

PIMCO Dynamic Credit & Mortgage Income Fund  
Form N-Q  
November 28, 2016

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

**FORM N-Q**

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

<b>Investment Company Act File Number:</b>	<b>811-22758</b>
<b>Registrant Name:</b>	<b>PIMCO Dynamic Credit and Mortgage Income Fund</b>
Address of Principal Executive Offices:	1633 Broadway New York, NY 10019
Name and Address of Agent for Service:	William G. Galipeau 650 Newport Center Drive Newport Beach, CA 92660
Registrant's telephone number, including area code:	(844) 337-4626
Date of Fiscal Year End:	June 30
Date of Reporting Period:	September 30, 2016

**Item 1. Schedule of Investments**

**Consolidated Schedule of Investments****PIMCO Dynamic Credit and Mortgage Income Fund**

September 30, 2016 (Unaudited)

	PRINCIPAL AMOUNT (000S)	MARKET VALUE (000S)
<b>INVESTMENTS IN SECURITIES 178.6%</b>		
<b>BANK LOAN OBLIGATIONS 3.1%</b>		
<b>Energy Future Intermediate Holding Co. LLC</b>		
4.250% due 12/19/2016	\$ 41,072	\$ 41,244
<b>Fortescue Metals Group Ltd.</b>		
3.750% due 06/30/2019	8,152	8,153
<b>iHeartCommunications, Inc.</b>		
7.274% due 01/30/2019	24,775	19,082
<b>OGX</b>		
13.000% due 04/10/2049 (d)	2,107	928
<b>Sequa Corp.</b>		
5.250% due 06/19/2017	24,847	21,873
Total Bank Loan Obligations (Cost \$100,082)		91,280
<b>CORPORATE BONDS &amp; NOTES 43.3%</b>		
<b>BANKING &amp; FINANCE 18.4%</b>		
<b>AGFC Capital Trust</b>		
6.000% due 01/15/2067 (k)	20,300	10,353
<b>Banco Espirito Santo S.A.</b>		
2.625% due 05/08/2017 ^	EUR 6,900	1,822
4.000% due 01/21/2019 ^	15,000	3,960
<b>Banco Popular Espanol S.A.</b>		
11.500% due 10/10/2018 (g)(k)	3,700	4,302
<b>Barclays Bank PLC</b>		
7.625% due 11/21/2022 (k)	\$ 4,500	5,008
14.000% due 06/15/2019 (g)(k)	GBP 7,030	11,419
<b>Barclays PLC</b>		
6.500% due 09/15/2019 (g)	EUR 100	105
7.875% due 09/15/2022 (g)(k)	GBP 33,000	41,856
<b>Blackstone CQP Holdco LP</b>		
9.296% due 03/19/2019	\$ 92,893	94,054
<b>Credit Agricole S.A.</b>		
7.500% due 06/23/2026 (g)(k)	GBP 20,900	26,886
<b>Double Eagle Acquisition Sub, Inc.</b>		
7.500% due 10/01/2024 (c)	\$ 6,180	6,311
<b>Exeter Finance Corp.</b>		

Edgar Filing: PIMCO Dynamic Credit & Mortgage Income Fund - Form N-Q

9.750% due 05/20/2019		21,900	20,814
<b>Jefferies Finance LLC</b>			
7.500% due 04/15/2021 (k)		16,104	15,722
<b>Jefferies LoanCore LLC</b>			
6.875% due 06/01/2020 (k)		6,400	5,856
<b>KGH Intermediate Holdco LLC</b>			
12.000% due 08/08/2019 (i)		38,951	37,833
<b>Legg Mason PT</b>			
7.130% due 01/10/2021		11,567	12,092
8.600% due 08/10/2021		6,895	7,496
<b>Lloyds Banking Group PLC</b>			
7.625% due 06/27/2023 (g)(k)	GBP	18,967	25,199
7.875% due 06/27/2029 (g)(k)		20,250	27,347
<b>National Bank of Greece S.A.</b>			
3.875% due 10/07/2016	EUR	700	786
<b>Nationwide Building Society</b>			
10.250% due 6/29/2049 (g)	GBP	62	10,381
<b>Navient Corp.</b>			
8.000% due 03/25/2020 (k)	\$	9,500	10,213
<b>Novo Banco S.A.</b>			
5.000% due 05/21/2019	EUR	1,500	1,192
<b>OneMain Financial Holdings LLC</b>			
6.750% due 12/15/2019 (k)	\$	7,532	7,963
<b>Pinnacol Assurance</b>			
8.625% due 06/25/2034 (i)		23,200	25,298
<b>Rio Oil Finance Trust</b>			
9.250% due 07/06/2024 (k)		17,397	16,049
9.250% due 07/06/2024		1,114	1,027
9.750% due 01/06/2027		2,816	2,570
<b>Royal Bank of Scotland Group PLC</b>			
7.500% due 08/10/2020 (g)(k)		36,143	33,523
8.000% due 08/10/2025 (g)(k)		6,627	6,246
8.625% due 08/15/2021 (g)		1,500	1,481
<b>Santander UK Group Holdings PLC</b>			
7.375% due 06/24/2022 (g)(k)	GBP	18,300	23,476
<b>Sberbank of Russia Via SB Capital S.A.</b>			
6.125% due 02/07/2022	\$	1,900	2,099
6.125% due 02/07/2022 (k)		6,500	7,182

<b>Springleaf Finance Corp.</b>			
7.750% due 10/01/2021 (k)		3,650	3,842
8.250% due 12/15/2020 (k)		4,090	4,499
<b>TIG FinCo PLC</b>			
8.500% due 03/02/2020 (k)	GBP	3,318	4,402
8.750% due 04/02/2020 (k)		18,718	21,229
<b>UBS Group AG</b>			
5.750% due 02/19/2022 (g)(k)	EUR	3,600	4,174
<b>Vnesheconombank Via VEB Finance PLC</b>			
6.902% due 07/09/2020 (k)	\$	2,100	2,289
6.902% due 07/09/2020		700	763
			549,119
<b>INDUSTRIALS 18.0%</b>			
<b>Altice Financing S.A.</b>			
7.500% due 05/15/2026 (k)		11,300	11,794
<b>Altice Luxembourg S.A.</b>			
7.250% due 05/15/2022 (k)	EUR	3,627	4,312
<b>Ancestry.com Holdings LLC (9.625% Cash or 10.375% PIK)</b>			
9.625% due 10/15/2018 (d)(k)	\$	11,483	11,641
<b>Boxer Parent Co., Inc. (9.000% Cash or 9.750% PIK)</b>			
9.000% due 10/15/2019 (d)(k)		28,642	26,064
<b>Caesars Entertainment Operating Co., Inc.</b>			
8.500% due 02/15/2020 ^(h)(k)		71,973	75,572
9.000% due 02/15/2020 ^(h)		4,532	4,692
11.250% due 06/01/2017 ^(h)		5,098	5,276
<b>Chesapeake Energy Corp.</b>			
3.930% due 04/15/2019		134	126
6.250% due 01/15/2017	EUR	17,100	19,236
<b>Crimson Merger Sub, Inc.</b>			
6.625% due 05/15/2022 (k)	\$	7,905	6,996
<b>Dakota Merger Sub, Inc.</b>			
10.750% due 09/01/2024 (k)		13,000	12,772
<b>DriveTime Automotive Group, Inc.</b>			
8.000% due 06/01/2021 (k)		6,500	6,321
<b>Enterprise Inns PLC</b>			
6.875% due 02/15/2021 (k)	GBP	2,360	3,301
6.875% due 05/09/2025 (k)		2,210	2,896
<b>Forbes Energy Services Ltd.</b>			
9.000% due 06/15/2019 ^(h)	\$	8,140	2,076
<b>Harvest Operations Corp.</b>			
2.330% due 04/14/2021		20,638	20,764
<b>Hellenic Railways Organization S.A.</b>			
4.028% due 03/17/2017	EUR	6,400	7,082
5.014% due 12/27/2017		800	866
<b>iHeartCommunications, Inc.</b>			

Edgar Filing: PIMCO Dynamic Credit & Mortgage Income Fund - Form N-Q

9.000% due 03/01/2021 (k)	\$	36,570	27,382
<b>Intelsat Luxembourg S.A.</b>			
7.750% due 06/01/2021		15,815	5,338
8.125% due 06/01/2023		1,289	441
<b>Intrepid Aviation Group Holdings LLC</b>			
6.875% due 02/15/2019 (k)		40,120	36,309
<b>Millar Western Forest Products Ltd.</b>			
8.500% due 04/01/2021		18,266	9,704
<b>OGX Austria GmbH</b>			
8.375% due 04/01/2022 ^		6,000	0
8.500% due 06/01/2018 ^		48,450	1
<b>Perstorp Holding AB</b>			
8.750% due 05/15/2017 (k)		46,270	46,282
<b>Petroleos de Venezuela S.A.</b>			
6.000% due 11/15/2026		1,070	452
<b>Prime Security Services Borrower LLC</b>			
9.250% due 05/15/2023 (k)		8,680	9,483
<b>Russian Railways via RZD Capital PLC</b>			
7.487% due 03/25/2031	GBP	100	154
<b>Safeway, Inc.</b>			
7.250% due 02/01/2031	\$	1,200	1,197
<b>Schaeffler Holding Finance BV (6.875% Cash or 7.625% PIK)</b>			
6.875% due 08/15/2018 (d)(k)		2,250	2,295
<b>Sequa Corp.</b>			
7.000% due 12/15/2017		24,447	8,495
<b>SFR Group S.A.</b>			
7.375% due 05/01/2026 (k)		4,700	4,810
<b>Soho House Bond Ltd.</b>			
9.125% due 10/01/2018 (k)	GBP	15,350	20,194
<b>Spanish Broadcasting System, Inc.</b>			
12.500% due 04/15/2017 (k)	\$	60,430	60,581
<b>Tembec Industries, Inc.</b>			
9.000% due 12/15/2019 (k)		14,600	11,132
<b>UCP, Inc.</b>			
8.500% due 10/21/2017		23,300	23,182
<b>Unique Pub Finance Co. PLC</b>			
5.659% due 06/30/2027 (k)	GBP	7,799	10,612
7.395% due 03/28/2024 (k)		3,700	4,866

<b>Westmoreland Coal Co.</b>			
8.750% due 01/01/2022 (k)	\$	32,972	26,048
<b>Yellowstone Energy LP</b>			
5.750% due 12/31/2026		4,311	4,503
			535,248
<b>UTILITIES 6.9%</b>			
<b>Frontier Communications Corp.</b>			
10.500% due 09/15/2022 (k)		3,670	3,904
11.000% due 09/15/2025 (k)		3,670	3,840
<b>Gazprom Neft OAO Via GPN Capital S.A.</b>			
4.375% due 09/19/2022 (k)		5,400	5,447
6.000% due 11/27/2023 (k)		35,500	38,464
<b>Gazprom OAO Via Gaz Capital S.A.</b>			
5.999% due 01/23/2021 (k)		2,525	2,749
6.510% due 03/07/2022		400	446
7.288% due 08/16/2037 (k)		900	1,063
7.288% due 08/16/2037		488	577
8.625% due 04/28/2034 (k)		2,725	3,594
<b>Illinois Power Generating Co.</b>			
6.300% due 04/01/2020 (k)		34,047	13,789
7.950% due 06/01/2032		31,789	12,716
<b>Odebrecht Drilling Norbe Ltd.</b>			
6.350% due 06/30/2022		3,675	1,158
<b>Odebrecht Offshore Drilling Finance Ltd.</b>			
6.625% due 10/01/2023 (i)		784	153
6.750% due 10/01/2023 (i)		24,159	4,711
<b>Petrobras Global Finance BV</b>			
3.250% due 04/01/2019	EUR	200	226
3.737% due 03/17/2020 (k)	\$	5,000	4,900
5.375% due 10/01/2029 (k)	GBP	2,320	2,540
5.750% due 01/20/2020 (k)	\$	10,615	10,965
6.250% due 12/14/2026 (k)	GBP	6,398	7,762
6.625% due 01/16/2034 (k)		11,017	12,589
7.875% due 03/15/2019 (k)	\$	7,877	8,546
<b>Sierra Hamilton LLC</b>			
12.250% due 12/15/2018		30,000	21,919
<b>Sprint Capital Corp.</b>			
6.900% due 05/01/2019 (k)		3,550	3,692
<b>Sprint Communications, Inc.</b>			
7.000% due 08/15/2020 (k)		9,850	9,948
<b>Sprint Corp.</b>			
7.125% due 06/15/2024 (k)		22,613	22,161
7.875% due 09/15/2023 (k)		8,746	8,877
			206,736

Edgar Filing: PIMCO Dynamic Credit & Mortgage Income Fund - Form N-Q

Total Corporate Bonds & Notes (Cost \$1,470,414)	1,291,103
---	-----------

**MUNICIPAL BONDS & NOTES 0.7%**

**IOWA 0.0%**

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

6.500% due 06/01/2023	1,390	1,405
-----------------------	-------	-------

**NEW JERSEY 0.2%**

**New Jersey Economic Development Authority Revenue  
Bonds, Series 2005**

6.500% due 09/01/2036	6,675	6,849
-----------------------	-------	-------

**VIRGINIA 0.0%**

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

6.706% due 06/01/2046	95	82
-----------------------	----	----

**WEST VIRGINIA 0.5%**

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

7.467% due 06/01/2047	14,400	13,858
-----------------------	--------	--------

Total Municipal Bonds & Notes (Cost \$20,425)	22,194
--	--------

**U.S. GOVERNMENT AGENCIES 1.0%**

**Fannie Mae**

3.000% due 01/25/2042 (a)(k)	1,523	130
------------------------------	-------	-----

3.500% due 08/25/2032 (a)(k)	3,284	414
------------------------------	-------	-----

5.475% due 08/25/2038 (a)(k)	1,773	269
------------------------------	-------	-----

5.625% due 02/25/2043 (a)(k)	6,705	1,168
------------------------------	-------	-------

6.115% due 12/25/2036 (a)(k)	5,314	1,133
------------------------------	-------	-------

7.874% due 10/25/2042 (k)	2,795	3,155
---------------------------	-------	-------



<b>Freddie Mac</b>		
4.000% due 03/15/2027 (a)(k)	1,541	188
5.175% due 10/25/2028	4,600	4,845
5.676% due 09/15/2042 (a)(k)	2,311	357
5.976% due 12/15/2034 (a)	2,677	242
9.524% due 03/25/2029	4,800	4,832
11.025% due 10/25/2028	1,000	1,122
11.275% due 03/25/2025	7,283	8,258
<b>Ginnie Mae</b>		
3.500% due 06/20/2042 (a)(k)	1,713	137
5.588% due 08/20/2042 (a)(k)	4,278	893
5.718% due 12/20/2040 (a)(k)	4,070	698
6.170% due 08/16/2039 (a)(k)	5,027	618
Total U.S. Government Agencies (Cost \$26,826)		28,459

**NON-AGENCY MORTGAGE-BACKED SECURITIES****47.4%****Adjustable Rate Mortgage Trust**

0.675% due 03/25/2037 (k)	2,682	2,027
0.785% due 03/25/2036	7,825	4,876
3.452% due 03/25/2037 (k)	6,136	4,924
4.969% due 11/25/2037 ^	1,665	1,218

**American Home Mortgage Investment Trust**

6.600% due 01/25/2037	5,565	3,178
-----------------------	-------	-------

**ASG Resecuritization Trust**

6.000% due 06/28/2037 (k)	49,267	35,686
---------------------------	--------	--------

**Banc of America Alternative Loan Trust**

6.000% due 07/25/2035 ^	190	182
6.000% due 04/25/2036	2,091	1,735
6.000% due 07/25/2046 ^	2,301	2,031
6.500% due 02/25/2036 ^	4,189	3,936
15.784% due 09/25/2035 ^	566	689

**Banc of America Commercial Mortgage Trust**

5.695% due 07/10/2046 (k)	8,902	8,791
---------------------------	-------	-------

**Banc of America Funding Trust**

0.735% due 04/25/2037 ^	3,120	2,128
2.856% due 09/20/2046	3,943	3,290
3.261% due 04/20/2035 ^	5,158	3,806
3.314% due 09/20/2047 ^	790	596
3.355% due 09/20/2037	1,407	964
4.664% due 08/26/2036	6,225	4,544
6.000% due 10/25/2037 ^	6,568	4,873

**Banc of America Mortgage Trust**

5.750% due 10/25/2036 ^	2,807	2,316
5.750% due 05/25/2037 ^	1,971	1,514
6.000% due 10/25/2036 ^	341	284

<b>Bayview Commercial Asset Trust</b>		
0.745% due 03/25/2037	314	280
0.755% due 12/25/2036	491	427
0.955% due 08/25/2034	237	219
<b>BCAP LLC Trust</b>		
0.704% due 05/26/2036	6,313	3,472
0.754% due 02/26/2037	19,447	12,372
1.024% due 05/26/2035	7,568	3,912
1.189% due 02/26/2047	22,201	12,840
3.006% due 03/26/2037	3,793	3,036
3.065% due 07/26/2036	6,110	5,551
3.232% due 07/26/2036	1,548	1,257
4.452% due 03/27/2037	9,587	6,829
5.500% due 12/26/2035	14,992	12,483
6.237% due 10/26/2037	4,809	4,538
7.506% due 06/26/2037	8,138	7,838
8.320% due 11/26/2035	2,767	2,926
8.883% due 07/26/2036	831	846
14.823% due 01/26/2036	13,176	3,185
<b>Bear Stearns Adjustable Rate Mortgage Trust</b>		
2.973% due 02/25/2036 ^	1,904	1,607
<b>Bear Stearns ALT-A Trust</b>		
0.865% due 08/25/2036 (k)	45,653	37,108
1.025% due 01/25/2036 ^(k)	14,245	11,638
1.650% due 03/25/2035	7,702	5,878
2.738% due 03/25/2036	3,475	2,400
2.922% due 04/25/2037 (k)	9,454	7,211
2.931% due 08/25/2046 (k)	6,617	5,095
3.046% due 12/25/2046 ^	8,579	6,166
3.065% due 07/25/2036 (k)	66,890	37,141
3.267% due 09/25/2035 ^	9,558	7,257
<b>Bear Stearns Mortgage Funding Trust</b>		
7.500% due 08/25/2036	6,597	6,276
<b>Citigroup Mortgage Loan Trust, Inc.</b>		
2.710% due 08/25/2037	5,283	3,887
3.003% due 07/25/2036 ^	4,138	2,618
3.037% due 03/25/2037 ^	3,870	3,515
3.099% due 08/25/2034	6,115	4,527
5.243% due 04/25/2037 ^	1,014	869
5.500% due 12/25/2035	5,001	4,010
6.500% due 09/25/2036	1,924	1,475

<b>Citigroup/Deutsche Bank Commercial Mortgage Trust</b>		
5.398% due 12/11/2049 (k)	11,082	8,933
<b>Commercial Mortgage Loan Trust</b>		
6.296% due 12/10/2049 (k)	7,125	4,560
<b>Commercial Mortgage Trust</b>		
4.000% due 07/10/2046	8,000	6,971
5.951% due 07/10/2038 (k)	10,700	9,879
<b>Countrywide Alternative Loan Resecuritization Trust</b>		
2.884% due 03/25/2047	5,741	5,457
<b>Countrywide Alternative Loan Trust</b>		
0.705% due 05/25/2036 (k)	31,507	21,223
0.722% due 03/20/2047	1,098	769
0.735% due 08/25/2047 ^	2,413	1,979
0.742% due 05/20/2046 ^(k)	28,696	21,089
0.745% due 05/25/2047	22,304	11,098
0.755% due 03/25/2036 (k)	29,367	22,387
0.785% due 07/25/2036 (k)	12,000	8,992
0.832% due 11/20/2035	297	240
1.225% due 10/25/2035 ^	1,693	1,283
1.817% due 07/20/2035 ^(k)	19,823	14,982
2.960% due 05/25/2036 (k)	12,096	9,571
5.500% due 11/25/2035	3,281	2,454
5.500% due 02/25/2036 ^	2,302	2,010
5.500% due 02/25/2036 (k)	2,579	2,213
5.500% due 05/25/2036 ^(k)	2,742	2,575
5.500% due 05/25/2037	2,532	2,099
6.000% due 03/25/2035 ^(k)	642	531
6.000% due 02/25/2036 (k)	28,063	22,284
6.000% due 04/25/2036	967	721
6.000% due 01/25/2037 ^	1,984	1,912
6.000% due 02/25/2037 (k)	7,023	6,205
6.000% due 02/25/2037 ^	2,538	1,785
6.000% due 04/25/2037 ^	8,532	6,123
6.000% due 04/25/2037 (k)	12,662	11,040
6.000% due 08/25/2037	4,620	3,694
6.000% due 08/25/2037 ^(k)	16,550	13,231
6.250% due 12/25/2036 ^(k)	948	709
18.355% due 07/25/2035	189	254
<b>Countrywide Home Loan Mortgage Pass-Through Trust</b>		
2.395% due 03/25/2046 ^(k)	53,554	27,795
2.722% due 03/20/2036 (k)	354	354
2.941% due 05/20/2036 ^	4,265	3,426
6.000% due 01/25/2038 ^(k)	6,217	5,288
<b>Credit Suisse Commercial Mortgage Trust</b>		
2.592% due 11/25/2037	10,968	6,061
5.855% due 02/15/2039	3,410	3,102
<b>Credit Suisse First Boston Mortgage Securities Corp.</b>		
4.952% due 07/15/2037 (k)	4,620	4,157

Edgar Filing: PIMCO Dynamic Credit & Mortgage Income Fund - Form N-Q

6.000% due 01/25/2036		470	360
<b>Credit Suisse Mortgage Capital Certificates</b>			
2.575% due 10/26/2036 (k)		22,517	17,047
2.664% due 12/29/2037		5,391	3,717
2.758% due 05/27/2036		15,336	10,380
2.990% due 05/26/2036		9,313	5,638
3.039% due 09/26/2047		26,287	13,797
3.113% due 04/28/2037		7,136	5,345
5.750% due 05/26/2037 (k)		32,140	29,364
<b>Credit Suisse Mortgage Capital Mortgage-Backed Trust</b>			
6.000% due 07/25/2036		3,591	2,715
6.500% due 05/25/2036 ^		4,197	3,100
<b>DBUBS Mortgage Trust</b>			
4.652% due 11/10/2046		19,203	13,137
<b>Debussy PLC</b>			
5.930% due 07/12/2025 (k)	GBP	55,000	71,463
8.250% due 07/12/2025		10,000	11,236
<b>Deco Pan Europe Ltd.</b>			
0.503% due 04/27/2018	EUR	1,778	1,964
<b>Deutsche ALT-A Securities, Inc.</b>			
0.825% due 04/25/2037	\$	10,898	5,790
5.500% due 12/25/2035 ^		1,071	903
<b>Epic Drummond Ltd.</b>			
0.000% due 01/25/2022 (k)	EUR	39,096	43,040
<b>Eurosail PLC</b>			
1.979% due 09/13/2045	GBP	15,406	15,598
2.629% due 09/13/2045		10,990	10,185
4.229% due 09/13/2045		9,132	9,574
<b>First Horizon Alternative Mortgage Securities Trust</b>			
0.000% due 02/25/2020 (b)(f)	\$	21	19
0.000% due 05/25/2020 (b)(f)		30	27
0.000% due 06/25/2020 ^(b)(f)		14	13
0.000% due 03/25/2035 (b)(f)		173	134
<b>First Horizon Mortgage Pass-Through Trust</b>			
3.059% due 05/25/2037 ^		10,195	8,387

<b>Fondo de Titulizacion de Activos UCI</b>			
0.000% due 06/16/2049	EUR	4,108	3,815
<b>GC Pastor Hipotecario FTA</b>			
0.000% due 06/21/2046 (k)		14,532	12,487
<b>GE Commercial Mortgage Corp. Trust</b>			
5.606% due 12/10/2049 (k)	\$	44,200	43,821
<b>Greenwich Capital Commercial Funding Corp. Trust</b>			
6.572% due 06/10/2036		2,850	2,897
<b>Grifonas Finance PLC</b>			
0.088% due 08/28/2039	EUR	7,026	5,943
<b>GS Mortgage Securities Trust</b>			
5.830% due 04/10/2038	\$	3,582	3,526
<b>GSC Capital Corp. Mortgage Trust</b>			
0.705% due 05/25/2036 ^		4,605	3,573
<b>HarborView Mortgage Loan Trust</b>			
2.543% due 06/19/2045 ^		1,512	932
<b>HomeBanc Mortgage Trust</b>			
2.730% due 04/25/2037 ^		7,529	4,866
<b>HSI Asset Loan Obligation Trust</b>			
6.000% due 06/25/2037 ^		14,411	12,521
<b>IM Pastor Fondo de Titulizacion Hipotecaria</b>			
0.000% due 03/22/2043 (k)	EUR	35,109	31,277
<b>IM Pastor Fondo de Titulizacion de Activos</b>			
0.000% due 03/22/2044		1,271	1,151
<b>Impac Secured Assets Trust</b>			
0.695% due 01/25/2037 (k)	\$	10,233	9,367
<b>IndyMac Mortgage Loan Trust</b>			
0.705% due 02/25/2037		2,392	1,702
0.735% due 11/25/2036		365	325
2.918% due 11/25/2035 ^		6,604	5,487
3.358% due 06/25/2036		1,702	1,398
<b>Infinity SoPRANo</b>			
0.000% due 11/05/2019 (k)	EUR	6,988	7,742
<b>Jefferies Resecuritization Trust</b>			
6.000% due 12/26/2036	\$	4,202	1,787
<b>JPMorgan Alternative Loan Trust</b>			
1.024% due 06/27/2037 (k)		19,796	15,507
3.029% due 05/25/2036 ^		1,355	1,046
3.133% due 11/25/2036 ^		1,805	1,655
6.000% due 12/25/2035 ^		1,617	1,486
<b>JPMorgan Chase Commercial Mortgage Securities Trust</b>			
5.010% due 07/15/2042		3,195	3,111
5.664% due 01/12/2043 (k)		7,727	7,731
6.090% due 06/12/2041 (k)		10,975	10,971
<b>JPMorgan Resecuritization Trust</b>			
2.994% due 03/21/2037		7,221	6,138
6.000% due 09/26/2036		3,482	2,549
6.189% due 04/26/2036		7,472	4,598

Edgar Filing: PIMCO Dynamic Credit & Mortgage Income Fund - Form N-Q

<b>Lavender Trust</b>			
6.250% due 10/26/2036		5,483	4,420
<b>LB-UBS Commercial Mortgage Trust</b>			
5.928% due 02/15/2040		6,683	6,743
6.080% due 06/15/2038		3,079	2,803
<b>Lehman Mortgage Trust</b>			
6.000% due 01/25/2038 ^		5,544	5,500
<b>Lehman XS Trust</b>			
1.425% due 08/25/2047		820	556
<b>MASTR Alternative Loan Trust</b>			
1.225% due 02/25/2036		2,545	1,602
<b>Merrill Lynch Alternative Note Asset Trust</b>			
6.000% due 05/25/2037 ^		4,715	4,149
<b>Merrill Lynch Mortgage Investors Trust</b>			
2.868% due 03/25/2036 ^(k)		14,879	10,209
<b>Merrill Lynch Mortgage Trust</b>			
6.008% due 06/12/2050 (k)		44,986	43,549
<b>Mesdag Delta BV</b>			
0.000% due 01/25/2020 (k)	EUR	15,933	15,538
<b>Morgan Stanley Capital Trust</b>			
5.862% due 07/12/2044 (k)	\$	4,500	4,491
5.865% due 04/15/2049 (k)		44,493	43,098
6.252% due 08/12/2041 (k)		7,225	7,177
<b>Morgan Stanley Mortgage Loan Trust</b>			
0.695% due 05/25/2036		218	96
3.127% due 05/25/2036 ^		3,587	2,546
3.169% due 11/25/2037		3,445	2,914
5.962% due 06/25/2036		2,461	1,225
<b>Morgan Stanley Re-REMIC Trust</b>			
0.961% due 02/26/2037		7,203	4,938
0.986% due 03/26/2037		4,445	3,069
<b>Morgan Stanley Resecuritization Trust</b>			
2.997% due 06/26/2035		11,084	5,611
<b>PHH Alternative Mortgage Trust</b>			
0.000% due 02/25/2037 ^(b)(f)		11	9

<b>RBSSP Resecuritization Trust</b>			
3.399% due 09/26/2035		7,894	5,436
5.500% due 05/26/2036		8,447	7,493
6.000% due 06/26/2037		2,009	1,694
8.924% due 06/26/2037		805	577
<b>Residential Accredit Loans, Inc. Trust</b>			
0.675% due 02/25/2037		982	808
6.000% due 12/25/2035 ^(k)		4,244	3,699
6.000% due 11/25/2036 ^		4,967	3,979
6.250% due 02/25/2037 ^(k)		6,581	5,421
6.500% due 09/25/2037 ^		2,327	2,032
<b>Residential Asset Mortgage Products Trust</b>			
8.000% due 05/25/2032 (k)		1,194	1,035
<b>Residential Asset Securitization Trust</b>			
6.000% due 05/25/2036		1,519	1,411
6.000% due 02/25/2037 ^		301	239
6.000% due 03/25/2037 ^		3,878	2,661
6.250% due 10/25/2036 ^		178	159
<b>Sequoia Mortgage Trust</b>			
1.603% due 02/20/2034		847	800
2.550% due 09/20/2032		901	862
5.279% due 06/20/2037 ^(k)		18,373	16,630
<b>Structured Adjustable Rate Mortgage Loan Trust</b>			
3.168% due 04/25/2036 ^		1,142	1,055
<b>Structured Asset Mortgage Investments Trust</b>			
0.735% due 05/25/2036		45	35
<b>Structured Asset Securities Corp. Trust</b>			
5.500% due 10/25/2035 ^		3,449	2,513
<b>Suntrust Adjustable Rate Mortgage Loan Trust</b>			
6.042% due 02/25/2037 ^		9,360	7,924
<b>Theatre Hospitals PLC</b>			
3.528% due 10/15/2031 (k)	GBP	39,901	49,723
4.278% due 10/15/2031		1,885	2,301
<b>WaMu Mortgage Pass-Through Certificates Trust</b>			
2.193% due 07/25/2046	\$	429	386
2.705% due 08/25/2036 ^		3,517	3,290
<b>Washington Mutual Mortgage Pass-Through Certificates Trust</b>			
0.765% due 01/25/2047 ^		3,059	2,304
1.254% due 06/25/2046		11,602	6,493
5.750% due 11/25/2035 ^		2,495	2,337
5.967% due 05/25/2036 ^(k)		10,160	7,330
<b>Wells Fargo Mortgage Loan Trust</b>			
2.993% due 03/27/2037		8,184	6,401
Total Non-Agency Mortgage-Backed Securities			1,413,326
(Cost \$1,434,150)			

<b>ASSET-BACKED SECURITIES 78.1%</b>		
<b>Aames Mortgage Investment Trust</b>		
1.514% due 07/25/2035 (k)	19,113	16,144
<b>Accredited Mortgage Loan Trust</b>		
0.785% due 09/25/2036 (k)	2,200	1,946
1.125% due 07/25/2035	5,453	4,608
<b>ACE Securities Corp. Home Equity Loan Trust</b>		
0.635% due 12/25/2036	27,624	11,750
0.825% due 02/25/2036	5,177	4,754
1.145% due 02/25/2036 ^	7,633	6,548
1.500% due 07/25/2035	2,900	2,528
1.620% due 07/25/2035 ^	17,938	8,823
2.025% due 11/25/2034	1,365	1,165
<b>Aegis Asset-Backed Securities Trust</b>		
0.955% due 12/25/2035 (k)	22,800	16,872
1.005% due 06/25/2035 (k)	12,094	9,198
<b>Amerquest Mortgage Securities Trust</b>		
0.865% due 04/25/2036 (k)	30,500	28,048
0.915% due 03/25/2036 (k)	20,042	18,198
<b>Amerquest Mortgage Securities, Inc. Asset-Backed Pass-Through Certificates</b>		
0.975% due 01/25/2036 (k)	22,225	18,699
1.135% due 09/25/2035 (k)	13,750	10,088
1.575% due 04/25/2035 (k)	21,004	18,134
1.589% due 11/25/2034	5,526	4,687
2.474% due 09/25/2032	1,148	961
4.671% due 05/25/2034 ^	2,745	2,397
<b>Amortizing Residential Collateral Trust</b>		
1.650% due 08/25/2032	798	744
<b>Argent Securities Trust</b>		
0.625% due 06/25/2036	850	310
0.645% due 04/25/2036	1,316	529
0.675% due 06/25/2036	4,664	1,724
0.675% due 09/25/2036	10,042	4,112
0.715% due 03/25/2036 (k)	14,256	7,705
<b>Argent Securities, Inc. Asset-Backed Pass-Through Certificates</b>		
0.845% due 01/25/2036 (k)	19,734	16,872
0.905% due 02/25/2036 (k)	40,115	28,785
1.800% due 11/25/2034	9,031	7,018



<b>Asset-Backed Funding Certificates Trust</b>		
1.075% due 07/25/2035	7,400	6,108
1.575% due 03/25/2034	1,423	1,151
<b>Asset-Backed Securities Corp. Home Equity Loan Trust</b>		
3.508% due 08/15/2033	833	798
<b>Bear Stearns Asset-Backed Securities Trust</b>		
1.725% due 07/25/2035 (k)	39,756	32,327
2.025% due 10/27/2032	575	534
2.400% due 12/25/2034 (k)	18,650	14,395
3.209% due 10/25/2036 (k)	809	751
6.000% due 12/25/2035 ^	860	758
<b>Carlyle Global Market Strategies CLO Ltd.</b>		
6.034% due 04/27/2027	1,750	1,580
<b>Carrington Mortgage Loan Trust</b>		
0.605% due 10/25/2036	1,275	774
0.785% due 02/25/2037	8,300	6,544
0.945% due 02/25/2037	13,201	9,111
1.575% due 05/25/2035	4,400	3,477
<b>Centex Home Equity Loan Trust</b>		
1.005% due 10/25/2035 (k)	9,213	8,450
<b>CIFC Funding Ltd.</b>		
0.000% due 05/24/2026 (f)	3,390	2,248
<b>Citigroup Mortgage Loan Trust, Inc.</b>		
0.665% due 01/25/2037 (k)	39,471	31,422
0.675% due 12/25/2036 (k)	30,212	17,644
0.685% due 09/25/2036 (k)	26,669	20,368
0.725% due 05/25/2037	1,029	767
0.745% due 12/25/2036	6,084	3,598
0.925% due 03/25/2037 (k)	40,086	33,131
0.935% due 10/25/2035 (k)	8,200	7,758
6.351% due 05/25/2036 ^(k)	3,734	2,364
<b>Countrywide Asset-Backed Certificates</b>		
0.655% due 12/25/2036 ^(k)	39,159	38,305
0.665% due 06/25/2035 (k)	78,837	61,371
0.665% due 01/25/2037 (k)	27,655	21,423
0.665% due 06/25/2037 (k)	28,631	23,837
0.665% due 07/25/2037 ^(k)	15,075	12,622
0.665% due 06/25/2047 ^(k)	55,526	40,661
0.675% due 04/25/2047	2,555	2,320
0.675% due 06/25/2047 ^(k)	24,354	22,742
0.685% due 05/25/2036 (k)	13,552	10,728
0.695% due 03/25/2037 (k)	8,270	7,479
0.695% due 05/25/2037 (k)	2,592	2,427
0.725% due 06/25/2037 ^(k)	24,427	18,554
0.745% due 05/25/2037 (k)	25,000	18,472
0.745% due 08/25/2037	26,000	16,597
0.745% due 05/25/2047 (k)	17,951	12,961
0.745% due 06/25/2047 ^	19,000	11,392

Edgar Filing: PIMCO Dynamic Credit & Mortgage Income Fund - Form N-Q

0.755% due 04/25/2047 (k)		35,000	21,502
0.755% due 10/25/2047 (k)		32,742	31,050
0.765% due 03/25/2036 (k)		48,066	39,225
0.765% due 04/25/2036		1,019	686
0.805% due 01/25/2045 (k)		7,700	7,216
0.815% due 10/25/2047 (k)		59,229	37,908
0.915% due 04/25/2036		8,762	4,245
0.964% due 04/25/2036 (k)		10,000	8,876
0.975% due 03/25/2047 ^		2,617	1,507
1.075% due 05/25/2047		5,279	3,577
1.275% due 03/25/2034 (k)		860	834
1.725% due 06/25/2033		1,532	1,376
2.025% due 02/25/2035		4,300	3,931
4.961% due 10/25/2046 ^		939	881
5.301% due 10/25/2032 ^(k)		24,189	21,546
<b>Countrywide Asset-Backed Certificates Trust</b>			
0.675% due 03/25/2047 (k)		16,257	15,231
0.984% due 05/25/2036		7,400	6,755
1.044% due 05/25/2036		32,154	19,095
1.155% due 08/25/2035		7,400	7,215
1.164% due 10/25/2035 (k)		7,200	6,847
1.174% due 07/25/2035		4,500	4,345
1.254% due 07/25/2035 (k)		6,900	6,113
1.424% due 04/25/2035 (k)		10,753	9,741
1.874% due 04/25/2035 (k)		3,400	3,013
2.250% due 11/25/2034 (k)		13,611	11,427
<b>Credit-Based Asset Servicing and Securitization LLC</b>			
1.154% due 07/25/2035		3,000	2,182
<b>Dekania Europe CDO PLC</b>			
0.218% due 09/27/2037	EUR	6,200	5,823
<b>Encore Credit Receivables Trust</b>			
1.215% due 07/25/2035	\$	421	354
<b>FAB U.S. Ltd.</b>			
0.000% due 12/06/2045 (f)	GBP	9,682	5,915
<b>Fieldstone Mortgage Investment Trust</b>			
0.694% due 07/25/2036	\$	7,404	4,514

<b>First Franklin Mortgage Loan Trust</b>		
0.765% due 04/25/2036	6,825	4,605
0.905% due 02/25/2036	5,500	3,190
0.975% due 11/25/2036 (k)	27,273	25,345
1.500% due 05/25/2036	16,750	7,356
<b>Fremont Home Loan Trust</b>		
0.675% due 01/25/2037	4,235	2,271
0.765% due 02/25/2037	1,752	1,011
1.015% due 07/25/2035	2,800	2,546
<b>Glacier Funding CDO Ltd.</b>		
1.038% due 08/04/2035	27,257	7,632
<b>Gramercy Real Estate CDO Ltd.</b>		
1.275% due 07/25/2041	1,150	1,078
<b>GSAA Trust</b>		
5.058% due 05/25/2035	5,158	4,836
<b>GSAMP Trust</b>		
0.585% due 01/25/2037	4,489	2,814
0.615% due 01/25/2037	1,339	843
0.685% due 05/25/2046 (k)	1,047	982
0.725% due 11/25/2036	5,382	3,225
0.775% due 12/25/2036	5,709	3,324
0.795% due 04/25/2036 (k)	26,000	16,153
2.175% due 10/25/2034	751	711
3.075% due 10/25/2033	732	697
<b>Hillcrest CDO Ltd.</b>		
1.185% due 12/10/2039	60,637	29,409
<b>Home Equity Asset Trust</b>		
1.620% due 05/25/2035	3,800	3,427
1.725% due 07/25/2035	4,000	3,291
<b>Home Equity Loan Trust</b>		
0.865% due 04/25/2037	8,000	4,848
<b>House of Europe Funding PLC</b>		
0.000% due 11/08/2090	EUR	5,600
5,239		
<b>HSI Asset Securitization Corp. Trust</b>		
0.635% due 12/25/2036	\$	28,532
12,363		
0.685% due 10/25/2036		10,897
6,020		
0.695% due 12/25/2036		17,476
7,622		
0.715% due 01/25/2037 (k)		49,500
36,068		
0.915% due 11/25/2035		5,830
4,394		
<b>IndyMac Home Equity Mortgage Loan Asset-Backed Trust</b>		
0.685% due 11/25/2036		7,437
5,706		
0.765% due 04/25/2037		4,644
2,949		
0.965% due 03/25/2036		1,504
1,030		
<b>IXIS Real Estate Capital Trust</b>		
1.155% due 02/25/2036 (k)		11,040
10,044		
1.500% due 09/25/2035 ^		5,457
3,609		
<b>JPMorgan Mortgage Acquisition Corp.</b>		

Edgar Filing: PIMCO Dynamic Credit & Mortgage Income Fund - Form N-Q

0.915% due 05/25/2035 (k)	5,000	4,206
<b>JPMorgan Mortgage Acquisition Trust</b>		
0.665% due 03/25/2047 (k)	9,050	8,531
0.675% due 07/25/2036	2,401	1,217
0.685% due 07/25/2036 ^	1,553	655
0.765% due 08/25/2036	2,947	2,484
0.774% due 07/25/2036 (k)	18,262	15,974
5.462% due 10/25/2036 ^	4,995	3,894
5.888% due 10/25/2036 ^(k)	16,650	12,975
<b>Lehman XS Trust</b>		
5.117% due 05/25/2037 ^(k)	16,960	12,660
<b>Long Beach Mortgage Loan Trust</b>		
1.170% due 11/25/2035 (k)	28,200	24,462
1.175% due 09/25/2034	1,216	926
1.500% due 04/25/2035 (k)	38,750	34,563
<b>MASTR Asset-Backed Securities Trust</b>		
0.695% due 06/25/2036 (k)	6,656	5,115
0.695% due 10/25/2036 (k)	4,108	3,855
0.705% due 02/25/2036	10,046	5,541
0.765% due 06/25/2036	4,313	2,470
0.815% due 12/25/2035 (k)	7,748	7,009
0.885% due 12/25/2035	11,886	4,961
<b>Morgan Stanley ABS Capital, Inc. Trust</b>		
0.585% due 09/25/2036	4,404	2,181
0.595% due 10/25/2036	5	3
0.665% due 10/25/2036	11,346	6,576
0.675% due 06/25/2036 (k)	12,862	9,394
0.675% due 09/25/2036	8,847	4,500
0.675% due 11/25/2036 (k)	22,567	13,711
0.745% due 10/25/2036	5,468	3,214
0.795% due 03/25/2036 (k)	30,000	26,645
1.170% due 09/25/2035	6,500	5,999
1.200% due 09/25/2035 (k)	18,121	13,752
1.525% due 07/25/2037 (k)	32,670	28,935
2.475% due 05/25/2034	2,672	2,517
<b>Morgan Stanley Capital, Inc. Trust</b>		
0.815% due 01/25/2036 (k)	22,677	21,374

<b>National Collegiate Commutation Trust</b>		
0.000% due 03/25/2038	87,000	36,495
<b>New Century Home Equity Loan Trust</b>		
3.525% due 01/25/2033 ^	711	640
<b>Nomura Home Equity Loan, Inc. Home Equity Loan Trust</b>		
0.855% due 10/25/2036 ^	5,543	2,039
0.945% due 02/25/2036 (k)	30,900	18,814
<b>Option One Mortgage Loan Trust</b>		
0.655% due 07/25/2037 (k)	20,187	13,089
0.665% due 01/25/2037 (k)	13,240	7,775
0.745% due 01/25/2037	2,700	1,610
0.775% due 03/25/2037	804	436
0.855% due 04/25/2037	3,242	2,089
<b>Option One Mortgage Loan Trust Asset-Backed Certificates</b>		
0.985% due 11/25/2035 (k)	13,200	10,718
<b>Park Place Securities, Inc.</b>		
1.155% due 09/25/2035 (k)	9,600	6,438
<b>Park Place Securities, Inc. Asset-Backed Pass-Through Certificates</b>		
1.015% due 08/25/2035	8,350	7,082
1.015% due 09/25/2035 (k)	10,713	9,228
1.075% due 07/25/2035 (k)	30,950	24,803
1.560% due 03/25/2035 ^	7,500	5,863
1.650% due 10/25/2034 (k)	10,000	8,627
1.770% due 01/25/2036 (k)	4,427	4,104
1.845% due 01/25/2036 ^	11,978	9,230
2.250% due 02/25/2035 (k)	29,447	22,133
2.325% due 12/25/2034 (k)	9,329	8,093
2.550% due 12/25/2034	25,974	16,750
<b>Popular ABS Mortgage Pass-Through Trust</b>		
0.915% due 02/25/2036	7,000	6,081
1.215% due 06/25/2035 (k)	626	517
1.675% due 06/25/2035	683	524
<b>Putnam Structured Product Funding Ltd.</b>		
9.092% due 02/25/2037	2,678	2,745
<b>Renaissance Home Equity Loan Trust</b>		
5.612% due 04/25/2037	3,247	1,670
<b>Residential Asset Mortgage Products Trust</b>		
0.845% due 01/25/2036 (k)	14,303	12,006
0.905% due 01/25/2036	4,360	3,480
1.005% due 09/25/2035	6,494	6,216
1.245% due 02/25/2035	250	230
1.274% due 04/25/2034	5,027	4,638
1.394% due 04/25/2034	5,743	5,122
2.099% due 04/25/2034 ^	1,554	1,111
2.504% due 04/25/2034 ^	2,022	1,463
<b>Residential Asset Securities Corp. Trust</b>		
0.655% due 11/25/2036 (k)	14,630	12,287

Edgar Filing: PIMCO Dynamic Credit & Mortgage Income Fund - Form N-Q

0.755% due 06/25/2036 (k)	41,332	32,729
0.765% due 09/25/2036 (k)	16,782	15,385
0.785% due 07/25/2036 (k)	17,800	14,755
0.805% due 04/25/2036 (k)	5,270	4,774
0.855% due 12/25/2035	20,308	15,091
0.855% due 04/25/2036	10,000	4,489
0.855% due 04/25/2036 (k)	17,500	14,567
0.865% due 05/25/2037	9,275	7,091
0.935% due 01/25/2036	3,200	2,943
1.650% due 02/25/2035	1,900	1,624
<b>Saxon Asset Securities Trust</b>		
2.275% due 12/25/2037 (k)	54,526	49,966
<b>Securitized Asset-Backed Receivables LLC Trust</b>		
0.665% due 07/25/2036 (k)	29,083	22,834
0.685% due 07/25/2036	3,262	1,663
0.775% due 05/25/2036 (k)	21,087	13,102
0.795% due 03/25/2036 (k)	10,288	8,395
0.925% due 11/25/2035	11,529	5,925
0.975% due 10/25/2035 (k)	13,000	10,978
1.185% due 08/25/2035	5,815	3,913
<b>SLM Student Loan Trust</b>		
0.000% due 10/28/2029 (f)	25	28,481
0.000% due 01/25/2042 (f)	20	21,049
<b>SoFi Professional Loan Program LLC</b>		
0.000% due 01/25/2039 (f)	21,280	12,355
<b>Soloso CDO Ltd.</b>		
0.977% due 10/07/2037	11,318	4,640
<b>Soundview Home Loan Trust</b>		
0.675% due 06/25/2037 (k)	4,134	2,740
0.685% due 11/25/2036 (k)	12,924	12,413
0.705% due 02/25/2037	8,881	3,879
0.785% due 02/25/2037	4,074	1,817
0.805% due 05/25/2036 (k)	14,465	12,100
0.875% due 03/25/2036	7,933	6,661
1.475% due 10/25/2037	9,079	6,704
1.625% due 09/25/2037	2,642	1,901

<b>Specialty Underwriting &amp; Residential Finance Trust</b>		
0.875% due 03/25/2037	719	396
1.500% due 12/25/2035	5,456	4,964
2.325% due 05/25/2035	2,530	2,354
3.983% due 02/25/2037 ^	3,809	2,107
<b>Taberna Preferred Funding Ltd.</b>		
1.118% due 05/05/2038	20,743	16,228
1.128% due 02/05/2037	48,718	39,949
1.158% due 08/05/2036 ^	22,266	15,586
1.158% due 08/05/2036	5,535	3,875
<b>Trapeza CDO LLC</b>		
1.853% due 01/20/2034 (k)	27,935	23,186
<b>Wachovia Mortgage Loan Trust</b>		
1.215% due 10/25/2035	8,000	5,872
<b>Wells Fargo Home Equity Asset-Backed Securities Trust</b>		
0.855% due 05/25/2036	5,000	4,190
Total Asset-Backed Securities (Cost \$2,262,575)		2,326,980

**SOVEREIGN ISSUES 0.3%**

<b>Republic of Greece Government International Bond</b>			
3.800% due 08/08/2017	JPY	347,000	3,328
4.500% due 07/03/2017		310,000	3,011
4.750% due 04/17/2019 (k)	EUR	1,900	1,945
Total Sovereign Issues (Cost \$8,064)			8,284

## SHARES

<b>COMMON STOCKS 0.1%</b>		
<b>ENERGY 0.0%</b>		
OGX Petroleo e Gas S.A. SP - ADR	858,034	0
<b>FINANCIALS 0.1%</b>		
TIG FinCo PLC (i)	2,651,536	2,543
Total Common Stocks (Cost \$3,931)		2,543
<b>SHORT-TERM INSTRUMENTS 4.6%</b>		
REPURCHASE AGREEMENTS (j) 3.1%		93,500

PRINCIPAL  
AMOUNT  
(000S)

Edgar Filing: PIMCO Dynamic Credit & Mortgage Income Fund - Form N-Q

<b>U.S. TREASURY BILLS 1.5%</b>			
0.472% due 03/02/2017 - 03/16/2017 (e)(f)(k)(m)(o)	\$	45,150	45,079
Total Short-Term Instruments (Cost \$138,561)			138,579
Total Investments in Securities (Cost \$5,465,028)			5,322,748
<b>Total Investments 178.6%</b> <b>(Cost \$5,465,028)</b>	<b>\$</b>	<b>5,322,748</b>	
<b>Financial Derivative Instruments (l)(n) 0.1%</b> <b>(Cost or Premiums, net \$5,908 )</b>			<b>2,058</b>
<b>Other Assets and Liabilities, net (78.7)%</b>			<b>(2,343,900)</b>
<b>Net Assets 100.0%</b>	<b>\$</b>	<b>2,980,906</b>	



**Notes to Consolidated 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) Principal only security.

(c) When-issued security.

(d) Payment in-kind security.

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

(f) Zero coupon security.

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

(h) 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.

(i) Restricted Securities:

<b>Issuer Description</b>	<b>Acquisition Date</b>	<b>Cost</b>	<b>Market Value</b>	<b>Market Value as Percentage of Net Assets</b>
KGH Intermediate Holdco LLC 12.000% due 08/08/2019	08/07/2014	\$ 38,465	\$ 37,833	1.27%
Odebrecht Offshore Drilling Finance Ltd. 6.625% due 10/01/2023	04/02/2015	634	153	0.01
Odebrecht Offshore Drilling Finance Ltd. 6.750% due 10/01/2023	04/01/2015 - 04/08/2015	19,498	4,711	0.16

Edgar Filing: PIMCO Dynamic Credit & Mortgage Income Fund - Form N-Q

Pinnacol Assurance 8.625% due				
06/25/2034	06/23/2014	23,200	25,298	0.85
TIG FinCo PLC	04/02/2015	3,931	2,543	0.09
		\$ 85,728	\$ 70,538	2.38%

**Borrowings and Other Financing Transactions**

**(j) Repurchase Agreements:**

Counterparty	Lending Rate	Settlement Date	Maturity Date	Principal Amount	Collateralized By	Repurchase Agreement		
						Collateral Agreements, (Received)	at Value	Repurchase Proceeds to be Received <sup>(1)</sup>
NOM					U.S. Treasury Notes 1.250% due			
	0.250%	09/30/2016	10/03/2016	\$ 13,800	03/31/2021	\$ (14,087)	\$ 13,800	\$ 13,800
					U.S. Treasury Bonds 3.000% due			
	1.300	09/30/2016	10/03/2016	79,700	11/15/2045	(80,538)	79,700	79,709
<b>Total Repurchase Agreements</b>						<b>\$ (94,625)</b>	<b>\$ 93,500</b>	<b>\$ 93,509</b>

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

## Reverse Repurchase Agreements:

Counterparty	Borrowing Rate <sup>(2)</sup>	Borrowing Date	Maturity Date	Amount Borrowed <sup>(2)</sup>	Payable for Reverse Repurchase Agreements
BCY	0.900%	11/24/2015	TBD <sup>(3)</sup>	\$ (25,272)	\$ (25,470)
	0.900	12/02/2015	TBD <sup>(3)</sup>	(12,960)	(13,059)
	1.450	08/30/2016	11/30/2016	(1,061)	(1,062)
	1.900	08/16/2016	11/16/2016	(5,840)	(5,855)
	1.900	08/30/2016	11/30/2016	(3,572)	(3,578)
	2.146	07/01/2016	10/03/2016	(6,247)	(6,282)
	2.154	07/05/2016	10/05/2016	(11,760)	(11,823)
	2.197	07/21/2016	10/21/2016	(43,623)	(43,820)
	2.243	07/27/2016	10/27/2016	(14,914)	(14,977)
	2.278	08/04/2016	11/04/2016	(15,941)	(16,002)
	2.333	08/30/2016	11/30/2016	(15,823)	(15,858)
	2.353	09/26/2016	12/21/2016	(9,327)	(9,331)
	2.354	10/03/2016	01/03/2017	(6,661)	(6,661)
	2.529	10/16/2015	10/17/2016	(20,519)	(20,633)
	2.667	05/14/2015	11/14/2016	(20,027)	(20,100)
	2.713	09/22/2016	09/22/2017	(4,391)	(4,395)
	2.845	09/26/2016	03/24/2017	(2,665)	(2,666)
BPG	2.434	11/12/2015	11/14/2016	(19,906)	(20,345)
	2.466	11/30/2015	11/30/2016	(9,013)	(9,203)
	2.545	12/10/2015	12/09/2016	(4,479)	(4,573)
	2.552	12/11/2015	12/09/2016	(13,588)	(13,874)
	2.647	01/11/2016	01/11/2017	(30,316)	(30,909)
	2.653	01/27/2016	01/27/2017	(9,054)	(9,221)
	2.666	02/17/2016	02/17/2017	(9,712)	(9,877)
	2.731	03/16/2016	03/16/2017	(36,818)	(37,379)
2.745	03/17/2016	03/16/2017	(9,049)	(9,187)	
BPS	0.300	09/20/2016	12/20/2016	EUR (3,387)	(3,805)
	0.400	09/29/2016	TBD <sup>(3)</sup>	(3,464)	(3,892)
	0.450	09/26/2016	10/26/2016	(5,218)	(5,862)
	0.700	09/15/2016	10/17/2016	GBP (22,022)	(28,554)
	0.750	09/22/2016	10/24/2016	(4,965)	(6,437)
	0.900	09/29/2016	10/28/2016	(1,776)	(2,302)
	1.150	09/13/2016	10/05/2016	(1,893)	(2,456)
	1.480	07/11/2016	10/06/2016	\$ (1,542)	(1,547)
	1.530	09/13/2016	10/27/2016	(90)	(90)
	1.560	08/16/2016	11/15/2016	(4,100)	(4,109)
	1.560	09/02/2016	11/15/2016	(4,091)	(4,096)
	1.690	07/26/2016	01/26/2017	(3,552)	(3,564)
2.473	08/15/2016	12/02/2016	(3,597)	(3,609)	
2.731	08/15/2016	03/16/2017	(4,382)	(4,398)	
2.969	08/19/2016	08/18/2017	(32,458)	(32,578)	
2.976	08/16/2016	08/16/2017	(44,095)	(44,270)	

Edgar Filing: PIMCO Dynamic Credit & Mortgage Income Fund - Form N-Q

BRC	1.450	09/02/2016	12/01/2016		(781)	(782)
	1.650	08/16/2016	11/16/2016		(1,856)	(1,860)
	1.650	09/02/2016	12/01/2016		(2,734)	(2,738)
DBL	0.900	07/05/2016	10/05/2016	EUR	(26,153)	(29,445)
DEU	1.500	07/13/2016	10/13/2016	\$	(20,301)	(20,370)
	1.650	09/21/2016	12/13/2016		(2,925)	(2,927)
	1.650	09/28/2016	12/16/2016		(33,904)	(33,912)
GLM	0.750	07/11/2016	10/11/2016	EUR	(15,703)	(17,670)
	2.167	07/08/2016	10/11/2016	\$	(7,215)	(7,253)
GSC	1.977	09/13/2016	10/14/2016		(46,970)	(47,022)
	2.024	09/15/2016	10/17/2016		(28,556)	(28,585)
	2.177	09/13/2016	10/14/2016		(16,946)	(16,966)
JML	1.400	09/12/2016	10/07/2016		(40,520)	(40,553)
JPS	1.973	07/13/2016	10/13/2016		(16,064)	(16,136)
MSB	2.379	03/30/2016	10/03/2016		(2,819)	(2,836)
	2.388	04/29/2016	05/01/2017		(10,694)	(10,739)
	2.465	04/27/2016	04/27/2017		(21,887)	(21,989)
	2.585	06/06/2016	06/06/2017		(7,146)	(7,160)
	2.589	04/22/2016	04/21/2017		(29,502)	(29,657)
	2.589	06/02/2016	04/21/2017		(2,988)	(2,995)
MSC	2.528	08/05/2016	02/06/2017		(18,106)	(18,181)
	2.596	10/03/2016	10/03/2017		(2,632)	(2,632)
	2.817	07/11/2016	01/11/2017		(19,573)	(19,702)
	2.854	09/16/2016	09/15/2017		(27,499)	(27,536)
MYI	(5.000)	10/03/2016	TBD <sup>(3)</sup>	EUR	(1,765)	(1,983)
	1.250	08/09/2016	11/09/2016	GBP	(2,766)	(3,592)
NOM	2.128	04/14/2016	10/14/2016	\$	(14,076)	(14,219)
	2.173	04/15/2016	10/14/2016		(6,440)	(6,471)
	2.359	08/03/2016	02/03/2017		(27,256)	(27,365)
	2.561	08/22/2016	02/22/2017		(28,336)	(28,421)
RBC	1.550	09/02/2016	10/04/2016	\$	(2,574)	(2,577)
	1.690	07/27/2016	01/27/2017		(3,593)	(3,604)
	1.720	08/01/2016	02/01/2017		(19,566)	(19,625)
	1.777	08/04/2016	02/06/2017		(5,042)	(5,057)
	1.850	08/11/2016	02/13/2017		(10,341)	(10,369)
	2.336	04/25/2016	04/24/2017		(29,781)	(30,092)
	2.495	08/18/2016	02/21/2017		(14,260)	(14,305)
	2.550	09/13/2016	03/13/2017		(37,763)	(37,817)
	2.550	09/26/2016	03/27/2017		(19,973)	(19,983)
	2.560	09/20/2016	03/20/2017		(55,267)	(55,318)
	2.560	09/22/2016	03/22/2017		(17,834)	(17,848)
RCE	0.950	09/22/2016	10/24/2016	GBP	(3,840)	(4,979)
	1.050	08/31/2016	11/30/2016		(7,344)	(9,529)
	1.200	07/29/2016	10/31/2016		(3,895)	(5,060)
	1.350	07/18/2016	10/18/2016		(3,893)	(5,061)
	1.379	09/14/2016	12/14/2016		(2,946)	(3,822)
RDR	1.450	07/14/2016	10/14/2016	\$	(957)	(960)
	1.600	08/29/2016	11/30/2016		(3,136)	(3,141)
RTA	1.504	05/06/2016	11/07/2016		(1,591)	(1,601)
	1.506	05/19/2016	11/21/2016		(23,400)	(23,534)
	1.524	07/01/2016	01/03/2017		(9,422)	(9,459)

Edgar Filing: PIMCO Dynamic Credit & Mortgage Income Fund - Form N-Q

	1.711	08/03/2016	02/03/2017		(9,110)	(9,136)
	1.727	08/04/2016	02/06/2017		(7,641)	(7,663)
	1.751	10/22/2015	10/21/2016		(36,930)	(37,553)
	1.759	10/26/2015	10/25/2016		(11,488)	(11,681)
	1.857	11/19/2015	11/18/2016		(12,478)	(12,683)
	1.860	08/22/2016	02/22/2017		(11,788)	(11,814)
	1.861	11/18/2015	11/17/2016		(14,412)	(14,650)
	1.872	11/23/2015	11/22/2016		(19,863)	(20,188)
	1.909	09/23/2016	03/23/2017		(3,539)	(3,541)
	2.065	02/02/2016	02/01/2017		(11,027)	(11,181)
	2.103	01/04/2016	01/03/2017		(13,468)	(13,683)
	2.208	04/13/2016	04/12/2017		(9,263)	(9,361)
	2.211	03/15/2016	03/14/2017		(76,130)	(77,074)
	2.212	03/08/2016	02/21/2017		(7,694)	(7,793)
	2.239	04/25/2016	04/24/2017		(26,142)	(26,404)
	2.245	03/17/2016	03/16/2017		(11,950)	(12,099)
	2.253	06/16/2016	06/15/2017		(31,616)	(31,832)
	2.274	06/15/2016	06/09/2017		(4,773)	(4,806)
	2.298	07/19/2016	07/18/2017		(2,020)	(2,030)
	2.337	05/31/2016	05/30/2017		(7,767)	(7,830)
	2.337	06/03/2016	06/02/2017		(18,230)	(18,374)
	2.345	07/26/2016	07/25/2017		(5,708)	(5,734)
	2.443	08/05/2016	08/04/2017		(13,627)	(13,682)
	2.519	08/15/2016	08/14/2017		(28,343)	(28,440)
RYL	0.700	09/12/2016	10/18/2016	EUR	(3,520)	(3,955)
	0.850	08/12/2016	11/14/2016	GBP	(7,043)	(9,140)
SOG	1.290	07/14/2016	10/13/2016	\$	(2,907)	(2,915)
	1.290	07/15/2016	10/17/2016		(2,134)	(2,140)
	1.290	07/18/2016	10/18/2016		(2,291)	(2,297)
	1.290	07/20/2016	10/20/2016		(8,803)	(8,827)
	1.350	07/29/2016	10/31/2016		(15,620)	(15,659)
	1.350	09/12/2016	10/31/2016		(1,790)	(1,791)
	1.400	08/09/2016	11/09/2016		(14,614)	(14,645)
	1.400	08/12/2016	11/15/2016		(4,652)	(4,661)
	1.400	08/22/2016	11/21/2016		(9,565)	(9,581)
	1.400	08/24/2016	11/21/2016		(10,546)	(10,563)
	1.400	08/26/2016	11/28/2016		(8,100)	(8,112)
	1.400	09/29/2016	11/28/2016		(11,043)	(11,045)
	1.450	09/14/2016	12/14/2016		(7,652)	(7,658)
	1.450	09/21/2016	12/14/2016		(9,736)	(9,743)
	1.650	08/26/2016	02/27/2017		(15,521)	(15,548)
	1.650	09/02/2016	02/27/2017		(11,939)	(11,956)
	2.371	07/26/2016	01/26/2017		(20,535)	(20,628)
	2.375	04/07/2016	10/07/2016		(8,029)	(8,124)
	2.375	06/03/2016	12/06/2016		(9,438)	(9,514)
	2.375	06/06/2016	12/06/2016		(10,420)	(10,502)
	2.375	06/08/2016	12/09/2016		(33,213)	(33,469)
	2.375	06/10/2016	12/09/2016		(8,023)	(8,084)
	2.375	06/14/2016	12/14/2016		(46,662)	(47,004)
	2.393	07/28/2016	01/30/2017		(23,611)	(23,716)
	2.507	09/23/2016	03/22/2017		(10,543)	(10,550)

Edgar Filing: PIMCO Dynamic Credit & Mortgage Income Fund - Form N-Q

UBS	0.520	09/26/2016	01/26/2017	EUR	(14,796)	(16,623)
	0.900	07/13/2016	10/13/2016	GBP	(22,329)	(29,001)
	0.900	08/12/2016	10/13/2016		(5,593)	(7,259)
	1.000	08/12/2016	10/17/2016		(4,186)	(5,434)
	1.000	08/15/2016	10/17/2016		(15,665)	(20,332)
	1.000	08/22/2016	10/21/2016		(8,478)	(11,001)
	1.016	09/15/2016	10/14/2016		(30,516)	(39,574)
	1.100	07/25/2016	10/25/2016		(1,584)	(2,057)
	1.100	08/01/2016	11/01/2016		(12,523)	(16,262)
	1.100	08/22/2016	10/21/2016		(13,953)	(18,108)
	1.100	09/08/2016	12/08/2016		(9,010)	(11,688)
	1.290	08/18/2016	11/18/2016		(40,673)	(52,805)
	1.520	07/25/2016	10/25/2016	\$	(2,899)	(2,908)
	1.540	08/08/2016	11/08/2016		(13,732)	(13,765)
	1.570	07/14/2016	11/14/2016		(13,376)	(13,423)
	1.580	07/15/2016	11/14/2016		(8,269)	(8,298)
	1.590	07/19/2016	10/19/2016		(8,327)	(8,355)
	1.620	07/14/2016	11/14/2016		(2,858)	(2,868)
	1.650	07/28/2016	10/28/2016		(6,525)	(6,545)
	1.650	09/28/2016	12/28/2016		(15,053)	(15,056)
	1.830	08/30/2016	11/30/2016		(9,686)	(9,703)
	2.288	08/09/2016	11/09/2016		(7,008)	(7,033)
	2.295	04/11/2016	10/11/2016		(8,483)	(8,578)
	2.395	04/11/2016	10/11/2016		(10,861)	(10,987)
	2.396	04/12/2016	10/11/2016		(8,207)	(8,302)
	2.399	04/14/2016	10/14/2016		(6,834)	(6,912)
	2.424	07/05/2016	01/05/2017		(20,285)	(20,408)
	2.474	07/05/2016	01/05/2017		(16,308)	(16,409)

**Total Reverse Repurchase  
Agreements**

**\$ (2,403,900)**

- (2) *The average amount of borrowings outstanding during the period ended September 30, 2016 was \$(2,253,934) at a weighted average interest rate of 1.883%.*
- (3) *Open maturity reverse repurchase agreement.*

**(k) Securities with an aggregate market value of \$3,162,802 and cash of \$17,726 have been pledged as collateral under the terms of master agreements as of September 30, 2016.**

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

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

Index/Tranches	Fixed Receive Rate	Maturity Date	Notional Amount <sup>(2)</sup>	Market Value <sup>(3)</sup>	Variation Margin		
					Unrealized Appreciation	Asset	Liability
CDX.HY-26 5-Year Index	5.000%	06/20/2021	\$ 500	\$ 27	\$ 9	\$ 3	\$ 0

<sup>(1)</sup> If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash, securities or other deliverable obligations equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.

<sup>(2)</sup> The maximum potential amount the Fund could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.

<sup>(3)</sup> The prices and resulting values for credit default swap agreements on credit indices serve as an indicator of the current status of the payment/performance risk and represent the likelihood of an expected liability (or profit) for the credit derivative should the notional amount of the swap agreement be closed/sold as of the period end. Increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the referenced indices' credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

**Interest Rate Swaps**

Pay/Receive	Floating Rate Index	Fixed Rate	Maturity Date	Notional Amount	Market Value	Variation Margin		
						Unrealized Appreciation/ Depreciation	Asset	Liability
Receive	1-Year BRL-CDI	16.400%	01/04/2021	BRL 550,000	\$ (22,473)	\$ (4,887)	\$ 0	\$ (109)
Pay	1-Year BRL-CDI	12.230	01/04/2021	550,000	2,217	1,654	207	0
Pay	3-Month CAD-Bank Bill	3.300	06/19/2024	CAD 102,200	13,409	8,662	0	(359)
Receive	3-Month CAD-Bank Bill	3.500	06/20/2044	46,900	(16,216)	(14,545)	364	0
Receive	3-Month USD-LIBOR *	1.750	12/21/2026	\$ 801,000	17,759	(1,628)	0	(4,287)
Receive	3-Month USD-LIBOR *	2.250	12/21/2046	415,000	(45,558)	(7,516)	7,757	0
Pay	6-Month AUD-BBR-BBSW	3.631	03/06/2019	AUD 150,000	5,031	5,031	127	0
Pay	6-Month AUD-BBR-BBSW	3.635	03/06/2019	175,000	5,882	5,882	149	0
Pay		3.500	06/17/2025	41,800	3,928	2,892	116	0



6-Month  
AUD-BBR-BBSW

\$ (36,021) \$ (4,455) \$ 8,720 \$ (4,755)

**Total Swap Agreements** \$ (35,994) \$ (4,446) \$ 8,723 \$ (4,755)

\* *This security has a forward starting effective date.*

**(m) Securities with an aggregate market value of \$38,605 and cash of \$ 75,609 have been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of September 30, 2016.**

**(n) Financial Derivative Instruments: Over the Counter**

**Forward Foreign Currency Contracts:**

Counterparty	Settlement Month	Currency to		Currency to		Unrealized Appreciation/(Depreciation)	
		be Delivered	be Received	Asset	Liability		
AZD	10/2016	EUR 789	\$ 886	\$ 0	\$ (1)		
BOA	10/2016	BRL 64,390	19,836	36	0		
	10/2016	\$ 19,708	BRL 64,390	91	0		
BPS	10/2016	1,142	GBP 879	0	(3)		
CBK	10/2016	AUD 1,733	\$ 1,300	0	(27)		
	10/2016	EUR 15,857	17,797	0	(16)		
	10/2016	\$ 1,098	CAD 1,439	0	(1)		
	10/2016	AUD 765	\$ 578	0	(7)		
GLM	10/2016	CAD 2,874	2,191	1	0		
	10/2016	EUR 8,616	9,671	5	(12)		
	10/2016	GBP 12,354	16,381	369	0		
	10/2016	JPY 611,047	6,092	66	0		
	10/2016	\$ 118,268	EUR 105,461	221	(19)		
	10/2016	1,798	GBP 1,367	0	(26)		
	11/2016	EUR 89,771	\$ 100,756	0	(224)		
HUS	10/2016	\$ 146,710	GBP 112,646	0	(704)		
	11/2016	GBP 112,646	\$ 146,783	690	0		
JPM	10/2016	120,945	158,975	2,212	0		
	10/2016	\$ 8,338	GBP 6,295	0	(179)		
MSB	10/2016	BRL 64,390	\$ 19,889	89	0		
	10/2016	EUR 77,872	88,057	582	(2)		
	10/2016	\$ 19,836	BRL 64,390	0	(36)		
	11/2016	19,724	64,390	0	(93)		
RBC	10/2016	EUR 522	\$ 589	3	0		
	10/2016	GBP 886	1,179	30	0		
SCX	10/2016	\$ 14,981	GBP 11,292	0	(345)		
	10/2016	6,068	JPY 611,047	0	(42)		
	11/2016	JPY 611,047	\$ 6,075	42	0		
TOR	10/2016	GBP 878	1,177	39	0		
UAG	10/2016	EUR 1,805	2,015	0	(13)		
	10/2016	GBP 237	317	10	0		
	10/2016	\$ 3,763	GBP 2,821	0	(107)		
<b>Total Forward Foreign Currency Contracts</b>				<b>\$ 4,486</b>	<b>\$ (1,857)</b>		

**Swap Agreements:****Credit Default Swaps on Corporate Issues - Sell Protection <sup>(1)</sup>**

Counterparty	Reference Entity	Fixed Receive Rate	Maturity Date	Implied Credit Spread		Notional Amount <sup>(3)</sup>	Premiums (Received)	Unrealized Appreciation/Depreciation		Asset	Liability
				at September 30, 2016	at September 30, 2016						
BPS	Petrobras Global Finance BV	1.000%	03/20/2019	3.001%		\$ 20,000	\$ (1,735)	\$ 789	\$ 0	\$ 0	\$ (946)
BRC	Banco Espirito Santo S.A.	5.000	12/20/2020	25.143	EUR	2,500	(223)	(811)	0		(1,034)
CBK	Navient Corp.	5.000	09/20/2020	4.026	\$	200	(3)	10	7		0
GST	Petrobras Global Finance BV	1.000	03/20/2019	3.001		15,000	(1,295)	586	0		(709)
	Petrobras Global Finance BV	1.000	09/20/2020	4.241		1,120	(163)	32	0		(131)
							\$ (3,419)	\$ 606	\$ 7	\$ 7	\$ (2,820)

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

Counterparty	Index/Tranches	Fixed Receive Rate	Maturity Date	Notional Amount <sup>(3)</sup>	Premiums (Received)	Unrealized Appreciation/Depreciation		Asset	Liability
BRC	ABX.HE.AAA.6-2 Index	0.110%	05/25/2046	\$ 11,230	\$ (2,489)	\$ 763	\$ 0	\$ 0	\$ (1,726)
<b>Total Swap Agreements</b>					<b>\$ (5,908)</b>	<b>\$ 1,369</b>	<b>\$ 7</b>	<b>\$ 7</b>	<b>\$ (4,546)</b>

<sup>(1)</sup> If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash, securities or other deliverable obligations equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.

<sup>(2)</sup> Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on corporate issues as of period end serve as an indicator of the current status of the payment/performance risk and represent the likelihood or risk of default for the credit derivative. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event

*occurring as defined under the terms of the agreement.*

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

- (o) **Securities with an aggregate market value of \$4,968 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of September 30, 2016.**

**Fair Value Measurements**

**The following is a summary of the fair valuations according to the inputs used as of September 30, 2016 in valuing the Fund's assets and liabilities:**

<b>Category and Subcategory</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Fair Value at 09/30/2016</b>
<b>Investments in Securities, at Value</b>				
Bank Loan Obligations	\$ 0	\$ 90,352	\$ 928	\$ 91,280
<b>Corporate Bonds &amp; Notes</b>				
Banking & Finance	0	439,804	109,315	549,119
Industrials	0	507,563	27,685	535,248
Utilities	0	206,736	0	206,736
<b>Municipal Bonds &amp; Notes</b>				
Iowa	0	1,405	0	1,405
New Jersey	0	0	6,849	6,849
Virginia	0	82	0	82
West Virginia	0	13,858	0	13,858
U.S. Government Agencies	0	28,459	0	28,459
Non-Agency Mortgage-Backed Securities	0	1,403,752	9,574	1,413,326
Asset-Backed Securities	0	2,222,777	104,203	2,326,980
Sovereign Issues	0	8,284	0	8,284
<b>Common Stocks</b>				
Financials	0	0	2,543	2,543
<b>Short-Term Instruments</b>				
Repurchase Agreements	0	93,500	0	93,500
U.S. Treasury Bills	0	45,079	0	45,079
<b>Total Investments</b>	<b>\$ 0</b>	<b>\$ 5,061,651</b>	<b>\$ 261,097</b>	<b>\$ 5,322,748</b>
<b>Financial Derivative Instruments - Assets</b>				
Exchange-traded or centrally cleared	0	8,723	0	8,723
Over the counter	0	4,493	0	4,493
	\$ 0	\$ 13,216	\$ 0	\$ 13,216
<b>Financial Derivative Instruments - Liabilities</b>				
Exchange-traded or centrally cleared	0	(4,755)	0	(4,755)
Over the counter	0	(6,403)	0	(6,403)
	\$ 0	\$ (11,158)	\$ 0	\$ (11,158)
<b>Totals</b>	<b>\$ 0</b>	<b>\$ 5,063,709</b>	<b>\$ 261,097</b>	<b>\$ 5,324,806</b>

**There were no significant transfers between Level 1 and 2 during the period ended September 30, 2016.**

The following is a reconciliation of the fair valuations using significant unobservable inputs (Level 3) for the Fund during the period ended September 30, 2016:

Category and Subcategory	Beginning Balance at 06/30/2016	Net Purchases	Net Sales	Accrued Discounts/ (Premiums)	Realized Gain/ (Loss)	Net Change in Unrealized Appreciation/ (Depreciation)	Transfers into Level 3	Transfers out of Level 3	Ending Balance at 09/30/2016	Net Change in Unrealized Appreciation/ (Depreciation) Held at 09/30/2016
<b>Investments in Securities, at Value</b>										
Bank Loan Obligations	\$ 1,726	\$ 0	\$ 0	\$ 3	\$ 0	\$ (801)	\$ 0	\$ 0	\$ 928	\$ (801)
Corporate Bonds & Notes										
Banking & Finance	103,051	0	(750)	17	(23)	1,239	5,781	0	109,315	1,233
Industrials	44,189	4,359	(48)	67	0	(117)	0	(20,765)	27,685	(89)
Utilities	4,493	0	(4,309)	0	0	(184)	0	0	0	0
Municipal Bonds & Notes										
New Jersey	6,944	0	(40)	(1)	0	(54)	0	0	6,849	(53)
Non-Agency Mortgage-Backed Securities	18,261	9,836	0	49	(1)	177	0	(18,748)	9,574	(265)
Asset-Backed Securities	29,864	77,142	0	402	0	(3,205)	0	0	104,203	(3,205)
Common Stocks										
Financials	1,694	0	0	0	0	849	0	0	2,543	849
<b>Totals</b>	<b>\$ 210,222</b>	<b>\$ 91,337</b>	<b>\$ (5,147)</b>	<b>\$ 537</b>	<b>\$ (24)</b>	<b>\$ (2,096)</b>	<b>\$ 5,781</b>	<b>\$ (39,513)</b>	<b>\$ 261,097</b>	<b>\$ (2,331)</b>

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

Category and Subcategory	Ending Balance at 09/30/2016	Valuation Technique	Input Value(s) Unless Noted Otherwise
<b>Investments in Securities, at Value</b>			
Bank Loan Obligations	\$ 928	Other Valuation Techniques <sup>(2)</sup>	
Corporate Bonds & Notes			
Banking & Finance	5,781	Indicative Market Quotation	Broker Quote 23.50

Edgar Filing: PIMCO Dynamic Credit & Mortgage Income Fund - Form N-Q

	44,886	Proxy Pricing Reference	Base Price	102.67 - 108.75
	58,648	Instrument	Spread Movement	5.00 - 160.52 BPS
Industrials	27,685	Proxy Pricing	Base Price	99.50 - 104.45
Municipal Bonds & Notes				
New Jersey	6,849	Proxy Pricing	Base Price	101.83
Non-Agency Mortgage-Backed Securities				
	9,574	Proxy Pricing	Base Price	81.00
Asset-Backed Securities	104,203	Proxy Pricing	Base Price	41.00 - 114,507.01
Common Stocks				
Financials		Other Valuation Techniques <sup>(2)</sup>		
	2,543			
Total	\$ 261,097			

(1) Any difference between Net Change in Unrealized Appreciation/(Depreciation) and Net Change in Unrealized Appreciation/(Depreciation) on Investments Held at September 30, 2016 may be due to an investment no longer held or categorized as Level 3 at period end.

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

**See Accompanying Notes**

## Notes to Financial Statements

### 1. BASIS FOR CONSOLIDATION

PCILS I LLC, (the **Subsidiary**), a Delaware limited liability company was formed as a wholly owned subsidiary acting as an investment vehicle for the PIMCO Dynamic Credit and Mortgage Income Fund (the **Fund**) in order to effect certain investments for the Fund consistent with the Fund's investment objectives and policies in effect from time to time. PIMCO Dynamic Credit and Mortgage Income Fund's investment portfolio has been consolidated and includes the portfolio holdings of the PIMCO Dynamic Credit and Mortgage Income Fund and the Subsidiary. Accordingly, the consolidated financial statements include the accounts of the Fund and the Subsidiary. All inter-company transactions and balances have been eliminated. This structure was established so that certain loans could be held by a separate legal entity from the Fund. See the table below for details regarding the structure, incorporation and relationship as of the period end of the Subsidiary (amounts in thousands).

<b>Date of Formation</b>	<b>Fund Net Assets</b>	<b>Subsidiary Net Assets</b>	<b>Subsidiary % of Consolidated Fund Net Assets</b>
03/07/2013	\$ 2,980,906	\$ 0	0.0%

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

### 2. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

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

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

For purposes of calculating NAV, portfolio securities and other assets for which market quotes are readily available are valued at market value. Market value is generally determined on the basis of official closing prices or the last reported sales prices, or if no sales are reported, based on quotes obtained from established market makers or prices (including evaluated prices) supplied by the Fund's approved pricing services, quotation reporting systems and other third-party sources (together, **Pricing Services** ). The Fund will normally use pricing data for domestic equity securities received shortly after the NYSE Close and do not normally take into account trading, clearances or settlements that take place after the NYSE Close. A foreign (non-U.S.) equity security traded on a foreign exchange or on more than one exchange is typically valued using pricing information from the exchange considered by Pacific Investment Management Company LLC ( **PIMCO** or the **Manager** ) to be the primary exchange. A foreign (non-U.S.) equity security will be valued as of the close of trading on the foreign exchange, or the NYSE Close, if the NYSE Close occurs before the end of trading on the foreign exchange. Domestic and foreign (non-U.S.) fixed income securities, non-exchange traded derivatives, and equity options are normally valued on the basis of quotes obtained from brokers and dealers or Pricing Services using data reflecting the earlier closing of the principal markets for those securities. Prices obtained from Pricing Services may be based on, among other things, information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics.



Certain fixed income securities purchased on a delayed-delivery basis are marked to market daily until settlement at the forward settlement date. Exchange-traded options, except equity options, futures and options on futures are valued at the settlement price determined by the relevant exchange. Swap agreements are valued on the basis of bid quotes obtained from brokers and dealers or market-based prices supplied by Pricing Services or other pricing sources. The Fund's investments in open-end management investment companies, other than exchange-traded funds (ETFs), are valued at the NAVs of such investments.

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

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

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

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

such significant events.

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

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

Level 1 Quoted prices in active markets or exchanges for identical assets and liabilities.

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

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

Assets or liabilities categorized as Level 2 or 3 as of period end have been transferred between Levels 2 and 3 since the prior period due to changes in the method utilized in valuing the investments. Transfers from Level 2 to Level 3 are a result of a change, in the normal course of business, from the use of methods used by third-party pricing services (Level 2) to the use of a broker quote or valuation technique which utilizes significant unobservable inputs due to an absence of current or reliable market-based data (Level 3). Transfers from Level 3 to Level 2 are a result of the availability of current and reliable market-based data provided by Pricing Services or other valuation techniques which utilize significant observable inputs. In accordance with the requirements of U.S. GAAP, the amounts of transfers between Levels 1 and 2 and transfers into and out of Level 3, if material, are disclosed in the Notes to Schedule of Investments for the Fund.

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

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

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

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

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

Mortgage-related and asset-backed securities are usually issued as separate tranches, or classes, of securities within each deal. These securities are also normally valued by Pricing Services that use broker-dealer quotations, reported trades or valuation estimates from their internal pricing models. The pricing models for these securities usually consider tranche-level attributes, current market data, estimated cash flows and market-based yield spreads for each tranche, and incorporate deal collateral performance, as available. Mortgage-related and asset-backed securities that use similar valuation techniques and inputs as described above are categorized as Level 2 of the fair value hierarchy.

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

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

Investments in registered open-end investment companies (other than ETFs) will be valued based upon the NAVs of such investments and are categorized as Level 1 of the fair value hierarchy. Investments in unregistered open-end investment companies will be calculated based upon the NAVs of such investments and are considered Level 1 provided that the NAVs are observable, calculated daily and are the value at which both purchases and sales will be conducted. Investments in privately held investment funds with significant restrictions on redemption where the inputs to the NAVs are observable will be valued based upon the NAVs of such investments and are categorized as Level 2 of the fair value hierarchy.

Short-term debt instruments (such as commercial paper) having a remaining maturity of 60 days or less may be valued at amortized cost, so long as the amortized cost of such short-term debt instrument is approximately the same as the fair value of the instrument as determined without the use of amortized cost valuation.

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

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

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

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

Reference instrument valuation estimates fair value by utilizing the correlation of the security to one or more broad-based securities, market indices, and/or other financial instruments, whose pricing information is readily

available. Unobservable inputs may include those used in algorithm formulas based on percentage change in the reference instruments and/or weights of each reference instrument. Significant changes in the unobservable inputs would result in direct and proportional changes in the fair value of the security. These securities are categorized as Level 3 of the fair value hierarchy.

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

### 3. FEDERAL INCOME TAX MATTERS

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

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

In accordance with U.S. GAAP, the Manager has reviewed the Fund's tax positions for all open tax years. As of September 30, 2016, the Fund has recorded no liability for net unrecognized tax benefits relating to uncertain income tax positions they have taken or expect to take in future tax returns.

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

As of September 30, 2016, the aggregate cost and the net unrealized appreciation (depreciation) of investments for Federal income tax purposes are as follows (amounts in thousands):

<b>Federal Tax</b>	<b>Aggregate Gross</b>	<b>Aggregate Gross</b>	<b>Net Unrealized</b>
<b>Cost</b>	<b>Unrealized</b>	<b>Unrealized</b>	<b>Appreciation/</b>
	<b>Appreciation</b>	<b>(Depreciation)</b>	<b>(Depreciation)</b>
			<b>(1)</b>
\$ 5,465,040	\$ 193,844	\$ (336,136)	\$ (142,292)

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

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

(Unaudited)

## Counterparty Abbreviations:

AZD	Australia and New Zealand Banking Group	GSC	Goldman Sachs & Co.	RBC	Royal Bank of Canada
BCY	Barclays Capital, Inc.	GST	Goldman Sachs International	RCE	RBC Europe Limited
BOA	Bank of America N.A.	HUS	HSBC Bank USA N.A.	RDR	RBC Capital Markets
BPG	BNP Paribas Securities Corp.	JML	JPMorgan Securities PLC	RTA	Royal Bank of Canada
BPS	BNP Paribas S.A.	JPM	JPMorgan Chase Bank N.A.	RYL	Royal Bank of Scotland Group PLC
BRC	Barclays Bank PLC	JPS	JPMorgan Securities, Inc.	SCX	Standard Chartered Bank
CBK	Citibank N.A.	MSB	Morgan Stanley Bank N.A.	SOG	Societe Generale
DBL	Deutsche Bank AG London	MSC	Morgan Stanley & Co., Inc.	TOR	Toronto Dominion Bank
DEU	Deutsche Bank Securities, Inc.	MYI	Morgan Stanley & Co. International PLC	UAG	UBS AG Stamford
GLM	Goldman Sachs Bank USA	NOM	Nomura Securities International Inc.	UBS	UBS Securities LLC

## Currency Abbreviations:

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

## Index Abbreviations:

ABX.HE	Asset-Backed Securities Index - Home Equity	CDX.HY	Credit Derivatives Index - High Yield
--------	---	--------	---------------------------------------

## Other Abbreviations:

ABS	Asset-Backed Security	CDI	Brazil Interbank Deposit Rate	PIK	Payment-in-Kind
ALT	Alternate Loan Trust	CDO	Collateralized Debt Obligation	REMIC	Real Estate Mortgage Investment Conduit
BBR	Bank Bill Rate	CLO	Collateralized Loan Obligation	SP - ADR	Sponsored American Depositary Receipt
BBSW	Bank Bill Swap Reference Rate	LIBOR	London Interbank Offered Rate		

**Item 2. Controls and Procedures**

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

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

**Item 3. Exhibits**

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



**Signatures**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PIMCO Dynamic Credit and Mortgage Income Fund

By: /s/ Peter G. Strelow  
Peter G. Strelow  
President (Principal Executive Officer)

Date: November 28, 2016

By: /s/ William G. Galipeau  
William G. Galipeau  
Treasurer (Principal Financial & Accounting  
Officer)

Date: November 28, 2016

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Peter G. Strelow  
Peter G. Strelow  
President (Principal Executive Officer)

Date: November 28, 2016

By: /s/ William G. Galipeau  
William G. Galipeau  
Treasurer (Principal Financial & Accounting  
Officer)

Date: November 28, 2016