

PIMCO Income Opportunity Fund  
Form N-Q  
May 27, 2016

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

**FORM N-Q**

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

<b>Investment Company Act File Number:</b>	<b>811-22121</b>
<b>Registrant Name:</b>	<b>PIMCO Income Opportunity Fund</b>
Address of Principal Executive Offices:	1633 Broadway New York, NY 10019
Name and Address of Agent for Service:	William G. Galipeau 650 Newport Center Drive Newport Beach, CA 92660
Registrant's telephone number, including area code:	(844) 337-4626
Date of Fiscal Year End:	June 30
Date of Reporting Period:	March 31, 2016

**Item 1. Schedule of Investments**

## Schedule of Investments

## PIMCO Income Opportunity Fund

March 31, 2016 (Unaudited)

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>INVESTMENTS IN SECURITIES 160.2%</b>		
<b>BANK LOAN OBLIGATIONS 4.0%</b>		
<b>Energy Future Intermediate Holding Co. LLC</b>	\$ 7,507	\$ 7,509
4.250% due 12/19/2016		
<b>iHeartCommunications, Inc.</b>		
7.183% due 01/30/2019	4,600	3,161
<b>OGX (13.000% PIK)</b>		
13.000% due 04/10/2049 (b)	271	93
<b>Sequa Corp.</b>		
5.250% due 06/19/2017	3,118	2,151
Total Bank Loan Obligations		12,914
(Cost \$15,340)		
<b>CORPORATE BONDS &amp; NOTES 48.4%</b>		
<b>BANKING &amp; FINANCE 20.1%</b>		
<b>AGFC Capital Trust</b>		
6.000% due 01/15/2067 (i)	2,300	1,196
<b>Banco Continental SAECA</b>		
8.875% due 10/15/2017 (i)	3,900	3,954
<b>Banco do Brasil S.A.</b>		
6.250% due 04/15/2024 (f)	240	135
<b>Banco Espirito Santo S.A.</b>		
4.000% due 01/21/2019 ^	EUR 3,100	864
<b>Banco Popular Espanol S.A.</b>		
11.500% due 10/10/2018 (f)(i)	2,100	2,357
<b>Barclays Bank PLC</b>		
7.625% due 11/21/2022 (i)	\$ 400	431
14.000% due 06/15/2019 (f)(i)	GBP 2,170	3,947
<b>Barclays PLC</b>		
7.875% due 09/15/2022 (f)	1,400	1,794
8.000% due 12/15/2020 (f)	EUR 200	221
<b>Blackstone CQP Holdco LP</b>		
9.296% due 03/19/2019	\$ 11,633	11,764
<b>Cantor Fitzgerald LP</b>		
7.875% due 10/15/2019 (i)	3,160	3,504
<b>Communications Sales &amp; Leasing, Inc.</b>		

Edgar Filing: PIMCO Income Opportunity Fund - Form N-Q

8.250% due 10/15/2023 (i)		1,300	1,212
<b>Credit Agricole S.A.</b>			
7.875% due 01/23/2024 (f)(i)		1,900	1,803
<b>Credit Suisse AG</b>			
6.500% due 08/08/2023 (i)		200	216
<b>Exeter Finance Corp.</b>			
9.750% due 05/20/2019		2,800	2,631
<b>Jefferies Finance LLC</b>			
7.500% due 04/15/2021 (i)		2,285	1,974
<b>Jefferies LoanCore LLC</b>			
6.875% due 06/01/2020		1,050	906
<b>KGH Intermediate Holdco LLC</b>			
8.500% due 08/08/2019 (g)		5,005	4,265
<b>National Bank of Greece S.A.</b>			
3.875% due 10/07/2016	EUR	1,200	1,343
<b>Navient Corp.</b>			
5.500% due 01/15/2019 (i)	\$	845	834
5.625% due 08/01/2033		170	121
<b>OneMain Financial Holdings LLC</b>			
7.250% due 12/15/2021 (i)		1,456	1,456
<b>Pinnacol Assurance</b>			
8.625% due 06/25/2034 (g)		2,900	3,129
<b>Sberbank of Russia Via SB Capital S.A.</b>			
6.125% due 02/07/2022 (i)		6,400	6,644
6.125% due 02/07/2022		600	623
<b>Tesco Property Finance PLC</b>			
6.052% due 10/13/2039	GBP	913	1,261
<b>TIG FinCo PLC</b>			
8.500% due 03/02/2020		431	632
8.750% due 04/02/2020 (i)		2,336	2,726
<b>Toll Road Investors Partnership LP</b>			
0.000% due 02/15/2045 (d)	\$	10,954	2,551
<b>Vnesheconombank Via VEB Finance PLC</b>			
5.942% due 11/21/2023 (i)		1,100	1,074
			65,568

**INDUSTRIALS 19.8%**

**Ancestry.com Holdings LLC (9.625% Cash or 10.375% PIK)**

9.625% due 10/15/2018 (b)		800	803
---------------------------	--	-----	-----

<b>BMC Software Finance, Inc.</b>		
8.125% due 07/15/2021	239	173
<b>Boxer Parent Co., Inc. (9.000% Cash or 9.750% PIK)</b>		
9.000% due 10/15/2019 (b)(i)	3,362	2,337
<b>Caesars Entertainment Operating Co., Inc.</b>		
8.500% due 02/15/2020 ^ (i)	10,192	8,689
9.000% due 02/15/2020 ^	583	498
<b>California Resources Corp.</b>		
8.000% due 12/15/2022	1,926	746
<b>Chesapeake Energy Corp.</b>		
3.872% due 04/15/2019	60	24
<b>Continental Airlines Pass-Through Trust</b>		
7.707% due 10/02/2022 (i)	680	741
8.048% due 05/01/2022 (i)	669	734
<b>Corp. GEO S.A.B. de C.V.</b>		
8.875% due 03/27/2022 ^	200	0
9.250% due 06/30/2020 ^	1,800	1
<b>Crimson Merger Sub, Inc.</b>		
6.625% due 05/15/2022 (i)	1,000	758
<b>CVS Pass-Through Trust</b>		
7.507% due 01/10/2032 (i)	2,575	3,107
<b>Delta Air Lines Pass-Through Trust</b>		
7.750% due 06/17/2021 (i)	566	636
<b>DriveTime Automotive Group, Inc.</b>		
8.000% due 06/01/2021 (i)	1,500	1,305
<b>Enterprise Inns PLC</b>		
6.875% due 05/09/2025	GBP 20	29
<b>Forbes Energy Services Ltd.</b>		
9.000% due 06/15/2019	\$ 1,580	664
<b>Global Geophysical Services, Inc.</b>		
10.500% due 05/01/2017 ^	958	66
<b>Harvest Operations Corp.</b>		
6.875% due 10/01/2017 (i)	2,820	1,727
<b>Hellenic Railways Organization S.A.</b>		
4.028% due 03/17/2017	EUR 800	831
<b>iHeartCommunications, Inc.</b>		
9.000% due 03/01/2021 (i)	\$ 3,790	2,653
<b>Intelsat Jackson Holdings S.A.</b>		
8.000% due 02/15/2024	1,800	1,859
<b>Intelsat Luxembourg S.A.</b>		
7.750% due 06/01/2021	3,958	1,197
8.125% due 06/01/2023	166	50
<b>Intrepid Aviation Group Holdings LLC</b>		
6.875% due 02/15/2019	6,181	5,115
<b>Millar Western Forest Products Ltd.</b>		
8.500% due 04/01/2021 (i)	1,876	797
<b>Numericable SFR S.A.</b>		
4.875% due 05/15/2019	237	237
6.000% due 05/15/2022 (i)	500	490

**OGX Austria GmbH**

8.375% due 04/01/2022 ^ 3,300 0

8.500% due 06/01/2018 ^ 3,700 0

**Perstorp Holding AB**

8.750% due 05/15/2017 (i) 4,600 4,612

**Petroleos de Venezuela S.A.**

6.000% due 11/15/2026 130 40

**Rockies Express Pipeline LLC**

6.875% due 04/15/2040 213 179

**Russian Railways via RZD Capital PLC**

7.487% due 03/25/2031 GBP 100 143

**Sequa Corp.**

7.000% due 12/15/2017 (i) \$ 2,700 385

**Spanish Broadcasting System, Inc.**

12.500% due 04/15/2017 (i) 7,650 7,535

**Spirit Issuer PLC**

6.582% due 12/28/2027 GBP 2,175 3,232

**Tembec Industries, Inc.**

9.000% due 12/15/2019 (i) \$ 1,800 1,251

**Times Square Hotel Trust**

8.528% due 08/01/2026 (i) 4,798 5,680

**UAL Pass-Through Trust**

9.750% due 07/15/2018 (i) 970 1,019

10.400% due 05/01/2018 (i) 630 655

**UCP, Inc.**

8.500% due 10/21/2017 2,800 2,813

**Unique Pub Finance Co. PLC**

7.395% due 03/28/2024 GBP 500 706

64,517

**UTILITIES 8.5%****AK Transneft OJSC Via TransCapitalInvest Ltd.**

8.700% due 08/07/2018 \$ 200 222

**Frontier Communications Corp.**

8.875% due 09/15/2020 280 293

10.500% due 09/15/2022 450 463

11.000% due 09/15/2025 450 454

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

4.375% due 09/19/2022	200	185
6.000% due 11/27/2023 (i)	1,350	1,342

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

5.999% due 01/23/2021	381	394
6.510% due 03/07/2022 (i)	3,400	3,567
6.605% due 02/13/2018	EUR 100	122
8.625% due 04/28/2034	\$ 1,081	1,279
9.250% due 04/23/2019	100	114

**Genesis Energy LP**

5.625% due 06/15/2024 (i)	1,100	929
---------------------------	-------	-----

**Illinois Power Generating Co.**

6.300% due 04/01/2020 (i)	4,295	1,439
7.950% due 06/01/2032 (i)	4,033	1,250

**Odebrecht Drilling Norbe Ltd.**

6.350% due 06/30/2022	3,925	1,276
-----------------------	-------	-------

**Petrobras Global Finance BV**

3.002% due 03/17/2017	100	97
5.750% due 01/20/2020	570	492
6.250% due 03/17/2024	20	16
6.250% due 12/14/2026	GBP 600	602
6.625% due 01/16/2034	200	191
7.875% due 03/15/2019 (i)	\$ 9,700	9,327

**Sierra Hamilton LLC**

12.250% due 12/15/2018	200	120
------------------------	-----	-----

**Sprint Capital Corp.**

6.875% due 11/15/2028	200	147
-----------------------	-----	-----

**Sprint Corp.**

7.125% due 06/15/2024 (i)	4,082	3,051
7.875% due 09/15/2023 (i)	165	127

27,499

Total Corporate Bonds &amp; Notes

157,584

(Cost \$189,574)

**CONVERTIBLE BONDS & NOTES 1.5%****BANKING & FINANCE 1.5%****SL Green Operating Partnership LP**

3.000% due 10/15/2017	3,800	4,873
-----------------------	-------	-------

Total Convertible Bonds &amp; Notes

4,873

(Cost \$3,793)

**MUNICIPAL BONDS & NOTES 0.9%****ILLINOIS 0.1%****Chicago, Illinois General Obligation Bonds, Series 2015**

7.375% due 01/01/2033	120	123
-----------------------	-----	-----

Edgar Filing: PIMCO Income Opportunity Fund - Form N-Q

7.750% due 01/01/2042	210	209
-----------------------	-----	-----

		332
--	--	-----

**IOWA 0.1%**

**Iowa Tobacco Settlement Authority Revenue Bonds,  
Series 2005**

6.500% due 06/01/2023	180	181
-----------------------	-----	-----

**WEST VIRGINIA 0.7%**

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

7.467% due 06/01/2047	2,730	2,450
-----------------------	-------	-------

Total Municipal Bonds & Notes (Cost \$3,125)		2,963
---	--	-------

**U.S. GOVERNMENT AGENCIES 0.3%**

**Fannie Mae**

4.000% due 11/01/2033 - 10/01/2040	76	81
------------------------------------	----	----

**Freddie Mac**

0.713% due 10/25/2020 (a)(i)	28,137	750
------------------------------	--------	-----

Total U.S. Government Agencies (Cost \$877)		831
--	--	-----

**U.S. TREASURY OBLIGATIONS 0.2%**

**U.S. Treasury Floating Rate Notes**

0.468% due 10/31/2017 (l)	469	469
---------------------------	-----	-----

Total U.S. Treasury Obligations (Cost \$469)		469
---	--	-----

**NON-AGENCY MORTGAGE-BACKED SECURITIES  
43.9%**

**Adjustable Rate Mortgage Trust**

2.920% due 01/25/2036	224	193
-----------------------	-----	-----

**Auburn Securities PLC**

0.906% due 10/01/2041	GBP	237	327
-----------------------	-----	-----	-----

**Banc of America Alternative Loan Trust**

15.987% due 09/25/2035 ^	\$	1,988	2,569
--------------------------	----	-------	-------



<b>Banc of America Funding Trust</b>		
2.527% due 12/20/2036	191	191
2.811% due 12/20/2034	1,288	1,173
3.030% due 03/20/2036 ^	1,400	1,203
3.232% due 10/20/2046 ^	674	498
<b>Banc of America Mortgage Trust</b>		
2.747% due 10/20/2046 ^	181	109
2.823% due 09/25/2034	221	216
5.750% due 08/25/2034	408	430
<b>Bear Stearns Adjustable Rate Mortgage Trust</b>		
2.578% due 09/25/2034	119	112
2.883% due 08/25/2047 ^	534	430
2.915% due 09/25/2034	112	109
2.929% due 03/25/2035	520	487
2.961% due 10/25/2036 ^	1,297	1,088
4.694% due 06/25/2047 ^	381	338
<b>Bear Stearns ALT-A Trust</b>		
0.753% due 06/25/2046 ^ (i)	4,379	3,036
1.133% due 01/25/2035 (i)	929	901
2.667% due 11/25/2035	81	63
2.708% due 08/25/2036 ^	3,722	3,167
2.902% due 04/25/2035	441	332
3.097% due 05/25/2035	673	570
3.111% due 08/25/2036 ^	661	488
3.408% due 05/25/2036 ^ (i)	1,082	820
3.814% due 09/25/2034	681	671
4.009% due 07/25/2035 ^	415	340
4.397% due 11/25/2036 ^	692	488
<b>Bluestone Securities PLC</b>		
0.807% due 06/09/2043	GBP 407	538
<b>BRAD Resecuritization Trust</b>		
2.179% due 03/12/2021	\$ 3,369	249
6.550% due 03/12/2021	630	649
<b>CBA Commercial Small Balance Commercial Mortgage</b>		
5.540% due 01/25/2039 ^	1,982	1,604
<b>Celtic Residential Irish Mortgage Securitisation PLC</b>		
0.001% due 11/13/2047 (i)	EUR 566	606
<b>Chase Mortgage Finance Trust</b>		
5.500% due 11/25/2021 ^	\$ 1,076	878
6.000% due 03/25/2037 ^	1,093	936
<b>Citigroup Global Markets Mortgage Securities, Inc.</b>		
6.500% due 02/25/2029	379	383
<b>Citigroup Mortgage Loan Trust, Inc.</b>		
3.038% due 03/25/2037 ^ (i)	2,039	1,607
5.500% due 11/25/2035 ^	862	762
<b>Commercial Mortgage Trust</b>		
6.139% due 07/10/2046 (i)	2,170	2,346
<b>Countrywide Alternative Loan Trust</b>		
0.683% due 06/25/2037 ^ (i)	1,252	910

Edgar Filing: PIMCO Income Opportunity Fund - Form N-Q

0.758% due 11/20/2035 (i)	9,850	7,879
0.783% due 05/25/2036 ^(i)	2,319	1,233
0.783% due 06/25/2036 ^(i)	2,031	1,202
5.500% due 10/25/2035 ^	447	415
5.500% due 12/25/2035 ^(i)	2,186	1,912
5.750% due 05/25/2036 ^	405	337
6.000% due 11/25/2035 ^	450	219
6.000% due 04/25/2036 ^(i)	434	381
6.000% due 04/25/2037 ^	773	555
6.000% due 05/25/2037 ^(i)	1,643	1,388
6.250% due 08/25/2037 ^	448	365
6.500% due 09/25/2032 ^	471	455
6.500% due 07/25/2035 ^	759	607
6.500% due 06/25/2036 ^(i)	650	496
<b>Countrywide Home Loan Mortgage Pass-Through Trust</b>		
1.073% due 03/25/2035 (i)	971	814
2.535% due 08/20/2035 ^	139	131
2.687% due 06/20/2035	373	336
2.728% due 11/25/2035 ^(i)	3,412	2,900
2.763% due 08/25/2034 ^	91	80
2.815% due 03/25/2037 ^	1,505	1,232
2.867% due 09/25/2047 ^	1,127	999
5.500% due 08/25/2035 ^	119	107
<b>Credit Suisse Commercial Mortgage Trust</b>		
6.500% due 07/26/2036 ^	559	316
<b>Credit Suisse First Boston Mortgage Securities Corp.</b>		
7.500% due 05/25/2032	1,779	1,900
<b>Credit Suisse Mortgage Capital Mortgage-Backed Trust</b>		
1.033% due 07/25/2036 ^	708	267
5.896% due 04/25/2036	603	441
6.500% due 05/25/2036 ^	505	319
<b>Deutsche ALT-A Securities, Inc.</b>		
0.583% due 02/25/2047	808	563
<b>Deutsche ALT-B Securities, Inc.</b>		
6.250% due 07/25/2036 ^	140	108
<b>Deutsche Mortgage Securities, Inc. Mortgage Loan Trust</b>		
5.500% due 09/25/2033	193	200

<b>Downey Savings &amp; Loan Association Mortgage Loan Trust</b>		
0.612% due 04/19/2047 ^	538	201
<b>EMF-NL BV</b>		
0.858% due 07/17/2041 EUR	800	782
2.108% due 10/17/2041	1,000	1,081
<b>Epic Drummond Ltd.</b>		
0.044% due 01/25/2022	1,904	1,951
<b>First Horizon Alternative Mortgage Securities Trust</b>		
2.386% due 05/25/2036 ^	\$ 2,571	2,067
2.397% due 08/25/2035 ^	233	58
2.429% due 02/25/2036	267	213
2.443% due 11/25/2036 ^	1,872	1,437
6.250% due 11/25/2036 ^	153	112
<b>First Horizon Mortgage Pass-Through Trust</b>		
2.435% due 07/25/2037 ^	175	144
2.735% due 01/25/2037 ^(i)	1,432	1,260
5.500% due 08/25/2035	204	183
<b>FREMF Mortgage Trust</b>		
0.100% due 05/25/2020 (a)	48,177	145
<b>GMAC Mortgage Corp. Loan Trust</b>		
3.160% due 06/25/2034	241	234
3.195% due 07/19/2035	105	95
3.277% due 06/25/2034	204	202
<b>GreenPoint Mortgage Funding Trust</b>		
0.613% due 01/25/2037	1,518	1,212
<b>GS Mortgage Securities Trust</b>		
1.460% due 08/10/2043 (a)	8,296	427
6.076% due 08/10/2043 (i)	2,100	2,188
<b>GSR Mortgage Loan Trust</b>		
0.883% due 07/25/2037 ^	545	375
2.910% due 01/25/2036 ^(i)	1,847	1,718
3.144% due 12/25/2034	41	38
6.000% due 09/25/2034	186	185
<b>HarborView Mortgage Loan Trust</b>		
0.622% due 02/19/2046 (i)	2,358	1,791
0.642% due 11/19/2036 (i)	4,387	3,222
0.992% due 06/19/2034	352	325
1.072% due 01/19/2035 (i)	353	302
2.799% due 08/19/2036 ^	302	223
3.988% due 06/19/2036 ^	1,467	980
<b>HomeBanc Mortgage Trust</b>		
0.683% due 03/25/2035	468	398
<b>IM Pastor Fondo de Titulizacion de Activos</b>		
0.009% due 03/22/2044 EUR	796	680
<b>Impac CMB Trust</b>		
0.953% due 11/25/2035 ^	\$ 428	338
<b>IndyMac Mortgage Loan Trust</b>		
0.663% due 04/25/2035	243	209

Edgar Filing: PIMCO Income Opportunity Fund - Form N-Q

1.233% due 08/25/2034	248	209
1.293% due 09/25/2034	554	502
2.334% due 06/25/2037 ^	447	337
2.863% due 05/25/2037 ^(i)	1,591	1,212
2.924% due 12/25/2036 ^	1,917	1,681
4.408% due 11/25/2036 ^	1,405	1,241
4.482% due 05/25/2037 ^	37	5
<b>JPMorgan Alternative Loan Trust</b>		
2.677% due 05/25/2036 ^	609	465
5.500% due 11/25/2036 ^	7	5
<b>JPMorgan Commercial Mortgage-Backed Securities Trust</b>		
5.635% due 03/18/2051 (i)	4,000	4,055
<b>JPMorgan Mortgage Trust</b>		
2.663% due 10/25/2036 ^	75	64
2.688% due 07/25/2035	159	158
2.760% due 05/25/2036 ^	1,056	939
6.000% due 08/25/2037 ^	845	738
<b>Landmark Mortgage Securities PLC</b>		
0.088% due 06/17/2038	EUR 318	342
0.809% due 06/17/2038	GBP 835	1,127
<b>Lehman Mortgage Trust</b>		
5.940% due 04/25/2036	\$ 473	422
6.000% due 05/25/2037 ^(i)	2,136	2,075
<b>MASTR Adjustable Rate Mortgages Trust</b>		
1.091% due 01/25/2047 ^(i)	522	363
3.256% due 10/25/2034	1,031	903
<b>Morgan Stanley Mortgage Loan Trust</b>		
2.608% due 07/25/2035 ^(i)	2,347	1,920
2.803% due 01/25/2035 ^	363	181
5.750% due 12/25/2035 ^	644	624
6.000% due 08/25/2037 ^	375	342
<b>Prime Mortgage Trust</b>		
0.783% due 06/25/2036 ^	4,386	2,399
7.000% due 07/25/2034	237	227
<b>RBSSP Resecuritization Trust</b>		
6.000% due 07/26/2037	9,057	6,479
<b>Regal Trust</b>		
2.155% due 09/29/2031	19	17

<b>Residential Accredit Loans, Inc. Trust</b>		
0.643% due 06/25/2037	2,598	1,845
5.500% due 04/25/2037	164	131
6.000% due 08/25/2035 ^	778	706
6.000% due 01/25/2037 ^(i)	767	637
<b>Residential Asset Securitization Trust</b>		
6.000% due 03/25/2037 ^(i)	609	417
<b>Residential Funding Mortgage Securities, Inc. Trust</b>		
4.443% due 07/27/2037 ^	430	372
6.000% due 06/25/2037 ^	647	569
<b>Royal Bank of Scotland Capital Funding Trust</b>		
5.223% due 08/16/2048 (i)	2,000	2,020
<b>Sequoia Mortgage Trust</b>		
2.846% due 01/20/2038 ^	462	385
<b>Structured Adjustable Rate Mortgage Loan Trust</b>		
2.686% due 01/25/2036 ^	1,540	1,159
3.128% due 08/25/2034	32	31
4.416% due 11/25/2036 ^	720	685
<b>Structured Asset Mortgage Investments Trust</b>		
0.643% due 08/25/2036 ^(i)	2,970	2,219
0.663% due 05/25/2045	210	183
<b>Structured Asset Securities Corp. Mortgage Pass-Through Certificates</b>		
2.564% due 01/25/2034	563	529
<b>TBW Mortgage-Backed Trust</b>		
6.000% due 07/25/2036 ^	408	296
<b>WaMu Commercial Mortgage Securities Trust</b>		
5.786% due 03/23/2045 (i)	5,000	4,982
<b>WaMu Mortgage Pass-Through Certificates Trust</b>		
2.149% due 11/25/2036 ^	454	385
2.164% due 07/25/2046 (i)	2,595	2,310
2.211% due 06/25/2037 ^(i)	2,196	1,874
2.348% due 03/25/2037 ^	723	574
2.402% due 07/25/2037 ^	1,722	1,545
2.472% due 02/25/2037 ^	1,198	1,071
2.485% due 07/25/2037 ^(i)	3,731	3,024
2.487% due 03/25/2033	118	117
<b>Washington Mutual Mortgage Pass-Through Certificates Trust</b>		
1.201% due 10/25/2046 ^	659	465
1.600% due 06/25/2033	67	66
<b>Wells Fargo Mortgage-Backed Securities Trust</b>		
0.933% due 07/25/2037 ^	406	352
2.743% due 09/25/2036 ^	38	35
2.743% due 10/25/2036 ^	40	37
2.765% due 04/25/2036 ^	42	41
<b>Total Non-Agency Mortgage-Backed Securities</b>		<b>142,844</b>
<b>(Cost \$124,052)</b>		

**ASSET-BACKED SECURITIES 47.9%****Access Financial Manufactured Housing Contract Trust**

7.650% due 05/15/2021	212	70
-----------------------	-----	----

**Amerquest Mortgage Securities, Inc. Asset-Backed Pass-Through Certificates**

2.158% due 05/25/2034	154	112
-----------------------	-----	-----

3.283% due 08/25/2032	1,345	1,261
-----------------------	-------	-------

**Asset-Backed Funding Certificates Trust**

0.583% due 10/25/2036 (i)	8,439	7,079
---------------------------	-------	-------

0.993% due 10/25/2033	167	147
-----------------------	-----	-----

1.093% due 03/25/2035 (i)	4,431	3,476
---------------------------	-------	-------

**Associates Manufactured Housing Pass-Through Certificates**

7.150% due 03/15/2028 (i)	1,611	1,906
---------------------------	-------	-------

**Bear Stearns Asset-Backed Securities Trust**

0.834% due 09/25/2034 (i)	677	613
---------------------------	-----	-----

0.834% due 09/25/2034	231	210
-----------------------	-----	-----

2.918% due 07/25/2036	723	441
-----------------------	-----	-----

**Bombardier Capital Mortgage Securitization Corp.**

7.830% due 06/15/2030	3,573	1,765
-----------------------	-------	-------

**Conseco Finance Securitizations Corp.**

7.770% due 09/01/2031	1,024	1,134
-----------------------	-------	-------

7.960% due 05/01/2031	1,778	1,270
-----------------------	-------	-------

7.970% due 05/01/2032	273	166
-----------------------	-----	-----

8.060% due 09/01/2029	3,097	1,843
-----------------------	-------	-------

9.163% due 03/01/2033	3,070	2,704
-----------------------	-------	-------

**Conseco Financial Corp.**

6.220% due 03/01/2030	139	148
-----------------------	-----	-----

6.330% due 11/01/2029	77	79
-----------------------	----	----

6.530% due 02/01/2031	1,427	1,435
-----------------------	-------	-------

7.050% due 01/15/2027	228	243
-----------------------	-----	-----

7.140% due 03/15/2028	308	321
-----------------------	-----	-----

7.240% due 06/15/2028	134	134
-----------------------	-----	-----

**Countrywide Asset-Backed Certificates**

0.573% due 06/25/2035 (i)	11,249	9,014
---------------------------	--------	-------

0.686% due 01/25/2037 (i)	15,575	11,956
---------------------------	--------	--------

0.773% due 12/25/2036 ^	817	553
-------------------------	-----	-----

0.993% due 08/25/2032 ^	401	336
-------------------------	-----	-----

1.408% due 02/25/2034	320	295
-----------------------	-----	-----

1.708% due 02/25/2035 (i)	3,750	3,404
---------------------------	-------	-------

<b>Countrywide Asset-Backed Certificates Trust</b>		
0.583% due 03/25/2047 (i)	10,468	9,289
1.213% due 11/25/2034 (i)	528	514
4.693% due 10/25/2035	50	51
<b>Credit Suisse First Boston Mortgage Securities Corp.</b>		
1.483% due 02/25/2031	2,548	2,322
<b>Credit-Based Asset Servicing and Securitization LLC</b>		
1.756% due 12/25/2035	1,377	1,056
<b>First Franklin Mortgage Loan Trust</b>		
0.883% due 11/25/2036 (i)	10,000	8,627
1.033% due 07/25/2035 (i)	8,092	5,849
<b>Greenpoint Manufactured Housing</b>		
8.300% due 10/15/2026	974	1,022
<b>Home Equity Asset Trust</b>		
2.833% due 10/25/2033	31	28
<b>Home Equity Loan Trust</b>		
0.663% due 04/25/2037	6,015	3,411
0.773% due 04/25/2037	8,700	4,654
<b>IndyMac Home Equity Mortgage Loan Asset-Backed Trust</b>		
0.673% due 04/25/2037 (i)	17,866	10,351
0.753% due 04/25/2037 (i)	6,117	4,203
<b>JPMorgan Mortgage Acquisition Trust</b>		
0.516% due 08/25/2036	10	5
0.623% due 03/25/2047	1,849	1,279
<b>KGS Alpha SBA Trust</b>		
1.027% due 04/25/2038 (a)	1,892	71
<b>Lehman ABS Mortgage Loan Trust</b>		
0.523% due 06/25/2037	6,868	4,019
0.633% due 06/25/2037	5,346	3,188
<b>Long Beach Mortgage Loan Trust</b>		
2.908% due 03/25/2032	357	299
<b>MASTR Asset-Backed Securities Trust</b>		
5.233% due 11/25/2035	134	135
<b>Morgan Stanley Dean Witter Capital, Inc. Trust</b>		
1.858% due 02/25/2033 (i)	531	504
<b>Morgan Stanley Home Equity Loan Trust</b>		
1.483% due 12/25/2034 (i)	4,445	3,858
<b>NovaStar Mortgage Funding Trust</b>		
0.603% due 11/25/2036	1,607	714
<b>Oakwood Mortgage Investors, Inc.</b>		
0.666% due 06/15/2032	23	20
<b>Option One Mortgage Loan Trust</b>		
5.662% due 01/25/2037 ^	24	24
<b>Origen Manufactured Housing Contract Trust</b>		
7.650% due 03/15/2032	2,507	2,619
<b>Ownit Mortgage Loan Trust</b>		
3.448% due 12/25/2036	2,696	1,592

**Park Place Securities, Inc. Asset-Backed Pass-Through  
Certificates**

2.308% due 10/25/2034	1,161	603
-----------------------	-------	-----

**Residential Asset Mortgage Products Trust**

1.561% due 08/25/2033	923	809
2.158% due 09/25/2034	3,239	2,182
4.020% due 04/25/2033	4	3
5.220% due 07/25/2034 ^	123	116
5.809% due 11/25/2033 (i)	1,092	1,165

**Residential Asset Securities Corp. Trust**

0.873% due 10/25/2035	3,526	2,603
4.470% due 03/25/2032	3	3

**Saxon Asset Securities Trust**

1.408% due 12/26/2034	668	500
-----------------------	-----	-----

**Securitized Asset-Backed Receivables LLC Trust**

0.663% due 02/25/2037 ^	428	208
1.108% due 01/25/2035	54	49

**South Coast Funding Ltd.**

0.872% due 01/06/2041	45,837	13,293
-----------------------	--------	--------

**Specialty Underwriting & Residential Finance Trust**

0.583% due 06/25/2037 (i)	6,888	4,597
---------------------------	-------	-------

**Structured Asset Investment Loan Trust**

0.653% due 01/25/2036 (i)	7,019	5,133
---------------------------	-------	-------

**Structured Asset Securities Corp. Mortgage Loan Trust**

0.733% due 06/25/2035	529	463
-----------------------	-----	-----

**Talon Funding Ltd.**

1.126% due 06/05/2035	1,901	1,216
-----------------------	-------	-------

**UCFC Home Equity Loan Trust**

7.750% due 04/15/2030	741	742
-----------------------	-----	-----

**Vanderbilt Acquisition Loan Trust**

7.330% due 05/07/2032	349	375
-----------------------	-----	-----

Total Asset-Backed Securities 155,879

(Cost \$148,498)

**SOVEREIGN ISSUES 0.5%****Athens Urban Transportation Organisation**

4.851% due 09/19/2016	EUR	175	188
-----------------------	-----	-----	-----

**Brazil Notas do Tesouro Nacional**

10.000% due 01/01/2021	BRL	42	10
10.000% due 01/01/2023		62	15
10.000% due 01/01/2025		900	203



**Costa Rica Government International Bond**

7.000% due 04/04/2044	\$	500	453
-----------------------	----	-----	-----

**Republic of Greece Government International Bond**

3.800% due 08/08/2017	JPY	46,000	370
-----------------------	-----	--------	-----

4.500% due 07/03/2017		40,000	322
-----------------------	--	--------	-----

4.750% due 04/17/2019	EUR	200	203
-----------------------	-----	-----	-----

Total Sovereign Issues			1,764
------------------------	--	--	-------

(Cost \$2,100)

**SHARES**
**COMMON STOCKS 0.1 %**
**CONSUMER DISCRETIONARY 0.1 %**

Tribune Media Co. A		5,969	229
---------------------	--	-------	-----

Tribune Publishing Co.		1,492	11
------------------------	--	-------	----

240

**ENERGY 0.0 %**

OGX Petroleo e Gas S.A. SP - ADR (c)		110,823	0
--------------------------------------	--	---------	---

**FINANCIALS 0.0 %**

TIG FinCo PLC (g)		330,393	228
-------------------	--	---------	-----

Total Common Stocks			468
---------------------	--	--	-----

(Cost \$830)

**WARRANTS 0.0 %**
**INDUSTRIALS 0.0 %**

Global Geophysical Services, Inc. - Exp. 05/01/2049		4,165	2
---	--	-------	---

Total Warrants			2
----------------	--	--	---

(Cost \$39)

**CONVERTIBLE PREFERRED SECURITIES 5.4 %**
**BANKING & FINANCE 5.4 %**
**Wells Fargo & Co.**

7.500% (f)		14,500	17,476
------------	--	--------	--------

Total Convertible Preferred Securities			17,476
--	--	--	--------

(Cost \$9,203)

**PREFERRED SECURITIES 0.5 %**
**BANKING & FINANCE 0.5 %**

**AgriBank FCB**

6.875% due 01/01/2024 (f)	6,000	636
---------------------------	-------	-----

**Navient Corp. CPI Linked Security**

2.730% due 03/15/2017	32,400	792
-----------------------	--------	-----

2.780% due 01/16/2018	8,500	199
-----------------------	-------	-----

Total Preferred Securities		1,627
----------------------------	--	-------

(Cost \$1,060)

**SHORT-TERM INSTRUMENTS 6.6%**

<b>REPURCHASE AGREEMENTS (h) 3.7%</b>		12,048
---------------------------------------	--	--------

PRINCIPAL  
AMOUNT  
(000S)

**U.S. TREASURY BILLS 2.9%**

0.269% due 04/14/2016 (d)(e)(l)	\$ 9,580	9,580
---------------------------------	----------	-------

Total Short-Term Instruments		21,628
------------------------------	--	--------

(Cost \$21,627)

Total Investments in Securities		521,322
---------------------------------	--	---------

(Cost \$520,587)

<b>Total Investments 160.2%</b>	<b>\$ 521,322</b>
---------------------------------	-------------------

(Cost \$520,587)

<b>Financial Derivative Instruments (j)(k) (2.3%)</b>	<b>(7,620)</b>
---	----------------

(Cost or Premiums, net \$(5,381))

<b>Other Assets and Liabilities, net (57.9%)</b>	<b>(188,197)</b>
--	------------------

<b>Net Assets 100.0%</b>	<b>\$ 325,505</b>
--------------------------	-------------------

**Notes to Schedule of Investments (amounts in thousands\*):**

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

^ Security is in default.

(a) Interest only security.

(b) Payment in-kind bond security.

(c) Security did not produce income within the last twelve months.

(d) Zero coupon bond.

(e) Coupon represents a yield to maturity.

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

(g) Restricted Securities:

Issuer Description	Acquisition Date	Cost	Market Value	Market Value as Percentage of Net Assets
KGH Intermediate Holdco LLC				
8.500% due 08/08/2019	08/07/2014	\$ 4,933	\$ 4,265	1.31%
Pinnacol Assurance				
8.625% due 06/25/2034	06/23/2014	2,900	3,129	0.96
TIG FinCo PLC	04/02/2015	490	228	0.07
		\$ 8,323	\$ 7,622	2.34%

**Borrowings and Other Financing Transactions**

(h) Repurchase Agreements:

Counterparty	Lending Rate	Settlement Date	Maturity Date	Principal Amount	Collateralized By	Collateral (Received)	Repurchase Agreements, at Value	Repurchase Agreements, at Value
	0.460%	03/31/2016	04/01/2016	\$ 11,500	U.S. Treasury Notes 1.875% due 10/31/2022	\$ (11,862)	\$ 11,500	\$ 11,500
	0.010	03/31/2016	04/01/2016	548	U.S. Treasury Notes 2.250% - 3.750% due 11/15/2018 - 07/31/2021	(562)	548	
Repurchase Agreements						\$ (12,424)	\$ 12,048	\$ 12,048

(1) Includes accrued interest.

# Reverse Repurchase Agreements:

Counterparty	Borrowing Rate <sup>(3)</sup>	Borrowing Date	Maturity Date	Amount Borrowed <sup>(3)</sup>	Repurchase Agreements Payable for Reverse
BCY	(1.000)%	02/26/2016	TBD <sup>(2)</sup>	\$ (268)	\$ (268)
	0.900	11/24/2015	TBD <sup>(2)</sup>	(4,824)	(4,840)
	1.650	03/01/2016	06/02/2016	(601)	(602)
	1.720	02/09/2016	05/09/2016	(601)	(603)
	1.968	02/19/2016	05/17/2016	(1,286)	(1,289)
	2.125	04/01/2016	07/01/2016	(3,083)	(3,083)
	2.131	10/02/2015	04/01/2016	(3,312)	(3,348)
	2.136	02/29/2016	05/23/2016	(3,748)	(3,755)
	2.212	05/15/2015	11/14/2016	(7,745)	(7,767)
	2.444	09/25/2015	09/26/2016	(8,957)	(8,961)
BOS	2.511	01/06/2016	04/06/2016	(1,836)	(1,847)
BPG	1.360	01/13/2016	04/11/2016	(1,714)	(1,719)
	1.450	03/24/2016	04/26/2016	(1,851)	(1,852)
BRC	1.750	02/12/2016	05/10/2016	(1,462)	(1,466)
DEU	1.300	01/21/2016	04/21/2016	(2,272)	(2,278)
	1.300	02/12/2016	05/03/2016	(790)	(791)
	1.300	02/12/2016	05/12/2016	(1,745)	(1,748)
	1.300	02/26/2016	05/26/2016	(2,956)	(2,960)
	1.300	03/01/2016	06/01/2016	(1,889)	(1,891)
	1.300	03/04/2016	06/06/2016	(257)	(257)
	1.300	03/11/2016	06/01/2016	(3,248)	(3,251)
JML	1.250	03/24/2016	04/04/2016	(5,108)	(5,109)
	1.250	03/28/2016	04/06/2016	(1,924)	(1,924)
	1.250	04/04/2016	04/19/2016	(2,130)	(2,130)
	1.350	02/22/2016	04/06/2016	(2,819)	(2,823)

Edgar Filing: PIMCO Income Opportunity Fund - Form N-Q

JPS	1.250	04/04/2016	04/19/2016		(3,832)	(3,832)
	2.268	02/12/2016	05/12/2016		(6,809)	(6,830)
MSC	1.000	01/08/2016	04/08/2016		(3,598)	(3,606)
	1.450	02/09/2016	05/09/2016		(1,291)	(1,294)
	1.600	03/21/2016	06/10/2016		(3,447)	(3,449)
RBC	1.380	12/24/2015	06/24/2016		(2,981)	(2,992)
RDR	0.840	03/09/2016	04/07/2016		(1,070)	(1,071)
	1.100	11/30/2015	05/27/2016		(2,107)	(2,115)
RTA	1.401	01/14/2016	07/14/2016		(451)	(452)
	1.477	10/26/2015	04/26/2016		(2,872)	(2,891)
	1.626	04/29/2015	05/02/2016		(7,316)	(7,428)
	1.628	04/15/2015	04/15/2016		(6,593)	(6,698)
	1.631	04/27/2015	04/25/2016		(2,406)	(2,443)
	1.763	10/28/2015	10/27/2016		(4,727)	(4,763)
	2.094	01/05/2016	01/04/2017		(7,858)	(7,898)
	2.211	03/15/2016	03/14/2017		(3,996)	(4,000)
SAL	1.403	01/04/2016	04/04/2016		(4,701)	(4,717)
	1.534	03/08/2016	06/06/2016		(425)	(425)
	1.534	03/16/2016	06/13/2016		(805)	(806)
SOG	1.190	03/04/2016	05/16/2016		(614)	(615)
	1.250	02/12/2016	05/12/2016		(729)	(730)
	1.290	01/19/2016	04/18/2016		(2,691)	(2,698)
	1.290	02/12/2016	05/12/2016		(638)	(639)
	1.290	02/23/2016	05/20/2016		(952)	(953)
	1.290	02/24/2016	05/24/2016		(4,083)	(4,088)
	1.290	03/01/2016	06/01/2016		(1,694)	(1,696)
	1.290	03/23/2016	04/28/2016		(896)	(896)
	2.280	01/20/2016	07/20/2016		(15,027)	(15,096)
UBS	0.600	01/26/2016	04/26/2016	EUR	(1,760)	(2,005)
	0.760	02/12/2016	04/18/2016		(428)	(487)
	1.000	11/03/2015	05/03/2016	\$	(212)	(213)
	1.050	11/20/2015	05/20/2016		(212)	(213)
	1.100	11/03/2015	05/03/2016		(926)	(930)
	1.100	11/20/2015	05/20/2016		(6,644)	(6,671)
	1.150	11/20/2015	05/20/2016		(1,009)	(1,013)
	1.150	02/18/2016	05/18/2016	GBP	(1,735)	(2,496)
	1.150	03/18/2016	06/20/2016		(2,611)	(3,751)
	1.270	01/19/2016	04/19/2016	\$	(3,578)	(3,587)
	1.370	01/19/2016	04/19/2016		(729)	(731)
	1.470	01/28/2016	04/28/2016		(929)	(931)
	1.520	01/28/2016	04/28/2016		(337)	(338)
	1.580	02/29/2016	05/27/2016		(102)	(102)
	1.630	02/29/2016	05/27/2016		(527)	(528)
	1.630	03/01/2016	06/03/2016		(811)	(812)
	2.062	01/05/2016	04/05/2016		(2,477)	(2,489)
	2.112	01/05/2016	04/05/2016		(7,569)	(7,608)
	2.162	01/05/2016	04/05/2016		(1,719)	(1,728)
	2.292	01/04/2016	07/05/2016		(2,910)	(2,926)
	2.342	01/04/2016	07/05/2016		(997)	(1,003)
	2.392	01/04/2016	07/05/2016		(1,182)	(1,189)

<b>Total Reverse Repurchase Agreements</b>	<b>\$ (203,434)</b>
--	---------------------

(2) *Open maturity reverse repurchase agreement.*

(3) *The average amount of borrowings outstanding during the period ended March 31, 2016 was \$(216,177) at a weighted average interest rate of 1.358%.*

**(i) Securities with an aggregate market value of \$247,853 and cash of \$2,216 have been pledged as collateral under the terms of master agreements as of March 31, 2016.**

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

**Swap Agreements:****Interest Rate Swaps**

Pay/Receive	Floating Rate	Floating Rate Index	Fixed Rate	Maturity Date	Notional Amount	Unrealized Market Appreciation/Depreciation				Variation Margin	
						Value	(Depreciation)	Asset	Liability		
Pay	3-Month	CAD-Bank Bill	3.300%	06/19/2024	CAD 13,300	\$ 1,696	\$ 1,079	\$ 0	\$ (36)		
Receive	3-Month	CAD-Bank Bill	3.500	06/20/2044	4,400	(1,145)	(991)	21	0		
Pay	3-Month	USD-LIBOR	2.000	12/16/2020	\$ 22,100	982	399	37	0		
Receive	3-Month	USD-LIBOR *	2.250	06/15/2026	6,800	(363)	(403)	0	(25)		
Receive	3-Month	USD-LIBOR *	2.500	06/15/2046	17,400	(1,303)	(2,184)	0	(120)		
Pay	6-Month	AUD-BBR-BBSW	3.500	06/17/2025	AUD 5,200	320	191	29	0		
						\$ 187	\$ (1,909)	\$ 87	\$ (181)		
<b>Total Swap Agreements</b>						<b>\$ 187</b>	<b>\$ (1,909)</b>	<b>\$ 87</b>	<b>\$ (181)</b>		

\* This security has a forward starting effective date.

Cash of \$2,044 has been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of March 31, 2016.

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

Counterparty	Settlement Month	Currency to be Delivered		Currency to be Received		Unrealized Appreciation/(Depreciation)	
						Asset	Liability
BOA	04/2016	\$	65	JPY	7,300	\$ 0	\$ 0
BPS	04/2016	BRL	3,556	\$	965	0	(24)
	04/2016	\$	999	BRL	3,556	0	(10)
CBK	04/2016	EUR	359	\$	395	0	(14)
	05/2016	CAD	180		130	0	(8)
GLM	04/2016	BRL	11,463		3,221	33	0

Edgar Filing: PIMCO Income Opportunity Fund - Form N-Q

	04/2016	\$	2,865	BRL	11,463	323	0
	04/2016		385	EUR	349	12	0
	04/2016		18,193	GBP	12,840	249	0
	05/2016	GBP	8,371	\$	11,955	0	(69)
HUS	04/2016	BRL	7,203		1,999	0	(4)
	04/2016	\$	2,024	BRL	7,203	0	(21)
	04/2016		668	JPY	75,200	0	0
	05/2016	JPY	75,200	\$	669	0	0
	05/2016	\$	1,985	BRL	7,203	3	0
JPM	04/2016	BRL	703	\$	193	0	(3)
	04/2016	GBP	1,240		1,794	13	0
	04/2016	\$	198	BRL	703	0	(2)
MSB	04/2016	EUR	8,278	\$	9,084	0	(336)
NAB	04/2016	JPY	82,500		737	4	0
SCX	04/2016	GBP	11,600		16,147	0	(514)
UAG	04/2016	\$	9,281	EUR	8,288	150	0
	05/2016	EUR	8,288	\$	9,289	0	(150)

**Total Forward Foreign Currency Contracts**

**\$ 787      \$ (1,155)**



## Swap Agreements:

Credit Default Swaps on Corporate and Sovereign Issues - Sell Protection <sup>(1)</sup>

Swap Agreements, at Value									
Counterparty	Reference Entity	Fixed Receive Rate	Maturity Date	Implied Credit Spread	Notional Amount <sup>(2)</sup>	Premiums Paid/Received	Unrealized Appreciation/Depreciation		
				at March 31, 2016			Asset	Liability	
BOA	Russia Government International Bond	1.000%	06/20/2024	3.229%	\$ 400	\$ (40)	\$ (21)	\$ 0	\$ (61)
BRC	Gazprom S.A.	1.900	12/20/2017	1.797	1,250	0	9	9	0
	JSC VTB Bank	2.340	12/20/2017	3.352	1,250	0	(13)	0	(13)
	Russia Government International Bond	1.000	06/20/2024	3.229	400	(46)	(15)	0	(61)
	Russia Government International Bond	1.000	09/20/2024	3.244	300	(25)	(22)	0	(47)
CBK	Russia Government International Bond	1.000	06/20/2024	3.229	500	(53)	(23)	0	(76)
	Russia Government International Bond	1.000	09/20/2024	3.244	300	(26)	(21)	0	(47)
FBF	TNK-NS BP Finance S.A.	3.150	12/20/2017	3.205	1,500	0	12	12	0
GST	Petrobras Global Finance BV	1.000	09/20/2020	9.092	110	(16)	(15)	0	(31)
	Russia Government International Bond	1.000	03/20/2020	2.331	100	(19)	14	0	(5)
	Russia Government International Bond	1.000	06/20/2024	3.229	200	(23)	(8)	0	(31)
HUS	Russia Government International	1.000	06/20/2019	2.019	130	(5)	1	0	(4)

Edgar Filing: PIMCO Income Opportunity Fund - Form N-Q

	Bond								
	Russia								
	Government								
	International								
	Bond	1.000	06/20/2024	3.229	130	(13)	(7)	0	(20)
	Russia								
	Government								
	International								
	Bond	1.000	09/20/2024	3.244	69	(10)	(1)	0	(11)
JPM	Russia								
	Government								
	International								
	Bond	1.000	06/20/2024	3.229	200	(18)	(12)	0	(30)
						\$ (294)	\$ (122)	\$ 21	\$ (437)

**Credit Default Swaps on Credit Indices - Sell Protection <sup>(1)</sup>**

									Swap Agreements, at Value <sup>(4)</sup>
Counterparty	Index/Tranches	Fixed Receive Rate	Maturity Date	Notional Amount <sup>(3)</sup>	Premium (Receive)	Unrealized Depreciation	Asset	Liability	
GST	ABX.HE.AA.6-1 Index	0.320%	07/25/2045	\$ 18,549	\$ (3,691)	\$ (28)	\$ 0	\$ (3,719)	
	ABX.HE.PENAAA.7-1 Index	0.090	08/25/2037	5,802	(1,124)	(60)	0	(1,184)	
						\$ (4,815)	\$ (88)	\$ 0	\$ (4,903)

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

## Interest Rate Swaps

Swap Agreements, at Val

Counterparty	Pay/Receive	Floating Rate Index	Fixed Rate	Maturity Date	Notional Amount	Premiums Paid/ (Received)	Unrealized Appreciation/ Depreciation	Asset	Liability
CBK	Receive	1-Year BRL-CDI	12.230%	01/04/2021	BRL 14,300	\$ 209	\$ (26)	\$ 183	\$ 0
HUS	Pay	1-Year BRL-CDI	11.680	01/04/2021	105,100	(481)	(1,541)	0	(2,022)
MYC	Pay	1-Year BRL-CDI	15.590	01/04/2021	20	0	0	0	0
						\$ (272)	\$ (1,567)	\$ 183	\$ (2,022)
<b>Total Swap Agreements</b>						<b>\$ (5,381)</b>	<b>\$ (1,777)</b>	<b>\$ 204</b>	<b>\$ (7,362)</b>

(l) Securities with an aggregate market value of \$7,720 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of March 31, 2016.

#### Fair Value Measurements

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

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 03/31/2016
<b>Investments in Securities, at Value</b>				
Bank Loan Obligations	\$ 0	\$ 12,821	\$ 93	\$ 12,914
Corporate Bonds & Notes				
Banking & Finance	0	55,543	10,025	65,568
Industrials	0	61,638	2,879	64,517
Utilities	0	27,499	0	27,499
Convertible Bonds & Notes				
Banking & Finance	0	4,873	0	4,873
Municipal Bonds & Notes				
Illinois	0	332	0	332
Iowa	0	181	0	181
West Virginia	0	2,450	0	2,450
U.S. Government Agencies	0	831	0	831
U.S. Treasury Obligations	0	469	0	469
Non-Agency Mortgage-Backed Securities	0	141,946	898	142,844
Asset-Backed Securities	0	155,808	71	155,879
Sovereign Issues	0	1,764	0	1,764
Common Stocks				
Consumer Discretionary	240	0	0	240
Financials	0	0	228	228
Warrants				
Industrials	0	0	2	2
Convertible Preferred Securities				
Banking & Finance	0	17,476	0	17,476
Preferred Securities				
Banking & Finance	991	636	0	1,627
Short-Term Instruments				
Repurchase Agreements	0	12,048	0	12,048
U.S. Treasury Bills	0	9,580	0	9,580
Total Investments	\$ 1,231	\$ 505,895	\$ 14,196	\$ 521,322
<b>Financial Derivative Instruments - Assets</b>				
Exchange-traded or centrally cleared	0	87	0	87
Over the counter	0	991	0	991
	\$ 0	\$ 1,078	\$ 0	\$ 1,078
<b>Financial Derivative Instruments - Liabilities</b>				

Edgar Filing: PIMCO Income Opportunity Fund - Form N-Q

Exchange-traded or centrally cleared	0	(181)	0	(181)
Over the counter	0	(8,517)	0	(8,517)
	\$ 0	\$ (8,698)	\$ 0	\$ (8,698)
Totals	\$ 1,231	\$ 498,275	\$ 14,196	\$ 513,702

**There were no significant transfers between Levels 1 and 2 during the period ended March 31, 2016.**

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

Category and Subcategory	Beginning Balance at 06/30/2015	Net Purchases	Net Sales	Accrued Discounts (Premiums)	Realized Gain/Loss	Net Change in Unrealized Appreciation/Depreciation on Investments		Transfers into Level 3	Transfers out of Level 3	Ending Balance at 03/31/2016	Held at 03/31/2016 <sup>(1)</sup>
						Unrealized	Depreciation/				
Investments in Securities, at Value											
Bank Loan Obligations	\$ 304	\$ 0	\$ 0	\$ 1	\$ 0	\$ (212)	\$ 0	\$ 0	\$ 0	\$ 93	\$ (212)
Corporate Bonds & Notes											
Banking & Finance	23,887	608	(2,021)	9	(7)	(687)	0	(11,764)		10,025	(487)
Industrials	6,074	0	(635)	15	28	(109)	0	(2,494)		2,879	53
Non-Agency Mortgage-Backed Securities											
Asset-Backed Securities	1,012	0	(36)	3	2	15	0	(98)		898	16
Common Stocks	0	0	0	(12)	0	(15)	98	0		71	(15)
Financials	332	0	0	0	0	(104)	0	0		228	(104)
Warrants											
Industrials	40	0	0	0	0	(38)	0	0		2	(38)
Totals	\$ 31,649	\$ 608	\$ (2,692)	\$ 16	\$ 23	\$ (1,150)	\$ 98	\$ (14,356)		\$ 14,196	\$ (787)

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	Valuation Technique	Input Value(s)	
	at 03/31/2016		Unobservable Inputs(% Unless Noted Otherwise)	
Investments in Securities, at Value				
Bank Loan Obligations		Other Valuation		
	\$ 93	Techniques <sup>(2)</sup>		
Corporate Bonds & Notes				
Banking & Finance	3,129	Proxy Pricing	Base Price	102.67
	6,896	Reference Instrument	Spread movement	16.00 - 561.19 bps
Industrials	2,879	Proxy Pricing	Base Price	6.94 - 100.09
Non-Agency Mortgage-Backed Securities				
Securities	898	Proxy Pricing	Base Price	7.38 - 102.5
Asset-Backed Securities	71	Proxy Pricing	Base Price	3.75
Common Stocks				
Financials		Other Valuation		
	228	Techniques <sup>(2)</sup>		
Warrants				
Industrials	2	Proxy Pricing	Base Price	0.37
Total	\$ 14,196			

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

<sup>(2)</sup> Includes valuation techniques not defined in the Supplementary Notes to Schedule of Investments as securities valued using such techniques are not considered significant to the Fund.

**See Accompanying Notes**

## Notes to Financial Statements

### 1. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

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

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

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

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



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

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

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

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

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

Level 1 Inputs using (unadjusted) quoted prices in active markets or exchanges for identical assets and liabilities.

Level 2 Significant other observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market corroborated inputs.

Level 3 Significant unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available, which may include assumptions made by the Board or persons acting at their direction that are used in determining the fair value of investments.

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

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

### (c) Valuation Techniques and the Fair Value Hierarchy

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

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

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

Mortgage-related and asset-backed securities are usually issued as separate tranches, or classes, of securities within each deal. These securities are also normally valued by Pricing Services that use broker-dealer quotations, reported

trades or valuation estimates from their internal pricing models. The pricing models for these securities usually consider tranche-level attributes, current market data, estimated cash flows and market-based yield spreads for each tranche, and incorporate deal collateral performance, as available. Mortgage-related and asset-backed securities that use similar valuation techniques and inputs as described above are categorized as Level 2 of the fair value hierarchy.

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

Investments valued (denominated) in currencies other than the U.S. dollar are converted to the U.S. dollar using exchange rates (currency spot and forward rates) obtained from Pricing Services. As a result, the NAV of the Fund's shares may be affected by changes in the value of currencies in relation to the U.S. dollar. The value of securities traded in markets outside the United States or denominated in currencies other than the U.S. dollar may be affected significantly on a day that the Fund is not open for business. Valuation adjustments may be applied to certain securities that are solely traded on a foreign exchange to account for the market movement between the close of the foreign market and the NYSE Close. These securities are valued using Pricing Services that consider the correlation of the trading patterns of the foreign security to the intraday trading in the U.S. markets for investments. Securities using these valuation adjustments are categorized as Level 2 of the fair value hierarchy. Preferred securities and other equities traded on inactive markets or valued by reference to similar instruments are also categorized as Level 2 of the fair value hierarchy.

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

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

Centrally cleared swaps listed or traded on a multilateral or trade facility platform, such as a registered exchange, are valued at the daily settlement price determined by the respective exchange (if available). For centrally cleared credit default swaps the clearing facility requires its members to provide actionable price levels across complete term structures. These levels, along with external third-party prices are used to produce daily settlement prices. These securities are categorized as Level 2 of the fair value hierarchy. Centrally cleared interest rate swaps are valued using a pricing model that references the underlying rates including the overnight index swap rate and London Interbank Offered Rate ( LIBOR ) forward rate to produce the daily settlement price. These securities are categorized as Level 2 of the fair value hierarchy.

**Level 3 trading assets and trading liabilities, at fair value** When a fair valuation method is applied by PIMCO that uses significant unobservable inputs, investments will be priced by a method that the Board or persons acting at their direction believe reflects fair value and are categorized as Level 3 of the fair value hierarchy. The valuation techniques and significant inputs used in determining the fair values of portfolio assets and liabilities categorized as Level 3 of the fair value hierarchy are as follows:

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

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

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

## 2. FEDERAL INCOME TAX MATTERS

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

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

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

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

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

<b>Federal Tax Cost</b>	<b>Aggregate Gross Unrealized Appreciation</b>	<b>Aggregate Gross Unrealized (Depreciation)</b>	<b>Net Unrealized Appreciation (Depreciation) (1)</b>
\$ 520,589	\$ 46,696	\$ (45,963)	\$ 733

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

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

(Unaudited)

**Counterparty Abbreviations:**

BCY	Barclays Capital, Inc.	GLM	Goldman Sachs Bank USA	NAB	National Australia Bank Ltd.
BOA	Bank of America N.A.	GST	Goldman Sachs International	RBC	Royal Bank of Canada
BOS	Banc of America Securities LLC	HUS	HSBC Bank USA N.A.	RDR	RBC Capital Markets
BPG	BNP Paribas Securities Corp.	JML	JPMorgan Securities PLC	RTA	Royal Bank of Canada
BPS	BNP Paribas S.A.	JPM	JPMorgan Chase Bank N.A.	SAL	Citigroup Global Markets, Inc.
BRC	Barclays Bank PLC	JPS	JPMorgan Securities, Inc.	SCX	Standard Chartered Bank
CBA	Commonwealth Bank of Australia	MBC	HSBC Bank PLC	SOG	Societe Generale
CBK	Citibank N.A.	MSB	Morgan Stanley Bank N.A.	SSB	State Street Bank and Trust Co.
DEU	Deutsche Bank Securities, Inc.	MSC	Morgan Stanley & Co., Inc.	UAG	UBS AG Stamford
FBF	Credit Suisse International	MYC	Morgan Stanley Capital Services, Inc.	UBS	UBS Securities LLC

**Currency Abbreviations:**

AUD	Australian Dollar	EUR	Euro	JPY	Japanese Yen
BRL	Brazilian Real	GBP	British Pound	USD (or \$)	United States Dollar
CAD	Canadian Dollar				

**Index Abbreviations:**

ABX.HE	Asset-Backed Securities Index - Home Equity	CPI	Consumer Price Index
--------	---	-----	----------------------

**Other Abbreviations:**

ABS	Asset-Backed Security	BBSW	Bank Bill Swap Reference Rate	PIK	Payment-in-Kind
ALT	Alternate Loan Trust	CDI	Brazil Interbank Deposit Rate	SP - ADR	Sponsored American Depositary Receipt
BBR	Bank Bill Rate	LIBOR	London Interbank Offered Rate	TBD%	Interest rate to be determined when loan settles

**Item 2. Controls and Procedures**

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

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

**Item 3. Exhibits**

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



