

PIMCO CORPORATE INCOME FUND
Form N-CSRS
July 07, 2008

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 811-10555

PIMCO Corporate Income Fund
(Exact name of registrant as specified in charter)

1345 Avenue of the Americas, New York, New York
(Address of principal executive offices)

10105
(Zip code)

Lawrence G. Altadonna - 1345 Avenue of the Americas, New York, New York 10105
(Name and address of agent for service)

Registrant's telephone number, including area code: 212-739-3371

Date of fiscal year end: October 31, 2008

Date of reporting period: April 30, 2008

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: Report to Shareholders

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PIMCO Corporate Income Fund Letter to Shareholders

June 14, 2008

Dear Shareholder:

We are pleased to provide you with the semi-annual report for the PIMCO Corporate Income Fund (the Fund) for the fiscal six-month period ended April 30, 2008.

The U.S. bond market delivered positive returns during the reporting period as economic growth moderated, leading to lower interest rates and higher bond prices. The Federal Reserve (the Fed) reduced the Federal Funds rate five times in the period, reducing the benchmark rate on loans between member banks.

Since February 2008, industry-wide developments in the auction-rate preferred markets have caused auctions for the Fund's auction-rate preferred shares (ARPS) to fail, as described in Note 5 in the accompanying notes to Financial Statements. At the time this report is being prepared, it is not possible to predict how and when full or partial liquidity will return, if at all, to the closed-end fund ARPS market. Additional information regarding ARPS, failed auctions and potential solutions to address the unprecedented lack of liquidity of the ARPS due to recent failed auctions can be accessed on our Web site, www.allianzinvestors.com/arps.

For specific information on the Fund and its performance, please refer to the following pages. If you have any questions regarding the information provided, we encourage you to contact your financial advisor or call the Fund's shareholder servicing agent at (800) 331-1710. In addition, a wide range of information and resources is available on our Web site, www.allianzinvestors.com/closedendfunds.

Together with Allianz Global Investors Fund Management LLC, the Fund's investment manager, and Pacific Investment Management Company LLC (PIMCO), the Fund's sub-adviser, we thank you for investing with us.

We remain dedicated to serving your investment needs.

Sincerely,

Hans W. Kertess

Chairman

Brian S. Shlissel

President & Chief Executive Officer

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PIMCO Corporate Income Fund Fund Insights/Performance & Statistics

April 30, 2008 (unaudited)

- For the six-months ended April 30, 2008, the Fund had a net asset value (NAV) return of (1.60)% and a market price return of 8.38%.
- The Lehman U.S. Credit and U.S. High Yield Indices generated returns of 2.02% and (0.74)%, respectively, for the six-month period ended April 30, 2008.
- The Fund's allocation to the electric sector boosted returns as the sector outperformed the broad market during the reporting period.
- Exposure to consumer non-cyclicals enhanced returns; in particular, performance was aided by emphasizing on health care bonds, which outperformed all other consumer non-cyclicals.
- The Fund's positions in natural gas energy firms enhanced the Fund's returns as this sector outperformed for the six-month period.
- The Fund's position in insurance securities, an outperforming sector for the trailing six-months, contributed positively to the Fund's performance.
- Exposure to finance companies dampened performance as this sector underperformed the market during the six-month period.
- The Fund's quality bias contributed negatively to performance as Baa rated securities outperformed higher tiers of the quality spectrum during the six-month period.

| Total Return⁽¹⁾: | Market Price | Net Asset Value (NAV) |
|--|---------------------|--------------------------------|
| Six Months | 8.38% | (1.60)% |
| 1 year | 1.02% | (4.07)% |
| 5 year | 10.03% | 7.39% |
| Commencement of Operations (12/21/01) to 4/30/08 | 9.96% | 8.61% |

Common Share Market Price/NAV Performance:

Commencement of Operations (12/21/01) to 4/30/08
 NAV
 Market Price

Market Price/NAV:

Market Price \$14.75
 NAV \$12.90
 Premium to NAV 14.34%
 Market Price Yield⁽²⁾ 8.64%

(1) **Past performance is no guarantee of future results.** Returns are calculated by determining the percentage change in net asset value or market share price (as applicable) in the period covered. The calculation assumes that all of the Fund's income dividends and capital gain distributions have been reinvested. Total return does not reflect broker commissions or sales charges. Total return for a period of less than one year is not annualized. Total return for a period of more than one year represents the average annual total return.

The Fund's performance at market price will differ from its results at NAV. Although market price returns typically reflect investment results over time, during shorter periods returns at market price can also be influenced by factors such as changing views about the Fund, market conditions, supply and demand for the Fund's shares, or changes in Fund distributions.

An investment in the Fund involves risk, including the loss of principal. Total return, market price, market yield and net asset value will fluctuate with changes in market conditions. This data is provided for information only and is not intended for trading purposes. Closed-end funds, unlike open-end funds, are not continuously offered. There is a onetime public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Net asset value is equal to total assets attributable to common shareholders less total liabilities divided by the number of common shares outstanding. Holdings are subject to change daily.

(2) Market Price Yield is determined by dividing the annualized current monthly per share dividend (comprised from net investment income) payable to common shareholders by the market price per common share at April 30, 2008.

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PIMCO Corporate Income Fund Schedule of Investments

April 30, 2008 (unaudited)

| Principal Amount (000) | | | Credit Rating (Moody s/S&P) | Value |
|--|--|---|-----------------------------|-------------|
| CORPORATE BONDS & NOTES 78.0% | | | | |
| Airlines 3.7% | | | | |
| | | American Airlines, Inc., | | |
| \$1,546 | | 6.978%, 10/1/12 | Baa2/A- | \$1,522,438 |
| 1,000 | | 7.858%, 4/1/13 | Baa2/A- | 1,001,649 |
| | | Continental Airlines, Inc., | | |
| 10,000 | | 6.503%, 6/15/11 | Baa2/BBB+ | 9,813,758 |
| 749 | | 6.545%, 8/2/20 | Baa2/A- | 726,959 |
| 3,035 | | 7.056%, 9/15/09 | Baa2/A- | 3,023,619 |
| 2,274 | | 9.798%, 4/1/21 | Ba1/BB+ | 2,012,414 |
| 336 | | Delta Air Lines, Inc., 6.619%, 3/18/11 | NR/BBB | 329,674 |
| 9,673 | | Northwest Airlines, Inc., 7.15%, 10/1/19 (f) | Aaa/AAA | 9,487,070 |
| | | United Air Lines, Inc., | | |
| 1,567 | | 7.336%, 7/2/19 (a)(d) | Ba2/BB- | 1,300,605 |
| 378 | | 10.36%, 11/13/12 (b)(k) | NR/NR | 4,059 |
| | | | | 29,222,245 |
| Automotive 0.2% | | | | |
| 1,500 | | Ford Motor Co., 9.98%, 2/15/47 | Caa1/CCC+ | 1,237,500 |
| Banking 16.7% | | | | |
| 6,000 | | American Express Bank FSB, 5.50%, 4/16/13 (a)(d) | Aa3/A+ | 6,010,296 |
| | | Bank of America Corp., FRN (g), | | |
| 20,600 | | 8.00%, 12/29/49 | A1/A+ | 21,010,126 |
| 800 | | 8.125%, 5/15/18 | A1/A+ | 818,584 |
| | | Barclays Bank PLC FRN (a)(d)(g), | | |
| 4,600 | | 7.434%, 12/15/17 | Aa3/NR | 4,419,965 |
| 9,700 | | 7.70%, 4/25/18 | Aa2/A+ | 9,952,890 |
| 6,900 | | BNP Paribas, 5.186%, 6/29/15, FRN (a)(d)(g) | Aa3/AA- | 5,985,129 |
| 5,000 | | Colonial Bank, 9.375%, 6/1/11 (a)(b)(d) | Baa2/BBB | 5,315,070 |
| 2,700 | | Commonwealth Bank of Australia, | | |
| | | 6.024%, 3/15/16, FRN (a)(d)(g) | Aa3/A+ | 2,305,001 |
| 2,800 | | Credit Agricole S.A., 6.637%, 5/31/17, FRN (a)(d)(g) | Aa3/A | 2,301,365 |
| 6,450 | | HBOS Capital Funding L.P., 6.071%, 6/30/14, FRN (a)(d)(g) | A1/A | 5,316,961 |
| | | HSBC Capital Funding L.P., | | |
| 3,900 | | 4.61%, 6/27/13, FRN (a)(d)(g) | A1/A | 3,243,310 |
| 1,000 | | 10.176%, 6/30/30, FRN (g) | A1/A | 1,234,243 |
| | | HSBC Holdings PLC, | | |
| 6,450 | | 6.50%, 5/2/36 | Aa3/A+ | 6,372,142 |
| 2,100 | | 6.50%, 9/15/37 | Aa3/A+ | 2,068,672 |
| 2,300 | | Rabobank Capital Funding II, 5.26%, 12/31/13, FRN (a)(d)(g) | Aa2/AA | 2,055,673 |

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| | | | |
|--------|--|---------|-------------|
| 4,600 | Rabobank Capital Funding Trust, | | |
| | 5.254%, 10/21/16, FRN (a)(d)(g) | Aa2/AA | 3,840,397 |
| 8,500 | RBS Capital Trust III, 5.512%, 9/30/14, FRN (g) | Aa3/A | 7,181,174 |
| 1,750 | Riggs National Corp., 9.65%, 6/15/09 | A2/A | 1,840,741 |
| 1,000 | Royal Bank of Scotland Group PLC, | | |
| | 7.648%, 9/30/31, FRN (g) | Aa3/A | 847,468 |
| 3,100 | State Street Capital Trust III, 8.25%, 3/15/11, FRN (g) | A1/A | 3,166,650 |
| 7,300 | UBS AG, 5.75%, 4/25/18 | Aa1/AA- | 7,307,906 |
| 5,700 | USB Capital IX, 6.189%, 4/15/11, FRN (g) | A1/A+ | 4,334,702 |
| | Wachovia Corp., | | |
| 2,100 | 5.75%, 2/1/18 | Aa3/AA- | 2,097,839 |
| 15,000 | 7.98%, 3/15/18, FRN (g) | A2/A | 14,803,215 |
| 7,200 | Wells Fargo Capital X, 5.95%, 12/15/36 | Aa2/AA- | 6,432,437 |
| | | | 130,261,956 |

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PIMCO Corporate Income Fund Schedule of Investments

April 30, 2008 (unaudited) (continued)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value |
|---------------------------------------|--|-----------------------------|-------------|
| Computer Services 0.1% | | | |
| \$1,000 | Electronic Data Systems Corp., 6.50%, 8/1/13 | Baa3/BBB- | \$1,020,595 |
| Diversified Manufacturing 0.7% | | | |
| 1,500 | Bombardier, Inc., 8.00%, 11/15/14 (a)(d) | Ba2/BB+ | 1,605,000 |
| 3,500 | Hutchison Whampoa International Ltd., (a)(d), 6.25%, 1/24/14 | A3/A- | 3,639,657 |
| 500 | 6.50%, 2/13/13 | A3/A- | 524,377 |
| | | | 5,769,034 |
| Energy 5.0% | | | |
| 1,200 | CenterPoint Energy Resources Corp., 7.75%, 2/15/11 | Baa3/BBB | 1,282,633 |
| 2,000 | Dynergy-Roseton Danskammer, Inc., 7.67%, 11/8/16 | Ba3/B | 2,003,252 |
| 2,000 | El Paso Corp., 10.75%, 10/1/10 | Ba3/BB- | 2,231,138 |
| 4,300 | Energy Transfer Partners L.P., 7.50%, 7/1/38 | Baa3/BBB- | 4,622,921 |
| 5,400 | Kinder Morgan Energy Partners L.P., 6.00%, 2/1/17 | Baa2/BBB | 5,412,134 |
| 1,000 | 6.50%, 2/1/37 | Baa2/BBB | 959,166 |
| 4,100 | NGPL PipeCo LLC, 7.119%, 12/15/17 (a)(d) | Baa3/BBB- | 4,310,605 |
| 1,200 | Northwest Pipeline Corp., 5.95%, 4/15/17 | Baa2/BBB- | 1,192,500 |
| 1,000 | Peabody Energy Corp., 7.875%, 11/1/26 | Ba1/BB | 1,042,500 |
| 3,000 | Sonat, Inc., 7.625%, 7/15/11 | Ba3/BB- | 3,164,889 |
| 500 | Southern Natural Gas Co., 5.90%, 4/1/17 (a)(d) | Baa3/BB | 500,792 |
| 1,100 | Tennessee Gas Pipeline Co., 7.50%, 4/1/17 | Baa3/BB | 1,214,068 |
| 250 | Transcontinental Gas Pipe Line Corp., 8.875%, 7/15/12 | Baa2/BBB- | 276,875 |
| 4,660 | Williams Cos., Inc., 7.50%, 1/15/31 | Baa3/BB+ | 4,962,900 |
| 5,000 | 7.875%, 9/1/21 | Baa3/BB+ | 5,487,500 |
| | | | 38,663,873 |
| Financial Services 18.5% | | | |
| 2,000 | American General Finance Corp., 8.45%, 10/15/09 | A1/A+ | 2,093,402 |
| 1,800 | Bear Stearns Cos., Inc., 6.95%, 8/10/12 | Baa1/A+ | 1,890,241 |
| 8,335 | Beaver Valley II Funding, 9.00%, 6/1/17 | Baa3/BBB- | 9,143,020 |
| 4,300 | C10 Capital SPV Ltd., 6.722%, 12/31/16, FRN (g) | NR/BBB- | 3,906,120 |
| 3,261 | Cedar Brakes II LLC, 9.875%, 9/1/13 (a)(b)(d) | Baa2/BBB- | 3,630,719 |
| 10,000 | Citigroup Capital XXI, 8.30%, 12/21/77, FRN | A1/A | 10,244,660 |
| 3,100 | Citigroup, Inc., 6.125%, 11/21/17 | Aa3/AA- | 3,154,526 |
| 2,000 | 6.125%, 8/25/36 | A1/A+ | 1,844,036 |
| 7,700 | 8.40%, 4/30/18, FRN (g) | A2/A | 7,802,641 |
| 1,400 | Covidien International Finance S.A., 6.55%, 10/15/37 (a)(d) | Baa1/A- | 1,437,026 |
| 1,000 | Fresenius Medical Care Capital Trust, 7.875%, 6/15/11 | B1/BB | 1,052,500 |
| 10,100 | General Electric Capital Corp., 6.375%, 11/15/67, FRN | Aa1/AA+ | 10,136,158 |
| £500 | 6.50%, 9/15/67, FRN (a)(d) | Aa1/AA+ | 952,562 |
| \$1,180 | 8.30%, 9/20/09 | Aaa/AAA | 1,252,805 |

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| | | | |
|---------|---|---------|-----------|
| 5,000 | General Motors Acceptance Corp., 6.75%, 12/1/14 | B2/B | 3,827,245 |
| | Goldman Sachs Group, Inc., | | |
| 5,700 | 5.95%, 1/15/27 | A1/A+ | 5,227,544 |
| 5,200 | 6.15%, 4/1/18 | Aa3/AA- | 5,273,642 |
| 4,000 | 6.45%, 5/1/36 | A1/A+ | 3,813,764 |
| 5,000 | 6.75%, 10/1/37 | A1/A+ | 4,921,110 |
| 250 | Green Valley Ltd., 8.342%, 1/10/11, FRN (a)(b)(d) | NR/BB+ | 391,794 |
| \$4,400 | JPMorgan Chase & Co., 6.00%, 1/15/18 | Aa2/AA- | 4,572,344 |

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PIMCO Corporate Income Fund Schedule of Investments

April 30, 2008 (unaudited) (continued)

| Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value |
|--|--|--------------------------------|-------------|
| Financial Services (continued) | | | |
| \$7,100 | JPMorgan Chase Capital XVIII, 6.95%, 8/17/36 | Aa3/A | \$6,803,334 |
| 4,100 | JPMorgan Chase Capital XX, 6.55%, 9/29/36 | Aa3/A | 3,733,284 |
| 2,700 | Lehman Brothers Holdings, Inc., 6.50%, 7/19/17 | A2/A | 2,658,682 |
| 13,000 | 6.875%, 5/2/18 | A1/A+ | 13,329,147 |
| 3,900 | MBNA Capital, 3.673%, 2/1/27, FRN | Aa3/A+ | 3,059,004 |
| 3,100 | Merrill Lynch & Co., Inc., 5.70%, 5/2/17 | A2/A | 2,928,111 |
| 1,300 | Mizuho JGB Investment LLC, 9.87%, 6/30/08, FRN (a)(d)(g) | A1/A- | 1,303,481 |
| 300 | Mizuho Preferred Capital Co. LLC, 8.79%, 6/30/08, FRN (a)(d)(g) | A1/A- | 300,967 |
| 7,900 | Morgan Stanley, 5.75%, 8/31/12 | Aa3/AA- | 7,930,526 |
| 1,000 | Natexis Ambs Co. LLC, 8.44%, 6/30/08, FRN (a)(b)(d)(g) | A1/A+ | 1,007,143 |
| 2,000 | Preferred Term Securities XIII, 3.35%, 3/24/34, FRN (a)(b)(d) | Aaa/AAA | 1,840,000 |
| 4,200 | Santander Perpetual S.A. Unipersonal, 6.671%, 10/24/17, FRN (a)(d)(g) | Aa2/A+ | 4,001,050 |
| 1,100 | SB Treasury Co. LLC, 9.40%, 6/30/08, FRN (b)(g) | A1/A- | 1,113,755 |
| 5,700 | UBS Preferred Funding Trust V, 6.243%, 5/15/16, FRN (g) | Aa3/A | 4,999,846 |
| 1,500 | Universal City Development Partners, 11.75%, 4/1/10 | B1/B+ | 1,556,250 |
| 1,000 | Universal City Florida Holding Co., 8.375%, 5/1/10 | B3/B- | 1,002,500 |
| | | | 144,134,939 |
| Food & Beverage 1.7% | | | |
| 1,500 | Albertson's Inc., 7.75%, 6/15/26 | B1/B+ | 1,461,323 |
| 9,000 | 8.00%, 5/1/31 | B1/B+ | 8,947,017 |
| 3,000 | Ingles Markets, Inc., 8.875%, 12/1/11 | B2/B+ | 3,060,000 |
| | | | 13,468,340 |
| Healthcare & Hospitals 0.7% | | | |
| 1,000 | HCA, Inc., 8.70%, 2/10/10 | Caa1/B- | 1,019,501 |
| 4,050 | 9.25%, 11/15/16 | B2/BB- | 4,363,875 |
| | | | 5,383,376 |
| Hotels/Gaming 0.7% | | | |
| 738 | Choctaw Resort Development Enterprise, 7.25%, 11/15/19 (a)(d) | Ba2/BB | 653,130 |
| 500 | Mandalay Resort Group, 9.375%, 2/15/10 | B1/B+ | 517,500 |
| 2,462 | Times Square Hotel Trust, 8.528%, 8/1/26 (a)(b)(d) | Baa3/BBB- | 2,653,282 |
| 2,000 | Wynn Las Vegas LLC, 6.625%, 12/1/14 | Ba2/BBB- | 1,960,000 |
| | | | 5,783,912 |
| Insurance 0.3% | | | |
| 2,300 | Dai-ichi Mutual Life Insurance Co., 5.73%, 3/17/14 (a)(d) | NR/A- | 2,370,872 |

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Metals & Mining 1.6%

| | | | |
|-------|---------------------------------------|-----------|------------|
| 3,000 | Falconbridge Ltd., 7.25%, 7/15/12 | Baa2/BBB+ | 3,204,690 |
| 40 | Novelis, Inc., 7.25%, 2/15/15 | B3/B | 36,800 |
| 4,700 | Phelps Dodge Corp., 9.50%, 6/1/31 | Baa2/BBB- | 6,220,544 |
| 1,900 | Vale Overseas Ltd., 6.25%, 1/11/16 | Baa3/BBB | 1,955,917 |
| 1,100 | 6.875%, 11/21/36 | Baa3/BBB | 1,119,261 |
| | | | 12,537,212 |

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PIMCO Corporate Income Fund Schedule of Investments

April 30, 2008 (unaudited) (continued)

| Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value |
|----------------------------------|---|--------------------------------|-------------|
| Multi-Media 5.1% | | | |
| \$5,000 | Comcast Cable Communications Holdings, Inc., 8.375%, 3/15/13 | Baa2/BBB+ | \$5,608,305 |
| 2,250 | Comcast Corp., 10.625%, 7/15/12 | Baa3/BBB | 2,652,649 |
| 1,500 | COX Communications, Inc., 6.45%, 12/1/36 (a)(d) | Baa3/BBB- | 1,512,640 |
| 1,000 | CSC Holdings, Inc., 7.625%, 4/1/11 | B1/BB | 1,012,500 |
| 1,700 | 7.875%, 2/15/18 | B1/BB | 1,678,750 |
| 6,625 | 8.125%, 8/15/09 | B1/BB | 6,774,062 |
| 500 | Historic TW, Inc., 6.625%, 5/15/29 | Baa2/BBB+ | 484,844 |
| 5,000 | 9.125%, 1/15/13 | Baa2/BBB+ | 5,628,780 |
| 1,610 | News America Holdings, Inc., 6.75%, 1/9/38 | Baa2/BBB+ | 1,721,687 |
| | Rogers Cable, Inc., 7.25%, 12/15/11 | Baa3/BBB- | 1,840,967 |
| CAD 1,750 | 8.75%, 5/1/32 | Baa3/BBB- | 3,158,100 |
| \$3,000 | Time Warner Cable, Inc., 5.85%, 5/1/17 | Baa2/BBB+ | 228,825 |
| 230 | 6.55%, 5/1/37 | Baa2/BBB+ | 2,124,483 |
| 2,130 | Univision Communications, Inc., 7.85%, 7/15/11 | Ba3/B | 3,103,750 |
| 3,250 | Vivendi, 6.625%, 4/4/18 (a)(d) | Baa2/BBB | 1,957,456 |
| 2,000 | | | 39,487,798 |
| Oil & Gas 5.3% | | | |
| 2,000 | Canadian Natural Resources Ltd., 6.50%, 2/15/37 | Baa2/BBB | 2,020,624 |
| 750 | Chesapeake Energy Corp., 7.00%, 8/15/14 | Ba3/BB | 770,625 |
| 2,400 | 7.75%, 1/15/15 | Ba3/BB | 2,490,000 |
| 1,800 | Devon Energy Corp., 7.95%, 4/15/32 | Baa1/BBB+ | 2,222,896 |
| 1,420 | Dynergy-Roseton Danskammer, Inc., 7.27%, 11/8/10 | Ba3/B | 1,420,118 |
| 1,975 | El Paso Corp., 8.05%, 10/15/30 | Ba3/BB- | 2,129,919 |
| 900 | EnCana Corp., 6.50%, 8/15/34 | Baa2/A- | 910,115 |
| 2,700 | Enterprise Products Operating LLC, 6.50%, 1/31/19 | Baa3/BBB- | 2,791,808 |
| 800 | Gaz Capital, 6.212%, 11/22/16 (a)(d) | A3/BBB | 758,000 |
| 4,900 | Gaz Capital S.A., 8.625%, 4/28/34 | A3/BBB | 5,745,250 |
| 9,200 | Gazprom AG, 9.625%, 3/1/13 | A3/BBB | 10,483,400 |
| 736 | Perforadora Central S.A. de CV, 4.92%, 12/15/18 | NR/NR | 781,949 |
| 1,700 | Ras Laffan Liquefied Natural Gas Co., Ltd. II, 5.298%, 9/30/20 (b) | Aa2/A | 1,580,830 |
| 2,000 | USX Corp., 9.375%, 2/15/12 | Baa1/BBB+ | 2,217,826 |
| 2,700 | XTO Energy, Inc., 5.50%, 6/15/18 | Baa2/BBB | 2,686,700 |
| 2,300 | 6.10%, 4/1/36 | Baa2/BBB | 2,241,223 |
| | | | 41,251,283 |
| Paper/Paper Products 1.7% | | | |
| 2,250 | Georgia-Pacific LLC, 7.00%, 1/15/15 (a)(d) | Ba3/BB- | 2,238,750 |
| 10,500 | 8.00%, 1/15/24 | B2/B+ | 10,053,750 |
| 500 | 8.125%, 5/15/11 | B2/B+ | 520,625 |
| 850 | Norske Skogindustrier ASA, 6.125%, 10/15/15 (a)(d) | B1/BB- | 527,000 |
| | | | 13,340,125 |

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PIMCO Corporate Income Fund Schedule of Investments

April 30, 2008 (unaudited) (continued)

| Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value |
|---------------------------------|--|--------------------------------|------------|
| Pharmaceuticals 0.3% | | | |
| \$1,000 | Hospira, Inc., 6.05%, 3/30/17 | Baa3/BBB | \$981,423 |
| 1,000 | Wyeth, 6.50%, 2/1/34 | A3/A+ | 1,050,817 |
| | | | 2,032,240 |
| Printing/Publishing 0.1% | | | |
| 1,000 | RH Donnelley Corp., 8.875%, 1/15/16 | B3/B | 655,000 |
| Retail 0.8% | | | |
| 5,897 | Yum! Brands, Inc., 8.875%, 4/15/11 | Baa2/BBB- | 6,490,816 |
| Technology 0.2% | | | |
| 2,000 | First Data Corp., 9.875%, 9/24/15 (a)(d) | B3/B | 1,822,500 |
| Telecommunications 8.3% | | | |
| 792 | AT&T Corp., 7.30%, 11/15/11 | A2/A | 852,696 |
| 5,000 | 8.00%, 11/15/31 | A2/A | 6,035,515 |
| 5,000 | Bellsouth Capital Funding, 7.875%, 2/15/30 | A2/A | 5,698,665 |
| 1,000 | Citizens Communications Co., 7.875%, 1/15/27 | Ba2/BB+ | 892,500 |
| 6,500 | 9.25%, 5/15/11 | Ba2/BB+ | 6,890,000 |
| 3,000 | Deutsche Telekom International Finance BV, 8.25%, 6/15/30 | A3/A- | 3,734,475 |
| 5,000 | Embarq Corp., 7.082%, 6/1/16 | Baa3/BBB- | 4,971,800 |
| 5,000 | 7.995%, 6/1/36 | Baa3/BBB- | 4,941,650 |
| 3,000 | France Telecom S.A., 8.50%, 3/1/31 | A3/A- | 3,880,365 |
| 2,000 | Nextel Communications, Inc., 7.375%, 8/1/15 | Baa3/BBB- | 1,601,080 |
| 1,000 | Qwest Capital Funding, Inc., 7.25%, 2/15/11 | B1/B+ | 985,000 |
| 2,000 | Qwest Communications International, Inc., 7.50%, 2/15/14 | Ba3/B+ | 1,975,000 |
| 2,300 | Qwest Corp., 6.05%, 6/15/13, FRN | Ba1/BBB- | 2,213,750 |
| 8,860 | 7.20%, 11/10/26 | Ba1/BBB- | 7,841,100 |
| 1,000 | Sprint Capital Corp., 6.375%, 5/1/09 | Baa3/BBB- | 985,233 |
| 3,800 | 6.90%, 5/1/19 | Baa3/BBB- | 3,140,635 |
| 6,200 | 8.75%, 3/15/32 | Baa3/BBB- | 5,484,092 |
| 1,200 | Verizon Communications, Inc., 6.10%, 4/15/18 | A3/A | 1,261,673 |
| 1,500 | Verizon New York, Inc., 7.375%, 4/1/32 | Baa3/A | 1,601,052 |
| | | | 64,986,281 |
| Tobacco 0.5% | | | |
| 4,000 | RJ Reynolds Tobacco Holdings, Inc., 7.75%, 6/1/18 | Ba1/BBB | 4,278,844 |
| Transportation 0.1% | | | |
| 400 | Norfolk Southern Corp., 5.75%, 4/1/18 (a)(d) | Baa1/BBB+ | 406,726 |
| Utilities 5.4% | | | |
| 1,000 | CMS Energy Corp., 3.663%, 1/15/13, FRN | Ba1/BB+ | 904,754 |
| 3,070 | East Coast Power LLC, 7.066%, 3/31/12 | Baa3/BBB- | 3,178,390 |
| 400 | Entergy Gulf States, Inc., 5.25%, 8/1/15 | Baa3/BBB+ | 379,314 |
| 2,000 | FirstEnergy Corp., 7.375%, 11/15/31 | Baa3/BBB- | 2,217,154 |

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| | | | |
|-------|--|-----------|-----------|
| 2,000 | Florida Gas Transmission Co., 7.00%, 7/17/12 (a)(b)(d) | Baa2/BBB+ | 2,196,852 |
| 3,560 | FPL Energy Wind Funding LLC, 6.876%, 6/27/17 (a)(d) | Ba2/BB | 3,666,800 |
| 4,100 | Homer City Funding LLC, 8.137%, 10/1/19 | Ba2/BB | 4,274,250 |
| 3,339 | Midwest Generation LLC, 8.56%, 1/2/16 | Baa3/BB+ | 3,606,337 |
| 2,000 | Northern States Power Co., 8.00%, 8/28/12 | A2/A | 2,262,856 |
| 6,000 | PSE&G Energy Holdings LLC, 8.50%, 6/15/11 | Ba3/BB- | 6,358,650 |

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PIMCO Corporate Income Fund Schedule of Investments

April 30, 2008 (unaudited) (continued)

| Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value |
|--|---|--------------------------------|-------------|
| Utilities (continued) | | | |
| \$8,000 | PSE&G Power LLC, 8.625%, 4/15/31 | Baa1/BBB | \$9,737,184 |
| 2,582 | Sithe Independence Funding Corp., 9.00%, 12/30/13 | Ba2/B | 2,764,801 |
| 643 | System Energy Resources, Inc., 5.129%, 1/15/14 (a)(d) | Baa3/BBB+ | 629,890 |
| | | | 42,177,232 |
| Waste Disposal 0.3% | | | |
| 2,580 | Waste Management, Inc., 7.10%, 8/1/26 | Baa3/BBB | 2,646,211 |
| Total Corporate Bonds & Notes (cost-\$621,735,650) | | | 609,428,910 |

SOVEREIGN DEBT OBLIGATIONS 5.4%

Brazil 2.5%

| | | | |
|--------|---|---------|------------|
| 13,900 | Federal Republic of Brazil, 8.25%, 1/20/34 | Ba1/BB+ | 17,687,750 |
| 1,250 | 10.125%, 5/15/27 | Ba1/BB+ | 1,820,000 |
| | | | 19,507,750 |

Guatemala 0.2%

| | | | |
|-------|---|--------|-----------|
| 1,500 | Republic of Guatemala, 9.25%, 8/1/13 (a)(d) | Ba2/BB | 1,742,250 |
|-------|---|--------|-----------|

Panama 1.1%

| | | | |
|-------|--|---------|-----------|
| 3,000 | Republic of Panama, 9.375%, 7/23/12 | Ba1/BB+ | 3,517,500 |
| 4,470 | 9.625%, 2/8/11 | Ba1/BB+ | 5,086,860 |
| | | | 8,604,360 |

Russia 1.2%

| | | | |
|-------|--|-----------|-----------|
| 7,251 | Russian Federation, 7.50%, 3/31/30, VRN | Baa2/BBB+ | 8,350,669 |
| 578 | 8.25%, 3/31/10 | Baa2/BBB+ | 605,686 |
| | | | 8,956,355 |

South Africa 0.3%

| | | | |
|-------|--|-----------|-----------|
| 2,600 | Republic of South Africa, 5.875%, 5/30/22 | Baa1/BBB+ | 2,369,250 |
| 120 | 7.375%, 4/25/12 | Baa1/BBB+ | 131,400 |
| | | | 2,500,650 |

Ukraine 0.1%

| | | | |
|-------|-------------------------------------|--------|-----------|
| 1,000 | Republic of Ukraine, 7.65%, 6/11/13 | B1/BB- | 1,074,500 |
|-------|-------------------------------------|--------|-----------|

Total Sovereign Debt Obligations (cost-\$40,613,232)

42,385,865

U.S. GOVERNMENT AGENCY SECURITIES 3.6%

| | | | |
|-------|-----------------------------------|---------|-----------|
| 3,900 | Fannie Mae 5.50%, MBS, TBA (e) | Aaa/AAA | 3,921,329 |
| 399 | 6.291%, 11/1/35, FRN, MBS | Aaa/AAA | 409,895 |
| 91 | 6.999%, 2/19/30, CMO, VRN | Aaa/AAA | 96,203 |
| 223 | 7.00%, 2/1/29, MBS | Aaa/AAA | 237,697 |
| 67 | 7.00%, 1/1/32, MBS | Aaa/AAA | 71,041 |
| 1,379 | 7.00%, 6/1/32, MBS | Aaa/AAA | 1,449,170 |
| 94 | 7.00%, 10/1/32, MBS | Aaa/AAA | 98,915 |
| 107 | 7.00%, 11/1/32, MBS | Aaa/AAA | 112,609 |
| 282 | 7.00%, 12/1/32, MBS | Aaa/AAA | 296,823 |
| 88 | 7.00%, 1/1/33, MBS | Aaa/AAA | 92,799 |

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PIMCO Corporate Income Fund Schedule of Investments

April 30, 2008 (unaudited) (continued)

| Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value |
|---------------------------|--|--------------------------------|-------------------|
| \$124 | 7.00%, 2/1/33, MBS | Aaa/AAA | \$130,061 |
| 347 | 7.00%, 3/1/33, MBS | Aaa/AAA | 365,405 |
| 1,004 | 7.00%, 5/1/33, MBS | Aaa/AAA | 1,056,090 |
| 53 | 7.00%, 6/1/33, MBS | Aaa/AAA | 55,979 |
| 128 | 7.00%, 7/1/33, MBS | Aaa/AAA | 135,764 |
| 317 | 7.00%, 1/1/34, MBS | Aaa/AAA | 335,139 |
| 474 | 7.00%, 3/1/34, MBS | Aaa/AAA | 502,054 |
| 265 | 7.00%, 9/1/34, MBS | Aaa/AAA | 278,303 |
| 1,551 | 7.00%, 4/1/35, MBS | Aaa/AAA | 1,632,110 |
| 728 | 7.00%, 6/1/35, MBS | Aaa/AAA | 767,480 |
| 1,817 | 7.00%, 10/1/35, MBS | Aaa/AAA | 1,913,766 |
| 1,867 | 7.00%, 2/1/36, MBS | Aaa/AAA | 1,967,209 |
| 54 | 7.00%, 9/25/41, CMO, VRN | Aaa/AAA | 56,946 |
| 1,024 | 7.00%, 12/25/41, CMO | Aaa/AAA | 1,082,610 |
| 27 | 7.50%, 12/25/19, CMO | Aaa/AAA | 29,410 |
| 233 | 7.50%, 5/1/22, MBS | Aaa/AAA | 250,274 |
| 12 | 7.50%, 6/25/30, CMO | Aaa/AAA | 12,756 |
| 232 | 7.50%, 12/1/33, MBS | Aaa/AAA | 249,179 |
| 54 | 7.50%, 11/25/40, CMO | Aaa/AAA | 57,271 |
| 107 | 7.50%, 5/25/42, CMO | Aaa/AAA | 114,183 |
| 4,929 | 7.50%, 12/25/45, CMO | Aaa/AAA | 5,000,676 |
| 25 | 8.00%, 7/18/27, CMO | Aaa/AAA | 26,431 |
| 4,859 | 8.00%, 12/25/45, CMO | Aaa/AAA | 4,956,939 |
| | | | 27,762,516 |
| | Freddie Mac | | |
| 65 | 7.50%, 11/1/19, MBS | Aaa/AAA | 69,161 |
| 22 | 8.00%, 9/15/26, CMO | Aaa/AAA | 23,736 |
| 5 | 9.50%, 5/15/21, CMO | Aaa/AAA | 5,696 |
| | | | 98,593 |
| | Total U.S. Government Agency Securities (cost-\$27,782,572) | | 27,861,109 |

MUNICIPAL BONDS (a)(j) 3.1%

New Jersey 3.1%

| | | | |
|-------|--|---------|-------------------|
| | Tobacco Settlement Financing Corp. Rev., | | |
| 8,480 | 5.75%, 6/1/32 | Aaa/AAA | 9,124,989 |
| 5,090 | 6.125%, 6/1/24 | Aaa/AAA | 5,416,982 |
| 8,480 | 6.375%, 6/1/32 | Aaa/AAA | 9,549,921 |
| | Total Municipal Bonds (cost-\$21,330,930) | | 24,091,892 |

MORTGAGE-BACKED SECURITIES 2.0%

| | | | |
|-------|---|---------|-----------|
| 3,500 | Chase Commercial Mortgage Securities Corp., 6.887%, 10/15/32, CMO (a)(d) | NR/BB+ | 3,139,586 |
| 1,000 | Citigroup/Deutsche Bank Commercial Mortgage Trust, 5.617%, 10/15/48, CMO | Aaa/AAA | 994,590 |
| 2,598 | GSMPS Mortgage Loan Trust CMO, (a)(d), 7.50%, 6/19/27, VRN | NR/NR | 2,652,239 |
| 69 | 7.50%, 6/19/32, VRN | NR/NR | 73,846 |
| 2,833 | 7.50%, 6/25/43 | NR/NR | 2,707,197 |
| 1,000 | LB-UBS Commercial Mortgage Trust, 5.424%, 2/15/40, CMO | NR/AAA | 972,823 |

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PIMCO Corporate Income Fund Schedule of Investments

April 30, 2008 (unaudited) (continued)

| Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value |
|--|---|--------------------------------|-------------|
| | Merrill Lynch Mortgage Investors, Inc., CMO, VRN, 7.102%, 12/15/30 | A3/AA | \$2,799,410 |
| \$2,805 | | | |
| 1,674 | 7.403%, 2/15/30 | Aaa/BBB+ | 1,724,683 |
| 261 | Washington Mutual Mortgage, 5.076%, 8/25/46, CMO, FRN | Aaa/AAA | 207,736 |
| 60 | Washington Mutual, Inc., 7.50%, 4/25/33, CMO | NR/AAA | 59,586 |
| Total Mortgage-Backed Securities (cost-\$16,082,359) | | | 15,331,696 |
| SENIOR LOANS (a)(c) 1.1% | | | |
| Containers & Packaging 0.1% | | | |
| 131 | Smurfit-Stone Container, 4.50%, 11/1/10 | | 127,753 |
| 64 | 4.875%, 11/1/10, Term C | | 62,637 |
| 39 | 4.875%, 11/1/11, Term B | | 38,511 |
| 107 | 5.125%, 11/1/11, Term B | | 104,716 |
| 215 | 5.125%, 11/1/11, Term C | | 209,431 |
| | | | 543,048 |
| Energy 0.2% | | | |
| 714 | AES Corp., 7.19%, 8/10/11, Term B (b) | | 698,215 |
| 714 | 7.19%, 8/10/11, Term B | | 698,214 |
| | | | 1,396,429 |
| Entertainment 0.1% | | | |
| 500 | Shackleton Crean Event Management, 10.438%, 8/1/08 (b) | | 492,500 |
| Financial Services 0.3% | | | |
| 2,488 | Chrysler Financial Corp., 6.80%, 8/3/12 | | 2,270,190 |
| Healthcare & Hospitals 0.3% | | | |
| 2,962 | HCA, Inc., 4.946%, 11/18/13, Term B | | 2,818,220 |
| Hotels/Gaming 0.1% | | | |
| 794 | Las Vegas Sands Corp., 4.45%, 5/23/14 | | 731,111 |
| Total Senior Loans (cost-\$8,616,241) | | | 8,251,498 |
| ASSET-BACKED SECURITIES 0.0% | | | |
| 321 | SLM Student Loan Trust, 2.92%, 10/25/16, FRN (cost-\$320,825) | Aaa/AAA | 317,772 |
| SHORT-TERM INVESTMENTS 6.5% | | | |
| U.S. Treasury Bills (h) 3.6% | | | |
| 28,000 | 0.95%-1.62%, 5/29/08-6/26/08 (cost-\$27,960,622) | NR/NR | 27,960,622 |
| Corporate Notes 2.0% | | | |
| Airlines 0.2% | | | |
| 1,769 | United Air Lines, Inc., 6.201%, 9/1/08 | Ba2/BBB | 1,733,753 |
| Banking 0.8% | | | |
| 5,910 | Republic New York Corp., 9.70%, 2/1/09 | A1/A+ | 6,144,302 |
| Diversified Manufacturing 0.1% | | | |
| 1,030 | Raychem Corp., 7.20%, 10/15/08 | NR/NR | 1,038,535 |
| Multi-Media 0.1% | | | |

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925

Comcast MO of Delaware LLC, 9.00%, 9/1/08

Baa2/BBB+

934,894

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PIMCO Corporate Income Fund Schedule of Investments

April 30, 2008 (unaudited) (continued)

| Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value |
|--|--|--------------------------------|-------------|
| Oil & Gas 0.3% | | | |
| \$2,350 | Salomon Brothers AG for OAO Siberian Oil Co., 10.75%, 1/15/09 | Ba1/BBB- | \$2,456,455 |
| Utilities 0.5% | | | |
| 3,500 | Tucson Electric Power, 7.50%, 8/1/08 | Baa2/BBB | 3,524,913 |
| Total Corporate Notes (cost-\$15,758,921) | | | 15,832,852 |
| U.S. Government Agency Securities 0.9% | | | |
| 7,300 | Federal Home Loan Bank Discount Notes, 1.75%, 5/1/08 (cost-\$7,300,000) | P-1/A-1+ | 7,300,000 |
| Total Short-Term Investments (cost-\$51,019,543) | | | 51,093,474 |

OPTIONS PURCHASED (i) 0.4%

| Contracts/ Notional <u>Amount</u> | | | |
|---|--|--|-----------|
| Call Options 0.3% | | | |
| 59,000,000 | 2-Year Interest Rate Swap (OTC), Pay 3-Month USD-LIBOR Floating Rate Index, strike rate 3.63%, expires 1/7/09 | | 541,826 |
| 44,100,000 | 2-Year Interest Rate Swap (OTC), Pay 3-Month USD-LIBOR Floating Rate Index, strike rate 4.75%, expires 9/8/09 | | 901,792 |
| 1,000,000 | 2-Year Interest Rate Swap (OTC), Pay 3-Month USD-LIBOR Floating Rate Index, strike rate 5.00%, expires 8/28/09 | | 23,988 |
| 2,500,000 | Euro versus U.S. Dollar (OTC), strike price \$1.37, expires 6/3/10 | | 436,446 |
| 1,000,000 | strike price \$1.38, expires 5/21/10 | | 172,366 |
| 1,000,000 | strike price \$1.38, expires 5/21/10 | | 172,366 |
| 625 | U.S. Treasury Notes 5 yr. Futures (CBOT), strike price \$129.50, expires 5/23/08 | | 4,882 |
| | | | 2,253,666 |
| Put Options 0.1% | | | |
| 59,000,000 | 9-Year Interest Rate Swap (OTC), Pay 3-Month USD-LIBOR Floating Rate Index, strike rate 5.45%, expires 1/7/09 | | 408,239 |
| 2,300,000 | Euro versus U.S. Dollar (OTC), strike price \$1.36, expires 5/21/08 | | 541 |
| 2,500,000 | strike price \$1.37, expires 6/3/10 | | 76,720 |
| 1,000,000 | strike price \$1.38, expires 5/21/10 | | 31,023 |
| 1,000,000 | strike price \$1.38, expires 5/21/10 | | 31,023 |
| 520 | Financial Future Euro 90 day (CME), strike price \$92.50, expires 6/16/08 | | 1 |
| 700 | strike price \$93.25, expires 3/16/09 | | 2 |
| | United Kingdom 90 day (CME), | | |

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| | | |
|-----|--|-------|
| 276 | strike price \$89.50, expires 12/16/09 | 1 |
| 230 | strike price \$91.25, expires 12/17/08 | |
| 125 | strike price \$92, expires 3/18/09 | |
| 100 | U.S. Treasury Bonds 30 yr. Futures (CBOT), strike price \$88, expires 5/23/08 | 1,562 |

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PIMCO Corporate Income Fund Schedule of Investments

April 30, 2008 (unaudited) (continued)

| Contracts/ Notional Amount | | | | Value |
|---|---|---|--|----------------------|
| Put Options (continued) | | | | |
| | | U.S. Treasury Notes 10 yr. Futures (CBOT), | | |
| 131 | | strike price \$82, expires 5/23/08 | | \$2,047 |
| 600 | | strike price \$90, expires 5/23/08 | | 9,375 |
| 800 | | strike price \$100, expires 5/23/08 | | 12,500 |
| | | | | 573,034 |
| Total Options Purchased (cost-\$2,066,984) | | | | 2,826,700 |
| Total Investments before options written | | | | |
| (cost-\$789,568,336) 100.1% | | | | 781,588,916 |
| OPTIONS WRITTEN (i) (0.1)% | | | | |
| Call Options (0.1)% | | | | |
| | | 2-Year Interest Rate Swap (OTC), | | |
| | | Pay 3-Month USD-LIBOR Floating Rate Index, | | |
| 14,700,000 | | strike rate 5.15%, expires 9/8/09 (premiums received-\$443,411) | | (785,446) |
| Total Investments net of options written | | | | |
| (cost-\$789,124,925) 100.0% | | | | \$780,803,470 |
| Notes to Schedule of Investments: | | | | |
| (a) | Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$141,544,241, represents 18.13% of total investments. | | | |
| (b) | Illiquid security. | | | |
| (c) | These securities generally pay interest at rates which are periodically pre-determined by reference to a base lending rate plus a premium. These base lending rates are generally either the lending rate offered by one or more major European banks, such as the LIBOR or the prime rate offered by one or more major United States banks, or the certificate of deposit rate. These securities are generally considered to be restricted as the Fund is ordinarily contractually obligated to receive approval from the Agent bank and/or borrower prior to disposition. | | | |
| | Remaining maturities of senior loans may be less than the stated maturities shown as a result of contractual or optional payments by the borrower. Such prepayments cannot be predicted with certainty. The interest rate disclosed reflects the rate in effect on April 30, 2008. | | | |
| (d) | 144A Security Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration typically only to qualified institutional buyers. Unless otherwise indicated, these securities are not considered to be illiquid. | | | |
| (e) | When-issued or delayed-delivery security. To be settled/delivered after April 30, 2008. | | | |
| (f) | Securities with an aggregate value of \$9,487,070, representing 1.22% of total investments, have been fair-valued using methods as described in Note 1(a) in the Notes to Financial statements. | | | |
| (g) | Perpetual maturity security. Maturity date shown is the first call date. Interest rate is fixed until the first call date and variable thereafter. | | | |
| (h) | All or partial amount segregated as collateral for futures contracts, options written and swaps. | | | |
| (i) | Non-income producing. | | | |
| (j) | Residual Interest Bonds held in trust Securities represent underlying bonds transferred to a separate securitization trust established in a tender option bond transaction in which the Fund acquired the residual interest certificates. These securities serve as collateral in a | | | |

| | | |
|------------------|---|--|
| | | financing transaction. |
| (k) | | Security in default. |
| Glossary: | | |
| £ | - | British Pound Sterling |
| CAD | - | Canadian Dollar |
| CBOT | - | Chicago Board of Trade |
| CME | - | Chicago Mercantile Exchange |
| CMO | - | Collateralized Mortgage Obligation |
| | - | Euro |
| FRN | - | Floating Rate Note. The interest rate disclosed reflects the rate in effect on April 30, 2008. |
| LIBOR | - | London Inter-Bank Offered Rate |
| MBS | - | Mortgage-Backed Security |
| NR | - | Not Rated |
| OTC | - | Over-the-Counter |
| TBA | - | To Be Announced |
| VRN | - | Variable Rate Note. Instruments whose interest rates change on specified date (such as a coupon date or interest payment date) and/or whose interest rates vary with changes in a designated base rate (such as the prime interest rate). The interest rate disclosed reflects the rate in effect on April 30, 2008. |

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PIMCO Corporate Income Fund Statement of Assets and Liabilities

April 30, 2008 (unaudited)

Assets:

| | |
|---|--------------------|
| Investments, at value (cost-\$789,568,336) | \$781,588,916 |
| Cash (including foreign currency of \$1,295,224 with a cost of \$1,294,846) | 1,612,806 |
| Unrealized appreciation of swaps | 49,265,986 |
| Receivable for swaps purchased | 20,979,302 |
| Interest receivable | 13,663,644 |
| Deposits with brokers for futures contracts collateral | 2,810,100 |
| Receivable for investments sold | 2,577,945 |
| Unrealized appreciation of forward foreign currency contracts | 1,179,599 |
| Receivable for variation margin on futures contracts | 195,801 |
| Prepaid expenses | 50,321 |
| Total Assets | 873,924,420 |

Liabilities:

| | |
|---|--------------------|
| Unrealized depreciation of swaps | 43,607,878 |
| Premium for swaps sold | 34,856,120 |
| Payable for floating rate notes issued | 10,215,000 |
| Payable for investments purchased | 4,926,696 |
| Dividends payable to common and preferred shareholders | 3,998,706 |
| Options written, at value (premiums received - \$443,411) | 785,446 |
| Investment management fees payable | 406,805 |
| Unrealized depreciation of forward foreign currency contracts | 397,831 |
| Interest payable | 123,704 |
| Unrealized depreciation on unfunded loan commitments | 15,841 |
| Accrued expenses and other liabilities | 1,869,342 |
| Total Liabilities | 101,203,369 |

Preferred shares (\$25,000 net asset and liquidation value per share applicable to an aggregate of 12,000 shares issued and outstanding)

300,000,000

Net Assets Applicable to Common Shareholders

\$472,721,051

Composition of Net Assets Applicable to Common Shareholders:

| | |
|--|----------------------|
| Common Stock: | |
| Par value (\$0.00001 per share, applicable to 36,659,129 shares issued and outstanding) | \$367 |
| Paid-in-capital in excess of par | 520,657,856 |
| Dividends in excess of net investment income | (12,500,328) |
| Accumulated net realized loss | (33,294,503) |
| Net unrealized depreciation of investments, futures contracts, options written, swaps, unfunded loan commitments and foreign currency transactions | (2,142,341) |
| Net Assets Applicable to Common Shareholders | \$472,721,051 |
| Net Asset Value Per Common Share | \$12.90 |

See accompanying Notes to Financial Statements. | 4.30.08 | PIMCO Corporate Income Fund Semi-Annual Report **13**

PIMCO Corporate Income Fund Statement of Operations

For the six months ended April 30, 2008 (unaudited)

Investment Income:

| | |
|-------------------------------|--------------|
| Interest | \$27,149,703 |
| Facility and other fee income | 172,534 |
| Dividends | 133,875 |
| Total Investment Income | 27,456,112 |

Expenses:

| | |
|---|-----------|
| Investment management fees | 2,909,670 |
| Auction agent fees and commissions | 385,292 |
| Interest expense | 263,567 |
| Custodian and accounting agent fees | 123,611 |
| Reports to shareholders | 99,560 |
| Audit and tax services | 57,779 |
| Trustees' fees and expenses | 28,939 |
| Transfer agent fees | 16,690 |
| Legal fees | 16,362 |
| New York Stock Exchange listing fees | 11,402 |
| Insurance expense | 7,471 |
| Miscellaneous | 14,573 |
| Total expenses | 3,934,916 |
| Less: investment management fees waived | (453,112) |
| custody credits earned on cash balances | (4,051) |
| Net expenses | 3,477,753 |

| | |
|------------------------------|-------------------|
| Net Investment Income | 23,978,359 |
|------------------------------|-------------------|

Realized and Change in Unrealized Gain (Loss):

| | |
|---|----------------------|
| Net realized gain (loss) on: | |
| Investments | (1,558,716) |
| Futures contracts | 1,359,352 |
| Options written | (4,131,990) |
| Swaps | (27,997,557) |
| Foreign currency transactions | 665,173 |
| Net change in unrealized appreciation/depreciation of: | |
| Investments | (12,649,827) |
| Futures contracts | 450,611 |
| Options written | (125,048) |
| Swaps | 17,989,926 |
| Unfunded loan commitments | (16,881) |
| Foreign currency transactions | 563,218 |
| Net realized and change in unrealized loss on investments, futures contracts, options written, swaps, unfunded loan commitments and foreign currency transactions | (25,451,739) |
| Net Decrease in Net Assets Resulting from Investment Operations | (1,473,380) |
| Dividends on Preferred Shares from Net Investment Income | (6,763,421) |
| Net Decrease in Net Assets Applicable to Common Shareholders Resulting from Investment Operations | \$(8,236,801) |

14 PIMCO Corporate Income Fund Semi-Annual Report | 4.30.08 | See accompanying Notes to Financial Statements.

PIMCO Corporate Income Fund Statement of Changes in Net Assets**Applicable to Common Shareholders**

| | Six Months ended April 30, 2008 (unaudited) | Year Ended October 31, 2007 |
|---|--|--------------------------------|
| Investment Operations: | | |
| Net investment income | \$23,978,359 | \$47,292,960 |
| Net realized gain (loss) on investments, futures contracts, options written, swaps and foreign currency transactions | (31,663,738) | 9,891,956 |
| Net change in unrealized appreciation/depreciation of investments, futures contracts, options written, swaps, unfunded loan commitments and foreign currency transactions | 6,211,999 | (28,448,936) |
| Net increase (decrease) in net assets resulting from investment operations | (1,473,380) | 28,735,980 |
| Dividends on Preferred Shares from Net investment income: | | |
| Net increase (decrease) in net assets applicable to common shareholders resulting from investment operations | (6,763,421) | (15,622,315) |
| | (8,236,801) | 13,113,665 |
| Dividends and Distributions to Common Shareholders from: | | |
| Net investment income | (23,338,638) | (46,427,290) |
| Net realized gains | | (3,368,998) |
| Total dividends and distributions to common shareholders | (23,338,638) | (49,796,288) |
| Capital Share Transactions: | | |
| Reinvestment of dividends and distributions | 1,582,457 | 4,292,291 |
| Total decrease in net assets applicable to common shareholders | (29,992,982) | (32,390,332) |
| Net Assets Applicable to Common Shareholders: | | |
| Beginning of period | 502,714,033 | 535,104,365 |
| End of period (including dividends in excess of net investment income of \$(12,500,328) and \$(6,376,628), respectively) | \$472,721,051 | \$502,714,033 |
| Common Shares Issued in Reinvestment of Dividends and Distributions: | 114,820 | 291,238 |

See accompanying Notes to Financial Statements. | 4.30.08 | PIMCO Corporate Income Fund Semi-Annual Report **15**

PIMCO Corporate Income Fund Notes to Financial Statements

April 30, 2008 (unaudited)

1. Organization and Significant Accounting Policies

PIMCO Corporate Income Fund (the Fund), was organized as a Massachusetts business trust on October 17, 2001. Prior to commencing operations on December 21, 2001, the Fund had no operations other than matters relating to its organization and registration as a diversified, closed-end management investment company registered under the Investment Company Act of 1940 and the rules and regulations there under, as amended. Allianz Global Investors Fund Management LLC (the Investment Manager) serves as the Fund's Investment Manager and is an indirect wholly-owned subsidiary of Allianz Global Investors of America L.P. (Allianz Global). Allianz Global is an indirect, majority-owned subsidiary of Allianz SE, a publicly traded European insurance and financial services company. The Fund has an unlimited amount of \$0.00001 par value common stock authorized.

The Fund's primary investment objective is to seek high current income with capital preservation and capital appreciation as secondary objectives by investing at least 80% of its total assets in a diversified portfolio of U.S. dollar-denominated corporate debt obligations and of varying maturities and other income producing securities.

The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from these estimates.

In the normal course of business, the Fund enters into contracts that contain a variety of representations which provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet been asserted. However, the Fund expects the risk of any loss to be remote.

In July 2006, the Financial Accounting Standards Board issued Interpretation No. 48, Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109 (the Interpretation). The Interpretation establishes for all entities, including pass-through entities such as the Fund, a minimum threshold for financial statement recognition of the benefit of positions taken in filing tax returns (including whether an entity is taxable in a particular jurisdiction), and requires certain expanded tax disclosures. Fund management has determined that its evaluation of the Interpretation has resulted in no material impact to the Fund's financial statements at April 30, 2008. The Fund's federal tax returns for the prior three fiscal years remain subject to examination by the Internal Revenue Service.

In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) 157, Fair Value Measurements, which clarifies the definition of fair value and requires companies to expand their disclosure about the use of fair value to measure assets and liabilities in interim and annual periods subsequent to initial recognition. Adoption of SFAS 157 requires the use of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. At this time, the Fund is in the process of reviewing SFAS 157 against its current valuation policies to determine future applicability.

In March 2008, the Financial Accounting Standards board (FASB) issued Statement of Financial Accounting Standards No. 161, Disclosures about Derivative Instruments and Hedging Activities (SFAS 161). SFAS 161 is effective for fiscal years and interim periods beginning after November 15, 2008. SFAS 161 requires enhanced disclosures about a fund s derivative and hedging activities. Fund management is currently evaluating the impact the adoption of SFAS 161 will have on the Fund s financial statement disclosures.

The following is a summary of significant accounting policies followed by the Fund:

(a) Valuation of Investments

Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Portfolio securities and other financial instruments for which market quotations are not readily available or if a development/event occurs that may significantly impact the value of a security, are fair-valued, in good faith, pursuant to guidelines established by the Board of Trustees, or person acting at their discretion pursuant to guidelines established by the Board of Trustees, including certain fixed income securities which may be valued with reference to securities whose prices are more readily available. The Fund s investments, including over-the-counter options, are valued daily using prices supplied by an independent pricing service or dealer quotations, or by using the last sale price on the exchange that is the primary market for such securities, or the last quoted mean price for those securities for which the over-the-counter market is the primary market or for listed securities in which there were no sales. Independent pricing services use information provided by market makers or estimates of market values obtained from

PIMCO Corporate Income Fund Notes to Financial Statements

April 30, 2008 (unaudited)

1. Organization and Significant Accounting Policies (continued)

yield data relating to investments or securities with similar characteristics. The Fund's investments in senior floating rate loans (Senior Loans) for which a secondary market exists will be valued at the mean of the last available bid and asked prices in the market for such Senior Loans, as provided by an independent pricing service. Exchange traded options, futures and options on futures are valued at the settlement price determined by the relevant exchange. Securities purchased on a when-issued or delayed delivery basis are marked to market daily until settlement at the forward settlement value. Short-term securities maturing in 60 days or less are valued at amortized cost, if their original term to maturity was 60 days or less, or by amortizing their value on the 61st day prior to maturity, if the original term to maturity exceeded 60 days. The prices used by the Fund to value securities may differ from the value that would be realized if the securities were sold and these differences could be material to the financial statements of the Fund. The Fund's net asset value is normally determined as of the close of regular trading (normally, 4:00 p.m. Eastern time) on the New York Stock Exchange (NYSE) on each day the NYSE is open for business.

(b) Investment Transactions and Investment Income

Investment transactions are accounted for on the trade date. Securities purchased and sold on a when-issued or delayed-delivery basis may be settled a month or more after the trade date. Realized gains and losses on investments are determined on the identified cost basis. Interest income is recorded on an accrual basis. Discounts or premiums on debt securities purchased are accreted or amortized to interest income over the lives of the respective securities using the effective interest method. Dividend income is recorded on the ex-dividend date. Facility fees and other fees (such as origination fees) received by the Fund are amortized as income over the expected term of the senior loan. Commitment fees received by the Fund relating to unfunded purchase commitments are deferred and amortized to facility fee income over the period of the commitment.

(c) Federal Income Taxes

The Fund intends to distribute all of its taxable income and to comply with the other requirements of the U.S. Internal Revenue Code of 1986, as amended, applicable to regulated investment companies. Accordingly, no provision for U.S. federal income taxes is required.

(d) Dividends and Distributions - Common Stock

The Fund declares dividends from net investment income monthly to common shareholders. Distributions of net realized capital gains, if any, are paid at least annually. The Fund records dividends and distributions to its shareholders on the ex-dividend date. The amount of dividends and distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations, which may differ from generally accepted accounting principles. These book-tax differences are considered either temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their income tax treatment; temporary differences do not require reclassification. To the extent dividends and/or distributions exceed current and accumulated earnings and profits for federal income tax purposes; they are reported as dividends and/or distributions of paid-in capital in excess of par.

(e) Foreign Currency Translation

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The Fund's accounting records are maintained in U.S. dollars as follows: (1) the foreign currency market value of investments and other assets and liabilities denominated in foreign currency are translated at the prevailing exchange rate at the end of the period; and (2) purchases and sales, income and expenses are translated at the prevailing exchange rate on the respective dates of such transactions. The resulting net foreign currency gain or loss is included in the Statement of Operations.

The Fund does not generally isolate that portion of the results of operations arising as a result of changes in the foreign currency exchange rates from the fluctuations arising from changes in the market prices of securities. Accordingly, such foreign currency gain (loss) is included in net realized and unrealized gain (loss) on investments.

However, the Fund does isolate the effect of fluctuations in foreign currency exchange rates when determining the gain or loss upon the sale or maturity of foreign currency denominated debt obligations pursuant to U.S. federal income tax regulations; such amount is categorized as foreign currency gain or loss for both financial reporting and income tax reporting purposes.

PIMCO Corporate Income Fund Notes to Financial Statements

April 30, 2008 (unaudited)

1. Organization and Significant Accounting Policies (continued)

(f) Futures Contracts

A futures contract is an agreement between two parties to buy and sell a financial instrument at a set price on a future date. Upon entering into such a contract, the Fund is required to pledge to the broker an amount of cash or securities equal to the minimum initial margin requirements of the exchange. Pursuant to the contracts, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in the value of the contracts. Such receipts or payments are known as variation margin and are recorded by the Fund as unrealized appreciation or depreciation. When the contracts are closed, the Fund records a realized gain or loss equal to the difference between the value of the contracts at the time they were opened and the value at the time they were closed. Any unrealized appreciation or depreciation recorded is simultaneously reversed. The use of futures transactions involves the risk of an imperfect correlation in the movements in the price of futures contracts, interest rates and the underlying hedged assets, and the possible inability of counterparties to meet the terms of their contracts.

(g) Option Transactions

The Fund may purchase and write (sell) put and call options for hedging purposes, risk management purposes or as a part of its investment strategy. The risk associated with purchasing an option is that the Fund pays a premium whether or not the option is exercised. Additionally, the Fund bears the risk of loss of premium and change in market value should the counterparty not perform under the contract. Put and call options purchased are accounted for in the same manner as portfolio securities. The cost of securities acquired through the exercise of call options is increased by the premiums paid. The proceeds from the securities sold through the exercise of put options is decreased by the premiums paid.

When an option is written, the premium received is recorded as an asset with an equal liability and is subsequently marked to market to reflect the current market value of the option written. These liabilities are reflected as options written in the Statement of Assets and Liabilities. Premiums received from writing options which expire unexercised are recorded on the expiration date as a realized gain. The difference between the premium received and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or if the premium is less than the amount paid for the closing purchase transactions, as a realized loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether there has been a realized gain or loss. If a put option is exercised, the premium reduces the cost basis of the security. In writing an option, the Fund bears the market risk of an unfavorable change in the price of the security underlying the written option. Exercise of a written option could result in the Fund purchasing a security at a price different from its current market value.

(h) Interest Rate/Credit Default Swaps

The Fund enters into interest rate and credit default swap contracts (swaps) for investment purposes, to manage its interest rate and credit risk or to add leverage.

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As a seller in the credit default swap contract, the Fund would be required to pay the notional amount or other agreed-upon value of a referenced debt obligation to the counterparty in the event of a default by a third party, such as a U.S. or foreign corporate issuer, on the referenced debt obligation. In return, the Fund would receive from the counterparty a periodic stream of payments over the term of the contract provided that no event of default has occurred. If no default occurs, the Fund would keep the stream of payments and would have no payment obligations. Such periodic payments are accrued daily and recorded as realized gain (loss).

The Fund may also purchase credit default swap contracts in order to hedge against the risk of default of debt securities held, in which case the Fund would function as the counterparty referenced in the preceding paragraph. As a purchaser of a credit default swap contract, the Fund would receive the notional amount or other agreed upon value of a referenced debt obligation from the counterparty in the event of default by a third party, such as a U.S. or foreign corporate issuer on the referenced obligation. In return, the Fund would make periodic payments to the counterparty over the term of the contract provided no event of default has occurred. Such periodic payments are accrued daily and recorded as realized gain (loss).

Interest rate swap agreements involve the exchange by the Fund with a counterparty of their respective commitments to pay or receive interest, e.g., an exchange of floating rate payments for fixed rate payments with respect to a notional amount of principal. Net periodic payments received by the Fund are included as part of realized gain (loss) and or change in unrealized appreciation/depreciation on the Statement of Operations.

PIMCO Corporate Income Fund Notes to Financial Statements

April 30, 2008 (unaudited)

1. Organization and Significant Accounting Policies (continued)

Swaps are marked to market daily based upon quotations from brokers or market makers and the change in value, if any, is recorded as unrealized appreciation or depreciation in the Fund's Statement of Operations. For a credit default swap sold by the Fund, payment of the agreed upon amount made by the Fund in the event of default of the referenced debt obligation is recorded as the cost of the referenced debt obligation purchased/received. For a credit default swap purchased by the Fund, the agreed upon amount received by the Fund in the event of default of the referenced debt obligation is recorded as proceeds from sale/delivery of the referenced debt obligation and the resulting gain or loss realized on the referenced debt obligation is recorded as such by the Fund.

Entering into swaps involves, to varying degrees, elements of credit, market and documentation risk in excess of the amounts recognized on the Statement of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreements may default on its obligation to perform or disagree as to the meaning of the contractual terms in the agreements, and that there may be unfavorable changes in net interest rates.

(i) Senior Loans

The Fund purchases assignments of Senior Loans originated, negotiated and structured by a U.S. or foreign commercial bank, insurance company, finance company or other financial institution (the "Agent") for a lending syndicate of financial institutions (the "Lender"). When purchasing an assignment, the Fund succeeds to all the rights and obligations under the loan agreement with the same rights and obligations as the assigning Lender. Assignments may, however, be arranged through private negotiations between potential assignees and potential assignors, and the rights and obligations acquired by the purchaser of an assignment may differ from, and be more limited than, those held by the assigning Lender.

(j) Forward Foreign Currency Contracts

A forward foreign currency contract is an agreement between two parties to buy and sell a currency at a set exchange rate on a future date. The Fund may enter into forward foreign currency contracts for the purpose of hedging against foreign currency risk arising from the investment or anticipated investment in securities denominated in foreign currencies. The Fund may also enter into these contracts for purposes of increasing exposure to a foreign currency or to shift exposure to foreign currency fluctuations from one country to another. The market value of a forward foreign currency contract fluctuates with changes in forward currency exchange rates. All commitments are marked to market daily at the applicable exchange rates and any resulting unrealized appreciation or depreciation is recorded. Realized gains or losses are recorded at the time the forward contract matures or by delivery of the currency. Risks may arise upon entering these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar.

(k) Credit-Linked Trust Certificates

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Credit-linked trust certificates are investments in a limited purpose trust or other vehicle formed under state law which, in turn, invests in a basket of derivative instruments, such as credit default swaps, interest rate swaps and other securities, in order to provide exposure to the high yield or another fixed income market.

Similar to an investment in a bond, investments in credit-linked trust certificates represent the right to receive periodic income payments (in the form of distributions) and payment of principal at the end of the term of the certificate. However, these payments are conditioned on the trust's receipt of payments from, and the trust's potential obligations to, the counterparties to the derivative instruments and other securities in which the trust invests.

(I) Repurchase Agreements

The Fund enters into transactions with its custodian bank or securities brokerage firms whereby it purchases securities under agreements to resell at an agreed upon price and date (repurchase agreements). Such agreements are carried at the contract amount in the financial statements. Collateral pledged (the securities received), which consists primarily of U.S. government obligations and asset-backed securities, are held by the custodian bank until maturity of the repurchase agreement. Provisions of the repurchase agreements and the procedures adopted by the Fund require that the market value of the collateral, including accrued interest thereon, is sufficient in the event of default by the counterparty. If the counterparty defaults and the value of the collateral declines or if the counterparty enters an insolvency proceeding, realization of the collateral by the Fund may be delayed or limited.

PIMCO Corporate Income Fund Notes to Financial Statements

April 30, 2008 (unaudited)

1. Organization and Significant Accounting Policies (continued)

(m) Inverse Floating Rate Transactions Residual Interest Municipal Bonds (RIBs)/Residual Interest Tax Exempt Bonds (RITEs)

The Fund invests in RIBs and RITEs (Inverse Floaters) whose interest rates bear an inverse relationship to the interest rate on another security or the value of an index. In these transactions, the Fund sells a fixed rate municipal bond (Fixed Rate Bond) to a broker who places the Fixed Rate Bond in a special purpose trust (Trust) from which floating rate bonds (Floating Rate Notes) and Inverse Floaters are issued. The Fund simultaneously or within a short period of time purchases the Inverse Floaters from the broker. The Inverse Floaters held by the Fund provide the Fund with the right to: (1) cause the holders of the Floating Rate Notes to tender their notes at par, and (2) cause the broker to transfer the Fixed-Rate Bond held by the Trust to the Fund, thereby collapsing the Trust. Pursuant to Statement of Financial Accounting Standards No. 140 (FASB Statement No. 140), the Fund accounts for the transaction described above as a secured borrowing by including the Fixed-Rate Bond in its Schedule of Investments, and accounts for the Floating Rate Notes as a liability under the caption Payable for floating rate notes issued in the Fund's Statement of Assets and Liabilities. The Floating Rate Notes have interest rates that generally reset weekly, and their holders have the option to tender their notes to the broker for redemption at par at each reset date.

The Fund may also invest in Inverse Floaters without transferring a fixed rate municipal bond into a special purpose trust, which are not accounted for as secured borrowings.

The Inverse Floaters are created by dividing the income stream provided by the underlying bonds to create two securities, one short-term and one long-term. The interest rate on the short-term component is reset by an index or auction process typically every 7 to 35 days. After income is paid on the short-term securities at current rates, the residual income from the underlying bond (s) goes to the long-term securities. Therefore, rising short-term rates result in lower income for the long-term component and visa versa. The longer-term bonds may be more volatile and less liquid than other municipal bonds of comparable maturity. Investments in Inverse Floaters typically will involve greater risk than an investment in Fixed Rate Bonds. The Fund may also invest in Inverse Floaters for the purpose of increasing leverage.

The Fund's restrictions on borrowings do not apply to the secured borrowings deemed to have occurred for accounting purposes pursuant to FASB Statement No. 140. Inverse Floaters held by the Fund are exempt from registration under Rule 144A of the Securities Act of 1933.

(n) When-Issued/Delayed-Delivery Transactions

The Fund may purchase or sell securities on a when-issued or delayed-delivery basis. The transactions involve a commitment to purchase or sell securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period. When delayed-delivery purchases are outstanding, the Fund will set aside and maintain until the settlement date in a designated account, liquid assets in an amount sufficient to meet the purchase price. When purchasing a security on a delayed-delivery basis, the Fund assumes the rights and risks of ownership of the security, including the risk of price and yield fluctuations, and takes such fluctuations into account when determining its net asset value. The Fund may dispose of or renegotiate a delayed-delivery transaction after it is entered into, and may sell when-issued securities before they are delivered, which may result in a realized gain or loss. When a security on a delayed-delivery basis is sold, the Fund

does not participate in future gains and losses with respect to the security.

(o) Custody Credits Earned on Cash Balances

The Fund benefits from an expense offset arrangement with its custodian bank whereby uninvested cash balances earn credits which reduce monthly custodian and accounting agent expenses. Had these cash balances been invested in income producing securities, they would have generated income for the Fund.

(p) Interest Expense

Relates to the Fund's liability in connection with floating rate notes held by third parties in conjunction with Inverse Floater transactions. Interest expense is recorded as incurred.

2. Investment Manager/Sub-Adviser

The Fund has an Investment Management Agreement (the Agreement) with the Investment Manager. Subject to the supervision of the Fund's Board of Trustees, the Investment Manager is responsible for managing, either directly or through others selected by it, the Fund's investment activities, business affairs and administrative matters. Pursuant to the Agreement, the Investment Manager receives an annual fee, payable on a monthly basis, at an annual rate of 0.75% of the Fund's average daily net assets, inclusive of net assets attributable to any preferred shares that may be

PIMCO Corporate Income Fund Notes to Financial Statements

April 30, 2008 (unaudited)

2. Investment Manager/Sub-Adviser (continued)

outstanding. In order to reduce Fund expenses, the Investment Manager contractually agreed to waive a portion of its investment management fee at the annual rate of 0.15% of the Fund's average daily net assets, inclusive of net assets attributable to any preferred shares that may be outstanding, from the commencement of operations through December 31, 2007. On January 1, 2008, the contractual fee waiver was reduced to 0.10% of the Fund's average daily net assets, inclusive of net assets attributable to any preferred shares that may be outstanding through December 31, 2008, and for a declining amount thereafter through December 31, 2009. The Investment Manager has retained its affiliate, Pacific Investment Management Company LLC, (the Sub-Adviser), to manage the Fund's investments. Subject to the supervision of the Investment Manager, the Sub-Adviser is responsible for making all of the Fund's investment decisions. The Investment Manager and not the Fund, pays a portion of the fees it receives as Investment Manager to the Sub-Adviser in return for its services.

3. Investment in Securities

For the six months ended April 30, 2008, purchases and sales of investments, other than short-term securities and U.S. government obligations, were \$211,389,483 and \$223,747,810, respectively. Purchases and sales in U.S. government obligations were \$17,720,439 and \$13,970,436, respectively.

(a) Futures contracts outstanding at April 30, 2008:

| Type | | Contracts | Market Value (000) | Expiration Date | Unrealized Appreciation (Depreciation) |
|--------|------------------------------------|-----------|--------------------|-----------------|--|
| Long: | U.S. Treasury Bond Futures | 127 | \$14,845 | 6/19/08 | \$(261,566) |
| | U.S. Treasury Notes 10 yr. Futures | 356 | 41,229 | 6/19/08 | (144,622) |
| | United Kingdom 90 day | 125 | 29,365 | 3/18/09 | 125,067 |
| | United Kingdom 90 day | 630 | 147,858 | 12/16/09 | (821,054) |
| Short: | U.S. Treasury Notes 5 yr. Futures | (695) | (77,829) | 6/30/08 | 1,058,728 |
| | | | | | \$(43,447) |

The Fund pledged cash collateral of \$2,810,100 for future contracts.

(b) Transactions in options written for the six months ended April 30, 2008:

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| | Contracts/Notional | Premiums |
|--|--------------------|-------------|
| Options outstanding, October 31, 2007 | 154,100,700 | \$3,489,263 |
| Options terminated in closing transactions | (139,400,700) | (3,045,852) |
| Options outstanding, April 30, 2008 | 14,700,000 | \$443,411 |

(c) Credit default swaps contracts outstanding at April 30, 2008:

| Swap Counterparty/ Referenced Debt Issuer | Notional Amount Payable on Default (000) | Termination Date | Payments Received (Paid) by Fund | Unrealized Appreciation (Depreciation) |
|--|---|---------------------|--|--|
| Bank of America: Freeport-McMoRan | \$3,000 | 6/20/12 | 0.90% | \$(34,398) |
| LCDX | 7,000 | 6/20/13 | 3.25% | 177,892 |

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PIMCO Corporate Income Fund Notes to Financial Statements

April 30, 2008 (unaudited)

3. Investment in Securities (continued)

| Swap Counterparty/ Referenced Debt Issuer | Notional Amount Payable on Default (000) | Termination Date | Payments Received (Paid) by Fund | Unrealized Appreciation (Depreciation) |
|--|--|---------------------|--|--|
| Barclays Bank: | | | | |
| Allied Waste | \$2,500 | 6/20/13 | 3.70% | \$60,010 |
| Autozone | 800 | 6/20/13 | (0.875)% | (6,719) |
| Dow Jones CDX | 5,000 | 12/20/12 | (7.05)% | (650,682) |
| Gazprom | 4,500 | 7/20/12 | 0.63% | (202,134) |
| General Electric | 8,800 | 12/20/12 | 0.63% | (66,646) |
| Sprint Nextel | 2,300 | 6/20/09 | 7.15% | 88,037 |
| Bear Stearns: | | | | |
| Ford Motor Credit | 4,000 | 6/20/10 | 5.60% | (105,204) |
| BNP Paribas: | | | | |
| Citigroup | 9,600 | 12/20/12 | 0.67% | (73,802) |
| Royal Bank of Scotland | 1,500 | 6/20/13 | 1.50% | 54,682 |
| Royal Bank of Scotland | 1,500 | 6/20/13 | 2.65% | 122,552 |
| Citigroup: | | | | |
| Bear Stearns | 4,100 | 9/20/12 | 0.48% | (48,739) |
| Ford Motor Credit | 10,800 | 9/20/08 | 1.35% | (80,458) |
| Freeport-McMoRan | 2,000 | 6/20/12 | 1.00% | (15,158) |
| General Motors | 3,000 | 6/20/13 | 5.00% | 68,368 |
| GMAC | 5,000 | 6/20/12 | 1.40% | (1,275,296) |
| Credit Suisse First Boston: | | | | |
| Chesapeake Energy | 3,000 | 6/20/12 | 1.01% | (44,565) |
| Ford Motor Credit | 4,200 | 9/20/09 | 3.79% | (135,869) |
| Gazprom | 1,500 | 11/20/08 | 1.00% | 6,834 |
| GMAC | 7,000 | 12/20/10 | 5.22% | (964,699) |
| Qwest Capital Funding | 7,000 | 12/20/10 | 4.56% | 151,576 |
| Deutsche Bank: | | | | |
| American International Group | 1,300 | 12/20/12 | 0.89% | (4,534) |
| American International Group | 3,400 | 12/20/12 | 0.90% | (10,413) |
| Chesapeake Energy | 2,000 | 6/20/12 | 1.05% | (26,612) |
| Chesapeake Energy | 1,600 | 3/20/14 | 1.32% | (29,961) |
| Dow Jones CDX | 5,000 | 12/20/12 | (7.05)% | (650,682) |
| Dow Jones CDX | 9,000 | 12/20/12 | 0.68% | 204,789 |
| GMAC | 10,500 | 9/20/09 | 1.50% | (1,398,271) |

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| | | | | |
|------------------------------|--------|----------|---------|-------------|
| Goldman Sachs: | | | | |
| Bombardier | 3,000 | 12/20/10 | 4.05% | 227,552 |
| Citigroup | 2,000 | 12/20/12 | 0.77% | (6,789) |
| Citigroup | 1,000 | 12/20/12 | 0.80% | (2,107) |
| Dow Jones CDX | 10,000 | 12/20/12 | (7.02)% | (1,288,816) |
| Dow Jones CDX | 3,800 | 6/20/13 | (1.55)% | (78,637) |
| Echostar | 2,500 | 6/20/09 | 0.54% | (15,615) |
| HSBC Bank: | | | | |
| SLM Corp. | 10,000 | 6/20/08 | 0.50% | (77,626) |
| JPMorgan Chase: | | | | |
| American International Group | 5,000 | 3/20/13 | 2.062% | 241,755 |
| Bear Stearns | 1,800 | 9/20/12 | 0.67% | (7,475) |
| Gazprom | 9,800 | 7/20/12 | 0.625% | (442,199) |

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PIMCO Corporate Income Fund Notes to Financial Statements

April 30, 2008 (unaudited)

3. Investment in Securities (continued)

| Swap Counterparty/ Referenced Debt Issuer | Notional Amount Payable on Default (000) | Termination Date | Payments Received (Paid) by Fund | Unrealized Appreciation (Depreciation) |
|--|--|------------------|----------------------------------|--|
| Lehman Brothers: | | | | |
| American International Group | \$1,300 | 12/20/12 | 0.85% | \$(6,745) |
| American International Group | 5,000 | 3/20/13 | 2.10% | 250,229 |
| Chesapeake Energy | 1,900 | 3/20/14 | 1.16% | (51,197) |
| Citigroup | 2,100 | 12/20/12 | 0.70% | (13,440) |
| Dow Jones CDX | 50,000 | 12/20/12 | (1.40)% | (2,475,506) |
| Dow Jones CDX | 17,500 | 12/20/12 | 3.20% | (463,482) |
| Federal Republic of Brazil | 1,500 | 2/20/17 | 1.51% | 2,739 |
| Freescale Semiconductor | 2,500 | 6/20/09 | 1.62% | (55,039) |
| HCA | 2,500 | 6/20/09 | 1.00% | (9,659) |
| MGM | 2,500 | 6/20/09 | 0.65% | (50,854) |
| Proctor & Gamble | 5,000 | 9/20/08 | 0.07% | (1,765) |
| Reynolds American | 2,000 | 6/20/12 | 1.00% | 17,300 |
| Sprint Nextel | 1,000 | 3/20/09 | 6.00% | 21,091 |
| Merrill Lynch & Co.: | | | | |
| Dow Jones CDX | 17,500 | 12/20/12 | 3.215% | (452,442) |
| El Paso | 2,500 | 6/20/09 | 0.45% | (15,533) |
| Ford Motor | 5,000 | 6/20/13 | 5.00% | 303,943 |
| Ford Motor | 3,000 | 6/20/13 | 5.00% | 174,451 |
| Gazprom | 5,000 | 7/20/12 | 0.63% | (224,594) |
| General Motors | 5,000 | 6/20/13 | 5.00% | 151,447 |
| General Motors | 3,000 | 6/20/13 | 5.00% | 82,953 |
| Lyondell Chemical | 2,500 | 6/20/09 | 1.00% | (131,507) |
| Reliant Energy | 2,000 | 12/20/10 | 2.80% | 25,345 |
| Vale Overseas | 3,000 | 4/20/12 | 0.50% | (68,918) |
| Morgan Stanley: | | | | |
| Chesapeake Energy | 2,500 | 6/20/09 | 0.45% | (11,572) |
| Citigroup | 2,700 | 12/20/12 | 0.80% | (5,688) |
| Dow Jones CDX | 15,000 | 12/20/12 | 0.72% | 335,445 |
| Dow Jones CDX | 63,700 | 6/20/18 | (1.50)% | (1,826,601) |
| Dynegy Holdings | 2,500 | 6/20/09 | 1.05% | 6,212 |
| Ford Motor Credit | 5,000 | 9/20/10 | 4.05% | (310,090) |

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| | | | | |
|-------------------------|--------|----------|---------|----------------|
| General Motors | 5,000 | 6/20/13 | 5.00% | 138,255 |
| LCDX | 5,600 | 6/20/13 | 3.25% | 142,314 |
| MetLife | 4,000 | 3/20/13 | 2.05% | 228,580 |
| MGM | 7,000 | 12/20/10 | 2.55% | (247,270) |
| Reliant Energy | 2,500 | 6/20/09 | 1.05% | (1,891) |
| Reliant Energy | 5,000 | 12/20/10 | 2.90% | 76,276 |
| Republic of Indonesia | 2,600 | 3/20/09 | 0.46% | (10,627) |
| Ukraine | 2,600 | 3/20/09 | 0.66% | (17,946) |
| | | | | |
| Royal Bank of Scotland: | | | | |
| Aramark | 2,500 | 6/20/12 | 2.32% | (113,800) |
| Autozone | 3,200 | 6/20/13 | (0.92)% | (33,661) |
| Freeport-McMoRan | 1,500 | 6/20/09 | 0.32% | (6,243) |
| Williams Cos. | 2,500 | 6/20/09 | 0.30% | (2,366) |
| | | | | |
| UBS: | | | | |
| LCDX | 32,600 | 6/20/13 | 3.25% | 856,770 |
| | | | | \$(10,135,145) |

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PIMCO Corporate Income Fund Notes to Financial Statements

April 30, 2008 (unaudited)

3. Investment in Securities (continued)

(d) Interest rate swap agreements outstanding at April 30, 2008:

| Swap Counterparty | Notional Amount (000) | Termination Date | Payments Made by Fund | Rate Type | Payments Received by Fund | Unrealized Appreciation (Depreciation) |
|------------------------|--------------------------|------------------|-----------------------------|-------------------|---------------------------|--|
| Barclays Bank | \$5,100 | 6/18/23 | 5.00% | 3-Month USD-LIBOR | | \$108,415 |
| Barclays Bank | 200,000 | 12/18/24 | USD-LIBOR | 5.30% | 3-Month USD-LIBOR | 2,215,422 |
| Barclays Bank | 196,000 | 12/19/24 | 5.70% | 3-Month USD-LIBOR | | (11,507,648) |
| Barclays Bank | 160,000 | 6/21/25 | USD-LIBOR | 5.70% | 3-Month USD-LIBOR | 19,572,612 |
| Citigroup | 1,500 | 6/18/13 | USD-LIBOR | 4.00% | 3-Month USD-LIBOR | 16,915 |
| Deutsche Bank | 1,062,000 | 6/18/09 | USD-LIBOR | 3.75% | 3-Month USD-LIBOR | 9,023,092 |
| Goldman Sachs | £125,000 | 7/17/08 | GBP-LIBOR | 6.39% | | 742,999 |
| Goldman Sachs | MXN 56,800 | 11/4/16 | 28-Day Mexico Interbank TIE | | 8.17% | (156,441) |
| Goldman Sachs | \$27,100 | 6/18/18 | USD-LIBOR | 5.00% | 3-Month USD-LIBOR | (941,608) |
| Goldman Sachs | £10,500 | 7/17/27 | 5.628% | 6-Month GBP-LIBOR | | (1,439,245) |
| HSBC Bank | 10,200 | 12/15/35 | 4.00% | 3-Month GBP-LIBOR | | 847,812 |
| Lehman Brothers | \$393,800 | 1/9/18 | 3.63% | 3-Month USD-LIBOR | | (4,773,522) |
| Lehman Brothers | 393,800 | 1/9/18 | USD-LIBOR | 5.45% | 3-Month USD-LIBOR | 5,924,068 |
| Merrill Lynch & Co. | 160,000 | 6/19/25 | 5.70% | 3-Month USD-LIBOR | | (9,375,738) |
| Morgan Stanley | 30,000 | 6/18/13 | USD-LIBOR | 4.00% | 3-Month USD-LIBOR | (139,909) |
| Royal Bank of Scotland | 57,200 | 6/18/10 | 4.00% | 3-Month USD-LIBOR | | (537,258) |
| Royal Bank of Scotland | 253,800 | 2/25/17 | 4.38% | 6-Month USD-LIBOR | | 6,597,254 |
| Royal Bank of Scotland | £10,500 | 7/17/27 | GBP-LIBOR | 4.75% | | (275,516) |

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UBS AUD 16,200 9/15/09 3-Month Australian Bank Bill 7.00% (108,451)
 \$15,793,253

The Fund received \$23,500,000 par value in U.S. Treasury Bills as collateral for swap contracts.

(e) Forward foreign currency contracts outstanding at April 30, 2008:

| | | U.S.\$ Value Origination Date | U.S.\$ Value April 30, 2008 | Unrealized Appreciation (Depreciation) |
|------------|---|----------------------------------|--------------------------------|--|
| Purchased: | 4,603,587 Australian Dollar settling 5/15/08 | \$4,326,980 | \$4,329,886 | \$2,906 |
| | 14,795,800 Brazilian Real settling 7/2/08 | 7,939,167 | 8,606,608 | 667,441 |
| | 397,750,000 South Korean Won settling 5/30/08 | 426,428 | 396,393 | (30,035) |
| | 608,486,500 South Korean Won settling 8/4/08 | 650,000 | 606,351 | (43,649) |
| | 33,425,700 Mexican Peso settling 7/10/08 | 3,000,000 | 3,152,356 | 152,356 |
| | 2,104,865 Malaysian Ringgit settling 8/4/08 | 650,000 | 665,259 | 15,259 |
| | 26,222,740 Philippines Peso settling 5/19/08 | 650,000 | 619,833 | (30,167) |
| | 1,198,539 Polish Zloty settling 7/10/08 | 436,140 | 536,918 | 100,778 |
| | 74,257,500 Russian Ruble settling 7/10/08 | 3,000,000 | 3,125,678 | 125,678 |
| | 11,083,250 Russian Ruble settling 11/19/08 | 446,815 | 462,229 | 15,414 |
| | 646,836 Singapore Dollar settling 5/22/08 | 432,088 | 476,856 | 44,768 |
| | 888,741 Singapore Dollar settling 8/28/08 | 630,000 | 657,712 | 27,712 |

PIMCO Corporate Income Fund Notes to Financial Statements

April 30, 2008 (unaudited)

3. Investment in Securities (continued)

| | | U.S.\$ Value Origination Date | U.S.\$ Value April 30, 2008 | Unrealized Appreciation (Depreciation) |
|-------|--|----------------------------------|--------------------------------|--|
| Sold: | 16,030,800 Brazilian Real settling 7/2/08 | \$9,200,000 | 9,324,998 | \$(124,998) |
| | 1,432,000 Canadian Dollar settling 5/29/08 | 1,401,737 | 1,421,535 | (19,798) |
| | 2,863,000 Euro settling 5/29/08 | 4,479,392 | 4,452,235 | 27,157 |
| | 7,662,000 British Pound settling 5/19/08 | 15,113,852 | 15,155,665 | (41,813) |
| | 159,413,400 South Korean Won settling 5/30/08 | 159,000 | 158,870 | 130 |
| | 30,255,885 Mexican Peso settling 7/10/08 | 2,746,042 | 2,853,413 | (107,371) |
| | | | | \$781,768 |

AUD Australian Dollar

Euro

GBP/£ British Pound

LIBOR London Inter-bank Offered Rate

MXN Mexican Peso

TIIE Inter-bank Equilibrium Interest Rate

(f) At April 30, 2008, the Fund had the following unfunded loan commitments which could be extended at the option of the borrower:

| Borrower | Amount |
|-----------------------|-----------|
| Las Vegas Sands Corp. | \$200,000 |

4. Income Tax Information

The cost basis of portfolio securities of \$789,568,336 is substantially the same for both federal income tax and financial reporting purposes. Aggregated gross unrealized appreciation for securities in which there is an excess value over tax cost is \$16,755,744; aggregate gross unrealized depreciation for securities in which there is an excess of tax cost over value is \$24,735,164; net unrealized depreciation for federal income tax purposes is \$7,979,420.

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Net investment income and net realized gains differ for financial statement and tax purposes primarily due to the treatment of amounts received under swap agreements. For the six months ended April 30, 2008, the Fund received \$5,041,737 from swap agreements, which are treated as net realized gain (loss) for financial statement purposes and as net income (loss) for federal income tax purposes.

5. Auction Preferred Shares

The Fund has issued 2,400 shares of Preferred Shares Series M, 2,400 shares of Preferred Shares Series T, 2,400 shares of Preferred Shares Series W, 2,400 shares of Preferred Shares Series TH, and 2,400 shares of Preferred Shares Series F, each with a net asset and liquidation value of \$25,000 per share plus accrued dividends.

Dividends and distributions of net realized long-term capital gains, if any, are accumulated daily at an annual rate (typically re-set every seven days) through auction procedures.

For the six months ended April 30, 2008, the annualized dividend rate ranged from:

| | High | Low | At April 30, 2008 |
|-----------|-------|--------|-------------------|
| Series M | 5.81% | 3.002% | 3.152% |
| Series T | 5.81% | 3.242% | 3.242% |
| Series W | 5.96% | 3.407% | 3.407% |
| Series TH | 5.86% | 3.167% | 3.302% |
| Series F | 5.67% | 3.167% | 3.287% |

PIMCO Corporate Income Fund Notes to Financial Statements

April 30, 2008 (unaudited)

5. Auction Preferred Shares (continued)

The Fund is subject to certain limitations and restrictions while Preferred Shares are outstanding. Failure to comply with these limitations and restrictions could preclude the Fund from declaring any dividends or distributions to common shareholders or repurchasing common shares and/or could trigger the mandatory redemption of Preferred Shares at their liquidation value.

Preferred Shares, which are entitled to one vote per share, generally vote together with the common stock but vote separately as a class to elect two Trustees and on any matters affecting the rights of the preferred shares.

Since mid-February 2008, holders of auction-rate preferred shares (ARPS) issued by the Fund have been directly impacted by an unprecedented lack of liquidity, which has similarly affected ARPS holders in many of the nation's closed-end funds. Since then, regularly scheduled auctions for ARPS issued by the Fund have consistently failed because of insufficient demand (bids to buy shares) to meet the supply (shares offered for sale) at each auction. In a failed auction, ARPS holders cannot sell all, and may not be able to sell any, of their shares tendered for sale. While repeated auction failures have affected the liquidity for ARPS, they do not constitute a default or automatically alter the credit quality of the ARPS, and ARPS holders have continued to receive dividends at the defined maximum rate, the 7-day AA Composite Commercial Paper Rate multiplied by 150% (which is a function of short-term interest rates and typically higher than the rate that would have otherwise been set through a successful auction).

These developments with respect to ARPS have not affected the management or investment policies of the Fund, and the Fund's outstanding common shares continue to trade on the NYSE without any change. If the Fund's ARPS auctions continue to fail and the maximum rate payable on the ARPS rises as a result of changes in short-term interest rates, returns for the Fund's common shareholders could be adversely affected.

6. Subsequent Common Dividend Declarations

On May 1, 2008, a dividend of \$0.10625 per share was declared to common shareholders payable June 2, 2008 to shareholders of record on May 12, 2008.

On June 2, 2008, a dividend of \$0.10625 per share was declared to common shareholders payable July 1, 2008 to shareholders of record on June 12, 2008.

7. Legal Proceedings

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In June and September 2004, the Investment Manager, certain of its affiliates (including Allianz Global Investors Distributors LLC and PEA Capital LLC (PEA) agreed to settle, without admitting or denying the allegations, claims brought by the Securities and Exchange Commission (the Commission) and the New Jersey Attorney General alleging violations of federal and state securities laws with respect to certain open-end funds for which the Investment Manager serves as investment adviser. The settlements related to an alleged market timing arrangement in certain open-end funds formerly sub-advised by PEA. The Investment Manager and its affiliates agreed to pay a total of \$68 million to settle the claims. In addition to monetary payments, the settling parties agreed to undertake certain corporate governance, compliance and disclosure reforms related to market timing, and consented to cease and desist orders and censures. Subsequent to these events, PEA Capital LLC deregistered as an investment adviser and dissolved. None of the settlements alleged that any inappropriate activity took place with respect to the Fund.

Since February 2004, the Investment Manager and certain of its affiliates and their employees have been named as defendants in a number of pending lawsuits concerning market timing, which allege the same or similar conduct underlying the regulatory settlements discussed above. The market timing lawsuits have been consolidated in a multi-district litigation proceeding in the U.S. District Court of Maryland. Any potential resolution of these matters may include, but not be limited to, judgments or settlements for damages against the Investment Manager or its affiliates or related injunctions.

The Investment Manager and the Sub-Adviser believe that these matters are not likely to have a material adverse effect on the Fund or on their ability to perform their respective investment advisory activities relating to the Fund.

The foregoing speaks only as of the date hereof.

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PIMCO Corporate Income Fund Financial Highlights

For a share of common stock outstanding throughout each period:

| | Six months ended April 30, 2008 (unaudited) | 2007 | 2006 | Year ended October 31, | | |
|--|--|-----------|-----------|------------------------|-----------|-----------|
| | | | | 2005 | 2004 | 2003 |
| Net asset value, beginning of period | \$13.76 | \$14.76 | \$14.63 | \$15.58 | \$15.38 | \$12.25 |
| Investment Operations: | | | | | | |
| Net investment income | 0.65 | 1.31 | 1.42 | 1.30 | 1.33 | 1.55 |
| Net realized and unrealized gain (loss) on investments, futures contracts, options written, swaps, unfunded loan commitments and foreign currency transactions | (0.69) | (0.51) | 0.43 | (0.46) | 0.73 | 3.18 |
| Total from investment operations | (0.04) | 0.80 | 1.85 | 0.84 | 2.06 | 4.73 |
| Dividends and Distributions on Preferred Shares from: | | | | | | |
| Net investment income | (0.18) | (0.43) | (0.38) | (0.23) | (0.10) | (0.11) |
| Net realized gains | | | | (0.01) | (0.01) | |
| Total dividends and distributions on preferred shares | (0.18) | (0.43) | (0.38) | (0.24) | (0.11) | (0.11) |
| Net increase in net assets applicable to common shareholders resulting from investment operations | (0.22) | 0.37 | 1.47 | 0.60 | 1.95 | 4.62 |
| Dividends and Distributions to Common Shareholders from: | | | | | | |
| Net investment income | (0.64) | (1.28) | (1.34) | (1.28) | (1.41) | (1.38) |
| Net realized gains | | (0.09) | | (0.27) | (0.34) | (0.11) |
| Total dividends and distributions to common shareholders | (0.64) | (1.37) | (1.34) | (1.55) | (1.75) | (1.49) |
| Net asset value, end of period | \$12.90 | \$13.76 | \$14.76 | \$14.63 | \$15.58 | \$15.38 |
| Market price, end of period | \$14.75 | \$14.25 | \$15.68 | \$14.92 | \$15.46 | \$15.43 |
| Total Investment Return (1) | 8.38% | (0.26)% | 15.08% | 6.92% | 12.32% | 29.29% |
| RATIOS/SUPPLEMENTAL DATA: | | | | | | |
| Net assets applicable to common shareholders, end of period (000) | \$472,721 | \$502,714 | \$535,104 | \$525,728 | \$556,515 | \$544,454 |
| Ratio of expenses to average net assets including interest expense (2)(3)(5) | 1.46%#(4) | 1.30%(4) | 1.16% | 1.12% | 1.12% | 1.15% |
| Ratio of expenses to average net assets, excluding interest expense (2)(3)(5) | 1.35%# | 1.21% | 1.13% | 1.12% | 1.12% | 1.15% |
| Ratio of net investment income to average net assets (2)(5) | 10.04%# | 9.11% | 9.83% | 8.54% | 8.95% | 10.90% |
| Preferred shares asset coverage per share | \$64,380 | \$66,871 | \$69,566 | \$68,791 | \$71,365 | \$70,367 |
| Portfolio turnover | 28% | 46% | 30% | 108% | 74% | 63% |

Annualized.

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- (1) Total investment return is calculated assuming a purchase of common stock at the current market price on the first day and a sale at the current market price on the last day of each period reported. Dividends and distributions are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment return does not reflect brokerage commissions or sales charges.
- (2) Calculated on the basis of income and expenses applicable to both common and preferred shares relative to the average net assets of common shareholders.
- (3) Inclusive of expenses offset by custody credits earned on cash balances at the custodian bank. (See note 1(o) in Notes to Financial Statements).
- (4) Interest expense relates to the liability for floating rate notes issued in connection with inverse floater transactions.
- (5) During the fiscal periods indicated above, the Investment Manager waived a portion of its investment management fee. The effect of such waiver had relative to the average net assets of common shareholders was 0.19%, 0.25%, 0.32%, 0.31%, 0.31%, and 0.32% for the six months ending April 30, 2008, and years ended October 31, 2007, October 31, 2006, October 31, 2005, October 31, 2004 and October 31, 2003, respectively.

See accompanying Notes to Financial Statements. | 4.30.08 | PIMCO Corporate Income Fund Semi-Annual Report **27**

PIMCO Corporate Income Fund

**Annual Shareholder Meetings Results/Proxy Voting Policies & Procedures/
Appointment of New Trustee (unaudited)**

Annual Shareholder Meeting Results:

The Fund held its annual meeting of shareholders on April 2, 2008. Shareholders voted to re-elect John C. Maney and R. Peter Sullivan III as Trustees as indicated below.

| | Affirmative | Withheld Authority |
|--|-------------|-----------------------|
| Re-election of John C. Maney Class III to serve until 2011 | 33,036,344 | 389,994 |
| Re-election of R. Peter Sullivan III Class III to serve until 2011 | 33,027,849 | 398,489 |

Paul Belica, Robert Connor*, John J. Dalessandro II*, Hans W. Kertess, William B. Ogden IV continue to serve as Trustees.

* Preferred Shares Trustee

Proxy Voting Policies & Procedures:

A description of the policies and procedures that the Funds have adopted to determine how to vote proxies relating to portfolio securities and information about how the Funds voted proxies relating to portfolio securities held during the most recent twelve-month period ended June 30 is available (i) without charge upon request by calling the Funds' shareholder servicing agent at (800) 331-1710; (ii) on the Funds' website at www.allianzinvestors.com/closedendfunds; and (iii) on the Securities and Exchange Commission website at www.sec.gov.

Appointment of New Trustee:

In May 2008, the Fund's Board of Trustees appointed Diana L. Taylor as a Trustee.

Trustees and Principal Officers

Hans W. Kertess
Trustee, Chairman of the Board of Trustees
Paul Belica
Trustee
Robert E. Connor
Trustee
John J. Dalessandro II
Trustee
John C. Maney
Trustee
William B. Ogden, IV
Trustee
R. Peter Sullivan III
Trustee
Diana L. Taylor
Trustee

Brian S. Shlissel
President & Chief Executive Officer
Lawrence G. Altadonna
Treasurer, Principal Financial & Accounting Officer
Thomas J. Fuccillo
Vice President, Secretary & Chief Legal Officer
Scott Whisten
Assistant Treasurer
Youse E. Guia
Chief Compliance Officer
William V. Healey
Assistant Secretary
Richard H. Kirk
Assistant Secretary
Kathleen A. Chapman
Assistant Secretary
Lagan Srivastava
Assistant Secretary
Richard J. Cochran
Assistant Treasurer

Investment Manager

Allianz Global Investors Fund Management LLC

1345 Avenue of the Americas

New York, NY 10105

Sub-Adviser

Pacific Investment Management Company LLC

840 Newport Center Drive

Newport Beach, CA 92660

Custodian & Accounting Agent

State Street Bank & Trust Co.

801 Pennsylvania

Kansas City, MO 64105-1307

Transfer Agent, Dividend Paying Agent and Registrar

PFPC Inc.

P.O. Box 43027

Providence, RI 02940-3027

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Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP

300 Madison Avenue

New York, NY 10017

Legal Counsel

Ropes & Gray LLP

One International Place

Boston, MA 02110-2624

This report, including the financial information herein, is transmitted to the shareholders of PIMCO Corporate Income Fund for their information. It is not a prospectus, circular or representation intended for use in the purchase of shares of the Fund or any securities mentioned in this report.

The financial information included herein is taken from the records of the Fund without examination by an independent registered accounting firm, who did not express an opinion hereon.

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that from time to time the Fund may purchase shares of its common stock in the open market.

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of its fiscal year on Form N-Q. The Fund 's Form N-Q is available on the SEC 's website at www.sec.gov and may be reviewed and copied at the SEC 's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330. The information on Form N-Q is also available on the Fund 's website at www.allianzinvestors.com/closedendfunds.

On April 15, 2008, the Fund submitted a CEO annual certification to the New York Stock Exchange (NYSE) on which the Fund 's principal executive officer certified that he was not aware, as of the date, of any violation by the Fund of the NYSE 's Corporate Governance listing standards. In addition, as required by Section 302 of the Sarbanes-Oxley Act of 2002 and related SEC rules, the Fund 's principal executive and principal financial officer made quarterly certifications, included in filings with the SEC on Forms N-CSR and N-Q relating to, among other things, the Fund 's disclosure controls and procedures and internal control over financial reporting, as applicable.

Information on the Fund is available at www.allianzinvestors.com/closedendfunds or by calling the Fund 's shareholder servicing agent at (800) 331-1710.

ITEM 2. CODE OF ETHICS

Not required in this filing.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT

Not required in this filing.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Not required in this filing.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANT

Not required in this filing.

ITEM 6. SCHEDULE OF INVESTMENTS Schedule of Investments is included as part of the report to shareholders filed under Item 1 of this form.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES

Not required in this filing.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES

Not required in this filing.

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ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED COMPANIES.

| Period | Total Number of Shares Purchased | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Maximum Number of Shares that May yet Be Purchased Under the Plans or Programs |
|---------------|----------------------------------|------------------------------|--|--|
| November 2007 | N/A | 13.78 | 23,133 | N/A |
| December 2007 | N/A | 13.55 | 23,698 | N/A |
| January 2008 | N/A | N/A | N/A | N/A |
| February 2008 | N/A | 14.89 | 21,389 | N/A |
| March 2008 | N/A | 13.08 | 24,049 | N/A |
| April 2008 | N/A | 13.73 | 22,551 | N/A |

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There have been no material changes to the procedures by which shareholders may recommend nominees to the Fund's Board of Trustees since the Fund last provided disclosure in response to this item.

ITEM 11. CONTROLS AND PROCEDURES

(a) The registrant's President and Chief Executive Officer and Principal Financial Officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-2(c) under the Act (17 CFR 270.30a-3(c))), as amended 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 over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a-3(d))) that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's control over financial reporting.

ITEM 12. EXHIBITS

- (a) (1) Exhibit 99.302 CERT Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- (b) Exhibit 99.906 Cert. Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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Signature

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 Corporate Income Fund

By /s/ Brian S. Shlissel
Brian S. Shlissel, President & Chief Executive Officer

Date: July 7, 2008

By /s/ Lawrence G. Altadonna
Lawrence G. Altadonna, Treasurer, Principal Financial & Accounting Officer

Date: July 7, 2008

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/ Brian S. Shlissel
Brian S. Shlissel, President & Chief Executive Officer

Date: July 7, 2008

By /s/ Lawrence G. Altadonna
Lawrence G. Altadonna, Treasurer, Principal Financial & Accounting Officer

Date: July 7, 2008
