q

unpaid amounts owed to a Fund exceed a predetermined threshold, such counterparty is required to advance collateral to the Fund in the form of cash or securities equal in value to the unpaid amount owed to the Fund. A Fund may invest such collateral in securities or other instruments and will typically pay interest to the counterparty on the collateral received. If the unpaid amount owed to a Fund subsequently decreases, the Fund would be required to return to the counterparty all or a portion of the collateral previously advanced. PIMCO s attempts to minimize counterparty risk may, however, be unsuccessful.

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

To the extent a Fund has a policy to limit the net amount owed to or to be received from a single counterparty under existing swap agreements,

### **94 PIMCO CLOSED-END FUNDS**

July 31, 2018

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.

## 8. MASTER NETTING ARRANGEMENTS

A Fund 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 a Fund 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 Statements of Assets and Liabilities generally present derivative assets and liabilities on a gross basis, which reflects the full risks and exposures prior to netting.

Master Agreements can also help limit counterparty risk by specifying collateral posting arrangements at pre-arranged exposure levels. Under most Master Agreements, collateral is routinely transferred if the total net exposure to certain transactions (net of existing collateral already in place) governed under the relevant Master Agreement with a counterparty in a given account exceeds a specified threshold, which typically ranges from zero to \$250,000 depending on the counterparty and the type of Master Agreement. United States Treasury Bills and U.S. dollar cash are generally the preferred forms of collateral, although other forms of AAA rated paper or sovereign securities may be used depending on the terms outlined in the applicable Master Agreement. Securities and cash pledged as collateral are reflected as assets on the Statements 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 Statements 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. A Fund's overall exposure to counterparty risk can change substantially within a short period, as it is affected by each transaction subject to the relevant Master Agreement.

Master Repurchase Agreements and Global Master Repurchase Agreements (individually and collectively Master Repo Agreements ) govern repurchase, reverse repurchase, and sale-buyback transactions between a Fund 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 Schedules of Investments.

Master Securities Forward Transaction Agreements ( Master Forward Agreements ) govern certain forward settling transactions, such as TBA securities, delayed-delivery or sale-buyback transactions by and between a Fund 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 Schedules 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



## Edgar Filing: CVENT INC - Form 10-Q

at a futures commission merchant ( FCM ) registered with the CFTC. In the United States, counterparty risk may be reduced as creditors of an FCM cannot have a claim to Fund assets in the segregated account. Portability of exposure reduces risk to the Funds. Variation margin, or changes in market value, are exchanged daily, but may not be netted between futures and cleared OTC derivatives unless the parties have agreed to a separate arrangement in respect of portfolio margining. The market value or accumulated unrealized appreciation (depreciation), initial margin posted, and any unsettled variation margin as of period end are disclosed in the Notes to Schedules of Investments.

Prime Broker Arrangements may be entered into to facilitate execution and/or clearing of listed equity option transactions or short sales of equity securities between a Fund and selected counterparties. The arrangements provide guidelines surrounding the rights, obligations, and other events, including, but not limited to, margin, execution, and settlement. These agreements maintain provisions for, among other things, payments, maintenance of collateral, events of default, and termination. Margin and other assets delivered as collateral are typically in the possession of the prime broker and would offset any obligations due to the prime broker. The market values of listed options and securities sold short and related collateral are disclosed in the Notes to Schedules 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 a Fund 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

ANNUAL REPORT JULY 31, 2018 95

**Notes to Financial Statements (Cont.)**

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 Schedules of Investments.

**9. FEES AND EXPENSES**

(a) **Management Fee** Pursuant to the Investment Management Agreement with PIMCO (the "Agreement"), and subject to the supervision of the Board, PIMCO is responsible for providing to each Fund investment guidance and policy direction in connection with the management of the Fund, including oral and written research, analysis, advice, and statistical and economic data and information. In addition, pursuant to the Agreement and subject to the general supervision of the Board, PIMCO, at its expense, provides or causes to be furnished most other supervisory and administrative services the Funds require, including but not limited to, expenses of most third-party service providers (e.g., audit, custodial, legal, transfer agency, printing) and other expenses, such as those associated with insurance, proxy solicitations and mailings for shareholder meetings, NYSE listing and related fees, tax services, valuation services and other services the Funds require for their daily operations.

Pursuant to the Agreement, PIMCO receives an annual fee, payable monthly, at the annual rates shown in the table below:

<b>Fund Name</b>	<b>Annual Rate</b>
PIMCO Corporate & Income Opportunity Fund	0.65% <sup>(1)</sup>
PIMCO Corporate & Income Strategy Fund	0.81% <sup>(1)</sup>
PIMCO High Income Fund	0.76% <sup>(1)</sup>
PIMCO Income Strategy Fund	0.86% <sup>(2)</sup>
PIMCO Income Strategy Fund II	0.83% <sup>(2)</sup>

(1) Management fees calculated based on the Fund's average daily net asset value (including daily net assets attributable to any preferred shares of the Fund that may be outstanding).

(2) Management fees calculated based on the Fund's average weekly total managed assets. Total managed assets includes total assets of each Fund (including any assets attributable to any preferred shares or other forms of leverage that may be outstanding) minus accrued liabilities (other than liabilities representing leverage).

(b) **Fund Expenses** Each Fund bears other expenses, which may vary and affect the total level of expenses paid by shareholders, such as (i) salaries and other compensation or expenses, including travel expenses of any of the Fund's executive officers and employees, if any, who are not officers, directors, shareholders, members, partners or employees of PIMCO or its subsidiaries or affiliates; (ii) taxes and

governmental fees, if any, levied against the Fund; (iii) brokerage fees and commissions and other portfolio transaction expenses incurred by or for the Fund (including, without limitation, fees and expenses of outside legal counsel or third-party consultants retained in connection with reviewing, negotiating and structuring specialized loan and other investments made by the Fund, subject to specific or general authorization by the Fund's Board); (iv) expenses of the Fund's securities lending (if any), including any securities lending agent fees, as governed by a separate securities lending agreement; (v) costs, including interest expense, of borrowing money or engaging in other types of leverage financing, including, without limitation, through the use by the Fund of reverse repurchase agreements, tender option bonds, bank borrowings and credit facilities; (vi) costs, including dividend and/or interest expenses and other costs (including, without limitation, offering and related legal costs, fees to brokers, fees to auction agents, fees to transfer agents, fees to ratings agencies and fees to auditors associated with satisfying ratings

## Edgar Filing: CVENT INC - Form 10-Q

agency requirements for preferred shares or other securities issued by the Fund and other related requirements in the Fund's organizational documents) associated with the Fund's issuance, offering, redemption and maintenance of preferred shares, commercial paper or other senior securities for the purpose of incurring leverage; (vii) fees and expenses of any underlying funds or other pooled investment vehicles in which the Fund invests; (viii) dividend and interest expenses on short positions taken by the Fund; (ix) fees and expenses, including travel expenses, and fees and expenses of legal counsel retained for their benefit, of Trustees who are not officers, employees, partners, shareholders or members of PIMCO or its subsidiaries or affiliates; (x) extraordinary expenses, including extraordinary legal expenses, that may arise, including expenses incurred in connection with litigation, proceedings, other claims, and the legal obligations of the Fund to indemnify its Trustees, officers, employees, shareholders, distributors, and agents with respect thereto; (xi) organizational and offering expenses of the Fund, including with respect to share offerings, such as rights offerings and shelf offerings, following the Fund's initial offering, and expenses associated with tender offers and other share repurchases and redemptions; and (xii) expenses of the Fund which are capitalized in accordance with U.S. GAAP.

Each of the Trustees of the Funds who is not an interested person under Section 2(a)(19) of the Act, (the Independent Trustees) also serves as a trustee of a number of other closed-end funds for which PIMCO serves as investment manager (together with the Funds, the PIMCO Closed-End Funds), as well as PIMCO Flexible Credit Income Fund and PIMCO Flexible Municipal Income Fund, each a closed end management investment company managed by PIMCO that is operated as an interval fund (the PIMCO Interval Funds), and PIMCO-Managed Accounts Trust, an open-end management investment company with multiple series for which PIMCO serves as investment

### 96 PIMCO CLOSED-END FUNDS

July 31, 2018

adviser and administrator ( PMAT and, together with the PIMCO Closed-End Funds and the PIMCO Interval Funds, the PIMCO-Managed Funds ). In addition, each of the Independent Trustees also serves as a trustee of certain investment companies (together, the

Allianz-Managed Funds ), for which Allianz Global Investors U.S. LLC ( AllianzGI U.S. ), an affiliate of PIMCO, serves as investment manager. Prior to the close of business on September 5, 2014, a predecessor entity of AllianzGI U.S. served as investment manager of PMAT and the PIMCO Closed-End Funds.

Each Independent Trustee currently receives annual compensation of \$225,000 for his or her service on the Boards of the PIMCO-Managed Funds, payable quarterly. The Independent Chairman of the Boards receives an additional \$75,000 per year, payable quarterly. The Audit Oversight Committee Chairman receives an additional \$50,000 annually, payable quarterly. Trustees are also reimbursed for meeting-related expenses.

Each Trustee's compensation for his or her service as a Trustee on the Boards of the PIMCO-Managed Funds and other costs in connection with joint meetings of such Funds are allocated among the PIMCO-Managed Funds, as applicable, on the basis of fixed percentages among PMAT, the PIMCO Interval Funds and the PIMCO Closed-End Funds. Trustee compensation and other costs will then be further allocated pro rata among the individual PIMCO-Managed Funds within each grouping based on each such PIMCO-Managed Fund's relative net assets.

## 10. RELATED PARTY TRANSACTIONS

The Manager is a related party. Fees payable to this party are disclosed in Note 9, Fees and Expenses, and the accrued related party fee amounts are disclosed on the Statements of Assets and Liabilities.

Certain Funds are permitted to purchase or sell securities from or to certain related affiliated funds under specified conditions outlined in procedures adopted by the Board. The procedures have been designed to ensure that any purchase or sale of securities by the Funds from or to another fund or portfolio that are, or could be, considered an affiliate, or an affiliate of an affiliate, by virtue of having a common investment adviser (or affiliated investment advisers), common Trustees

and/or common officers complies with Rule 17a-7 under the Act. Further, as defined under the procedures, each transaction is effected at the current market price. During the period ended July 31, 2018, the Funds below engaged in purchases and sales of securities pursuant to Rule 17a-7 under the Act (amounts in thousands):

<b>Fund Name</b>	<b>Purchases</b>	<b>Sales</b>
PIMCO Corporate & Income Opportunity Fund	\$ 31,221	\$ 77,598
PIMCO Corporate & Income Strategy Fund	6,246	50,639
PIMCO High Income Fund	15,879	94,024
PIMCO Income Strategy Fund	3,062	27,959
PIMCO Income Strategy Fund II	6,365	37,071

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

## 11. GUARANTEES AND INDEMNIFICATIONS

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

## 12. PURCHASES AND SALES OF SECURITIES

The length of time a Fund has held a particular security is not generally a consideration in investment decisions. A change in the securities held by a Fund is known as portfolio turnover. Each Fund may engage in frequent and active trading of portfolio securities to achieve its investment objective, particularly during periods of volatile market movements. High portfolio turnover may involve correspondingly greater transaction costs to a Fund, including brokerage commissions or dealer mark-ups and other transaction costs on the sale of securities and reinvestments in other securities. Such sales may also result in realization of taxable capital gains, including short-term capital gains (which are generally taxed at ordinary income tax rates). The transaction costs and tax effects associated with portfolio turnover may adversely affect a Fund'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 July 31, 2018, were as follows (amounts in thousands):

Fund Name	U.S. Government/Agency		All Other	
	Purchases	Sales	Purchases	Sales
PIMCO Corporate & Income Opportunity Fund	\$ 10,608	\$ 2,959	\$ 544,516	\$ 306,789
PIMCO Corporate & Income Strategy Fund	5,108	1,358	159,990	140,375
PIMCO High Income Fund	7,856	1,675	315,339	290,273
PIMCO Income Strategy Fund	2,505	663	72,350	72,862
PIMCO Income Strategy Fund II	5,254	1,369	158,336	132,745

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

**Notes to Financial Statements (Cont.)****13. COMMON SHARES OFFERING**

On March 23, 2017, the SEC declared effective a registration statement filed using the shelf registration process for PIMCO Corporate & Income Opportunity Fund. Pursuant to the shelf registration, PIMCO Corporate & Income Opportunity Fund may offer and sell, from time to time, in one or more offerings, up to 14,500,000 of its Common Shares, par value \$0.00001 per share. The aggregate sale proceeds for the sales of the PIMCO Corporate & Income Opportunity Fund Common Shares are subject to an aggregate cap of \$229,680,000. The Fund may not sell any Common Shares at a price below the NAV of such Common Shares, exclusive of any distributing commission or discount. Sales of the Common Shares, if any, may be made in negotiated transactions or transactions that are deemed to be at the market, including sales made directly on the NYSE or sales made to or through a market maker other than on an exchange. During the period ended

July 31, 2018, the Fund sold 4,970,843 Common Shares. Proceeds from the offerings during the period ended July 31, 2018 (net of commissions and fees) were \$83,648,145. During the fiscal year ended July 31, 2017, the Fund sold 4,605,942 Common Shares. Proceeds from the offerings during the fiscal year ended July 31, 2017 (net of commissions and fees) were \$74,137,916.

**14. AUCTION-RATE PREFERRED SHARES**

Each series of Auction-Rate Preferred Shares ( ARPS ) outstanding of each Fund has a liquidation preference of \$25,000 per share plus any accumulated, unpaid dividends. Dividends are accumulated daily at an annual rate that is typically reset every seven days through auction procedures (or through default procedures in the event of failed auctions). Distributions of net realized capital gains, if any, are paid at least annually.

For the period ended July 31, 2018, the annualized dividend rates on the ARPS ranged from:

<b>Fund Name</b>	<b>Shares Issued and Outstanding</b>	<b>High</b>	<b>Low</b>	<b>As of July 31, 2018</b>
<b>PIMCO Corporate &amp; Income Opportunity Fund</b>				
Series M	1,884	3.822%	2.022%	3.802%
Series T	1,770	3.842%	2.062%	3.802%
Series W	1,847	3.822%	2.282%	3.822%
Series TH	2,033	3.822%	2.262%	3.822%
Series F	1,984	3.842%	2.022%	3.802%
<b>PIMCO Corporate &amp; Income Strategy Fund</b>				
Series M	406	2.867%	1.517%	2.852%
Series T	449	2.882%	1.547%	2.852%
Series W	473	2.867%	1.712%	2.867%
Series TH	434	2.867%	1.697%	2.867%
Series F	459	2.882%	1.517%	2.852%
<b>PIMCO High Income Fund</b>				
Series M	688	3.058%	1.618%	3.042%
Series T	958	3.074%	1.650%	3.042%
Series W	738	3.058%	1.826%	3.058%
Series TH	757	3.058%	1.810%	3.058%
Series F	938	3.074%	1.618%	3.042%
<b>PIMCO Income Strategy Fund</b>				

## Edgar Filing: CVENT INC - Form 10-Q

Series T	766	3.238%	2.444%	3.205%
Series W	699	3.237%	2.444%	3.200%
Series TH	586	3.231%	2.444%	3.193%
<b>PIMCO Income Strategy Fund II</b>				
Series M	721	3.235%	2.444%	3.203%
Series T	881	3.238%	2.444%	3.205%
Series W	671	3.237%	2.444%	3.200%
Series TH	753	3.231%	2.444%	3.193%
Series F	672	3.232%	2.444%	3.203%

Each Fund is subject to certain limitations and restrictions while ARPS are outstanding. Failure to comply with these limitations and restrictions could preclude a Fund from declaring or paying any dividends or distributions to common shareholders or repurchasing common shares and/or could trigger the mandatory redemption of ARPS at their liquidation preference plus any accumulated, unpaid dividends.

### 98 PIMCO CLOSED-END FUNDS

July 31, 2018

Preferred shareholders of each Fund, who are entitled to one vote per share, generally vote together with the common shareholders of the Fund but vote separately as a class to elect two Trustees of the Fund and on certain matters adversely affecting the rights of the ARPS.

Since mid-February 2008, holders of ARPS issued by the Funds have been directly impacted by a lack of liquidity, which has similarly affected ARPS holders in many of the nation's closed-end funds. Since then, regularly scheduled auctions for ARPS issued by the Funds have consistently failed because of insufficient demand (bids to buy shares) to meet the supply (shares offered for sale) at each auction. In a failed auction, ARPS holders cannot sell all, and may not be able to sell any, of their shares tendered for sale. While repeated auction failures have affected the liquidity for ARPS, they do not constitute a default or automatically alter the credit quality of the ARPS, and ARPS holders have continued to receive dividends at the defined maximum rate, as defined for the Funds in the table below:

<b>Fund Name</b>	<b>Applicable %</b>		<b>Reference Rate</b>	<b>Maximum Rate</b>	
PIMCO Corporate & Income Opportunity Fund	200%	x	7-day AA Financial Composite Commercial Paper Rates	= Maximum Rate for PTY	
PIMCO Corporate & Income Strategy Fund	150%	x	7-day AA Financial Composite Commercial Paper Rates	= Maximum Rate for PCN	
PIMCO High Income Fund	160%	x	7-day AA Financial Composite Commercial Paper Rates	= Maximum Rate for PHK	
	150%	x	7-Day USD LIBOR	=	
PIMCO Income Strategy Fund	The higher of		OR		
			7-Day USD LIBOR	Maximum Rate for PFL	
	1.25%	+		=	
PIMCO Income Strategy Fund II	The higher of	150%	x	7-Day USD LIBOR	=
				OR	
			7-Day USD LIBOR	Maximum Rate for PFN	
	1.25%	+		=	

The maximum rate is a function of short-term interest rates and is typically higher than the rate that would have otherwise been set through a successful auction. If the Funds' ARPS auctions continue to fail and the maximum rate payable on the ARPS rises as a result of changes in short-term interest rates, returns for the Fund's common shareholders could be adversely affected.

## 15. REGULATORY AND LITIGATION MATTERS

The Funds are not named as defendants in any material litigation or arbitration proceedings and are not aware of any material litigation or claim pending or threatened against them.

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



## 16. FEDERAL INCOME TAX MATTERS

Each 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.

A 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 Funds tax positions for all open tax years. As of July 31, 2018, the Funds have 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 Funds file U.S. federal, state, and local tax returns as required. The Funds 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.

## Notes to Financial Statements (Cont.)

As of July 31, 2018, the components of distributable taxable earnings are as follows (amounts in thousands):

	Undistributed Ordinary Income <sup>(1)</sup>	Undistributed Long-Term Capital Gains	Net Tax Basis Unrealized Appreciation/ (Depreciation) <sup>(2)</sup>	Other Book-to-Tax Accounting Differences <sup>(3)</sup>	Accumulated Capital Losses <sup>(4)</sup>	Qualified Late-Year Loss Deferral - Capital <sup>(5)</sup>	Qualified Late-Year Loss Deferral - Ordinary <sup>(6)</sup>
PIMCO Corporate & Income Opportunity Fund	\$ 6,036	\$ 0	\$ 123,806	\$ (10,719)	\$ (104,000)	\$ 0	\$ 0
PIMCO Corporate & Income Strategy Fund	5,675	0	41,827	(4,447)	(35,909)	0	0
PIMCO High Income Fund	0	0	6,678	(10,494)	(135,592)	0	0
PIMCO Income Strategy Fund	0	0	17,679	(2,328)	(24,606)	0	0
PIMCO Income Strategy Fund II	7,898	0	46,865	(4,810)	(60,617)	0	0

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

(1) Includes undistributed short-term capital gains, if any.

(2) Adjusted for open wash sale loss deferrals and accelerated recognition of unrealized gain or loss on certain forward contracts for federal income tax purposes. Also adjusted for differences between book and tax realized and unrealized gain/loss on swap contracts, market discount and premium amortization, passive foreign investment companies (PFIC), straddle loss deferrals, partnership adjustments, convertible preferred securities, and Lehman securities.

(3) Represents differences in income tax regulations and financial accounting principles generally accepted in the United States of America, mainly for distributions payable at fiscal year-end.

(4) Capital losses available to offset future net capital gains expire in varying amounts in the years shown below.

(5) Capital losses realized during the period November 1, 2017 through July 31, 2018 which the Funds elected to defer to the following taxable year pursuant to income tax regulations.

(6) Specified losses realized during the period November 1, 2017 through July 31, 2018 and Ordinary losses realized during the period January 1, 2018 through July 31, 2018, which the Funds elected to defer to the following taxable year pursuant to income tax regulations.

Under the Regulated Investment Company Modernization Act of 2010, a fund 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 July 31, 2018, the Funds had the following post-effective capital losses with no expiration (amounts in thousands):

	Short-Term	Long-Term
PIMCO Corporate & Income Opportunity Fund	\$ 104,000	\$ 0
PIMCO Corporate & Income Strategy Fund	35,909	0
PIMCO High Income Fund	83,116	52,476
PIMCO Income Strategy Fund	24,606	0
PIMCO Income Strategy Fund II	60,617	0

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

As of July 31, 2018, the aggregate cost and the net unrealized appreciation/(depreciation) of investments for federal income tax purposes are as follows (amounts in thousands):

Edgar Filing: CVENT INC - Form 10-Q

	<b>Federal Tax Cost</b>	<b>Unrealized Appreciation</b>	<b>Unrealized (Depreciation)</b>	<b>Net Unrealized Appreciation/ (Depreciation)<sup>(7)</sup></b>
PIMCO Corporate & Income Opportunity Fund	\$ 1,637,772	\$ 207,450	\$ (83,866)	\$ 123,584
PIMCO Corporate & Income Strategy Fund	711,613	89,634	(47,713)	41,921
PIMCO High Income Fund	1,218,836	141,124	(134,334)	6,790
PIMCO Income Strategy Fund	367,146	43,110	(25,357)	17,753
PIMCO Income Strategy Fund II	753,823	100,253	(53,171)	47,082

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

<sup>(7)</sup> Primary differences, if any, between book and tax net unrealized appreciation/(depreciation) on investments are attributable to open wash sale loss deferrals, straddle loss deferrals, unrealized gain or loss on certain forward contracts, market discount and premium amortization, convertible preferred securities, passive foreign investment companies (PFIC), partnership adjustments and Lehman securities for federal income tax purposes.

**100 PIMCO CLOSED-END FUNDS**

July 31, 2018

For the fiscal years ended July 31, 2018 and July 31, 2017, respectively, the Funds made the following tax basis distributions (amounts in thousands):

	July 31, 2018			July 31, 2017		
	Ordinary Income Distributions <sup>(8)</sup>	Long-Term Capital Gain Distributions	Return of Capital <sup>(9)</sup>	Ordinary Income Distributions <sup>(8)</sup>	Long-Term Capital Gain Distributions	Return of Capital <sup>(9)</sup>
PIMCO Corporate & Income Opportunity Fund	\$ 132,208	\$ 0	\$ 0	\$ 118,069	\$ 0	\$ 10,356
PIMCO Corporate & Income Strategy Fund	54,197	0	0	68,668	0	834
PIMCO High Income Fund	109,992	0	17,226	117,877	0	24,148
PIMCO Income Strategy Fund	28,579	0	345	28,374	0	0
PIMCO Income Strategy Fund II	59,659	0	0	58,627	0	0

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

<sup>(8)</sup> Includes short-term capital gains, if any, distributed.

<sup>(9)</sup> A portion of the distributions made represents a tax return of capital. Return of capital distributions have been reclassified from undistributed net investment income to paid-in capital to more appropriately conform financial accounting to tax accounting.

## 17. SUBSEQUENT EVENTS

In preparing these financial statements, the Funds' management has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were issued.

On September 6, 2018, the SEC declared effective a registration statement filed using the shelf registration process for each of PIMCO Income Strategy Fund and PIMCO Income Strategy Fund II.

Pursuant to its shelf registration, PIMCO Income Strategy Fund may offer and sell, from time to time, in one or more offerings, up to 5,500,000 of its common shares, par value \$0.00001 per share. The aggregate sale proceeds for the sales of the PIMCO Income Strategy Fund common shares are subject to an aggregate cap of \$100,000,000.

Pursuant to its shelf registration, PIMCO Income Strategy Fund II may offer and sell, from time to time, in one or more offerings, up to 11,500,000 of its common shares, par value \$0.00001 per share. The aggregate sale proceeds for the sales of the PIMCO Income Strategy Fund II common shares are subject to an aggregate cap of \$175,000,000.

## Edgar Filing: CVENT INC - Form 10-Q

Each Fund may not sell any common shares at a price below the NAV of such common shares, exclusive of any distributing commission or discount. Sales of the common shares, if any, may be made in negotiated transactions or transactions that are deemed to be at the market, including sales made directly on the NYSE or sales made to or through a market maker other than on an exchange.

On August 1, 2018, the following distributions were declared to common shareholders payable September 4, 2018 to shareholders of record on August 13, 2018:

PIMCO Corporate & Income Opportunity Fund	\$	0.130000 per common share
PIMCO Corporate & Income Strategy Fund	\$	0.112500 per common share
PIMCO High Income Fund	\$	0.080699 per common share
PIMCO Income Strategy Fund	\$	0.090000 per common share
PIMCO Income Strategy Fund II	\$	0.080000 per common share

On September 4, 2018, the following distributions were declared to common shareholders payable October 1, 2018 to shareholders of record on September 14, 2018:

PIMCO Corporate & Income Opportunity Fund	\$	0.130000 per common share
PIMCO Corporate & Income Strategy Fund	\$	0.112500 per common share
PIMCO High Income Fund	\$	0.080699 per common share
PIMCO Income Strategy Fund	\$	0.090000 per common share
PIMCO Income Strategy Fund II	\$	0.080000 per common share

There were no other subsequent events identified that require recognition or disclosure.

---

## Report of Independent Registered Public Accounting Firm

To the Board of Trustees and Shareholders of PIMCO Corporate & Income Opportunity Fund, PIMCO Corporate & Income Strategy Fund, PIMCO High Income Fund, PIMCO Income Strategy Fund, and PIMCO Income Strategy Fund II

### Opinions on the Financial Statements

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of PIMCO Corporate & Income Opportunity Fund, PIMCO Corporate & Income Strategy Fund, PIMCO High Income Fund, PIMCO Income Strategy Fund, and PIMCO Income Strategy Fund II (hereafter collectively referred to as the Funds ) as of July 31, 2018, the related statements of operations for the year ended July 31, 2018, the statements of changes in net assets for each of the two years in the period ended July 31, 2018, and for PIMCO Corporate & Income Opportunity Fund, PIMCO Corporate & Income Strategy Fund, and PIMCO High Income Fund, the statements of cash flows for the year ended July 31, 2018, including the related notes, and the financial highlights for each of the periods indicated therein (collectively referred to as the financial statements ). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as of July 31, 2018, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period ended July 31, 2018, and for PIMCO Corporate & Income Opportunity Fund, PIMCO Corporate & Income Strategy Fund, and PIMCO High Income Fund, the results of each of their cash flows for the year then ended, and each of the financial highlights for each of the periods indicated therein in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinions

These financial statements are the responsibility of the Funds management. Our responsibility is to express an opinion on the Funds financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ( PCAOB ) and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of July 31, 2018 by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinions.

/s/ PricewaterhouseCoopers LLP

Kansas City, Missouri

Edgar Filing: CVENT INC - Form 10-Q

September 26, 2018

We have served as the auditor of one or more investment companies in PIMCO Taxable Closed-End Funds since 1995.

**102 PIMCO CLOSED-END FUNDS**

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

(Unaudited)

**Counterparty Abbreviations:**

<b>BCY</b>	Barclays Capital, Inc.	<b>FOB</b>	Credit Suisse Securities (USA) LLC	<b>RBC</b>	Royal Bank of Canada
<b>BOA</b>	Bank of America N.A.	<b>GLM</b>	Goldman Sachs Bank USA	<b>RDR</b>	RBC Capital Markets LLC
<b>BPS</b>	BNP Paribas S.A.	<b>GST</b>	Goldman Sachs International	<b>RTA</b>	Bank of New York Mellon Corp.
<b>BRC</b>	Barclays Bank PLC	<b>HUS</b>	HSBC Bank USA N.A.	<b>SAL</b>	Citigroup Global Markets, Inc.
<b>CBK</b>	Citibank N.A.	<b>JML</b>	JP Morgan Securities Plc	<b>SOG</b>	Societe Generale
<b>CFR</b>	Credit Suisse Securities (Europe) Ltd.	<b>JPM</b>	JP Morgan Chase Bank N.A.	<b>SSB</b>	State Street Bank and Trust Co.
<b>CIW</b>	CIBC World Markets Corp.	<b>JPS</b>	JP Morgan Securities, Inc.	<b>UAG</b>	UBS AG Stamford
<b>DUB</b>	Deutsche Bank AG	<b>MEI</b>	Merrill Lynch International	<b>UBS</b>	UBS Securities LLC
<b>FBF</b>	Credit Suisse International	<b>MYC</b>	Morgan Stanley Capital Services, Inc.		
<b>FICC</b>	Fixed Income Clearing Corporation	<b>NOM</b>	Nomura Securities International Inc.		

**Currency Abbreviations:**

<b>ARS</b>	Argentine Peso	<b>CHF</b>	Swiss Franc	<b>PEN</b>	Peruvian New Sol
<b>AUD</b>	Australian Dollar	<b>EUR</b>	Euro	<b>RUB</b>	Russian Ruble
<b>BRL</b>	Brazilian Real	<b>GBP</b>	British Pound	<b>USD (or \$)</b>	United States Dollar

**Exchange Abbreviations:**

<b>OTC</b>	Over the Counter
------------	------------------

**Index/Spread Abbreviations:**

<b>ABX.HE</b>	Asset-Backed Securities Index - Home Equity	<b>CDX.HY</b>	Credit Derivatives Index - High Yield	<b>LIBOR01M</b>	1 Month USD-LIBOR
<b>ARPP7DRR</b>	Argentina Central Bank 7 Day Repo Reference Rate	<b>CDX.IG</b>	Credit Derivatives Index - Investment Grade	<b>LIBOR03M</b>	3 Month USD-LIBOR
<b>BADLARPP</b>	Argentina Badlar Floating Rate Notes	<b>CMBX</b>	Commercial Mortgage-Backed Index	<b>US0001M</b>	1 Month USD Swap Rate
<b>BP0003M</b>	3 Month GBP-LIBOR	<b>EUR003M</b>	3 Month EUR Swap Rate	<b>US0003M</b>	3 Month USD Swap Rate

**Municipal Bond or Agency Abbreviations:**

<b>AGM</b>	Assured Guaranty Municipal
------------	----------------------------

**Other Abbreviations:**

<b>ABS</b>	Asset-Backed Security	<b>CDI</b>	Brazil Interbank Deposit Rate	<b>LIBOR</b>	London Interbank Offered Rate
<b>ALT</b>	Alternate Loan Trust	<b>CDO</b>	Collateralized Debt Obligation	<b>PIK</b>	Payment-in-Kind
<b>BABs</b>	Build America Bonds	<b>CLO</b>	Collateralized Loan Obligation	<b>TBA</b>	To-Be-Announced
<b>BBR</b>	Bank Bill Rate	<b>DAC</b>	Designated Activity Company	<b>TBD</b>	To-Be-Determined
<b>BBSW</b>	Bank Bill Swap Reference Rate	<b>EURIBOR</b>	Euro Interbank Offered Rate	<b>TBD%</b>	Interest rate to be determined when loan settles

ANNUAL REPORT JULY 31, 2018 103



**Federal Income Tax Information**

(Unaudited)

As required by the Internal Revenue Code ( Code ) and Treasury Regulations, if applicable, shareholders must be notified within 60 days of the Funds' fiscal year end regarding the status of qualified dividend income and the dividend received deduction.

Dividend Received Deduction. Corporate shareholders are generally entitled to take the dividend received deduction on the portion of a Fund's dividend distribution that qualifies under tax law. The percentage of the following Funds' ordinary income dividend distribution from the fiscal year ended July 31, 2018 that qualifies for the corporate dividend received deduction is set forth below:

Qualified Dividend Income. Under the Jobs and Growth Tax Relief Reconciliation Act of 2003, the following percentage of ordinary dividends during the calendar year was designated as qualified dividend income, as defined in the Jobs and Growth Tax Relief Reconciliation Act of 2003, subject to reduced tax rates in 2018:

Qualified Interest Income and Qualified Short-Term Capital Gain (for non-U.S. resident shareholders only). Under the American Jobs Creation Act of 2004, the following amounts of ordinary dividends paid during the fiscal year ended July 31, 2018 are considered to be derived from qualified interest income, as defined in Section 871(k)(1)(E) of the Code, and therefore are designated as interest-related dividends, as defined in Section 871(k)(1)(C) of the Code. Further, the following amounts of ordinary dividends paid during the fiscal year ended July 31, 2018 are considered to be derived from qualified short-term capital gain, as defined in Section 871(k)(2)(D) of the Code, and therefore are designated as qualified short-term gain dividends, as defined by Section 871(k)(2)(C) of the Code.

	<b>Dividend Received Deduction %</b>	<b>Qualified Dividend Income %</b>	<b>Qualified Interest Income (000s )</b>	<b>Qualified Short-Term Capital Gain (000s)</b>
PIMCO Corporate & Income Opportunity Fund	0.00%	1.50%	\$ 30,025	\$ 0
PIMCO Corporate & Income Strategy Fund	0.00%	1.50%	61,794	0
PIMCO High Income Fund	0.00%	0.00%	45,504	0
PIMCO Income Strategy Fund	0.00%	1.01%	13,378	0
PIMCO Income Strategy Fund II	0.00%	1.73%	28,463	0

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

Shareholders are advised to consult their own tax advisor with respect to the tax consequences of their investment in the Trust. In January 2019, you will be advised on IRS Form 1099-DIV as to the federal tax status of the dividends and distributions received by you in calendar year 2018.

**104 PIMCO CLOSED-END FUNDS**

## Shareholder Meeting Results

(Unaudited)

### Annual Shareholder Meeting Results

PIMCO Corporate & Income Strategy Fund and PIMCO Corporate & Income Opportunity Fund held their annual meetings of shareholders on April 27, 2018. Shareholders voted as indicated below:

<b>PIMCO Corporate &amp; Income Opportunity Fund</b>	<b>Affirmative</b>	<b>Withheld Authority</b>
Re-election of Craig A. Dawson Class III to serve until the annual meeting held during the 2020-2021 fiscal year	70,498,849	1,944,024
Re-election of Deborah DeCotis Class III to serve until the annual meeting held during the 2020-2021 fiscal year	70,528,975	1,913,898
Election of Hans W. Kertess Class III to serve until the annual meeting held during the 2020-2021 fiscal year	69,887,802	2,555,071
Election of John C. Maney Class I to serve until the annual meeting held during the 2018-2019 fiscal year	70,440,929	2,001,944

The other members of the Board of Trustees at the time of the meeting, namely, Messrs. James A. Jacobson, Bradford K. Gallagher, William B. Ogden, IV and Alan Rappaport continued to serve as Trustees of the Fund.

Interested Trustee

<b>PIMCO Corporate &amp; Income Strategy Fund</b>	<b>Affirmative</b>	<b>Withheld Authority</b>
Re-election of Hans W. Kertess Class I to serve until the annual meeting for the 2020-2021 fiscal year	34,024,430	1,006,006
Re-election of Alan Rappaport Class I to serve until the annual meeting held during the 2020-2021 fiscal year	34,178,911	851,525
Re-election of John C. Maney Class I to serve until the annual meeting held during the 2020-2021 fiscal year	34,160,564	869,872

The other members of the Board of Trustees at the time of the meeting, namely, Ms. Deborah A. DeCotis and Messrs. Bradford K. Gallagher, James A. Jacobson, Craig A. Dawson and William B. Ogden, IV continued to serve as Trustees of the Fund.

Interested Trustee

PIMCO High Income Fund, PIMCO Income Strategy Fund and PIMCO Income Strategy Fund II held their annual meetings of shareholders on June 29, 2018. Shareholders voted as indicated below.

<b>PIMCO High Income Fund</b>	<b>Affirmative</b>	<b>Withheld Authority</b>
Re-election of Deborah A. DeCotis Class III to serve until the annual meeting held during the 2020-2021 fiscal year	111,646,973	5,531,088
Election of Hans W. Kertess Class III to serve until the annual meeting held during the 2020-2021 fiscal year	111,548,676	5,629,385
Election of John C. Maney Class I to serve until the annual meeting held during the 2018-2019 fiscal year	111,473,120	5,704,941

## Edgar Filing: CVENT INC - Form 10-Q

The other members of the Board of Trustees at the time of the meeting, namely, Messrs. Bradford K. Gallagher, Craig A. Dawson, James A. Jacobson, William B. Ogden, IV and Alan Rappaport continued to serve as Trustees of the Fund.

Interested Trustee

<b>PIMCO Income Strategy Fund</b>	<b>Affirmative</b>	<b>Withheld Authority</b>
Re-election of James A. Jacobson Class II to serve until the annual meeting held during the 2020-2021 fiscal year	22,804,084	681,362
Re-election of Alan Rappaport Class II to serve until the annual meeting held during the 2020-2021 fiscal year	22,804,084	681,362
Election of John C. Maney Class II to serve until the annual meeting held during the 2020-2021 fiscal year	22,865,266	620,180
Election of Deborah A. DeCotis* Class III to serve until the annual meeting held during the 2018-2019 fiscal year	1,980	30

The other members of the Board of Trustees at the time of the meeting, namely, Messrs. Craig A. Dawson, Bradford K. Gallagher, William B. Ogden, IV and Hans W. Kertess continued to serve as Trustees of the Fund.

Interested Trustee

\* Preferred Shares Trustee

<b>PIMCO Income Strategy Fund II</b>	<b>Affirmative</b>	<b>Withheld Authority</b>
Re-election of William B. Ogden, IV* Class I to serve until the annual meeting held during the 2020-2021 fiscal year	3,489	39
Re-election of Alan Rappaport Class I to serve until the annual meeting held during the 2020-2021 fiscal year	53,442,557	1,185,879
Re-election of Craig A. Dawson Class I to serve until the annual meeting held during the 2020-2021 fiscal year	53,589,109	1,039,327

The other members of the Board of Trustees at the time of the meeting, namely, Ms. Deborah A. DeCotis and Messrs. John C. Maney, Bradford K. Gallagher, Hans W. Kertess and James A. Jacobson continued to serve as Trustees of the Fund.

Interested Trustee

\* Preferred Shares Trustee

ANNUAL REPORT JULY 31, 2018 105

## Changes to Boards of Trustees

(Unaudited)

Effective April 27, 2018, Mr. Hans W. Kertess, who was previously a Class I Trustee of PIMCO Corporate & Income Opportunity Fund, became a Class III Trustee of PIMCO Corporate & Income Opportunity Fund. Effective April 27, 2018, Mr. John C. Maney, who was previously a Class III Trustee of PIMCO Corporate & Income Opportunity Fund, became a Class I Trustee of PIMCO Corporate & Income Opportunity Fund.

Effective June 29, 2018, Mr. John C. Maney, who was previously a Class III Trustee of PIMCO Income Strategy Fund, became a Class II Trustee of PIMCO Income Strategy Fund. Effective June 29, 2018, Ms. Deborah A. DeCotis, who was previously a Class II Trustee of PIMCO Income Strategy Fund, became a Class III Trustee of PIMCO Income Strategy Fund. Effective June 29, 2018, Mr. Hans W. Kertess, who was previously a Class I Trustee of PIMCO High Income Fund, became a Class III Trustee of PIMCO High Income Fund. Effective June 29, 2018, Mr. John C. Maney, who was previously a Class III Trustee of PIMCO High Income Fund, became a Class I Trustee of PIMCO High Income Fund.

### 106 PIMCO CLOSED-END FUNDS

---

## Dividend Reinvestment Plan

(Unaudited)

Each Fund has adopted a Dividend Reinvestment Plan (the Plan) which allows common shareholders to reinvest Fund distributions in additional common shares of the Fund. American Stock Transfer & Trust Company, LLC (the Plan Agent) serves as agent for common shareholders in administering the Plan. It is important to note that participation in the Plan and automatic reinvestment of Fund distributions does not ensure a profit, nor does it protect against losses in a declining market.

**Automatic enrollment/voluntary participation** Under the Plan, common shareholders whose shares are registered with the Plan Agent (registered shareholders) are automatically enrolled as participants in the Plan and will have all Fund distributions of income, capital gains and returns of capital (together, distributions) reinvested by the Plan Agent in additional common shares of a Fund, unless the shareholder elects to receive cash. Registered shareholders who elect not to participate in the Plan will receive all distributions in cash paid by check and mailed directly to the shareholder of record (or if the shares are held in street or other nominee name, to the nominee) by the Plan Agent. Participation in the Plan is voluntary. Participants may terminate or resume their enrollment in the Plan at any time without penalty by notifying the Plan Agent online at [www.astfinancial.com](http://www.astfinancial.com), by calling (844) 33-PIMCO (844-337-4626), by writing to the Plan Agent, American Stock Transfer & Trust Company, LLC, at P.O. Box 922, Wall Street Station, New York, NY 10269-0560, or, as applicable, by completing and returning the transaction form attached to a Plan statement. A proper notification will be effective immediately and apply to each Fund's next distribution if received by the Plan Agent at least three (3) days prior to the record date for the distribution; otherwise, a notification will be effective shortly following the Fund's next distribution and will apply to the Fund's next succeeding distribution thereafter. If you withdraw from the Plan and so request, the Plan Agent will arrange for the sale of your shares and send you the proceeds, minus brokerage commissions.

**How shares are purchased under the Plan** For each Fund distribution, the Plan Agent will acquire common shares for participants either (i) through receipt of newly issued common shares from each Fund (newly issued shares) or (ii) by purchasing common shares of the Fund on the open market (open market purchases). If, on a distribution payment date, the net asset value per common share of a Fund (NAV) is equal to or less than the market price per common share plus estimated brokerage commissions (often referred to as a market premium), the Plan Agent will invest the distribution amount on behalf of participants in newly issued shares at a price equal to the greater of (i) NAV or (ii) 95% of the market price per common share on the payment date. If the NAV is greater than the market price per common shares plus estimated brokerage

commissions (often referred to as a market discount) on a distribution payment date, the Plan agent will instead attempt to invest the distribution amount through open market purchases. If the Plan Agent is unable to invest the full distribution amount in open market purchases, or if the market discount shifts to a market premium during the purchase period, the Plan Agent will invest any un-invested portion of the distribution in newly issued shares at a price equal to the greater of (i) NAV or (ii) 95% of the market price per share as of the last business day immediately prior to the purchase date (which, in either case, may be a price greater or lesser than the NAV per common shares on the distribution payment date). No interest will be paid on distributions awaiting reinvestment. Under the Plan, the market price of common shares on a particular date is the last sales price on the exchange where the shares are listed on that date or, if there is no sale on the exchange on that date, the mean between the closing bid and asked quotations for the shares on the exchange on that date.

The NAV per common share on a particular date is the amount calculated on that date (normally at the close of regular trading on the New York Stock Exchange) in accordance with each Fund's then current policies.

**Fees and expenses** No brokerage charges are imposed on reinvestments in newly issued shares under the Plan. However, all participants will pay a pro rata share of brokerage commissions incurred by the Plan Agent when it makes open market purchases. There are currently no direct service charges imposed on participants in the Plan, although each Fund reserves the right to amend the Plan to include such charges.

## Edgar Filing: CVENT INC - Form 10-Q

Shares held through nominees In the case of a registered shareholder such as a broker, bank or other nominee (together, a nominee ) that holds common shares for others who are the beneficial owners, the Plan Agent will administer the Plan on the basis of the number of common shares certified by the nominee/record shareholder as representing the total amount registered in such shareholder's name and held for the account of beneficial owners who are to participate in the Plan. If your common shares are held through a nominee and are not registered with the Plan Agent, neither you nor the nominee will be participants in or have distributions reinvested under the Plan. If you are a beneficial owner of common shares and wish to participate in the Plan, and your nominee is unable or unwilling to become a registered shareholder and a Plan participant on your behalf, you may request that your nominee arrange to have all or a portion of your shares re-registered with the Plan Agent in your name so that you may be enrolled as a participant in the Plan. Please contact your nominee for details or for other possible alternatives. Participants whose shares are registered with the Plan Agent in the

**ANNUAL REPORT** JULY 31, 2018 **107**

**Dividend Reinvestment Plan (Cont.)**

(Unaudited)

name of one nominee firm may not be able to transfer the shares to another firm and continue to participate in the Plan.

Tax consequences Automatically reinvested dividends and distributions are taxed in the same manner as cash dividends and distributions i.e., automatic reinvestment in additional shares does not relieve shareholders of, or defer the need to pay, any income tax that may be payable (or that is required to be withheld) on Fund dividends and distributions. The Funds and the Plan Agent reserve the right to amend or terminate the Plan. Additional information about the Plan, as well as a copy of the full Plan itself, may be obtained from the Plan Agent, American Stock Transfer & Trust Company, LLC, at P.O. Box 922, Wall Street Station, New York, NY 10269-0560; telephone number: (844) 33-PIMCO (844-337-4626); website: [www.astfinancial.com](http://www.astfinancial.com).

**108 PIMCO CLOSED-END FUNDS**

## Management of the Funds

(Unaudited)

Name And Year of Birth	Position(s) Held with the Funds	Term of Office and Length of Time Served	Principal Occupation(s) During the Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee During the Past 5 Years
<b>Independent Trustees</b>					
<b>Hans W. Kertess</b> 1939	Chairman of the Board, Trustee	Trustee of PHK, PTY and PFL since 2003, Trustee of PCN since 2002 and Trustee of PFN since 2004, expected to stand for re-election at the annual meeting of shareholders held during the 2020-2021 fiscal year for PCN, PTY and PHK and the 2019-2020 fiscal year for PFL and PFN.	President, H. Kertess & Co., a financial advisory company; and Senior Adviser (formerly Managing Director), Royal Bank of Canada Capital Markets (since 2004).	93	None
<b>Deborah A. DeCotis</b> 1952	Trustee	Trustee of each Fund since 2011, expected to stand for re-election at the annual meeting of shareholders held during the 2020-2021 fiscal year for PHK and PTY and the 2018-2019 fiscal year for PFL, PFN and PCN.	Advisory Director, Morgan Stanley & Co., Inc. (since 1996); Member, Circle Financial Group (since 2009); and Member, Council on Foreign Relations (since 2013); Trustee, Smith College (since 2017); and Director, Watford Re (since 2017). Formerly, Co-Chair Special Projects Committee, Memorial Sloan Kettering (2005-2015); Trustee, Stanford University (2010-2015); Principal, LaLoop LLC, a retail accessories company (1999-2014); Director, Helena Rubenstein Foundation (1997-2010); and Director, Armor Holdings (2002-2010).	93	None
<b>Bradford K. Gallagher</b> 1944	Trustee	Trustee of each Fund since 2010, expected to stand for re-election at the annual meeting of shareholders held during the 2018-2019 fiscal year for PFL and PFN and the 2019-2020 fiscal year for PHK, PTY and PCN.	Retired. Founder, Spyglass Investments LLC, a private investment vehicle (since 2001). Formerly, Chairman and Trustee, The Common Fund (2005-2014); Partner, New Technology Ventures Capital Management LLC, a venture capital fund (2011-2013); Chairman and Trustee, Atlantic Maritime Heritage Foundation (2007-2012); and Founder, President and CEO, Cypress Holding Company and Cypress Tree Investment Management Company (1995-2001).	93	Formerly, Chairman and Trustee of Grail Advisors ETF Trust (2009- 2010); and Trustee of Nicholas-Applegate Institutional Funds (2007-2010).
<b>James A. Jacobson</b> 1945	Trustee	Trustee of PCN, PTY and PHK since 2009, Trustee of PFL since 2012 and Trustee of PFN since 2013, expected to stand for re-election at the annual meeting of shareholders held during the 2020-2021 fiscal year for PFL, the 2018-2019 fiscal year for PCN and the 2019-2020 fiscal year for PHK, PTY and PFN.	Retired. Trustee (since 2002) and Chairman of Investment Committee (since 2007), Ronald McDonald House of New York; and Trustee, New Jersey City University (since 2014). Formerly, Vice Chairman and Managing Director, Spear, Leeds & Kellogg Specialists, LLC, a specialist firm on the New York Stock Exchange (2003-2008).	93	Formerly, Trustee, Alpine Mutual Funds Complex consisting of 18 funds.
<b>William B. Ogden, IV</b>	Trustee			93	None



## Edgar Filing: CVENT INC - Form 10-Q

<i>1945</i>		Trustee of each Fund since 2006, expected to stand for re-election at the annual meeting of shareholders held during the 2020-2021 fiscal year for PFN, the 2018-2019 fiscal year for PHK and PTY and the 2019-2020 fiscal year for PFL and PCN.	Retired. Formerly, Asset Management Industry Consultant; and Managing Director, Investment Banking Division of Citigroup Global Markets Inc.		
<b>Alan Rappaport</b>	Trustee	Trustee of each Fund (except PFL and PFN) since 2010 of PFN since 2012 and of PFL since 2014, expected to stand for re-election at the annual meeting of shareholders held during the 2020-2021 fiscal year for PCN, PFN and PFL and the 2018-2019 fiscal year for PHK and PTY.	Advisory Director (formerly Vice Chairman), Roundtable Investment Partners (since 2009); Adjunct Professor, New York University Stern School of Business (since 2011); Lecturer, Stanford University Graduate School of Business (since 2013); and Director, Victory Capital Holdings, Inc., an asset management firm (since 2013). Formerly, Member of Board of Overseers, NYU Langone Medical Center (2015-2016); Trustee, American Museum of Natural History (2005-2015); Trustee, NYU Langone Medical Center (2007-2015); Vice Chairman (formerly Chairman and President), U.S. Trust (formerly Private Bank of Bank of America, the predecessor entity of U.S. Trust) (2001-2008).	93	None
<i>1953</i>					

**Management of the Funds (Cont.)**

Name And Year of Birth	Position(s) Held with the Funds	Term of Office and Length of Time Served	Principal Occupation(s) During the Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee During the Past 5 Years
<b>Interested Trustees</b>					
<b>Craig A. Dawson*</b> 1968	Trustee	Trustee of each Fund since 2014, expected to stand for re-election at the annual meeting of shareholders held during the 2020-2021 fiscal year for PTY and PFN, the 2018-2019 fiscal year for PFL and the 2019-2020 fiscal year for PHK and PCN.	Managing Director and Head of PIMCO Europe, Middle East and Africa (since 2016). Director of a number of PIMCO's European investment vehicles and affiliates (since 2008). Formerly, Head of Strategic Business Management, PIMCO (2014-2016), head of PIMCO's Munich office and head of European product management for PIMCO.	27	None
<b>John C. Maney**</b> 1959	Trustee	Trustee of each Fund since 2006, expected to stand for re-election at the annual meeting of shareholders held during the 2018-2019 fiscal year for PHK and PTY, the 2020-2021 fiscal year for PCN and PFL and the 2019-2020 fiscal year for PFN.	Managing Director of Allianz Asset Management of America L.P. (since January 2005) and a member of the Management Board and Chief Operating Officer of Allianz Asset Management of America L.P. (since November 2006). Formerly, Member of the Management Board of Allianz Global Investors Fund Management LLC (2007-2014) and Managing Director of Allianz Global Investors Fund Management LLC (2011-2014).	27	None

\* Mr. Dawson is an interested person of the Funds, as defined in Section 2(a)(19) of the Act, due to his affiliation with PIMCO and its affiliates. Mr. Dawson's address is 11 Baker Street London, WIU 3AH GBR.

\*\* Mr. Maney is an interested person of the Funds, as defined in Section 2(a)(19) of the Act, due to his affiliation with Allianz Asset Management of America L.P. and its affiliates. Mr. Maney's address is 650 Newport Center Drive, Suite 250, Newport Beach, CA 92660.

**110 PIMCO CLOSED-END FUNDS**

(Unaudited)

**Officers**

<b>Name, Address and Year of Birth</b>	<b>Position(s) Held with Funds</b>	<b>Term of Office and Length of Time Served</b>	<b>Principal Occupation(s) During the Past 5 Years</b>
<b>Peter G. Strelow</b> <sup>1</sup> 1970	President	Since 2014	Managing Director and Co-Chief Operating Officer, PIMCO. President, PIMCO-Managed Funds, PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT. Formerly, Chief Administrative Officer, PIMCO.
<b>Keisha Audain-Pressley</b> 1975	Chief Compliance Officer	Since January 2018	Senior Vice President and Deputy Chief Compliance Officer, PIMCO. Chief Compliance Officer, PIMCO-Managed Funds.
<b>Joshua D. Ratner</b> 1976	Vice President, Secretary and Chief Legal Officer	Since 2014	Executive Vice President and Deputy General Counsel, PIMCO. Chief Legal Officer, PIMCO Investments LLC. Vice President, Secretary and Chief Legal Officer, PIMCO-Managed Funds. Vice President - Senior Counsel, Secretary, PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT.
<b>Ryan G. Leshaw</b> <sup>1</sup> 1980	Assistant Secretary	Since 2014	Senior Vice President and Senior Counsel, PIMCO. Assistant Secretary, PIMCO-Managed Funds, PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT. Formerly, Associate, Willkie Farr & Gallagher LLP.
<b>Wu-Kwan Kit</b> <sup>1</sup> 1981	Assistant Secretary	Since March 2017	Vice President and Counsel, PIMCO. Assistant Secretary, PIMCO-Managed Funds, PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT. Formerly, Assistant General Counsel, VanEck Associates Corp.
<b>Stacie D. Anctil</b> <sup>1</sup> 1969	Vice President	Since 2015	Executive Vice President, PIMCO. Vice President, PIMCO-Managed Funds, PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT.
<b>Eric D. Johnson</b> <sup>1</sup> 1970	Vice President	Since 2014	Executive Vice President, PIMCO. Vice President, PIMCO-Managed Funds, PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT.
<b>William G. Galipeau</b> <sup>1</sup> 1974	Vice President	Since December 2017	Executive Vice President, PIMCO. Vice President, PIMCO-Managed Funds, PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT.
<b>Bijal Parikh</b> <sup>1</sup> 1978	Vice President	Since March 2017	Senior Vice President, PIMCO. Vice President, PIMCO-Managed Funds, PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO ETF Trust and PIMCO Equity Series.
<b>Trent W. Walker</b> <sup>1</sup> 1974	Treasurer	Since December 2017	Executive Vice President, PIMCO. Treasurer, PIMCO-Managed Funds, PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT.
<b>Erik C. Brown</b> 1967	Assistant Treasurer	Since 2015	Executive Vice President, PIMCO. Assistant Treasurer, PIMCO-Managed Funds, PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT.
<b>Colleen Miller</b> 1980	Assistant Treasurer	Since March 2017	Senior Vice President, PIMCO. Assistant Treasurer, PIMCO-Managed Funds, PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT. Formerly, Vice President, Cohen & Steers Capital Management.
	Assistant Treasurer	Since 2016	

## Edgar Filing: CVENT INC - Form 10-Q

**Christopher M. Morin<sup>1</sup>**

Senior Vice President, PIMCO. Assistant Treasurer, PIMCO-Managed Funds, PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT.

1980

**Jason J. Nagler**

Assistant Treasurer

Since 2015

Vice President, PIMCO. Assistant Treasurer, PIMCO-Managed Funds, PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO ETF Trust, PIMCO Equity Series and PIMCO Equity Series VIT. Formerly, Head of Mutual Fund Reporting, GMO, and Assistant Treasurer, GMO Trust and GMO Series Trust Funds.

1982

<sup>1</sup> The address of these officers is Pacific Investment Management Company LLC, 650 Newport Center Drive, Newport Beach, California 92660.

## Approval of Investment Management Agreement

At an in-person meeting held on June 14, 2018 (the Approval Meeting), the Board of Trustees or Directors (for purposes of this disclosure, all Board members are hereinafter referred to as Trustees) of the Funds (the Board), including the Trustees who are not interested persons (as that term is defined in the Investment Company Act of 1940) of the Funds or PIMCO (the Independent Trustees), formally considered and unanimously approved the continuation of the Investment Management Agreement between each Fund and PIMCO (the Agreement) for an additional one-year period commencing on August 1, 2018. Prior to the Approval Meeting, the Contracts Committee of the Board of each Fund (together, the Committee) held an in-person meeting on June 14, 2018 (the Committee Meeting) and formally considered and recommended to the Board the continuation of the Agreement for each Fund. Prior to the Approval Meeting, on May 11, 2018, the Chair and another member of the Committee participated in a conference call with members of management and PIMCO personnel and counsel to the Independent Trustees (Independent Counsel) to discuss the process for the Board's review of the Agreement and to consider certain information relating to the Funds, including, among other information, information relating to PIMCO's estimated profitability with respect to the Agreement, comparative fees and expenses and Fund performance. On May 16, 2018, PIMCO provided materials to the Committee for its consideration of the Agreement in response to a request from Independent Counsel (the Manager Request Letter), as well as other materials and information PIMCO believed was useful in evaluating the continuation of the Agreement. On May 23, 2018, the Committee held a meeting via conference call (collectively with the May 11, 2018 conference call, the Committee Meeting and the Approval Meeting, the Contract Renewal Meetings), at which the members of the Committee, all of whom are Independent Trustees, considered the materials and information provided by PIMCO bearing on the continuation of the Agreement. The Committee also received and reviewed a memorandum from counsel to the Funds regarding the Trustees' responsibilities in evaluating the Agreement, which they discussed with Independent Counsel.

Following the presentation at the Committee Meeting, the Independent Trustees met separately in executive session with Independent Counsel to review and discuss all relevant information, including, but not limited to, information provided in response to the Manager Request Letter and information presented and discussed at the prior Contract Renewal Meetings.

In connection with their deliberations regarding the proposed continuation of the Agreement for each Fund, the Trustees, including the Independent Trustees, considered such information and factors as they believed, in light of the legal advice furnished to them and their own business judgment, to be relevant. The Trustees also considered

the nature, quality and extent of the various investment management, administrative and other services performed by PIMCO under the Agreement.

It was noted that, in connection with their Contract Renewal Meetings, the Trustees relied upon materials provided by PIMCO which included, among other items: (i) information provided by Broadridge Financial Solutions, Inc./Lipper Inc. (Lipper), an independent third party, on the total return investment performance (based on net asset value and common share market price) of each Fund for various time periods, presented through comparisons to the investment performance of a group of funds identified by Lipper with investment classifications/objectives comparable to those of the Fund (for each Fund, its Lipper Performance Universe), (ii) information provided by Lipper on each Fund's management fees and other expenses under the Agreement and the management fees and other expenses of a smaller sample of comparable funds with different investment advisers identified by Lipper (for each Fund, its Lipper Expense Group) as well as of a larger sample of comparable funds identified by Lipper (for each Fund, its Lipper Expense Universe), (iii) information regarding the market value performance of each Fund's common shares and related share price premium and/or discount information, (iv) information regarding the investment performance and fees for other funds and accounts managed by PIMCO with similar investment strategies to those of the Funds, (v) the estimated profitability to PIMCO with respect to each Fund for the one-year period ended December 31, 2017, (vi) descriptions of various functions performed by PIMCO for the Funds, such as portfolio management, compliance monitoring and portfolio trading practices, (vii) information regarding PIMCO's compliance policies applicable to the Funds, (viii) information regarding the Funds' use of leverage, (ix) information regarding any economies of scale reached in the operation of the Funds, including in connection with at-the-market offerings contemplated by certain Funds, (x) summaries assigning a quadrant placement to each Fund based on an average of certain measures of performance and fees/expenses versus Lipper peer group medians (the Fund Scoring Summaries), (xi) fact cards for each Fund that included summary information regarding each Fund, (xii) information regarding the comparative yields of the Funds, (xiii) information regarding the risk-adjusted returns of the Funds, (xiv) possible fall-out benefits to PIMCO from its relationship with the Funds, and (xv) information regarding the overall organization of PIMCO, including information regarding senior management, portfolio managers and other personnel providing investment management, administrative, compliance and other services to the Funds.

## Edgar Filing: CVENT INC - Form 10-Q

The Trustees' conclusions as to the continuation of the Agreement were based on a comprehensive consideration of all information provided to the Trustees and were not the result of any single factor. Some of the factors that figured particularly in the Trustees' deliberations are

### **112 PIMCO CLOSED-END FUNDS**

described below, although individual Trustees may have evaluated the information presented differently from one another, attributing different weights to various factors.

As part of their review, the Trustees examined PIMCO's abilities to provide high-quality investment management and other services to the Funds. Among other information, the Trustees considered the investment philosophy and research and decision-making processes of PIMCO; the experience of key advisory personnel of PIMCO responsible for portfolio management of the Funds; the ability of PIMCO to attract and retain capable personnel; and the capabilities of the senior management and staff of PIMCO. In addition, the Trustees reviewed the quality of PIMCO's services with respect to regulatory compliance and compliance with the investment policies of the Funds; the nature and quality of the supervisory and administrative services PIMCO is responsible for providing to the Funds; and conditions that might affect PIMCO's ability to provide high-quality services to the Funds in the future under the Agreement, including PIMCO's financial condition and operational stability. Based on the foregoing, the Trustees concluded that PIMCO's investment process, research capabilities and philosophy are well suited to the Funds given their investment objectives and policies, and that PIMCO would be able to continue to meet any reasonably foreseeable obligations under the Agreement.

In assessing the reasonableness of each Fund's fees under the Agreement, the Trustees considered, among other information, the Fund's management fee and its total expense ratio as a percentage of average net assets attributable to common shares and as a percentage of average managed assets (including assets attributable to common shares and leverage outstanding combined), and the management fee and total expense ratios of the Lipper Expense Group and Lipper Expense Universe for each Fund. In each case, the total expense ratio information was provided both inclusive and exclusive of interest and borrowing expenses. Fund-specific comparative fees/expenses reviewed by the Trustees are discussed below. The Fund-specific fee and expense results discussed below were prepared and provided by Lipper and were not independently verified by the Trustees.

The Trustees specifically took note of how each Fund compared to its Lipper peers as to performance, management fee expense and total expense ratio. The Trustees noted that, while the Funds are not currently charged a separate administration fee (recognizing that their management fees include a component for administrative services under the unitary fee arrangements), it was not clear in all cases whether the peer funds in the Lipper categories were separately charged such a fee by their investment managers, so that the total expense ratio, as opposed to any individual expense component, represented the most relevant comparison. The Trustees also considered that the total expense ratio seems to provide a more apt

comparison than management fee expense because the Funds' unitary fee arrangements cover other supervisory and administrative services required by the Fund that are typically paid for or incurred by peer closed-end funds directly in addition to a fund's management fee (such fees and expenses, Operating Expenses) as discussed below. It was noted that the total expense ratio comparisons reflect the effect of expense waivers/reimbursements, if any. The Trustees considered total expense ratio comparisons both including and excluding interest and borrowing expenses. The Trustees noted that only leveraged closed-end funds were considered for inclusion in the Lipper Expense Groups and Lipper Expense Universes presented for comparison with the Funds.

The Trustees noted that, for each Fund, the contractual management fee rate for the Fund under its unitary fee arrangement was at or below the median contractual management fees of the other funds in its Lipper Expense Group, calculated both on average net assets and on average managed assets, with the exception of PFL, whose contractual management fee rate was above the median in both cases. The Trustees took into account that each Fund's unitary fee arrangement covers substantially all of the Fund's Operating Expenses and therefore, all other things being equal, would tend to be higher than the contractual management fee rates of other funds in the applicable Lipper Expense Group, which generally do not have a unitary fee structure and bear Operating Expenses directly and in addition to the management fee. The Trustees determined that a review of each Fund's total expense ratio with the total expense ratios of peer funds would generally provide more meaningful comparisons than considering contractual management fee rates in isolation.

## Edgar Filing: CVENT INC - Form 10-Q

In this regard, the Trustees noted PIMCO's view that the unitary fee arrangements have benefited and will continue to benefit common shareholders because they provide a management fee expense structure (including Operating Expenses) that is essentially fixed for the duration of the contractual period as a percentage of either managed assets (including assets attributable to preferred shares and certain other forms of leverage) or net assets (including assets attributable to preferred shares), as applicable, making it more predictable under ordinary circumstances in comparison to other fee and expense structures, under which the Funds' Operating Expenses (including certain third-party fees and expenses) could vary significantly over time. The Trustees also considered that the unitary fee arrangements generally insulate the Funds and common shareholders from increases in applicable third-party and certain other expenses because PIMCO, rather than the Funds, would bear the risk of such increases (though the Trustees also noted that PIMCO would benefit from any reductions in such expenses).

Fund-specific comparative performance results for the Funds reviewed by the Trustees are discussed below. The comparative performance

**ANNUAL REPORT** JULY 31, 2018 **113**



## Approval of Investment Management Agreement (Cont.)

information was prepared and provided by Lipper and was not independently verified by the Trustees. Due to the passage of time, these performance results may differ from the performance results for more recent periods. With respect to all Funds, the Trustees reviewed, among other information, comparative information showing performance of the Funds against the Lipper Performance Universes for the one-year, three-year, five-year and ten-year periods (to the extent each such Fund had been in existence) ended December 31, 2017. The Trustees also reviewed the Fund Scoring Summaries prepared by PIMCO at the Independent Trustees' request comparing each Fund's fees/expenses against those of its Lipper Expense Universe and performance against that of its Lipper Performance Universe, by identifying a quadrant designation based on the average of six different measures of fees/expenses versus performance (one-year, three-year and five-year performance for the period ended December 31, 2017, in each case, versus a Fund's management fees or total expense ratio). The Fund Scoring Summaries were based on net assets, one showing total expenses inclusive of interest and borrowing expenses and the other showing total expenses exclusive of interest and borrowing expenses. In addition, the Trustees also reviewed fact cards for each Fund that included summary information regarding each Fund, including investment objective and strategy, portfolio managers, assets under management, outstanding leverage, net asset value and market performance comparisons, comparative fee and expense information, premium/discount information and information regarding PIMCO's estimated profitability.

In addition, it was noted that the Trustees considered matters bearing on the Funds and their advisory arrangements at their meetings throughout the year, including a review of performance data at each regular meeting.

Among other information, the Trustees took into account the following regarding particular Funds.

### PIMCO Corporate & Income Opportunity Fund

With respect to the Fund's common share total return performance (based on net asset value) relative to its respective Lipper Performance Universe, consisting of 32 funds for one-year performance, 27 funds for three-year performance, 23 funds for five-year performance and 17 funds for ten-year performance, the Trustees noted that the Fund had first quintile performance for the one-year, three-year, five-year and ten-year periods ended December 31, 2017.

The Trustees noted that the Lipper Expense Group for the Fund consisted of a total of 13 funds, including the Fund. The Trustees also noted that the average net assets of the common shares of the funds in the Lipper Expense Group ranged from \$207.6 million to \$1.737 billion, and that one fund in the Lipper Expense Group was

larger in asset size than the Fund. The Trustees noted that the Lipper Expense Universe for the Fund consisted of a total of 27 funds, including the Fund. The Trustees noted that the Fund's total expense ratio (including interest and borrowing expenses) calculated on both average managed assets and average net assets was below the median total expense ratio (including interest and borrowing expenses) of the funds in its Lipper Expense Group and Lipper Expense Universe. The Trustees noted that the Fund's total expense ratio (excluding interest and borrowing expenses) calculated on both average managed assets and average net assets was below the median total expense ratio (excluding interest and borrowing expenses) of the funds in its Lipper Expense Group and Lipper Expense Universe.

### PIMCO Corporate & Income Strategy Fund

## Edgar Filing: CVENT INC - Form 10-Q

With respect to the Fund's common share total return performance (based on net asset value) relative to its respective Lipper Performance Universe, consisting of 32 funds for one-year performance, 27 funds for three-year performance, 23 funds for five-year performance and 17 funds for ten-year performance, the Trustees noted that the Fund had first quintile performance for the one-year, three-year, five-year and ten-year periods ended December 31, 2017.

The Trustees noted that the Lipper Expense Group for the Fund consisted of a total of 13 funds, including the Fund. The Trustees also noted that the average net assets of the common shares of the funds in the Lipper Expense Group ranged from 207.6 million to \$1.737 billion, and that two of the funds in the group were larger in asset size than the Fund. The Trustees noted that the Lipper Expense Universe for the Fund consisted of a total of 27 funds, including the Fund. The Trustees noted that the Fund's total expense ratio (including interest and borrowing expenses) calculated on both average managed assets and average net assets was below the median total expense ratio (including interest and borrowing expenses) of the funds in its Lipper Expense Group and Lipper Expense Universe. The Trustees noted that the Fund's total expense ratio (excluding interest and borrowing expenses) calculated on both average managed assets and average net assets was below the median total expense ratio (excluding interest and borrowing expenses) of the funds in its Lipper Expense Group and Lipper Expense Universe.

### PIMCO High Income Fund

With respect to the Fund's common share total return performance (based on net asset value) relative to its respective Lipper Performance Universe, consisting of 32 funds for one-year performance, 27 funds for three-year performance, 23 funds for five-year performance and 17 funds for ten-year performance, the Trustees noted that the Fund had first quintile performance for the one-year, three-year, five-year and ten-year periods ended December 31, 2017.

### 114 PIMCO CLOSED-END FUNDS

The Trustees noted that the Lipper Expense Group for the Fund consisted of a total of 13 funds, including the Fund. The Trustees also noted that the average net assets of the common shares of the funds in the Lipper Expense Group ranged from \$207.6 million to \$1.737 billion, and that one fund in the group was larger in asset size than the Fund. The Trustees noted that the Lipper Expense Universe for the Fund consisted of a total of 27 funds, including the Fund. The Trustees noted that the Fund's total expense ratio (including interest and borrowing expenses) calculated on both average managed assets and average net assets was below the median total expense ratio (including interest and borrowing expenses) of the funds in its Lipper Expense Group and Lipper Expense Universe. The Trustees noted that the Fund's total expense ratio (excluding interest and borrowing expenses) calculated on both average managed assets and average net assets was below the median total expense ratio (excluding interest and borrowing expenses) of the funds in its Lipper Expense Group and Lipper Expense Universe.

### PIMCO Income Strategy Fund

With respect to the Fund's common share total return performance (based on net asset value) relative to its respective Lipper Performance Universe, consisting of 32 funds for one-year performance, 27 funds for three-year performance, 23 funds for five-year performance and 17 funds for ten-year performance, the Trustees noted that the Fund had first quintile performance for the one-year and three-year periods, second quintile performance for the five-year period, and third quintile performance for the ten-year period ended December 31, 2017.

The Trustees noted that the Lipper Expense Group for the Fund consisted of a total of 13 funds, including the Fund. The Trustees also noted that the average net assets of the common shares of the funds in the Lipper Expense Group ranged from \$207.6 million to \$1.737 billion, and that eight of the funds in the group were larger in asset size than the Fund. The Trustees noted that the Lipper Expense Universe for the Fund consisted of a total of 27 funds, including the Fund. The Trustees noted that the Fund's total expense ratio (including interest and borrowing expenses) calculated on both average managed assets and average net assets was below the median total expense ratio (including interest and borrowing expenses) of the funds in its Lipper Expense Group and Lipper Expense Universe. The Trustees noted that the Fund's total expense ratio (excluding interest and borrowing expenses) calculated on average managed assets was at the median total expense ratio (excluding interest and borrowing expenses) of the funds in its Lipper Expense Group. The Trustees noted that the Fund's total expense ratio (excluding interest and borrowing expenses) calculated on average managed assets was above the median total expense ratio (excluding interest and borrowing expenses) of the funds in its Lipper Expense Universe. The Trustees noted that the Fund's total

expense ratio (excluding interest and borrowing expenses) calculated on average net assets was below the median total expense ratio (excluding interest and borrowing expenses) of the funds in its Lipper Expense Group. The Trustees noted that the Fund's total expense ratio (excluding interest and borrowing expenses) calculated on average net assets was at the median total expense ratio (excluding interest and borrowing expenses) of the funds in its Lipper Expense Universe.

### PIMCO Income Strategy Fund II

With respect to the Fund's common share total return performance (based on net asset value) relative to its respective Lipper Performance Universe, consisting of 32 funds for one-year performance, 27 funds for three-year performance, 23 funds for five-year performance and 17 funds for ten-year performance, the Trustees noted that the Fund had first quintile performance for the one-year, three-year and five-year periods, and fourth quintile performance for the ten-year period ended December 31, 2017.

## Edgar Filing: CVENT INC - Form 10-Q

The Trustees noted that the Lipper Expense Group for the Fund consisted of a total of 13 funds, including the Fund. The Trustees also noted that the average net assets of the common shares of the funds in the Lipper Expense Group ranged from \$207.6 million to \$1.737 billion, and that two of the funds in the group were larger in asset size than the Fund. The Trustees noted that the Lipper Expense Universe for the Fund consisted of a total of 27 funds, including the Fund. The Trustees noted that the Fund's total expense ratio (including interest and borrowing expenses) calculated on both average managed assets and average net assets was below the median total expense ratio (including interest and borrowing expenses) of the funds in its Lipper Expense Group and Lipper Expense Universe. The Trustees noted that the Fund's total expense ratio (excluding interest and borrowing expenses) calculated on average managed assets was below the median total expense ratio (excluding interest and borrowing expenses) of the funds in its Lipper Expense Group. The Trustees noted that the Fund's total expense ratio (excluding interest and borrowing expenses) calculated on average managed assets was at the median total expense ratio (excluding interest and borrowing expenses) of the funds in its Lipper Expense Universe. The Trustees noted that the Fund's total expense ratio (excluding interest and borrowing expenses) calculated on average net assets was below the median total expense ratio (excluding interest and borrowing expenses) of the funds in its Lipper Expense Group and Lipper Expense Universe.

In addition to their review of Fund performance based on net asset value, the Trustees also considered the market value performance of each Fund's common shares and related share price premium and/or discount information based on the materials provided by Lipper and PIMCO. The Trustees also considered information provided by

**ANNUAL REPORT** JULY 31, 2018 **115**

---

**Approval of Investment Management Agreement (Cont.)**

PIMCO regarding the dividend yields of each Fund in comparison to funds in the Lipper General Bond Funds grouping as of December 31, 2017.

The Trustees considered information provided by PIMCO regarding the management fees charged by PIMCO to other funds and accounts with similar strategies to those of the Funds. The Trustees considered information provided by PIMCO indicating that, in comparison to certain other products managed by PIMCO, including open-end funds and exchange-traded funds, there are additional portfolio management challenges in managing closed-end funds such as the Funds, such as those associated with less liquid holdings, the use of leverage, issues relating to trading on a national exchange and attempting to meet a regular dividend. The Trustees were advised by PIMCO that, in light of these additional challenges, different pricing structures for closed-end funds such as the Funds and other products managed by PIMCO are to be expected, and that comparisons of pricing structures across these products may not always be apt comparisons, even where other products have similar investment objectives and strategies to those of the Funds.

The Trustees also took into account that the Funds have preferred shares outstanding and use leverage, such as by the use of reverse repurchase agreements, which increases the amount of management fees payable by the Funds under the Agreement (because each Fund's fees are calculated either based on net assets including assets attributable to preferred shares outstanding or based on total managed assets, including assets attributable to preferred shares and certain other forms of leverage outstanding). In this regard, the Trustees took into account that PIMCO has a financial incentive for the Funds to continue to use leverage, which may create a conflict of interest between PIMCO, on one hand, and the Funds' common shareholders, on the other. The Trustees considered information provided by PIMCO and related presentations as to why each Fund's use of leverage continues to be appropriate and in the best interests of the respective Fund under current market conditions. The Trustees also considered PIMCO's representation that it will use leverage for the Funds solely as it determines to be in the best interests of the Funds from an investment perspective and without regard to the level of compensation PIMCO receives.

The Trustees also considered estimated profitability analyses provided by PIMCO, which included, among other information, (i) PIMCO's estimated pre- and post-distribution operating margin for each Fund, as well as PIMCO's estimated pre- and post-distribution operating margin for all of the closed-end funds advised by PIMCO, including the Funds (collectively, the Estimated Margins), in each case for the one-year period ended December 31, 2017; (ii) a year-over-year comparison of PIMCO's Estimated Margins for the one-year periods ended December 31, 2017 and December 31, 2016; and (iii) an

overview of PIMCO's average fee rates with respect to all of the closed-end funds advised by PIMCO, including the Funds, compared to PIMCO's average fee rates with respect to its other clients, including PIMCO-advised separate accounts, open-end funds, hedge funds and private equity funds. The Trustees also took into account explanations from PIMCO regarding how certain corporate and shared expenses were allocated among the Funds and other funds and accounts managed by PIMCO for purposes of developing profitability estimates. Based on the profitability analyses provided by PIMCO, the Trustees determined, taking into account the various assumptions made, that such profitability did not appear to be excessive.

The Trustees also took into account the entrepreneurial and business risk PIMCO has undertaken as investment manager and sponsor of the Funds.

The Trustees also took into account that the Funds do not currently have any breakpoints in their management fees. The Trustees considered that, as closed-end investment companies, the Funds do not continually offer new shares to raise additional assets (as does a typical open-end investment company), but may raise additional assets through periodic shelf offerings (such as the shelf offering commenced by PTY in March 2017) and may also experience asset growth through investment performance and/or the increased use of leverage. The Trustees noted that PIMCO shares the benefits of potential economies of scale with the Funds and their shareholders in a number of ways, including investing in portfolio and trade operations management, firm technology, middle and back office support, legal and compliance, and fund administration

## Edgar Filing: CVENT INC - Form 10-Q

logistics; senior management supervision and governance of those services; and the enhancement of services provided to the Funds in return for fees paid. The Trustees also considered that the unitary fee arrangements provide inherent economies of scale because a Fund maintains competitive fixed unitary fees even if the particular Fund's assets decline and/or operating costs rise. The Trustees further considered that, in contrast, breakpoints are a proxy for charging higher fees on lower asset levels and that when a fund's assets decline, breakpoints may reverse, which causes expense ratios to increase. The Trustees also considered that, unlike the Funds' unitary fee arrangements, funds with pass through administrative fee structures may experience increased expense ratios when fixed dollar fees are charged against declining fund assets. The Trustees also considered that the unitary fee arrangements protect shareholders from a rise in operating costs that may result from, including, among other things, PIMCO's investments in various business enhancements and infrastructure. The Trustees noted that PIMCO has made extensive investments in these areas.

Additionally, the Trustees considered so-called fall-out benefits to PIMCO, such as reputational value derived from serving as investment

**116 PIMCO CLOSED-END FUNDS**

(Unaudited)

manager to the Funds and research, statistical and quotation services PIMCO may receive from broker-dealers executing the Funds' portfolio transactions on an agency basis.

After reviewing these and other factors described herein, the Trustees concluded, with respect to each Fund, within the context of their overall conclusions regarding the Agreement and based on the information provided and related representations made by management, that they were satisfied with PIMCO's responses and efforts relating to the investment performance of the Funds. The Trustees also concluded that the fees payable under the Agreement represent reasonable compensation in light of the nature, extent and quality of services provided by PIMCO. Based on their evaluation of factors that they deemed to be material, including those factors described above, the Trustees, including the Independent Trustees, unanimously concluded that the continuation of the Agreement was in the interests of each Fund and its shareholders, and should be approved.

**ANNUAL REPORT JULY 31, 2018 117**

## Privacy Policy<sup>1</sup>

The Funds<sup>2</sup> consider customer privacy to be a fundamental aspect of their relationships with shareholders and are committed to maintaining the confidentiality, integrity and security of their current, prospective and former shareholders' non-public personal information. The Funds have developed policies that are designed to protect this confidentiality, while allowing shareholder needs to be served.

### OBTAINING PERSONAL INFORMATION

In the course of providing shareholders with products and services, the Funds and certain service providers to the Funds, such as the Funds investment adviser or sub-adviser ( "Adviser" ), may obtain non-public personal information about shareholders, which may come from sources such as account applications and other forms, from other written, electronic or verbal correspondence, from shareholder transactions, from a shareholder's brokerage or financial advisory firm, financial advisor or consultant, and/or from information captured on applicable websites.

### RESPECTING YOUR PRIVACY

As a matter of policy, the Funds do not disclose any non-public personal information provided by shareholders or gathered by the Funds to non-affiliated third parties, except as required or permitted by law or as necessary for such third parties to perform their agreements with respect to the Funds. As is common in the industry, non-affiliated companies may from time to time be used to provide certain services, such as preparing and mailing prospectuses, reports, account statements and other information, conducting research on shareholder satisfaction and gathering shareholder proxies. The Funds or their affiliates may also retain non-affiliated companies to market Fund shares or products which use Fund shares and enter into joint marketing arrangements with them and other companies. These companies may have access to a shareholder's personal and account information, but are permitted to use this information solely to provide the specific service or as otherwise permitted by law. In most cases, the shareholders will be clients of a third party, but the Funds may also provide a shareholder's personal and account information to the shareholder's respective brokerage or financial advisory firm and/or financial advisor or consultant.

### SHARING INFORMATION WITH THIRD PARTIES

The Funds reserve the right to disclose or report personal or account information to non-affiliated third parties in limited circumstances where the Funds believe in good faith that disclosure is required under law, to cooperate with regulators or law enforcement authorities, to protect their rights or property, or upon reasonable request by any fund advised by PIMCO in which a shareholder has invested. In addition, the Funds may disclose information about a shareholder or a shareholder's accounts to a non-affiliated third party at the shareholder's request or with the consent of the shareholder.

### SHARING INFORMATION WITH AFFILIATES

The Funds may share shareholder information with their affiliates in connection with servicing shareholders' accounts, and subject to applicable law may provide shareholders with information about products and services that the Funds or their Adviser or its affiliates ( "Service Affiliates" ) believe may be of interest to such shareholders. The information that the Funds may share may include, for example, a shareholder's participation in the Funds or in other investment programs sponsored by a Service Affiliate, a shareholder's ownership of certain types of accounts (such as IRAs), information about the Funds' experiences or transactions with a shareholder, information captured on applicable websites, or other data about a shareholder's accounts, subject to applicable law. The Funds' Service Affiliates, in turn, are not permitted to share shareholder information with non-affiliated entities, except as required or permitted by law.



## PROCEDURES TO SAFEGUARD PRIVATE INFORMATION

The Funds take seriously the obligation to safeguard shareholder non-public personal information. In addition to this policy, the Funds have implemented procedures that are designed to restrict access to a shareholder's non-public personal information to internal personnel who need to know that information to perform their jobs, such as servicing shareholder accounts or notifying shareholders of new products or services. Physical, electronic and procedural safeguards are in place to guard a shareholder's non-public personal information.

## INFORMATION COLLECTED FROM WEBSITES

Websites maintained by the Funds or their service providers may use a variety of technologies to collect information that help the Funds and their service providers understand how the website is used. Information collected from your web browser (including small files stored on your device that are commonly referred to as cookies) allow the websites to recognize your web browser and help to personalize and improve your user experience and enhance navigation of the website. In addition, the Funds or their Service Affiliates may use third parties to place advertisements for the Funds on other websites, including banner advertisements. Such third parties may collect anonymous information through the use of cookies or action tags (such as web beacons). The information these third parties collect is generally limited to technical and web navigation information, such as your IP address, web pages visited and browser type, and does not include personally identifiable information such as name, address, phone number or email address. If you are a registered user of the Funds' website, the Funds or their service providers or third party firms engaged by the Funds or their service providers may collect or share information submitted by you, which may include personally identifiable information. This information can be useful to the Funds when assessing and offering services and website features. You can

## 118 PIMCO CLOSED-END FUNDS

change your cookie preferences by changing the setting on your web browser to delete or reject cookies. If you delete or reject cookies, some website pages may not function properly. The Funds do not look for web browser do not track requests.

#### CHANGES TO THE PRIVACY POLICY

From time to time, the Funds may update or revise this privacy policy. If there are changes to the terms of this privacy policy, documents containing the revised policy on the relevant website will be updated.

<sup>1</sup> Amended as of March 23, 2017.

<sup>2</sup> When distributing this Policy, a Fund may combine the distribution with any similar distribution of its investment adviser's privacy policy. The distributed, combined policy may be written in the first person (i.e., by using "we" instead of "the Funds").

## **General Information**

### **Investment Manager**

Pacific Investment Management Company LLC

1633 Broadway

New York, NY 10019

### **Custodian**

State Street Bank and Trust Company

801 Pennsylvania Avenue

Kansas City, MO 64105

### **Transfer Agent, Dividend Paying Agent and Registrar**

American Stock Transfer & Trust Company, LLC

6201 15th Avenue

Brooklyn, NY 11219

### **Legal Counsel**

Ropes & Gray LLP

Prudential Tower

800 Boylston Street

Boston, MA 02199

### **Independent Registered Public Accounting Firm**

PricewaterhouseCoopers LLP

1100 Walnut Street, Suite 1300

Kansas City, MO 64106

## Edgar Filing: CVENT INC - Form 10-Q

This report is submitted for the general information of the shareholders of the Funds listed on the Report cover.

CEF3011AR\_073118

**Item 2. Code of Ethics.**

As of the end of the period covered by this report, the Registrant has adopted a code of ethics (the Code ) that applies to the Registrant's principal executive officer and principal financial & accounting officer. The Registrant did not grant any waivers, including implicit waivers, from any provisions of the Code to the principal executive officer or principal financial & accounting officer during the period covered by this report.

A copy of the Code is included as an exhibit to this report.

**Item 3. Audit Committee Financial Expert.**

(a) The Board of Trustees has determined that James A. Jacobson, who serves on the Board's Audit Oversight Committee, qualifies as an audit committee financial expert as such term is defined in the instructions to this Item 3. The Board has also determined that Mr. Jacobson is independent as such term is interpreted under this Item 3.

**Item 4. Principal Accountant Fees and Services.**

(a) <u>Fiscal Year Ended</u>		<u>Audit Fees</u>
July 31, 2018	\$	62,422
July 31, 2017	\$	45,627
(b) <u>Fiscal Year Ended</u>		<u>Audit-Related Fees</u>
July 31, 2018	\$	18,000
July 31, 2017	\$	18,000
(c) <u>Fiscal Year Ended</u>		<u>Tax Fees</u> <sup>(1)</sup>
July 31, 2018	\$	
July 31, 2017	\$	
(d) <u>Fiscal Year Ended</u>		<u>All Other Fees</u> <sup>(2)</sup>
July 31, 2018	\$	
July 31, 2017	\$	

**Audit Fees** represents fees billed for each of the last two fiscal years for professional services rendered for the audit and review of the Registrant's annual financial statements for those fiscal years or services that are normally provided by the accountant in connection with statutory or regulatory filings or engagements for those fiscal years.

**Audit-Related Fees** represents fees billed for each of the last two fiscal years for assurance and related services that are reasonably related to the performance of the audit or review of the Registrant's financial statements, but not reported under **Audit Fees** above, and that include accounting consultations, agreed-upon procedure reports (inclusive of annual review of basic maintenance testing associated with the Preferred Shares), attestation reports and comfort letters for those fiscal years.

**Tax Fees** represents fees billed for each of the last two fiscal years for professional services related to tax compliance, tax advice and tax planning, including services relating to the filing or amendment of federal, state or local income tax returns, regulated investment company qualification reviews, and tax distribution and analysis reviews.

## Edgar Filing: CVENT INC - Form 10-Q

All Other Fees represents fees, if any, billed for other products and services rendered by the principal accountant to the Registrant other than those reported above under Audit Fees, Audit-Related Fees and Tax Fees for the last two fiscal years.

- (1) There were no Tax Fees for the last two fiscal years.
- (2) There were no All Other Fees for the last two fiscal years.

## (e) Pre-approval policies and procedures

(1) The Registrant's Audit Oversight Committee has adopted pre-approval policies and procedures (the Procedures) to govern the Audit Oversight Committee's pre-approval of (i) all audit services and permissible non-audit services to be provided to the Registrant by its independent accountant, and (ii) all permissible non-audit services to be provided by such independent accountant to the Registrant's investment adviser and to any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the Registrant (collectively, the Service Affiliates) if the services provided directly relate to the Registrant's operations and financial reporting. In accordance with the Procedures, the Audit Oversight Committee is responsible for the engagement of the independent accountant to certify the Registrant's financial statements for each fiscal year. With respect to the pre-approval of non-audit services provided to the Registrant and its Service Affiliates, the Procedures provide that the Audit Oversight Committee may annually pre-approve a list of types or categories of non-audit services that may be provided to the Registrant or its Service Affiliates, or the Audit Oversight Committee may pre-approve such services on a project-by-project basis as they arise. Unless a type of service has received general pre-approval, it will require specific pre-approval by the Audit Oversight Committee if it is to be provided by the independent accountant. The Procedures also permit the Audit Oversight Committee to delegate authority to one or more of its members to pre-approve any proposed non-audit services that have not been previously pre-approved by the Audit Oversight Committee, subject to the ratification by the full Audit Oversight Committee no later than its next scheduled meeting.

(2) With respect to the services described in paragraphs (b) through (d) of this Item 4, no amount was approved by the Audit Oversight Committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

f) Not applicable.

g)

Entity	Aggregate Non-Audit Fees Billed to Entity	
	July 31, 2018	July 31, 2017
PIMCO Income Strategy Fund II	\$ 18,000	\$ 18,000
Pacific Investment Management Company LLC ( PIMCO )	7,397,858	8,531,028
<b>Total</b>	<b>\$ 7,415,858</b>	<b>\$ 8,549,028</b>

h) The Registrant's Audit Oversight Committee has considered whether the provision of non-audit services that were rendered to the Registrant's investment adviser, and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the Registrant which were not pre-approved (not requiring pre-approval) is compatible with maintaining the principal accountant's independence.

##### Item 5. Audit Committee of Listed Registrants.

The Registrant has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended. The audit committee is comprised of:



Deborah A. DeCotis;

Bradford K. Gallagher;

James A. Jacobson;

Hans W. Kertess;

William B. Ogden, IV; and

Alan Rappaport.

**Item 6. Schedule of Investments.**

The Schedule of Investments is included as part of the report to shareholders under Item 1.

**Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.**

**Policy Statement:** The proxy voting policy is intended to foster PIMCO's compliance with its fiduciary obligations and applicable law; the policy applies to any voting or consent rights with respect to securities held in accounts over which PIMCO has discretionary voting authority. The Policy is designed in a manner reasonably expected to ensure that voting and consent rights are exercised in the best interests of PIMCO's clients.

**Overview:** PIMCO has adopted a written proxy voting policy ( Proxy Policy ) as required by Rule 206(4)-6 under the Advisers Act. As a general matter, when PIMCO has proxy voting authority, PIMCO has a fiduciary obligation to monitor corporate events and to take appropriate action on client proxies that come to its attention. Each proxy is voted on a case-by-case basis, taking into account relevant facts and circumstances. When considering client proxies, PIMCO may determine not to vote a proxy in limited circumstances.

**Equity Securities:** PIMCO has retained an Industry Service Provider ( ISP ) to provide research and voting recommendations for proxies relating to equity securities in accordance with the ISP's guidelines. By following the guidelines of an independent third party, PIMCO seeks to mitigate potential conflicts of interest PIMCO may have with respect to proxies covered by the ISP. PIMCO will follow the recommendations of the ISP unless: (i) the ISP does not provide a voting recommendation; or (ii) a PM decides to override the ISP's voting recommendation. In either such case as described above, the Legal and Compliance department will review the proxy to determine whether a material conflict of interest, or the appearance of one, exists.

**Fixed Income Securities:** Fixed income securities can be processed as proxy ballots or corporate action-consents at the discretion of the issuer/ custodian. When processed as proxy ballots, the ISP generally does not provide a voting recommendation and their role is limited to election processing and recordkeeping. When processed as corporate action-consents, the Legal and Compliance department will review all election forms to determine whether a conflict of interest, or the appearance of one, exists with respect to the PM's consent election. PIMCO's Credit Research and Portfolio Management Groups are responsible for issuing recommendations on how to vote proxy ballots and corporation action-consents with respect to fixed income securities.

**Resolution of potential conflicts of interest:** The Proxy Policy permits PIMCO to seek to resolve material conflicts of interest by pursuing any one of several courses of action. With respect to material conflicts of interest between PIMCO and a client account, the Proxy Policy permits PIMCO to either: (i) convene a working group to assess and resolve the conflict (the Proxy Working Group ); or (ii) vote in accordance with protocols previously established by the Proxy Policy, the Proxy Working Group and/or other relevant procedures approved by PIMCO's Legal and Compliance department with respect to specific types of conflicts.

PIMCO will supervise and periodically review its proxy voting activities and the implementation of the Proxy Policy. PIMCO's Proxy Policy, and information about how PIMCO voted a client's proxies, is available upon request.

**Sub-Adviser Engagement:** As an investment manager, PIMCO may exercise its discretion to engage a Sub-Adviser to provide portfolio management services to certain Funds. Consistent with its management responsibilities, the Sub-Adviser will assume the authority for voting proxies on behalf of PIMCO for these Funds. Sub-Advisers may utilize third parties to perform certain services related to their portfolio management responsibilities. As a fiduciary, PIMCO will maintain oversight of the investment management responsibilities performed by the Sub-Adviser and contracted third parties.

**Item 8. Portfolio Managers of Closed-End Management Investment Companies.**

(a)(1)

As of September 27, 2018, the following individuals have primary responsibility for the day-to-day management of the PIMCO Income Strategy Fund II (the Fund):

**Alfred T. Murata**

Mr. Murata has been a portfolio manager of the Fund since September 2014. Mr. Murata is a managing director in the Newport Beach office and a portfolio manager on the mortgage credit team. Prior to joining PIMCO in 2001, he researched and implemented exotic equity and interest rate derivatives at Nikko Financial Technologies.

**Mohit Mittal**

Mr. Mittal has been a portfolio manager of the Fund since September 2014. Mr. Mittal is a managing director and portfolio manager in the Newport Beach office. He manages investment grade credit, total return and unconstrained bond portfolios and is a member of the Americas Portfolio Committee. Previously, he was a specialist on PIMCO's interest rates and derivatives desk.

(a)(2)

The following summarizes information regarding each of the accounts, excluding the Fund, managed by the Portfolio Managers as of July 31, 2018, including accounts managed by a team, committee, or other group that includes a Portfolio Manager. Unless mentioned otherwise, the advisory fee charged for managing each of the accounts listed below is not based on performance.

PM	Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts	
	#	AUM(\$million)	#	AUM(\$million)	#	AUM(\$million)
<b>Alfred T. Murata</b>	20	\$140,221.75	10	\$29,586.21	11	\$1,546.27
<b>Mohit Mittal</b>	11	\$23,840.61	15*	\$8,876.12	135**	\$61,751.77

\* Of these Other Pooled Investment Vehicles, 2 accounts totaling \$1,925.82 million in assets pay an advisory fee that is based in part on the performance of the accounts.

\*\*Of these Other Accounts, 3 accounts totaling \$639.41 million in assets pay an advisory fee that is based in part on the performance of the accounts.

From time to time, potential and actual conflicts of interest may arise between a portfolio manager's management of the investments of the Fund, on the one hand, and the management of other accounts, on the other. Potential and actual conflicts of interest may also arise as a result of PIMCO's other business activities and PIMCO's possession of material non-public information about an issuer. Other accounts managed by a portfolio manager might have similar investment objectives or strategies as the Fund, track the same index as the Fund or otherwise hold, purchase, or sell securities that are eligible to be held, purchased or sold by the Fund. The other accounts might also have different investment objectives or strategies than the Fund. Potential and actual conflicts of interest may also arise as a result of PIMCO serving as investment adviser to accounts that invest in the Fund. In this case, such conflicts of interest could in theory give rise to incentives for PIMCO to, among other things, vote proxies of the Fund in a manner beneficial to the investing account but detrimental to the Fund. Conversely, PIMCO's duties to the Fund, as well as regulatory or other limitations applicable to the Fund, may affect the courses of action available to PIMCO-advised accounts (including certain funds) that invest in the Fund in a manner that is detrimental to such investing accounts. In addition, regulatory restrictions, actual or potential conflicts of interest or other considerations may cause PIMCO to restrict or prohibit participation in certain investments.

Because PIMCO is affiliated with Allianz, a large multi-national financial institution, conflicts similar to those described below may occur between the Fund and other accounts managed by PIMCO and PIMCO's affiliates or accounts managed by those affiliates. Those affiliates (or their clients), which generally operate autonomously from PIMCO, may take actions that are adverse to the Fund or other accounts managed by PIMCO. In many cases, PIMCO will not be in a position to mitigate those actions or address those conflicts, which could adversely affect the performance of the Fund or other accounts managed by PIMCO.

Knowledge and Timing of Fund Trades. A potential conflict of interest may arise as a result of the portfolio manager's day-to-day management of the Fund. Because of their positions with the Fund, the portfolio managers know the size, timing and possible market impact of the Fund's trades. It is theoretically possible that the portfolio managers could use this information to the advantage of other accounts they manage and to the possible detriment of the Fund.

---

Investment Opportunities. A potential conflict of interest may arise as a result of the portfolio manager's management of a number of accounts with varying investment guidelines. Often, an investment opportunity may be suitable for both the Fund and other accounts managed by the portfolio manager, but may not be available in sufficient quantities for both the Fund and the other accounts to participate fully. In addition, regulatory issues applicable to PIMCO or the Fund or other accounts may result in the Fund not receiving securities that may otherwise be appropriate for it. Similarly, there may be limited opportunity to sell an investment held by the Fund and another account. PIMCO has adopted policies and procedures reasonably designed to allocate investment opportunities on a fair and equitable basis over time.

Under PIMCO's allocation procedures, investment opportunities are allocated among various investment strategies based on individual account investment guidelines and PIMCO's investment outlook. PIMCO has also adopted additional procedures to complement the general trade allocation policy that are designed to address potential conflicts of interest due to the side-by-side management of the Fund and certain pooled investment vehicles, including investment opportunity allocation issues.

Conflicts potentially limiting the Fund's investment opportunities may also arise when the Fund and other PIMCO clients invest in different parts of an issuer's capital structure, such as when the Fund owns senior debt obligations of an issuer and other clients own junior tranches of the same issuer. In such circumstances, decisions over whether to trigger an event of default, over the terms of any workout, or how to exit an investment may result in conflicts of interest. In order to minimize such conflicts, a portfolio manager may avoid certain investment opportunities that would potentially give rise to conflicts with other PIMCO clients or PIMCO may enact internal procedures designed to minimize such conflicts, which could have the effect of limiting the Fund's investment opportunities. Additionally, if PIMCO acquires material non-public confidential information in connection with its business activities for other clients, a portfolio manager may be restricted from purchasing securities or selling securities for the Fund. Moreover, the Fund or other accounts managed by PIMCO may invest in a transaction in which one or more other funds or accounts managed by PIMCO are expected to participate, or already have made or will seek to make, an investment. Such funds or accounts may have conflicting interests and objectives in connection with such investments, including, for example and without limitation, with respect to views on the operations or activities of the issuer involved, the targeted returns from the investment, and the timeframe for, and method of, exiting the investment. Additionally, a fund or other account managed by PIMCO may take an investment position or action that may be different from, or inconsistent with, an investment position or action taken by another fund or other account managed by PIMCO having similar or differing investment objectives. These positions and actions may adversely impact the Fund. For example, the Fund may buy a security and another fund or other account managed by PIMCO may establish a short position in that same security or in another security issued by the same issuer. The subsequent short sale may result in a decrease in the price of the security that the first fund holds. When making investment decisions where a conflict of interest may arise, PIMCO will endeavor to act in a fair and equitable manner as between the Fund and other clients; however, in certain instances the resolution of the conflict may result in PIMCO acting on behalf of another client in a manner that may not be in the best interest, or may be opposed to the best interest, of the Fund.

Performance Fees. A portfolio manager may advise certain accounts with respect to which the advisory fee is based entirely or partially on performance. Performance fee arrangements may create a conflict of interest for the portfolio manager in that the portfolio manager may have an incentive to allocate the investment opportunities that he or she believes might be the most profitable to such other accounts instead of allocating them to the Fund. PIMCO has adopted policies and procedures reasonably designed to allocate investment opportunities between the Fund and certain pooled investment vehicles on a fair and equitable basis over time.

(a)(3)

As of July 31, 2018, the following explains the compensation structure of the individuals who have primary responsibility for day-to-day portfolio management of the Fund:

## **Portfolio Manager Compensation**

PIMCO's approach to compensation seeks to provide professionals with a Total Compensation Plan and process that is driven by PIMCO's mission and values. Key Principles on Compensation Philosophy include:

PIMCO's pay practices are designed to attract and retain high performers;

PIMCO's pay philosophy embraces a corporate culture of rewarding strong performance, a strong work ethic, and meritocracy;

PIMCO's goal is to ensure key professionals are aligned to PIMCO's long-term success through equity participation; and

PIMCO's Discern and Differentiate discipline guides total compensation levels.

The Total Compensation Plan consists of three components. The compensation program for portfolio managers is designed to align with clients' interests, emphasizing each portfolio manager's ability to generate long-term investment success for PIMCO's clients. A portfolio manager's compensation is not based solely on the performance of the Fund or any other account managed by that portfolio manager:

*Base Salary* Base salary is determined based on core job responsibilities, positions/levels and market factors. Base salary levels are reviewed annually, when there is a significant change in job responsibilities or position, or a significant change in market levels.

*Performance Bonus* Performance bonuses are designed to reward risk-adjusted performance and contributions to PIMCO's broader investment process. The compensation process is not formulaic and the following non-exhaustive list of qualitative and quantitative criteria are considered when determining the total compensation for portfolio managers:

Performance measured over a variety of longer- and shorter-term periods, including 5-year, 4-year, 3-year, 2-year and 1-year dollar-weighted and account-weighted, pre-tax total and risk-adjusted investment performance as judged against the applicable benchmarks (which may include internal investment performance-related benchmarks) for each account managed by a portfolio manager (including the Funds) and relative to applicable industry peer groups; greatest emphasis is placed on 5-year and 3-year performance, followed by 1-year performance;

Consistency of investment performance across portfolios of similar mandate and guidelines, rewarding low dispersion and consistency of outperformance;

Appropriate risk positioning and risk management mindset which includes consistency with PIMCO's investment philosophy, the Investment Committee's positioning guidance, absence of defaults, and appropriate alignment with client objectives;

Contributions to mentoring, coaching and/or supervising members of team;

Collaboration, idea generation, and contribution of investment ideas in the context of PIMCO's investment process, Investment Committee meetings, and day-to-day management of portfolios;

With much lesser importance than the aforementioned factors: amount and nature of assets managed by the portfolio manager, contributions to asset retention, and client satisfaction.

PIMCO's partnership culture further rewards strong long term risk adjusted returns with promotion decisions almost entirely tied to long term contributions to the investment process. 10-year performance can also be considered, though not explicitly as part of the compensation process.



*Deferred Compensation* Long Term Incentive Plan ( LTIP ) and/or M Options are awarded to key professionals. Employees who reach a total compensation threshold are delivered their annual compensation in a mix of cash and/or deferred compensation. PIMCO incorporates a progressive allocation of deferred compensation as a percentage of total compensation, which is in line with market practices.

The LTIP provides participants with deferred cash awards that appreciate or depreciate based on PIMCO s operating earnings over a rolling three-year period. The plan provides a link between longer term company performance and participant pay, further motivating participants to make a long term commitment to PIMCO s success.

The M Unit program provides mid-to-senior level employees with the potential to acquire an equity stake in PIMCO over their careers and to better align employee incentives with the Firm s long-term results. In the program, options are awarded and vest over a number of years and may convert into PIMCO equity which shares in the profit distributions of the Firm. M Units are non-voting common equity of PIMCO and provide a mechanism for individuals to build a significant equity stake in PIMCO over time.

Eligibility to participate in LTIP and the M Unit program is contingent upon continued employment at PIMCO and all other applicable eligibility requirements.

**Profit Sharing Plan.** Portfolio managers who are Managing Directors of PIMCO receive compensation from a non-qualified profit sharing plan consisting of a portion of PIMCO's net profits. Portfolio managers who are Managing Directors receive an amount determined by the Compensation Committee, based upon an individual's overall contribution to the firm.

(a)(4)

The following summarizes the dollar range of securities of the Fund the Portfolio Managers beneficially owned as of July 31, 2018:

<b>Portfolio Manager</b>	<b>Dollar Range of Equity Securities of the Fund Owned as of July 31, 2018</b>
<b>Alfred T. Murata</b>	None
<b>Mohit Mittal</b>	None

**Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.**

None.

**Item 10. Submission of Matters to a Vote of Security Holders.**

There have been no material changes to the procedures by which shareholders may recommend nominees to the Fund's Board of Trustees since the Fund last provided disclosure in response to this item.

**Item 11. Controls and Procedures.**

- (a) The principal executive officer and principal financial & accounting officer have concluded as of a date within 90 days of the filing date of this report, based on their evaluation of the Registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the 1940 Act), that the design of such procedures is effective to provide reasonable assurance that material information required to be disclosed by the Registrant on Form N-CSR is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms.
- (b) There were no changes in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the last fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

**Item 12. Disclosure of Securities Lending Activities for Closed-End Management Investment Companies.**

None.

**Item 13. Exhibits.**

(a)(1) Exhibit 99.CODE Code of Ethics pursuant to Section 406 of the Sarbanes-Oxley Act of 2002.

(a)(2) Exhibit 99.CERT Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

(a)(3) None.

(a)(4) There was no change in the registrant's independent public accountant for the period covered by this report.

(b) Exhibit 99.906CERT Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

### Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PIMCO Income Strategy Fund II

By: /s/ Peter G. Strelow

Peter G. Strelow  
President (Principal Executive Officer)

Date: September 28, 2018

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Peter G. Strelow

Peter G. Strelow  
President (Principal Executive Officer)

Date: September 28, 2018

By: /s/ Trent W. Walker

Trent W. Walker  
Treasurer (Principal Financial &  
Accounting Officer)

Date: September 28, 2018