

PIMCO CORPORATE & INCOME OPPORTUNITY FUND
Form N-CSRS
July 30, 2014

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 811-21238

PIMCO Corporate & Income Opportunity 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: November 30, 2014

Date of reporting period: May 31, 2014

Item 1. Report to Shareholders

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**Letter from the Chairman
of the Board & President**

Dear Shareholder,

After three years of generally moderate growth, the US economy contracted toward the end of the six-month fiscal reporting period ended May 31, 2014. Despite this, US equities rallied sharply. The US bond market also posted a positive return during the reporting period.

Six Months in Review

For the six months ended May 31, 2014, PIMCO Corporate & Income Opportunity Fund **Hans W. Kertess** returned 12.36% on net asset value (NAV) and 23.16% on market price.

Chairman

For the six-month fiscal reporting period ended May 31, 2014, US stocks rose 7.62%, as measured by the Standard & Poor's 500 Index. Two measures of stock performance in developed international and global markets, the MSCI EAFE (Europe, Australasia and Far East) Index and the MSCI World Index, rose 5.33% and 6.52%, respectively, in dollar-denominated terms. Elsewhere, the MSCI Emerging Markets Index rose 1.89%.

With respect to bonds, the Barclays US Credit Index returned 5.35%, whereas the Barclays Global High Yield Index rose 5.86%. The Barclays US Government Bond Index returned 4.42%, while the broader bond market index, as measured by the Barclays US Aggregate Index, gained 3.28%.

Julian Sluyters

President & CEO

After several years of positive growth, severe winter weather in parts of the United States constrained the US economy throughout the reporting period. Gross domestic product (GDP), the value of goods and services produced in the country, the broadest measure of economic activity, expanded at a 2.6% annual pace during the fourth quarter of 2013, but GDP contracted at an annual pace of 2.9% during the first quarter of 2014.

The Federal Reserve (the Fed) maintained an accommodative monetary stance during the reporting period. Announcements and actions related to the reduction of the Fed's monthly asset-purchase program contributed to bond-yield volatility over the December to May period. The markets have also been scrutinizing Fed statements related to when interest rates would begin to rise. In April, the Fed repeated that it would not raise rates in the near future, saying that it likely will be appropriate to maintain the current target range for the federal funds rate for a

considerable time after the asset purchase program ends, especially if projected inflation continues to run below the Committee's 2 percent longer-run goal, and provided that longer-term inflation expectations remain well anchored.

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Outlook

We remain positive on the US economic recovery and expect the first-quarter GDP decline to be followed by a meaningful bounce during the second quarter.

Federal Reserve officials have tied the outlook for monetary policy to incoming economic data. Based on our forecasts for growth, we believe that Fed asset purchases will end in the fourth quarter of 2014, with lift-off in the fed funds rate possible in mid-2015.

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

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

We remain dedicated to serving your investment needs.

Sincerely,

Hans W. Kertess
Chairman

Julian Sluyters
President & Chief Executive Officer

Fund Insights

PIMCO Corporate & Income Opportunity Fund

May 31, 2014 (unaudited)

For the six months ended May 31, 2014, PIMCO Corporate & Income Opportunity Fund returned 12.36% on net asset value (NAV) and 23.16% on market price.

The US fixed income market experienced periods of volatility during the six-month reporting period ended May 31, 2014. This was triggered by a number of factors, including mixed economic data, Fed asset purchase tapering and numerous geopolitical issues. All told, short-term Treasury yields rose during the reporting period, whereas longer-term Treasury yields decline. Longer-term Treasury yields fell from their peak in late 2013, as investor risk aversion increased due to concerns about moderating global growth and uncertainties regarding the situation in Ukraine. The benchmark 10-year Treasury bond began the fiscal period yielding 2.75% and ended the period at 2.48%.

Compared to the 3.28% return for the overall US fixed income market (as measured by the Barclays US Aggregate Index), high yield and investment grade bonds returned 5.15% and 5.35%, respectively (as measured by the Barclays US High Yield Bond and Barclays US Credit Indices) for the six month reporting period.

On a total return basis, higher rated investment grade corporate bonds generated weaker results than their lower rated counterparts. For instance, AAA-, AA-, A- and BBB-rated issues, as measured by the Barclays US Credit Index, returned 1.72%, 4.18%, 4.88%, and 6.97%, respectively, during the six months ended May 31, 2014. In contrast, within the high yield market, lower rated, higher yielding corporate bonds lagged their higher quality, lowering yielding counterparts, as BB-rated issues returned 5.41%, versus 4.73% for B-rated securities, as measured by the Barclays US High Yield Bond Index.

Sector and duration positioning drive results

Overweighting the Banking and Wirelines sectors contributed to results, as these issues outperformed the credit market as measured by the Fund's benchmark, the 70% Barclays US credit/30% Merrill Lynch High Yield BB/B Index, during the reporting period. An underweighting to the Banking sector was positive for returns due to its underperformance versus the credit market.

On the downside, the Fund's duration positioning detracted from results, as having a longer duration bias was negative for performance as interest rates generally declined during the six month reporting period. Elsewhere, underweighting Independent Exploration and Production (E&P) Energy companies was negative for results as the sector outperformed the credit market during the reporting period. In addition, overweighting Automotive companies was not beneficial for results as the sector underperformed the credit market.

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Performance & Statistics

PIMCO Corporate & Income Opportunity Fund

May 31, 2014 (unaudited)

Total Return(1):	Market Price	NAV
Six Months	23.16%	12.36%
1 Year	25.18%	14.10%
5 Year	29.13%	28.07%
10 Year	15.80%	14.61%
Commencement of Operations (12/27/02) to 5/31/14	15.81%	15.44%

Market Price/NAV Performance:		Market Price/NAV:	
Commencement of Operations (12/27/02) to 5/31/14		Market Price	\$18.91
		NAV	\$15.76
NAV		Premium to NAV	19.99%
Market Price		Market Price Yield(2)	8.25%
		Leverage Ratio(3)	22.76%

Performance & Statistics

PIMCO Corporate & Income Opportunity Fund

May 31, 2014 (unaudited) (continued)

* Bond ratings apply to the underlying holdings of the Fund and not the Fund itself and are divided into categories ranging from highest to lowest credit quality, determined for purposes of this presentation by using ratings provided by Moody's Investors Service, Inc. (Moody's). The Fund uses ratings provided by Moody's for this purpose, among other reasons, because of the access to background information and other materials provided by Moody's, as well as the Fund's consideration of industry practice. When a bond is not rated by Moody's, it is designated in the chart above as "NR" for not rated. Credit quality ratings assigned by a rating agency are subjective opinions, not statements of fact, and are subject to change periodically, even as frequently as daily. Ratings assigned by Moody's or another rating agency are not absolute standards of credit quality and do not evaluate market risk. Rating agencies may fail to make timely changes in credit ratings, and an issuer's current financial condition may be better or worse than a rating indicates. In formulating investment decisions for the Fund, Pacific Investment Management Company LLC, the sub-adviser to the Fund, develops its own analysis of the credit quality and risks associated with individual debt instruments, rather than relying exclusively on rating agencies or third-party research.

(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 dividends and 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.

Performance at market price will differ from 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 the Fund's 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 one time 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 dividend per common share (comprised of net investment income) by the market price per common share at May 31, 2014.

(3) Represents Preferred Shares outstanding (Leverage) as a percentage of total managed assets. Total managed assets refer to the assets (including assets attributable to Leverage) minus liabilities (other than liabilities representing Leverage).

Schedule of Investments

PIMCO Corporate & Income Opportunity Fund

May 31, 2014 (unaudited)

Principal Amount (000s)		Value
MORTGAGE-BACKED SECURITIES 39.1%		
	American Home Mortgage Assets Trust, CMO, 0.38%, 9/25/46 (h)	\$29,872
\$490		
6,820	6.25%, 6/25/37	4,680,756
	Banc of America Alternative Loan Trust, CMO, 5.50%, 7/25/33	13,531,364
12,905		
451	6.00%, 1/25/36	364,755
7,108	6.00%, 4/25/36	6,435,996
	Banc of America Funding Trust, CMO, 5.50%, 1/25/36	844,135
809		
9,162	6.00%, 3/25/37	7,803,709
1,234	6.00%, 7/25/37	954,299
13,066	6.00%, 8/25/37	11,596,873
	BCAP LLC Trust, CMO (a)(c)(h), 4.66%, 7/26/37	116,228
1,775		
4,779	5.411%, 3/26/37	1,683,412
8,635	7.396%, 12/26/36	7,831,467
	13.844%, 10/26/36 (b)(f) (acquisition cost-\$6,038,276; purchased 3/27/14)	6,215,646
6,424		
	Bear Stearns ALT-A Trust, CMO (h), 2.638%, 11/25/36	862,445
1,210		
2,926	2.796%, 9/25/35	2,427,672
828	2.797%, 11/25/34	717,760
8,732	2.825%, 8/25/46	6,461,360
2,869	2.86%, 8/25/36	2,187,910
3,969	4.961%, 9/25/35	3,246,578
4,936	Bear Stearns Mortgage Funding Trust, 7.00%, 8/25/36, CMO	4,080,512
	Chase Mortgage Finance Trust, CMO, 2.521%, 12/25/35 (h)	39,387
42		
3,894	6.00%, 2/25/37	3,477,954
878	6.00%, 3/25/37	791,547
3,330	6.00%, 7/25/37	2,897,149
5,347	Citicorp Mortgage Securities Trust, 6.00%, 6/25/36, CMO	5,587,492
	Citigroup Mortgage Loan Trust, Inc., CMO (h), 5.399%, 4/25/37	7,200,364
8,065		
2,671	5.52%, 3/25/37	2,593,024
	CitiMortgage Alternative Loan Trust, CMO, 5.75%, 4/25/37	3,316,330
3,800		
15,821	5.75%, 5/25/37	14,048,778
3,775	6.00%, 1/25/37	3,167,104
8,890	6.00%, 6/25/37	7,625,933
	Countrywide Alternative Loan Trust, CMO, 4.699%, 6/25/47 (h)	6,453,251
7,619		

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44,352	5.10%, 4/25/37, IO (h)	5,885,326
45	5.25%, 5/25/21	44,545
1,234	5.50%, 3/25/35	1,153,896
10,522	5.50%, 9/25/35	9,598,285

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Schedule of Investments

PIMCO Corporate & Income Opportunity Fund

May 31, 2014 (unaudited) (continued)

Principal Amount (000s)		Value
\$368	5.50%, 3/25/36	\$302,529
1,477	5.75%, 1/25/35	1,492,318
1,746	5.75%, 2/25/35	1,695,500
1,415	6.00%, 2/25/35	1,489,233
3,497	6.00%, 4/25/36	2,948,027
3,756	6.00%, 5/25/36	3,086,835
4,087	6.00%, 1/25/37	3,656,547
5,618	6.00%, 2/25/37	4,723,913
13,318	6.00%, 4/25/37	11,130,848
5,053	6.00%, 5/25/37	4,057,255
17,264	6.00%, 8/25/37 (h)	14,436,460
3,870	6.00%, 8/25/37	3,068,491
5,071	6.25%, 10/25/36	4,544,758
6,027	6.25%, 12/25/36 (h)	5,058,167
1,618	6.50%, 8/25/36	1,201,985
885	6.50%, 9/25/36	776,233
2,803	6.50%, 12/25/36	2,264,942
4,097	21.083%, 2/25/36 (b)(h)	5,197,715
	Countrywide Home Loan Mortgage Pass-Through Trust, CMO,	
4,092	5.50%, 10/25/35	3,953,721
1,700	5.50%, 7/25/37	1,526,579
965	5.75%, 12/25/35	910,281
6,201	5.75%, 3/25/37	5,636,854
2,464	5.75%, 6/25/37	2,278,332
1,378	6.00%, 4/25/36	1,321,978
355	6.00%, 5/25/36	332,352
2,044	6.00%, 2/25/37	1,922,682
5,343	6.00%, 3/25/37	4,907,453
593	6.00%, 4/25/37	545,449
2,363	6.25%, 9/25/36	2,091,129
	Credit Suisse Mortgage Capital Certificates Mortgage-Backed Trust, CMO,	
3,771	5.75%, 4/25/36	3,271,043
3,844	6.00%, 2/25/37	3,426,768
4,614	6.00%, 6/25/37	4,220,634
1,849	6.50%, 10/25/21	1,540,043
4,814	6.75%, 8/25/36	3,831,132
2,732	Deutsche ALT-B Securities Mortgage Loan Trust, 5.945%, 2/25/36, CMO	2,233,678
5,032	First Horizon Alternative Mortgage Securities Trust, 6.00%, 8/25/36, CMO	4,273,891
	GSR Mortgage Loan Trust, CMO,	
6,174	2.64%, 3/25/37 (h)	5,370,782
4,449	4.912%, 11/25/35 (h)	4,174,199
1,054	5.013%, 11/25/35 (h)	1,053,692
769	5.50%, 5/25/36	723,813

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837	6.00%, 7/25/37	769,399
8,252	IndyMac IMSC Mortgage Loan Trust, 6.50%, 7/25/37, CMO	5,864,596
6,281	IndyMac INDX Mortgage Loan Trust, 4.601%, 8/25/35, CMO (h)	5,328,537

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Schedule of Investments

PIMCO Corporate & Income Opportunity Fund

May 31, 2014 (unaudited) (continued)

Principal Amount (000s)		Value
\$4,800	JPMorgan Alternative Loan Trust, 6.31%, 8/25/36, CMO	\$3,892,234
	JPMorgan Mortgage Trust, CMO,	
2,888	2.638%, 1/25/37 (h)	2,542,734
5,493	2.66%, 2/25/36 (h)	4,886,424
5,005	5.00%, 3/25/37	4,626,770
138	5.051%, 10/25/35 (h)	138,916
2,348	5.126%, 6/25/36 (h)	2,138,710
317	5.75%, 1/25/36	295,921
969	6.00%, 8/25/37	867,088
	Lehman Mortgage Trust, CMO,	
3,039	6.00%, 7/25/36	2,466,496
764	6.00%, 7/25/37	698,249
793	28.60%, 11/25/35 (b)(h)	1,139,101
6,085	MASTR Alternative Loans Trust, 6.75%, 7/25/36, CMO	4,421,283
5,945	Merrill Lynch Mortgage Investors Trust, 2.782%, 3/25/36, CMO (h)	4,178,331
285,702	Morgan Stanley Bank of America Merrill Lynch Trust, 1.033%, 10/15/46, IO (h)	15,940,299
8,998	Morgan Stanley Mortgage Loan Trust, 5.271%, 5/25/36, CMO (h)	7,270,125
19,302	New Century Alternative Mortgage Loan Trust, 6.31%, 7/25/36, CMO	13,928,690
	RBSSP Resecuritization Trust, CMO (a)(c)(h),	
3,609	0.372%, 10/27/36	286,791
8,000	0.392%, 8/27/37	634,140
	Residential Accredit Loans, Inc., CMO,	
344	0.33%, 6/25/46 (h)	160,882
1,059	0.38%, 5/25/37 (h)	263,373
4,042	6.00%, 6/25/36	3,303,679
7,604	6.00%, 8/25/36	6,216,979
5,963	6.00%, 9/25/36	4,388,568
3,269	6.00%, 12/25/36	2,598,701
5,623	6.00%, 3/25/37	4,596,250
4,828	6.00%, 5/25/37	3,929,153
	Residential Asset Securitization Trust, CMO,	
817	5.75%, 2/25/36	696,292
2,236	6.00%, 2/25/36	1,789,888
1,578	6.00%, 9/25/36	1,064,406
3,485	6.00%, 2/25/37	2,798,705
4,849	6.00%, 3/25/37	3,808,874
6,467	6.00%, 5/25/37	5,826,557

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7,216	6.25%, 9/25/37	5,019,500
	Residential Funding Mortgage Securities I, CMO,	
6,117	3.378%, 2/25/37 (h)	4,935,602
5,963	6.00%, 1/25/37	5,546,194
3,825	6.25%, 8/25/36	3,502,172
	Structured Adjustable Rate Mortgage Loan Trust, CMO (h),	
9,804	2.461%, 11/25/36	7,987,475
2,451	4.964%, 3/25/37	1,857,640
13,328	5.09%, 1/25/36	10,387,027

Schedule of Investments

PIMCO Corporate & Income Opportunity Fund

May 31, 2014 (unaudited) (continued)

Principal Amount (000s)		Value
\$6,212	5.214%, 7/25/35	\$5,511,165
8,864	5.321%, 5/25/36	7,441,101
3,005	5.349%, 7/25/36	2,827,691
314	Structured Asset Mortgage Investments, Inc., 0.27%, 8/25/36, CMO (h) Suntrust Adjustable Rate Mortgage Loan Trust, CMO (h),	251,132
1,455	2.688%, 2/25/37	1,273,922
1,828	2.706%, 4/25/37	1,571,831
13,113	6.005%, 2/25/37	11,421,328
2,253	Thornburg Mortgage Securities Trust, 5.75%, 6/25/47, CMO (h) WaMu Mortgage Pass-Through Certificates, CMO (h),	2,011,306
932	2.055%, 12/25/36	819,954
4,275	2.134%, 6/25/37	3,686,753
1,626	2.251%, 7/25/37	1,389,617
1,088	2.349%, 9/25/36	984,649
2,686	4.659%, 2/25/37	2,521,306
4,411	4.706%, 7/25/37	4,125,524
3,588	6.087%, 10/25/36	3,042,088
1,448	Washington Mutual Mortgage Pass-Through Certificates, CMO, 0.964%, 5/25/47 (h)	144,646
3,327	6.00%, 10/25/35	2,549,920
5,051	6.00%, 3/25/36	4,482,534
3,009	Wells Fargo Alternative Loan Trust, CMO, 6.00%, 7/25/37	2,891,994
15,484	6.25%, 11/25/37	14,759,648
819	Wells Fargo Mortgage-Backed Securities Trust, CMO, 2.615%, 4/25/36 (h)	793,862
6,479	2.615%, 8/25/36 (h)	6,221,240
1,863	2.624%, 4/25/36 (h)	1,832,565
8,251	5.50%, 1/25/36	8,032,952
1,846	6.00%, 7/25/37	1,798,989
14,115	6.00%, 8/25/37	14,106,738
22,378	WF-RBS Commercial Mortgage Trust, 2.011%, 11/15/44, CMO, IO (a)(c)(h)	