

PIMCO HIGH INCOME FUND
Form N-CSR
June 08, 2007

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

FORM N-CSR

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

Investment Company Act file number 811-21311

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

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

New York 10105
(Zip code)

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

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

Date of fiscal year March 31, 2007
end:

Date of reporting period: March 31, 2007

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.

Item 1. Schedule of Investments

PIMCO High Income Fund

Annual Report
March 31, 2007

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PIMCO High Income Fund Letter to Shareholders

May 1, 2007

Dear Shareholder:

We are pleased to provide you with the annual report for PIMCO High Income Fund (the Fund) for the fiscal year ended March 31, 2007.

During the period, higher-income US bonds outperformed the broad bond market. The Merrill Lynch High Yield Master II Index returned 11.1% in the period, compared with the Lehman Brothers Aggregate Bond Index return of 6.59%.

For performance and specific information on the Fund please refer to the following pages. If you have any questions regarding the information provided, we encourage you to contact your financial advisor or call the Fund's shareholder servicing agent at (800) 331-1710. In addition, a wide range of information and resources is available on our Web site, www.allianzinvestors.com/closedendfunds.

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

We remain dedicated to serving your financial needs.

Sincerely,

Hans W. Kertess

Chairman

Brian S. Shlissel

President & Chief Executive Officer

PIMCO High Income Fund Performance & Statistics

March 31, 2007

For the fiscal year ended March 31, 2007, the Fund had a net asset value (NAV) return of 14.04% and a market price return of 19.29%.

Security selection in the consumer cyclical sector 11.4% was a significant contributor to performance, as auto-related bonds 9.7% led the broader industry category higher.

Security selection and increasing exposure to the healthcare sector 9.3% in the last six months of the period was a strong positive as these bonds have come off their mid-2006 lows and posted strong returns.

A relative large weight to the telecom sector 12.3% and an emphasis on wirelines 8.7% which significantly outpaced wireless, benefited the Fund's performance.

An emphasis on pipelines 6.7% within the energy sector, which outperformed the broader sector by 200 basis points, was a boost to performance.

As utilities underperformed the high yield market, a relatively large exposure to the sector 7.2% detracted from performance.

Within media, a relatively small weight to the publishing sector 3.6% weighed on returns as these bonds outperformed.

An emphasis on B-rated issues 71.0% within the high yield market added to performance as these bonds outperformed BB-rated bonds by about 150 basis points.

Total Return⁽¹⁾:	Market Price	Net Asset Value (NAV)
1 year	19.29%	14.04%
3 year	15.38%	11.62%
Commencement of Operations (4/30/03) to 3/31/07	13.53%	13.20%

Common Share Market Price/NAV Performance:	Market Price/NAV:	
Commencement of Operations (4/30/03) to 3/31/07	Market Price	\$15.96
	NAV	\$15.19
	Premium to NAV	5.07%
	Market Price Yield ⁽²⁾	9.16%

Moody's Rating
(as a % of total investments)

(1) **Past performance is no guarantee of future results.** Total return is determined by subtracting the initial investment from the value at the end of the period and dividing the remainder by the initial investment and expressing the result as a percentage. The calculation assumes that all income dividends and capital gain distributions have been reinvested at prices obtained under the Fund's dividend reinvestment plan. Total return does not reflect broker commissions or sales charges. Total return for a period of less than one year is not annualized. Total return for a period of more than one year represents the average annual total return.

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

(2) Market Price Yield is determined by dividing the annualized current monthly per share dividend to common shareholders by the market price per common share at March 31, 2007.

2 PIMCO High Income Fund Annual Report | 3.31.07

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PIMCO High Income Fund Schedule of Investments

March 31, 2007

	Principal Amount (000)		Credit Rating (Moody s/S&P)*	Value
CORPORATE BONDS & NOTES 90.5%				
Aerospace 0.2%				
\$	5,600	Armor Holdings, Inc., 8.25%, 8/15/13	B1/B+	\$ 5,908,000
Airlines 1.1%				
	8,760	American Airlines, Inc., pass thru certificates, 8.608%, 10/1/12 (k)	Baa3/BB+	9,269,175
	13,348	Continental Airlines, Inc., pass thru certificates, 6.92%, 4/2/13, 97-5A 9 (a) (b) (g)	NR/NR	13,161,290
	4,105	7.373%, 6/15/17, Ser. 01-1	Ba1/BB+	4,127,860
	1,917	8.307%, 10/2/19, Ser. 00-2	Ba2/BB-	1,999,603
	3,250	Northwest Airlines, Inc., pass thru certificates, 7.691%, 4/1/17, Ser. 01-B	Caa1/CCC	3,256,505
	289	United Air Lines, Inc., pass thru certificates, 6.602%, 3/1/15, Ser. 01-1	Aaa/BBB	293,398
				32,107,831
Automotive 4.6%				
	15,475	ArvinMeritor, Inc., 8.75%, 3/1/12	B1/B+	16,055,312
	5,375	Cooper-Standard Automotive, Inc., 7.00%, 12/15/12	B3/CCC+	5,039,063
	23,250	Ford Motor Co., 7.45%, 7/16/31	Caa1/CCC+	18,105,938
	17,200	General Motors Corp., 8.25%, 7/15/23	Caa1/B-	15,566,000
	3,000	8.80%, 3/1/21	Caa1/B-	2,865,000
	20,000	9.40%, 7/15/21	Caa1/B-	19,700,000
	12,300	Goodyear Tire & Rubber Co., 9.00%, 7/1/15	B2/B-	13,560,750
	7,000	11.25%, 3/1/11	B2/B-	7,726,250
	14,000	Tenneco Automotive, Inc., 8.625%, 11/15/14	B3/B	14,665,000
	14,025	10.25%, 7/15/13, Ser. B	Ba3/B+	15,357,375
	500	TRW Automotive, Inc., 9.375%, 2/15/13	B1/BB-	539,755
				129,180,443
Building/Construction 0.5%				
	5,000	Ahern Rentals, Inc., 9.25%, 8/15/13	B3/B	5,243,750
	6,000	9.25%, 8/15/13 (d)	B3/B	6,292,500
	2,000	Grohe Holding GmbH, 8.625%, 10/1/14	B3/CCC+	2,748,825
				14,285,075
Chemicals 3.2%				