

PIMCO CORPORATE & INCOME STRATEGY FUND
Form N-Q
September 19, 2012

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

FORM N-Q

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

Investment Company Act file number 811-10555

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

1633 Broadway New York, New York
(Address of principal executive offices)

10019
(Zip code)

Lawrence G. Altadonna 1633 Broadway New York, New York 10019
(Name and address of agent for service)

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

Date of fiscal year end: October 31, 2012

Date of reporting period: July 31, 2012

Item 1. Schedule of Investments

PIMCO Corporate & Income Strategy Fund Schedule of Investments

July 31, 2012 (unaudited)

| Principal Amount (000s) | | Value* |
|--|--|-------------|
| CORPORATE BONDS & NOTES 57.3% | | |
| Airlines 0.9% | | |
| \$1,716 | American Airlines Pass Through Trust, 10.375%, 1/2/21 | \$1,844,350 |
| 1,770 | Continental Airlines Pass Through Trust, 9.798%, 10/1/22 | 1,894,040 |
| 1,305 | United Air Lines Pass Through Trust, 7.336%, 1/2/21 (a)(b)(d)(j) | 1,272,627 |
| 2,184 | (acquisition cost-\$1,305,258; purchased 6/19/07) 10.40%, 5/1/18 | 2,492,748 |
| | | 7,503,765 |
| Automotive 0.3% | | |
| 1,500 | Ford Motor Co., 9.98%, 2/15/47 | 2,098,125 |
| Banking 8.1% | | |
| 4,000 | ABN Amro North American Holding Preferred Capital Repackage Trust I, 6.523%, 11/8/12 (a)(d)(f) | 3,780,000 |
| 2,400 | AgFirst Farm Credit Bank, 7.30%, 8/30/12 (a)(b)(d)(f)(j) (acquisition cost-\$1,904,000; purchased 2/26/10-3/2/10) | 2,397,096 |
| 7,760 | Barclays Bank PLC, 10.179%, 6/12/21 (a)(d)(i) | 9,287,284 |
| £200 | 14.00%, 6/15/19 (f) | 369,944 |
| \$5,000 | BPCE S.A., 12.50%, 9/30/19 (a)(d)(f) | 5,172,385 |
| 27,790 | Cooperatieve Centrale Raiffeisen-Boerenleenbank BA, 11.00%, 6/30/19 (a)(d)(f)(i) | 35,691,864 |
| 4,000 | HBOS PLC, 0.667%, 9/6/17 (g) | 2,976,000 |
| 2,000 | 6.75%, 5/21/18 (a)(d) | 1,937,830 |
| 1,000 | HSBC Capital Funding L.P., 10.176%, 6/30/30 (f) | 1,320,000 |
| 1,900 | Regions Financial Corp., 7.375%, 12/10/37 | 1,919,000 |
| 3,400 | 7.75%, 11/10/14 | 3,748,500 |
| £1,200 | Santander Finance Preferred S.A. Unipersonal, 11.30%, 7/27/14 (f) | 1,676,722 |
| | | 70,276,625 |
| Building & Construction 0.4% | | |
| \$1,000 | Desarrolladora Homex SAB De C.V., 9.50%, 12/11/19 (a)(d) | 1,048,800 |
| 1,700 | Macmillan Bloedel Pembroke L.P., 7.70%, 2/15/26 | 1,947,940 |
| | | 2,996,740 |
| Consumer Products 0.2% | | |
| 1,700 | Reynolds Group Issuer, Inc., 9.00%, 4/15/19 | 1,738,250 |
| Energy 0.3% | | |
| 4,300 | Dynergy Roseton LLC/Danskammer Pass Through Trust, 7.67%, 11/8/16 (b)(e) | 2,773,500 |
| Financial Services 25.0% | | |

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| | | |
|-------|--|-----------|
| 2,300 | AGFC Capital Trust I, 6.00%, 1/15/67, (converts to FRN on 1/15/17) (a)(d) | 1,196,000 |
| | Ally Financial, Inc., | |
| 240 | 5.35%, 1/15/14 | 239,433 |
| 70 | 5.75%, 1/15/14 | 68,544 |
| 372 | 5.85%, 6/15/13 | 372,144 |
| 225 | 6.00%, 7/15/13 | 223,540 |
| 34 | 6.00%, 3/15/19 | 31,831 |
| 494 | 6.00%, 9/15/19 | 460,842 |
| 492 | 6.05%, 8/15/19 | 461,900 |
| 659 | 6.125%, 10/15/19 | 609,509 |
| 343 | 6.15%, 9/15/19 | 322,619 |

PIMCO Corporate & Income Strategy Fund Schedule of Investments

July 31, 2012 (unaudited) (continued)

| Principal Amount (000s) | | Value* |
|---------------------------------------|------------------|-----------|
| Financial Services (continued) | | |
| \$5 | 6.15%, 10/15/19 | \$4,650 |
| 10 | 6.20%, 4/15/19 | 9,646 |
| 517 | 6.25%, 12/15/18 | 487,535 |
| 10 | 6.25%, 4/15/19 | 9,439 |
| 182 | 6.25%, 5/15/19 | 172,251 |
| 10 | 6.25%, 7/15/19 | 9,536 |
| 620 | 6.30%, 8/15/19 | 590,552 |
| 210 | 6.35%, 5/15/13 | 209,401 |
| 5 | 6.35%, 7/15/19 | 4,698 |
| 158 | 6.40%, 12/15/18 | 150,797 |
| 133 | 6.50%, 2/15/16 | 130,880 |
| 771 | 6.50%, 6/15/18 | 743,935 |
| 666 | 6.50%, 11/15/18 | 636,406 |
| 879 | 6.50%, 12/15/18 | 840,404 |
| 11 | 6.50%, 5/15/19 | 10,556 |
| 55 | 6.50%, 1/15/20 | 51,958 |
| 78 | 6.60%, 5/15/18 | 74,743 |
| 476 | 6.65%, 6/15/18 | 462,800 |
| 770 | 6.65%, 10/15/18 | 741,437 |
| 682 | 6.70%, 6/15/18 | 653,734 |
| 250 | 6.70%, 11/15/18 | 241,464 |
| 499 | 6.70%, 12/15/19 | 482,635 |
| 195 | 6.75%, 8/15/16 | 190,145 |
| 10 | 6.75%, 6/15/17 | 9,749 |
| 26 | 6.75%, 3/15/18 | 25,121 |
| 554 | 6.75%, 7/15/18 | 536,992 |
| 113 | 6.75%, 9/15/18 | 109,286 |
| 432 | 6.75%, 10/15/18 | 426,880 |
| 125 | 6.75%, 11/15/18 | 121,030 |
| 293 | 6.75%, 5/15/19 | 279,649 |
| 209 | 6.75%, 6/15/19 | 201,930 |
| 682 | 6.80%, 9/15/18 | 654,789 |
| 135 | 6.80%, 10/15/18 | 130,776 |
| 30 | 6.85%, 5/15/18 | 28,842 |
| 80 | 6.875%, 7/15/18 | 77,658 |
| 133 | 6.90%, 6/15/17 | 128,961 |
| 535 | 6.90%, 7/15/18 | 525,142 |
| 320 | 6.90%, 8/15/18 | 314,195 |
| 10 | 7.00%, 8/15/16 | 9,826 |
| 133 | 7.00%, 2/15/18 | 129,406 |
| 2,262 | 7.00%, 5/15/18 | 2,207,701 |
| 60 | 7.00%, 8/15/18 | 59,029 |
| 975 | 7.00%, 9/15/18 | 952,740 |
| 560 | 7.00%, 11/15/23 | 546,796 |
| 107 | 7.05%, 3/15/18 | 103,224 |
| 1,771 | 7.05%, 4/15/18 | 1,729,833 |
| 105 | 7.125%, 10/15/17 | 103,281 |
| 148 | 7.15%, 6/15/16 | 147,854 |

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| | | |
|-----|----------------|---------|
| 143 | 7.15%, 9/15/18 | 140,728 |
| 210 | 7.15%, 1/15/25 | 207,255 |
| 270 | 7.25%, 9/15/17 | 266,048 |
| 214 | 7.25%, 4/15/18 | 212,404 |

PIMCO Corporate & Income Strategy Fund Schedule of Investments

July 31, 2012 (unaudited) (continued)

| Principal Amount (000s) | | Value* |
|---------------------------------------|--|-------------|
| Financial Services (continued) | | |
| \$1,515 | 7.25%, 8/15/18 | \$1,483,088 |
| 385 | 7.25%, 9/15/18 | 381,486 |
| 50 | 7.25%, 3/15/25 | 49,310 |
| 227 | 7.30%, 12/15/17 | 222,565 |
| 61 | 7.30%, 1/15/18 | 60,034 |
| 12,781 | 7.375%, 11/15/16 | 12,616,240 |
| 80 | 7.375%, 4/15/18 | 78,892 |
| 20 | 7.40%, 12/15/17 | 19,758 |
| 16 | 7.50%, 11/15/16 | 15,871 |
| 45 | 7.50%, 11/15/17 | 44,040 |
| 23 | 7.50%, 12/15/17 | 22,494 |
| 27 | 7.625%, 11/15/12 | 27,137 |
| 266 | 9.00%, 7/15/20 | 266,350 |
| 2,000 | American Express Co., 6.80%, 9/1/66, (converts to FRN on 9/1/16) | 2,132,500 |
| 445 | Bank of America Corp., 6.50%, 8/1/16 | 502,933 |
| | BNP Paribas S.A. (f), | |
| 6,700 | 7.195%, 6/25/37 (a)(d)(i) | 6,137,200 |
| 350 | 7.781%, 7/2/18 | 406,955 |
| \$1,790 | Capital One Bank USA N.A., 8.80%, 7/15/19 | 2,310,439 |
| 1,500 | Capital One Capital V, 10.25%, 8/15/39 | 1,560,000 |
| 3,300 | Capital One Capital VI, 8.875%, 5/15/40 | 3,374,418 |
| 878 | Cedar Brakes II LLC, 9.875%, 9/1/13 (a)(d) | 905,435 |
| | Citigroup, Inc., | |
| CAD 1,300 | 5.365%, 3/6/36 (a)(b)(j) (acquisition cost-\$1,126,438; purchased 5/19/11) | 1,089,083 |
| \$300 | 6.125%, 8/25/36 | 310,606 |
| | Credit Agricole S.A. (f), | |
| 2,000 | 7.875%, 10/26/19 | 1,998,858 |
| \$21,400 | 8.375%, 10/13/19 (a)(d)(i) | 18,939,000 |
| £500 | General Electric Capital Corp., 6.50%, 9/15/67, (converts to FRN on 9/15/17) (a)(d) | 764,327 |
| | Goldman Sachs Group, Inc., | |
| \$4,000 | 6.45%, 5/1/36 (i) | 4,024,228 |
| 7,000 | 6.75%, 10/1/37 | 7,233,107 |
| | International Lease Finance Corp., | |
| 2,900 | 6.75%, 9/1/16 (a)(d) | 3,197,250 |
| 1,000 | 8.625%, 9/15/15 | 1,131,250 |
| 7,300 | JPMorgan Chase & Co., 7.90%, 4/30/18 (f) | 8,084,144 |
| | LBG Capital No.1 PLC, | |
| 300 | 7.375%, 3/12/20 | 314,601 |
| £100 | 7.588%, 5/12/20 | 136,011 |
| £200 | 7.867%, 12/17/19 | 274,907 |
| £400 | 7.869%, 8/25/20 | 550,943 |
| \$12,700 | 7.875%, 11/1/20 (a)(d) | 12,038,762 |
| 17,500 | 8.00%, 6/15/20 (a)(d)(f) | 15,618,750 |
| 8,500 | 8.50%, 12/17/21 (a)(d)(f) | 7,905,000 |
| £300 | 11.04%, 3/19/20 | 478,234 |
| | LBG Capital No.2 PLC, | |

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| | | |
|---------|---|-----------|
| 400 | 8.875%, 2/7/20 | 460,465 |
| £3,100 | 9.125%, 7/15/20 | 4,414,157 |
| £500 | 9.334%, 2/7/20 | 745,905 |
| \$3,500 | National City Preferred Capital Trust I, 12.00%, 12/10/12 (f) | 3,610,719 |

PIMCO Corporate & Income Strategy Fund Schedule of Investments

July 31, 2012 (unaudited) (continued)

| Principal Amount (000s) | | Value* |
|--|--|-------------|
| Financial Services (continued) | | |
| \$5,200 | PNC Financial Services Group, Inc., 6.75%, 8/1/21 (f) | \$5,655,879 |
| | Royal Bank of Scotland Group PLC (f), | |
| 1,000 | 6.99%, 10/5/17 (a)(d) | 825,000 |
| 1,500 | 7.64%, 9/29/17 | 1,102,500 |
| 4,100 | 7.648%, 9/30/31 | 3,608,000 |
| | SLM Corp., | |
| 5,900 | 8.00%, 3/25/20 | 6,652,250 |
| 19,500 | 8.45%, 6/15/18 | 22,327,500 |
| | Springleaf Finance Corp., | |
| 1,500 | 4.125%, 11/29/13 | 1,739,478 |
| \$2,200 | 5.40%, 12/1/15 | 1,903,000 |
| 500 | 6.50%, 9/15/17 | 408,750 |
| 3,000 | 6.90%, 12/15/17 | 2,460,000 |
| 1,800 | State Street Capital Trust III, 5.458%, 8/30/12 (f) | 1,810,800 |
| 900 | USB Capital IX, 3.50%, 8/30/12 (f) | 744,597 |
| 12,100 | Wachovia Capital Trust III, 5.570%, 8/30/12 (f)(i) | 12,024,375 |
| 7,000 | Wells Fargo & Co., 7.98%, 3/15/18 (f) | 7,875,000 |
| | | 216,357,670 |
| Healthcare & Hospitals 1.8% | | |
| | HCA, Inc., | |
| 10,000 | 7.875%, 2/15/20 | 11,300,000 |
| 3,600 | 8.50%, 4/15/19 | 4,074,750 |
| | | 15,374,750 |
| Hotels/Gaming 0.5% | | |
| | MGM Resorts International, | |
| 700 | 10.375%, 5/15/14 | 798,000 |
| 1,050 | 11.125%, 11/15/17 | 1,178,625 |
| 2,177 | Times Square Hotel Trust, 8.528%, 8/1/26 (a)(d) | 2,324,069 |
| | | 4,300,694 |
| Insurance 16.6% | | |
| 1,400 | American General Institutional Capital A, 7.57%, 12/1/45 (a)(d) | 1,477,000 |
| 9,000 | American General Institutional Capital B, 8.125%, 3/15/46 (a)(d) | 9,562,500 |
| | American International Group, Inc., | |
| 14,000 | 6.25%, 3/15/87, (converts to FRN on 3/15/37) (i) | 13,720,000 |
| £6,911 | 6.765%, 11/15/17 (a)(d) | 12,209,441 |
| MXN 16,000 | 7.98%, 6/15/17 | 1,177,541 |
| 2,000 | 8.00%, 5/22/68, (converts to FRN on 5/22/18) | 2,534,623 |
| \$46,750 | 8.175%, 5/15/68, (converts to FRN on 5/15/38) (i) | 53,528,750 |
| 12,700 | 8.25%, 8/15/18 (i) | 15,689,694 |
| £500 | 8.625%, 5/22/68, (converts to FRN on 5/22/18) (a)(d) | 821,601 |
| £3,400 | 8.625%, 5/22/68, (converts to FRN on 5/22/18) | 5,586,884 |
| \$5,100 | Dai-ichi Life Insurance Co., Ltd., 7.25%, 7/25/21 (a)(d)(f)(i) | 5,476,120 |
| 9,000 | MetLife Capital Trust IV, 7.875%, 12/15/67, (converts to FRN on 12/15/37) (a)(d) | 10,305,000 |
| 6,800 | Pacific Life Insurance Co., 7.90%, 12/30/23 (a)(d)(i) | 8,497,634 |

PIMCO Corporate & Income Strategy Fund Schedule of Investments

July 31, 2012 (unaudited) (continued)

| Principal Amount (000s) | | Value* |
|----------------------------------|--|-------------|
| Insurance (continued) | | |
| \$2,500 | Validus Holdings Ltd., 8.875%, 1/26/40 | \$2,888,223 |
| | | 143,475,011 |
| Metals & Mining 0.5% | | |
| 4,000 | Gerdau Holdings, Inc., 7.00%, 1/20/20 (a)(d)(i) | 4,610,000 |
| Paper/Paper Products 0.1% | | |
| 850 | Norske Skogindustrier ASA, 6.125%, 10/15/15 (a)(d) | 599,250 |
| Telecommunications 1.9% | | |
| 1,700 | CenturyLink, Inc., 6.00%, 4/1/17 | 1,849,501 |
| 8,200 | Mountain States Telephone & Telegraph Co., 7.375%, 5/1/30 | 9,482,550 |
| 5,360 | Qwest Corp., 7.20%, 11/10/26 | 5,440,400 |
| | | 16,772,451 |
| Utilities 0.7% | | |
| 3,900 | AES Andres Dominicana Ltd., 9.50%, 11/12/20 (a)(d) | 4,109,625 |
| 1,215 | FPL Energy Wind Funding LLC, 6.876%, 6/27/17 (a)(d) | 1,008,450 |
| 1,100 | PPL Capital Funding, Inc., 6.70%, 3/30/67, (converts to FRN on 3/30/17) | 1,125,865 |
| | | 6,243,940 |
| | Total Corporate Bonds & Notes (cost \$416,475,924) | 495,120,771 |
| MUNICIPAL BONDS 21.8% | | |
| California 11.7% | | |
| 9,000 | Alameda Cnty. Joint Powers Auth. Rev., 7.046%, 12/1/44, Ser. A | 11,719,440 |
| 4,200 | City & Cnty. of San Francisco, Capital Improvement Projects, CP, 6.487%, 11/1/41, Ser. D | 4,812,528 |
| 1,800 | Long Beach Redev. Agcy., Tax Allocation, 8.36%, 8/1/40 | 2,014,524 |
| 7,700 | Los Angeles Cnty. Public Works Financing Auth. Rev., 7.618%, 8/1/40 | 10,125,115 |
| 2,400 | Oakland Unified School Dist., Alameda Cnty., GO, 9.50%, 8/1/34 | 2,907,720 |
| 9,820 | Riverside Cnty. Dev. Agcy., Tax Allocation, 7.50%, 10/1/30, Ser. A-T | 10,388,578 |
| 2,100 | San Luis Obispo Cnty. Rev., zero coupon, 9/1/27, Ser. C (NPFGC) | 964,152 |
| | State Public Works Board Rev., 7.804%, 3/1/35, Ser. B-2 | 19,962,051 |
| 16,855 | | 26,227,600 |
| 20,000 | 8.361%, 10/1/34, Ser. G-2 | 5,997,450 |
| 5,000 | State, GO, 7.95%, 3/1/36 | 6,212,152 |
| 7,400 | Stockton Public Financing Auth. Rev., 7.942%, 10/1/38, Ser. B | 101,331,310 |
| Colorado 0.8% | | |
| 5,000 | Denver Public Schools, CP, 7.017%, 12/15/37, Ser. B | 6,758,950 |
| District of Columbia 1.8% | | |
| 13,000 | Metropolitan Airports Auth. Rev., 7.462%, 10/1/46 | 15,842,840 |
| Louisiana 0.3% | | |
| | New Orleans, Public Improvements, GO, Ser. A, | |
| 800 | 8.30%, 12/1/29 | 922,560 |
| 820 | 8.55%, 12/1/34 | 931,995 |

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300

8.80%, 12/1/39

343,437

2,197,992

PIMCO Corporate & Income Strategy Fund Schedule of Investments

July 31, 2012 (unaudited) (continued)

| Principal Amount (000s) | | Value* |
|---|--|--------------|
| Ohio 4.2% | | |
| \$24,000 | American Municipal Power, Inc. Rev., Comb Hydroelectric Projects, 8.084%, 2/15/50, Ser. B | \$36,182,880 |
| Pennsylvania 0.1% | | |
| 2,000 | Philadelphia Auth. for Industrial Dev. Rev., zero coupon, 4/15/26, Ser. B (AMBAC) | 838,160 |
| Texas 2.9% | | |
| 4,000 | Dallas Convention Center Hotel Dev. Corp. Rev., 7.088%, 1/1/42 | 4,888,200 |
| 17,200 | North Texas Tollway Auth. Rev., 8.91%, 2/1/30 | 20,185,748 |
| | | 25,073,948 |
| | Total Municipal Bonds (cost \$160,274,582) | 188,226,080 |
| MORTGAGE-BACKED SECURITIES 10.9% | | |
| 972 | American Home Mortgage Assets LLC, 0.476%, 9/25/46, CMO (g) | 121,031 |
| 324 | Banc of America Alternative Loan Trust, 6.00%, 1/25/36, CMO | 233,794 |
| 7,428 | Banc of America Funding Corp., 6.00%, 3/25/37, CMO | 5,990,126 |
| | BCAP LLC Trust, CMO (a)(d)(g), 5.539%, 3/26/37 | 277,751 |
| 2,500 | 11.329%, 6/26/36 | 273,581 |
| 1,520 | Bear Stearns Alt-A Trust, CMO (g), 2.811%, 11/25/36 | 1,443,413 |
| 2,618 | 3.071%, 9/25/35 | 1,259,921 |
| 1,997 | Chase Mortgage Finance Corp., CMO, 2.734%, 12/25/35 (g) | 26,001 |
| 30 | 6.00%, 7/25/37 | 2,318,610 |
| 2,722 | Citicorp Mortgage Securities, Inc., 6.00%, 6/25/36, CMO | 3,554,358 |
| 3,509 | Countrywide Alternative Loan Trust, CMO, 5.50%, 3/25/35 | 636,638 |
| 810 | 5.50%, 3/25/36 | 256,403 |
| 392 | 5.75%, 3/25/37 | 1,441,155 |
| 1,971 | 6.00%, 2/25/35 | 935,057 |
| 1,046 | 6.00%, 7/25/37 | 1,048,196 |
| 1,334 | 6.00%, 8/25/37 | 1,707,600 |
| 2,591 | 6.50%, 8/25/36 | 721,579 |
| 1,179 | Countrywide Home Loan Mortgage Pass Through Trust, CMO, 2.87%, 9/20/36 (g) | 386,265 |
| 746 | 5.50%, 10/25/35 | 2,392,137 |
| 2,471 | 5.75%, 3/25/37 | 2,144,702 |
| 2,572 | 6.00%, 2/25/37 | 1,414,084 |
| 1,682 | 6.00%, 3/25/37 | 1,272,945 |
| 1,513 | 6.00%, 4/25/37 | 406,593 |
| 475 | Credit Suisse Mortgage Capital Certificates, CMO, 6.00%, 2/25/37 | 1,212,986 |
| 1,516 | 6.00%, 6/25/37 | 2,938,033 |
| 3,553 | GSR Mortgage Loan Trust, CMO, 5.50%, 5/25/36 | 530,711 |
| 640 | | |

PIMCO Corporate & Income Strategy Fund Schedule of Investments

July 31, 2012 (unaudited) (continued)

| Principal Amount (000s) | | Value* |
|--|---|-------------|
| \$8,325 | 6.00%, 2/25/36 | \$7,655,883 |
| 2,500 | JPMorgan Alternative Loan Trust, 6.31%, 8/25/36, CMO | 1,691,101 |
| | JPMorgan Mortgage Trust, CMO, | |
| 3,979 | 5.00%, 3/25/37 | 3,121,817 |
| 2,001 | 5.419%, 1/25/37 (g) | 1,628,772 |
| 711 | 6.00%, 8/25/37 | 616,687 |
| 5,261 | Morgan Stanley Mortgage Loan Trust, 6.00%, 2/25/36, CMO | 4,448,148 |
| 9,673 | New Century Alternative Mortgage Loan Trust, 6.173%, 7/25/36, CMO (g) | 6,632,048 |
| 1,269 | Residential Accredit Loans, Inc., 0.476%, 5/25/37, CMO (g) | 276,236 |
| 2,709 | Residential Asset Mortgage Products, Inc., 6.50%, 12/25/31, CMO | 2,783,435 |
| 938 | Residential Asset Securitization Trust, 6.00%, 9/25/36, CMO | 530,159 |
| | Residential Funding Mortgage Securities I, CMO, | |
| 2,359 | 6.00%, 1/25/37 | 1,959,926 |
| 2,752 | 6.25%, 8/25/36 | 2,372,136 |
| 972 | Sequoia Mortgage Trust, 2.666%, 2/20/47, CMO (g) | 775,696 |
| | Suntrust Adjustable Rate Mortgage Loan Trust, CMO (g), | |
| 2,084 | 5.49%, 4/25/37 | 1,627,996 |
| 1,154 | 5.812%, 2/25/37 | 852,769 |
| | WaMu Mortgage Pass Through Certificates, CMO (g), | |
| 717 | 2.512%, 9/25/36 | 501,800 |
| 1,111 | 2.616%, 7/25/37 | 741,575 |
| 1,944 | 5.315%, 2/25/37 | 1,737,556 |
| | Washington Mutual Alternative Mortgage Pass Through Certificates, CMO (g), | |
| 972 | 0.907%, 4/25/47 | 76,896 |
| 1,315 | 0.987%, 5/25/47 | 239,589 |
| | Wells Fargo Mortgage-Backed Securities Trust, CMO, | |
| 7,130 | 2.613%, 7/25/36 (g) | 5,701,277 |
| 11,008 | 2.615%, 10/25/36 (g) | 8,596,878 |
| 1,303 | 2.618%, 7/25/36 (g) | 1,009,504 |
| 232 | 2.622%, 5/25/36 (g) | 182,006 |
| 592 | 2.666%, 4/25/36 (g) | 494,921 |
| 1,400 | 5.66%, 10/25/36 (g) | 1,273,565 |
| 1,659 | 6.00%, 7/25/37 | 1,662,831 |
| | Total Mortgage-Backed Securities (cost \$89,806,027) | 94,134,877 |
| Shares | | |
| PREFERRED STOCK 3.0% | | |
| Banking 0.2% | | |
| 30,200 | CoBank Acb, 11.00%, 7/1/13, Ser. C (a)(b)(d)(f)(j)(k) (acquisition cost-\$1,678,450; purchased 2/26/10-2/1/11) | 1,558,320 |
| Financial Services 2.5% | | |
| 100,000 | Ally Financial, Inc., 8.50%, 5/15/16, Ser. A (f)(k) | 2,325,000 |
| 250,000 | Citigroup Capital XIII, 7.875%, 10/30/15 (k) | 6,847,500 |
| 512,000 | GMAC Capital Trust I, 8.125%, 2/15/16, Ser. 2 (k) | 12,482,560 |
| | | 21,655,060 |
| Real Estate Investment Trust 0.3% | | |

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2,500

Sovereign Real Estate Investment Trust, 12.00%, 5/16/20 (a)(d)(f)
Total Preferred Stock (cost \$25,937,200)

2,807,515
26,020,895

PIMCO Corporate & Income Strategy Fund Schedule of Investments

July 31, 2012 (unaudited) (continued)

| Principal Amount (000s) | | Value* |
|--|---|--------------|
| SENIOR LOANS (a)(c) 2.2% | | |
| Financial Services 2.2% | | |
| \$20,000 | Springleaf Finance Corp., 5.50%, 5/10/17 (cost \$19,919,194) | \$19,108,340 |
| CONVERTIBLE PREFERRED STOCK 2.0% | | |
| Financial Services 1.1% | | |
| 8,050 | Wells Fargo & Co., 7.50%, 3/15/13, Ser. L (f) | 9,313,850 |
| Utilities 0.9% | | |
| 53,400 | PPL Corp., 8.75%, 5/1/14 | 2,876,124 |
| 90,000 | 9.50%, 7/1/13 | 4,891,500 |
| | | 7,767,624 |
| | Total Convertible Preferred Stock (cost \$12,276,951) | 17,081,474 |
| ASSET-BACKED SECURITIES 0.4% | | |
| \$2,200 | GSAA Trust, 6.295%, 6/25/36 | 1,271,251 |
| 1,748 | Mid-State Trust, 6.34%, 10/15/36 | 1,722,372 |
| 1,381 | Morgan Stanley Mortgage Loan Trust, 6.25%, 7/25/47 (g) | 934,726 |
| | Total Asset-Backed Securities (cost \$3,874,805) | 3,928,349 |
| SHORT-TERM INVESTMENTS 2.4% | | |
| Sovereign Debt Obligations 0.4% | | |
| Mexico 0.4% | | |
| MXN 40,000 | Mexico Cetes, zero coupon, 8/23/12 (cost \$2,874,873) | 2,999,913 |
| U.S. Treasury Obligations (h)(l) 0.0% | | |
| 280 | U.S. Treasury Bills, 0.173%, 7/25/13 (cost \$279,525) | 279,555 |
| Repurchase Agreements 2.0% | | |
| 16,600 | Barclays Capital, Inc., dated 7/31/12, 0.17%-0.20%, due 8/1/12, proceeds \$16,600,084; collateralized by U.S. Treasury Bonds, 4.625%, due 2/15/40, valued at \$5,734,178 and U.S. Treasury Notes, 2.00%-2.125%, due 8/15/21-2/15/22, valued at \$11,225,924 including accrued interest | 16,600,000 |

PIMCO Corporate & Income Strategy Fund Schedule of Investments

July 31, 2012 (unaudited) (continued)

| Principal Amount (000s) | | Value* |
|---|---|----------------------|
| \$730 | State Street Bank & Trust Co., dated 7/31/12, 0.01%, due 8/1/12, proceeds \$730,000; collateralized by Fannie Mae, 1.75%, due 2/22/13, valued at \$747,039 including accrued interest | \$730,000 |
| | Total Repurchase Agreements (cost \$17,330,000) | 17,330,000 |
| | Total Short-Term Investments (cost \$20,484,398) | 20,609,468 |
| Total Investments (cost \$749,049,081) (m) 100.0% | | \$864,230,254 |

Notes to Schedule of Investments:

* Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Market value is generally determined on the basis of last reported sales prices, or if no sales are reported, on the basis of quotes obtained from a quotation reporting system, established market makers, or independent pricing services.

The Fund's investments are valued daily using prices supplied by an independent pricing service or dealer quotations, or by using the last sale price on the exchange that is the primary market for such securities, or the mean between the last quoted bid and ask price. 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 Board of Trustees has adopted methods for valuing portfolio securities and other financial derivative instruments in circumstances where market quotes are not readily available, and has delegated the responsibility for applying the valuation methods to the Investment Manager and Pacific Investment Management Company LLC (the Sub-Adviser), an affiliate of the Investment Manager. The Valuation Committee has been established by the Board of Trustees to oversee the implementation of the Fund's valuation methods and to make fair value determinations on behalf of the Board of Trustees as instructed. The Sub-Adviser monitors the continual appropriateness of methods applied and determines if adjustments should be made in light of market changes, events affecting the issuer, or other factors. If the Sub-Adviser determines that a valuation method may no longer be appropriate, another valuation method may be selected, or the Valuation Committee will be convened to consider the matter and take any appropriate action in accordance with procedures set forth by the Board of Trustees. The Board of Trustees shall review the appropriateness of the valuation methods and these methods may be amended or supplemented from time to time by the Valuation Committee.

Benchmark pricing procedures are used as the basis for setting the base price of a fixed-income security and for subsequently adjusting the price proportionally to market value changes of a pre-determined security deemed to be comparable in duration, generally a U.S. Treasury or sovereign note based on country of issuance. The base price may be a broker-dealer quote, transaction price, or an internal value as derived by analysis of market data. The base price of the security may be reset on a periodic basis based on the availability of market data and procedures approved by the Valuation Committee. The validity of the fair value is reviewed by the Sub-Adviser on a periodic basis and may be amended as the availability of market data indicates a material change.

If third party evaluated vendor pricing is neither available nor deemed to be reliable of fair value, the Sub-Adviser may elect to obtain market quotations (broker quotes) directly from a broker-dealer.

Short-term securities maturing in 60 days or less are valued at amortized cost, if their original term to maturity was 60 days or less, or by amortizing their value on the 61st day prior to maturity, if the original term to maturity exceeded 60 days.

Investments initially valued in currencies other than the U.S. dollar are converted to the U.S. dollar using exchange rates obtained from pricing services. As a result, the net asset value (NAV) of the Fund's shares may be affected by changes in the value of currencies in relation to the U.S. dollar. The value of securities traded in markets outside the United States or denominated in currencies other than the U.S. dollar may be affected significantly on a day that the New York Stock Exchange (NYSE) is closed.

The prices used by the Fund to value securities may differ from the value that would be realized if the securities were sold and these differences could be material. The Fund's NAV is normally determined as of the close of regular trading (normally, 4:00 p.m. Eastern time) on the NYSE on each day the NYSE is open for business.

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- (a) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$214,229,890, representing 24.8% of total investments.
- (b) Illiquid.
- (c) These securities generally pay interest at rates which are periodically pre-determined by reference to a base lending rate plus a premium. These base lending rates are generally either the lending rate offered by one or more major European banks, such as the LIBOR or the prime rate offered by one or more major United States banks, or the certificate of deposit rate. These securities are generally considered to be restricted as the Fund is ordinarily contractually obligated to receive approval from the agent bank and/or borrower prior to disposition. Remaining maturities of senior loans may be less than the stated maturities shown as a result of contractual or optional payments by the borrower. Such prepayments cannot be predicted with certainty. The interest rate disclosed reflects the rate in effect on July 31, 2012.
- (d) 144A 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) In default.
- (f) Perpetual maturity. The date shown is the next call date. For Corporate Bonds & Notes, the interest rate is fixed until the first call date and variable thereafter.
- (g) Variable or Floating Rate Security Security with an interest rate that changes periodically. The interest rate disclosed reflects the rate in effect on July 31, 2012.
- (h) All or partial amount segregated for the benefit of the counterparty as collateral for derivatives.
- (i) All or partial amount transferred for the benefit of the counterparty as collateral for reverse repurchase agreements.
- (j) Restricted. The aggregate acquisition cost of such securities is \$6,014,146 and the aggregate market value is \$6,317,126, representing 0.7% of total investments.
- (k) Dividend rate is fixed until the first call date and variable thereafter.
- (l) Rates reflect the effective yields at purchase date.
- (m) At July 31, 2012, the cost basis of portfolio securities for federal income tax purposes was \$749,470,852. Gross unrealized appreciation was \$125,544,275; gross unrealized depreciation was \$10,784,873; and net unrealized appreciation was \$114,759,402. The difference between book and tax cost basis was attributable to wash sale loss deferrals.

Glossary:

AMBAC insured by American Municipal Bond Assurance Corp.

£ British Pound

CAD Canadian Dollar

CMO Collateralized Mortgage Obligation

CP Certificates of Participation

Euro

FRN Floating Rate Note

GO General Obligation Bond

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LIBOR London Inter-Bank Offered Rate

MXN Mexican Peso

NPFGC insured by National Public Finance Guarantee Corp.

Other Investments:

(A) Forward foreign currency contracts outstanding at July 31, 2012:

| | Counterparty | U.S.\$ Value on Origination Date | U.S.\$ Value July 31, 2012 | Unrealized Appreciation (Depreciation) |
|--|----------------|-------------------------------------|-------------------------------|--|
| Purchased: | | | | |
| 11,234,857 Brazilian Real settling 8/2/12 | Barclays Bank | \$5,509,539 | \$5,482,558 | \$(26,981) |
| 642,630 Brazilian Real settling 8/2/12 | HSBC Bank | 313,493 | 313,600 | 107 |
| 625,291 Brazilian Real settling 8/2/12 | JPMorgan Chase | 306,831 | 305,139 | (1,692) |
| 111,331 Brazilian Real settling 8/2/12 | UBS | 55,402 | 54,329 | (1,073) |
| 135,000 British Pound settling 9/4/12 | Barclays Bank | 209,146 | 211,656 | 2,510 |
| 327,000 British Pound settling 8/2/12 | Citigroup | 504,102 | 512,687 | 8,585 |
| 17,241,000 British Pound settling 8/2/12 | JPMorgan Chase | 26,995,958 | 27,031,307 | 35,349 |
| 7,504,000 Euro settling 8/2/12 | Deutsche Bank | 9,199,154 | 9,232,920 | 33,766 |
| 1,609,000 Euro settling 10/15/12 | UBS | 1,982,426 | 1,981,535 | (891) |
| 14,978,572 Mexican Peso settling 8/15/12 | HSBC Bank | 1,117,304 | 1,124,969 | 7,665 |
| 562,718 Mexican Peso settling 8/15/12 | UBS | 40,941 | 42,263 | 1,322 |
| Sold: | | | | |
| 11,234,857 Brazilian Real settling 8/2/12 | Barclays Bank | 5,746,142 | 5,482,557 | 263,585 |
| 642,630 Brazilian Real settling 8/2/12 | HSBC Bank | 310,000 | 313,600 | (3,600) |
| 625,291 Brazilian Real settling 8/2/12 | JPMorgan Chase | 305,035 | 305,139 | (104) |
| 111,331 Brazilian Real settling 8/2/12 | UBS | 54,310 | 54,329 | (19) |
| 111,331 Brazilian Real settling 10/2/12 | UBS | 54,867 | 53,727 | 1,140 |
| 17,241,000 British Pound settling 9/4/12 | JPMorgan Chase | 26,994,217 | 27,030,790 | (36,573) |
| 17,568,000 British Pound settling 8/2/12 | UBS | 27,412,492 | 27,543,994 | (131,502) |
| 1,063,000 Canadian Dollar settling 9/20/12 | UBS | 1,034,137 | 1,058,865 | (24,728) |
| 7,531,000 Euro settling 8/2/12 | BNP Paribas | 9,401,173 | 9,266,140 | 135,033 |
| 7,504,000 Euro settling 10/15/12 | Deutsche Bank | 9,207,971 | 9,241,416 | (33,445) |
| 1,378,000 Mexican Peso settling 8/15/12 | Barclays Bank | 100,000 | 103,495 | (3,495) |
| 1,378,600 Mexican Peso settling 8/15/12 | HSBC Bank | 100,000 | 103,540 | (3,540) |
| 14,978,572 Mexican Peso settling 12/3/12 | HSBC Bank | 1,106,165 | 1,113,226 | (7,061) |
| 10,028,490 Mexican Peso settling 8/15/12 | JPMorgan Chase | 767,173 | 753,192 | 13,981 |
| 2,756,200 Mexican Peso settling 8/15/12 | Morgan Stanley | 200,000 | 207,005 | (7,005) |
| 1,100,000 Mexican Peso settling 8/23/12 | Morgan Stanley | 79,040 | 82,554 | (3,514) |
| 38,462,972 Mexican Peso settling 8/23/12 | UBS | 2,771,578 | 2,886,616 | (115,038) |
| | | | | \$102,782 |

At July 31, 2012, the Fund held \$785,000 in cash as collateral for derivative contracts.

Cash collateral held may be invested in accordance with the Fund's investment strategy.

(B) Open reverse repurchase agreements at July 31, 2012:

| Counterparty | Rate | Trade Date | Due Date | Principal & Interest | Principal |
|---------------|-------|------------|----------|----------------------|------------|
| Barclays Bank | 0.80% | 6/22/12 | 9/24/12 | 25,973,067 | 25,950,000 |
| Deutsche Bank | 0.65 | 5/7/12 | 8/10/12 | 22,629,083 | 22,594,000 |

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| | | | | | |
|----------------------|-------|---------|----------|------------|-------------|
| | 0.65 | 6/15/12 | 9/17/12 | 4,963,208 | 4,959,000 |
| Royal Bank of Canada | 0.818 | 6/7/12 | 9/7/12 | 24,058,028 | 24,028,000 |
| UBS | 0.50 | 5/7/12 | 8/7/12 | 3,721,440 | 3,717,000 |
| | 0.54 | 6/15/12 | 9/18/12 | 13,262,343 | 13,253,000 |
| | 0.55 | 5/2/12 | 8/2/12 | 7,883,946 | 7,873,000 |
| | 0.55 | 7/31/12 | 10/26/12 | 1,186,000 | 1,186,000 |
| | 0.57 | 6/15/12 | 9/18/12 | 10,785,020 | 10,777,000 |
| | 0.58 | 5/7/12 | 8/7/12 | 1,674,317 | 1,672,000 |
| | 0.58 | 6/7/12 | 8/29/12 | 3,634,217 | 3,631,000 |
| | 0.58 | 7/2/12 | 10/4/12 | 4,377,115 | 4,375,000 |
| | | | | | 124,015,000 |

The weighted average daily balance of reverse repurchase agreements outstanding during the nine months ended July 31, 2012 was \$141,992,668 at a weighted average interest rate of 0.73%. The total market value of underlying collateral (refer to the Schedule of Investments for positions transferred for the benefit of the counterparty as collateral) for open reverse repurchase agreements at July 31, 2012 was \$136,304,995.

At July 31, 2012, the Fund held \$1,247,703 in principal value of U.S. Treasury Obligations and \$2,890,000 in Corporate Bonds & Notes, respectively, as collateral for reverse repurchase agreements. Securities held as collateral will not be pledged and are not reflected in the Fund's Schedule of Investments.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the exit price) in an orderly transaction between market participants. The three levels of the fair value hierarchy are described below:

- Level 1 quoted prices in active markets for identical investments that the Fund has the ability to access
- Level 2 valuations based on other significant observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities, interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates or other market corroborated inputs.
- Level 3 valuations based on significant unobservable inputs (including the Sub-Adviser's or Valuation Committee's own assumptions and single source broker quotes in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following are certain inputs and techniques that the Fund generally uses to evaluate how to classify each major category of assets and liabilities for Level 2 and Level 3, in accordance with Generally Accepted Accounting Principles.

Equity Securities (Common and Preferred Stock) Equity securities traded in inactive markets are valued using inputs which include broker-dealer quotes, recently executed transactions adjusted for changes in the benchmark index, or evaluated price quotes received from independent pricing services that take into account the integrity of the market sector and issuer, the individual characteristics of the security, and information received from broker-dealers and other market sources pertaining to the issuer or security. To the extent that these inputs are observable, the values of equity securities are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

U.S. Treasury Obligations U.S. Treasury obligations are valued by independent pricing services based on pricing models that evaluate the mean between the most recently quoted bid and ask price. The models also take into consideration data received from active market makers and broker-dealers, yield curves, and the spread over comparable U.S. Treasury issues. The spreads change daily in response to market conditions and are generally obtained from the new issue market and broker-dealer sources. To the extent that these inputs are observable, the values of U.S. Treasury obligations are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

Government Sponsored Enterprise and Mortgage-Backed Securities Government sponsored enterprise and mortgage-backed securities are valued by independent pricing services using pricing models based on inputs that include issuer type, coupon, cash flows, mortgage prepayment projection tables and Adjustable Rate Mortgage evaluations that incorporate index data, periodic and life caps, the next coupon reset date, and the convertibility of the bond. To the extent that these inputs are observable, the values of government sponsored enterprise and mortgage-backed securities are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

Municipal Bonds Municipal bonds are valued by independent pricing services based on pricing models that take into account, among other factors, information received from market makers and broker-dealers, current trades, bid-want lists, offerings, market movements, the callability of the bond or note, state of issuance, benchmark yield curves, and bond or note insurance. To the extent that these inputs are observable, the values of municipal bonds are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

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Sovereign Debt Obligations Sovereign debt obligations are valued by independent pricing services based on discounted cash flow models that incorporate option adjusted spreads along with benchmark curves and credit spreads. In addition, international bond markets are monitored regularly for information pertaining to the issuer and/or the specific issue. To the extent that these inputs are observable, the values of sovereign debt obligations are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

Corporate Bonds & Notes Corporate bonds & notes are generally comprised of two main categories: investment grade bonds and high yield bonds. Investment grade bonds are valued by independent pricing services using various inputs and techniques, which include broker-dealer quotations, live trading levels, recently executed transactions in securities of the issuer or comparable issuers, and option adjusted spread models that include base curve and spread curve inputs. Adjustments to individual bonds can be applied to recognize trading differences compared to other bonds issued by the same issuer. High yield bonds are valued by independent pricing services based primarily on broker-dealer quotations from relevant market makers and recently executed transactions in securities of the issuer or comparable issuers. The broker-dealer quotations received are supported by credit analysis of the issuer that takes into consideration credit quality assessments, daily trading activity, and the activity of the underlying equities, listed bonds and sector-specific trends. To the extent that these inputs are observable, the values of corporate bonds & notes are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

Asset-Backed Securities and Collateralized Mortgage Obligations Asset-backed securities and collateralized mortgage obligations are valued by independent pricing services using pricing models based on a security's average life volatility. The models also take into account tranche characteristics such as coupon, average life, collateral types, ratings, the issuer and tranche type, underlying collateral and performance of the collateral, and discount margin for certain floating rate issues. To the extent that these inputs are observable, the values of asset-backed securities and collateralized mortgage obligations are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

Forward Foreign Currency Contracts Forward foreign currency contracts are valued by independent pricing services using various inputs and techniques, which include broker-dealer quotations, actual trading information and foreign currency exchange rates gathered from leading market makers and foreign currency exchange trading centers throughout the world. To the extent that these inputs are observable, the values of forward foreign currency contracts are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

Senior Loans Senior loans are valued by independent pricing services based on the average of quoted prices received from multiple dealers or valued relative to other benchmark securities when broker-dealer quotes are unavailable. To the extent that these inputs are observable, the values of senior loans are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

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The valuation techniques used by the Fund to measure fair value during the six months ended July 31, 2012 maximized the use of observable inputs and minimized the use of unobservable inputs.

The Fund's policy is to recognize transfers between levels at the end of the reporting period. An investment asset's or liability's level within the fair value hierarchy is based on the lowest level input, individually or in aggregate, that is significant to fair value measurement. The objective of fair value measurement remains the same even when there is a significant decrease in the volume and level of activity for an asset or liability and regardless of the valuation techniques used. Assets categorized as Level 1 or 2 as of period end may have been transferred between Levels 1 and 2 since the prior period due to changes in the valuation method utilized in valuing the investments.

A summary of the inputs used at July 31, 2012 in valuing the Fund's assets and liabilities is listed below (refer to the Schedule of Investments and Other Investments for more detailed information on Investments in Securities and Other Financial Instruments):

| | Level 1 - Quoted Prices | Level 2 - Other Significant Observable Inputs | Level 3 - Significant Unobservable Inputs | Value at 7/31/12 |
|---|----------------------------|--|--|----------------------|
| Investments in Securities - Assets | | | | |
| Corporate Bonds & Notes: | | | | |
| Airlines | | \$3,166,667 | \$4,337,098 | \$7,503,765 |
| Energy | | | 2,773,500 | 2,773,500 |
| All Other | | 484,843,506 | | 484,843,506 |
| Municipal Bonds | | 188,226,080 | | 188,226,080 |
| Mortgage-Backed Securities | | 93,861,296 | 273,581 | 94,134,877 |
| Preferred Stock: | | | | |
| Banking | | | 1,558,320 | 1,558,320 |
| Real Estate Investment Trust | | 2,807,515 | | 2,807,515 |
| All Other | \$21,655,060 | | | 21,655,060 |
| Senior Loans | | 19,108,340 | | 19,108,340 |
| Convertible Preferred Stock | 17,081,474 | | | 17,081,474 |
| Asset-Backed Securities | | 3,928,349 | | 3,928,349 |
| Short-Term Investments | | 20,609,468 | | 20,609,468 |
| Total Investments in Securities - Assets | \$38,736,534 | \$816,551,221 | \$8,942,499 | \$864,230,254 |
| Other Financial Instruments* - Assets | | | | |
| Foreign Exchange Contracts | | \$503,043 | | \$503,043 |
| Other Financial Instruments* - Liabilities | | | | |
| Foreign Exchange Contracts | | \$(400,261) | | \$(400,261) |
| Total Investments | \$38,736,534 | \$816,654,003 | \$8,942,499 | \$864,333,036 |

*Other financial instruments are forward foreign currency contracts, not reflected in the Schedule of Investments, valued at the unrealized appreciation (depreciation) of the instrument.

A roll forward of fair value measurements using significant unobservable inputs (Level 3) for the nine months ended July 31, 2012, was as follows:

Net Change

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| | Beginning Balance 10/31/11 | Purchases | Sales | Accrued Discounts (Premiums) | Net Realized Gain (Loss) | in Unrealized Appreciation/ Depreciation | Transfers into Level 3** | Transfers out of Level 3*** | Ending Balance 7/31/12 |
|---|----------------------------------|-----------|----------------------|------------------------------------|--------------------------------|--|--------------------------------|-----------------------------------|------------------------------|
| Investments in Securities - Assets | | | | | | | | | |
| Corporate Bonds & Notes: | | | | | | | | | |
| Airlines | \$8,183,459 | | \$(862,349) | \$(2,340) | \$(2,602) | \$187,597 | | \$(3,166,667) | \$4,337,098 |
| Energy | 2,494,000 | | | 2,432 | | 277,068 | | | 2,773,500 |
| Financial Services | 1,782,000 | | (1,611,500) | 3 | (1,686,164) | 1,515,661 | | | |
| Transportation | 673,746 | | (666,250) | (559) | (4,401) | (2,536) | | | |
| Mortgage-Backed Securities | 432,166 | | (455,466) | 111,159 | 386,662 | 76,811 | | (277,751) | 273,581 |
| Preferred Stock: Banking | | | | | | | \$1,558,320 | | 1,558,320 |
| Total Investments | \$13,565,371 | | \$(3,595,565) | \$110,695 | \$(1,306,505) | \$2,054,601 | 1,558,320 | \$(3,444,418) | \$8,942,499 |

**Transferred out of Level 2 into Level 3 because a broker quote was unobservable.

***Transferred out of Level 3 into Level 2 because independent prices became available.

The net change in unrealized appreciation/depreciation of Level 3 investments which the Fund held at July 31, 2012 was \$411,511.

The following table presents additional information about valuation techniques and inputs used for investments that are measured at fair value and categorized within Level 3 at July 31, 2012.

| | Ending Balance at 7/31/12 | Valuation Technique Used | Unobservable Inputs | Input Values |
|---|------------------------------|-----------------------------|------------------------|---------------|
| Investments in Securities - Assets | | | | |
| Corporate Bonds & Notes: | | | | |
| Airlines | \$4,337,098 | Third-Party pricing vendor | Broker quote | 107.48-114.13 |
| Energy | \$2,773,500 | Third-Party pricing vendor | Broker quote | \$64.50 |
| Mortgage-Backed Securities | 273,581 | Third-Party pricing vendor | Broker quote | \$18.00 |
| Preferred Stock: | | | | |
| Banking | 1,558,320 | Third-Party pricing vendor | Broker quote | \$51.60 |
| Total Investments | \$8,942,499 | | | |

Item 2. Controls and Procedures

(a) The registrant's President & Chief Executive Officer and Treasurer, Principal Financial & Accounting Officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Act (17 CFR270.3a-3(c))), are effective based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this document.

(b) There were no significant changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR270.30a-3(d))) that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits

(a) Exhibit 99.302 Cert. Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

SIGNATURES

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

Registrant: PIMCO Corporate & Income Strategy Fund

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

Date: September 19, 2012

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

Date: September 19, 2012

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*
President & Chief Executive Officer

Date: September 19, 2012

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

Date: September 19, 2012
