

PIMCO HIGH INCOME FUND  
Form N-CSR  
September 25, 2015  
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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: 811-21311

**PIMCO High Income Fund**

**(Exact name of registrant as specified in charter)**

**1633 Broadway, New York, NY 10019**

**(Address of principal executive offices)**

**William G. Galipeau**

**Treasurer (Principal Financial & Accounting Officer)**

**650 Newport Center Drive**

**Newport Beach, CA 92660**

**(Name and address of agent for service)**

Copies to:

**David C. Sullivan**

**Ropes & Gray LLP**

**Prudential Tower**

**800 Boylston Street**

**Boston, MA 02199**

Registrant's telephone number, including area code: (844) 337-4626

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Date of fiscal year end: July 31

Date of reporting period: July 31, 2015

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, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

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**Item 1. Reports to Shareholders.**

The following is a copy of the report transmitted to shareholders pursuant to Rule 30e-1 under the Investment Company Act of 1940, as amended (the 1940 Act ) (17 CFR 270.30e-1).

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Your Global Investment Authority

**PIMCO Closed-End Funds**

# Annual Report

*July 31, 2015*

PIMCO Corporate & Income Opportunity Fund

PIMCO Corporate & Income Strategy Fund

PIMCO High Income Fund

PIMCO Income Strategy Fund

PIMCO Income Strategy Fund II

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

Dear Shareholder:

The financial markets experienced periods of volatility during each Fund's reporting period. Investor sentiment was challenged at times given mixed economic data, uncertainties surrounding future global monetary policy, geopolitical issues and, most recently, the debt crisis in Greece.

For the periods ended July 31, 2015

After expanding in the third and fourth quarters of 2014, economic growth in the U.S. moderated during the first quarter of 2015. Looking back, U.S. gross domestic product (GDP), which represents the value of goods and services produced in the country, the broadest measure of economic activity and the principal indicator of economic performance, expanded at a 4.3% and 2.2% annual pace during the third and fourth quarters of 2014, respectively. According to the Commerce Department, GDP grew at a tepid annual pace of 0.6% for the first quarter of 2015. This was attributed to contractions in net exports, nonresidential fixed investment (i.e. spending on plants and equipment) and state and local government spending. In addition, consumer spending decelerated, as it grew a modest 1.8% during the first quarter of 2015 versus 4.4% for the fourth quarter of 2014. However, this appeared to be a temporary setback due to colder than usual weather and labor disputes at West Coast ports, as the Commerce Department's second estimate released after the reporting periods had ended showed that GDP grew at an annual pace of 3.7% for the second quarter of 2015.

Federal Reserve (Fed) monetary policy remained accommodative. However, the central bank appeared to be moving closer to raising interest rates for the first time since 2006. As expected, following its meeting in October 2014, the Fed announced that it had concluded its asset purchase program. Then, at its March 2015 meeting, the Fed eliminated the word patient from its official statement regarding when it may start raising rates. Finally, at its meeting in July, the Fed said that it currently anticipates that, even after employment and inflation are near mandate-consistent levels, economic conditions may, for some time, warrant keeping the target federal funds rate below levels the Committee views as normal in the longer run.

Economic growth outside the U.S. was mixed over the past few quarters. Anemic growth and concerns of deflation in the eurozone caused the European Central Bank (ECB) to announce that beginning in March 2015, it would start a \$60 billion-a-month bond-buying program that is expected to run until September 2016, or longer if needed to achieve an inflation rate consistent with the ECB's longer-term target. The ECB announcement and a still-benign U.S. rates environment were supportive for emerging market asset prices initially, although toward the end of the reporting period, riskier asset classes succumbed to pressures from slower economic growth, volatility in Chinese equities, increased uncertainty over the resolution of the Greek crisis and higher volatility in commodity markets.

### Outlook

PIMCO continues to see a multi-speed world of economies converging to modest trend growth rates, a view now shared by the International Monetary Fund, which, in its most recent world economic outlook, materially marked down its estimates of potential growth in both developed and emerging economies. PIMCO also sees a global economy that is no longer restrained by private sector delevering but, instead, is learning to live with record levels of public and private debt, without a cushion that would be provided by more rapid growth or higher inflation.

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While the threat of deflation in Japan and the eurozone has diminished due to quantitative easing programs put in place by the ECB and the Bank of Japan, PIMCO's baseline forecast does not foresee an imminent rise in prices toward the 2% inflation targets these central banks aim to achieve. Regarding financial markets, PIMCO believes that we participate in a global financial system that is better capitalized than before the financial crisis of 2008-2009 and perhaps less vulnerable to a systemic run. That being said, PIMCO understands that this environment potentially offers less liquidity to investors as the global balance sheet available for market-making shrinks.

<sup>1</sup> Please note that several of the Fund's fiscal year ends were recently changed to July 31, 2015; therefore, the length of each Fund's reporting period will differ depending on its former fiscal year end. Please see "Notes to Financial Statements" for further detail.

### **2 PIMCO CLOSED-END FUNDS**

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For all these reasons, PIMCO continues to believe that we are now, and will be for some time, operating in a new neutral world in which central banks will be constrained to set policy rates at levels well below those that prevailed before the financial crisis of 2008-2009.

In the following pages of this PIMCO Closed-End Funds Annual Report, please find specific details regarding investment performance and a discussion of factors that most affected the Funds' performance over the periods ended July 31, 2015.

Thank you for investing with us. We value your trust and will continue to work diligently to meet your investment needs. If you have questions regarding any of your PIMCO Closed-End Funds investments, please contact your financial advisor or call the Funds' shareholder servicing agent at (844) 33-PIMCO or (844) 337-4626. We also invite you to visit our website at [www.pimco.com](http://www.pimco.com) to learn more about our views.

We remain dedicated to serving your investment needs.

Sincerely,

Hans W. Kertess  
Chairman of the Board of Trustees

Peter G. StreLOW  
President

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### **Important Information About the Funds**

We believe that bond funds have an important role to play in a well-diversified investment portfolio. It is important to note, however, that in an environment where interest rates trend upward, rising rates would negatively impact the performance of most bond funds, and fixed-income securities held by a Fund are likely to decrease in value. A number of factors can cause interest rates to rise (e.g., central bank monetary policies, inflation rates, general economic conditions, etc.). Accordingly, changes in interest rates can be sudden, and there is no guarantee that Fund Management will anticipate such movement.

As of the date of this report, interest rates in the U.S. are at or near historically low levels. As such, bond funds may currently face an increased exposure to the risks associated with rising interest rates. This is especially true since the Federal Reserve Board has concluded its quantitative easing program. Further, while the U.S. bond market has steadily grown over the past three decades, dealer inventories of corporate bonds have remained relatively stagnant. As a result, there has been a significant reduction in the ability of dealers to “make markets” in corporate bonds. All of the factors mentioned above, individually or collectively, could lead to increased volatility and/or lower liquidity in the fixed income markets, which could result in increased losses to a Fund. Bond funds and individual bonds with a longer duration (a measure of the sensitivity of a security’s price to changes in interest rates) tend to be more sensitive to changes in interest rates, usually making them more volatile than securities or funds with shorter durations. In addition, in the current low interest rate environment, the market price of the Funds’ common shares may be particularly sensitive to changes in interest rates or the perception that there will be a change in interest rates.

The use of derivatives may subject the Funds to greater volatility than investments in traditional securities. The Funds may use derivative instruments for hedging purposes or as part of an investment strategy. Use of these instruments may involve certain costs and risks such as liquidity risk, interest rate risk, market risk, call risk, credit risk, management risk and the risk that a Fund could not close out a position when it would be most advantageous to do so. Certain derivative transactions may have a leveraging effect on a Fund. For example, a small investment in a derivative instrument may have a significant impact on a Fund’s exposure to interest rates, currency exchange rates or other investments. As a result, a relatively small price movement in a derivative instrument may cause an immediate and substantial loss or gain, which translates into heightened volatility in a Fund’s net asset value (“NAV”). A Fund may engage in such transactions regardless of whether the Fund owns the asset, instrument or components of the index underlying a derivative instrument. A Fund may invest a significant portion of its assets in these types of instruments. If it does, a Fund’s investment exposure could far exceed

the value of its portfolio securities and its investment performance could be primarily dependent upon securities it does not directly own.

For purposes of applying a Fund’s investment policies and restrictions, swap agreements are generally valued by the Fund at market value. In the case of a credit default swap, however, in applying certain of a Fund’s investment policies and restrictions, the Fund will value the credit default swap at its notional value or its full exposure value (i.e., the sum of the notional amount for the contract plus the market value), but may value the credit default swap at market value for purposes of applying certain of the Fund’s other investment policies and restrictions. For example, a Fund may value credit default swaps at full exposure value for purposes of the Fund’s credit quality guidelines (if any) because such value reflects the Fund’s actual economic exposure during the term of the credit default swap agreement. In this context, both the notional amount and the market value may be positive or negative depending on whether a Fund is selling or buying protection through the credit default swap. The manner in which certain securities or other instruments are valued by a Fund for purposes of applying investment policies and restrictions may differ from the manner in which those investments are valued by other types of investors.

A Fund’s use of leverage creates the opportunity for increased income for the Fund’s common shareholders, but also creates special risks. Leverage is a speculative technique that may expose a Fund to greater risk and increased costs. If shorter-term interest rates rise relative to the rate of return on a Fund’s portfolio, the interest and other costs to the Fund of leverage could exceed the rate of return on the debt obligations and other investments held by the Fund, thereby reducing return to the Fund’s common shareholders. In addition, fees and expenses of any form of leverage used by a Fund will be borne entirely by its common shareholders (and not by preferred shareholders, if any) and will reduce the investment return of the Fund’s common shares. There can be no assurance that a Fund’s use of leverage will result in a higher yield on its

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common shares, and it may result in losses. Leverage creates several major types of risks for a Fund's common shareholders, including: (1) the likelihood of greater volatility of net asset value and market price of the Fund's common shares, and of the investment return to the Fund's common shareholders, than a comparable portfolio without leverage; (2) the possibility either that the Fund's common share dividends will fall if the interest and other costs of leverage rise, or that dividends paid on the Fund's common shares will fluctuate because such costs vary over time; and (3) the effects of leverage in a declining market or a rising interest rate environment, as leverage is likely to cause a greater decline in the net asset value of the Fund's common shares than if the Fund were not leveraged and may result in a greater decline in the market value of the Fund's common shares.

#### **4 PIMCO CLOSED-END FUNDS**

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A Fund's investments in and exposure to foreign securities involve special risks. For example, the value of these investments may decline in response to unfavorable political and legal developments, unreliable or untimely information or economic and financial instability. Foreign securities may experience more rapid and extreme changes in value than investments in securities of U.S. issuers. The securities markets of certain foreign countries are relatively small, with a limited number of companies representing a small number of industries. Issuers of foreign securities are usually not subject to the same degree of regulation as U.S. issuers. Reporting, accounting, auditing and custody standards of foreign countries differ, in some cases significantly, from U.S. standards. Also, nationalization, expropriation or other confiscation, currency blockage, political changes or diplomatic developments could adversely affect a Fund's investments in foreign securities. In the event of nationalization, expropriation or other confiscation, a Fund could lose its entire investment in foreign securities. Risks associated with investing in foreign securities may be increased when a Fund invests in emerging markets. For example, if a Fund invests in emerging market debt, it may face increased exposure to interest rate, liquidity, volatility, and redemption risk due to the specific economic, political, geographical, or legal background of the emerging market.

Investments in loans are generally subject to risks similar to those of investments in other types of debt obligations, including, among others, credit risk, interest rate risk, variable and floating rate securities risk, and, as applicable, risks associated with mortgage-related securities. In addition, in many cases loans are subject to the risks associated with below-investment grade securities. In the case of a loan participation or assignment, a Fund generally has no right to enforce compliance with the terms of the loan agreement with the borrower. As a result, a Fund may be subject to the credit risk of both the borrower and the lender that is selling the loan agreement. In the event of the insolvency of the lender selling a loan participation, a Fund may be treated as a general creditor of the lender and may not benefit from any set-off between the lender and the borrower. The Funds may be subject to heightened or additional risks and potential liabilities and costs by investing in mezzanine and other subordinated loans or acting as an originator of loans, including those arising under bankruptcy, fraudulent conveyance, equitable subordination, lender liability, environmental and other laws and regulations, and risks and costs associated with debt servicing and taking foreclosure actions associated with the loans. To the extent that a Fund originates a loan, it may be responsible for all or a substantial portion of the expenses associated with initiating the loan, irrespective of whether the loan transaction is ultimately consummated or closed. This may include significant legal and due diligence expenses, which will be indirectly borne by a Fund and its shareholders.

Mortgage-related and other asset-backed securities often involve risks that are different from or more acute than risks associated with other types of debt instruments. Generally, rising interest rates tend to extend the duration of fixed rate mortgage-related securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, if a Fund holds mortgage-related securities, it may experience additional volatility since individual mortgage holders are less likely to exercise prepayment options, thereby putting additional downward pressure on the value of these securities and potentially causing the Fund to lose money. This is known as extension risk. Mortgage-backed securities can be highly sensitive to rising interest rates, such that even small movements can cause an investing Fund to lose value. Mortgage-backed securities, and in particular those not backed by a government guarantee, are subject to credit risk. In addition, adjustable and fixed rate mortgage-related securities are subject to prepayment risk. When interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the returns of the Funds because the Funds may have to reinvest that money at the lower prevailing interest rates. The Funds' investments in other asset-backed securities are subject to risks similar to those associated with mortgage-related securities, as well as additional risks associated with the nature of the assets and the servicing of those assets. Payment of principal and interest on asset-backed securities may be largely dependent upon the cash flows generated by the assets backing the securities, and asset-backed securities may not have the benefit of any security interest in the related assets.

High-yield bonds (commonly referred to as "junk bonds") typically have a lower credit rating than other bonds. Lower-rated bonds generally involve a greater risk to principal than higher-rated bonds. Further, markets for lower-rated bonds are typically less liquid than for higher-rated bonds, and public information is usually less abundant in such markets. Thus, high yield investments increase the chance that a Fund will lose money on its investment. The Funds may also invest in bonds and other instruments that are not rated, but which PIMCO considers to be equivalent to high-yield investments. The Funds may hold defaulted securities that may involve special considerations including bankruptcy proceedings, other regulatory and legal restrictions affecting the Funds' ability to trade, and the availability of prices from independent pricing services or dealer quotations. Defaulted securities are often illiquid and may not be actively traded. Sale of securities in bankrupt companies at an acceptable price may be difficult and differences compared to the value of the securities used by the Funds could be material.

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Variable and floating rate securities generally are less sensitive to interest rate changes but may decline in value if their interest rates do not rise as much, or as quickly, as interest rates in general. Conversely floating rate

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**Important Information About the Funds (Cont.)**

securities will not generally increase in value if interest rates decline. Inverse floating rate securities may decrease in value if interest rates increase. Inverse floating rate securities may also exhibit greater price volatility than a fixed rate obligation with similar credit quality. When a Fund holds variable or floating rate securities, a decrease (or, in the case of inverse floating rate securities, an increase) in market interest rates will adversely affect the income received from such securities and the NAV of the Funds' shares.

The global economic crisis brought several small economies in Europe to the brink of bankruptcy and many other economies into recession and weakened the banking and financial sectors of many European countries. For example, the governments of Greece, Spain, Portugal, and the Republic of Ireland have all experienced large public budget deficits, the effects of which are still yet unknown and may slow the overall recovery of the European economies from the global economic crisis. In addition, due to large public deficits, some European countries may be dependent on assistance from other European governments and institutions or other central banks or supranational agencies such as the International Monetary Fund. Assistance may be dependent on a country's implementation of reforms or reaching a certain level of performance. Failure to reach those objectives or an insufficient level of assistance could result in a deep economic downturn which could significantly affect the value of a Fund's European investments. It is possible that one or more Economic and Monetary Union of the European Union ( EMU ) member countries could abandon the euro and return to a national currency and/or that the euro will cease to exist as a single currency in its current form. The exit of any country out of the euro may have an extremely destabilizing effect on other eurozone countries and their economies and a negative effect on the global economy as a whole. Such an exit by one country may also increase the possibility that additional countries may exit the euro should they face similar financial difficulties.

The Funds may invest in securities and instruments that are economically tied to Russia. Investments in Russia are subject to various risks such as political, economic, legal, market and currency risks. The risks include uncertain political and economic policies, short-term market volatility, poor accounting standards, corruption and crime, an inadequate regulatory system, and unpredictable taxation. Investments in Russia are particularly subject to the risk that economic sanctions may be imposed by the United States and/or other countries. Such sanctions which may impact companies in many sectors, including energy, financial services and defense, among others may negatively impact the Funds' performance and/or ability to achieve their investment objectives. The Russian securities market is characterized by limited volume of trading, resulting in difficulty in obtaining accurate prices. The Russian securities market, as compared to U.S. markets, has

significant price volatility, less liquidity, a smaller market capitalization and a smaller number of traded securities. There may be little publicly available information about issuers. Settlement, clearing and registration of securities transactions are subject to risks because of registration systems that may not be subject to effective government supervision. This may result in significant delays or problems in registering the transfer of securities. Russian securities laws may not recognize foreign nominee accounts held with a custodian bank, and therefore the custodian may be considered the ultimate owner of securities they hold for their clients. Ownership of securities issued by Russian companies is recorded by companies themselves and by registrars instead of through a central registration system. It is possible that the ownership rights of the Funds could be lost through fraud or negligence. While applicable Russian regulations impose liability on registrars for losses resulting from their errors, it may be difficult for the Funds to enforce any rights it may have against the registrar or issuer of the securities in the event of loss of share registration. Adverse currency exchange rates are a risk and there may be a lack of available currency hedging instruments. Investments in Russia may be subject to the risk of nationalization or expropriation of assets. Oil, natural gas, metals, and timber account for a significant portion of Russia's exports, leaving the country vulnerable to swings in world prices.

The common shares of the Funds trade on the New York Stock Exchange. As with any stock, the price of a Fund's common shares will fluctuate with market conditions and other factors. If you sell your common shares of a Fund, the price received may be more or less than your original investment. Shares of closed-end management investment companies frequently trade at a discount from their net asset value. The common shares of a Fund may trade at a price that is less than the initial offering price and/or the net asset value of such shares. Further, if a Fund's shares trade at a price that is more than the initial offering price and/or the net asset value of such shares, including at a substantial premium and/or for an extended period of time, there is no assurance that any such premium will be sustained for any period of time and will not decrease, or that the shares will not trade at a discount to net asset value thereafter.

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Income distributions and capital gain distributions are determined in accordance with income tax regulations which may differ from U.S. GAAP. Differences between tax regulations and U.S. GAAP may cause timing differences between income and capital gain recognition. Further, the character of investment income and capital gains may be different for certain transactions under the two methods of accounting. As a result, income distributions and capital gain distributions declared during a fiscal period may differ significantly from the net investment income (loss) and realized gains (losses) reported on each Fund's annual financial statements presented under U.S. GAAP.

### 6 PIMCO CLOSED-END FUNDS

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The Funds may be subject to various risks in addition to those described above. Some of these risks may include, but are not limited to, the following: asset allocation risk, credit risk, stressed securities risk, distressed and defaulted securities risk, corporate bond risk, market risk, issuer risk, liquidity risk, equity securities and related market risk, mortgage-related and other asset-backed securities risk, extension risk, prepayment risk, privately issued mortgage-related securities risk, mortgage market/ subprime risk, foreign (non-U.S.) investment risk, emerging markets risk, currency risk, redenomination risk, non-diversification risk, management risk, municipal bond risk, inflation-indexed security risk, senior debt risk, loans, participations and assignments risk, reinvestment risk, real estate risk, U.S. Government securities risk, foreign (non-U.S.) government securities risk, valuation risk, segregation and cover risk, focused investment risk, credit default swaps risk, event-linked securities risk, counterparty risk, preferred securities risk, confidential information access risk, other investment companies risk, private placements risk, inflation/deflation risk, regulatory risk, tax risk, recent economic conditions risk, market disruptions and geopolitical risk, potential conflicts of interest involving allocation of investment opportunities, repurchase agreements risk, securities lending risk, zero-coupon bond and payment-in-kind securities risk, portfolio turnover risk, smaller company risk, short sale risk and convertible securities risk. A description of certain of these risks is available in the Notes to Financial Statements of this Report.

On each Fund Summary page in this Shareholder Report, the Average Annual Total Return table measures performance assuming that all dividend and capital gain distributions were reinvested. Total return is calculated by determining the percentage change in NAV or market price (as applicable) in the specified period. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions. 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 tend to reflect investment results over time, during shorter periods returns at market price can also be influenced by factors such as changing views about a Fund, market conditions, supply and demand for the Fund's shares, or changes in the Fund's dividends. Performance shown is net of fees and expenses.

The following table discloses the commencement of operations of each Fund:

| Fund Name                                 | Commencement of Operations |
|---|----------------------------|
| PIMCO Corporate & Income Opportunity Fund | 12/27/02                   |
| PIMCO Corporate & Income Strategy Fund    | 12/21/01                   |
| PIMCO High Income Fund                    | 04/30/03                   |
| PIMCO Income Strategy Fund                | 08/29/03                   |
| PIMCO Income Strategy Fund II             | 10/29/04                   |

An investment in a Fund is not a deposit of a bank and is not guaranteed or insured by the Federal Deposit Insurance Corporation or any other government agency. It is possible to lose money on investments in the Funds.

PIMCO has adopted written proxy voting policies and procedures ( Proxy Policy ) as required by Rule 206(4)-6 under the Investment Advisers Act of 1940. The Proxy Policy has been adopted by the Funds as the policies and procedures that PIMCO will use when voting proxies on behalf of the Funds. A description of the policies and procedures that PIMCO uses to vote proxies relating to portfolio securities of each Fund, and information about how each Fund voted proxies relating to portfolio securities held during the most recent twelve-month period ended June 30, are available without charge, upon request, by calling the Funds at (844) 33-PIMCO (844-337-4626), on the Funds' website at [www.pimco.com](http://www.pimco.com), and on the Securities and Exchange Commission's ( SEC ) website at <http://www.sec.gov>.

Each Fund files a complete schedule of its portfolio holdings with the SEC for the first and third quarters of its fiscal year on Form N-Q. A copy of each Fund's Form N-Q is available on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C., and is available without charge, upon request by calling the Funds at (844) 33-PIMCO (844-337-4626) and on the Funds' website at [www.pimco.com](http://www.pimco.com).

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Updated portfolio holdings information about a Fund will be available at [www.pimco.com](http://www.pimco.com) approximately 15 calendar days after such Fund's most recent fiscal quarter end, and will remain accessible until such Fund files a Form N-Q or a shareholder report for the period which includes the date of the information. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

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**PIMCO Corporate & Income Opportunity Fund**

Symbol on NYSE - **PTY**

Allocation Breakdown

|                            |       |
|----------------------------|-------|
| Corporate Bonds & Notes    | 37.8% |
| Mortgage-Backed Securities | 29.7% |
| Asset-Backed Securities    | 8.2%  |
| Municipal Bonds & Notes    | 7.8%  |
| Short-Term Instruments     | 5.3%  |
| U.S. Government Agencies   | 5.2%  |
| Other                      | 6.0%  |

% of Investments, at value as of 07/31/15. Financial derivative instruments, if any, are excluded.

Fund Information (as of July 31, 2015)<sup>(1)</sup>

|  |         |
|--|---------|
| Market Price                                   | \$14.31 |
| NAV  | \$14.23 |
| Premium/(Discount) to NAV                      | 0.56%   |
| Market Price Distribution Yield <sup>(2)</sup> | 10.90%  |
| NAV Distribution Yield <sup>(2)</sup>          | 10.96%  |
| Total Effective Leverage <sup>(3)</sup>        | 37%     |

Average Annual Total Return<sup>(1)</sup> for the period ended July 31, 2015

|              | 1 Year | 5 Year | 10 Year | Commencement<br>of Operations<br>(12/27/02) |
|--------------|--------|--------|---------|---|
| Market Price | -8.63% | 10.99% | 11.48%  | 13.14%                                      |
| NAV          | 5.28%  | 15.28% | 13.47%  | 14.49%                                      |

All Fund returns are net of fees and expenses.

The average annual total returns shown above have been restated from previous reports to shareholders to align with the Fund's change from a November 30 to a July 31 fiscal year end. For the period December 1, 2014 through July 31, 2015, the Fund's total return was -13.61% and 3.75% on a market price and NAV basis, respectively.

<sup>(1)</sup> Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and the principal value of an investment will fluctuate. Total return, market price, NAV, market price distribution yield, and NAV distribution yield will fluctuate with changes in market conditions. For performance current to the most recent month-end, visit [www.pimco.com](http://www.pimco.com) or call (844) 33-PIMCO.

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- (2) Distribution yields are not performance and are calculated by annualizing the most recent distribution per share and dividing by the NAV or Market Price, as applicable, as of the reported date. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the Fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. If the Fund estimates that a portion of its distribution may be comprised of amounts from sources other than net investment income, the Fund will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. Please refer to the most recent Section 19 Notice, if applicable, for additional information regarding the composition of distributions. Please visit [www.pimco.com](http://www.pimco.com) for most recent Section 19 Notice, if applicable. Final determination of a distribution's tax character will be made on Form 1099 DIV sent to shareholders each January.
- (3) Represents total effective leverage outstanding, as a percentage of total managed assets. Total effective leverage consists of preferred shares, reverse repurchase agreements and other borrowings, credit default swaps and floating rate notes issued in tender option bond transactions, as applicable (collectively Total Effective Leverage). The Fund may engage in other transactions not included in Total Effective Leverage disclosed above that may give rise to a form of leverage, including certain derivative transactions. Total managed assets refer to total assets (including assets attributable to Total Effective Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Total Effective Leverage).

### Investment Objective and Strategy Overview

- » PIMCO Corporate & Income Opportunity Fund's primary investment objective is to seek high current income, with capital preservation and capital appreciation as secondary objectives.

### Fund Insights

- » For the period from December 1, 2014 through July 31, 2015, an allocation to non-agency mortgage-backed securities was a major contributor to performance, as the sector continued to benefit from the improving U.S. housing market.
- » The Fund's partial redemption of auction rate preferred shares (ARPS) had a significant, one-time positive impact on returns, as redemption was done below face value. This was accretive to the Fund's returns for common shareholders.
- » The Fund's exposure to select high yield corporate bonds significantly contributed to performance. In particular, an allocation to bank capital securities at the junior parts of capital structure was beneficial. In addition, security selection in the entertainment sector was also positive for performance.
- » The Fund's emerging market holdings contributed modestly to performance, as Russian hard-currency denominated bonds posted solid performance given stabilizing oil prices later in the reporting period and normalization in Russia's external geopolitical position.
- » The Fund's exposure to U.S. interest rate duration was positive for performance. Nevertheless, short interest rate exposure at the long end of the yield curve detracted from returns, as long-term rates declined during the period. The overall impact to the portfolio from U.S. interest rate exposure and yield curve positioning was neutral.
- » The Fund's exposure to Brazilian hard-currency denominated assets detracted from performance. Investor sentiment for these securities was weighed down by the country's weaker economic condition, higher inflation and rating downgrades with a negative outlook.
- » The Fund's exposure to select taxable municipal bonds detracted from returns.

± See Note 12 in the Notes to Financial Statements for more information.

**8 PIMCO CLOSED-END FUNDS**

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**PIMCO Corporate & Income Strategy Fund**

Symbol on NYSE - **PCN**

Allocation Breakdown

|                            |       |
|----------------------------|-------|
| Corporate Bonds & Notes    | 38.8% |
| Mortgage-Backed Securities | 27.8% |
| Short-Term Instruments     | 14.4% |
| Municipal Bonds & Notes    | 5.8%  |
| Asset-Backed Securities    | 4.3%  |
| Other                      | 8.9%  |

% of Investments, at value as of 07/31/15. Financial derivative instruments, if any, are excluded.

Fund Information (as of July 31, 2015)<sup>(1)</sup>

|  |         |
|--|---------|
| Market Price                                   | \$13.71 |
| NAV  | \$14.75 |
| Premium/(Discount) to NAV                      | -7.05%  |
| Market Price Distribution Yield <sup>(2)</sup> | 9.85%   |
| NAV Distribution Yield <sup>(2)</sup>          | 9.15%   |
| Total Effective Leverage <sup>(3)</sup>        | 27%     |

Average Annual Total Return<sup>(1)</sup> for the period ended July 31, 2015

|              | 1 Year | 5 Year | 10 Year | Commencement<br>of Operations<br>(12/21/01) |
|--------------|--------|--------|---------|---|
| Market Price | -4.40% | 9.33%  | 10.59%  | 10.76%                                      |
| NAV          | 5.53%  | 13.64% | 12.14%  | 12.29%                                      |

All Fund returns are net of fees and expenses.

The average annual total returns shown above have been restated from previous reports to shareholders to align with the Fund's change from a October 31 to a July 31 fiscal year end. For the period November 1, 2014 through July 31, 2015, the Fund's total return was -7.12% and 3.55% on a market price and NAV basis, respectively.

<sup>(1)</sup> Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and the principal value of an investment will fluctuate. Total return, market price, NAV, market price distribution yield, and NAV distribution yield will fluctuate with changes in market conditions. For performance current to the most recent month-end, visit [www.pimco.com](http://www.pimco.com) or call (844) 33-PIMCO.

<sup>(2)</sup> Distribution yields are not performance and are calculated by annualizing the most recent distribution per share and dividing by the NAV or Market Price, as applicable, as of the reported date. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in

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the Fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. If the Fund estimates that a portion of its distribution may be comprised of amounts from sources other than net investment income, the Fund will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. Please refer to the most recent Section 19 Notice, if applicable, for additional information regarding the composition of distributions. Please visit [www.pimco.com](http://www.pimco.com) for most recent Section 19 Notice, if applicable. Final determination of a distribution's tax character will be made on Form 1099 DIV sent to shareholders each January.

- (3) Represents total effective leverage outstanding, as a percentage of total managed assets. Total effective leverage consists of preferred shares, reverse repurchase agreements and other borrowings, credit default swaps and floating rate notes issued in tender option bond transactions, as applicable (collectively Total Effective Leverage). The Fund may engage in other transactions not included in Total Effective Leverage disclosed above that may give rise to a form of leverage, including certain derivative transactions. Total managed assets refer to total assets (including assets attributable to Total Effective Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Total Effective Leverage).

### Investment Objective and Strategy Overview

- » PIMCO Corporate & Income Strategy Fund's primary investment objective is to seek high current income, with a secondary objective of capital preservation and appreciation.

### Fund Insights

- » For the period from November 1, 2014 through July 31, 2015, an allocation to non-agency mortgage-backed securities was a primary contributor to performance, as the sector continued to benefit from the improving U.S. housing market.
- » The Fund's exposure to U.S. interest rate duration contributed significantly to returns. However, short interest rate exposure at the long end of the yield curve mitigated some gains, as long-term rates declined during the reporting period. The overall impact to the portfolio from U.S. interest rate exposure and yield curve positioning was modestly positive for performance.
- » The Fund's exposure to select high yield corporate bonds contributed to performance. In particular, an allocation to bank capital securities at the junior parts of capital structure was beneficial.
- » The Fund's emerging market holdings contributed to returns, as exposure to Russian bonds posted solid results given stabilizing oil prices in the later part of the reporting period and normalization in Russia's external geopolitical position.
- » The Fund's exposure to Brazilian local and hard-currency denominated bonds detracted from performance. Investor sentiment for these securities was weighed down by the country's weaker economic condition, higher inflation and rating downgrades with a negative outlook.
- » The Fund's exposure to select taxable municipal bonds detracted from returns.

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**PIMCO High Income Fund**

Symbol on NYSE - **PHK**

Allocation Breakdown

|                            |       |
|----------------------------|-------|
| Corporate Bonds & Notes    | 49.6% |
| Mortgage-Backed Securities | 18.8% |
| Municipal Bonds & Notes    | 12.3% |
| Asset-Backed Securities    | 8.2%  |
| Short-Term Instruments     | 3.4%  |
| Other                      | 7.7%  |

% of Investments, at value as of 07/31/15. Financial derivative instruments, if any, are excluded.

Fund Information (as of July 31, 2015)<sup>(1)</sup>

|  |        |
|--|--------|
| Market Price                                   | \$9.71 |
| NAV  | \$7.37 |
| Premium/(Discount) to NAV                      | 31.75% |
| Market Price Distribution Yield <sup>(2)</sup> | 15.06% |
| NAV Distribution Yield <sup>(2)</sup>          | 19.84% |
| Total Effective Leverage <sup>(3)</sup>        | 29%    |

Average Annual Total Return<sup>(1)</sup> for the period ended July 31, 2015

|              | 1 Year  | 5 Year | 10 Year | Commencement<br>of Operations<br>(04/30/03) |
|--------------|---------|--------|---------|---|
| Market Price | -14.12% | 6.98%  | 10.05%  | 10.32%                                      |
| NAV          | 5.12%   | 15.63% | 10.79%  | 11.57%                                      |

All Fund returns are net of fees and expenses.

The average annual total returns shown above have been restated from previous reports to shareholders to align with the Fund's change from a March 31 to a July 31 fiscal year end. For the period April 1, 2015 through July 31, 2015, the Fund's total return was -18.40% and 3.55% on a market price and NAV basis, respectively.

<sup>(1)</sup> Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and the principal value of an investment will fluctuate. Total return, market price, NAV, market price distribution yield, and NAV distribution yield will fluctuate with changes in market conditions. For performance current to the most recent month-end, visit [www.pimco.com](http://www.pimco.com) or call (844) 33-PIMCO.

<sup>(2)</sup> Distribution yields are not performance and are calculated by annualizing the most recent distribution per share and dividing by the NAV or Market Price, as applicable, as of the reported date. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in

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the Fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. If the Fund estimates that a portion of its distribution may be comprised of amounts from sources other than net investment income, the Fund will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. Please refer to the most recent Section 19 Notice, if applicable, for additional information regarding the composition of distributions. Please visit [www.pimco.com](http://www.pimco.com) for most recent Section 19 Notice, if applicable. Final determination of a distribution's tax character will be made on Form 1099 DIV sent to shareholders each January.

- (3) Represents total effective leverage outstanding, as a percentage of total managed assets. Total effective leverage consists of preferred shares, reverse repurchase agreements, and other borrowings, credit default swaps and floating rate notes issued in tender option bond transactions, as applicable (collectively Total Effective Leverage). The Fund may engage in other transactions not included in Total Effective Leverage disclosed above that may give rise to a form of leverage, including certain derivative transactions. Total managed assets refer to total assets (including assets attributable to Total Effective Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Total Effective Leverage).

### Investment Objective and Strategy Overview

- » PIMCO High Income Fund's primary investment objective is to seek high current income, with capital appreciation as a secondary objective.

### Fund Insights

- » For the period from April 1, 2015 through July 31, 2015, an allocation to non-agency mortgage-backed securities was a primary contributor to performance, as the sector continued to benefit from the improving U.S. housing market.
- » The Fund's U.S. short interest rate exposure at the long end of the U.S. Treasury yield curve contributed significantly to returns. This position helped to offset the negative impact of higher U.S. interest rates elsewhere in the portfolio, resulting in an overall positive impact to the portfolio from U.S. interest rates exposure.
- » The Fund's emerging market holdings contributed substantially to performance, as Russian quasi-sovereign corporate bond holdings posted positive results given stabilizing oil prices and normalization in Russia's external geopolitical position.
- » Despite widening spreads, the Fund's exposure to select high yield corporate bonds contributed to performance as these holdings generated an attractive coupon return. In addition, security selection in the entertainment sector was positive for performance.
- » The Fund's exposure to select taxable municipal bonds detracted from returns.
- » The Fund's exposure to Brazilian hard-currency denominated assets detracted from returns. Investor sentiment for these securities was weighed down by the country's weaker economic conditions, higher inflation and rating downgrades with a negative outlook.
- » The Fund's tactical interest rate exposure in the United Kingdom was modestly negative for performance, as rates rose across the yield curve in the country given the strength of its economy.

### 10 PIMCO CLOSED-END FUNDS

**Table of Contents****PIMCO Income Strategy Fund**Symbol on NYSE - **PFL**

## Allocation Breakdown

|                            |       |
|----------------------------|-------|
| Corporate Bonds & Notes    | 50.0% |
| Mortgage-Backed Securities | 15.9% |
| Asset-Backed Securities    | 15.6% |
| Municipal Bonds & Notes    | 6.8%  |
| Preferred Securities       | 4.4%  |
| Other                      | 7.3%  |

% of Investments, at value as of 07/31/15. Financial derivative instruments, if any, are excluded.

Fund Information (as of July 31, 2015)<sup>(1)</sup>

|  |         |
|--|---------|
| Market Price                                   | \$10.39 |
| NAV  | \$11.46 |
| Premium/(Discount) to NAV                      | -9.34%  |
| Market Price Distribution Yield <sup>(2)</sup> | 10.39%  |
| NAV Distribution Yield <sup>(2)</sup>          | 9.42%   |
| Total Effective Leverage <sup>(3)</sup>        | 21%     |

Average Annual Total Return<sup>(1)</sup> for the period ended July 31, 2015

|              | 1 Year | 5 Year | 10 Year | Commencement<br>of Operations<br>(08/29/03) |
|--------------|--------|--------|---------|---|
| Market Price | -2.62% | 8.67%  | 5.69%   | 5.13%                                       |
| NAV          | 4.66%  | 12.76% | 6.59%   | 6.53%                                       |

All Fund returns are net of fees and expenses.

<sup>(1)</sup> Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and the principal value of an investment will fluctuate. Total return, market price, NAV, market price distribution yield, and NAV distribution yield will fluctuate with changes in market conditions. For performance current to the most recent month-end, visit [www.pimco.com](http://www.pimco.com) or call (844) 33-PIMCO.

<sup>(2)</sup> Distribution yields are not performance and are calculated by annualizing the most recent distribution per share and dividing by the NAV or Market Price, as applicable, as of the reported date. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the Fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. If the Fund estimates that a portion of its distribution may be comprised of amounts from sources other than net investment income, the Fund will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. Please refer to the most recent Section 19 Notice, if applicable, for additional information regarding the composition of distributions. Please visit [www.pimco.com](http://www.pimco.com) for most recent Section 19 Notice, if applicable. Final determination of a distribution's tax character



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will be made on Form 1099 DIV sent to shareholders each January.

- (3) Represents total effective leverage outstanding, as a percentage of total managed assets. Total effective leverage consists of preferred shares, reverse repurchase agreements, and other borrowings, credit default swaps and floating rate notes issued in tender option bond transactions, as applicable (collectively Total Effective Leverage). The Fund may engage in other transactions not included in Total Effective Leverage disclosed above that may give rise to a form of leverage, including certain derivative transactions. Total managed assets refer to total assets (including assets attributable to Total Effective Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Total Effective Leverage).

### Investment Objective and Strategy Overview

- » PIMCO Income Strategy Fund's primary investment objective is to seek high current income, consistent with the preservation of capital.

### Fund Insights

- » For the period from August 1, 2014 through July 31, 2015, an allocation to certain agency mortgage derivatives was a major contributor to performance given positive security selection and attractive income.
- » The Fund's partial redemption of auction rate preferred shares (ARPS) had a significant, one-time positive impact on returns, as redemption was done below face value. This was accretive to the Fund's returns for common shareholders.
- » An allocation to non-agency mortgage-backed securities was a significant contributor to performance, as the sector continued to benefit from the improving U.S. housing market.
- » The Fund's exposure to U.S. interest rate duration contributed significantly to returns. Nevertheless, short interest rate exposure at the long end of the yield curve offset some of the gains, as long-term rates declined during the reporting period.
- » The Fund's exposure to select high yield corporate bonds contributed to performance. In particular, an allocation to bank capital securities (especially at junior parts of the capital structure), as well as security selection in the utilities and entertainment sectors, was positive for performance. In contrast, security selection in the manufacturing sector was negative for performance.
- » The Fund's exposure to hard-currency denominated Russian bonds posted positive performance as an attractive coupon return helped offset wider spreads.
- » The Fund's exposure to Brazilian local and hard-currency denominated bonds detracted from performance. Investor sentiment for these securities was weighed down by the country's weaker economic condition, higher inflation and rating downgrades with a negative outlook.
- » The Fund's exposure to investment grade corporate bonds detracted from performance as their spreads widened during the reporting period.
- » The Fund's exposure to select taxable municipal bonds detracted from returns.

± See Note 12 in the Notes to Financial Statements for more information.

**Table of Contents****PIMCO Income Strategy Fund II**Symbol on NYSE - **PFN**

## Allocation Breakdown

|                            |       |
|----------------------------|-------|
| Corporate Bonds & Notes    | 47.0% |
| Mortgage-Backed Securities | 25.1% |
| Municipal Bonds & Notes    | 8.6%  |
| Asset-Backed Securities    | 8.1%  |
| U.S. Government Agencies   | 2.5%  |
| Other                      | 8.7%  |

% of Investments, at value as of 07/31/15. Financial derivative instruments, if any, are excluded.

Fund Information (as of July 31, 2015)<sup>(1)</sup>

|  |         |
|--|---------|
| Market Price                                   | \$9.41  |
| NAV  | \$10.27 |
| Premium/(Discount) to NAV                      | -8.37%  |
| Market Price Distribution Yield <sup>(2)</sup> | 10.20%  |
| NAV Distribution Yield <sup>(2)</sup>          | 9.35%   |
| Total Effective Leverage <sup>(3)</sup>        | 19%     |

Average Annual Total Return<sup>(1)</sup> for the period ended July 31, 2015

|              | 1 Year | 5 Year | 10 Year | Commencement<br>of Operations<br>(10/29/04) |
|--------------|--------|--------|---------|---|
| Market Price | -0.12% | 9.43%  | 4.94%   | 3.94%                                       |
| NAV          | 4.97%  | 13.17% | 5.27%   | 5.26%                                       |

All Fund returns are net of fees and expenses.

<sup>(1)</sup> Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and the principal value of an investment will fluctuate. Total return, market price, NAV, market price distribution yield, and NAV distribution yield will fluctuate with changes in market conditions. For performance current to the most recent month-end, visit [www.pimco.com](http://www.pimco.com) or call (844) 33-PIMCO.

<sup>(2)</sup> Distribution yields are not performance and are calculated by annualizing the most recent distribution per share and dividing by the NAV or Market Price, as applicable, as of the reported date. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the Fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. If the Fund estimates that a portion of its distribution may be comprised of amounts from sources other than net investment income, the Fund will notify shareholders of the estimated composition of such distribution through a Section 19 Notice. Please refer to the most recent Section 19 Notice, if applicable, for additional information regarding the composition of distributions. Please visit [www.pimco.com](http://www.pimco.com) for most recent Section 19 Notice, if applicable. Final determination of a distribution's tax character will be made on Form 1099-DIV sent to shareholders each January.

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- <sup>(3)</sup> Represents total effective leverage outstanding, as a percentage of total managed assets. Total effective leverage consists of preferred shares, reverse repurchase agreements, and other borrowings, credit default swaps and floating rate notes issued in tender option bond transactions, as applicable (collectively Total Effective Leverage). The Fund may engage in other transactions not included in Total Effective Leverage disclosed above that may give rise to a form of leverage, including certain derivative transactions. Total managed assets refer to total assets (including assets attributable to Total Effective Leverage that may be outstanding) minus accrued liabilities (other than liabilities representing Total Effective Leverage).

### Investment Objective and Strategy Overview

- » PIMCO Income Strategy Fund II's primary investment objective is to seek high current income, consistent with the preservation of capital.

### Fund Insights

- » For the period from August 1, 2014 through July 31, 2015, an allocation to non-agency mortgage-backed securities was a major contributor to performance, as the sector continued to benefit from the improving U.S. housing market.
- » The Fund's partial redemption of auction rate preferred shares (ARPS) had a significant, one-time positive impact on returns, as redemption was done below face value. This was accretive to the Fund's returns for common shareholders.
- » The Fund's exposure to U.S. interest rate duration was significantly positive for performance. However, short interest rate exposure at the long end of the yield curve detracted from performance, as long-term rates declined during the reporting period. The overall impact to the portfolio from U.S. interest rate exposure and yield curve positioning plus an attractive carry, or the rate of interest earned by holding the respective securities, was positive.
- » The Fund's exposure to select high yield corporate bonds contributed to performance. In particular, an allocation to bank capital securities (especially at junior parts of the capital structure), as well as security selection in the utilities and entertainment sectors, was positive for performance. In contrast, security selection in the manufacturing sector was negative for performance.
- » The Fund's exposure to hard-currency denominated Russian corporate and quasi-sovereign bonds was positive for performance as an attractive coupon return helped offset wider spreads.
- » The Fund's exposure to Brazilian local and hard-currency denominated bonds detracted significantly from performance. Investor sentiment for these securities was weighed down by the country's weaker economic condition, higher inflation and rating downgrades with a negative outlook.
- » The Fund's exposure to select taxable municipal bonds was a detractor from performance given wider spreads, as the market overall was impacted by negative news flow out of Puerto Rico, as well as a supply/demand imbalance. In addition, security selection within this sector detracted from performance, as a specific very long-dated bond sold off due to issue-specific factors.

± See Note 12 in the Notes to Financial Statements for more information.

## 12 PIMCO CLOSED-END FUNDS

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**Financial Highlights**

| Selected Per Share Data for the Year or Period Ended: | Net Asset Value Beginning of Year or Period | Net Investment Income (a) | Net Realized/Unrealized Gain (Loss) | Total from Investment Operations | Distributions on Preferred Shares from Net Investment and Realized Gains | Net Increase (Decrease) in Net Assets Applicable to Common Shareholders Resulting from Investment Operations | Distributions to Common Shareholders from Net Investment Income | Distributions to Common Shareholders from Net Realized Capital Gain |
|---|---|---------------------------|-------------------------------------|----------------------------------|--|--|---|---|
| <b>PIMCO Corporate &amp; Income Opportunity Fund</b>  |   |                           |                                     |                                  |  |  |   |   |
| 12/01/2014 - 07/31/2015 <sup>(d)</sup>                | \$ 15.41                                    | \$ 0.68                   | \$ (0.33)                           | \$ 0.35                          | \$ (0.00) <sup>^</sup>   | \$ 0.35  | \$ (1.69)   | \$ 0.00   |
| 11/30/2014  | 16.62                                       | 1.14                      | 1.06                                | 2.20                             | (0.01)   | 2.19   | (1.56)  | (1.84)  |
| 11/30/2013  | 17.58                                       | 1.43                      | 0.19                                | 1.62                             | (0.00)   | 1.62   | (1.82)  | (0.76)  |
| 11/30/2012  | 14.22                                       | 1.68                      | 3.87                                | 5.55                             | (0.01)   | 5.54   | (2.18)  | 0.00  |
| 11/30/2011  | 16.29                                       | 1.88                      | (1.87)                              | 0.01                             | (0.01)   | 0.00   | (2.07)  | 0.00  |
| 11/30/2010  | 13.63                                       | 1.80                      | 2.83                                | 4.63                             | (0.01)   | 4.62   | (1.96)  | 0.00  |
| <b>PIMCO Corporate &amp; Income Strategy Fund</b>     |   |                           |                                     |                                  |  |  |   |   |
| 11/01/2014 - 07/31/2015 <sup>(e)</sup>                | \$ 15.60                                    | \$ 0.73                   | \$ (0.21)                           | \$ 0.52                          | \$ (0.00) <sup>^</sup>   | \$ 0.52  | \$ (1.37)   | \$ 0.00   |
| 10/31/2014  | 16.04                                       | 0.99                      | 0.87                                | 1.86                             | (0.00) <sup>^</sup>  | 1.86   | (1.35)  | (0.95)  |
| 10/31/2013  | 15.90                                       | 1.28                      | 0.44                                | 1.72                             | (0.01)   | 1.71   | (1.57)  | 0.00  |
| 10/31/2012  | 13.67                                       | 1.57                      | 2.47                                | 4.04                             | (0.01)   | 4.03   | (1.80)  | 0.00  |
| 10/31/2011  | 15.51                                       | 1.72                      | (1.87)                              | (0.15)                           | (0.01)   | (0.16)   | (1.68)  | 0.00  |
| 10/31/2010  | 12.88                                       | 1.61                      | 2.90                                | 4.51                             | (0.01)   | 4.50   | (1.87)  | 0.00  |
| <b>PIMCO High Income Fund</b>                         |   |                           |                                     |                                  |  |  |   |   |
| 04/01/2015 - 07/31/2015 <sup>(b)</sup>                | \$ 7.59                                     | \$ 0.21                   | \$ 0.06                             | \$ 0.27                          | \$ (0.00) <sup>^</sup>   | \$ 0.27  | \$ (0.33)   | \$ 0.00   |
| 03/31/2015  | 8.23  | 0.94                      | (0.12)                              | 0.82                             | (0.00) <sup>^</sup>  | 0.82   | (1.46)  | 0.00  |
| 03/31/2014  | 8.65  | 0.84                      | 0.20                                | 1.04                             | (0.00) <sup>^</sup>  | 1.04   | (1.35)  | 0.00  |
| 03/31/2013  | 7.87  | 0.81                      | 1.43                                | 2.24                             | (0.00) <sup>^</sup>  | 2.24   | (1.42)  | 0.00  |
| 03/31/2012  | 9.42  | 0.96                      | (1.05)                              | (0.09)                           | (0.00) <sup>^</sup>  | (0.09)   | (1.39)  | 0.00  |
| 03/31/2011  | 8.73  | 1.13                      | 1.03                                | 2.16                             | (0.01)   | 2.15   | (1.46)  | 0.00  |
| <b>PIMCO Income Strategy Fund</b>                     |   |                           |                                     |                                  |  |  |   |   |
| 07/31/2015  | \$ 12.15                                    | \$ 0.79                   | \$ (0.34)                           | \$ 0.45                          | \$ (0.03)  | \$ 0.42  | \$ (1.22)   | \$ 0.00   |
| 07/31/2014  | 11.70                                       | 0.79                      | 0.78                                | 1.57                             | (0.04)   | 1.53   | (1.08)  | 0.00  |
| 07/31/2013  | 11.35                                       | 0.92                      | 0.87                                | 1.79                             | (0.04)   | 1.75   | (1.40)  | 0.00  |
| 07/31/2012  | 11.39                                       | 1.16                      | (0.04)                              | 1.12                             | (0.05)   | 1.07   | (1.11)  | 0.00  |
| 07/31/2011  | 10.62                                       | 1.24                      | 0.79                                | 2.03                             | (0.05)   | 1.98   | (1.21)  | 0.00  |
| <b>PIMCO Income Strategy Fund II</b>                  |   |                           |                                     |                                  |  |  |   |   |
| 07/31/2015  | \$ 10.88                                    | \$ 0.70                   | \$ (0.29)                           | \$ 0.41                          | \$ (0.03)  | \$ 0.38  | \$ (1.11)   | \$ 0.00   |
| 07/31/2014  | 10.29                                       | 0.72                      | 0.87                                | 1.59                             | (0.04)   | 1.55   | (0.96)  | 0.00  |
| 07/31/2013  | 10.23                                       | 0.88                      | 0.68                                | 1.56                             | (0.04)   | 1.52   | (1.46)  | 0.00  |
| 07/31/2012  | 10.04                                       | 1.03                      | 0.03                                | 1.06                             | (0.04)   | 1.02   | (0.83)  | 0.00  |
| 07/31/2011  | 9.29  | 1.03                      | 0.73                                | 1.76                             | (0.04)   | 1.72   | (0.97)  | 0.00  |

\* Annualized

<sup>^</sup> Reflects an amount rounding to less than one cent.

(a) Per share amounts based on average number of shares outstanding during the year or period.

(b) Determined in accordance with federal income tax regulations, see Note 2(c) in the Notes to Financial Statements for more information.

(c) Total investment return is calculated assuming a purchase of a common share at the market price on the first day and a sale of a common share at the market price on the last day of each year or period reported. Dividends and distributions, if any, are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Funds' dividend reinvestment plan. Total investment return does not reflect brokerage commissions in connection with the purchase or sale of Fund shares.

(d) Calculated on the basis of income and expenses applicable to both common and preferred shares relative to the average net assets of common shareholders.

(e) Interest expense primarily relates to participation in borrowing and financing transactions, see Note 5 in the Notes to Financial Statements for more information.

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- (f) Fiscal year end changed from November 30<sup>th</sup> to July 31<sup>st</sup>.
- (g) Fiscal year end changed from October 31<sup>st</sup> to July 31<sup>st</sup>.
- (h) Fiscal year end changed from March 31<sup>st</sup> to July 31<sup>st</sup>.
- (i) Total distributions for the period ended July 31, 2015 may be lower than prior fiscal years due to fiscal year end changes resulting in a reduction of the amount of days in the period ended July 31, 2015.
- (j) See Note 12 in the Notes to Financial Statements.

### 14 PIMCO CLOSED-END FUNDS

See Accompanying Notes

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| Tax Basis | Total Distributions to Common Shareholders <sup>(b)</sup> | Increase Resulting from Tender and Repurchase of Auction-Rate Preferred Shares | Net Asset Value End of Year or Period | Market Price End of Year or Period | Total Investment Return <sup>(c)</sup> | Net Assets Applicable to Common Shareholders (000s) | Ratio of Expenses to Average Net Assets <sup>(d)(e)</sup> | Ratio of Expenses to Average Net Assets Excluding Interest Expense <sup>(d)</sup> | Ratio of Net Investment Income to Average Net Assets | Preferred Shares Asset Coverage Per Share | Portfolio Turnover Rate |
|-----------|---|--|---------------------------------------|------------------------------------|--|---|---|---|--|---|-------------------------|
| \$ 0.00   | \$ (1.69) <sup>(i)</sup>                                  | \$ 0.16 <sup>(i)</sup>   | \$ 14.23                              | \$ 14.31                           | (13.61)%                               | \$ 1,006,484  | 0.91%*  | 0.90%*  | 7.01%*   | 130,743                                   | 34%                     |
| 0.00      | (3.40)  | 0.00   | 15.41                                 | 18.50                              | 26.04                                  | 1,082,000   | 0.91  | 0.91  | 7.36   | 108,229                                   | 44                      |
| 0.00      | (2.58)  | 0.00   | 16.62                                 | 17.75                              | (0.15)                                 | 1,149,779   | 0.91  | 0.91  | 8.49   | 113,443                                   | 118                     |
| 0.00      | (2.18)  | 0.00   | 17.58                                 | 20.37                              | 36.86                                  | 1,205,090   | 1.05  | 0.93  | 10.63  | 117,697                                   | 29                      |
| 0.00      | (2.07)  | 0.00   | 14.22                                 | 16.78                              | 9.24                                   | 967,195   | 1.09  | 0.94  | 11.76  | 99,399                                    | 53                      |
| 0.00      | (1.96)  | 0.00   | 16.29                                 | 17.30                              | 40.36                                  | 1,098,920   | 1.02  | 0.93  | 11.98  | 109,530                                   | 70                      |
| \$ 0.00   | \$ (1.37) <sup>(i)</sup>                                  | \$ 0.00  | \$ 14.75                              | \$ 13.71                           | (7.12)%                                | \$ 570,122  | 1.07%*  | 1.07%*  | 6.51%*   | 109,336                                   | 40%                     |
| 0.00      | (2.30)  | 0.00   | 15.60                                 | 16.18                              | 8.84                                   | 599,980   | 1.09  | 1.09  | 6.32   | 113,753                                   | 48                      |
| 0.00      | (1.57)  | 0.00   | 16.04                                 | 17.15                              | 3.48                                   | 612,225   | 1.10  | 1.09  | 7.91   | 115,565                                   | 108                     |
| 0.00      | (1.80)  | 0.00   | 15.90                                 | 18.17                              | 33.21                                  | 603,483   | 1.32  | 1.14  | 11.03  | 114,270                                   | 28                      |
| 0.00      | (1.68)  | 0.00   | 13.67                                 | 15.27                              | 4.78                                   | 515,041   | 1.30  | 1.16  | 11.56  | 101,188                                   | 32                      |
| 0.00      | (1.87)  | 0.00   | 15.51                                 | 16.24                              | 41.86                                  | 579,963   | 1.24  | 1.17  | 11.64  | 110,790                                   | 52                      |
| \$ (0.16) | \$ (0.49) <sup>(i)</sup>                                  | \$ 0.00  | \$ 7.37                               | \$ 9.71                            | (18.40)%                               | \$ 925,598  | 1.05%*  | 1.03%*  | 8.14%*   | 104,245                                   | 8%                      |
| 0.00      | (1.46)  | 0.00   | 7.59                                  | 12.48                              | 12.30                                  | 949,880   | 1.18  | 1.02  | 11.53  | 106,324                                   | 58                      |
| (0.11)    | (1.46)  | 0.00   | 8.23                                  | 12.56                              | 15.51                                  | 1,021,120   | 1.14  | 1.03  | 10.14  | 112,424                                   | 159                     |
| (0.04)    | (1.46)  | 0.00   | 8.65                                  | 12.35                              | 8.53                                   | 1,063,863   | 1.06  | 1.05  | 10.00  | 116,082                                   | 70                      |
| (0.07)    | (1.46)  | 0.00   | 7.87                                  | 12.84                              | 3.28                                   | 960,496   | 1.16  | 1.07  | 11.76  | 107,233                                   | 24                      |
| 0.00      | (1.46)  | 0.00   | 9.42                                  | 14.01                              | 28.94                                  | 1,138,186   | 1.11  | 1.04  | 12.74  | 122,446                                   | 89                      |
| \$ 0.00   | \$ (1.22)   | \$ 0.11 <sup>(i)</sup>   | \$ 11.46                              | \$ 10.39                           | (2.62)%                                | \$ 289,909  | 1.30%   | 1.25%   | 6.67%  | 166,328                                   | 67%                     |
| 0.00      | (1.08)  | 0.00   | 12.15                                 | 11.87                              | 9.95                                   | 306,475   | 1.19  | 1.18  | 6.71   | 122,004                                   | 113                     |
| 0.00      | (1.40)  | 0.00   | 11.70                                 | 11.83                              | 5.69                                   | 294,017   | 1.24  | 1.21  | 7.59   | 118,058                                   | 63                      |
| 0.00      | (1.11)  | 0.00   | 11.35                                 | 12.52                              | 12.02                                  | 283,285   | 1.85  | 1.65  | 10.93  | 114,654                                   | 23                      |
| 0.00      | (1.21)  | 0.00   | 11.39                                 | 12.39                              | 19.67                                  | 282,691   | 1.51  | 1.41  | 11.00  | 114,474                                   | 44                      |
| \$ 0.00   | \$ (1.11)   | \$ 0.12 <sup>(i)</sup>   | \$ 10.27                              | \$ 9.41                            | (0.12)%                                | \$ 606,974  | 1.16%   | 1.13%   | 6.58%  | 189,105                                   | 63%                     |
| 0.00      | (0.96)  | 0.00   | 10.88                                 | 10.50                              | 12.39                                  | 642,119   | 1.14  | 1.14  | 6.79   | 124,695                                   | 119                     |
| 0.00      | (1.46)  | 0.00   | 10.29                                 | 10.24                              | 6.80                                   | 605,843   | 1.16  | 1.14  | 8.20   | 119,060                                   | 71                      |
| 0.00      | (0.83)  | 0.00   | 10.23                                 | 10.96                              | 16.33                                  | 597,683   | 1.48  | 1.37  | 10.87  | 117,792                                   | 17                      |
| 0.00      | (0.97)  | 0.00   | 10.04                                 | 10.27                              | 12.53                                  | 584,351   | 1.24  | 1.21  | 10.34  | 115,720                                   | 42                      |

**Table of Contents****Statements of Assets and Liabilities**

July 31, 2015

|  | PIMCO<br>Corporate &<br>Income<br>Opportunity<br>Fund | PIMCO<br>Corporate &<br>Income<br>Strategy<br>Fund | PIMCO High<br>Income Fund | PIMCO Income<br>Strategy<br>Fund | PIMCO Income<br>Strategy<br>Fund II |
|--|---|--|---------------------------|----------------------------------|-------------------------------------|
| (Amounts in thousands, except per share amounts)   |   |  |                           |                                  |                                     |
| <b>Assets:</b>   |   |  |                           |                                  |                                     |
| <i>Investments, at value</i>   |   |  |                           |                                  |                                     |
| Investments in securities*   | \$ 1,305,179  | \$ 741,235   | \$ 1,249,379              | \$ 345,872                       | \$ 704,420                          |
| <i>Financial Derivative Instruments</i>  |   |  |                           |                                  |                                     |
| Exchange-traded or centrally cleared   | 3,873   | 1,816  | 5,747                     | 1,177                            | 2,627                               |
| Over the counter   | 7,780   | 2,467  | 23,927                    | 1,385                            | 3,918                               |
| Cash   | 4,093   | 1,079  | 1                         | 0                                | 0                                   |
| Deposits with counterparty   | 24,587  | 7,472  | 10,384                    | 5,946                            | 9,444                               |
| Foreign currency, at value   | 2,320   | 170  | 1,116                     | 185                              | 478                                 |
| Receivable for investments sold  | 247   | 147  | 1,425                     | 1,726                            | 14,655                              |
| Interest and dividends receivable  | 12,100  | 5,675  | 14,361                    | 2,963                            | 6,538                               |
| Other assets   | 6   | 3  | 40                        | 2                                | 5                                   |
| <b>Total Assets</b>  | <b>1,360,185</b>                                      | <b>760,064</b>                                     | <b>1,306,380</b>          | <b>359,256</b>                   | <b>742,085</b>                      |
| <b>Liabilities:</b>  |   |  |                           |                                  |                                     |
| <i>Borrowings &amp; Other Financing Transactions</i>   |   |  |                           |                                  |                                     |
| Payable for reverse repurchase agreements  | \$ 13,551   | \$ 0   | \$ 37,237                 | \$ 5,596                         | \$ 13,417                           |
| <i>Financial Derivative Instruments</i>  |   |  |                           |                                  |                                     |
| Exchange-traded or centrally cleared   | 3,461   | 1,688  | 5,828                     | 1,025                            | 2,372                               |
| Over the counter   | 41,469  | 3,875  | 4,214                     | 2,446                            | 5,137                               |
| Payable for investments purchased  | 42,471  | 8,254  | 2,759                     | 4,523                            | 8,736                               |
| Deposits from counterparty   | 4,470   | 2,090  | 22,401                    | 1,000                            | 2,980                               |
| Distributions payable to common shareholders   | 9,198   | 4,350  | 15,299                    | 2,277                            | 4,728                               |
| Distributions payable to preferred shareholders  | 6   | 3  | 5                         | 8                                | 18                                  |
| Overdraft due to custodian   | 0   | 0  | 0                         | 561                              | 4,202                               |
| Accrued management fees  | 734   | 544  | 844                       | 272                              | 533                                 |
| Other liabilities  | 391   | 138  | 195                       | 364                              | 538                                 |
| <b>Total Liabilities</b>   | <b>115,751</b>  | <b>20,942</b>                                      | <b>88,782</b>             | <b>18,072</b>                    | <b>42,661</b>                       |
| <b>Preferred Shares (\$0.00001 par value and \$25,000 liquidation preference per share applicable to an aggregate of 9,518, 6,760, 11,680, 2,051, 3,698 shares issued and outstanding, respectively)</b> | <b>237,950</b>  | <b>169,000</b>                                     | <b>292,000</b>            | <b>51,275</b>                    | <b>92,450</b>                       |
| <b>Net Assets Applicable to Common Shareholders</b>  | <b>\$ 1,006,484</b>                                   | <b>\$ 570,122</b>                                  | <b>\$ 925,598</b>         | <b>\$ 289,909</b>                | <b>\$ 606,974</b>                   |
| <b>Composition of Net Assets Applicable to Common Shareholders:</b>  |   |  |                           |                                  |                                     |
| <b>Common Shares:</b>  |   |  |                           |                                  |                                     |
| Par value (\$0.00001 per share)  | \$ 1  | \$ 0   | \$ 1                      | \$ 0                             | \$ 1                                |
| Paid in capital in excess of par   | 1,026,094   | 549,761  | 1,655,748                 | 419,477                          | 950,671                             |
| (Overdistributed) net investment income  | (8,639)   | (4,556)  | (39,740)                  | (1,974)                          | (2,589)                             |
| Accumulated undistributed net realized (loss)  | (90,337)  | (17,390)   | (819,888)                 | (145,869)                        | (381,439)                           |
| Net unrealized appreciation  | 79,365  | 42,307   | 129,477                   | 18,275                           | 40,330                              |
|  | \$ 1,006,484  | \$ 570,122   | \$ 925,598                | \$ 289,909                       | \$ 606,974                          |
| <b>Common Shares Issued and Outstanding</b>  | <b>70,756</b>   | <b>38,665</b>                                      | <b>125,528</b>            | <b>25,300</b>                    | <b>59,103</b>                       |
| <b>Net Asset Value Per Common Share</b>  | <b>\$ 14.23</b>                                       | <b>\$ 14.75</b>                                    | <b>\$ 7.37</b>            | <b>\$ 11.46</b>                  | <b>\$ 10.27</b>                     |
| Cost of Investments in securities  | \$ 1,262,717  | \$ 720,406   | \$ 1,210,914              | \$ 338,083                       | \$ 690,335                          |
| Cost of Foreign Currency Held  | \$ 2,345  | \$ 171   | \$ 1,136                  | \$ 198                           | \$ 507                              |



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|   |    |          |    |         |    |       |    |       |    |         |
|---|----|----------|----|---------|----|-------|----|-------|----|---------|
| Cost or Premiums of Financial Derivative Instruments, net | \$ | (36,208) | \$ | (1,110) | \$ | (144) | \$ | (763) | \$ | (1,599) |
| * Includes repurchase agreements of:                      | \$ | 30,731   | \$ | 98,739  | \$ | 8,584 | \$ | 0     | \$ | 0       |

A zero balance may reflect actual amounts rounding to less than one thousand.

### 16 PIMCO CLOSED-END FUNDS

See Accompanying Notes

**Table of Contents****Statements of Operations**

|  | PIMCO<br>Corporate & Income<br>Opportunity Fund |                                 | PIMCO<br>Corporate & Income<br>Strategy Fund |                                |
|--|---|---------------------------------|--|--------------------------------|
|  | Period from                                     |                                 | Period from                                  |                                |
|  | December 1, 2014 to                             |                                 | November 1, 2014 to                          |                                |
|  | July 31,<br>2015 <sup>(b)</sup>                 | Year Ended<br>November 30, 2014 | July 31, 2015 <sup>(c)</sup>                 | Year Ended<br>October 31, 2014 |
| (Amounts in thousands)   |   |                                 |  |                                |
| <b>Investment Income:</b>  |   |                                 |  |                                |
| Interest   | \$ 51,537                                       | \$ 83,525                       | \$ 30,930                                    | \$ 43,441                      |
| Dividends  | 2,432   | 6,298                           | 1,959  | 1,075                          |
| <b>Total Income</b>  | <b>53,969</b>                                   | <b>89,823</b>                   | <b>32,889</b>                                | <b>44,516</b>                  |
| <b>Expenses:</b>   |   |                                 |  |                                |
| Management fees  | 5,607   | 8,628                           | 4,529  | 5,852                          |
| Auction agent fees and commissions   | 383   | 521                             | 140  | 201                            |
| Trustee fees and related expenses  | 69  | 102                             | 43   | 50                             |
| Interest expense   | 73  | 35                              | 4  | 5                              |
| Auction rate preferred shares related expenses   | 93  | 20                              | 7  | 32                             |
| Miscellaneous expense  | 0   | 0                               | 0  | 2                              |
| Operating expenses pre-transition <sup>(a)</sup>   |   |                                 |  |                                |
| Custodian and accounting agent   | 0   | 272                             | 0  | 185                            |
| Audit and tax services   | 0   | 86                              | 0  | 62                             |
| Shareholder communications   | 0   | 98                              | 0  | 79                             |
| New York Stock Exchange listing  | 0   | 41                              | 0  | 25                             |
| Transfer agent   | 0   | 19                              | 0  | 21                             |
| Legal  | 0   | 49                              | 0  | 9                              |
| Insurance  | 0   | 31                              | 0  | 21                             |
| Other expenses   | 0   | 1                               | 0  | 4                              |
| <b>Total Expenses</b>  | <b>6,225</b>                                    | <b>9,903</b>                    | <b>4,723</b>                                 | <b>6,548</b>                   |
| <b>Net Investment Income</b>   | <b>47,744</b>                                   | <b>79,920</b>                   | <b>28,166</b>                                | <b>37,968</b>                  |
| <b>Net Realized Gain (Loss):</b>   |   |                                 |  |                                |
| Investments in securities  | 24,639  | 20,828                          | 10,936                                       | 23,674                         |
| Exchange-traded or centrally cleared financial derivative instruments                              | (38,600)  | (38,505)                        | (10,029)                                     | (23,734)                       |
| Over the counter financial derivative instruments  | 8,647   | 45,375                          | 2,910  | 17,577                         |
| Foreign currency   | 318   | 395                             | 136  | 94                             |
| <b>Net Realized Gain (Loss)</b>  | <b>(4,996)</b>                                  | <b>28,093</b>                   | <b>3,953</b>                                 | <b>17,611</b>                  |
| <b>Net Change in Unrealized Appreciation (Depreciation):</b>                                       |   |                                 |  |                                |
| Investments in securities  | (36,582)  | 41,910                          | (16,394)                                     | 5,701                          |
| Exchange-traded or centrally cleared financial derivative instruments                              | 21,492  | 779                             | 6,213  | 12,196                         |
| Over the counter financial derivative instruments  | (3,374)   | 164                             | (1,974)                                      | (2,252)                        |
| Foreign currency assets and liabilities  | 95  | (165)                           | 23   | (55)                           |
| <b>Net Change in Unrealized Appreciation (Depreciation)</b>  | <b>(18,369)</b>                                 | <b>42,688</b>                   | <b>(12,132)</b>                              | <b>15,590</b>                  |
| <b>Distributions on Preferred Shares from Net Investment Income and Net Realized Capital Gains</b> | <b>\$ (313)</b>                                 | <b>\$ (421)</b>                 | <b>\$ (160)</b>                              | <b>\$ (163)</b>                |
| <b>Net Increase in Net Assets Applicable to Common Shareholders Resulting from Operations</b>      | <b>\$ 24,066</b>                                | <b>\$ 150,280</b>               | <b>\$ 19,827</b>                             | <b>\$ 71,006</b>               |

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A zero balance may reflect actual amounts rounding to less than one thousand.

(a) These expenses were incurred by the Fund prior to the close of business on September 5, 2014. Subsequent to the close of business on September 5, 2014, any such operating expenses are borne by PIMCO.

(b) Fiscal year end changed from November 30<sup>th</sup> to July 31<sup>st</sup>.

(c) Fiscal year end changed from October 31<sup>st</sup> to July 31<sup>st</sup>.

See Accompanying Notes

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**Table of Contents****Statements of Operations (Cont.)**

|   | PIMCO<br>High Income Fund                        |                              | PIMCO<br>Income<br>Strategy Fund | PIMCO<br>Income<br>Strategy Fund II |
|---|--|------------------------------|----------------------------------|-------------------------------------|
|   | Period from                                      |                              |                                  |                                     |
|   | April 1, 2015 to<br>July 31, 2015 <sup>(b)</sup> | Year Ended<br>March 31, 2015 | Year Ended<br>July 31, 2015      | Year Ended<br>July 31, 2015         |
| (Amounts in thousands)  |  |                              |                                  |                                     |
| <b>Investment Income:</b>   |  |                              |                                  |                                     |
| Interest  | \$ 28,921  | \$ 127,958                   | \$ 22,566                        | \$ 45,398                           |
| Dividends   | 770  | 1,540                        | 1,240                            | 2,999                               |
| Total Income  | 29,691   | 129,498                      | 23,806                           | 48,397                              |
| <b>Expenses:</b>  |  |                              |                                  |                                     |
| Management fees   | 3,198  | 9,612                        | 3,268                            | 6,343                               |
| Auction agent fees and commissions  | 111  | 334                          | 209                              | 274                                 |
| Trustee fees and related expenses   | 36   | 87                           | 29                               | 55                                  |
| Interest expense  | 68   | 1,661                        | 140                              | 182                                 |
| Auction rate preferred shares related expenses  | 2  | 11                           | 181                              | 359                                 |
| Miscellaneous expense   | 0  | 0                            | 0                                | 0                                   |
| Operating expenses pre-transition <sup>(a)</sup>  |  |                              |                                  |                                     |
| Custodian and accounting agent  | 0  | 114                          | 18                               | 23                                  |
| Audit and tax services  | 0  | 30                           | 12                               | 12                                  |
| Shareholder communications  | 0  | 90                           | 7                                | 10                                  |
| New York Stock Exchange listing   | 0  | 62                           | 3                                | 6                                   |
| Transfer agent  | 0  | 11                           | 2                                | 2                                   |
| Legal   | 0  | 15                           | 5                                | 8                                   |
| Insurance   | 0  | 3                            | 1                                | 2                                   |
| Other expenses  | 0  | 0                            | 35                               | 20                                  |
| Total Expenses  | 3,415  | 12,030                       | 3,910                            | 7,296                               |
| <b>Net Investment Income</b>  | 26,276   | 117,468                      | 19,896                           | 41,101                              |
| <b>Net Realized Gain (Loss):</b>  |  |                              |                                  |                                     |
| Investments in securities   | 2,468  | 52,437                       | 6,733                            | 13,770                              |
| Exchange-traded or centrally cleared financial derivative instruments                         | (19,889)   | (116,469)                    | (16,497)                         | (43,466)                            |
| Over the counter financial derivative instruments   | (12,038)   | 35,308                       | 6,013                            | 25,519                              |
| Foreign currency  | 137  | (1,138)                      | 236                              | 423                                 |
| <b>Net Realized (Loss)</b>  | (29,322)   | (29,862)                     | (3,515)                          | (3,754)                             |
| <b>Net Change in Unrealized Appreciation (Depreciation):</b>                                  |  |                              |                                  |                                     |
| Investments in securities   | (13,587)   | (27,718)                     | (11,804)                         | (21,574)                            |
| Exchange-traded or centrally cleared financial derivative instruments                         | 34,777   | 38,997                       | 5,695                            | 16,291                              |
| Over the counter financial derivative instruments   | 15,116   | (634)                        | 1,057                            | (7,467)                             |
| Foreign currency assets and liabilities   | (349)  | 221                          | (14)                             | (14)                                |
| <b>Net Change in Unrealized Appreciation (Depreciation)</b>                                   | 35,957   | 10,866                       | (5,066)                          | (12,764)                            |
| <b>Distributions on Preferred Shares from Net Investment Income</b>                           | \$ (130)   | \$ (356)                     | \$ (815)                         | \$ (1,538)                          |
| <b>Net Increase in Net Assets Applicable to Common Shareholders Resulting from Operations</b> | \$ 32,781  | \$ 98,116                    | \$ 10,500                        | \$ 23,045                           |

A zero balance may reflect actual amounts rounding to less than one thousand.

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<sup>(a)</sup>These expenses were incurred by the Fund prior to the close of business on September 5, 2014. Subsequent to the close of business on September 5, 2014, any such operating expenses are borne by PIMCO.

<sup>(b)</sup>Fiscal year end changed from March 31<sup>st</sup> to July 31<sup>st</sup>.

### **18 PIMCO CLOSED-END FUNDS**

See Accompanying Notes

**Table of Contents****Statements of Changes in Net Assets**

|   | PIMCO<br>Corporate & Income Opportunity Fund                          |                                 |                                 | PIMCO<br>Corporate & Income Strategy Fund                          |                                |                                |
|---|---|---------------------------------|---------------------------------|--|--------------------------------|--------------------------------|
|   | Period from<br>December 1, 2014 to<br>July 31,<br>2015 <sup>(a)</sup> | Year Ended<br>November 30, 2014 | Year Ended<br>November 30, 2013 | Period from<br>November 1, 2014 to<br>July 31, 2015 <sup>(b)</sup> | Year Ended<br>October 31, 2014 | Year Ended<br>October 31, 2013 |
| (Amounts in thousands)  |   |                                 |                                 |  |                                |                                |
| <b>Increase (Decrease) in Net Assets from:</b>  |   |                                 |                                 |  |                                |                                |
| <b>Operations:</b>  |   |                                 |                                 |  |                                |                                |
| Net investment income   | \$ 47,744   | \$ 79,920                       | \$ 98,201                       | \$ 28,166  | \$ 37,968                      | \$ 48,375                      |
| Net realized gain (loss)  | (4,996)   | 28,093                          | 129,672                         | 3,953  | 17,611                         | 93,577                         |
| Net change in unrealized appreciation (depreciation)  | (18,369)  | 42,688                          | (116,841)                       | (12,132)   | 15,590                         | (76,826)                       |
| Net increase in net assets resulting from operations  | 24,379  | 150,701                         | 111,032                         | 19,987   | 71,169                         | 65,126                         |
| Distributions on preferred shares from net investment income                                      | (313)   | (125)                           | (290)                           | (160)  | (41)                           | (201)                          |
| Distributions on preferred shares from net realized capital gains                                 | 0   | (296)                           | (192)                           | 0  | (122)                          | 0                              |
| <b>Net Increase in Net Assets Applicable to Common Shareholders Resulting from Operations</b>     | <b>24,066</b>   | <b>150,280</b>                  | <b>110,550</b>                  | <b>19,827</b>  | <b>71,006</b>                  | <b>64,925</b>                  |
| <b>Distributions to Common Shareholders:</b>  |   |                                 |                                 |  |                                |                                |
| From net investment income  | (119,032)   | (109,083)                       | (124,978)                       | (52,644)   | (51,774)                       | (59,574)                       |
| From net realized capital gains   | 0   | (127,359)                       | (52,475)                        | 0  | (36,294)                       | 0                              |
| <b>Total Distributions to Common Shareholders<sup>(c)</sup></b>                                   | <b>(119,032)<sup>(d)</sup></b>  | <b>(236,442)</b>                | <b>(177,453)</b>                | <b>(52,644)<sup>(d)</sup></b>                                      | <b>(88,068)</b>                | <b>(59,574)</b>                |
| <b>Preferred Share Transactions:</b>  |   |                                 |                                 |  |                                |                                |
| Net increase resulting from tender and repurchase of Auction-Rate Preferred Shares <sup>***</sup> | 11,317  | 0                               | 0                               | 0  | 0                              | 0                              |
| <b>Common Share Transactions<sup>**</sup>:</b>  |   |                                 |                                 |  |                                |                                |
| Issued as reinvestment of distributions   | 8,133   | 18,383                          | 11,592                          | 2,959  | 4,817                          | 3,391                          |
| <b>Total Increase (Decrease) in Net Assets</b>  | <b>(75,516)</b>   | <b>(67,779)</b>                 | <b>(55,311)</b>                 | <b>(29,858)</b>  | <b>(12,245)</b>                | <b>8,742</b>                   |
| <b>Net Assets Applicable to Common Shareholders:</b>  |   |                                 |                                 |  |                                |                                |
| Beginning of year or period   | 1,082,000   | 1,149,779                       | 1,205,090                       | 599,980  | 612,225                        | 603,483                        |
| End of year or period <sup>*</sup>  | \$ 1,006,484  | \$ 1,082,000                    | \$ 1,149,779                    | \$ 570,122   | \$ 599,980                     | \$ 612,225                     |
| <b>* Including undistributed (overdistributed) net investment income of:</b>                      | <b>\$ (8,639)</b>   | <b>\$ 36,794</b>                | <b>\$ (17,126)</b>              | <b>\$ (4,556)</b>  | <b>\$ 11,115</b>               | <b>\$ (5,218)</b>              |
| <b>** Common Share Transactions:</b>  |   |                                 |                                 |  |                                |                                |
| Shares issued as reinvestment of distributions  | 530   | 1,058                           | 615                             | 197  | 303                            | 199                            |

A zero balance may reflect actual amounts rounding to less than one thousand.

(a) Fiscal year end changed from November 30<sup>th</sup> to July 31<sup>st</sup>.

(b) Fiscal year end changed from October 31<sup>st</sup> to July 31<sup>st</sup>.

(c) Determined in accordance with federal income tax regulations, see Note 2(c) in the Notes to Financial Statements for more information.

(d) Total distributions for the period ended July 31, 2015 may be lower than prior fiscal years due to fiscal year end changes resulting in a reduction of the amount of days in the period ended July 31, 2015.

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\*\*\* See Note 12 in the Notes to Financial Statements.

See Accompanying Notes

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**Table of Contents****Statements of Changes in Net Assets (Cont.)**

|   | PIMCO<br>High Income Fund     |                    | PIMCO<br>Income Strategy Fund |                   | PIMCO<br>Income Strategy Fund II |                   |                   |
|---|-------------------------------|--------------------|-------------------------------|-------------------|----------------------------------|-------------------|-------------------|
| Period from   | Year Ended                    | Year Ended         | Year Ended                    | Year Ended        | Year Ended                       | Year Ended        |                   |
| April 1, 2015 to  | March 31, 2015                | March 31, 2014     | July 31, 2015                 | July 31, 2014     | July 31, 2015                    | July 31, 2014     |                   |
| (Amounts in thousands)  | July 31, 2015 <sup>(a)</sup>  |                    |                               |                   |                                  |                   |                   |
| <b>Increase (Decrease) in Net Assets from:</b>  |                               |                    |                               |                   |                                  |                   |                   |
| <b>Operations:</b>  |                               |                    |                               |                   |                                  |                   |                   |
| Net investment income   | \$ 26,276                     | \$ 117,468         | \$ 103,264                    | \$ 19,896         | \$ 19,940                        | \$ 41,101         | \$ 42,061         |
| Net realized gain (loss)  | (29,322)                      | (29,862)           | 104,341                       | (3,515)           | 14,120                           | (3,754)           | 35,833            |
| Net change in unrealized appreciation (depreciation)  | 35,957                        | 10,866             | (81,613)                      | (5,066)           | 5,796                            | (12,764)          | 15,693            |
| Net increase in net assets resulting from operations  | 32,911                        | 98,472             | 125,992                       | 11,315            | 39,856                           | 24,583            | 93,587            |
| Distributions on preferred shares from net investment income                                      | (130)                         | (356)              | (286)                         | (815)             | (1,090)                          | (1,538)           | (2,217)           |
| <b>Net Increase in Net Assets Applicable to Common Shareholders Resulting from Operations</b>     | <b>32,781</b>                 | <b>98,116</b>      | <b>125,706</b>                | <b>10,500</b>     | <b>38,766</b>                    | <b>23,045</b>     | <b>91,370</b>     |
| <b>Distributions to Common Shareholders:</b>  |                               |                    |                               |                   |                                  |                   |                   |
| From net investment income  | (41,672)                      | (182,280)          | (167,013)                     | (30,835)          | (27,203)                         | (65,838)          | (56,598)          |
| From net realized capital gains   | 0                             | 0                  | 0                             | 0                 | 0                                | 0                 | 0                 |
| Tax basis return of capital   | (19,452)                      | 0                  | (13,720)                      | 0                 | 0                                | 0                 | 0                 |
| <b>Total Distributions to Common Shareholders<sup>(b)</sup></b>                                   | <b>(61,124)<sup>(c)</sup></b> | <b>(182,280)</b>   | <b>(180,733)</b>              | <b>(30,835)</b>   | <b>(27,203)</b>                  | <b>(65,838)</b>   | <b>(56,598)</b>   |
| <b>Preferred Share Transactions:</b>  |                               |                    |                               |                   |                                  |                   |                   |
| Net increase resulting from tender and repurchase of Auction-Rate Preferred Shares <sup>***</sup> | 0                             | 0                  | 0                             | 2,770             | 0                                | 6,855             | 0                 |
| <b>Common Share Transactions<sup>**</sup>:</b>  |                               |                    |                               |                   |                                  |                   |                   |
| Issued as reinvestment of distributions   | 4,061                         | 12,924             | 12,285                        | 999               | 895                              | 793               | 1,504             |
| <b>Total Increase (Decrease) in Net Assets</b>  | <b>(24,282)</b>               | <b>(71,240)</b>    | <b>(42,742)</b>               | <b>(16,566)</b>   | <b>12,458</b>                    | <b>(35,145)</b>   | <b>36,276</b>     |
| <b>Net Assets Applicable to Common Shareholders:</b>  |                               |                    |                               |                   |                                  |                   |                   |
| Beginning of year or period   | 949,880                       | 1,021,120          | 1,063,862                     | 306,475           | 294,017                          | 642,119           | 605,843           |
| End of year or period <sup>*</sup>  | \$ 925,598                    | \$ 949,880         | \$ 1,021,120                  | \$ 289,909        | \$ 306,475                       | \$ 606,974        | \$ 642,119        |
| <b>* Including (overdistributed) net investment income of:</b>                                    | <b>\$ (39,740)</b>            | <b>\$ (32,887)</b> | <b>\$ (31,891)</b>            | <b>\$ (1,974)</b> | <b>\$ (1,643)</b>                | <b>\$ (2,589)</b> | <b>\$ (8,851)</b> |
| <b>** Common Share Transactions:</b>  |                               |                    |                               |                   |                                  |                   |                   |
| Shares issued as reinvestment of distributions  | 374                           | 1,088              | 1,076                         | 86                | 76                               | 79                | 143               |

A zero balance may reflect actual amounts rounding to less than one thousand.

<sup>(a)</sup> Fiscal year end changed from March 31<sup>st</sup> to July 31<sup>st</sup>.

<sup>(b)</sup> Determined in accordance with federal income tax regulations, see Note 2(c) in the Notes to Financial Statements for more information.

<sup>(c)</sup> Total distributions for the period ended July 31, 2015 may be lower than prior fiscal years due to fiscal year end changes resulting in a reduction of the amount of days in the period ended July 31, 2015.

<sup>\*\*\*</sup> See Note 12 in the Notes to Financial Statements.





**Table of Contents****Schedule of Investments PIMCO Corporate & Income Opportunity Fund**

July 31, 2015

|   | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|---|-------------------------------|---------------------------|
| <b>INVESTMENTS IN SECURITIES 129.7%</b>   |                               |                           |
| <b>BANK LOAN OBLIGATIONS 2.7%</b>         |                               |                           |
| <b>Clear Channel Communications, Inc.</b> |                               |                           |
| 6.940% due 01/30/2019                     | \$ 8,198                      | \$ 7,549                  |
| <b>FMG Resources Pty. Ltd.</b>            |                               |                           |
| 3.750% due 06/30/2019                     | 3,788                         | 3,113                     |
| <b>Sequa Corp.</b>                        |                               |                           |
| 5.250% due 06/19/2017                     | 8,838                         | 7,844                     |
| <b>Westmoreland Coal Co.</b>              |                               |                           |
| 7.500% due 12/16/2020                     | 9,566                         | 8,897                     |
| <b>Total Bank Loan Obligations</b>        |                               |                           |
| <b>(Cost \$27,628)</b>                    |                               | <b>27,403</b>             |
| <b>CORPORATE BONDS &amp; NOTES 49.1%</b>  |                               |                           |
| <b>BANKING &amp; FINANCE 24.5%</b>        |                               |                           |
| <b>AGFC Capital Trust</b>                 |                               |                           |
| 6.000% due 01/15/2067                     | 1,800                         | 1,341                     |
| <b>Banco do Brasil S.A.</b>               |                               |                           |
| 9.000% due 06/18/2024 (d)                 | 15,355                        | 13,239                    |
| <b>Banco Santander S.A.</b>               |                               |                           |
| 6.250% due 09/11/2021 (d)                 | EUR 400                       | 436                       |
| <b>Barclays Bank PLC</b>                  |                               |                           |
| 14.000% due 06/15/2019 (d)                | GBP 12,550                    | 25,846                    |
| <b>BGC Partners, Inc.</b>                 |                               |                           |
| 5.375% due 12/09/2019                     | \$ 10,780                     | 11,324                    |
| <b>Cantor Fitzgerald LP</b>               |                               |                           |
| 6.500% due 06/17/2022 (g)                 | 14,000                        | 14,642                    |
| <b>Citigroup, Inc.</b>                    |                               |                           |
| 5.950% due 05/15/2025 (d)                 | 15,900                        | 15,522                    |
| <b>Co-operative Group Holdings Ltd.</b>   |                               |                           |
| 6.875% due 07/08/2020                     | GBP 400                       | 674                       |
| 7.500% due 07/08/2026                     | 3,200                         | 5,449                     |
| <b>Credit Agricole S.A.</b>               |                               |                           |
| 6.500% due 06/23/2021 (d)                 | EUR 700                       | 796                       |
| 7.875% due 01/23/2024 (d)                 | \$ 16,500                     | 17,246                    |
| <b>ERB Hellas PLC</b>                     |                               |                           |
| 4.250% due 06/26/2018                     | EUR 250                       | 94                        |
| <b>Fort Gordon Housing LLC</b>            |                               |                           |
| 6.124% due 05/15/2051                     | \$ 12,825                     | 14,218                    |
| <b>GSPA Monetization Trust</b>            |                               |                           |
| 6.422% due 10/09/2029                     | 9,361                         | 10,454                    |
| <b>LBG Capital No.2 PLC</b>               |                               |                           |
| 9.125% due 07/15/2020                     | GBP 3,400                     | 5,734                     |
| 12.750% due 08/10/2020                    | 400                           | 766                       |
| 15.000% due 12/21/2019                    | EUR 7,800                     | 12,892                    |
| 15.000% due 12/21/2019                    | GBP 2,000                     | 4,434                     |
| <b>Lloyds Bank PLC</b>                    |                               |                           |
| 12.000% due 12/16/2024 (d)                | \$ 6,000                      | 8,655                     |
| <b>Lloyds Banking Group PLC</b>           |                               |                           |
| 7.625% due 06/27/2023 (d)                 | GBP 2,300                     | 3,764                     |
| <b>Navient Corp.</b>                      |                               |                           |

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|   |  |     |                  |               |
|---|--|-----|------------------|---------------|
| 5.500% due 01/15/2019                                     |  | \$  | 20,050           | 19,749        |
| 5.625% due 08/01/2033                                     |  |     | 230              | 166           |
| 8.450% due 06/15/2018                                     |  |     | 8,200            | 8,877         |
| <b>Novo Banco S.A.</b>                                    |  |     |                  |               |
| 2.625% due 05/08/2017                                     |  | EUR | 500              | 546           |
| 4.750% due 01/15/2018                                     |  |     | 1,000            | 1,137         |
| 5.000% due 04/04/2019                                     |  |     | 371              | 426           |
| 5.000% due 04/23/2019                                     |  |     | 152              | 175           |
| 5.000% due 05/14/2019                                     |  |     | 315              | 362           |
| 5.000% due 05/21/2019                                     |  |     | 73               | 84            |
| 5.000% due 05/23/2019                                     |  |     | 213              | 245           |
| 5.875% due 11/09/2015                                     |  |     | 1,500            | 1,660         |
| <b>Tesco Property Finance PLC</b>                         |  |     |                  |               |
| 5.411% due 07/13/2044                                     |  | GBP | 5,953            | 8,959         |
| 6.052% due 10/13/2039                                     |  |     | 921              | 1,505         |
|   |  |     | <b>PRINCIPAL</b> | <b>MARKET</b> |
|   |  |     | <b>AMOUNT</b>    | <b>VALUE</b>  |
|   |  |     | <b>(000S)</b>    | <b>(000S)</b> |
| <b>TIG FinCo PLC</b>                                      |  |     |                  |               |
| 8.500% due 03/02/2020                                     |  | GBP | 1,154            | \$ 1,892      |
| 8.750% due 04/02/2020                                     |  |     | 6,539            | 9,956         |
| <b>Vnesheconombank Via VEB Finance PLC</b>                |  |     |                  |               |
| 5.375% due 02/13/2017                                     |  | \$  | 2,700            | 2,748         |
| 6.800% due 11/22/2025                                     |  |     | 8,500            | 7,879         |
| <b>Western Group Housing LP</b>                           |  |     |                  |               |
| 6.750% due 03/15/2057                                     |  |     | 10,600           | 12,311        |
|   |  |     |                  | 246,203       |
| <b>INDUSTRIALS 16.9%</b>                                  |  |     |                  |               |
| <b>BMC Software Finance, Inc.</b>                         |  |     |                  |               |
| 8.125% due 07/15/2021                                     |  |     | 2,447            | 1,924         |
| <b>Boxer Parent Co., Inc. (9.000% Cash or 9.750% PIK)</b> |  |     |                  |               |
| 9.000% due 10/15/2019 (b)                                 |  |     | 8,810            | 5,848         |
| <b>Caesars Entertainment Operating Co., Inc.</b>          |  |     |                  |               |
| 9.000% due 02/15/2020 ^                                   |  |     | 27,145           | 22,558        |
| <b>CCO Safari LLC</b>                                     |  |     |                  |               |
| 6.484% due 10/23/2045                                     |  |     | 10,321           | 10,704        |
| 6.834% due 10/23/2055                                     |  |     | 1,473            | 1,516         |
| <b>Chesapeake Energy Corp.</b>                            |  |     |                  |               |
| 3.539% due 04/15/2019                                     |  |     | 170              | 144           |
| <b>Communications Sales &amp; Leasing, Inc.</b>           |  |     |                  |               |
| 8.250% due 10/15/2023                                     |  |     | 3,300            | 3,168         |
| <b>Continental Airlines Pass-Through Trust</b>            |  |     |                  |               |
| 6.703% due 12/15/2022                                     |  |     | 2,347            | 2,482         |
| 7.373% due 06/15/2017                                     |  |     | 698              | 708           |
| <b>Forbes Energy Services Ltd.</b>                        |  |     |                  |               |
| 9.000% due 06/15/2019                                     |  |     | 2,858            | 2,108         |
| <b>Ford Motor Co.</b>                                     |  |     |                  |               |
| 7.700% due 05/15/2097                                     |  |     | 31,901           | 39,566        |
| <b>Gulfport Energy Corp.</b>                              |  |     |                  |               |
| 7.750% due 11/01/2020                                     |  |     | 500              | 515           |
| <b>Hampton Roads PPV LLC</b>                              |  |     |                  |               |
| 6.171% due 06/15/2053                                     |  |     | 1,800            | 1,856         |
| <b>iHeartCommunications, Inc.</b>                         |  |     |                  |               |
| 9.000% due 09/15/2022                                     |  |     | 2,000            | 1,807         |
| <b>Intrepid Aviation Group Holdings LLC</b>               |  |     |                  |               |
| 6.875% due 02/15/2019                                     |  |     | 6,590            | 6,178         |
| <b>Numericable-SFR S.A.S.</b>                             |  |     |                  |               |
| 6.250% due 05/15/2024                                     |  |     | 14,000           | 14,272        |
| <b>Russian Railways via RZD Capital PLC</b>               |  |     |                  |               |
| 3.374% due 05/20/2021                                     |  | EUR | 23,000           | 22,351        |
| <b>Scientific Games International, Inc.</b>               |  |     |                  |               |
| 10.000% due 12/01/2022                                    |  | \$  | 5,600            | 5,460         |
| <b>Sequa Corp.</b>  |  |     |                  |               |
| 7.000% due 12/15/2017                                     |  |     | 10,862           | 7,495         |
| <b>Tembec Industries, Inc.</b>                            |  |     |                  |               |
| 9.000% due 12/15/2019                                     |  |     | 1,500            | 1,222         |
| <b>UAL Pass-Through Trust</b>                             |  |     |                  |               |

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|                                   |     |        |        |
|-----------------------------------|-----|--------|--------|
| 7.336% due 01/02/2021             |     | 2,084  | 2,182  |
| <b>UCP, Inc.</b>                  |     |        |        |
| 8.500% due 10/21/2017             |     | 10,900 | 10,941 |
| <b>Unique Pub Finance Co. PLC</b> |     |        |        |
| 5.659% due 06/30/2027             | GBP | 3,332  | 5,356  |

170,361

**UTILITIES 7.7%**

|   |    |        |        |
|---|----|--------|--------|
| <b>Gazprom OAO Via Gaz Capital S.A.</b> |    |        |        |
| 9.250% due 04/23/2019                   | \$ | 20,800 | 23,297 |
| <b>Illinois Power Generating Co.</b>    |    |        |        |
| 6.300% due 04/01/2020                   |    | 4,570  | 4,159  |
| 7.000% due 04/15/2018                   |    | 8,355  | 7,958  |
| 7.950% due 06/01/2032                   |    | 900    | 850    |

PRINCIPAL  
AMOUNT  
(000S)

MARKET  
VALUE  
(000S)

|  |     |        |           |
|--|-----|--------|-----------|
| <b>Mountain States Telephone &amp; Telegraph Co.</b> |     |        |           |
| 7.375% due 05/01/2030                                | \$  | 15,730 | \$ 17,887 |
| <b>Odebrecht Drilling Norbe Ltd.</b>                 |     |        |           |
| 6.350% due 06/30/2022                                |     | 574    | 416       |
| <b>Odebrecht Offshore Drilling Finance Ltd.</b>      |     |        |           |
| 6.625% due 10/01/2023                                |     | 5,308  | 3,398     |
| 6.750% due 10/01/2023                                |     | 4,963  | 3,214     |
| <b>Petrobras Global Finance BV</b>                   |     |        |           |
| 2.750% due 01/15/2018                                | EUR | 790    | 815       |
| 3.163% due 03/17/2020                                | \$  | 420    | 379       |
| 4.250% due 10/02/2023                                | EUR | 1,200  | 1,147     |
| 4.875% due 03/17/2020                                | \$  | 760    | 708       |
| 5.750% due 01/20/2020                                |     | 360    | 348       |
| 6.250% due 12/14/2026                                | GBP | 6,100  | 8,122     |
| 6.625% due 01/16/2034                                |     | 800    | 1,020     |
| 6.750% due 01/27/2041                                | \$  | 4,100  | 3,434     |
| 7.875% due 03/15/2019                                |     | 100    | 104       |

77,256

**Total Corporate Bonds & Notes  
(Cost \$481,515)**

**493,820**

**MUNICIPAL BONDS & NOTES 10.1%**

**CALIFORNIA 6.0%**

|  |  |        |        |
|--|--|--------|--------|
| <b>Los Angeles Community Redevelopment Agency, California Tax Allocation Bonds, (NPFGC Insured), Series 2006</b> |  |        |        |
| 6.020% due 09/01/2021  |  | 6,480  | 6,662  |
| <b>Riverside County, California Redevelopment Successor Agency Tax Allocation Bonds, Series 2010</b>             |  |        |        |
| 7.500% due 10/01/2030  |  | 3,425  | 3,745  |
| <b>San Diego Redevelopment Agency, California Tax Allocation Bonds, Series 2010</b>                              |  |        |        |
| 7.750% due 09/01/2040  |  | 21,545 | 23,801 |
| <b>Stockton Public Financing Authority, California Revenue Bonds, (BABs), Series 2009</b>                        |  |        |        |
| 7.942% due 10/01/2038  |  | 23,500 | 26,452 |

60,660

**ILLINOIS 2.3%**

**Chicago, Illinois General Obligation Bonds, (BABs), Series 2010**

|                       |  |        |        |
|-----------------------|--|--------|--------|
| 7.517% due 01/01/2040 |  | 23,700 | 23,601 |
|-----------------------|--|--------|--------|

**PENNSYLVANIA 0.4%**

|  |  |       |       |
|--|--|-------|-------|
| <b>Philadelphia Authority for Industrial Development, Pennsylvania Revenue Bonds, (AGM Insured), Series 1999</b> |  |       |       |
| 6.350% due 04/15/2028  |  | 3,400 | 3,770 |

**TEXAS 0.7%**

|   |  |       |       |
|---|--|-------|-------|
| <b>Texas State Public Finance Authority Charter School Finance Corp. Revenue Bonds, Series 2010</b> |  |       |       |
| 8.125% due 02/15/2027   |  | 6,075 | 7,055 |

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**VIRGINIA 0.1%**

|  |       |       |
|--|-------|-------|
| <b>Tobacco Settlement Financing Corp., Virginia Revenue Bonds, Series 2007</b> |       |       |
| 6.706% due 06/01/2046  | 1,400 | 1,046 |

**WEST VIRGINIA 0.6%**

|   |       |       |
|---|-------|-------|
| <b>Tobacco Settlement Finance Authority, West Virginia Revenue Bonds, Series 2007</b> |       |       |
| 7.467% due 06/01/2047   | 6,885 | 5,863 |

|  |  |                |
|--|--|----------------|
| <b>Total Municipal Bonds &amp; Notes</b> |  |                |
| <b>(Cost \$95,911)</b>                   |  | <b>101,995</b> |

See Accompanying Notes

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**Table of Contents****Schedule of Investments PIMCO Corporate & Income Opportunity Fund (Cont.)**

|   | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|---|-------------------------------|---------------------------|
| <b>U.S. GOVERNMENT AGENCIES 6.7%</b>                      |                               |                           |
| <b>Fannie Mae</b>   |                               |                           |
| 3.000% due 01/25/2042 (a)                                 | \$ 1,924                      | \$ 188                    |
| 3.500% due 02/25/2033 (a)                                 | 4,256                         | 627                       |
| 5.188% due 07/25/2025                                     | 11,770                        | 11,929                    |
| 5.910% due 07/25/2040 (a)                                 | 2,413                         | 458                       |
| 9.427% due 01/25/2042                                     | 3,507                         | 3,627                     |
| <b>Freddie Mac</b>  |                               |                           |
| 6.913% due 02/15/2034 (a)                                 | 3,995                         | 699                       |
| 7.741% due 12/25/2027                                     | 8,500                         | 8,685                     |
| 8.898% due 07/15/2039                                     | 7,405                         | 7,596                     |
| 9.380% due 08/15/2044                                     | 10,260                        | 12,261                    |
| 10.159% due 03/15/2044                                    | 3,183                         | 3,507                     |
| 10.941% due 03/25/2025                                    | 2,400                         | 2,836                     |
| 11.236% due 09/15/2043                                    | 1,195                         | 1,199                     |
| 11.501% due 04/15/2044                                    | 2,136                         | 2,286                     |
| 11.502% due 02/15/2036                                    | 10,030                        | 10,780                    |
| <b>Ginnie Mae</b>   |                               |                           |
| 3.000% due 12/20/2042 (a)                                 | 356                           | 32                        |
| 3.500% due 09/16/2041 -<br>06/20/2042 (a)                 | 2,974                         | 423                       |
| 6.562% due 01/20/2042 (a)                                 | 3,838                         | 653                       |
| <b>Total U.S. Government Agencies<br/>(Cost \$66,290)</b> |                               | <b>67,786</b>             |
| <b>U.S. TREASURY OBLIGATIONS 0.4%</b>                     |                               |                           |
| <b>U.S. Treasury Notes</b>                                |                               |                           |
| 1.250% due 08/31/2015 (k)                                 | 3,704                         | 3,707                     |
| <b>Total U.S. Treasury Obligations<br/>(Cost \$3,707)</b> |                               | <b>3,707</b>              |
| <b>MORTGAGE-BACKED SECURITIES 38.6%</b>                   |                               |                           |
| <b>American Home Mortgage Assets Trust</b>                |                               |                           |
| 0.421% due 09/25/2046 ^                                   | 3                             | 0                         |
| 6.250% due 06/25/2037                                     | 5,750                         | 3,966                     |
| <b>Banc of America Alternative Loan Trust</b>             |                               |                           |
| 6.000% due 01/25/2036 ^                                   | 349                           | 297                       |
| 6.000% due 04/25/2036 ^                                   | 5,439                         | 4,696                     |
| <b>Banc of America Funding Trust</b>                      |                               |                           |
| 5.500% due 01/25/2036                                     | 741                           | 782                       |
| 6.000% due 03/25/2037 ^                                   | 7,619                         | 6,517                     |
| 6.000% due 07/25/2037 ^                                   | 978                           | 787                       |
| 6.000% due 08/25/2037 ^                                   | 9,944                         | 8,762                     |
| <b>BCAP LLC Trust</b>                                     |                               |                           |
| 4.471% due 07/26/2037                                     | 1,471                         | 91                        |
| 5.368% due 03/26/2037                                     | 3,125                         | 1,024                     |
| 7.214% due 12/26/2036                                     | 8,635                         | 7,648                     |
| 11.311% due 10/26/2036                                    | 6,114                         | 5,789                     |
| <b>Bear Stearns ALT-A Trust</b>                           |                               |                           |
| 2.593% due 11/25/2036                                     | 1,146                         | 837                       |
| 2.655% due 11/25/2034                                     | 736                           | 629                       |
| 2.714% due 08/25/2046                                     | 7,816                         | 5,917                     |
| 2.784% due 08/25/2036 ^                                   | 4,996                         | 3,764                     |
| 2.959% due 09/25/2035 ^                                   | 2,351                         | 1,938                     |

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|   |                  |               |
|---|------------------|---------------|
| 4.013% due 09/25/2035 ^                                     | 3,449            | 2,628         |
| <b>Bear Stearns Mortgage Funding Trust</b>                  |                  |               |
| 7.000% due 08/25/2036                                       | 3,778            | 3,574         |
| <b>Bellemeade Re Ltd.</b>                                   |                  |               |
| 4.489% due 07/25/2025                                       | 8,291            | 8,290         |
| <b>Chase Mortgage Finance Trust</b>                         |                  |               |
| 2.425% due 12/25/2035 ^                                     | 38               | 36            |
| 6.000% due 02/25/2037 ^                                     | 3,294            | 2,824         |
| 6.000% due 03/25/2037 ^                                     | 695              | 627           |
| 6.000% due 07/25/2037 ^                                     | 2,600            | 2,262         |
| <b>Citigroup Mortgage Loan Trust, Inc.</b>                  |                  |               |
| 5.356% due 04/25/2037 ^                                     | 7,759            | 6,850         |
|   | <b>PRINCIPAL</b> | <b>MARKET</b> |
|   | <b>AMOUNT</b>    | <b>VALUE</b>  |
|   | <b>(000S)</b>    | <b>(000S)</b> |
| 5.390% due 03/25/2037 ^                                     | \$ 2,004         | \$ 1,921      |
| 6.000% due 11/25/2036                                       | 15,004           | 12,031        |
| 6.000% due 02/25/2037                                       | 10,450           | 8,452         |
| <b>CitiMortgage Alternative Loan Trust</b>                  |                  |               |
| 5.750% due 04/25/2037 ^                                     | 3,191            | 2,759         |
| 6.000% due 01/25/2037 ^                                     | 3,259            | 2,806         |
| <b>Countrywide Alternative Loan Trust</b>                   |                  |               |
| 4.403% due 06/25/2047                                       | 6,190            | 5,406         |
| 5.060% due 04/25/2037 ^ (a)                                 | 37,551           | 5,028         |
| 5.250% due 05/25/2021 ^                                     | 36               | 35            |
| 5.500% due 03/25/2035                                       | 1,050            | 947           |
| 5.500% due 09/25/2035 ^                                     | 8,145            | 7,631         |
| 5.500% due 03/25/2036 ^                                     | 317              | 270           |
| 5.750% due 01/25/2035                                       | 1,224            | 1,244         |
| 5.750% due 02/25/2035                                       | 1,371            | 1,349         |
| 6.000% due 02/25/2035                                       | 1,182            | 1,230         |
| 6.000% due 04/25/2036                                       | 2,885            | 2,509         |
| 6.000% due 05/25/2036 ^                                     | 3,124            | 2,685         |
| 6.000% due 01/25/2037 ^                                     | 3,517            | 3,340         |
| 6.000% due 02/25/2037                                       | 3,857            | 3,258         |
| 6.000% due 02/25/2037 ^                                     | 1,020            | 812           |
| 6.000% due 04/25/2037 ^                                     | 11,275           | 9,294         |
| 6.000% due 05/25/2037 ^                                     | 4,360            | 3,567         |
| 6.000% due 08/25/2037 ^                                     | 18,492           | 15,331        |
| 6.000% due 08/25/2037                                       | 13,723           | 11,544        |
| 6.250% due 10/25/2036 ^                                     | 4,401            | 3,977         |
| 6.250% due 12/25/2036 ^                                     | 5,281            | 4,340         |
| 6.500% due 08/25/2036 ^                                     | 1,395            | 1,084         |
| 6.500% due 09/25/2036 ^                                     | 759              | 670           |
| 6.500% due 12/25/2036 ^                                     | 2,880            | 2,329         |
| 20.935% due 02/25/2036                                      | 3,400            | 4,288         |
| <b>Countrywide Home Loan Mortgage Pass-Through Trust</b>    |                  |               |
| 5.500% due 07/25/2037 ^                                     | 1,323            | 1,183         |
| 5.750% due 12/25/2035 ^                                     | 766              | 722           |
| 5.750% due 03/25/2037 ^                                     | 4,801            | 4,352         |
| 5.750% due 06/25/2037 ^                                     | 1,827            | 1,676         |
| 6.000% due 04/25/2036 ^                                     | 1,088            | 1,041         |
| 6.000% due 05/25/2036 ^                                     | 292              | 269           |
| 6.000% due 03/25/2037 ^                                     | 4,126            | 3,798         |
| 6.000% due 04/25/2037 ^                                     | 475              | 442           |
| <b>Credit Suisse Mortgage Capital Mortgage-Backed Trust</b> |                  |               |
| 5.750% due 04/25/2036 ^                                     | 2,821            | 2,409         |
| 6.000% due 02/25/2037 ^                                     | 3,098            | 2,756         |
| 6.000% due 06/25/2037 ^                                     | 3,420            | 3,145         |
| 6.750% due 08/25/2036 ^                                     | 4,551            | 3,695         |
| <b>First Horizon Alternative Mortgage Securities Trust</b>  |                  |               |
| 6.000% due 08/25/2036 ^                                     | 4,016            | 3,332         |
| <b>GSR Mortgage Loan Trust</b>                              |                  |               |
| 2.585% due 03/25/2037 ^                                     | 5,372            | 4,513         |
| 4.714% due 11/25/2035 ^                                     | 3,441            | 3,131         |
| 4.859% due 11/25/2035                                       | 754              | 728           |
| 5.500% due 05/25/2036 ^                                     | 533              | 495           |
| 6.000% due 07/25/2037 ^                                     | 644              | 592           |
| <b>IndyMac Mortgage Loan Trust</b>                          |                  |               |
| 2.615% due 08/25/2035 ^                                     | 5,249            | 4,472         |

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|   |                  |               |
|---|------------------|---------------|
| 6.500% due 07/25/2037 ^   | 7,779            | 5,137         |
| <b>JPMorgan Alternative Loan Trust</b>                            |                  |               |
| 6.310% due 08/25/2036 ^   | 4,675            | 3,849         |
| <b>JPMorgan Mortgage Trust</b>                                    |                  |               |
| 2.528% due 01/25/2037 ^   | 2,533            | 2,257         |
| 2.597% due 02/25/2036 ^   | 4,443            | 3,883         |
| 4.858% due 10/25/2035   | 96               | 94            |
| 4.966% due 06/25/2036 ^   | 1,862            | 1,641         |
| 5.000% due 03/25/2037 ^   | 4,330            | 3,715         |
| 6.000% due 08/25/2037 ^   | 771              | 716           |
| <b>Lehman Mortgage Trust</b>                                      |                  |               |
| 6.000% due 07/25/2036 ^   | 2,687            | 2,034         |
|   | <b>PRINCIPAL</b> | <b>MARKET</b> |
|   | <b>AMOUNT</b>    | <b>VALUE</b>  |
|   | <b>(000S)</b>    | <b>(000S)</b> |
| 6.000% due 07/25/2037 ^   | \$ 622           | \$ 568        |
| 28.377% due 11/25/2035 ^  | 570              | 797           |
| <b>MASTR Alternative Loan Trust</b>                               |                  |               |
| 6.750% due 07/25/2036   | 5,414            | 4,061         |
| <b>Merrill Lynch Mortgage Investors Trust</b>                     |                  |               |
| 2.734% due 03/25/2036 ^   | 5,304            | 3,593         |
| <b>Morgan Stanley Mortgage Loan Trust</b>                         |                  |               |
| 4.824% due 05/25/2036 ^   | 14,242           | 11,218        |
| <b>RBSSP Resecuritization Trust</b>                               |                  |               |
| 0.407% due 10/27/2036   | 3,609            | 332           |
| 0.427% due 08/27/2037   | 8,000            | 666           |
| <b>Residential Accredit Loans, Inc. Trust</b>                     |                  |               |
| 0.421% due 05/25/2037 ^   | 755              | 196           |
| 6.000% due 06/25/2036 ^   | 3,362            | 2,800         |
| 6.000% due 08/25/2036 ^   | 1,252            | 1,041         |
| 6.000% due 09/25/2036 ^   | 4,723            | 3,371         |
| 6.000% due 12/25/2036 ^   | 2,771            | 2,287         |
| 6.000% due 03/25/2037 ^   | 4,819            | 4,065         |
| 6.000% due 05/25/2037 ^   | 4,057            | 3,434         |
| <b>Residential Asset Securitization Trust</b>                     |                  |               |
| 5.750% due 02/25/2036 ^   | 718              | 595           |
| 6.000% due 02/25/2036   | 1,996            | 1,604         |
| 6.000% due 02/25/2037 ^   | 3,032            | 2,342         |
| 6.000% due 03/25/2037 ^   | 4,321            | 3,158         |
| 6.000% due 05/25/2037 ^   | 5,178            | 4,552         |
| 6.250% due 09/25/2037 ^   | 6,372            | 4,578         |
| <b>Residential Funding Mortgage Securities, Inc. Trust</b>        |                  |               |
| 3.342% due 02/25/2037   | 5,248            | 4,223         |
| 6.250% due 08/25/2036 ^   | 3,148            | 2,873         |
| <b>Structured Adjustable Rate Mortgage Loan Trust</b>             |                  |               |
| 2.454% due 11/25/2036 ^   | 8,530            | 7,002         |
| 2.712% due 07/25/2035 ^   | 4,863            | 4,230         |
| 4.728% due 03/25/2037 ^   | 1,728            | 1,249         |
| 4.952% due 01/25/2036 ^   | 11,626           | 9,113         |
| 5.226% due 07/25/2036 ^   | 2,163            | 1,835         |
| <b>Structured Asset Mortgage Investments Trust</b>                |                  |               |
| 0.311% due 08/25/2036   | 299              | 234           |
| <b>Suntrust Adjustable Rate Mortgage Loan Trust</b>               |                  |               |
| 2.571% due 02/25/2037 ^   | 1,236            | 1,081         |
| 2.714% due 04/25/2037 ^   | 1,511            | 1,285         |
| 6.005% due 02/25/2037 ^   | 12,129           | 10,300        |
| <b>WaMu Mortgage Pass-Through Certificates Trust</b>              |                  |               |
| 2.032% due 12/25/2036 ^   | 795              | 706           |
| 2.166% due 06/25/2037 ^   | 3,680            | 3,271         |
| 2.217% due 07/25/2037 ^   | 1,435            | 1,228         |
| 2.244% due 09/25/2036 ^   | 957              | 869           |
| 4.363% due 02/25/2037 ^   | 2,156            | 2,012         |
| 4.536% due 07/25/2037 ^   | 3,670            | 3,422         |
| 6.041% due 10/25/2036 ^   | 2,828            | 2,383         |
| <b>Washington Mutual Mortgage Pass-Through Certificates Trust</b> |                  |               |
| 1.010% due 05/25/2047 ^   | 971              | 73            |
| 6.000% due 10/25/2035 ^   | 2,735            | 2,112         |
| 6.000% due 03/25/2036 ^   | 4,062            | 3,803         |
| <b>Wells Fargo Mortgage-Backed Securities Trust</b>               |                  |               |
| 2.655% due 04/25/2036 ^   | 1,390            | 1,367         |



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|  |       |                |
|--|-------|----------------|
| 6.000% due 07/25/2037 ^  | 1,388 | 1,370          |
| <b>Total Mortgage-Backed Securities<br/>(Cost \$369,468)</b>                       |       | <b>388,048</b> |
| <b>ASSET-BACKED SECURITIES 10.6%</b>   |       |                |
| <b>AMAC CDO Funding</b>  |       |                |
| 1.485% due 11/23/2050  | 5,000 | 4,619          |
| <b>Ameriquest Mortgage Securities, Inc. Asset-Backed Pass-Through Certificates</b> |       |                |
| 1.541% due 03/25/2033  | 112   | 107            |

22 PIMCO CLOSED-END FUNDS

See Accompanying Notes

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July 31, 2015

|   | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|---|-------------------------------|---------------------------|
| <b>CIFC Funding Ltd.</b>                                    |                               |                           |
| 0.010% due 05/24/2026                                       | \$ 2,700                      | \$ 2,276                  |
| <b>Countrywide Asset-Backed Certificates</b>                |                               |                           |
| 0.501% due 09/25/2037                                       | 19,068                        | 9,428                     |
| 5.126% due 10/25/2046 ^                                     | 6,327                         | 5,663                     |
| <b>Credit-Based Asset Servicing and Securitization LLC</b>  |                               |                           |
| 4.142% due 12/25/2035 ^                                     | 231                           | 229                       |
| <b>Greenpoint Manufactured Housing</b>                      |                               |                           |
| 8.140% due 03/20/2030                                       | 3,389                         | 3,481                     |
| 8.300% due 10/15/2026                                       | 8,300                         | 8,816                     |
| 8.450% due 06/20/2031                                       | 5,090                         | 5,213                     |
| <b>IndyMac Home Equity Mortgage Loan Asset-Backed Trust</b> |                               |                           |
| 0.351% due 07/25/2037                                       | 4,111                         | 2,601                     |
| <b>JPMorgan Mortgage Acquisition Trust</b>                  |                               |                           |
| 4.768% due 11/25/2036                                       | 10,400                        | 10,379                    |
| 5.830% due 07/25/2036 ^                                     | 168                           | 102                       |
| <b>Lehman XS Trust</b>                                      |                               |                           |
| 5.319% due 06/24/2046                                       | 5,749                         | 4,819                     |
| <b>Mid-State Trust</b>                                      |                               |                           |
| 6.340% due 10/15/2036                                       | 2,686                         | 2,927                     |
| <b>Morgan Stanley Mortgage Loan Trust</b>                   |                               |                           |
| 6.250% due 07/25/2047 ^                                     | 1,834                         | 1,372                     |
| <b>Renaissance Home Equity Loan Trust</b>                   |                               |                           |
| 5.612% due 04/25/2037                                       | 11,979                        | 6,699                     |
| 7.238% due 09/25/2037                                       | 3,806                         | 2,511                     |
| <b>Residential Asset Securities Corp. Trust</b>             |                               |                           |
| 0.767% due 08/25/2034                                       | 13,475                        | 10,419                    |
| <b>Taberna Preferred Funding Ltd.</b>                       |                               |                           |
| 0.704% due 02/05/2036                                       | 13,639                        | 10,513                    |
| <b>Tropic CDO Ltd.</b>                                      |                               |                           |
| 1.189% due 04/15/2034                                       | 25,000                        | 14,500                    |
| <b>Total Asset-Backed Securities</b><br>(Cost \$102,528)    |                               | <b>106,674</b>            |

|   | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|---|-------------------------------|---------------------------|
| <b>SOVEREIGN ISSUES 0.4%</b>                            |                               |                           |
| <b>Republic of Greece Government International Bond</b> |                               |                           |
| 3.800% due 08/08/2017                                   | JPY 695,000                   | \$ 4,038                  |
| 4.750% due 04/17/2019                                   | EUR 600                       | 443                       |
| <b>Total Sovereign Issues (Cost \$5,418)</b>            |                               | <b>4,481</b>              |

|   | SHARES  |            |
|---|---------|------------|
| <b>COMMON STOCKS 0.1%</b>                 |         |            |
| <b>FINANCIALS 0.1%</b>                    |         |            |
| TIG TopCo Ltd. (e)                        | 794,831 | 832        |
| <b>Total Common Stocks (Cost \$1,179)</b> |         | <b>832</b> |

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**PREFERRED SECURITIES 4.1%**

**BANKING & FINANCE 4.1%**

**Farm Credit Bank of Texas**

|                            |        |        |
|----------------------------|--------|--------|
| 10.000% due 12/15/2020 (d) | 13,900 | 17,410 |
|----------------------------|--------|--------|

**GMAC Capital Trust**

|                       |         |        |
|-----------------------|---------|--------|
| 8.125% due 02/15/2040 | 923,868 | 24,233 |
|-----------------------|---------|--------|

**Total Preferred Securities**

|                 |  |        |
|-----------------|--|--------|
| (Cost \$40,284) |  | 41,643 |
|-----------------|--|--------|

**SHORT-TERM INSTRUMENTS 6.9%**

**REPURCHASE AGREEMENTS (f) 3.1%**

30,731

|  | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|--|-------------------------------|---------------------------|
|--|-------------------------------|---------------------------|

**SHORT-TERM NOTES 0.4%**

**Federal Home Loan Bank**

|                       |          |          |
|-----------------------|----------|----------|
| 0.144% due 11/04/2015 | \$ 1,700 | \$ 1,700 |
|-----------------------|----------|----------|

|                       |       |       |
|-----------------------|-------|-------|
| 0.194% due 01/20/2016 | 2,300 | 2,298 |
|-----------------------|-------|-------|

3,998

**U.S. TREASURY BILLS 3.4%**

|  |        |        |
|--|--------|--------|
| 0.104% due 10/01/2015 - 01/28/2016 (c)(i)(k) | 34,077 | 34,061 |
|--|--------|--------|

**Total Short-Term Instruments**

|                 |  |        |
|-----------------|--|--------|
| (Cost \$68,789) |  | 68,790 |
|-----------------|--|--------|

**Total Investments in Securities**

|                    |  |           |
|--------------------|--|-----------|
| (Cost \$1,262,717) |  | 1,305,179 |
|--------------------|--|-----------|

**Total Investments 129.7%**

|                    |  |              |
|--------------------|--|--------------|
| (Cost \$1,262,717) |  | \$ 1,305,179 |
|--------------------|--|--------------|

**Financial Derivative**

**Instruments (g)(i) (3.3%)**

|                                    |  |          |
|------------------------------------|--|----------|
| (Cost or Premiums, net \$(36,208)) |  | (33,277) |
|------------------------------------|--|----------|

**Preferred Shares (23.6%)**

(237,950)

**Other Assets and Liabilities, net (2.8%)**

(27,468)

|   |    |           |
|---|----|-----------|
| Net Assets Applicable to Common Shareholders 100.0% | \$ | 1,006,484 |
|---|----|-----------|

**NOTES TO SCHEDULE OF INVESTMENTS (AMOUNTS IN THOUSANDS\*):**

\* A zero balance may reflect actual amounts rounding to less than one thousand.

^ Security is in default.

(a) Interest only security.

(b) Payment in-kind bond security.

(c) Coupon represents a weighted average yield to maturity.

(d) Perpetual maturity; date shown, if applicable, represents next contractual call date.

**(e) RESTRICTED SECURITIES:**

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| Issuer Description | Acquisition Date | Cost     | Market Value | Market Value as Percentage of Net Assets |
|--------------------|------------------|----------|--------------|--|
| TIG TopCo Ltd.     | 04/02/2015       | \$ 1,179 | \$ 832       | 0.08%                                    |

**BORROWINGS AND OTHER FINANCING TRANSACTIONS**

**(f) REPURCHASE AGREEMENTS:**

| Counterparty                       | Lending Rate | Settlement Date | Maturity Date | Principal Amount | Collateralized By                         | Collateral Received, at Value | Repurchase Agreements, at Value | Repurchase Agreement Proceeds to be Received <sup>(1)</sup> |
|------------------------------------|--------------|-----------------|---------------|------------------|---|-------------------------------|---------------------------------|---|
| IND                                | 0.200%       | 07/31/2015      | 08/03/2015    | \$ 5,000         | U.S. Treasury Notes 2.000% due 05/31/2021 | \$ (5,106)                    | \$ 5,000                        | \$ 5,000  |
| MSC                                | 0.290%       | 07/31/2015      | 08/03/2015    | 22,900           | U.S. Treasury Bonds 3.125% due 02/15/2042 | (23,415)                      | 22,900                          | 22,901  |
| SSB                                | 0.000%       | 07/31/2015      | 08/03/2015    | 2,831            | Fannie Mae 2.170% due 10/17/2022          | (2,892)                       | 2,831                           | 2,831   |
| <b>Total Repurchase Agreements</b> |              |                 |               |                  |   | <b>\$ (31,413)</b>            | <b>\$ 30,731</b>                | <b>\$ 30,732</b>  |

<sup>(1)</sup>Includes accrued interest.

See Accompanying Notes

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**Table of Contents****Schedule of Investments PIMCO Corporate & Income Opportunity Fund (Cont.)****REVERSE REPURCHASE AGREEMENTS:**

| Counterparty                               | Borrowing Rate | Borrowing Date | Maturity Date | Amount Borrowed <sup>(2)</sup> | Payable for Reverse Repurchase Agreements |
|--|----------------|----------------|---------------|--------------------------------|---|
| RDR  | 0.420%         | 07/24/2015     | 08/20/2015    | \$ (13,549)                    | \$ (13,551)                               |
| <b>Total Reverse Repurchase Agreements</b> |                |                |               |                                | <b>\$ (13,551)</b>                        |

<sup>(2)</sup>The average amount of borrowings outstanding during the period ended July 31, 2015 was \$18,379 at a weighted average interest rate of 0.305%.

**BORROWINGS AND OTHER FINANCING TRANSACTIONS SUMMARY**

The following is a summary by counterparty of the market value of Borrowings and Other Financing Transactions and collateral (received)/pledged as of July 31, 2015:

(g) Securities with an aggregate market value of \$14,642 have been pledged as collateral under the terms of the following master agreements as of July 31, 2015.

| Counterparty   | Repurchase Agreement Proceeds to be Received | Payable for Reverse Repurchase Agreements | Payable for Sale-Buyback Transactions | Payable for Short Sales | Total Borrowings and Other Financing Transactions | Collateral (Received)/Pledged | Net Exposure <sup>(3)</sup> |
|--|--|---|---------------------------------------|-------------------------|---|-------------------------------|-----------------------------|
| Global/Master Repurchase Agreement                       |  |   |                                       |                         |   |                               |                             |
| IND  | \$ 5,000                                     | \$ 0                                      | \$ 0                                  | \$ 0                    | \$ 5,000  | \$ (5,107)                    | \$ (107)                    |
| MSC  | 22,901                                       | 0   | 0                                     | 0                       | 22,901  | (23,415)                      | (514)                       |
| RDR  | 0  | (13,551)                                  | 0                                     | 0                       | (13,551)  | 14,463                        | 912                         |
| SSB  | 2,831  | 0   | 0                                     | 0                       | 2,831   | (2,892)                       | (61)                        |
| <b>Total Borrowings and Other Financing Transactions</b> | <b>\$ 30,732</b>                             | <b>\$ (13,551)</b>                        | <b>\$ 0</b>                           | <b>\$ 0</b>             |   |                               |                             |

<sup>(3)</sup> Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from borrowings and other financing transactions can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

**(h) FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED**

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### SWAP AGREEMENTS:

#### CREDIT DEFAULT SWAPS ON CREDIT INDICES - SELL PROTECTION <sup>(1)</sup>

| Index/Tranches         | Fixed Deal Receive Rate | Maturity Date | Notional Amount <sup>(2)</sup> | Market Value <sup>(3)</sup> | Unrealized (Depreciation) | Variation Margin Asset | Variation Margin Liability |
|------------------------|-------------------------|---------------|--------------------------------|-----------------------------|---------------------------|------------------------|----------------------------|
| CDX.HY-24 5-Year Index | 5.000%                  | 06/20/2020    | \$ 43,659                      | \$ 2,969                    | \$ (392)                  | \$ 52                  | \$ 0                       |
| CDX.IG-23 5-Year Index | 1.000%                  | 12/20/2019    | 11,800                         | 172                         | (20)                      | 6                      | 0                          |
| CDX.IG-24 5-Year Index | 1.000%                  | 06/20/2020    | 58,400                         | 876                         | (209)                     | 29                     | 0                          |
|                        |                         |               |                                | \$ 4,017                    | \$ (621)                  | \$ 87                  | \$ 0                       |

(1) 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.

(2) The maximum potential amount the Fund could be required to pay 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.

(3) The prices and resulting values for credit default swap agreements on credit indices serve as an indicator of the current status 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 be 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 indices' credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

### INTEREST RATE SWAPS

| Pay/Receive                  | Floating Rate Index | Fixed Rate | Maturity Date | Notional Amount | Market Value     | Unrealized Appreciation/ (Depreciation) | Variation Margin Asset | Variation Margin Liability |
|------------------------------|---------------------|------------|---------------|-----------------|------------------|---|------------------------|----------------------------|
| Floating Rate                |                     |            |               |                 |                  |   |                        |                            |
| Pay                          | 3-Month USD-LIBOR   | 2.250%     | 12/17/2019    | \$ 331,400      | \$ 10,629        | \$ 1,195                                | \$ 1,037               | \$ 0                       |
| Pay                          | 3-Month USD-LIBOR   | 3.500%     | 06/19/2044    | 305,100         | 49,673           | 59,627                                  | 2,374                  | 0                          |
| Receive                      | 3-Month USD-LIBOR   | 2.750%     | 12/16/2045    | 514,800         | 4,243            | (24,090)                                | 0                      | (3,461)                    |
| Pay                          | 6-Month             |            |               |                 |                  |   |                        |                            |
|                              | AUD-BBR-BBSW        | 3.500%     | 06/17/2025    | AUD 13,400      | 352              | 20                                      | 38                     | 0                          |
| Pay                          | 28-Day MXN-TIIE     | 7.580%     | 04/05/2034    | MXN 560,000     | 2,965            | (1,707)                                 | 337                    | 0                          |
|                              |                     |            |               |                 | \$ 67,862        | \$ 35,045                               | \$ 3,786               | \$ (3,461)                 |
| <b>Total Swap Agreements</b> |                     |            |               |                 | <b>\$ 71,879</b> | <b>\$ 34,424</b>                        | <b>\$ 3,873</b>        | <b>\$ (3,461)</b>          |

### 24 PIMCO CLOSED-END FUNDS

See Accompanying Notes

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July 31, 2015

**FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED SUMMARY**

The following is a summary of the market value and variation margin of Exchange-Traded or Centrally Cleared Financial Derivative Instruments as of July 31, 2015:

- (i) Securities with an aggregate market value of \$2,269 and cash of \$24,587 have been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of July 31, 2015. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

|   | Financial Derivative Assets<br>Variation Margin |             |                 |                 | Financial Derivative Liabilities<br>Variation Margin |             |                   |                   |
|---|---|-------------|-----------------|-----------------|--|-------------|-------------------|-------------------|
|   | Market Value<br>Purchased                       |             | Asset<br>Swap   |                 | Market Value<br>Written                              |             | Liability<br>Swap |                   |
|   | Options   | Futures     | Agreements      | Total           | Options  | Futures     | Agreements        | Total             |
| <b>Total Exchange-Traded or Centrally Cleared</b> | <b>\$ 0</b>                                     | <b>\$ 0</b> | <b>\$ 3,873</b> | <b>\$ 3,873</b> | <b>\$ 0</b>  | <b>\$ 0</b> | <b>\$ (3,461)</b> | <b>\$ (3,461)</b> |

**(j) FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER****FORWARD FOREIGN CURRENCY CONTRACTS:**

| Counterparty | Settlement<br>Month | Currency to<br>be Delivered |           | Currency to<br>be Received |           | Unrealized Appreciation/<br>(Depreciation) |           |          |       |
|--------------|---------------------|-----------------------------|-----------|----------------------------|-----------|--|-----------|----------|-------|
|              |                     | Asset                       | Liability | Asset                      | Liability | Asset                                      | Liability |          |       |
| BOA          | 08/2015             | \$                          | 86,898    | GBP                        | 55,558    | \$   | 0         | \$ (136) |       |
|              | 09/2015             |                             | GBP       | 55,558                     | \$        | 86,880                                     | 136       | 0        |       |
|              | 09/2015             | \$                          | 139       | MXN                        | 2,205     |  | 0         | (3)      |       |
|              | 06/2016             |                             | EUR       | 1,430                      | \$        | 1,958                                      |           | 377      | 0     |
|              | 06/2016             | \$                          | 84        |                            | EUR       | 62   |           | 0        | (15)  |
| BPS          | 08/2015             |                             | BRL       | 6,140                      | \$        | 1,809                                      | 16        | 0        |       |
|              | 08/2015             | \$                          | 1,956     |                            | BRL       | 6,140                                      |           | 0        | (163) |
|              | 09/2015             |                             |           | 323                        | MXN       | 5,115                                      |           | 0        | (6)   |
| BRC          | 06/2016             |                             | EUR       | 268                        | \$        | 369  | 72        | 0        |       |
| CBK          | 08/2015             |                             |           | 245                        |           | 269  |           | 0        | 0     |
|              | 08/2015             |                             | GBP       | 3,203                      |           | 4,977                                      |           | 0        | (25)  |
|              | 09/2015             |                             | MXN       | 16,934                     |           | 1,071                                      |           | 25       | 0     |
|              | 09/2015             | \$                          | 157       |                            | MXN       | 2,487                                      |           | 0        | (3)   |
| DUB          | 06/2016             |                             | EUR       | 149                        | \$        | 204  | 39        | 0        |       |

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|   |         |     |         |     |         |                 |                 |
|---|---------|-----|---------|-----|---------|-----------------|-----------------|
| GLM   | 08/2015 | AUD | 979     |     | 752     | 37              | 0               |
|   | 09/2015 | \$  | 1,977   | MXN | 32,328  | 21              | 0               |
| HUS   | 08/2015 | GBP | 52,355  | \$  | 82,441  | 680             | 0               |
|   | 08/2015 | \$  | 4,816   | JPY | 595,545 | 0               | (10)            |
|   | 09/2015 | JPY | 595,545 | \$  | 4,817   | 10              | 0               |
| JPM   | 08/2015 | EUR | 418     |     | 458     | 0               | (1)             |
|   | 08/2015 | \$  | 768     | EUR | 709     | 10              | 0               |
| MSB   | 08/2015 | BRL | 7,385   | \$  | 2,312   | 155             | 0               |
|   | 08/2015 | EUR | 37,610  |     | 42,106  | 801             | 0               |
|   | 08/2015 | JPY | 595,545 |     | 4,829   | 24              | 0               |
|   | 08/2015 | \$  | 2,195   | BRL | 7,385   | 0               | (38)            |
|   | 09/2015 |     | 1,924   |     | 6,140   | 0               | (150)           |
|   | 06/2016 | EUR | 376     | \$  | 517     | 101             | 0               |
| NAB   | 06/2016 |     | 818     |     | 1,123   | 219             | 0               |
| SCX   | 08/2015 | \$  | 41,488  | EUR | 37,564  | 0               | (234)           |
|   | 09/2015 | EUR | 37,564  | \$  | 41,504  | 234             | 0               |
|   | 09/2015 | MXN | 34,954  |     | 2,229   | 69              | 0               |
| UAG   | 08/2015 | BRL | 7,385   |     | 2,205   | 48              | 0               |
|   | 08/2015 | \$  | 2,176   | BRL | 7,385   | 0               | (19)            |
|   | 09/2015 |     | 2,181   |     | 7,385   | 0               | (48)            |
| <b>Total Forward Foreign Currency Contracts</b> |         |     |         |     |         | <b>\$ 3,074</b> | <b>\$ (851)</b> |

SWAP AGREEMENTS:

CREDIT DEFAULT SWAPS ON CORPORATE AND SOVEREIGN ISSUES - SELL PROTECTION <sup>(1)</sup>

| Counterparty | Reference Entity                     | Fixed Deal Receive Rate | Maturity Date | Implied                                       |                                | Unrealized Swap Agreements, at Value |                              |       |           |
|--------------|--------------------------------------|-------------------------|---------------|---|--------------------------------|--------------------------------------|------------------------------|-------|-----------|
|              |                                      |                         |               | Credit Spread at July 31, 2015 <sup>(2)</sup> | Notional Amount <sup>(3)</sup> | Premiums (Received)                  | Appreciation/ (Depreciation) | Asset | Liability |
| BPS          | Petrobras International Finance Co.  | 1.000%                  | 12/20/2024    | 5.297%  | \$ 1,800                       | \$ (352)                             | \$ (155)                     | \$ 0  | \$ (507)  |
| BRC          | Novo Banco S.A.                      | 5.000%                  | 12/20/2015    | 2.683%  | EUR 3,900                      | (61)                                 | 125                          | 64    | 0         |
| CBK          | Russia Government International Bond | 1.000%                  | 06/20/2019    | 3.101%  | \$ 25,000                      | (1,496)                              | (359)                        | 0     | (1,855)   |

See Accompanying Notes

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**Schedule of Investments PIMCO Corporate & Income Opportunity Fund (Cont.)**

| Counterparty | Reference Entity                        | Fixed Deal<br>Receive Rate | Maturity<br>Date | Implied<br>Credit Spread at<br>July 31, 2015 <sup>(2)</sup> | Notional<br>Amount <sup>(3)</sup> | Premiums<br>(Received) | Unrealized Swap Agreements, at Value |       |            |
|--------------|---|----------------------------|------------------|---|-----------------------------------|------------------------|--------------------------------------|-------|------------|
|              |   |                            |                  |   |                                   |                        | Appreciation/<br>(Depreciation)      | Asset | Liability  |
| GST          | Petrobras Global Finance<br>BV          | 1.000%                     | 09/20/2020       | 4.965%  | \$ 20                             | \$ (3)                 | \$ (1)                               | \$ 0  | \$ (4)     |
|              | Petrobras International<br>Finance Co.  | 1.000%                     | 12/20/2024       | 5.297%  | 2,400                             | (476)                  | (200)                                | 0     | (676)      |
| HUS          | Petrobras Global Finance<br>BV          | 1.000%                     | 09/20/2020       | 4.965%  | 60                                | (9)                    | (1)                                  | 0     | (10)       |
|              | Petrobras International<br>Finance Co.  | 1.000%                     | 12/20/2019       | 4.755%  | 500                               | (41)                   | (31)                                 | 0     | (72)       |
|              | Petrobras International<br>Finance Co.  | 1.000%                     | 12/20/2024       | 5.297%  | 3,000                             | (623)                  | (223)                                | 0     | (846)      |
| JPM          | Russia Government<br>International Bond | 1.000%                     | 06/20/2019       | 3.101%  | 28,600                            | (1,957)                | (165)                                | 0     | (2,122)    |
| MYC          | Novo Banco S.A.                         | 5.000%                     | 12/20/2015       | 2.683%  | EUR 1,100                         | (17)                   | 35                                   | 18    | 0          |
|              | Petrobras International<br>Finance Co.  | 1.000%                     | 12/20/2019       | 4.755%  | \$ 14,500                         | (1,342)                | (737)                                | 0     | (2,079)    |
|              |   |                            |                  |   |                                   | \$ (6,377)             | \$ (1,712)                           | \$ 82 | \$ (8,171) |

**CREDIT DEFAULT SWAPS ON CREDIT INDICES - SELL PROTECTION <sup>(1)</sup>**

| Counterparty | Index/Tranches       | Fixed Deal<br>Receive Rate | Maturity<br>Date | Notional<br>Amount <sup>(3)</sup> | Premiums<br>(Received) | Unrealized Swap Agreements, at Value <sup>(4)</sup> |          |             |             |
|--------------|----------------------|----------------------------|------------------|-----------------------------------|------------------------|---|----------|-------------|-------------|
|              |                      |                            |                  |                                   |                        | Appreciation/<br>(Depreciation)                     | Asset    | Liability   |             |
| BOA          | ABX.HE.AAA.6-2 Index | 0.110%                     | 05/25/2046       | \$ 71,161                         | \$ (13,524)            | \$ 427  | \$ 0     | \$ (13,097) |             |
| BRC          | ABX.HE.AAA.6-2 Index | 0.110%                     | 05/25/2046       | 35,269                            | (7,026)                | 535   | 0        | (6,491)     |             |
| GST          | ABX.HE.AAA.6-2 Index | 0.110%                     | 05/25/2046       | 6,227                             | (1,241)                | 95  | 0        | (1,146)     |             |
| MEI          | ABX.HE.AAA.6-2 Index | 0.110%                     | 05/25/2046       | 21,915                            | (4,027)                | (9)   | 0        | (4,036)     |             |
| MYC          | ABX.HE.AAA.6-2 Index | 0.110%                     | 05/25/2046       | 22,238                            | (4,209)                | 116   | 0        | (4,093)     |             |
|              |                      |                            |                  |                                   |                        | \$ (30,027)   | \$ 1,164 | \$ 0        | \$ (28,863) |

(1) 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.

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

(3)

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The maximum potential amount the Fund could be required to pay 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.

- (4) The prices and resulting values for credit default swap agreements on credit indices serve as an indicator of the current status 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 be 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 indices' credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

### INTEREST RATE SWAPS

| Counterparty                 | Pay/Receive<br>Floating Rate | Floating Rate<br>Index | Fixed Rate | Maturity<br>Date | Notional<br>Amount | Unrealized Swap Agreements, at Value |                               |                 |                    |
|------------------------------|------------------------------|------------------------|------------|------------------|--------------------|--------------------------------------|-------------------------------|-----------------|--------------------|
|                              |                              |                        |            |                  |                    | Premiums<br>Paid/(Received)          | Appreciation/<br>Depreciation | Asset           | Liability          |
| BOA                          | Pay                          | 1-Year BRL-CDI         | 11.500%    | 01/04/2021       | BRL 149,200        | \$ 125                               | \$ (1,594)                    | \$ 0            | \$ (1,469)         |
| CBK                          | Pay                          | 1-Year BRL-CDI         | 11.500%    | 01/04/2021       | 80,300             | (77)                                 | (714)                         | 0               | (791)              |
|                              | Pay                          | 3-Month<br>USD-LIBOR   | 2.150%     | 08/24/2020       | \$ 46,800          | 26                                   | 446                           | 472             | 0                  |
|                              | Pay                          | 3-Month<br>USD-LIBOR   | 2.800%     | 08/24/2025       | 37,900             | 28                                   | 480                           | 508             | 0                  |
| DUB                          | Pay                          | 3-Month<br>USD-LIBOR   | 2.150%     | 08/24/2020       | 132,600            | 123                                  | 1,216                         | 1,339           | 0                  |
|                              | Pay                          | 3-Month<br>USD-LIBOR   | 2.800%     | 08/24/2025       | 51,100             | 16                                   | 668                           | 684             | 0                  |
| GLM                          | Pay                          | 3-Month<br>USD-LIBOR   | 2.150%     | 08/24/2020       | 136,600            | 104                                  | 1,275                         | 1,379           | 0                  |
| MYC                          | Pay                          | 3-Month<br>USD-LIBOR   | 2.150%     | 08/24/2020       | 24,000             | 7                                    | 235                           | 242             | 0                  |
| UAG                          | Pay                          | 1-Year BRL-CDI         | 11.250%    | 01/04/2021       | BRL 105,000        | (156)                                | (1,168)                       | 0               | (1,324)            |
|                              |                              |                        |            |                  |                    | \$ 196                               | \$ 844                        | \$ 4,624        | \$ (3,584)         |
| <b>Total Swap Agreements</b> |                              |                        |            |                  |                    | <b>\$ (36,208)</b>                   | <b>\$ 296</b>                 | <b>\$ 4,706</b> | <b>\$ (40,618)</b> |

### 26 PIMCO CLOSED-END FUNDS

See Accompanying Notes

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July 31, 2015

**FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER SUMMARY**

The following is a summary by counterparty of the market value of OTC financial derivative instruments and collateral (received)/pledged as of July 31, 2015:

(k) Securities with an aggregate market value of \$35,500 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of July 31, 2015.

| Counterparty                  | Financial Derivative Assets        |                   |                 |                        | Financial Derivative Liabilities   |                 |                    |                        | Net Market Value of OTC Derivatives | Collateral (Received)/ Pledged | Net Exposure <sup>(5)</sup> |
|-------------------------------|------------------------------------|-------------------|-----------------|------------------------|------------------------------------|-----------------|--------------------|------------------------|-------------------------------------|--------------------------------|-----------------------------|
|                               | Forward Foreign Currency Contracts | Purchased Options | Swap Agreements | Total Over the Counter | Forward Foreign Currency Contracts | Written Options | Swap Agreements    | Total Over the Counter |                                     |                                |                             |
| BOA                           | \$ 513                             | \$ 0              | \$ 0            | \$ 513                 | \$ (154)                           | \$ 0            | \$ (14,566)        | \$ (14,720)            | \$ (14,207)                         | \$ 15,129                      | \$ 922                      |
| BPS                           | 16                                 | 0                 | 0               | 16                     | (169)                              | 0               | (507)              | (676)                  | (660)                               | 431                            | (229)                       |
| BRC                           | 72                                 | 0                 | 64              | 136                    | 0                                  | 0               | (6,491)            | (6,491)                | (6,355)                             | 6,740                          | 385                         |
| CBK                           | 25                                 | 0                 | 980             | 1,005                  | (28)                               | 0               | (2,646)            | (2,674)                | (1,669)                             | 1,853                          | 184                         |
| DUB                           | 39                                 | 0                 | 2,023           | 2,062                  | 0                                  | 0               | 0                  | 0                      | 2,062                               | (2,290)                        | (228)                       |
| GLM                           | 58                                 | 0                 | 1,379           | 1,437                  | 0                                  | 0               | 0                  | 0                      | 1,437                               | (1,200)                        | 237                         |
| GST                           | 0                                  | 0                 | 0               | 0                      | 0                                  | 0               | (1,826)            | (1,826)                | (1,826)                             | 1,684                          | (142)                       |
| HUS                           | 690                                | 0                 | 0               | 690                    | (10)                               | 0               | (928)              | (938)                  | (248)                               | 0                              | (248)                       |
| JPM                           | 10                                 | 0                 | 0               | 10                     | (1)                                | 0               | (2,122)            | (2,123)                | (2,113)                             | 2,105                          | (8)                         |
| MEI                           | 0                                  | 0                 | 0               | 0                      | 0                                  | 0               | (4,036)            | (4,036)                | (4,036)                             | 0                              | (4,036)                     |
| MSB                           | 1,081                              | 0                 | 0               | 1,081                  | (188)                              | 0               | 0                  | (188)                  | 893                                 | (1,160)                        | (267)                       |
| MYC                           | 0                                  | 0                 | 260             | 260                    | 0                                  | 0               | (6,172)            | (6,172)                | (5,912)                             | 6,038                          | 126                         |
| NAB                           | 219                                | 0                 | 0               | 219                    | 0                                  | 0               | 0                  | 0                      | 219                                 | (260)                          | (41)                        |
| SCX                           | 303                                | 0                 | 0               | 303                    | (234)                              | 0               | 0                  | (234)                  | 69                                  | 0                              | 69                          |
| UAG                           | 48                                 | 0                 | 0               | 48                     | (67)                               | 0               | (1,324)            | (1,391)                | (1,343)                             | 1,521                          | 178                         |
| <b>Total Over the Counter</b> | <b>\$ 3,074</b>                    | <b>\$ 0</b>       | <b>\$ 4,706</b> | <b>\$ 7,780</b>        | <b>\$ (851)</b>                    | <b>\$ 0</b>     | <b>\$ (40,618)</b> | <b>\$ (41,469)</b>     |                                     |                                |                             |

<sup>(5)</sup> Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from OTC financial derivative instruments can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

**FAIR VALUE OF FINANCIAL DERIVATIVE INSTRUMENTS**

The following is a summary of the fair valuation of the Fund's derivative instruments categorized by risk exposure. See Note 7, Principal Risks, in the Notes to Financial Statements on risks of the Fund.

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Fair Values of Financial Derivative Instruments on the Statements of Assets and Liabilities as of July 31, 2015 <sup>(1)</sup>:

|   | Derivatives not accounted for as hedging instruments |                     |                     |                                  |                            | Total     |
|---|--|---------------------|---------------------|----------------------------------|----------------------------|-----------|
|   | Commodity<br>Contracts                               | Credit<br>Contracts | Equity<br>Contracts | Foreign<br>Exchange<br>Contracts | Interest<br>Rate Contracts |           |
| <b>Financial Derivative Instruments - Assets</b>      |  |                     |                     |                                  |                            |           |
| Exchange-traded or centrally cleared                  |  |                     |                     |                                  |                            |           |
| Swap Agreements                                       | \$ 0   | \$ 87               | \$ 0                | \$ 0                             | \$ 3,786                   | \$ 3,873  |
| Over the counter                                      |  |                     |                     |                                  |                            |           |
| Forward Foreign Currency Contracts                    | \$ 0   | \$ 0                | \$ 0                | \$ 3,074                         | \$ 0                       | \$ 3,074  |
| Swap Agreements                                       | 0  | 82                  | 0                   | 0                                | 4,624                      | 4,706     |
|   | \$ 0   | \$ 82               | \$ 0                | \$ 3,074                         | \$ 4,624                   | \$ 7,780  |
|   | \$ 0   | \$ 169              | \$ 0                | \$ 3,074                         | \$ 8,410                   | \$ 11,653 |
| <b>Financial Derivative Instruments - Liabilities</b> |  |                     |                     |                                  |                            |           |
| Exchange-traded or centrally cleared                  |  |                     |                     |                                  |                            |           |
| Swap Agreements                                       | \$ 0   | \$ 0                | \$ 0                | \$ 0                             | \$ 3,461                   | \$ 3,461  |
| Over the counter                                      |  |                     |                     |                                  |                            |           |
| Forward Foreign Currency Contracts                    | \$ 0   | \$ 0                | \$ 0                | \$ 851                           | \$ 0                       | \$ 851    |
| Swap Agreements                                       | 0  | 37,034              | 0                   | 0                                | 3,584                      | 40,618    |
|   | \$ 0   | \$ 37,034           | \$ 0                | \$ 851                           | \$ 3,584                   | \$ 41,469 |
|   | \$ 0   | \$ 37,034           | \$ 0                | \$ 851                           | \$ 7,045                   | \$ 44,930 |

See Accompanying Notes

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**Schedule of Investments PIMCO Corporate & Income Opportunity Fund (Cont.)**

**The Effect of Financial Derivative Instruments on the Statements of Operations for the period ended July 31, 2015:**

|   | Derivatives not accounted for as hedging instruments |                  |                  |                            |                         | Total       |
|---|--|------------------|------------------|----------------------------|-------------------------|-------------|
|   | Commodity Contracts                                  | Credit Contracts | Equity Contracts | Foreign Exchange Contracts | Interest Rate Contracts |             |
| <b>Net Realized Gain (Loss) on Financial Derivative Instruments</b>                             |  |                  |                  |                            |                         |             |
| Exchange-traded or centrally cleared  |  |                  |                  |                            |                         |             |
| Swap Agreements   | \$ 0   | \$ 618           | \$ 0             | \$ 0                       | \$ (39,218)             | \$ (38,600) |
| Over the counter  |  |                  |                  |                            |                         |             |
| Forward Foreign Currency Contracts  | \$ 0   | \$ 0             | \$ 0             | \$ 9,782                   | \$ 0                    | \$ 9,782    |
| Swap Agreements   | 0  | 51               | 0                | 0                          | (1,186)                 | (1,135)     |
|   | \$ 0   | \$ 51            | \$ 0             | \$ 9,782                   | \$ (1,186)              | \$ 8,647    |
|   | \$ 0   | \$ 669           | \$ 0             | \$ 9,782                   | \$ (40,404)             | \$ (29,953) |
| <b>Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments</b> |  |                  |                  |                            |                         |             |
| Exchange-traded or centrally cleared  |  |                  |                  |                            |                         |             |
| Swap Agreements   | \$ 0   | \$ (961)         | \$ 0             | \$ 0                       | \$ 22,453               | \$ 21,492   |
| Over the counter  |  |                  |                  |                            |                         |             |
| Forward Foreign Currency Contracts  | \$ 0   | \$ 0             | \$ 0             | \$ (3,442)                 | \$ 0                    | \$ (3,442)  |
| Swap Agreements   | 0  | 1,451            | 0                | 0                          | (1,383)                 | 68          |
|   | \$ 0   | \$ 1,451         | \$ 0             | \$ (3,442)                 | \$ (1,383)              | \$ (3,374)  |
|   | \$ 0   | \$ 490           | \$ 0             | \$ (3,442)                 | \$ 21,070               | \$ 18,118   |

(1) Fiscal year end changed from November 30<sup>th</sup> to July 31<sup>st</sup>.

**The Effect of Financial Derivative Instruments on the Statement of Operations for the period ended November 30, 2014:**

|   | Derivatives not accounted for as hedging instruments |                  |                  |                            |                         | Total       |
|---|--|------------------|------------------|----------------------------|-------------------------|-------------|
|   | Commodity Contracts                                  | Credit Contracts | Equity Contracts | Foreign Exchange Contracts | Interest Rate Contracts |             |
| <b>Net Realized Gain (Loss) on Financial Derivative Instruments</b> |  |                  |                  |                            |                         |             |
| Exchange-traded or centrally cleared                                |  |                  |                  |                            |                         |             |
| Swap Agreements   | \$ 0   | \$ 11,657        | \$ 0             | \$ 0                       | \$ (50,162)             | \$ (38,505) |

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Over the counter

|                                    |      |           |      |            |            |            |
|------------------------------------|------|-----------|------|------------|------------|------------|
| Forward Foreign Currency Contracts | \$ 0 | \$ 0      | \$ 0 | \$ (1,577) | \$ 0       | \$ (1,577) |
| Swap Agreements                    | 0    | 133       | 0    | 0          | 46,819     | 46,952     |
|                                    | \$ 0 | \$ 133    | \$ 0 | \$ (1,577) | \$ 46,819  | \$ 45,375  |
|                                    | \$ 0 | \$ 11,790 | \$ 0 | \$ (1,577) | \$ (3,343) | \$ 6,870   |

**Net Change in Unrealized Appreciation (Depreciation) on Financial**

**Derivative Instruments**

Exchange-traded or centrally cleared

|                 |      |            |      |      |          |        |
|-----------------|------|------------|------|------|----------|--------|
| Swap Agreements | \$ 0 | \$ (5,078) | \$ 0 | \$ 0 | \$ 5,857 | \$ 779 |
|-----------------|------|------------|------|------|----------|--------|

Over the counter

|                                    |      |            |      |          |            |          |
|------------------------------------|------|------------|------|----------|------------|----------|
| Forward Foreign Currency Contracts | \$ 0 | \$ 0       | \$ 0 | \$ 6,723 | \$ 0       | \$ 6,723 |
| Swap Agreements                    | 0    | (2,000)    | 0    | 0        | (4,559)    | (6,559)  |
|                                    | \$ 0 | \$ (2,000) | \$ 0 | \$ 6,723 | \$ (4,559) | \$ 164   |
|                                    | \$ 0 | \$ (7,078) | \$ 0 | \$ 6,723 | \$ 1,298   | \$ 943   |

**FAIR VALUE MEASUREMENTS**

The following is a summary of the fair valuations according to the inputs used as of July 31, 2015 in valuing the Fund's assets and liabilities:

|  |         |           |          | Fair       |
|--|---------|-----------|----------|------------|
|  |         |           |          | Value at   |
| Category and Subcategory                   | Level 1 | Level 2   | Level 3  | 07/31/2015 |
| <b>Investments in Securities, at Value</b> |         |           |          |            |
| Bank Loan Obligations                      | \$ 0    | \$ 18,506 | \$ 8,897 | \$ 27,403  |
| <b>Corporate Bonds &amp; Notes</b>         |         |           |          |            |
| Banking & Finance                          | 0       | 235,749   | 10,454   | 246,203    |
| Industrials                                | 0       | 159,420   | 10,941   | 170,361    |
| Utilities                                  | 0       | 77,256    | 0        | 77,256     |
| <b>Municipal Bonds &amp; Notes</b>         |         |           |          |            |
| California                                 | 0       | 60,660    | 0        | 60,660     |
| Illinois                                   | 0       | 23,601    | 0        | 23,601     |
| Pennsylvania                               | 0       | 3,770     | 0        | 3,770      |
| Texas                                      | 0       | 7,055     | 0        | 7,055      |
|  |         |           |          | Fair       |
| Category and Subcategory                   | Level 1 | Level 2   | Level 3  | Value at   |
| Virginia                                   | \$ 0    | \$ 1,046  | \$ 0     | \$ 1,046   |
| West Virginia                              | 0       | 5,863     | 0        | 5,863      |
| U.S. Government Agencies                   | 0       | 67,786    | 0        | 67,786     |
| U.S. Treasury Obligations                  | 0       | 3,707     | 0        | 3,707      |
| Mortgage-Backed Securities                 | 0       | 379,758   | 8,290    | 388,048    |
| Asset-Backed Securities                    | 0       | 106,674   | 0        | 106,674    |
| Sovereign Issues                           | 0       | 4,481     | 0        | 4,481      |
| <b>Common Stocks</b>                       |         |           |          |            |
| Financials                                 | 0       | 0         | 832      | 832        |
| Preferred Securities                       |         |           |          |            |
| Banking & Finance                          | 24,233  | 17,410    | 0        | 41,643     |



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July 31, 2015

| Category and Subcategory      | Fair             |                     |                  |                     |
|-------------------------------|------------------|---------------------|------------------|---------------------|
|                               | Level 1          | Level 2             | Level 3          | Value at 07/31/2015 |
| <b>Short-Term Instruments</b> |                  |                     |                  |                     |
| Repurchase Agreements         | \$ 0             | \$ 30,731           | \$ 0             | \$ 30,731           |
| Short-Term Notes              | 0                | 3,998               | 0                | 3,998               |
| U.S. Treasury Bills           | 0                | 34,061              | 0                | 34,061              |
| <b>Total Investments</b>      | <b>\$ 24,233</b> | <b>\$ 1,241,532</b> | <b>\$ 39,414</b> | <b>\$ 1,305,179</b> |

| <b>Financial Derivative Instruments - Assets</b> |      |           |      |           |
|--|------|-----------|------|-----------|
| Exchange-traded or centrally cleared             | 0    | 3,873     | 0    | 3,873     |
| Over the counter                                 | 0    | 7,780     | 0    | 7,780     |
|  | \$ 0 | \$ 11,653 | \$ 0 | \$ 11,653 |

| Category and Subcategory                              | Fair             |                     |                  |                     |
|---|------------------|---------------------|------------------|---------------------|
|   | Level 1          | Level 2             | Level 3          | Value at 07/31/2015 |
| <b>Financial Derivative Instruments - Liabilities</b> |                  |                     |                  |                     |
| Exchange-traded or centrally cleared                  | \$ 0             | \$ (3,461)          | \$ 0             | \$ (3,461)          |
| Over the counter                                      | 0                | (41,469)            | 0                | (41,469)            |
|   | \$ 0             | \$ (44,930)         | \$ 0             | \$ (44,930)         |
| <b>Totals</b>   | <b>\$ 24,233</b> | <b>\$ 1,208,255</b> | <b>\$ 39,414</b> | <b>\$ 1,271,902</b> |

There were no significant transfers between Levels 1 and 2 during the period ended July 31, 2015.

The following is a reconciliation of the fair valuations using significant unobservable inputs (Level 3) for the Fund during the period ended July 31, 2015:

| Category and Subcategory                   | Beginning Balance at 11/30/2014 | Net Purchases | Net Sales | Accrued Discounts/ (Premiums) | Realized Gain/(Loss) | Net Change in Unrealized Appreciation/ (Depreciation) <sup>(1)</sup> | Transfers in Level 3 | Transfers out of Level 3 | Ending Balance at 07/31/2015 | Net Change in Unrealized Appreciation/ (Depreciation) on Investments Held at |
|--|---------------------------------|---------------|-----------|-------------------------------|----------------------|--|----------------------|--------------------------|------------------------------|--|
|  |                                 |               |           |                               |                      |  |                      |                          |                              | 07/31/2015 <sup>(1)</sup>  |
| <b>Investments in Securities, at Value</b> |                                 |               |           |                               |                      |  |                      |                          |                              |  |
| Bank Loan Obligations                      | \$ 0                            | \$ 8,753      | \$ 0      | \$ 0                          | \$ 0                 | \$ 144   | \$ 0                 | \$ 0                     | \$ 8,897                     | \$ 144   |
| <b>Corporate Bonds &amp; Notes</b>         |                                 |               |           |                               |                      |  |                      |                          |                              |  |
| Banking & Finance                          | 11,030                          | 0             | (148)     | 3                             | 2                    | (433)  | 0                    | 0                        | 10,454                       | (407)  |
| Industrials                                | 21,353                          | 0             | (4,771)   | 12                            | 170                  | (451)  | 0                    | (5,372)                  | 10,941                       | 12   |
| Utilities                                  | 4,888                           | 0             | (4,682)   | (2)                           | 88                   | (292)  | 0                    | 0                        | 0                            | 0  |
|  | 0                               | 8,291         | 0         | 0                             | 0                    | (1)  | 0                    | 0                        | 8,290                        | (1)  |



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|                            |           |           |            |       |        |            |      |            |           |          |  |
|----------------------------|-----------|-----------|------------|-------|--------|------------|------|------------|-----------|----------|--|
| Mortgage-Backed Securities |           |           |            |       |        |            |      |            |           |          |  |
| Common Stocks              |           |           |            |       |        |            |      |            |           |          |  |
| Financials                 | 0         | 1,179     | 0          | 0     | 0      | (347)      | 0    | 0          | 832       | (347)    |  |
| Totals                     | \$ 37,271 | \$ 18,223 | \$ (9,601) | \$ 13 | \$ 260 | \$ (1,380) | \$ 0 | \$ (5,372) | \$ 39,414 | \$ (599) |  |

The following is a summary of significant unobservable inputs used in the fair valuations of assets and liabilities categorized within Level 3 of the fair value hierarchy:

| Category and Subcategory                   | Ending Balance<br>at 07/31/2015 | Valuation Technique                       | Unobservable Inputs | Input Value(s)<br>(% Unless Noted<br>Otherwise) |
|--|---------------------------------|---|---------------------|---|
| <b>Investments in Securities, at Value</b> |                                 |   |                     |   |
| Bank Loan Obligations                      | \$ 8,897                        | Third Party Vendor                        | Broker Quote        | 93.00   |
| Corporate Bonds & Notes                    |                                 |   |                     |   |
| Banking & Finance                          | 10,454                          | Proxy Pricing                             | Base Price          | 115.50  |
| Industrials                                | 10,941                          | Proxy Pricing                             | Base Price          | 100.00  |
| Mortgage-Backed Securities                 | 8,290                           | Proxy Pricing                             | Base Price          | 100.00  |
| Common Stocks                              |                                 |   |                     |   |
| Financials                                 | 832                             | Other Valuation Techniques <sup>(2)</sup> |                     |   |
| <b>Total</b>                               | <b>\$ 39,414</b>                |   |                     |   |

(1) Any difference between Net Change in Unrealized Appreciation/(Depreciation) and Net Change in Unrealized Appreciation/(Depreciation) on Investments Held at July 31, 2015 may be due to an investment no longer held or categorized as Level 3 at period end.

(2) Includes valuation techniques not defined in the Notes to Financial Statements as securities valued using such techniques are not considered significant to the Fund.

See Accompanying Notes

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|   | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|---|-------------------------------|---------------------------|
| <b>INVESTMENTS IN SECURITIES 130.0%</b>           |                               |                           |
| <b>BANK LOAN OBLIGATIONS 1.7%</b>                 |                               |                           |
| <b>Clear Channel Communications, Inc.</b>         |                               |                           |
| 6.940% due 01/30/2019                             | \$ 5,800                      | \$ 5,341                  |
| <b>Sequa Corp.</b>                                |                               |                           |
| 5.250% due 06/19/2017                             | 4,963                         | 4,405                     |
| <b>Total Bank Loan Obligations (Cost \$9,839)</b> |                               | <b>9,746</b>              |
| <b>CORPORATE BONDS &amp; NOTES 50.5%</b>          |                               |                           |
| <b>BANKING &amp; FINANCE 28.3%</b>                |                               |                           |
| <b>AGFC Capital Trust</b>                         |                               |                           |
| 6.000% due 01/15/2067                             | 2,300                         | 1,714                     |
| <b>AIG Life Holdings, Inc.</b>                    |                               |                           |
| 7.570% due 12/01/2045                             | 3,400                         | 4,445                     |
| <b>American International Group, Inc.</b>         |                               |                           |
| 6.250% due 03/15/2087                             | 1,826                         | 2,013                     |
| 8.175% due 05/15/2068                             | 300                           | 403                       |
| <b>Banco do Brasil S.A.</b>                       |                               |                           |
| 6.250% due 04/15/2024 (d)                         | 3,000                         | 2,042                     |
| 9.000% due 06/18/2024 (d)                         | 6,510                         | 5,613                     |
| 9.250% due 04/15/2023 (d)                         | 300                           | 271                       |
| <b>Banco Santander S.A.</b>                       |                               |                           |
| 6.250% due 09/11/2021 (d)                         | EUR 1,300                     | 1,417                     |
| <b>Barclays Bank PLC</b>                          |                               |                           |
| 7.625% due 11/21/2022                             | \$ 3,900                      | 4,504                     |
| <b>Barclays PLC</b>                               |                               |                           |
| 8.000% due 12/15/2020 (d)                         | EUR 1,900                     | 2,288                     |
| <b>BGC Partners, Inc.</b>                         |                               |                           |
| 5.375% due 12/09/2019                             | \$ 5,960                      | 6,261                     |
| <b>Cantor Fitzgerald LP</b>                       |                               |                           |
| 6.500% due 06/17/2022                             | 8,000                         | 8,367                     |
| <b>Citigroup, Inc.</b>                            |                               |                           |
| 5.950% due 05/15/2025 (d)                         | 1,500                         | 1,464                     |
| <b>Co-operative Group Holdings Ltd.</b>           |                               |                           |
| 7.500% due 07/08/2026                             | GBP 6,000                     | 10,217                    |
| <b>Credit Agricole S.A.</b>                       |                               |                           |
| 6.625% due 09/23/2019 (d)                         | \$ 21,600                     | 21,600                    |
| 7.875% due 01/23/2024 (d)                         | 1,300                         | 1,361                     |
| <b>Depository Trust &amp; Clearing Corp.</b>      |                               |                           |
| 4.875% due 06/15/2020 (d)                         | 1,250                         | 1,259                     |
| <b>ERB Hellas PLC</b>                             |                               |                           |
| 4.250% due 06/26/2018                             | EUR 750                       | 283                       |
| <b>GSPA Monetization Trust</b>                    |                               |                           |
| 6.422% due 10/09/2029                             | \$ 4,956                      | 5,535                     |
| <b>LBG Capital No.2 PLC</b>                       |                               |                           |
| 9.125% due 07/15/2020                             | GBP 3,100                     | 5,228                     |
| <b>Lloyds Bank PLC</b>                            |                               |                           |
| 12.000% due 12/16/2024 (d)                        | \$ 8,900                      | 12,838                    |
| <b>Navient Corp.</b>                              |                               |                           |
| 5.500% due 01/15/2019                             | 11,850                        | 11,672                    |
| 5.625% due 08/01/2033                             | 2,648                         | 1,907                     |
| 8.450% due 06/15/2018                             | 2,300                         | 2,490                     |
| <b>Novo Banco S.A.</b>                            |                               |                           |
| 2.625% due 05/08/2017                             | EUR 200                       | 218                       |
| 4.750% due 01/15/2018                             | 600                           | 682                       |
| 5.000% due 04/04/2019                             | 298                           | 342                       |

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|   |     |                  |               |
|---|-----|------------------|---------------|
| 5.000% due 04/23/2019                                     |     | 608              | 699           |
| 5.000% due 05/14/2019                                     |     | 402              | 461           |
| 5.000% due 05/21/2019                                     |     | 225              | 259           |
| 5.000% due 05/23/2019                                     |     | 224              | 258           |
| 5.875% due 11/09/2015                                     |     | 900              | 996           |
| <b>OneMain Financial Holdings, Inc.</b>                   |     |                  |               |
| 7.250% due 12/15/2021                                     | \$  | 3,364            | 3,515         |
| <b>Sberbank of Russia Via SB Capital S.A.</b>             |     |                  |               |
| 5.717% due 06/16/2021                                     |     | 8,300            | 8,106         |
|   |     | <b>PRINCIPAL</b> | <b>MARKET</b> |
|   |     | <b>AMOUNT</b>    | <b>VALUE</b>  |
|   |     | <b>(000S)</b>    | <b>(000S)</b> |
| 6.125% due 02/07/2022                                     | \$  | 10,200           | \$ 10,068     |
| <b>Tesco Property Finance PLC</b>                         |     |                  |               |
| 5.411% due 07/13/2044                                     | GBP | 4,039            | 6,078         |
| 6.052% due 10/13/2039                                     |     | 1,262            | 2,062         |
| <b>TIG FinCo PLC</b>                                      |     |                  |               |
| 8.500% due 03/02/2020                                     |     | 252              | 413           |
| 8.750% due 04/02/2020                                     |     | 2,089            | 3,180         |
| <b>Vnesheconombank Via VEB Finance PLC</b>                |     |                  |               |
| 6.902% due 07/09/2020                                     | \$  | 8,900            | 8,756         |
|   |     |                  | 161,285       |
| <b>INDUSTRIALS 15.2%</b>                                  |     |                  |               |
| <b>Anadarko Petroleum Corp.</b>                           |     |                  |               |
| 7.000% due 11/15/2027                                     |     | 3,460            | 3,883         |
| <b>BMC Software Finance, Inc.</b>                         |     |                  |               |
| 8.125% due 07/15/2021                                     |     | 1,380            | 1,085         |
| <b>Boxer Parent Co., Inc. (9.000% Cash or 9.750% PIK)</b> |     |                  |               |
| 9.000% due 10/15/2019 (b)                                 |     | 4,650            | 3,086         |
| <b>Caesars Entertainment Operating Co., Inc.</b>          |     |                  |               |
| 9.000% due 02/15/2020 ^                                   |     | 1,885            | 1,569         |
| 11.250% due 06/01/2017 ^                                  |     | 7,400            | 6,142         |
| <b>CCO Safari LLC</b>                                     |     |                  |               |
| 6.484% due 10/23/2045                                     |     | 5,842            | 6,059         |
| 6.834% due 10/23/2055                                     |     | 835              | 860           |
| <b>Chesapeake Energy Corp.</b>                            |     |                  |               |
| 3.539% due 04/15/2019                                     |     | 80               | 68            |
| <b>Communications Sales &amp; Leasing, Inc.</b>           |     |                  |               |
| 8.250% due 10/15/2023                                     |     | 1,900            | 1,824         |
| <b>Continental Airlines Pass-Through Trust</b>            |     |                  |               |
| 9.798% due 10/01/2022                                     |     | 1,263            | 1,396         |
| <b>Forbes Energy Services Ltd.</b>                        |     |                  |               |
| 9.000% due 06/15/2019                                     |     | 308              | 227           |
| <b>Ford Motor Co.</b>                                     |     |                  |               |
| 7.700% due 05/15/2097                                     |     | 7,830            | 9,711         |
| 9.980% due 02/15/2047                                     |     | 1,500            | 2,299         |
| <b>Gulfport Energy Corp.</b>                              |     |                  |               |
| 7.750% due 11/01/2020                                     |     | 600              | 618           |
| <b>Harvest Operations Corp.</b>                           |     |                  |               |
| 6.875% due 10/01/2017                                     |     | 1,012            | 939           |
| <b>iHeartCommunications, Inc.</b>                         |     |                  |               |
| 9.000% due 09/15/2022                                     |     | 1,200            | 1,085         |
| <b>Intrepid Aviation Group Holdings LLC</b>               |     |                  |               |
| 6.875% due 02/15/2019                                     |     | 3,720            | 3,487         |
| <b>Pertamina Persero PT</b>                               |     |                  |               |
| 6.450% due 05/30/2044                                     |     | 6,233            | 6,093         |
| <b>Russian Railways via RZD Capital PLC</b>               |     |                  |               |
| 3.374% due 05/20/2021                                     | EUR | 1,400            | 1,360         |
| 5.700% due 04/05/2022                                     | \$  | 3,700            | 3,533         |
| 7.487% due 03/25/2031                                     | GBP | 1,000            | 1,453         |
| <b>Sequa Corp.</b>  |     |                  |               |
| 7.000% due 12/15/2017                                     | \$  | 6,230            | 4,299         |
| <b>Tembec Industries, Inc.</b>                            |     |                  |               |
| 9.000% due 12/15/2019                                     |     | 1,900            | 1,549         |
| <b>Times Square Hotel Trust</b>                           |     |                  |               |
| 8.528% due 08/01/2026                                     |     | 1,903            | 2,445         |
| <b>UCP, Inc.</b>  |     |                  |               |

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|                                   |     |       |        |
|-----------------------------------|-----|-------|--------|
| 8.500% due 10/21/2017             |     | 6,000 | 6,022  |
| <b>Unique Pub Finance Co. PLC</b> |     |       |        |
| 5.659% due 06/30/2027             | GBP | 4,039 | 6,494  |
| 6.542% due 03/30/2021             |     | 2,181 | 3,591  |
| <b>Westmoreland Coal Co.</b>      |     |       |        |
| 8.750% due 01/01/2022             | \$  | 5,955 | 5,300  |
|                                   |     |       | 86,477 |

|  |     | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|--|-----|-------------------------------|---------------------------|
| <b>UTILITIES 7.0%</b>                                |     |                               |                           |
| <b>AK Transneft OJSC Via TransCapitalInvest Ltd.</b> |     |                               |                           |
| 8.700% due 08/07/2018                                | \$  | 900                           | \$ 991                    |
| <b>FPL Energy Wind Funding LLC</b>                   |     |                               |                           |
| 6.876% due 06/27/2017                                |     | 333                           | 327                       |
| <b>Gazprom Neft OAO Via GPN Capital S.A.</b>         |     |                               |                           |
| 4.375% due 09/19/2022                                |     | 5,800                         | 4,959                     |
| 6.000% due 11/27/2023                                |     | 2,900                         | 2,679                     |
| <b>Illinois Power Generating Co.</b>                 |     |                               |                           |
| 6.300% due 04/01/2020                                |     | 6,400                         | 5,824                     |
| 7.000% due 04/15/2018                                |     | 1,600                         | 1,524                     |
| 7.950% due 06/01/2032                                |     | 500                           | 472                       |
| <b>Mountain States Telephone &amp; Telegraph Co.</b> |     |                               |                           |
| 7.375% due 05/01/2030                                |     | 8,200                         | 9,325                     |
| <b>Odebrecht Drilling Norbe Ltd.</b>                 |     |                               |                           |
| 6.350% due 06/30/2022                                |     | 328                           | 238                       |
| <b>Odebrecht Offshore Drilling Finance Ltd.</b>      |     |                               |                           |
| 6.625% due 10/01/2023                                |     | 2,938                         | 1,881                     |
| 6.750% due 10/01/2023                                |     | 3,125                         | 2,024                     |
| <b>Petrobras Global Finance BV</b>                   |     |                               |                           |
| 2.750% due 01/15/2018                                | EUR | 450                           | 464                       |
| 3.163% due 03/17/2020                                | \$  | 270                           | 244                       |
| 4.875% due 03/17/2020                                |     | 420                           | 391                       |
| 5.750% due 01/20/2020                                |     | 220                           | 213                       |
| 6.250% due 12/14/2026                                | GBP | 4,800                         | 6,391                     |
| 6.625% due 01/16/2034                                |     | 100                           | 127                       |
| 6.750% due 01/27/2041                                | \$  | 2,300                         | 1,926                     |
| 7.875% due 03/15/2019                                |     | 100                           | 104                       |
|  |     |                               | 40,104                    |
| <b>Total Corporate Bonds &amp; Notes</b>             |     |                               | <b>287,866</b>            |
| <b>(Cost \$282,004)</b>                              |     |                               |                           |

**MUNICIPAL BONDS & NOTES 7.5%**

**CALIFORNIA 1.7%**

**Riverside County, California Redevelopment Successor Agency Tax Allocation Bonds, Series 2010**

7.750% due 10/01/2037 1,220 1,344

**Stockton Public Financing Authority, California Revenue Bonds, (BABs), Series 2009**

7.942% due 10/01/2038 7,400 8,330

9,674

**ILLINOIS 2.2%**

**Chicago, Illinois General Obligation Bonds, (BABs), Series 2010**

7.517% due 01/01/2040 12,700 12,647

**NEBRASKA 2.9%**

**Public Power Generation Agency, Nebraska Revenue Bonds, (BABs), Series 2009**

7.242% due 01/01/2041 14,000 16,684

**VIRGINIA 0.1%**

**Tobacco Settlement Financing Corp., Virginia Revenue Bonds, Series 2007**

6.706% due 06/01/2046 785 586

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**WEST VIRGINIA 0.6%**

**Tobacco Settlement Finance Authority, West Virginia Revenue Bonds, Series 2007**

|                       |       |       |
|-----------------------|-------|-------|
| 7.467% due 06/01/2047 | 3,740 | 3,185 |
|-----------------------|-------|-------|

**Total Municipal Bonds & Notes**

|                 |  |        |
|-----------------|--|--------|
| (Cost \$40,341) |  | 42,776 |
|-----------------|--|--------|

**30 PIMCO CLOSED-END FUNDS**

See Accompanying Notes

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July 31, 2015

|   | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|---|-------------------------------|---------------------------|
| <b>U.S. GOVERNMENT AGENCIES 4.8%</b>                      |                               |                           |
| <b>Fannie Mae</b>   |                               |                           |
| 3.000% due 02/25/2043 (a)                                 | \$ 76,829                     | \$ 15,811                 |
| 5.188% due 07/25/2025                                     | 6,680                         | 6,770                     |
| <b>Freddie Mac</b>  |                               |                           |
| 7.741% due 12/25/2027                                     | 4,800                         | 4,904                     |
| <b>Total U.S. Government Agencies<br/>(Cost \$25,100)</b> |                               | <b>27,485</b>             |
| <b>MORTGAGE-BACKED SECURITIES 36.1%</b>                   |                               |                           |
| <b>American Home Mortgage Assets Trust</b>                |                               |                           |
| 0.421% due 09/25/2046 ^                                   | 2                             | 0                         |
| <b>Banc of America Alternative Loan Trust</b>             |                               |                           |
| 5.500% due 10/25/2035 ^                                   | 7,003                         | 6,213                     |
| 6.000% due 01/25/2036 ^                                   | 188                           | 160                       |
| 6.000% due 07/25/2046 ^                                   | 1,745                         | 1,450                     |
| <b>Banc of America Funding Trust</b>                      |                               |                           |
| 6.000% due 03/25/2037 ^                                   | 3,939                         | 3,369                     |
| 6.000% due 07/25/2037 ^                                   | 506                           | 407                       |
| <b>Banc of America Mortgage Trust</b>                     |                               |                           |
| 5.500% due 11/25/2035 ^                                   | 3,946                         | 3,748                     |
| 6.000% due 03/25/2037 ^                                   | 707                           | 647                       |
| 6.500% due 09/25/2033                                     | 325                           | 328                       |
| <b>BCAP LLC Trust</b>                                     |                               |                           |
| 5.368% due 03/26/2037                                     | 1,635                         | 536                       |
| 11.798% due 07/26/2036                                    | 1,799                         | 1,848                     |
| <b>Bear Stearns Adjustable Rate Mortgage Trust</b>        |                               |                           |
| 2.705% due 08/25/2035 ^                                   | 8,990                         | 8,117                     |
| <b>Bear Stearns ALT-A Trust</b>                           |                               |                           |
| 2.593% due 11/25/2036                                     | 5,238                         | 3,828                     |
| 2.784% due 08/25/2036 ^                                   | 1,402                         | 1,056                     |
| 2.959% due 09/25/2035 ^                                   | 1,216                         | 1,002                     |
| <b>Bear Stearns Mortgage Funding Trust</b>                |                               |                           |
| 7.000% due 08/25/2036                                     | 2,034                         | 1,924                     |
| <b>Chase Mortgage Finance Trust</b>                       |                               |                           |
| 2.425% due 12/25/2035 ^                                   | 19                            | 18                        |
| 6.000% due 07/25/2037 ^                                   | 1,338                         | 1,164                     |
| <b>Citigroup Mortgage Loan Trust, Inc.</b>                |                               |                           |
| 5.356% due 04/25/2037 ^                                   | 572                           | 505                       |
| 5.371% due 09/25/2037 ^                                   | 5,092                         | 4,597                     |
| <b>CitiMortgage Alternative Loan Trust</b>                |                               |                           |
| 6.000% due 01/25/2037 ^                                   | 4,493                         | 3,869                     |
| <b>Countrywide Alternative Loan Trust</b>                 |                               |                           |
| 5.500% due 03/25/2035                                     | 541                           | 488                       |
| 5.500% due 03/25/2036 ^                                   | 254                           | 216                       |
| 5.500% due 05/25/2036 ^                                   | 3,088                         | 2,513                     |
| 5.750% due 01/25/2035                                     | 666                           | 677                       |
| 5.750% due 02/25/2035                                     | 743                           | 731                       |
| 5.750% due 03/25/2037 ^                                   | 1,281                         | 1,136                     |
| 6.000% due 02/25/2035                                     | 1,659                         | 1,727                     |
| 6.000% due 04/25/2036                                     | 8,179                         | 7,493                     |
| 6.000% due 02/25/2037 ^                                   | 8,187                         | 6,497                     |
| 6.000% due 04/25/2037 ^                                   | 1,966                         | 1,624                     |
| 6.000% due 05/25/2037 ^                                   | 2,933                         | 2,400                     |

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|   |                  |               |
|---|------------------|---------------|
| 6.000% due 07/25/2037 ^                                     | 646              | 664           |
| 6.000% due 08/25/2037 ^                                     | 1,749            | 1,357         |
| 6.250% due 12/25/2036 ^                                     | 2,276            | 1,871         |
| 6.500% due 08/25/2036 ^                                     | 781              | 607           |
| <b>Countrywide Home Loan Mortgage Pass-Through Trust</b>    |                  |               |
| 2.519% due 09/20/2036 ^                                     | 474              | 422           |
| 5.750% due 03/25/2037 ^                                     | 1,246            | 1,129         |
| 6.000% due 03/25/2037 ^                                     | 733              | 706           |
| 6.000% due 04/25/2037 ^                                     | 251              | 233           |
| 6.000% due 07/25/2037                                       | 7,679            | 6,541         |
| <b>Credit Suisse Mortgage Capital Mortgage-Backed Trust</b> |                  |               |
| 6.000% due 02/25/2037 ^                                     | 805              | 716           |
|   | <b>PRINCIPAL</b> | <b>MARKET</b> |
|   | <b>AMOUNT</b>    | <b>VALUE</b>  |
|   | <b>(000S)</b>    | <b>(000S)</b> |
| 6.000% due 06/25/2037 ^                                     | \$ 1,762         | \$ 1,620      |
| 6.750% due 08/25/2036 ^                                     | 2,407            | 1,955         |
| <b>First Horizon Alternative Mortgage Securities Trust</b>  |                  |               |
| 6.000% due 08/25/2036 ^                                     | 7,935            | 6,583         |
| <b>GSR Mortgage Loan Trust</b>                              |                  |               |
| 2.711% due 08/25/2034                                       | 1,001            | 948           |
| 4.859% due 11/25/2035                                       | 1,313            | 1,267         |
| 5.500% due 05/25/2036 ^                                     | 800              | 742           |
| 6.000% due 02/25/2036                                       | 5,197            | 4,481         |
| <b>IndyMac Mortgage Loan Trust</b>                          |                  |               |
| 6.500% due 07/25/2037 ^                                     | 4,001            | 2,642         |
| <b>Jefferies Resecuritization Trust</b>                     |                  |               |
| 6.000% due 05/26/2036                                       | 17,584           | 14,401        |
| <b>JPMorgan Alternative Loan Trust</b>                      |                  |               |
| 2.525% due 03/25/2037 ^                                     | 3,017            | 2,378         |
| 6.000% due 12/25/2035 ^                                     | 2,937            | 2,832         |
| 6.310% due 08/25/2036 ^                                     | 2,435            | 2,005         |
| <b>JPMorgan Mortgage Trust</b>                              |                  |               |
| 2.528% due 01/25/2037 ^                                     | 1,317            | 1,174         |
| 2.577% due 04/25/2037                                       | 16               | 15            |
| 2.597% due 02/25/2036 ^                                     | 5,363            | 4,687         |
| 5.000% due 03/25/2037 ^                                     | 2,239            | 1,921         |
| 6.000% due 08/25/2037 ^                                     | 372              | 346           |
| <b>Lehman Mortgage Trust</b>                                |                  |               |
| 6.000% due 07/25/2036 ^                                     | 1,465            | 1,110         |
| 6.000% due 07/25/2037 ^                                     | 428              | 391           |
| <b>MASTR Alternative Loan Trust</b>                         |                  |               |
| 6.750% due 07/25/2036                                       | 2,783            | 2,087         |
| <b>Merrill Lynch Mortgage Investors Trust</b>               |                  |               |
| 2.734% due 03/25/2036 ^                                     | 1,095            | 742           |
| <b>Morgan Stanley Mortgage Loan Trust</b>                   |                  |               |
| 4.824% due 05/25/2036 ^                                     | 4,178            | 3,291         |
| 6.000% due 02/25/2036 ^                                     | 3,509            | 3,475         |
| <b>Residential Accredited Loans, Inc. Trust</b>             |                  |               |
| 0.421% due 05/25/2037 ^                                     | 373              | 97            |
| 3.430% due 12/26/2034 ^                                     | 3,603            | 3,057         |
| 6.000% due 06/25/2036 ^                                     | 1,794            | 1,494         |
| 6.000% due 08/25/2036 ^                                     | 601              | 500           |
| 6.000% due 09/25/2036 ^                                     | 2,705            | 1,931         |
| 6.000% due 12/25/2036 ^                                     | 3,630            | 2,996         |
| <b>Residential Asset Mortgage Products Trust</b>            |                  |               |
| 6.500% due 12/25/2031                                       | 1,168            | 1,226         |
| <b>Residential Asset Securitization Trust</b>               |                  |               |
| 6.000% due 02/25/2036                                       | 1,057            | 849           |
| 6.000% due 11/25/2036 ^                                     | 3,554            | 2,543         |
| 6.000% due 03/25/2037 ^                                     | 2,173            | 1,588         |
| 6.000% due 05/25/2037 ^                                     | 2,658            | 2,338         |
| 6.250% due 09/25/2037 ^                                     | 3,296            | 2,368         |
| 6.250% due 06/25/2046                                       | 2,268            | 1,909         |
| <b>Residential Funding Mortgage Securities, Inc. Trust</b>  |                  |               |
| 3.342% due 02/25/2037                                       | 2,779            | 2,236         |
| 6.250% due 08/25/2036 ^                                     | 1,629            | 1,487         |
| 6.500% due 03/25/2032                                       | 278              | 290           |
| <b>Sequoia Mortgage Trust</b>                               |                  |               |
| 2.536% due 02/20/2047                                       | 607              | 530           |

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|   |                  |        |                |
|---|------------------|--------|----------------|
| 4.900% due 07/20/2037 ^   |                  | 1,218  | 1,105          |
| <b>Structured Adjustable Rate Mortgage Loan Trust</b>             |                  |        |                |
| 2.454% due 11/25/2036 ^   |                  | 4,459  | 3,661          |
| 2.712% due 07/25/2035 ^   |                  | 1,679  | 1,461          |
| 4.728% due 03/25/2037 ^   |                  | 5,121  | 3,700          |
| 4.952% due 01/25/2036 ^   |                  | 3,659  | 2,868          |
| 5.225% due 07/25/2036 ^   |                  | 9,109  | 6,038          |
| 5.226% due 07/25/2036 ^   |                  | 1,141  | 968            |
| <b>Suntrust Adjustable Rate Mortgage Loan Trust</b>               |                  |        |                |
| 2.571% due 02/25/2037 ^   |                  | 645    | 564            |
| 2.714% due 04/25/2037 ^   |                  | 1,152  | 979            |
|   | <b>PRINCIPAL</b> |        | <b>MARKET</b>  |
|   | <b>AMOUNT</b>    |        | <b>VALUE</b>   |
|   | <b>(000S)</b>    |        | <b>(000S)</b>  |
| <b>WaMu Mortgage Pass-Through Certificates Trust</b>              |                  |        |                |
| 2.217% due 07/25/2037 ^   | \$               | 752    | \$ 643         |
| 2.244% due 09/25/2036 ^   |                  | 512    | 464            |
| 2.374% due 02/25/2037 ^   |                  | 717    | 632            |
| 4.363% due 02/25/2037 ^   |                  | 1,078  | 1,006          |
| 4.536% due 07/25/2037 ^   |                  | 1,948  | 1,816          |
| 6.041% due 10/25/2036 ^   |                  | 3,770  | 3,177          |
| <b>Washington Mutual Mortgage Pass-Through Certificates Trust</b> |                  |        |                |
| 1.010% due 05/25/2047 ^   |                  | 480    | 36             |
| 6.000% due 10/25/2035 ^   |                  | 2,879  | 2,223          |
| <b>Wells Fargo Mortgage-Backed Securities Trust</b>               |                  |        |                |
| 2.612% due 07/25/2036 ^   |                  | 766    | 729            |
| 2.732% due 05/25/2036 ^   |                  | 150    | 143            |
| 6.000% due 07/25/2037 ^   |                  | 735    | 725            |
| <b>Total Mortgage-Backed Securities</b>                           |                  |        | <b>206,004</b> |
| <b>(Cost \$195,794)</b>   |                  |        |                |
| <b>ASSET-BACKED SECURITIES 5.6%</b>                               |                  |        |                |
| <b>Bear Stearns Asset-Backed Securities Trust</b>                 |                  |        |                |
| 6.500% due 10/25/2036   |                  | 410    | 334            |
| <b>CIFC Funding Ltd.</b>  |                  |        |                |
| 0.010% due 05/24/2026   |                  | 1,500  | 1,265          |
| <b>Countrywide Asset-Backed Certificates</b>                      |                  |        |                |
| 5.126% due 10/25/2046 ^   |                  | 8,890  | 7,956          |
| <b>Fremont Home Loan Trust</b>                                    |                  |        |                |
| 1.121% due 06/25/2035 ^   |                  | 6,000  | 4,237          |
| <b>Greenpoint Manufactured Housing</b>                            |                  |        |                |
| 8.140% due 03/20/2030   |                  | 1,798  | 1,847          |
| <b>IndyMac Home Equity Mortgage Loan Asset-Backed Trust</b>       |                  |        |                |
| 0.351% due 07/25/2037   |                  | 12,675 | 8,019          |
| <b>JPMorgan Mortgage Acquisition Trust</b>                        |                  |        |                |
| 4.905% due 01/25/2037 ^   |                  | 7,820  | 5,983          |
| <b>Mid-State Trust</b>  |                  |        |                |
| 6.340% due 10/15/2036   |                  | 1,368  | 1,490          |
| <b>Morgan Stanley Mortgage Loan Trust</b>                         |                  |        |                |
| 6.250% due 07/25/2047 ^   |                  | 978    | 732            |
| <b>Residential Asset Mortgage Products Trust</b>                  |                  |        |                |
| 1.282% due 12/25/2033   |                  | 255    | 236            |
| <b>Total Asset-Backed Securities</b>                              |                  |        | <b>32,099</b>  |
| <b>(Cost \$31,544)</b>  |                  |        |                |
| <b>SOVEREIGN ISSUES 0.4%</b>                                      |                  |        |                |
| <b>Athens Urban Transportation Organisation</b>                   |                  |        |                |
| 4.851% due 09/19/2016   | EUR              | 200    | 155            |
| <b>Republic of Greece Government International Bond</b>           |                  |        |                |
| 3.000% due 02/24/2023   |                  | 142    | 86             |
| 3.000% due 02/24/2024   |                  | 142    | 84             |
| 3.000% due 02/24/2025   |                  | 142    | 83             |
| 3.000% due 02/24/2026   |                  | 142    | 80             |
| 3.000% due 02/24/2027   |                  | 142    | 79             |
| 3.000% due 02/24/2028   |                  | 142    | 78             |
| 3.000% due 02/24/2029   |                  | 142    | 77             |



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|                       |     |    |
|-----------------------|-----|----|
| 3.000% due 02/24/2030 | 142 | 75 |
| 3.000% due 02/24/2031 | 142 | 75 |
| 3.000% due 02/24/2032 | 142 | 73 |
| 3.000% due 02/24/2033 | 142 | 73 |
| 3.000% due 02/24/2034 | 142 | 72 |
| 3.000% due 02/24/2035 | 142 | 71 |
| 3.000% due 02/24/2036 | 142 | 70 |
| 3.000% due 02/24/2037 | 142 | 70 |
| 3.000% due 02/24/2038 | 142 | 70 |
| 3.000% due 02/24/2039 | 142 | 70 |
| 3.000% due 02/24/2040 | 142 | 70 |
| 3.000% due 02/24/2041 | 142 | 70 |
| 3.000% due 02/24/2042 | 142 | 70 |

See Accompanying Notes

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**Table of Contents****Schedule of Investments PIMCO Corporate & Income Strategy Fund (Cont.)**

|   |     | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|---|-----|-------------------------------|---------------------------|
| 3.800% due 08/08/2017                                       | JPY | 47,000                        | \$ 273                    |
| 4.750% due 04/17/2019                                       | EUR | 400                           | 295                       |
| <b>Total Sovereign Issues<br/>(Cost \$2,462)</b>            |     |                               | <b>2,219</b>              |
|   |     | <b>SHARES</b>                 |                           |
| <b>COMMON STOCKS 0.1%</b>                                   |     |                               |                           |
| <b>FINANCIALS 0.1%</b>                                      |     |                               |                           |
| <b>TIG TopCo Ltd. (e)</b>                                   |     | 182,606                       | 191                       |
| <b>Total Common Stocks (Cost \$271)</b>                     |     |                               | <b>191</b>                |
| <b>PREFERRED SECURITIES 4.6%</b>                            |     |                               |                           |
| <b>BANKING &amp; FINANCE 4.6%</b>                           |     |                               |                           |
| <b>Citigroup Capital</b>                                    |     |                               |                           |
| 7.875% due 10/30/2040                                       |     | 120,000                       | 3,056                     |
| <b>Farm Credit Bank of Texas</b>                            |     |                               |                           |
| 10.000% due 12/15/2020 (d)                                  |     | 15,300                        | 19,163                    |
| <b>GMAC Capital Trust</b>                                   |     |                               |                           |
| 8.125% due 02/15/2040                                       |     | 144,400                       | 3,788                     |
| <b>Total Preferred Securities (Cost \$26,209)</b>           |     |                               | <b>26,007</b>             |
| <b>SHORT-TERM INSTRUMENTS 18.7%</b>                         |     |                               |                           |
| <b>REPURCHASE AGREEMENTS (f) 17.3%</b>                      |     |                               | 98,739                    |
|   |     | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
| <b>U.S. TREASURY BILLS 1.4%</b>                             |     |                               |                           |
| 0.093% due 10/08/2015 - 01/28/2016 (c)(h)(j)                | \$  | 8,106                         | \$ 8,103                  |
| <b>Total Short-Term Instruments<br/>(Cost \$106,842)</b>    |     |                               | <b>106,842</b>            |
| <b>Total Investments in Securities<br/>(Cost \$720,406)</b> |     |                               | <b>741,235</b>            |
| <b>Total Investments 130.0%</b>                             |     |                               |                           |
| <b>(Cost \$720,406)</b>                                     |     |                               | <b>\$ 741,235</b>         |
| <b>Financial Derivative<br/>Instruments (g)(i) (0.2%)</b>   |     |                               |                           |
| <b>(Cost or Premiums, net \$(1,110))</b>                    |     |                               | <b>(1,280)</b>            |
| <b>Preferred Shares (29.6%)</b>                             |     |                               | <b>(169,000)</b>          |
| <b>Other Assets and Liabilities, net (0.2%)</b>             |     |                               | <b>(833)</b>              |
| <b>Net Assets Applicable to Common Shareholders 100.0%</b>  |     |                               | <b>\$ 570,122</b>         |

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NOTES TO SCHEDULE OF INVESTMENTS (AMOUNTS IN THOUSANDS\*):

- \* A zero balance may reflect actual amounts rounding to less than one thousand.
- ^ Security is in default.
- (a) Interest only security.
- (b) Payment in-kind bond security.
- (c) Coupon represents a weighted average yield to maturity.
- (d) Perpetual maturity; date shown, if applicable, represents next contractual call date.

(e) RESTRICTED SECURITIES:

| Issuer Description | Acquisition Date | Cost   | Market Value | Market Value as Percentage of Net Assets |
|--------------------|------------------|--------|--------------|--|
| TIG TopCo Ltd.     | 04/02/2015       | \$ 271 | \$ 191       | 0.03%                                    |

BORROWINGS AND OTHER FINANCING TRANSACTIONS

(f) REPURCHASE AGREEMENTS:

| Counterparty                       | Lending Rate | Settlement Date | Maturity Date | Principal Amount | Collateralized By   | Collateral Received, at Value | Repurchase Agreements, at Value | Repurchase Agreement Proceeds to be Received <sup>(1)</sup> |
|------------------------------------|--------------|-----------------|---------------|------------------|---|-------------------------------|---------------------------------|---|
| MBC                                | 0.280%       | 07/31/2015      | 08/03/2015    | \$ 21,000        | U.S. Treasury Inflation Protected Securities<br>0.125% due 04/15/2019 | \$ (21,685)                   | \$ 21,000                       | \$ 21,001   |
| MSC                                | 0.290%       | 07/31/2015      | 08/03/2015    | 10,400           | U.S. Treasury Bonds 3.750%<br>due 11/15/2043                          | (10,645)                      | 10,400                          | 10,400  |
| RDR                                | 0.290%       | 07/31/2015      | 08/03/2015    | 53,300           | U.S. Treasury Notes 1.500% due<br>10/31/2019                          | (54,424)                      | 53,300                          | 53,301  |
| SAL                                | 0.290%       | 07/31/2015      | 08/03/2015    | 11,100           | U.S. Treasury Notes 1.750% due<br>02/28/2022                          | (11,348)                      | 11,100                          | 11,100  |
| SSB                                | 0.000%       | 07/31/2015      | 08/03/2015    | 2,939            | Fannie Mae 2.170% due<br>10/17/2022                                   | (3,000)                       | 2,939                           | 2,939   |
| <b>Total Repurchase Agreements</b> |              |                 |               |                  |   | <b>\$ (101,102)</b>           | <b>\$ 98,739</b>                | <b>\$ 98,741</b>  |

<sup>(1)</sup> Includes accrued interest.

As of July 31, 2015, there were no open reverse repurchase agreements or sale-buyback transactions. The average amount of borrowing outstanding during the period ended July 31, 2015 was \$1,230 at a weighted average interest rate of (2.761%).

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July 31, 2015

**BORROWINGS AND OTHER FINANCING TRANSACTIONS SUMMARY**

The following is a summary by counterparty of the market value of Borrowings and Other Financing Transactions and collateral (received) as of July 31, 2015:

| Counterparty   | Repurchase Agreement Proceeds to be Received | Payable for Reverse Repurchase Agreements | Payable for Sale-Buyback Transactions | Payable for Short Sales | Total Borrowings and Other Financing Transactions | Collateral (Received) | Net Exposure <sup>(2)</sup> |
|--|--|---|---------------------------------------|-------------------------|---|-----------------------|-----------------------------|
| Global/Master Repurchase Agreement                       |  |   |                                       |                         |   |                       |                             |
| MBC  | \$ 21,001                                    | \$ 0                                      | \$ 0                                  | \$ 0                    | \$ 21,001   | \$ (21,685)           | \$ (684)                    |
| MSC  | 10,400                                       | 0   | 0                                     | 0                       | 10,400  | (10,645)              | (245)                       |
| RDR  | 53,301                                       | 0   | 0                                     | 0                       | 53,301  | (54,424)              | (1,123)                     |
| SAL  | 11,100                                       | 0   | 0                                     | 0                       | 11,100  | (11,348)              | (248)                       |
| SSB  | 2,939  | 0   | 0                                     | 0                       | 2,939   | (3,000)               | (61)                        |
| <b>Total Borrowings and Other Financing Transactions</b> | <b>\$ 98,741</b>                             | <b>\$ 0</b>                               | <b>\$ 0</b>                           | <b>\$ 0</b>             |   |                       |                             |

<sup>(2)</sup>Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from borrowings and other financing transactions can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

**(g) FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED****SWAP AGREEMENTS:****CREDIT DEFAULT SWAPS ON CREDIT INDICES - SELL PROTECTION <sup>(1)</sup>**

| Index/Tranches         | Fixed Deal Receive Rate | Maturity Date | Notional Amount <sup>(2)</sup> | Market Value <sup>(3)</sup> | Unrealized (Depreciation) | Variation Margin |           |
|------------------------|-------------------------|---------------|--------------------------------|-----------------------------|---------------------------|------------------|-----------|
|                        |                         |               |                                |                             |                           | Asset            | Liability |
| CDX.HY-24 5-Year Index | 5.000%                  | 06/20/2020    | \$ 24,948                      | \$ 1,697                    | \$ (224)                  | \$ 30            | \$ 0      |

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- (1) 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.
- (2) The maximum potential amount the Fund could be required to pay 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.
- (3) The prices and resulting values for credit default swap agreements on credit indices serve as an indicator of the current status 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 be 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 indices' credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

### INTEREST RATE SWAPS

| Pay/Receive<br>Floating Rate | Floating Rate Index     | Fixed Rate | Maturity<br>Date | Notional<br>Amount | Market<br>Value | Unrealized<br>Appreciation/<br>(Depreciation) | Variation Margin |                 |                   |
|------------------------------|-------------------------|------------|------------------|--------------------|-----------------|---|------------------|-----------------|-------------------|
|                              |                         |            |                  |                    |                 |   | Asset            | Liability       |                   |
| Pay                          | 3-Month USD-LIBOR       | 2.250%     | 12/17/2019       | \$ 142,900         | \$ 4,583        | \$ 659  | \$ 447           | \$ 0            |                   |
| Pay                          | 3-Month USD-LIBOR       | 3.500%     | 06/19/2044       | 169,400            | 27,580          | 33,106  | 1,318            | 0               |                   |
| Receive                      | 3-Month USD-LIBOR       | 2.750%     | 12/16/2045       | 250,800            | 2,076           | (11,784)                                      | 0                | (1,688)         |                   |
| Pay                          | 6-Month<br>AUD-BBR-BBSW | 3.500%     | 06/17/2025       | AUD 7,600          | 200             | 12  | 21               | 0               |                   |
|                              |                         |            |                  |                    |                 | \$ 34,439                                     | \$ 21,993        | \$ 1,786        | \$ (1,688)        |
| <b>Total Swap Agreements</b> |                         |            |                  |                    |                 | <b>\$ 36,136</b>                              | <b>\$ 21,769</b> | <b>\$ 1,816</b> | <b>\$ (1,688)</b> |

### FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED SUMMARY

The following is a summary of the market value and variation margin of Exchange-Traded or Centrally Cleared Financial Derivative Instruments as of July 31, 2015:

- (h) Securities with an aggregate market value of \$3,478 and cash of \$7,472 have been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of July 31, 2015. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

|   | Financial Derivative Assets |             |                 |                 | Financial Derivative Liabilities |             |                   |                   |
|---|-----------------------------|-------------|-----------------|-----------------|----------------------------------|-------------|-------------------|-------------------|
|   | Variation Margin            |             |                 |                 | Variation Margin                 |             |                   |                   |
|   | Market Value                |             | Asset           |                 | Market Value                     |             | Liability         |                   |
|   | Purchased                   | Futures     | Swaps           | Total           | Written                          | Futures     | Swaps             | Total             |
| <b>Total Exchange-Traded or Centrally Cleared</b> | <b>\$ 0</b>                 | <b>\$ 0</b> | <b>\$ 1,816</b> | <b>\$ 1,816</b> | <b>\$ 0</b>                      | <b>\$ 0</b> | <b>\$ (1,688)</b> | <b>\$ (1,688)</b> |

See Accompanying Notes

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**Table of Contents****Schedule of Investments PIMCO Corporate & Income Strategy Fund (Cont.)****(i) FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER****FORWARD FOREIGN CURRENCY CONTRACTS:**

| Counterparty                                    | Settlement Month | Currency to be Delivered |        | Currency to be Received | Unrealized Appreciation/ (Depreciation) |                 |
|---|------------------|--------------------------|--------|-------------------------|---|-----------------|
|   |                  |                          |        |                         | Asset                                   | Liability       |
| BOA   | 06/2016          | EUR                      | 93     | \$ 127                  | \$ 25                                   | \$ 0            |
|   | 06/2016          | \$                       | 5      | EUR 4                   | 0                                       | (1)             |
| BPS   | 08/2015          | BRL                      | 3,700  | \$ 1,090                | 10                                      | 0               |
|   | 08/2015          | \$                       | 1,179  | BRL 3,700               | 0                                       | (98)            |
| BRC   | 08/2015          | AUD                      | 78     | \$ 58                   | 1                                       | 0               |
|   | 06/2016          | EUR                      | 17     | 23                      | 5                                       | 0               |
| CBK   | 08/2015          | GBP                      | 692    | 1,073                   | 0                                       | (8)             |
|   | 08/2015          | \$                       | 989    | GBP 638                 | 7                                       | 0               |
|   | 09/2015          | MXN                      | 170    | \$ 11                   | 0                                       | 0               |
| DUB   | 06/2016          | EUR                      | 10     | 14                      | 3                                       | 0               |
| GLM   | 08/2015          | JPY                      | 5,200  | 42                      | 0                                       | 0               |
| JPM   | 08/2015          | GBP                      | 368    | 574                     | 0                                       | 0               |
|   | 08/2015          | JPY                      | 27,900 | 227                     | 2                                       | 0               |
|   | 08/2015          | \$                       | 46,515 | GBP 29,746              | 0                                       | (62)            |
|   | 09/2015          | GBP                      | 29,746 | \$ 46,505               | 62                                      | 0               |
| MSB   | 08/2015          | BRL                      | 3,741  | 1,184                   | 91                                      | 0               |
|   | 08/2015          | EUR                      | 10,985 | 12,298                  | 234                                     | 0               |
|   | 08/2015          | \$                       | 1,112  | BRL 3,741               | 0                                       | (19)            |
|   | 08/2015          |                          | 267    | JPY 33,100              | 1                                       | 0               |
|   | 09/2015          | JPY                      | 33,100 | \$ 267                  | 0                                       | (1)             |
|   | 09/2015          | \$                       | 1,159  | BRL 3,700               | 0                                       | (91)            |
|   | 06/2016          | EUR                      | 24     | \$ 33                   | 6                                       | 0               |
| NAB   | 06/2016          |                          | 53     | 73                      | 14                                      | 0               |
| SCX   | 08/2015          | \$                       | 12,132 | EUR 10,985              | 0                                       | (68)            |
|   | 09/2015          | EUR                      | 10,985 | \$ 12,137               | 68                                      | 0               |
| UAG   | 08/2015          | BRL                      | 3,741  | 1,117                   | 24                                      | 0               |
|   | 08/2015          | GBP                      | 29,324 | 46,030                  | 236                                     | 0               |
|   | 08/2015          | \$                       | 1,102  | BRL 3,741               | 0                                       | (10)            |
|   | 09/2015          |                          | 1,105  | 3,741                   | 0                                       | (24)            |
| <b>Total Forward Foreign Currency Contracts</b> |                  |                          |        |                         | <b>\$ 789</b>                           | <b>\$ (382)</b> |

**SWAP AGREEMENTS:**

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### CREDIT DEFAULT SWAPS ON CORPORATE AND SOVEREIGN ISSUES - SELL PROTECTION <sup>(1)</sup>

| Counterparty | Reference Entity                        | Fixed Deal<br>Receive Rate | Maturity<br>Date | Implied<br>Credit Spread at<br>July 31, 2015 <sup>(2)</sup> | Notional<br>Amount <sup>(3)</sup> | Unrealized Swap Agreements, at Value |                                 |       |            |
|--------------|---|----------------------------|------------------|---|-----------------------------------|--------------------------------------|---------------------------------|-------|------------|
|              |   |                            |                  |   |                                   | Premiums<br>(Received)               | Appreciation/<br>(Depreciation) | Asset | Liability  |
| BPS          | Petrobras International<br>Finance Co.  | 1.000%                     | 12/20/2019       | 4.755%  | \$ 2,400                          | \$ (247)                             | \$ (97)                         | \$ 0  | \$ (344)   |
| GST          | Petrobras Global Finance BV             | 1.000%                     | 09/20/2020       | 4.965%  | 10                                | (1)                                  | (1)                             | 0     | (2)        |
|              | Petrobras International<br>Finance Co.  | 1.000%                     | 12/20/2019       | 4.755%  | 8,900                             | (912)                                | (364)                           | 0     | (1,276)    |
|              | Russia Government<br>International Bond | 1.000%                     | 06/20/2020       | 3.304%  | 200                               | (27)                                 | 7                               | 0     | (20)       |
| HUS          | Petrobras Global Finance BV             | 1.000%                     | 09/20/2020       | 4.965%  | 40                                | (6)                                  | (1)                             | 0     | (7)        |
| MYC          | Novo Banco S.A.                         | 5.000%                     | 12/20/2015       | 2.683%  | EUR 2,700                         | (42)                                 | 86                              | 44    | 0          |
|              |   |                            |                  |   |                                   | \$ (1,235)                           | \$ (370)                        | \$ 44 | \$ (1,649) |

<sup>(1)</sup> 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.

<sup>(2)</sup> Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on corporate or sovereign issues as of period end serve as an indicator of the current status of the payment/performance risk and represent the likelihood or risk of default for the credit derivative. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

<sup>(3)</sup> The maximum potential amount the Fund could be required to pay 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.

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July 31, 2015

**INTEREST RATE SWAPS**

| Counterparty                 | Pay/Receive<br>Floating Rate | Floating Rate Index | Fixed Rate | Maturity<br>Date | Notional<br>Amount | Unrealized Swap Agreements, at Value |                               |                 |                   |
|------------------------------|------------------------------|---------------------|------------|------------------|--------------------|--------------------------------------|-------------------------------|-----------------|-------------------|
|                              |                              |                     |            |                  |                    | Premiums<br>Paid/(Received)          | Appreciation/<br>Depreciation | Asset           | Liability         |
| BOA                          | Pay                          | 1-Year BRL-CDI      | 11.500%    | 01/04/2021       | BRL 37,800         | \$ 31                                | \$ (403)                      | \$ 0            | \$ (372)          |
| BPS                          | Pay                          | 1-Year BRL-CDI      | 11.500%    | 01/04/2021       | 33,400             | 46                                   | (375)                         | 0               | (329)             |
| CBK                          | Pay                          | 3-Month USD-LIBOR   | 2.150%     | 08/24/2020       | \$ 13,700          | 8                                    | 130                           | 138             | 0                 |
|                              | Pay                          | 3-Month USD-LIBOR   | 2.800%     | 08/24/2025       | 3,900              | 3                                    | 49                            | 52              | 0                 |
| DUB                          | Pay                          | 3-Month USD-LIBOR   | 2.150%     | 08/24/2020       | 19,700             | 18                                   | 181                           | 199             | 0                 |
|                              | Pay                          | 3-Month USD-LIBOR   | 2.800%     | 08/24/2025       | 45,500             | 14                                   | 596                           | 610             | 0                 |
| GLM                          | Pay                          | 3-Month USD-LIBOR   | 2.150%     | 08/24/2020       | 62,900             | 54                                   | 581                           | 635             | 0                 |
| MYC                          | Pay                          | 1-Year BRL-CDI      | 11.500%    | 01/04/2021       | BRL 42,200         | 37                                   | (453)                         | 0               | (416)             |
| UAG                          | Pay                          | 1-Year BRL-CDI      | 11.250%    | 01/04/2021       | 57,700             | (86)                                 | (641)                         | 0               | (727)             |
|                              |                              |                     |            |                  |                    | \$ 125                               | \$ (335)                      | \$ 1,634        | \$ (1,844)        |
| <b>Total Swap Agreements</b> |                              |                     |            |                  |                    | <b>\$ (1,110)</b>                    | <b>\$ (705)</b>               | <b>\$ 1,678</b> | <b>\$ (3,493)</b> |

**FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER SUMMARY**

The following is a summary by counterparty of the market value of OTC financial derivative instruments and collateral (received)/pledged as of July 31, 2015:

(j) Securities with an aggregate market value of \$2,938 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of July 31, 2015.

| Counterparty | Financial Derivative Assets                 |                      |                    |                              | Financial Derivative Liabilities            |                    |                    |                              | Net Market<br>Value of OTC<br>Derivatives | Collateral<br>(Received)/<br>Pledged | Net<br>Exposure<br>( <sup>4</sup> ) |
|--------------|---|----------------------|--------------------|------------------------------|---|--------------------|--------------------|------------------------------|---|--------------------------------------|-------------------------------------|
|              | Forward<br>Foreign<br>Currency<br>Contracts | Purchased<br>Options | Swap<br>Agreements | Total<br>Over the<br>Counter | Forward<br>Foreign<br>Currency<br>Contracts | Written<br>Options | Swap<br>Agreements | Total<br>Over the<br>Counter |   |                                      |                                     |
| BOA          | \$ 25                                       | \$ 0                 | \$ 0               | \$ 25                        | \$ (1)                                      | \$ 0               | \$ (372)           | \$ (373)                     | \$ (348)                                  | \$ 305                               | \$ (43)                             |
| BPS          | 10  | 0                    | 0                  | 10                           | (98)  | 0                  | (673)              | (771)                        | (761)                                     | 667                                  | (94)                                |
| BRC          | 6   | 0                    | 0                  | 6                            | 0   | 0                  | 0                  | 0                            | 6   | 0                                    | 6                                   |
| CBK          | 7   | 0                    | 190                | 197                          | (8)   | 0                  | 0                  | (8)                          | 189                                       | 0                                    | 189                                 |
| DUB          | 3   | 0                    | 809                | 812                          | 0   | 0                  | 0                  | 0                            | 812                                       | (1,190)                              | (378)                               |



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|                               |               |             |                 |                 |                 |             |                   |                   |         |       |       |
|-------------------------------|---------------|-------------|-----------------|-----------------|-----------------|-------------|-------------------|-------------------|---------|-------|-------|
| GLM                           | 0             | 0           | 635             | 635             | 0               | 0           | 0                 | 0                 | 635     | (570) | 65    |
| GST                           | 0             | 0           | 0               | 0               | 0               | 0           | (1,298)           | (1,298)           | (1,298) | 1,108 | (190) |
| HUS                           | 0             | 0           | 0               | 0               | 0               | 0           | (7)               | (7)               | (7)     | 0     | (7)   |
| JPM                           | 64            | 0           | 0               | 64              | (62)            | 0           | 0                 | (62)              | 2       | 0     | 2     |
| MSB                           | 332           | 0           | 0               | 332             | (111)           | 0           | 0                 | (111)             | 221     | (330) | (109) |
| MYC                           | 0             | 0           | 44              | 44              | 0               | 0           | (416)             | (416)             | (372)   | 285   | (87)  |
| NAB                           | 14            | 0           | 0               | 14              | 0               | 0           | 0                 | 0                 | 14      | 0     | 14    |
| SCX                           | 68            | 0           | 0               | 68              | (68)            | 0           | 0                 | (68)              | 0       | 0     | 0     |
| UAG                           | 260           | 0           | 0               | 260             | (34)            | 0           | (727)             | (761)             | (501)   | 574   | 73    |
| <b>Total Over the Counter</b> | <b>\$ 789</b> | <b>\$ 0</b> | <b>\$ 1,678</b> | <b>\$ 2,467</b> | <b>\$ (382)</b> | <b>\$ 0</b> | <b>\$ (3,493)</b> | <b>\$ (3,875)</b> |         |       |       |

(4) Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from OTC financial derivative instruments can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

**FAIR VALUE OF FINANCIAL DERIVATIVE INSTRUMENTS**

The following is a summary of the fair valuation of the Fund's derivative instruments categorized by risk exposure. See Note 7, Principal Risks, in the Notes to Financial Statements on risks of the Fund.

**Fair Values of Financial Derivative Instruments on the Statements of Assets and Liabilities as of July 31, 2015:**

|  | Derivatives not accounted for as hedging instruments |                  |                  |                            |                         |  | Total    |
|--|--|------------------|------------------|----------------------------|-------------------------|--|----------|
|  | Commodity Contracts                                  | Credit Contracts | Equity Contracts | Foreign Exchange Contracts | Interest Rate Contracts |  |          |
| <b>Financial Derivative Instruments - Assets</b> |  |                  |                  |                            |                         |  |          |
| Exchange-traded or centrally cleared             |  |                  |                  |                            |                         |  |          |
| Swap Agreements                                  | \$ 0   | \$ 30            | \$ 0             | \$ 0                       | \$ 1,786                |  | \$ 1,816 |
| Over the counter                                 |  |                  |                  |                            |                         |  |          |
| Forward Foreign Currency Contracts               | \$ 0   | \$ 0             | \$ 0             | \$ 789                     | \$ 0                    |  | \$ 789   |
| Swap Agreements                                  | 0  | 44               | 0                | 0                          | 1,634                   |  | 1,678    |
|  | \$ 0   | \$ 44            | \$ 0             | \$ 789                     | \$ 1,634                |  | \$ 2,467 |
|  | \$ 0   | \$ 74            | \$ 0             | \$ 789                     | \$ 3,420                |  | \$ 4,283 |

See Accompanying Notes

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**Schedule of Investments PIMCO Corporate & Income Strategy Fund (Cont.)**

|   | Derivatives not accounted for as hedging instruments |                  |                  |                            |                         | Total    |
|---|--|------------------|------------------|----------------------------|-------------------------|----------|
|   | Commodity Contracts                                  | Credit Contracts | Equity Contracts | Foreign Exchange Contracts | Interest Rate Contracts |          |
| <b>Financial Derivative Instruments - Liabilities</b> |  |                  |                  |                            |                         |          |
| Exchange-traded or centrally cleared                  |  |                  |                  |                            |                         |          |
| Swap Agreements                                       | \$ 0   | \$ 0             | \$ 0             | \$ 0                       | \$ 1,688                | \$ 1,688 |
| Over the counter                                      |  |                  |                  |                            |                         |          |
| Forward Foreign Currency Contracts                    | \$ 0   | \$ 0             | \$ 0             | \$ 382                     | \$ 0                    | \$ 382   |
| Swap Agreements                                       | 0  | 1,649            | 0                | 0                          | 1,844                   | 3,493    |
|   | \$ 0   | \$ 1,649         | \$ 0             | \$ 382                     | \$ 1,844                | \$ 3,875 |
|   | \$ 0   | \$ 1,649         | \$ 0             | \$ 382                     | \$ 3,532                | \$ 5,563 |

**The Effect of Financial Derivative Instruments on the Statements of Operations for the period ended July 31, 2015 <sup>(1)</sup>:**

|   | Derivatives not accounted for as hedging instruments |                  |                  |                            |                         | Total       |
|---|--|------------------|------------------|----------------------------|-------------------------|-------------|
|   | Commodity Contracts                                  | Credit Contracts | Equity Contracts | Foreign Exchange Contracts | Interest Rate Contracts |             |
| <b>Net Realized Gain (Loss) on Financial Derivative Instruments</b>                             |  |                  |                  |                            |                         |             |
| Exchange-traded or centrally cleared  |  |                  |                  |                            |                         |             |
| Swap Agreements   | \$ 0   | \$ 21            | \$ 0             | \$ 0                       | \$ (10,050)             | \$ (10,029) |
| Over the counter  |  |                  |                  |                            |                         |             |
| Forward Foreign Currency Contracts  | \$ 0   | \$ 0             | \$ 0             | \$ 2,511                   | \$ 0                    | \$ 2,511    |
| Swap Agreements   | 0  | 260              | 0                | 0                          | 139                     | 399         |
|   | \$ 0   | \$ 260           | \$ 0             | \$ 2,511                   | \$ 139                  | \$ 2,910    |
|   | \$ 0   | \$ 281           | \$ 0             | \$ 2,511                   | \$ (9,911)              | \$ (7,119)  |
| <b>Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments</b> |  |                  |                  |                            |                         |             |
| Exchange-traded or centrally cleared  |  |                  |                  |                            |                         |             |
| Swap Agreements   | \$ 0   | \$ (224)         | \$ 0             | \$ 0                       | \$ 6,437                | \$ 6,213    |
| Over the counter  |  |                  |                  |                            |                         |             |
| Forward Foreign Currency Contracts  | \$ 0   | \$ 0             | \$ 0             | \$ (643)                   | \$ 0                    | \$ (643)    |
| Swap Agreements   | 0  | (415)            | 0                | 0                          | (916)                   | (1,331)     |
|   | \$ 0   | \$ (415)         | \$ 0             | \$ (643)                   | \$ (916)                | \$ (1,974)  |
|   | \$ 0   | \$ (639)         | \$ 0             | \$ (643)                   | \$ 5,521                | \$ 4,239    |

<sup>(1)</sup> Fiscal year end changed from October 31st to July 31st.

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The Effect of Financial Derivative Instruments on the Statements of Operations for the period ended October 31, 2014:

|   | Derivatives not accounted for as hedging instruments |                  |                  |                            |                         | Total       |
|---|--|------------------|------------------|----------------------------|-------------------------|-------------|
|   | Commodity Contracts                                  | Credit Contracts | Equity Contracts | Foreign Exchange Contracts | Interest Rate Contracts |             |
| <b>Net Realized Gain (Loss) on Financial Derivative Instruments</b>                             |  |                  |                  |                            |                         |             |
| Exchange-traded or centrally cleared  |  |                  |                  |                            |                         |             |
| Swap Agreements   | \$ 0   | \$ 0             | \$ 0             | \$ 0                       | \$ (23,734)             | \$ (23,734) |
| Over the counter  |  |                  |                  |                            |                         |             |
| Forward Foreign Currency Contracts  | \$ 0   | \$ 0             | \$ 0             | \$ (3,179)                 | \$ 0                    | \$ (3,179)  |
| Swap Agreements   | 0  | (6)              | 0                | 0                          | 20,762                  | 20,756      |
|   | \$ 0   | \$ (6)           | \$ 0             | \$ (3,179)                 | \$ 20,762               | \$ 17,577   |
|   | \$ 0   | \$ (6)           | \$ 0             | \$ (3,179)                 | \$ (2,972)              | \$ (6,157)  |
| <b>Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments</b> |  |                  |                  |                            |                         |             |
| Exchange-traded or centrally cleared  |  |                  |                  |                            |                         |             |
| Swap Agreements   | \$ 0   | \$ 0             | \$ 0             | \$ 0                       | \$ 12,196               | \$ 12,196   |
| Over the counter  |  |                  |                  |                            |                         |             |
| Forward Foreign Currency Contracts  | \$ 0   | \$ 0             | \$ 0             | \$ 2,815                   | \$ 0                    | \$ 2,815    |
| Swap Agreements   | 0  | 46               | 0                | 0                          | (5,113)                 | (5,067)     |
|   | \$ 0   | \$ 46            | \$ 0             | \$ 2,815                   | \$ (5,113)              | \$ (2,252)  |
|   | \$ 0   | \$ 46            | \$ 0             | \$ 2,815                   | \$ 7,083                | \$ 9,944    |

36 PIMCO CLOSED-END FUNDS

See Accompanying Notes

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July 31, 2015

**FAIR VALUE MEASUREMENTS**

The following is a summary of the fair valuations according to the inputs used as of July 31, 2015 in valuing the Fund's assets and liabilities:

| Category and Subcategory                              | Level 1  | Level 2    | Level 3   | Fair                   |
|---|----------|------------|-----------|------------------------|
|   |          |            |           | Value at<br>07/31/2015 |
| <b>Investments in Securities, at Value</b>            |          |            |           |                        |
| Bank Loan Obligations                                 | \$ 0     | \$ 9,746   | \$ 0      | \$ 9,746               |
| <b>Corporate Bonds &amp; Notes</b>                    |          |            |           |                        |
| Banking & Finance                                     | 0        | 155,750    | 5,535     | 161,285                |
| Industrials   | 0        | 80,455     | 6,022     | 86,477                 |
| Utilities   | 0        | 40,104     | 0         | 40,104                 |
| <b>Municipal Bonds &amp; Notes</b>                    |          |            |           |                        |
| California  | 0        | 9,674      | 0         | 9,674                  |
| Illinois  | 0        | 12,647     | 0         | 12,647                 |
| Nebraska  | 0        | 16,684     | 0         | 16,684                 |
| Virginia  | 0        | 586        | 0         | 586                    |
| West Virginia   | 0        | 3,185      | 0         | 3,185                  |
| U.S. Government Agencies                              | 0        | 27,485     | 0         | 27,485                 |
| Mortgage-Backed Securities                            | 0        | 206,004    | 0         | 206,004                |
| Asset-Backed Securities                               | 0        | 32,099     | 0         | 32,099                 |
| Sovereign Issues                                      | 0        | 2,219      | 0         | 2,219                  |
| <b>Common Stocks</b>                                  |          |            |           |                        |
| Financials  | 0        | 0          | 191       | 191                    |
| <b>Preferred Securities</b>                           |          |            |           |                        |
| Banking & Finance                                     | 6,844    | 19,163     | 0         | 26,007                 |
|   |          |            |           | Fair                   |
| <b>Short-Term Instruments</b>                         |          |            |           |                        |
| Repurchase Agreements                                 | \$ 0     | \$ 98,739  | \$ 0      | \$ 98,739              |
| U.S. Treasury Bills                                   | 0        | 8,103      | 0         | 8,103                  |
| Total Investments                                     | \$ 6,844 | \$ 722,643 | \$ 11,748 | \$ 741,235             |
| <b>Financial Derivative Instruments - Assets</b>      |          |            |           |                        |
| Exchange-traded or centrally cleared                  | 0        | 1,816      | 0         | 1,816                  |
| Over the counter                                      | 0        | 2,467      | 0         | 2,467                  |
|   | \$ 0     | \$ 4,283   | \$ 0      | \$ 4,283               |
| <b>Financial Derivative Instruments - Liabilities</b> |          |            |           |                        |
| Exchange-traded or centrally cleared                  | 0        | (1,688)    | 0         | (1,688)                |
| Over the counter                                      | 0        | (3,875)    | 0         | (3,875)                |
|   | \$ 0     | \$ (5,563) | \$ 0      | \$ (5,563)             |
| Totals  | \$ 6,844 | \$ 721,363 | \$ 11,748 | \$ 739,955             |

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There were no significant transfers between Levels 1 and 2 during the period ended July 31, 2015.

The following is a reconciliation of the fair valuations using significant unobservable inputs (Level 3) for the Fund during the period ended July 31, 2015:

| Category and Subcategory                   | Beginning Balance at 10/31/2014 | Net Purchases | Net Sales  | Accrued Discounts/ (Premiums) | Realized Gain/(Loss) | Net Change in Unrealized Appreciation/ (Depreciation) <sup>(1)</sup> | Transfers into Level 3 | Transfers out of Level 3 | Ending Balance at 07/31/2015 | Net Change in Unrealized Appreciation/ (Depreciation) on Investments Held at 07/31/2015 <sup>(1)</sup> |
|--|---------------------------------|---------------|------------|-------------------------------|----------------------|--|------------------------|--------------------------|------------------------------|--|
| <b>Investments in Securities, at Value</b> |                                 |               |            |                               |                      |  |                        |                          |                              |  |
| Corporate Bonds & Notes                    |                                 |               |            |                               |                      |  |                        |                          |                              |  |
| Banking & Finance                          | \$ 5,797                        | \$ 0          | \$ (88)    | \$ 2                          | \$ 1                 | \$ (177)   | \$ 0                   | \$ 0                     | \$ 5,535                     | \$ (163)   |
| Industrials                                | 10,418                          | 0             | (2,978)    | (10)                          | 52                   | (64)   | 0                      | (1,396)                  | 6,022                        | 84   |
| Utilities                                  | 2,625                           | 0             | (2,514)    | (1)                           | 47                   | (157)  | 0                      | 0                        | 0                            | 0  |
| Common Stocks                              |                                 |               |            |                               |                      |  |                        |                          |                              |  |
| Financials                                 | 0                               | 271           | 0          | 0                             | 0                    | (80)   | 0                      | 0                        | 191                          | (30)   |
| Totals                                     | \$ 18,840                       | \$ 271        | \$ (5,580) | \$ (9)                        | \$ 100               | \$ (478)   | \$ 0                   | \$ (1,396)               | \$ 11,748                    | \$ (109)   |

The following is a summary of significant unobservable inputs used in the fair valuations of assets and liabilities categorized within Level 3 of the fair value hierarchy:

| Category and Subcategory                   | Ending Balance at 07/31/2015 | Valuation Technique                       | Unobservable Inputs | Input Value(s) (% Unless Noted Otherwise) |
|--|------------------------------|---|---------------------|---|
| <b>Investments in Securities, at Value</b> |                              |   |                     |   |
| Corporate Bonds & Notes                    |                              |   |                     |   |
| Banking & Finance                          | \$ 5,535                     | Proxy Pricing                             | Base Price          | 115.50                                    |
| Industrials                                | 6,022                        | Proxy Pricing                             | Base Price          | 100.00                                    |
| Common Stocks                              |                              |   |                     |   |
| Financials                                 | 191                          | Other Valuation Techniques <sup>(2)</sup> |                     |   |
| Total                                      | \$ 11,748                    |   |                     |   |

<sup>(1)</sup> Any difference between Net Change in Unrealized Appreciation/(Depreciation) and Net Change in Unrealized Appreciation/(Depreciation) on Investments Held at July 31, 2015 may be due to an investment no longer held or categorized as Level 3 at period end.

<sup>(2)</sup> Includes valuation techniques not defined in the Notes to Financial Statements as securities valued using such techniques are not considered significant to the Fund.

**Table of Contents****Schedule of Investments PIMCO High Income Fund**

|   | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|---|-------------------------------|---------------------------|
| <b>INVESTMENTS IN SECURITIES 135.0%</b>               |                               |                           |
| <b>BANK LOAN OBLIGATIONS 1.3%</b>                     |                               |                           |
| <b>Clear Channel Communications, Inc.</b>             |                               |                           |
| 6.940% due 01/30/2019                                 | \$ 10,450                     | \$ 9,623                  |
| <b>Sequa Corp.</b>                                    |                               |                           |
| 5.250% due 06/19/2017                                 | 2,600                         | 2,307                     |
| <b>Total Bank Loan Obligations</b>                    |                               | <b>11,930</b>             |
| <b>(Cost \$12,115)</b>                                |                               |                           |
| <b>CORPORATE BONDS &amp; NOTES 66.9%</b>              |                               |                           |
| <b>BANKING &amp; FINANCE 34.9%</b>                    |                               |                           |
| <b>AGFC Capital Trust</b>                             |                               |                           |
| 6.000% due 01/15/2067                                 | 27,410                        | 20,420                    |
| <b>American International Group, Inc.</b>             |                               |                           |
| 6.250% due 03/15/2087 (g)                             | 1,839                         | 2,027                     |
| <b>Banco do Brasil S.A.</b>                           |                               |                           |
| 6.250% due 04/15/2024 (d)                             | 7,350                         | 5,003                     |
| 9.000% due 06/18/2024 (d)                             | 21,500                        | 18,537                    |
| <b>Banco Santander S.A.</b>                           |                               |                           |
| 6.250% due 09/11/2021 (d)                             | EUR 2,300                     | 2,507                     |
| <b>Barclays PLC</b>                                   |                               |                           |
| 8.000% due 12/15/2020 (d)                             | 17,140                        | 20,636                    |
| <b>BGC Partners, Inc.</b>                             |                               |                           |
| 5.375% due 12/09/2019                                 | \$ 10,160                     | 10,673                    |
| <b>Cantor Fitzgerald LP</b>                           |                               |                           |
| 6.500% due 06/17/2022                                 | 13,100                        | 13,701                    |
| <b>Co-operative Group Holdings Ltd.</b>               |                               |                           |
| 7.500% due 07/08/2026                                 | GBP 3,000                     | 5,108                     |
| <b>Credit Agricole S.A.</b>                           |                               |                           |
| 6.500% due 06/23/2021 (d)                             | EUR 700                       | 796                       |
| 6.625% due 09/23/2019 (d)                             | \$ 10,000                     | 10,000                    |
| 7.875% due 01/23/2024 (d)                             | 17,550                        | 18,287                    |
| <b>Doctors Co.</b>                                    |                               |                           |
| 6.500% due 10/15/2023                                 | 10,000                        | 10,857                    |
| <b>ERB Hellas PLC</b>                                 |                               |                           |
| 4.250% due 06/26/2018                                 | EUR 700                       | 264                       |
| <b>GSPA Monetization Trust</b>                        |                               |                           |
| 6.422% due 10/09/2029                                 | \$ 8,260                      | 9,224                     |
| <b>ING Groep NV</b>                                   |                               |                           |
| 6.500% due 04/16/2025 (d)                             | 600                           | 592                       |
| <b>International Lease Finance Corp.</b>              |                               |                           |
| 6.980% due 10/15/2018                                 | 18,000                        | 18,562                    |
| <b>LBG Capital No.2 PLC</b>                           |                               |                           |
| 9.000% due 12/15/2019                                 | GBP 284                       | 477                       |
| 9.125% due 07/15/2020                                 | 1,900                         | 3,205                     |
| <b>Lloyds Bank PLC</b>                                |                               |                           |
| 12.000% due 12/16/2024 (d)                            | \$ 27,700                     | 39,957                    |
| <b>Midwest Family Housing LLC</b>                     |                               |                           |
| 6.631% due 01/01/2051                                 | 4,951                         | 3,957                     |
| <b>Millennium Offshore Services Superholdings LLC</b> |                               |                           |
| 9.500% due 02/15/2018                                 | 7,220                         | 6,931                     |
| <b>Navient Corp.</b>                                  |                               |                           |
| 5.500% due 01/15/2019                                 | 7,500                         | 7,388                     |
| 5.625% due 08/01/2033                                 | 12,357                        | 8,897                     |
| <b>Novo Banco S.A.</b>                                |                               |                           |
| 2.625% due 05/08/2017                                 | EUR 400                       | 437                       |

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|   |     |  |                                    |
|---|-----|--|------------------------------------|
| 4.750% due 01/15/2018                                       |     | 1,000                                  | 1,137                              |
| 5.000% due 04/04/2019                                       |     | 439                                    | 504                                |
| 5.000% due 04/23/2019                                       |     | 1,045                                  | 1,202                              |
| 5.000% due 05/14/2019                                       |     | 792                                    | 909                                |
| 5.000% due 05/21/2019                                       |     | 387                                    | 445                                |
| 5.000% due 05/23/2019                                       |     | 384                                    | 442                                |
| 5.875% due 11/09/2015                                       |     | 3,100                                  | 3,430                              |
| <b>Rio Oil Finance Trust</b>                                |     |  |                                    |
| 6.250% due 07/06/2024                                       | \$  | 28,300                                 | 26,390                             |
|   |     | <b>PRINCIPAL<br/>AMOUNT<br/>(000S)</b> | <b>MARKET<br/>VALUE<br/>(000S)</b> |
| <b>Russian Agricultural Bank OJSC Via RSHB Capital S.A.</b> |     |  |                                    |
| 5.298% due 12/27/2017                                       | \$  | 4,800                                  | \$ 4,788                           |
| 6.299% due 05/15/2017                                       |     | 8,900                                  | 9,109                              |
| <b>Sberbank of Russia Via SB Capital S.A.</b>               |     |  |                                    |
| 3.352% due 11/15/2019                                       | EUR | 6,000                                  | 6,278                              |
| 5.717% due 06/16/2021                                       | \$  | 10,100                                 | 9,864                              |
| <b>Tesco Property Finance PLC</b>                           |     |  |                                    |
| 5.411% due 07/13/2044                                       | GBP | 2,992                                  | 4,502                              |
| 6.052% due 10/13/2039                                       |     | 1,758                                  | 2,873                              |
| <b>TIG FinCo PLC</b>  |     |  |                                    |
| 8.500% due 03/02/2020                                       |     | 937                                    | 1,537                              |
| 8.750% due 04/02/2020                                       |     | 4,815                                  | 7,331                              |
| <b>Tri-Command Military Housing LLC</b>                     |     |  |                                    |
| 5.383% due 02/15/2048                                       | \$  | 4,686                                  | 4,282                              |
|   |     |  | 323,466                            |
| <b>INDUSTRIALS 22.1%</b>                                    |     |  |                                    |
| <b>Anadarko Petroleum Corp.</b>                             |     |  |                                    |
| 7.000% due 11/15/2027 (g)                                   |     | 5,700                                  | 6,396                              |
| <b>BMC Software Finance, Inc.</b>                           |     |  |                                    |
| 8.125% due 07/15/2021                                       |     | 2,250                                  | 1,769                              |
| <b>Boxer Parent Co., Inc. (9.000% Cash or 9.750% PIK)</b>   |     |  |                                    |
| 9.000% due 10/15/2019 (b)                                   |     | 8,709                                  | 5,781                              |
| <b>Caesars Entertainment Operating Co., Inc.</b>            |     |  |                                    |
| 9.000% due 02/15/2020 ^                                     |     | 19,100                                 | 15,901                             |
| 11.250% due 06/01/2017 ^                                    |     | 10,700                                 | 8,881                              |
| <b>CCO Safari LLC</b>                                       |     |  |                                    |
| 6.484% due 10/23/2045                                       |     | 9,637                                  | 9,994                              |
| 6.834% due 10/23/2055                                       |     | 1,377                                  | 1,418                              |
| <b>Chesapeake Energy Corp.</b>                              |     |  |                                    |
| 3.539% due 04/15/2019                                       |     | 150                                    | 127                                |
| <b>Communications Sales &amp; Leasing, Inc.</b>             |     |  |                                    |
| 8.250% due 10/15/2023                                       |     | 3,100                                  | 2,976                              |
| <b>Enterprise Inns PLC</b>                                  |     |  |                                    |
| 6.875% due 05/09/2025                                       | GBP | 5,000                                  | 8,023                              |
| <b>Forbes Energy Services Ltd.</b>                          |     |  |                                    |
| 9.000% due 06/15/2019                                       | \$  | 1,977                                  | 1,458                              |
| <b>Ford Motor Co.</b>                                       |     |  |                                    |
| 7.700% due 05/15/2097                                       |     | 16,610                                 | 20,601                             |
| <b>General Shopping Finance Ltd.</b>                        |     |  |                                    |
| 10.000% due 11/09/2015 (d)                                  |     | 5,300                                  | 2,557                              |
| <b>General Shopping Investments Ltd.</b>                    |     |  |                                    |
| 12.000% due 03/20/2017 (d)                                  |     | 2,500                                  | 919                                |
| <b>GTL Trade Finance, Inc.</b>                              |     |  |                                    |
| 7.250% due 04/16/2044                                       |     | 4,500                                  | 3,892                              |
| <b>Gulfport Energy Corp.</b>                                |     |  |                                    |
| 7.750% due 11/01/2020                                       |     | 500                                    | 515                                |
| <b>Hampton Roads PPV LLC</b>                                |     |  |                                    |
| 6.621% due 06/15/2053                                       |     | 20,614                                 | 19,874                             |
| <b>Harvest Operations Corp.</b>                             |     |  |                                    |
| 6.875% due 10/01/2017                                       |     | 28,618                                 | 26,543                             |
| <b>Hellenic Railways Organization S.A.</b>                  |     |  |                                    |
| 4.028% due 03/17/2017                                       | EUR | 300                                    | 232                                |
| 4.500% due 12/06/2016                                       | JPY | 10,000                                 | 56                                 |
| <b>Intrepid Aviation Group Holdings LLC</b>                 |     |  |                                    |
| 6.875% due 02/15/2019                                       | \$  | 9,030                                  | 8,466                              |

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|   |     |  |                                    |
|---|-----|--|------------------------------------|
| <b>Russian Railways via RZD Capital PLC</b> |     |  |                                    |
| 7.487% due 03/25/2031                       | GBP | 19,600                                 | 28,471                             |
| <b>Scientific Games International, Inc.</b> |     |  |                                    |
| 10.000% due 12/01/2022                      | \$  | 5,200                                  | 5,070                              |
| <b>Sequa Corp.</b>                          |     |  |                                    |
| 7.000% due 12/15/2017                       |     | 17,273                                 | 11,918                             |
| <b>Tembec Industries, Inc.</b>              |     |  |                                    |
| 9.000% due 12/15/2019                       |     | 1,500                                  | 1,222                              |
| <b>UCP, Inc.</b>                            |     |  |                                    |
| 8.500% due 10/21/2017                       |     | 10,300                                 | 10,339                             |
|   |     | <b>PRINCIPAL<br/>AMOUNT<br/>(000S)</b> | <b>MARKET<br/>VALUE<br/>(000S)</b> |
| <b>Warren Resources, Inc.</b>               |     |  |                                    |
| 9.000% due 08/01/2022                       | \$  | 3,000                                  | \$ 1,087                           |
|   |     |  | 204,486                            |

**UTILITIES 9.9%**

|  |     |        |        |
|--|-----|--------|--------|
| <b>AK Transneft OJSC Via TransCapitalInvest Ltd.</b> |     |        |        |
| 8.700% due 08/07/2018                                |     | 7,300  | 8,039  |
| <b>CenturyLink, Inc.</b>                             |     |        |        |
| 7.200% due 12/01/2025                                |     | 1,122  | 1,100  |
| <b>Gazprom Neft OAO Via GPN Capital S.A.</b>         |     |        |        |
| 4.375% due 09/19/2022                                |     | 10,100 | 8,635  |
| 6.000% due 11/27/2023                                |     | 9,900  | 9,146  |
| <b>Gazprom OAO Via Gaz Capital S.A.</b>              |     |        |        |
| 5.999% due 01/23/2021                                |     | 360    | 355    |
| <b>Illinois Power Generating Co.</b>                 |     |        |        |
| 7.000% due 04/15/2018 (g)                            |     | 16,800 | 16,002 |
| 7.950% due 06/01/2032                                |     | 900    | 850    |
| <b>Mountain States Telephone &amp; Telegraph Co.</b> |     |        |        |
| 7.375% due 05/01/2030 (g)                            |     | 15,200 | 17,285 |
| <b>NRG REMA LLC</b>                                  |     |        |        |
| 9.237% due 07/02/2017                                |     | 175    | 184    |
| <b>Odebrecht Drilling Norbe Ltd.</b>                 |     |        |        |
| 6.350% due 06/30/2022                                |     | 5,248  | 3,805  |
| <b>Odebrecht Offshore Drilling Finance Ltd.</b>      |     |        |        |
| 6.625% due 10/01/2023                                |     | 5,546  | 3,550  |
| 6.750% due 10/01/2023                                |     | 11,838 | 7,665  |
| <b>Petrobras Global Finance BV</b>                   |     |        |        |
| 3.163% due 03/17/2020                                |     | 2,520  | 2,274  |
| 6.250% due 12/14/2026                                | GBP | 8,600  | 11,450 |
| 6.625% due 01/16/2034                                |     | 200    | 255    |
| 7.875% due 03/15/2019                                | \$  | 700    | 730    |
|  |     |        | 91,325 |

**Total Corporate Bonds & Notes**  
(Cost \$601,415)

619,277

**MUNICIPAL BONDS & NOTES 16.6%**

|  |  |       |        |
|--|--|-------|--------|
| <b>CALIFORNIA 2.1%</b>   |  |       |        |
| <b>Anaheim Redevelopment Agency, California Tax Allocation Bonds, (AGM Insured), Series 2007</b> |  |       |        |
| 6.506% due 02/01/2031  |  | 2,000 | 2,344  |
| <b>Sacramento County, California Revenue Bonds, Series 2013</b>                                  |  |       |        |
| 7.250% due 08/01/2025  |  | 1,500 | 1,720  |
| <b>San Diego Redevelopment Agency, California Tax Allocation Bonds, Series 2010</b>              |  |       |        |
| 7.625% due 09/01/2030  |  | 7,500 | 8,271  |
| 7.750% due 09/01/2040  |  | 6,500 | 7,180  |
| <b>San Diego Tobacco Settlement Funding Corp., California Revenue Bonds, Series 2006</b>         |  |       |        |
| 7.125% due 06/01/2032  |  | 290   | 286    |
|  |  |       | 19,801 |

**DISTRICT OF COLUMBIA 1.1%**

|  |  |  |  |
|--|--|--|--|
| <b>District of Columbia Revenue Bonds, Series 2011</b> |  |  |  |
|--|--|--|--|



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|                       |       |        |
|-----------------------|-------|--------|
| 7.625% due 10/01/2035 | 9,740 | 10,543 |
|-----------------------|-------|--------|

**ILLINOIS 4.8%**

**Chicago, Illinois General Obligation Bonds, (BABs), Series 2010**

|                       |        |       |
|-----------------------|--------|-------|
| 6.257% due 01/01/2040 | 11,000 | 9,466 |
|-----------------------|--------|-------|

|                       |        |        |
|-----------------------|--------|--------|
| 7.517% due 01/01/2040 | 34,805 | 34,659 |
|-----------------------|--------|--------|

44,125

**38 PIMCO CLOSED-END FUNDS**

See Accompanying Notes

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July 31, 2015

|  | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|--|-------------------------------|---------------------------|
| <b>NEBRASKA 2.4%</b>   |                               |                           |
| <b>Public Power Generation Agency, Nebraska Revenue Bonds, (BABs), Series 2009</b>                 |                               |                           |
| 7.242% due 01/01/2041  | \$ 18,500                     | \$ 22,047                 |
| <b>NEVADA 0.4%</b>   |                               |                           |
| <b>North Las Vegas, Nevada General Obligation Bonds, (BABs), Series 2010</b>                       |                               |                           |
| 6.572% due 06/01/2040  | 3,900                         | 3,540                     |
| <b>NEW YORK 0.4%</b>   |                               |                           |
| <b>Erie Tobacco Asset Securitization Corp., New York Revenue Bonds, Series 2005</b>                |                               |                           |
| 6.000% due 06/01/2028  | 3,595                         | 3,547                     |
| <b>PENNSYLVANIA 3.8%</b>   |                               |                           |
| <b>School District of Philadelphia, Pennsylvania General Obligation Bonds, (BABs), Series 2010</b> |                               |                           |
| 6.615% due 06/01/2030  | 7,000                         | 7,753                     |
| 6.765% due 06/01/2040  | 24,870                        | 27,251                    |
|  |                               | 35,004                    |
| <b>TEXAS 0.9%</b>  |                               |                           |
| <b>El Paso Downtown Development Corp., Texas Revenue Bonds, Series 2013</b>                        |                               |                           |
| 7.250% due 08/15/2043  | 7,535                         | 8,347                     |
| <b>VIRGINIA 0.1%</b>   |                               |                           |
| <b>Tobacco Settlement Financing Corp., Virginia Revenue Bonds, Series 2007</b>                     |                               |                           |
| 6.706% due 06/01/2046  | 1,375                         | 1,027                     |
| <b>WEST VIRGINIA 0.6%</b>  |                               |                           |
| <b>Tobacco Settlement Finance Authority, West Virginia Revenue Bonds, Series 2007</b>              |                               |                           |
| 7.467% due 06/01/2047  | 6,680                         | 5,689                     |
| <b>Total Municipal Bonds &amp; Notes</b>   |                               |                           |
| <b>(Cost \$146,906)</b>  |                               | <b>153,670</b>            |
| <b>U.S. GOVERNMENT AGENCIES 6.5%</b>   |                               |                           |
| <b>Fannie Mae</b>  |                               |                           |
| 3.500% due 09/25/2027 (a)  | 790                           | 91                        |
| 4.000% due 05/25/2020 (a)  | 769                           | 16                        |
| 5.188% due 07/25/2025  | 10,920                        | 11,068                    |
| 5.960% due 09/25/2042 (a)  | 2,536                         | 419                       |
| 6.480% due 10/25/2017 - 01/25/2018 (a)   | 105,022                       | 5,491                     |
| 9.619% due 10/25/2041  | 1,860                         | 2,045                     |
| 10.000% due 01/25/2034   | 220                           | 264                       |
| 15.238% due 05/25/2043   | 3,050                         | 3,243                     |
| <b>Freddie Mac</b>   |                               |                           |
| 4.000% due 08/15/2020 (a)  | 968                           | 59                        |
| 4.500% due 10/15/2037 (a)  | 1,557                         | 155                       |
| 5.000% due 06/15/2033 (a)  | 2,774                         | 423                       |
| 5.913% due 07/15/2035 (a)  | 2,067                         | 343                       |
| 6.013% due 02/15/2042 (a)  | 3,198                         | 588                       |
| 6.953% due 08/15/2036 (a)  | 1,150                         | 263                       |
| 7.741% due 12/25/2027  | 7,900                         | 8,072                     |

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|                                     |       |       |
|-------------------------------------|-------|-------|
| 8.141% due 05/25/2025               | 9,700 | 9,920 |
| 9.391% due 10/25/2027               | 4,350 | 5,114 |
| 10.941% due 03/25/2025              | 2,200 | 2,600 |
| 11.502% due 12/15/2043 - 03/15/2044 | 4,875 | 5,034 |
| 12.625% due 05/15/2033              | 78    | 92    |

|  | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|--|-------------------------------|---------------------------|
| <b>Ginnie Mae</b>                      |                               |                           |
| 3.500% due 06/20/2042 - 03/20/2043 (a) | \$ 6,381                      | \$ 891                    |
| 4.500% due 07/20/2042 (a)              | 392                           | 67                        |
| 5.000% due 09/20/2042 (a)              | 694                           | 137                       |
| 5.942% due 10/20/2041 (a)              | 4,628                         | 803                       |
| 6.062% due 02/20/2042 (a)              | 22,881                        | 2,659                     |
| 11.499% due 02/20/2044                 | 570                           | 578                       |

**Total U.S. Government Agencies**  
(Cost \$65,417)

**60,435**

**MORTGAGE-BACKED SECURITIES 25.5%**

|  |        |        |
|--|--------|--------|
| <b>American Home Mortgage Assets Trust</b>         |        |        |
| 6.250% due 06/25/2037                              | 1,194  | 824    |
| <b>Banc of America Alternative Loan Trust</b>      |        |        |
| 5.410% due 06/25/2046 ^ (a)                        | 12,691 | 2,019  |
| 6.000% due 03/25/2036 ^                            | 5,593  | 4,441  |
| 6.000% due 06/25/2046 ^                            | 100    | 86     |
| 6.000% due 07/25/2046 ^                            | 3,135  | 2,605  |
| <b>Banc of America Funding Trust</b>               |        |        |
| 6.000% due 07/25/2037 ^                            | 877    | 706    |
| 6.250% due 10/26/2036                              | 14,412 | 10,910 |
| <b>Banc of America Mortgage Trust</b>              |        |        |
| 2.650% due 02/25/2036 ^                            | 36     | 33     |
| <b>BCAP LLC Trust</b>                              |        |        |
| 5.368% due 03/26/2037                              | 3,073  | 1,007  |
| 9.740% due 10/26/2036                              | 8,309  | 6,995  |
| 10.584% due 09/26/2036                             | 8,324  | 7,340  |
| 20.623% due 06/26/2036                             | 1,886  | 599    |
| <b>Bear Stearns Adjustable Rate Mortgage Trust</b> |        |        |
| 2.779% due 05/25/2047 ^                            | 564    | 507    |
| 2.812% due 11/25/2034                              | 208    | 201    |
| <b>Bellemeade Re Ltd.</b>                          |        |        |
| 6.489% due 07/25/2025                              | 1,250  | 1,250  |
| <b>Chase Mortgage Finance Trust</b>                |        |        |
| 2.425% due 12/25/2035 ^                            | 39     | 37     |
| 5.466% due 09/25/2036 ^                            | 211    | 189    |
| 5.500% due 05/25/2036 ^                            | 11     | 10     |
| <b>Citigroup Mortgage Loan Trust, Inc.</b>         |        |        |
| 0.537% due 07/25/2036                              | 25     | 25     |
| 2.491% due 07/25/2046 ^                            | 131    | 115    |
| 2.803% due 07/25/2037 ^                            | 250    | 235    |
| 2.832% due 08/25/2037 ^                            | 1,191  | 1,033  |
| 6.500% due 09/25/2036                              | 4,822  | 3,603  |
| <b>CitiMortgage Alternative Loan Trust</b>         |        |        |
| 6.000% due 12/25/2036 ^                            | 817    | 742    |
| <b>Countrywide Alternative Loan Trust</b>          |        |        |
| 0.361% due 07/25/2046                              | 20,334 | 20,368 |
| 2.612% due 02/25/2037 ^                            | 514    | 459    |
| 3.252% due 07/25/2046 ^                            | 1,414  | 1,190  |
| 4.796% due 07/25/2021 ^                            | 653    | 642    |
| 4.810% due 04/25/2035 (a)                          | 7,849  | 924    |
| 5.500% due 03/25/2036 ^                            | 460    | 391    |
| 6.000% due 05/25/2036 ^                            | 7,520  | 6,525  |
| 6.000% due 11/25/2036 ^                            | 341    | 303    |
| 6.000% due 02/25/2037 ^                            | 8,572  | 6,791  |
| 6.000% due 03/25/2037 ^                            | 6,673  | 5,456  |
| 6.000% due 05/25/2037 ^                            | 9,075  | 7,506  |
| 6.000% due 02/25/2047                              | 3,153  | 2,728  |
| 6.250% due 12/25/2036 ^                            | 4,776  | 3,925  |
| 6.250% due 08/25/2037 ^                            | 417    | 359    |

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|   |                  |               |
|---|------------------|---------------|
| 6.500% due 06/25/2036 ^   | 1,365            | 1,119         |
| 6.500% due 09/25/2037 ^   | 8,060            | 6,427         |
| 6.500% due 11/25/2037 ^   | 10,297           | 8,674         |
| <b>Countrywide Home Loan Mortgage Pass-Through Trust</b>          |                  |               |
| 2.519% due 09/20/2036 ^   | 836              | 746           |
| 2.545% due 09/25/2047 ^   | 95               | 85            |
|   | <b>PRINCIPAL</b> | <b>MARKET</b> |
|   | <b>AMOUNT</b>    | <b>VALUE</b>  |
|   | <b>(000S)</b>    | <b>(000S)</b> |
| 5.160% due 12/25/2036 (a)   | \$ 6,194         | \$ 963        |
| 5.750% due 06/25/2037 ^   | 1,806            | 1,657         |
| 6.000% due 04/25/2037 ^   | 469              | 436           |
| 6.000% due 05/25/2037 ^   | 7,208            | 6,634         |
| 6.000% due 07/25/2037   | 3,274            | 2,838         |
| <b>Credit Suisse First Boston Mortgage Securities Corp.</b>       |                  |               |
| 6.000% due 01/25/2036   | 3,384            | 2,668         |
| <b>First Horizon Alternative Mortgage Securities Trust</b>        |                  |               |
| 6.000% due 05/25/2036 ^   | 2,884            | 2,448         |
| <b>GMAC Commercial Mortgage Asset Corp.</b>                       |                  |               |
| 6.107% due 08/10/2052   | 1,975            | 2,177         |
| <b>HarborView Mortgage Loan Trust</b>                             |                  |               |
| 2.561% due 08/19/2036 ^   | 811              | 601           |
| 4.779% due 08/19/2036 ^   | 57               | 52            |
| <b>IndyMac Mortgage Loan Trust</b>                                |                  |               |
| 2.894% due 05/25/2037 ^   | 3,435            | 2,435         |
| <b>JPMorgan Alternative Loan Trust</b>                            |                  |               |
| 2.525% due 03/25/2037 ^   | 11,848           | 9,341         |
| <b>JPMorgan Mortgage Trust</b>                                    |                  |               |
| 2.528% due 01/25/2037 ^   | 507              | 459           |
| 6.430% due 01/25/2037 ^ (a)                                       | 29,465           | 6,580         |
| <b>Morgan Stanley Mortgage Loan Trust</b>                         |                  |               |
| 6.000% due 10/25/2037 ^   | 2,614            | 2,200         |
| <b>Nomura Asset Acceptance Corp Alternative Loan Trust</b>        |                  |               |
| 3.038% due 04/25/2036 ^   | 7,192            | 5,122         |
| <b>RBSSP Resecuritization Trust</b>                               |                  |               |
| 9.589% due 06/26/2037   | 6,392            | 3,727         |
| <b>Residential Accredit Loans, Inc. Trust</b>                     |                  |               |
| 6.000% due 06/25/2036 ^   | 2,543            | 2,117         |
| 6.000% due 12/25/2036 ^   | 6,206            | 5,122         |
| <b>Residential Asset Securitization Trust</b>                     |                  |               |
| 6.250% due 10/25/2036 ^   | 852              | 714           |
| 6.250% due 09/25/2037 ^   | 6,219            | 4,468         |
| 6.500% due 08/25/2036 ^   | 1,062            | 710           |
| 6.500% due 04/25/2037 ^   | 24,517           | 15,615        |
| <b>Residential Funding Mortgage Securities, Inc. Trust</b>        |                  |               |
| 6.250% due 08/25/2036 ^   | 3,129            | 2,856         |
| <b>Structured Adjustable Rate Mortgage Loan Trust</b>             |                  |               |
| 2.741% due 04/25/2047   | 1,156            | 917           |
| 4.952% due 01/25/2036 ^   | 291              | 228           |
| <b>WaMu Mortgage Pass-Through Certificates Trust</b>              |                  |               |
| 1.798% due 01/25/2037 ^   | 181              | 155           |
| 1.953% due 04/25/2037 ^   | 159              | 139           |
| 1.974% due 11/25/2036 ^   | 1,465            | 1,306         |
| 2.032% due 12/25/2036 ^   | 116              | 103           |
| 2.147% due 05/25/2037 ^   | 242              | 199           |
| 2.178% due 02/25/2037 ^   | 310              | 261           |
| 2.291% due 02/25/2037 ^   | 348              | 301           |
| <b>Washington Mutual Mortgage Pass-Through Certificates Trust</b> |                  |               |
| 6.000% due 07/25/2036 ^   | 7,706            | 6,130         |
| 6.000% due 06/25/2037 ^   | 11,981           | 10,533        |
| 6.490% due 04/25/2037 (a)   | 16,855           | 5,544         |
| 6.500% due 03/25/2036 ^   | 10,067           | 7,142         |
| <b>Wells Fargo Mortgage-Backed Securities Trust</b>               |                  |               |
| 2.332% due 09/25/2036 ^   | 133              | 124           |
| <b>Total Mortgage-Backed Securities</b>                           |                  |               |
| (Cost \$219,932)  |                  | 235,152       |

ASSET-BACKED SECURITIES 11.1%

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|   |       |       |
|---|-------|-------|
| <b>Apidos CLO</b>   |       |       |
| 0.010% due 07/22/2026   | 3,000 | 2,283 |
| <b>Argent Securities, Inc. Asset-Backed Pass-Through Certificates</b> |       |       |
| 0.421% due 01/25/2036   | 2,680 | 2,072 |
| <b>CIFC Funding Ltd.</b>  |       |       |
| 0.010% due 05/24/2026   | 4,000 | 3,372 |

See Accompanying Notes

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**Table of Contents****Schedule of Investments PIMCO High Income Fund (Cont.)**

|  | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|--|-------------------------------|---------------------------|
| <b>Citigroup Mortgage Loan Trust, Inc.</b>                 |                               |                           |
| 0.291% due 12/25/2036                                      | \$ 9,936                      | \$ 6,197                  |
| <b>Countrywide Asset-Backed Certificates</b>               |                               |                           |
| 5.024% due 07/25/2036                                      | 13,700                        | 10,667                    |
| <b>GSAA Home Equity Trust</b>                              |                               |                           |
| 5.772% due 11/25/2036 ^                                    | 2,897                         | 1,714                     |
| 5.917% due 03/25/2037 ^                                    | 3,305                         | 1,602                     |
| 5.983% due 03/25/2037 ^                                    | 8,856                         | 5,127                     |
| <b>JPMorgan Mortgage Acquisition Trust</b>                 |                               |                           |
| 4.905% due 01/25/2037 ^                                    | 3,631                         | 2,778                     |
| <b>Morgan Stanley Mortgage Loan Trust</b>                  |                               |                           |
| 5.750% due 11/25/2036 ^                                    | 978                           | 503                       |
| 5.965% due 09/25/2046 ^                                    | 10,838                        | 7,635                     |
| 6.250% due 07/25/2047 ^                                    | 1,834                         | 1,372                     |
| <b>NovaStar Mortgage Funding Trust</b>                     |                               |                           |
| 0.351% due 10/25/2036                                      | 41,743                        | 21,041                    |
| <b>People s Financial Realty Mortgage Securities Trust</b> |                               |                           |
| 0.351% due 09/25/2036                                      | 24,134                        | 7,512                     |
| <b>Renaissance Home Equity Loan Trust</b>                  |                               |                           |
| 5.812% due 11/25/2036                                      | 9,905                         | 6,207                     |
| 6.998% due 09/25/2037                                      | 8,688                         | 5,736                     |
| 7.238% due 09/25/2037                                      | 7,327                         | 4,834                     |
| <b>Sherwood Funding CDO Ltd.</b>                           |                               |                           |
| 0.548% due 11/06/2039                                      | 37,269                        | 12,112                    |
| <b>Washington Mutual Asset-Backed Certificates Trust</b>   |                               |                           |
| 0.341% due 05/25/2036                                      | 338                           | 241                       |
| <b>Total Asset-Backed Securities</b>                       |                               |                           |
| <b>(Cost \$99,663)</b>                                     |                               | <b>103,005</b>            |
| <b>SOVEREIGN ISSUES 0.4%</b>                               |                               |                           |
| <b>Athens Urban Transportation Organisation</b>            |                               |                           |
| 4.851% due 09/19/2016                                      | EUR 800                       | 622                       |
| <b>Republic of Greece Government International Bond</b>    |                               |                           |
| 3.000% due 02/24/2023                                      | 25                            | 15                        |
| 3.000% due 02/24/2024                                      | 25                            | 15                        |
|  | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
| 3.000% due 02/24/2025                                      | EUR 25                        | \$ 15                     |
| 3.000% due 02/24/2026                                      | 25                            | 14                        |
| 3.000% due 02/24/2027                                      | 25                            | 14                        |
| 3.000% due 02/24/2028                                      | 25                            | 14                        |
| 3.000% due 02/24/2029                                      | 25                            | 14                        |
| 3.000% due 02/24/2030                                      | 25                            | 13                        |
| 3.000% due 02/24/2031                                      | 25                            | 13                        |
| 3.000% due 02/24/2032                                      | 25                            | 13                        |
| 3.000% due 02/24/2033                                      | 25                            | 13                        |
| 3.000% due 02/24/2034                                      | 25                            | 13                        |
| 3.000% due 02/24/2035                                      | 25                            | 13                        |
| 3.000% due 02/24/2036                                      | 25                            | 12                        |
| 3.000% due 02/24/2037                                      | 25                            | 12                        |
| 3.000% due 02/24/2038                                      | 25                            | 12                        |
| 3.000% due 02/24/2039                                      | 25                            | 12                        |
| 3.000% due 02/24/2040                                      | 25                            | 12                        |
| 3.000% due 02/24/2041                                      | 25                            | 12                        |
| 3.000% due 02/24/2042                                      | 25                            | 12                        |

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|  |     |         |                     |
|--|-----|---------|---------------------|
| 4.500% due 11/08/2016                                      | JPY | 50,000  | 282                 |
| 4.750% due 04/17/2019                                      | EUR | 3,000   | 2,215               |
| <b>Total Sovereign Issues (Cost \$3,733)</b>               |     |         | <b>3,382</b>        |
| <b>SHARES</b>  |     |         |                     |
| <b>COMMON STOCKS 0.1%</b>                                  |     |         |                     |
| <b>FINANCIALS 0.1%</b>                                     |     |         |                     |
| <b>TIG TopCo Ltd. (e)</b>                                  |     | 828,934 | 867                 |
| <b>Total Common Stocks (Cost \$1,229)</b>                  |     |         | <b>867</b>          |
| <b>PREFERRED SECURITIES 2.1% (d)</b>                       |     |         |                     |
| <b>BANKING &amp; FINANCE 2.1%</b>                          |     |         |                     |
| <b>Farm Credit Bank of Texas</b>                           |     |         |                     |
| 10.000% due 12/15/2020                                     |     | 15,400  | 19,289              |
| <b>Total Preferred Securities (Cost \$18,133)</b>          |     |         | <b>19,289</b>       |
| <b>MARKET VALUE (000S)</b>                                 |     |         |                     |
| <b>SHORT-TERM INSTRUMENTS 4.5%</b>                         |     |         |                     |
| <b>REPURCHASE AGREEMENTS (f) 0.9%</b>                      |     |         |                     |
|  |     | \$      | 8,584               |
| <b>PRINCIPAL AMOUNT (000s)</b>                             |     |         |                     |
| <b>SHORT-TERM NOTES 1.4%</b>                               |     |         |                     |
| <b>Federal Home Loan Bank</b>                              |     |         |                     |
| 0.092% due 10/09/2015                                      | \$  | 600     | 600                 |
| 0.100% due 10/23/2015                                      |     | 5,200   | 5,199               |
| 0.124% due 10/30/2015                                      |     | 7,300   | 7,299               |
|  |     |         | 13,098              |
| <b>U.S. TREASURY BILLS 2.2%</b>                            |     |         |                     |
| 0.111% due 10/08/2015 - 01/28/2016 (c)(i)(k)               |     | 20,700  | 20,690              |
| <b>Total Short-Term Instruments (Cost \$42,371)</b>        |     |         | <b>42,372</b>       |
| <b>Total Investments in Securities (Cost \$1,210,914)</b>  |     |         | <b>1,249,379</b>    |
| <b>Total Investments 135.0% (Cost \$1,210,914)</b>         |     |         | <b>\$ 1,249,379</b> |
| <b>Financial Derivative Instruments (g)(i) 2.1%</b>        |     |         |                     |
| <b>(Cost or Premiums, net \$(144))</b>                     |     |         | <b>19,632</b>       |
| <b>Preferred Shares (31.5%)</b>                            |     |         | <b>(292,000)</b>    |
| <b>Other Assets and Liabilities, net (5.6%)</b>            |     |         | <b>(51,413)</b>     |
| <b>Net Assets Applicable to Common Shareholders 100.0%</b> |     |         | <b>\$ 925,598</b>   |

NOTES TO SCHEDULE OF INVESTMENTS (AMOUNTS IN THOUSANDS\*):

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\* A zero balance may reflect actual amounts rounding to less than one thousand.

^ Security is in default.

(a) Interest only security.

(b) Payment in-kind bond security.

(c) Weighted average yield to maturity.

(d) Perpetual maturity; date shown, if applicable, represents next contractual call date.

**(e) RESTRICTED SECURITIES:**

| Issuer Description | Acquisition<br>Date | Cost     | Market<br>Value | Market Value<br>as Percentage<br>of Net Assets |
|--------------------|---------------------|----------|-----------------|--|
| TIG TopCo Ltd.     | 04/02/2015          | \$ 1,229 | \$ 867          | 0.09%  |

**BORROWINGS AND OTHER FINANCING TRANSACTIONS**

**(f) REPURCHASE AGREEMENTS:**

| Counterparty                       | Lending<br>Rate | Settlement<br>Date | Maturity<br>Date | Principal<br>Amount | Collateralized By                            | Collateral<br>Received,<br>at Value | Repurchase<br>Agreements,<br>at Value | Repurchase<br>Agreement<br>Proceeds<br>to be<br>Received <sup>(1)</sup> |
|------------------------------------|-----------------|--------------------|------------------|---------------------|--|-------------------------------------|---------------------------------------|---|
| IND                                | 0.200%          | 07/31/2015         | 08/03/2015       | \$ 5,600            | U.S. Treasury Notes 2.000%<br>due 05/31/2021 | \$ (5,719)                          | \$ 5,600                              | \$ 5,600  |
| SSB                                | 0.000%          | 07/31/2015         | 08/03/2015       | 2,984               | Fannie Mae 2.170% due<br>10/17/2022          | (3,044)                             | 2,984                                 | 2,984   |
| <b>Total Repurchase Agreements</b> |                 |                    |                  |                     |  | <b>\$ (8,763)</b>                   | <b>\$ 8,584</b>                       | <b>\$ 8,584</b>   |

<sup>(1)</sup> Includes accrued interest.

**40 PIMCO CLOSED-END FUNDS**

See Accompanying Notes



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July 31, 2015

**REVERSE REPURCHASE AGREEMENTS:**

| Counterparty                               | Borrowing Rate | Borrowing Date | Maturity Date | Amount Borrowed <sup>(2)</sup> | Payable for Reverse Repurchase Agreements |
|--|----------------|----------------|---------------|--------------------------------|---|
| MSC  | 0.550%         | 05/21/2015     | 08/21/2015    | \$ (16,838)                    | \$ (16,857)                               |
|  | 0.600%         | 07/08/2015     | 10/08/2015    | (5,457)                        | (5,459)                                   |
| BCY  | (1.500%)       | 06/17/2015     | 01/23/2017    | (1,756)                        | (1,753)                                   |
|  | (1.500%)       | 04/16/2015     | 04/16/2017    | (3,648)                        | (3,632)                                   |
|  | (1.500%)       | 04/21/2015     | 04/21/2017    | (4,649)                        | (4,629)                                   |
| FOB  | (4.000%)       | 07/17/2015     | 07/17/2017    | (4,915)                        | (4,907)                                   |
| <b>Total Reverse Repurchase Agreements</b> |                |                |               |                                | <b>\$ (37,237)</b>                        |

<sup>(2)</sup> The average amount of borrowings outstanding during the period ended July 31, 2015 was \$40,014 at a weighted average interest rate of (0.020%).

**BORROWINGS AND OTHER FINANCING TRANSACTIONS SUMMARY**

The following is a summary by counterparty of the market value of Borrowings and Other Financing Transactions and collateral (received)/pledged as of July 31, 2015:

(g) Securities with an aggregate market value of \$39,412 have been pledged as collateral under the terms of the following master agreements as of July 31, 2015.

| Counterparty   | Repurchase Agreement Proceeds to be Received | Payable for Reverse Repurchase Agreements | Payable for Sale-Buyback Transactions | Payable for Short Sales | Total Borrowings and Other Financing Transactions | Collateral (Received)/Pledged | Net Exposure <sup>(3)</sup> |
|--|--|---|---------------------------------------|-------------------------|---|-------------------------------|-----------------------------|
| Global/Master Repurchase Agreement                       |  |   |                                       |                         |   |                               |                             |
| BCY  | \$ 0   | \$ (10,014)                               | \$ 0                                  | \$ 0                    | \$ (10,014)                                       | \$ 10,153                     | \$ 139                      |
| FOB  |  | (4,907)                                   | 0                                     | 0                       | (4,907)   | 4,763                         | (144)                       |
| IND  | 5,600  | 0   | 0                                     | 0                       | 5,600   | (5,719)                       | (119)                       |
| MSC  | 0  | (22,316)                                  | 0                                     | 0                       | (22,316)  | 24,172                        | 1,856                       |
| SSB  | 2,984  | 0   | 0                                     | 0                       | 2,984   | (3,044)                       | (60)                        |
| <b>Total Borrowings and Other Financing Transactions</b> | <b>\$ 8,584</b>                              | <b>\$ (37,237)</b>                        | <b>\$ 0</b>                           | <b>\$ 0</b>             |   |                               |                             |

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<sup>(3)</sup> Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from borrowings and other financing transactions can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

### CERTAIN TRANSFERS ACCOUNTED FOR AS SECURED BORROWINGS

#### Remaining Contractual Maturity of the Agreements

|   | Overnight and<br>Continuous | Up to 30 days      | 31-90 days        | Greater Than<br>90 days | Total              |
|---|-----------------------------|--------------------|-------------------|-------------------------|--------------------|
| <b>Reverse Repurchase Agreements</b>  |                             |                    |                   |                         |                    |
| Corporate Bonds & Notes   | \$ 0                        | \$ (16,857)        | \$ (5,459)        | \$ (14,921)             | \$ (37,237)        |
| <b>Total Borrowings</b>   | <b>\$ 0</b>                 | <b>\$ (16,857)</b> | <b>\$ (5,459)</b> | <b>\$ (14,921)</b>      | <b>\$ (37,237)</b> |
| <b>Gross amount of recognized liabilities for reverse repurchase agreements</b> |                             |                    |                   |                         | <b>\$ (37,237)</b> |

#### (h) FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED

#### SWAP AGREEMENTS:

#### CREDIT DEFAULT SWAPS ON CREDIT INDICES - SELL PROTECTION <sup>(1)</sup>

| Index/Tranches         | Fixed Deal<br>Receive Rate | Maturity<br>Date | Notional<br>Amount <sup>(2)</sup> | Market<br>Value <sup>(3)</sup> | Unrealized<br>(Depreciation) | Variation Margin<br>Asset | Variation Margin<br>Liability |
|------------------------|----------------------------|------------------|-----------------------------------|--------------------------------|------------------------------|---------------------------|-------------------------------|
| CDX.HY-24 5-Year Index | 5.000%                     | 06/20/2020       | \$ 21,186                         | \$ 1,441                       | \$ (193)                     | \$ 76                     | \$ 0                          |

<sup>(1)</sup> 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.

<sup>(2)</sup> The maximum potential amount the Fund could be required to pay 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.

<sup>(3)</sup> The prices and resulting values for credit default swap agreements on credit indices serve as an indicator of the current status 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 be 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 indices' credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

See Accompanying Notes

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**Table of Contents****Schedule of Investments PIMCO High Income Fund (Cont.)****INTEREST RATE SWAPS**

| Pay/Receive<br>Floating Rate | Floating Rate Index | Fixed Rate | Maturity<br>Date | Notional<br>Amount | Market<br>Value | Unrealized<br>Appreciation/<br>(Depreciation) | Variation Margin |                 |                   |
|------------------------------|---------------------|------------|------------------|--------------------|-----------------|---|------------------|-----------------|-------------------|
|                              |                     |            |                  |                    |                 |   | Asset            | Liability       |                   |
| Pay                          | 3-Month USD-LIBOR   | 2.250%     | 12/17/2019       | \$ 276,600         | \$ 8,871        | \$ 1,957                                      | \$ 865           | \$ 0            |                   |
| Pay                          | 3-Month USD-LIBOR   | 3.500%     | 06/19/2044       | 617,800            | 100,584         | 109,994                                       | 4,806            | 0               |                   |
| Receive                      | 3-Month USD-LIBOR   | 2.750%     | 12/16/2045       | 866,600            | 7,152           | (40,602)                                      | 0                | (5,828)         |                   |
|                              |                     |            |                  |                    |                 | \$ 116,607                                    | \$ 71,349        | \$ 5,671        | \$ (5,828)        |
| <b>Total Swap Agreements</b> |                     |            |                  |                    |                 | <b>\$ 118,048</b>                             | <b>\$ 71,156</b> | <b>\$ 5,747</b> | <b>\$ (5,828)</b> |

**FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED SUMMARY**

The following is a summary of the market value and variation margin of Exchange-Traded or Centrally Cleared Financial Derivative Instruments as of July 31, 2015:

- (i) Securities with an aggregate market value of \$17,758 and cash of \$10,384 have been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of July 31, 2015. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

|   | Financial Derivative Assets<br>Variation Margin |             |                 |                 | Financial Derivative Liabilities<br>Variation Margin |             |                   |                   |
|---|---|-------------|-----------------|-----------------|--|-------------|-------------------|-------------------|
|   | Market Value                                    |             | Asset Swap      |                 | Market Value   |             | Liability Swap    |                   |
|   | Purchased<br>Options                            | Futures     | Agreements      | Total           | Written<br>Options                                   | Futures     | Agreements        | Total             |
| <b>Total Exchange-Traded or Centrally Cleared</b> | <b>\$ 0</b>                                     | <b>\$ 0</b> | <b>\$ 5,747</b> | <b>\$ 5,747</b> | <b>\$ 0</b>  | <b>\$ 0</b> | <b>\$ (5,828)</b> | <b>\$ (5,828)</b> |

**(j) FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER****FORWARD FOREIGN CURRENCY CONTRACTS:**

| Counterparty | Settlement<br>Month | Currency to<br>be Delivered | Currency to<br>be Received | Unrealized Appreciation/<br>(Depreciation) |           |
|--------------|---------------------|-----------------------------|----------------------------|--|-----------|
|              |                     |                             |                            | Asset                                      | Liability |
| BOA          | 06/2016             | EUR 3,698                   | \$ 5,063                   | \$ 975                                     | \$ 0      |

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|   |         |     |        |     |        |                 |                 |
|---|---------|-----|--------|-----|--------|-----------------|-----------------|
|   | 06/2016 | \$  | 216    | EUR | 160    | 0               | (39)            |
| BRC   | 06/2016 | EUR | 692    | \$  | 952    | 186             | 0               |
| CBK   | 08/2015 |     | 741    |     | 809    | 1               | (5)             |
| DUB   | 02/2016 |     | 6,750  |     | 9,083  | 1,647           | 0               |
|   | 06/2016 |     | 386    |     | 529    | 102             | 0               |
| HUS   | 08/2015 | GBP | 50,773 |     | 79,950 | 660             | 0               |
| JPM   | 08/2015 | JPY | 41,400 |     | 337    | 3               | 0               |
|   | 08/2015 | \$  | 79,396 | GBP | 50,773 | 0               | (106)           |
|   | 09/2015 | GBP | 50,773 | \$  | 79,379 | 106             | 0               |
| MSB   | 08/2015 | EUR | 23,892 |     | 26,749 | 509             | 0               |
|   | 08/2015 | \$  | 333    | JPY | 41,400 | 1               | 0               |
|   | 09/2015 | JPY | 41,400 | \$  | 334    | 0               | (1)             |
|   | 06/2016 | EUR | 971    |     | 1,335  | 262             | 0               |
| NAB   | 06/2016 |     | 2,113  |     | 2,901  | 565             | 0               |
|   | 07/2016 |     | 268    |     | 364    | 67              | 0               |
| SCX   | 08/2015 | \$  | 27,207 | EUR | 24,633 | 0               | (153)           |
|   | 09/2015 | EUR | 24,634 | \$  | 27,217 | 153             | 0               |
| <b>Total Forward Foreign Currency Contracts</b> |         |     |        |     |        | <b>\$ 5,237</b> | <b>\$ (304)</b> |

SWAP AGREEMENTS:

CREDIT DEFAULT SWAPS ON CORPORATE ISSUES - SELL PROTECTION <sup>(1)</sup>

| Counterparty | Reference Entity                    | Fixed Deal Receive Rate | Maturity Date | Implied Credit Spread at July 31, 2015 <sup>(2)</sup> | Notional Amount <sup>(3)</sup> | Premiums (Received) | Unrealized (Depreciation) | Swap Agreements, at Value |            |
|--------------|-------------------------------------|-------------------------|---------------|---|--------------------------------|---------------------|---------------------------|---------------------------|------------|
|              |                                     |                         |               |   |                                |                     |                           | Asset                     | Liability  |
| BPS          | Petrobras International Finance Co. | 1.000%                  | 12/20/2024    | 5.297%  | \$ 1,700                       | \$ (332)            | \$ (147)                  | \$ 0                      | \$ (479)   |
| GST          | Petrobras International Finance Co. | 1.000%                  | 12/20/2024    | 5.297%  | 2,200                          | (437)               | (183)                     | 0                         | (620)      |
| HUS          | Petrobras International Finance Co. | 1.000%                  | 12/20/2019    | 4.087%  | 400                            | (33)                | (24)                      | 0                         | (57)       |
|              | Petrobras International Finance Co. | 1.000%                  | 12/20/2024    | 5.297%  | 2,800                          | (581)               | (208)                     | 0                         | (789)      |
| MYC          | Petrobras International Finance Co. | 1.000%                  | 12/20/2019    | 4.755%  | 13,700                         | (1,268)             | (697)                     | 0                         | (1,965)    |
|              |                                     |                         |               |   |                                | \$ (2,651)          | \$ (1,259)                | \$ 0                      | \$ (3,910) |

<sup>(1)</sup> 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.



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July 31, 2015

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

**INTEREST RATE SWAPS**

| Counterparty                 | Pay/Receive   |                     | Fixed Rate | Maturity Date | Notional Amount | Premiums Paid   | Unrealized Appreciation | Swap Agreements, at Value |                   |
|------------------------------|---------------|---------------------|------------|---------------|-----------------|-----------------|-------------------------|---------------------------|-------------------|
|                              | Floating Rate | Floating Rate Index |            |               |                 |                 |                         | Asset                     | Liability         |
| BOA                          | Pay           | 3-Month USD-LIBOR   | 2.000%     | 08/24/2020    | \$ 600,000      | \$ 934          | \$ 4,539                | \$ 5,473                  | \$ 0              |
| CBK                          | Pay           | 3-Month USD-LIBOR   | 2.150%     | 08/24/2020    | 600,000         | 433             | 5,623                   | 6,056                     | 0                 |
| DUB                          | Pay           | 3-Month USD-LIBOR   | 2.150%     | 08/24/2020    | 400,000         | 838             | 3,295                   | 4,133                     | 0                 |
| GLM                          | Pay           | 3-Month USD-LIBOR   | 2.150%     | 08/24/2020    | 300,000         | 302             | 2,726                   | 3,028                     | 0                 |
|                              |               |                     |            |               |                 | \$ 2,507        | \$ 16,183               | \$ 18,690                 | \$ 0              |
| <b>Total Swap Agreements</b> |               |                     |            |               |                 | <b>\$ (144)</b> | <b>\$ 14,924</b>        | <b>\$ 18,690</b>          | <b>\$ (3,910)</b> |

**FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER SUMMARY**

The following is a summary by counterparty of the market value of OTC financial derivative instruments and collateral (received)/pledged as of July 31, 2015:

(k) Securities with an aggregate market value of \$2,932 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of July 31, 2015.

| Counterparty | Financial Derivative Assets |                   |                 |                        | Financial Derivative Liabilities |                 |                 |                        |                                     |                               |                             |  |
|--------------|-----------------------------|-------------------|-----------------|------------------------|----------------------------------|-----------------|-----------------|------------------------|-------------------------------------|-------------------------------|-----------------------------|--|
|              | Forward Foreign Contracts   | Purchased Options | Swap Agreements | Total Over the Counter | Forward Foreign Contracts        | Options Written | Swap Agreements | Total Over the Counter | Net Market Value of OTC Derivatives | Collateral (Received)/Pledged | Net Exposure <sup>(4)</sup> |  |
| BOA          | \$ 975                      | \$ 0              | \$ 5,473        | \$ 6,448               | \$ (39)                          | \$ 0            | \$ 0            | \$ (39)                | \$ 6,409                            | \$ (6,230)                    | \$ 179                      |  |
| BPS          | 0                           | 0                 | 0               | 0                      | 0                                | 0               | (479)           | (479)                  | (479)                               | 360                           | (119)                       |  |
| BRC          | 186                         | 0                 | 0               | 186                    | 0                                | 0               | 0               | 0                      | 186                                 | (280)                         | (94)                        |  |
| CBK          | 1                           | 0                 | 6,056           | 6,057                  | (5)                              | 0               | 0               | (5)                    | 6,052                               | (5,700)                       | 352                         |  |
| DUB          | 1,749                       | 0                 | 4,133           | 5,882                  | 0                                | 0               | 0               | 0                      | 5,882                               | (6,430)                       | (548)                       |  |
| GLM          | 0                           | 0                 | 3,028           | 3,028                  | 0                                | 0               | 0               | 0                      | 3,028                               | (2,750)                       | 278                         |  |
| GST          | 0                           | 0                 | 0               | 0                      | 0                                | 0               | (620)           | (620)                  | (620)                               | 697                           | 77                          |  |

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|     |     |   |   |     |       |   |         |         |         |       |       |
|-----|-----|---|---|-----|-------|---|---------|---------|---------|-------|-------|
| HUS | 660 | 0 | 0 | 660 | 0     | 0 | (846)   | (846)   | (186)   | 0     | (186) |
| JPM | 109 | 0 | 0 | 109 | (106) | 0 | 0       | (106)   | 3       | 0     | 3     |
| MSB | 772 | 0 | 0 | 772 | (1)   | 0 | 0       | (1)     | 771     | (920) | (149) |
| MYC | 0   | 0 | 0 | 0   | 0     | 0 | (1,965) | (1,965) | (1,965) | 1,875 | (90)  |
| NAB | 632 | 0 | 0 | 632 | 0     | 0 | 0       | 0       | 632     | (530) | 102   |
| SCX | 153 | 0 | 0 | 153 | (153) | 0 | 0       | (153)   | 0       | 0     | 0     |

**Total Over the Counter**      \$ 5,237    \$ 0    \$ 18,690    \$ 23,927      \$ (304)    \$ 0    \$ (3,910)    \$ (4,214)

(4) Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from OTC financial derivative instruments can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

### FAIR VALUE OF FINANCIAL DERIVATIVE INSTRUMENTS

The following is a summary of the fair valuation of the Fund's derivative instruments categorized by risk exposure. See Note 7, Principal Risks, in the Notes to Financial Statements on risks of the Fund.

Fair Values of Financial Derivative Instruments on the Statements of Assets and Liabilities as of July 31, 2015:

|  | Derivatives not accounted for as hedging instruments |                     |                     |                                  |                            |  | Total     |
|--|--|---------------------|---------------------|----------------------------------|----------------------------|--|-----------|
|  | Commodity<br>Contracts                               | Credit<br>Contracts | Equity<br>Contracts | Foreign<br>Exchange<br>Contracts | Interest<br>Rate Contracts |  |           |
| <b>Financial Derivative Instruments - Assets</b> |  |                     |                     |                                  |                            |  |           |
| Exchange-traded or centrally cleared             |  |                     |                     |                                  |                            |  |           |
| Swap Agreements                                  | \$ 0   | \$ 76               | \$ 0                | \$ 0                             | \$ 5,671                   |  | \$ 5,747  |
| Over the counter                                 |  |                     |                     |                                  |                            |  |           |
| Forward Foreign Currency Contracts               | \$ 0   | \$ 0                | \$ 0                | \$ 5,237                         | \$ 0                       |  | \$ 5,237  |
| Swap Agreements                                  | 0  | 0                   | 0                   | 0                                | 18,690                     |  | 18,690    |
|  | \$ 0   | \$ 0                | \$ 0                | \$ 5,237                         | \$ 18,690                  |  | \$ 23,927 |
|  | \$ 0   | \$ 76               | \$ 0                | \$ 5,237                         | \$ 24,361                  |  | \$ 29,674 |

See Accompanying Notes

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**Table of Contents****Schedule of Investments PIMCO High Income Fund (Cont.)**

|   | Commodity<br>Contracts | Credit<br>Contracts | Equity<br>Contracts | Foreign<br>Exchange<br>Contracts | Interest<br>Rate Contracts | Total     |
|---|------------------------|---------------------|---------------------|----------------------------------|----------------------------|-----------|
| <b>Financial Derivative Instruments - Liabilities</b> |                        |                     |                     |                                  |                            |           |
| Exchange-traded or centrally cleared                  |                        |                     |                     |                                  |                            |           |
| Swap Agreements                                       | \$ 0                   | \$ 0                | \$ 0                | \$ 0                             | \$ 5,828                   | \$ 5,828  |
| Over the counter                                      |                        |                     |                     |                                  |                            |           |
| Forward Foreign Currency Contracts                    | \$ 0                   | \$ 0                | \$ 0                | \$ 304                           | \$ 0                       | \$ 304    |
| Swap Agreements                                       | 0                      | 3,910               | 0                   | 0                                | 0                          | 3,910     |
|   | \$ 0                   | \$ 3,910            | \$ 0                | \$ 304                           | \$ 0                       | \$ 4,214  |
|   | \$ 0                   | \$ 3,910            | \$ 0                | \$ 304                           | \$ 5,828                   | \$ 10,042 |

**The Effect of Financial Derivative Instruments on the Statements of Operations for the period ended July 31, 2015 <sup>(1)</sup>:**

|   | Derivatives not accounted for as hedging instruments |                     |                     |                                  |                            |             |
|---|--|---------------------|---------------------|----------------------------------|----------------------------|-------------|
|   | Commodity<br>Contracts                               | Credit<br>Contracts | Equity<br>Contracts | Foreign<br>Exchange<br>Contracts | Interest<br>Rate Contracts | Total       |
| <b>Net Realized Gain (Loss) on Financial Derivative Instruments</b>                             |  |                     |                     |                                  |                            |             |
| Exchange-traded or centrally cleared  |  |                     |                     |                                  |                            |             |
| Swap Agreements   | \$ 0   | \$ (146)            | \$ 0                | \$ 0                             | \$ (19,743)                | \$ (19,889) |
| Over the counter  |  |                     |                     |                                  |                            |             |
| Forward Foreign Currency Contracts  | \$ 0   | \$ 0                | \$ 0                | \$ 1,036                         | \$ 0                       | \$ 1,036    |
| Swap Agreements   | 0  | 28                  | 0                   | 0                                | (13,102)                   | (13,074)    |
|   | \$ 0   | \$ 28               | \$ 0                | \$ 1,036                         | \$ (13,102)                | \$ (12,038) |
|   | \$ 0   | \$ (118)            | \$ 0                | \$ 1,036                         | \$ (32,845)                | \$ (31,927) |
| <b>Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments</b> |  |                     |                     |                                  |                            |             |
| Exchange-traded or centrally cleared  |  |                     |                     |                                  |                            |             |
| Swap Agreements   | \$ 0   | \$ (193)            | \$ 0                | \$ 0                             | \$ 34,970                  | \$ 34,777   |
| Over the counter  |  |                     |                     |                                  |                            |             |
| Forward Foreign Currency Contracts  | \$ 0   | \$ 0                | \$ 0                | \$ (5,392)                       | \$ 0                       | \$ (5,392)  |
| Swap Agreements   | 0  | 877                 | 0                   | 0                                | 19,631                     | 20,508      |
|   | \$ 0   | \$ 877              | \$ 0                | \$ (5,392)                       | \$ 19,631                  | \$ 15,116   |
|   | \$ 0   | \$ 684              | \$ 0                | \$ (5,392)                       | \$ 54,601                  | \$ 49,893   |

<sup>(1)</sup> Fiscal year end changed from March 31st to July 31st.



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The Effect of Financial Derivative Instruments on the Statements of Operations for the period ended March 31, 2015:

|   | Derivatives not accounted for as hedging instruments |                     |                     |                                  |  | Interest<br>Rate Contracts | Total        |
|---|--|---------------------|---------------------|----------------------------------|--|----------------------------|--------------|
|   | Commodity<br>Contracts                               | Credit<br>Contracts | Equity<br>Contracts | Foreign<br>Exchange<br>Contracts |  |                            |              |
| <b>Net Realized Gain (Loss) on Financial Derivative Instruments</b>                             |  |                     |                     |                                  |  |                            |              |
| Exchange-traded or centrally cleared  |  |                     |                     |                                  |  |                            |              |
| Swap Agreements   | \$ 0   | \$ 0                | \$ 0                | \$ 0                             |  | \$ (116,469)               | \$ (116,469) |
| Over the counter  |  |                     |                     |                                  |  |                            |              |
| Forward Foreign Currency Contracts  | \$ 0   | \$ 0                | \$ 0                | \$ 2,345                         |  | \$ 0                       | \$ 2,345     |
| Swap Agreements   | 0  | 1,163               | 0                   | 0                                |  | 31,800                     | 32,963       |
|   | \$ 0   | \$ 1,163            | \$ 0                | \$ 2,345                         |  | \$ 31,800                  | \$ 35,308    |
|   | \$ 0   | \$ 1,163            | \$ 0                | \$ 2,345                         |  | \$ (84,669)                | \$ (81,161)  |
| <b>Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments</b> |  |                     |                     |                                  |  |                            |              |
| Exchange-traded or centrally cleared  |  |                     |                     |                                  |  |                            |              |
| Swap Agreements   | \$ 0   | \$ 0                | \$ 0                | \$ 0                             |  | \$ 38,997                  | \$ 38,997    |
| Over the counter  |  |                     |                     |                                  |  |                            |              |
| Forward Foreign Currency Contracts  | \$ 0   | \$ 0                | \$ 0                | \$ 10,594                        |  | \$ 0                       | \$ 10,594    |
| Swap Agreements   | 0  | (2,136)             | 0                   | 0                                |  | (9,092)                    | (11,228)     |
|   | \$ 0   | \$ (2,136)          | \$ 0                | \$ 10,594                        |  | \$ (9,092)                 | \$ (634)     |
|   | \$ 0   | \$ (2,136)          | \$ 0                | \$ 10,594                        |  | \$ 29,905                  | \$ 38,363    |

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See Accompanying Notes

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July 31, 2015

**FAIR VALUE MEASUREMENTS**

The following is a summary of the fair valuations according to the inputs used as of July 31, 2015 in valuing the Fund's assets and liabilities:

| Category and Subcategory                   | Level 1 | Level 2   | Level 3 | Fair Value at 07/31/2015 |
|--|---------|-----------|---------|--------------------------|
| <b>Investments in Securities, at Value</b> |         |           |         |                          |
| Bank Loan Obligations                      | \$ 0    | \$ 11,930 | \$ 0    | \$ 11,930                |
| Corporate Bonds & Notes                    |         |           |         |                          |
| Banking & Finance                          | 0       | 314,242   | 9,224   | 323,466                  |
| Industrials                                | 0       | 194,147   | 10,339  | 204,486                  |
| Utilities                                  | 0       | 91,325    | 0       | 91,325                   |
| Municipal Bonds & Notes                    |         |           |         |                          |
| California                                 | 0       | 19,801    | 0       | 19,801                   |
| District of Columbia                       | 0       | 10,543    | 0       | 10,543                   |
| Illinois                                   | 0       | 44,125    | 0       | 44,125                   |
| Nebraska                                   | 0       | 22,047    | 0       | 22,047                   |
| Nevada                                     | 0       | 3,540     | 0       | 3,540                    |
| New York                                   | 0       | 3,547     | 0       | 3,547                    |
| Pennsylvania                               | 0       | 35,004    | 0       | 35,004                   |
| Texas                                      | 0       | 8,347     | 0       | 8,347                    |
| Virginia                                   | 0       | 1,027     | 0       | 1,027                    |
| West Virginia                              | 0       | 5,689     | 0       | 5,689                    |
| U.S. Government Agencies                   | 0       | 54,944    | 5,491   | 60,435                   |
| Mortgage-Backed Securities                 | 0       | 231,725   | 3,427   | 235,152                  |
| Asset-Backed Securities                    | 0       | 103,005   | 0       | 103,005                  |
| Sovereign Issues                           | 0       | 3,382     | 0       | 3,382                    |
| Common Stocks                              |         |           |         |                          |
| Financials                                 | 0       | 0         | 867     | 867                      |

| Category and Subcategory    | Level 1 | Level 2      | Level 3   | Fair Value at 07/31/2015 |
|-----------------------------|---------|--------------|-----------|--------------------------|
| <b>Preferred Securities</b> |         |              |           |                          |
| Banking & Finance           | \$ 0    | \$ 19,289    | \$ 0      | \$ 19,289                |
| Short-Term Instruments      |         |              |           |                          |
| Repurchase Agreements       | 0       | 8,584        | 0         | 8,584                    |
| Short-Term Notes            | 0       | 13,098       | 0         | 13,098                   |
| U.S. Treasury Bills         | 0       | 20,690       | 0         | 20,690                   |
| <b>Total Investments</b>    | \$ 0    | \$ 1,220,031 | \$ 29,348 | \$ 1,249,379             |

**Financial Derivative Instruments - Assets**

|                                      |      |           |      |           |
|--------------------------------------|------|-----------|------|-----------|
| Exchange-traded or centrally cleared | 0    | 5,747     | 0    | 5,747     |
| Over the counter                     | 0    | 23,927    | 0    | 23,927    |
|                                      | \$ 0 | \$ 29,674 | \$ 0 | \$ 29,674 |

**Financial Derivative Instruments - Liabilities**

|                                      |   |         |   |         |
|--------------------------------------|---|---------|---|---------|
| Exchange-traded or centrally cleared | 0 | (5,828) | 0 | (5,828) |
|--------------------------------------|---|---------|---|---------|

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|                  |      |              |           |              |
|------------------|------|--------------|-----------|--------------|
| Over the counter | 0    | (4,214)      | 0         | (4,214)      |
|                  | \$ 0 | \$ (10,042)  | \$ 0      | \$ (10,042)  |
| Totals           | \$ 0 | \$ 1,239,663 | \$ 29,348 | \$ 1,269,011 |

There were no significant transfers between Levels 1 and 2 during the period ended July 31, 2015.

The following is a reconciliation of the fair valuations using significant unobservable inputs (Level 3) for the Fund during the period ended July 31, 2015:

| Category and Subcategory                   | Beginning Balance at 03/31/2015 | Net Purchases | Net Sales  | Accrued Discounts/ (Premiums) | Realized Gain/(Loss) | Net Change in Unrealized Appreciation/ (Depreciation) <sup>(1)</sup> | Transfers into Level 3 | Transfers out of Level 3 | Ending Balance at 07/31/2015 | Net Change in Unrealized Appreciation/ (Depreciation) on Investments Held at 07/31/2015 <sup>(1)</sup> |
|--|---------------------------------|---------------|------------|-------------------------------|----------------------|--|------------------------|--------------------------|------------------------------|--|
| <b>Investments in Securities, at Value</b> |                                 |               |            |                               |                      |  |                        |                          |                              |  |
| Corporate Bonds & Notes                    |                                 |               |            |                               |                      |  |                        |                          |                              |  |
| Banking & Finance                          | \$ 32,645                       | \$ 0          | \$ (81)    | \$ 274                        | \$ 3                 | \$ (1,098)   | \$ 0                   | \$ (22,519)              | \$ 9,224                     | \$ (368)   |
| Industrials                                | 10,343                          | 0             | 0          | 4                             | 0                    | (8)  | 0                      | 0                        | 10,339                       | (9)  |
| Utilities                                  | 3,850                           | 0             | (3,843)    | 0                             | 74                   | (81)   | 0                      | 0                        | 0                            | 0  |
| U.S. Government Agencies                   |                                 |               |            |                               |                      |  |                        |                          |                              |  |
| Mortgage-Backed Securities                 | 8,164                           | 0             | 0          | (2,176)                       | 0                    | (497)  | 0                      | 0                        | 5,491                        | (497)  |
| Common Stocks                              | 2,148                           | 1,250         | (5)        | 0                             | 0                    | 34   | 0                      | 0                        | 3,427                        | 34   |
| Financials                                 | 0                               | 1,229         | 0          | 0                             | 0                    | (362)  | 0                      | 0                        | 867                          | (362)  |
| Totals                                     | \$ 57,150                       | \$ 2,479      | \$ (3,929) | \$ (1,898)                    | \$ 77                | \$ (2,012)   | \$ 0                   | \$ (22,519)              | \$ 29,348                    | \$ (1,202)   |

The following is a summary of significant unobservable inputs used in the fair valuations of assets and liabilities categorized within Level 3 of the fair value hierarchy:

| Category and Subcategory                   | Ending Balance at 07/31/2015 | Valuation Technique                       | Unobservable Inputs | Input Value(s) (% Unless Noted Otherwise) |
|--|------------------------------|---|---------------------|---|
| <b>Investments in Securities, at Value</b> |                              |   |                     |   |
| Corporate Bonds & Notes                    |                              |   |                     |   |
| Banking & Finance                          | \$ 9,224                     | Proxy Pricing                             | Base Price          | 115.50                                    |
| Industrials                                | 10,339                       | Proxy Pricing                             | Base Price          | 100.00                                    |
| U.S. Government Agencies                   | 5,491                        | Third Party Vendor                        | Broker Quote        | 5.23                                      |
| Mortgage-Backed Securities                 | 3,427                        | Proxy Pricing                             | Base Price          | 100.00-108.50                             |
| Common Stocks                              |                              |   |                     |   |
| Financials                                 | 867                          | Other Valuation Techniques <sup>(2)</sup> |                     |   |
| Total                                      | \$ 29,348                    |   |                     |   |

<sup>(1)</sup> Any difference between Net Change in Unrealized Appreciation/(Depreciation) and Net Change in Unrealized Appreciation/(Depreciation) on Investments Held at July 31, 2015 may be due to an investment no longer held or categorized as Level 3 at period end.

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(2) Includes valuation techniques not defined in the Notes to Financial Statements as securities valued using such techniques are not considered significant to the Fund.

See Accompanying Notes

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**Table of Contents****Schedule of Investments PIMCO Income Strategy Fund**

|   | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|---|-------------------------------|---------------------------|
| <b>INVESTMENTS IN SECURITIES 119.3%</b>               |                               |                           |
| <b>BANK LOAN OBLIGATIONS 1.8%</b>                     |                               |                           |
| <b>Clear Channel Communications, Inc.</b>             |                               |                           |
| 6.940% due 01/30/2019                                 | \$ 3,100                      | \$ 2,854                  |
| <b>Sequa Corp.</b>                                    |                               |                           |
| 5.250% due 06/19/2017                                 | 2,547                         | 2,261                     |
| <b>Total Bank Loan Obligations (Cost \$5,170)</b>     |                               | <b>5,115</b>              |
| <b>CORPORATE BONDS &amp; NOTES 59.6%</b>              |                               |                           |
| <b>BANKING &amp; FINANCE 32.9%</b>                    |                               |                           |
| <b>American International Group, Inc.</b>             |                               |                           |
| 6.250% due 03/15/2087                                 | 5,476                         | 6,036                     |
| 8.175% due 05/15/2068                                 | 693                           | 930                       |
| <b>Banco do Brasil S.A.</b>                           |                               |                           |
| 6.250% due 04/15/2024 (d)                             | 900                           | 613                       |
| 9.000% due 06/18/2024 (d)                             | 4,000                         | 3,449                     |
| <b>Banco Santander S.A.</b>                           |                               |                           |
| 6.250% due 09/11/2021 (d)                             | EUR 500                       | 545                       |
| <b>Barclays Bank PLC</b>                              |                               |                           |
| 14.000% due 06/15/2019 (d)                            | GBP 3,700                     | 7,620                     |
| <b>BGC Partners, Inc.</b>                             |                               |                           |
| 5.375% due 12/09/2019                                 | \$ 3,040                      | 3,194                     |
| <b>Cantor Fitzgerald LP</b>                           |                               |                           |
| 6.500% due 06/17/2022                                 | 4,000                         | 4,183                     |
| <b>Citigroup, Inc.</b>                                |                               |                           |
| 5.950% due 05/15/2025 (d)                             | 2,100                         | 2,050                     |
| <b>Co-operative Group Holdings Ltd.</b>               |                               |                           |
| 7.500% due 07/08/2026                                 | GBP 3,050                     | 5,193                     |
| <b>Credit Agricole S.A.</b>                           |                               |                           |
| 6.500% due 06/23/2021 (d)                             | EUR 200                       | 227                       |
| 7.500% due 06/23/2026 (d)                             | GBP 1,600                     | 2,524                     |
| 7.875% due 01/23/2024 (d)                             | \$ 1,500                      | 1,567                     |
| <b>Depository Trust &amp; Clearing Corp.</b>          |                               |                           |
| 4.875% due 06/15/2020 (d)                             | 750                           | 755                       |
| <b>GSPA Monetization Trust</b>                        |                               |                           |
| 6.422% due 10/09/2029                                 | 2,386                         | 2,665                     |
| <b>Jefferies Finance LLC</b>                          |                               |                           |
| 6.875% due 04/15/2022                                 | 3,800                         | 3,667                     |
| <b>LBG Capital No.2 PLC</b>                           |                               |                           |
| 9.125% due 07/15/2020                                 | GBP 1,134                     | 1,913                     |
| <b>Lloyds Bank PLC</b>                                |                               |                           |
| 12.000% due 12/16/2024 (d)                            | \$ 400                        | 577                       |
| <b>Lloyds Banking Group PLC</b>                       |                               |                           |
| 7.625% due 06/27/2023 (d)                             | GBP 3,600                     | 5,892                     |
| <b>Millennium Offshore Services Superholdings LLC</b> |                               |                           |
| 9.500% due 02/15/2018                                 | \$ 2,100                      | 2,016                     |
| <b>Navient Corp.</b>                                  |                               |                           |
| 5.500% due 01/15/2019                                 | 6,700                         | 6,600                     |
| 5.625% due 08/01/2033                                 | 100                           | 72                        |
| 8.450% due 06/15/2018                                 | 1,500                         | 1,624                     |
| <b>Novo Banco S.A.</b>                                |                               |                           |
| 2.625% due 05/08/2017                                 | EUR 100                       | 109                       |
| 4.750% due 01/15/2018                                 | 400                           | 455                       |
| 5.000% due 04/04/2019                                 | 101                           | 116                       |
| 5.000% due 04/23/2019                                 | 311                           | 358                       |
| 5.000% due 05/14/2019                                 | 206                           | 236                       |

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|   |     |  |                                    |
|---|-----|--|------------------------------------|
| 5.000% due 05/21/2019                                       |     | 115                                    | 132                                |
| 5.000% due 05/23/2019                                       |     | 115                                    | 132                                |
| 5.875% due 11/09/2015                                       |     | 900                                    | 996                                |
| <b>OneMain Financial Holdings, Inc.</b>                     |     |  |                                    |
| 7.250% due 12/15/2021                                       | \$  | 1,757                                  | 1,836                              |
| <b>Rabobank Group</b>                                       |     |  |                                    |
| 8.400% due 06/29/2017 (d)                                   |     | 300                                    | 327                                |
| <b>Rio Oil Finance Trust</b>                                |     |  |                                    |
| 6.250% due 07/06/2024                                       |     | 8,200                                  | 7,646                              |
| <b>Russian Agricultural Bank OJSC Via RSHB Capital S.A.</b> |     |  |                                    |
| 5.298% due 12/27/2017                                       |     | 1,500                                  | 1,496                              |
| 6.299% due 05/15/2017                                       |     | 2,600                                  | 2,661                              |
|   |     | <b>PRINCIPAL<br/>AMOUNT<br/>(000S)</b> | <b>MARKET<br/>VALUE<br/>(000S)</b> |
| <b>Sberbank of Russia Via SB Capital S.A.</b>               |     |  |                                    |
| 5.717% due 06/16/2021                                       | \$  | 3,000                                  | \$ 2,930                           |
| <b>Tesco Property Finance PLC</b>                           |     |  |                                    |
| 5.411% due 07/13/2044                                       | GBP | 1,775                                  | 2,671                              |
| 6.052% due 10/13/2039                                       |     | 921                                    | 1,505                              |
| <b>TIG FinCo PLC</b>  |     |  |                                    |
| 8.500% due 03/02/2020                                       |     | 111                                    | 183                                |
| 8.750% due 04/02/2020                                       |     | 932                                    | 1,420                              |
| <b>Vnesheconombank Via VEB Finance PLC</b>                  |     |  |                                    |
| 5.942% due 11/21/2023                                       | \$  | 1,500                                  | 1,343                              |
| 6.902% due 07/09/2020                                       |     | 5,100                                  | 5,017                              |
|   |     |  | 95,481                             |
| <b>INDUSTRIALS 16.1%</b>                                    |     |  |                                    |
| <b>Anadarko Petroleum Corp.</b>                             |     |  |                                    |
| 7.000% due 11/15/2027                                       |     | 1,600                                  | 1,795                              |
| <b>BMC Software Finance, Inc.</b>                           |     |  |                                    |
| 8.125% due 07/15/2021                                       |     | 710                                    | 558                                |
| <b>Boxer Parent Co., Inc. (9.000% Cash or 9.750% PIK)</b>   |     |  |                                    |
| 9.000% due 10/15/2019 (b)                                   |     | 2,360                                  | 1,566                              |
| <b>Caesars Entertainment Operating Co., Inc.</b>            |     |  |                                    |
| 9.000% due 02/15/2020 ^                                     |     | 3,855                                  | 3,210                              |
| 11.250% due 06/01/2017 ^                                    |     | 1,600                                  | 1,328                              |
| <b>CCO Safari LLC</b>                                       |     |  |                                    |
| 6.484% due 10/23/2045                                       |     | 2,979                                  | 3,089                              |
| 6.834% due 10/23/2055                                       |     | 426                                    | 439                                |
| <b>Chesapeake Energy Corp.</b>                              |     |  |                                    |
| 3.539% due 04/15/2019                                       |     | 40                                     | 34                                 |
| <b>Communications Sales &amp; Leasing, Inc.</b>             |     |  |                                    |
| 8.250% due 10/15/2023                                       |     | 900                                    | 864                                |
| <b>Continental Airlines Pass-Through Trust</b>              |     |  |                                    |
| 9.798% due 10/01/2022                                       |     | 1,010                                  | 1,117                              |
| <b>Forbes Energy Services Ltd.</b>                          |     |  |                                    |
| 9.000% due 06/15/2019                                       |     | 612                                    | 451                                |
| <b>Ford Motor Co.</b>                                       |     |  |                                    |
| 7.700% due 05/15/2097                                       |     | 9,030                                  | 11,200                             |
| <b>Gulfport Energy Corp.</b>                                |     |  |                                    |
| 7.750% due 11/01/2020                                       |     | 300                                    | 309                                |
| <b>Harvest Operations Corp.</b>                             |     |  |                                    |
| 6.875% due 10/01/2017                                       |     | 515                                    | 478                                |
| <b>iHeartCommunications, Inc.</b>                           |     |  |                                    |
| 9.000% due 09/15/2022                                       |     | 600                                    | 542                                |
| <b>Intrepid Aviation Group Holdings LLC</b>                 |     |  |                                    |
| 6.875% due 02/15/2019                                       |     | 1,930                                  | 1,809                              |
| <b>Pertamina Persero PT</b>                                 |     |  |                                    |
| 6.450% due 05/30/2044                                       |     | 5,249                                  | 5,131                              |
| <b>Russian Railways via RZD Capital PLC</b>                 |     |  |                                    |
| 7.487% due 03/25/2031                                       | GBP | 700                                    | 1,017                              |
| <b>Scientific Games International, Inc.</b>                 |     |  |                                    |
| 10.000% due 12/01/2022                                      | \$  | 1,600                                  | 1,560                              |
| <b>Sequa Corp.</b>  |     |  |                                    |
| 7.000% due 12/15/2017                                       |     | 3,174                                  | 2,190                              |
| <b>Tembec Industries, Inc.</b>                              |     |  |                                    |

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|                                   |     |       |       |
|-----------------------------------|-----|-------|-------|
| 9.000% due 12/15/2019             |     | 1,000 | 815   |
| <b>Unique Pub Finance Co. PLC</b> |     |       |       |
| 5.659% due 06/30/2027             | GBP | 2,073 | 3,333 |
| 6.542% due 03/30/2021             |     | 727   | 1,197 |
| <b>Westmoreland Coal Co.</b>      |     |       |       |
| 8.750% due 01/01/2022             | \$  | 3,026 | 2,693 |

46,725

**UTILITIES 10.6%**

**AK Transneft OJSC Via TransCapitalInvest Ltd.**

|  |  |       |       |
|--|--|-------|-------|
| 8.700% due 08/07/2018                        |  | 2,100 | 2,313 |
| <b>Gazprom Neft OAO Via GPN Capital S.A.</b> |  |       |       |
| 4.375% due 09/19/2022                        |  | 3,000 | 2,565 |
| 6.000% due 11/27/2023                        |  | 7,400 | 6,836 |

PRINCIPAL  
AMOUNT  
(000S)

MARKET  
VALUE  
(000S)

**Gazprom OAO Via Gaz Capital S.A.**

|                       |    |     |    |     |
|-----------------------|----|-----|----|-----|
| 5.999% due 01/23/2021 | \$ | 200 | \$ | 197 |
|-----------------------|----|-----|----|-----|

**Illinois Power Generating Co.**

|                       |  |       |       |
|-----------------------|--|-------|-------|
| 6.300% due 04/01/2020 |  | 1,420 | 1,292 |
| 7.000% due 04/15/2018 |  | 2,400 | 2,286 |
| 7.950% due 06/01/2032 |  | 200   | 189   |

**Northwestern Bell Telephone**

|                           |  |       |       |
|---------------------------|--|-------|-------|
| 7.750% due 05/01/2030 (f) |  | 7,000 | 7,794 |
|---------------------------|--|-------|-------|

**Odebrecht Drilling Norbe Ltd.**

|                       |  |     |     |
|-----------------------|--|-----|-----|
| 6.350% due 06/30/2022 |  | 246 | 178 |
|-----------------------|--|-----|-----|

**Odebrecht Offshore Drilling Finance Ltd.**

|                       |  |       |     |
|-----------------------|--|-------|-----|
| 6.625% due 10/01/2023 |  | 1,422 | 910 |
| 6.750% due 10/01/2023 |  | 1,471 | 953 |

**Petrobras Global Finance BV**

|                       |     |       |       |
|-----------------------|-----|-------|-------|
| 2.750% due 01/15/2018 | EUR | 230   | 237   |
| 3.163% due 03/17/2020 | \$  | 130   | 117   |
| 4.875% due 03/17/2020 |     | 210   | 196   |
| 5.750% due 01/20/2020 |     | 70    | 68    |
| 6.625% due 01/16/2034 | GBP | 100   | 128   |
| 6.750% due 01/27/2041 | \$  | 1,200 | 1,005 |
| 7.875% due 03/15/2019 |     | 3,200 | 3,336 |

30,600

**Total Corporate Bonds & Notes**

(Cost \$172,359) 172,806

**MUNICIPAL BONDS & NOTES 8.1%**

**CALIFORNIA 1.6%**

**Riverside County, California Redevelopment Successor Agency Tax Allocation Bonds, Series 2010**

|                       |  |     |     |
|-----------------------|--|-----|-----|
| 7.500% due 10/01/2030 |  | 600 | 656 |
|-----------------------|--|-----|-----|

**Stockton Public Financing Authority, California Revenue Bonds, (BABs), Series 2009**

|                       |  |       |       |
|-----------------------|--|-------|-------|
| 7.942% due 10/01/2038 |  | 3,600 | 4,052 |
|-----------------------|--|-------|-------|

4,708

**ILLINOIS 2.1%**

**Chicago, Illinois General Obligation Bonds, (BABs), Series 2010**

|                       |  |       |       |
|-----------------------|--|-------|-------|
| 7.517% due 01/01/2040 |  | 6,000 | 5,975 |
|-----------------------|--|-------|-------|

**NEBRASKA 2.6%**

**Public Power Generation Agency, Nebraska Revenue Bonds, (BABs), Series 2009**

|                       |  |       |       |
|-----------------------|--|-------|-------|
| 7.242% due 01/01/2041 |  | 6,400 | 7,627 |
|-----------------------|--|-------|-------|

**VIRGINIA 0.1%**

**Tobacco Settlement Financing Corp., Virginia Revenue Bonds, Series 2007**

|                       |  |     |     |
|-----------------------|--|-----|-----|
| 6.706% due 06/01/2046 |  | 395 | 295 |
|-----------------------|--|-----|-----|

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### WEST VIRGINIA 1.7%

#### Tobacco Settlement Finance Authority, West Virginia Revenue Bonds, Series 2007

|                       |       |       |
|-----------------------|-------|-------|
| 7.467% due 06/01/2047 | 5,685 | 4,842 |
|-----------------------|-------|-------|

#### Total Municipal Bonds & Notes (Cost \$22,414)

23,447

### U.S. GOVERNMENT AGENCIES 2.5%

#### Fannie Mae

|                           |     |     |
|---------------------------|-----|-----|
| 3.500% due 12/25/2032 (a) | 983 | 133 |
|---------------------------|-----|-----|

|                           |       |     |
|---------------------------|-------|-----|
| 4.000% due 11/25/2042 (a) | 3,480 | 571 |
|---------------------------|-------|-----|

|                       |       |       |
|-----------------------|-------|-------|
| 5.188% due 07/25/2025 | 3,410 | 3,456 |
|-----------------------|-------|-------|

|                        |     |     |
|------------------------|-----|-----|
| 14.440% due 12/25/2040 | 132 | 201 |
|------------------------|-----|-----|

#### Freddie Mac

|                       |       |       |
|-----------------------|-------|-------|
| 7.741% due 12/25/2027 | 2,400 | 2,452 |
|-----------------------|-------|-------|

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See Accompanying Notes



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July 31, 2015

|   | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|---|-------------------------------|---------------------------|
| 9.627% due 11/15/2040   | \$ 405                        | \$ 429                    |
| <b>Total U.S. Government Agencies (Cost \$7,074)</b>          |                               | <b>7,242</b>              |
| <b>MORTGAGE-BACKED SECURITIES 19.0%</b>                       |                               |                           |
| <b>Banc of America Alternative Loan Trust</b>                 |                               |                           |
| 6.000% due 01/25/2036 ^                                       | 81                            | 68                        |
| <b>Banc of America Funding Trust</b>                          |                               |                           |
| 6.000% due 08/25/2036 ^                                       | 2,745                         | 2,673                     |
| 6.000% due 03/25/2037 ^                                       | 1,607                         | 1,374                     |
| 6.000% due 08/25/2037 ^                                       | 2,542                         | 2,240                     |
| <b>BCAP LLC Trust</b>   |                               |                           |
| 5.368% due 03/26/2037   | 785                           | 257                       |
| 20.623% due 06/26/2036  | 166                           | 53                        |
| <b>Bear Stearns ALT-A Trust</b>                               |                               |                           |
| 2.593% due 11/25/2036   | 327                           | 239                       |
| 2.959% due 09/25/2035 ^                                       | 595                           | 490                       |
| <b>Bear Stearns Mortgage Funding Trust</b>                    |                               |                           |
| 7.000% due 08/25/2036   | 976                           | 923                       |
| <b>Chase Mortgage Finance Trust</b>                           |                               |                           |
| 2.425% due 12/25/2035 ^                                       | 9                             | 8                         |
| 6.000% due 02/25/2037 ^                                       | 823                           | 706                       |
| 6.000% due 07/25/2037 ^                                       | 520                           | 452                       |
| 6.250% due 10/25/2036 ^                                       | 1,569                         | 1,412                     |
| <b>Citicorp Mortgage Securities Trust</b>                     |                               |                           |
| 5.500% due 04/25/2037   | 96                            | 96                        |
| <b>Countrywide Alternative Loan Trust</b>                     |                               |                           |
| 5.500% due 03/25/2035   | 271                           | 244                       |
| 5.500% due 12/25/2035 ^                                       | 3,191                         | 2,800                     |
| 5.500% due 03/25/2036 ^                                       | 127                           | 108                       |
| 5.534% due 04/25/2036 ^                                       | 1,039                         | 810                       |
| 5.750% due 01/25/2035   | 321                           | 326                       |
| 6.000% due 02/25/2035   | 299                           | 312                       |
| 6.000% due 05/25/2036 ^                                       | 2,084                         | 1,832                     |
| 6.000% due 08/25/2036 ^                                       | 153                           | 142                       |
| 6.000% due 04/25/2037 ^                                       | 983                           | 812                       |
| 6.000% due 08/25/2037 ^                                       | 875                           | 679                       |
| 6.250% due 11/25/2036 ^                                       | 642                           | 609                       |
| 6.250% due 12/25/2036 ^                                       | 1,384                         | 1,137                     |
| 6.500% due 08/25/2036 ^                                       | 391                           | 304                       |
| <b>Countrywide Home Loan Mortgage Pass-Through Trust</b>      |                               |                           |
| 2.503% due 02/20/2035   | 58                            | 58                        |
| 5.500% due 10/25/2035 ^                                       | 726                           | 685                       |
| 5.750% due 03/25/2037 ^                                       | 501                           | 455                       |
| 6.000% due 05/25/2036 ^                                       | 1,187                         | 1,093                     |
| 6.000% due 04/25/2037 ^                                       | 106                           | 98                        |
| 6.250% due 09/25/2036 ^                                       | 574                           | 535                       |
| <b>Credit Suisse Mortgage Capital Mortgage-Backed Trust</b>   |                               |                           |
| 6.000% due 02/25/2037 ^                                       | 322                           | 286                       |
| 6.750% due 08/25/2036 ^                                       | 1,187                         | 964                       |
| <b>Deutsche Mortgage Securities, Inc. Mortgage Loan Trust</b> |                               |                           |
| 1.491% due 06/25/2034   | 2,030                         | 1,471                     |
| <b>GSR Mortgage Loan Trust</b>                                |                               |                           |
| 5.500% due 05/25/2036 ^                                       | 112                           | 104                       |
| 6.000% due 02/25/2036   | 4,145                         | 3,574                     |

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|   | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|---|-------------------------------|---------------------------|
| <b>HarborView Mortgage Loan Trust</b>                       |                               |                           |
| 0.908% due 01/19/2035                                       | 319                           | 286                       |
| 2.671% due 07/19/2035                                       | 52                            | 47                        |
| <b>IndyMac Mortgage Loan Trust</b>                          |                               |                           |
| 6.500% due 07/25/2037 ^                                     | 1,956                         | 1,292                     |
| <b>JPMorgan Alternative Loan Trust</b>                      |                               |                           |
| 2.525% due 03/25/2037 ^                                     | 1,508                         | 1,189                     |
| 2.596% due 03/25/2036 ^                                     | 1,615                         | 1,290                     |
| 6.310% due 08/25/2036 ^                                     | 1,169                         | 962                       |
| <b>JPMorgan Mortgage Trust</b>                              |                               |                           |
| 2.528% due 01/25/2037 ^                                     | 507                           | 451                       |
| 2.597% due 02/25/2036 ^                                     | 476                           | 416                       |
| 5.000% due 03/25/2037 ^                                     | 896                           | 769                       |
| 6.000% due 08/25/2037 ^                                     | 213                           | 198                       |
|   | \$                            | \$                        |
| <b>Merrill Lynch Mortgage Investors Trust</b>               |                               |                           |
| 2.734% due 03/25/2036 ^                                     | 1,436                         | 972                       |
| <b>Residential Accredited Loans, Inc. Trust</b>             |                               |                           |
| 6.000% due 06/25/2036 ^                                     | 876                           | 730                       |
| <b>Residential Asset Securitization Trust</b>               |                               |                           |
| 5.750% due 02/25/2036 ^                                     | 911                           | 755                       |
| 6.000% due 03/25/2037 ^                                     | 629                           | 460                       |
| 6.000% due 05/25/2037 ^                                     | 1,308                         | 1,150                     |
| 6.000% due 07/25/2037 ^                                     | 956                           | 704                       |
| 6.250% due 09/25/2037 ^                                     | 1,595                         | 1,146                     |
| <b>Residential Funding Mortgage Securities, Inc. Trust</b>  |                               |                           |
| 3.747% due 08/25/2036 ^                                     | 1,694                         | 1,492                     |
| 6.000% due 09/25/2036 ^                                     | 215                           | 198                       |
| 6.000% due 06/25/2037 ^                                     | 2,801                         | 2,478                     |
| <b>Structured Adjustable Rate Mortgage Loan Trust</b>       |                               |                           |
| 2.454% due 11/25/2036 ^                                     | 1,519                         | 1,247                     |
| 4.728% due 03/25/2037 ^                                     | 512                           | 370                       |
| 4.952% due 01/25/2036 ^                                     | 1,253                         | 982                       |
| 5.226% due 07/25/2036 ^                                     | 561                           | 476                       |
| <b>Suntrust Adjustable Rate Mortgage Loan Trust</b>         |                               |                           |
| 2.571% due 02/25/2037 ^                                     | 269                           | 235                       |
| 2.714% due 04/25/2037 ^                                     | 1,631                         | 1,387                     |
| <b>WaMu Mortgage Pass-Through Certificates Trust</b>        |                               |                           |
| 2.180% due 12/25/2046                                       | 437                           | 405                       |
| 2.244% due 09/25/2036 ^                                     | 199                           | 181                       |
| 4.363% due 02/25/2037 ^                                     | 539                           | 503                       |
| 6.041% due 10/25/2036 ^                                     | 721                           | 607                       |
| <b>Wells Fargo Mortgage-Backed Securities Trust</b>         |                               |                           |
| 2.612% due 07/25/2036 ^                                     | 301                           | 286                       |
| 5.750% due 03/25/2037 ^                                     | 323                           | 316                       |
| 6.000% due 06/25/2037 ^                                     | 184                           | 185                       |
| 6.000% due 07/25/2037 ^                                     | 286                           | 282                       |
| <b>Total Mortgage-Backed Securities<br/>(Cost \$50,557)</b> |                               | <b>54,876</b>             |
| <b>ASSET-BACKED SECURITIES 18.5%</b>                        |                               |                           |
| <b>Asset-Backed Funding Certificates Trust</b>              |                               |                           |
| 0.341% due 10/25/2036                                       | 7,936                         | 6,971                     |
| <b>Bear Stearns Asset-Backed Securities Trust</b>           |                               |                           |
| 6.500% due 10/25/2036                                       | 256                           | 208                       |
| <b>CIFC Funding Ltd.</b>                                    |                               |                           |
| 0.010% due 05/24/2026                                       | 800                           | 675                       |
| <b>Countrywide Asset-Backed Certificates</b>                |                               |                           |
| 0.447% due 09/25/2046                                       | 3,189                         | 2,164                     |
| 0.751% due 12/25/2035                                       | 3,500                         | 3,305                     |
| <b>Countrywide Asset-Backed Certificates Trust</b>          |                               |                           |
| 5.192% due 08/25/2035                                       | 3,000                         | 2,965                     |
| <b>GSAA Home Equity Trust</b>                               |                               |                           |
| 5.772% due 11/25/2036 ^                                     | 7,490                         | 4,432                     |
| <b>GSAMP Trust</b>  |                               |                           |
| 1.166% due 03/25/2035 ^                                     | 8,673                         | 5,600                     |

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|   |     |                  |               |
|---|-----|------------------|---------------|
| <b>JPMorgan Mortgage Acquisition Trust</b>              |     |                  |               |
| 0.507% due 04/25/2036                                   |     | 6,000            | 4,127         |
| <b>Lehman XS Trust</b>                                  |     |                  |               |
| 5.319% due 06/24/2046                                   |     | 3,220            | 2,699         |
| <b>MASTR Asset-Backed Securities Trust</b>              |     |                  |               |
| 5.233% due 11/25/2035                                   |     | 254              | 257           |
| <b>Mid-State Trust</b>                                  |     |                  |               |
| 6.340% due 10/15/2036                                   |     | 673              | 733           |
| <b>Morgan Stanley ABS Capital, Inc. Trust</b>           |     |                  |               |
| 0.481% due 01/25/2036                                   |     | 4,300            | 3,891         |
| 1.181% due 06/25/2035                                   |     | 500              | 451           |
| <b>Morgan Stanley Mortgage Loan Trust</b>               |     |                  |               |
| 6.250% due 07/25/2047 ^                                 |     | 489              | 366           |
| <b>Residential Asset Mortgage Products Trust</b>        |     |                  |               |
| 0.471% due 09/25/2036                                   |     | 400              | 340           |
|   |     | <b>PRINCIPAL</b> | <b>MARKET</b> |
|   |     | <b>AMOUNT</b>    | <b>VALUE</b>  |
|   |     | <b>(000S)</b>    | <b>(000S)</b> |
| <b>Residential Asset Securities Corp. Trust</b>         |     |                  |               |
| 0.661% due 09/25/2035                                   | \$  | 13,627           | \$ 10,950     |
| <b>Securitized Asset-Backed Receivables LLC Trust</b>   |     |                  |               |
| 0.331% due 05/25/2036                                   |     | 6,568            | 3,731         |
| <b>Total Asset-Backed Securities</b>                    |     |                  | <b>53,865</b> |
| <b>(Cost \$52,332)</b>                                  |     |                  |               |
| <b>SOVEREIGN ISSUES 0.5%</b>                            |     |                  |               |
| <b>Republic of Greece Government International Bond</b> |     |                  |               |
| 3.800% due 08/08/2017                                   | JPY | 201,000          | 1,168         |
| 4.750% due 04/17/2019                                   | EUR | 300              | 221           |
| <b>Total Sovereign Issues (Cost \$1,679)</b>            |     |                  | <b>1,389</b>  |
| <b>SHARES</b>   |     |                  |               |
| <b>COMMON STOCKS 0.0%</b>                               |     |                  |               |
| <b>FINANCIALS 0.0%</b>                                  |     |                  |               |
| <b>TIG TopCo Ltd. (e)</b>                               |     |                  |               |
|   |     | 91,836           | 96            |
| <b>Total Common Stocks (Cost \$136)</b>                 |     |                  | <b>96</b>     |
| <b>PREFERRED SECURITIES 5.3%</b>                        |     |                  |               |
| <b>BANKING &amp; FINANCE 4.5%</b>                       |     |                  |               |
| <b>Farm Credit Bank of Texas</b>                        |     |                  |               |
| 10.000% due 12/15/2020 (d)                              |     | 6,000            | 7,515         |
| <b>GMAC Capital Trust</b>                               |     |                  |               |
| 8.125% due 02/15/2040                                   |     | 207,100          | 5,432         |
|   |     |                  | 12,947        |
| <b>UTILITIES 0.8%</b>                                   |     |                  |               |
| <b>Entergy Texas, Inc.</b>                              |     |                  |               |
| 5.625% due 06/01/2064                                   |     | 93,975           | 2,408         |
| <b>Total Preferred Securities</b>                       |     |                  | <b>15,355</b> |
| <b>(Cost \$14,682)</b>                                  |     |                  |               |
| <b>PRINCIPAL</b>  |     |                  |               |
| <b>AMOUNT</b>   |     |                  |               |
| <b>(000S)</b>   |     |                  |               |
| <b>SHORT-TERM INSTRUMENTS 4.0%</b>                      |     |                  |               |
| <b>SHORT-TERM NOTES 2.6%</b>                            |     |                  |               |
| <b>Federal Home Loan Bank</b>                           |     |                  |               |
| 0.096% due 11/04/2015 - 11/12/2015                      | \$  | 5,100            | 5,099         |
| 0.144% due 11/04/2015                                   |     | 900              | 900           |
| 0.193% due 01/22/2016                                   |     | 800              | 800           |
| 0.213% due 01/27/2016                                   |     | 800              | 799           |

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|   |       |                   |
|---|-------|-------------------|
|   |       | 7,598             |
| <b>U.S. TREASURY BILLS 1.4%</b>                                 |       |                   |
| 0.077% due 08/06/2015 - 01/28/2016 (c)(h)(j)                    | 4,084 | 4,083             |
| <b>Total Short-Term Instruments</b><br>(Cost \$11,680)          |       | <b>11,681</b>     |
| <b>Total Investments in Securities</b><br>(Cost \$338,083)      |       | <b>345,872</b>    |
| <b>Total Investments 119.3%</b><br>(Cost \$338,083)             |       | <b>\$ 345,872</b> |
| <b>Financial Derivative</b><br><b>Instruments (g)(i) (0.3%)</b> |       |                   |
| (Cost or Premiums, net \$(763))                                 |       | (909)             |
| <b>Preferred Shares (17.7%)</b>                                 |       | <b>(51,275)</b>   |
| <b>Other Assets and Liabilities, net (1.3%)</b>                 |       | <b>(3,779)</b>    |
| <b>Net Assets Applicable to Common Shareholders 100.0%</b>      |       | <b>\$ 289,909</b> |

See Accompanying Notes

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**Table of Contents****Schedule of Investments PIMCO Income Strategy Fund (Cont.)****NOTES TO SCHEDULE OF INVESTMENTS (AMOUNTS IN THOUSANDS\*):**

\* A zero balance may reflect actual amounts rounding to less than one thousand.

^ Security is in default.

(a) Interest only security.

(b) Payment in-kind bond security.

(c) Coupon represents a weighted average yield to maturity.

(d) Perpetual maturity; date shown, if applicable, represents next contractual call date.

**(e) RESTRICTED SECURITIES:**

| Issuer Description | Acquisition Date | Cost   | Market Value | Market Value as Percentage of Net Assets |
|--------------------|------------------|--------|--------------|--|
| TIG TopCo Ltd.     | 04/02/2015       | \$ 136 | \$ 96        | 0.03%                                    |

**BORROWINGS AND OTHER FINANCING TRANSACTIONS****REVERSE REPURCHASE AGREEMENTS:**

| Counterparty                               | Borrowing Rate | Borrowing Date | Maturity Date | Amount Borrowed <sup>(1)</sup> | Payable for Reverse Repurchase Agreements |
|--|----------------|----------------|---------------|--------------------------------|---|
| MSC  | 0.600%         | 07/08/2015     | 10/08/2015    | \$ (5,594)                     | \$ (5,596)                                |
| <b>Total Reverse Repurchase Agreements</b> |                |                |               |                                | <b>\$ (5,596)</b>                         |

<sup>(1)</sup> The average amount of borrowings outstanding during the period ended July 31, 2015 was \$26,860 at a weighted average interest rate of 0.420%.

**BORROWINGS AND OTHER FINANCING TRANSACTIONS SUMMARY**

The following is a summary by counterparty of the market value of Borrowings and Other Financing Transactions and collateral (received)/pledged as of July 31, 2015:

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(f) Securities with an aggregate market value of \$6,124 have been pledged as collateral under the terms of the following master agreements as of July 31, 2015.

| Counterparty   | Repurchase<br>Agreement<br>Proceeds<br>to be<br>Received | Payable for<br>Reverse<br>Repurchase<br>Agreements | Payable<br>for<br>Sale-Buyback<br>Transactions | Payable for<br>Short Sales | Total<br>Borrowings and<br>Other Financing<br>Transactions | Collateral<br>Pledged | Net Exposure<br>(2) |
|--|--|--|--|----------------------------|--|-----------------------|---------------------|
| Global/Master Repurchase Agreement                       |  |  |  |                            |  |                       |                     |
| MSC  | \$ 0   | \$ (5,596)   | \$ 0   | \$ 0                       | \$ (5,596)   | \$ 6,124              | \$ 528              |
| <b>Total Borrowings and Other Financing Transactions</b> | <b>\$ 0</b>  | <b>\$ (5,596)</b>                                  | <b>\$ 0</b>                                    | <b>\$ 0</b>                |  |                       |                     |

(2) Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from borrowings and other financing transactions can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

### (g) FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED

#### SWAP AGREEMENTS:

#### CREDIT DEFAULT SWAPS ON CREDIT INDICES - SELL PROTECTION (1)

| Index/Tranches         | Fixed Deal<br>Receive Rate | Maturity<br>Date | Notional<br>Amount (2) | Market<br>Value (3) | Unrealized<br>(Depreciation) | Variation Margin<br>Asset | Variation Margin<br>Liability |
|------------------------|----------------------------|------------------|------------------------|---------------------|------------------------------|---------------------------|-------------------------------|
| CDX.HY-24 5-Year Index | 5.000%                     | 06/20/2020       | \$ 12,474              | \$ 849              | \$ (112)                     | \$ 15                     | \$ 0                          |

(1) 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.

(2) The maximum potential amount the Fund could be required to pay 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.

(3) The prices and resulting values for credit default swap agreements on credit indices serve as an indicator of the current status 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 be 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 indices' credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

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See Accompanying Notes

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July 31, 2015

**INTEREST RATE SWAPS**

| Pay/Receive<br>Floating Rate | Floating Rate Index     | Fixed Rate | Maturity<br>Date | Notional<br>Amount | Market<br>Value | Unrealized<br>Appreciation/<br>(Depreciation) | Variation Margin |                 |                   |
|------------------------------|-------------------------|------------|------------------|--------------------|-----------------|---|------------------|-----------------|-------------------|
|                              |                         |            |                  |                    |                 |   | Asset            | Liability       |                   |
| Pay                          | 3-Month USD-LIBOR       | 1.900%     | 06/18/2019       | \$ 35,800          | \$ 692          | \$ 542  | \$ 98            | \$ 0            |                   |
| Pay                          | 3-Month USD-LIBOR       | 2.000%     | 06/18/2019       | 99,400             | 2,312           | 965   | 275              | 0               |                   |
| Pay                          | 3-Month USD-LIBOR       | 2.250%     | 12/17/2019       | 41,300             | 1,325           | 286   | 129              | 0               |                   |
| Pay                          | 3-Month USD-LIBOR       | 3.500%     | 06/19/2044       | 83,100             | 13,529          | 16,240  | 646              | 0               |                   |
| Receive                      | 3-Month USD-LIBOR       | 2.750%     | 12/16/2045       | 152,400            | 1,256           | (7,134)                                       | 0                | (1,025)         |                   |
| Pay                          | 6-Month<br>AUD-BBR-BBSW | 3.000%     | 12/17/2019       | AUD 6,200          | 103             | 10  | 3                | 0               |                   |
| Pay                          | 6-Month<br>AUD-BBR-BBSW | 3.500%     | 06/17/2025       | 3,900              | 102             | 6   | 11               | 0               |                   |
|                              |                         |            |                  |                    |                 | \$ 19,319                                     | \$ 10,915        | \$ 1,162        | \$ (1,025)        |
| <b>Total Swap Agreements</b> |                         |            |                  |                    |                 | <b>\$ 20,168</b>                              | <b>\$ 10,803</b> | <b>\$ 1,177</b> | <b>\$ (1,025)</b> |

**FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED SUMMARY**

The following is a summary of the market value and variation margin of Exchange-Traded or Centrally Cleared Financial Derivative Instruments as of July 31, 2015:

(h) Securities with an aggregate market value of \$2,510 and cash of \$5,946 have been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of July 31, 2015. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

|   | Financial Derivative Assets |         |          |          | Financial Derivative Liabilities |         |            |            |
|---|-----------------------------|---------|----------|----------|----------------------------------|---------|------------|------------|
|   | Variation Margin            |         |          |          | Variation Margin                 |         |            |            |
|   | Market Value                |         | Asset    |          | Market Value                     |         | Liability  |            |
|   | Purchased                   | Futures | Swaps    | Total    | Written                          | Futures | Swaps      | Total      |
| <b>Total Exchange-Traded or Centrally Cleared</b> | \$ 0                        | \$ 0    | \$ 1,177 | \$ 1,177 | \$ 0                             | \$ 0    | \$ (1,025) | \$ (1,025) |

**(i) FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER**

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FORWARD FOREIGN CURRENCY CONTRACTS:

| Counterparty                                    | Settlement Month | Currency to be Delivered | Currency to be Received | Unrealized Appreciation/ (Depreciation) |           |    |               |           |              |
|---|------------------|--------------------------|-------------------------|---|-----------|----|---------------|-----------|--------------|
|   |                  |                          |                         | Asset                                   | Liability |    |               |           |              |
| BOA   | 08/2015          | \$                       | 35,040                  | GBP                                     | 22,403    | \$ | 0             | \$        | (55)         |
|   | 09/2015          | GBP                      | 22,403                  | \$                                      | 35,033    |    | 55            |           | 0            |
|   | 06/2016          | EUR                      | 26                      |   | 36        |    | 7             |           | 0            |
|   | 06/2016          | \$                       | 1                       | EUR                                     | 1         |    | 0             |           | 0            |
| BPS   | 08/2015          | BRL                      | 1,764                   | \$                                      | 520       |    | 5             |           | 0            |
|   | 08/2015          | \$                       | 562                     | BRL                                     | 1,764     |    | 0             |           | (47)         |
| BRC   | 06/2016          | EUR                      | 5                       | \$                                      | 7         |    | 1             |           | 0            |
| CBK   | 08/2015          |                          | 131                     |   | 144       |    | 0             |           | 0            |
|   | 08/2015          | GBP                      | 344                     |   | 533       |    | 0             |           | (4)          |
|   | 08/2015          | \$                       | 313                     | GBP                                     | 202       |    | 2             |           | 0            |
| DUB   | 06/2016          | EUR                      | 3                       | \$                                      | 4         |    | 1             |           | 0            |
| GLM   | 08/2015          | AUD                      | 266                     |   | 204       |    | 10            |           | 0            |
| HUS   | 08/2015          | EUR                      | 3,334                   |   | 3,717     |    | 56            |           | 0            |
|   | 08/2015          | \$                       | 1,363                   | JPY                                     | 168,500   |    | 0             |           | (3)          |
|   | 09/2015          | JPY                      | 168,500                 | \$                                      | 1,363     |    | 3             |           | 0            |
| JPM   | 08/2015          | GBP                      | 228                     |   | 356       |    | 0             |           | 0            |
| MSB   | 08/2015          | BRL                      | 2,157                   |   | 674       |    | 44            |           | 0            |
|   | 08/2015          | JPY                      | 168,500                 |   | 1,366     |    | 7             |           | 0            |
|   | 08/2015          | \$                       | 641                     | BRL                                     | 2,157     |    | 0             |           | (11)         |
|   | 09/2015          |                          | 553                     |   | 1,764     |    | 0             |           | (43)         |
|   | 06/2016          | EUR                      | 7                       | \$                                      | 10        |    | 2             |           | 0            |
| NAB   | 06/2016          |                          | 15                      |   | 21        |    | 4             |           | 0            |
| SCX   | 08/2015          | \$                       | 3,827                   | EUR                                     | 3,465     |    | 0             |           | (21)         |
|   | 09/2015          | EUR                      | 3,465                   | \$                                      | 3,828     |    | 22            |           | 0            |
| UAG   | 08/2015          | BRL                      | 2,157                   |   | 644       |    | 14            |           | 0            |
|   | 08/2015          | GBP                      | 22,238                  |   | 34,907    |    | 179           |           | 0            |
|   | 08/2015          | \$                       | 635                     | BRL                                     | 2,157     |    | 0             |           | (6)          |
|   | 08/2015          |                          | 321                     | GBP                                     | 205       |    | 0             |           | (1)          |
|   | 09/2015          |                          | 637                     | BRL                                     | 2,157     |    | 0             |           | (14)         |
| <b>Total Forward Foreign Currency Contracts</b> |                  |                          |                         |   |           |    | <b>\$ 412</b> | <b>\$</b> | <b>(205)</b> |

See Accompanying Notes

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**Schedule of Investments PIMCO Income Strategy Fund (Cont.)**

**SWAP AGREEMENTS:**

**CREDIT DEFAULT SWAPS ON CORPORATE ISSUES - SELL PROTECTION <sup>(1)</sup>**

| Counterparty | Reference Entity                    | Fixed Deal Receive Rate | Maturity Date | Implied Credit Spread at     |  | Notional Amount <sup>(3)</sup> | Premiums (Received) | Unrealized (Depreciation) | Swap Agreements, at Value |            |
|--------------|-------------------------------------|-------------------------|---------------|------------------------------|--|--------------------------------|---------------------|---------------------------|---------------------------|------------|
|              |                                     |                         |               | July 31, 2015 <sup>(2)</sup> |  |                                |                     |                           | Asset                     | Liability  |
| BPS          | Petrobras International Finance Co. | 1.000%                  | 12/20/2024    | 5.297%                       |  | \$ 500                         | \$ (98)             | \$ (43)                   | \$ 0                      | \$ (141)   |
| GST          | Petrobras International Finance Co. | 1.000%                  | 12/20/2024    | 5.297%                       |  | 700                            | (139)               | (58)                      | 0                         | (197)      |
| HUS          | Petrobras Global Finance BV         | 1.000%                  | 09/20/2020    | 4.965%                       |  | 20                             | (3)                 | 0                         | 0                         | (3)        |
|              | Petrobras International Finance Co. | 1.000%                  | 12/20/2019    | 4.755%                       |  | 200                            | (17)                | (12)                      | 0                         | (29)       |
|              | Petrobras International Finance Co. | 1.000%                  | 12/20/2024    | 5.297%                       |  | 800                            | (166)               | (60)                      | 0                         | (226)      |
| MYC          | Petrobras International Finance Co. | 1.000%                  | 12/20/2019    | 4.755%                       |  | 4,100                          | (379)               | (209)                     | 0                         | (588)      |
|              |                                     |                         |               |                              |  |                                | \$ (802)            | \$ (382)                  | \$ 0                      | \$ (1,184) |

(1) 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.

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

(3) The maximum potential amount the Fund could be required to pay 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.

**INTEREST RATE SWAPS**

| Counterparty | Pay/Receive   |                     | Fixed Rate | Maturity Date | Notional Amount | Premiums Paid/(Received) | Unrealized Swap Agreements, at Value |      | Asset   | Liability |
|--------------|---------------|---------------------|------------|---------------|-----------------|--------------------------|--------------------------------------|------|---------|-----------|
|              | Floating Rate | Floating Rate Index |            |               |                 |                          | Appreciation/Depreciation            |      |         |           |
| BPS          | Pay           | 1-Year BRL-CDI      | 11.500%    | 01/04/2021    | BRL 6,100       | \$ 8                     | \$ (68)                              | \$ 0 | \$ (60) |           |
| CBK          | Pay           | 1-Year BRL-CDI      | 11.500%    | 01/04/2021    | 23,000          | (22)                     | (204)                                | 0    | (226)   |           |

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|                              |     |                   |         |            |     |        |       |       |       |       |     |    |         |
|------------------------------|-----|-------------------|---------|------------|-----|--------|-------|-------|-------|-------|-----|----|---------|
|                              | Pay | 3-Month USD-LIBOR | 2.150%  | 08/24/2020 | \$  | 10,400 | 6     | 99    | 105   | 0     |     |    |         |
|                              | Pay | 3-Month USD-LIBOR | 2.800%  | 08/24/2025 |     | 3,700  | 3     | 46    | 49    | 0     |     |    |         |
| DUB                          | Pay | 3-Month USD-LIBOR | 2.150%  | 08/24/2020 |     | 18,000 | 17    | 165   | 182   | 0     |     |    |         |
|                              | Pay | 3-Month USD-LIBOR | 2.800%  | 08/24/2025 |     | 22,600 | 7     | 296   | 303   | 0     |     |    |         |
| GLM                          | Pay | 3-Month USD-LIBOR | 2.150%  | 08/24/2020 |     | 33,100 | 28    | 306   | 334   | 0     |     |    |         |
| MYC                          | Pay | 1-Year BRL-CDI    | 11.500% | 01/04/2021 | BRL | 40,500 | 36    | (435) | 0     | (399) |     |    |         |
| UAG                          | Pay | 1-Year BRL-CDI    | 11.250% | 01/04/2021 |     | 29,500 | (44)  | (328) | 0     | (372) |     |    |         |
|                              |     |                   |         |            |     | \$     | 39    | \$    | (123) | \$    | 973 | \$ | (1,057) |
| <b>Total Swap Agreements</b> |     |                   |         |            |     | \$     | (763) | \$    | (505) | \$    | 973 | \$ | (2,241) |

FINANCIAL DERIVATIVE INSTRUMENTS: OVER THE COUNTER SUMMARY

The following is a summary by counterparty of the market value of OTC financial derivative instruments and collateral (received)/pledged as of July 31, 2015:

(j) Securities with an aggregate market value of \$1,572 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of July 31, 2015.

| Counterparty                  | Financial Derivative Assets |                     |                         |                        | Financial Derivative Liabilities |                   |                         |                        |                                     |                               |                             |
|-------------------------------|-----------------------------|---------------------|-------------------------|------------------------|----------------------------------|-------------------|-------------------------|------------------------|-------------------------------------|-------------------------------|-----------------------------|
|                               | Forward Foreign             | Purchased Contracts | Swap Options Agreements | Total Over the Counter | Forward Foreign                  | Written Contracts | Swap Options Agreements | Total Over the Counter | Net Market Value of OTC Derivatives | Collateral (Received)/Pledged | Net Exposure <sup>(4)</sup> |
| BOA                           | \$ 62                       | \$ 0                | \$ 0                    | \$ 62                  | \$ (55)                          | \$ 0              | \$ 0                    | \$ (55)                | \$ 7                                | \$ (10)                       | \$ (3)                      |
| BPS                           | 5                           | 0                   | 0                       | 5                      | (47)                             | 0                 | (201)                   | (248)                  | (243)                               | 183                           | (60)                        |
| BRC                           | 1                           | 0                   | 0                       | 1                      | 0                                | 0                 | 0                       | 0                      | 1                                   | (10)                          | (9)                         |
| CBK                           | 2                           | 0                   | 154                     | 156                    | (4)                              | 0                 | (226)                   | (230)                  | (74)                                | 0                             | (74)                        |
| DUB                           | 1                           | 0                   | 485                     | 486                    | 0                                | 0                 | 0                       | 0                      | 486                                 | (680)                         | (194)                       |
| GLM                           | 10                          | 0                   | 334                     | 344                    | 0                                | 0                 | 0                       | 0                      | 344                                 | (290)                         | 54                          |
| GST                           | 0                           | 0                   | 0                       | 0                      | 0                                | 0                 | (197)                   | (197)                  | (197)                               | 0                             | (197)                       |
| HUS                           | 59                          | 0                   | 0                       | 59                     | (3)                              | 0                 | (258)                   | (261)                  | (202)                               | 351                           | 149                         |
| MSB                           | 53                          | 0                   | 0                       | 53                     | (54)                             | 0                 | 0                       | (54)                   | (1)                                 | (10)                          | (11)                        |
| MYC                           | 0                           | 0                   | 0                       | 0                      | 0                                | 0                 | (987)                   | (987)                  | (987)                               | 1,039                         | 52                          |
| NAB                           | 4                           | 0                   | 0                       | 4                      | 0                                | 0                 | 0                       | 0                      | 4                                   | 0                             | 4                           |
| SCX                           | 22                          | 0                   | 0                       | 22                     | (21)                             | 0                 | 0                       | (21)                   | 1                                   | 0                             | 1                           |
| UAG                           | 193                         | 0                   | 0                       | 193                    | (21)                             | 0                 | (372)                   | (393)                  | (200)                               | 0                             | (200)                       |
| <b>Total Over the Counter</b> | <b>\$ 412</b>               | <b>\$ 0</b>         | <b>\$ 973</b>           | <b>\$ 1,385</b>        | <b>\$ (205)</b>                  | <b>\$ 0</b>       | <b>\$ (2,241)</b>       | <b>\$ (2,446)</b>      |                                     |                               |                             |

<sup>(4)</sup> Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from OTC financial derivative instruments can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

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July 31, 2015

**FAIR VALUE OF FINANCIAL DERIVATIVE INSTRUMENTS**

The following is a summary of the fair valuation of the Fund's derivative instruments categorized by risk exposure. See Note 7, Principal Risks, in the Notes to Financial Statements on risks of the Fund.

**Fair Values of Financial Derivative Instruments on the Statements of Assets and Liabilities as of July 31, 2015:**

|   | Derivatives not accounted for as hedging instruments |                  |                  |                            |                         | Total    |
|---|--|------------------|------------------|----------------------------|-------------------------|----------|
|   | Commodity Contracts                                  | Credit Contracts | Equity Contracts | Foreign Exchange Contracts | Interest Rate Contracts |          |
| <b>Financial Derivative Instruments - Assets</b>      |  |                  |                  |                            |                         |          |
| Exchange-traded or centrally cleared                  |  |                  |                  |                            |                         |          |
| Swap Agreements                                       | \$ 0   | \$ 15            | \$ 0             | \$ 0                       | \$ 1,162                | \$ 1,177 |
| Over the counter                                      |  |                  |                  |                            |                         |          |
| Forward Foreign Currency Contracts                    | \$ 0   | \$ 0             | \$ 0             | \$ 412                     | \$ 0                    | \$ 412   |
| Swap Agreements                                       | 0  | 0                | 0                | 0                          | 973                     | 973      |
|   | \$ 0   | \$ 0             | \$ 0             | \$ 412                     | \$ 973                  | \$ 1,385 |
|   | \$ 0   | \$ 15            | \$ 0             | \$ 412                     | \$ 2,135                | \$ 2,562 |
| <b>Financial Derivative Instruments - Liabilities</b> |  |                  |                  |                            |                         |          |
| Exchange-traded or centrally cleared                  |  |                  |                  |                            |                         |          |
| Swap Agreements                                       | \$ 0   | \$ 0             | \$ 0             | \$ 0                       | \$ 1,025                | \$ 1,025 |
| Over the counter                                      |  |                  |                  |                            |                         |          |
| Forward Foreign Currency Contracts                    | \$ 0   | \$ 0             | \$ 0             | \$ 205                     | \$ 0                    | \$ 205   |
| Swap Agreements                                       | 0  | 1,184            | 0                | 0                          | 1,057                   | 2,241    |
|   | \$ 0   | \$ 1,184         | \$ 0             | \$ 205                     | \$ 1,057                | \$ 2,446 |
|   | \$ 0   | \$ 1,184         | \$ 0             | \$ 205                     | \$ 2,082                | \$ 3,471 |

**The Effect of Financial Derivative Instruments on the Statements of Operations for the period ended July 31, 2015:**

Derivatives not accounted for as hedging instruments

Total

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|   | Commodity<br>Contracts | Credit<br>Contracts | Equity<br>Contracts | Foreign<br>Exchange<br>Contracts | Interest<br>Rate Contracts |             |
|---|------------------------|---------------------|---------------------|----------------------------------|----------------------------|-------------|
| <b>Net Realized Gain (Loss) on Financial Derivative Instruments</b>                             |                        |                     |                     |                                  |                            |             |
| Exchange-traded or centrally cleared  |                        |                     |                     |                                  |                            |             |
| Swap Agreements   | \$ 0                   | \$ 1                | \$ 0                | \$ 0                             | \$ (16,498)                | \$ (16,497) |
| Over the counter  |                        |                     |                     |                                  |                            |             |
| Forward Foreign Currency Contracts  | \$ 0                   | \$ 0                | \$ 0                | \$ 3,119                         | \$ 0                       | \$ 3,119    |
| Swap Agreements   | 0                      | 126                 | 0                   | 0                                | 2,768                      | 2,894       |
|   | \$ 0                   | \$ 126              | \$ 0                | \$ 3,119                         | \$ 2,768                   | \$ 6,013    |
|   | \$ 0                   | \$ 127              | \$ 0                | \$ 3,119                         | \$ (13,730)                | \$ (10,484) |
| <b>Net Change in Unrealized Appreciation (Depreciation) on Financial Derivative Instruments</b> |                        |                     |                     |                                  |                            |             |
| Exchange-traded or centrally cleared  |                        |                     |                     |                                  |                            |             |
| Swap Agreements   | \$ 0                   | \$ (112)            | \$ 0                | \$ 0                             | \$ 5,807                   | \$ 5,695    |
| Over the counter  |                        |                     |                     |                                  |                            |             |
| Forward Foreign Currency Contracts  | \$ 0                   | \$ 0                | \$ 0                | \$ 53                            | \$ 0                       | \$ 53       |
| Swap Agreements   | 0                      | (382)               | 0                   | 0                                | 1,386                      | 1,004       |
|   | \$ 0                   | \$ (382)            | \$ 0                | \$ 53                            | \$ 1,386                   | \$ 1,057    |
|   | \$ 0                   | \$ (494)            | \$ 0                | \$ 53                            | \$ 7,193                   | \$ 6,752    |

See Accompanying Notes

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July 31, 2015

**FAIR VALUE MEASUREMENTS**

The following is a summary of the fair valuations according to the inputs used as of July 31, 2015 in valuing the Fund's assets and liabilities:

| Category and Subcategory                              | Level 1  | Level 2    | Level 3  | Fair Value at 07/31/2015 |
|---|----------|------------|----------|--------------------------|
| <b>Investments in Securities, at Value</b>            |          |            |          |                          |
| Bank Loan Obligations                                 | \$ 0     | \$ 5,115   | \$ 0     | \$ 5,115                 |
| <b>Corporate Bonds &amp; Notes</b>                    |          |            |          |                          |
| Banking & Finance                                     | 0        | 92,816     | 2,665    | 95,481                   |
| Industrials   | 0        | 46,725     | 0        | 46,725                   |
| Utilities   | 0        | 30,600     | 0        | 30,600                   |
| <b>Municipal Bonds &amp; Notes</b>                    |          |            |          |                          |
| California  | 0        | 4,708      | 0        | 4,708                    |
| Illinois  | 0        | 5,975      | 0        | 5,975                    |
| Nebraska  | 0        | 7,627      | 0        | 7,627                    |
| Virginia  | 0        | 295        | 0        | 295                      |
| West Virginia   | 0        | 4,842      | 0        | 4,842                    |
| U.S. Government Agencies                              | 0        | 7,242      | 0        | 7,242                    |
| Mortgage-Backed Securities                            | 0        | 54,876     | 0        | 54,876                   |
| Asset-Backed Securities                               | 0        | 53,865     | 0        | 53,865                   |
| Sovereign Issues                                      | 0        | 1,389      | 0        | 1,389                    |
| <b>Common Stocks</b>                                  |          |            |          |                          |
| Financials  | 0        | 0          | 96       | 96                       |
| <b>Preferred Securities</b>                           |          |            |          |                          |
| Banking & Finance                                     | 5,432    | 7,515      | 0        | 12,947                   |
| Utilities   | 2,408    | 0          | 0        | 2,408                    |
| <b>Short-Term Instruments</b>                         |          |            |          |                          |
| <b>Short-Term Instruments</b>                         |          |            |          |                          |
| Short-Term Notes                                      | \$ 0     | \$ 7,598   | \$ 0     | \$ 7,598                 |
| U.S. Treasury Bills                                   | 0        | 4,083      | 0        | 4,083                    |
| Total Investments                                     | \$ 7,840 | \$ 335,271 | \$ 2,761 | \$ 345,872               |
| <b>Financial Derivative Instruments - Assets</b>      |          |            |          |                          |
| Exchange-traded or centrally cleared                  | 0        | 1,177      | 0        | 1,177                    |
| Over the counter                                      | 0        | 1,385      | 0        | 1,385                    |
|   | \$ 0     | \$ 2,562   | \$ 0     | \$ 2,562                 |
| <b>Financial Derivative Instruments - Liabilities</b> |          |            |          |                          |
| Exchange-traded or centrally cleared                  | 0        | (1,025)    | 0        | (1,025)                  |
| Over the counter                                      | 0        | (2,446)    | 0        | (2,446)                  |
|   | \$ 0     | \$ (3,471) | \$ 0     | \$ (3,471)               |

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|        |    |       |    |         |    |       |    |         |
|--------|----|-------|----|---------|----|-------|----|---------|
| Totals | \$ | 7,840 | \$ | 334,362 | \$ | 2,761 | \$ | 344,963 |
|--------|----|-------|----|---------|----|-------|----|---------|

There were no significant transfers between Levels 1, 2, or 3 during the period ended July 31, 2015.

52 PIMCO CLOSED-END FUNDS

See Accompanying Notes

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July 31, 2015

|  | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|--|-------------------------------|---------------------------|
| <b>INVESTMENTS IN SECURITIES 116.1%</b>                |                               |                           |
| <b>BANK LOAN OBLIGATIONS 1.8%</b>                      |                               |                           |
| <b>Clear Channel Communications, Inc.</b>              |                               |                           |
| 6.940% due 01/30/2019                                  | \$ 6,800                      | \$ 6,262                  |
| <b>Sequa Corp.</b>                                     |                               |                           |
| 5.250% due 06/19/2017                                  | 5,303                         | 4,707                     |
| <b>Total Bank Loan Obligations<br/>(Cost \$11,090)</b> |                               | <b>10,969</b>             |
| <b>CORPORATE BONDS &amp; NOTES 54.6%</b>               |                               |                           |
| <b>BANKING &amp; FINANCE 29.4%</b>                     |                               |                           |
| <b>AGFC Capital Trust</b>                              |                               |                           |
| 6.000% due 01/15/2067                                  | 1,800                         | 1,341                     |
| <b>American International Group, Inc.</b>              |                               |                           |
| 6.250% due 03/15/2087                                  | 11,608                        | 12,794                    |
| 8.175% due 05/15/2068                                  | 300                           | 403                       |
| <b>Banco do Brasil S.A.</b>                            |                               |                           |
| 6.250% due 04/15/2024 (d)                              | 2,400                         | 1,634                     |
| 9.000% due 06/18/2024 (d)                              | 8,630                         | 7,441                     |
| 9.250% due 04/15/2023 (d)                              | 300                           | 271                       |
| <b>Banco Santander S.A.</b>                            |                               |                           |
| 6.250% due 09/11/2021 (d)                              | EUR 1,600                     | 1,744                     |
| <b>Barclays Bank PLC</b>                               |                               |                           |
| 7.625% due 11/21/2022                                  | \$ 2,200                      | 2,541                     |
| <b>Barclays PLC</b>                                    |                               |                           |
| 6.500% due 09/15/2019 (d)                              | EUR 1,500                     | 1,680                     |
| 8.000% due 12/15/2020 (d)                              | 3,900                         | 4,695                     |
| <b>BGC Partners, Inc.</b>                              |                               |                           |
| 5.375% due 12/09/2019                                  | \$ 6,370                      | 6,692                     |
| <b>Cantor Fitzgerald LP</b>                            |                               |                           |
| 6.500% due 06/17/2022 (f)                              | 8,500                         | 8,890                     |
| <b>Co-operative Group Holdings Ltd.</b>                |                               |                           |
| 7.500% due 07/08/2026                                  | GBP 6,150                     | 10,472                    |
| <b>Credit Agricole S.A.</b>                            |                               |                           |
| 6.500% due 06/23/2021 (d)                              | EUR 400                       | 455                       |
| 7.500% due 06/23/2026 (d)                              | GBP 3,500                     | 5,521                     |
| 7.875% due 01/23/2024 (d)                              | \$ 3,200                      | 3,344                     |
| <b>Depository Trust &amp; Clearing Corp.</b>           |                               |                           |
| 4.875% due 06/15/2020 (d)                              | 1,500                         | 1,510                     |
| <b>ERB Hellas PLC</b>                                  |                               |                           |
| 4.250% due 06/26/2018                                  | EUR 250                       | 94                        |
| <b>GSPA Monetization Trust</b>                         |                               |                           |
| 6.422% due 10/09/2029 (f)                              | \$ 4,956                      | 5,535                     |
| <b>Jefferies Finance LLC</b>                           |                               |                           |
| 6.875% due 04/15/2022                                  | 7,950                         | 7,672                     |
| <b>LBG Capital No.2 PLC</b>                            |                               |                           |
| 12.750% due 08/10/2020                                 | GBP 300                       | 575                       |
| 15.000% due 12/21/2019                                 | EUR 1,100                     | 1,818                     |
| <b>Lloyds Banking Group PLC</b>                        |                               |                           |
| 7.625% due 06/27/2023 (d)                              | GBP 6,100                     | 9,983                     |
| <b>Millennium Offshore Services Superholdings LLC</b>  |                               |                           |

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|   |     |                  |               |
|---|-----|------------------|---------------|
| 9.500% due 02/15/2018                                       | \$  | 4,500            | 4,320         |
| <b>Navient Corp.</b>  |     |                  |               |
| 5.500% due 01/15/2019                                       |     | 13,750           | 13,544        |
| 5.625% due 08/01/2033                                       |     | 150              | 108           |
| 8.450% due 06/15/2018                                       |     | 3,400            | 3,680         |
| <b>Novo Banco S.A.</b>                                      |     |                  |               |
| 2.625% due 05/08/2017                                       | EUR | 200              | 218           |
| 4.750% due 01/15/2018                                       |     | 600              | 682           |
| 5.000% due 04/04/2019                                       |     | 311              | 357           |
| 5.000% due 04/23/2019                                       |     | 653              | 751           |
| 5.000% due 05/14/2019                                       |     | 431              | 495           |
| 5.000% due 05/21/2019                                       |     | 241              | 277           |
| 5.000% due 05/23/2019                                       |     | 240              | 276           |
| 5.875% due 11/09/2015                                       |     | 1,800            | 1,992         |
|   |     | <b>PRINCIPAL</b> | <b>MARKET</b> |
|   |     | <b>AMOUNT</b>    | <b>VALUE</b>  |
|   |     | <b>(000S)</b>    | <b>(000S)</b> |
| <b>OneMain Financial Holdings, Inc.</b>                     |     |                  |               |
| 7.250% due 12/15/2021                                       | \$  | 3,610            | \$ 3,772      |
| <b>Rabobank Group</b>                                       |     |                  |               |
| 8.400% due 06/29/2017 (d)                                   |     | 700              | 763           |
| <b>Russian Agricultural Bank OJSC Via RSHB Capital S.A.</b> |     |                  |               |
| 5.298% due 12/27/2017                                       |     | 2,900            | 2,893         |
| 6.299% due 05/15/2017                                       |     | 5,500            | 5,629         |
| <b>Sberbank of Russia Via SB Capital S.A.</b>               |     |                  |               |
| 5.717% due 06/16/2021                                       |     | 6,100            | 5,958         |
| <b>Tesco Property Finance PLC</b>                           |     |                  |               |
| 5.411% due 07/13/2044                                       | GBP | 3,590            | 5,403         |
| 6.052% due 10/13/2039                                       |     | 1,962            | 3,206         |
| <b>TIG FinCo PLC</b>  |     |                  |               |
| 8.500% due 03/02/2020                                       |     | 687              | 1,126         |
| 8.750% due 04/02/2020                                       |     | 3,804            | 5,792         |
| <b>Vnesheconombank Via VEB Finance PLC</b>                  |     |                  |               |
| 5.942% due 11/21/2023                                       | \$  | 3,000            | 2,685         |
| 6.902% due 07/09/2020                                       |     | 11,000           | 10,822        |
| <b>Western Group Housing LP</b>                             |     |                  |               |
| 6.750% due 03/15/2057                                       |     | 5,500            | 6,388         |
|   |     |                  | 178,242       |
| <b>INDUSTRIALS 14.8%</b>                                    |     |                  |               |
| <b>Anadarko Petroleum Corp.</b>                             |     |                  |               |
| 7.000% due 11/15/2027                                       |     | 3,400            | 3,815         |
| <b>BMC Software Finance, Inc.</b>                           |     |                  |               |
| 8.125% due 07/15/2021                                       |     | 1,470            | 1,156         |
| <b>Boxer Parent Co., Inc. (9.000% Cash or 9.750% PIK)</b>   |     |                  |               |
| 9.000% due 10/15/2019 (b)                                   |     | 4,980            | 3,305         |
| <b>Caesars Entertainment Operating Co., Inc.</b>            |     |                  |               |
| 9.000% due 02/15/2020 ^                                     |     | 2,300            | 1,915         |
| 11.250% due 06/01/2017 ^                                    |     | 9,000            | 7,470         |
| <b>CCO Safari LLC</b>                                       |     |                  |               |
| 6.484% due 10/23/2045                                       |     | 6,221            | 6,452         |
| 6.834% due 10/23/2055                                       |     | 889              | 915           |
| <b>Chesapeake Energy Corp.</b>                              |     |                  |               |
| 3.539% due 04/15/2019                                       |     | 90               | 76            |
| <b>Communications Sales &amp; Leasing, Inc.</b>             |     |                  |               |
| 8.250% due 10/15/2023                                       |     | 2,000            | 1,920         |
| <b>Forbes Energy Services Ltd.</b>                          |     |                  |               |
| 9.000% due 06/15/2019                                       |     | 1,164            | 858           |
| <b>Ford Motor Co.</b>                                       |     |                  |               |
| 7.700% due 05/15/2097                                       |     | 10,460           | 12,973        |
| <b>Gulfport Energy Corp.</b>                                |     |                  |               |
| 7.750% due 11/01/2020                                       |     | 600              | 618           |
| <b>Harvest Operations Corp.</b>                             |     |                  |               |
| 6.875% due 10/01/2017                                       |     | 1,073            | 995           |
| <b>Hellenic Railways Organization S.A.</b>                  |     |                  |               |
| 4.028% due 03/17/2017                                       | EUR | 1,400            | 1,084         |
| <b>iHeartCommunications, Inc.</b>                           |     |                  |               |
| 9.000% due 09/15/2022                                       | \$  | 1,200            | 1,085         |



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|   |     |                  |                |
|---|-----|------------------|----------------|
| <b>Intrepid Aviation Group Holdings LLC</b>   |     |                  |                |
| 6.875% due 02/15/2019   |     | 4,030            | 3,778          |
| <b>Pertamina Persero PT</b>   |     |                  |                |
| 6.450% due 05/30/2044   |     | 11,154           | 10,903         |
| <b>Russian Railways via RZD Capital PLC</b>   |     |                  |                |
| 7.487% due 03/25/2031   | GBP | 1,300            | 1,888          |
| <b>Scientific Games International, Inc.</b>   |     |                  |                |
| 10.000% due 12/01/2022  | \$  | 3,300            | 3,218          |
| <b>Sequa Corp.</b>  |     |                  |                |
| 7.000% due 12/15/2017   |     | 6,588            | 4,546          |
| <b>Spirit Issuer PLC</b>  |     |                  |                |
| 6.582% due 12/28/2027   | GBP | 1,000            | 1,651          |
| <b>Tembec Industries, Inc.</b>  |     |                  |                |
| 9.000% due 12/15/2019   | \$  | 2,100            | 1,712          |
|   |     | <b>PRINCIPAL</b> | <b>MARKET</b>  |
|   |     | <b>AMOUNT</b>    | <b>VALUE</b>   |
|   |     | <b>(000S)</b>    | <b>(000S)</b>  |
| <b>UCP, Inc.</b>  |     |                  |                |
| 8.500% due 10/21/2017   | \$  | 2,000            | \$ 2,008       |
| <b>Unique Pub Finance Co. PLC</b>   |     |                  |                |
| 5.659% due 06/30/2027   | GBP | 4,254            | 6,839          |
| 6.542% due 03/30/2021   |     | 1,696            | 2,793          |
| <b>Westmoreland Coal Co.</b>  |     |                  |                |
| 8.750% due 01/01/2022   | \$  | 6,335            | 5,638          |
|   |     |                  | 89,611         |
| <b>UTILITIES 10.4%</b>  |     |                  |                |
| <b>AK Transneft OJSC Via TransCapitalInvest Ltd.</b>  |     |                  |                |
| 8.700% due 08/07/2018   |     | 4,500            | 4,955          |
| <b>Gazprom Neft OAO Via GPN Capital S.A.</b>  |     |                  |                |
| 4.375% due 09/19/2022   |     | 6,100            | 5,215          |
| 6.000% due 11/27/2023   |     | 15,900           | 14,689         |
| <b>Gazprom OAO Via Gaz Capital S.A.</b>   |     |                  |                |
| 5.999% due 01/23/2021   |     | 300              | 296            |
| <b>Illinois Power Generating Co.</b>  |     |                  |                |
| 6.300% due 04/01/2020   |     | 3,035            | 2,762          |
| 7.000% due 04/15/2018   |     | 5,100            | 4,858          |
| 7.950% due 06/01/2032   |     | 500              | 472            |
| <b>Northwestern Bell Telephone</b>  |     |                  |                |
| 7.750% due 05/01/2030   |     | 12,625           | 14,057         |
| <b>Odebrecht Drilling Norbe Ltd.</b>  |     |                  |                |
| 6.350% due 06/30/2022   |     | 410              | 297            |
| <b>Odebrecht Offshore Drilling Finance Ltd.</b>   |     |                  |                |
| 6.625% due 10/01/2023   |     | 4,360            | 2,791          |
| 6.750% due 10/01/2023   |     | 3,424            | 2,217          |
| <b>Petrobras Global Finance BV</b>  |     |                  |                |
| 2.750% due 01/15/2018   | EUR | 470              | 485            |
| 3.163% due 03/17/2020   | \$  | 270              | 244            |
| 4.875% due 03/17/2020   |     | 450              | 419            |
| 5.750% due 01/20/2020   |     | 220              | 213            |
| 6.625% due 01/16/2034   | GBP | 100              | 128            |
| 6.750% due 01/27/2041   | \$  | 2,400            | 2,010          |
| 7.875% due 03/15/2019   |     | 6,900            | 7,193          |
|   |     |                  | 63,301         |
| <b>Total Corporate Bonds &amp; Notes</b>  |     |                  | <b>331,154</b> |
| <b>(Cost \$334,017)</b>   |     |                  |                |
| <b>MUNICIPAL BONDS &amp; NOTES 10.0%</b>  |     |                  |                |
| <b>CALIFORNIA 2.5%</b>  |     |                  |                |
| <b>La Quinta Financing Authority, California Tax Allocation Bonds, Series 2011</b>                        |     |                  |                |
| 8.070% due 09/01/2036   |     | 3,000            | 3,426          |
| <b>Riverside County, California Redevelopment Successor Agency Tax Allocation Bonds, Series 2010</b>      |     |                  |                |
| 7.500% due 10/01/2030   |     | 1,200            | 1,312          |
| <b>San Francisco, California City &amp; County Redevelopment Agency Tax Allocation Bonds, Series 2009</b> |     |                  |                |
| 8.406% due 08/01/2039   |     | 1,650            | 2,089          |

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|   |       |        |
|---|-------|--------|
| <b>Stockton Public Financing Authority, California Revenue Bonds, (BABs), Series 2009</b> |       |        |
| 7.942% due 10/01/2038   | 7,500 | 8,442  |
|   |       | 15,269 |
| <b>ILLINOIS 0.1%</b>  |       |        |
| <b>Chicago, Illinois General Obligation Bonds, Series 2015</b>                            |       |        |
| 7.375% due 01/01/2033   | 180   | 182    |
| 7.750% due 01/01/2042   | 330   | 327    |
|   |       | 509    |

See Accompanying Notes

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**Table of Contents****Schedule of Investments PIMCO Income Strategy Fund II (Cont.)**

|   | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
|---|-------------------------------|---------------------------|
| <b>NEBRASKA 1.3%</b>  |                               |                           |
| <b>Public Power Generation Agency, Nebraska Revenue Bonds, (BABs), Series 2009</b>    |                               |                           |
| 7.242% due 01/01/2041   | \$ 6,500                      | \$ 7,746                  |
| <b>OHIO 4.3%</b>  |                               |                           |
| <b>Ohio State University Revenue Bonds, Series 2011</b>                               |                               |                           |
| 4.800% due 06/01/2111   | 27,300                        | 26,221                    |
| <b>VIRGINIA 0.1%</b>  |                               |                           |
| <b>Tobacco Settlement Financing Corp., Virginia Revenue Bonds, Series 2007</b>        |                               |                           |
| 6.706% due 06/01/2046   | 835                           | 624                       |
| <b>WEST VIRGINIA 1.7%</b>   |                               |                           |
| <b>Tobacco Settlement Finance Authority, West Virginia Revenue Bonds, Series 2007</b> |                               |                           |
| 7.467% due 06/01/2047   | 11,815                        | 10,062                    |
| <b>Total Municipal Bonds &amp; Notes<br/>(Cost \$55,305)</b>                          |                               | <b>60,431</b>             |
| <b>U.S. GOVERNMENT AGENCIES 2.9%</b>  |                               |                           |
| <b>Fannie Mae</b>   |                               |                           |
| 3.500% due 02/25/2042 (a)   | 1,549                         | 216                       |
| 4.500% due 11/25/2042 (a)   | 4,084                         | 675                       |
| 5.188% due 07/25/2025   | 7,100                         | 7,196                     |
| 6.060% due 01/25/2040 (a)   | 597                           | 111                       |
| <b>Freddie Mac</b>  |                               |                           |
| 3.000% due 02/15/2033 (a)   | 3,320                         | 430                       |
| 3.500% due 12/15/2032 (a)   | 6,287                         | 1,045                     |
| 7.741% due 12/25/2027   | 5,100                         | 5,211                     |
| 11.502% due 09/15/2035  | 2,036                         | 2,118                     |
| <b>Ginnie Mae</b>   |                               |                           |
| 3.500% due 06/20/2042 - 10/20/2042 (a)  | 1,420                         | 175                       |
| 4.000% due 10/16/2042 - 10/20/2042 (a)  | 747                           | 120                       |
| <b>Total U.S. Government Agencies<br/>(Cost \$16,999)</b>                             |                               | <b>17,297</b>             |
| <b>MORTGAGE-BACKED SECURITIES 29.1%</b>   |                               |                           |
| <b>Banc of America Alternative Loan Trust</b>   |                               |                           |
| 6.000% due 01/25/2036 ^   | 188                           | 160                       |
| 6.000% due 07/25/2046 ^   | 954                           | 793                       |
| <b>Banc of America Funding Trust</b>  |                               |                           |
| 3.117% due 01/20/2047 ^   | 54                            | 46                        |
| 6.000% due 01/25/2037   | 9,581                         | 6,792                     |
| 6.000% due 08/25/2037 ^   | 7,374                         | 6,498                     |
| <b>BCAP LLC Trust</b>   |                               |                           |
| 2.685% due 05/26/2036   | 425                           | 9                         |
| 2.834% due 08/26/2037   | 14,610                        | 8,948                     |
| 4.471% due 07/26/2037   | 17,246                        | 15,386                    |
| 5.368% due 03/26/2037   | 1,635                         | 536                       |
| 6.250% due 11/26/2036   | 5,798                         | 4,872                     |
| 6.471% due 12/26/2035   | 5,391                         | 4,358                     |
| 6.807% due 05/26/2037   | 1,365                         | 554                       |
| 12.180% due 09/26/2036  | 5,639                         | 4,647                     |
| 20.623% due 06/26/2036  | 332                           | 105                       |

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|   |                  |               |
|---|------------------|---------------|
| <b>Bear Stearns ALT-A Trust</b>                             |                  |               |
| 2.468% due 11/25/2035                                       | 10,004           | 7,899         |
| 2.593% due 11/25/2036                                       | 532              | 389           |
| 2.959% due 09/25/2035 ^                                     | 1,243            | 1,025         |
| <b>Chase Mortgage Finance Trust</b>                         |                  |               |
| 2.425% due 12/25/2035 ^                                     | 17               | 16            |
| 5.500% due 05/25/2036 ^                                     | 68               | 65            |
|   | <b>PRINCIPAL</b> | <b>MARKET</b> |
|   | <b>AMOUNT</b>    | <b>VALUE</b>  |
|   | <b>(000S)</b>    | <b>(000S)</b> |
| <b>Citicorp Mortgage Securities Trust</b>                   |                  |               |
| 5.500% due 04/25/2037                                       | \$ 192           | \$ 193        |
| 6.000% due 09/25/2037                                       | 2,346            | 2,458         |
| <b>Countrywide Alternative Loan Trust</b>                   |                  |               |
| 5.500% due 03/25/2035                                       | 557              | 502           |
| 5.500% due 01/25/2036                                       | 1,379            | 1,234         |
| 5.500% due 03/25/2036 ^                                     | 206              | 175           |
| 5.534% due 04/25/2036 ^                                     | 2,144            | 1,671         |
| 5.750% due 01/25/2035                                       | 666              | 677           |
| 5.750% due 02/25/2035                                       | 743              | 731           |
| 5.750% due 12/25/2036 ^                                     | 1,227            | 975           |
| 6.000% due 02/25/2035                                       | 623              | 649           |
| 6.000% due 04/25/2036                                       | 848              | 738           |
| 6.000% due 05/25/2036 ^                                     | 4,279            | 3,763         |
| 6.000% due 04/25/2037 ^                                     | 2,953            | 2,361         |
| 6.000% due 05/25/2037 ^                                     | 3,845            | 3,145         |
| 6.000% due 08/25/2037 ^                                     | 1,822            | 1,414         |
| 6.250% due 11/25/2036 ^                                     | 1,321            | 1,251         |
| 6.250% due 12/25/2036 ^                                     | 893              | 734           |
| 6.500% due 08/25/2036 ^                                     | 781              | 607           |
| <b>Countrywide Home Loan Mortgage Pass-Through Trust</b>    |                  |               |
| 0.481% due 03/25/2035 ^                                     | 7,803            | 6,330         |
| 5.750% due 03/25/2037 ^                                     | 1,048            | 950           |
| 6.000% due 05/25/2036 ^                                     | 781              | 720           |
| 6.000% due 07/25/2037                                       | 3,622            | 3,140         |
| 6.250% due 09/25/2036 ^                                     | 1,180            | 1,099         |
| <b>Credit Suisse First Boston Mortgage Securities Corp.</b> |                  |               |
| 6.000% due 11/25/2035 ^                                     | 763              | 644           |
| <b>Credit Suisse Mortgage Capital Mortgage-Backed Trust</b> |                  |               |
| 5.750% due 04/25/2036 ^                                     | 305              | 260           |
| 6.750% due 08/25/2036 ^                                     | 2,407            | 1,955         |
| <b>First Horizon Alternative Mortgage Securities Trust</b>  |                  |               |
| 6.000% due 05/25/2036 ^                                     | 1,309            | 1,112         |
| 6.000% due 08/25/2036 ^                                     | 2,155            | 1,788         |
| <b>First Horizon Mortgage Pass-Through Trust</b>            |                  |               |
| 2.625% due 11/25/2035 ^                                     | 1,754            | 1,425         |
| 2.795% due 05/25/2037 ^                                     | 656              | 527           |
| <b>IndyMac Mortgage Loan Trust</b>                          |                  |               |
| 6.500% due 07/25/2037 ^                                     | 4,134            | 2,730         |
| <b>JPMorgan Alternative Loan Trust</b>                      |                  |               |
| 2.525% due 03/25/2037 ^                                     | 2,074            | 1,635         |
| 2.596% due 03/25/2036 ^                                     | 3,410            | 2,724         |
| 2.642% due 05/25/2036 ^                                     | 3,127            | 2,559         |
| 6.310% due 08/25/2036 ^                                     | 2,435            | 2,005         |
| <b>JPMorgan Mortgage Trust</b>                              |                  |               |
| 2.597% due 02/25/2036 ^                                     | 825              | 721           |
| 4.858% due 10/25/2035                                       | 501              | 489           |
| 6.000% due 08/25/2037 ^                                     | 372              | 346           |
| 6.500% due 09/25/2035                                       | 148              | 153           |
| <b>Lehman Mortgage Trust</b>                                |                  |               |
| 6.000% due 07/25/2036 ^                                     | 1,465            | 1,110         |
| 6.000% due 07/25/2037 ^                                     | 2,423            | 2,214         |
| 6.500% due 09/25/2037 ^                                     | 4,614            | 3,904         |
| <b>MASTR Asset Securitization Trust</b>                     |                  |               |
| 6.500% due 11/25/2037 ^                                     | 793              | 667           |
| <b>Merrill Lynch Mortgage Investors Trust</b>               |                  |               |
| 2.734% due 03/25/2036 ^                                     | 2,798            | 1,895         |
| <b>Morgan Stanley Mortgage Loan Trust</b>                   |                  |               |
| 4.824% due 05/25/2036 ^                                     | 4,178            | 3,291         |
| <b>Nomura Asset Acceptance Corp Alternative Loan Trust</b>  |                  |               |

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|   |                  |        |                |
|---|------------------|--------|----------------|
| 4.976% due 05/25/2035   |                  | 24     | 23             |
| <b>RBSSP Resecuritization Trust</b>                           |                  |        |                |
| 0.345% due 02/26/2047   |                  | 8,144  | 6,929          |
| <b>Residential Accredited Loans, Inc. Trust</b>               |                  |        |                |
| 3.430% due 12/26/2034 ^                                       |                  | 2,165  | 1,837          |
| 6.000% due 06/25/2036 ^                                       |                  | 1,773  | 1,477          |
| 6.000% due 08/25/2036 ^                                       |                  | 601    | 500            |
| 6.000% due 12/25/2036 ^                                       |                  | 1,247  | 1,029          |
|   | <b>PRINCIPAL</b> |        | <b>MARKET</b>  |
|   | <b>AMOUNT</b>    |        | <b>VALUE</b>   |
|   | <b>(000S)</b>    |        | <b>(000S)</b>  |
| <b>Residential Asset Securitization Trust</b>                 |                  |        |                |
| 5.750% due 02/25/2036 ^                                       | \$               | 1,885  | \$ 1,562       |
| 6.000% due 02/25/2036   |                  | 1,057  | 849            |
| 6.000% due 03/25/2037 ^                                       |                  | 2,287  | 1,672          |
| 6.000% due 05/25/2037 ^                                       |                  | 2,728  | 2,398          |
| 6.000% due 07/25/2037 ^                                       |                  | 2,034  | 1,497          |
| 6.250% due 09/25/2037 ^                                       |                  | 3,402  | 2,444          |
| <b>Residential Funding Mortgage Securities, Inc. Trust</b>    |                  |        |                |
| 3.395% due 09/25/2035   |                  | 2,606  | 2,271          |
| 3.747% due 08/25/2036 ^                                       |                  | 2,945  | 2,595          |
| 6.250% due 08/25/2036 ^                                       |                  | 1,352  | 1,234          |
| <b>Structured Adjustable Rate Mortgage Loan Trust</b>         |                  |        |                |
| 2.454% due 11/25/2036 ^                                       |                  | 4,459  | 3,660          |
| 4.952% due 01/25/2036 ^                                       |                  | 3,759  | 2,946          |
| 5.226% due 07/25/2036 ^                                       |                  | 1,141  | 968            |
| <b>Suntrust Adjustable Rate Mortgage Loan Trust</b>           |                  |        |                |
| 2.571% due 02/25/2037 ^                                       |                  | 537    | 470            |
| <b>WaMu Mortgage Pass-Through Certificates Trust</b>          |                  |        |                |
| 4.363% due 02/25/2037 ^                                       |                  | 1,078  | 1,006          |
| 4.474% due 05/25/2037 ^                                       |                  | 2,663  | 2,511          |
| 4.536% due 07/25/2037 ^                                       |                  | 1,915  | 1,785          |
| 6.041% due 10/25/2036 ^                                       |                  | 1,441  | 1,215          |
| <b>Wells Fargo Mortgage-Backed Securities Trust</b>           |                  |        |                |
| 2.612% due 07/25/2036 ^                                       |                  | 629    | 599            |
| 5.750% due 03/25/2037 ^                                       |                  | 647    | 633            |
| <b>Total Mortgage-Backed Securities</b>                       |                  |        | <b>176,879</b> |
| <b>(Cost \$167,297)</b>                                       |                  |        |                |
| <b>ASSET-BACKED SECURITIES 9.4%</b>                           |                  |        |                |
| <b>Apidos CLO</b>   |                  |        |                |
| 3.930% due 07/22/2026   |                  | 1,500  | 1,141          |
| <b>Bear Stearns Asset-Backed Securities Trust</b>             |                  |        |                |
| 6.500% due 10/25/2036   |                  | 410    | 334            |
| <b>Countrywide Asset-Backed Certificates</b>                  |                  |        |                |
| 0.331% due 12/25/2046   |                  | 23,944 | 18,776         |
| <b>Fremont Home Loan Trust</b>                                |                  |        |                |
| 0.341% due 01/25/2037   |                  | 17,732 | 9,281          |
| <b>Greenpoint Manufactured Housing</b>                        |                  |        |                |
| 8.140% due 03/20/2030   |                  | 1,729  | 1,776          |
| <b>GSAA Home Equity Trust</b>                                 |                  |        |                |
| 5.772% due 11/25/2036 ^                                       |                  | 2,317  | 1,371          |
| <b>IndyMac Home Equity Mortgage Loan Asset-Backed Trust</b>   |                  |        |                |
| 0.351% due 07/25/2037   |                  | 3,854  | 2,438          |
| <b>Lehman XS Trust</b>  |                  |        |                |
| 5.319% due 06/24/2046   |                  | 5,429  | 4,550          |
| <b>MASTR Asset-Backed Securities Trust</b>                    |                  |        |                |
| 5.233% due 11/25/2035   |                  | 519    | 525            |
| <b>Mid-State Trust</b>  |                  |        |                |
| 6.340% due 10/15/2036   |                  | 1,411  | 1,537          |
| <b>Morgan Stanley Mortgage Loan Trust</b>                     |                  |        |                |
| 6.250% due 07/25/2047 ^                                       |                  | 978    | 732            |
| <b>Specialty Underwriting &amp; Residential Finance Trust</b> |                  |        |                |
| 0.691% due 09/25/2036   |                  | 14,080 | 9,201          |
| <b>Taberna Preferred Funding Ltd.</b>                         |                  |        |                |
| 0.639% due 12/05/2036   |                  | 6,959  | 5,462          |

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|   |     |         |                  |
|---|-----|---------|------------------|
| <b>Total Asset-Backed Securities</b>                    |     |         |                  |
| <b>(Cost \$56,268)</b>                                  |     |         | <b>57,124</b>    |
| <br>  |     |         |                  |
| <b>SOVEREIGN ISSUES 0.7%</b>                            |     |         |                  |
| <b>Autonomous Community of Valencia</b>                 |     |         |                  |
| 2.360% due 09/03/2017                                   | EUR | 2,500   | 2,830            |
| <b>Republic of Greece Government International Bond</b> |     |         |                  |
| 3.800% due 08/08/2017                                   | JPY | 204,000 | 1,185            |
| 4.750% due 04/17/2019                                   | EUR | 300     | 222              |
| <br><b>Total Sovereign Issues (Cost \$4,761)</b>        |     |         | <br><b>4,237</b> |

54 PIMCO CLOSED-END FUNDS

See Accompanying Notes

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|   | SHARES                        | MARKET<br>VALUE<br>(000S) |
|---|-------------------------------|---------------------------|
| <b>COMMON STOCKS 0.1%</b>                                   |                               |                           |
| <b>FINANCIALS 0.1%</b>                                      |                               |                           |
| <b>TIG TopCo Ltd. (e)</b>                                   | 496,900                       | \$ 520                    |
| <b>Total Common Stocks (Cost \$737)</b>                     |                               | <b>520</b>                |
| <b>PREFERRED SECURITIES 5.4%</b>                            |                               |                           |
| <b>BANKING &amp; FINANCE 4.6%</b>                           |                               |                           |
| <b>Citigroup Capital</b>                                    |                               |                           |
| 7.875% due 10/30/2040                                       | 260,000                       | 6,622                     |
| <b>Farm Credit Bank of Texas</b>                            |                               |                           |
| 10.000% due 12/15/2020 (d)                                  | 16,900                        | 21,168                    |
|   |                               | <b>27,790</b>             |
|   |                               |                           |
|   | SHARES                        | MARKET<br>VALUE<br>(000S) |
| <b>UTILITIES 0.8%</b>                                       |                               |                           |
| <b>Entergy Texas, Inc.</b>                                  |                               |                           |
| 5.625% due 06/01/2064                                       | 197,400                       | \$ 5,057                  |
| <b>Total Preferred Securities (Cost \$30,899)</b>           |                               | <b>32,847</b>             |
|   |                               |                           |
|   | PRINCIPAL<br>AMOUNT<br>(000S) |                           |
| <b>SHORT-TERM INSTRUMENTS 2.1%</b>                          |                               |                           |
| <b>SHORT-TERM NOTES 0.4%</b>                                |                               |                           |
| <b>Federal Home Loan Bank</b>                               |                               |                           |
| 0.090% due 10/16/2015                                       | \$ 400                        | 400                       |
| 0.144% due 11/04/2015                                       | 1,200                         | 1,200                     |
| 0.193% due 01/22/2016                                       | 900                           | 899                       |
|   |                               | <b>2,499</b>              |
|   |                               |                           |
|   | PRINCIPAL<br>AMOUNT<br>(000S) | MARKET<br>VALUE<br>(000S) |
| <b>U.S. TREASURY BILLS 1.7%</b>                             |                               |                           |
| 0.106% due 10/08/2015 - 01/28/2016 (c)(h)(j)                | \$ 10,468                     | \$ 10,463                 |
| <b>Total Short-Term Instruments<br/>(Cost \$12,962)</b>     |                               | <b>12,962</b>             |
| <b>Total Investments in Securities<br/>(Cost \$690,335)</b> |                               | <b>704,420</b>            |
| <b>Total Investments 116.1%<br/>(Cost \$690,335)</b>        |                               | <b>\$ 704,420</b>         |

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|  |                   |
|--|-------------------|
| <b>Financial Derivative Instruments (g)(i) (0.2%)</b>      |                   |
| (Cost or Premiums, net \$(1,599))                          | (964)             |
| Preferred Shares (15.2%)                                   | (92,450)          |
| Other Assets and Liabilities, net (0.7%)                   | (4,032)           |
| <b>Net Assets Applicable to Common Shareholders 100.0%</b> | <b>\$ 606,974</b> |

**NOTES TO SCHEDULE OF INVESTMENTS (AMOUNTS IN THOUSANDS\*):**

- \* A zero balance may reflect actual amounts rounding to less than one thousand.
- ^ Security is in default.
- (a) Interest only security.
- (b) Payment in-kind bond security.
- (c) Coupon represents a weighted average yield to maturity.
- (d) Perpetual maturity; date shown, if applicable, represents next contractual call date.

**(e) RESTRICTED SECURITIES:**

| Issuer Description | Acquisition Date | Cost   | Market Value | Market Value as Percentage of Net Assets |
|--------------------|------------------|--------|--------------|--|
| TIG TopCo Ltd.     | 04/02/2015       | \$ 737 | \$ 520       | 0.09%                                    |

**BORROWINGS AND OTHER FINANCING TRANSACTIONS**

**REVERSE REPURCHASE AGREEMENTS:**

| Counterparty                               | Borrowing Rate | Borrowing Date | Maturity Date | Amount Borrowed <sup>(1)</sup> | Payable for Reverse Repurchase Agreements |
|--|----------------|----------------|---------------|--------------------------------|---|
| MSC  | 0.600%         | 07/30/2015     | 10/30/2015    | \$ (4,940)                     | \$ (4,940)                                |
| RDR  | 0.420%         | 08/03/2015     | 08/25/2015    | (8,477)                        | (8,477)                                   |
| <b>Total Reverse Repurchase Agreements</b> |                |                |               |                                | <b>\$ (13,417)</b>                        |

(1) The average amount of borrowings outstanding during the period ended July 31, 2015 was \$34,653 at a weighted average interest rate of 0.419%.

**BORROWINGS AND OTHER FINANCING TRANSACTIONS SUMMARY**

The following is a summary by counterparty of the market value of Borrowings and Other Financing Transactions and collateral (received)/pledged as of July 31, 2015:



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(f) Securities with an aggregate market value of \$14,424 have been pledged as collateral under the terms of the following master agreements as of July 31, 2015.

| Counterparty   | Repurchase Agreement Proceeds to be Received | Payable for Reverse Repurchase Agreements | Payable for Sale-Buyback Transactions | Payable for Short Sales | Total Borrowings and Other Financing Transactions | Collateral Pledged | Net Exposure <sup>(2)</sup> |
|--|--|---|---------------------------------------|-------------------------|---|--------------------|-----------------------------|
| Global/Master Repurchase Agreement                       |  |   |                                       |                         |   |                    |                             |
| MSC  | \$ 0   | \$ (4,940)                                | \$ 0                                  | \$ 0                    | \$ (4,940)  | \$ 5,535           | \$ 595                      |
| RDR  | 0  | (8,477)                                   | 0                                     | 0                       | (8,477)   | 8,890              | 413                         |
| <b>Total Borrowings and Other Financing Transactions</b> | <b>\$ 0</b>                                  | <b>\$ (13,417)</b>                        | <b>\$ 0</b>                           | <b>\$ 0</b>             |   |                    |                             |

(2) Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from borrowings and other financing transactions can only be netted across transactions governed under the same master agreement with the same legal entity. See Note 7, Principal Risks, in the Notes to Financial Statements for more information regarding master netting arrangements.

See Accompanying Notes

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**Table of Contents****Schedule of Investments PIMCO Income Strategy Fund II (Cont.)****(g) FINANCIAL DERIVATIVE INSTRUMENTS: EXCHANGE-TRADED OR CENTRALLY CLEARED****SWAP AGREEMENTS:****CREDIT DEFAULT SWAPS ON CREDIT INDICES - SELL PROTECTION <sup>(1)</sup>**

| Index/Tranches         | Fixed Deal<br>Receive Rate | Maturity<br>Date | Notional<br>Amount <sup>(2)</sup> | Market<br>Value <sup>(3)</sup> | Unrealized<br>(Depreciation) | Variation Margin<br>Asset | Liability |
|------------------------|----------------------------|------------------|-----------------------------------|--------------------------------|------------------------------|---------------------------|-----------|
| CDX.HY-24 5-Year Index | 5.000%                     | 06/20/2020       | \$ 26,433                         | \$ 1,798                       | \$ (238)                     | \$ 32                     | \$ 0      |

<sup>(1)</sup> 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.

<sup>(2)</sup> The maximum potential amount the Fund could be required to pay 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.

<sup>(3)</sup> The prices and resulting values for credit default swap agreements on credit indices serve as an indicator of the current status 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 be 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 indices credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

**INTEREST RATE SWAPS**

| Pay/Receive   | Floating Rate Index | Fixed Rate | Maturity<br>Date | Notional<br>Amount | Market<br>Value | Unrealized<br>Appreciation/<br>(Depreciation) | Variation<br>Margin<br>Asset | Liability |
|---------------|---------------------|------------|------------------|--------------------|-----------------|---|------------------------------|-----------|
| Floating Rate |                     |            |                  |                    |                 |   |                              |           |
| Pay           | 3-Month USD-LIBOR   | 2.000%     | 06/18/2019       | \$ 275,000         | \$ 6,395        | \$ 2,798                                      | \$ 758                       | \$ 0      |
| Pay           | 3-Month USD-LIBOR   | 2.250%     |                  |                    |                 |   |                              |           |