

PIMCO High Income Fund

Annual Report
March 31, 2009



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May 15, 2009

Dear Shareholder:

Please find enclosed the annual report for the PIMCO High Income Fund (the "Fund") for the fiscal year ended March 31, 2009.

U.S. corporate bond indexes declined sharply during the fiscal year as tight global credit conditions prompted investors largely to favor short-term government bonds over other securities, considered to pose greater risk. In this environment, higher-income U.S. corporate bonds underperformed the broad bond market. The Merrill Lynch U.S. High Yield Index declined 22.46% during the fiscal year, compared with the Barclays Capital U.S. Aggregate Index return of 3.13% and the Barclays Capital U.S. Treasury Index return of 7.48%.

The unparalleled liquidity constraints and resulting imbalances in capital markets during the fiscal year ended March 31, 2009 initiated a number of important actions:

- **Delayed payments and declaration of dividends** — On November 3, 2008, the Fund announced a postponement in the payment of its previously declared October 2008 common share dividend and the declaration of its November 2008 dividend. On March 2, 2009, the Fund announced a postponement in the payment of its previously declared February 2009 common share dividend and in the declaration of its March 2009 dividend. In accordance with the Fund's By-laws and the Investment Company Act of 1940, as amended, the Fund is not permitted to pay or declare common share dividends unless the Fund's Auction Rate Preferred Shares ("ARPS") have asset coverage of at least 200% ("200% Level") after the payment or the declaration of the common share dividend. Severe market disruptions caused the value of the Fund's portfolio securities to decline and, as a result, the Fund's asset coverage ratios fell below the 200% level.
- **Redemptions of ARPS** — In separate actions (announced November 19, 2008, November 26, 2008, February 27, 2009 and March 12, 2009) plans to redeem portions of the Fund's ARPS at full liquidation preference were announced. In all, \$608 million of ARPS were redeemed at the full liquidation preference of \$25,000 per share. The redemptions were intended to resolve issues that served as impediments to the goal of regular, uninterrupted dividend payments on the Fund's common shares.
- **Change in investment policy on illiquid securities and derivatives** — On December 26, 2008, the Fund announced a change to remove existing limits on the holdings of illiquid securities (from a limit of 20% of net assets) and the use of derivatives for non-hedging purposes (from a limit of 25% of total assets). The policy changes are intended to provide additional investment flexibility to respond to changing market conditions. These changes enable increased use of credit default swaps and other derivative instruments, including interest rate swaps, futures and options in order to gain investment exposure to high-yield and other debt obligations in which the Fund may invest directly.
- **Change in investment policy common stock holdings** — On April 6, 2009, the Fund issued a press release to make explicit that the Fund's investment policies allow it to hold common stock received from conversion of other portfolio securities, such that common stock may represent up to 20% of total assets. The Fund may invest in preferred stock and convertible securities, which may allow for conversion into common stock. The policy change permits the Fund to hold common stock received in such conversions until adequate value can be realized or it otherwise deems it appropriate to dispose of the common stock holdings.

Effective May 15, 2009, William H. Gross assumed primary responsibility for the day-to-day portfolio management of the Fund. Mr. Gross founded Pacific Investment Management Company LLC ("PIMCO"), the Fund's sub-adviser, more than 37 years ago and is a managing director and co-Chief Investment Officer of the company. He has 40 years of investment experience.

Press releases that include further information on these Fund actions, including more detailed descriptions of potential benefits and risks, are available at www.allianzinvestors.com/closedendfunds. In addition, please refer to the following pages for information on the Fund. If you have any questions regarding the information provided, we encourage you to contact your financial advisor or to call the Fund's shareholder servicing agent at (866) 298-8462. A wide range of information and resources is available on our Web site, referred to above.

Together with Allianz Global Investors Fund Management LLC, the Fund's Investment Manager, and PIMCO, the Fund's Sub-Adviser, we thank you for investing with us.

We remain dedicated to serving your financial needs.

Sincerely,



Hans W. Kertess
Chairman



Brian S. Shlissel
President & Chief Executive Officer

PIMCO High Income Fund Fund Insights/Performance & Statistics

March 31, 2009 (unaudited)

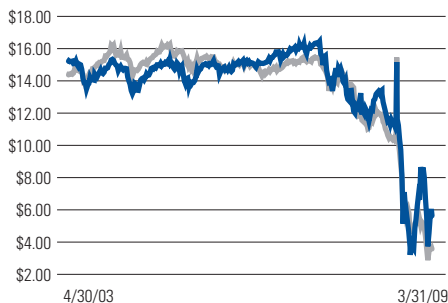
- For the fiscal annual period ended March 31, 2009, PIMCO High Income Fund (the "Fund") declined 61.87% on net asset value ("NAV") and declined 42.27% on market price.
- An emphasis on high-grade holdings within the finance sector had by far the greatest negative impact on performance as de-leveraging and uncertainty related to government policy continued to pressure the sector.
- An underweighting in the environmental sector detracted from performance as this industry, which was among the top performing in the high-yield market, was resilient during the fiscal period.
- As the deterioration of fundamentals accelerated late during the fiscal year for the publishing sector, a larger-than-market exposure to these credits detracted from performance.
- A relatively material weighting in auto-related bonds detracted from total return, as this sector was under considerable pressure. An emphasis on auto-captive finance bonds, where performance was strongest, was a positive for security selection.
- A higher-than-market weighting in healthcare, benefited performance as investors sought out defensive sectors during the highly volatile period.
- Avoiding the gaming sector, which was under significant pressure and underperformed the market by a wide margin, contributed positively to the Fund's performance.

Total Return ⁽¹⁾ :	Market Price	Net Asset Value ("NAV")
1 Year	(42.27)%	(61.87)%
5 Year	(4.53)%	(13.73)%
Commencement of Operations (4/30/03) to 3/31/09	(2.72)%	(9.36)%

Market Price/NAV Performance:

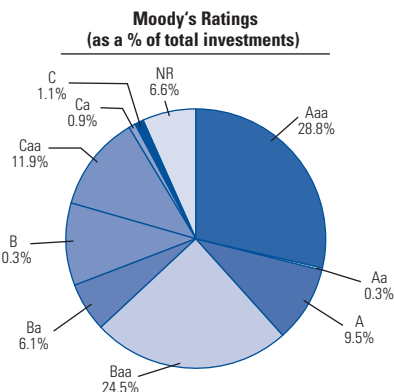
Commencement of Operations (4/30/03) to 3/31/09

- NAV
- Market Price



Market Price/NAV:

Market Price	\$5.57
NAV	\$3.49
Premium to NAV	59.60%
Market Price Yield ⁽²⁾	26.26%



(1) Past performance is no guarantee of future results. Total return is calculated by determining the percentage change in net asset value or market share price (as applicable) in the specified period. The calculation assumes that all income dividends and capital gain distributions have been reinvested. Total return does not reflect broker commissions or sales charges. 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 net asset value will fluctuate with changes in market conditions. This data is provided for information only and is not intended for trading purposes. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Net asset value is equal to 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 March 31, 2009.

PIMCO High Income Fund Schedule of Investments

March 31, 2009

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
CORPORATE BONDS & NOTES – 58.4%			
Airlines – 1.4%			
\$8,760	American Airlines, Inc., 8.608%, 10/1/12	Ba3/BB-	\$5,825,400
9,270	Continental Airlines, Inc., 6.92%, 4/2/13 (a) (b) (f)	NR/NR	8,218,389
			<u>14,043,789</u>
Automotive – 1.2%			
3,400	ArvinMeritor, Inc., 8.75%, 3/1/12	Caa2/CCC-	1,241,000
1,000	Cooper-Standard Automotive, Inc., 8.375%, 12/15/14	Caa3/C	75,000
	Ford Motor Co.,		
5,000	7.125%, 11/15/25	Ca/C	1,525,000
5,900	7.50%, 8/1/26	Ca/C	1,799,500
5,000	9.215%, 9/15/21	Ca/C	1,475,000
	General Motors Corp.,		
20,000	7.125%, 7/15/13	C/C	2,950,000
20,000	9.40%, 7/15/21	C/C	2,700,000
			<u>11,765,500</u>
Banking – 1.0%			
19,350	Wachovia Capital Trust III, 5.80%, 3/15/11, VRN (g)	A3/A	6,968,341
5,361	Wachovia Capital Trust V, 7.965%, 6/1/27, VRN (a) (d)	A3/A	3,565,671
			<u>10,534,012</u>
Building/Construction – 0.1%			
€2,000	Grohe Holding GmbH, 8.625%, 10/1/14	B3/CCC+	1,035,606
Computer Services – 0.6%			
\$9,000	SunGard Data Systems, Inc., 10.25%, 8/15/15	Caa1/B-	6,345,000
Electronics – 1.0%			
3,800	Sanmina-SCI Corp., 8.125%, 3/1/16	B3/CCC	1,349,000
	Sensata Technologies BV,		
19,375	8.00%, 5/1/14	Caa3/C	5,909,375
€10,700	11.25%, 1/15/14 (a) (b) (d)	NR/NR	2,557,151
			<u>9,815,526</u>
Financial Services – 36.3%			
\$12,477	AES Ironwood LLC, 8.857%, 11/30/25	B1/B+	11,042,379
8,570	AGFC Capital Trust I, 6.00%, 1/15/67, VRN (a) (d)	Ba2/B	777,016
8,200	American Express Bank, 0.653%, 5/29/12, FRN (j)	A1/A+	6,283,947
7,489	American Express Co., 6.80%, 9/1/66, VRN	Baa1/BBB	3,616,633
	American General Finance Corp.,		
2,000	1.518%, 8/17/11, FRN	Baa2/BB+	832,924
9,475	4.00%, 3/15/11	Baa2/BB+	4,017,353
3,445	4.625%, 9/1/10	Baa2/BB+	1,588,159
2,000	4.875%, 5/15/10	Baa2/BB+	986,348
2,925	4.875%, 7/15/12	Baa2/BB+	1,167,423
10,000	5.40%, 12/1/15	Baa2/BB+	3,704,950
2,515	5.85%, 6/1/13	Baa2/BB+	999,237
3,000	6.90%, 12/15/17	Baa2/BB+	1,053,102
	American International Group, Inc.,		
7,000	1.388%, 3/20/12, FRN (j)	A3/NR	3,302,810
€3,500	2.404%, 4/26/11, FRN	A3/A-	2,163,583
\$2,500	4.25%, 5/15/13	A3/A-	1,011,870
2,000	4.70%, 10/1/10	A3/A-	1,137,828
€5,000	4.875%, 3/15/67, FRN	Ba2/BBB	564,273
\$4,500	5.05%, 10/1/15	A3/A-	2,003,481

PIMCO High Income Fund Schedule of Investments

March 31, 2009 (continued)

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
Financial Services (continued)			
\$3,000	5.375%, 10/18/11	A3/A-	\$1,561,209
£10,000	5.75%, 3/15/67, FRN	Ba2/BBB	1,218,348
\$3,150	5.85%, 1/16/18	A3/A-	1,235,452
14,814	6.25%, 5/1/36	A3/A-	5,208,913
32,050	8.175%, 5/15/68, (Converts to FRN on 5/15/38) (a) (d)	Ba2/BBB	2,731,942
40,750	8.25%, 8/15/18 (a) (d) (j)	A3/A-	17,464,798
£28,650	8.625%, 5/22/68, (Converts to FRN on 5/22/18) (b)	Ba2/BBB	4,003,886
\$12,500	AmSouth Bancorp, 6.75%, 11/1/25	Baa1/A-	8,123,025
€11,000	Bank of America Corp., FRN, 4.75%, 5/23/17	A3/A-	7,918,218
\$3,100	8.00%, 1/30/18 (g)	B3/BB-	1,243,038
23,485	8.125%, 5/15/18 (g)	B3/BB-	9,660,320
160	BankAmerica Capital II, 8.00%, 12/15/26	Baa3/BB-	67,748
5,100	BankAmerica Institutional Capital B, 7.70%, 12/31/26 (a) (d)	Baa3/BB-	2,004,127
5,000	Buffalo Thunder Development Authority, 9.375%, 12/15/14 (a) (d)	Caa3/NR	325,000
1,300	Caelus Re Ltd., 7.511%, 6/7/11, FRN (a) (b) (d)	NR/BB	1,224,990
7,700	Chukchansi Economic Development Authority, 8.00%, 11/15/13 (a) (b) (d)	B2/B+	1,713,250
5,000	CIT Group, Inc., 1.399%, 4/27/11, FRN	Baa2/BBB	3,357,305
650	4.75%, 12/15/10	Baa2/BBB	524,412
1,800	5.20%, 11/3/10	Baa2/BBB	1,452,505
5,650	5.20%, 6/1/15	Baa2/BBB	3,585,484
2,650	5.60%, 4/27/11	Baa2/BBB	1,935,499
2,650	5.60%, 11/2/11	Baa2/BBB	1,918,123
3,000	5.80%, 7/28/11	Baa2/BBB	2,164,920
6,550	7.625%, 11/30/12	Baa2/BBB	4,825,948
10,000	12.00%, 12/18/18 (a) (d)	Baa3/BBB-	5,814,300
£8,100	Citigroup Capital XVIII, 6.829%, 6/28/67, FRN	Baa3/CC	2,089,825
\$58,781	Citigroup Capital XXI, 8.30%, 12/21/77, (Converts to FRN on 12/21/37)	Baa3/CC	28,366,417
€11,500	Citigroup, Inc., 4.75%, 5/31/17, FRN	Baa1/AA-	8,097,326
€5,975	4.75%, 2/10/19, FRN	Baa1/A-	3,965,680
\$200	6.50%, 8/19/13	A3/A	184,021
1,100	First Horizon National Corp., 4.50%, 5/15/13	Baa2/BBB-	799,470
9,500	First Union Institutional Capital II, 7.85%, 1/1/27 (j)	A3/A	6,689,387
825	Ford Motor Credit Co. LLC, 7.00%, 10/1/13	Caa1/CCC+	552,316
23,600	8.00%, 12/15/16	Caa1/CCC+	15,535,644
18,100	9.75%, 9/15/10	Caa1/CCC+	14,894,454
42,200	Ford Motor Credit Co. LLC, 12.00%, 5/15/15	Caa1/CCC+	32,032,459
€5,000	General Electric Capital Corp., 5.50%, 9/15/67, VRN	Aa3/A+	2,754,978
\$16,270	General Motors Acceptance Corp. LLC, 8.00%, 11/1/31	C/CCC	6,052,359
2,000	Goldman Sachs Group, Inc., 6.75%, 10/1/37	A2/A-	1,357,284
5,000	HBOS PLC, 6.75%, 5/21/18 (a) (d)	A2/A-	3,863,800
8,521	ILFC E-Capital Trust I, 5.90%, 12/21/65, VRN (a) (b) (d)	Ba1/BBB-	1,285,938
1,585	ILFC E-Capital Trust II, 6.25%, 12/21/65, VRN (a) (b) (d)	Ba1/BBB-	254,408
€15,000	International Lease Finance Corp., 2.334%, 8/15/11, FRN	Baa2/BBB+	10,056,514
\$15,500	4.875%, 9/1/10 (j)	Baa2/BBB+	11,326,253
3,935	5.00%, 9/15/12	Baa2/BBB+	2,141,624
1,950	5.55%, 9/5/12	Baa2/BBB+	1,082,055

PIMCO High Income Fund Schedule of Investments

March 31, 2009 (continued)

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
Financial Services (continued)			
\$14,300	5.75%, 6/15/11	Baa2/BBB+	\$9,295,872
18,000	6.29%, 10/15/17 (f) (j)	NR/BBB+	10,973,102
1,500	6.625%, 11/15/13	Baa2/BBB+	831,846
	JET Equipment Trust (a) (b) (d) (e) (f),		
91	7.63%, 2/15/15	NR/NR	3,078
239	10.00%, 12/15/13	NR/NR	129,021
2,050	JPMorgan Chase & Co., 7.90%, 4/30/18, FRN (g)	A2/BBB+	1,320,099
10,295	KRATON Polymers LLC, 8.125%, 1/15/14	Caa1/CCC	3,242,925
100	Merrill Lynch & Co., Inc., 5.45%, 2/5/13	A2/A	82,070
3,150	MUFG Capital Finance I Ltd., 6.346%, 7/25/16, FRN (g)	A2/BBB+	2,113,272
10,975	National City Bank, 6.20%, 12/15/11 (j)	A1/A	10,790,488
3,705	NSG Holdings LLC, 7.75%, 12/15/25 (a) (b) (d)	Ba2/BB	2,945,475
3,100	Pricoa Global Funding I, 1.274%, 1/30/12, FRN (a) (d)	A2/AA-	2,207,296
2,000	Residential Reinsurance Ltd., 8.011%, 6/6/11, FRN (a) (b) (d)	NR/BB	1,909,000
£2,347	Royal Bank of Scotland PLC, 19.890%, 4/6/11, FRN (f)	NR/NR	1,345,344
€4,255	SG Capital Trust I LLC, 7.875%, 2/22/10, FRN (g)	A1/A	2,655,201
€1,082	SG Capital Trust III, 5.419%, 11/10/13, FRN (g)	A1/A	596,177
	SLM Corp.,		
\$7,701	2.241%, 1/1/14, FRN	Baa2/BBB-	2,629,969
€10,900	4.75%, 3/17/14	Baa2/BBB-	7,525,406
\$22,735	8.45%, 6/15/18 (j)	Baa2/BBB-	12,297,134
2,500	SMFG Preferred Capital Ltd., 9.50%, 7/25/18, FRN (a) (d) (g)	A2/BBB+	2,029,508
896	State Street Capital Trust III, 8.25%, 3/15/42, VRN	A2/BBB+	530,970
8,030	Universal City Florida Holding Co., 8.375%, 5/1/10	Caa1/B-	2,850,650
2,000	USB Capital IX, 6.189%, 4/15/11, VRN (g)	A2/A	790,286
			370,112,477
Healthcare & Hospitals – 1.6%			
	HCA, Inc.,		
7,000	7.19%, 11/15/15	Caa1/B-	4,765,782
3,000	7.50%, 12/15/23	Caa1/B-	1,605,840
2,900	8.36%, 4/15/24	Caa1/B-	1,641,919
11,552	9.00%, 12/15/14	Caa1/B-	8,410,665
			16,424,206
Hotels/Gaming – 0.1%			
4,679	Harrah's Operating Co., Inc., 10.75%, 2/1/16	Ca/CCC	912,405
Machinery – 0.2%			
2,600	Chart Industries, Inc., 9.125%, 10/15/15	B3/B+	1,911,000
Multi-Media – 0.1%			
€2,420	Lighthouse International Co. S.A., 8.00%, 4/30/14 (a) (b) (d)	B3/BB-	1,237,018
Oil & Gas – 3.2%			
\$9,825	Dynergy-Roseton Danskammer, Inc., 7.67%, 11/8/16	Ba3/B	7,442,437
	El Paso Corp.,		
4,300	7.80%, 8/1/31	Ba3/BB-	3,238,154
13,000	8.05%, 10/15/30	Ba3/BB-	10,004,813
3,000	Enbridge Energy Partners L.P., 8.05%, 10/1/77, FRN	Baa3/BB+	1,591,947
1,425	Ferrellgas L.P., 8.75%, 6/15/12	B2/B-	1,204,125
4,000	OPTI Canada, Inc., 8.25%, 12/15/14	B3/B	1,810,000
10,025	SandRidge Energy, Inc., 8.625%, 4/1/15, PIK	B3/B-	6,566,375
15,460	SemGroup L.P., 8.75%, 11/15/15 (a) (d) (e)	NR/NR	618,400
			32,476,251

PIMCO High Income Fund Schedule of Investments

March 31, 2009 (continued)

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
Paper/Paper Products – 0.7%			
\$6,750	Cascades, Inc., 7.25%, 2/15/13	Ba3/B+	\$3,796,875
8,045	Verso Paper Holdings LLC, 9.125%, 8/1/14	B2/B+	3,057,100
			<u>6,853,975</u>
Printing/Publishing – 0.5%			
10,281	Dex Media West LLC, 9.875%, 8/15/13	Caa1/CCC-	2,081,902
1,000	Hollinger, Inc., 11.875%, 3/1/11 (a) (b) (d) (e) (f)	NR/NR	247,536
3,075	Local Insight Regatta Holdings, Inc., 11.00%, 12/1/17	Caa3/CCC+	730,312
16,375	RH Donnelley Corp., 8.875%, 1/15/16	Caa3/CCC-	1,023,438
7,250	RH Donnelley, Inc., 11.75%, 5/15/15 Term B (a) (d)	B3/C	978,750
			<u>5,061,938</u>
Telecommunications – 3.0%			
16,500	Citizens Communications Co., 9.00%, 8/15/31	Ba2/BB	11,405,625
	Hawaiian Telcom Communications, Inc. (e),		
8,815	9.75%, 5/1/13	NR/NR	176,300
900	zero coupon, 5/1/13, FRN	NR/NR	31,500
3,340	Nortel Networks Ltd., 10.125%, 7/15/13 (e)	NR/D	642,950
14,625	PanAmSat Corp., 6.875%, 1/15/28	B1/BB-	11,188,125
6,170	Sprint Capital Corp., 8.75%, 3/15/32	Ba2/BB	4,164,750
4,200	Telesat Canada, Inc., 12.50%, 11/1/17 (a) (d)	Caa1/B-	3,129,000
			<u>30,738,250</u>
Tobacco – 4.9%			
	Reynolds American, Inc.,		
48,540	7.25%, 6/1/12	Baa3/BBB	47,815,977
2,800	7.625%, 6/1/16	Baa3/BBB	2,482,505
			<u>50,298,482</u>
Utilities – 2.5%			
2,000	Energy Future Holdings Corp., 11.25%, 11/1/17, PIK	B3/B-	855,000
19,450	Legrand Holding S.A., 8.50%, 2/15/25	Baa3/BBB	16,429,571
	Texas Competitive Electric Holdings Co. LLC,		
14,550	10.25%, 11/1/15	B3/CCC	7,347,750
2,940	10.50%, 11/1/16, PIK	B3/CCC	1,102,500
			<u>25,734,821</u>
Total Corporate Bonds & Notes (cost-\$907,349,404)			<u>595,300,256</u>
MORTGAGE-BACKED SECURITIES – 4.5%			
	American Home Mortgage Assets, CMO,		
1,358	0.712%, 5/25/46, FRN	Ba2/AAA	479,606
545	0.712%, 9/25/46, FRN	B2/AAA	210,458
1,680	0.732%, 10/25/46, FRN	Caa3/AAA	545,588
588	2.333%, 2/25/47, FRN	Caa1/AAA	178,107
3,294	6.25%, 6/25/37	Ca/B+	1,765,485
485	American Home Mortgage Investment Trust,		
	5.66%, 9/25/45, CMO, FRN	A1/AAA	260,631
125	Banc of America Mortgage Securities, Inc.,		
	5.427%, 2/25/36, CMO, FRN	NR/AAA	76,159
	Bear Stearns Adjustable Rate Mortgage Trust, CMO,		
114	5.008%, 1/25/35, VRN	Aa2/AAA	88,138
1,365	5.473%, 5/25/47, VRN	NR/AAA	700,870
653	5.735%, 2/25/36, FRN	B3/AAA	340,394

PIMCO High Income Fund Schedule of Investments

March 31, 2009 (continued)

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
\$576	Chase Mortgage Finance Corp., 5.428%, 3/25/37, CMO, FRN	A3/NR	\$298,110
	Citigroup Mortgage Loan Trust, Inc., CMO,		
640	1.322%, 8/25/35, FRN (a) (d)	NR/AAA	530,013
138	4.699%, 3/25/34, VRN	Aaa/AAA	109,397
378	5.664%, 7/25/46, VRN	NR/AAA	185,144
2,620	5.936%, 3/25/37, VRN	NR/CCC	1,257,228
2,711	6.008%, 9/25/37, VRN	NR/AAA	1,354,388
679	Citimortgage Alternative Loan Trust, 6.00%, 6/25/37, CMO	Caa1/NR	547,813
	Countrywide Alternative Loan Trust, CMO,		
1,038	0.712%, 9/25/46, FRN	Caa2/AAA	373,401
233	0.732%, 7/25/46, FRN	Baa1/AAA	83,551
3,081	0.74%, 12/20/46, FRN	Caa1/AAA	999,194
1,415	0.755%, 7/20/46, FRN	Caa3/AAA	511,816
82	0.782%, 6/25/35, FRN	Baa1/AAA	33,963
581	0.852%, 11/20/35, FRN	B2/AAA	233,982
748	2.633%, 12/25/35, FRN	B3/AAA	323,959
1,143	5.895%, 2/25/37, VRN	NR/AAA	583,560
815	6.00%, 11/25/36	Caa1/NR	404,186
450	6.50%, 6/25/36	Caa2/NR	227,455
258	Countrywide Home Loan Mortgage Pass-Through Trust, 6.080%, 9/25/47, CMO, VRN	NR/B+	131,601
487	GS Mortgage Securities Corp. II, 0.608%, 3/6/20, CMO, FRN (a) (d)	Aaa/AAA	341,300
	GSR Mortgage Loan Trust, CMO, VRN,		
642	5.178%, 1/25/36	NR/AAA	351,943
630	5.346%, 11/25/35	NR/AAA	385,607
	Harborview Mortgage Loan Trust, CMO,		
241	0.713%, 8/21/36, FRN	Ba3/AAA	96,255
1,113	0.736%, 7/19/46, FRN	Caa1/AAA	405,490
311	0.756%, 9/19/46, FRN	Caa1/AAA	117,887
1,229	2.483%, 12/19/36, FRN	Caa2/AAA	393,828
1,991	5.75%, 8/19/36, VRN	NR/B	830,718
237	5.908%, 8/19/36, VRN	NR/B	112,118
525	Indymac IMSC Mortgage Loan Trust, 0.702%, 7/25/47, CMO, FRN	Ba1/AAA	187,296
	Indymac Index Mortgage Loan Trust, CMO,		
925	0.712%, 9/25/46, FRN	B3/AAA	341,378
496	0.722%, 6/25/47, FRN	Caa2/AAA	175,805
221	0.732%, 5/25/46, FRN	B3/AAA	78,953
142	0.762%, 7/25/35, FRN	Aa2/AAA	58,471
561	5.099%, 9/25/35, VRN	B2/AAA	316,788
5,583	5.572%, 11/25/35, FRN	B3/AAA	2,983,406
	JPMorgan Chase Commercial Mortgage Securities Corp., CMO,		
800	5.399%, 5/15/45	Aaa/AAA	574,824
2,200	5.794%, 2/12/51, VRN	Aaa/AAA	1,461,875
1,119	JPMorgan Alternative Loan Trust, 5.55%, 10/25/36, CMO, VRN	Caa1/AAA	879,429
400	LB-UBS Commercial Mortgage Trust, 5.372%, 9/15/39, CMO	Aaa/AAA	289,212
314	Lehman Brothers Floating Rate Commercial Mortgage Trust, 0.636%, 9/15/21, CMO, FRN (a) (d)	Aaa/AAA	232,850
	Luminent Mortgage Trust, CMO, FRN,		
649	0.692%, 12/25/36	B2/AAA	227,848
327	0.702%, 12/25/36	NR/AAA	105,610
233	0.722%, 10/25/46	Ba1/AAA	96,060

PIMCO High Income Fund Schedule of Investments

March 31, 2009 (continued)

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
	MASTR Adjustable Rate Mortgage Trusts, CMO, FRN,		
\$406	0.732%, 4/25/46	Ba1/AAA	\$146,335
650	0.762%, 5/25/37	Caa2/BB	270,278
	Merrill Lynch Alternative Note Asset, CMO,		
900	0.822%, 3/25/37, FRN	Caa3/B+	286,819
761	5.607%, 6/25/37, VRN	Caa2/B	309,210
524	Merrill Lynch Mortgage Backed Securities Trust, 5.849%, 4/25/37, CMO, VRN	NR/AA	375,644
	Morgan Stanley Mortgage Loan Trust, CMO, FRN,		
33	0.832%, 1/25/35	Aaa/AAA	16,559
152	5.416%, 6/25/36	A1/AAA	111,457
	Residential Accredit Loans, Inc., CMO, FRN,		
378	0.772%, 8/25/37	B3/AAA	135,792
3,824	0.852%, 3/25/37	Caa3/BB-	1,391,323
	Residential Asset Securitization Trust, CMO,		
495	0.972%, 12/25/36, FRN	Ca/CCC	222,784
600	6.25%, 10/25/36	Caa3/CCC	277,607
800	6.50%, 8/25/36	Ca/CCC	310,611
229	Sequoia Mortgage Trust, 5.546%, 1/20/47, CMO, VRN	NR/AAA	133,631
	Structured Asset Mortgage Investments, Inc., CMO, FRN,		
1,689	0.702%, 9/25/47	Ba1/AAA	837,199
1,469	0.712%, 7/25/46	B3/AAA	596,516
516	0.742%, 5/25/46	B3/AAA	185,305
14,100	0.742%, 9/25/47	B2/AAA	2,253,590
3,075	Suntrust Alternative Loan Trust, 0.872%, 4/25/36, CMO, FRN	Ca/NR	1,207,126
	Wachovia Bank Commercial Mortgage Trust, CMO, FRN (a) (d),		
2,847	0.636%, 6/15/20	Aaa/AAA	1,966,895
6,981	0.646%, 9/15/21	Aaa/AAA	4,815,806
	WaMu Mortgage Pass-Through Certificates, CMO,		
1,233	2.333%, 3/25/47, FRN	B3/AAA	394,058
728	2.373%, 1/25/47, FRN	Caa1/AAA	226,309
944	2.393%, 4/25/47, FRN	B3/AAA	374,403
559	2.453%, 12/25/46, FRN	Caa1/AAA	178,445
396	3.705%, 1/25/47, FRN	Ba1/AAA	154,537
428	5.307%, 1/25/37, FRN	NR/A	207,524
1,622	5.414%, 2/25/37, VRN	NR/AAA	885,829
386	5.485%, 4/25/37, FRN	NR/BBB	196,213
273	5.580%, 12/25/36, FRN	NR/BBB	145,421
977	5.588%, 12/25/36, VRN	NR/BB	488,607
657	5.653%, 5/25/37, FRN	NR/B	351,621
862	5.695%, 2/25/37, VRN	NR/AA	452,313
926	5.845%, 2/25/37, FRN	NR/BB	544,540
501	5.930%, 9/25/36, VRN	NR/AAA	284,224
317	Washington Mutual Alternative Mortgage Pass-Through Certificates, 2.603%, 5/25/46, CMO, FRN	Caa1/AAA	118,081
	Washington Mutual, Inc., CMO, FRN,		
862	2.403%, 4/25/47	Ca/AAA	181,379
856	2.473%, 5/25/47	Ca/AAA	234,963
	Wells Fargo Mortgage Backed Securities Trust, CMO, FRN,		
1,312	1.022%, 7/25/37	A2/NR	601,367
599	5.593%, 7/25/36	NR/AAA	316,400
452	6.032%, 9/25/36	A3/NR	248,656
Total Mortgage-Backed Securities (cost-\$63,428,251)			46,314,525

PIMCO High Income Fund Schedule of Investments

March 31, 2009 (continued)

Shares		Credit Rating (Moody's/S&P)*	Value
CONVERTIBLE PREFERRED STOCK – 3.4%			
Banking – 1.7%			
25,000	Fifth Third Bancorp, 8.50%, 12/31/49	Baa1/BBB-	\$1,030,000
34,925	Wells Fargo & Co., 7.50%, 12/31/49, Class A	B2/A	16,728,726
			<u>17,758,726</u>
Financial Services – 1.7%			
39,945	Bank of America Corp., 7.25%, 12/31/49	B3/BB-	16,956,652
Insurance – 0.0%			
42,900	American International Group, Inc., 8.50%, 8/1/11	Ba2/NR	231,660
Total Convertible Preferred Stock (cost-\$54,610,558)			<u>34,947,038</u>
U.S. GOVERNMENT AGENCY SECURITIES – 2.7%			
Principal Amount (000)			
\$20,000	Fannie Mae, 7.125%, 1/15/30 (j) (cost-\$27,159,746)	Aaa/AAA	27,599,460
SENIOR LOANS (a) (c) – 2.1%			
Chemicals – 0.1%			
	INEOS Group Ltd., Term A,		
133	7.001%, 12/16/12 (b)		51,701
1,098	7.001%, 12/16/12		428,376
			<u>480,077</u>
Entertainment – 0.3%			
	Tribune Co., (e),		
9,932	5.25%, 6/4/24, Term B (b)		2,237,731
3,449	5.25%, 6/4/24, Term B		912,162
1,109	7.86%, 5/30/09, Term X		287,872
			<u>3,437,765</u>
Financial Services – 1.0%			
19,700	Chrysler Financial Corp., 4.56%, 8/3/12		10,625,687
Recreation – 0.3%			
4,883	Travelport, 2.768%, 8/23/13, Term DD		2,850,204
Telecommunications – 0.2%			
2,978	West Corp., 7.25%, 10/24/13, Term B		2,235,251
Utilities – 0.2%			
	Texas Competitive Electric Holdings Co., Term B1,		
23	4.018%, 10/10/14		14,990
2,947	4.033%, 10/10/14		1,953,649
			<u>1,968,639</u>
Total Senior Loans (cost-\$42,584,973)			<u>21,597,623</u>
ASSET-BACKED SECURITIES – 0.5%			
900	GSAA Trust, 0.822%, 3/25/37, FRN	Caa2/AAA	152,260
130	Lehman XS Trust, 0.742%, 4/25/46, FRN	Caa1/AAA	49,741
1,200	Master Asset Backed Securities Trust, 0.732%, 11/25/36, FRN	Caa3/B	360,420

PIMCO High Income Fund Schedule of Investments

March 31, 2009 (continued)

Principal Amount (000)		Credit Rating (Moody's/S&P)*	Value
\$6,500	Merrill Lynch First Franklin Mortgage Loan Trust, 0.642%, 7/25/37, FRN	Caa3/AA	\$3,496,252
900	Morgan Stanley Mortgage Loan Trust, 0.882%, 4/25/37, FRN	Caa3/BB	342,689
637	Reliant Energy Mid-Atlantic Power Holdings LLC, 9.237%, 7/2/17	Ba1/BB	611,135
Total Asset-Backed Securities (cost-\$5,990,215)			5,012,497
SHORT-TERM INVESTMENTS – 28.4%			
U.S. Treasury Bills (h) – 17.6%			
179,250	zero coupon-0.19%, 4/2/09-5/14/09 (cost-\$179,241,055)		179,241,055
Corporate Notes – 3.2%			
Chemicals – 0.1%			
5,500	Great Lakes Chemical Corp., 7.00%, 7/15/09 (e)	NR/D	1,457,500
Financial Services – 2.7%			
15,000	American General Finance Corp., 1.311%, 3/2/10, FRN (j)	Baa2/NR	9,038,925
10,140	4.625%, 5/15/09	Baa2/BB+	9,490,857
2,000	CIT Group, Inc., 3.375%, 4/1/09 (j)	Baa2/BBB	2,000,000
3,000	4.25%, 2/1/10	Baa2/BBB	2,572,092
3,000	6.875%, 11/1/09	Baa2/BBB	2,735,226
2,000	Ford Motor Credit Co. LLC, 7.375%, 10/28/09	Caa1/CCC+	1,793,924
			27,631,024
Oil & Gas – 0.4%			
4,000	Ferrellgas L.P., 8.87%, 8/1/09 (a) (b) (f)	NR/NR	3,909,988
Total Corporate Notes (cost-\$39,168,088)			32,998,512
U.S. Government Agency Securities – 1.2%			
12,200	Fannie Mae Discount Notes, 0.24%, 4/30/09 (cost-\$12,198,428)	Aaa/AAA	12,198,428
Repurchase Agreements – 6.4%			
20,896	State Street Bank & Trust Co., dated 3/31/09, 0.08%, due 4/1/09, proceeds \$20,896,046; collateralized by U.S. Treasury Notes, 4.25%, due 1/15/11, valued at \$21,318,709 including accrued interest		20,896,000
44,000	JPMorgan Chase Bank, dated 3/31/09, 0.16%, due 4/1/09, proceeds \$44,000,196; collateralized by U.S. Treasury Note, 4.25%, due 11/15/14, valued at \$44,307,699 including accrued interest		44,000,000
Total Repurchase Agreements (cost-\$64,896,000)			64,896,000
Total Short-Term Investments (cost-\$295,503,571)			289,333,995
OPTIONS PURCHASED (i) – 0.0%			
Contracts			
Put Options – 0.0%			
21	U.S. Treasury Notes 10 yr. Futures (CBOT), strike price \$75, expires 5/22/09 (cost-\$200)		328
Total Investments (cost-\$1,396,626,918) – 100.0%			\$1,020,105,722

PIMCO High Income Fund Schedule of Investments

March 31, 2009 (continued)

Notes to Schedule of Investments:

* Unaudited

- (a) Private Placement—Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$100,729,337, representing 9.87% 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 March 31, 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) In default.
- (f) Fair-Valued—Securities with an aggregate value of \$24,826,458, representing 2.43% 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 swaps.
- (i) Non-income producing.
- (j) All or partial amount segregated as collateral for reverse repurchase agreement.

Glossary:

- £ - British Pound
- € - Euro
- CBOT - Chicago Board of Trade
- CMO - Collateralized Mortgage Obligation
- FRN - Floating Rate Note. The interest rate disclosed reflects the rate in effect on March 31, 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 March 31, 2009.

PIMCO High Income Fund Statement of Assets and Liabilities

March 31, 2009

Assets:

Investments, at value (cost-\$1,396,626,918)	\$1,020,105,722
Cash (including foreign currency of \$1,669,431 with a cost of \$1,674,085)	1,778,189
Interest and dividends receivable	27,439,306
Premium for swaps purchased	549,213
Unrealized appreciation on swaps	9,547,325
Receivable for investments sold	8,251,113
Deposits with brokers for future contracts collateral	1,937,800
Unrealized appreciation on forward foreign currency contracts	622,570
Receivable from broker	322,302
Receivable for variation margin on futures contracts	86,475
Prepaid expenses	120,518
Total Assets	1,070,760,533

Liabilities:

Payable for reverse repurchase agreements	111,377,000
Premium for swaps sold	85,693,038
Unrealized depreciation on swaps	61,684,816
Payable for investments purchased	26,399,456
Payable for terminated swaps	18,227,758
Dividends payable to common and preferred shareholders	14,432,872
Unrealized depreciation of forward foreign currency contracts	1,760,342
Payable to broker	677,032
Investment management fees payable	486,775
Payable to broker for cash collateral	380,000
Interest payable for reverse repurchase agreements	90,009
Accrued expenses	318,487
Total Liabilities	321,527,585

Preferred Shares (\$25,000 net asset and liquidation value per share applicable to an aggregate of 13,456 shares issued and outstanding)

336,400,000

Net Assets Applicable to Common Shareholders

\$412,832,948

Composition of Net Assets Applicable to Common Shareholders:

Common Stock:	
Par value (\$0.00001 per share, applicable to 118,366,643 shares issued and outstanding)	\$1,184
Paid-in-capital in excess of par	1,675,439,486
Dividends in excess of net investment income	(8,374,282)
Accumulated net realized loss	(829,639,700)
Net unrealized depreciation of investments, futures contracts, swaps and foreign currency transactions	(424,593,740)
Net Assets Applicable to Common Shareholders	\$412,832,948
Net Asset Value Per Common Share	\$3.49

PIMCO High Income Fund Statement of Operations

Year ended March 31, 2009

Investment Income:

Interest	\$173,875,427
Dividends	3,155,412
Facility and other fee income	324,614
Total Investment Income	177,355,453

Expenses:

Investment management fees	11,953,782
Auction agent fees and commissions	1,875,901
Custodian and accounting agent fees	481,587
Shareholder communications	315,219
Legal fees	205,133
Interest expense	182,249
Trustees' fees and expenses	171,395
Audit and tax services	113,622
New York Stock Exchange listing fees	95,398
Transfer agent fees	37,239
Insurance expense	35,177
Miscellaneous	9,741
Total expenses	15,476,443
Less: custody credits earned on cash balances	(14,076)
Net expenses	15,462,367

Net Investment Income

161,893,086

Realized and Change in Unrealized Gain (Loss):

Net realized gain (loss) on:

Investments	(595,006,091)
Futures contracts	(3,546,923)
Options written	1,322,616
Swaps	(81,093,566)
Foreign currency transactions	9,362,889
Net change in unrealized appreciation/depreciation of:	
Investments	(225,363,667)
Futures contracts	(6,800,727)
Options written	(21,505)
Swaps	12,264,534
Foreign currency transactions	(1,284,182)

Net realized and change in unrealized loss on investments, futures contracts, options written, swaps and foreign currency transactions

(890,166,622)

Net Decrease in Net Assets Resulting from Investment Operations

(728,273,536)

Dividends on Preferred Shares from Net Investment Income

(18,253,536)

Net Decrease in Net Assets Applicable to Common Shareholders Resulting from Investment Operations

\$(746,527,072)

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

	Year ended March 31,	
	2009	2008
Investment Operations:		
Net investment income	\$161,893,086	\$198,212,253
Net realized gain (loss) on investments, futures contracts, options written, swaps and foreign currency transactions	(668,961,075)	21,521,783
Net change in unrealized appreciation/depreciation of investments, futures contracts, options written, swaps and foreign currency transactions	(221,205,547)	(328,722,236)
Net decrease in net assets resulting from investment operations	(728,273,536)	(108,988,200)
Dividends and Distributions on Preferred Shares from:		
Net investment income	(18,253,536)	(41,838,277)
Net realized gains	–	(4,379,378)
Total dividends and distributions on preferred shares	(18,253,536)	(46,217,655)
Net decrease in net assets applicable to common shareholders resulting from investment operations	(746,527,072)	(155,205,855)
Dividends and Distributions to Common Shareholders from:		
Net investment income	(172,055,336)	(169,914,803)
Net realized gains	–	(129,803,096)
Total dividends and distributions to common shareholders	(172,055,336)	(299,717,899)
Capital Share Transactions:		
Reinvestment of dividends and distributions	11,689,628	18,376,680
Total decrease in net assets applicable to common shareholders	(906,892,780)	(436,547,074)
Net Assets Applicable to Common Shareholders:		
Beginning of year	1,319,725,728	1,756,272,802
End of year (including dividends in excess of net investment income of \$(8,374,282) and \$(7,940,667), respectively)	\$412,832,948	\$1,319,725,728
Common Shares Issued in Reinvestment of Dividends and Distributions		
	1,359,335	1,417,741

1. Organization and Significant Accounting Policies

PIMCO High Income Fund (the "Fund"), was organized as a Massachusetts business trust on February 18, 2003. Prior to commencing operations on April 30, 2003, the Fund had no operations other than matters relating to its organization and registration as a diversified, closed-end management investment company registered under the Investment Company Act of 1940 and the rules and regulations thereunder, as amended. Allianz Global Investors Fund Management LLC (the "Investment Manager") serves as the Fund's Investment Manager and is an indirect, wholly-owned subsidiary of Allianz Global Investors of America L.P. ("Allianz Global"). Allianz Global is an indirect, majority-owned subsidiary of Allianz SE, a publicly traded European insurance and financial services company. The Fund has an unlimited amount of \$0.00001 par value per share of common stock authorized.

The Fund's primary investment objective is to seek high current income. Capital appreciation is a secondary objective. The Fund attempts to achieve these objectives by investing in a diversified portfolio of U.S. dollar denominated debt obligations and other income-producing securities that are primarily rated below investment grade.

The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

In the normal course of business, the Fund enters into contracts that contain a variety of representations that provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet been asserted. However, the Fund expects the risk of any loss to be remote.

The Financial Accounting Standards Board ("FASB") issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes — an Interpretation of FASB Statement No. 109" (the "Interpretation"). The Interpretation establishes for all entities, including pass-through entities such as the Fund, a minimum threshold for financial statement recognition of the benefit of positions taken in filing tax returns (including whether an entity is taxable in a particular jurisdiction), and requires certain expanded tax disclosures. The Fund's management has determined that its evaluation of the Interpretation has resulted in no material impact to the Fund's financial statements at March 31, 2009. The Fund's federal tax returns for the prior three fiscal years remain subject to examination by the Internal Revenue Service.

The following is a summary of significant accounting policies consistently followed by the Fund:

(a) Valuation of Investments

Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. 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. 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.

1. Organization and Significant Accounting Policies (continued)

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 to the financial statements of the Fund. 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.

(b) Fair Value Measurement

Effective April 1, 2008, the Fund adopted 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 disclosure 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)

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 year ended March 31, 2009 maximized the use of observable inputs and minimized the use of unobservable inputs. The Fund utilized the following fair value technique on Level 3 investments: multi-dimensional relational pricing model.

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

The following is a summary of the inputs used at March 31, 2009 in valuing the Fund's investments carried at value:

Valuation Inputs	Investments in Securities		Other Financial Instruments
	Assets	Liabilities	
Level 1 – Quoted Prices	\$34,947,366	–	\$5,231,941
Level 2 – Other Significant Observable Inputs	954,506,498	–	(53,275,263)
Level 3 – Significant Unobservable Inputs	30,651,858	–	–
Total	\$1,020,105,722	–	\$(48,043,322)

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

	Investments in Securities	Other Financial Instruments
Beginning balance, 3/31/08	\$49,758,373	\$(305,027)
Net purchases (sales) and settlements	(9,997,448)	305,027
Accrued discounts (premiums)	9,207	–
Total realized gain (loss)	(703,765)	–
Total change in unrealized appreciation/depreciation	(8,414,509)	–
Transfers in and/or out of Level 3	–	–
Ending balance, 3/31/09	\$30,651,858	\$ –
Net change in unrealized appreciation/depreciation on investments held at March 31, 2009	\$(7,653,809)	\$ –

Realized gain (loss) and change in unrealized appreciation/depreciation is recorded on the Statement of Operations.

In April 2009, the FASB issued 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" ("FSP 157-4"). FSP 157-4 provides additional guidance for estimating fair value in accordance with SFAS 157, when the volume and level of activity for the asset or liability have significantly decreased as well as guidance on identifying

1. Organization and Significant Accounting Policies (continued)

circumstances that indicate a transaction is not orderly. FSP 157-4 is effective for fiscal years and interim periods ending after June 15, 2009. Management is currently evaluating the impact the adoption of FSP 157-4 will have on the Fund's financial statement disclosures.

(c) Disclosures about Credit Derivatives

The Fund has adopted FASB Staff Positions No. 133-1 and FIN 45-4 "Disclosures about Credit Derivatives and Certain Guarantees: An Amendment of FASB Statement No. 133 and FAS Interpretation No. 45; and Clarification of the Effective Date of FASB Statement No. 161" ("FSP"), which required enhanced transparency of the effect of credit derivatives and guarantees on an issuer's financial position, financial performance and cash flows. FSP is effective for reporting periods after November 15, 2008. FSP applies to certain credit derivatives, hybrid instruments that have embedded credit derivatives (for example, credit-linked notes), and certain guarantees and it requires additional disclosures regarding credit derivatives with sold protection. The Fund's management has determined that FSP has no material impact on the Fund's financial statements. All changes to accounting policies have been made in accordance with FSP and incorporated for the current period as part of the disclosures within Footnote 3(c) in the Notes to the Financial Statements.

See also "Swap Agreements" — Note 1(k) for a description of the nature of each credit derivative, maximum potential amount of future payments (undiscounted) the Fund could be required to make under the credit derivatives with sold protection and fair value of each credit derivative at March 31, 2009. Potential losses related to hybrid instruments that have embedded credit derivatives are limited to the initial cost of investments.

In March 2008, Statement of Financial Accounting Standards No. 161, "Disclosures about Derivative Instruments and Hedging Activities" ("SFAS 161") was issued and is effective for fiscal years and interim periods beginning after November 15, 2008. SFAS 161 requires enhanced disclosures about a fund's derivative and hedging activities. Fund management is currently evaluating the impact the adoption of SFAS 161 will have on the Fund's financial statement disclosures.

(d) Investment Transactions and Investment Income

Investment transactions are accounted for on the trade date. Securities purchased and sold on a when-issued or delayed-delivery basis may be settled a month or more after the trade date. Realized gains and losses on investments are determined on an identified cost basis. Interest income is recorded on an accrual basis. Discounts or premiums on debt securities purchased are accreted or amortized, respectively, to interest income over the lives of the respective securities using the effective interest method. Dividend income is recorded on the ex-dividend date. Facility fees and other fees (such as origination fees) received by the Fund are amortized as income over the expected term of the loan. Commitment fees received by the Fund relating to unfunded purchase commitments are recorded as other fee income upon receipt. Paydown gains and losses are recorded as interest income on the Statement of Operations.

(e) Federal Income Taxes

The Fund intends to distribute all of its taxable income and to comply with the other requirements of the U.S. Internal Revenue Code of 1986, as amended, applicable to regulated investment companies. Accordingly, no provision for U.S. federal income taxes is required.

(f) Dividends and Distributions — Common Stock

The Fund declares dividends from net investment income monthly to common shareholders. Distributions of net realized capital gains, if any, are paid at least annually. The Fund records dividends and distributions to its shareholders on the ex-dividend date. The amount of dividends and distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations, which may differ from generally accepted accounting principles. These "book-tax" differences are considered either temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal income tax treatment; temporary differences do not require reclassification. To the extent dividends and/or distributions exceed current and accumulated earnings and profits for federal income tax purposes; they are reported as dividends and/or distributions of paid-in-capital in excess of par.

(g) Foreign Currency Translation

The Fund's accounting records are maintained in U.S. dollars as follows: (1) the foreign currency market value of investments and other assets and liabilities denominated in foreign currency are translated at the prevailing exchange rate at the end of the period; and (2) purchases and sales, income and expenses are translated at the prevailing

1. Organization and Significant Accounting Policies (continued)

exchange rate on the respective dates of such transactions. The resulting net foreign currency gain or loss is included in the Statement of Operations.

The Fund does not generally isolate that portion of the results of operations arising as a result of changes in the foreign currency exchange rates from the fluctuations arising from changes in the market prices of securities. Accordingly, such foreign currency gain (loss) is included in net realized and unrealized gain (loss) on investments.

However, the Fund does isolate the effect of fluctuations in foreign currency exchange rates when determining the gain or loss upon the sale or maturity of foreign currency denominated debt obligations pursuant to U.S. federal income tax regulations; such amount is categorized as foreign currency gain or loss for both financial reporting and income tax reporting purposes.

(h) Forward Foreign Currency Contracts

The Fund may enter into forward foreign currency contracts. A forward foreign currency contract is an agreement between two parties to buy and sell a currency at a set exchange rate on a future date. The Fund may enter into forward foreign currency contracts for the purpose of hedging against foreign currency risk arising from the investment or anticipated investment in securities denominated in foreign currencies. The Fund may also enter these contracts for purposes of increasing exposure to a foreign currency or to shift exposure to foreign currency fluctuations from one country to another. The market value of a forward foreign currency contract fluctuates with changes in forward currency exchange rates. All commitments are marked to market daily at the applicable exchange rates and any resulting unrealized appreciation or depreciation is recorded. Realized gains or losses are recorded at the time the forward contract matures or by delivery of the currency. Risks may arise upon entering these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar.

(i) Futures Contracts

The Fund may enter into future contracts. A futures contract is an agreement between two parties to buy and sell a financial instrument at a set price on a future date. Upon entering into such a contract, the Fund is required to pledge to the broker an amount of cash or securities equal to the minimum "initial margin" requirements of the exchange. Pursuant to the contracts, the Fund agrees to receive from or pay to the broker an amount of cash or securities equal to the daily fluctuation in the value of the contracts. Such receipts or payments are known as "variation margin" and are recorded by the Fund as unrealized appreciation or depreciation. When the contracts are closed, the Fund records a realized gain or loss equal to the difference between the value of the contracts at the time they were opened and the value at the time they were closed. Any unrealized appreciation or depreciation recorded is simultaneously reversed. The use of futures transactions involves the risk of an imperfect correlation in the movements in the price of futures contracts, interest rates and the underlying hedged assets, and the possible inability of counterparties to meet the terms of their contracts.

(j) Option Transactions

The Fund may purchase and write (sell) put and call options on securities for hedging purposes, risk management purposes or as part of its investment strategies. The risk associated with purchasing an option is that the Fund pays a premium whether or not the option is exercised. Additionally, the Fund bears the risk of loss of premium and change in market value should the counterparty not perform under the contract. Put and call options purchased are accounted for in the same manner as portfolio securities. The cost of securities acquired through the exercise of call options is increased by the premiums paid. The proceeds from securities sold through the exercise of put options is decreased by the premiums paid.

When an option is written, the premium received is recorded as an asset with an equal liability which is subsequently marked to market to reflect the current market value of the option written. These liabilities are reflected as options written in the Statement of Assets and Liabilities. Premiums received from writing options which expire unexercised are recorded on the expiration date as a realized gain. The difference between the premium received and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or if the premium is less than the amount paid for the closing purchased transactions, as a realized loss. If a call option written by the Fund is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether there has been a realized gain or loss. If a put option written by the Fund is exercised, the premium reduces the cost basis of the security. In writing an option, the Fund bears the market risk of an unfavorable

1. Organization and Significant Accounting Policies (continued)

change in the price of the security underlying the written option. Exercise of a written option could result in the Fund purchasing a security at a price different from its current market value.

(k) Swap Agreements

The Fund may enter into swap agreements. Swap agreements are privately negotiated agreements between the Fund and a counterparty to exchange or swap investment cash flows, assets, foreign currencies or market-linked returns at specified, future intervals. The Fund may enter into credit default, cross-currency, interest rate, total return, variance and other forms of swap agreements in order to manage its exposure to credit, currency and interest rate risk. In connection with these agreements, securities may be identified as collateral in accordance with the terms of the respective swap agreements to provide assets of value and recourse in the event of default or bankruptcy/insolvency.

Payments received or made at the beginning of the measurement period are reflected as such on the Statement of Assets and Liabilities and represent payments made or received upon entering into the swap agreement to compensate for differences between the stated terms of the swap agreement and prevailing market conditions (credit spreads, currency exchange rates, interest rates, and other relevant factors). These upfront payments are recorded as realized gains or losses on the Statement of Operations upon termination or maturity of the swap. A liquidation payment received or made at the termination of the swap is recorded as realized gain or loss on the Statement of Operations. Net periodic payments received or paid by the Fund are included as part of realized gains or losses on the Statement of Operations.

Entering into these agreements involves, to varying degrees, elements of credit, legal, market and documentation risk in excess of the amounts recognized on the Statement of Assets and Liabilities. Such risks include the possibility that there will be no liquid market for these agreements, that the counterparties to the agreements may default on their obligation to perform or disagree as to the meaning of contractual terms in the agreements and that there may be unfavorable changes in interest rates.

Credit Default Swap Agreements — Credit default swap agreements involve one party (referred to as the buyer of protection) making a stream of payments to another party (the seller of protection) in exchange for the right to receive a specified return in the event of a default or other credit event for the referenced entity, obligation or index. As a seller of protection on credit default swap agreements, the Fund will generally receive from the buyer of protection a fixed rate of income throughout the term of the swap provided that there is no credit event. As the seller, the Fund would effectively add leverage to its portfolio because, in addition to its total net assets, the Fund would be subject to investment exposure on the notional amount of the swap.

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, other deliverable obligations or underlying securities comprising 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 comprising the referenced index. 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, other deliverable obligations or underlying securities comprising 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 comprising the referenced index. Recovery values are assumed by market makers considering either industry standard recovery rates or entity specific factors and considerations until a credit event occurs. If a credit event has occurred, the recovery value is determined by a facilitated auction whereby a minimum number of allowable broker bids, together with a specified valuation method, are used to calculate the settlement value.

Credit default swap agreements on corporate issues or sovereign issues of an emerging country involve one party making a stream of payments to another party in exchange for the right to receive a specified return in the event of a default or other credit events. If a credit event occurs and cash settlement is not elected, a variety of other deliverable obligations may be delivered in lieu of the specific referenced obligation. The ability to deliver other obligations may result in a cheapest-to-deliver option (the buyer of protection's right to choose the deliverable obligation with the lowest value following a credit event). The Fund may use credit default swaps on corporate issues or sovereign issues of an emerging country to provide a measure of protection against defaults of the issuers (i.e., to reduce risk where

1. Organization and Significant Accounting Policies (continued)**(k) Swap Agreements (continued)**

the Fund owns or has exposure to the referenced obligation) or to take an active long or short position with respect to the likelihood of a particular issuer's default.

Credit default swap agreements on asset-backed securities involve one party making a stream of payments to another party in exchange for the right to receive a specified return in the event of a default or other credit event. Unlike credit default swaps on corporate issues or sovereign issues of an emerging country, deliverable obligations in most instances would be limited to the specific referenced obligation as performance for asset-backed securities can vary across deals. Prepayments, principal paydowns, and other writedown or loss events on the underlying mortgage loans will reduce the outstanding principal balance of the referenced obligation. These reductions may be temporary or permanent as defined under the terms of the swap agreement and the notional amount for the swap agreement will be adjusted by corresponding amounts. The Fund may use credit default swaps on asset-backed securities to provide a measure of protection against defaults of the referenced obligation or to take an active long or short position with respect to the likelihood of a particular referenced obligation's default.

Credit default swap agreements on credit indices involve one party making a stream of payments to another party in exchange for the right to receive a specified return in the event of a write-down, principal shortfall, interest shortfall or default of all or part of the referenced entities comprising the credit index. A credit index is a list of a basket of credit instruments or exposures designed to be representative of some part of the credit market as a whole. These indices are made up of reference credits that are judged by a poll of dealers to be the most liquid entities in the credit default swap market based on the sector of the index. Components of the indices may include, but are not limited to, investment grade securities, high yield securities, asset backed securities, emerging markets, and/or various credit ratings within each sector. Credit indices are traded using credit default swaps with standardized terms including a fixed spread and standard maturity dates. An index credit default swap references all the names in the index, and if there is a default, the credit event is settled based on that name's weight in the index, or in the case of a tranched index credit default swap, the credit event is settled based on the name's weight in the index that falls within the tranche for which the Fund bears exposure. The composition of the indices changes periodically, usually every six months, and for most indices, each name has an equal weight in the index. The Fund may use credit default swaps on credit indices to hedge a portfolio of credit default swaps or bonds with a credit default swap on indices which is less expensive than it would be to buy many credit default swap to achieve a similar effect. Credit-default swap on indices are benchmarks for protecting investors owning bonds against default, and traders use them to speculate on changes in credit quality.

Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on corporate issues or sovereign issues of an emerging country as of period end are disclosed later in the Notes (see 3(c)) and 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. For credit default swap agreements on asset-backed securities and credit indices, the quoted market prices and resulting values serve as the indicator of the current status of the payment/performance risk. Wider credit spreads and 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.

The maximum potential amount of future payments (undiscounted) that the Fund as a seller of protection could be required to make under a credit default swap agreement would be an amount equal to the notional amount of the agreement. Notional amounts of all credit default swap agreements outstanding as of March 31, 2009 for which the Fund is the seller of protection are disclosed later in the Notes (see 3(c)). These potential amounts would be partially offset by any recovery values of the respective referenced obligations, upfront payments received upon entering into the agreement, or net amounts received from the settlement of buy protection credit default swap agreements entered into by the Fund for the same referenced entity or entities.

(l) Senior Loans

The Fund purchases assignments of Senior Loans originated, negotiated and structured by a U.S. or foreign commercial bank, insurance company, finance company or other financial institution (the "Agent") for a lending syndicate of financial institutions (the "Lender"). When purchasing an assignment, the Fund succeeds to all the rights and obligations under the loan agreement with the same rights and obligations as the assigning Lender. Assignments

1. Organization and Significant Accounting Policies (continued)

may, however, be arranged through private negotiations between potential assignees and potential assignors, and the rights and obligations acquired by the purchaser of an assignment may differ from, and be more limited than, those held by the assigning Lender.

(m) Repurchase Agreements

The Fund may enter into repurchase agreements. The Fund enters into transactions with its custodian bank or securities brokerage firms whereby it purchases securities under agreements to resell at an agreed upon price and date ("repurchase agreements"). Such agreements are carried at the contract amount in the financial statements which is considered to represent fair value. Collateral pledged (the securities received), which consists primarily of U.S. government obligations and asset-backed securities, are held by the custodian bank until maturity of the repurchase agreement. Provisions of the repurchase agreements and the procedures adopted by the Fund require that the market value of the collateral, including accrued interest thereon, is sufficient in the event of default by the counterparty. If the counterparty defaults and the value of the collateral declines or if the counterparty enters an insolvency proceeding, realization of the collateral by the Fund may be delayed or limited.

(n) Reverse Repurchase Agreements

In a reverse repurchase agreement, the Fund sells securities to a bank or broker-dealer and agrees to repurchase the securities at a mutually agreed date and price. Generally, the effect of such a transaction is that the Fund can recover and reinvest all or most of the cash invested in the portfolio securities involved during the term of the reverse repurchase agreement and still be entitled to the returns associated with those portfolio securities. Such transactions are advantageous if the interest cost to the Fund of the reverse repurchase transaction is less than the returns it obtains on investments purchased with the cash. Unless the Fund covers its positions in reverse repurchase agreements (by segregating liquid assets at least equal in amount to the forward purchase commitment), its obligations under the agreements will be subject to the Fund's limitations on borrowings. Reverse repurchase agreements involve leverage risk and also the risk that the market value of the securities that the Fund is obligated to repurchase under the agreement may decline below the repurchase price. In the event the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, the Fund's use of the proceeds of the agreement may be restricted pending determination by the other party, or its trustee or receiver, whether to enforce the Fund's obligation to repurchase the securities.

(o) When-Issued/Delayed-Delivery Transactions

The Fund may purchase or sell securities on a when-issued or delayed-delivery basis. The transactions involve a commitment to purchase or sell securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period. When delayed-delivery purchases are outstanding, the Fund will set aside and maintain until the settlement date in a designated account, liquid assets in an amount sufficient to meet the purchase price. When purchasing a security on a delayed-delivery basis, the Fund assumes the rights and risks of ownership of the security, including the risk of price and yield fluctuations; consequently, such fluctuations are taken into account when determining the net asset value. The Fund may dispose of or renegotiate a delayed-delivery transaction after it is entered into, and may sell when-issued securities before they are delivered, which may result in a realized gain or loss. When a security is sold on a delayed-delivery basis, the Fund does not participate in future gains and losses with respect to the security.

(p) Mortgage-Related and Other Asset-Backed Securities

The Fund may invest in mortgage-related or other asset-backed securities. These securities include mortgage pass-through securities, collateralized mortgage obligations ("CMOs"), commercial mortgage-backed securities, mortgage dollar rolls, CMO residuals, stripped mortgage-backed securities ("SMBSs") and other securities that directly or indirectly represent a participation in, or are secured by and payable from, mortgage loans on real property. The value of some mortgage-related or asset backed securities may be particularly sensitive to changes in prevailing interest rates. Early repayment of principal on some mortgage-related securities may expose the Fund to a lower rate of return upon reinvestment of principal. The value of these securities may fluctuate in response to the market's perception of the creditworthiness of the issuers. Additionally, although mortgages and mortgage-related securities are generally supported by some form of government or private guarantee and/or insurance, there is no assurance that private guarantors or insurers will meet their obligations.

(q) U.S. Government Agencies or Government-Sponsored Enterprises

Securities issued by U.S. Government agencies or government-sponsored enterprises may not be guaranteed by the U.S. Treasury. The Government National Mortgage Association ("GNMA" or "Ginnie Mae"), a wholly owned Government corporation, is authorized to guarantee, with the full faith and credit of the U.S. Government, the timely

1. Organization and Significant Accounting Policies (continued)

payment of principal and interest on securities issued by institutions approved by GNMA and backed by pools of mortgages insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs. Government-related guarantors (i.e. not backed by the full faith and credit of the U.S. Government) include the Federal National Mortgage Association (“FNMA” or “Fannie Mae”) and the Federal Home Loan Mortgage Corporation (“FHLMC” or “Freddie Mac”). Pass-through securities issued by FNMA are guaranteed as to timely payment of principal and interest by FNMA but are not backed by the full faith and credit of the U.S. Government. FHLMC guarantees the timely payment of interest and ultimate collection of principal, but its participation certificates are not backed by the full faith and credit of the U.S. Government.

(r) Custody Credits on Cash Balances

The Fund benefits from an expense offset arrangement with its custodian bank, whereby uninvested cash balances earn credits which reduce monthly custodian and accounting agent expenses. Had these cash balances been invested in income-producing securities, they would have generated income for the Fund.

2. Investment Manager/Sub-Adviser

The Fund has entered into an Investment Management Agreement (the “Agreement”) with the Investment Manager. Subject to the supervision of the Fund’s Board of Trustees, the Investment Manager is responsible for managing, either directly or through others selected by it, the Fund’s investment activities, business affairs and administrative matters. Pursuant to the Agreement, the Investment Manager receives an annual fee, payable on a monthly basis at the annual rate of 0.70% of the Fund’s average daily net assets, inclusive of net assets attributable to any preferred shares that may be outstanding.

The Investment Manager has retained its affiliate, Pacific Investment Management Company LLC, (the “Sub-Adviser”) to manage the Fund’s investments. Subject to the supervision of the Investment Manger, the Sub-Adviser is responsible for making all of the Fund’s investment decisions. The Investment Manager, not the Fund, pays a portion of the fees it receives to the Sub-Adviser in return for its services.

3. Investments in Securities

For the year ended March 31, 2009, purchases and sales of investments, other than short-term securities and U.S. government obligations, were \$1,193,902,358 and \$1,735,938,042, respectively. Purchases and sales in U.S. Government obligations were \$3,284,693,901 and \$3,622,146,637, respectively.

(a) Futures contracts outstanding at March 31, 2009:

Type	Contracts	Market Value (000)	Expiration Date	Unrealized Appreciation
Long: Financial Future Euro–90 day	859	\$212,388	6/15/09	\$4,328,123
Financial Future Euro–90 day	95	23,454	12/14/09	841,146
U.S. Treasury Notes 10 yr. Futures	21	2,606	6/19/09	62,672
				<u>\$5,231,941</u>

The Fund pledged cash collateral of \$1,937,800 for futures contracts.

(b) Transactions in options written for the year ended March 31, 2009:

	Contracts/Notional	Premiums
Options outstanding, March 31, 2008	12,800,000	\$242,140
Options written	96,501,186	1,347,514
Options terminated in closing purchase transactions	(109,300,764)	(1,240,579)
Options exercised	(422)	(349,075)
Options outstanding, March 31, 2009	<u>–</u>	<u>–</u>

PIMCO High Income Fund Notes to Financial Statements

March 31, 2009

3. Investments in Securities (continued)

(c) Credit default swap agreements:

Buy protection swap agreements outstanding at March 31, 2009 ⁽¹⁾:

Swap Counterparty/ Referenced Debt Issuer	Notional Amount Payable on Default (000) ⁽⁴⁾	Credit Spread ^{(3)*}	Termination Date	Payments Paid by Fund	Market Value ⁽⁵⁾	Upfront Premiums Paid	Unrealized Appreciation
Morgan Stanley: Great Lakes Chemical	\$5,500	—†	7/15/09	(0.37)%	\$4,175,704	\$—	\$4,175,704

Sell protection swap agreements outstanding at March 31, 2009 ⁽²⁾:

Swap Counterparty/ Referenced Debt Issuer	Notional Amount Payable on Default (000) ⁽⁴⁾	Credit Spread ^{(3)*}	Termination Date	Payments Received by Fund	Market Value ⁽⁵⁾	Upfront Premiums Paid/(Received)	Unrealized Appreciation (Depreciation)
Barclays Bank:							
CIT Group	\$5,000	20.628%	12/20/09	5.00%	\$(501,646)	\$(800,000)	\$298,354
CIT Group	26,100	11.765%	12/20/13	5.00%	(5,103,612)	(6,455,500)	1,351,888
Citigroup	10,000	6.258%	3/20/14	3.03%	(1,172,170)	—	(1,172,170)
General Electric	2,800	7.44%	12/20/13	3.78%	(342,076)	—	(342,076)
SLM	4,550	25.406%	12/20/13	5.00%	(1,680,664)	(500,500)	(1,180,164)
BNP Paribas:							
Citigroup	10,000	6.258%	3/20/14	3.20%	(1,109,253)	—	(1,109,253)
General Electric	3,050	7.44%	12/20/13	4.60%	(287,304)	—	(287,304)
General Electric	3,000	7.44%	12/20/13	4.70%	(272,361)	—	(272,361)
Citigroup:							
Bank of America	8,000	3.953%	3/20/14	1.85%	(642,601)	—	(642,601)
CIT Group	4,000	11.765%	12/20/13	5.00%	(782,163)	(990,000)	207,837
Ford Motor	5,000	20.143%	6/20/09	5.00%	(160,251)	(850,000)	689,749
General Electric	25,000	7.44%	12/20/13	3.80%	(3,037,191)	—	(3,037,191)
General Electric	9,000	7.44%	12/20/13	4.10%	(1,001,287)	—	(1,001,287)
General Electric	9,500	7.44%	12/20/13	4.25%	(1,008,304)	—	(1,008,304)
General Electric	7,600	7.44%	12/20/13	4.65%	(702,943)	—	(702,943)
General Electric	20,000	7.36%	3/20/14	3.675%	(2,553,666)	—	(2,553,666)
GMAC	8,000	27.915%	6/20/09	5.00%	(390,999)	(2,000,000)	1,609,001
Goldman Sachs International	10,000	2.852%	3/20/14	2.65%	(76,445)	—	(76,445)
International Lease Finance	4,000	19.688%	12/20/13	5.00%	(1,271,397)	(640,000)	(631,397)
Morgan Stanley	10,000	3.852%	3/20/14	3.50%	(131,221)	—	(131,221)
Morgan Stanley	10,000	3.852%	3/20/14	3.70%	(48,883)	—	(48,883)
SLM	12,250	25.406%	12/20/13	5.00%	(4,524,864)	(1,508,500)	(3,016,364)
Credit Suisse First Boston:							
HCA	1,000	9.992%	3/20/14	5.00%	(135,618)	(150,000)	14,382

PIMCO High Income Fund Notes to Financial Statements

March 31, 2009

3. Investments in Securities (continued)

Swap Counterparty/ Referenced Debt Issuer	Notional Amount Payable on Default (000) (4)	Credit Spread (3)*	Termination Date	Payments Received by Fund	Market Value (5)	Upfront Premiums Paid/ (Received)	Unrealized Appreciation (Depreciation)
Deutsche Bank:							
American Express	\$10,000	9.499%	3/20/10	3.85%	\$(499,911)	\$-	\$(499,911)
American Express	10,000	6.308%	3/20/14	2.60%	(1,343,111)	-	(1,343,111)
American Express	10,000	6.308%	3/20/14	2.70%	(1,306,278)	-	(1,306,278)
American International Group	20,000	21.481%	12/20/13	6.60%	(6,681,096)	-	(6,681,096)
CIT Group	14,550	11.765%	12/20/13	5.00%	(2,845,117)	(3,455,750)	610,633
Dow Jones CDX HY-11 Index	41,210	16.074%	12/20/13	5.00%	(12,884,102)	(11,066,075)	(1,818,027)
General Electric	25,000	7.44%	12/20/13	4.13%	(2,755,767)	549,213	(3,304,980)
General Electric	9,500	7.44%	12/20/13	4.23%	(1,014,785)	-	(1,014,785)
General Electric	19,400	7.44%	12/20/13	4.70%	(1,761,266)	-	(1,761,266)
General Electric	15,400	7.44%	12/20/13	4.775%	(1,358,719)	-	(1,358,719)
Goldman Sachs	12,000	2.852%	3/20/14	2.85%	11,362	-	11,362
Goldman Sachs International International Lease Finance Corp	10,000	2.852%	3/20/14	2.44%	(166,654)	-	(166,654)
Morgan Stanley	10,000	3.852%	3/20/14	3.80%	(7,714)	-	(7,714)
Morgan Stanley	15,000	3.852%	3/20/14	4.05%	142,811	-	142,811
SLM	24,750	25.406%	12/20/13	5.00%	(9,142,073)	(3,240,000)	(5,902,073)
Goldman Sachs:							
GMAC	15,000	19.549%	3/20/12	6.45%	(3,909,548)	-	(3,909,548)
JPMorgan Chase:							
CIT Group	5,000	20.627%	6/20/09	5.00%	(164,396)	(600,000)	435,604
GMAC	3,000	19.549%	3/20/12	2.11%	(1,047,985)	-	(1,047,985)
Merrill Lynch & Co.:							
Dow Jones CDX HY-11 Index	120,960	16.074%	12/20/13	5.00%	(37,851,108)	(30,550,713)	(7,300,395)
General Motors	13,800	164.224%	12/20/09	5.00%	(9,110,848)	(8,073,000)	(1,037,848)
GMAC	23,000	18.086%	9/20/13	5.00%	(7,891,199)	(6,037,500)	(1,853,699)
SLM	6,075	25.406%	12/20/13	5.00%	(2,243,963)	(850,500)	(1,393,463)
Morgan Stanley:							
Dow Jones CDX HY-11 Index	24,000	16.074%	12/20/13	5.00%	(7,510,140)	(6,450,000)	(1,060,140)
					<u>\$(141,457,020)</u>	<u>\$(85,143,825)</u>	<u>\$(56,313,195)</u>

* Unaudited.

† Issuer in default.

(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 comprising 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 comprising the referenced index.

3. Investments in Securities (continued)

- (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 comprising 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 comprising the referenced index.
- (3) Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements as of year 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 March 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.

(d) Forward foreign currency contracts outstanding at March 31, 2009:

	Counterparty	U.S. \$ Value on Origination Date	U.S. \$ Value March 31, 2009	Unrealized Appreciation (Depreciation)
<u>Purchased:</u>				
7,943,000 British Pound settling 4/9/09	Barclays Bank	\$11,385,179	\$11,385,290	\$111
791,000 Euro settling 4/14/09	Goldman Sachs & Co.	1,020,287	1,050,187	29,900
183,000 Euro settling 4/14/09	HSBC Bank USA	249,029	242,964	(6,065)
439,000 Euro settling 4/14/09	UBS	593,708	582,847	(10,861)
2,628,313 Mexican Peso settling 5/19/09	Barclays Bank	187,898	184,783	(3,115)
<u>Sold:</u>				
5,240,000 British Pound settling 4/9/09	Deutsche Bank	7,596,219	7,510,880	85,339
894,000 British Pound settling 4/9/09	Goldman Sachs & Co.	1,247,148	1,281,436	(34,288)
4,000 British Pound settling 4/9/09	HSBC Bank USA	5,652	5,733	(81)
8,769,000 British Pound settling 4/9/09	Morgan Stanley	12,685,104	12,569,256	115,848
848,000 British Pound settling 4/9/09	Royal Bank of Scotland PLC	1,211,393	1,215,501	(4,108)
25,276,000 Euro settling 4/14/09	HSBC Bank USA	31,919,114	33,558,196	(1,639,082)
15,636,000 Euro settling 4/14/09	Royal Bank of Scotland PLC	21,143,092	20,759,453	383,639
1,375,000 Euro settling 4/14/09	UBS	1,762,805	1,825,547	(62,742)
2,451,313 Mexican Peso settling 5/19/09	Barclays Bank	178,974	172,339	6,635
177,000 Mexican Peso settling 5/19/09	JPMorgan Chase	13,541	12,443	1,098
				<u>\$(1,137,772)</u>

The Fund received \$550,000 principal value in U.S. Treasury Bills and \$380,000 in cash as collateral for derivative contracts. Cash collateral received may be invested in accordance with the Fund's investment strategy. Collateral received as securities cannot be pledged.

3. Investments in Securities (continued)

(f) The weighted average daily balance of reverse repurchase agreements outstanding during the year ended March 31, 2009 was \$29,550,361 at a weighted average interest rate of 1.40%. The total market value of underlying collateral for open reverse repurchase agreements at March 31, 2009 was \$116,909,136. Refer to the schedule of investments for positions segregated as collateral for reverse repurchase agreement.

Open reverse repurchase agreements at March 31, 2009 were:

Counterparty	Rate	Trade Date	Maturity Date	Principal & Interest	Principal
Barclays	0.95%	3/31/09	4/14/09	\$5,654,149	\$5,654,000
	1.35%	2/27/09	5/27/09	62,078,728	62,002,000
	1.35%	3/2/09	5/27/09	5,785,501	5,779,000
	1.35%	3/9/09	5/27/09	8,481,309	8,474,000
	1.35%	3/12/09	5/27/09	1,988,490	1,987,000
Deutsche Bank	0.45%	3/30/09	4/13/09	25,806,645	25,806,000
Goldman Sachs	(1.00)%	1/30/09	4/1/09	1,672,162	1,675,000
					<u>\$111,377,000</u>

4. Income Tax Information

The tax character of dividends and distributions paid were:

	Year ended March 31, 2009	Year ended March 31, 2008
Ordinary Income	\$189,938,940	\$325,803,581
Long-Term Capital Gains	369,932	20,131,973

At March 31, 2009, the tax character of distributable earnings of 1,779,427 was comprised entirely of ordinary income.

For the year ended March 31, 2009, permanent “book-tax” differences were primarily attributable to the differing treatment of foreign currency transactions, swap payments, consent fees, paydowns, and dividend redesignations. These adjustments were to decrease dividends in excess of net investment income and increase accumulated net realized losses by \$27,982,171.

Net investment income and net realized gains differ for financial statement and federal income tax purposes primarily due to the treatment of amounts received under swap agreements. For year ended March 31, 2009, the Fund received \$18,262,399 from swap agreements, which are treated as net realized gain (loss) for financial statement purposes and as net income (loss) for federal income tax purposes.

At March 31, 2009, the Fund had a capital loss carryforward of \$334,470,198 all of which will expire in 2017 and is available as a reduction, to the extent provided in the regulations, of any future net realized gains. To the extent that these losses are used to offset future realized capital gains, such gains will not be distributed.

In accordance with U.S. Treasury regulations, the Fund elected to defer realized foreign currency losses of \$10,263,197 and realized capital losses of \$479,059,279, arising after October 31, 2008. Such losses are treated as arising on April 1, 2009.

The cost basis of portfolio securities for federal income tax purposes is \$1,397,412,217. Aggregate gross unrealized appreciation for securities in which there is an excess of value over tax cost is \$7,989,286; aggregate gross unrealized depreciation for securities in which there is an excess of tax cost over value is \$385,295,781; net unrealized depreciation for federal income tax purposes is \$377,306,495. The difference between book and tax appreciation is primarily attributable to wash sales and mark-to-market on option contracts.

5. Auction-Rate Preferred Shares

The Fund has outstanding, 2,336 shares of Preferred Shares Series M, 2,928 shares of Preferred Shares Series T, 2,928 shares of Preferred Shares Series W, 2,928 shares of Preferred Shares Series TH and 2,336 shares of Preferred Shares Series F, each with a net asset and liquidation value of \$25,000 per share plus any accumulated, unpaid dividends.

Dividends are accumulated daily at an annual rate (typically re-set every seven days) through auction procedures. Distributions of net realized capital gains, if any, are paid annually.

5. Auction-Rate Preferred Shares (continued)

For the year ended March 31, 2009, the annualized dividend rates ranged from:

	High	Low	At March 31, 2009
Series M	4.113%	0.135%	0.285%
Series T	4.023%	0.135%	0.270%
Series W	3.933%	0.150%	0.285%
Series TH	4.713%	0.105%	0.210%
Series F	4.278%	0.075%	0.285%

The Fund is subject to certain limitations and restrictions while Preferred Shares are outstanding. Failure to comply with these limitations and restrictions could preclude the Fund from declaring any dividends or distributions to common shareholders or repurchasing common shares and/or could trigger the mandatory redemption of Preferred Shares at their liquidation value plus any accumulated, unpaid dividends.

Preferred shareholders, who are entitled to one vote per share, generally vote with the common shareholders but vote separately as a class to elect two Trustees and on any matters affecting the rights of the preferred shareholders.

Since mid-February 2008, holders of auction-rate preferred shares ("ARPS") issued by the Fund has been directly impacted by an unprecedented lack of liquidity, which has similarly affected ARPS holders in many of the nation's closed-end funds. Since then, regularly scheduled auctions for ARPS issued by the Fund have consistently "failed" because of insufficient demand (bids to buy shares) to meet the supply (shares offered for sale) at each auction. In a failed auction, ARPS holders cannot sell all, and may not be able to sell any, of their shares tendered for sale. While repeated auction failures have affected the liquidity for ARPS, they do not constitute a default or automatically alter the credit quality of the ARPS, and ARPS holders have continued to receive dividends at the defined "maximum rate" the higher of the 7-day USD London Inter-Bank Offered Rate ("LIBOR") multiplied by 125% or the 7-day USD LIBOR plus 1.25% (which is a function of short-term interest rates and typically higher than the rate that would have otherwise been set through a successful auction).

These developments with respect to ARPS have not affected the management or investment policies of the Fund, and the Fund's outstanding common shares continue to trade on the NYSE without any change. If the Fund's ARPS auctions continue to fail and the "maximum rate" payable on the ARPS rises as a result of changes in short-term interest rates, returns for the Fund's common shareholders could be adversely affected.

During the year ended March 31, 2009, the Fund redeemed, at par, 563,600,000 of its outstanding ARPS. The redemptions were made at the full liquidation preference of \$25,000 per share plus accumulated but unpaid dividends up to each Series respective dates of redemptions. The decision to redeem a portion of the Fund's ARPS was made with the intention to increase asset coverage of the Fund's ARPS above the 200% Level (subject to future market conditions), permitting the Fund to declare/pay common share dividends.

		Dates of Redemptions
Beginning balance, 3/31/08	\$900,000,000	
Redemption	(315,000,000)	12/8/08-12/12/08
Redemption	(123,000,000)	12/15/08-12/19/08
Redemption	(96,000,000)	3/16/09-3/20/09
Redemption	(29,600,000)	3/30/09-3/31/09
Ending balance, 3/31/09*	<u>\$336,400,000</u>	

*On March 12, 2009, the Fund announced \$44,400,000 ARPS redemptions which commenced April 1, 2009 and concluded April 3, 2009.

6. Subsequent Common Dividend Declarations

On April 1, 2009, a dividend of \$0.121875 per share was declared to common shareholders payable May 1, 2009 to shareholders of record on April 13, 2009.

On May 1, 2009, a dividend of \$0.121875 per share was declared to common shareholders payable June 1, 2009 to shareholders of record on May 11, 2009.

7. Market and Credit Risk

On September 15, 2008, Lehman Brothers Holdings Inc. filed for protection under Chapter 11 of the United States Bankruptcy Code. On September 19, 2008, a proceeding under the Securities Investor Protection Act ("SIPA") was commenced with respect to Lehman Brothers Inc., a broker-dealer. A trustee appointed under SIPA is administering the bankruptcy estate of Lehman Brothers Inc. Lehman Brothers International (Europe) was placed in administration under the UK Insolvency Act on September 15, 2008. Lehman Brothers Special Financing Inc. filed for protection under Chapter 11 of the United States Bankruptcy Code on October 3, 2008. In connection with these filings, the Lehman Brothers group of companies (collectively "Lehman Brothers") will be reorganized and/or liquidated in an orderly fashion, subject to court approval. Each Lehman Brothers entity is a separate legal entity that is subject to its own bankruptcy proceeding.

The Fund had select holdings, credit default swap agreements, foreign currency transactions, securities and derivatives transactions outstanding with Lehman Brothers entities as issuer, referenced entity, counterparty or guarantor at the time the relevant Lehman Brothers entity filed for protection or was placed in administration. The security holdings, credit default swap agreements, foreign currency transactions, securities and derivatives transactions associated with Lehman Brothers as counterparty, have been written down to their estimated recoverable values. Anticipated losses for securities and derivatives transactions associated with Lehman Brothers have been incorporated as components of assets and other liabilities on the Statement of Assets and Liabilities and net change in unrealized appreciation (depreciation) on the Statement of Operations. These amounts are based on the Investment Manager's legal interpretations under its netting agreements and recoverability estimates and may differ significantly from the amount which might ultimately be realized or paid. As a result of these anticipated losses, the Fund's NAV decreased by \$0.01 per common share. A facilitated auction occurred on October 10, 2008 comprising multiple pre-approved brokerage agencies to determine the estimated recovery rate for holdings and credit default swap agreements with Lehman Brothers Holdings Inc. as referenced entity. These recovery rates as well as the current value of Senior Lehman bonds, have been utilized in determining estimated recovery values for certain holdings. Financial assets and liabilities may be offset and the net amount may be reported in the statement of assets and liabilities where there is a legally enforceable right to set off the recognized amounts and the provisions of FASB Interpretation No. 39, Offsetting of Amounts Related to Certain Contracts ("FIN 39") have been met. As a result of the early terminated swap contracts, the Fund realized losses which decreased NAV by \$0.01 per common share.

The Sub-Adviser has delivered notices of default and in some cases, claim notices, to certain entities of Lehman Brothers in accordance with the terms of the applicable agreements. For transactions with Lehman Brothers counterparties, the Sub-Adviser has terminated the trades and has obtained quotations from brokers for replacement trades.

The Fund is party to International Swaps and Derivatives Association, Inc. Master Agreements ("ISDA Master Agreements") with select counterparties that govern transactions, over-the-counter derivative and foreign exchange contracts, entered into by the Fund and those counterparties. The ISDA Master Agreements maintain provisions for general obligations, representations, agreements, collateral and events of default or termination. Events of termination include conditions that may entitle counterparties to elect to terminate early and cause settlement of all outstanding transactions under the applicable ISDA Master Agreement. Any election to early terminate could be material to the Fund's financial statements.

8. Legal Proceedings

In June and September 2004, the Investment Manager and certain of its affiliates (including PEA Capital LLC ("PEA"), Allianz Global Investors Distributors LLC and Allianz Global Investors of America, L.P.), agreed to settle, without admitting or denying the allegations, claims brought by the SEC and the New Jersey Attorney General alleging violations of federal and state securities laws with respect to certain open-end funds for which the Investment Manager serves as investment adviser. The settlements related to an alleged "market timing" arrangement in certain open-end funds formerly sub-advised by PEA. The Investment Manager and its affiliates agreed to pay a total of \$68 million to settle the claims. In addition to monetary payments, the settling parties agreed to undertake certain corporate governance, compliance and disclosure reforms related to market timing and consented to cease and desist orders and censures. Subsequent to these events, PEA deregistered as an investment adviser and dissolved. None of the settlements alleged that any inappropriate activity took place with respect to the Fund.

Since February 2004, the Investment Manager, the Sub-Adviser, and certain of their affiliates and their employees have been named as defendants in a number of pending lawsuits concerning "market timing" which allege the same or similar conduct underlying the regulatory settlements discussed above. The market timing lawsuits have been consolidated in a multi-district litigation proceeding in the U.S. District Court for the District of Maryland. Any potential resolution of these matters may include, but not be limited to, judgments or settlements for damages against the Investment Manager, the Sub-Adviser, or their affiliates or related injunctions.

The Investment Manager and the Sub-Adviser believe that these matters are not likely to have a material adverse effect on the Fund or on their ability to perform their respective investment advisory activities relating to the Fund.

The foregoing speaks only as of the date hereof.

PIMCO High Income Fund Financial Highlights

For a share of common stock outstanding throughout each year:

	Year ended March 31,				
	2009	2008	2007	2006	2005
Net asset value, beginning of year	\$11.28	\$15.19	\$15.02	\$15.02	\$15.45
Investment Operations:					
Net investment income	1.37	1.71	1.68	1.66	1.65
Net realized and change in unrealized gain (loss) on investments, futures contracts, options written, swaps, unfunded loan commitments and foreign currency transactions	(7.55)	(2.64)	0.67	0.13	0.03
Total from investment operations	(6.18)	(0.93)	2.35	1.79	1.68
Dividends and Distributions on Preferred Shares from:					
Net investment income	(0.15)	(0.36)	(0.36)	(0.29)	(0.14)
Net realized gains	—	(0.04)	(0.03)	(0.00)(a)	(0.01)
Total dividends and distributions on preferred shares	(0.15)	(0.40)	(0.39)	(0.29)	(0.15)
Net increase (decrease) in net assets applicable to common shareholders resulting from investment operations	(6.33)	(1.33)	1.96	1.50	1.53
Dividends and Distributions to Common Shareholders from:					
Net investment income	(1.46)	(1.46)	(1.46)	(1.46)	(1.51)
Net realized gains	—	(1.12)	(0.33)	(0.04)	(0.45)
Total dividends and distributions to common shareholders	(1.46)	(2.58)	(1.79)	(1.50)	(1.96)
Net asset value, end of year	\$3.49	\$11.28	\$15.19	\$15.02	\$15.02
Market price, end of year	\$5.57	\$11.72	\$15.96	\$15.07	\$14.08
Total Investment Return (1)	(42.27)%	(10.55)%	19.29%	18.35%	8.81%
RATIOS/SUPPLEMENTAL DATA:					
Net assets applicable to common shareholders, end of year (000)	\$412,833	\$1,319,726	\$1,756,273	\$1,720,103	\$1,716,259
Ratio of expenses to average net assets including interest expense (2)(3)	1.64%	1.53%	1.55%	1.28%	1.26%
Ratio of expenses to average net assets excluding interest expense (2)(3)	1.62%	1.32%	1.28%	1.27%	1.26%
Ratio of net investment income to average net assets (2)	17.16%	12.49%	11.29%	11.02%	10.68%
Preferred shares asset coverage per share	\$55,773	\$61,644	\$73,758	\$72,762	\$72,662
Portfolio turnover	261%	99%	53%	65%	40%

(a) Less than \$0.005 per common share.

- (1) Total investment return is calculated assuming a purchase of common stock at the current market price on the first day of each period and a sale at the current market price on the last day of each period reported. Dividends and distributions are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment return does not reflect brokerage commissions or sales charges.
- (2) Calculated on the basis of income and expenses applicable to both common and preferred shares relative to the average net assets of common shareholders.
- (3) Inclusive of expenses offset by custody credits earned on cash balances at the custodian bank. (See note 1(r) in Notes to Financial Statements).

To the Shareholders and Board of Trustees of PIMCO High Income Fund

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets applicable to common shareholders and the financial highlights present fairly, in all material respects, the financial position of PIMCO High Income Fund (the "Fund") at March 31, 2009, the results of its operations for year then ended, the changes in its net assets applicable to common shareholders for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at March 31, 2009 by correspondence with the custodian, brokers and agent banks, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
New York, New York
May 27, 2009

PIMCO High Income Fund Change in Investment Policies/ Subsequent Events/Tax Information (unaudited)

Change in Investment Policies

Illiquid Securities

Effective December 26, 2008, the Fund's investment policies were revised to remove previously existing limits on investment in illiquid securities so that the Fund may invest without limit in illiquid securities. Prior to this change in the Fund's investment policies, the Fund could invest only 20% of net assets in illiquid securities. The Fund's investments in illiquid securities may trade at a discount from comparable, more liquid investments, may be subject to wide fluctuations in market value and be more difficult to value, and the Fund may not be able to dispose readily of illiquid securities when that would be beneficial at a favorable time or price.

Derivatives

Effective December 26, 2008, the Fund's investment policies were revised to remove previously existing limits on the use of derivatives for non-hedging purposes so that the Fund may invest without limit. Prior to this change in the Fund's investment policies, the Fund's use of derivatives for non-hedging purposes was limited to 25% of total assets. These changes in the Fund's investment policies are intended to provide the Fund with additional investment flexibility to increase its use of credit default swaps and other derivative instruments, including interest rate swaps, futures and options as an efficient means to gain investment exposure to high-yield and other debt obligations in which the Fund may invest directly. In addition to general market risks, the Fund's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with direct investments in securities, including illiquidity risk, leverage risk, correlation risk and counterparty risk.

The Board of Trustees approved these changes based on the recommendation of the Investment Manager and Sub-Adviser that the removal of these restrictions provides additional investment flexibility to respond to changing market conditions.

Subsequent Events:

Preferred Stock and Convertible Securities: Conversion to Common Stock

The Fund may invest in preferred stock and convertible securities, and these securities may allow for conversion into common stock. Effective April 6, 2009, the Fund's investment policies were revised to make explicit that the Fund may hold common stock received from conversion of other portfolio securities, such that common stocks may represent up to 20% of the Fund's total assets. The Board of Trustees formally approved of this policy based on the recommendation of the Investment Manager and Sub-Adviser that having the ability to hold common stock under these circumstances would be in the best interest of the Fund and the Fund's shareholders. PIMCO believes it is in the best interests of the Fund to have the flexibility to participate in such conversions and to hold common stock received in such conversions until adequate value can be realized or it otherwise deems it appropriate to dispose of common stock holdings.

Holding common stock involves risks different from or in addition to the risks associated with debt instruments. The market price of common stocks and other equity securities may go up or down, sometimes rapidly or unpredictably. The value of a company's equity securities may fall as a result of factors directly relating to that company, such as decisions made by its management or lower demand for the company's products or services. The value of an equity security may also fall because of factors affecting not just the company, but also companies in the same industry or sector, or in a number of different industries or sectors, such as increases in production costs. The value of a company's equity securities may also be affected by changes in financial markets that are relatively unrelated to the company or its industry, such as changes in interest rates or currency exchange rates, adverse circumstances involving the credit markets, periods of relative illiquidity, volatility, and perceived or actual instability in the banking and financial service sectors. In addition, because a company's equity securities rank junior in priority to the interests of bond holders and other creditors, a company's equity securities will usually react more strongly than its bonds and other debt to actual or perceived changes in the company's financial condition or prospects. Equity securities generally have greater price volatility and usually produce lower yields than bonds and other debt securities.

Change in Portfolio Manager

Effective May 15, 2009, Mr. William H. Gross assumed primary responsibility for the day-to-day portfolio management of the Fund. Mr. Gross founded PIMCO more than 37 years ago and is a managing director and co-Chief Investment Officer of the company. He has 40 years of investment experience and holds an MBA from the Anderson School of Management at the University of California, Los Angeles. He received his undergraduate degree from Duke University.

Tax Information:

Subchapter M of the Internal Revenue Code of 1986, as amended, requires the Fund to advise shareholders within 60 days of the Fund's tax year ended (March 31, 2009) as to the federal tax status of dividends and distributions received by shareholders during such tax year. Per share dividends for the tax year ended March 31, 2009 were as follows:

Distributions to common shareholders from long-term gains	\$0.0027
Distribution to preferred shareholders from long-term gains	\$1.5675

Since the Fund's tax year is not the calendar year, another notification will be sent with respect to calendar year 2009. In January 2010, shareholders will be advised on IRS Form 1099 DIV as to the federal tax status of the dividends and distributions received during calendar 2009. The amount that will be reported will be the amount to use on your 2009 federal income tax return and may differ from the amount which must be reported in connection with the Fund's tax year ended March 31, 2009. Shareholders are advised to consult their tax advisers as to the federal, state and local tax status of the dividend income received from the Fund.

Annual Shareholder Meeting Results:

The Fund held its annual meeting of shareholders on December 16, 2008. Common and/or Preferred shareholders voted as indicated below:

	Affirmative	Withheld Authority
Class I Trustee		
Re-election of R. Peter Sullivan III, to serve until 2011	96,184,483	7,475,266
Election of Diana L. Taylor*, to serve until 2011	30,950	966

Messrs. Paul Belica, Robert E. Connor*, Hans W. Kertess, William B. Ogden, IV and John C. Maney continue to serve as Trustees of the Fund.

* Preferred Shares Trustee; Diana L. Taylor was appointed to serve as a Preferred Shares Trustee to fill a vacancy resulting from the death of John J. Dalessandro in September 2008.

Privacy Policy:

Our Commitment to You

We consider customer privacy to be a fundamental aspect of our relationship with clients. We are committed to maintaining the confidentiality, integrity, and security of our current, prospective and former clients' personal information. To ensure clients' privacy, we have developed policies designed to protect this confidentiality, while allowing client needs to be served.

Obtaining Personal Information

In the course of providing you with products and services, we and certain service providers to the Fund, such as the Fund's investment adviser, and certain service providers to the Fund, such as the Fund's investment adviser, may obtain non-public personal information about you. This information may come from sources such as account applications and other forms, from other written, electronic or verbal correspondence, from your transactions, from your brokerage or financial advisory firm, financial adviser or consultant, and/or from information captured on our internet web sites.

Respecting Your Privacy

As a matter of policy, we do not disclose any personal or account information provided by you or gathered by us to non-affiliated third parties, except as required or permitted by law or as necessary for third parties to perform their agreements with respect to the Fund. As is common in the industry, non-affiliated companies may from time to time be used to provide certain services, such as preparing and mailing prospectuses, reports, account statements and other information, conducting research on client satisfaction, and gathering shareholder proxies. We may also retain non-affiliated companies to market our products and enter in joint marketing agreements with other companies. These companies may have access to your personal and account information, but are permitted to use the information solely to provide the specific service or as otherwise permitted by law. In most cases you will be clients of the third party, but we may also provide your personal and account information to your respective brokerage or financial advisory firm and/or to your financial adviser or consultant.

Sharing Information with Third Parties

We do reserve the right to disclose or report personal information to non-affiliated third parties in limited circumstances where we believe in good faith that disclosure is required under law, to cooperate with regulators or law enforcement authorities, to protect our rights or property, or upon reasonable request by any mutual fund in which you have chosen to invest. In addition, the fund may disclose information about a shareholder's accounts to a non-affiliated third party with the consent or upon the request of the shareholder.

Sharing Information with Affiliates

We may share client information with our affiliates in connection with servicing your account or to provide you with information about products and services that we believe may be of interest to you. The information we share may include, for example, your participation in our mutual funds or other investment programs sponsored by us or our affiliates, your ownership of certain types of accounts (such as IRAs), or other data about your accounts. Our affiliates, in turn, are not permitted to share your information with non-affiliated entities, except as required or permitted by law.

Procedures to Safeguard Private Information

We take seriously the obligation to safeguard your non-public personal information. In addition to this policy, we have also implemented procedures that are designed to restrict access to your non-public personal information only to internal personnel who need to know that information in order to provide products or services to you. In order to guard your non-public personal information, physical, electronic and procedural safeguards are in place.

Proxy Voting Policies & Procedures:

A description of the policies and procedures that the Fund has adopted to determine how to vote proxies relating to portfolio securities and information about how the Fund voted proxies relating to portfolio securities held during the most recent twelve month period ended June 30 is available (i) without charge, upon request, by calling the Fund's shareholder servicing agent at (866) 298-8462; (ii) on the Fund's website at www.allianzinvestors.com/closedendfunds; and (iii) on the Securities and Exchange Commission's website at www.sec.gov.

Pursuant to the Fund's Dividend Reinvestment Plan (the "Plan"), all Common Shareholders whose shares are registered in their own names will have all dividends, including any capital gain dividends, reinvested automatically in additional Common Shares by PNC Global Investment Servicing, as agent for the Common Shareholders (the "Plan Agent"), unless the shareholder elects to receive cash. An election to receive cash may be revoked or reinstated at the option of the shareholder. In the case of record shareholders such as banks, brokers or other nominees that hold Common Shares for others who are the beneficial owners, the Plan Agent will administer the Plan on the basis of the number of Common Shares certified from time to time by the record shareholder as representing the total amount registered in such shareholder's name and held for the account of beneficial owners who are to participate in the Plan. Shareholders whose shares are held in the name of a bank, broker or nominee should contact the bank, broker or nominee for details. All distributions to investors who elect not to participate in the Plan (or whose broker or nominee elects not to participate on the investor's behalf), will be paid cash by check mailed, in the case of direct shareholder, to the record holder by PNC Global Investment Servicing, as the Fund's dividend disbursement agent.

Unless you elect (or your broker or nominee elects) not to participate in the Plan, the number of Common Shares you will receive will be determined as follows:

- (1) If on the payment date the net asset value of the Common Shares is equal to or less than the market price per Common Share plus estimated brokerage commissions that would be incurred upon the purchase of Common Shares on the open market, the Fund will issue new shares at the greater of (i) the net asset value per Common Share on the payment date or (ii) 95% of the market price per Common Share on the payment date; or
- (2) If on the payment date the net asset value of the Common Shares is greater than the market price per Common Share plus estimated brokerage commissions that would be incurred upon the purchase of Common Shares on the open market, the Plan Agent will receive the dividend or distribution in cash and will purchase Common Shares in the open market, on the NYSE or elsewhere, for the participants' accounts. It is possible that the market price for the Common Shares may increase before the Plan Agent has completed its purchases. Therefore, the average purchase price per share paid by the Plan Agent may exceed the market price on the payment date, resulting in the purchase of fewer shares than if the dividend or distribution had been paid in Common Shares issued by the Fund. The Plan Agent will use all dividends and distributions received in cash to purchase Common Shares in the open market on or shortly after the payment date, but in no event later than the ex-dividend date for the next distribution. Interest will not be paid on any uninvested cash payments.

You may withdraw from the Plan at any time by giving notice to the Plan Agent. If you withdraw or the Plan is terminated, you will receive a certificate for each whole share in your account under the Plan and you will receive a cash payment for any fraction of a share in your account. If you wish, the Plan Agent will sell your shares and send you the proceeds, minus brokerage commissions.

The Plan Agent maintains all shareholders' accounts in the Plan and gives written confirmation of all transactions in the accounts, including information you may need for tax records. The Plan Agent will also furnish each person who buys Common Shares with written instructions detailing the procedures for electing not to participate in the Plan and to instead receive distributions in cash. Common Shares in your account will be held by the Plan Agent in non-certificated form. Any proxy you receive will include all Common Shares you have received under the Plan.

There is no brokerage charge for reinvestment of your dividends or distributions in Common Shares. However, all participants will pay a pro rata share of brokerage commissions incurred by the Plan Agent when it makes open market purchases.

Automatically reinvested dividends and distributions are taxed in the same manner as cash dividends and distributions.

The Fund and the Plan Agent reserve the right to amend or terminate the Plan. There is no direct service charge to participants in the Plan; however, the Fund reserves the right to amend the Plan to include a service charge payable by the participants. Additional information about the Plan may be obtained from the Fund's shareholder servicing agent, PNC Global Investment Servicing, P.O. Box 43027, Providence, RI 02940-3027, telephone number (866) 298-8462.

Name, Date of Birth, Position(s) Held with Fund, Length of Service, Other Trusteeships/Directorships Held by Trustee; Number of Portfolios in Fund Complex/Outside Fund Complexes Currently Overseen by Trustee

Principal Occupation(s) During Past 5 Years:

The address of each trustee is 1345 Avenue of the Americas, New York, NY 10105.

Hans W. Kertess

Date of Birth: 7/12/39

Chairman of the Board of Trustees since: 2007

Trustee since: 2003

Term of office: Expected to stand for re-election at 2010 annual meeting of shareholders.

Trustee/Director of 48 funds in Fund Complex;

Trustee/Director of no funds outside of Fund Complex

President, H. Kertess & Co., a financial advisory company. Formerly, Managing Director, Royal Bank of Canada Capital Markets.

Paul Belica

Date of Birth: 9/27/21

Trustee since: 2003

Term of office: Expected to stand for re-election at 2009 annual meeting of shareholders.

Trustee/Director of 48 funds in Fund Complex

Trustee/Director of no funds outside of Fund Complex

Retired. Formerly Director, Student Loan Finance Corp., Education Loans, Inc., Goal Funding II, Inc., Goal Funding II, Inc. and Surety Loan Fund, Inc. Formerly, Manager of Stratigos Fund LLC, Whistler Fund LLC, Xanthus Fund LLC & Wynstone Fund LLC.

Robert E. Connor

Date of Birth: 9/17/34

Trustee since: 2003

Term of office: Expected to stand for re-election at 2010 annual meeting of shareholders.

Trustee/Director of 48 funds in Fund Complex

Trustee/Director of no funds outside of Fund Complex

Retired. Formerly, Senior Vice President, Corporate Office, Smith Barney Inc.

William B. Ogden, IV

Date of Birth: 1/11/45

Trustee since: 2006

Term of office: Expected to stand for election at 2010 annual meeting of shareholders.

Trustee/Director of 48 funds in Fund Complex;

Trustee/Director of no funds outside of Fund Complex

Asset Management Industry Consultant. Formerly, Managing Director, Investment Banking Division of Citigroup Global Markets Inc.

R. Peter Sullivan III

Date of Birth: 9/4/41

Trustee since: 2004

Term of office: Expected to stand for re-election at 2009 annual meeting of shareholders.

Trustee/Director of 48 funds in Fund Complex

Trustee/Director of no funds outside of Fund Complex

Retired. Formerly, Managing Partner, Bear Wagner Specialists LLC, specialist firm on the New York Stock Exchange.

Diana L. Taylor

Date of Birth: 2/16/55

Trustee since: 2008

Term of office: Expected to stand for re-election at 2009 annual meeting of shareholders.

Trustee/Director of 44 funds in Fund Complex

Trustee/Director of Brookfield Properties Corporation of Sotheby's

Managing Director, Wolfensohn & Co., 2007-present; Superintendent of Banks, State of New York, 2003-2007.

Name, Date of Birth, Position(s) Held with Fund, Length of Service, Other Trusteeships/Directorships Held by Trustee; Number of Portfolios in Fund Complex/Outside Fund Complexes Currently Overseen by Trustee

Principal Occupation(s) During Past 5 Years:

John C. Maney†

Date of Birth: 8/3/59

Trustee e since: 2006

Term of office: Expected to stand for re-election at 2009 annual meeting of shareholders.

Trustee/Director of 79 funds in Fund Complex

Trustee/Director of No Funds outside the Fund Complex

Management Board of Allianz Global Investors Fund Management LLC; Management Board and Managing Director of Allianz Global Investors of America L.P. since January 2005 and also Chief Operating Officer of Allianz Global Investors of America L.P. since November 2006.

† Mr. Maney is an “interested person” of the Fund due to his affiliation with Allianz Global Investors of America L.P. In addition to Mr. Maney’s positions set forth in the table above, he holds the following positions with affiliated persons: Management Board, Managing Director and Chief Operating Officer of Allianz Global Investors of America L.P., Allianz Global Investors of America LLC and Allianz-Pac Life Partners LLC; Member—Board of Directors and Chief Operating Officer of Allianz Global Investors of America Holdings Inc., Oppenheimer Group, Inc. and PFP Holdings, Inc.; Managing Director and Chief Operating Officer of Allianz Global Investors NY Holdings LLC; Management Board and Managing Director of Allianz Global Investors U.S. Holding LLC; Managing Director and Chief Operating Officer of Allianz Hedge Fund Partners Holding L.P.; Managing Director and Chief Operating Officer of Allianz Global Investors U.S. Retail LLC; Member—Board of Directors and Managing Director of Allianz Global Investors Advertising Agency Inc.; Compensation Committee of NFJ Investment Group LLC; Management Board of Allianz Global Investors Fund Management LLC, Allianz Global Investors Management Partners LLC, Nicholas-Applegate Holdings LLC and OpCap Advisors LLC; Member—Board of Directors of PIMCO Global Advisors (Resources) Limited; Executive Vice President of PIMCO Japan Ltd; and Chief Operating Officer of Allianz Global Investors U.S. Holding II LLC.

Further information about certain of the Fund’s Trustees is available in the Fund’s Statements of Additional Information, dated April 24, 2003, which can be obtained upon request, without charge, by calling the Fund’s shareholder servicing agent at (866) 298-8462.

Name, Date of Birth, Position(s) Held with Fund.	Principal Occupation(s) During Past 5 Years:
<p>Brian S. Shlissel <i>Date of Birth: 11/14/64</i> <i>President & Chief Executive Officer since: 2003</i></p>	<p>Executive Vice President, Director of Fund Administration, Allianz Global Investors Fund Management LLC; President and Chief Executive Officer of 35 funds in the Fund Complex; Treasurer, Principal Financial and Accounting Officer of 44 funds in the Fund Complex and The Korea Fund, Inc. Formerly, Director of 6 funds in the Fund Complex (2002-2008).</p>
<p>Lawrence G. Altadonna <i>Date of Birth: 3/10/66</i> <i>Treasurer, Principal Financial and Accounting Officer since: 2003</i></p>	<p>Senior Vice President, Allianz Global Investors Fund Management LLC; Treasurer, Principal Financial and Accounting officer of 35 funds in the Fund Complex; Assistant Treasurer of 44 funds in the Fund Complex and The Korea Fund, Inc.</p>
<p>Thomas J. Fuccillo <i>Date of Birth: 3/22/68</i> <i>Vice President, Secretary & Chief Legal Officer since: 2004</i></p>	<p>Executive Vice President, Chief Legal Officer and Secretary of Allianz Global Investors Fund Management LLC and Allianz Global Investors Solutions LLC; Executive Vice President of Allianz Global Investors of America L.P Vice President, Secretary and Chief Legal Officer of 79 funds in the Fund Complex; Secretary and Chief Legal Officer of The Korea Fund, Inc.; Formerly, Vice President and Associate General Counsel, Neuberger Berman, LLC, 1991-2004.</p>
<p>Scott Whisten <i>Date of Birth: 3/13/71</i> <i>Assistant Treasurer since: 2007</i></p>	<p>Vice President, Allianz Global Investors Fund Management LLC; Assistant Treasurer of 79 funds in the Fund Complex; Formerly, Accounting Manager, Prudential Investments (2002-2005).</p>
<p>Richard J. Cochran <i>Date of Birth: 1/23/61</i> <i>Assistant Treasurer since: 2008</i></p>	<p>Vice President, Allianz Global Investors Fund Management LLC; Assistant Treasurer of 79 funds in the Funds Complex; Formerly, Tax Manager, Teacher Insurance Annuity Association/College Retirement Equity Fund (2002-2008).</p>
<p>Youse E. Guia <i>Date of Birth: 9/3/72</i> <i>Chief Compliance Officer since: 2004</i></p>	<p>Senior Vice President, Group Compliance Manager, Allianz Global Investors of America L.P., Chief Compliance Officer of 79 funds in the Fund Complex and The Korea Fund, Inc.; Formerly, Vice President, Group Compliance Manager, Allianz Global Investors of America L.P. (2002-2004).</p>
<p>Kathleen A. Chapman <i>Date of Birth: 11/11/54</i> <i>Assistant Secretary since: 2006</i></p>	<p>Assistant Secretary of 79 funds in the Fund Complex; Manager IIG Advisory Law, Morgan Stanley (2004-2005); The Prudential Insurance Company of America and Assistant Corporate Secretary of affiliated American Skandia companies (1996-2004).</p>
<p>Lagan Srivastava <i>Date of Birth: 9/20/77</i> <i>Assistant Secretary since: 2006</i></p>	<p>Assistant Secretary of 79 funds in the Fund Complex and The Korea Fund, Inc.; Formerly Research Assistant, Dechert LLP (2004-2005); Research Assistant, Swidler Berlin Shereff Friedman LLP (2002-2004).</p>

Officers hold office at the pleasure of the Board and until their successors are appointed and qualified or until their earlier resignation or removal.

Trustees and Fund Officers

Hans W. Kertess

Trustee, Chairman of the Board of Trustees

Paul Belica

Trustee

Robert E. Connor

Trustee

John C. Maney

Trustee

William B. Ogden, IV

Trustee

R. Peter Sullivan III

Trustee

Diana L. Taylor

Trustee

Brian S. Shlissel

President & Chief Executive Officer

Lawrence G. Altadonna

Treasurer, Principal Financial & Accounting Officer

Thomas J. Fucillo

Vice President, Secretary & Chief Legal Officer

Scott Whisten

Assistant Treasurer

Richard J. Cochran

Assistant Treasurer

Youse E. Guia

Chief Compliance Officer

Kathleen A. Chapman

Assistant Secretary

Lagan Srivastava

Assistant Secretary

Investment Manager

Allianz Global Investors Fund Management LLC

1345 Avenue of the Americas

New York, NY 10105

Sub-Adviser

Pacific Investment Management Company LLC

840 Newport Center Drive

Newport Beach, CA 92660

Custodian & Accounting Agent

State Street Bank & Trust Co.

801 Pennsylvania

Kansas City, MO 64105-1307

Transfer Agent, Dividend Paying Agent and Registrar

PNC Global Investment Servicing

P.O. Box 43027

Providence, RI 02940-3027

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP

300 Madison Avenue

New York, NY 10017

Legal Counsel

Ropes & Gray LLP

One International Place

Boston, MA 02110-2624

This report, including the financial information herein, is transmitted to the shareholders of PIMCO High Income Fund for their information. It is not a prospectus, circular or representation intended for use in the purchase of shares of the Fund or any securities mentioned in this report.

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that from time to time the Fund may purchase shares of its common stock in the open market.

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of its fiscal year on Form N-Q. The Fund's Form N-Q is available on the SEC's website at www.sec.gov and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330. The information on Form N-Q is also available on the Fund's website at www.allianzinvestors.com/closedendfunds.

On January 9, 2009, the Fund submitted a CEO annual certification to the New York Stock Exchange ("NYSE") on which the Fund's principal executive officer certified that he was not aware, as of the date, of any violation by the Fund of the NYSE's Corporate Governance listing standards. In addition, as required by Section 302 of the Sarbanes-Oxley Act of 2002 and related SEC rules, the Fund's principal executive and principal financial officer made quarterly certifications, included in filings with the SEC on Forms N-CSR and N-Q relating to, among other things, the Fund's disclosure controls and procedures and internal control over financial reporting, as applicable.

Information on the Fund is available at www.allianzinvestors.com/closedendfunds or by calling the Fund's shareholder servicing agent at (866) 298-8462.



Receive this report electronically and eliminate paper mailings.
To enroll, go to www.allianzinvestors.com/edelivery.