

PIMCO CORPORATE INCOME FUND  
Form N-Q  
September 24, 2009

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

OMB APPROVAL  
OMB Number: 3235-0578  
Expires: April 30, 2010  
Estimated average burden  
hours per response.....10.5

## FORM N-Q

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

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, 2009

Date of reporting period: July 31, 2009

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b 1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to the collection of information contained in Form N-Q 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 the Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-2001. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

## Item 1. Schedule of Investments

## PIMCO Corporate Income Fund Schedule of Investments

July 31, 2009 (unaudited)

| Principal Amount (000)                   |  | Credit Rating (Moody s/S&P) | Value*      |
|--|--|-----------------------------|-------------|
| <b>CORPORATE BONDS &amp; NOTES 77.2%</b> |  |                             |             |
| <b>Airlines 3.3%</b>                     |  |                             |             |
|  | American Airlines, Inc.,   |                             |             |
| \$1,088                                  | 6.978%, 10/1/12  | Ba1/BBB+                    | \$1,033,387 |
| 1,000                                    | 7.858%, 4/1/13   | Ba1/BBB                     | 930,000     |
| 1,500                                    | 10.375%, 7/2/19  | Baa3/A-                     | 1,516,875   |
|  | Continental Airlines, Inc.,  |                             |             |
| 724                                      | 6.545%, 8/2/20   | Baa2/A-                     | 665,905     |
| 3,035                                    | 7.056%, 3/15/11  | Baa2/A-                     | 3,004,650   |
| 2,147                                    | 9.798%, 4/1/21   | Ba1/BB-                     | 1,352,625   |
| 248                                      | Delta Air Lines, Inc., 6.619%, 9/18/12                               | Ba2/BBB                     | 239,764     |
| 9,258                                    | Northwest Airlines, Inc., 7.15%, 4/1/21 (MBIA)                       | Baa1/BBB+                   | 7,556,527   |
| 2,000                                    | Southwest Airlines Co., 10.50%, 12/15/11 (a)(b)(c)                   | NR/A-                       | 2,148,372   |
|  | United Air Lines, Inc.,  |                             |             |
| 1,487                                    | 7.336%, 1/2/21 (a)(c)  | B1/B+                       | 758,308     |
| 375                                      | 10.36%, 11/13/12 (b)(e)  | Ca/NR                       | 2,307       |
|  |  |                             | 19,208,720  |
| <b>Automotive 0.2%</b>                   |  |                             |             |
| 1,500                                    | Ford Motor Co., 9.98%, 2/15/47                                       | Ca/CCC-                     | 1,087,500   |
| <b>Banking 26.4%</b>                     |  |                             |             |
|  | ABN Amro North American Holding Preferred Capital Repackage Trust I, |                             |             |
| 4,000                                    | 6.523%, 11/8/12, FRN (a)(c)(g)                                       | B3/B                        | 2,449,536   |
| 5,000                                    | BAC Capital Trust XIV, 5.63%, 3/15/12, FRN (g)                       | Ba3/B                       | 2,951,555   |
| 1,150                                    | BankAmerica Capital II, 8.00%, 12/15/26                              | Baa3/B                      | 994,750     |
|  | Barclays Bank PLC,   |                             |             |
| 4,600                                    | 7.434%, 12/15/17, FRN (a)(c)(g)                                      | Baa2/BBB+                   | 3,500,982   |
| 7,760                                    | 10.179%, 6/12/21 (a)(c)  | Baa1/A+                     | 9,129,857   |
| £200                                     | 14.00%, 6/15/19, FRN (g)   | Baa2/BBB+                   | 414,462     |
|  | BNP Paribas, FRN (g),  |                             |             |
| \$6,900                                  | 5.186%, 6/29/15 (a)(c)   | Aa3/A                       | 4,683,782   |
| 6,700                                    | 7.195%, 6/25/37 (a)(c)   | Aa3/A                       | 4,953,350   |
| 350                                      | 7.781%, 7/2/18   | Aa3/AA-                     | 458,997     |
| \$2,700                                  | CBA Capital Trust II, 6.024%, 3/15/16, FRN (a)(c)(g)                 | Aa3/A+                      | 1,868,700   |
| 2,800                                    | Credit Agricole S.A., 6.637%, 5/31/17, FRN (a)(c)(g)                 | Aa3/A-                      | 1,766,358   |
|  | HBOC Capital Funding L.P., 6.071%, 6/30/14, FRN (a)(c)(g)            | B3/B-                       | 2,469,769   |
|  | HBOC PLC (a)(c),   |                             |             |
| 3,500                                    | 5.375%, 11/1/13, FRN (g)   | Baa3/B-                     | 1,829,506   |
| 2,000                                    | 6.75%, 5/21/18   | Baa2/A-                     | 1,540,818   |
|  | HSBC Capital Funding L.P., FRN (g),                                  |                             |             |
| 3,900                                    | 4.61%, 6/27/13 (a)(c)  | A3/A-                       | 2,668,688   |
| 1,000                                    | 10.176%, 6/30/30   | A1/A-                       | 1,085,000   |

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|        |   |          |            |
|--------|---|----------|------------|
|        | Lloyds Banking Group PLC (a)(c)(g),                   |          |            |
| 1,000  | 6.267%, 11/14/16, FRN                                 | B3/CCC+  | 420,477    |
| 4,000  | 6.413%, 10/1/35, (converts to FRN on 11/1/35)         | B3/CCC+  | 1,562,380  |
| 3,500  | 6.657%, 5/21/37, FRN                                  | B3/CCC+  | 1,437,275  |
| 8,060  | Marshall & Ilsley Bank, 5.00%, 1/17/17                | A3/BBB-  | 5,783,695  |
| 25,290 | Rabobank Nederland NV, 11.00%, 6/30/19, FRN (a)(c)(g) | Aa2/AA-  | 29,541,072 |
|        | Royal Bank of Scotland Group PLC, FRN (g),            |          |            |
| 10,700 | 6.99%, 10/5/17 (a)(c)                                 | Ba3/B-   | 5,142,302  |
| 6,500  | 7.648%, 9/30/31                                       | Ba3/B-   | 3,320,577  |
| 10,000 | RSHB Capital S.A. for OJSC Russian Agricultural Bank, |          |            |
|        | 9.00%, 6/11/14 (a)(c)                                 | Baa1/BBB | 10,707,000 |

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| Principal Amount (000)          |  | Credit Rating (Moody s/S&P) | Value*      |
|---------------------------------|--|-----------------------------|-------------|
| <b>Banking (continued)</b>      |  |                             |             |
| \$2,480                         | Sovereign Bank, 2.738%, 8/1/13, FRN  | Baa1/A-                     | \$2,086,645 |
| 12,350                          | State Street Capital Trust III, 8.25%, 3/15/42, (converts to FRN on 3/15/11) (j) | A2/BBB+                     | 11,555,895  |
| 5,700                           | USB Capital IX, 6.189%, 4/15/11, FRN (g)   | A2/BBB+                     | 4,076,948   |
| 2,200                           | Wachovia Bank N.A., 0.959%, 3/15/16, FRN   | Aa3/AA-                     | 1,830,761   |
| 12,100                          | Wachovia Capital Trust III, 5.80%, 3/15/11, FRN (g)                              | Ba3/A-                      | 7,928,101   |
| 14,000                          | Wells Fargo & Co., 7.98%, 3/15/18, FRN (g)                                       | Ba3/A-                      | 12,127,878  |
| 7,200                           | Wells Fargo Capital X, 5.95%, 12/15/86, (converts to FRN on 12/15/36)            | A3/A-                       | 5,849,482   |
| 9,600                           | Wells Fargo Capital XIII, 7.70%, 3/26/13, FRN (g)                                | Ba3/A-                      | 8,358,326   |
|                                 |  |                             | 154,494,924 |
| <b>Chemicals 1.4%</b>           |  |                             |             |
| 7,200                           | Dow Chemical Co., 8.55%, 5/15/19   | Baa3/BBB-                   | 7,923,046   |
| <b>Consumer Products 0.6%</b>   |  |                             |             |
| 3,500                           | Fortune Brands, Inc., 8.625%, 11/15/21   | Baa2/BBB-                   | 3,795,575   |
| <b>Energy 0.8%</b>              |  |                             |             |
| 2,000                           | Dynegy-Roseton Danskammer, Inc., 7.67%, 11/8/16                                  | B2/B                        | 1,840,000   |
| 2,000                           | El Paso Corp., 10.75%, 10/1/10   | Ba3/BB-                     | 2,045,360   |
| 500                             | Knight, Inc., 5.15%, 3/1/15  | Ba1/BB                      | 453,750     |
| 500                             | Southern Natural Gas Co., 5.90%, 4/1/17 (a)(c)                                   | Baa3/BB                     | 512,316     |
|                                 |  |                             | 4,851,426   |
| <b>Financial Services 25.7%</b> |  |                             |             |
|                                 | American General Finance Corp.,  |                             |             |
| 1,000                           | 4.00%, 3/15/11   | Baa2/BB+                    | 702,531     |
| 1,000                           | 4.625%, 9/1/10   | Baa2/BB+                    | 771,792     |
| 2,200                           | 5.40%, 12/1/15   | Baa2/BB+                    | 1,276,647   |
| 3,000                           | 6.90%, 12/15/17  | Baa2/BB+                    | 1,738,182   |
| 3,300                           | C10 Capital SPV Ltd., 6.722%, 12/31/16, FRN (g)                                  | NR/CCC                      | 1,866,972   |
| 1,790                           | Capital One Bank USA N.A., 8.80%, 7/15/19  | A3/BBB                      | 1,947,493   |
| 1,500                           | Capital One Capital V, 10.25%, 8/15/39 (d)                                       | Baa2/BB                     | 1,537,225   |
| 2,668                           | Cedar Brakes II LLC, 9.875%, 9/1/13 (a)(b)(c)                                    | Baa3/BBB                    | 2,705,072   |
| 1,750                           | CIT Group Funding Co. of Canada, 5.60%, 11/2/11                                  | Ca/CC                       | 1,224,995   |
|                                 | CIT Group, Inc.,   |                             |             |
| 2,000                           | 0.734%, 4/27/11, FRN   | Ca/CC                       | 1,197,846   |
| 2,000                           | 4.25%, 3/17/15   | Ca/CC                       | 1,332,685   |
| 5,150                           | 5.00%, 5/13/14   | Ca/CC                       | 3,541,185   |
| \$400                           | 5.20%, 11/3/10   | Ca/CC                       | 230,853     |
| 700                             | 5.80%, 7/28/11   | Ca/CC                       | 394,577     |
| 2,850                           | 7.625%, 11/30/12   | Ca/CC                       | 1,556,040   |
| 16,700                          | Citigroup Capital XXI, 8.30%, 12/21/77, (converts to FRN on 12/21/37)            | Baa3/B+                     | 14,069,750  |
|                                 | Citigroup, Inc.,   |                             |             |
| 100                             | 4.75%, 2/10/19, FRN  | A1/A-                       | 111,351     |
| \$2,800                         | 6.125%, 5/15/18  | A3/A                        | 2,571,304   |
| 2,000                           | 6.125%, 8/25/36  | Baa1/A-                     | 1,514,124   |
|                                 | Ford Motor Credit Co. LLC,   |                             |             |
| 2,800                           | 3.26%, 1/13/12, FRN  | Caa1/CCC+                   | 2,383,500   |
| 3,700                           | 7.80%, 6/1/12  | Caa1/CCC+                   | 3,480,276   |
| 3,500                           | 8.00%, 12/15/16  | Caa1/CCC+                   | 3,144,663   |
| 6,500                           | 9.875%, 8/10/11  | Caa1/CCC+                   | 6,443,463   |
| 1,000                           | 12.00%, 5/15/15  | Caa1/CCC+                   | 1,021,353   |



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| Principal Amount (000)                 |   | Credit Rating (Moody s/S&P) | Value*      |
|--|---|-----------------------------|-------------|
| <b>Financial Services (continued)</b>  |   |                             |             |
|  | General Electric Capital Corp., FRN,                                  |                             |             |
| \$10,100                               | 6.375%, 11/15/67  | Aa3/A+                      | \$7,186,453 |
| £500                                   | 6.50%, 9/15/67 (a)(c)   | Aa3/A+                      | 505,636     |
|  | GMAC, Inc.,   |                             |             |
| \$1,650                                | 6.00%, 12/15/11   | Ca/CCC                      | 1,464,383   |
| 3,500                                  | 6.75%, 12/1/14  | Ca/CCC                      | 2,954,868   |
| 2,500                                  | 7.00%, 2/1/12   | Ca/CCC                      | 2,230,952   |
| 2,000                                  | 7.50%, 12/31/13 (a)(c)  | Ca/CCC                      | 1,720,000   |
| 2,500                                  | 8.00%, 11/1/31  | Ca/CCC                      | 1,909,482   |
|  | Goldman Sachs Group, Inc. (j),  |                             |             |
| 4,000                                  | 6.45%, 5/1/36   | A2/A-                       | 3,820,928   |
| 9,000                                  | 6.75%, 10/1/37  | A2/A-                       | 9,130,095   |
| 250                                    | Green Valley Ltd., 4.629%, 1/10/11, FRN (a)(b)(c)                     | NR/BB+                      | 343,186     |
|  | International Lease Finance Corp.,                                    |                             |             |
| \$1,225                                | 0.86%, 7/13/12, FRN   | Baa2/BBB+                   | 852,551     |
| 4,000                                  | 0.927%, 7/1/11, FRN   | Baa2/BBB+                   | 2,810,960   |
| 2,100                                  | 4.875%, 9/1/10  | Baa2/BBB+                   | 1,797,432   |
| 1,000                                  | 5.125%, 11/1/10   | Baa2/BBB+                   | 835,790     |
| 5,800                                  | 5.30%, 5/1/12   | Baa2/BBB+                   | 4,243,953   |
| 5,400                                  | 5.40%, 2/15/12  | Baa2/BBB+                   | 3,975,545   |
| 1,500                                  | 5.65%, 6/1/14   | Baa2/BBB+                   | 1,047,188   |
| 3,000                                  | 6.625%, 11/15/13  | Baa2/BBB+                   | 2,080,005   |
| 11,000                                 | JPMorgan Chase & Co., 7.90%, 4/30/18, FRN (g)                         | A2/BBB+                     | 10,487,158  |
| 7,100                                  | JPMorgan Chase Capital XVIII,   |                             |             |
|  | 6.95%, 8/1/66, (converts to FRN on 8/17/36)                           | A1/BBB+                     | 6,373,677   |
| 4,100                                  | JPMorgan Chase Capital XX,  |                             |             |
|  | 6.55%, 9/15/66, (converts to FRN on 9/30/36)                          | A1/BBB+                     | 3,513,032   |
| 13,000                                 | Lehman Brothers Holdings, Inc., 6.875%, 5/2/18 (e)                    | NR/NR                       | 2,372,500   |
|  | Merrill Lynch & Co., Inc.,  |                             |             |
| 3,300                                  | 0.867%, 6/5/12, FRN   | A2/A                        | 2,998,476   |
| 1,021                                  | 5.00%, 1/15/15  | A2/A                        | 968,291     |
| 1,400                                  | 5.45%, 7/15/14  | A2/A                        | 1,379,687   |
| 2,000                                  | 6.40%, 8/28/17  | A2/A                        | 1,969,692   |
| 400                                    | Morgan Stanley, 0.838%, 1/9/14, FRN                                   | A2/A                        | 365,624     |
| 1,871                                  | Preferred Term Securities XIII Ltd., 1.164%, 3/24/34, FRN (a)(b)(c)   | A1/BB                       | 729,564     |
| 4,200                                  | Santander Perpetual S.A. Unipersonal, 6.671%, 10/24/17, FRN (a)(c)(g) | A1/A-                       | 3,515,702   |
| 1,500                                  | SLM Corp., 4.75%, 3/17/14   | Ba1/BBB-                    | 1,499,271   |
| 4,000                                  | Societe Generale, 7.756%, 5/22/13, FRN (g)                            | A1/BBB+                     | 4,933,770   |
| \$5,700                                | UBS Preferred Funding Trust V, 6.243%, 5/15/16, FRN (g)               | A1/BBB-                     | 3,481,229   |
|  |   |                             | 150,260,959 |
| <b>Food &amp; Beverage 0.0%</b>        |   |                             |             |
| 100                                    | American Stores Co., 8.00%, 6/1/26                                    | Ba3/B+                      | 89,875      |
| <b>Healthcare &amp; Hospitals 0.8%</b> |   |                             |             |
|  | HCA, Inc.,  |                             |             |
| 900                                    | 8.50%, 4/15/19 (a)(c)   | Ba3/BB                      | 927,000     |
| 3,500                                  | 9.625%, 11/15/16, PIK   | B2/BB-                      | 3,657,500   |
|  |   |                             | 4,584,500   |

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| Principal Amount (000)           |   | Credit Rating (Moody's/S&P) | Value*     |
|----------------------------------|---|-----------------------------|------------|
| <b>Hotels/Gaming 0.6%</b>        |   |                             |            |
|                                  | MGM Mirage, Inc. (a)(c),  |                             |            |
| \$700                            | 10.375%, 5/15/14  | B1/B                        | \$754,250  |
| 1,050                            | 11.125%, 11/15/17   | B1/B                        | 1,160,250  |
| 2,389                            | Times Square Hotel Trust, 8.528%, 8/1/26 (a)(b)(c)                  | Baa3/BB                     | 1,888,423  |
|                                  |   |                             | 3,802,923  |
| <b>Insurance 4.7%</b>            |   |                             |            |
|                                  | American International Group, Inc.,                                 |                             |            |
| 6,600                            | 0.62%, 10/18/11, FRN  | A3/A-                       | 4,561,913  |
| 4,600                            | 1.077%, 4/26/11, FRN  | A3/A-                       | 4,256,583  |
| \$24,700                         | 8.175%, 5/15/68, (converts to FRN on 5/15/38)                       | Ba2/BBB                     | 6,483,750  |
| 14,700                           | 8.25%, 8/15/18  | A3/A-                       | 8,708,898  |
| £4,000                           | 8.625%, 5/22/68, (converts to FRN on 5/22/18) (b)                   | Baa1/BBB                    | 1,657,850  |
| \$2,300                          | Dai-ichi Mutual Life Insurance Co., 5.73%, 3/17/14 (a)(b)(c)        | NR/A-                       | 2,108,541  |
|                                  |   |                             | 27,777,535 |
| <b>Metals &amp; Mining 1.6%</b>  |   |                             |            |
| 200                              | Freeport-McMoRan Copper & Gold, Inc., 8.375%, 4/1/17                | Ba2/BBB-                    | 212,301    |
| 4,700                            | Freeport-McMoRan Corp., 9.50%, 6/1/31                               | Baa2/BBB-                   | 4,908,360  |
|                                  | Teck Resources Ltd. (a)(c),   |                             |            |
| 1,950                            | 9.75%, 5/15/14  | Ba2/BB+                     | 2,179,125  |
| 350                              | 10.25%, 5/15/16   | Ba2/BB+                     | 398,125    |
| 1,325                            | 10.75%, 5/15/19   | Ba2/BB+                     | 1,548,594  |
|                                  |   |                             | 9,246,505  |
| <b>Multi-Media 0.5%</b>          |   |                             |            |
| 2,250                            | Comcast Holdings Corp., 10.625%, 7/15/12                            | Baa2/BBB                    | 2,719,336  |
| 500                              | Historic TW, Inc., 6.625%, 5/15/29                                  | Baa2/BBB                    | 499,715    |
|                                  |   |                             | 3,219,051  |
| <b>Oil &amp; Gas 5.6%</b>        |   |                             |            |
| 20,000                           | Ecopetrol S.A., 7.625%, 7/23/19 (a)(c)                              | Baa2/BB+                    | 21,000,000 |
|                                  | Gaz Capital S.A.,   |                             |            |
| 800                              | 6.212%, 11/22/16 (a)(c)   | Baa1/BBB                    | 709,000    |
| 4,900                            | 8.625%, 4/28/34   | A3/BBB                      | 5,132,750  |
| 4,200                            | Morgan Stanley Bank AG for OAO Gazprom, 9.625%, 3/1/13              | NR/BBB                      | 4,561,200  |
| 637                              | Perforadora Central S.A. de C.V., 4.92%, 12/15/18                   | NR/NR                       | 681,892    |
| 750                              | Ras Laffan Liquefied Natural Gas Co., Ltd. III, 6.332%, 9/30/27 (b) | A1/A                        | 654,679    |
|                                  |   |                             | 32,739,521 |
| <b>Paper/Paper Products 0.1%</b> |   |                             |            |
| 850                              | Norske Skogindustrier ASA, 6.125%, 10/15/15 (a)(c)                  | B2/B+                       | 505,750    |
| <b>Telecommunications 0.8%</b>   |   |                             |            |
| 450                              | Frontier Communications Corp., 8.25%, 5/1/14                        | Ba2/BB                      | 457,875    |
|                                  | Qwest Corp.,  |                             |            |
| 100                              | 6.50%, 6/1/17   | Ba1/BBB-                    | 94,500     |
| 5,360                            | 7.20%, 11/10/26   | Ba1/BBB-                    | 4,234,400  |
|                                  |   |                             | 4,786,775  |

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| Principal Amount (000)                          |   | Credit Rating (Moody s/S&P) | Value*      |
|---|---|-----------------------------|-------------|
| <b>Tobacco 2.8%</b>                             |   |                             |             |
|   | Reynolds American, Inc.,  |                             |             |
| \$3,000   | 6.75%, 6/15/17  | Baa3/BBB                    | \$3,024,933 |
| 4,500   | 7.25%, 6/1/12 (c)   | Baa3/BBB                    | 4,795,884   |
| 8,000   | 7.25%, 6/1/13   | Baa3/BBB                    | 8,459,400   |
|   |   |                             | 16,280,217  |
| <b>Utilities 1.3%</b>                           |   |                             |             |
| 1,000   | CMS Energy Corp., 1.459%, 1/15/13, FRN  | Ba1/BB+                     | 827,500     |
| 2,006   | East Coast Power LLC, 7.066%, 3/31/12   | Baa3/BBB-                   | 2,047,734   |
| 2,645   | FPL Energy Wind Funding LLC, 6.876%, 6/27/17 (a)(c)                                       | Ba2/BB-                     | 2,459,850   |
| 2,106   | Sithe Independence Funding Corp., 9.00%, 12/30/13   | Ba2/B                       | 2,080,004   |
|   |   |                             | 7,415,088   |
|   | Total Corporate Bonds & Notes (cost \$481,195,272)  |                             | 452,069,890 |
| <b>MORTGAGE-BACKED SECURITIES 11.4%</b>         |   |                             |             |
| 3,496   | Banc of America Commercial Mortgage, Inc., 5.372%, 9/10/45, CMO, VRN                      | Aaa/AAA                     | 3,318,848   |
| 1,450   | BCRR Trust, 5.86%, 7/17/40, CMO, VRN (a)(b)(c)(f)   | Aaa/NR                      | 804,912     |
| 3,500   | Chase Commercial Mortgage Securities Corp., 6.887%, 10/15/32, CMO (a)(c)                  | NR/BB+                      | 2,153,364   |
| 13,629  | Citigroup/Deutsche Bank Commercial Mortgage Trust, CMO, 5.322%, 12/11/49                  | Aaa/AAA                     | 10,851,767  |
| 1,000   | 5.617%, 10/15/48  | Aaa/AAA                     | 866,686     |
| 9,440   | Greenwich Capital Commercial Funding Corp., 5.444%, 3/10/39, CMO                          | Aaa/AAA                     | 8,054,789   |
| 640   | GS Mortgage Securities Corp. II, 0.394%, 3/6/20, CMO, FRN (a)(c)                          | Aaa/AAA                     | 551,380     |
| 1,135   | JPMorgan Chase Commercial Mortgage Securities Corp., CMO, 5.399%, 5/15/45                 | Aaa/AAA                     | 955,388     |
| 3,000   | 5.794%, 2/12/51, VRN  | Aaa/AAA                     | 2,388,250   |
| 4,150   | 5.798%, 6/15/49, VRN  | Aaa/AAA                     | 3,335,024   |
| 5,000   | 5.882%, 2/15/51, VRN  | Aaa/AAA                     | 3,965,783   |
| 560   | LB-UBS Commercial Mortgage Trust, CMO, 5.372%, 9/15/39                                    | Aaa/AAA                     | 481,157     |
| 18,316  | 5.424%, 2/15/40   | NR/AAA                      | 14,054,579  |
| 413   | Lehman Brothers Floating Rate Commercial Mortgage Trust, 0.368%, 9/15/21, CMO, FRN (a)(c) | Aaa/AAA                     | 364,649     |
| 2,805   | Merrill Lynch Mortgage Investors, Inc., 6.794%, 12/15/30, CMO, VRN                        | A3/AA+                      | 2,198,160   |
| 3,500   | Merrill Lynch/Countrywide Commercial Mortgage Trust, 5.70%, 9/12/49, CMO                  | NR/AAA                      | 2,602,070   |
| 3,821   | Wachovia Bank Commercial Mortgage Trust, CMO, FRN (a)(c), 0.368%, 6/15/20                 | Aaa/AAA                     | 2,865,026   |
| 9,230   | 0.378%, 9/15/21   | Aaa/AAA                     | 6,669,343   |
| 239   | WaMu Mortgage Pass Through Certificates, 2.21%, 8/25/46, CMO, FRN                         | Ba1/B                       | 106,379     |
|   | Total Mortgage-Backed Securities (cost \$56,607,885)                                      |                             | 66,587,554  |
| <b>U.S. TREASURY BONDS &amp; NOTES (h) 3.1%</b> |   |                             |             |
| 3,535   | U.S. Treasury Bonds & Notes, 0.875%, 4/30/11  |                             | 3,529,602   |

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|   |   |        |            |
|---|---|--------|------------|
| 14,782                                  | 1.125%, 6/30/11                                       |        | 14,800,522 |
|   | Total U.S. Treasury Bonds & Notes (cost \$18,377,343) |        | 18,330,124 |
| <b>Shares</b>                           |   |        |            |
| <b>CONVERTIBLE PREFERRED STOCK 1.3%</b> |   |        |            |
| <b>Banking 1.2%</b>                     |   |        |            |
| 8,050                                   | Wells Fargo & Co., 7.50%, 12/31/49, Ser. L            | Ba3/A- | 6,761,678  |
| <b>Insurance 0.1%</b>                   |   |        |            |
| 102,000                                 | American International Group, Inc., 8.50%, 8/1/11     | Ba2/NR | 816,000    |
|   | Total Convertible Preferred Stock (cost \$6,784,536)  |        | 7,577,678  |

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| Principal Amount (000)                            |  | Credit Rating (Moody's/S&P) | Value*      |
|---|--|-----------------------------|-------------|
| <b>SOVEREIGN DEBT OBLIGATIONS 0.9%</b>            |  |                             |             |
| <b>Brazil 0.9%</b>                                |  |                             |             |
| BRL 8,400   | Brazil Government International Bond, 12.50%, 1/5/22<br>(cost \$4,941,091)   | Ba1/BBB-                    | \$5,069,139 |
| <b>U.S. GOVERNMENT AGENCY SECURITIES (h) 0.5%</b> |  |                             |             |
| \$2,836   | <b>Freddie Mac 0.5%</b><br>0.926%, 5/4/11, FRN (cost \$2,837,436)  | Aaa/AAA                     | 2,844,097   |
| <b>SHORT-TERM INVESTMENTS 5.5%</b>                |  |                             |             |
| <b>Corporate Notes 3.4%</b>                       |  |                             |             |
| <b>Financial Services 3.4%</b>                    |  |                             |             |
| 3,725   | American General Finance Corp., 8.45%, 10/15/09  | Baa2/BB+                    | 3,611,726   |
| 1,750   | CIT Group, Inc.,<br>0.759%, 3/12/10, FRN   | Ca/CC                       | 1,025,938   |
| 2,850   | 4.25%, 2/1/10<br>Ford Motor Credit Co. LLC,<br>5.70%, 1/15/10  | Ca/CC                       | 1,667,316   |
| 1,800   | 7.375%, 10/28/09   | Caa1/CCC+                   | 1,772,627   |
| 4,900   | GMAC, Inc., 7.75%, 1/19/10   | Caa1/CCC+                   | 4,891,307   |
| 1,300   | International Lease Finance Corp.,<br>0.909%, 1/15/10, FRN   | Ca/CCC                      | 1,285,115   |
| 5,000   | 5.00%, 4/15/10   | Baa2/BBB+                   | 4,774,280   |
| 1,000   | Total Corporate Notes (cost \$21,205,741)  | Baa2/BBB+                   | 899,533     |
|   |  |                             | 19,927,842  |
| <b>U.S. Treasury Bills (h) 0.5%</b>               |  |                             |             |
| 3,323   | 0.14%-0.18%, 8/20/09-10/15/09 (cost \$3,322,398)   |                             | 3,321,707   |
| <b>Repurchase Agreements 1.6%</b>                 |  |                             |             |
| 2,000   | JPMorgan Securities, Inc., dated 7/31/09, 0.21%, due 8/3/09, proceeds \$2,000,035; collateralized by U.S. Treasury Notes, 5.125%, due 5/15/16, valued at \$2,050,163 including accrued interest    |                             | 2,000,000   |
| 7,324   | State Street Bank & Trust Co., dated 7/31/09, 0.01%, due 8/3/09, proceeds \$7,324,006; collateralized by U.S. Treasury Bills, 0.09%, due 9/10/09, valued at \$7,474,253 including accrued interest |                             | 7,324,000   |
|   | Total Repurchase Agreements (cost \$9,324,000)   |                             | 9,324,000   |
|   | Total Short-Term Investments (cost \$33,852,139)   |                             | 32,573,549  |

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| Contracts/<br>Notional<br>Amount  |  | Value*               |
|-----------------------------------|--|----------------------|
| <b>OPTIONS PURCHASED (i) 0.1%</b> |  |                      |
|                                   | <b>Call Options 0.1%</b>   |                      |
|                                   | 2-Year Interest Rate Swap (OTC),<br>Pay 3-Month USD-LIBOR Floating Rate Index,<br>strike rate 5.00%, expires 8/28/09 | \$67,730             |
| 1,000,000                         |  |                      |
|                                   | Euro versus U.S. Dollar (OTC),<br>strike rate 1.37%, expires 6/3/10  | 241,213              |
| 2,500,000                         |  |                      |
|                                   | strike rate 1.38%, expires 5/21/10   | 186,354              |
| 2,000,000                         |  |                      |
|                                   |  | 495,297              |
|                                   | <b>Put Options 0.0%</b>  |                      |
|                                   | Euro versus U.S. Dollar (OTC),<br>strike rate 1.37%, expires 6/3/10  | 106,101              |
| 2,500,000                         |  |                      |
|                                   | strike rate 1.38%, expires 5/21/10   | 84,476               |
| 2,000,000                         |  |                      |
|                                   | Financial Futures Euro 90 day,<br>strike price \$89.75, expires 3/15/10 (CME)  | 1,875                |
| 300                               |  |                      |
|                                   | strike price \$90, expires 12/14/09 (CME)  | 7,500                |
| 1,200                             |  |                      |
|                                   | strike price \$91, expires 12/14/09 (CME)  | 562                  |
| 90                                |  |                      |
|                                   | strike price \$91.75, expires 12/14/09 (LIFFE)   | 1                    |
| 200                               |  |                      |
|                                   | United Kingdom-90 day (LIFFE),<br>strike price \$89.50, expires 12/16/09   | 200,515              |
| 276                               |  |                      |
|                                   |  | 695,812              |
|                                   | Total Options Purchased (cost \$491,196)   | 695,812              |
|                                   | <b>Total Investments (cost \$605,086,898) 100.0%</b>   | <b>\$585,747,843</b> |

**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, based on quotes obtained from a quotation reporting system, established market makers, or independent pricing services.

Portfolio securities and other financial instruments for which market quotations are not readily available or for which a development/event occurs that may significantly impact the value of a security, are fair-valued, in good faith, pursuant to procedures established by the Board of Trustees, or persons acting at their discretion pursuant to procedures established by the Board of Trustees, including certain fixed income securities which may be valued with reference to securities whose prices are more readily available. The Fund's investments, including over-the-counter options, are valued daily using prices supplied by an independent pricing service or dealer quotations, or by using the last sale price on the exchange that is the primary market for such securities, or the last quoted mean price for those securities for which the over-the-counter market is the primary market or for listed securities in which there were no sales. Independent pricing services use information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. Exchange-traded options, futures and options on futures are valued at the settlement price determined by the relevant exchange. Securities purchased on a when-issued or delayed-delivery basis are marked to market daily until settlement at the forward settlement value. Short-term securities maturing in 60 days or less are valued at amortized cost, if their original term to maturity was 60 days or less, or by amortizing their value on the 61st day prior to maturity, if the original term to maturity exceeded 60 days. Investments initially valued in currencies other than 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 and the NAV may change on days when an investor is not able to purchase or sell shares.

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 daily 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.

- (a) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$147,657,590, representing 25.2% of total investments.
- (b) Illiquid security.
- (c) 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.
- (d) When-issued security.
- (e) In default.
- (f) Fair-Valued Security with an aggregate value of \$804,912, representing 0.14% of total investments.
- (g) Perpetual maturity security. Maturity date shown is the first call date. Interest rate is fixed until the first call date and variable thereafter.
- (h) All or partial amount segregated as collateral for futures contracts and swaps.
- (i) Non-income producing.
- (j) All or partial amount segregated as collateral for reverse repurchase agreements.

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### Glossary:

BRL Brazilian Real

£ British Pound

Euro

CME Chicago Mercantile Exchange

CMO Collateralized Mortgage Obligation

FRN Floating Rate Note. The interest rate disclosed reflects the rate in effect on July 31, 2009.

LIBOR London Inter-Bank Offered Rate

LIFFE London International Financial Futures and Options Exchange

MBIA Insured by Municipal Bond Investors Assurance

NR Not Rated

OTC Over the Counter

PIK Payment-in-Kind

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 July 31, 2009.

### Other Investments:

(A) Futures contracts outstanding at July 31, 2009:

| Type                          | Contracts | Market Value (000) | Expiration Date | Unrealized Appreciation (Depreciation) |
|-------------------------------|-----------|--------------------|-----------------|--|
| Long: Euribor Future          | 300       | \$104,066          | 12/14/10        | \$48,631                               |
| Euribor Future                | 75        | 25,871             | 6/14/11         | (4,889)                                |
| Financial Futures Euro 90 day | 1,200     | 297,870            | 12/14/09        | 8,845,896                              |
| Financial Futures Euro 90 day | 238       | 58,685             | 6/14/10         | 864,694                                |
| Financial Futures Euro 90 day | 1,159     | 283,433            | 12/13/10        | (324,335)                              |
| United Kingdom 90 day         | 83        | 16,689             | 12/16/10        | (21,594)                               |
| United Kingdom 90 day         | 500       | 100,072            | 3/17/11         | (455,485)                              |
|                               |           |                    |                 | \$8,952,918                            |

The Fund pledged U.S Treasury Bills of \$3,648,000 as collateral for futures contracts.

(B) Transactions in options written for the nine months ended July 31, 2009:

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|  | <b>Contracts</b> | <b>Premiums</b> |
|--|------------------|-----------------|
| Options outstanding, October 31, 2008      | 22,700,000       | \$544,611       |
| Options terminated in closing transactions | (18,700,000)     | (507,411)       |
| Options expired                            | (4,000,000)      | (37,200)        |
| Options outstanding, July 31, 2009         |                  | \$              |

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(C) Credit Default Buy Protection swap agreements outstanding at July 31, 2009 (1):

| Swap Counterparty/<br>Referenced Debt Issuer | Notional Amount<br>Payable on<br>Default<br>(000) (4) | Credit<br>Spread (3) | Termination<br>Date | Payments<br>Paid by Fund | Market<br>Value (5) | Upfront<br>Premiums<br>Paid | Unrealized<br>Depreciation |
|--|---|----------------------|---------------------|--------------------------|---------------------|-----------------------------|----------------------------|
| Bank of America:<br>Freeport-McMoRan         | \$2,000   | 0.91%                | 12/20/18            | (3.99)%                  | \$(488,309)         | \$                          | \$(488,309)                |

(D) Credit Default Sell Protection swap agreements outstanding at July 31, 2009 (2):

| Swap Counterparty/<br>Referenced Debt Issuer | Notional Amount<br>Payable on<br>Default<br>(000) (4) | Credit<br>Spread (3) | Termination<br>Date | Payments<br>Received by<br>Fund | Market<br>Value (5) | Upfront<br>Premiums<br>Received | Unrealized<br>Appreciation<br>(Depreciation) |
|--|---|----------------------|---------------------|---------------------------------|---------------------|---------------------------------|--|
| Barclays Bank:                               |   |                      |                     |                                 |                     |                                 |  |
| CIT Group                                    | \$3,500   | 53.81%               | 12/20/13            | 5.00%                           | \$(1,629,936)       | \$(892,500)                     | \$(737,436)                                  |
| Gazprom                                      | 4,500   | 3.89%                | 7/20/12             | 0.63%                           | (400,288)           |                                 | (400,288)                                    |
| General Electric                             | 8,800   | 2.68%                | 12/20/12            | 0.63%                           | (553,467)           |                                 | (553,467)                                    |
| SLM  | 2,000   | 11.66%               | 12/20/13            | 5.00%                           | (356,626)           | (250,000)                       | (106,626)                                    |
| BNP Paribas:                                 |   |                      |                     |                                 |                     |                                 |  |
| Citigroup                                    | 9,600   | 3.08%                | 12/20/12            | 0.67%                           | (695,921)           |                                 | (695,921)                                    |
| General Electric                             | 1,200   | 2.65%                | 12/20/13            | 4.60%                           | 97,156              |                                 | 97,156                                       |
| General Electric                             | 3,000   | 2.65%                | 12/20/13            | 4.80%                           | 266,849             |                                 | 266,849                                      |
| Royal Bank of Scotland                       | 1,500   | 1.26%                | 6/20/13             | 1.50%                           | 15,971              |                                 | 15,971                                       |
| Royal Bank of Scotland                       | 1,500   | 1.49%                | 6/20/13             | 2.65%                           | 67,767              |                                 | 67,767                                       |
| Citigroup:                                   |   |                      |                     |                                 |                     |                                 |  |
| American Express                             | 2,700   | 1.61%                | 12/20/13            | 4.25%                           | 298,484             |                                 | 298,484                                      |
| American Express                             | 1,000   | 1.61%                | 12/20/13            | 4.30%                           | 112,608             |                                 | 112,608                                      |
| CIT Group                                    | 5,000   | 53.81%               | 12/20/13            | 5.00%                           | (2,328,481)         | (1,225,000)                     | (1,103,481)                                  |
| General Electric                             | 3,000   | 2.65%                | 12/20/13            | 4.00%                           | 171,007             |                                 | 171,007                                      |
| General Electric                             | 5,000   | 2.65%                | 12/20/13            | 4.25%                           | 334,929             |                                 | 334,929                                      |
| General Electric                             | 4,100   | 2.65%                | 12/20/13            | 4.65%                           | 340,134             |                                 | 340,134                                      |
| General Electric                             | 8,400   | 2.65%                | 3/20/14             | 4.05%                           | 515,441             |                                 | 515,441                                      |
| GMAC   | 1,500   | 7.04%                | 6/20/12             | 1.40%                           | (206,405)           |                                 | (206,405)                                    |
| International Lease Finance                  | 3,000   | 12.39%               | 12/20/13            | 5.00%                           | (581,405)           | (480,000)                       | (101,405)                                    |
| JPMorgan Chase                               | 4,100   | 0.68%                | 9/20/12             | 0.48%                           | (22,619)            |                                 | (22,619)                                     |
| SLM  | 13,000  | 11.66%               | 12/20/13            | 5.00%                           | (2,318,071)         | (1,492,000)                     | (826,071)                                    |
| Credit Suisse First Boston:                  |   |                      |                     |                                 |                     |                                 |  |
| Ford Motor Credit                            | 4,200   | 5.04%                | 9/20/09             | 3.79%                           | 11,181              |                                 | 11,181                                       |
| Qwest Capital Funding                        | 7,000   | 4.12%                | 12/20/10            | 4.56%                           | 79,121              |                                 | 79,121                                       |
| Deutsche Bank:                               |   |                      |                     |                                 |                     |                                 |  |
| American International<br>Group              | 3,400   | 16.50%               | 12/20/12            | 0.90%                           | (1,212,329)         |                                 | (1,212,329)                                  |
| American International<br>Group              | 4,000   | 15.45%               | 12/20/13            | 5.00%                           | (1,107,474)         | (680,000)                       | (427,474)                                    |
| Brazilian Government<br>International Bond   | 8,500   | 0.54%                | 12/20/09            | 3.05%                           | 114,239             |                                 | 114,239                                      |
| CIT Group                                    | 13,000  | 53.81%               | 12/20/13            | 5.00%                           | (6,054,050)         | (3,040,000)                     | (3,014,050)                                  |
| General Electric                             | 3,500   | 2.65%                | 12/20/13            | 3.68%                           | 154,782             |                                 | 154,782                                      |
| General Electric                             | 5,000   | 2.65%                | 12/20/13            | 4.23%                           | 330,936             |                                 | 330,936                                      |
| General Electric                             | 10,800  | 2.65%                | 12/20/13            | 4.70%                           | 917,528             |                                 | 917,528                                      |
| General Electric                             | 6,000   | 2.65%                | 12/20/13            | 4.78%                           | 527,708             |                                 | 527,708                                      |
| GMAC   | 10,500  | 6.52%                | 9/20/09             | 1.50%                           | (55,737)            |                                 | (55,737)                                     |
| SLM  | 10,500  | 11.66%               | 12/20/13            | 5.00%                           | (1,872,288)         | (1,400,000)                     | (472,288)                                    |
| Goldman Sachs:<br>Citigroup                  | 2,000   | 3.08%                | 12/20/12            | 0.77%                           | (138,673)           |                                 | (138,673)                                    |

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|                                      |        |        |          |       |                |                |               |
|--------------------------------------|--------|--------|----------|-------|----------------|----------------|---------------|
| Citigroup                            | 1,000  | 3.08%  | 12/20/12 | 0.80% | (68,390)       |                | (68,390)      |
| Morgan Stanley                       | 6,400  | 1.63%  | 6/20/12  | 4.10% | 464,417        |                | 464,417       |
| JPMorgan Chase:                      |        |        |          |       |                |                |               |
| Ford Motor Credit                    | 4,000  | 6.18%  | 6/20/10  | 5.60% | 6,087          |                | 6,087         |
| Gazprom                              | 9,800  | 3.89%  | 7/20/12  | 0.63% | (873,096)      |                | (873,096)     |
| Mexico Government International Bond | 5,000  | 0.96%  | 12/20/09 | 3.00% | 57,646         |                | 57,646        |
| Merrill Lynch & Co.:                 |        |        |          |       |                |                |               |
| American Express                     | 2,400  | 1.61%  | 12/20/13 | 4.40% | 280,136        |                | 280,136       |
| Ford Motor                           | 8,000  | 10.92% | 6/20/13  | 5.00% | (1,377,803)    | (1,532,500)    | 154,697       |
| Gazprom                              | 5,000  | 3.89%  | 7/20/12  | 0.63% | (444,764)      |                | (444,764)     |
| SLM                                  | 2,100  | 11.66% | 12/20/13 | 5.00% | (374,458)      | (294,000)      | (80,458)      |
| Vale Overseas                        | 3,000  | 1.13%  | 4/20/12  | 0.50% | (45,799)       |                | (45,799)      |
| Morgan Stanley:                      |        |        |          |       |                |                |               |
| Citigroup                            | 2,700  | 3.08%  | 12/20/12 | 0.80% | (184,654)      |                | (184,654)     |
| Ford Motor Credit                    | 5,000  | 6.83%  | 9/20/10  | 4.05% | (128,219)      |                | (128,219)     |
| General Electric                     | 10,000 | 2.65%  | 12/20/13 | 4.15% | 629,924        |                | 629,924       |
| MetLife                              | 4,000  | 3.23%  | 3/20/13  | 2.05% | (143,747)      |                | (143,747)     |
|                                      |        |        |          |       | \$(17,380,649) | \$(11,286,000) | \$(6,094,649) |

(1) If the Fund is a buyer of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) receive from the seller of protection an amount equal to the notional amount of the swap and deliver the referenced obligation or underlying securities compromising the referenced index or (ii) receive a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities compromising the referenced index.

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

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

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

(5) The quoted market prices and resulting values for credit default swap agreements serve as an indicator of the status at July 31, 2009 of the payment/performance risk and represent the likelihood of an expected liability (or profit) for the credit derivative should the notional amount of the swap agreement been closed/sold as of the period end. Increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

(E) Forward foreign currency contracts outstanding at July 31, 2009:

|   | Counterparty         | U.S.\$ Value<br>Origination Date | U.S.\$ Value<br>July 31, 2009 | Unrealized<br>Appreciation<br>(Depreciation) |
|---|----------------------|----------------------------------|-------------------------------|--|
| <b>Purchased:</b>                                 |                      |                                  |                               |  |
| 390,000 Australian Dollar settling 8/25/09        | JPMorgan Chase & Co. | \$ 315,563                       | \$ 323,756                    | \$ 8,193                                     |
| 5,246,748 Brazilian Real settling 8/4/09          | Barclays Bank        | 2,664,000                        | 2,795,805                     | 131,805                                      |
| 1,051,008 Brazilian Real settling 8/4/09          | HSBC Bank USA        | 535,000                          | 560,045                       | 25,045                                       |
| 6,297,756 Brazilian Real settling 10/2/09         | JPMorgan Chase       | 3,123,887                        | 3,319,240                     | 195,353                                      |
| 781,000 Canadian Dollar settling 9/17/09          | JPMorgan Chase & Co. | 724,082                          | 722,541                       | (1,541)                                      |
| 200,000 Canadian Dollar settling 8/4/09           | Royal Bank of Canada | 171,995                          | 184,997                       | 13,002                                       |
| 580,725 Canadian Dollar settling 8/4/09           | UBS                  | 500,000                          | 537,161                       | 37,161                                       |
| 10,670,247 Chinese Yuan Renminbi settling 3/29/10 | Bank of America      | 1,586,300                        | 1,569,113                     | (17,187)                                     |
| 199,600 Chinese Yuan Renminbi settling 3/29/10    | Barclays Bank        | 29,540                           | 29,352                        | (188)  |
| 2,757,800 Chinese Yuan Renminbi settling 9/8/09   | Citigroup            | 400,000                          | 403,728                       | 3,728  |

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|   |                               |            |            |           |
|---|-------------------------------|------------|------------|-----------|
| 1,418,337 Chinese Yuan Renminbi settling<br>3/29/10 | Citigroup                     | 209,969    | 208,574    | (1,395)   |
| 949,893 Chinese Yuan Renminbi settling<br>3/29/10   | Deutsche Bank                 | 140,745    | 139,687    | (1,058)   |
| 1,364,773 Chinese Yuan Renminbi settling<br>3/29/10 | HSBC Bank USA                 | 201,800    | 200,697    | (1,103)   |
| 12,700 Chinese Yuan Renminbi settling<br>3/29/10    | JPMorgan Chase                | 1,879      | 1,868      | (11)      |
| 16,852,000 Japanese Yen settling 8/4/09             | JPMorgan Chase & Co.          | 175,853    | 177,026    | 1,173     |
| 12,180 Malaysian Ringgit settling 8/12/09           | Barclays Bank                 | 3,400      | 3,457      | 57        |
| 1,111 Malaysian Ringgit settling 8/12/09            | Citigroup                     | 315        | 315        |           |
| 6,311 Malaysian Ringgit settling 8/12/09            | Deutsche Bank                 | 1,782      | 1,791      | 9         |
| 16,567 Malaysian Ringgit settling 8/12/09           | JPMorgan Chase                | 4,630      | 4,702      | 72        |
| 883,891 Mexican Peso settling 11/27/09              | Citigroup                     | 59,302     | 65,823     | 6,521     |
| 2,021,550 Mexican Peso settling 11/27/09            | JPMorgan Chase                | 150,000    | 150,543    | 543       |
| 24 Singapore Dollar settling 11/18/09               | Bank of America               | 16         | 16         |           |
| 6,717 Singapore Dollar settling 11/18/09            | Barclays Bank                 | 4,611      | 4,656      | 45        |
| 22,896 Singapore Dollar settling 11/18/09           | Deutsche Bank                 | 15,676     | 15,871     | 195       |
| 10,136 Singapore Dollar settling 11/18/09           | Royal Bank of Scotland<br>PLC | 6,980      | 7,026      | 46        |
| <b>Sold:</b>  |                               |            |            |           |
| 402,000 Australian Dollar settling 8/28/09          | JPMorgan Chase & Co.          | 329,801    | 333,645    | (3,844)   |
| 6,297,756 Brazilian Real settling 8/4/09            | JPMorgan Chase                | 3,161,524  | 3,355,850  | (194,326) |
| 568,000 British Pound settling 8/6/09               | Credit Suisse First<br>Boston | 917,275    | 941,654    | (24,379)  |
| 1,025,000 British Pound settling 8/6/09             | JPMorgan Chase & Co.          | 1,655,375  | 1,699,287  | (43,912)  |
| 1,850,000 British Pound settling 8/6/09             | Morgan Stanley                | 3,056,200  | 3,067,006  | (10,806)  |
| 1,874,343 Chinese Yuan Renminbi settling<br>9/8/09  | Barclays Bank                 | 274,503    | 274,394    | 109       |
| 1,626,129 Chinese Yuan Renminbi settling<br>3/29/10 | Barclays Bank                 | 240,161    | 239,131    | 1,030     |
| 1,599,254 Chinese Yuan Renminbi settling<br>9/8/09  | Deutsche Bank                 | 234,186    | 234,123    | 63        |
| 2,972,469 Chinese Yuan Renminbi settling<br>3/29/10 | Deutsche Bank                 | 440,499    | 437,116    | 3,383     |
| 368,369 Chinese Yuan Renminbi settling<br>9/8/09    | JPMorgan Chase                | 52,699     | 53,927     | (1,228)   |
| 11,470,000 Euro settling 9/4/09                     | Goldman Sachs & Co.           | 16,310,535 | 16,262,509 | 48,026    |
| 16,852,000 Japanese Yen settling 9/9/09             | JPMorgan Chase & Co.          | 175,908    | 177,084    | (1,176)   |
| 16,852,000 Japanese Yen settling 8/4/09             | Royal Bank of Canada          | 177,061    | 177,026    | 35        |
| 36,170 Malaysian Ringgit settling 8/12/09           | Barclays Bank                 | 10,136     | 10,265     | (129)     |
| 12,213 Malaysian Ringgit settling 11/12/09          | Barclays Bank                 | 3,400      | 3,455      | (55)      |
| 1,111 Malaysian Ringgit settling 2/12/10            | Citigroup                     | 314        | 314        |           |
| 6,311 Malaysian Ringgit settling 11/12/09           | Deutsche Bank                 | 1,779      | 1,785      | (6)       |
| 16,567 Malaysian Ringgit settling 11/12/09          | JPMorgan Chase                | 4,618      | 4,686      | (68)      |
| 2,905,441 Mexican Peso settling 11/27/09            | Deutsche Bank                 | 210,273    | 216,366    | (6,093)   |
|   |                               |            | \$         | 167,089   |

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The Fund received \$3,661,814 in cash as collateral for derivative contracts. Cash collateral received may be invested in accordance with the Fund's investment strategy.

(F) The weighted average daily balance of reverse repurchase agreements outstanding during the period ended July 31, 2009 was \$15,499,829 at a weighted average interest rate of 1.21%. The total market value of underlying collateral (refer to the Schedule of Investments for positions segregated as collateral for reverse repurchase agreements) for open reverse repurchase agreements at July 31, 2009 was \$24,506,918. Open reverse repurchase agreements at July 31, 2009:

| Counterparty   | Rate  | Trade Date | Maturity Date | Principal & Interest | Principal    |
|----------------|-------|------------|---------------|----------------------|--------------|
| Barclays Bank: | 0.75% | 7/23/09    | 8/24/09       | \$7,189,647          | \$7,188,000  |
|                | 0.75% | 7/24/09    | 8/24/09       | 12,453,594           | 12,451,000   |
|                |       |            |               |                      | \$19,639,000 |

The Fund received \$1,447,213 in U.S. Government securities as collateral for reverse repurchase agreements. Collateral received as securities cannot be pledged.

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**Fair Value Measurements** The Fund has adopted Financial Accounting Standards Board ( FASB ) Statement of Financial Accounting Standards No. 157, Fair Value Measurements ( SFAS 157 ). This standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of the fair value measurements. Under this standard, 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 under SFAS 157 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 (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.), or quotes from inactive exchanges
- Level 3 valuations based on significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The Fund has adopted FASB Staff Position No. 157-4, Determining Fair Value When the Volume and Level of Activity for the Asset or Liability have Significantly Decreased and Identifying Transactions that are not Orderly ( FAS 157-4 ). FAS 157-4 provides guidance on determining when there has been a significant decrease in the volume and level of activity for an asset or liability, when a transaction is not orderly, and how that information must be incorporated into a fair value measurement. FAS 157-4 emphasizes that even if there has been a significant decrease in the volume and level of activity for an asset or liability and regardless of the valuation techniques used, the objective of a fair value measurement remains the same.

An investment asset or liability's level within the fair value hierarchy is based on the lowest level input, individually or in the aggregate, that is significant to fair value measurement.

The valuation techniques used by the Fund to measure fair value during the nine months ended July 31, 2009 maximized the use of observable inputs and minimized the use of unobservable inputs. The Fund utilized the fair value techniques of multi-dimensional relational pricing models and option adjusted spread pricing.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

A summary of the inputs used as of July 31, 2009, in valuing the Fund's assets and liabilities is listed below by industry, country or investment types.

|   | Level 1 -<br>Quoted Prices | Level 2 -<br>Other Significant<br>Observable<br>Inputs | Level 3 -<br>Significant<br>Unobservable<br>Inputs | Value at<br>7/31/09 |
|---|----------------------------|--|--|---------------------|
| <b>Investments in Securities - Assets</b> |                            |  |  |                     |
| Corporate Bonds & Notes                   |                            | \$445,147,382  | \$6,922,508  | \$452,069,890       |
| Mortgaged-Backed Securities               |                            | 65,782,642   | 804,912  | 66,587,554          |
| U.S. Treasury Bonds and Notes             |                            | 18,330,124   |  | 18,330,124          |

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|  |                     |                      |                    |                      |
|--|---------------------|----------------------|--------------------|----------------------|
| Convertible Preferred Stock                    | \$7,577,678         |                      |                    | 7,577,678            |
| Sovereign Debt Obligations                     |                     | 5,069,139            |                    | 5,069,139            |
| U.S. Government Agency Securities              |                     | 2,844,097            |                    | 2,844,097            |
| Short-Term Investments                         |                     | 32,573,549           |                    | 32,573,549           |
| Purchased Options                              |                     | 695,812              |                    | 695,812              |
| <b>Total Investments in Securities Assets</b>  | <b>\$7,577,678</b>  | <b>\$570,442,745</b> | <b>\$7,727,420</b> | <b>\$585,747,843</b> |
| <b>Investments in Securities - Liabilities</b> |                     |                      |                    |                      |
| Other Financial Instruments*                   | \$8,952,918         | \$(6,415,869)        | \$                 | \$2,537,049          |
| <b>Total Investments in Securities</b>         | <b>\$16,530,596</b> | <b>\$564,026,876</b> | <b>\$7,727,420</b> | <b>\$588,284,892</b> |

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A roll forward of fair value measurements using significant unobservable inputs (Level 3) as of July 31, 2009, were as follows:

|  | Beginning<br>Balance<br>10/31/08 | Net<br>Purchases(Sales)<br>and Settlements | Accrued<br>Discounts<br>(Premiums) | Total Realized<br>Gain(Loss) | Total Change<br>in Unrealized<br>Gain(Loss) | Transfers<br>in<br>and/or out<br>of Level 3 | Ending Balance<br>7/31/09 |
|--|----------------------------------|--|------------------------------------|------------------------------|---|---|---------------------------|
| <b>Investments in Securities - Assets</b>      |                                  |  |                                    |                              |   |   |                           |
| Corporate Bonds & Notes                        | \$14,646,470                     | \$(10,076,335)                             | \$50,709                           | \$(936,669)                  | \$1,736,436                                 | \$1,501,897                                 | \$6,922,508               |
| Mortgaged-Backed Securities                    |                                  | 809,054                                    | 3,036                              |                              | (7,178)                                     |   | 804,912                   |
| <b>Total Investments in Securities</b>         | \$14,646,470                     | \$(9,267,281)                              | \$53,745                           | \$(936,669)                  | \$1,729,258                                 | \$1,501,897                                 | \$7,727,420               |
| <b>Investments in Securities - Liabilities</b> |                                  |  |                                    |                              |   |   |                           |
| Other Financial Instruments*                   | \$(43,552)                       | \$(87,051)                                 | \$                                 | \$82,803                     | \$47,800                                    | \$  | \$                        |
| <b>Total Investments in Securities</b>         | \$14,602,918                     | \$(9,354,332)                              | \$53,745                           | \$(853,866)                  | \$1,777,058                                 | \$1,501,897                                 | \$7,727,420               |

\*Other Financial Instruments are derivative instruments not reflected in the Schedule of Investments, such as futures contracts, swap agreements and forward foreign currency contracts.

**Disclosures about Derivative Instruments and Hedging Activities**-FASB Statement of Financial Accounting Standards No. 161, Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133, ( FAS 161 ) distinguishes between derivatives which are accounted for as hedges and those that do not qualify for such accounting. The Fund reflects derivatives at fair value and such do not qualify for FAS 161 hedge accounting treatment. The derivative instruments outstanding as of July 31, 2009 as disclosed in Other Investments serve as indicators of the volume of derivative activity for the Fund.

The following is a summary of the fair valuations of the Fund's derivative instruments categorized by risk exposure as of July 31, 2009. Derivative instruments are valued at the unrealized appreciation (depreciation) of the instrument.

|                            | Derivatives Fair Value |
|----------------------------|------------------------|
| Interest rate contracts    | \$8,952,918            |
| Foreign exchange contracts | 167,089                |
| Credit contracts           | (6,582,958)            |
| Equity contracts           |                        |
| Other contracts            |                        |
| Total                      | \$2,537,049            |

**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 controls 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

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**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 Fund

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

Date: September 24, 2009

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

Date: September 24, 2009

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 24, 2009

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

Date: September 24, 2009

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