

PIMCO CORPORATE INCOME FUND
Form N-CSRS
July 09, 2007

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, 2007

Date of reporting period: April 30, 2007

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

Contents

Letter to Shareholders	1
Performance & Statistics	2
Schedule of Investments	3-13
Statement of Assets and Liabilities	14
Statement of Operations	15
Statement of Changes in Net Assets	16
Notes to Financial Statements	17-27
Financial Highlights	28
Annual Shareholder Meeting Results	29

PIMCO Corporate Income Fund Letter to Shareholders

June 1, 2007

Dear Shareholder:

We are pleased to provide you with the semiannual report for the PIMCO Corporate Income Fund (the Fund) for the six-months ended April 30, 2007.

The bond market delivered positive returns during the period as economic growth moderated, although a correction in the housing market caused some weakness for bonds. The Federal Reserve left the Federal Funds rate unchanged at 5.25% through the period as inflation levels continued to track somewhat higher than the central bank's stated comfort level.

For specific information on the Fund and its performance during the reporting period, please review the following pages.

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

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

Sincerely,

Hans W. Kertess
Chairman

Brian S. Shlissel
President & Chief Executive Officer

PIMCO Corporate Income Fund Performance & Statistics

(unaudited)

For the six months ended April 30, 2007, the Fund returned 5.24% on net asset value and 7.00% on market price.

The Lehman U.S. Credit and U.S. High Yield Indices generated total returns of 2.79% and 6.88%, respectively, for the six months ended April 30, 2007.

An overweighting to the communications sector 18.25%

boosted returns as the sector outperformed the broad investment grade market for the six month period.

At April 30, 2007, a 12.39% concentration in consumer cyclicals enhanced returns, particularly an emphasis on autos, which outperformed all other consumer cyclicals.

Our focus on energy firms 6.28% contributed positively as the sector outperformed for the six month period.

Quality bias was positive, given the Fund's concentration in A, BBB, and BB, rated securities, which outperformed the higher tiers of the quality spectrum.

Total Return(1):	Market Price	Net Asset Value (NAV)
Six months	7.00%	5.24%
1 year	13.55%	12.77%
Commencement of Operations (12/21/01) to 4/30/07	11.72%	11.15%
Common Share Market Price/NAV Performance:	Market Price/NAV:	
Commencement of Operations (12/21/01) to 4/30/07	Market Price	\$16.00
NAV	NAV	\$14.78
Market Price	Premium to NAV	8.25%
	Market Price Yield ⁽²⁾	7.97%

(1) **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

Edgar Filing: PIMCO CORPORATE INCOME FUND - Form N-CSRS

beginning of the period and expressing the result as a percentage. The calculation assumes that all income dividends and capital gain distributions have been reinvested at prices obtained under the Fund's dividend reinvestment plan. Total return does not reflect broker commissions or sales charges. Total return for a period of less than one year is not annualized. Total return for a period 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 one-time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Net asset value is equal to the total assets applicable to common shareholders less total liabilities divided by the number of common shares outstanding. Holdings are subject to change daily.

(2) Market Price Yield is determined by dividing the annualized current monthly per share dividend to common shareholders by the market price per common share at April 30, 2007.

2 PIMCO Corporate Income Fund Semi-Annual Report | 4.30.07

ITEM 1. REPORT TO SHAREHOLDERS

PIMCO Corporate Income Fund Schedule of Investments

April 30, 2007 (unaudited)

	Principal Amount (000)		Credit Rating (Moody s/S&P)	Value
CORPORATE BONDS & NOTES 76.8%				
Airlines 2.8%				
\$	1,998	American Airlines, Inc., pass thru certificates, 6.978%, 10/1/12, Ser. 01-2	Baa2/A-	\$ 2,036,704
	1,000	7.858%, 4/1/13, Ser. 01-2	Baa2/A-	1,084,125
	10,000	Continental Airlines, Inc., pass thru certificates, 6.503%, 6/15/11, Ser. 01-1	Baa2/BBB+	10,293,750
	779	6.545%, 8/2/20, Ser. 99-1A	Baa2/A-	810,145
	3,035	7.056%, 9/15/09, Ser. 99-2	Baa2/A-	3,139,419
	2,365	9.798%, 4/1/21	Ba1/BB+	2,654,406
	3,124	United Air Lines, Inc., 6.201%, 3/1/10, Ser. 01-1	NR/BBB	3,161,303
	383	10.36%, 11/13/12, Ser. 91C (b)(e)	NR/NR	18,209
				23,198,061
Apparel & Textiles 0.2%				
	1,500	Quiksilver, Inc., 6.875%, 4/15/15	Ba3/B+	1,470,000
Automotive 0.7%				
	1,500	ArvinMeritor, Inc., 8.75%, 3/1/12	B1/B+	1,560,000
	2,000	Auburn Hills Trust, 12.375%, 5/1/20	Baa1/BBB	3,155,236
	1,500	Ford Motor Co., 9.98%, 2/15/47	Caa1/CCC+	1,395,000
				6,110,236
Banking 5.7%				
	6,700	BNP Paribas, 5.186%, 6/29/15, VRN (d)	A1/A+	6,466,753
	5,000	Colonial Bank, 9.375%, 6/1/11	Baa1/BBB-	5,696,605
	3,000	HSBC Capital Funding L.P., VRN, 4.61%, 6/27/13 (d)	A1/A	2,872,584
	1,000	10.176%, 6/30/30	A1/A	1,453,142
	6,450	HSBC Holdings PLC, 6.50%, 5/2/36	Aa3/A+	6,932,615
	2,400	Rabobank Capital Funding Trust, 5.254%, 10/21/16, UNIT, VRN (d)	Aa2/AA	2,321,599
	5,910	Republic New York Corp., 9.70%, 2/1/09	A1/A+	6,340,171
	1,750	Riggs National Corp., 9.65%, 6/15/09	A2/A-	1,904,702
	1,000	Royal Bank of Scotland Group PLC, 7.648%, 9/30/31, VRN	Aa3/A	1,169,671
	4,700	USB Capital IX, 6.189%, 4/15/11, VRN	A1/A+	4,830,134
	7,200	Wells Fargo Capital X, 5.95%, 12/15/36	Aa2/AA-	7,072,761
				47,060,737
Computer Services 0.3%				
	1,000	Electronic Data Systems Corp., 6.50%, 8/1/13, Ser. B	Ba1/BBB-	1,021,547