

PIMCO CORPORATE INCOME FUND  
Form N-CSRS  
July 07, 2006

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, 2006

Date of reporting period: April 30, 2006

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

**Semi-Annual Report  
April 30, 2006**

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**PIMCO Corporate Income Fund Letter to Shareholders**

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June 8, 2006

Dear Shareholder:

We are pleased to provide you with the semi-annual report for PIMCO Corporate Income Fund (the Fund ) for the six months ended April 30, 2006.

During the six month period, the Federal Reserve raised short-term interest rates 100 basis points, putting pressure on most fixed income sectors. For instance, the overall bond market (as measured by the Lehman Brothers Aggregate Bond Index) returned 0.56% during the reporting period, while the general corporate bond market (Merrill Lynch U.S. Corporate Index) was relatively flat, returning 0.04%. High yield bonds posted solid returns, however, as the Merrill Lynch High Yield Master II Index advanced 4.91%. Lower quality bonds outperformed higher quality issues within the high yield category, as spreads continued to narrow and default rates remain low by historical standards.

For the six months ended April 30, 2006, the Fund returned 3.28% on net asset value and 8.41% on market price.

Please review the following pages for specific information on the Fund. 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. You can also find a wide range of information and resources on our Web site at [www.allianzinvestors.com/closedendfunds](http://www.allianzinvestors.com/closedendfunds).

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

We remain dedicated to serving your investment needs.

Sincerely,

Robert E. Connor

*Chairman*

Brian S. Shlissel

*President & Chief Executive Officer*

**PIMCO Corporate Income Fund Performance & Statistics**  
 April 30, 2006 (unaudited)

|  |   |   |
|--|---|---|
| <b>Symbol:</b><br>PCN  | <b>Primary Investments:</b><br>U.S. dollar-denominated corporate debt obligations of varying maturities and other corporate income-producing securities | <b>Inception Date:</b><br>December 21, 2001 |
| <b>Objective:</b><br>To provide high current income. Capital preservation and appreciation are secondary objectives. | .   | <b>Net Assets(1):</b><br>\$820.0 million    |
|  |   | <b>Portfolio Manager</b><br>Mark Kiesel     |

| <b>Total Return(2):</b>                          | <b>Market Price</b> | <b>Net Asset Value ( NAV )</b> |   |
|--|---------------------|--------------------------------|---|
| Six months                                       | 8.41                | % 3.28                         | % |
| 1 year   | 17.43               | % 6.75                         | % |
| Commencement of Operations (12/21/01) to 4/30/06 | 11.29               | % 10.78                        | % |

|   |                          |         |
|---|--------------------------|---------|
| <b>Common Share Market Price/NAV Performance:</b> | <b>Market Price/NAV:</b> |         |
| Commencement of Operations (12/21/01) to 4/30/06  | Market Price             | \$15.43 |
| n NAV   | NAV                      | \$14.40 |
| n Market Price                                    | Premium to NAV           | 7.15%   |
|   | Market Price Yield(3)    | 8.26%   |

(1) Inclusive of net assets attributable to Preferred Shares outstanding.

(2) **Past performance is no guarantee of future results.** Total return is calculated by subtracting the value of an investment in the Fund at the beginning of each specified period from the value at the end of the period and dividing the remainder by the value of the investment at the beginning of the period and expressing the result as a percentage. The calculation assumes that all of the Fund's income dividends and capital gain distributions have been reinvested at prices obtained under the dividend reinvestment plan. Total return does not reflect broker commissions or sales charges. Total return for a period greater than one year represents the average annual total return.

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 total assets applicable to common shareholders less total liabilities divided

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by the number of common shares outstanding. Holdings are subject to change daily.

(3) Market Price Yield is determined by dividing the annualized current monthly per share dividend to common shareholders by the market price per common share at April 30, 2006.

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**PIMCO Corporate Income Fund Schedule of Investments**  
 April 30, 2006 (unaudited)

| Principal Amount (000)                   |  | Credit Rating (Moody s/S&P) | Value        |
|--|--|-----------------------------|--------------|
| <b>CORPORATE BONDS &amp; NOTES 74.3%</b> |  |                             |              |
| <b>Airlines 3.6%</b>                     |  |                             |              |
| \$ 2,490                                 | American Airlines, Inc., 6.978%, 10/1/12, Ser. 01-2    | Baa2/BBB+                   | \$ 2,552,476 |
|  | Continental Airlines, Inc., pass thru certificates,    |                             |              |
| 10,000                                   | 6.503%, 6/15/11, Ser. 01-1                             | Baa3/BBB+                   | 10,061,061   |
| 3,035                                    | 7.056%, 9/15/09, Ser. 99-2                             | Baa3/A-                     | 3,124,419    |
| 2,447                                    | 9.798%, 4/1/21   | Ba2/BBB-                    | 2,556,981    |
| 7,000                                    | Delta Air Lines, Inc., pass thru certificates,         |                             |              |
|  | 7.57%, 5/18/12, Ser. 00-1                              | Ba2/BB                      | 7,004,375    |
|  | United Air Lines, Inc.,                                |                             |              |
| 5,107                                    | 6.201%, 3/1/10, Ser. 01-1                              | NR/NR                       | 5,110,675    |
| 417                                      | 10.36%, 11/13/12, Ser. 91C (b)(d)(e)(f)                | NR/NR                       | 23,982       |
|  |  |                             | 30,433,969   |
| <b>Apparel &amp; Textiles 0.4%</b>       |  |                             |              |
| 1,500                                    | Quiksilver, Inc., 6.875%, 4/15/15                      | B1/BB-                      | 1,455,000    |
| 2,000                                    | Russell Corp., 9.25%, 5/1/10                           | B2/B                        | 2,100,000    |
|  |  |                             | 3,555,000    |
| <b>Automotive 0.9%</b>                   |  |                             |              |
| 1,500                                    | ArvinMeritor, Inc., 8.75%, 3/1/12                      | Ba2/BB                      | 1,546,875    |
| 2,000                                    | Auburn Hills Trust, 12.375%, 5/1/20                    | A3/BBB                      | 2,879,488    |
| 1,500                                    | Ford Motor Co., 9.98%, 2/15/47                         | Ba3/BB-                     | 1,222,500    |
| 1,500                                    | TRW Automotive, Inc., 9.375%, 2/15/13                  | Ba3/BB-                     | 1,620,000    |
|  |  |                             | 7,268,863    |
| <b>Banking 3.4%</b>                      |  |                             |              |
| 6,500                                    | BNP Paribas, 5.186%, 6/29/15, VRN (d)                  | A1/A+                       | 6,016,790    |
| 5,000                                    | Colonial Bank, 9.375%, 6/1/11                          | Ba1/BBB-                    | 5,633,385    |
| 1,700                                    | Fifth Third Capital Trust I, 8.136%, 3/15/27, Ser. A   | Aa3/NR                      | 1,797,509    |
|  | HSBC Capital Funding L.P., VRN,                        |                             |              |
| 3,000                                    | 4.61%, 6/27/13 (d)                                     | A1/A-                       | 2,743,224    |
| 1,000                                    | 10.176%, 6/30/30                                       | A1/A-                       | 1,406,716    |
| 5,910                                    | Republic New York Corp., 9.70%, 2/1/09                 | A1/A                        | 6,542,565    |
| 1,000                                    | Riggs Capital Trust, 8.625%, 12/31/26, Ser. A          | A3/BBB+                     | 1,059,754    |
| 1,750                                    | Riggs National Corp., 9.65%, 6/15/09                   | A3/A-                       | 1,950,088    |
| 1,000                                    | Royal Bank of Scotland Group PLC, 7.648%, 9/30/31, VRN | A1/A                        | 1,118,790    |
|  |  |                             | 28,268,821   |
| <b>Chemicals 0.7%</b>                    |  |                             |              |
| 5,000                                    | Lyondell Chemical Co., 10.50%, 6/1/13                  | B1/BB-                      | 5,618,750    |
| <b>Computer Services 0.3%</b>            |  |                             |              |
|  | Electronic Data Systems Corp.,                         |                             |              |
| 1,000                                    | 6.50%, 8/1/13, Ser. B                                  | Ba1/BBB-                    | 1,003,539    |
| 1,500                                    | 7.125%, 10/15/09                                       | Ba1/BBB-                    | 1,570,149    |
|  |  |                             | 2,573,688    |
| <b>Containers &amp; Packaging 0.7%</b>   |  |                             |              |
|  | Smurfit-Stone Container,                               |                             |              |
| 1,000                                    | 8.375%, 7/1/12   | B2/CCC+                     | 980,000      |
| 5,000                                    | 9.75%, 2/1/11  | B2/CCC+                     | 5,137,500    |
|  |  |                             | 6,117,500    |





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**PIMCO Corporate Income Fund Schedule of Investments**  
 April 30, 2006 (unaudited) (continued)

| Principal Amount (000)                 |   | Credit Rating (Moody s/S&P) | Value        |
|--|---|-----------------------------|--------------|
| <b>Diversified Manufacturing 2.2%</b>  |   |                             |              |
|  | Hutchison Whampoa International Ltd., (d)                     |                             |              |
| \$ 3,500                               | 6.25%, 1/24/14  | A3/A-                       | \$ 3,536,057 |
| 500                                    | 6.50%, 2/13/13  | A3/A-                       | 512,328      |
| 2,000                                  | JSG Funding PLC, 9.625%, 10/1/12                              | B3/B-                       | 2,120,000    |
| 1,030                                  | Raychem Corp., 7.20%, 10/15/08                                | Baa3/BBB+                   | 1,060,187    |
| £ 5,800                                | Tyco International Group S.A., 6.50%, 11/21/31                | Baa3/BBB+                   | 11,396,301   |
|  |   |                             | 18,624,873   |
| <b>Energy 0.8%</b>                     |   |                             |              |
| \$ 1,000                               | Edison Mission Energy, 7.73%, 6/15/09                         | B1/B+                       | 1,028,750    |
| 2,000                                  | FirstEnergy Corp., 7.375%, 11/15/31, Ser. C                   | Baa3/BBB-                   | 2,179,546    |
| 2,719                                  | Sithe Independence Funding Corp., 9.00%, 12/30/13, Ser. A     | Ba2/B                       | 2,962,103    |
| 818                                    | System Energy Resources, Inc., 5.129%, 1/15/14 (d)            | Baa3/BBB                    | 791,528      |
|  |   |                             | 6,961,927    |
| <b>Financial Services 9.6%</b>         |   |                             |              |
| 2,000                                  | American General Finance Corp., 8.45%, 10/15/09               | A1/A+                       | 2,168,214    |
| 8,500                                  | Beaver Valley II Funding, 9.00%, 6/1/17                       | Baa3/BBB-                   | 9,511,245    |
| 2,000                                  | Bluewater Finance Ltd., 10.25%, 2/15/12                       | B2/B-                       | 2,090,000    |
| 4,269                                  | Cedar Brakes II LLC, 9.875%, 9/1/13 (b)(d)                    | Baa2/BBB-                   | 4,805,589    |
|  | Ford Motor Credit Co.,  |                             |              |
| 500                                    | 5.70%, 1/15/10  | Ba2/BB-                     | 439,903      |
| 2,000                                  | 5.80%, 1/12/09  | Ba2/BB-                     | 1,811,388    |
| 1,000                                  | Fresenius Medical Care Capital Trust, 7.875%, 6/15/11         | B1/B+                       | 1,052,500    |
| 1,180                                  | General Electric Capital Corp., 8.30%, 9/20/09                | Aaa/AAA                     | 1,284,188    |
|  | General Motors Acceptance Corp.,                              |                             |              |
| 5,000                                  | 6.875%, 9/15/11   | Ba1/BB                      | 4,689,115    |
| 15,000                                 | 7.75%, 1/19/10  | Ba1/BB                      | 14,763,705   |
| 3,500                                  | HBOS Capital Funding L.P., 6.071%, 6/30/14, VRN (d)           | A1/A                        | 3,465,801    |
| 1,265                                  | HSBC Finance Corp., 7.65%, 5/15/07                            | Aa3/A                       | 1,293,378    |
| 3,900                                  | MBNA Capital, 5.48%, 2/1/27, Ser. B, FRN                      | Aa3/A                       | 3,863,192    |
| 1,300                                  | Mizuho JGB Investment LLC, 9.87%, 6/30/08, VRN (d)            | Baa1/BBB+                   | 1,406,967    |
| 300                                    | Mizuho Preferred Capital Co. LLC, 8.79%, 6/30/08, VRN (d)     | Baa1/BBB+                   | 318,202      |
|  | Pemex Project Funding Master Trust,                           |                             |              |
| 4,350                                  | 8.00%, 11/15/11   | Baa1/BBB                    | 4,721,925    |
| 1,400                                  | 8.625%, 2/1/22  | Baa1/BBB                    | 1,624,700    |
| 3,500                                  | 9.50%, 9/15/27, VRN   | NR/BBB                      | 4,387,250    |
| 2,000                                  | Preferred Term Securities XIII, 5.47%, 3/24/34, FRN (b)(d)(f) | Aaa/AAA                     | 1,991,645    |
| 6,500                                  | RBS Capital Trust I, 5.512%, 9/30/14, VRN                     | A1/A                        | 6,191,978    |
| 6,000                                  | Toll Brothers Finance Corp., 5.15%, 5/15/15                   | Baa3/BBB-                   | 5,386,542    |
| 1,500                                  | Universal City Development Partners Ltd., 11.75%, 4/1/10      | B2/B-                       | 1,659,375    |
| 1,000                                  | Universal City Florida Holding Co., 8.375%, 5/1/10            | B3/B-                       | 1,035,000    |
|  |   |                             | 79,961,802   |
| <b>Food &amp; Beverage 0.9%</b>        |   |                             |              |
| 3,000                                  | Ingles Markets, Inc., 8.875%, 12/1/11                         | B3/B                        | 3,150,000    |
| 4,000                                  | Tyson Foods, Inc., 6.60%, 4/1/16                              | Baa3/BBB                    | 3,930,984    |
|  |   |                             | 7,080,984    |
| <b>Healthcare &amp; Hospitals 1.5%</b> |   |                             |              |
|  | HCA, Inc.,  |                             |              |
| 550                                    | 8.36%, 4/15/24  | Ba2/BB+                     | 570,608      |
| 1,000                                  | 8.70%, 2/10/10  | Ba2/BB+                     | 1,072,809    |

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|       |                 |         |           |
|-------|-----------------|---------|-----------|
| 5,470 | 9.00%, 12/15/14 | Ba2/BB+ | 6,154,603 |
|-------|-----------------|---------|-----------|

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**PIMCO Corporate Income Fund Schedule of Investments**  
 April 30, 2006 (unaudited) (continued)

| Principal Amount (000)                        |   | Credit Rating (Moody s/S&P) | Value        |
|---|---|-----------------------------|--------------|
| <b>Healthcare &amp; Hospitals (continued)</b> |   |                             |              |
|   | Tenet Healthcare Corp.,                                   |                             |              |
| \$ 2,500                                      | 7.375%, 2/1/13  | B3/B                        | \$ 2,343,750 |
| 2,000   | 9.25%, 2/1/15 (d)   | B3/B                        | 2,045,000    |
|   |   |                             | 12,186,770   |
| <b>Hotels/Gaming 3.5%</b>                     |   |                             |              |
|   | Caesars Entertainment, Inc.,                              |                             |              |
| 3,000   | 7.00%, 4/15/13  | Baa3/BBB-                   | 3,126,174    |
| 2,000   | 8.125%, 5/15/11   | Ba1/BB+                     | 2,162,500    |
| 1,000   | Choctaw Resort Development Enterprise, Inc.,              |                             |              |
|   | 7.25%, 11/15/19 (d)                                       | B1/BB-                      | 1,013,750    |
| 1,000   | Gaylord Entertainment Co., 8.00%, 11/15/13                | B3/B-                       | 1,031,250    |
|   | Hilton Hotels Corp.,                                      |                             |              |
| 1,000   | 7.625%, 5/15/08   | Ba2/BB                      | 1,039,578    |
| 1,646   | 8.25%, 2/15/11  | Ba2/BB                      | 1,781,400    |
| 5,000   | ITT Corp., 7.375%, 11/15/15                               | Ba1/BB+                     | 5,325,000    |
| 500   | Mandalay Resort Group, 9.375%, 2/15/10                    | Ba3/B+                      | 540,000      |
|   | MGM Mirage, Inc.,   |                             |              |
| 3,000   | 6.625%, 7/15/15   | Ba2/BB                      | 2,921,250    |
| 5,000   | 8.375%, 2/1/11  | Ba3/B+                      | 5,287,500    |
| 2,565   | Times Square Hotel Trust, 8.528%, 8/1/26 (b)(d)(f)        | Baa3/BB+                    | 2,845,248    |
| 2,000   | Wynn Las Vegas LLC, 6.625%, 12/1/14                       | B2/B+                       | 1,955,000    |
|   |   |                             | 29,028,650   |
| <b>Insurance 0.4%</b>                         |   |                             |              |
| 2,300   | Dai-ichi Mutual Life Insurance Co., 5.73%, 3/17/14 (d)    | NR/A-                       | 2,243,873    |
| 1,500   | Residential Reinsurance Ltd.,                             |                             |              |
|   | 9.77%, 12/8/07, Ser. 2003, FRN (b)(d)(f)                  | Ba2/BB+                     | 1,484,497    |
|   |   |                             | 3,728,370    |
| <b>Manufacturing 0.3%</b>                     |   |                             |              |
| 2,500   | Dresser, Inc., 9.375%, 4/15/11                            | B2/B-                       | 2,612,500    |
| <b>Metals &amp; Mining 1.1%</b>               |   |                             |              |
| 3,000   | Falconbridge, Ltd., 7.25%, 7/15/12                        | Baa3/BBB-                   | 3,178,050    |
| 4,700   | Phelps Dodge Corp., 9.50%, 6/1/31                         | Baa2/BBB                    | 5,982,235    |
|   |   |                             | 9,160,285    |
| <b>Multi-Media 7.7%</b>                       |   |                             |              |
| 3,000   | British Sky Broadcasting PLC, 6.875%, 2/23/09             | Baa2/BBB                    | 3,098,964    |
| 1,000   | Cablevision Systems Corp., 8.00%, 4/15/12, Ser. B         | B3/B+                       | 1,002,500    |
| 6,000   | Charter Communications Operating LLC, 8.375%, 4/30/14 (d) | B2/B-                       | 6,060,000    |
| 2,250   | Comcast Corp., 10.625%, 7/15/12                           | Baa3/BBB                    | 2,710,134    |
| 925   | Comcast MO of Delaware, Inc., 9.00%, 9/1/08               | Baa2/BBB+                   | 993,793      |
|   | CSC Holdings, Inc.,                                       |                             |              |
| 1,000   | 7.625%, 4/1/11, Ser. B                                    | B2/B+                       | 1,022,500    |
| 700   | 7.875%, 2/15/18   | B2/B+                       | 712,250      |
| 3,000   | 8.125%, 7/15/09, Ser. B                                   | B2/B+                       | 3,127,500    |
| 7,625   | 8.125%, 8/15/09, Ser. B                                   | B2/B+                       | 7,949,063    |
|   | DirecTV Holdings LLC,                                     |                             |              |
| 1,000   | 6.375%, 6/15/15   | Ba2/BB-                     | 982,500      |
| 870   | 8.375%, 3/15/13   | Ba2/BB-                     | 934,163      |
|   | Historic TW, Inc.,  |                             |              |
| 500   | 6.625%, 5/15/29   | Baa2/BBB+                   | 485,914      |
| 5,000   | 9.125%, 1/15/13   | Baa2/BBB+                   | 5,763,330    |

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|       |   |      |           |
|-------|---|------|-----------|
| 2,000 | Mediacom Broadband LLC, 11.00%, 7/15/13 | B2/B | 2,130,000 |
|-------|---|------|-----------|

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**PIMCO Corporate Income Fund Schedule of Investments**  
 April 30, 2006 (unaudited) (continued)

| Principal Amount (000)           |   | Credit Rating (Moody s/S&P) | Value        |
|----------------------------------|---|-----------------------------|--------------|
| <b>Multi-Media (continued)</b>   |   |                             |              |
|                                  | News America Holdings, Inc.,                                  |                             |              |
| \$ 1,610                         | 6.75%, 1/9/38   | Baa2/BBB                    | \$ 1,651,982 |
| 7,450                            | 7.43%, 10/1/26  | Baa2/BBB                    | 7,827,097    |
|                                  | Rogers Cable, Inc.,   |                             |              |
| CAD 1,750                        | 7.25%, 12/15/11   | Ba2/BB+                     | 1,624,202    |
| \$ 3,000                         | 8.75%, 5/1/32   | Ba2/BB+                     | 3,510,000    |
| 12,000                           | Time Warner, Inc., 7.70%, 5/1/32                              | Baa2/BBB+                   | 13,152,660   |
|                                  |   |                             | 64,738,552   |
| <b>Oil &amp; Gas 7.5%</b>        |   |                             |              |
|                                  | CenterPoint Energy Res. Corp.,                                |                             |              |
| 4,000                            | 6.50%, 2/1/08   | Baa3/BBB                    | 4,061,584    |
| 1,200                            | 7.75%, 2/15/11  | Baa3/BBB                    | 1,297,567    |
| 4,000                            | Chesapeake Energy Corp., 7.75%, 1/15/15                       | Ba2/BB                      | 4,150,000    |
|                                  | Dynergy-Roseton Danskammer, Inc., pass thru certificates,     |                             |              |
| 1,750                            | 7.27%, 11/8/10, Ser. A  | B2/B                        | 1,768,584    |
| 3,000                            | 7.67%, 11/8/16, Ser. B  | B2/B                        | 3,070,479    |
|                                  | El Paso Corp.,  |                             |              |
| 5,000                            | 8.05%, 10/15/30   | Caa1/B-                     | 5,100,000    |
| 2,000                            | 10.75%, 10/1/10 (d)   | Caa1/B-                     | 2,245,000    |
| 4,300                            | Gaz Capital S.A., 8.625%, 4/28/34                             | Baa1/BB+                    | 5,213,750    |
| 4,700                            | Gazprom AG, 9.625%, 3/1/13                                    | NR/BB+                      | 5,569,500    |
| 1,000                            | Hanover Compressor Co., 9.00%, 6/1/14                         | B3/B                        | 1,080,000    |
| 868                              | Perforadora Central S.A. de CV, 4.92%, 12/15/18               | NR/NR                       | 842,282      |
| 1,300                            | Pogo Producing Co., 8.25%, 4/15/11, Ser. B                    | Ba3/B+                      | 1,355,250    |
| 300                              | SESI LLC, 8.875%, 5/15/11                                     | B1/BB-                      | 315,000      |
| 3,000                            | Sonata, Inc., 7.625%, 7/15/11                                 | Caa1/B-                     | 3,090,000    |
| 250                              | Transcontinental Gas Pipe Line Corp., 8.875%, 7/15/12, Ser. B | Ba2/BB-                     | 284,688      |
| 2,000                            | USX Corp., 9.375%, 2/15/12                                    | Baa1/BBB+                   | 2,334,890    |
| 5,000                            | Weatherford International, Inc., 6.625%, 11/15/11, Ser. B     | Baa1/BBB+                   | 5,222,505    |
|                                  | Williams Cos., Inc.,  |                             |              |
| 2,000                            | 7.125%, 9/1/11  | B1/BB-                      | 2,065,000    |
| 7,000                            | 7.50%, 1/15/31, Ser. A  | B1/BB-                      | 7,175,000    |
| 5,000                            | 7.875%, 9/1/21  | B1/BB-                      | 5,350,000    |
| 1,000                            | 8.75%, 3/15/32  | B1/BB-                      | 1,157,500    |
|                                  |   |                             | 62,748,579   |
| <b>Paper/Paper Products 3.5%</b> |   |                             |              |
|                                  | Abitibi-Consolidated, Inc.,                                   |                             |              |
| 5,000                            | 8.375%, 4/1/15  | B1/B+                       | 5,075,000    |
| 5,000                            | 8.55%, 8/1/10   | B1/B+                       | 5,150,000    |
|                                  | Bowater, Inc.,  |                             |              |
| 1,000                            | 9.00%, 8/1/09   | B1/B+                       | 1,045,000    |
| 3,000                            | 9.50%, 10/15/12   | B1/B+                       | 3,180,000    |
|                                  | Georgia-Pacific Corp.,  |                             |              |
| 10,500                           | 8.00%, 1/15/24  | B2/B                        | 10,526,250   |
| 500                              | 8.125%, 5/15/11   | B2/B                        | 521,250      |
| 850                              | Norske Skogindustrier ASA, 6.125%, 10/15/15 (d)               | Ba1/BBB-                    | 780,235      |
| 2,500                            | OfficeMax, Inc., 7.315%, 6/15/09, Ser. A                      | Ba2/B+                      | 2,546,875    |
|                                  |   |                             | 28,824,610   |
| <b>Pharmaceuticals 0.1%</b>      |   |                             |              |
| 1,000                            | Wyeth, 6.50%, 2/1/34  | Baa1/A                      | 1,016,043    |



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**PIMCO Corporate Income Fund Schedule of Investments**  
 April 30, 2006 (unaudited) (continued)

| Principal Amount (000)          |  | Credit Rating (Moody s/S&P) | Value        |
|---------------------------------|--|-----------------------------|--------------|
| <b>Retail 2.2%</b>              |  |                             |              |
| \$ 9,000                        | Albertson's, Inc., 8.00%, 5/1/31                             | Ba3/BBB-                    | \$ 8,505,621 |
| 3,000                           | JC Penney Co., Inc., 8.125%, 4/1/27                          | Baa3/BBB-                   | 3,120,849    |
| 5,897                           | Yum! Brands, Inc., 8.875%, 4/15/11                           | Baa2/BBB                    | 6,630,946    |
|                                 |  |                             | 18,257,416   |
| <b>Telecommunications 12.4%</b> |  |                             |              |
| 792                             | AT&T Corp., VRN, 9.05%, 11/15/11                             | A2/A                        | 855,013      |
| 5,000                           | 9.75%, 11/15/31  | A2/A                        | 5,942,460    |
| 5,000                           | Bellsouth Capital Funding, 7.875%, 2/15/30                   | A2/A                        | 5,667,165    |
|                                 | Cincinnati Bell, Inc., 7.00%, 2/15/15                        | B1/B-                       | 2,493,750    |
| 2,500                           | 8.375%, 1/15/14  | B3/B-                       | 1,027,500    |
| 1,000                           | Citizens Communications Co., 9.25%, 5/15/11                  | Ba3/BB+                     | 8,830,000    |
| 8,000                           | Comcast Cable Communications Holdings, Inc., 8.375%, 3/15/13 | Baa2/BBB+                   | 5,604,825    |
| 5,000                           | Deutsche Telekom International Finance BV, 8.00%, 6/15/10    | A3/A-                       | 10,879,390   |
| 10,000                          | 8.25%, 6/15/30   | A3/A-                       | 3,572,421    |
| 3,000                           | France Telecom S.A., 7.75%, 3/1/11                           | A3/A-                       | 10,889,900   |
| 10,000                          | 8.50%, 3/1/31  | A3/A-                       | 3,708,069    |
| 3,000                           | Intelsat Bermuda Ltd., 8.625%, 1/15/15 (d)                   | B2/B+                       | 1,045,000    |
| 1,000                           | Nextel Communications, Inc., 6.875%, 10/31/13, Ser. E        | Baa2/A-                     | 3,082,653    |
| 3,000                           | 7.375%, 8/1/15, Ser. D                                       | Baa2/A-                     | 2,089,446    |
| 2,000                           | PCCW Capital II Ltd., 6.00%, 7/15/13 (d)                     | Baa2/BBB                    | 739,220      |
| 750                             | Qwest Capital Funding, Inc., 7.25%, 2/15/11                  | B3/B                        | 12,972,525   |
| 12,860                          | Qwest Communications International, Inc., 7.50%, 2/15/14     | B2/B                        | 2,025,000    |
| 2,000                           | Qwest Corp., 8.16%, 6/15/13, FRN                             | Ba3/BB                      | 2,515,625    |
| 2,300                           | Sprint Capital Corp., 6.125%, 11/15/08                       | Baa2/A-                     | 7,016,148    |
| 6,900                           | 6.875%, 11/15/28   | Baa2/A-                     | 4,132,716    |
| 4,000                           | Time Warner Telecom Holdings, Inc., 8.749%, 2/15/11, FRN     | B2/CCC+                     | 1,230,000    |
| 1,200                           | Verizon Global Funding Corp., 7.25%, 12/1/10                 | A3/A                        | 5,802,166    |
| 5,469                           | Verizon New York, Inc., 7.375%, 4/1/32, Ser. B               | Baa3/A                      | 1,505,902    |
| 1,500                           |  |                             | 103,626,894  |
| <b>Tobacco 0.2%</b>             |  |                             |              |
| 2,000                           | RJ Reynolds Tobacco Holdings, Inc., 7.25%, 6/1/12            | Ba2/BB+                     | 2,050,000    |
| <b>Utilities 8.2%</b>           |  |                             |              |
| 500                             | Consumers Energy Co., 6.375%, 2/1/08 (d)(f)                  | Baa3/BBB-                   | 505,794      |
|                                 | East Coast Power LLC, Ser. B, 6.737%, 3/31/08                | Baa3/BBB-                   | 1,093,531    |
| 1,085                           | 7.066%, 3/31/12  | Baa3/BBB-                   | 3,205,695    |
| 3,128                           | Entergy Gulf States, Inc., 5.61%, 12/8/08, FRN (d)           | Baa3/BBB+                   | 3,104,012    |
| 3,100                           | Florida Gas Transmission Co., 7.00%, 7/17/12 (b)(d)          | Baa2/BBB+                   | 2,092,470    |
| 2,000                           | FPL Energy Wind Funding LLC, 6.876%, 6/27/17 (d)             | Ba2/BB-                     | 4,382,219    |
| 4,355                           | Homer City Funding LLC, 8.137%, 10/1/19                      | Ba2/BB                      | 4,968,000    |
| 4,600                           | IPALCO Enterprises, Inc., 8.375%, 11/14/08                   | Ba1/BB-                     | 2,246,750    |
| 2,150                           | 8.625%, 11/14/11   | Ba1/BB-                     | 6,022,500    |
| 5,500                           |  |                             |              |

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|       |  |       |           |
|-------|--|-------|-----------|
| 3,569 | Midwest Generation LLC, pass thru certificates,<br>8.56%, 1/2/16, Ser. B | B1/B+ | 3,859,127 |
|-------|--|-------|-----------|

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**PIMCO Corporate Income Fund Schedule of Investments**  
 April 30, 2006 (unaudited) (continued)

| Principal Amount (000)                 |  | Credit Rating (Moody s/S&P) | Value        |
|--|--|-----------------------------|--------------|
| <b>Utilities (continued)</b>           |  |                             |              |
| \$ 2,000                               | Northern States Power Co., 8.00%, 8/28/12, Ser. B  | A2/A-                       | \$ 2,247,492 |
| 1,000                                  | Ohio Edison Co., 5.647%, 6/15/09 (d)               | Baa2/BBB-                   | 1,000,365    |
| 2,000                                  | Potomac Electric Power, 6.25%, 10/15/07            | A3/A-                       | 2,021,806    |
|  | PSEG Energy Holdings LLC,                          |                             |              |
| 6,000                                  | 8.50%, 6/15/11                                     | Ba3/BB-                     | 6,450,000    |
| 4,790                                  | 8.625%, 2/15/08                                    | Ba3/BB-                     | 4,993,575    |
| 8,000                                  | PSEG Power LLC, 8.625%, 4/15/31                    | Baa1/BBB                    | 9,933,840    |
| 4,829                                  | South Point Energy Center LLC, 8.40%, 5/30/12 (d)  | Caa2/D                      | 4,684,001    |
| 3,500                                  | Tucson Electric Power, 7.50%, 8/1/08, Ser. B       | Baa3/BBB-                   | 3,626,504    |
| 2,000                                  | TXU U.S. Holdings Co., 7.17%, 8/1/07               | Baa3/BB+                    | 2,040,852    |
|  |  |                             | 68,478,533   |
| <b>Waste Disposal 2.2%</b>             |  |                             |              |
|  | Allied Waste North America, Inc.,                  |                             |              |
| 3,000                                  | 7.25%, 3/15/15                                     | B2/BB-                      | 3,067,500    |
| 1,000                                  | 7.875%, 4/15/13                                    | B2/BB-                      | 1,045,000    |
| 3,625                                  | 8.50%, 12/1/08, Ser. B                             | B2/BB-                      | 3,833,437    |
|  | Waste Management, Inc.,                            |                             |              |
| 5,000                                  | 7.10%, 8/1/26                                      | Baa3/BBB                    | 5,282,095    |
| 5,000                                  | 7.375%, 8/1/10                                     | Baa3/BBB                    | 5,314,080    |
|  |  |                             | 18,542,112   |
|  | Total Corporate Bonds & Notes (cost-\$614,953,431) |                             | 621,465,491  |
| <b>SOVEREIGN DEBT OBLIGATIONS 5.1%</b> |  |                             |              |
| <b>Brazil 2.2%</b>                     |  |                             |              |
|  | Federal Republic of Brazil,                        |                             |              |
| 2,179                                  | 8.00%, 1/15/18                                     | Ba3/BB                      | 2,370,752    |
| 1,250                                  | 10.125%, 5/15/27                                   | Ba3/BB                      | 1,606,250    |
| 755                                    | 10.50%, 7/14/14                                    | Ba3/BB                      | 938,087      |
| 9,000                                  | 11.00%, 8/17/40                                    | Ba3/BB                      | 11,598,750   |
| 1,050                                  | 12.75%, 1/15/20                                    | Ba3/BB                      | 1,554,000    |
|  |  |                             | 18,067,839   |
| <b>Guatemala 0.2%</b>                  |  |                             |              |
| 1,500                                  | Republic of Guatemala, 9.25%, 8/1/13 (d)           | Ba2/BB-                     | 1,702,500    |
| <b>Panama 1.0%</b>                     |  |                             |              |
|  | Republic of Panama,                                |                             |              |
| 3,000                                  | 9.375%, 7/23/12                                    | Ba1/BB                      | 3,465,000    |
| 4,470                                  | 9.625%, 2/8/11                                     | Ba1/BB                      | 5,118,150    |
|  |  |                             | 8,583,150    |
| <b>Peru 0.1%</b>                       |  |                             |              |
| 600                                    | Republic of Peru, 9.125%, 2/21/12                  | Ba3/BB                      | 669,600      |
| <b>Russia 1.1%</b>                     |  |                             |              |
|  | Russian Federation,                                |                             |              |
| 7,362                                  | 5.00%, 3/31/30, VRN                                | Baa2/BBB                    | 7,993,851    |
| 1,156                                  | 8.25%, 3/31/10                                     | Baa2/BBB                    | 1,216,231    |
|  |  |                             | 9,210,082    |



**PIMCO Corporate Income Fund Schedule of Investments**  
 April 30, 2006 (unaudited) (continued)

| Principal Amount (000)                                      |   | Credit Rating (Moody s/S&P) | Value      |
|---|---|-----------------------------|------------|
| <b>South Africa 0.4%</b>                                    |   |                             |            |
|   | Republic of South Africa,                               |                             |            |
| \$ 120  | 7.375%, 4/25/12   | Baa1/BBB+                   | \$ 128,550 |
| 2,600   | 9.125%, 5/19/09   | Baa1/BBB+                   | 2,859,132  |
|   |   |                             | 2,987,682  |
| <b>Ukraine 0.1%</b>   |   |                             |            |
| 1,000   | Republic of Ukraine, 7.65%, 6/11/13                     | B1/BB-                      | 1,044,600  |
| Total Sovereign Debt Obligations (cost-\$38,913,509)        |   |                             | 42,265,453 |
| <b>U.S. GOVERNMENT AGENCY SECURITIES 2.6%</b>               |   |                             |            |
|   | Fannie Mae,   |                             |            |
| 136   | 6.983%, 2/19/30, CMO, VRN                               | Aaa/AAA                     | 137,667    |
| 3,003   | 7.00%, 2/1/36, MBS (k)                                  | Aaa/AAA                     | 3,098,741  |
| 1,579   | 7.00%, 12/25/41, CMO (k)                                | Aaa/AAA                     | 1,619,804  |
| 168   | 7.50%, 5/25/42, CMO                                     | Aaa/AAA                     | 173,729    |
| 7,754   | 7.50%, 12/25/45, CMO (k)                                | Aaa/AAA                     | 8,051,044  |
| 38  | 8.00%, 7/18/27, CMO                                     | Aaa/AAA                     | 39,918     |
| 7,836   | 8.00%, 12/25/45, CMO (k)                                | Aaa/AAA                     | 8,247,292  |
| Total U.S. Government Agency Securities (cost-\$21,525,836) |   |                             | 21,368,195 |
| <b>MORTGAGE-BACKED SECURITIES 2.2%</b>                      |   |                             |            |
| 3,500   | Chase Commercial Mortgage Securities Corp.,             |                             |            |
|   | 6.887%, 10/15/32, CMO (d)                               | NR/BB+                      | 3,572,848  |
|   | GSMPS Mortgage Loan Trust, CMO, (d)                     |                             |            |
| 4,215   | 7.50%, 6/19/27 (k)                                      | NR/NR                       | 4,336,610  |
| 4,820   | 7.50%, 6/25/43  | NR/NR                       | 4,876,429  |
|   | Merrill Lynch Mortgage Investors, Inc., CMO, VRN,       |                             |            |
| 2,805   | 7.138%, 12/15/30  | Baa2/A-                     | 3,009,533  |
| 2,000   | 7.407%, 2/15/30   | Baa1/BBB+                   | 2,069,655  |
| 648   | Morgan Stanley Capital I, 5.041%, 4/15/16, CMO, FRN (d) | Aaa/AAA                     | 648,882    |
| Total Mortgage-Backed Securities (cost-\$18,672,667)        |   |                             | 18,513,957 |
| <b>MUNICIPAL BONDS (d)(h) 1.5%</b>                          |   |                             |            |
| <b>New Jersey 1.5%</b>                                      |   |                             |            |
|   | Tobacco Settlement Financing Corp. Rev., VRN,           |                             |            |
| 4,084   | 7.847%, 6/1/32  | NR/AA                       | 4,401,327  |
| 2,500   | 8.699%, 6/1/24  | NR/AA                       | 2,893,350  |
| 4,166   | 9.199%, 6/1/32  | NR/AA                       | 4,898,383  |
| Total Municipal Bonds (cost-\$9,994,427)                    |   |                             | 12,193,060 |
| <b>SENIOR LOANS (a)(b)(c) 0.8%</b>                          |   |                             |            |
| <b>Containers &amp; Packaging 0.2%</b>                      |   |                             |            |
|   | Smurfit-Stone Container,                                |                             |            |
| 131   | 4.056%, 11/1/10   |                             | 132,878    |
| 428   | 7.125%, 11/1/10, Term B                                 |                             | 433,777    |
| 103   | 7.125%, 11/1/10, Term C                                 |                             | 104,832    |
| 215   | 7.125%, 11/1/11, Term C                                 |                             | 217,833    |
| 510   | 7.25%, 11/1/11, Term B                                  |                             | 517,353    |
|   |   |                             | 1,406,673  |



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**PIMCO Corporate Income Fund Schedule of Investments**  
 April 30, 2006 (unaudited) (continued)

| Principal Amount (000)              |   | Credit Rating (Moody s/S&P) | Value      |
|-------------------------------------|---|-----------------------------|------------|
| <b>Energy 0.2%</b>                  |   |                             |            |
|                                     | AES Corp., Term B,  |                             |            |
| \$ 714                              | 5.69%, 8/10/11  |                             | \$ 721,875 |
| 714                                 | 6.75%, 4/30/08  |                             | 721,875    |
|                                     |   |                             | 1,443,750  |
| <b>Multi-Media 0.3%</b>             |   |                             |            |
| 2,500                               | Adelphia Communications Corp., 9.75%, 6/30/09, Term B   |                             | 2,445,573  |
| <b>Printing/Publishing 0.1%</b>     |   |                             |            |
|                                     | Dex Media East LLC, Term B,   |                             |            |
| 359                                 | 6.22%, 5/8/09   |                             | 360,825    |
| 651                                 | 6.35%, 5/8/09   |                             | 654,325    |
| 154                                 | 6.43%, 5/8/09   |                             | 154,473    |
| 81                                  | 6.45%, 11/8/08  |                             | 81,123     |
| 156                                 | 6.48%, 5/8/09   |                             | 156,476    |
|                                     |   |                             | 1,407,222  |
|                                     | Total Senior Loans (cost-\$6,702,114)   |                             | 6,703,218  |
| <b>U.S. TREASURY NOTES 0.1%</b>     |   |                             |            |
| 1,300                               | U.S. Treasury Notes, 4.125%, 5/15/15 (cost-\$1,232,442)                                       |                             | 1,213,672  |
| <b>ASSET-BACKED SECURITIES 0.1%</b> |   |                             |            |
| 1,000                               | American Airlines, Inc., pass thru certificates, 7.858%, 4/1/13, Ser. 01-2 (cost-\$1,047,813) | Baa2/BBB+                   | 1,064,036  |
| <b>PREFERRED STOCK 0.4%</b>         |   |                             |            |
| Shares                              |   |                             |            |
| <b>Financial Services 0.4%</b>      |   |                             |            |
| 3,400                               | Fresenius Medical Care Capital Trust II, 7.875%, UNIT (cost-\$3,674,550)                      | B1/B+                       | 3,493,500  |
| <b>COMMON STOCK (j) 0.0%</b>        |   |                             |            |
| <b>Airlines 0.0%</b>                |   |                             |            |
| 289                                 | UAL Corp.   |                             | 10,407     |
| <b>Energy 0.0%</b>                  |   |                             |            |
| 2,247                               | NRG Energy, Inc.  |                             | 106,935    |
|                                     | Total Common Stock (cost-\$0)   |                             | 117,342    |
| <b>SHORT-TERM INVESTMENTS 12.9%</b> |   |                             |            |
| <b>Principal Amount (000)</b>       |   |                             |            |
| <b>U.S. Treasury Bills (i) 6.1%</b> |   |                             |            |
| \$ 51,110                           | 4.00%-4.59%, 6/1/06-6/15/06 (cost-\$50,840,001)   |                             | 50,840,001 |

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Corporate Notes 5.2%

Financial Services 3.8%

|       |                        |         |           |
|-------|------------------------|---------|-----------|
|       | Ford Motor Credit Co., |         |           |
| 1,000 | 6.50%, 1/25/07         | Ba2/BB- | 993,984   |
| 3,000 | 7.75%, 2/15/07         | Ba2/BB- | 2,963,439 |

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## PIMCO Corporate Income Fund Schedule of Investments

April 30, 2006 (unaudited) (continued)

| Principal Amount (000)                 |  | Credit Rating (Moody s/S&P) | Value              |
|--|--|-----------------------------|--------------------|
| <b>Financial Services (continued)</b>  |  |                             |                    |
| \$ 8,000                               | General Motors Acceptance Corp., 5.968%, 1/16/07, FRN  | Ba1/BB                      | \$ 7,862,824       |
| 500                                    | HSBC Finance Corp., 5.565%, 10/12/06, FRN  | Aa3/A                       | 501,381            |
| 4,000                                  | 7.20%, 7/15/06   | Aa3/A                       | 4,014,956          |
| 5,000                                  | Sets Trust, 8.85%, 4/2/07 (d)(f)(g)  | NR/NR                       | 5,101,448          |
| 10,000                                 | TIERS Principal Protected Trust, 8.41%, 3/22/07 (b)(d)(f)(g)   | NR/NR                       | 10,258,017         |
|  |  |                             | 31,696,049         |
| <b>Food &amp; Beverage 0.5%</b>        |  |                             |                    |
| 4,139                                  | Kroger Co., 8.15%, 7/15/06   | Baa2/BBB-                   | 4,160,668          |
| <b>Hotels/Gaming 0.4%</b>              |  |                             |                    |
| 3,000                                  | Caesars Entertainment, Inc., 8.50%, 11/15/06   | Baa3/BBB-                   | 3,047,085          |
| <b>Insurance 0.0%</b>                  |  |                             |                    |
| 123                                    | Prudential Financial, Inc., 4.104%, 11/15/06   | A3/A                        | 122,295            |
| <b>Multi-Media 0.2%</b>                |  |                             |                    |
| 2,105                                  | British Sky Broadcasting PLC, 7.30%, 10/15/06  | Baa2/BBB                    | 2,120,510          |
| <b>Utilities 0.3%</b>                  |  |                             |                    |
| 2,500                                  | PPL Capital Funding Trust I, 7.29%, 5/18/06  | Baa3/BB+                    | 2,497,517          |
|  | Total Corporate Notes (cost-\$43,487,922)  |                             | 43,644,124         |
| <b>Commercial Paper 0.5%</b>           |  |                             |                    |
| <b>Banking 0.5%</b>                    |  |                             |                    |
| 3,900                                  | Societe Generale North America, Inc., 5.00%, 8/24/06 (cost-\$3,837,708)  | NR/NR                       | 3,836,235          |
| <b>Sovereign Debt Obligations 0.0%</b> |  |                             |                    |
| <b>Ukraine 0.0%</b>                    |  |                             |                    |
| 187                                    | Republic of Ukraine, 11.00%, 3/15/07 (cost-\$192,819)  | B1/BB-                      | 193,000            |
| <b>Repurchase Agreements 1.1%</b>      |  |                             |                    |
| 8,000                                  | Credit Suisse First Boston, dated 4/28/06, 4.62%, due 5/1/06, proceeds \$8,003,080; collateralized by U.S. Treasury Notes, 2.625%, 5/15/08, valued at \$8,220,252 including accrued interest |                             | 8,000,000          |
| 1,551                                  | State Street Bank & Trust Co., dated 4/28/06, 4.40%, due 5/1/06, proceeds \$1,551,569; collateralized by Fannie Mae, 3.125%, 7/15/06, valued at \$1,582,286 including accrued interest       |                             | 1,551,000          |
|  | Total Repurchase Agreements (cost-\$9,551,000)   |                             | 9,551,000          |
|  | Total Short-Term Investments (cost-\$107,909,450)  |                             | 108,064,360        |
| <b>OPTIONS PURCHASED (j) 0.0%</b>      |  |                             |                    |
| <b>Contracts (000)</b>                 |  |                             |                    |
| <b>Put Options 0.0%</b>                |  |                             |                    |
| 5,000                                  | Japanese Yen, Over the Counter, strike price ¥115, expires 5/26/06 (cost-\$72,116)   |                             | 91,012             |
|  | <b>Total Investments before options written (cost-\$824,698,355) 100.0%</b>  |                             | <b>836,553,296</b> |





**PIMCO Corporate Income Fund Schedule of Investments**

April 30, 2006 (unaudited) (continued)

| Contracts<br>(000)                                 |  | Value                 |
|--|--|-----------------------|
| <b>OPTIONS WRITTEN (j) (0.0)%</b>                  |  |                       |
| <b>Call Options (0.0)%</b>                         |  |                       |
|  | News America Holdings, Inc., Over the Counter, |                       |
| 7,450  | strike price \$100, expires 10/1/06 (f)        | \$ (340,227 )         |
| <b>Put Options (0.0)%</b>                          |  |                       |
|  | Japanese Yen, Over the Counter (b)(d),         |                       |
| 5,000  | strike price ¥112, expires 5/26/06             | (25,196 )             |
| Total Options Written (premiums received-\$32,290) |  | (365,423 )            |
| <b>Total Investments net of options written</b>    |  |                       |
| (cost-\$824,666,065) 100.0%                        |  | <b>\$ 836,187,873</b> |

**Notes to Schedules of Investments:**

- (a) Private Placement. Restricted as to resale and may not have a readily available market.
- (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.
- (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) Security in default.
- (f) Fair-valued security.
- (g) Credit-linked trust certificate.
- (h) Residual Interest Municipal Bonds ( RIBS )/Residual Interest Tax Exempt Bonds ( RITES ) - The interest rate shown bears an inverse relationship to the interest rate on another security or the value of an index.
- (i) All or partial amount pledged as collateral for futures contracts and/or written options.
- (j) Non-income producing.
- (k) All or partial amount pledged as collateral for reverse repurchase agreements.

**Glossary:**

|       |  |
|-------|--|
| £     | British Pound  |
| ¥     | Japanese Yen   |
| CAD   | Canadian Dollar  |
| CMO   | Collateralized Mortgage Obligation   |
| FRN   | Floating Rate Note. The interest rate disclosed reflects the rate in effect on April 30, 2006.   |
| LIBOR | London Inter-Bank Offered Rate   |
| MBS   | Mortgage-Backed Security   |
| NR    | Not Rated  |
| UNIT  | More than one class of securities traded together.   |
| 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, 2006. |

**See accompanying Notes to Financial Statements.**

**PIMCO Corporate Income Fund Statement of Assets and Liabilities**  
**April 30, 2006 (unaudited)**

**Assets:**

|   |                    |
|---|--------------------|
| Investments, at value (cost-\$824,698,355)                              | \$836,553,296      |
| Cash (including foreign currency of \$130,478 with a cost of \$124,819) | 131,072            |
| Interest receivable   | 15,260,621         |
| Unrealized appreciation on swaps  | 14,311,140         |
| Receivable for swaps purchased  | 4,431,133          |
| Receivable for investments sold   | 1,893,165          |
| Receivable for variation margin on futures contracts                    | 167,500            |
| Unrealized appreciation of forward foreign currency contracts           | 105,709            |
| Prepaid expenses  | 48,106             |
| <b>Total Assets</b>   | <b>872,901,742</b> |

**Liabilities:**

|   |                   |
|---|-------------------|
| Payable for reverse repurchase agreements                     | 25,006,000        |
| Unrealized depreciation on swaps                              | 15,762,642        |
| Premium for swaps sold  | 5,878,937         |
| Dividends payable to common and preferred shareholders        | 4,029,247         |
| Payable for investments purchased                             | 745,702           |
| Unrealized depreciation of forward foreign currency contracts | 589,309           |
| Investment management fees payable                            | 370,607           |
| Options written, at value (premiums received - \$32,290)      | 365,423           |
| Accrued expenses  | 125,619           |
| Interest payable on reverse repurchase agreements             | 41,024            |
| <b>Total Liabilities</b>                                      | <b>52,914,510</b> |

**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          |
| <b>Net Assets Applicable to Common Shareholders</b> | <b>\$519,987,232</b> |

**Composition of Net Assets Applicable to Common Shareholders:**

|   |                      |
|---|----------------------|
| Common Stock:   |                      |
| Par value (\$0.00001 per share, applicable to 36,111,495 shares issued and outstanding)                                 | \$361                |
| Paid-in-capital in excess of par  | 512,964,770          |
| Dividends in excess of net investment income  | (7,386,290 )         |
| Accumulated net realized gain   | 8,031,204            |
| Net unrealized appreciation of investments, futures contracts, options written, swaps and foreign currency transactions | 6,377,187            |
| <b>Net Assets Applicable to Common Shareholders</b>   | <b>\$519,987,232</b> |
| <b>Net Asset Value Per Common Share</b>   | <b>\$14.40</b>       |

See accompanying Notes to Financial Statements.

**PIMCO Corporate Income Fund Statement of Operations**  
For the six months ended April 30, 2006 (unaudited)

|  |                     |
|--|---------------------|
| <b>Investment Income:</b>  |                     |
| Interest   | \$27,928,065        |
| Consent and other fee income   | 536,082             |
| Dividends  | 133,875             |
| <b>Total Investment Income</b>   | <b>28,598,022</b>   |
| <b>Expenses:</b>   |                     |
| Investment management fees   | 3,073,115           |
| Auction agent fees and commissions   | 384,199             |
| Custodian and accounting agent fees  | 112,688             |
| Interest expense on reverse repurchase agreements  | 104,181             |
| Reports to shareholders  | 70,821              |
| Audit and tax services   | 42,374              |
| Trustees' fees and expenses  | 24,806              |
| Transfer agent fees  | 16,697              |
| Legal fees   | 13,766              |
| Insurance expense  | 12,218              |
| New York Stock Exchange listing fees   | 12,181              |
| Investor relations   | 7,551               |
| Miscellaneous  | 8,625               |
| <b>Total expenses</b>  | <b>3,883,222</b>    |
| Less: investment management fees waived  | (819,649 )          |
| custody credits earned on cash balances  | (12,368 )           |
| <b>Net expenses</b>  | <b>3,051,205</b>    |
| <b>Net Investment Income</b>   | <b>25,546,817</b>   |
| <b>Realized and Change in Unrealized Gain (Loss):</b>  |                     |
| Net realized gain (loss) on:   |                     |
| Investments  | 710,843             |
| Futures contracts  | (3,111,221 )        |
| Options written  | 3,461,387           |
| Swaps  | 5,141,493           |
| Foreign currency transactions  | (4,560 )            |
| Net change in unrealized appreciation/depreciation of:   |                     |
| Investments  | (4,292,814 )        |
| Futures contracts  | 96,047              |
| Options written  | (279,389 )          |
| Swaps  | (3,416,504 )        |
| Foreign currency transactions  | (381,987 )          |
| Net realized and change in unrealized loss on investments, futures contracts, options written, swaps and foreign currency transactions | (2,076,705 )        |
| <b>Net Increase in Net Assets Resulting from Investment Operations</b>   | <b>23,470,112</b>   |
| <b>Dividends on Preferred Shares from Net Investment Income</b>  | <b>(6,331,934 )</b> |
| <b>Net Increase in Net Assets Applicable to Common Shareholders Resulting from Investment Operations</b>                               | <b>\$17,138,178</b> |

See accompanying Notes to Financial Statements.

## PIMCO Corporate Income Fund Statement of Changes in Net Assets

## Applicable to Common Shareholders

|  | Six Months<br>ended<br>April 30, 2006<br>(unaudited) | Year ended<br>October 31, 2005 |
|--|--|--------------------------------|
| <b>Investment Operations:</b>  |  |                                |
| Net investment income  | \$ 25,546,817  | \$ 46,243,453                  |
| Net realized gain on investments, futures contracts, options written, swaps and foreign currency transactions                                  | 6,197,942  | 9,294,991                      |
| Net change in unrealized appreciation/depreciation of investments, futures contracts, options written, swaps and foreign currency transactions | (8,274,647   | ) (25,684,273 )                |
| Net increase in net assets resulting from investment operations  | 23,470,112   | 29,854,171                     |
| <b>Dividends and Distributions on Preferred Shares from:</b>   |  |                                |
| Net investment income  | (6,331,934   | ) (8,250,450 )                 |
| Net realized gains   | (471,455   | ) (471,455 )                   |
| Total dividends and distributions on Preferred Shares  | (6,331,934   | ) (8,721,905 )                 |
| Net increase in net assets applicable to common shareholders resulting from investment operations  | 17,138,178   | 21,132,266                     |
| <b>Dividends and Distributions to Common Shareholders from:</b>  |  |                                |
| Net investment income  | (25,320,355  | ) (45,701,987 )                |
| Net realized gains   | (9,765,042   | ) (9,765,042 )                 |
| Total dividends and distributions to common shareholders   | (25,320,355  | ) (55,467,029 )                |
| <b>Capital Share Transactions:</b>   |  |                                |
| Reinvestment of dividends and distributions  | 2,441,554  | 3,547,880                      |
| Total decrease in net assets applicable to common shareholders   | (5,740,623   | ) (30,786,883 )                |
| <b>Net Assets Applicable to Common Shareholders:</b>   |  |                                |
| Beginning of period  | 525,727,855  | 556,514,738                    |
| End of period (including dividends in excess of net investment income of \$(7,386,290) and \$(1,280,818), respectively)                        | \$ 519,987,232                                       | \$ 525,727,855                 |
| <b>Common Shares Issued in Reinvestment of Dividends and Distributions</b>   | 165,608  | 233,775                        |

See accompanying Notes to Financial Statements.

**PIMCO Corporate Income Fund Notes to Financial Statements**

April 30, 2006 (unaudited)

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**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 AG. The Fund has an unlimited amount of \$0.00001 par value common stock authorized.

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

The Fund employs a strategy of selling options on U.S. Treasury futures and other fixed income instruments. This strategy enables the Fund to capture premiums when Pacific Investment Management Company LLC (the Sub-Adviser) believes future interest rate volatility is likely to be lower than the level of volatility implied in the options contracts. In addition, the Fund has engaged in interest rate swaps as part of a strategy to enhance the Fund's income while managing interest rate and credit risk.

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 been asserted. However, the Fund expects the risk of any loss to be remote.

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, may be fair-valued, in good faith, 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 are valued daily using prices supplied by an independent pricing service or dealer quotations, 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 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. Other Senior Loans are valued at fair-value by Pacific Investment Management Company LLC (the Sub-Adviser). Such procedures by the Sub-Adviser include consideration and evaluation of: (1) the creditworthiness of the borrower and any intermediate participants; (2) the term of the Senior Loan; (3) recent prices in the market for similar loans, if any; (4) recent prices in the market for loans of similar quality, coupon rate, and period until next interest rate reset and maturity; and (5) general economic and market conditions affecting the fair value of the Senior Loan. Exchange traded options and futures are valued at the settlement price determined by the relevant exchange. Short-term investments 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 the differences could be material to the financial statements. The Fund's net asset value is determined daily as of 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.



**PIMCO Corporate Income Fund Notes to Financial Statements**

April 30, 2006 (unaudited)

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**1. Organization and Significant Accounting Policies (continued)**

**(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.

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, 2006, the Fund received \$7,783,934 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.

**(e) Foreign Currency Translation**

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 change in 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.

**(f) Senior Loans**

The Fund may purchase 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 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.





**PIMCO Corporate Income Fund Notes to Financial Statements**

April 30, 2006 (unaudited)

**1. Organization and Significant Accounting Policies (continued)****(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 an written option could result in the Fund purchasing a security at a price different from the current market.

**(h) Interest Rate/Credit Default Swaps**

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

As a seller in the credit default swap contract, the Fund is 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 (paid) by the Fund are included as part of realized gain (loss) and or change in unrealized appreciation/depreciation on the Statement of Operations.

Swaps are marked to market daily based upon quotations from counterparties, brokers or market makers and the change in value, if any, is recorded as unrealized appreciation or depreciation. 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.



**PIMCO Corporate Income Fund Notes to Financial Statements**

April 30, 2006 (unaudited)

**1. Organization and Significant Accounting Policies (continued)****(i) Futures Contracts**

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.

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.

**(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 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**

The Fund may purchase credit-linked trust certificates. 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 these 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.

**(l) 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, 2006 (unaudited)

**1. Organization and Significant Accounting Policies (continued)**

**(m) Reverse Repurchase Agreements**

The Fund may enter into reverse repurchase agreements. In a reverse repurchase agreement, the Fund sells securities to a bank or broker-dealer and agrees to repurchase the securities at a mutually agreed upon date and price. Generally, the effect of such a transaction is that the Fund can recover and reinvest all or most of the cash invested in portfolio securities involved during the term of the reverse repurchase agreement and still be entitled to the returns associated with those portfolio securities. Such transactions are advantageous if the interest cost to the Fund of the reverse repurchase transaction is less than the returns it obtains on investments purchased with the cash. Unless the Fund covers its positions in reverse repurchase agreements (by segregating liquid assets at least equal in amount to the forward purchase commitment), its obligations under the agreements will be subject to the Fund's limitations on borrowings. Reverse repurchase agreements involve leverage risk and also the risk that the market value of the securities that the Fund is obligated to repurchase under the agreement may decline below the repurchase price. In the event the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, the Fund's use of the proceeds of the agreement may be restricted pending determination by the other party, or its trustee or receiver, whether to enforce the Fund's obligation to repurchase the securities. At April 30, 2006, the Fund had reverse repurchase agreements outstanding of \$25,006,000. For the six months ended April 30, 2006, the weighted average daily balance of reverse repurchase agreements outstanding was \$24,068,742 at a weighted average interest rate of 4.86%.

**(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 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.

**2. Investment Manager/Sub-Adviser**

The Fund has entered 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 monthly, at an annual rate of 0.75% of the Fund's average daily net assets, including net assets attributable to any preferred shares that may be outstanding. In order to reduce Fund expenses, the Investment Manager has contractually agreed to waive a portion of its investment management fee at the annual rate of 0.20% of the Fund's average daily net assets, including net assets attributable to any preferred shares that may be outstanding, from the commencement of operations through December 31, 2006, and for a declining amount thereafter through December 31, 2009.

The Investment Manager has retained its affiliate, 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 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, at the maximum annual rate of 0.42% of the Fund's average daily net assets, inclusive of net assets attributable to any preferred shares that may be outstanding. The Sub-Adviser has contractually agreed to waive a portion of the fees it is entitled to receive from the Investment Manager such that the Sub-Adviser will receive 0.30% of the Fund's average daily net assets, including net assets attributable to any preferred shares that may be outstanding, from the commencement of the Fund's operations through December 31, 2006, and will receive an increasing amount thereafter.



**PIMCO Corporate Income Fund Notes to Financial Statements**

April 30, 2006 (unaudited)

**3. Investment in Securities**

For the six months ended April 30, 2006, purchases and sales of investments, other than short-term securities and U.S. government obligations, were \$167,505,061 and \$173,378,388, respectively. Purchases and sales in U.S. government obligations were \$30,763,489 and \$8,802,463, respectively.

(a) Futures contracts outstanding at April 30, 2006:

| Type   |                       |        | Notional<br>Amount<br>(000) | Expiration<br>Date | Unrealized<br>Appreciation<br>(Depreciation) |
|--------|-----------------------|--------|-----------------------------|--------------------|--|
| Long:  | Financial Future Euro | 90 day | \$ 500                      | 6/18/07            | \$ (202,092 )                                |
|        | Financial Future Euro | 90 day | 2,375                       | 9/17/07            | (1,090,310 )                                 |
|        | Financial Future Euro | 90 day | 875                         | 12/17/07           | (91,763 )                                    |
|        | U.S. Treasury Bond    |        | 328                         | 6/21/06            | (1,973,125 )                                 |
| Short: | Financial Future Euro | 90 day | (500 )                      | 9/15/08            | 130,000                                      |
|        |                       |        |                             |                    | \$ (3,227,290 )                              |

(b) Transactions in options written for the six months ended April 30, 2006:

|   | Contracts/Notional | Premiums     |
|---|--------------------|--------------|
| Options outstanding, October 31, 2005               | \$7,457,367        | \$1,607,640  |
| Options written                                     | 5,011,097          | 2,858,082    |
| Options terminated in closing purchase transactions | (18,464 )          | (4,433,432 ) |
| Options outstanding, April 30, 2006                 | \$12,450,000       | \$32,290     |

(c) Credit default swaps agreements outstanding at April 30, 2006:

| Swap<br>Counterparty/<br>Referenced Debt<br>Issuer | Notional<br>Amount<br>Payable on<br>Default<br>(000) | Termination<br>Date | Fixed<br>Payments<br>Received<br>(Paid) by Fund | Unrealized<br>Appreciation<br>(Depreciation) |
|--|--|---------------------|---|--|
| Bank of America                                    |  |                     |   |  |
| Ford Motor Credit                                  | \$2,000  | 6/20/06             | 2.60  | % \$5,468                                    |
| Bear Stearns                                       |  |                     |   |  |
| Bombardier   | 3,000  | 12/20/06            | (1.90)  | )% (37,172 )                                 |
| EnCana   | 3,000  | 9/20/09             | 0.53  | % 34,218                                     |
| Ford Motor Credit                                  | 4,000  | 6/20/10             | 5.60  | % 116,939                                    |
| GMAC   | 5,000  | 6/20/07             | 4.65  | % 90,924                                     |
| Credit Suisse First Boston                         |  |                     |   |  |
| GMAC   | 7,000  | 12/20/10            | 5.22  | % 497,969                                    |
| Qwest Holding                                      | 7,000  | 12/20/06            | (1.45)  | )% (72,560 )                                 |
| Qwest Holding                                      | 7,000  | 12/20/10            | 4.56  | % 778,837                                    |
| Goldman Sachs                                      |  |                     |   |  |
| Bombardier   | 3,000  | 12/20/10            | 4.05  | % 246,126                                    |
| Ford Motor Credit                                  | 1,000  | 6/20/07             | 3.00  | % (186 )                                     |
| Ford Motor Credit                                  | 7,000  | 12/20/10            | 5.90  | % (655,008 )                                 |
| GMAC   | 1,300  | 6/20/06             | 3.10  | % (11,331 )                                  |
| Reliant Energy                                     | 7,000  | 12/20/06            | (0.85)  | )% 36,056                                    |



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|                   |       |         |      |             |
|-------------------|-------|---------|------|-------------|
| HSBC Bank         |       |         |      |             |
| Ford Motor Credit | 5,000 | 6/20/07 | 2.67 | % (20,538 ) |
| Ford Motor Credit | 1,000 | 6/20/07 | 2.70 | % (3,751 )  |

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**PIMCO Corporate Income Fund Notes to Financial Statements**

April 30, 2006 (unaudited)

**3. Investment in Securities (continued)**

| Swap Counterparty/<br>Referenced Debt Issuer | Notional Amount Payable on Default (000) | Termination Date | Fixed Payments Received (Paid) by Fund | Unrealized Appreciation (Depreciation) |
|--|--|------------------|--|--|
| <b>J.P. Morgan Chase</b>                     |  |                  |  |  |
| American International Group                 | \$5,100                                  | 6/20/10          | 0.35                                   | % \$40,278                             |
| Ford Motor Credit                            | 1,800                                    | 6/20/06          | 2.15                                   | % 2,782                                |
| Ford Motor Credit                            | 1,000                                    | 6/20/06          | 3.25                                   | % 4,360                                |
| Ford Motor Credit                            | 10,000                                   | 6/20/07          | 3.10                                   | % 9,167                                |
| GMAC   | 500                                      | 6/20/06          | 2.75                                   | % 2,219                                |
| <b>Lehman Securities</b>                     |  |                  |  |  |
| Ford Motor Credit                            | 650                                      | 6/20/06          | 2.90                                   | % 2,292                                |
| Ford Motor Credit                            | 7,000                                    | 12/20/06         | (2.05)                                 | )% 177,115                             |
| MGM  | 7,000                                    | 12/20/06         | (0.70)                                 | )% (19,215 )                           |
| <b>Merrill Lynch</b>                         |  |                  |  |  |
| Ford Credit                                  | 2,000                                    | 6/20/07          | 3.45                                   | % 10,325                               |
| Reliant Energy                               | 2,000                                    | 12/20/10         | 2.80                                   | % (43,124 )                            |
| <b>Morgan Stanley Dean Witter</b>            |  |                  |  |  |
| Ford Motor Credit                            | 1,000                                    | 6/20/07          | 3.40                                   | % 4,568                                |
| Ford Motor Credit                            | 2,000                                    | 6/20/07          | 3.75                                   | % 17,456                               |
| Ford Motor Credit                            | 5,000                                    | 9/20/10          | 4.05                                   | % (103,516 )                           |
| GMAC   | 10,000                                   | 6/20/06          | 2.80                                   | % 44,947                               |
| GMAC   | 7,000                                    | 12/20/06         | (2.10)                                 | )% 45,436                              |
| MGM  | 7,000                                    | 12/20/10         | 2.55                                   | % 431,823                              |
| Reliant Energy                               | 5,000                                    | 12/20/10         | 2.90                                   | % (88,954 )                            |
| <b>UBS Securities</b>                        |  |                  |  |  |
| Ford Motor Credit                            | 1,000                                    | 6/20/07          | 3.35                                   | % 3,881                                |
| GMAC   | 1,000                                    | 6/20/06          | 3.83                                   | % 7,215                                |
| GMAC   | 10,000                                   | 9/20/06          | 1.60                                   | % (41,546 )                            |
|  |  |                  |  | \$1,513,500                            |

(d) Interest rate swap agreements outstanding at April 30, 2006:

| Swap Counterparty | Notional Amount (000) | Termination Date | Rate Type Payments made by Fund | Payments received by Fund | Unrealized Appreciation (Depreciation) |
|-------------------|-----------------------|------------------|---------------------------------|---------------------------|--|
| Barclays Bank     | \$160,000             | 10/27/25         | 3 month LIBOR                   | 5.25%                     | \$(11,277,063 )                        |
| Barclays Bank     | 160,000               | 12/15/25         | 5.25%                           | 3 month LIBOR             | 8,726,000                              |
| Lehman Securities | 7,450                 | 10/1/06          | 7.43%                           | 3 month LIBOR + 1.15%     | 41,573                                 |
| Lehman Securities | 334,000               | 2/23/16          | 4.405%                          | 3 month LIBOR             | 1,955,979                              |
| Lehman Securities | 334,000               | 2/23/16          | 3 month LIBOR                   | 5.80%                     | (2,795,608 )                           |
| Lehman Securities | 700,000               | 12/18/24         | 5.77%                           | 3 month LIBOR             | 977,187                                |
| Lehman Securities | 680,000               | 12/18/24         | 3 month LIBOR                   | 5.70%                     | (576,145 )                             |
| UBS               | 1,906,000             | 6/15/15          | 1.50%                           | 6 month LIBOR             | (16,925 )                              |
|                   |                       |                  |                                 |                           | \$(2,965,002 )                         |

LIBOR London Interbank Offered Rate

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The Fund received \$3,000,000 par value in U.S. Treasury Bills as collateral for swap contracts.

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**PIMCO Corporate Income Fund Notes to Financial Statements**

April 30, 2006 (unaudited)

**3. Investment in Securities (continued)**

(e) Forward foreign currency contracts outstanding at April 30, 2006:

|            |  | U.S. \$ Value<br>Origination Date | U.S. \$ Value<br>April 30, 2006 | Unrealized<br>Appreciation<br>(Depreciation) |
|------------|--|-----------------------------------|---------------------------------|--|
| Purchased: | 6,280,000 British Pound settling 5/3/06    | \$11,313,508                      | \$11,415,667                    | \$102,159                                    |
|            | 1,750,000 Canadian Dollar settling 5/3/06  | 1,558,399                         | 1,561,949                       | 3,550  |
| Sold:      | 6,280,000 British Pound settling 5/3/06    | 11,018,492                        | 11,415,667                      | (397,175 )                                   |
|            | 6,280,000 British Pound settling 6/15/06   | 11,320,077                        | 11,422,427                      | (102,350 )                                   |
|            | 1,750,000 Canadian Dollar settling 5/3/06  | 1,501,263                         | 1,561,949                       | (60,686 )                                    |
|            | 1,750,000 Canadian Dollar settling 6/15/06 | 1,560,149                         | 1,563,793                       | (3,644 )                                     |
|            | 104,830,000 Japanese Yen settling 5/23/06  | 895,778                           | 921,232                         | (25,454 )                                    |
|            |  |                                   |                                 | \$(483,600 )                                 |

(f) Open reverse repurchase agreements at April 30, 2006:

| Counterparty      | Rate | Trade Date | Maturity Date | Principal & Interest | Par          |
|-------------------|------|------------|---------------|----------------------|--------------|
| Lehman Securities | 4.91 | % 4/19/06  | 5/18/06       | \$20,877,113         | \$20,843,000 |
|                   | 4.98 | % 4/19/06  | 5/18/06       | 4,169,911            | 4,163,000    |
|                   |      |            |               |                      | \$25,006,000 |

Collateral for open reverse repurchase agreements at April 30, 2006 as reflected in the schedule of investments:

| Counterparty      | Description               | Rate | Maturity<br>Date | Par          | Value         |
|-------------------|---------------------------|------|------------------|--------------|---------------|
| Lehman Securities | Fannie Mae                | 7.00 | % 2/1/36         | \$ 3,008,000 | \$3,115,171   |
|                   | Fannie Mae                | 7.00 | % 12/25/41       | 6,900,000    | 1,629,622     |
|                   | Fannie Mae                | 7.50 | % 12/25/45       | 8,000,000    | 8,097,892     |
|                   | Fannie Mae                | 8.00 | % 12/25/45       | 8,000,000    | 8,297,791     |
|                   | GSMPS Mortgage Loan Trust | 7.50 | % 6/19/27        | 28,284,000   | 4,362,073     |
|                   |                           |      |                  |              | \$ 25,502,549 |

**4. Income Tax Information**

The cost basis of portfolio securities for federal income tax purposes is substantially the same for financial reporting purposes. Aggregated gross unrealized appreciation for securities in which there is an excess value over tax cost is \$22,352,927, aggregate gross unrealized depreciation for securities in which there is an excess of tax cost over value is \$10,497,986, net unrealized appreciation for federal income tax purposes is \$11,854,941.

**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.



**PIMCO Corporate Income Fund Notes to Financial Statements**

April 30, 2006 (unaudited)

**5. Auction Preferred Shares (continued)**

For the six months ended April 30, 2006, the annualized dividend rate ranged from:

|           | <b>High</b> | <b>Low</b> | <b>At April 30, 2006</b> |   |
|-----------|-------------|------------|--------------------------|---|
| Series M  | 4.70        | % 3.65     | % 4.60                   | % |
| Series T  | 4.72        | % 3.61     | % 4.56                   | % |
| Series W  | 4.80        | % 3.65     | % 4.50                   | % |
| Series TH | 4.95        | % 3.65     | % 4.95                   | % |
| Series F  | 4.80        | % 3.66     | % 4.60                   | % |

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.

**6. Subsequent Common Dividend Declarations**

On May 1, 2006, a dividend of \$0.10625 per share was declared to common shareholders payable June 1, 2006 to shareholders of record on May 11, 2006.

On June 1, 2006 a dividend of \$0.10625 per share was declared to common shareholders payable July 3, 2006 to shareholders of record on June 12, 2006.

**7. Legal Proceedings**

In June and September 2004, the Investment Manager, certain of its affiliates (Allianz Global Investors Distributors LLC and PEA Capital LLC) and Allianz Global, agreed to settle, without admitting or denying the allegations, claims brought by the Securities and Exchange Commission (the Commission), the New Jersey Attorney General and the California 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. Two settlements (with the Commission and New Jersey) related to an alleged market timing arrangement in certain open-end funds sub-advised by PEA Capital. Two settlements (with the Commission and California) related to the alleged use of cash and fund portfolio commissions to finance shelf-space arrangements with broker-dealers for open-end funds. The Investment Manager and its affiliates agreed to pay a total of \$68 million to settle the claims related to market timing and \$20.6 million to settle the claims related to shelf space. The settling parties also agreed to make certain corporate governance changes. None of the settlements allege 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 and revenue sharing/shelf space/directed brokerage, 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 in the United States District Court for the District of Maryland, and the revenue sharing/shelf space/directed brokerage lawsuits have been consolidated in the United States District Court for the District of Connecticut. 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 believes that other similar lawsuits may be filed in federal or state courts in the future.

Under Section 9(a) of the 1940 Act, if any of the various regulatory proceedings or lawsuits were to result in a court injunction against the Investment Manager, Allianz Global and/or their affiliates, they and their affiliates would, in the absence of exemptive relief granted by the Commission, be barred from serving as an investment adviser/sub-adviser or principal underwriter for any registered investment company, including the Fund. In connection with an inquiry from the Commission concerning the status of the New Jersey settlement referenced above with regard to any implications under Section 9(a), the Investment Manager and certain of its affiliates, including the Investment Adviser, (together, the Applicants) have sought exemptive relief from the Commission under Section 9(c) of the 1940 Act. The Commission has granted

the Applicants a temporary exemption from the provisions of Section 9(a) with respect to the

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**PIMCO Corporate Income Fund Notes to Financial Statements**

April 30, 2006 (unaudited)

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**7. Legal Proceedings (continued)**

New Jersey settlement until the earlier of (i) September 13, 2006 and (ii) the date on which the Commission takes final action on their application for a permanent exemptive order. There is no assurance that the Commission will issue a permanent order. If a court injunction were to issue against the Investment Manager or the affiliates with respect to any of the other matters referenced above, the Investment Manager or the affiliates would, in turn, seek similar exemptive relief under Section 9(c) with respect to that matter, although there is no assurance that such exemptive relief would be granted.

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.



**PIMCO Corporate Income Fund Financial Highlights**

For a share of common stock outstanding throughout each period:

|  | Six Months<br>Ended<br>April 30, 2006<br>(unaudited) | Year Ended<br>October 31,<br>2005 | October 31,<br>2004 | October 31,<br>2003 | For the period<br>December 21,<br>2001*through<br>October 31,<br>2002 |     |
|--|--|-----------------------------------|---------------------|---------------------|---|-----|
| Net asset value, beginning of period   | \$14.63  | \$15.58                           | \$15.38             | \$12.25             | \$14.33   | **  |
| <b>Investment Operations:</b>  |  |                                   |                     |                     |   |     |
| Net investment income  | 0.71   | 1.30                              | 1.33                | 1.55                | 1.12  | (1) |
| Net realized and change in unrealized gain<br>(loss) on investments, futures contracts,<br>options written, swaps and foreign<br>currency transactions | (0.06 )  | (0.46 )                           | 0.73                | 3.18                | (2.00 )   |     |
| Total from investment operations   | 0.65   | 0.84                              | 2.06                | 4.73                | (0.88 )   |     |
| <b>Dividends and Distributions on<br/>Preferred Shares from:</b>   |  |                                   |                     |                     |   |     |
| Net investment income  | (0.18 )  | (0.23 )                           | (0.10 )             | (0.11 )             | (0.11 )   |     |
| Net realized gains   |  | (0.01 )                           | (0.01 )             |                     |   |     |
| Total dividends and distributions on<br>preferred shares   | (0.18 )  | (0.24 )                           | (0.11 )             | (0.11 )             | (0.11 )   |     |
| Net increase (decrease) in net<br>assets applicable to common<br>shareholders resulting from<br>investment operations                                  | 0.47   | 0.60                              | 1.95                | 4.62                | (0.99 )   |     |
| <b>Dividends and Distributions to Common<br/>Shareholders from:</b>  |  |                                   |                     |                     |   |     |
| Net investment income  | (0.70 )  | (1.28 )                           | (1.41 )             | (1.38 )             | (0.96 )   |     |
| Net realized gains   |  | (0.27 )                           | (0.34 )             | (0.11 )             |   |     |
| Total dividends and distributions to<br>common shareholders  | (0.70 )  | (1.55 )                           | (1.75 )             | (1.49 )             | (0.96 )   |     |
| <b>Capital Share Transactions:</b>   |  |                                   |                     |                     |   |     |
| Common stock offering costs charged to<br>paid-in capital in excess of par   |  |                                   |                     |                     | (0.03)  | (1) |
| Preferred shares offering<br>costs/underwriting discounts charged to<br>paid-in capital in excess of par   |  |                                   |                     |                     | (0.10)  | (1) |
| Total capital share transactions   |  |                                   |                     |                     | (0.13)  |     |
| Net asset value, end of period   | \$14.40  | \$14.63                           | \$15.58             | \$15.38             | \$12.25   |     |
| Market price, end of period  | \$15.43  | \$14.92                           | \$15.46             | \$15.43             | \$13.24   |     |
| <b>Total Investment Return (2)</b>   | 8.41 %   | 6.92 %                            | 12.32 %             | 29.29 %             | (5.30 %)  |     |
| <b>RATIOS/SUPPLEMENTAL DATA:</b>   |  |                                   |                     |                     |   |     |
| Net assets applicable to common<br>shareholders, end of period (000)   | \$519,987  | \$525,728                         | \$556,515           | \$544,454           | \$429,982   |     |
| Ratio of expenses to average net<br>assets (3)(4)(5)   | 1.17 %   | (6) 1.12 %                        | 1.12 %              | 1.15 %              | 1.07 %  | (6) |
| Ratio of net investment income to average<br>net assets (3)(5)   | 9.79 %   | (6) 8.54 %                        | 8.95 %              | 10.90 %             | 9.83 %  | (6) |
| Preferred shares asset coverage per share  | \$68,305   | \$68,791                          | \$71,365            | \$70,367            | \$60,826  |     |
| Portfolio turnover   | 23 %   | 108 %                             | 74 %                | 63 %                | 77 %  |     |

\* Commencement of operations.

\*\* Initial public offering price of \$15.00 per share less underwriting discount of \$0.675 per share.

- (1) Calculated based on average daily shares outstanding.
- (2) Total investment return is calculated assuming a purchase of a share of common stock at the current market price on the first day and a sale of a share of common stock 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. Total investment return for a period of less than one year is not annualized. (3) Calculated on the basis of income and expenses applicable to both common and preferred shares relative to the average net assets of common shareholders.
- (4) Inclusive of expenses offset by custody credits earned on cash balances at the custodian bank. (See note 1(o) in Notes to Financial Statements).
- (5) During the fiscal periods indicated above, the Investment Manager waived a portion of its investment management fee. If such waiver had not been in effect, the ratio of expenses to average net assets and the ratio of net investment income to average net assets would have been 1.49% (annualized) and 9.47% (annualized), respectively, for the six months period ended April 30, 2006; 1.43% and 8.23%, respectively, for the year ended October 31, 2005; 1.43% and 8.64%, respectively, for the year ended October 31, 2004; 1.47% and 10.58%, respectively, for the year ended October 31, 2003; 1.37% (annualized) and 9.53% (annualized), respectively, for the period December 21, 2001 (commencement of operations) through October 31, 2002.
- (6) Annualized.

See accompanying Notes to Financial Statements

**PIMCO Corporate Income Fund Annual Shareholder Meeting Results (unaudited)**

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The Fund held its annual meeting of shareholders on February 28, 2006. Common and/or Preferred shareholders voted to re-elect the Trustees as indicated below.

|   | <b>Affirmative</b> | <b>Withheld<br/>Authority</b> |
|---|--------------------|-------------------------------|
| Re-election of Robert E. Connor to serve until 2007 | 30,675,778         | 309,735                       |
| Re-election of Hans W. Kertess* to serve until 2007 | 10,098             | 38                            |

Paul Belica, David C. Flattum\*, John J. Dalesandro II and R. Peter Sullivan III, continue to serve as Trustees of the Fund.

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\* Preferred Shares Trustee

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**Trustees and Principal Officers**

Robert E. Connor

Trustee, Chairman of the Board of Trustees

Paul Belica

Trustee

John J. Dalessandro II

Trustee

David C. Flattum

Trustee

Hans W. Kertess

Trustee

R. Peter Sullivan III

Trustee

Brian S. Shlissel

President & Chief Executive Officer

Lawrence G. Altadonna

Treasurer, Principal Financial & Accounting Officer

Thomas J. Fuccillo

Secretary & Chief Legal Officer

Youse Guia

Chief Compliance Officer

**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

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### **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

### **Independent Registered Public Accounting Firm**

PricewaterhouseCoopers LLP  
300 Madison Avenue  
New York, NY 10017

### **Legal Counsel**

Ropes & Gray LLP  
One International Place  
Boston, MA 02210-2624

*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 public 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 quarter 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](http://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](http://www.allianzinvestors.com/closedendfunds).*

*On March 6, 2006, 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.*

*A description of the policies and procedures that the Fund has adopted to determine how to vote proxies relating to portfolio securities and information about how the Fund voted proxies relating to portfolio securities held during the twelve months ended June 30, 2005 is available (i) without charge upon request by calling the Fund's shareholder servicing agent at (800) 331-1710; (ii) on that Fund's website at [www.allianzinvestors.com/closedendfunds](http://www.allianzinvestors.com/closedendfunds); and (iii) on the Securities and Exchange Commission website at [www.sec.gov](http://www.sec.gov).*

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

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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 effective at the time of this filing



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

| <b>Period</b> | <b>Total Number of Shares Purchased</b> | <b>Average Price Paid Per Share</b> | <b>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</b> | <b>Maximum Number of Shares that May yet Be Purchased Under the Plans or Programs</b> |
|---------------|---|-------------------------------------|---|---|
| November 2005 | N/A                                     | 14.62                               | 26,629  | N/A   |
| December 2005 | N/A                                     | 14.60                               | 51,270  | N/A   |
| January 2006  | N/A                                     | 14.75                               | 14,680  | N/A   |
| February 2006 | N/A                                     | 14.93                               | 24,185  | N/A   |
| March 2006    | N/A                                     | 15.04                               | 24,529  | N/A   |
| April 2006    | N/A                                     | 14.69                               | 24,315  | 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 Investment Company Act of 1940, 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 in the registrant's internal controls or in factors that could affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

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, 2006

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

Date: July 7, 2006

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, 2006

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

Date: July 7, 2006

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