

PIMCO Dynamic Income Fund
Form N-CSRS
February 29, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT

INVESTMENT COMPANIES

Investment Company Act file number: 811-22673

PIMCO Dynamic Income Fund

(Exact name of registrant as specified in charter)

1633 Broadway, New York, NY 10019

(Address of principal executive offices)

William G. Galipeau

Treasurer (Principal Financial & Accounting Officer)

650 Newport Center Drive

Newport Beach, CA 92660

(Name and address of agent for service)

Copies to:

David C. Sullivan

Ropes & Gray LLP

Prudential Tower

800 Boylston Street

Boston, MA 02199

Registrant's telephone number, including area code: (844) 337-4626

Date of fiscal year end: June 30

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSRS

Date of reporting period: December 31, 2015

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

Item 1. Reports to Shareholders.

The following is a copy of the report transmitted to shareholders pursuant to Rule 30e-1 under the Investment Company Act of 1940, as amended (the 1940 Act) (17 CFR 270.30e-1).

PIMCO Closed-End Funds

Semiannual Report

December 31, 2015

PCM Fund, Inc.

PIMCO Global StocksPLUS[®] & Income Fund

PIMCO Income Opportunity Fund

PIMCO Strategic Income Fund, Inc.

PIMCO Dynamic Credit Income Fund

PIMCO Dynamic Income Fund

Table of Contents

	Page
<u>Letter from the Chairman of the Board & President</u>	2
<u>Important Information About the Funds</u>	4
<u>Financial Highlights</u>	16
<u>Statements of Assets and Liabilities</u>	18
<u>Consolidated Statements of Assets and Liabilities</u>	19
<u>Statements of Operations</u>	20
<u>Consolidated Statements of Operations</u>	21
<u>Statements of Changes in Net Assets</u>	22
<u>Consolidated Statements of Changes in Net Assets</u>	24
<u>Statements of Cash Flows</u>	25
<u>Consolidated Statements of Cash Flows</u>	26
<u>Notes to Financial Statements</u>	89
<u>Glossary</u>	109
<u>Investment Strategy Updates</u>	110

Fund	Fund Summary	Schedule of Investments
<u>PCM Fund, Inc.</u>	9	<u>27</u>
<u>PIMCO Global StocksPLUS® & Income Fund</u>	10	<u>34</u>
<u>PIMCO Income Opportunity Fund</u>	11	<u>44</u>
<u>PIMCO Strategic Income Fund, Inc.</u>	12	<u>55</u>
<u>PIMCO Dynamic Credit Income Fund</u>	13	<u>64</u>
<u>PIMCO Dynamic Income Fund</u>	14	<u>78</u>

Letter from the Chairman of the Board & President

Dear Shareholder:

The financial markets experienced periods of volatility during the reporting period. Investor sentiment was challenged at times given mixed economic data, uncertainties surrounding future global monetary policy, falling commodity prices and geopolitical issues.

For the six-month reporting period ended December 31, 2015

The U.S. economy expanded during the reporting period, but the pace was uneven. Looking back, U.S. gross domestic product (GDP), which represents the value of goods and services produced in the country, the broadest measure of economic activity and the principal indicator of economic performance, expanded at a 3.9% annual pace during the second quarter of 2015. Economic activity then decelerated, as GDP grew at a 2.0% annual pace during the third quarter of 2015. Finally, the Commerce Department's initial reading released after the reporting period had ended showed that fourth quarter 2015 GDP grew at an annual pace of 0.7%.

After nearly a decade of highly accommodative monetary policy, the Federal Reserve (Fed) raised interest rates at its meeting in mid-December 2015. The Fed's action pushed rates from a range between 0% and 0.25% to a range between 0.25% and 0.50%. In its official statement following the meeting, the Fed said, "The Committee expects that economic conditions will evolve in a manner that will warrant only gradual increases in the federal funds rate; the federal funds rate is likely to remain, for some time, below levels that are expected to prevail in the longer run."

Economic activity outside the U.S. was mixed during the reporting period. Anemic growth and concerns of deflation in the eurozone caused the European Central Bank (ECB) to announce that beginning in March 2015, it would start a 60 billion-a-month bond-buying program that was expected to run until at least September 2016. In December 2015, continued economic headwinds prompted the ECB to extend its monthly bond-buying program by six months, until at least March 2017.

Commodities and emerging markets dominated the news over the reporting period. Crude oil declined from \$64 to \$37 between June and December, as OPEC continued pumping at close to full capacity and even as U.S. production started to contract. In August 2015, China surprised the markets by allowing its currency to depreciate by nearly 2% against the U.S. dollar, and then spent over \$180 billion in foreign reserves over the course of the fourth quarter to support its currency. Meanwhile, Chinese equity markets continued their sharp sell-off, casting a shadow on global risk assets. Elsewhere in emerging markets, the Brazilian political and economic situation continued to deteriorate, culminating in Standard & Poor's and Fitch downgrading Brazilian foreign currency debt rating to below investment grade.

Outlook

PIMCO's baseline view sees U.S. economic growth in the range of 2.0% - 2.5% over the next four quarters in line with the average growth rate of the U.S. economy during the current expansion and headline CPI (Consumer Price Index) inflation in a range of 1.5% - 2%. In PIMCO's view, given moderate global recovery and the strong U.S. dollar, there will be little if any boost to aggregate demand from international trade. On the positive side of the ledger, PIMCO believes that the recent budget agreement between Congress and President Obama will provide the

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSRS

U.S. economy a modest and unexpected fiscal boost from the increase in federal spending. With respect to the Fed, after December's initial rate hike, the market is pricing in two further quarter-point increases in 2016. PIMCO believes there is a risk that the Fed will deliver more rate hikes than the market is currently pricing in.

Overseas, PIMCO's baseline view for the eurozone is economic growth of around 1.5% over the next four quarters, with inflation from roughly zero in 2015 to about 1% in 2016. PIMCO believes that ECB quantitative easing will have a positive impact on loan growth. However, while net exports should benefit from the cumulative weakening of the

euro, it is PIMCO's belief that slower growth from the eurozone's major trading partners may limit the contribution to growth from net exports in 2016. PIMCO sees the prospects of a modest pickup in Japanese growth to about 1% in

2 PIMCO CLOSED-END FUNDS

2016, versus an estimated 0.6% in 2015. In PIMCO's view, headline inflation will remain positive in 2016, but at around 0.5 - 1% is well below the Bank of Japan's target of 2%.

In the following pages of this PIMCO Closed-End Funds Semiannual Report, please find specific details regarding investment performance and a discussion of factors that most affected the Funds' performance over the six months ended December 31, 2015.

Thank you for investing with us. We value your trust and will continue to work diligently to meet your investment needs. If you have questions regarding any of your PIMCO Closed-End Funds investments, please contact your financial advisor or call the Funds' shareholder servicing agent at (844) 33-PIMCO or (844) 337-4626. We also invite you to visit our website at www.pimco.com to learn more about our views.

Sincerely,

Hans W. Kertess
Chairman of the Board

Peter G. StreLOW
President

Important Information About the Funds

We believe that bond funds have an important role to play in a well-diversified investment portfolio. It is important to note, however, that in an environment where interest rates trend upward, rising rates would negatively impact the performance of most bond funds, and fixed-income securities held by a Fund are likely to decrease in value. A number of factors can cause interest rates to rise (e.g., central bank monetary policies, inflation rates, general economic conditions, etc.). Accordingly, changes in interest rates can be sudden, and there is no guarantee that Fund Management will anticipate such movement. As of the date of this report, interest rates in the U.S. are at or near historically low levels. As such, bond funds may currently face an increased exposure to the risks associated with rising interest rates. This is especially true since the Federal Reserve Board has concluded its quantitative easing program and, at its meeting on December 16, 2015, raised interest rates for the first time since 2006 from a target range of 0% to 0.25% to a target range of 0.25% to 0.50%. Further, while the U.S. bond market has steadily grown over the past three decades, dealer inventories of corporate bonds have remained relatively stagnant. As a result, there has been a significant reduction in the ability of dealers to make markets in corporate bonds. All of the factors mentioned above, individually or collectively, could lead to increased volatility and/or lower liquidity in the fixed income markets, which could result in increased losses to a Fund. Bond funds and individual bonds with a longer duration (a measure of the sensitivity of a security's price to changes in interest rates) tend to be more sensitive to changes in interest rates, usually making them more volatile than securities or funds with shorter durations. In addition, in the current low interest rate environment, the market price of the Funds' common shares may be particularly sensitive to changes in interest rates or the perception that there will be a change in interest rates.

The use of derivatives may subject the Funds to greater volatility than investments in traditional securities. The Funds may use derivative instruments for hedging purposes or as part of an investment strategy. Use of these instruments may involve certain costs and risks such as liquidity risk, interest rate risk, market risk, call risk, credit risk, management risk and the risk that a Fund could not close out a position when it would be most advantageous to do so. Certain derivative transactions may have a leveraging effect on a Fund. For example, a small investment in a derivative instrument may have a significant impact on a Fund's exposure to interest rates, currency exchange rates or other investments. As a result, a relatively small price movement in a derivative instrument may cause an immediate and substantial loss or gain, which translates into heightened volatility in a Fund's net asset value (NAV). A Fund may engage in such transactions regardless of whether the Fund owns the asset, instrument or components of the index underlying a derivative instrument. A Fund may invest a significant portion of its assets in these types of

instruments. If it does, a Fund's investment exposure could far exceed the value of its portfolio securities and its investment performance could be primarily dependent upon securities it does not directly own. Changes in regulation relating to a mutual fund's use of derivatives and related instruments could potentially limit or impact a Fund's ability to invest in derivatives, limit a Fund's ability to employ certain strategies that use derivatives and adversely affect the value or performance of derivatives and a Fund.

For purposes of applying a Fund's investment policies and restrictions, swap agreements are generally valued by the Fund at market value. In the case of a credit default swap, however, in applying certain of a Fund's investment policies and restrictions, the Fund will value the credit default swap at its notional value or its full exposure value (i.e., the sum of the notional amount for the contract plus the market value), but may value the credit default swap at market value for purposes of applying certain of the Fund's other investment policies and restrictions. For example, a Fund may value credit default swaps at full exposure value for purposes of the Fund's credit quality guidelines (if any) because such value reflects the Fund's actual economic exposure during the term of the credit default swap agreement. 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.

A Fund's use of leverage creates the opportunity for increased income for the Fund's common shareholders, but also creates special risks. Leverage is a speculative technique that may expose a Fund to greater risk and increased costs. If shorter-term interest rates rise relative to the rate of return on a Fund's portfolio, the interest and other costs to the Fund of leverage could exceed the rate of return on the debt obligations and other investments held by the Fund, thereby reducing return to the Fund's common shareholders. In addition, fees and expenses of any form of leverage used by a Fund will be borne entirely by its common shareholders (and not by preferred shareholders, if any) and will reduce the investment return of the Fund's common shares. There can be no assurance that a Fund's use of leverage will result in a higher yield on its common shares, and it may result in losses. Leverage creates several major types of risks for a Fund's common shareholders, including: (1) the likelihood of greater volatility of net asset value and market price of the Fund's common shares, and of the investment return to the Fund's common shareholders, than a comparable portfolio without leverage; (2) the possibility either that the Fund's common share dividends will fall if

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSRS

the interest and other costs of leverage rise, or that dividends paid on the Fund's common shares will fluctuate

4 PIMCO CLOSED-END FUNDS

because such costs vary over time; and (3) the effects of leverage in a declining market or a rising interest rate environment, as leverage is likely to cause a greater decline in the net asset value of the Fund's common shares than if the Fund were not leveraged and may result in a greater decline in the market value of the Fund's common shares.

A Fund's investments in and exposure to foreign securities involve special risks. For example, the value of these investments may decline in response to unfavorable political and legal developments, unreliable or untimely information or economic and financial instability. Foreign securities may experience more rapid and extreme changes in value than investments in securities of U.S. issuers. The securities markets of certain foreign countries are relatively small, with a limited number of companies representing a small number of industries. Issuers of foreign securities are usually not subject to the same degree of regulation as U.S. issuers. Reporting, accounting, auditing and custody standards of foreign countries differ, in some cases significantly, from U.S. standards. Also, nationalization, expropriation or other confiscation, currency blockage, political changes or diplomatic developments could adversely affect a Fund's investments in foreign securities. In the event of nationalization, expropriation or other confiscation, a Fund could lose its entire investment in foreign securities. Risks associated with investing in foreign securities may be increased when a Fund invests in emerging markets. For example, if a Fund invests in emerging market debt, it may face increased exposure to interest rate, liquidity, volatility, and redemption risk due to the specific economic, political, geographical, or legal background of the emerging market.

Investments in 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, as applicable, risks associated with mortgage-related securities. In addition, in many cases loans are subject to the risks associated with below-investment grade securities. In the case of a loan participation or assignment, 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 lender that is selling the loan agreement. In the event of the insolvency of the lender selling a loan participation, a Fund may be treated as a general creditor of the lender and may not benefit from any set-off between the lender and the borrower. The Funds may be subject to heightened or additional risks and potential liabilities and costs by investing in mezzanine and other subordinated loans or acting as an originator of loans, including those arising under bankruptcy, fraudulent conveyance, equitable subordination, lender liability, environmental and other laws and regulations, and risks and costs associated with debt servicing and taking foreclosure actions associated with the loans. To the extent that a Fund originates a loan, it may be responsible for all or a substantial portion of the expenses

associated with initiating the loan, irrespective of whether the loan transaction is ultimately consummated or closed. This may include significant legal and due diligence expenses, which will be indirectly borne by a Fund and its shareholders.

Mortgage-related and other asset-backed securities often involve risks that are different from or more acute than risks associated with other types of debt instruments. Generally, rising interest rates tend to extend the duration of fixed rate mortgage-related securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, if a Fund holds mortgage-related securities, it may experience additional volatility since individual mortgage holders are less likely to exercise prepayment options, thereby putting additional downward pressure on the value of these securities and potentially causing the Fund to lose money. This is known as extension risk. Mortgage-backed securities can be highly sensitive to rising interest rates, such that even small movements can cause an investing Fund to lose value. Mortgage-backed securities, and in particular those not backed by a government guarantee, are subject to credit risk. In addition, adjustable and fixed rate mortgage-related securities are subject to prepayment risk. When interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the returns of the Funds because the Funds may have to reinvest that money at the lower prevailing interest rates. The Funds' investments in other asset-backed securities are subject to risks similar to those associated with mortgage-related securities, as well as additional risks associated with the nature of the assets and the servicing of those assets. Payment of principal and interest on asset-backed securities may be largely dependent upon the cash flows generated by the assets backing the securities, and asset-backed securities may not have the benefit of any security interest in the related assets.

High-yield bonds (commonly referred to as "junk bonds") typically have a lower credit rating than other bonds. Lower-rated bonds generally involve a greater risk to principal than higher-rated bonds. Further, markets for lower-rated bonds are typically less liquid than for higher rated bonds, and public information is usually less abundant in such markets. Thus, high yield investments increase the chance that a Fund will lose money on its investment. The Funds may also invest in bonds and other instruments that are not rated, but which PIMCO considers to be

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSRS

equivalent to high-yield investments. The Funds may hold defaulted securities that may involve special considerations including bankruptcy proceedings, other regulatory and legal restrictions affecting the Funds' ability to trade, and the availability of prices from independent pricing services or dealer quotations. Defaulted securities are often illiquid and may not be actively traded. Sale of securities in bankrupt companies at an acceptable price may be difficult and differences compared to the value of the securities used by the Funds could be material.

SEMIANNUAL REPORT DECEMBER 31, 2015 **5**

Important Information About the Funds (Cont.)

Variable and floating rate securities generally are less sensitive to interest rate changes but may decline in value if their interest rates do not rise as much, or as quickly, as interest rates in general. Conversely floating rate securities will not generally increase in value if interest rates decline. Inverse floating rate securities may decrease in value if interest rates increase. Inverse floating rate securities may also exhibit greater price volatility than a fixed rate obligation with similar credit quality. When a Fund holds variable or floating rate securities, a decrease (or, in the case of inverse floating rate securities, an increase) in market interest rates will adversely affect the income received from such securities and the NAV of the Funds' shares.

The global economic crisis brought several small economies in Europe to the brink of bankruptcy and many other economies into recession and weakened the banking and financial sectors of many European countries. For example, the governments of Greece, Spain, Portugal, and the Republic of Ireland have all experienced large public budget deficits, the effects of which are still yet unknown and may slow the overall recovery of the European economies from the global economic crisis. In addition, due to large public deficits, some European countries may be dependent on assistance from other European governments and institutions or other central banks or supranational agencies such as the International Monetary Fund. Assistance may be dependent on a country's implementation of reforms or reaching a certain level of performance. Failure to reach those objectives or an insufficient level of assistance could result in a deep economic downturn which could significantly affect the value of a Fund's European investments. It is possible that one or more Economic and Monetary Union of the European Union (EMU) member countries could abandon the euro and return to a national currency and/or that the euro will cease to exist as a single currency in its current form. The exit of any country out of the euro may have an extremely destabilizing effect on other eurozone countries and their economies and a negative effect on the global economy as a whole. Such an exit by one country may also increase the possibility that additional countries may exit the euro should they face similar financial difficulties.

The Funds may invest in securities and instruments that are economically tied to Russia. Investments in Russia are subject to various risks such as political, economic, legal, market and currency risks. The risks include uncertain political and economic policies, short term market volatility, poor accounting standards, corruption and crime, an inadequate regulatory system, and unpredictable taxation. Investments in Russia are particularly subject to the risk that economic sanctions may be imposed by the United States and/or other countries. Such sanctions which may impact companies in many sectors, including energy, financial services and defense, among others may negatively impact the Funds' performance and/or ability to achieve their investment objectives. The Russian securities market is characterized by

limited volume of trading, resulting in difficulty in obtaining accurate prices. The Russian securities market, as compared to U.S. markets, has significant price volatility, less liquidity, a smaller market capitalization and a smaller number of traded securities. There may be little publicly available information about issuers. Settlement, clearing and registration of securities transactions are subject to risks because of registration systems that may not be subject to effective government supervision. This may result in significant delays or problems in registering the transfer of securities. Russian securities laws may not recognize foreign nominee accounts held with a custodian bank, and therefore the custodian may be considered the ultimate owner of securities they hold for their clients. Ownership of securities issued by Russian companies is recorded by companies themselves and by registrars instead of through a central registration system. It is possible that the ownership rights of the Funds could be lost through fraud or negligence. While applicable Russian regulations impose liability on registrars for losses resulting from their errors, it may be difficult for the Funds to enforce any rights it may have against the registrar or issuer of the securities in the event of loss of share registration. Adverse currency exchange rates are a risk and there may be a lack of available currency hedging instruments. Investments in Russia may be subject to the risk of nationalization or expropriation of assets. Oil, natural gas, metals, and timber account for a significant portion of Russia's exports, leaving the country vulnerable to swings in world prices.

The common shares of the Funds trade on the New York Stock Exchange. As with any stock, the price of a Fund's common shares will fluctuate with market conditions and other factors. If you sell your common shares of a Fund, the price received may be more or less than your original investment. Shares of closed-end management investment companies frequently trade at a discount from their net asset value. The common shares of a Fund may trade at a price that is less than the initial offering price and/or the net asset value of such shares. Further, if a Fund's shares trade at a price that is more than the initial offering price and/or the net asset value of such shares, including at a substantial premium and/or for an extended period of time, there is no assurance that any such premium will be sustained for any period of time and will not decrease, or that the shares will not trade at a discount to net asset value thereafter.

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSRS

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.

6 PIMCO CLOSED-END FUNDS

If the Fund estimates that a portion of one of its dividend distributions may be comprised of amounts from sources other than net investment income, the Fund will notify shareholders of record of the estimated composition of such distribution through a Section 19 Notice. To determine the sources of the Fund's distributions, the Fund references its accounting records at the time the distribution is paid. If, based on such accounting records, a particular distribution does not include capital gains or paid-in surplus or other capital sources, a Section 19 Notice generally will not be issued. It is important to note that differences exist between a Fund's accounting entries maintained on a day-to-day basis, the Fund's financial statements presented in accordance with U.S. GAAP, and accounting practices under income tax regulations. Examples of such differences may include the treatment of paydowns on mortgage-backed securities purchased at a discount and periodic payments under interest rate swap contracts. 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 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 for the most recent Section 19 Notice, if applicable, for additional information regarding the composition of distributions. Final determination of a distribution's tax character will be reported on Form 1099 DIV sent to shareholders each January.

The Funds may be subject to various risks in addition to those described above. Some of these risks may include, but are not limited to, the following: asset allocation risk, credit risk, stressed securities risk, distressed and defaulted securities risk, corporate bond risk, market risk, issuer risk, liquidity risk, equity securities and related market risk, mortgage-related and other asset-backed securities risk, extension risk, prepayment risk, privately issued mortgage-related securities risk, mortgage market/ subprime risk, foreign (non-U.S.) investment risk, emerging markets risk, currency risk, redenomination risk, non-diversification risk, management risk, municipal bond risk, inflation-indexed security risk, senior debt risk, loans, participations and assignments risk, reinvestment risk, real estate risk, U.S. Government securities risk, foreign (non-U.S.) government securities risk, valuation risk, segregation and cover risk, focused investment risk, credit default swaps risk, event-linked securities risk, counterparty risk, preferred securities risk, confidential information access risk, other investment companies risk, private placements risk, inflation/deflation risk, regulatory risk, tax risk, recent economic conditions risk, market disruptions and geopolitical risk, potential conflicts of interest involving allocation of investment opportunities, repurchase agreements risk, securities lending risk, zero-coupon bond and payment-in-kind securities risk, portfolio turnover risk, smaller company risk, short

sale risk and convertible securities risk. A description of certain of these risks is available in the Notes to Financial Statements of this Report.

On each Fund Summary page in this Shareholder Report, the Average Annual Total Return table measures performance assuming that all dividend and capital gain distributions were reinvested. Total return is calculated by determining the percentage change in NAV or market price (as applicable) in the specified period. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions. Total return for a period of more than one year represents the average annual total return. Performance at market price will differ from results at NAV. Although market price returns tend to reflect investment results over time, during shorter periods returns at market price can also be influenced by factors such as changing views about a Fund, market conditions, supply and demand for the Fund's shares, or changes in the Fund's dividends. Performance shown is net of fees and expenses.

The following table discloses the commencement of operations and diversification status of each fund:

Fund Name	Commencement of Operations	Diversification Status
PCM Fund, Inc.	09/02/93	Diversified
PIMCO Global StocksPlus® & Income Fund	05/31/05	Diversified
PIMCO Income Opportunity Fund	11/30/07	Diversified
PIMCO Strategic Income Fund, Inc.	02/24/94	Diversified
PIMCO Dynamic Credit Income Fund	01/31/13	Diversified
PIMCO Dynamic Income Fund	05/30/12	Diversified

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

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSRS

The Trustees/Directors¹ are responsible generally for overseeing the management of the Funds. The Trustees authorize the Funds to enter into service agreements with the Investment Manager and other service providers in order to provide, and in some cases authorize service providers to procure through other parties, necessary or desirable services on behalf of the Funds. Shareholders are not parties to or third-party beneficiaries of such service agreements. Neither a Fund's original or any subsequent prospectus or Statement of Additional Information (SAI), any press release or shareholder report, any contracts filed as exhibits to a Fund's registration statement, nor any other communications, disclosure documents or regulatory filings from or on behalf of a Fund creates a contract between or among any shareholder of a Fund, on the one hand, and the Fund, a service provider to the

¹ Hereinafter, the terms "Trustee" or "Trustees" used herein shall refer to a Director or Directors of applicable Funds.

Important Information About the Funds (Cont.)

Fund, and/or the Trustees or officers of the Fund, on the other hand. The Trustees (or the Funds and their officers, service providers or other delegates acting under authority of the Trustees) may amend its most recent or use a new prospectus or SAI with respect to a Fund, adopt and disclose new or amended policies and other changes in press releases and shareholder reports and/or amend, file and/or issue any other communications, disclosure documents or regulatory filings, and may amend or enter into any contracts to which a Fund is a party, and interpret the investment objective(s), policies, restrictions and contractual provisions applicable to any Fund, without shareholder input or approval, except in circumstances in which shareholder approval is specifically required by law (such as changes to fundamental investment policies) or where a shareholder approval requirement was specifically disclosed in a Fund's prospectus, SAI or shareholder report and is otherwise still in effect.

PIMCO has adopted written proxy voting policies and procedures (Proxy Policy) as required by Rule 206(4)-6 under the Investment Advisers Act of 1940. The Proxy Policy has been adopted by the Funds as the policies and procedures that PIMCO will use when voting proxies on behalf of the Funds. A description of the policies and procedures

that PIMCO uses to vote proxies relating to portfolio securities of each Fund, and information about how each Fund voted proxies relating to portfolio securities held during the most recent twelve-month period ended June 30, are available without charge, upon request, by calling the Funds at (844) 33-PIMCO (844-337-4626), on the Funds' website at www.pimco.com, and on the Securities and Exchange Commission's (SEC) website at <http://www.sec.gov>.

Each Fund files a complete schedule of its portfolio holdings with the SEC for the first and third quarters of its fiscal year on Form N-Q. A copy of each Fund's Form N-Q is available on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C., and is available without charge, upon request by calling the Funds at (844) 33-PIMCO (844-337-4626) and on the Funds' website at www.pimco.com. Updated portfolio holdings information about a Fund will be available at www.pimco.com approximately 15 calendar days after such Fund's most recent fiscal quarter end, and will remain accessible until such Fund files a Form N-Q or a shareholder report for the period which includes the date of the information. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

8 PIMCO CLOSED-END FUNDS

PCM Fund, Inc.Symbol on NYSE - **PCM**

Allocation Breakdown

Non-Agency Mortgage-Backed Securities	43.1%
Asset-Backed Securities	31.7%
Corporate Bonds & Notes	16.7%
Short-Term Instruments	3.6%
Bank Loan Obligations	2.9%
Other	2.0%

% of Investments, at value as of 12/31/15. Financial derivative instruments, if any, are excluded.

Fund Information (as of December 31, 2015)⁽¹⁾

Market Price	\$9.24
NAV	\$9.82
Premium/(Discount) to NAV	(5.91)%
Market Price Distribution Yield ⁽²⁾	10.39%
NAV Distribution Yield ⁽²⁾	9.78%
Total Effective Leverage ⁽³⁾	45%

Average Annual Total Return⁽¹⁾ for the period ended December 31, 2015

	6 Month*	1 Year	5 Year	10 Year	Commencement of Operations (09/02/93)
Market Price	(3.38)%	(4.62)%	6.78%	6.75%	7.90%
NAV	(3.68)%	0.37%	10.23%	9.52%	8.79%

All Fund returns are net of fees and expenses.

* Cumulative return

⁽¹⁾ Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and the principal value of an investment will fluctuate. Total return, market price, NAV, market price distribution yield, and NAV distribution yield will fluctuate with changes in market conditions. For performance current to the most recent month-end, visit www.pimco.com or call (844) 33-PIMCO.

⁽²⁾ Distribution yields are not performance and are calculated by annualizing the most recent distribution per share and dividing by the NAV or Market Price, as applicable, as of the reported date. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the Fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. If the Fund estimates that a portion of its distribution may be comprised of amounts from sources other than net investment income, the Fund will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. Please refer to the most recent Section 19 Notice, if applicable, for additional information regarding the composition of distributions. Please visit www.pimco.com for most recent Section 19 Notice, if applicable. Final determination of a distribution's tax character will be made on Form 1099-DIV sent to shareholders each January.

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSRS

⁽³⁾ Represents total effective leverage outstanding, as a percentage of total managed assets. Total effective leverage consists of preferred shares, reverse repurchase agreements and other borrowings, credit default swap notional and floating rate notes issued in tender option bond transactions, as applicable (collectively Total Effective Leverage). The Fund may engage in other transactions not included in Total Effective Leverage disclosed above that may give rise to a form of leverage, including certain derivative transactions. For the purpose of calculating Total Effective Leverage outstanding as a percentage of total managed assets, total managed assets refer to total assets (including assets attributable to Total Effective Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Total Effective Leverage).

Investment Objective and Strategy Overview

- » PCM Fund's primary investment objective is to achieve high current income. Capital gains from the disposition of investments are a secondary objective of the Fund.

Fund Insights

- » For the period from July 1, 2015 through December 31, 2015, the Fund's allocation to high yield corporate bonds was the primary detractor from performance. The asset class sold off amid broad commodity weakness and retail fund outflows late in the reporting period.
- » Within high yield, the Fund's exposure to energy, as well as select names in media and telecommunications, were the key detractors. Exposure to utilities, manufacturing and raw materials credits further dampened returns.
- » The Fund's allocation to commercial mortgage-backed securities was a significant contributor to performance, supported by their attractive carry, the rate of interest earned by holding the respective securities.
- » The Fund's exposure to U.S. interest rates was a significant contributor to performance, due mainly to an emphasis on the intermediate portion of the curve, which provided an attractive carry during a period when rates were mostly flat.
- » The Fund's allocation to non-agency mortgage-backed securities was a modest contributor to returns. The sector continued to benefit from an improving U.S. housing market and limited outstanding supply.

PIMCO Global StocksPLUS® & Income Fund

Symbol on NYSE - **PGP**

Allocation Breakdown

Non-Agency Mortgage-Backed Securities	44.4%
Corporate Bonds & Notes	27.3%
Short-Term Instruments	13.8%
Asset-Backed Securities	8.5%
Bank Loan Obligations	1.9%
Other	4.1%

% of Investments, at value as of 12/31/15. Financial derivative instruments, if any, are excluded.

Fund Information (as of December 31, 2015)⁽¹⁾

Market Price	\$18.12
NAV	\$10.88
Premium/(Discount) to NAV	66.54%
Market Price Distribution Yield ⁽²⁾	12.14%
NAV Distribution Yield ⁽²⁾	20.22%
Total Effective Leverage ⁽³⁾	41%

Average Annual Total Return⁽¹⁾ for the period ended December 31, 2015

	6 Month*	1 Year	5 Year	10 Year	Commencement of Operations (05/31/05)
Market Price	14.55%	5.41%	7.65%	12.92%	11.79%
NAV	(7.30)%	0.60%	11.60%	10.83%	11.28%

All Fund returns are net of fees and expenses.

* Cumulative return

⁽¹⁾ Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and the principal value of an investment will fluctuate. Total return, market price, NAV, market price distribution yield, and NAV distribution yield will fluctuate with changes in market conditions. For performance current to the most recent month-end, visit www.pimco.com or call (844) 33-PIMCO.

⁽²⁾ Distribution yields are not performance and are calculated by annualizing the most recent distribution per share and dividing by the NAV or Market Price, as applicable, as of the reported date. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the Fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. If the Fund estimates that a portion of its distribution may be comprised of amounts from sources other than net investment income, the Fund will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. Please refer to the most recent Section 19 Notice, if applicable, for additional information regarding the composition of distributions. Please visit www.pimco.com for most recent Section 19 Notice, if applicable. Final determination of a distribution's tax character will be made on Form 1099 DIV sent to shareholders each January.

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSRS

⁽³⁾ Represents total effective leverage outstanding, as a percentage of total managed assets. Total effective leverage consists of preferred shares, reverse repurchase agreements and other borrowings, credit default swap notional and floating rate notes issued in tender option bond transactions, as applicable (collectively Total Effective Leverage). The Fund may engage in other transactions not included in Total Effective Leverage disclosed above that may give rise to a form of leverage, including certain derivative transactions. For the purpose of calculating Total Effective Leverage outstanding as a percentage of total managed assets, total managed assets refer to total assets (including assets attributable to Total Effective Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Total Effective Leverage).

Investment Objective and Strategy Overview

- » PIMCO Global StocksPLUS® & Income Fund's primary investment objective is to seek total return comprised of current income, current gains and long-term capital appreciation.

Fund Insights

- » Exposure to the S&P 500 Index and the MSCI EAFE Index through equity index derivatives was a primary detractor from absolute returns. During the reporting period, international equities (as represented by the MSCI EAFE Index) declined -6.01% and U.S. equities (as represented by the S&P 500 Index) were basically flat.
- » The fixed income portfolio that backs the equity index derivatives also detracted from returns, alongside weakness in corporate and emerging market credits.
- » Exposure to high yield corporate bonds had a major negative impact on performance. High yield spreads widened amid broad commodity weakness and retail fund outflows late in the reporting period. Corporate credits associated with energy and raw materials, as well as select names in manufacturing, media and telecommunications, were among the worst performers.
- » Exposure to local and hard currency-denominated Brazilian debt was another significant detractor from returns. During the reporting period, Brazil was negatively impacted by its slowing economy, high inflation and a political crisis.
- » A yield curve-steepening strategy implemented through U.S. dollar interest rate swaps detracted from performance as the swap curve flattened.
- » Exposure to residential non-agency mortgages added modestly to performance, as these securities benefited from an improving housing market and limited supply.
- » A defensive option strategy involving written at-the-money calls and purchased out-of-the-money puts on S&P 500 futures contracts had a positive impact on performance.

10 PIMCO CLOSED-END FUNDS

PIMCO Income Opportunity Fund

Symbol on NYSE - **PKO**

Allocation Breakdown

Corporate Bonds & Notes	31.5%
Asset-Backed Securities	29.6%
Non-Agency Mortgage-Backed Securities	27.4%
Short-Term Instruments	3.2%
Convertible Preferred Securities	3.0%
Other	5.3%

% of Investments, at value as of 12/31/15. Financial derivative instruments, if any, are excluded.

Fund Information (as of December 31, 2015)⁽¹⁾

Market Price	\$21.17
NAV	\$22.68
Premium/(Discount) to NAV	(6.66)%
Market Price Distribution Yield ⁽²⁾	10.77%
NAV Distribution Yield ⁽²⁾	10.05%
Total Effective Leverage ⁽³⁾	42%

Average Annual Total Return⁽¹⁾ for the period ended December 31, 2015

	6 Month*	1 Year	5 Year	Commencement of Operations (11/30/07)
Market Price	(5.86)%	(4.91)%	8.18%	9.92%
NAV	(6.41)%	(1.70)%	9.42%	11.49%

All Fund returns are net of fees and expenses.

* Cumulative return

⁽¹⁾ Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and the principal value of an investment will fluctuate. Total return, market price, NAV, market price distribution yield, and NAV distribution yield will fluctuate with changes in market conditions. For performance current to the most recent month-end, visit www.pimco.com or call (844) 33-PIMCO.

⁽²⁾ Distribution yields are not performance and are calculated by annualizing the most recent distribution per share and dividing by the NAV or Market Price, as applicable, as of the reported date. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the Fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. If the Fund estimates that a portion of its distribution may be comprised of amounts from sources other than net investment income, the Fund will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. Please refer to the most recent Section 19 Notice, if applicable, for additional information regarding the composition of distributions. Please visit www.pimco.com for most recent Section 19 Notice, if applicable. Final determination of a distribution's tax character will be made on Form 1099-DIV sent to shareholders each January.

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSRS

⁽³⁾ Represents total effective leverage outstanding, as a percentage of total managed assets. Total effective leverage consists of preferred shares, reverse repurchase agreements and other borrowings, credit default swap notional and floating rate notes issued in tender option bond transactions, as applicable (collectively Total Effective Leverage). The Fund may engage in other transactions not included in Total Effective Leverage disclosed above that may give rise to a form of leverage, including certain derivative transactions. For the purpose of calculating Total Effective Leverage outstanding as a percentage of total managed assets, total managed assets refer to total assets (including assets attributable to Total Effective Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Total Effective Leverage).

Investment Objective and Strategy Overview

- » PIMCO Income Opportunity Fund's primary investment objective is to seek current income as a primary focus and also capital appreciation.

Fund Insights

- » For the period from July 1, 2015 through December 31, 2015, the Fund's allocation to high yield corporate bonds was the primary detractor from performance, as the asset class struggled amid broad commodity weakness and retail fund outflows late in the reporting period.
- » Within high yield, exposure to banking and brokerage, utilities, energy, telecommunications, media, raw materials and manufacturing credits detracted from results.
- » Exposure to local and hard currency-denominated Brazilian debt was a major detractor from returns. Brazil was negatively impacted by its slowing economy, high inflation and a political crisis.
- » The Fund's exposure to U.S. dollar-denominated Russian quasi-sovereign bonds contributed meaningfully to returns. Spreads on these issues continued to retrace much of the widening that occurred during the second half of 2014 as geopolitical tensions in the region eased and investor sentiment improved.
- » The Fund's exposure to U.S. interest rates was modestly positive for performance given the carry, the rate of interest earned by holding the respective securities, associated with such exposure. This positive impact, however, was partially offset by strategies designed to benefit from rising long-term interest rates, as long-term yields fell during the reporting period.
- » The Fund's allocation to securitized credit was a modest contributor to performance. Positive contributions from commercial mortgage-backed securities, structured credit and lower-beta non-agency residential mortgage-backed securities were partially offset by negative contributions from higher-beta non-agency residential mortgage-backed securities.

PIMCO Strategic Income Fund, Inc.

Symbol on NYSE - **RCS**

Allocation Breakdown

U.S. Government Agencies	57.0%
Non-Agency Mortgage-Backed Securities	16.1%
Corporate Bonds & Notes	10.7%
U.S. Treasury Obligations	7.4%
Asset-Backed Securities	6.4%
Short-Term Instruments	0.9%
Other	1.5%

% of Investments, at value as of 12/31/15. Financial derivative instruments, if any, are excluded.

Fund Information (as of December 31, 2015)⁽¹⁾

Market Price	\$8.95
NAV	\$8.03
Premium/(Discount) to NAV	11.46%
Market Price Distribution Yield ⁽²⁾	10.73%
NAV Distribution Yield ⁽²⁾	11.96%
Total Effective Leverage ⁽³⁾	28%

Average Annual Total Return⁽¹⁾ for the period ended December 31, 2015

	6 Month*	1 Year	5 Year	10 Year	Commencement of Operations (02/24/94)
Market Price	9.45%	5.96%	9.15%	10.22%	8.93%
NAV	(0.36)%	3.89%	8.97%	10.37%	8.62%

All Fund returns are net of fees and expenses.

* Cumulative return

⁽¹⁾ Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and the principal value of an investment will fluctuate. Total return, market price, NAV, market price distribution yield, and NAV distribution yield will fluctuate with changes in market conditions. For performance current to the most recent month-end, visit www.pimco.com or call (844) 33-PIMCO.

⁽²⁾ Distribution yields are not performance and are calculated by annualizing the most recent distribution per share and dividing by the NAV or Market Price, as applicable, as of the reported date. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the Fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. If the Fund estimates that a portion of its distribution may be comprised of amounts from sources other than net investment income, the Fund will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. Please refer to the most recent Section 19 Notice, if applicable, for additional information regarding the composition of distributions. Please visit www.pimco.com for most recent Section 19 Notice, if applicable. Final determination of a distribution's tax character will be made on Form 1099-DIV sent to shareholders each January.

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSRS

⁽³⁾ Represents total effective leverage outstanding, as a percentage of total managed assets. Total effective leverage consists of preferred shares, reverse repurchase agreements and other borrowings, credit default swap notional and floating rate notes issued in tender option bond transactions, as applicable (collectively Total Effective Leverage). The Fund may engage in other transactions not included in Total Effective Leverage disclosed above that may give rise to a form of leverage, including certain derivative transactions. For the purpose of calculating Total Effective Leverage outstanding as a percentage of total managed assets, total managed assets refer to total assets (including assets attributable to Total Effective Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Total Effective Leverage).

Investment Objective and Strategy Overview

- » The primary investment objective of PIMCO Strategic Income Fund, Inc. is to generate a level of income that is higher than that generated by high quality, intermediate-term U.S. debt securities. The Fund also seeks capital appreciation to the extent consistent with this objective.

Fund Insights

- » For the period from July 1, 2015 through December 31, 2015, the Fund's allocation to securitized credit was a primary contributor to performance. In particular, the positive contribution from exposure to both agency and non-agency residential mortgage-backed securities boosted returns given an improving U.S. housing market.
- » The Fund's exposure to local and hard currency-denominated Brazilian debt was a major detractor from returns. Brazil was negatively impacted by its slowing economy, high inflation and a political crisis.
- » The Fund's exposure to U.S. interest rates was substantially negative for performance. In particular, strategies designed to benefit from rising long-term interest rates hurt performance as long-term yields fell during the reporting period.
- » The Fund's allocation to high yield corporate bonds modestly detracted from performance. The asset class struggled amid broad commodity weakness and retail fund outflows late in the reporting period.
- » The Fund's exposure to U.S. dollar-denominated Russian quasi-sovereign bonds contributed meaningfully to returns. Spreads on these issues continued to retrace much of the widening that occurred during the second half of 2014 as geopolitical tensions in the region eased and investor sentiment improved.
- » Within investment grade credit, exposure to banking/brokerage and utilities modestly contributed to returns, as balance sheet strengthening and improving profitability in the former and the defensive nature of the latter benefited the Fund.

12 PIMCO CLOSED-END FUNDS

PIMCO Dynamic Credit Income Fund

Symbol on NYSE - **PCI**

Allocation Breakdown

Asset-Backed Securities	44.4%
Non-Agency Mortgage-Backed Securities	25.3%
Corporate Bonds & Notes	22.9%
Bank Loan Obligations	2.9%
Short-Term Instruments	2.2%
Other	2.3%

% of Investments, at value as of 12/31/15. Financial derivative instruments, if any, are excluded.

Fund Information (as of December 31, 2015)⁽¹⁾

Market Price	\$18.03
NAV	\$20.42
Premium/(Discount) to NAV	(11.70)%
Market Price Distribution Yield ⁽²⁾	10.92%
NAV Distribution Yield ⁽²⁾	9.64%
Total Effective Leverage ⁽³⁾	46%

Average Annual Total Return⁽¹⁾ for the period ended December 31, 2015

	6 Month*	1 Year	Commencement of Operations (01/31/13)
Market Price	(4.74)%	(2.62)%	(0.97)%
NAV	(6.18)%	(1.53)%	4.25%

All Fund returns are net of fees and expenses.

* Cumulative return

⁽¹⁾ Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and the principal value of an investment will fluctuate. Total return, market price, NAV, market price distribution yield, and NAV distribution yield will fluctuate with changes in market conditions. For performance current to the most recent month-end, visit www.pimco.com or call (844) 33-PIMCO.

⁽²⁾ Distribution yields are not performance and are calculated by annualizing the most recent distribution per share and dividing by the NAV or Market Price, as applicable, as of the reported date. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the Fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. If the Fund estimates that a portion of its distribution may be comprised of amounts from sources other than net investment income, the Fund will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. Please refer to the most recent Section 19 Notice, if applicable, for additional information regarding the composition of distributions. Please visit www.pimco.com for most recent Section 19 Notice, if applicable. Final determination of a distribution's tax character will be made on Form 1099-DIV sent to shareholders each January.

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSRS

⁽³⁾ Represents total effective leverage outstanding, as a percentage of total managed assets. Total effective leverage consists of preferred shares, reverse repurchase agreements and other borrowings, credit default swap notional and floating rate notes issued in tender option bond transactions, as applicable (collectively Total Effective Leverage). The Fund may engage in other transactions not included in Total Effective Leverage disclosed above that may give rise to a form of leverage, including certain derivative transactions. For the purpose of calculating Total Effective Leverage outstanding as a percentage of total managed assets, total managed assets refer to total assets (including assets attributable to Total Effective Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Total Effective Leverage).

Investment Objective and Strategy Overview

- » PIMCO Dynamic Credit Income Fund's primary investment objective is to seek current income, with capital appreciation as a secondary objective.

Fund Insights

- » For the period July 1, 2015 through December 31, 2015, the Fund's allocation to high yield corporate bonds was the primary detractor from performance, as the asset class struggled amid broad commodity weakness and retail fund outflows late in the reporting period.
- » Exposure to local and hard currency-denominated Brazilian debt was a significant detractor from returns. Brazil was negatively impacted by its slowing economy, high inflation and a political crisis.
- » The Fund's allocation to securitized credit detracted from performance. On the upside, positions in prime and lower-beta non-agency residential mortgage-backed securities and commercial mortgage-back securities contributed to returns. However, this was more than offset by weakness in the Fund's higher-beta non-agency residential mortgage-backed securities.
- » The Fund's exposure to dollar-denominated Russian quasi-sovereign bonds had a positive impact on performance. The spreads on these issues continued to retrace much of the widening that occurred during the second half of 2014, as geopolitical tensions in the region eased and investor sentiment improved.
- » The Fund's exposure to U.S. interest rates was modestly positive for performance given the carry, the rate of interest earned by holding the respective securities, associated with such exposure. This positive impact, however, was partially offset by strategies designed to benefit from rising long-term interest rates, as long-term yields fell during the reporting period.
- » Within investment grade credit, exposure to banking/brokerage and utilities modestly contributed to returns, as balance sheet strengthening and improving profitability in the former and the defensive nature of the latter benefited the Fund.

PIMCO Dynamic Income Fund

Symbol on NYSE - **PDI**

Allocation Breakdown

Non-Agency Mortgage-Backed Securities	55.6%
Asset-Backed Securities	23.8%
Corporate Bonds & Notes	12.8%
Short-Term Instruments	3.7%
Sovereign Issues	1.4%
Other	2.7%

% of Investments, at value as of 12/31/15. Financial derivative instruments, if any, are excluded.

Fund Information (as of December 31, 2015)⁽¹⁾

Market Price	\$27.36
NAV	\$27.17
Premium/(Discount) to NAV	0.70%
Market Price Distribution Yield ⁽²⁾	9.67%
NAV Distribution Yield ⁽²⁾	9.74%
Total Effective Leverage ⁽³⁾	48%

Average Annual Total Return⁽¹⁾ for the period ended December 31, 2015

	6 Month*	1 Year	Commencement of Operations (05/30/12)
Market Price	7.31%	6.16%	17.12%
NAV	(0.96)%	4.54%	18.56%

All Fund returns are net of fees and expenses.

* Cumulative return

⁽¹⁾ Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and the principal value of an investment will fluctuate. Total return, market price, NAV, market price distribution yield, and NAV distribution yield will fluctuate with changes in market conditions. For performance current to the most recent month-end, visit www.pimco.com or call (844) 33-PIMCO.

⁽²⁾ Distribution yields are not performance and are calculated by annualizing the most recent distribution per share and dividing by the NAV or Market Price, as applicable, as of the reported date. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the Fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. If the Fund estimates that a portion of its distribution may be comprised of amounts from sources other than net investment income, the Fund will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. Please refer to the most recent Section 19 Notice, if applicable, for additional information regarding the composition of distributions. Please visit www.pimco.com for most recent Section 19 Notice, if applicable. Final determination of a distribution's tax character will be made on Form 1099-DIV sent to shareholders each January.

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSRS

⁽³⁾ Represents total effective leverage outstanding, as a percentage of total managed assets. Total effective leverage consists of preferred shares, reverse repurchase agreements and other borrowings, credit default swap notional and floating rate notes issued in tender option bond transactions, as applicable (collectively Total Effective Leverage). The Fund may engage in other transactions not included in Total Effective Leverage disclosed above that may give rise to a form of leverage, including certain derivative transactions. For the purpose of calculating Total Effective Leverage outstanding as a percentage of total managed assets, total managed assets refer to total assets (including assets attributable to Total Effective Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Total Effective Leverage).

Investment Objective and Strategy Overview

» PIMCO Dynamic Income Fund's primary investment objective is to seek current income, with capital appreciation as a secondary objective.

Fund Insights

- » For the period July 1, 2015 through December 31, 2015, exposure to local and hard currency-denominated Brazilian debt was a primary detractor from returns. Brazil was negatively impacted by its slowing economy, high inflation and a political crisis.
- » The Fund's allocation to high yield corporate bonds significantly detracted from performance, as the asset class struggled amid broad commodity weakness and retail fund outflows late in the reporting period.
- » The Fund's allocation to securitized credit contributed to performance. Positions in prime and lower-beta non-agency residential mortgage-backed securities and commercial mortgage-back securities contributed to returns. However, this was partially offset by weakness in the Fund's higher-beta non-agency residential mortgage-backed securities.
- » The Fund's exposure to dollar-denominated Russian quasi-sovereign bonds had a positive impact on performance. The spreads on these issues continued to retrace much of the widening that occurred during the second half of 2014, as geopolitical tensions in the region eased and investor sentiment improved.
- » Within investment grade credit, exposure to banking/brokerage and utilities modestly contributed to returns, as balance sheet strengthening and improving profitability in the former and the defensive nature of the latter benefited the Fund.
- » The Fund's exposure to U.S. interest rates was modestly positive for performance given the carry, the rate of interest earned by holding the respective securities, associated with such exposure. This positive impact, however, was partially offset by strategies designed to benefit from rising long-term interest rates, as long-term yields fell during the reporting period.

14 PIMCO CLOSED-END FUNDS

(THIS PAGE INTENTIONALLY LEFT BLANK)

SEMIANNUAL REPORT DECEMBER 31, 2015 15

Financial Highlights

	Investment Operations				Less Distributions			
	Net Asset Value Beginning of Year or Period	Net Investment Income (a)	Net Realized/ Unrealized Gain (Loss)	Total	From Net Investment Income (b)	From Net Realized Capital (Loss) (b)	Tax Basis Return of Capital (b)	Total
PCM Fund, Inc.								
07/01/2015 - 12/31/2015+	\$ 10.68	\$ 0.42	\$ (0.80)	\$ (0.38)	\$ (0.48)	\$ 0.00	\$ 0.00	\$ (0.48)
01/01/2015 - 06/30/2015 ^(e)	10.72	0.44	0.00 [^]	0.44	(0.48)	0.00	0.00	(0.48) ^(j)
12/31/2014	11.17	0.94	(0.34)	0.60	(1.05)	0.00	0.00	(1.05)
12/31/2013	11.35	1.12	(0.20)	0.92	(1.10)	0.00	0.00	(1.10)
12/31/2012	9.48	1.06	1.93	2.99	(1.12)	0.00	0.00	(1.12)
12/31/2011	9.88	1.13	(0.47)	0.66	(1.06)	0.00	0.00	(1.06)
12/31/2010	7.73	1.12	2.29	3.41	(1.26)	0.00	0.00	(1.26)
PIMCO Global StocksPLUS® & Income Fund								
07/01/2015 - 12/31/2015+	\$ 12.88	\$ 0.52	\$ (1.42)	\$ (0.90)	\$ (1.10)	\$ 0.00	\$ 0.00	\$ (1.10)
04/01/2015 - 06/30/2015 ^(f)	12.82	0.34	0.27	0.61	(0.55)	0.00	0.00	(0.55) ^(j)
03/31/2015	14.72	1.15	(0.85)	0.30	(2.20)	0.00	0.00	(2.20)
03/31/2014	14.32	1.39	1.21	2.60	(2.20)	0.00	0.00	(2.20)
03/31/2013	12.57	1.38	2.57	3.95	(2.20)	0.00	0.00	(2.20)
03/31/2012	14.88	1.61	(1.72)	(0.11)	(2.20)	0.00	0.00	(2.20)
03/31/2011	12.52	1.75	2.81	4.56	(2.20)	0.00	0.00	(2.20)
PIMCO Income Opportunity Fund								
07/01/2015 - 12/31/2015+	\$ 25.94	\$ 1.11	\$ (2.72)	\$ (1.61)	\$ (1.14)	\$ (0.51)	\$ 0.00	\$ (1.65)
11/01/2014 - 06/30/2015 ^(g)	28.38	1.54	(0.86)	0.68	(2.34)	(0.77)	(0.01)	(3.12) ^(j)
10/31/2014	28.67	2.71	(0.12)	2.59	(2.88)	0.00	0.00	(2.88)
10/31/2013	27.86	2.87	0.77	3.64	(2.83)	0.00	0.00	(2.83)
10/31/2012	24.62	2.61	3.69	6.30	(3.06)	0.00	0.00	(3.06)
10/31/2011	26.97	3.24	(2.20)	1.04	(3.39)	0.00	0.00	(3.39)
10/31/2010	21.40	3.11	4.58	7.69	(2.12)	0.00	0.00	(2.12)
PIMCO Strategic Income Fund, Inc.								
07/01/2015 - 12/31/2015+	\$ 8.58	\$ 0.35	\$ (0.38)	\$ (0.03)	\$ (0.52)	\$ 0.00	\$ 0.00	\$ (0.52)
02/01/2015 - 06/30/2015 ^(h)	8.57	0.30	0.11	0.41	(0.40)	0.00	0.00	(0.40) ^(j)
01/31/2015	9.24	0.90	(0.55)	0.35	(1.02)	0.00	0.00	(1.02)
01/31/2014	9.66	0.99	(0.30)	0.69	(1.11)	0.00	0.00	(1.11)
01/31/2013	8.91	1.05	0.95	2.00	(1.25)	0.00	0.00	(1.25)
01/31/2012	9.97	1.36	(1.03)	0.33	(1.39)	0.00	0.00	(1.39)
01/31/2011	9.08	1.27	1.04	2.31	(1.42)	0.00	0.00	(1.42)
PIMCO Dynamic Credit Income Fund (Consolidated)								
07/01/2015 - 12/31/2015+	\$ 23.00	\$ 0.57	\$ (1.95)	\$ (1.38)	\$ (1.20)	\$ 0.00	\$ 0.00	\$ (1.20)
01/01/2015 - 06/30/2015 ^(e)	22.83	0.76	0.35	1.11	(0.94)	0.00	0.00	(0.94) ^(j)
12/31/2014	24.04	1.79	(0.53)	1.26	(2.47)	0.00	0.00	(2.47)
01/31/2013 - 12/31/2013	23.88	1.33	0.76	2.09	(1.68)	(0.24)	0.00	(1.92)
PIMCO Dynamic Income Fund (Consolidated)								
07/01/2015 - 12/31/2015+	\$ 31.38	\$ 1.44	\$ (1.74)	\$ (0.30)	\$ (2.92)	\$ (0.99)	\$ 0.00	\$ (3.91)
04/01/2015 - 06/30/2015 ^(e)	30.74	0.80	0.47	1.27	(0.63)	0.00	0.00	(0.63) ^(j)
03/31/2015	32.11	3.25	(0.49)	2.76	(4.13)	0.00	0.00	(4.13)
03/31/2014	30.69	3.70	1.24	4.94	(3.29)	(0.23)	0.00	(3.52)
05/30/2012 - 03/31/2013	23.88	2.79	6.50	9.29	(2.18)	(0.27)	0.00	(2.45)

+ Unaudited

* Annualized

[^] Reflects an amount rounding to less than one cent.^(a) Per share amounts based on average number of shares outstanding during the year or period.

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSRS

- (b) Determined in accordance with federal income tax regulations, see Note 2(c) in the Notes to Financial Statements for more information.
- (c) Total investment return is calculated assuming a purchase of a share at the market price on the first day and a sale of a share at the market price on the last day of each year 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.

16 PIMCO CLOSED-END FUNDS

See Accompanying Notes

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSRS

Offering Cost Charged to Paid in Capital in Excess of Par	Common Share			Ratios/Supplemental Data Ratios to Average Net Assets						
	Net Asset Value End of Year or Period	Market Price End of Year or Period	Total Investment Return (c)	Net Assets End of Year or Period (000s)	Expenses (d)	Expenses Excluding Interest Expense (d)	Expenses Excluding Interest Expense and Waivers	Net Investment Income	Portfolio Turnover Rate	
\$ N/A	\$ 9.82	\$ 9.24	(3.38)%	\$ 113,316	2.54%*	1.58%*	1.58%*	8.00%*	9%	
N/A	10.68	10.05	(1.28)	123,235	2.26*	1.54*	1.54*	8.32*	20	
N/A	10.72	10.65	0.34	123,633	1.89	1.40	1.40	8.38	11	
N/A	11.17	11.65	6.49	128,672	2.05	1.52	1.52	9.75	6	
N/A	11.35	12.02	23.34	130,461	2.59	1.76	1.76	10.05	13	
N/A	9.48	10.77	10.43	108,810	2.44	1.75	1.75	11.30	26	
N/A	9.88	10.80	54.01	113,020	2.41	1.75	1.75	11.91	28	
\$ N/A	\$ 10.88	\$ 18.12	14.55%	\$ 115,016	2.45%*	1.73%*	1.73%*	8.58%*	9%	
N/A	12.88	16.92	(21.82)	135,468	2.34*	1.72*	1.72*	10.35*	3	
N/A	12.82	22.27	4.05	134,594	2.30	1.78	1.78	8.29	92	
N/A	14.72	23.67	19.44	153,393	1.94	1.67	1.67	9.62	197	
N/A	14.32	21.95	21.57	148,170	2.64	2.10	2.10	10.75	33	
N/A	12.57	20.18	(8.00)	128,952	2.71	2.12	2.12	12.70	90	
N/A	14.88	24.48	43.45	150,881	2.81	2.20	2.20	13.07	80	
\$ N/A	\$ 22.68	\$ 21.17	(5.86)%	\$ 339,424	2.50%*	1.72%*	1.72%*	8.78%*	5%	
N/A	25.94	24.20	0.22	388,353	2.43*	1.79*	1.79*	8.93*	14	
N/A	28.38	27.26	4.39	424,632	2.01	1.65	1.65	9.44	175	
N/A	28.67	28.90	6.81	426,561	1.93	1.66	1.66	10.03	65	
N/A	27.86	29.85	26.98	411,976	2.29	1.86	1.86	10.38	57	
N/A	24.62	26.45	11.68	359,909	2.44	1.93	1.93	12.40	194	
N/A	26.97	26.92	39.51	391,730	2.36	1.86	1.86	13.07	77	
\$ N/A	\$ 8.03	\$ 8.95	9.45%	\$ 336,374	1.24%*	0.96%*	0.96%*	8.31%*	35%	
N/A	8.58	8.69	(5.81)	357,692	1.16*	0.96*	0.96*	8.58*	17	
N/A	8.57	9.65	5.92	355,942	1.18	0.98	0.98	10.01	90	
N/A	9.24	10.12	(4.58)	379,762	1.39	1.00	1.00	10.48	208	
N/A	9.66	11.84	12.21	392,317	1.55	1.00	1.00	11.14	293	
N/A	8.91	11.80	28.34	357,712	1.48	1.01	1.01	14.27	147	
N/A	9.97	10.44	11.82	394,695	1.43	1.04	1.04	12.98	168	
\$ N/A	\$ 20.42	\$ 18.03	(4.74)%	\$ 2,801,620	2.95%*	1.99%*	1.99%*	5.12%*	14%	
N/A	23.00	20.18	2.23	3,155,689	2.63*	1.97*	1.97*	6.71*	31	
(0.00)^	22.83	20.65	2.68	3,132,146	2.36	1.91	1.91	7.29	35	
(0.01)	24.04	22.48	(2.79)	3,298,673	1.52*	1.42*	1.42*	6.06*	76	
\$ N/A	\$ 27.17	\$ 27.36	7.31%	\$ 1,246,052	3.34%*	2.07%*	2.07%*	9.29%*	6%	
N/A	31.38	29.21	2.87	1,426,891	2.83*	2.01*	2.01*	10.23*	5	
N/A	30.74	29.00	9.04	1,397,987	3.12	2.12	2.12	9.97	10	
N/A	32.11	30.32	9.62	1,458,961	3.15	2.17	2.17	11.90	18	
(0.03)	30.69	31.10	35.21	1,393,099	2.91*	2.04*	2.04*	12.04*	16	

(d) Interest expense primarily relates to participation in borrowing and financing transactions. See Note 5 in the Notes to Financial Statements for more information.

(e) Fiscal year end changed from December 31st to June 30th.

(f) Fiscal year end changed from March 31st to June 30th.

(g) Fiscal year end changed from October 31st to June 30th.

(h) Fiscal year end changed from January 31st to June 30th.

(i) Total distributions for the period ended June 30, 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 June 30, 2015.

Statements of Assets and Liabilities

(Unaudited)

December 31, 2015

	PIMCO PCM Fund, Inc.	PIMCO Global StocksPLUS® & Income Fund	PIMCO Income Opportunity Fund	PIMCO Strategic Income Fund, Inc.
(Amounts in thousands, except per share amounts)				
Assets:				
<i>Investments, at value</i>				
Investments in securities*	\$ 195,235	\$ 170,159	\$ 552,769	\$ 870,919
<i>Financial Derivative Instruments</i>				
Exchange-traded or centrally cleared	8	1,220	16	92
Over the counter	0	693	507	1,171
Cash	12	280	0	439
Deposits with counterparty	591	28,381	2,918	12,724
Foreign currency, at value	0	69	189	140
Receivable for investments sold	2,578	7,568	10,703	2
Receivable for mortgage dollar rolls	0	0	0	299,865
Interest and dividends receivable	1,110	1,384	4,329	3,369
Other assets	2	2	3	9
Total Assets	199,536	209,756	571,434	1,188,730
Liabilities:				
<i>Borrowings & Other Financing Transactions</i>				
Payable for reverse repurchase agreements	\$ 82,849	\$ 75,066	\$ 211,969	\$ 122,275
Payable for sale-buyback transactions	0	0	0	57,103
Payable for mortgage dollar rolls	0	0	0	299,865
<i>Financial Derivative Instruments</i>				
Exchange-traded or centrally cleared	13	2,421	248	1,062
Over the counter	1,661	6,881	12,492	2,726
Payable for investments purchased	582	7,840	2,850	452
Payable for TBA investments purchased	0	0	0	364,210
Deposits from counterparty	0	399	210	840
Distributions payable to common shareholders	923	1,938	2,844	3,350
Overdraft due to custodian	0	0	849	0
Accrued management fees	169	194	548	299
Other liabilities	23	1	0	174
Total Liabilities	86,220	94,740	232,010	852,356
Net Assets	\$ 113,316	\$ 115,016	\$ 339,424	\$ 336,374
Net Assets Consist of:				
Shares:				
Par value (\$0.001 per share), (\$0.00001 per share), (\$0.00001 per share), (\$0.00001 per share)	\$ 12	\$ 0	\$ 0	\$ 0
Paid in capital in excess of par	125,541	232,983	343,103	427,496
(Overdistributed) net investment income	(1,363)	(7,315)	(5,932)	(3,651)
Accumulated undistributed net realized (loss)	(13,722)	(131,019)	(2,705)	(97,728)
Net unrealized appreciation	2,848	20,367	4,958	10,257
	\$ 113,316	\$ 115,016	\$ 339,424	\$ 336,374
Common Shares Issued and Outstanding	11,538	10,567	14,968	41,890
Net Asset Value Per Common Share	\$ 9.82	\$ 10.88	\$ 22.68	\$ 8.03
Cost of investments in securities	\$ 192,280	\$ 160,925	\$ 542,704	\$ 860,061
Cost of foreign currency held	\$ 0	\$ 70	\$ 195	\$ 139
Cost or premiums of financial derivative instruments, net	\$ (1,676)	\$ (692)	\$ (6,418)	\$ (762)

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSRS

* Includes repurchase agreements of:	\$	268	\$	983	\$	0	\$	3,612
--------------------------------------	----	-----	----	-----	----	---	----	-------

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

18 PIMCO CLOSED-END FUNDS

See Accompanying Notes

Consolidated Statements of Assets and Liabilities

(Unaudited)

December 31, 2015

	PIMCO Dynamic Credit Income Fund	PIMCO Dynamic Income Fund
(Amounts in thousands, except per share amounts)		
Assets:		
<i>Investments, at value</i>		
Investments in securities*	\$ 4,880,995	\$ 2,326,446
<i>Financial Derivative Instruments</i>		
Exchange-traded or centrally cleared	3,465	1,130
Over the counter	36,343	6,844
Cash	0	5,961
Deposits with counterparty	46,042	20,687
Foreign currency, at value	23,790	189
Receivable for investments sold	48,394	22,968
Interest and dividends receivable	30,598	13,042
Other assets	12	5
Total Assets	5,069,639	2,397,272
Liabilities:		
<i>Borrowings & Other Financing Transactions</i>		
Payable for reverse repurchase agreements	\$ 2,134,233	\$ 1,100,940
<i>Financial Derivative Instruments</i>		
Exchange-traded or centrally cleared	4,071	1,921
Over the counter	46,343	17,335
Payable for investments purchased	26,644	11,614
Deposits from counterparty	27,037	6,810
Distributions payable to common shareholders	22,513	10,028
Overdraft due to custodian	1,844	0
Accrued management fees	5,333	2,572
Other liabilities	1	0
Total Liabilities	2,268,019	1,151,220
Net Assets Applicable to Common Shareholders	\$ 2,801,620	\$ 1,246,052
Composition of Net Assets Applicable to Common Shareholders:		
Par value (\$0.00001 per share)	\$ 1	\$ 0
Paid in capital in excess of par	3,274,224	1,096,765
(Overdistributed) net investment income	(94,646)	(32,279)
Accumulated undistributed net realized gain (loss)	(68,411)	11,659
Net unrealized appreciation (depreciation)	(309,548)	169,907
	\$ 2,801,620	\$ 1,246,052
Common Shares Issued and Outstanding	137,221	45,851
Net Asset Value Per Common Share	\$ 20.42	\$ 27.17
Cost of investments in securities	\$ 5,161,818	\$ 2,175,482
Cost of foreign currency held	\$ 23,768	\$ 187
Cost or premiums of financial derivative instruments, net	\$ 1,590	\$ (27,080)
* Includes repurchase agreements of:	\$ 49,000	\$ 62,569

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

Statements of Operations

Six Months Ended December 31, 2015 (Unaudited)

(Amounts in thousands)	PIMCO PCM Fund, Inc.	PIMCO Global StocksPLUS® & Income Fund	PIMCO Income Opportunity Fund	PIMCO Strategic Income Fund, Inc.
Investment Income:				
Interest, net of foreign taxes*	\$ 6,396	\$ 6,997	\$ 20,669	\$ 16,916
Dividends	2	14	592	7
Total Income	6,398	7,011	21,261	16,923
Expenses:				
Management fees	955	1,095	3,219	1,692
Trustee fees and related expenses	5	5	26	16
Interest expense	582	455	1,465	495
Total Expenses	1,542	1,555	4,710	2,203
Net Investment Income	4,856	5,456	16,551	14,720
Net Realized Gain (Loss):				
Investments in securities	1,899	989	3,346	2,529
Exchange-traded or centrally cleared financial derivative instruments	(133)	(9,980)	(3,342)	(9,216)
Over the counter financial derivative instruments	3,324	1,835	9,659	3,176
Foreign currency	0	2	271	(15)
Net Realized Gain (Loss)	5,090	(7,154)	9,934	(3,526)
Net Change in Unrealized Appreciation (Depreciation):				
Investments in securities	(10,980)	(10,022)	(36,303)	(12,572)
Exchange-traded or centrally cleared financial derivative instruments	(95)	7,155	313	804
Over the counter financial derivative instruments	(3,252)	(5,436)	(15,782)	(611)
Foreign currency assets and liabilities	0	357	1,056	(29)
Net Change in Unrealized (Depreciation)	(14,327)	(7,946)	(50,716)	(12,408)
Net (Decrease) in Net Assets Resulting from Operations	\$ (4,381)	\$ (9,644)	\$ (24,231)	\$ (1,214)
* Foreign tax withholdings	\$ 0	\$ 0	\$ 1	\$ 0

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

20 PIMCO CLOSED-END FUNDS

See Accompanying Notes

Consolidated Statements of Operations

Six Months Ended December 31, 2015 (Unaudited)

(Amounts in thousands)	PIMCO Dynamic Credit Income Fund	PIMCO Dynamic Income Fund
Investment Income:		
Interest, net of foreign taxes*	\$ 124,287	\$ 88,732
Dividends	0	336
Total Income	124,287	89,068
Expenses:		
Management fees	30,305	14,450
Trustee fees and related expenses	197	94
Interest expense	14,840	8,971
Miscellaneous Expense	91	61
Total Expenses	45,433	23,576
Net Investment Income	78,854	65,492
Net Realized Gain (Loss):		
Investments in securities	(46,446)	(9,365)
Exchange-traded or centrally cleared financial derivative instruments	17,690	2,409
Over the counter financial derivative instruments	34,869	25,445
Foreign currency	(1,685)	(824)
Net Realized Gain	4,428	17,665
Net Change in Unrealized Appreciation (Depreciation):		
Investments in securities	(228,517)	(85,201)
Exchange-traded or centrally cleared financial derivative instruments	(29,151)	(10,246)
Over the counter financial derivative instruments	(26,922)	(5,918)
Foreign currency assets and liabilities	11,733	5,153
Net Change in Unrealized (Depreciation)	(272,857)	(96,212)
Net (Decrease) in Net Assets Resulting from Operations	\$ (189,575)	\$ (13,055)
* Foreign tax withholdings	\$ 12	\$ 0

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

Statements of Changes in Net Assets

	PCM Fund, Inc.			PIMCO Global StocksPLUS® & Income Fund		
	Six Months Ended December 31, 2015	Period from January 1, 2015 to June 30, 2015 ^(a)	Year Ended December 31, 2014	Six Months Ended December 31, 2015	Period from April 1, 2015 to June 30, 2015 ^(b)	Year Ended March 31, 2015
(Amounts in thousands)						
Increase (Decrease) in Net Assets from:						
Operations:						
Net investment income	\$ 4,856	\$ 5,058	\$ 10,813	\$ 5,456	\$ 3,559	\$ 12,039
Net realized gain (loss)	5,090	5,586	64	(7,154)	8,310	(19,967)
Net change in unrealized appreciation (depreciation)	(14,327)	(5,577)	(4,000)	(7,946)	(5,604)	10,460
Net Increase (Decrease) in Net assets Resulting from Operations	(4,381)	5,067	6,877	(9,644)	6,265	2,532
Distributions to Common Shareholders:						
From net investment income ^(e)	(5,538)	(5,537)	(12,094)	(11,602)	(5,782)	(23,021)
From net realized capital gains ^(e)	0	0	0	0	0	0
Tax basis return of capital ^(e)	0	0	0	0	0	0
Total Distributions to Common Shareholders	(5,538)	(5,537) ^(f)	(12,094)	(11,602)	(5,782) ^(f)	(23,021)
Common Share Transactions**:						
Issued as reinvestment of distributions	0	72	178	794	391	1,690
Total Increase (Decrease) in Net Assets	(9,919)	(398)	(5,039)	(20,452)	874	(18,799)
Net Assets Applicable to Common Shareholders:						
Beginning of year or period	123,235	123,633	128,672	135,468	134,594	153,393
End of year or period*	\$ 113,316	\$ 123,235	\$ 123,633	\$ 115,016	\$ 135,468	\$ 134,594
* Including undistributed (overdistributed) net investment income of:	\$ (1,363)	\$ (681)	\$ (540)	\$ (7,315)	\$ (1,169)	\$ (3,939)
** Common Share Transactions:						
Shares issued as reinvestment of distributions	0	7	16	49	18	78

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

(a) Fiscal year end changed from December 31st to June 30th.

(b) Fiscal year end changed from March 31st to June 30th.

(c) Fiscal year end changed from October 31st to June 30th.

(d) Fiscal year end changed from January 31st to June 30th.

(e) Determined in accordance with federal income tax regulations, see Note 2(c) in the Notes to Financial Statements for more information.

(f) Total distributions for the period ended June 30, 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 June 30, 2015.

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSRS

PIMCO Income Opportunity Fund			PIMCO Strategic Income Fund, Inc.		
Six Months Ended December 31, 2015	Period from November 1, 2014 to June 30, 2015 ^(c)	Year Ended October 31, 2014	Six Months Ended December 31, 2015	Period from February 1, 2015 to June 30, 2015 ^(d)	Year Ended January 31, 2015
\$ 16,551	\$ 23,106	\$ 40,467	\$ 14,720	\$ 12,571	\$ 37,303
9,934	(3,967)	18,425	(3,526)	11,358	15,398
(50,716)	(9,047)	(20,170)	(12,408)	(7,166)	(38,494)
(24,231)	10,092	38,722	(1,214)	16,763	14,207
(17,064)	(34,865)	(42,972)	(21,736)	(16,651)	(42,226)
(7,634)	(11,498)	0	0	0	0
0	(224)	0	0	0	0
(24,698)	(46,587) ^(f)	(42,972)	(21,736)	(16,651) ^(f)	(42,226)
0	216	2,321	1,632	1,638	4,199
(48,929)	(36,279)	(1,929)	(21,318)	1,750	(23,820)
388,353	424,632	426,561	357,692	355,942	379,762
\$ 339,424	\$ 388,353	\$ 424,632	\$ 336,374	\$ 357,692	\$ 355,942
\$ (5,932)	\$ (5,419)	\$ 6,094	\$ (3,651)	\$ 3,365	\$ 2,692
0	8	82	190	182	432

Consolidated Statements of Changes in Net Assets

	PIMCO Dynamic Credit Income Fund			PIMCO Dynamic Income Fund		
	Six Months Ended December 31, 2015	Period from January 1, 2015 to June 30, 2015 ^(a)	Year Ended December 31, 2014	Six Months Ended December 31, 2015	Period from April 1, 2015 to June 30, 2015 ^(b)	Year Ended March 31, 2015
(Amounts in thousands)						
Increase (Decrease) in Net Assets from:						
Operations:						
Net investment income	\$ 78,854	\$ 104,043	\$ 245,912	\$ 65,492	\$ 36,172	\$ 147,564
Net realized gain (loss)	4,428	29,622	12,922	17,665	37,320	76,891
Net change in unrealized appreciation (depreciation)	(272,857)	18,523	(85,852)	(96,212)	(15,937)	(99,042)
Net Increase (Decrease) in Net Assets Resulting from Operations	(189,575)	152,188	172,982	(13,055)	57,555	125,413
Distributions to Common Shareholders:						
From net investment income ^(c)	(164,494)	(128,645)	(339,486)	(132,888)	(28,651)	(187,696)
From net realized capital gains ^(c)	0	0	0	(45,024)	0	0
Total Distributions to Common Shareholders	(164,494)	(128,645) ^(d)	(339,486)	(177,912)	(28,651) ^(d)	(187,696)
Common Share Transactions**:						
Offering costs charged to paid in capital in excess of par	0	0	(23)	0	0	0
Issued as reinvestment of distributions	0	0	0	10,128	0	1,309
Net increase (decrease) resulting from common share transactions	0	0	(23)	10,128	0	1,309
Total Increase (Decrease) in Net Assets	(354,069)	23,543	(166,527)	(180,839)	28,904	(60,974)
Net Assets Applicable to Common Shareholders:						
Beginning of year or period	3,155,689	3,132,146	3,298,673	1,426,891	1,397,987	1,458,961
End of year or period*	\$ 2,801,620	\$ 3,155,689	\$ 3,132,146	\$ 1,246,052	\$ 1,426,891	\$ 1,397,987
* Including undistributed (overdistributed) net investment income of:	\$ (94,646)	\$ (9,006)	\$ (24,101)	\$ (32,279)	\$ 35,117	\$ 22,795
** Common Share Transactions:						
Shares issued as reinvestment of distributions	0	0	0	372	0	41

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

(a) Fiscal year end changed from December 31st to June 30th.

(b) Fiscal year end changed from March 31st to June 30th.

(c) Determined in accordance with federal income tax regulations, see Note 2(c) in the Notes to Financial Statements for more information.

(d) Total distributions for the period ended June 30, 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 June 30, 2015.

Statements of Cash Flows

Six Months Ended December 31, 2015 (Unaudited)

(Amounts in thousands)	PCM Fund, Inc	PIMCO Global StocksPLUS® & Income Fund	PIMCO Income Opportunity Fund	PIMCO Strategic Income Fund, Inc.
Cash Flows Provided by Operating Activities:				
Net (decrease) in net assets resulting from operations	\$ (4,381)	\$ (9,644)	\$ (24,231)	\$ (1,214)
Adjustments to Reconcile Net (Decrease) in Net Assets from Operations to Net Cash Provided by Operating Activities:				
Purchases of long-term securities	(20,222)	(13,731)	(27,495)	(303,474)
Proceeds from sales of long-term securities	26,421	19,681	75,986	323,581
(Purchases) Proceeds from sales of short-term portfolio investments, net	(1,004)	4,407	15,497	10,871
(Increase) decrease in deposits with counterparty	31	(12,839)	(1,102)	(3,762)
(Increase) decrease in receivable for investments sold	11	(5,433)	(1,243)	3,070
(Increase) decrease in interest and dividends receivable	101	(143)	282	328
Decrease in exchange-traded or centrally cleared financial derivative instruments	(213)	(1,020)	(2,683)	(7,260)
(Increase) decrease in over the counter financial derivative instruments	109	(332)	296	3,197
(Increase) decrease in other assets	0	0	(1)	2
Increase in payable for investments purchased	575	7,352	1,738	42,885
Increase (decrease) in deposits from counterparty	0	182	(3,009)	(830)
Increase (decrease) in accrued investment advisory fees	9	3	(64)	18
Proceeds from (Payments on) foreign currency transactions	0	(8)	209	(44)
(Decrease) in other liabilities	(65)	(58)	(94)	(443)
<i>Net Realized (Gain) Loss</i>				
Investments in securities	(1,899)	(989)	(3,346)	(2,529)
Exchange-traded or centrally cleared financial derivative instruments	133	9,980	3,342	9,216
Over the counter financial derivative instruments	(3,324)	(1,835)	(9,659)	(3,176)
Foreign currency	0	(2)	(271)	15
<i>Net Change in Unrealized (Appreciation) Depreciation</i>				
Investments in securities	10,980	10,022	36,303	12,572
Exchange-traded or centrally cleared financial derivative instruments	95	(7,155)	(313)	(804)
Over the counter financial derivative instruments	3,252	5,436	15,782	611
Foreign currency assets and liabilities	0	(357)	(1,056)	29
Net amortization (accretion) on investments	55	157	(1,294)	(200)
Net Cash Provided by Operating Activities	10,664	3,674	73,574	82,659
Cash Flows (Used for) Financing Activities:				
Increase (decrease) in overdraft due to custodian	0	0	849	0
Cash dividend paid*	(5,538)	(10,798)	(24,698)	(20,090)
Proceeds from reverse repurchase agreements	145,811	115,802	428,749	401,921
Payments on reverse repurchase agreements	(151,007)	(109,215)	(479,046)	(417,846)
Proceeds from sale-buyback transactions	0	0	0	3,419,948
Payments on sale-buyback transactions	0	0	0	(3,466,649)
Proceeds from mortgage dollar rolls	0	0	0	2,038,825
Payments on mortgage dollar rolls	0	0	0	(2,038,671)
Proceeds from deposits from counterparty	0	0	768	280
Payments on deposits from counterparty	0	0	(1,316)	(280)
Net Cash (Used for) Financing Activities	(10,734)	(4,211)	(74,694)	(82,562)
Net Increase (Decrease) in Cash and Foreign Currency	(70)	(537)	(1,120)	97
Cash and Foreign Currency:				
Beginning of period	82	886	1,309	482
End of period	\$ 12	\$ 349	\$ 189	\$ 579

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSRS

* Reinvestment of distributions	\$	0	\$	794	\$	0	\$	1,632
Supplemental Disclosure of Cash Flow Information:								
Interest expense paid during the period	\$	453	\$	375	\$	1,254	\$	144

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

Consolidated Statements of Cash Flows

Six Months Ended December 31, 2015 (Unaudited)

	PIMCO Dynamic Credit Income Fund	PIMCO Dynamic Income Fund
(Amounts in thousands)		
Cash Flows Provided by (Used for) Operating Activities:		
Net (decrease) in net assets resulting from operations	\$ (189,575)	\$ (13,055)
Adjustments to Reconcile Net (Decrease) in Net Assets from Operations to Net Cash Provided by (Used for)		
Operating Activities:		
Purchases of long-term securities	(848,865)	(367,354)
Proceeds from sales of long-term securities	870,836	254,994
Proceeds from sales of short-term portfolio investments, net	137,373	35,760
(Increase) decrease in deposits with counterparty	(26,184)	5,000
(Increase) decrease in receivable for investments sold	127,823	(15,351)
Decrease in interest and dividends receivable	5,960	1,252
(Increase) in exchange-traded or centrally cleared financial derivative instruments	(8,675)	(6,723)
Decrease in over the counter financial derivative instruments	20,068	25,246
Decrease in other assets	4	3
Increase (decrease) in payable for investments purchased	(70,677)	9,713
Increase (decrease) in deposits from counterparty	1,958	(5,190)
Increase (decrease) in accrued investment advisory fees	(825)	140
Payments on foreign currency transactions	(2,529)	(1,065)
(Decrease) in other liabilities	(322)	(159)
<i>Net Realized (Gain) Loss</i>		
Investments in securities	46,446	9,365
Exchange-traded or centrally cleared financial derivative instruments	(17,690)	(2,409)
Over the counter financial derivative instruments	(34,869)	(25,445)
Foreign currency	1,685	824
<i>Net Change in Unrealized (Appreciation) Depreciation</i>		
Investments in securities	228,517	85,201
Exchange-traded or centrally cleared financial derivative instruments	29,151	10,246
Over the counter financial derivative instruments	26,922	5,918
Foreign currency assets and liabilities	(11,733)	(5,153)
Net amortization (accretion) on investments	(13,282)	(7,056)
Net Cash Provided by (Used for) Operating Activities	271,517	(5,298)
Cash Flows (Used for) Financing Activities:		
Increase in overdraft due to custodian	1,844	0
Cash dividend paid*	(163,422)	(167,307)
Proceeds from reverse repurchase agreements	4,119,478	1,780,149
Payments on reverse repurchase agreements	(4,229,896)	(1,613,974)
Proceeds from deposits from counterparty	8,969	981
Payments on deposits from counterparty	(8,787)	(2,661)
Net Cash (Used for) Financing Activities	(271,814)	(2,812)
Net (Decrease) in Cash and Foreign Currency	(297)	(8,110)
Cash and Foreign Currency:		
Beginning of period	24,087	14,260
End of period	\$ 23,790	\$ 6,150
* Reinvestment of distributions	\$ 0	\$ 10,128
Supplemental Disclosure of Cash Flow Information:		
Interest expense paid during the period	\$ 10,374	\$ 6,705

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSRS

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

26 PIMCO CLOSED-END FUNDS

See Accompanying Notes

Schedule of Investments PCM Fund, Inc.

December 31, 2015 (Unaudited)

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
INVESTMENTS IN SECURITIES 172.2%		
BANK LOAN OBLIGATIONS 4.9%		
Cactus Wellhead LLC		
7.000% due 07/31/2020	\$ 494	\$ 367
Energy Future Intermediate Holding Co. LLC		
4.250% due 06/19/2016	2,274	2,270
Getty Images, Inc.		
4.750% due 10/18/2019	380	241
iHeartCommunications, Inc.		
7.174% due 01/30/2019	3,000	2,115
Sequa Corp.		
5.250% due 06/19/2017	830	577
Total Bank Loan Obligations (Cost \$6,857)		5,570
CORPORATE BONDS & NOTES 28.7%		
BANKING & FINANCE 12.6%		
American International Group, Inc.		
8.175% due 05/15/2068 (g)	600	791
Blackstone CQP Holdco LP		
9.296% due 03/19/2019	3,926	3,916
Cantor Fitzgerald LP		
7.875% due 10/15/2019 (g)	740	814
Communications Sales & Leasing, Inc.		
8.250% due 10/15/2023 (g)	600	515
Exeter Finance Corp.		
9.750% due 05/20/2019	800	786
Ford Motor Credit Co. LLC		
8.000% due 12/15/2016 (g)	500	529
Jefferies Finance LLC		
7.500% due 04/15/2021	187	165
Jefferies LoanCore LLC		
6.875% due 06/01/2020 (g)	800	768
KGH Intermediate Holdco LLC		
8.500% due 08/08/2019 (e)	1,453	1,217
Navient Corp.		
5.500% due 01/15/2019 (g)	1,000	937
8.450% due 06/15/2018 (g)	850	897
OneMain Financial Holdings, Inc.		
7.250% due 12/15/2021 (g)	536	539
Springleaf Finance Corp.		
6.500% due 09/15/2017 (g)	455	465
6.900% due 12/15/2017 (g)	1,200	1,245
Toll Road Investors Partnership LP		
0.000% due 02/15/2045 (c)	3,515	738
		14,322
INDUSTRIALS 13.6%		
Ancestry.com Holdings LLC (9.625% Cash or 10.375% PIK)		
9.625% due 10/15/2018 (b)(g)	255	252
Boxer Parent Co., Inc. (9.000% Cash or 9.750% PIK)		
9.000% due 10/15/2019 (b)(g)	1,089	679
Caesars Entertainment Operating Co., Inc.		

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSRS

8.500% due 02/15/2020 ^ ^(d) (g)	3,143	2,404
9.000% due 02/15/2020 ^ ^(d)	182	139
California Resources Corp.		
6.000% due 11/15/2024 (g)	748	230
Chesapeake Energy Corp.		
3.571% due 04/15/2019	20	6
CVS Pass-Through Trust		
5.880% due 01/10/2028 (g)	1,402	1,508
7.507% due 01/10/2032 (g)	866	1,023
Forbes Energy Services Ltd.		
9.000% due 06/15/2019 (g)	1,900	921
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Global Geophysical Services, Inc.		
10.500% due 05/01/2017 ^	\$ 285	\$ 20
Intrepid Aviation Group Holdings LLC		
6.875% due 02/15/2019	1,700	1,402
Rockies Express Pipeline LLC		
6.875% due 04/15/2040	252	218
Scientific Games International, Inc.		
10.000% due 12/01/2022 (g)	650	465
Sequa Corp.		
7.000% due 12/15/2017	1,140	368
Spanish Broadcasting System, Inc.		
12.500% due 04/15/2017 (g)	2,290	2,258
UAL Pass-Through Trust		
6.636% due 01/02/2024 (g)	618	659
9.750% due 07/15/2018	394	417
10.400% due 05/01/2018	210	223
UCP, Inc.		
8.500% due 10/21/2017	1,300	1,299
Warren Resources, Inc.		
9.000% due 08/01/2022	1,000	155
Westmoreland Coal Co.		
8.750% due 01/01/2022 (g)	1,264	784
		15,430
UTILITIES 2.5%		
Frontier Communications Corp.		
8.875% due 09/15/2020	90	91
10.500% due 09/15/2022	150	149
11.000% due 09/15/2025	150	149
Illinois Power Generating Co.		
6.300% due 04/01/2020 (g)	1,515	917
7.950% due 06/01/2032 (g)	1,024	599
Sprint Corp.		
7.125% due 06/15/2024 (g)	1,246	913
		2,818
Total Corporate Bonds & Notes (Cost \$38,171)		32,570
MUNICIPAL BONDS & NOTES 1.1%		
ARKANSAS 0.5%		
Little Rock Municipal Property Owners Multipurpose Improvement District No. 10, Arkansas Special Tax Bonds, Series 2007		
7.200% due 03/01/2032	545	518
WEST VIRGINIA 0.6%		
Tobacco Settlement Finance Authority, West Virginia Revenue Bonds, Series 2007		
7.467% due 06/01/2047	855	741
Total Municipal Bonds & Notes (Cost \$1,345)		1,259
U.S. GOVERNMENT AGENCIES 2.5%		
Freddie Mac		

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSRS

0.645% due 01/25/2021 (a)	2,819	69
0.737% due 10/25/2020 (a)(g)	8,910	256
3.615% due 06/25/2041 (a)(g)	10,500	1,794
7.972% due 12/25/2027	700	655

Total U.S. Government Agencies (Cost \$2,581) 2,774

NON-AGENCY MORTGAGE-BACKED SECURITIES 74.1%

Adjustable Rate Mortgage Trust

	297 PRINCIPAL AMOUNT (000S)	257 MARKET VALUE (000S)
2.805% due 01/25/2036 ^		
Banc of America Alternative Loan Trust		
6.243% due 04/25/2037 ^(g)	\$ 394	\$ 305
Banc of America Funding Trust		
2.811% due 12/20/2034	626	569
5.660% due 03/20/2036	181	163
5.806% due 03/25/2037 ^	184	164
7.000% due 10/25/2037 ^	819	517
Banc of America Mortgage Trust		
2.761% due 06/20/2031	522	536
2.834% due 06/25/2035	227	220
2.869% due 11/25/2034	382	382
BCAP LLC Trust		
0.407% due 07/26/2036	87	67
BCRR Trust		
5.858% due 07/17/2040	1,000	1,042
Bear Stearns ALT-A Trust		
0.592% due 04/25/2037	1,265	936
2.660% due 08/25/2036 ^	993	846
2.702% due 11/25/2036 ^	1,090	790
2.753% due 01/25/2047	79	57
2.862% due 05/25/2036 ^	402	308
2.941% due 05/25/2036	61	44
2.956% due 08/25/2036 ^	448	337
3.617% due 09/25/2034	244	243
4.813% due 07/25/2035 ^	195	162
Bear Stearns Commercial Mortgage Securities Trust		
5.722% due 06/11/2040 (g)	1,579	1,618
6.901% due 05/11/2039 (g)	476	483
BRAD Resecuritization Trust		
2.178% due 03/12/2021	2,522	195
6.550% due 03/12/2021	471	481
CBA Commercial Small Balance Commercial Mortgage		
5.540% due 01/25/2039 ^	673	587
Chase Mortgage Finance Trust		
6.000% due 03/25/2037 ^	354	309
Citigroup Commercial Mortgage Trust		
0.530% due 05/15/2043 (a)	2,492	0
5.710% due 12/10/2049 (g)	2,500	2,586
Citigroup Mortgage Loan Trust, Inc.		
2.589% due 10/25/2035	228	186
2.684% due 11/25/2036 ^	269	240
2.792% due 08/25/2035 ^	179	169
Citigroup Mortgage Loan Trust, Inc. Mortgage Pass-Through Certificates		
2.838% due 09/25/2035 ^	340	296
CitiMortgage Alternative Loan Trust		
5.500% due 04/25/2022 ^	70	72
COBALT Commercial Mortgage Trust		
5.223% due 08/15/2048 (g)	1,494	1,519
Commercial Mortgage Trust		
6.126% due 07/10/2046 (g)	690	740
6.586% due 07/16/2034	618	633
6.922% due 07/16/2034 (g)	1,500	1,541
Countrywide Alternative Loan Trust		
0.702% due 02/25/2037 (g)	426	334
0.712% due 02/25/2036 ^	1,235	1,142
1.257% due 12/25/2035 (g)	2,761	2,319

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSRS

5.500% due 03/25/2035	932	784
6.000% due 11/25/2035 ^	227	114
6.000% due 04/25/2036 ^(g)	5,069	4,286
Countrywide Home Loan Mortgage Pass-Through Trust		
0.742% due 03/25/2035	299	235
2.559% due 09/20/2036 ^	214	191
2.593% due 02/20/2036 ^	22	20
2.718% due 09/25/2047 ^	834	754
6.000% due 05/25/2037 ^	492	445
Credit Suisse First Boston Mortgage Securities Corp.		
7.000% due 02/25/2033	98	103

See Accompanying Notes

SEMIANNUAL REPORT DECEMBER 31, 2015 27

Schedule of Investments PCM Fund, Inc. (Cont.)

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Credit Suisse Mortgage Capital Mortgage-Backed Trust		
5.896% due 04/25/2036	\$ 350	\$ 268
6.000% due 07/25/2036	2,080	1,597
6.500% due 05/25/2036 ^	238	154
FFCA Secured Franchise Loan Trust		
0.959% due 09/18/2027 (a)	2,265	63
First Horizon Alternative Mortgage Securities Trust		
2.298% due 08/25/2035 ^	149	40
First Horizon Mortgage Pass-Through Trust		
2.608% due 04/25/2035	151	151
FREMF Mortgage Trust		
0.100% due 05/25/2020 (a)	14,337	46
GS Mortgage Securities Trust		
1.469% due 08/10/2043 (a)	14,720	795
2.519% due 05/10/2045 (a)	6,127	549
6.079% due 08/10/2043 (g)	1,670	1,758
GSR Mortgage Loan Trust		
2.835% due 03/25/2047 (g)	1,898	1,649
HarborView Mortgage Loan Trust		
0.453% due 01/19/2036	1,057	720
4.007% due 06/19/2036 ^	463	318
IndyMac Mortgage Loan Trust		
1.222% due 11/25/2034	175	159
2.813% due 05/25/2036	259	186
2.928% due 06/25/2037	686	636
JPMorgan Alternative Loan Trust		
6.500% due 03/25/2036	1,748	1,526
JPMorgan Chase Commercial Mortgage Securities Corp.		
1.334% due 03/12/2039 (a)	555	8
JPMorgan Chase Commercial Mortgage Securities Trust		
0.457% due 02/15/2046 (a)	61,000	1,567
5.695% due 02/12/2049 (g)	1,348	1,392
5.794% due 02/12/2051 (g)	1,056	1,099
5.937% due 02/15/2051	29	29
6.450% due 05/12/2034 (g)	2,848	2,913
JPMorgan Commercial Mortgage-Backed Securities Trust		
5.637% due 03/18/2051 (g)	4,100	4,293
JPMorgan Mortgage Trust		
2.726% due 07/25/2035	163	164
LB Commercial Mortgage Trust		
5.600% due 10/15/2035	286	293
5.898% due 07/15/2044 (g)	928	963
LB-UBS Commercial Mortgage Trust		
5.347% due 11/15/2038 (g)	1,278	1,302
Lehman Mortgage Trust		
5.000% due 08/25/2021 ^	566	549
5.945% due 04/25/2036	280	252
6.000% due 05/25/2037 ^	642	627
Luminent Mortgage Trust		
0.391% due 12/25/2036	1,055	857
MASTR Adjustable Rate Mortgages Trust		
2.632% due 11/25/2035 ^	774	599
MASTR Asset Securitization Trust		
6.000% due 06/25/2036 ^	810	785
Merrill Lynch Mortgage Investors Trust		
0.842% due 07/25/2030	336	309
1.082% due 11/25/2029	179	174
2.798% due 11/25/2035	306	305
Morgan Stanley Capital Trust		
0.216% due 11/12/2049 (a)	53,679	155

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSRS

5.447% due 02/12/2044 (g)	2,000	2,047
5.692% due 04/15/2049	315	323
5.809% due 12/12/2049 (g)	474	495
Morgan Stanley Capital, Inc.		
6.010% due 11/15/2030 (g)	1,812	1,854
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
Morgan Stanley Mortgage Loan Trust		
2.717% due 01/25/2035 ^	\$ 370	\$ 180
6.000% due 08/25/2037 ^	388	359
Morgan Stanley Resecuritization Trust		
5.348% due 03/26/2037	5,748	4,444
Regal Trust		
2.151% due 09/29/2031	244	226
Residential Accredit Loans, Inc. Trust		
3.811% due 01/25/2036 ^	586	476
6.000% due 08/25/2035 ^(g)	381	353
6.500% due 09/25/2037 ^	393	304
Residential Asset Securitization Trust		
6.000% due 03/25/2037 ^	308	216
Residential Funding Mortgage Securities, Inc. Trust		
6.000% due 06/25/2036 ^	439	404
Royal Bank of Scotland Capital Funding Trust		
5.223% due 08/16/2048 (g)	1,000	1,017
5.336% due 05/16/2047 (g)	1,000	1,022
6.068% due 02/17/2051	2,744	2,757
Structured Adjustable Rate Mortgage Loan Trust		
4.035% due 01/25/2036 ^(g)	483	372
4.391% due 11/25/2036 ^	257	247
4.456% due 04/25/2036 ^(g)	587	438
5.042% due 09/25/2036 ^	385	345
Structured Asset Mortgage Investments Trust		
0.632% due 08/25/2036 ^	1,222	939
Structured Asset Securities Corp. Trust		
5.000% due 05/25/2035	81	82
TBW Mortgage-Backed Trust		
6.000% due 07/25/2036 ^	207	154
Wachovia Bank Commercial Mortgage Trust		
0.943% due 10/15/2041 (a)	4,844	4
5.509% due 04/15/2047 (g)	1,000	1,029
WaMu Commercial Mortgage Securities Trust		
5.773% due 03/23/2045 (g)	1,000	1,010
WaMu Mortgage Pass-Through Certificates Trust		
0.912% due 06/25/2044	739	644
2.300% due 12/25/2036 ^(g)	596	520
Washington Mutual Mortgage Pass-Through Certificates Trust		
6.500% due 08/25/2036 ^(g)	2,085	1,549
Wells Fargo Alternative Loan Trust		
5.500% due 07/25/2022	55	55
Wells Fargo-RBS Commercial Mortgage Trust		
0.985% due 02/15/2044 (a)(g)	23,212	616
Total Non-Agency Mortgage-Backed Securities (Cost \$73,691)		84,058
ASSET-BACKED SECURITIES 54.7%		
Asset-Backed Securities Corp. Home Equity Loan Trust		
1.517% due 02/25/2035	56	46
2.147% due 12/25/2034 (g)	2,496	2,235
3.652% due 06/21/2029	156	148
Associates Manufactured Housing Pass-Through Certificates		
7.150% due 03/15/2028 (g)	428	501
Bayview Financial Acquisition Trust		
0.512% due 12/28/2036	229	221
Bear Stearns Asset-Backed Securities Trust		
0.802% due 06/25/2036	32	32
2.934% due 07/25/2036	435	412
5.500% due 12/25/2035	86	74
Bombardier Capital Mortgage Securitization Corp.		

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSRS

7.830% due 06/15/2030	1,197	648
Centex Home Equity Loan Trust		
0.922% due 01/25/2035	1,647	1,365
	PRINCIPAL	MARKET
	AMOUNT	VALUE
	(000S)	(000S)
Citigroup Mortgage Loan Trust, Inc.		
0.582% due 12/25/2036 (g)	\$ 1,951	\$ 1,293
0.671% due 11/25/2045 (g)	5,300	4,829
0.682% due 03/25/2037 (g)	5,699	4,448
Conseco Finance Securitizations Corp.		
7.960% due 05/01/2031	399	300
9.163% due 03/01/2033	970	863
Countrywide Asset-Backed Certificates		
0.552% due 12/25/2036 ^(g)	1,740	1,569
0.562% due 06/25/2035 (g)	3,903	3,015
0.562% due 01/25/2037	1,241	1,168
0.562% due 06/25/2047 ^(g)	4,236	3,285
0.622% due 06/25/2037 ^(g)	1,098	993
0.662% due 05/25/2036	7,772	4,104
2.072% due 06/25/2035 (g)	4,000	2,964
5.397% due 10/25/2032 ^	882	769
EMC Mortgage Loan Trust		
1.521% due 02/25/2041	379	370
Fremont Home Loan Trust		
0.602% due 04/25/2036 (g)	1,791	1,527
GE Capital Mortgage Services, Inc. Trust		
6.705% due 04/25/2029	160	146
GSAMP Trust		
2.222% due 06/25/2035	2,200	1,814
HSI Asset Securitization Corp. Trust		
0.532% due 04/25/2037	2,448	1,390
IndyMac Home Equity Mortgage Loan Asset-Backed Trust		
0.662% due 04/25/2037 (g)	6,056	3,742
Keystone Owner Trust		
9.000% due 01/25/2029	56	31
Lehman XS Trust		
5.420% due 11/25/2035 ^(g)	353	356
MASTR Asset-Backed Securities Trust		
0.532% due 08/25/2036	4,007	1,913
Morgan Stanley ABS Capital, Inc. Trust		
1.202% due 12/25/2034	237	195
Renaissance Home Equity Loan Trust		
7.238% due 09/25/2037 ^	4,404	2,661
Residential Asset Mortgage Products Trust		
1.162% due 09/25/2032	54	50
1.517% due 12/25/2033	873	810
Residential Asset Securities Corp. Trust		
0.882% due 06/25/2031	1,895	1,772
1.112% due 08/25/2035 (g)	4,350	3,261
Securitized Asset-Backed Receivables LLC Trust		
0.872% due 10/25/2035 (g)	5,500	4,243
Southern Pacific Secured Asset Corp.		
0.762% due 07/25/2029	25	24
Structured Asset Investment Loan Trust		
2.147% due 10/25/2034	1,986	1,671
4.922% due 10/25/2033	68	29
UCFC Manufactured Housing Contract		
7.900% due 01/15/2028 ^	606	626
UPS Capital Business Credit		
6.081% due 04/15/2026	1,856	44
Total Asset-Backed Securities (Cost \$62,579)		61,957
	SHARES	
COMMON STOCKS 0.1%		
ENERGY 0.1%		
SemGroup Corp. A	2,654	77

Total Common Stocks (Cost \$74)

77

28 PIMCO CLOSED-END FUNDS

See Accompanying Notes

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSRS

December 31, 2015 (Unaudited)

	SHARES	MARKET VALUE (000S)
WARRANTS 0.0%		
INDUSTRIALS 0.0%		
Global Geophysical Services, Inc. - Exp. 05/01/2049	1,239	\$ 0
Total Warrants (Cost \$12)		0
SHORT-TERM INSTRUMENTS 6.1%		
REPURCHASE AGREEMENTS (f) 0.2%		
		268
SHORT-TERM NOTES 4.4%		
Fannie Mae		
0.228% due 01/14/2016 - 02/03/2016	\$ 900	900
	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
0.264% due 02/10/2016	\$ 300	\$ 300
Federal Home Loan Bank		
0.137% due 01/19/2016	200	200
0.162% due 01/29/2016 - 02/03/2016	900	899
0.188% due 01/20/2016 - 01/29/2016	1,300	1,300
0.193% due 02/08/2016	100	100
0.213% due 01/27/2016	100	100
0.244% due 01/26/2016	500	500
0.294% due 02/19/2016	100	100
0.304% due 01/25/2016	100	100
0.314% due 01/26/2016 - 01/28/2016	300	300
0.375% due 02/19/2016	200	200
		4,999
U.S. TREASURY BILLS 1.5%		
0.193% due 01/14/2016 (j)	\$ 1,703	\$ 1,703
Total Short-Term Instruments (Cost \$6,970)		6,970
Total Investments in Securities (Cost \$192,280)		195,235
Total Investments 172.2% (Cost \$192,280)		\$ 195,235
Financial Derivative Instruments (1.5%) (h)(i)		
(Cost or Premiums, net \$(1,676))		(1,666)
Other Assets and Liabilities, net (70.7%)		(80,253)
Net Assets 100.0%		\$ 113,316

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSRS

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) Zero coupon bond.

(d) Security is subject to a forbearance agreement entered into by the Fund which forbears the Fund from taking action to, among other things, accelerate and collect payments on the subject note with respect to specified events of default.

(e) RESTRICTED SECURITIES:

Issuer Description	Coupon	Maturity Date	Acquisition Date	Cost	Market Value	Market Value as Percentage of Net Assets
KGH Intermediate Holdco LLC	8.500%	08/08/2019	08/07/2014	\$ 1,431	\$ 1,217	1.07%

BORROWINGS AND OTHER FINANCING TRANSACTIONS

(f) REPURCHASE AGREEMENTS:

Counterparty	Lending Rate	Settlement Date	Maturity Date	Principal Amount	Collateralized By	Collateral (Received)	Repurchase Agreements, at Value	Repurchase Agreement Proceeds to be Received ⁽¹⁾
SAL	0.580%	12/31/2015	01/04/2016	\$ 100	U.S. Treasury Notes 2.750% due 02/15/2024	\$ (102)	\$ 100	\$ 100
SSB	0.010	12/31/2015	01/04/2016	168	Fannie Mae 2.170% due 10/17/2022	(172)	168	168
Total Repurchase Agreements						\$ (274)	\$ 268	\$ 268

⁽¹⁾ Includes accrued interest.

REVERSE REPURCHASE AGREEMENTS:

Counterparty	Borrowing Rate	Borrowing Date	Maturity Date	Amount Borrowed ⁽³⁾	Payable for Reverse Repurchase Agreements
BCY	(1.000%)	12/11/2015	(TBD) ⁽²⁾	\$ (363)	\$ (363)
	(0.375)	12/15/2015	(TBD) ⁽²⁾	(293)	(293)
	0.213	10/02/2015	04/01/2016	(1,186)	(1,193)
	0.900	11/24/2015	(TBD) ⁽²⁾	(1,512)	(1,512)
	1.179	10/30/2015	02/01/2016	(192)	(192)

Edgar Filing: PIMCO Dynamic Income Fund - Form N-CSRS

	1.573	10/07/2015	01/07/2016	(556)	(558)
	1.992	12/11/2015	03/11/2016	(1,251)	(1,253)
	2.131	10/02/2015	04/01/2016	(1,147)	(1,153)
	2.134	10/01/2015	04/01/2016	(2,022)	(2,033)
	2.176	10/01/2015	10/03/2016	(2,258)	(2,271)
BOS	2.198	07/06/2015	01/06/2016	(1,845)	(1,865)
DEU	1.000	10/02/2015	01/04/2016	(2,019)	(2,024)
	1.000	10/08/2015	01/08/2016	(2,147)	(2,152)
	1.000	10/28/2015	01/28/2016	(1,372)	(1,375)

See Accompanying Notes

SEMIANNUAL REPORT DECEMBER 31, 2015 **29**

Schedule of Investments PCM Fund, Inc. (Cont.)

Counterparty	Borrowing Rate	Borrowing Date	Maturity Date	Amount Borrowed ⁽³⁾	Payable for Reverse Repurchase Agreements
	1.000%	11/04/2015	02/04/2016	\$ (1,517)	\$ (1,520)
	1.050	11/12/2015	02/12/2016	(433)	(434)
	1.100	11/30/2015	03/01/2016	(2,342)	(2,344)
	1.300	01/04/2016	04/04/2016	(1,741)	(1,741)
JPS	1.163	07/14/2015	01/14/2016	(1,470)	(1,478)
	1.242	12/11/2015	03/11/2016	(1,726)	(1,727)
	1.254	08/07/2015	02/08/2016	(1,904)	(1,914)
	1.992	12/11/2015	03/11/2016	(2,074)	(2,077)
MSC	1.200	10/16/2015	01/19/2016	(3,698)	(3,708)
RDR	0.630	10/08/2015	01/08/2016	(774)	(775)
	0.630	11/03/2015	02/03/2016	(523)	(524)
	1.050	11/13/2015	05/13/2016	(249)	(249)
	1.100	12/24/2015	05/27/2016	(737)	(737)
	1.170	08/03/2015	02/03/2016	(921)	(926)
	1.200	12/01/2015	06/01/2016	(579)	(580)
	1.280	11/23/2015	02/23/2016	(1,177)	(1,179)
	1.470	08/03/2015	02/03/2016	(877)	(882)
	1.530	10/14/2015	04/14/2016	(552)	(554)
	1.570	11/10/2015	05/10/2016	(848)	(850)
RTA	1.521	11/09/2015	05/09/2016	(3,747)	(3,756)
	1.521	11/12/2015	05/12/2016	(5,661)	(5,674)
	1.616	03/24/2015	03/24/2016	(1,104)	(1,118)
	1.628	04/14/2015	04/15/2016	(2,709)	(2,741)
	1.732	07/27/2015	07/26/2016	(3,254)	(3,279)
SAL	1.167	11/19/2015	02/19/2016	(1,816)	(1,819)
	1.195	07/07/2015	01/07/2016	(2,361)	(2,375)
	1.254	07/14/2015	01/14/2016	(1,414)	(1,423)
	1.349	11/02/2015	05/02/2016	(2,247)	(2,252)
	1.395	11/13/2015	05/13/2016	(2,287)	(2,292)
SOG	0.840	10/14/2015	01/14/2016	(853)	(855)
	0.840	10/19/2015	01/19/2016	(816)	(817)
	0.840	10/29/2015	01/29/2016	(484)	(485)
	0.950	11/30/2015	03/01/2016	(875)	(876)
	0.990	11/24/2015	02/24/2016	(764)	(765)
UBS	0.900	10/20/2015	01/20/2016	(950)	(952)
	1.737	11/05/2015	02/05/2016	(2,220)	(2,226)
	1.737				