

PIMCO CORPORATE INCOME FUND
Form N-CSRS
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

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

Investment Company Act file number 811-10555

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

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

10019
(Zip code)

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

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

Date of fiscal year end: October 31, 2011

Date of reporting period: April 30, 2011

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

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-2001. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

ITEM 1: REPORT TO SHAREHOLDERS

April 30, 2011

PIMCO Corporate Income Fund
PIMCO Income Opportunity Fund

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Dear Shareholder:

For corporate bond investors, fiscal year 2011 began where fiscal year 2010 ended: with gains. This advance was powered by continued economic expansion in both the United States and around the world.

Six Months in Review

For the six-month period ended April 30, 2011:

Hans W. Kertess
Chairman

- PIMCO Corporate Income Fund rose 8.25% on net asset value (NAV) and 14.22% on market price.
- PIMCO Income Opportunity Fund rose 9.36% on NAV and 16.16% on market price.

The U.S. economy, as measured by gross domestic product (GDP), expanded at an annualized rate of 3.1% between October and December 2010. This eased to a rate of 1.8% between January and March of 2011, held back in large part by continued weakness in the housing market, rising prices for energy and other commodities, and a stubbornly high unemployment rate.

Brian S. Shlissel
President & CEO

Despite these headwinds, U.S. corporations continue to show an impressive resilience. Since the recession ended in 2009, corporate profits have grown by double-digits for seven consecutive quarters. Even more encouraging, these profits were generally derived from growing revenue, as opposed to reducing costs. This top-line growth suggests increasing confidence among American consumers, who comprise approximately two-thirds of U.S. economic activity. It also suggests continued, if not increasing, global demand for the goods and services provided by U.S. firms.

The U.S. Federal Reserve (the Fed) maintained a cautious stance throughout the six-month period. Last fall, it embarked on a \$900 billion program to purchase U.S. Treasury bonds, the goal of which was to stimulate the economy by pushing already low interest rates even lower. Although certain analysts have expressed concern about what the scheduled June 2011 end of this quantitative easing program could mean for the U.S. economy, Fed Chairman Ben Bernanke has indicated it is unlikely to have significant effects. In addition, despite rising energy and food prices, the Fed believes that overall inflation trends are likely to remain subdued and revealed that it would maintain the federal funds rate near zero for an extended period.

The Road Ahead

The U.S. economic recovery is about to enter its third consecutive year. However, as the slowdown between January and March of 2011 reflects, this rebound has been more tepid than recoveries from prior recessions. We expect this modest pace to continue. Given the continued reluctance to hire workers in significant numbers, many U.S. companies seem to agree. Rather than spend on new employees, companies are stockpiling cash. At the end of 2010, U.S. companies held an estimated \$1.9 trillion, the highest amount since 1963. With so much cash on hand, companies can easily meet their debt obligations to bondholders which has resulted in a decline in defaults. That being said, credit risk is but one factor that investors in corporate bonds must be mindful of. If the economy were to strengthen more than anticipated, interest rates could rise quickly, increasing borrowing costs. Furthermore, since many U.S. corporations derive an increasing percentage of revenue from abroad, currency risk and geopolitical risk are other ongoing concerns.

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

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

We remain dedicated to serving your investment needs.

Sincerely,

Hans W. Kertess
Chairman

Brian S. Shlissel
President & CEO

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

PIMCO Corporate Income Fund Fund Insights

April 30, 2011 (unaudited)

For the six months ended April 30, 2011, PIMCO Corporate Income Fund returned 8.25% on net asset value (NAV) and 14.22% on market price.

The U.S. corporate bond market posted a positive return during the reporting period and outperformed equal-duration Treasuries. Supporting corporate bond prices were generally strong corporate profits, strengthening corporate balance sheets and overall solid demand from investors seeking to generate incremental yield in the low interest rate environment. In addition, corporate default rates, which had moved sharply higher during the credit crisis, continued to decline during the six months ended April 30, 2011.

Compared to the relatively flat 0.02% return for the overall U.S. fixed income market (as measured by the Barclays Capital U.S. Aggregate Index), high yield and investment grade bonds returned 6.15% and 0.56%, respectively (as measured by the Barclays Capital U.S. High Yield and Barclays Capital Credit Investment Grade Indices) for the six-month reporting period. Given investors' quest for yield, on a total return basis, lower rated, higher yielding corporate bonds generally outperformed their higher quality, lower yielding counterparts. For example, AA-, A- and BBB-rated issues returned 0.16%, 0.75% and 0.91%, respectively, during the six months ended April 30, 2011. The same trend held true in the high yield market, as BB-rated issues returned 4.30%, versus 6.02% for B-rated names.

Duration and sector positioning drive results

The Fund generated a strong absolute return during the reporting period. An emphasis on the banking sector was a significant positive for results, as these issues were among the best performers during the six months ended April 30, 2011. An emphasis on insurance, particularly life insurance credits, was also rewarded as this sector posted solid gains. In contrast, underweights to the energy sector and consumer cyclicals detracted from results as they outperformed the market.

PIMCO Corporate Income Fund

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PIMCO Income Opportunity Fund, Inc. Fund Insights

April 30, 2011 (unaudited)

For the six months ended April 30, 2011, PIMCO Income Opportunity Fund, Inc. returned 9.36% on net asset value (NAV) and 16.16% on market price.

It was a challenging period for certain segments of the fixed income market. Yields across the Treasury curve moved sharply higher as two-year Treasuries increased from 0.34% to 0.61% and 10-year Treasuries from 2.63% to 3.32%. This rise in rates is attributable to a number of factors, including mounting inflationary pressures due to sharply higher oil and food prices, strong manufacturing activity signs that the labor market was improving.

The spread sectors (non-U.S. Treasuries) posted positive returns during the reporting period and generally outperformed equal-duration Treasuries. Supporting the spread sectors was continuing positive economic growth, relatively benign core inflation and improving corporate profits. In addition, overall, there was solid demand from investors seeking to generate incremental yield in the low interest rate environment. Given investors' quest for yield, lower rated, higher yielding securities generally outperformed their higher quality, lower yielding counterparts during the six-month period. For example, compared to the relatively flat 0.02% return for the overall U.S. fixed income market (as measured by the Barclays Capital U.S. Aggregate Index), high yield and investment grade bonds returned 6.15% and 0.56%, respectively (as measured by the Barclays Capital U.S. High Yield and Barclays Capital Credit Investment Grade Indices) for the six-month period.

Strong sector positioning enhances performance

The Fund's relatively large allocation to high quality, senior, commercial mortgage-backed securities (CMBS) enhanced performance, as the Barclays Capital CMBS Index returned 5.51% during the six-month period ended April 30, 2011. An overweighting to high yield life insurance credits was rewarded, as this component of the BofA Merrill Lynch BB-B High Yield Index gained 11.31% during the reporting period. Price appreciation in the

PIMCO Income Opportunity Fund, Inc. Fund Insights

April 30, 2011 (unaudited) (continued)

equity markets generally supported these issuers' equity-linked products sales, account values and overall reserve ratios.

The Fund's overweight credit exposure to finance companies was a positive for performance as these companies benefited from improved liquidity and earnings. Both high yield and investment grade finance companies' bonds outperformed the overall corporate market during the period. An overweighting to national money center high quality banking credits was also beneficial for performance. These banks are generally very well capitalized and have been able to generate high levels of capital through retained earnings. Security selection of both investment grade and high yield airline bonds, as well as an overweight to the airline industry were positive for results. The Fund's airline bonds offered attractive recovery prospects in the case of default due to specific collateral coverage. An underweighting to investment grade sovereign and supranational credits enhanced performance. Within the Barclays Capital U.S. Credit Index, sovereign and supranational credits, which have historically offered a relatively less compelling risk return profile than corporate bonds, returned -0.16% and 0.13%, respectively, during the six months ended April 30, 2011.

An allocation to emerging markets detracted from performance, as the JPMorgan EMBI Global Index returned -1.17% during the reporting period. Despite a nice rebound during the last three months of the period, it was not enough to offset the weak performance experienced in late 2010. An underweighting to high yield media-related credits also dragged relative performance as media bonds within the BofA Merrill Lynch U.S. BB-B High Yield Index gained a solid 4.75% during the period.

PIMCO Corporate Income Fund

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**PIMCO Corporate Income Fund
Fund Performance & Statistics**

April 30, 2011 (unaudited)

Total Return(1):	Market Price	NAV
Six Month	14.22%	8.25%
1 Year	29.19%	23.71%
5 Year	14.58%	14.51%
Commencement of Operations (12/21/01) to 4/30/11	13.04%	12.76%

Market Price/NAV Performance:

Commencement of Operations (12/21/01) to 4/30/11

Market Price
NAV

Market Price/NAV:

Market Price	\$17.35
NAV	\$15.68
Premium to NAV	10.65%
Market Price Yield(2)	7.35%

Moody's Ratings

(as a % of total investments)

**PIMCO Income Opportunity Fund
Fund Performance & Statistics**

April 30, 2011 (unaudited)

Total Return(1):	Market Price	NAV
Six Month	16.16%	9.36%
1 Year	30.65%	23.55%
3 Year	19.63%	17.63%
Commencement of Operations (11/30/07) to 4/30/11	16.24%	15.85%

Market Price/NAV Performance:

Commencement of Operations (11/30/07) to 4/30/11

Market Price

NAV

Market Price/NAV:

Market Price

NAV

Premium to NAV

Market Price Yield(2)

\$28.75

\$27.10

6.09%

7.93%

Moody's Ratings

(as a % of total investments, before securities sold short)

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

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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 Funds, market conditions, supply and demand for each Fund's shares, or changes in Fund dividends.

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

(2) Market Price Yield is determined by dividing the annualized current monthly per common share dividend (comprised of net investment income for Corporate Income and net investment income and short-term capital gains, if any, for Income Opportunity) payable to common shareholders by the market price per common share at April 30, 2011.

PIMCO Corporate Income Fund

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PIMCO Corporate Income Fund Schedule of Investments

April 30, 2011 (unaudited)

Principal Amount (000s)		Credit Rating (Moody s/S&P)	Value
CORPORATE BONDS & NOTES 66.7%			
Airlines 2.1%			
\$1,000	American Airlines Pass Through Trust, 7.858%, 4/1/13, (AGC)	Ba1/BBB-	\$1,022,500
1,959	10.375%, 1/2/21	Baa3/A-	2,282,293
1,941	Continental Airlines Pass Through Trust, 9.798%, 4/1/21	Ba3/B	2,047,587
8,528	Northwest Airlines, Inc., 7.15%, 4/1/21 (MBIA)	Ba3/BB+	8,506,929
1,396	United Air Lines Pass Through Trust, 7.336%, 1/2/21 (a) (b) (d) (j)		
2,833	(acquisition cost-\$1,396,020; purchased 6/19/07) 10.40%, 5/1/18 (i)	Ba2/B+ Baa2/BBB+	1,312,259 3,243,693