

PIMCO HIGH INCOME FUND
Form N-CSRS
December 02, 2009

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

FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number 811-21311

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

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

10105
(Zip code)

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

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

Date of fiscal year March 31, 2010
end:

Date of reporting period: September 30, 2009

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 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. Report to Shareholders

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PIMCO High Income Fund Letter to Shareholders

November 16, 2009

Dear Shareholder:

Please find enclosed the semi-annual report for PIMCO High Income Fund (the Fund) for the fiscal six-month period ended September 30, 2009.

U.S. corporate bond indexes rallied during the fiscal six-month period as central banks and monetary authorities worldwide infused financial markets with unprecedented levels of liquidity in an effort to repair a global credit crisis. In response, investors moved capital away from government bonds and into riskier asset classes, including equities and corporate credit. In this environment, high yield U.S. corporate bonds outperformed the broad bond market and Treasuries as the unmanaged Merrill Lynch U.S. High Yield Index returned 46.27% during the six-month reporting period, compared with the unmanaged Barclays Capital U.S. Aggregate Index which returned 5.59% and the unmanaged Barclays Capital U.S. Treasury Index which declined 0.98% for the fiscal six-month period ended September 30, 2009.

During the six-month period, the Fund's Board of Trustees (the Trustees) approved two changes to the Fund's investment policies. As noted in the press release dated September 10, 2009, the Fund replaced its 80% minimum investment policy with respect to High Yield Securities with a less restrictive 50% policy, effective November 13, 2009. On April 6, 2009, Fund issued a press release to make explicit the Fund's investment policies allow it to hold common stock received upon conversion of other portfolio securities, such that common stocks may represent up to 20% of the Fund's total assets. The Fund may invest in preferred stock and convertible securities, which may allow for conversion into common stock. Press releases containing more detailed descriptions of these actions are available at www.allianzinvestors.com/closedendfunds.

For specific information on the Fund and its performance, please review the following pages. If you have any questions regarding the information provided, we encourage you to contact your financial advisor or call the Fund's shareholder servicing agent at (800) 254-5197. In addition, a wide range of information and resources is available on our website, www.allianzinvestors.com/closedendfunds.

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

We remain dedicated to serving your investment needs.

Sincerely,

Hans W. Kertess
Chairman

Brian S. Shlissel
President & Chief Executive Officer

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PIMCO High Income Fund Fund Insights/Performance & Statistics

September 30, 2009 (unaudited)

- For the fiscal six-month period ended September 30, 2009, PIMCO High Income Fund (the Fund) returned 141.14% on net asset value (NAV) and 102.21% on market value.
- An emphasis on financials sector, which benefited from recapitalization efforts during the fiscal six-month period, was a significant contributor to relative performance.
- Strong security selection in the consumer cyclical sector, where auto-related credits materially outperformed the broader industry category, contributed positively to Fund performance during the reporting period.
- An underweight position in the energy sector, which lagged the overall market during the fiscal six-month period, contributed positively to relative performance.
- A below-index weighting to consumer non-cyclicals, where beverage and tobacco companies led the underperformance for the broader sector, was a strong contributor to Fund performance.
- As real estate bonds posted very robust returns, led by real estate developers and managers, the Fund's underweighting in this sector detracted from performance.
- An underweighting in gaming companies, which significantly outperformed the broader high-yield market, detracted from relative performance.
- Exposure to investment-grade bonds detracted from performance as the high-grade market was significantly outpaced by high-yield bonds.

Total Return(1):	Market Price	Net Asset Value (NAV)
Six Months	102.21%	141.14%
1 Year	49.91%	14.62%
5 Year	8.84%	1.70%
Commencement of Operations (4/30/03) to 9/30/09	8.79%	4.75%

Market Price/NAV Performance:	Market Price/NAV:	
Commencement of Operations (4/30/03) to 9/30/09	Market Price	\$10.34
NAV	NAV	\$7.34
Market Price	Premium to NAV	40.87%
	Market Price Yield(2)	9.79%

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

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

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

(2) Market Price Yield is determined by dividing the annualized current monthly per share dividend (comprised of net investment income) payable to common shareholders by the market price per common share at September 30, 2009.

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PIMCO High Income Fund Schedule of Investments

September 30, 2009 (unaudited)

Principal Amount (000)		Credit Rating (Moody s/S&P)	Value
CORPORATE BONDS & NOTES 81.3%			
Airlines 3.4%			
\$8,760	American Airlines Pass Through Trust, 8.608%, 10/1/12	Ba3/BB-	\$7,884,000
10,000	American Airlines, Inc., 10.50%, 10/15/12 (a) (b) (d) (e)	B2/B	10,300,000
3,605	Continental Airlines, Inc., 6.90%, 7/2/18	Ba2/BB-	3,172,289
8,667	6.92%, 4/2/13 (a) (b) (g)	NR/NR	7,416,118
10,000	9.00%, 7/8/16	Baa2/A-	10,631,250
			39,403,657
Automotive 1.9%			
5,000	Ford Motor Co., 7.125%, 11/15/25	Caa2/CCC-	3,775,000
5,900	7.50%, 8/1/26	Caa2/CCC-	4,336,500
5,000	9.215%, 9/15/21	Caa2/CCC-	4,187,500
9,450	Goodyear Tire & Rubber Co., 9.00%, 7/1/15	B1/B+	9,851,625
			22,150,625
Banking 2.5%			
£15,000	BAC Capital Trust VII, 5.25%, 8/10/35	Baa3/B	15,413,736
\$16,200	Regions Financial Corp., 0.453%, 6/26/12, FRN	Baa3/BBB+	13,899,519
			29,313,255
Computer Services 0.8%			
9,000	SunGard Data Systems, Inc., 10.25%, 8/15/15	Caa1/B-	9,225,000
Electronics 2.0%			
1,950	Sanmina-SCI Corp., 8.125%, 3/1/16	B3/CCC	1,833,000
9,375	Sensata Technologies BV, 8.00%, 5/1/14	Caa3/CCC-	8,789,063
10,700	11.25%, 1/15/14	Ca/NR	13,176,858
			23,798,921
Entertainment 0.0%			
\$550	Speedway Motorsports, Inc., 8.75%, 6/1/16 (a) (d)	Ba1/BB	574,750
Financial Services 47.1%			
8,570	AGFC Capital Trust I, 6.00%, 1/15/67, (converts to FRN on 1/15/17) (a) (d)	Ba3/B	3,556,550
2,000	American General Finance Corp., 0.72%, 8/17/11, FRN	Baa3/BB+	1,605,720
10,000	4.625%, 6/22/11	Baa3/NR	11,912,693
\$2,925	4.875%, 7/15/12	Baa3/BB+	2,271,075
10,000	5.40%, 12/1/15	Baa3/BB+	7,021,560
29,200	5.625%, 8/17/11	Baa3/BB+	24,573,873
2,515	5.85%, 6/1/13	Baa3/BB+	1,906,048
3,000	6.90%, 12/15/17	Baa3/BB+	2,101,092
5,000	American International Group, Inc., 4.875%, 3/15/67, (converts to FRN on 3/15/17)	Ba2/BBB	3,325,367
\$4,500	5.05%, 10/1/15	A3/A-	3,338,689
£10,000	5.75%, 3/15/67, (converts to FRN on 3/15/17)	Ba2/BBB	7,357,010
\$3,150	5.85%, 1/16/18	A3/A-	2,284,059
5,000	6.25%, 5/1/36	A3/A-	3,250,225
£50,400	8.625%, 5/22/68, (converts to FRN on 5/22/18)	Ba2/BBB	44,737,019

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\$12,500	AmSouth Bancorp, 6.75%, 11/1/25	Ba1/BBB	9,265,288
25,000	Aviation Capital Corp., 2.224%, 8/8/12 (a) (b) (g)	NR/NR	19,110,114
160	BankAmerica Capital II, 8.00%, 12/15/26	Baa3/B	156,800

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PIMCO High Income Fund Schedule of Investments

September 30, 2009 (unaudited) (continued)

Principal Amount (000)		Credit Rating (Moody s/S&P)	Value
Financial Services (continued)			
\$5,100	BankAmerica Institutional Capital B, 7.70%, 12/31/26 (a) (d)	Baa3/B	\$4,768,500
£29,775	Barclays Bank PLC, 14.00%, 6/15/19 (h)	Baa2/BBB+	61,906,841
\$5,000	Buffalo Thunder Development Authority, 9.375%, 12/15/14 (a) (d) (f)	NR/NR	912,500
5,000	Capital One Capital III, 7.686%, 8/15/36	Baa2/BB	4,300,000
7,700	Chukchansi Economic Development Authority, 8.00%, 11/15/13 (a) (d)	B3/B+	6,121,500
1,100	First Horizon National Corp., 4.50%, 5/15/13	Baa2/BB+	966,973
11,400	Ford Motor Credit Co. LLC, 3.26%, 1/13/12, FRN (j)	Caa1/CCC+	10,274,250
802	5.549%, 6/15/11, FRN	Caa1/CCC+	766,912
825	7.00%, 10/1/13	Caa1/CCC+	775,274
13,000	7.50%, 8/1/12	Caa1/CCC+	12,491,999
600	7.80%, 6/1/12	Caa1/CCC+	580,256
14,000	8.00%, 6/1/14	Caa1/CCC+	13,471,822
2,000	GMAC, Inc., 6.00%, 12/15/11	Ca/CCC	1,834,304
5,000	6.75%, 12/1/14	Ca/CCC	4,218,375
3,720	7.00%, 2/1/12	Ca/CCC	3,429,528
35,200	7.50%, 12/31/13 (a) (d)	Ca/CCC	31,152,000
26,270	8.00%, 11/1/31	Ca/CCC	21,049,232
7,425	HBOS PLC, 6.75%, 5/21/18 (a) (d)	Baa2/BBB-	6,632,411
2,000	Host Hotels & Resorts L.P., 6.375%, 3/15/15	Ba1/BB+	1,905,000
2,000	6.75%, 6/1/16	Ba1/BB+	1,910,000
3,000	ILFC E-Capital Trust I, 5.90%, 12/21/65, (converts to FRN on 12/21/10) (a) (b) (d)	Ba2/BBB-	1,545,000
13,430	ILFC E-Capital Trust II, 6.25%, 12/21/65, (converts to FRN on 12/21/15) (a) (b) (d)	Ba2/BBB-	6,916,450
15,000	International Lease Finance Corp., 1.248%, 8/15/11, FRN	Baa3/BBB+	18,109,408
\$4,070	4.75%, 1/13/12 (j)	Baa3/BBB+	3,454,062
1,125	4.95%, 2/1/11	Baa3/BBB+	1,030,441
6,935	5.00%, 9/15/12	Baa3/BBB+	5,568,805
2,000	5.35%, 3/1/12	Baa3/BBB+	1,701,050
1,960	5.40%, 2/15/12	Baa3/BBB+	1,685,241
1,250	5.45%, 3/24/11	Baa3/BBB+	1,152,671
1,950	5.55%, 9/5/12	Baa3/BBB+	1,594,683
1,000	5.625%, 9/20/13	Baa3/BBB+	762,774
2,000	5.875%, 5/1/13	Baa3/BBB+	1,574,744
18,000	6.29%, 10/15/17 (g)	NR/BBB+	12,248,875
17,715	6.375%, 3/25/13	Baa3/BBB+	14,221,248
1,500	6.625%, 11/15/13	Baa3/BBB+	1,190,784
33	JET Equipment Trust (a) (d) (f), 7.63%, 2/15/15	NR/NR	19,038
165	10.00%, 12/15/13	NR/NR	99,382
21,610	M&I Marshall & Ilsley Bank, 4.85%, 6/16/15	A3/BBB-	16,981,916
3,705	NSG Holdings LLC, 7.75%, 12/15/25 (a) (d)	Ba2/BB	3,334,500

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10,000	Pacific Life Insurance Co., 9.25%, 6/15/39 (a) (d)	A3/A	11,498,370
4,045	Piper Jaffray Equipment Trust Securities, 6.75%, 4/1/11 (a) (b) (d) (g)	NR/NR	3,822,729
36,000	Rabobank Nederland NV, 11.00%, 6/30/19 (a) (d) (h)	Aa2/AA-	44,223,120
£2,347	Royal Bank of Scotland PLC, 5.280%, 4/6/11, FRN	NR/NR	2,608,251

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PIMCO High Income Fund Schedule of Investments

September 30, 2009 (unaudited) (continued)

Principal Amount (000)		Credit Rating (Moody s/S&P)	Value
Financial Services (continued)			
\$1,000	Scotland International Finance No. 2 BV, 4.25%, 5/23/13 (a) (d)	Baa1/BBB	\$970,790
1,082	SG Capital Trust III, 5.419%, 11/10/13 (h) SLM Corp.,	A1/BBB+	1,250,223
\$3,600	0.62%, 1/31/14, FRN	Ba1/BBB-	2,150,496
10,000	4.75%, 3/17/14	Ba1/BBB-	10,962,749
\$625	5.00%, 10/1/13	Ba1/BBB-	498,048
12,200	5.05%, 11/14/14	Ba1/BBB-	8,979,444
3,150	5.375%, 1/15/13	Ba1/BBB-	2,628,590
32,735	8.45%, 6/15/18	Ba1/BBB-	26,152,646
2,500	SMFG Preferred Capital Ltd., 9.50%, 7/25/18 (a) (d) (h)	A2/BBB+	2,776,340
896	State Street Capital Trust III, 8.25%, 3/15/42, (converts to FRN on 3/15/11)	A3/BBB+	877,811
2,000	USB Capital IX, 6.189%, 4/15/11 (h) (j)	A2/BBB+	1,555,000
2,500	Wells Fargo Capital XIII, 7.70%, 3/26/13 (h)	Ba3/A-	2,212,500
			553,599,038
Healthcare & Hospitals 2.5%			
3,000	HCA, Inc., 7.50%, 12/15/23	Caa1/B-	2,437,188
2,900	8.36%, 4/15/24	Caa1/B-	2,374,700
11,552	9.00%, 12/15/14	Caa1/B-	11,334,418
12,875	9.875%, 2/15/17 (a) (d)	B2/BB-	13,711,875
			29,858,181
Hotels/Gaming 0.3%			
1,200	MGM Mirage (a) (d), 10.375%, 5/15/14	B1/B	1,287,000
2,100	11.125%, 11/15/17	B1/B	2,304,750
			3,591,750
Insurance 5.0%			
6,200	American International Group, Inc., 8.00%, 5/22/68, (converts to FRN on 5/22/18)	Ba2/BBB	4,984,396
\$37,250	8.175%, 5/15/68, (converts to FRN on 5/15/38)	Ba2/BBB	22,629,375
30,750	8.25%, 8/15/18	A3/A-	26,170,956
5,000	MetLife Capital Trust X, 9.25%, 4/8/68, VRN (a) (d)	Baa1/BBB	5,213,390
			58,998,117
Machinery 0.2%			
2,600	Chart Industries, Inc., 9.125%, 10/15/15	B3/B+	2,613,000
Multi-Media 0.2%			
2,420	Lighthouse International Co. S.A., 8.00%, 4/30/14 (a) (d)	B3/BB-	2,334,627
Oil & Gas 3.1%			
\$7,150	Chesapeake Energy Corp., 9.50%, 2/15/15	Ba3/BB	7,561,125
4,640	Cie Generale de Geophysique-Veritas, 7.50%, 5/15/15	Ba3/BB	4,640,000
1,000	7.75%, 5/15/17	Ba3/BB	997,500
5,000	El Paso Corp., 8.05%, 10/15/30	Ba3/BB-	4,647,290
3,000	Enbridge Energy Partners L.P., 8.05%, 10/1/77, (converts to FRN on 10/1/17)	Baa3/BB+	2,673,762
6,000	OPTI Canada, Inc., 8.25%, 12/15/14	Caa1/B	4,680,000

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10,025	SandRidge Energy, Inc., 8.625%, 4/1/15, PIK	B3/B-	9,987,406
15,460	SemGroup L.P., 8.75%, 11/15/15 (a) (d) (f)	NR/NR	1,082,200
			36,269,283

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PIMCO High Income Fund Schedule of Investments

September 30, 2009 (unaudited) (continued)

Principal Amount (000)		Credit Rating (Moody's/S&P)	Value
Paper/Paper Products 0.9%			
\$8,045	Verso Paper Holdings LLC, 9.125%, 8/1/14	B2/B-	\$5,993,525
5,000	Weyerhaeuser Co., 7.375%, 10/1/19 (e)	Ba1/BBB-	4,996,440
			10,989,965
Printing/Publishing 0.7%			
10,281	Dex Media West LLC, 9.875%, 8/15/13 (f)	NR/D	1,876,282
1,000	Hollinger, Inc., 11.875%, 3/1/11 (a) (b) (d) (f) (g)	NR/NR	164,627
3,075	Local Insight Regatta Holdings, Inc., 11.00%, 12/1/17	Caa3/CCC+	1,552,875
7,250	RH Donnelley, Inc., 11.75%, 5/15/15 (a) (d) (f)	NR/D	4,132,500
			7,726,284
Telecommunications 7.4%			
23,850	Frontier Communications Corp., 9.00%, 8/15/31	Ba2/BB	23,492,250
	Hawaiian Telcom Communications, Inc. (b) (f),		
8,815	9.75%, 5/1/13	NR/NR	132,225
900	zero coupon, 5/1/13, FRN	NR/NR	6,750
	Intelsat Corp.,		
14,625	6.875%, 1/15/28	B1/BB-	12,211,875
1,000	9.25%, 6/15/16	B3/BB-	1,035,000
3,140	Nortel Networks Ltd., 10.125%, 7/15/13 (f)	NR/NR	1,821,200
10,250	Qwest Corp., 8.375%, 5/1/16 (a) (d)	Ba1/BBB-	10,660,000
25,970	Sprint Capital Corp., 8.75%, 3/15/32	Ba2/BB	24,671,500
4,200	Telesat Canada, 12.50%, 11/1/17	Caa1/B-	4,494,000
7,500	Wind Acquisition Finance S.A., 10.75%, 12/1/15 (a) (d)	B2/BB-	8,287,500
			86,812,300
Transportation 0.2%			
2,000	Kansas City Southern de Mexico S.A. de C.V., 9.375%, 5/1/12	B2/B+	2,040,000
Utilities 3.1%			
	Energy Future Holdings Corp.,		
1,500	10.875%, 11/1/17	Caa2/B-	1,140,000
10,120	11.25%, 11/1/17, PIK	Caa2/B-	6,729,800
19,450	Legrand France S.A., 8.50%, 2/15/25	Baa3/BBB	18,229,279
13,750	Texas Competitive Electric Holdings Co. LLC, 10.25%, 11/1/15	Caa2/CCC	9,968,750
			36,067,829
Total Corporate Bonds & Notes (cost-\$913,085,247)			955,366,582
MORTGAGE-BACKED SECURITIES 7.0%			
3,098	American Home Mortgage Assets, 6.25%, 6/25/37, CMO	Ca/B+	1,609,857
443	American Home Mortgage Investment Trust, 5.66%, 9/25/45, CMO, FRN	A1/A	280,005
17,555	Banc of America Alternative Loan Trust, 6.00%, 3/25/36, CMO	Caa1/NR	14,790,636
114	Banc of America Mortgage Securities, Inc., 5.417%, 2/25/36, CMO, FRN	NR/A-	83,554
31,036	BCRR Trust, 5.858%, 7/17/40, CMO, VRN (a) (d) (g)	Aaa/NR	18,893,630
	Bear Stearns Adjustable Rate Mortgage Trust, CMO, VRN,		
18,889	3.870%, 8/25/35	B3/CCC	12,800,557

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4.996%, 1/25/35

A1/AAA

81,806

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PIMCO High Income Fund Schedule of Investments

September 30, 2009 (unaudited) (continued)

Principal Amount (000)		Credit Rating (Moody s/S&P)	Value
\$527	Chase Mortgage Finance Corp., CMO, FRN, 5.427%, 3/25/37	B3/NR	\$368,832
942	6.177%, 9/25/36	Ba1/NR	797,310
7,592	Citigroup Commercial Mortgage, Inc., 5.499%, 7/17/17, CMO (a) (d) (g)	NR/NR	3,500,754
361	Citigroup Mortgage Loan Trust, Inc., CMO, VRN, 5.674%, 7/25/46	NR/CCC	247,286
708	5.902%, 7/25/37	Caa2/BB	484,015
2,552	5.985%, 9/25/37	NR/AAA	1,586,412
1,100	Countrywide Alternative Loan Trust, CMO, 5.883%, 2/25/37, VRN	NR/CCC	697,442
774	6.00%, 11/25/36	Caa1/NR	469,345
434	6.50%, 6/25/36	Caa2/NR	269,355
233	Countrywide Home Loan Mortgage Pass Through Trust, 6.073%, 9/25/47, CMO, VRN	NR/CCC	148,069
327	First Horizon Asset Securities, Inc., 5.831%, 5/25/37, CMO, FRN	NR/B	218,720
220	Harborview Mortgage Loan Trust, CMO, 0.436%, 7/21/36, FRN	Ba3/CCC	104,323
1,863	5.75%, 8/19/36, VRN	NR/CCC	1,078,032
200	5.833%, 8/19/36, VRN	NR/B	128,618
7,600	JPMorgan Chase Commercial Mortgage Securities Corp., CMO, 5.44%, 6/12/47	Aaa/AAA	6,550,188
2,200	5.794%, 2/12/51, VRN	Aaa/AAA	1,923,376
400	LB-UBS Commercial Mortgage Trust, 5.372%, 9/15/39, CMO	Aaa/AAA	365,236
726	Merrill Lynch Alternative Note Asset, 5.540%, 6/25/37, CMO, VRN	Caa2/CCC	345,382
505	Merrill Lynch Mortgage Backed Securities Trust, 5.792%, 4/25/37, CMO, VRN	NR/CCC	335,668
143	Morgan Stanley Mortgage Loan Trust, 5.362%, 6/25/36, CMO, FRN	A1/AAA	128,928
10,000	RBSCF Trust, 6.068%, 2/17/51, CMO, VRN (a) (d) (g)	NR/NR	4,990,273
800	Residential Asset Securitization Trust, 6.50%, 8/25/36, CMO	Ca/CCC	494,826
196	Sequoia Mortgage Trust, 4.316%, 1/20/47, CMO, VRN	NR/CCC	147,882
2,001	Structured Adjustable Rate Mortgage Loan Trust, 3.568%, 8/25/34, CMO, VRN	A3/AAA	1,537,011
399	WaMu Mortgage Pass Through Certificates, CMO, 5.281%, 1/25/37, FRN	NR/CCC	264,228
358	5.320%, 3/25/37, VRN	NR/BB	281,424
1,519	5.392%, 2/25/37, VRN	NR/CCC	978,900
359	5.456%, 4/25/37, FRN	NR/CCC	219,027
924	5.564%, 12/25/36, VRN	NR/CCC	595,199
254	5.565%, 12/25/36, FRN	NR/CCC	179,604
3,041	5.605%, 11/25/36, VRN	NR/CCC	2,182,704
633	5.635%, 5/25/37, FRN	NR/CC	420,006
804	5.678%, 2/25/37, VRN	NR/CCC	514,076
849	5.834%, 2/25/37, FRN	NR/CCC	573,694
469	5.922%, 9/25/36, VRN	NR/CCC	350,697

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	Wells Fargo Mortgage Backed Securities Trust, CMO, FRN,		
560	5.592%, 7/25/36	NR/CCC	419,742
409	6.026%, 9/25/36	B3/NR	308,127
Total Mortgage-Backed Securities (cost-\$77,435,704)			82,744,756

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PIMCO High Income Fund Schedule of Investments

September 30, 2009 (unaudited) (continued)

Shares		Credit Rating (Moody s/S&P)	Value
CONVERTIBLE PREFERRED STOCK	4.2%		
Financial Services	2.6%		
	34,925	Wells Fargo & Co., 7.50%, 12/31/49, Ser. L	Ba3/A- \$31,188,025
Insurance	1.6%		
	1,596,019	American International Group, Inc., 8.50%, 8/1/11	Ba2/NR 18,434,020
Total Convertible Preferred Stock (cost-\$39,698,633)			49,622,045
SENIOR LOANS (a) (c)	1.0%		
	Principal Amount (000)		
Chemicals	0.1%		
	\$1,098	INEOS Group Ltd., 7.001%, 12/16/12, Term A	899,316
Entertainment	0.6%		
	1,109	Tribune Co. (f), 5.00%, 6/4/24, Term X (b)	547,271
	3,449	5.25%, 6/4/24, Term B	1,734,251
	9,932	5.25%, 6/4/24, Term B (b)	4,804,437
			7,085,959
Utilities	0.3%		
	4,466	Texas Competitive Electric Holdings Co. LLC, Term B, 3.754%, 10/10/14	3,527,863
	34	3.783%, 10/10/14	27,137
Total Senior Loans (cost-\$16,596,312)			3,555,000
			11,540,275
SOVEREIGN DEBT OBLIGATIONS	0.7%		
Brazil	0.7%		
	BRL14,400	Brazil Notas do Tesouro Nacional, Ser. F, 10.00%, 1/1/12 (cost-\$7,914,985)	Baa3/NR 7,850,509
ASSET-BACKED SECURITIES	0.1%		
	\$900	GSA Trust, 0.546%, 3/25/37, FRN	Caa2/CCC 386,904
	578	Reliant Energy Mid-Atlantic Power Holdings LLC, 9.237%, 7/2/17	Ba1/BB 613,098
Total Asset-Backed Securities (cost-\$1,172,876)			1,000,002
SHORT-TERM INVESTMENTS	5.7%		
Corporate Notes	3.9%		
Financial Services	3.9%		
	15,000	American General Finance Corp., 0.398%, 3/2/10, FRN	Baa3/NR 14,143,500
	3,445	4.625%, 9/1/10	Baa3/BB+ 3,158,314
	14,500	4.875%, 5/15/10	Baa3/BB+ 13,930,469
	4,075	Ford Motor Credit Co. LLC, 7.875%, 6/15/10	Caa1/CCC+ 4,093,541
	4,255	SG Capital Trust I LLC, 7.875%, 2/22/10 (h)	A1/BBB+ 5,908,556
	\$4,850		B2/B+ 4,898,500

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Universal City Development Partners Ltd., 11.75%,
4/1/10

Total Corporate Notes (cost-\$38,491,684)

46,132,880

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PIMCO High Income Fund Schedule of Investments

September 30, 2009 (unaudited) (continued)

Principal Amount (000)		Value
U.S. Treasury Bills (i)	0.8%	
\$9,340	0.17%-0.25%, 10/22/09-11/12/09 (cost-\$9,339,578)	\$9,339,578
Repurchase Agreements	1.0%	
11,300	JPMorgan Chase Bank, dated 9/30/09, 0.04%, due 10/1/09, proceeds \$11,300,013; collateralized by Fannie Mae, 2.153% due 5/7/12, valued at \$11,582,751 including accrued interest	11,300,000
207	State Street Bank & Trust Co., dated 9/30/09, 0.01%, due 10/1/09, proceeds \$207,000; collateralized by U.S. Treasury Bill, 0.063% due 11/27/09, valued at \$214,979 including accrued interest	207,000
Total Repurchase Agreements (cost-\$11,507,000)		11,507,000
Total Short-Term Investments (cost-\$59,338,262)		66,979,458
Total Investments (cost-\$1,115,242,019)		\$1,175,103,627

Notes to Schedule of Investments:

- (a) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$253,853,563, representing 21.6% of total investments.
- (b) Illiquid security.
- (c) These securities generally pay interest at rates which are periodically pre-determined by reference to a base lending rate plus a premium. These base lending rates are generally either the lending rate offered by one or more major European banks, such as the LIBOR or the prime rate offered by one or more major United States banks, or the certificate of deposit rate. These securities are generally considered to be restricted as the Fund is ordinarily contractually obligated to receive approval from the Agent bank and/or borrower prior to disposition. Remaining maturities of senior loans may be less than the stated maturities shown as a result of contractual or optional payments by the borrower. Such prepayments cannot be predicted with certainty. The interest rate disclosed reflects the rate in effect on September 30, 2009.
- (d) 144A Security Exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically only to qualified institutional buyers. Unless otherwise indicated, these securities are not considered to be illiquid.
- (e) When-issued security. To be settled after September 30, 2009.
- (f) In default.
- (g) Fair-Valued Securities with an aggregate value of \$70,147,120, representing 6.0% of total investments. See Note 1(a) in the Notes to Financial Statements.
- (h) Perpetual maturity. Maturity date shown is the first call date. Interest rate is fixed until the first call date and variable thereafter.
- (i) All or partial amount segregated as collateral for swaps.
- (j) All or partial amount segregated as collateral for reverse repurchase agreements.

Glossary:

BRL	-	Brazilian Real
£	-	British Pound
CMO	-	Collateralized Mortgage Obligation
	-	Euro
FRN	-	Floating Rate Note. The interest rate disclosed reflects the rate in effect on September 30, 2009.
LIBOR	-	London Inter-Bank Offered Rate
NR	-	Not Rated
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 September 30, 2009.

PIMCO High Income Fund Statement of Assets and Liabilities

September 30, 2009 (unaudited)

Assets:

Investments, at value (cost-\$1,115,242,019)	\$1,175,103,627
Cash (including foreign currency of \$577,525 with a cost of \$584,032)	577,891
Interest and dividends receivable	25,413,021
Unrealized appreciation on swaps	16,500,351
Swap premiums paid	10,792,000
Unrealized appreciation on forward foreign currency contracts	7,776,071
Receivable for investments sold	3,251,683
Receivable from broker	189,973
Prepaid expenses	98,137
Total Assets	1,239,702,754

Liabilities:

Payable for investments purchased	17,971,045
Payable to broker for cash collateral	16,136,000
Swap premiums received	12,439,500
Unrealized depreciation on swaps	11,614,261
Unrealized depreciation on forward foreign currency contracts	6,436,147
Payable for reverse repurchase agreements	5,622,000
Payable to broker	1,177,032
Investment management fees payable	650,359
Dividends payable to preferred shareholders	4,279
Interest payable for reverse repurchase agreements	1,449
Accrued expenses and other liabilities	413,686
Total Liabilities	72,465,758

Preferred shares (\$25,000 net asset and liquidation value per share applicable to an aggregate of 11,680 shares issued and outstanding)	292,000,000
Net Assets Applicable to Common Shareholders	\$875,236,996

Composition of Net Assets Applicable to Common Shareholders:

Common Stock:	
Par value (\$0.00001 per share, applicable to 119,231,264 shares issued and outstanding)	\$1,192
Paid-in-capital in excess of par	1,682,402,322
Dividends in excess of net investment income	(34,547,115)
Accumulated net realized loss	(839,086,636)
Net unrealized appreciation of investments, futures contracts, swaps and foreign currency transactions	66,467,233
Net Assets Applicable to Common Shareholders	\$875,236,996
Net Asset Value Per Common Share	\$7.34

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PIMCO High Income Fund Statement of Operations

Six Months ended September 30, 2009 (unaudited)

Investment Income:		
Interest		\$63,848,561
Dividends		1,446,432
Facility and other fee income		440,442
Total Investment Income		65,735,435
Expenses:		
Investment management fees		3,384,102
Interest expense		366,644
Auction agent fees and commissions		223,698
Shareholder communications		180,662
Custodian and accounting agent fees		145,849
Legal fees		71,998
Audit and tax services		65,306
New York Stock Exchange listing fees		59,400
Trustees' fees and expenses		51,938
Insurance expense		23,526
Transfer agent fees		16,470
Miscellaneous		14,885
Total expenses		4,604,478
Net Investment Income		61,130,957
Realized and Change in Unrealized Gain (Loss):		
Net realized gain (loss) on:		
Investments		(35,589,552)
Futures contracts		6,291,342
Swaps		27,933,284
Foreign currency transactions		(8,082,010)
Net change in unrealized appreciation/depreciation of:		
Investments		436,382,804
Futures contracts		(5,231,941)
Swaps		57,023,581
Foreign currency transactions		2,886,529
Net realized and change in unrealized gain on investments, futures contracts, swaps and foreign currency transactions		481,614,037
Net Increase in Net Assets Resulting from Investment Operations		542,744,994
Dividends on Preferred Shares from Net Investment Income		(415,120)
Net Increase in Net Assets Applicable to Common Shareholders Resulting from Investment Operations		\$542,329,874

See accompanying Notes to Financial Statements. | 9.30.09 | PIMCO High Income Fund Semi-Annual Report 11

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

	Six Months ended September 30, 2009 (unaudited)	Year ended March 31, 2009
Investment Operations:		
Net investment income	\$61,130,957	\$161,893,086
Net realized loss on investments, futures contracts, options written, swaps and foreign currency transactions	(9,446,936)	(668,961,075)
Net change in unrealized appreciation/depreciation of investments, futures contracts, options written, swaps and foreign currency transactions	491,060,973	(221,205,547)
Net increase (decrease) in net assets resulting from investment operations	542,744,994	(728,273,536)
		&n